

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

701 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

Gil M. Strobel

gmstrobel@mintz.com

ORIGINAL

202 434 7300
202 434 7400 fax

May 18, 2000

BY OVERNIGHT MAIL

Blanca S. Bayo
Director, Division of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RECEIVED-FPSC
00 MAY 22 AM 10:46
RECORDS AND REPORTING

000607-7P

Re: Notification of Merger of CoreComm Limited
and ATX Telecommunications Services, Inc.

Dear Ms. Bayo:

CoreComm Florida ("CoreComm FL") and ATX Telecommunications Services, Inc. ("ATX") (collectively, the "Parties"), by their attorneys, hereby respectfully notify the Florida Public Service Commission ("Commission") of a transaction whereby ownership and control of ATX will be transferred from its current shareholders to the present shareholders of CoreComm FL's ultimate parent company, CoreComm Limited ("CoreComm") pursuant to a Recapitalization Agreement and Plan of Merger ("Agreement"), dated March 9, 2000, between CoreComm and ATX. The Parties also notify the Commission of the pro forma assignment of ATX's authorization to its wholly-owned subsidiary, ATX Licensing, Inc. ("ALI"), and the pro forma restructuring of CoreComm. All of the transactions contemplated by the Agreement are described more fully below. Importantly, although there are changes in the ownership of the Parties and how they are structured, this transaction will be transparent to customers who will continue to receive service exactly as they have prior to the transaction.

It is the understanding of the Parties that prior approval is not required by the Commission in order to consummate the proposed transaction. Therefore, absent the receipt of written notification to the contrary, the Parties will proceed on the understanding that no approval or other formal action with respect to the proposed transaction is necessary.

M. M. [Signature]
MAY 22 2000

DOCUMENT NUMBER-DATE

Washington Boston New York Reston

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FPSC-RECORDS/REPORTING

Blanca S. Bayo
May 18, 2000
Page 2

The Parties:

ATX is a privately held Delaware corporation.^{1/} Its principal business address is 50 Monument Road, Bala Cynwyd, Pennsylvania 19004. Its primary, toll-free telephone number is (800) 220-2891. ATX is authorized by the Federal Communications Commission ("FCC") to provide domestic interexchange and international service. ATX provides intrastate interexchange and/or local exchange service in over twenty states, primarily on a resale basis. ATX is authorized to provide interexchange telecommunications services in Florida pursuant to Order PSC-92-0766-FOF-TI issued August 6, 1992.

ALI, a Delaware corporation, is a newly-formed, wholly-owned subsidiary of ATX. It is currently applying for authority to provide interexchange service in several states. A copy of its certificate of incorporation is attached as Exhibit C. Its directors and officers are the same as those of ATX. A copy of ALI's authority to conduct business in Florida is being obtained and will be forwarded when it is available.

CoreComm is a publicly held Bermuda corporation with its principal place of business at 110 East 59th Street, 26th Floor, New York, New York 10222. CoreComm is traded on the NASDAQ stock exchange under the symbol COMM. CoreComm is a telecommunications service provider operating on an intrastate, interstate, and international basis and providing integrated telephone, Internet, and data services to business and residential customers. Through its subsidiaries, CoreComm is authorized to provide local and/or interexchange services in over twenty states, including Florida. CoreComm is the indirect parent company of CoreComm FL, which is authorized to provide alternative local exchange service in the State of Florida pursuant to Order PSC-00-0930-CO-TX, issued May 10, 2000. CoreComm also has applications pending to provide telecommunications services in several other states and is authorized by the FCC to offer domestic interstate and international services nationwide as a non-dominant carrier.

CoreComm is financially qualified to assume control of ATX and to assure that CoreComm FL and ALI continue to provide superior, reliable service to customers in Florida. In

^{1/} In anticipation of this transaction, on February 9, 2000, ATX Telecommunications Services, Ltd. was converted by statutory merger into a corporation with share ownership identical to the ownership of the limited partnership. The corporation retains essentially the same name, ATX Telecommunications Services, Inc., and this change in type of entity did not affect management, the rates or services being provided, or the customer service/Commission contact number, all of which remain the same. Copies of the corporation's Articles of Incorporation, qualification to do business in Florida and a list of its officers and directors are attached hereto as Exhibits A and B respectively. It is the Parties' understanding that, given the insignificant nature of this change from a limited partnership company to an identically-owned and operated corporation, no formal Commission approval is required.

Blanca S. Bayo
May 18, 2000
Page 3

1999, CoreComm had revenues of approximately \$58,151,000; working capital of approximately \$121,292,000; and shareholders' equity of approximately \$126,926,000. CoreComm is led by a highly-qualified team of management personnel, all of whom have extensive backgrounds in telecommunications. Upon completion of the merger, they will also constitute the management team of the combined company, including ALI. In addition, certain members of the ATX management team will continue to serve with CoreComm after the merger is consummated.

Correspondence or communications pertaining to this letter should be directed to:

For CoreComm:

Ellen Craig, Esq.
Regulatory Affairs
CoreComm Limited
10 S. Riverside Plaza, Suite 2000
Chicago, IL 60606
Telephone: (312) 906-3802
Facsimile: (312) 559-8388

For ATX

Susan C. Van Allen, Esq.
ATX Telecommunications
Services, Inc.
50 Monument Road
Bala Cynwyd, PA 19004
Telephone: (610) 668-3000
Facsimile: (610) 668-1096

Copies of any correspondence also should be sent to the following designated representatives of the Parties:

For CoreComm:

Sara F. Seidman
Gil Strobel
Mintz, Levin, Cohn, Ferris, Glovsky
and Popeo, P.C.
Suite 900
701 Pennsylvania Avenue, NW
Washington, DC 20004
Telephone: (202) 434-7300
Facsimile: (202) 434-7400

For ATX:

James J. Freeman
W. Joseph Price
Kelley Drye & Warren LLP
Suite 500
1200 19th Street, N.W.
Washington, DC 20036
Telephone: (202) 955-9781
Facsimile: (202) 955-9792

Blanca S. Bayo
May 18, 2000
Page 4

The Transaction:

CoreComm and ATX have agreed to a plan of merger whereby, through a series of transactions described below, CoreComm shareholders will acquire a majority of the shares of ATX, which will be the surviving entity. The post-merger ATX will subsequently change its name to CoreComm Limited.

A detailed description of the proposed merger and resulting restructuring of both companies is explained below. Each of these steps, other than steps 1 and 2, will occur on the closing date.

Step 1. ATX will create a wholly owned subsidiary, organized under the laws of the State of Delaware, ALI, to which all of its state PUC authorizations will be assigned on the closing date of the merger, subject to any necessary regulatory approvals.

Step 2. ATX and CoreComm will each create wholly owned subsidiaries, organized under the laws of Delaware, ATX Merger Sub and CoreComm Merger Sub.

Step 3. CoreComm will merge with and into CoreComm Merger Sub, and CoreComm Merger Sub will be the surviving company. CoreComm shareholders will simultaneously become shareholders of CoreComm Merger Sub.

Step 4. ATX Merger Sub will merge with and into CoreComm Merger Sub, and CoreComm Merger Sub will be the surviving company, so that CoreComm Merger Sub effectively becomes a wholly owned subsidiary of ATX.

Step 5. ATX will recapitalize by issuing shares of its common stock to the original ATX shareholders and the shareholders of CoreComm Merger Sub (whose shares of CoreComm Merger Sub will be cancelled). After this recapitalization, the original ATX shareholders will hold approximately 24.3% of ATX's capital stock and the original CoreComm shareholders will hold approximately 75.7% of ATX's capital stock, on an undiluted basis.^{2/} At the same time, the directors and officers of CoreComm will become the directors and officers of ATX. Although the current CoreComm shareholders will hold a majority of the stock of ATX upon consummation of the transaction, no individual shareholder or group of shareholders acting in

^{2/} CoreComm has also entered into a separate merger agreement with a third company, Voyager.net, Inc. ("Voyager"), which, if consummated, would change the ownership percentages as follows: CoreComm shareholders - 64.2%; ATX shareholders - 20.5%; Voyager shareholders - 15.3%. The original CoreComm shareholders and board of directors will retain control of the restructured company.

Blanca S. Bayo

May 18, 2000

Page 5

concert will control ATX. Rather, such control will reside in all of the persons holding shares of ATX at any particular time, as is the case with other publicly held corporations. Accordingly, there will be a transfer of control of ATX, but no substantive change in control of CoreComm because the shareholders who now control it will continue to do so. Finally, at the time the transaction is consummated, ATX will change its name to CoreComm Limited.

The transfer of control of ATX to CoreComm will be accomplished in a seamless fashion, and will have no adverse effects on ATX's or CoreComm FL's provision of telecommunications services in Florida. After completion of the transaction, ALI will change its name to ATX Telecommunications Services, Inc., or adopt that name as a D.B.A. ALI will then provide telecommunications services under the name ATX Telecommunications Services, Inc. and will continue to provide the same service under the same rates, terms, and conditions as ATX. CoreComm FL will continue to provide telecommunications services exactly as before the transaction. Consummation of the proposed transfer of control and pro forma assignment will be transparent to customers of both ATX and CoreComm FL and will not involve any interruption of service or change in the terms and conditions under which customers receive service.^{3/}

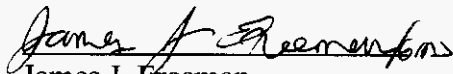
The transfer of control of ATX from its current shareholders to CoreComm will serve the public interest, bringing together ATX and CoreComm to create a strong company with a national presence that will be well positioned to provide Florida consumers with competitive services in the rapidly evolving telecommunications industry. The Parties will enjoy increased economies of scale that will permit them to operate more efficiently and, thus, to compete more effectively. Florida consumers will benefit significantly from the emergence of strong competitor committed to preserving and building on ATX's and CoreComm's existing customer bases by offering advanced high quality products and services, including, in particular, products and services directed to the often under-served residential market.

^{3/} In the future, CoreComm may transition ATX customers to the CoreComm brand name after giving full notice to any affected customers. If that course is followed, the companies will seek all necessary approvals from the Commission.

Blanca S. Bayo
May 18, 2000
Page 6

Please date-stamp the enclosed extra copy of this letter and return it in the attached self-addressed, stamped envelope.

If you require any additional information on this matter, please do not hesitate to contact the undersigned.

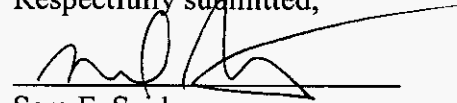


James J. Freeman
W. Joseph Price
Kelley Drye & Warren LLP
Suite 500
1200 19th Street, N.W.
Washington, DC 20036
Telephone: (202) 955-9781
Facsimile: (202) 955-9792

Counsel for ATX Telecommunications
Services, Inc.

cc: William D'Haeseleer
Tommy Williams

Respectfully submitted,



Sara F. Seidman
Gil M. Strobel
Mintz, Levin, Cohn, Ferris, Glovsky
And Popeo, P.C.
Suite 900
701 Pennsylvania Avenue, N.W.
Washington, DC 20004
Telephone: (202) 434-7300
Facsimile: (202) 434-7400

Counsel for CoreComm Limited
and CoreComm Florida, Inc.

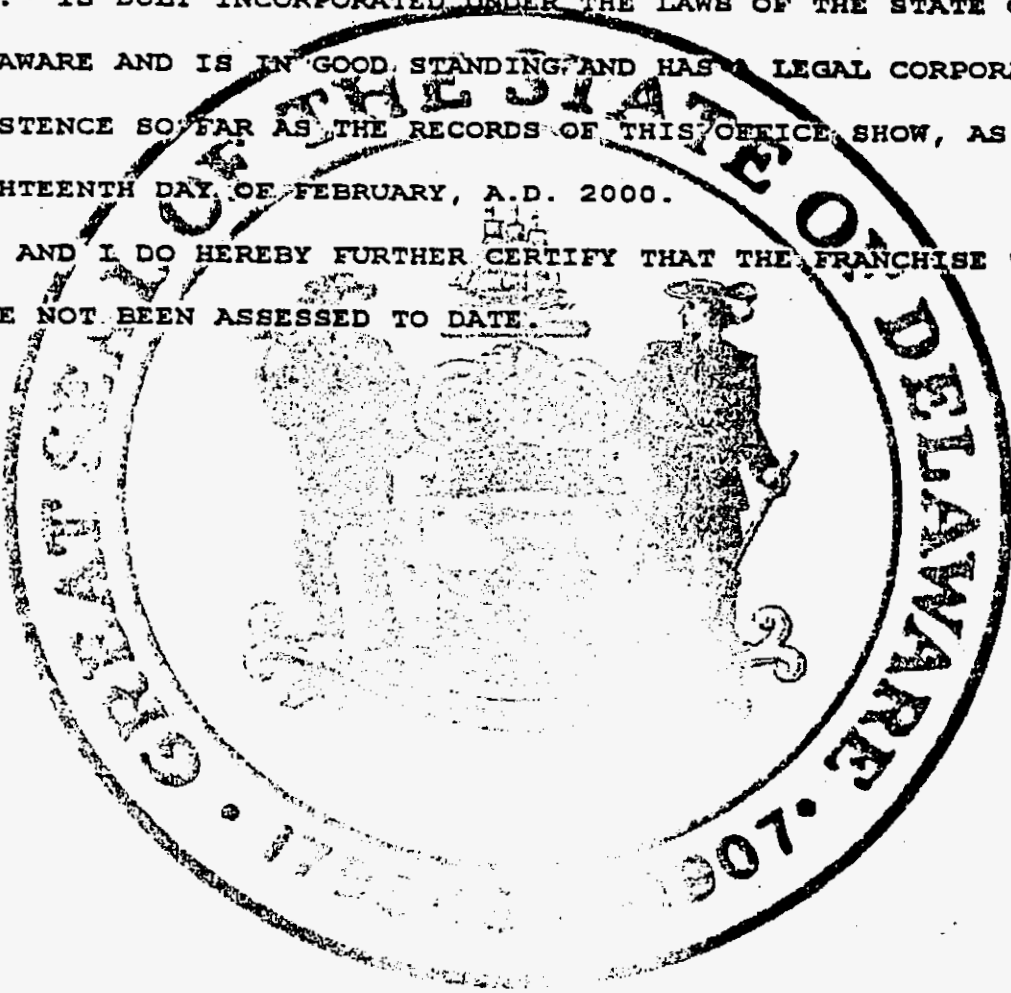
EXHIBIT A

**ATX CERTIFICATE OF INCORPORATION AND
QUALIFICATION TO DO BUSINESS**

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "ATX TELECOMMUNICATIONS SERVICES, INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE EIGHTEENTH DAY OF FEBRUARY, A.D. 2000.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE NOT BEEN ASSESSED TO DATE.



Edward J. Freel

Edward J. Freel, Secretary of State

3174330 8300

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AUTHENTICATION: 0267708

DATE: 02-18-00



FLORIDA DEPARTMENT OF STATE
Katherine Harris
Secretary of State

February 29, 2000

C T CORPORATION SYSTEM

TALLAHASSEE, FL

Qualification documents for ATX TELECOMMUNICATIONS SERVICES, INC. were filed on February 29, 2000 and assigned document number F00000001083. Please refer to this number whenever corresponding with this office.

Your corporation is now qualified and authorized to transact business in Florida as of the file date.

A corporation annual report/uniform business report will be due this office between January 1 and May 1 of the year following the calendar year of the file date. A Federal Employer Identification (FEI) number will be required before this report can be filed. If you do not already have an FEI number, please apply NOW with the Internal Revenue by calling 1-800-829-3676 and requesting form SS-4.

Please be aware if the corporate address changes, it is the responsibility of the corporation to notify this office.

Should you have any questions regarding this matter, please telephone (850) 487-6091, the Foreign Qualification/Tax Lien Section.

Buck Kohr
Corporate Specialist
Division of Corporations

Letter Number: 700A00011007

**APPLICATION BY FOREIGN CORPORATION FOR AUTHORIZATION TO TRANSACT
BUSINESS IN FLORIDA**

IN COMPLIANCE WITH SECTION 607.1503, FLORIDA STATUTES, THE FOLLOWING IS SUBMITTED TO REGISTER A FOREIGN CORPORATION TO TRANSACT BUSINESS IN THE STATE OF FLORIDA.

09 FEB 29 PM 2:17
COMMUNICATIONS

1. ATX TELECOMMUNICATIONS SERVICES, INC.
(Name of corporation; must include the word "INCORPORATED", "COMPANY", "CORPORATION" or words or abbreviations of like import in language as will clearly indicate that it is a corporation instead of a natural person or partnership if not so contained in the name at present.)

2. Delaware 3. Applied For
(State or country under the law of which it is incorporated) (FEI number, if applicable)

4. 2/9/00 5. Perpetual
(Date of incorporation) (Duration: Year corp. will cease to exist or "perpetual")

6. Upon Filing
(Date first transacted business in Florida.) (SEE SECTIONS 607.1501, 607.1502 and 817.155, F.S.)

7. 50 Monument Rd.
Bala Cynwyd, PA 19004
(Current mailing address)

8. To provide telecommunications and other related services.
(Purpose(s) of corporation authorized in home state or country to be carried out in state of Florida)

9. **Name and street address of Florida registered agent: (P.O. Box or Mail Drop Box NOT acceptable)**

Name: C T Corporation System

Office Address: 1200 South Pine Island Road

Plantation, Florida, 33324
(Zip code)

10. Registered agent's acceptance:

Having been named as registered agent and to accept service of process for the above stated corporation at the place designated in this application, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

C T Corporation System

Mary Alice Rogers
(Registered agent's signature)

MARY ALICE ROGERS
Assistant Vice President

11. Attached is a certificate of existence duly authenticated, not more than 90 days prior to delivery of this application to the Department of State, by the Secretary of State or other official having custody of corporate records in the jurisdiction under the law of which it is incorporated.

A. DIRECTORS (Street address only - P.O. Box NOT acceptable)

Chairman: See Attached Rider

Address: _____

Vice Chairman: _____

Address: _____

Director: _____

Address: _____

Director: _____

Address: _____

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UNIVERSITY OF CALIFORNIA LIBRARY

B. OFFICERS (Street address only - P.O. Box NOT acceptable)

President: See Attached Rider

Address: _____

Vice President: _____

Address: _____

Secretary: _____

Address: _____

Treasurer: _____

Address: _____

NOTE: If necessary, you may attach an addendum to the application listing additional officers and/or directors.

13. _____
(Signature of Chairman, Vice Chairman, or any officer listed in number 12 of the application)

14. Thomas Gravina, Co-President & Asst. Secretary
(Typed or printed name and capacity of person signing application)

ATTACHMENT
TO
APPLICATION FOR CERTIFICATE OF AUTHORITY
FOR
ATX TELECOMMUNICATIONS SERVICES, INC.

00 FEB 29 PM 2:17

OFFICERS

| <u>Name and Title</u> | <u>Business Address</u> |
|--|--|
| Michael Karp, CEO & Secretary | 50 Monument Rd., Bala Cynwyd, PA 19004 |
| Thomas Gravina, Co-President, Co-COO & Asst. Secretary | 50 Monument Rd., Bala Cynwyd, PA 19004 |
| Debra Buruchian, Co-President, Co-COO & Asst. Secretary | 50 Monument Rd., Bala Cynwyd, PA 19004 |

DIRECTORS

| <u>Name</u> | <u>Business Address</u> |
|------------------------|--|
| Michael Karp, Chairman | 50 Monument Rd., Bala Cynwyd, PA 19004 |
| Thomas Gravina | 50 Monument Rd., Bala Cynwyd, PA 19004 |
| Debra Buruchian | 50 Monument Rd., Bala Cynwyd, PA 19004 |
| Kristin Johnson | 50 Monument Rd., Bala Cynwyd, PA 19004 |
| Lisa Greene Kaminsky | 50 Monument Rd., Bala Cynwyd, PA 19004 |

EXHIBIT B

ATX OFFICERS AND DIRECTORS

**OFFICERS AND DIRECTORS OF
ATX TELECOMMUNICATIONS SERVICES, INC.
AND
ATX LICENSING, INC.**

OFFICERS

| <u>Name</u> | <u>Title</u> | <u>Business Address</u> |
|-----------------|---|--|
| Michael Karp | CEO & Secretary | 50 Monument Rd., Bala Cynwyd, PA 19004 |
| Thomas Gravina | Co-President, Co-COO & Asst. Secretary | 50 Monument Rd., Bala Cynwyd, PA 19004 |
| Debra Buruchian | Co-President, Co-COO & Asst. Secretary | 50 Monument Rd., Bala Cynwyd, PA 19004 |

DIRECTORS

| <u>Name</u> | <u>Business Address</u> |
|------------------------|--|
| Michael Karp, Chairman | 50 Monument Rd., Bala Cynwyd, PA 19004 |
| Thomas Gravina | 50 Monument Rd., Bala Cynwyd, PA 19004 |
| Debra Buruchian | 50 Monument Rd., Bala Cynwyd, PA 19004 |
| Kristin Johnson | 50 Monument Rd., Bala Cynwyd, PA 19004 |
| Lisa Greene Kaminsky | 50 Monument Rd., Bala Cynwyd, PA 19004 |

EXHIBIT C

ALI CERTIFICATE OF INCORPORATION

State of Delaware
Office of the Secretary of State

PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "ATX LICENSING, INC.", FILED IN THIS OFFICE ON THE TWENTY-FIRST DAY OF MARCH, A.D. 2000, AT 4 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



Edward J. Freel

Edward J. Freel, Secretary of State

3196885 8100

001143739

AUTHENTICATION: 0329895

DATE: 03-22-00