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080000-01

November 26, 2008

VIA OVERNIGHT MAIL

Ann Cole  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

RECEIVED-FPSC  
08 DEC -1 PM 3:33  
COMMISSION  
CLERK

**Re: Notification of Transaction between STi Prepaid, LLC and CVT Prepaid Solutions, Inc.**

Dear Ms. Cole:

STi Prepaid, LLC ("STi Prepaid") and CVT Prepaid Solutions, Inc. ("CVT"), hereby notify the Florida Public Service Commission ("Commission") of a transaction between STi Prepaid and CVT. CVT (Company Code TK137) and STi Prepaid (Company Code TK135) are authorized to operate as competitive interexchange telecommunications companies in Florida.<sup>1</sup> Pursuant to the terms of an Asset Purchase Agreement between STi Prepaid and CVT and its affiliates dated August 18, 2008, CVT agreed to transfer all or substantially all of its assets to STi Prepaid (the "Transaction").

After consummation of the Transaction, STi Prepaid will continue to provide intrastate interexchange telecommunications services including dial-around and prepaid calling card services in Florida. It is the Parties' understanding that no prior Commission approval is required to consummate the Transaction described herein. The Parties therefore submit this notice for the Commission's information.

- COM \_\_\_\_\_
- ECR \_\_\_\_\_
- GCL   /
- OPC \_\_\_\_\_
- RCP   /
- SSC \_\_\_\_\_
- SGA \_\_\_\_\_
- ADM \_\_\_\_\_
- CLK   /

<sup>1</sup> See Docket No. 070111-TI, Acknowledgement of Registration as an Intrastate Interexchange Telecommunications Company, by STi Prepaid, LLC d/b/a VOIP Enterprises, VOIP, Telco Group, Telco, TGI, Dialaround Enterprises, Dialaround, DEI, VOIP Ent. (effective Feb. 9, 2007); see also Docket No. 070130-TI, Acknowledgment of Registration as an Intrastate Interexchange Telecommunications Company, by CVT Prepaid Solutions, Inc. (effective Feb. 28, 2007).

DOCUMENT NUMBER-DATE  
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**1. Parties to the Transaction**

STi Prepaid, a Delaware limited liability company, is an indirect subsidiary of Leucadia National Corporation ("Leucadia"), a publicly traded New York corporation with headquarters at 315 Park Avenue South, New York, NY 10010. The address and telephone number of STi Prepaid is:

STi Prepaid, LLC  
1250 Broadway, 26th Floor  
New York, NY 11354  
212-660-2714 (telephone)

CVT is a Delaware corporation. The address and telephone number of CVT is:

CVT Prepaid Solutions, Inc.  
40 Cuttermill Road, Suite 500  
Great Neck, NY 11021  
516-773-0200 (telephone)

**2. Effect of Proposed Transaction**

The proposed Transaction furthers the public interest, convenience, and necessity. The transfer of CVT's assets to STi Prepaid will benefit consumers by ensuring that consumers continue to have a wide range of telecommunications choices in the long distance market. STi Prepaid is a major prepaid card provider offering state-of-the-art services to its customers. Thus, consumers currently utilizing CVT prepaid cards will be able to enjoy the high quality and array of features that STi Prepaid's own customers now enjoy. Further, as an affiliate of Leucadia National Corporation, STi Prepaid will have access to the public capital markets that can provide support for the expansion of the prepaid calling card services currently offered by CVT.

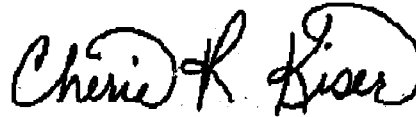
CVT and STi Prepaid will take steps to ensure Florida consumers utilizing CVT-branded cards existing in the market today are informed that the prepaid card service will no longer be offered by CVT. STi Prepaid will operate under the fictitious names of CVT Prepaid Solutions, Callaway Communications, SRT Communications, RS, Quality Calling and ZZ Communications as registered with the Florida Secretary of State to ensure the Transaction is transparent to any consumers still holding prepaid calling cards listing CVT as the service provider. STi Prepaid will also update its tariffs to reflect the fictitious names. In addition, upon consummation of the Transaction, customers utilizing existing CVT-branded cards who contact customer service pursuant to the number listed on CVT-branded cards will be directed to STi Prepaid's customer service representatives who will inform the customer that STi Prepaid is now the underlying service provider for the card.

Customer notice is not required in this case because CVT does not have a dedicated customer base. CVT prepaid calling card services can be used by any person at any time after purchasing the calling card from a retailer. CVT has no knowledge of the identity of the persons that utilize its services, and has no direct relationship with the person utilizing the prepaid calling

card. Accordingly, customer notification of this Transaction is unnecessary and would be almost impossible.<sup>2</sup>

Pursuant to the Commission's filing procedures, please find enclosed an original plus seven (7) copies of this letter. Please date-stamp the additional copy of this letter and return it to us in the enclosed envelope. If you have any questions regarding this filing, please contact the undersigned.

Respectfully submitted,



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Counsel for STi Prepaid, LLC

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<sup>2</sup> The Florida rules for discontinuance support the view that customer notice is not required. For example, when a competitive local exchange carrier wishes to discontinue service, it must provide "proof of individual customer notice regarding discontinuance of service" under Rule 25-24.820(2)(d) of the Florida Administrative Code. In contrast, the rules do not require such notice for the cancellation of an interexchange carrier ("IXC") registration or for the discontinuance of a prepaid calling card service. Rather, the IXC rules simply require IXCs to pay any fees and indicate how customer deposits and final bills will be handled. *See* F.A.C. § 25-24.474(2). Likewise, the prepaid calling card rules only require the prepaid calling card provider seeking to discontinue service to make sure that the cards remain usable consistent with the customer service requirements for prepaid calling card providers. *See* F.A.C. § 25-24.935.