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November 19, 2009

**VIA records@wutc.wa.gov ONLY**

David W. Danner, Executive Director.  
State of Washington  
Utilities and Transportation Commission  
1300 S. Evergreen Park Dr., SW  
Olympia, WA 98504

Re: Total Call International, Inc.  
KDDI America, Inc.  
OPEX Communications, Inc.

Dear Mr. Danner:

Please be advised that Total Call International, Inc. ("Total Call"), KDDI America, Inc. ("KDDI"), and OPEX Communications, Inc. ("OPEX") (Total Call, KDDI and OPEX are hereinafter collectively referred to as the "Parties") are undergoing the following transaction: (1) Total Call will transfer its 1+ customer base to OPEX; (2) OPEX will Transfer Control from Total Call to the current shareholders of Total Call; and after the foregoing (3) Total Call will Transfer Control to KDDI, as described herein. In connection therewith, we provide the following information:

## **I. The Parties**

### **A. Total Call International, Inc.**

Total Call International, Inc. is a California corporation with principal offices located at 707 Wilshire Blvd., 12th Floor, Los Angeles, CA 90017. Total Call is authorized to provide, and is currently providing, telecommunications services in Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Iowa, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Missouri, Minnesota, Mississippi, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming. Total Call primarily provides prepaid calling card services but also has a customer base of one plus long distance customers. Total Call also has authority to provide domestic interstate and international services pursuant to FCC rules and regulations.

Total Call provides long distance telecommunications service both through the sale of prepaid calling cards, and through the sale of one plus long distance service.

Total Call was issued an Order Authorizing Registration as a Telecommunications Company within the State of Washington on September 20, 2002 in Docket No. UT-021058.

### **B. KDDI America, Inc.**

KDDI America, Inc. is a New York corporation with principal offices located at 825 Third Avenue, Third Floor, New York, NY 10022. KDDI is 100% owned by KDDI Corporation, a Japanese corporation, with principal offices located at 3-10-10 Iidabashi Chiyoda-ku, Tokyo 102-0072, Japan. KDDI Corporation is the dominant long distance carrier in the country of Japan.

KDDI is authorized to provide interexchange telecommunications services in Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Wisconsin and Wyoming. KDDI is also authorized to provide resold wireless services throughout the United States. KDDI primarily provides international services, dial around services, and wireless services. KDDI also has authority to provide domestic interstate and international services pursuant to FCC rules and regulations.

KDDI was issued an Order Authorizing Registration as a Telecommunications Company within the State of Washington on March 14, 2001 in Docket No. UT-0100225.

**C. OPEX Communications, Inc.**

OPEX Communications, Inc. is an Illinois corporation with its principal offices located at 707 Wilshire Boulevard, 12<sup>th</sup> Floor, Los Angeles, California 90017. OPEX is a wholly owned subsidiary of Total Call. OPEX is authorized to provide interexchange telecommunications services in Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Wisconsin and Wyoming.

OPEX primarily provides one plus long distance services to both residential and business customers. OPEX also has authority to provide domestic interstate and international services pursuant to FCC rules and regulations.

OPEX was issued an Order Authorizing Registration as a Telecommunications Company within the State of Washington on October 14, 1998 in Docket No. UT-981226.

**D. Total Call Mobile, Inc.**

Total Call Mobile, Inc. ("TCMI") is a Delaware corporation with principal offices located at 707 Wilshire Blvd., 12th Floor, Los Angeles, CA 90017. TCMI is authorized to provide, and is currently providing, resold prepaid wireless services throughout most of the United States. TCMI is currently owned by the two principal shareholders of Total Call, but prior to the proposed acquisition of 51% of Total Call by KDDI, TCMI will become a wholly owned subsidiary of Total Call.

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## **II. Designated Contact**

The designated contact for questions concerning this Notice is:

Lance J.M. Steinhart  
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Attorney for KDDI America, Inc.

## **III. Description of Proposed Transactions**

Total Call and KDDI have entered into an agreement under which KDDI will purchase Fifty One Percent (51%) of the issued and outstanding capital stock of Total Call, on a fully diluted, as converted basis. The consideration to be paid is all cash. Upon consummation of the proposed transaction, KDDI will own a controlling interest in Total Call.

Prior to the Total Call/KDDI Transaction, Total Call will transfer its one plus long distance customer base to OPEX, and then OPEX will be spun off to the current shareholders of Total Call on a pro rata basis (the "Total Call/OPEX Transaction"). When the Total Call/KDDI Transaction is consummated, Total Call will have no one plus long distance customers, but will have only prepaid calling card customers.

Further, prior to the Total Call/KDDI Transaction, the shareholders of TCMI will contribute 100% of the capital stock of TCMI to Total Call in a separate restructuring transaction, resulting in TCMI becoming a wholly owned subsidiary of Total Call. As such, when KDDI purchases 51% of Total Call, it will also have a controlling interest in TCMI and TCMI's prepaid wireless business.

#### **IV. Public Interest Analysis**

The proposed transactions are in the public interest because they will provide Total Call with greater operating flexibility to pursue operating purposes, including, without limitation, (a) expansion of its telecommunications infrastructure; (b) improvement of customer service, billing, financial reporting and other management information systems; and (c) possible acquisitions, future investments or strategic alliances. The proposed transactions will also allow OPEX to continue to focus on its core business, one plus long distance, and by acquiring the one plus long distance customers of Total Call, will benefit the Total Call customers by allowing them to be serviced by a company solely devoted to one plus long distance service. The spin off will result in a Transfer of Control of OPEX from Total Call to Total Call's shareholders prior to the Total Call/KDDI transaction. There will be no impact on OPEX's current customers, since the Total Call/OPEX Transaction will be transparent to said customers, because the transfer of control will only result in a change in ownership. There will be no change in the OPEX name, and the company will continue to provide services pursuant to the same terms and conditions. In addition, it is anticipated that the current management of OPEX will remain in place after the transaction is consummated.

Total Call will notify its long distance customers about the transfer to OPEX 30 days in advance of the transfer, including information about any changes in its rates and services; and that customers may accept OPEX as its carrier or choose another company, in accordance with FCC rules and regulations.

With regard to the Total Call/KDDI Transaction, there will be no impact on Total Call's prepaid calling card customers, since the Total Call/KDDI Transaction will be transparent to said customers, because the transfer of control will only result in a change in ownership. There will be no change in the Total Call name, and the company will continue to provide services pursuant to the same terms and conditions.

The proposed transactions will give Total Call and OPEX access to resources which will enable them to introduce new products and services and to respond to the competitive environment. It is anticipated that Total Call's and OPEX's corporate officers and management team responsible for its day-to-day operations are expected to remain essentially the same immediately following the proposed transactions, and that the proposed transactions will not have an adverse effect on non-management employees of Total Call or OPEX. In addition, the contact points for customers and Commission inquiries will remain the same immediately after the transfer of control. Nor does the proposed transfer of control raise any competitive concerns.

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Organizational charts, showing the current ownership structure, the proposed transactions, and the ownership structure after the proposed transactions, are attached hereto as Exhibit A. In addition, Exhibit A shows the transfer of the Total Call one plus long distance customer base to OPEX (Step 1); the spin-off of OPEX to Total Call shareholders (Step 2); and the acquisition of TCMI by Total Call (Step 3).

I have also enclosed an extra copy of this letter to be date stamped and returned to me in the enclosed, self addressed, postage prepaid envelope.

If you have any questions or if I may provide you with additional information, please do not hesitate to contact me. Thank you.

Respectfully submitted,



Lance J.M. Steinhart  
Attorney for KDDI America, Inc.

Enclosures

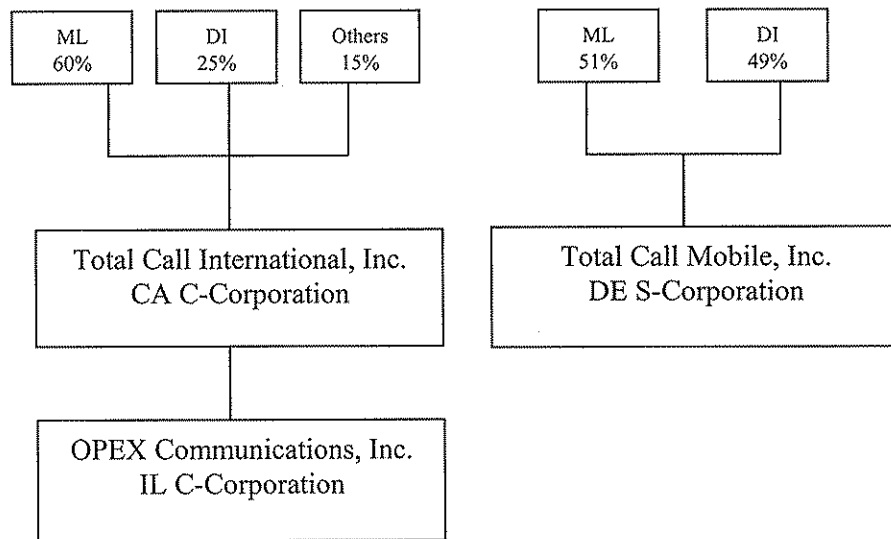
cc: Mr. Daichi Nozaki  
Mr. Mark Leafstedt

EXHIBIT A

Organizational Charts

**Current Structure of Total Call/TCMI/OPEX as of 10/28/09**

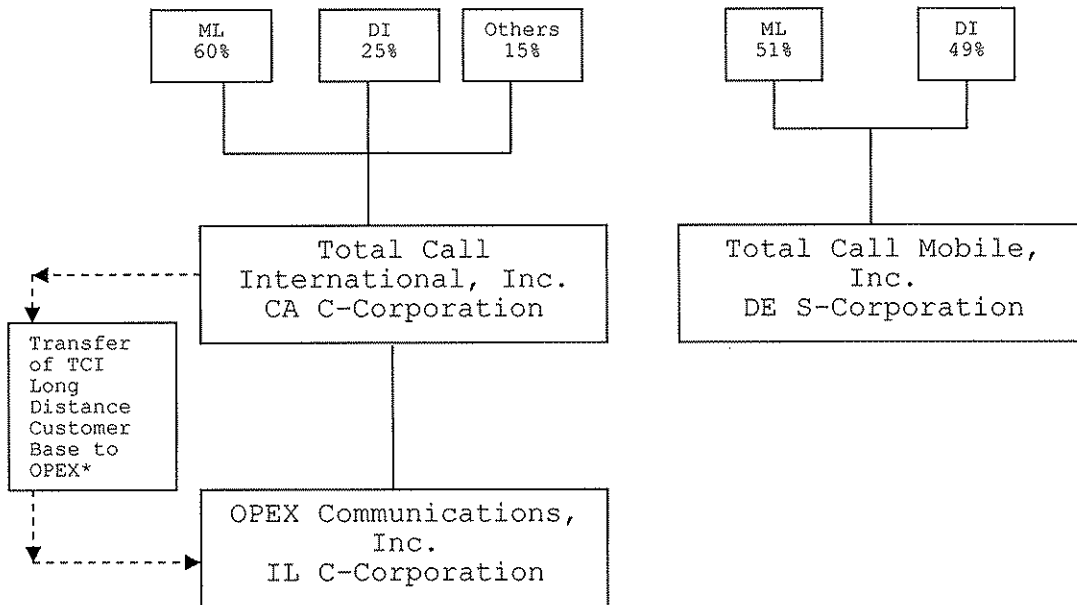
The current organizational structure of Total Call International, Inc., OPEX Communications, Inc., and Total Call Mobile, Inc., as of October 28, 2009. Mark Leafstedt (“ML”) and Daniel Ing (“DI”) are the majority shareholders of Total Call International, Inc., a California C-Corporation. Total Call International is the sole shareholder of all issued and outstanding shares of OPEX Communications, Inc., an Illinois C-Corporation. Total Call Mobile, Inc., a Delaware S-Corporation, is owned jointly by ML and DI. ML and DI are the only shareholders of Total Call Mobile. Note that all percentages are approximate and that none of those in the “Others” category own more than 10% individually.





**Step 1 -Transfer of Total Call International Long Distance Customer Base to OPEX**

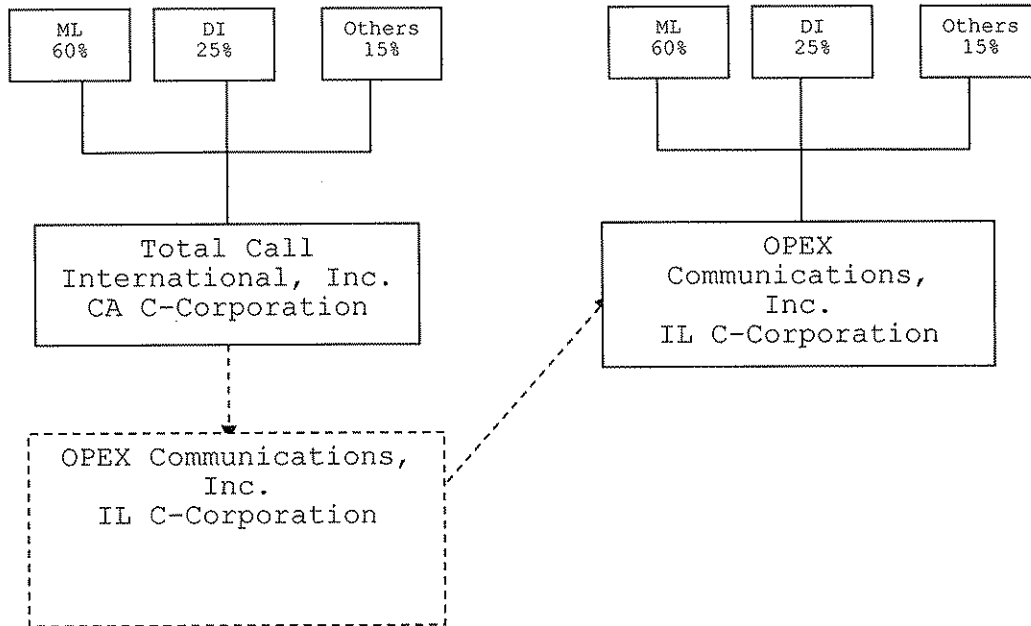
The first step in the proposed transaction will be to transfer Total Call International, Inc.'s One-Plus (i.e. Long Distance) customer base to OPEX Communications, Inc. Note that all percentages are approximate and that none of those in the "Others" category own more than 10% individually.



**\*Note: Transfer of TCI Long Distance Customer Base will take place prior to Spinoff of OPEX to TCI Shareholders.**

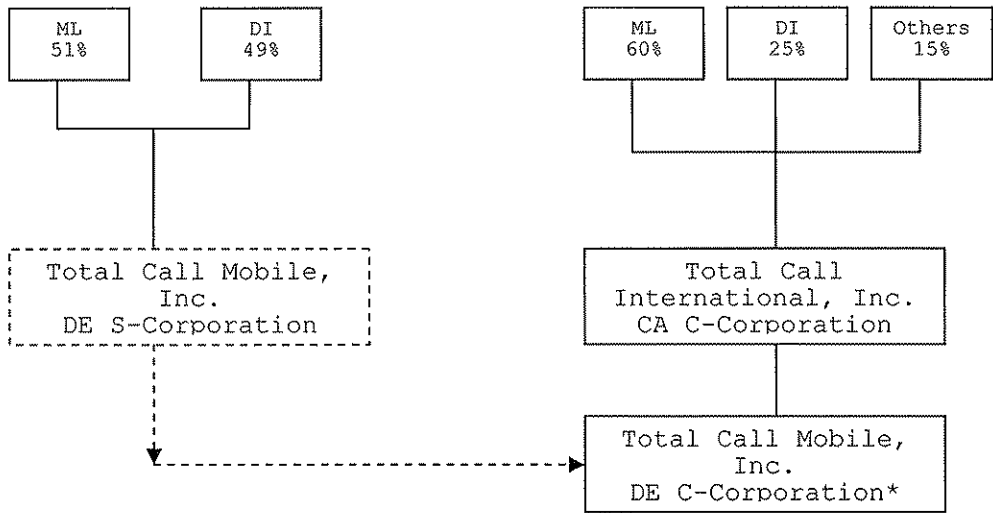
**Step 2 – Spin-off/Transfer of Control of OPEX to Total Call International Shareholders**

The second step in the proposed transaction will be to spinoff OPEX Communications, Inc., to the shareholders of Total Call International, Inc. Note that all percentages are approximate and that none of those in the “Others” category own more than 10% individually.



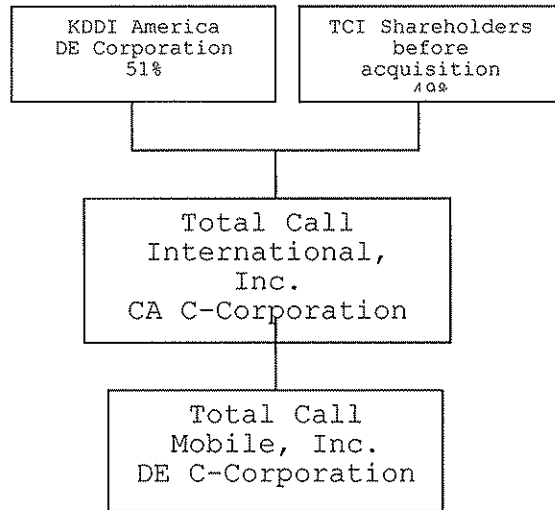
**Step 3 - Acquisition of Total Call Mobile by Total Call International**

Step 3 in the proposed transaction will be the transfer of ownership of Total Call Mobile, Inc. from ML and DI to Total Call International, Inc. After this transaction, Total Call Mobile will be converted into a C-Corporation. Note that all percentages are approximate and that none of those in the "Others" category own more than 10% individually.



**Step 4 – Transfer of Control of Total Call – Purchase of 51% of Total Call by KDDI**

The fourth step in the proposed transaction will be the purchase of 51% of the issued and outstanding shares of Total Call International by KDDI America. After the consummation of the proposed transaction, KDDI America will own a controlling interest in Total Call International (with Total Call Mobile being a wholly owned subsidiary of Total Call International).



**Organizational Structure of OPEX/TCM/TCI after Proposed Transactions**

Note that all percentages are approximate and that none of those in the “Others” category own more than 10% individually. After the consummation of the proposed transactions, the organizational structure of all companies referenced in this application will be as follows:

