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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: Locus Telecommunications, Inc.  
KDDI America, Inc.

Dear Mr. Danner:

Please be advised that Locus Telecommunications, Inc. ("Locus") is transferring control to KDDI America, Inc. as described herein. In connection therewith, we provide the following information:

**I. The Parties**

**A. Locus Telecommunications, Inc.**

Locus Telecommunications, Inc. is a Delaware corporation with principal offices located at 111 Sylvan Avenue, Englewood Cliffs, New Jersey 07632. Locus is authorized to provide, and is currently providing, telecommunications services in California, Florida, Georgia, Illinois, Massachusetts, Nevada, New Jersey, New York, Pennsylvania, Texas, Virginia and Washington. Locus primarily provides prepaid calling card services and prepaid wireless services. Locus also has authority to provide domestic interstate and international services pursuant to FCC rules and regulations.

Locus was issued an Order Authorizing Registration as a Telecommunications Company within the State of Washington on August 28, 1996 in Docket No. UT-960950.

**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.

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**II. Designated Contact**

The designated contact for questions concerning this Notice is:

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Attorney for KDDI America, Inc.

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

Locus and KDDI have entered into an agreement under which KDDI will purchase Fifty One Percent (51%) of the issued and outstanding capital stock of Locus, 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 Locus.

The proposed transaction will provide Locus 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.

There is no plan to notify customers. There will be no impact on customers, since the transaction will be transparent to customers, because the transfer of control will only result in a change in ownership. There will be no change in name, and the company will continue to provide services pursuant to the same terms and conditions.

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

The proposed transaction is in the public interest because it will enhance Locus's ability to compete in the market for telecommunications services. The transaction will have no adverse effect upon customers. It will give Locus access to resources which will enable it to introduce new products and services and to respond to the competitive environment.

The transaction will not result in any changes to Locus's provision of service to its current customers. It is anticipated that Locus's corporate officers and management team responsible for its day-to-day operations are expected to remain essentially the same immediately following the proposed transaction. It is also anticipated that the proposed transaction will not have an adverse effect on non-management employees of Locus, and no staff reductions are presently contemplated. 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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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. Jason Chon