March 20, 2015

*Electronically Filed*

Mr. Steven King
Executive Director/Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive
Olympia, WA 98504-7250

Re: Informational Filing by Total Call International, Inc. Regarding *Pro Forma* IntraCorporate Reorganization and Corporate Conversion

Dear Mr. King:

Total Call International, Inc. (“TCI” or the “Company”), by its attorneys, hereby notifies the Washington Utilities and Transportation Commission (“Commission”) that its ultimate parent company, KDDI Corporation, Inc. (“KDDI Corp.”), will implement a minor, pro forma, internal reorganization.[[1]](#footnote-1) The change will insert a new intermediary holding company into the ownership structure with no material impact to the Company or its operations. The reorganization will not, in any respect, change the party holding actual control of the Company. In addition, TCI notifies the Commission that, on or before March 31, 2015, TCI will convert its corporate status from a corporation to a limited liability company. The Company understands that the transaction will not require regulatory approval; however, TCI submits this notice to update the Commission’s records.

***The Parties***

TCI is a corporation formed under the laws of the State of California and is a competitive provider of prepaid calling card telecommunications services. It is authorized in 45 states, including Washington, and Puerto Rico to provide interexchange services, via resale and the use of leased facilities. The Commission authorized TCI to provide interexchange services in Washington on September 20, 2002 in Docket Number UT-021058. Following the transaction, TCI will be converted, by way of a merger, into Total Call International, LLC (“TCI LLC”), a limited liability company formed under the laws of the State of Delaware and commonly-owned lateral affiliate. TCI LLC will be the surviving entity.

KDDI America, Inc. (“KDDI America”), a New York corporation, is the direct parent and sole owner of TCI. KDDI America is authorized, essentially nationwide, to provide interexchange telecommunications services including in Washington. KDDI America, Inc. is a wholly-owned subsidiary of KDDI Corp., Japan’s second largest telecommunications carrier. KDDI Corporation and its affiliates provide mobile services (voice and data) and fixed line services (broadband, domestic and international telecommunications and data center services) in Japan and globally.

***Contacts for this Filing***

Questions and correspondence regarding this submission should be addressed to:

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with a copy to:

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***The Reorganization and Corporate Conversion***

To achieve greater organizational efficiency, on or about March 31, 2015, KDDI America will implement an internal reorganization through which a newly formed entity, KDDI US Holding Inc. (“KDDI US”), will be inserted into the chain of ownership between TCI and its prior direct parent entity, KDDI America. Prior to the transaction, TCI was directly and wholly owned by KDDI America. With this filing, the Company notifies the Commission that, after the reorganization, TCI will be directly and wholly-owned by KDDI US. Through this reorganization, there will be no change in the ultimate control of TCI. The transaction will make no changes to TCI or its operations, qualifications to operate or its available financial, technical and operational resources. Other than the insertion of a holding company in the chain of ownership, the reorganization will have no effect upon TCI. Throughout this reorganization, ultimate controlling interest in TCI is, and will continue to be, held by KDDI Corporation. Diagrams of the pre- and post-transaction corporate structures are provided as *Attachment 1*. Note that these diagrams highlight the ownership chain of the entities impacted by the transaction; unaffected affiliate entities have been omitted or grayed out in order to provide greater clarity of the transaction.

In addition, for internal corporate purposes, on or before March 31, 2015, the Company will undergo a corporate conversion.[[2]](#footnote-2) TCI Inc., a California corporation, will be converted to a Delaware limited liability company by way of merger with TCI LLC and, post-conversion, its name will be Total Call International, LLC.

Under Delaware law, conversions are treated as a continuation of the original corporate entities.[[3]](#footnote-3) This entity-continuity is supported by a review of the Company post-conversion. The ownership interests in TCI will be converted from corporate stock to membership interests; however, the entities holding the ownership of TCI will not have changed. KDDI Corporation continues to wholly own KDDI America, KDDI America will wholly own KDDI US, and KDDI US will wholly own the Company. Similarly, there will be no change whatsoever to the assets and obligations which TCI holds as a result of these changes. Finally, TCI, as a limited liability company, will continue to be subject to the Commission’s rules and orders exactly as it is prior to the conversions and changes of operating name.

TCI will be registered with the Washington Secretary of State as a foreign limited liability company and thus will be qualified to do business in the state.[[4]](#footnote-4) To the extent TCI has tariffs on file with the Commission, the Company will file replacement tariff materials. These filings will mirror the substantive rates, terms and conditions of any currently effective tariffs, revising the current tariff materials solely to reflect the change to TCI’s name and to update certain contact information in the footers.

***Public Interest Considerations***

The reorganization is in the public interest. KDDI Corporation, which indirectly wholly owns TCI, will improve its corporate operations through this rearrangement. While the reorganization will have no direct impact on TCI, the strengthening of KDDI Corporation’s corporate framework will provide TCI with enhanced stability and financial solidity in its ultimate parent company. This, in turn, will support the Company’s ability to compete in the telecommunications market in Washington and elsewhere.

The conversion described above will also serve the public interest, as the conversion enhances the strategic and financial flexibility of TCI. This flexibility benefits customers of the Company in Washington and elsewhere. At the same time, the conversion and resulting name change will hold no adverse consequences for consumers. But for the minor change from “Inc.” to “LLC” in TCI’s name, the conversion will be entirely transparent to the Company’s customers. There will be no change to the ownership, management or operations of TCI as a result of this change. There will be no change to the services provided to customers nor to the terms and conditions under which these services are delivered. Finally, there will be no changes to TCI’s overall operational and financial qualifications to provide competitive telecommunications services as a result of the conversion or change of operating name.

***Conclusion***

TCI requests that the Commission note this filing to update its records and, in the event that the Commission believes approval of the reorganization is required, grant such approval. Should the Commission have any questions regarding this filing, please contact Denise Smith at (202) 342-8614 or via email at dsmith@kelleydrye.com.

Respectfully,

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Steven A. Augustino

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Counsel *to Total Call International, Inc.*

**Attachment 1**

**Pre- and Post-Transaction Organizational Charts**

**Attachment 2**

**Delaware Conversion Documents**

1. The proposed reorganization will also involve Locus Teleccommunications, Inc. (“Locus”) and Total Call Mobile, Inc. (“TCM”), affiliates of TCI, that are not registered to provide regulated telecommunications services in Washington. TCM is, however, authorized as an Eligible Telecommunications Carrier to provide federal Lifeline service to low-income consumers in Washington on a wireless basis. *See* Order issued March 27, 2014 in Docket No. UT-121524. [↑](#footnote-ref-1)
2. Copies of the documentation from the Delaware Secretary of State evidencing the conversion of TCI into a Delaware limited liability company are attached as *Attachment 2*. [↑](#footnote-ref-2)
3. Under Delaware law, the date of commencement of existence of the LLC is the same date that the corporations were originally formed. All of the assets, rights, liabilities and obligations of the corporations become those of the LLCs by operation of law. Although TCI has changed its legal form, it is not deemed to have transferred any assets t different legal entities or taken on new debt. *See* Section 214 of the Delaware Limited Liability Company Act, 6 Del. C.C. 18 § 214. [↑](#footnote-ref-3)
4. A copy of TCI LLC’s registration with the Washington Secretary of State will be provided to the Commission in a supplemental submission. [↑](#footnote-ref-4)