



October 25, 2005
Via Overnight Delivery

OCT 26 2005

210 N. Park Ave.
Winter Park, FL
32789

Brent Kirtley, Tariff Branch Manager
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40602-0615

P.O. Drawer 200
Winter Park, FL
32790-0200

RE: Network Telephone Corporation - Notice of Transfer of Control

Dear Mr. Kirtley:

Tel 407-740-8575
Fax 407-740-0613
tmi@tminc.com

Enclosed please find one (1) original and three (3) copies of a Notice of Transfer of Control filed on behalf of **Network Telephone Corporation**. Network Telephone is certified to provide facilities-based local and long distance resale telecommunications services in Kentucky. The stock of Network Telephone's parent Company, NT Corporation, is being acquired by Talk America Inc., which holds both local exchange and long distance resale authority in Kentucky. After the transaction, NT Corporation will be a separate, wholly owned subsidiary of Talk America Inc. Network Telephone Corporation will retain its separate operating authority and will not change its name, transfer its customers, or change its intrastate rates as a result of this transfer. Details of this transaction are attached for the Commission's files.

Questions regarding this filing may be directed to my attention at (407) 740-3031 or via e-mail at sthas@tminc.com.

Please acknowledge receipt of this filing by date stamping the extra copy of this cover letter and returning it in the self-addressed, stamped envelope enclosed for this purpose.

Sincerely,

Sharon Thomas
Consultant

Enclosure

cc: M. Ring – Network Telephone
C. Pizer - Talk
File: Talk – Network Tel Acquisition
TMS: KYx0507

**NOTICE OF TRANSFER OF CONTROL
OF
NETWORK TELEPHONE CORPORATION**

Network Telephone Corporation ("Network Telephone") hereby submits this Notice of its proposed Transfer of Control ("Transfer") to Talk America Inc. ("Talk America" or "Buyer"). After consummation of the proposed transfer of control, NT Corporation ("NT Corp."), the parent of Network Telephone, will be a direct, wholly owned subsidiary of Talk America which will remain a direct, wholly owned subsidiary of Talk America Holdings, Inc. Thus, Talk America Holdings, Inc. will become the new ultimate parent company of Network Telephone. Network Telephone proposes to retain its name, tariffs, and operating authority in Kentucky.

I. THE APPLICANT

Network Telephone Corporation ("Network Telephone"), a privately-held Florida corporation, is a direct wholly owned subsidiary of NT Corporation ("NT Corp."), a privately-held Delaware corporation, based in Pensacola, Florida. Network Telephone is a facilities-based telecommunications company that provides local and long distance telephone service, and data services such as high-speed connectivity, security, web hosting and network services, primarily to small and medium sized business customers in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee.

Network Telephone is authorized to provide facilities-based local and resold long distance telecommunications service in the state of Kentucky.

II. THE BUYER

Talk America Inc., a Pennsylvania corporation headquartered in New Hope, Pennsylvania, is a direct wholly owned subsidiary of Talk America Holdings, Inc. ("Talk Holdings), a publicly held Delaware corporation located at the same address. Talk America Inc. is authorized to provide facilities-based local telecommunication service and resold long distance service in the state of Kentucky.

III. THE AGREEMENT

On October 18, 2005, the parties signed an Agreement and Plan of Merger (the "Agreement") providing for Talk America's acquisition of all of the issued and outstanding capital stock of NT Corp. (the "Transaction"). Following completion of the Transaction, Network Telephone will remain a direct, wholly owned subsidiary of NT Corp. and NT Corp. will be a direct, wholly owned subsidiary of Talk America, which itself will remain a direct, wholly owned subsidiary of Talk Holdings.

IV. CUSTOMER IMPACT

The proposed Transaction will be generally transparent to customers of Network Telephone. In particular, because the Transaction is a stock transaction, the transfer of control of Network Telephone will not result in a change of carrier for any of the Network Telephone customers. Network Telephone's customers in Kentucky will not be transferred to Talk America as a result of this transaction. Immediately after completion of the Transaction, Network Telephone will continue to provide the same services at the same rates, terms and conditions as at present and any future changes in the rates, terms and conditions of service will be made consistent with applicable law. The Transaction is not expected to result in any discontinuance of service for the Network Telephone customers. Furthermore, in addition to having access to Talk's experienced and high-quality management team, the operations of Network Telephone in numerous instances will continue to be supervised by Network Telephone's management, technical and customer service personnel.

V. PUBLIC INTEREST STATEMENT

The Applicant respectfully submits that the Transaction serves the public interest. After consummation of the Transaction, Network Telephone will continue to operate under its same name and operating authorities as at present. The Transaction involves no change in the entity providing service to customers, the facilities used to provide such service or the rates, terms and conditions of such service. All existing tariffs will remain in place. The transfer of control will be generally transparent to customers and will not have any adverse impact on them; they will continue to use the same number to reach customer service. The only change will be in the ultimate ownership of Network Telephone.

The Applicants expect that the Transaction will increase competition in the telecommunications market by strengthening Talk's position as an effective and multifaceted telecommunications carrier. The Transaction will allow Talk to combine its financial, technical and market resources and expertise with that of Network Telephone, thereby enhancing its ability to provide reliable, competitively priced services to customers. Talk will be able to expand its product offerings by adding the offerings of Network Telephone to its current offerings.

Both Talk and Network Telephone have created strong customer service organizations that provide high levels of customer satisfaction as demonstrated by their low customer churn rates. Both organizations share similar technology platforms and Network Telephone's focus on the small to medium sized business customers will complement Talk's focus on the consumer and small business markets. In an era of increasing telecommunications products and services, these customers require expert assistance to find the best solution for their telecommunications requirements. The similarity of business models between Talk and Network Telephone means that integrating their operations will not occasion significant changes in what either company does and thus the Transaction poses little risk to customers.

The transfer of control of Network Telephone to Talk does not result in any anticompetitive effects. Network Telephone and Talk together will achieve economies of scale and scope, which will enhance the

company's ability to roll out new products and services and expand into new markets. Although Network Telephone and Talk both provide service in the markets served by Network Telephone, neither has significant market share in any of these markets, and the combined market share post-closing will not exceed 10 percent in any market. In all instances, the incumbent local exchange carrier has a virtual monopoly and this Transaction will not diminish the ILEC's dominant market position. Accordingly, the transfer of control of Network Telephone to Talk will increase, not degrade, the competitiveness of these markets.

VI. CONTACT INFORMATION

The name and address of the individual to contact regarding this filing is:

Sharon Thomas
Technologies Management, Inc.
210 Park Avenue North
Winter Park, Florida 32789
Telephone: (407) 740-3031
Facsimile: (407) 740-0613
email: sthomas@tminc.com

The name and address of the individual who currently handles regulatory affairs on behalf of Network Telephone is:

Margaret Ring
Director of Regulatory
3300 North Pace Boulevard
Pensacola, FL 32350
(850) 465-1748 (telephone)
(850) 432-0218 (facsimile)
margaret.ring@networktelephone.net

The name and address of the individual who handles regulatory affairs on behalf of Talk America is:

Francie McComb, Vice President of Regulatory Affairs
6805 Route 202
New Hope, PA 18938
Phone: 215-862-1517
Fax: 215-862-1085
e-mail: francie@talk.com

A list of the officers and directors of Network Telephone and of Talk America Inc. is provided in Attachment I.

Attachment I

Network Telephone Corporation

and

Talk America Inc.

Officers and Directors

Officers and Directors

Network Telephone Corporation

Officers:

Leo Cyr	President and Chief Executive Officer
Charles Emling III	Chief Administrative Officer and Executive Vice President of Sales and Marketing
Danyelle Kennedy-Lantz	Secretary and Chief Financial Officer
Mark Miller	Executive Vice President of Engineering

Directors:

Leo Cyr
Matthew Durney
Thomas Darden
Susan Mason
Victor Parker
Ray Russenberger
Seth Schofield

Officers and Directors (Cont'd.)

Talk America Inc.

Officers:

Edward Meyercord, III	CEO and President
Aloysius T. Lawn, IV	Executive Vice President, General Counsel and Secretary
David G. Zahka	Chief Financial Officer
Thomas Walsh	Senior Vice President – Finance and Treasurer
Jeffrey Earhart	Executive Vice President – Customer Operations
Warren Brasselle	Executive Vice President – Network Operations
Timothy Leonard	Chief Information Officer
Craig Pizer	Associate General Counsel and Assistant Secretary
Patrick O'Leary	Executive Vice President – Business Services
Mark Wayne	Executive Vice President – Business Sales

Directors:

Edward Meyercord, III
Aloysius T. Lawn, IV
David G. Zahka