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August 19, 2002

VIA OVERNIGHT DELIVERY

Thomas Dorman, Executive Director
Public Service Commission of Kentucky
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602

RECEIVED

AUG 20 2002

PUBLIC SERVICE
COMMISSION

Re: Counsel Springwell LLC and WorldxChange Corp.

Dear Mr. Dorman:

Counsel Springwell Communications LLC ("Counsel Springwell") and WorldxChange Corp. ("WorldxChange") (together the "Parties"), through their undersigned counsel hereby advise the Public Service Commission of Kentucky ("Commission") of an intra-corporate reorganization resulting from a debt restructuring that the Parties propose to complete at the holding company level ("Debt Restructuring"). Although the proposed Debt Restructuring will result in a change in ownership of all of the stock of WorldxChange's direct parent, the resulting intracorporate reorganization will not result in a change in the ultimate majority control of WorldxChange. Moreover, because the proposed Debt Restructuring will be completed at the holding company level and will not result in a change of the rates, terms and conditions under which WorldxChange provides service, the transactions involved will be transparent to customers of WorldxChange. As a result, the proposed Debt Restructuring will be *pro forma* in nature.

Despite its *pro forma* nature, the proposed Debt Restructuring is expected to rationalize the internal structure of the Counsel Springwell entities, significantly enhance WorldxChange's financial position and position WorldxChange to compete more effectively in the Kentucky telecommunications market.

Based on a review of Kentucky law, the Parties believe that Commission approval is not required to complete the transaction described herein. Accordingly, the Parties respectfully request that the Commission notify the Parties if it believes that further filings are required with respect to the proposed transaction.

An original and ten (10) copies of this letter are enclosed. Please date stamp and return the enclosed extra copy in the attached self-addressed stamped envelope provided herein.

The Parties further state as follows:

Description of the Parties

A. Counsel Springwell Communications LLC (“Counsel Springwell”)

Counsel Springwell is a limited liability company organized and existing under the laws of the State of Delaware. Counsel Springwell is a majority owned (86%) indirect subsidiary of Counsel Corporation (“Counsel”), a publicly traded Canadian corporation that specializes in investments, including in communications companies. Among other things, Counsel Springwell currently holds an indirect majority interest of approximately 68% in WorldxChange through a 68% majority interest in I-Link, Incorporated (“I-Link”), WorldxChange’s corporate parent. In addition, WorldxChange and I-Link each have outstanding loan obligations to Counsel Springwell in the aggregate amounts, including accrued and unpaid interest, of approximately \$12.4 million and approximately \$39.4 million, respectively.

B. WorldxChange Corp. (“WorldxChange”)

WorldxChange Corp. is a corporation organized and existing under the laws of the State of Delaware with principal offices located at 9775 Business Park Avenue, San Diego, California 92131. WorldxChange is a wholly owned subsidiary of CPT-1 Holdings, Inc., (“CPT-1 Holdings”), a corporation formed under the laws of the State of Delaware. CPT-1 Holdings is a wholly owned direct subsidiary of WebToTel, Inc. (“WebToTel”), a corporation formed under the laws of the State of Delaware. WebToTel is, in turn, a wholly owned direct subsidiary of I-Link, a publicly traded company organized under the laws of the State of Florida with principal place of business located at 13751 S. Wadsworth Park Drive, Suite 200, Draper, Utah 84020.¹

In Kentucky, WorldxChange is authorized to provide telecommunications pursuant to a tariff filed with the Commission effective as of July 23, 2000.² Further information concerning WorldxChange’s legal, technical, managerial and financial qualifications to provide service was submitted with its application for certification with the Commission and is, therefore, a matter of

¹ Another wholly owned I-Link subsidiary, I-Link Communications, Inc. (“I-Link Communications”) is authorized to provide telecommunication services in Kentucky.

² WorldxChange was formerly known as PT-1 Counsel, Inc. but changed its name in connection with its acquisition of certain operations of the now bankrupt WorldxChange Communications, Inc. out of bankruptcy in 2001.

public record. WorldxChange respectfully requests that the Commission take official notice of that information and incorporate it herein by reference.

Contact Information

Questions or inquiries concerning this Parties may be directed to:

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Description of the Transaction

As part of the proposed Debt Restructuring, Counsel Springwell proposes to acquire a 100% indirect interest in WorldxChange in exchange for, and in satisfaction of, a portion of its current loans to I-Link. In particular, as referenced above, Counsel Springwell currently holds outstanding loan obligations of WorldxChange and I-Link in the aggregate amounts of approximately \$12.4 million and approximately \$39.4 million respectively (the "Loans"). Parties now propose to complete a Debt Restructuring through which \$25.9 million of the \$39.4 million owed to Counsel Springwell by I-Link would be converted to equity. In addition, Counsel Springwell has agreed to release I-Link from its guaranty of the indebtedness owed by WorldxChange to Counsel Springwell (which indebtedness would remain outstanding), continue to provide additional funding to I-Link and to surrender for cancellation warrants to purchase 15,000,000 shares of I-Link common stock which were issued in conjunction with the Loans. In conjunction with those transactions, I-Link would transfer to Counsel Springwell additional I-Link stock and all of the outstanding capital stock of CPT-1 Holdings, the immediate corporate parent of WorldxChange.

As a result of the proposed Debt Restructuring, complete indirect ownership of WorldxChange will be transferred from I-Link to Counsel Springwell. Counsel Springwell currently holds a 68% interest in I-Link and therefore indirectly in WorldxChange. Accordingly, although 100% of the stock of CPT-1 Holdings will be transferred (along with its 100% interest in WorldxChange), the Debt Restructuring will not result in a change in ultimate majority control of WorldxChange. In addition, there will be no change in the day-to-day operations or operational control of WorldxChange. As a result, the Debt Restructuring will therefore be *pro forma* in nature.

Through the proposed Debt Restructuring, Counsel Springwell will increase the magnitude of its direct ownership interest in I-Link (Counsel Springwell currently owns approximately 68% I-Link, with the remainder being widely and publicly held). Through the Debt Restructuring, Counsel Springwell proposes to increase its interest in I-Link from approximately 68% to approximately 85%, with a corresponding indirect increase in the ownership of all of I-Link subsidiaries.³ An illustrative chart describing the pre- and post-Debt Restructuring structures of Parties is provided in Exhibit A.

Public Interest Considerations

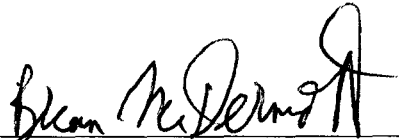
Parties respectfully submit that the proposed Debt Restructuring serves the public interest. The proposed restructuring will not result in a change in the ultimate control or majority ownership of any Kentucky utility. In addition, because the proposed Debt Restructuring will be completed at the CPT-1 Holdings level, the proposed transaction will not affect the day-to-day operation or management of WorldxChange. Indeed, the proposed Debt Restructuring will be entirely transparent to customers of WorldxChange.

³ As noted previously, in addition to WorldxChange, I-Link owns 100% of I-Link Communications, a provider of telecommunications services in Kentucky. Following the proposed Debt Restructuring and unlike WorldxChange, however, I-Link Communications will continue to be wholly owned by I-Link. As a result, the only effect of the proposed Debt Restructuring on I-Link Communications will be to increase Counsel Springwell's indirect ownership interest to approximately 89%. Based on a review of Kentucky law, the Parties understand that no approval is required to complete the Debt Restructuring with respect to I-Link Communications. If, however, that understanding is inaccurate, the Parties respectfully request that the Commission grant such additional approval as may be necessary to complete the Debt Restructuring in connection with this filing.

Conclusion

For the reasons stated above, the Parties respectfully submit that the public interest, convenience, and necessity would be furthered by the proposed Debt Restructuring. Accordingly, the Parties respectfully notify the Commission of their intent to consummate this Debt Restructuring as soon as possible.

Respectfully submitted,

By: 

William B. Wilhelm, Jr.

Brian McDermott

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COUNSEL FOR PARTIES

Dated: August 19, 2002

Exhibit A

Illustrative Chart

Exhibit A: Illustrative Chart of Pro Forma Reorganization

