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Monica R. Borne
EllenAnn G. Sands

September 18, 2000

RECEIVED

SEP 19 2000

PUBLIC SERVICE
COMMISSION

VIA OVERNIGHT DELIVERY

Mr. Martin J. Huelsmann, Exec. Director
Kentucky Public Service Commission
730 Schenkel Lane
Frankfort, KY 40601

05117300

Re: Notification by Xtracom, Inc. and Blue Shift Telecom, Ltd. of a Stock Purchase Agreement

Dear Mr. Huelsmann:

On behalf of Xtracom, Inc. ("Xtracom") and Blue Shift Telecom, Ltd. ("Blue Shift"), this letter is to advise the Commission of an Stock Purchase Agreement (the "Agreement") whereby Xtracom will become a wholly owned subsidiary of Blue Shift (the "Acquisition").

The parties are forwarding this letter to the Commission for informational purposes, to be included in the appropriate files. Absent receipt of written notification to the contrary within thirty (30) days from the date of this letter, we will proceed under our understanding that no approval or other formal action is required by the Commission prior to consummation of the Acquisition.

As described herein, the transaction will result in the acquisition by Blue Shift of all of the outstanding and issued shares of Xtracom's common stock (the "Shares") for equitable consideration. After the transaction, Xtracom will change its name to Blue Shift Telecom, Inc. and will continue to operate, in all material respects, as Xtracom currently operates.¹

¹ Attached please find the requisite revised Articles of Incorporation and appropriate Secretary of State filings which will be filed in short order to effect the name change from Xtracom, Inc. to Blue Shift Telecom, Inc. We will forward the file-stamped copies as soon as we receive them. Following consummation of the transaction, Xtracom will file revised tariffs reflecting the name change as required by this Commission.

The technical, managerial and financial personnel of Blue Shift, will become the technical, managerial and financial personnel of Xtracom after this transaction. Xtracom will continue to provide service under Xtracom's present operating authorities, certifications and tariffs.

The proposed Agreement will be beneficial to the involved companies as well as their customers, primarily due to the enhanced overall financial strength and buying power of the combined companies which will result from the transaction. The customers of Xtracom will continue to receive the same high quality service presently rendered to them and there will not be any increase in their rates due to this transaction.

Xtracom is a privately held Illinois corporation with principal offices located at 833 W. Chicago Avenue, Suite 201, Chicago, Illinois 60610. Xtracom is a non-dominant carrier that resells domestic and international long distance service purchased from various facilities based carriers.

Xtracom is authorized by the FCC to provide international services as a non-dominant carrier and intrastate service, pursuant to certification, registration or tariff requirements, or on an unregulated basis, in fifty (50) states. Xtracom is a certificated carrier in this State.²

Blue Shift is a privately held Illinois corporation with principal offices located at 853 Sanders Road, Suite 180, Northbrook, Illinois 60062. Blue Shift is a holding company which does not directly offer long distance telecommunications services, but rather owns and operates, and is in the process of acquiring, wholly owned subsidiaries which offer such services.

Applicant proposes the following:

- (a) Blue Shift will acquire all of the shares of the stock of Xtracom by virtue of the Purchase Agreement;
- (b) As a result of the transaction, Xtracom will become a wholly owned subsidiary of Blue Shift;
- (c) Xtracom shall continue to operate as a regulated entity pursuant to Xtracom's present certifications, registrations, tariff requirements and rate structures, or on an unregulated basis, as provided by and pursuant to applicable law.

² In this state, Xtracom provides intrastate telecommunications services pursuant to an authorization, Docket No. 96-004, dated March 22, 1996.

- (d) Upon consummation of the transaction, Xtracom will change its name to BlueShift Telecom, Inc.
- (e) Following consummation of the transaction, Xtracom's corporate address will change to 853 Sanders Road, Suite 180, Northbrook, Illinois 60062.

Critical to the proposed transaction is the need to ensure the continuation of high quality service to all customers currently served by Xtracom. The proposed transaction will serve the public interest for the following reasons:

- (a) First, it will enhance the operating efficiencies, including market efficiencies, of Xtracom.
- (b) Second, it will increase the appeal to present and potential customers as communications services will be provided in a more cost-effective manner due to higher buying power and lower transport costs.
- (c) Finally, it will allow Xtracom to operate in a more cost effective manner due to improved access to capital and the ability to provide services to customers at competitive prices.

Accordingly, the requested transaction will serve to create a heightened level of operating efficiency which generally will serve to enhance the overall capacity of Xtracom to compete in the marketplace and to provide telecommunications services for customers in this state at competitive rates.

Enclosed are the original and ten (10) copies of this letter. Please return the enclosed additional copy of this letter file-stamped in the envelope provided.

If you need any further information or have any questions regarding this filing, please do not hesitate to call.

Respectfully submitted,



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Facsimile: (504) 831-0892
Counsel for Xtracom, Inc. and Blue Shift
Telecom, Ltd.

P.S.C. KY Adoption Notice No. _____

ADOPTION NOTICE

The undersigned of Blueshift Telecom, Inc. ("Blueshift") of Illinois hereby adopts, ratifies, and makes its own, in every respect as if the same had been originally filed and posted by it, all tariffs and supplements containing rates, rules and regulations for furnishing telecommunications service state wide in the Commonwealth of Kentucky filed with the Public Service Commission of Kentucky by Xtracom, Inc. of Illinois and in effect on the _____ day of _____, 2000, the date on which the public service business of the said Xtracom, Inc. was taken over by it.

This notice is issued on the 13th day of September, 2000, in conformity with 807 KAR 5:011, Section 10 of the Regulations for filing of Tariffs of Public Utilities with the Public Service Commission of Kentucky.

Blueshift Telecom, Inc.

By:



EllenAnn Sands
Counsel for Blueshift Telecom, Inc.
and Xtracom, Inc.



BOB BABBAGE

SECRETARY OF STATE

APPLICATION FOR AMENDED CERTIFICATE
OF AUTHORITY OF

Xtracom, Inc.

(Exact Corporate Name)

Pursuant to the provisions of Chapters 271B and 273 of the Kentucky Revised Statutes, the undersigned hereby applies, on behalf of said corporation, for an Amended Certificate of Authority to transact business in Kentucky and for that purpose submits the following statement:

A Certificate of Authority was issued to the above named corporation by the Secretary of State of Kentucky on December 28, 1995, authorizing said corporation to transact business in the State of Kentucky under the name of Xtracom, Inc.

The corporation's name in its state or country of incorporation has been changed to Blueshift Telecom, Inc.

The name of the corporation to be used in Kentucky is _____

(if "real name" is unavailable for use)

The corporation's period of duration has been changed to n/a

The corporation's state or country of incorporation has been change to n/a

This application is accompanied by a Certificate of Existence (or document of similar import) *Duly Authenticated* by the Secretary of State or other official having custody of corporate records in the state or country under whose law it is incorporated.

Dated 8/16, 19 01

Bob Babbage

Signature and Title

PRESIDENT

Type or Print Name & Title

Form **BCA-10.30**

ARTICLES OF AMENDMENT

File # 5501-707-8

Jesse White
Secretary of State
Department of Business Services
Springfield, IL 62756
Telephone (217) 782-1832

Remit payment in check or money order, payable to "Secretary of State."

The filing fee for restated articles of amendment - \$ 00.00

http://www.sos.state.il.us

FILED

AUG 16 2000

JESSE WHITE
SECRETARY OF STATE

SUBMIT IN DUPLICATE

This space for use by Secretary of State

Date 8/16/00

Franchise Tax \$

Filing Fee \$25.00

Penalty \$

Approved: 

1. CORPORATE NAME: Xtracom, Inc. (Note 1)

2. MANNER OF ADOPTION OF AMENDMENT:

The following amendment of the Articles of Incorporation was adopted on August 4 (Month & Day)

2000 in the manner indicated below. ("X" one box only)
(Year)

By a majority of the incorporators, provided no directors were named in the articles of incorporation and no directors have been elected; (Note 2)

By a majority of the board of directors, in accordance with Section 10.10, the corporation having issued no shares as of the time of adoption of this amendment; (Note 2)

By a majority of the board of directors, in accordance with Section 10.15, shares having been issued but shareholder action not being required for the adoption of the amendment; (Note 3)

By the shareholders, in accordance with Section 10.20, a resolution of the board of directors having been duly adopted and submitted to the shareholders. At a meeting of shareholders, not less than the minimum number of votes required by statute and by the articles of incorporation were voted in favor of the amendment; (Note 4)

By the shareholders, in accordance with Sections 10.20 and 7.10, a resolution of the board of directors having been duly adopted and submitted to the shareholders. A consent in writing has been signed by shareholders having not less than the minimum number of votes required by statute and by the articles of incorporation. Shareholders who have not consented in writing have been given notice in accordance with Section 7.10; (Notes 4 & 5)

By the shareholders, in accordance with Sections 10.20 and 7.10, a resolution of the board of directors having been duly adopted and submitted to the shareholders. A consent in writing has been signed by all the shareholders entitled to vote on this amendment. (Note 5)

3. TEXT OF AMENDMENT:

a. When amendment effects a name change, insert the new corporate name below. Use Page 2 for all other amendments.

Article I: The name of the corporation is:

Blueshift Telecom, Inc.

(NEW NAME)

All changes other than name, include on page 2 (over)

File Number 5561-767-8

State of Illinois Office of The Secretary of State

Whereas, ARTICLES OF AMENDMENT TO THE ARTICLES OF
INCORPORATION OF

XTRACOM, INC.

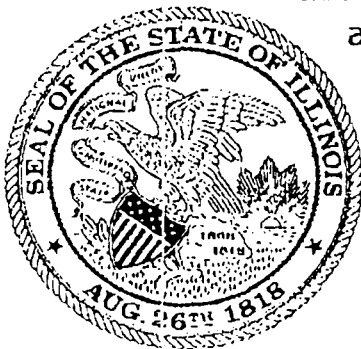
INCORPORATED UNDER THE LAWS OF THE STATE OF ILLINOIS HAVE BEEN
FILED IN THE OFFICE OF THE SECRETARY OF STATE AS PROVIDED BY THE
BUSINESS CORPORATION ACT OF ILLINOIS, IN FORCE JULY 1, A.D. 1984.

Now Therefore, I, Jesse White, Secretary of State of the State of Illinois, by virtue of the powers vested in me by law, do hereby issue this certificate and attach hereto a copy of the Application of the aforesaid corporation.

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois,

at the City of Springfield, this 16TH

day of AUGUST A.D. 2000 and of
the Independence of the United States the two
hundred and 25TH



Jesse White

Secretary of State

Text of Amendment

- b. *(If amendment affects the corporate purpose, the amended purpose is required to be set forth in its entirety. If there is not sufficient space to do so, add one or more sheets of this size.)*

- 4. The manner, if not set forth in Article 3b, in which any exchange, reclassification or cancellation of issued shares, or a reduction of the number of authorized shares of any class below the number of issued shares of that class, provided for or effected by this amendment, is as follows: *(If not applicable, insert "No change")*

NO CHANGE

- 5. (a) The manner, if not set forth in Article 3b, in which said amendment effects a change in the amount of paid-in capital (Paid-in capital replaces the terms Stated Capital and Paid-in Surplus and is equal to the total of these accounts) is as follows: *(If not applicable, insert "No change")*

NO CHANGE

- (b) The amount of paid-in capital (Paid-in Capital replaces the terms Stated Capital and Paid-in Surplus and is equal to the total of these accounts) as changed by this amendment is as follows: *(If not applicable, insert "No change")*

NO CHANGE

	Before Amendment	After Amendment
Paid-in Capital	\$ _____	\$ _____

(Complete either Item 6 or 7 below. All signatures must be in **BLACK INK.**)

- 6. The undersigned corporation has caused this statement to be signed by its duly authorized officers, each of whom affirms, under penalties of perjury, that the facts stated herein are true.

Dated August 15, 2000
 (Month & Day) (Year)

Xtracom, Inc.
 (Exact Name of Corporation at date of execution)

attested by [Signature]
 (Signature of Secretary or Assistant Secretary)

by [Signature]
 (Signature of President or Vice President)

Steve Shyman
 (Type or Print Name and Title)

Steve Shyman
 (Type or Print Name and Title)

- 7. If amendment is authorized pursuant to Section 10.10 by the incorporators, the incorporators must sign below, and type or print name and title.

OR

If amendment is authorized by the directors pursuant to Section 10.10 and there are no officers, then a majority of the directors or such directors as may be designated by the board, must sign below, and type or print name and title.

The undersigned affirms, under the penalties of perjury, that the facts stated herein are true.

Dated _____
 (Month & Day) (Year)

