

**NOWALSKY, BRONSTON & GOTHARD**

A Professional Limited Liability Company

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July 12, 2002

**VIA OVERNIGHT DELIVERY**

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

Re: Notification by SSC Holdings, LLC, Reconex Acquisition Corp. and  
Choctaw Communications, Inc. of a Stock Purchase Agreement

Dear Mr. Huelsmann:

On behalf of SSC Holdings, LLC ("SSC"), Reconex Acquisition Corp. ("Acquisition") and Choctaw Communications, Inc. ("Choctaw"), this letter is to advise the Commission of a Stock Purchase Agreement (the "Agreement") which will result in a change in ownership of the majority of the stock of Choctaw and, whereby, Choctaw will become a subsidiary of SSC.

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 SSC of 80.80% of the outstanding and issued shares of Choctaw's common stock (the "Shares") from Reconex, for equitable consideration. After the transaction, Choctaw will continue to operate, in all material respects, as Choctaw currently operates.

The present technical, managerial and financial personnel of Choctaw will, for the most part, remain the technical, managerial and financial personnel of Choctaw after this transaction and Choctaw, as a subsidiary of SSC, will continue to provide service to the customers of Choctaw in the name of Choctaw and with the same high level of expertise currently in place.

The proposed Agreement will be beneficial to the involved companies as well as their customers, primarily due to the enhanced access to capital and increased financial

strength of the combined companies which will result from the transaction. The customers of Choctaw 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.

Choctaw is a privately held Texas corporation with principal offices located at 8700 S. Gessner, Houston, Texas 77074. Choctaw is a non-dominant carrier that resells domestic and international long distance and local service purchased from various facilities based carriers. Choctaw is a certificated carrier in this State.<sup>1</sup>

Reconex Acquisition is a privately held Oregon Corporation with principal offices located at 2500 Industrial Avenue, Hubbard, Oregon 97032. Acquisition is a holding company which does not directly offer telecommunications services, but rather owns wholly owned subsidiaries which offer such services.

Reconex Acquisition Corp. is a wholly owned subsidiary of 1-800-Reconex, Inc. 1-800-Reconex is a privately held corporation with principal offices located at 2500 Industrial Avenue, Hubbard, Oregon 97032. 1-800-Reconex, Inc. is a non-dominant carrier that resells domestic and international long distance and local service purchased from various facilities based carriers. 1-800-Reconex is a certificated carrier in this State.<sup>2</sup>

SSC Holdings, LLC is a Delaware limited liability company with principal offices located at 8700 S. Gessner, Houston, Texas 77074. SSC is a holding company which does not directly offer telecommunications services, but rather intends to own wholly owned subsidiaries which offer such services.

Applicants accordingly propose a transaction which will accomplish the following:

- (a) SSC will acquire 80.80% of the outstanding and issued shares of stock of Choctaw by virtue of the Purchase Agreement;
- (b) As a result of the transaction, Choctaw will become a subsidiary of SSC;
- (c) Choctaw shall continue to operate as a regulated entity pursuant to Choctaw's present certifications, registrations, tariff requirements and rate structures, or on an unregulated basis, as provided by and pursuant to applicable law.

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<sup>1</sup> In this state, Choctaw provides telecommunications services pursuant to authority granted by tariff filing.

<sup>2</sup> In this state, 1-800-Reconex provides telecommunications services pursuant to authority granted in Case No. 97-288, dated 11/18/97.

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

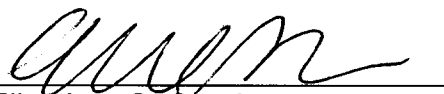
- (a) First, it will enhance the operating efficiencies, including market efficiencies, of Choctaw.
- (b) Second, it will increase the appeal to present and potential customers as communications services will be provided in a more cost-effective manner due to higher buying power and lower transport costs.
- (c) Finally, it will allow Choctaw 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 Choctaw to compete in the marketplace and to provide telecommunications services for customers in this state at competitive rates.

Enclosed are the original and eleven (11) copies of this letter. Please return one (1) of the copies 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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cc: Tommy Thomas  
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