

Diamond Williams

100000-0T

From: Strenkowski, Jeffrey R. [Jeffrey.Strenkowski@bingham.com]
Sent: Friday, September 24, 2010 12:34 PM
To: Filings@psc.state.fl.us
Cc: Ferenczak, Brett P.
Subject: Notification Regarding the Transfer of Indirect Control of Talk America, LDMI Telecommunications, The Other Phone Company, Network Telephone and Intellifiber Networks
Attachments: Florida.pdf

Dear Sir or Madam,

Attached please find the above-referenced notice letter concerning the transfer of indirect control of Talk America, Inc., LDMI Telecommunications, Inc., The Other Phone Company and Network Telephone Corporation, and Intellifiber Networks, Inc. to PAETEC Holding Corp. Please acknowledge receipt of this filing.

Please let us know if you have any questions.

Regards,

Jeff Strenkowski

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You should recognize that responses provided by means of this email are akin to ordinary telephone or face-to-face conversations and do not reflect the level of factual or legal inquiry or analysis which would be applied in the case of a formal legal opinion. A formal opinion could reach a different result. We would, of course, be happy to prepare such a definitive statement or formal opinion if you would like us to.

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9/24/2010

BINGHAM

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September 24, 2010

Via Electronic Filing

Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
filings@psc.state.fl.us

100000-07

Re: Notification Regarding the Transfer of Indirect Control of Talk America, Inc., LDMI Telecommunications, Inc., The Other Phone Company and Network Telephone Corporation, and Intellifiber Networks, Inc. to PAETEC Holding Corp.

Dear Ms. Cole:

PAETEC Holding Corp. ("PAETEC"), Talk America, Inc. ("TA"), LDMI Telecommunications, Inc. ("LDMI"), The Other Phone Company ("TOPC"), Network Telephone Corporation ("NTC") and Intellifiber Networks, Inc. ("Intellifiber") (TA, LDMI, TOPC, NTC and Intellifiber collectively, the "Cavalier Entities") (PAETEC and the Cavalier Entities collectively, the "Parties"), by their undersigned counsel hereby notify the Florida Public Service Commission ("Commission") of the transfer of indirect control of the Cavalier Entities to PAETEC, as described more fully herein.

It is the Parties' understanding that Commission approval is not required to complete the transactions described herein. Accordingly, the Parties submit this letter for informational purposes only to ensure the continuing accuracy of the Commission's records. In support, the Parties provide the following information:

Description of the Parties

A. PaeTec Holding Corp.

PAETEC is a publicly traded Delaware corporation (NASDAQ GS: PAET) with principal offices located at One PAETEC Plaza, 600 Willow Brook Office Park, Fairport, New York 14450. PAETEC, through its regulated operating subsidiaries including its subsidiaries that operate in Florida, has a presence in 84 of the nation's top 100 MSAs, delivering communications solutions to business customers in 46 states and the District of Columbia. Additional information regarding PAETEC, including its most recent SEC Form 10-Q, as filed with the Securities and Exchange Commission, is available at www.paetec.com/investors.

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FPSC-COMMISSION CLERK

PAETEC has three subsidiaries that operate in Florida: PaeTec Communications, Inc. ("PCI"),¹ US LEC of Florida, LLC d/b/a PAETEC Business Services ("PAETEC-FL")² and McLeodUSA Telecommunications Services, LLC d/b/a PAETEC Business Services ("PAETEC Business").³ By virtue of its ownership of PCI, PAETEC-FL and PAETEC Business, PAETEC has demonstrated its qualifications to own and operate telecommunications carriers in Florida.

B. The Cavalier Entities

The Cavalier Entities are wholly owned indirect subsidiaries of Cavalier Telephone Corporation ("Cavalier"), a Delaware corporation. Cavalier and the Cavalier Entities have their principal business offices at 2134 West Laburnum Avenue, Richmond, Virginia 23227. Through its various operating subsidiaries, including the Cavalier Entities, Cavalier uses its own network, including a high-capacity fiber network, to serve customers throughout the Midwest, Southeast, Northeast, and Mid-Atlantic states. The company's fiber network contains approximately 13,000 intercity route miles and approximately 4,000 metro route miles. Cavalier provides telecommunications services and solutions to business, consumer, and government customers.

In Florida, TA is authorized to provide competitive local exchange and interexchange telecommunications services pursuant to CLEC Certificate No. 4692 and IXC Registration No. TI076. LDMI is authorized to provide intrastate interexchange telecommunications services pursuant to IXC Registration No. TI425. NTC is authorized to provide competitive local exchange and interexchange telecommunications services pursuant to CLEC Certificate No. 5613 and IXC Registration No. TJ119. TOPC is authorized to provide competitive local exchange and interexchange telecommunications services pursuant to CLEC Certificate No. 4099 and IXC Registration No. TI619. Intellifiber is authorized to provide competitive local exchange and interexchange telecommunications services pursuant to CLEC Certificate No. 8012 and IXC Registration No. TJ582. The Cavalier Entities are each also authorized by the Federal Communications Commission to provide domestic and/or international telecommunications services.

Designated Contacts

Questions, correspondence or other communications concerning this filing should be directed to the Parties' counsel of record:

¹ PCI holds CLEC Certificate No. 5765 and IXC Registration No. TJ132.

² PAETEC-FL holds CLEC Certificate No. 5311 and IXC Registration No. TJ057.

³ PAETEC Business holds CLEC Certificate No. 7715 and IXC Registration No. TI604.

Ann Cole, Commission Clerk
September 24, 2010
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For PAETEC:

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with a copy to:

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For the Cavalier Entities:

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Description of the Cavalier Transfer

Pursuant to the Agreement and Plan of Merger, dated as of September 12, 2010, by and among PAETEC, Cairo Acquisition Corp. ("MergerCo") (an indirect, wholly-owned subsidiary of PAETEC created for purposes of the transaction),⁴ Cavalier, and the Stockholder Representative (the "Agreement"), MergerCo will merge with and into Cavalier, with Cavalier continuing as the surviving entity (the "Merger").⁵ As a result of the Merger, the Cavalier Entities will become wholly owned indirect subsidiaries of PAETEC and PAETEC Corp. Thus, PAETEC will become the new ultimate parent company of Cavalier and the Cavalier Entities. Diagrams depicting the Merger and the pre- and post-transaction corporate structures of the companies are appended hereto as Exhibit A.

⁴ MergerCo is a direct wholly-owned subsidiary of PAETEC Corp., a Delaware corporation and direct wholly-owned subsidiary of PAETEC.

⁵ There will be no change in the current ownership of PAETEC and its subsidiaries as a result of the Merger.

The current customers of the Cavalier Entities will remain customers of those entities following the Merger. Accordingly, the Cavalier Transfer will be virtually seamless to customers, who will continue to enjoy the same rates, terms and conditions of service as they do prior to closing. The only change resulting from the Cavalier Transfer will be that the Cavalier Entities will be ultimately owned by PAETEC, a widely held public corporation.

Public Interest Considerations

The proposed transactions described herein will serve the public interest. As part of the PAETEC family of companies, the Cavalier Entities will continue to provide high-quality telecommunications services to consumers, while gaining access to the additional resources and operational expertise of PAETEC. The Cavalier Entities will also benefit by being able to offer services to multi-location business customers across a much larger footprint in combination with its new PAETEC affiliates. The Cavalier Entities' network complements PAETEC's network and the acquisition will increase PAETEC's existing fiber footprint, giving the combined companies greater market depth and breadth as a result of the Cavalier Transfer. The indirect transfer of control will therefore give the Cavalier Entities the ability to become stronger competitors and thereby benefit consumers.

* * *

Please acknowledge receipt and acceptance of this filing. Should you have any questions regarding this filing, please do not hesitate to contact Brett Ferenchak at 202-373-6697.

Respectfully submitted,



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Counsel for PAETEC Holding Corp.

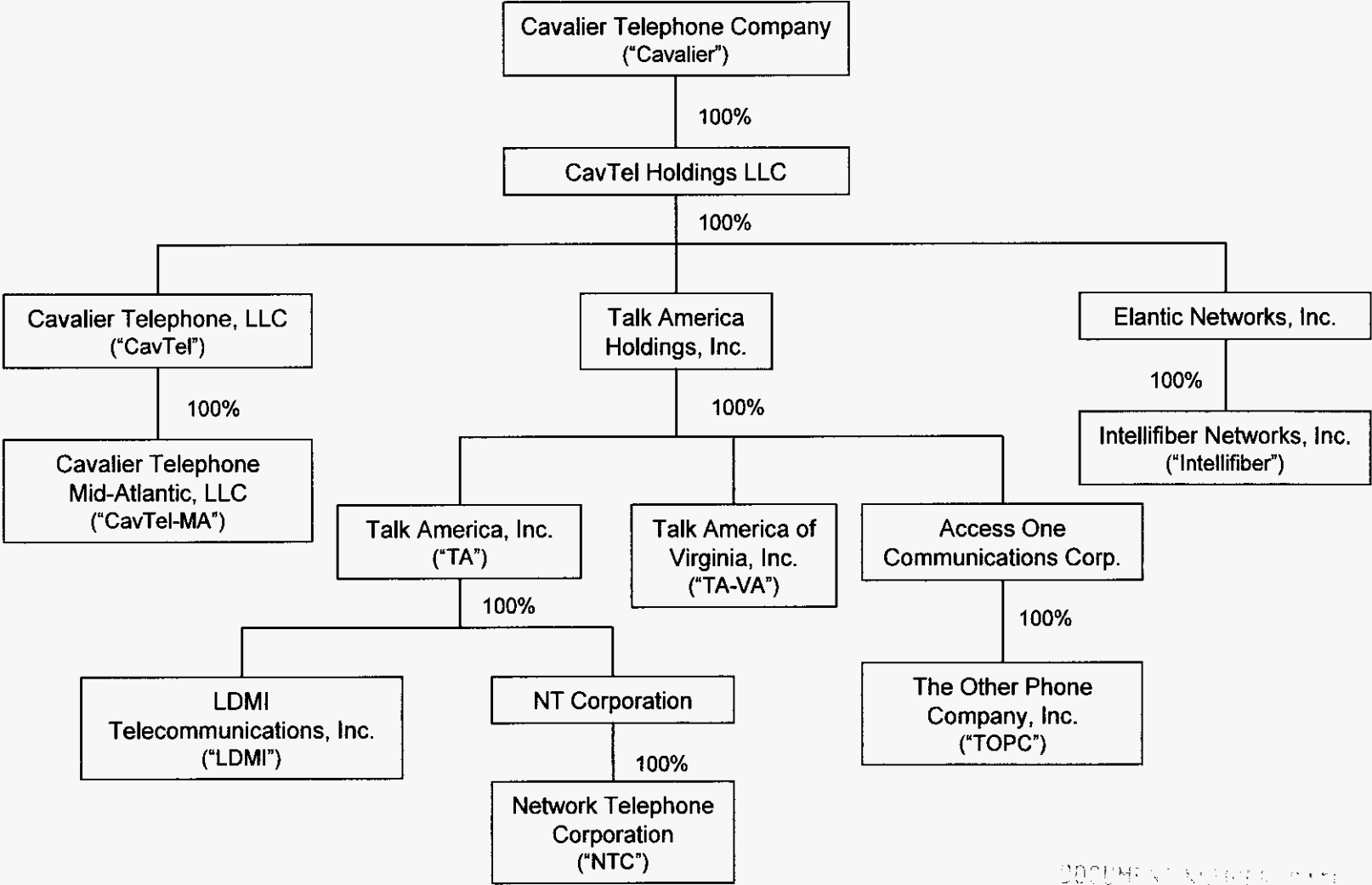
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Counsel for Cavalier and the Cavalier Entities

EXHIBIT A

**Chart of the Merger and
the Pre- and Post-Transaction Corporate Organizational Structure**

Pre-Transaction Ownership of the Regulated Subsidiaries of Cavalier



Pre-Transaction Ownership of the Regulated Subsidiaries of PAETEC

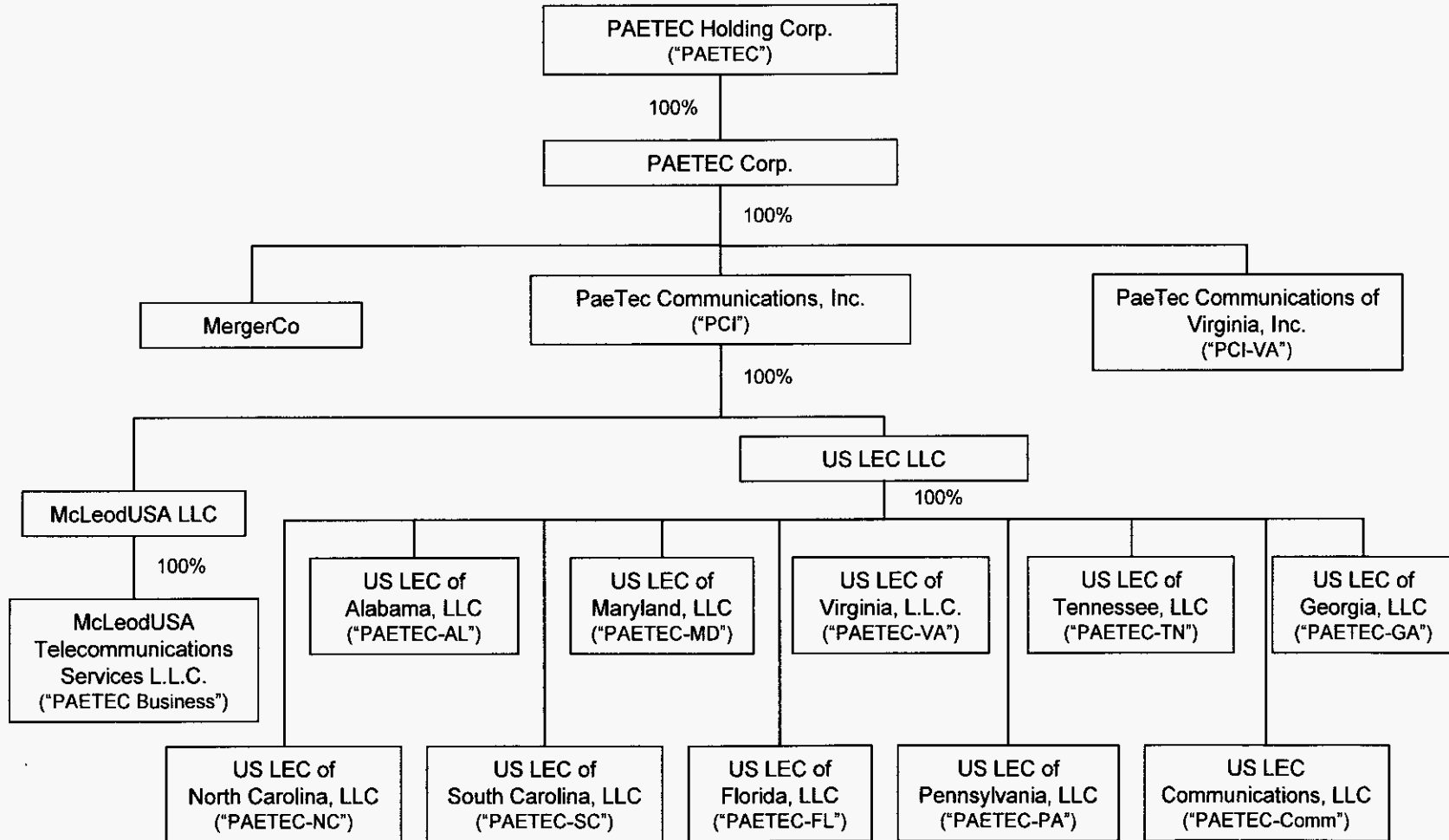
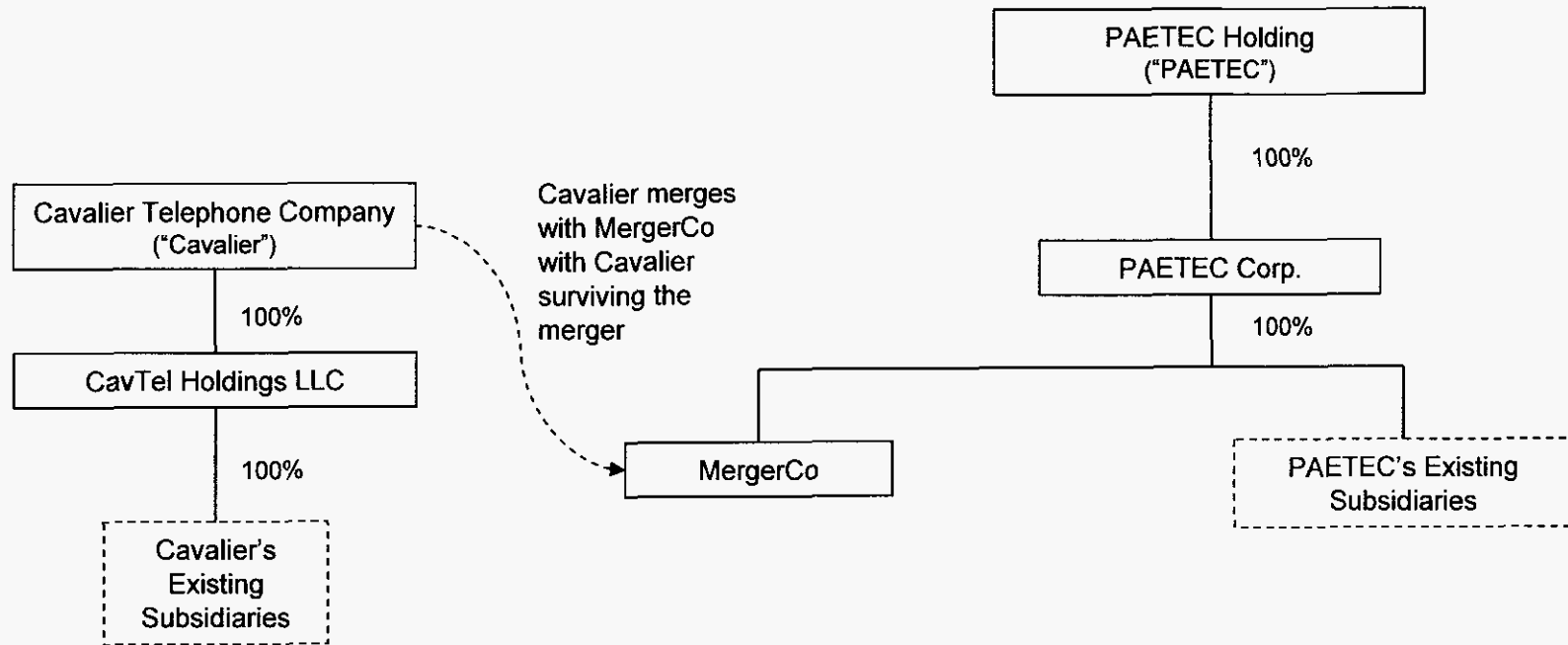
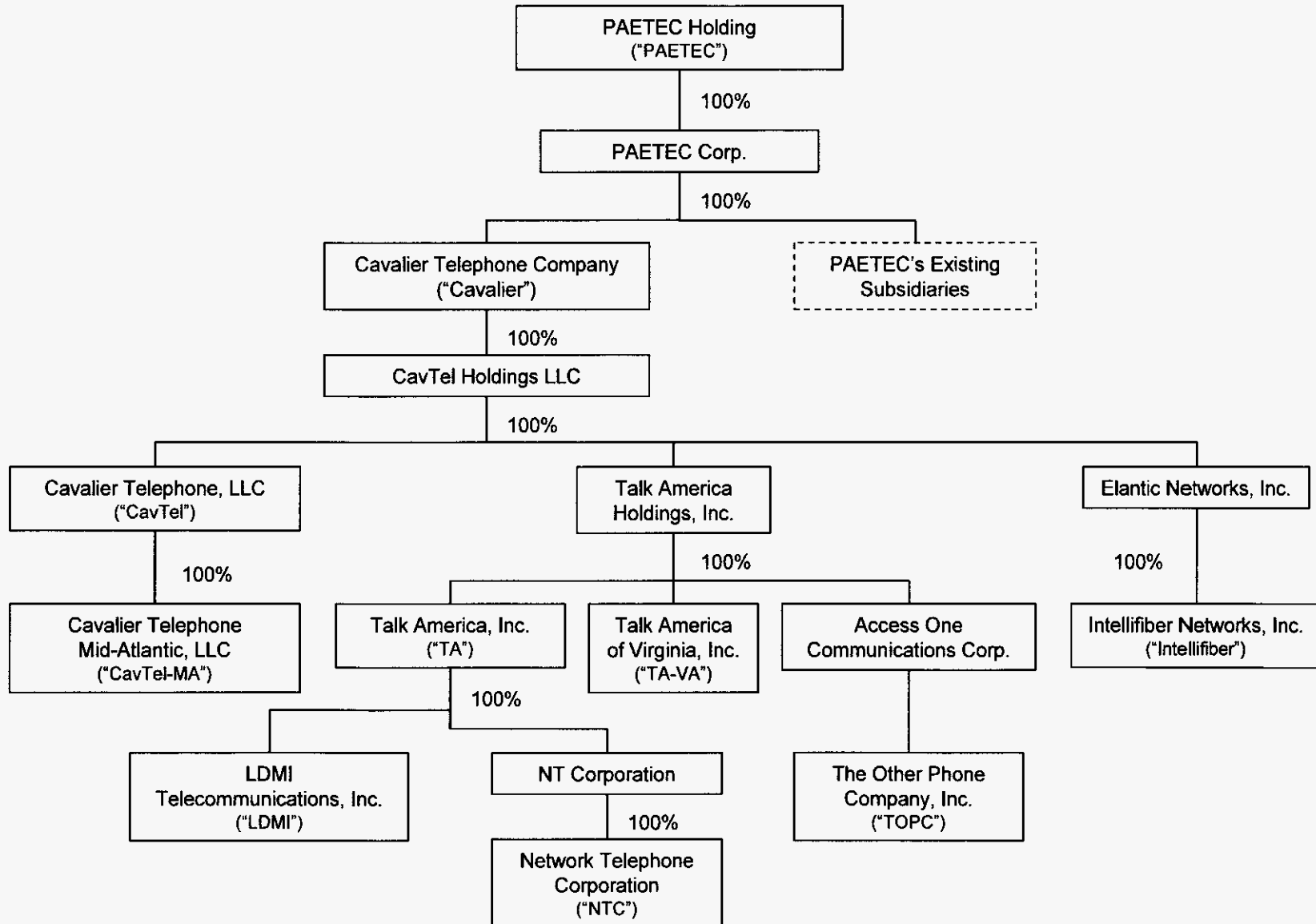


Illustration of the Merger



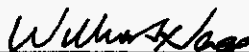
Post-Transaction Ownership of the Regulated Subsidiaries of PAETEC and Cavalier



VERIFICATION

I, William A. Haas, state that I am Vice President Regulatory and Public Policy of PAETEC Holding Corp.; that I am authorized to make this Verification on behalf of PAETEC Holding Corp.; that the foregoing filing was prepared under my direction and supervision; and that the statements with respect to PAETEC Holding Corp and its subsidiaries in the foregoing document are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 12th day of September, 2010.




Name: Williams A. Haas
Title: Vice President Regulatory and Public Policy
PAETEC Holding Corp.

VERIFICATION

I, Sarah L. Murphy, state that I am Vice President of Cavalier Telephone Corporation and Secretary of Cavalier Telephone, LLC (together, the "Company"); that I am authorized to make this Verification on behalf of the Company; that the foregoing filing was prepared under my direction and supervision; and that the statements with respect to the Company in the foregoing document are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 13 day of September, 2010.


Name: Sarah L. Murphy
Title: Vice President
Cavalier Telephone Corporation