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BY OVERNIGHT DELIVERY

David Wadell
Interim Executive Director
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37219

**Re: Corporate Reorganization of Telco Communications Group, Inc.;
Dial & Save of Tennessee, Inc., Docket Nos. 95-02455 and 96-00982; Long
Distance Wholesale Club**

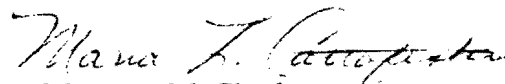
Dear Mr. Wadell:

Please be advised that Telco Communications Group, Inc. ("Telco"), the parent of the above-referenced Licensees, will undergo a corporate reorganization to establish a holding company structure. At the close of this reorganization, Telco Holdings, Inc., a newly created company wholly-owned by Telco, will become the parent of Dial & Save of Tennessee, Inc. ("Dial & Save") and Long Distance Wholesale Club ("LDWC"). Dial & Save and LDWC will become second-tier subsidiaries of Telco. Consequently, Dial & Save and LDWC will continue to be ultimately controlled by Telco.

Telco has determined that interposing a holding company between itself and Dial & Save and LDWC will provide it greater flexibility to obtain financing for its continuing expansion and to secure its competitive position in the telecommunications marketplace. The corporate reorganization will be transparent to customers and will not disrupt service or cause inconvenience to customers. Moreover, the reorganization will cause no changes in the management, operation, or ultimate ownership of Dial & Save and LDWC.

Should you have any questions, please contact the undersigned.

Sincerely,



Margaret M. Charles
Maria L. Cattafesta

Counsel for Dial & Save of Tennessee, Inc.,
and Long Distance Wholesale Club

cc: Bryan Rachlin

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