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REED SMITH SHAW & McCLAY

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September 30, 1996

Ms. Blanca S. Bayo
Director, Div. Records & Reporting
Florida Public Service Comm.
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

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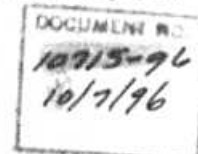
Dear Ms. Bayo:

We are writing to inform you of a transaction involving Intellicall Operator Services, Inc. ("IOS"), a certificate holder in your state. As indicated below, we do not believe that any regulatory action is required for this transaction, but IOS wishes to have this matter brought to your attention.

Intellicall, the sole shareholder of IOS, is bringing in new investors in order to expand and improve IOS's services. To do so, Intellicall has created a new subsidiary, ILD Communications, Inc., to hold IOS's stock. Specifically, ILD Communications, Inc. (ILD), the vehicle for the new investment, is capitalized with voting common stock and two classes of preferred stock: Series A convertible Voting and Series B convertible Non-voting. Intellicall maintains 72.5% of all voting stock in ILD. The remaining voting stock is divided between two other investors, who hold 18.3%, and 9.2%. Each share of Series A Preferred is convertible into one share of common. Intellicall owns all 5,000 shares of Series B Preferred. Series B Preferred is convertible into common at the rate of \$90 per common share. ILD also has a stock option plan pursuant to which the company may issue up to 27,500 shares of common stock to ILD employees and others.

Although Intellicall is by far the majority shareholder of ILD and through it of IOS, the insertion of a new level of ownership requires some modification of prior arrangements between Intellicall and IOS. Because the financial performance of IOS/ILD will have to be kept separately from that of Intellicall, ILD and Intellicall have entered into an agreement whereby Intellicall will continue to provide the management services and financial services required by IOS (and ILD) for a monthly fee.

In consideration of the substantial nature of the investment by the new shareholders, certain typical provisions to protect their interests (and Intellicall's) are included in a shareholders' agreement among the parties establishing ILD as the parent of IOS. These include restrictions on the transfer of stock of ILD for the first two years, rights of first refusal by existing shareholders and the right to require the corporation to purchase shares to the extent of surplus if the stock of ILD has not been listed on an exchange or NASDAQ within four years.



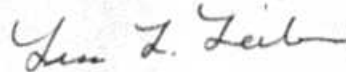
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There will be no change in the name of the certificate holder or in the rates or services offered as a result of this transaction, and, thus, this transaction will be transparent to customers of IOS in your state.

Please direct any inquiries related to this matter to James Freeman or Lisa Leibow.

Very truly yours,



James J. Freeman, Esq.
Lisa L. Leibow, Esq.