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December 4, 2006

**Via Overnight Delivery**

Elizabeth O'Donnell, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602-8294

RECEIVED

DEC 05 2006

PUBLIC SERVICE  
COMMISSION

Bingham McCutchen LLP  
Suite 300  
3000 K Street NW  
Washington, DC  
20007-5116  
202 424 7500  
202 424 7647 fax

**Re: First Communications, Inc., Lightyear Networks Solutions, LLC, and  
First Communications, LLC Notification of Transfer of Control**

Dear Ms. O'Donnell:

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- Boston
- Hartford
- London
- Los Angeles
- New York
- Orange County
- San Francisco
- Silicon Valley
- Tokyo
- Walnut Creek
- Washington

First Communications, Inc. ("FCI"), a newly formed holding company, Lightyear Network Solutions, LLC ("Lightyear"), and First Communications, LLC ("First Communications") (collectively, "the Parties"), through their undersigned counsel, hereby notify the Commission of their intent to consummate a transaction whereby FCI will acquire control of Lightyear and First Communications. Upon review of Kentucky statutes and Commission rules, the Parties understand that approval of the Transaction by the Commission is not required. Accordingly, the Parties submit this filing as a courtesy and to ensure the continuing accuracy of the Commission's records.

FCI has been formed in order to facilitate a transaction whereby Lightyear, First Communications and Xtension Services Inc. ("Xtension"), will become an integrated telecommunications company that, while continuing to operate pursuant to their existing certificates and tariffs, will be able to benefit from the combined expertise of each of the three companies' respective management and operational personnel and to achieve additional economies of scope and scale that will enable them to compete more effectively (the "Transaction").

Other than the insertion of a publicly traded holding company as the ultimate parent of Lightyear, First Communications, and Xtension, the proposed Transaction will not have any significant impact on the Commission's regulatory oversight of the Parties. The Parties expect that the ownership of the FCI holding company will be widely held at the time of the transfer, with an estimated 72% of the shares publicly offered to new investors and the remaining shares held by existing owners and founders/management of the three companies. Moreover, the Transaction will not result in any assignment or transfer of certificates, assets or customers of Lightyear, First Communications, and Xtension. Lightyear and First Communications will continue to provide service to their existing customers in Kentucky pursuant to their existing authorizations and at the same rates, terms and conditions such that the transaction will be transparent to their customers, and the integrated company will continue to be run by a combination of the highly experienced, well qualified

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management, operational and technical personnel that operate the three companies today.

The Parties anticipate that the FCI shares will be admitted to trading on the Alternative Investment Market of the London Stock Exchange ("AIM") in March, 2007. It is imperative that, when the offering is made, FCI be able to advise the London Stock Exchange and potential public shareholders that the United States regulatory approvals necessary for it to acquire control of Lightyear, First Communications, and Xtension immediately following the offering have been obtained.

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The Parties further state as follows:

**I. Description of the Companies**

**A. First Communications, Inc. ("FCI")**

FCI is a newly formed corporation with offices located at 3340 West Market Street, Akron, Ohio 44333, (330) 835-2323.<sup>1</sup> It has entered into letters of intent to acquire 100 percent of the shares of Lightyear, First Communications, and Xtension. Prior to the closing of those three transactions and the resulting transfers of control, FCI will undertake an initial public offering on AIM after which approximately 72 percent of its shares will be held by new investors, and the remaining shares held by existing owners and founders/management of Lightyear, First Communications, and Xtension.<sup>2</sup>

The Parties do not expect that any individual will hold an attributable interest in more than 10 percent of the shares of FCI, or that any individual or entity will hold any controlling interest. Founding management will hold a combined interest of 15 percent, but no individual will hold more than 10 percent of the stock of FCI, and none of the current shareholders of Lightyear, First Communications or Xtension will hold more than 10 percent of the stock of FCI.<sup>3</sup> Moreover, the Parties do not expect that any individual or entity will acquire more than 10 percent of the publicly offered shares.

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<sup>1</sup> FCI's formation documents are attached hereto as Exhibit A.

<sup>2</sup> At the time of closing, a parent company may be added to the corporate structure as the publicly-traded company with the ownership interest described above. FCI will be a wholly-owned subsidiary of the publicly-traded parent company, and the publicly-traded company will be the ultimate parent of Lightyear, First Communications, and Xtension.

<sup>3</sup> Following the AIM admission and as of the closing of the Transaction and the resulting transfer of control, the existing First Communications shareholders will hold an aggregate of approximately 7.5 percent in FCI; the current shareholders in LY Holdings, LLC (the parent of Lightyear) will hold an aggregate of approximately 3.5 percent in FCI; and the current shareholders in Xtension will hold an aggregate of approximately 3 percent in FCI.

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FCI will have the technical, managerial, and financial qualifications to acquire control of Lightyear, First Communications, and Xtension. As noted above, a well qualified management and operations team consisting of current Lightyear, First Communications, and Xtension management and operations personnel will remain with the integrated company, thereby assuring continuity of existing operations and providing each of the individual companies with access to an experienced team that combines the expertise all three companies. Biographies of FCI's initial Board of Directors and Senior Management Team which illustrate the impressive experience and expertise of the combined management team are attached hereto as Exhibit B.

### **B. Lightyear Network Solutions, LLC ("Lightyear")**

Lightyear is limited liability company organized and existing under the laws of the Commonwealth of Kentucky, with offices located at 1901 Eastpoint Parkway, Louisville, Kentucky 40223. Lightyear is a wholly owned subsidiary of LY Holdings, LLC,<sup>4</sup> a Kentucky limited liability company also located in Louisville, Kentucky, which, in turn, is owned by a series of investors including LANJK, LLC, SullivanLY, LLC, and Rice-LY Ventures, LLC. Lightyear holds domestic and international Section 214 authorizations from the FCC and is authorized to provide local exchange telecommunications services in 44 states and long distance telecommunications services in 49 states.

In Kentucky, Lightyear is authorized to provide facilities-based and resold local exchange and interexchange telecommunications services pursuant to authority granted by the Commission in File No. T64-1626 issued on January 16, 2004.

### **C. First Communications, LLC ("First Communications")**

First Communications is a privately held Ohio limited liability company headquartered at 3340 West Market Street, Akron, Ohio 44333, (330) 835-2323. First Communications was formed on July 1, 1998 under the laws of the State of Ohio. McKinley Communications, LLC holds a 51% ownership interest in First Communications, First Energy Corp. holds a 32% interest in First Communications and Boich Investment Group, Ltd. holds a 17% interest in First Communications. No other entity holds a 10% or greater ownership interest in First Communications.

First Communications is a common carrier that provides local, private line and long distance services to both business and residential customers in several states. Currently, First Communications provides telecommunications services to approximately 200,000 customers located primarily in Ohio, Michigan, Indiana, Illinois, North Carolina, Texas, Pennsylvania and Florida. First Communications' services include, in addition to traditional local and long distance services, toll-free services, conference calling packages, calling cards, prepaid calling cards, Internet

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<sup>4</sup> As part of the proposed Transaction, LY Holdings, LLC will be merged into Lightyear and therefore will cease to exist as an intermediate holding company following the transfer of control to FCI.

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access and dedicated and private line services. First Communications' telecommunications services are provided primarily on a resale basis using the facilities and switches that are owned and operated by other telecommunications carriers.

First Communications is authorized to provide intrastate long distance telecommunications services in 42 states and is authorized to provide intrastate long distance and competitive local exchange telecommunications services in Illinois, Indiana, Michigan, New Jersey, New York, Ohio, Pennsylvania, and Wisconsin. In Kentucky, First Communications is authorized to provide interexchange telecommunications services pursuant to its registration and tariffs accepted by the Commission on April 4, 1999.

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**D. Xtension Services, Inc. ("Xtension")**

Xtension is a corporation founded in 2000 under the laws of the State Delaware. Its offices are located at 30 South Treasure Drive, Tampa, Florida 33609. Jamie J. O'Steen and David H. Amis each own 50% of Xtension. Xtension holds domestic and international Section 214 authorizations from the FCC and is authorized to provide long distance telecommunications services in 13 states and local exchange telecommunications services in New Jersey.

**II. Designated Contacts**

For the purposes of this Notification, questions or any correspondence, orders, or other materials should be directed to the following contacts:

Jean L. Kiddoo  
Danielle C. Burt  
Bingham McCutchen LLP  
3000 K Street, NW, Suite 300  
Washington, DC 20007-5116  
Tel: (202) 424-7500  
Fax: (202) 424-7647  
Email: jean.kiddoo@bingham.com  
danielle.burt@bingham.com

With copies to:

John Greive  
Lightyear Network Solutions, LLC  
1901 Eastpoint Parkway  
Louisville, Kentucky 40223  
Tel: (502) 253-1508  
Fax: (502) 515-4138  
Email: john.greive@lightyear.net

and

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Mary Cegelski  
First Communications, LLC  
15166 Neo Parkway  
Garfield Heights, OH 44128  
Telephone: (216) 468-1614  
Facsimile: (216) 468-1680  
E-mail: mcegelski@firstcomm.com

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**III. Description of the Transaction**

The Parties propose to complete a transaction (the "Transaction") whereby FCI will acquire control of Lightyear, First Communications, and Xtension following the initial public offering of shares by FCI on AIM. For the Commission's convenience, illustrative pre- and post-Transaction organization charts are provided as Exhibit C.

Immediately following the consummation of the proposed Transaction, Lightyear and First Communications will continue to offer service to existing customers with no change in their rates or terms and conditions of service. Therefore, the transfer of control of Lightyear and First Communications will be seamless and virtually transparent to consumers in the State.

**IV. Public Interest Considerations**

The Parties submit that the Transaction will serve the public interest. The Transaction will bring together three successful carrier organizations that have proven themselves in a highly competitive marketplace. The Transaction will help create a stronger competitor by bringing together each organization's respective strengths. Moreover, FCI will hold the combined managerial, operational and technical qualifications of Lightyear, First Communications, and Xtension, and will be stronger financially than any of the three individual companies currently are alone. Operation as an integrated company will allow each operating companies to be more competitive and to deliver even greater value to their customers than they do individually. Moreover, the Parties emphasize that the proposed indirect transfer of control will be seamless and transparent to the customers of Lightyear, First Communications, and Xtension and will not result in the discontinuance, reduction, loss, or impairment of service to customers.

**V. Conclusion**

For the reasons stated above, the Parties respectfully submit that the Transaction will serve the public interest, convenience, and necessity. An original and ten (10) copies of this letter are enclosed for filing. Please date-stamp the enclosed extra copy of this letter and return it in the attached self-addressed, stamped envelope.

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Please contact the undersigned if the Commission has any questions regarding this matter.

Respectfully submitted,



Jean L. Kiddoo  
Danielle Burt

Bingham McCutchen LLP  
bingham.com

Counsel for First Communications, Inc.,  
Lightyear Network Solutions, LLC, and  
First Communications, LLC

## **LIST OF EXHIBITS**

- Exhibit A - FCI Formation Documents
- Exhibit B - Board of Directors and Senior Management Team Biographies
- Exhibit C - Pre- and Post-Transaction Ownership Structure
- Verifications

**EXHIBIT A**

**Formation Documents**



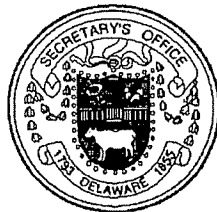
# Delaware

PAGE 1

*The First State*

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "LIGHTYEAR ACQUISITION, INC.", FILED IN THIS OFFICE ON THE EIGHTEENTH DAY OF OCTOBER, A.D. 2006, AT 4:28 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



4237405 8100

060957442

*Harriet Smith Windsor*

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 5129135

DATE: 10-19-06

**CERTIFICATE OF INCORPORATION**  
**OF**  
**LIGHTYEAR ACQUISITION, INC.**

1. The name of the corporation is Lightyear Acquisition, Inc.
2. The address of its registered office in the State of Delaware is: Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The name of its registered agent at such address is: The Corporation Trust Company.
3. The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.
4. The total number of shares of stock which the corporation shall have authority to issue is One Thousand (1,000); all of such shares shall be without par value.

At all elections of the directors of the corporation, each stockholder shall be entitled to as many votes as shall equal the number of votes which (except for such provision as to cumulative voting) he would be entitled to cast for the election of directors with respect to his shares of stock multiplied by the number of directors to be elected by him, and he may cast all of such votes for a single director or may distribute them among the number to be voted for, or for any two or more of them as he may see fit.

The holders of shares shall, upon the issuance or sale of shares of stock of any class (whether now or hereafter authorized) or any securities convertible into such stock, have the right, during such period of time and on such conditions as the board of directors shall prescribe, to subscribe to and purchase such shares or securities in proportion to their respective holding thereof, at such price or prices as the board of directors may from time to time fix and as may be permitted by law.

5. The name and mailing address of each incorporator is as follow:

NAME

MAILING ADDRESS

John Grieve

1901 Eastpoint Parkway  
Louisville, Kentucky 40223

The name and mailing address of each person who is to serve as a director until the first annual meeting of the stockholders or until a successor is elected and qualified, is as follows:

<u>NAME</u>	<u>MAILING ADDRESS</u>
Sherman Henderson	1901 Eastpoint Parkway Louisville, Kentucky 40223

6. The corporation is to have perpetual existence.

7. In furtherance and not in limitation of the powers conferred by statute, the board of directors is expressly authorized:

To make, alter or repeal the by-laws of the corporation.

To authorize and cause to be executed mortgages and liens upon the real and personal property of the corporation.

To set apart out of any of the funds of the corporation available for dividends a reserve or reserves for any proper purpose and to abolish any such reserve in the manner in which it was created.

To designate one or more committees, each committee to consist of one or more of the directors of the corporation. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. The by-laws may provide that in the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the board of directors, or in the by-laws of the corporation, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to the following matters: (i) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the General Corporation Law of Delaware to be submitted to stockholders for approval or (ii) adopting, amending or repealing any bylaw of the corporation.

When and as authorized by the stockholders in accordance with law, to sell, lease or exchange all or substantially all of the property and assets of the corporation, including

its good will and its corporate franchises, upon such terms and conditions and for such consideration, which may consist in whole or in part of money or property including shares of stock in, and/or other securities of, any other corporation or corporations, as its board of directors shall deem expedient and for the best interests of the corporation.

8. Elections of directors need not be by written ballot unless the by-laws of the corporation shall provide.

Meetings of stockholders may be held within or without the State of Delaware, as the by-laws may provide. The books of the corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the board of directors or in the by-laws of the corporation.

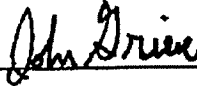
Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them and/or between this corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this corporation under the provisions of Section 291 of the General Corporation Law of Delaware or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of Section 279 of the General Corporation Law of Delaware order a meeting of the creditors or class of creditors, and /or of the stockholders or class of stockholders of this corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this corporation, as the case may be, and also on this corporation.

9. The corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

10. A director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of

the General Corporation Law of Delaware, or (iv) for any transaction from which the director derived any improper personal benefit.

WE, THE UNDERSIGNED, being each of the incorporators hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, do make this Certificate, hereby declaring and certifying that this is our act and deed and the facts herein stated are true, and accordingly have hereunto set our hands this 18<sup>th</sup> day of October, 2006.

  
\_\_\_\_\_

JOHN GRIEVE, INCORPORATOR

**ACTION BY UNANIMOUS CONSENT OF SOLE DIRECTOR**

November 14, 2006

The undersigned, being the Sole Director of **LIGHTYEAR ACQUISITION, INC.** (the "Corporation"), hereby waives any and all notice required by statute, regulation, or otherwise and in lieu of action taken at a meeting hereby consents to the adoption of the following action pursuant to Delaware General Corporation Law Section 141(f):

WHEREAS, the Director of the Corporation deems it to be in the best interest of the Corporation to amend the Articles of Incorporation, and hereby adopts the following:

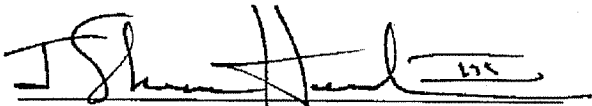
RESOLVED, that the first article of the Articles of Incorporation be, and it hereby is, amended to read as follows:

1. The name of the corporation is First Communications, Inc.

and

FURTHER RESOLVED, that the corporation is hereby authorized and directed to file with the Delaware Secretary of State's office a Certificate of Amendment to Certificate of Incorporation to change the name of the Corporation.

SOLE DIRECTOR

  
J. Sherman Henderson, III

**CERTIFICATE OF AMENDMENT  
OF  
CERTIFICATE OF INCORPORATION  
OF  
LIGHTYEAR ACQUISITION, INC.  
BEFORE RECEIPT OF PAYMENT FOR STOCK**

Sherman Henderson, being the sole director of Lightyear Acquisition, Inc., a Delaware corporation, hereby certifies as follows:

FIRST: The corporation has not received any payment for any of its stock.

SECOND: I am named as the sole director in the corporation's Certificate of Incorporation.

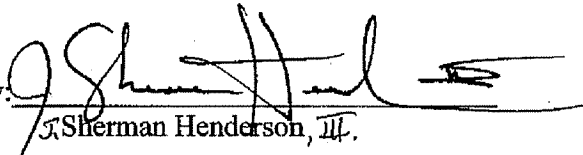
THIRD: The amendment set forth below to the corporation's Certificate of Incorporation has been duly adopted by the sole director in accordance with the provisions of Sections 141(f) and 241 of the General Corporation Law of the State of Delaware:

The first article is amended in its entirety to read as follows:

1. The name of the corporation is First Communications, Inc.

IN WITNESS WHEREOF, the undersigned has caused this Certificate of Amendment to be executed by its sole director as of this 14<sup>th</sup> day of November, 2006.

SOLE DIRECTOR

By:   
Sherman Henderson, III.

**EXHIBIT B**

**Board of Directors and Senior Management Biographies**



# Board of Directors

## **Gary Donahee, Non-Executive Chairman**

From 1976 to 2003, Mr. Donahee served in various capacities for Nortel Networks Corporation (NT), including: Senior Vice President of Corporate Human Resources, Senior VP and President: Major Accounts, North America; Caribbean and Latin America and Brazil, Carrier Networks EMEA; and Executive Vice President and President of The Americas. Under his leadership at The Americas, Mr. Donahee was responsible for the largest revenue increase in Nortel's history of approximately US\$8B incremental growth in 2000. Also at Nortel he was a principle participant in 14 corporate mergers and acquisitions that profoundly impacted the R&D programs.

Mr. Donahee received his Bachelors Degree from the University of New Brunswick, completed graduate studies at the University of Western Ontario and attended the marketing Management Program at Stanford University.

## **Steven C. Rockefeller, Jr., Non-Executive Vice Chairman**

Steven C. Rockefeller Jr. is the President of Educational Adventures, which creates family friendly entertainment to empower children to make better safety related decisions. Prior to this Mr. Rockefeller served as a Managing Director for Deutsche Bank Private Wealth Management. He was a key participant in the creation of the Deutsche Bank Microcredit Development Fund, a unique partnership between the bank and its clients to support microcredit programs worldwide. Within his particular focus on microcredit, besides being on the GFUSA board, Steven also serves on the Board of Directors of the Soros Economic Development Fund and the Deutsche Bank Microcredit Development Fund. He also serves on the Board of the Rockefeller Philanthropy Advisors, is a member of The Rockefeller University Council and the YMCA-YWCA Camping Services Council.

Steven received his Master's of Public and Private Management from Yale University and his B.A. from Fairfield University. Steven and his wife, Kimberly, reside in Pleasantville, New York with their three children, Steven III, Christian and Kayla.

## **Sherman Henderson, Managing Director, President and CEO**

A recognized telecommunication industry leader with 25 years of successful operations, Mr. Henderson has raised equity capital in excess of US\$300M for five different companies resulting in shareholder returns of 100% to 300%. He has led the profitable execution of a growth strategy through periods of industry downturn while producing significant positive EBITDA. Mr. Henderson has also managed and directed the merger, acquisition and integration of six telecom companies.

Mr. Henderson currently serves as President and CEO of Lightyear Network Solutions and has served for the past four years as Chairman of the Board of COMPTTEL, a US telecommunications industry association with over 400 members, including among others: Sprint, Qwest, BellSouth, ALLTEL, and Level 3. Mr. Henderson received a Bachelor of Arts degree in Business Administration from Florida State University.

### **Roy Wilkens, Non-Executive Director**

Mr. Wilkens served as president of The Williams Company from 1983 to 1986. In 1984 he directed the deployment of fiber cable in unused pipeline from the mid-west to the US west coast. He completed the project in one-third the time and half the cost of the competition. The project was profitable after the first year of operation.

With the initial seed capital from Williams of \$150 million, Mr. Wilkens organized and served as president and CEO of WilTel from 1986 to 1997. He led the acquisition of LDX Net, LightNet, and the PBX sales and service company of Northern Telecom and several Bell Companies. The consolidated operations were profitable in one-year after acquisition and integration. He enhanced the operations by starting a new high tech venture including VYVX, which grew to be a near monopoly in the broadcasting industry.

WilTel became a major industry leader as a nation-wide network and wholesale provider. With approximately US\$1 billion in equity and debt, in 1996 Mr. Wilkens directed the sale of WilTel for a market valuation of US\$3 billion.

Following the sale of WilTel, Mr. Wilkens served as WorldCom's COO and Vice Chairman of the Board for two years. He has served on the following boards: McLeod USA, WorldCom (as Vice Chairman), Williams Telecommunications (as Chairman during the IPO), Qwest, Lightyear Communications, PageNet, AHI, Splitrock, Tachion, and Orillion. He has served on the Presidential Advisory Board for National Communications and Security in the US. Currently, Mr. Wilkens serves on the board of directors of Management Network Group Inc. (Nasdaq "TMNG").

Mr. Wilkens received his Bachelors Degree in Electrical Engineering from the University of Missouri at Rolla, participated in the advanced management program at Harvard. He also received an honorary doctorate degree from the University of Missouri at Rolla.

# Senior Management Team

## **Sherman Henderson, Managing Director, President and CEO**

A recognized telecommunication industry leader with 25 years of successful operations, Mr. Henderson has raised equity capital in excess of US\$300M for five different companies resulting in shareholder returns of 100% to 300%. He has led the profitable execution of a growth strategy through periods of industry downturn while producing significant positive EBITDA. Mr. Henderson has also managed and directed the merger, acquisition and integration of six telecom companies. Mr. Henderson currently serves as President and CEO of Lightyear Network Solutions and has served for the past four years as Chairman of the Board of COMPTTEL, a US telecommunications industry association with over 400 members, including among others: Sprint, Qwest, BellSouth, ALLTEL, and Level 3. Mr. Henderson received a Bachelor of Arts degree in Business Administration from Florida State University.

## **Derek S. Thomson, MBA, CPA, Chief Financial Officer**

Derek Thomson is an international telecom finance executive, with equity investment and CFO operating experience across the world. Before joining First Communications, Derek worked with Ikon Capital, a privately held New York based principal investment firm. Prior to Ikon, Derek was an Investment Banker with JP Morgan & Co. in New York in the Global Telecom, Media and Technology Investment Banking Group, where Derek specialized in international large-cap telecom Mergers and Acquisitions, and Equity Capital Markets, including raising over \$1.5 billion in telecom related NASDAQ IPO's. Derek also worked with JP Morgan's telecom equity research group on large telco financial restructuring proposals, and advised clients on a wide range of private equity investments. Prior to JP Morgan, Derek was a Managing Director for TS Mobile BV based in London and Stockholm, an international wireless joint venture between the Swedish Government Telecom and UK private investors. Before moving to London, Derek was based in Luxembourg, where he was Vice President – Finance for Millicom International Cellular (NASDAQ), an international wireless telecom investment company and operator, and was responsible for international joint ventures financial affairs in more than a dozen countries around the world, Derek had 4 CFO's reporting directly to him, and was also CFO in 2 countries before taking the VP role. Prior to this, Derek held various international finance and accounting roles in Australia and London with BHP Billiton (NYSE), one of the world's largest resources companies, and started his financial career with Deloitte Touche. Derek is a CPA, and has an MBA from Melbourne Business School and Duke University and, and has served on the Board of Directors of TS Mobile BV (Netherlands), Spectrum Communications Ltd (UK), and Icemedial LLC (US).

## **Joseph R. Morris, J.D., Chief Operating Officer**

Joe Morris played a vital role in the emergence of First Communications as one of the largest, most profitable and respected telecommunications companies in the Midwest. Mr. Morris joined First Communications in 1998 as Director of Corporate Operations, General Counsel. He later was promoted to V.P. of Corporate Operations and then Chief Operating Officer. Mr. Morris is responsible for First Communications overall operations, including service delivery, provisioning, network management, field technicians and information technology. He is also responsible for all acquisitions, legal affairs and setting regulatory strategy and direction for First Communications. Mr. Morris is active in several professional and community boards. Prior to joining First Communications, Mr. Morris was an attorney with Roetzel & Andress with a practice focused on public, corporate and international law. Mr. Morris studied economics at Queens University of Belfast and Franciscan University. He received his J.D. from University of Akron School of Law (magna cum laude). He also holds a Utility, Finance and Accounting Certificate from the Financial Accounting Institute.

## **David W. Johnson, II, Vice President of Sales and Marketing**

David Johnson joined First Communications in 1989 and is responsible for all Sales and Marketing matters. David's 23 years of business experience serve as a platform to lead initiatives touching commercial and consumer markets as well as leading sales teams in: direct outside sales, direct inside sales, enterprise sales, indirect agent sales, and affinity focused sales. Dave has consistently exceeded forecast over the past 18 years, growing revenue year over year over the past 5 years at a greater than 20% annual level. David holds a B.A. in Finance and a B.A. in Management, Magna Cum Laude from Walsh University. Prior to First Communications he worked at The Timken Bearing and Steel Company for five years. David has been an active board member of Boy Scouts of America (Buckeye Council), Canton Urban League, and The Chapel in North Canton.

**Ray Hexamer, President BPL Operations**

Ray Hexamer, joined First Communications in January of 2005 as the Chief Executive Officer. Ray has helped grow and manage businesses over his twenty-four year career. He was President and General Manager of WHBC Radio and was involved over the years in all aspects of that business from on-air, sales, financial, and management. Ray was a part of the investment group and CEO of SkyLan, a wireless internet provider, whose assets were recently acquired by First Communications. He is also a part of McKinley Communications Group, the majority investors for First Communications. Ray was named as one of the top five-presidents/general managers nationally by Radio Ink Magazine in 2002 and 2003. The magazine also chose him twice as one of their top sales managers of the year. He is involved in numerous community boards and was the 2001 General Chairman of The Pro Football Hall of Fame Festival. This position involved managing 3500 volunteers and 86 committees for the 19 day NFL Pro Football Hall of Fame Festival.

**LIGHTYEAR NETWORK SOLUTIONS, LLC**  
**TECHNICAL ABILITY AND RESUMES OF KEY PERSONNEL**

**J. Sherman Henderson, III, President and Chief Executive Officer**

Mr. Henderson has over twenty-five years of business experience, including sales, marketing and management. Mr. Henderson was instrumental in the growth and success of Charter Network, a long distance carrier serving five Midwestern states. He was associated with Charter from 1986 until its sale to Litel in 1990. Under Mr. Henderson's guidance, Charter grew from \$9 million in annual revenues to \$50 million in four years. Directly prior to founding Lightyear, he served as an officer for Turbo Consulting Enterprises, Inc., located in Louisville, Kentucky, which provides a wide range of consulting services to the telecommunications industry. Mr. Henderson is a graduate of Florida State University, with a B.A. degree in Business Administration. Mr. Henderson currently serves as Chairman of the Telecommunications Resellers Association.

**John J. Greive, Vice President of Regulatory Affairs and General Counsel**

Prior to joining Lightyear in July, 1996, John Greive maintained a general practice as a partner with Chandler, Saksefski and Greive. John also worked as an associate in the corporate section of a mid-sized firm in Louisville, Kentucky. John is responsible for managing all legal and regulatory affairs including representing Lightyear before state and federal regulatory agencies. He received his B.S. in Mathematics from Bellarmine University and his Juris Doctorate from the University of Louisville. John also serves as the Corporate Secretary for Lightyear.

**Edward J. Wampler, Senior Vice President of Operations**

Edward J. Wampler, Senior Vice President of Operations, has played a critical role in Lightyear's Operations Department from the company's beginnings in 1993. He previously served as Operations Manager for Charter Network, where he directed marketing projects, implemented productivity reporting, created standard operations manuals, instituted performance standards, and was responsible for developing Charters customer service and order processing departments. Wampler also served as the manager for LCI International's customer service division after Charter Network was purchased. His Lightyear responsibilities include overseeing many facets of Lightyear's Operations, which include the Customer Service and Order Provisioning Divisions. Wampler received a B.A. in Economics from the University of Louisville.

**Elaine G. Bush, Vice President of Finance**

Elaine G. Bush began her career with Lightyear in 1996 as Controller. She has since moved up to head the company's finance department as Vice President of Finance, where she supervises the company's financial reporting, commissions, Financial Billing Center, pricing and Collections. Before coming to Lightyear, Bush operated her own accounting consultancy, JG Enterprises, where she worked to set up accounting systems for Lightyear, her biggest client. Her background in accounting management is quite diverse, with her career spanning positions as Controller at Centran Corporation, Manager of Accounting Operations for Entrade Corporation, and Accounting Supervisor of NTS Corporation. She received her B.S. in Accounting at the University of Louisville and is a Certified Public Accountant.

**J. Clay Masters, Vice President of Sales**

Clay Masters, brings extensive leadership experience to Lightyear. After attending the University of Kentucky, Masters opened his own company and signed an Agent agreement with Lightyear. In 1996, Masters was recruited by Lightyear to be Manager of Business Development in order to help secure and complete contractual agreements with new Agents for the sale of telecommunications services to small to medium sized companies. Soon after joining Lightyear, Masters was promoted to Director of Business Development. In February, 2002 he was promoted to Vice President of Sales responsible for all aspects of the Lightyear Agent Partner Channel.

**LIGHTYEAR NETWORK SOLUTIONS, LLC**  
**TECHNICAL ABILITY AND RESUMES OF KEY PERSONNEL**

**Josh Henderson, Vice President of Sales**

Mr. Henderson joined Lightyear in 1997. Before joining Lightyear, from 1995 to 1997, Mr. Henderson worked in Sales at Hands on Originals, an S&S Tire Company, running the College Wearable Division. Since joining Lightyear, he has served as Director of Emerging Markets in 1999, and as Senior Director in Lightyear's Northeast and Mid-Atlantic Markets in 2000. Mr. Henderson is responsible for twelve sales offices throughout the Southeast, Central, Midwest and Northeast Regions. He has a Bachelor of Science degree in Communications from the University of Kentucky.

**David A. Corral, Vice President of Information Technology and Networks**

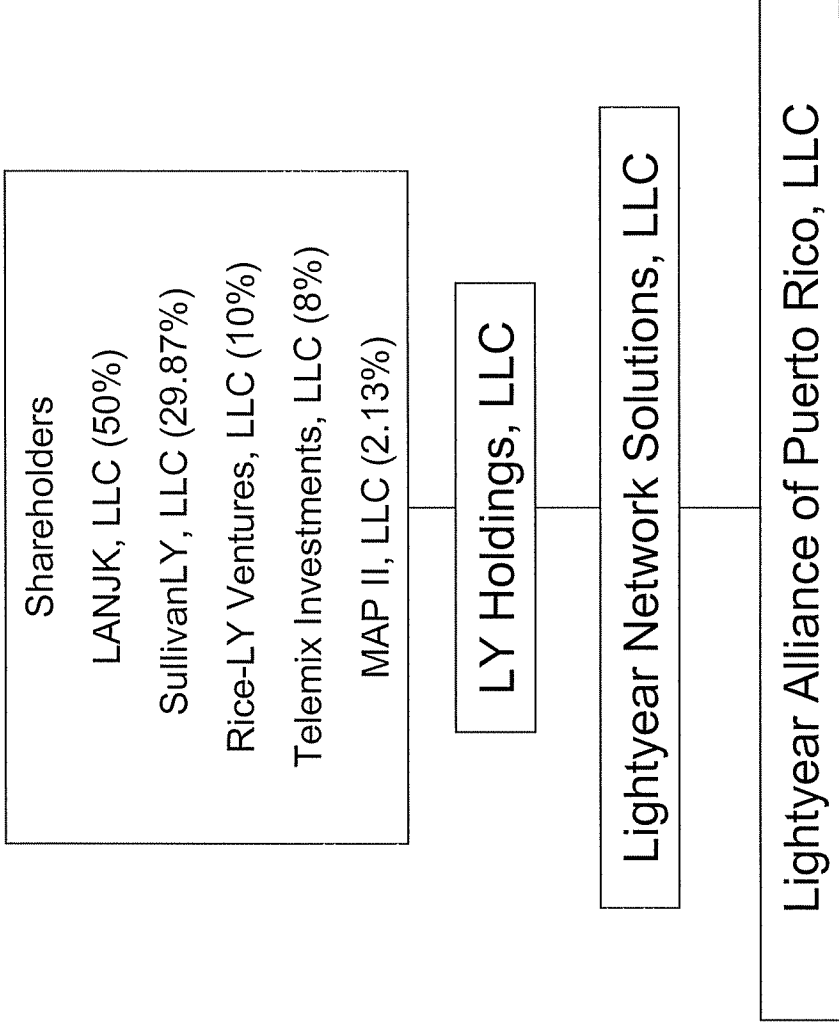
David Corral first joined Lightyear in 1994 as a contractor from Denver working on the billing and CRM systems. He joined the company in 1995 full time and has grown with the company to where he is now. He has developed strategies for deploying VoIP while engineering the systems and a network to carry the traffic. In addition, the IT department continues to improve processes and applications to maximize the strengths of Lightyear while optimizing its resources to cut costs.

**EXHIBIT C**

**Pre- and Post-Transaction Ownership Structure**

# Lightyear Network Solutions

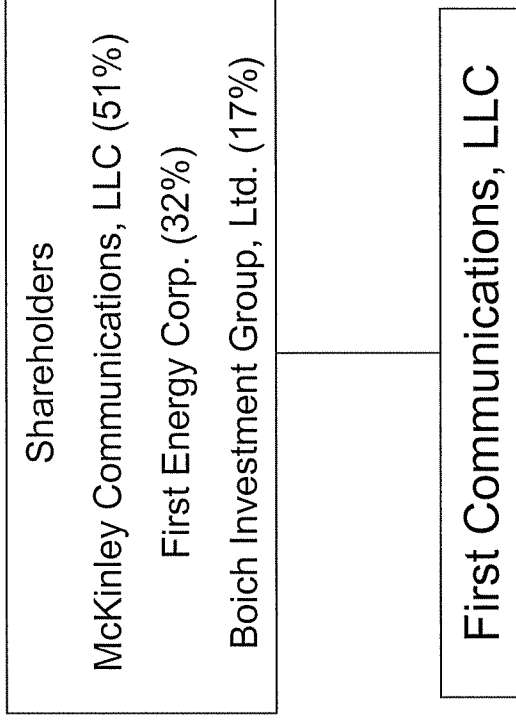
## Pre-Transaction Corporate Structure





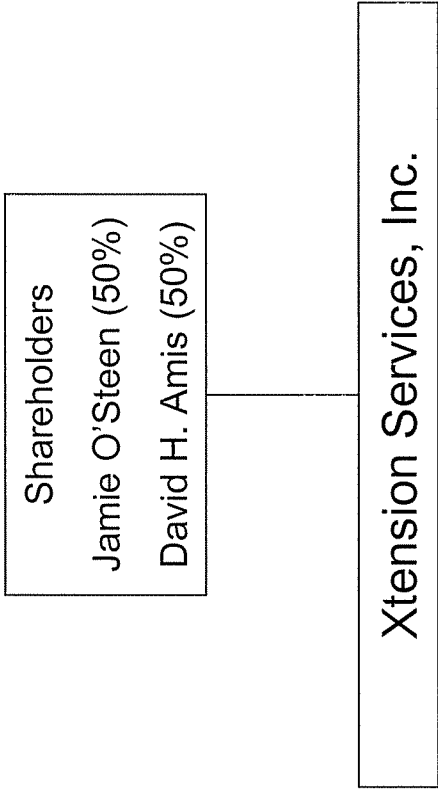
# First Communications, LLC

## Pre-Transaction Corporate Structure

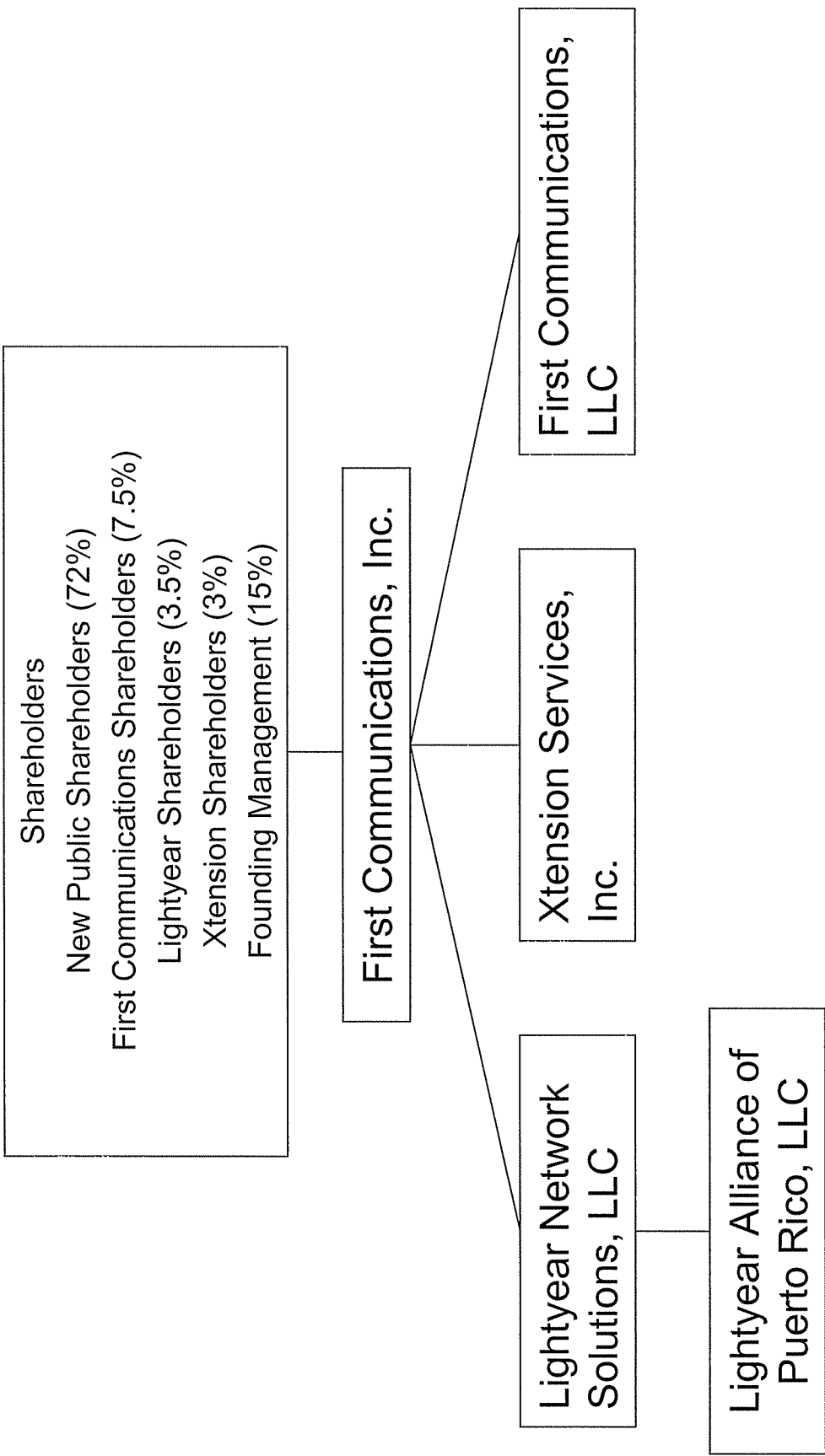


# Xtension Services, Inc.

## Pre-Transaction Corporate Structure



# Post-Transaction Corporate Structure



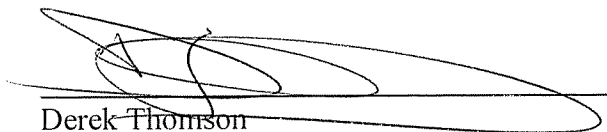
## Verifications

STATE OF  
CITY OF

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**VERIFICATION**

I, Derek Thomson, state that I am Chief Financial Officer; that I am authorized to make this Verification on behalf of First Communications, Inc.; that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.



Derek Thomson  
Chief Financial Officer  
First Communications, Inc.

Sworn and subscribed before me this 15 day of November, 2006.



Notary Public

My commission expires             
**MARY CEGELSKI**  
NOTARY PUBLIC • STATE OF OHIO  
~~Recorded in Cuyahoga Cty.~~  
My commission expires Oct. 18, 2011

STATE OF KENTUCKY

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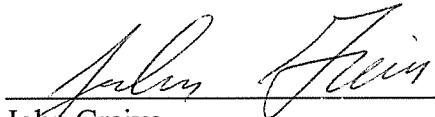
CITY OF LOUISVILLE

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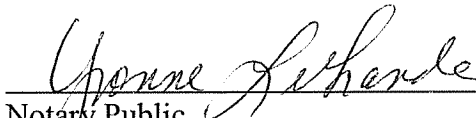
§

**VERIFICATION**

I, John Greive, state that I am Vice President of Regulatory Affairs and General Counsel;  
that I am authorized to make this Verification on behalf of Lightyear Network Solutions, LLC;  
that the foregoing filing was prepared under my direction and supervision; and that the contents  
are true and correct to the best of my knowledge, information, and belief.

  
\_\_\_\_\_  
John Greive  
Vice President of Regulatory Affairs  
& General Counsel  
Lightyear Network Solutions, LLC

Sworn and subscribed before me this 17<sup>th</sup> day of November, 2006.

  
\_\_\_\_\_  
Notary Public

My commission expires Notary Public, State at Large, KY  
My commission expires Oct. 17, 2009

STATE OF OHIO  
CITY OF AKRON

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**VERIFICATION**

I, Joseph R. Morris, state that I am Chief Operating Officer; that I am authorized to make this Verification on behalf of First Communications, LLC; that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.



\_\_\_\_\_  
Joseph R. Morris  
Chief Operating Officer  
First Communications, LLC

Sworn and subscribed before me this 15 day of November, 2006.

  
\_\_\_\_\_  
Notary Public

My commission expires \_\_\_\_\_  
**MARY CEGELSKI**  
**NOTARY PUBLIC • STATE OF OHIO**  
**Recorded in Cuyahoga Cty.**  
**My commission expires Oct. 18, 2011**