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# MINTZ LEVIN

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February 26, 2007

## VIA FEDERAL EXPRESS

James Galloway  
Filing Clerk  
Central Records  
Public Utility Commission of Texas  
1701 North Congress Avenue  
Austin, Texas 78701

**Re: Project 25000 - Notification of the Transfer of Assets of Dialaround Enterprises Inc. to STi Prepaid, LLC, and Cancellation of Dialaround Enterprises Inc.'s Registration**

Dear Mr. Galloway:

This letter serves as notice of the pending transaction between STi Prepaid, LLC ("STi Prepaid") and Dialaround Enterprises Inc. ("DEI") in which, pursuant to the terms of an Asset Purchase and Contribution Agreement between the Parties and their respective individual owners and corporate parents dated January 23, 2007, DEI agreed to transfer all or substantially all of its assets to STi Prepaid (the "Transaction"). DEI is registered to operate as a competitive interexchange telecommunications services provider with the Public Utility Commission of Texas ("Commission").<sup>1/</sup> STi Prepaid, LLC filed its registration for authority to operate as a competitive interexchange telecommunications service provider on February 26, 2007.

After consummation of the Transaction, STi Prepaid will provide intrastate interexchange telecommunications services including dial-around and prepaid calling card services in Texas. It is the Parties' understanding that no prior Commission approval is required to consummate the Transaction described herein. The Parties therefore submit this notice for the Commission's information.

In addition, by this letter, DEI hereby also notifies the Commission that after consummation of the Transaction described herein, DEI will discontinue providing services in Texas and requests that the Commission cancel DEI's existing registration and tariff upon consummation of the Transaction. DEI will notify the Commission when the Transaction is consummated and its cancellation will be effective. In support of its notice of discontinuance and notice of the Transaction, DEI and STi Prepaid provide the following information.

<sup>1/</sup> See Registration of Dialaround Enterprises Inc., filed with the Commission July 30, 2001.

**Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.**

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**1. Parties to the Transaction**

STi Prepaid, a Delaware limited liability company, is an indirect wholly owned subsidiary of Leucadia National Corporation ("Leucadia"), a publicly-traded New York corporation with headquarters at 315 Park Avenue South, New York, NY 10010.

The address and telephone number of STi Prepaid is:

STi Prepaid, LLC  
30-50 Whitestone Expressway, 4th Floor  
Flushing, NY 11354  
718-358-5390 (telephone)

DEI is a privately-held Delaware corporation with headquarters at 30-50 Whitestone Expressway, 4th Floor, Flushing, New York 11354. Samer Tawfik, a United States citizen, is DEI's sole owner.

The address and telephone number of DEI is:

Dialaround Enterprises Inc.  
30-50 Whitestone Expressway, 4th Floor  
Flushing, NY 11354  
718-358-5390 (telephone)

**2. Contact**

All correspondence concerning discontinuance of DEI's services in Texas, the notice of Transaction, and the attached Registration of STi Prepaid should be addressed to:

Chérie R. Kiser  
Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.  
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**3. Effect of Proposed Transaction**

The proposed Transaction furthers the public interest, convenience, and necessity. The transfer of DEI's assets to STi Prepaid will benefit consumers by ensuring that consumers continue to have a wide range of telecommunications choices in the long distance market. As an affiliate of Leucadia, a publicly traded company, STi Prepaid will have access to the public capital markets that can provide support for the expansion of the services currently offered by DEI. STi Prepaid will benefit from DEI's experience providing telecommunications services, which will be further enhanced through STi Prepaid's access to the telecommunications expertise

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of Leucadia, which previously has managed numerous other providers of telecommunications services through various subsidiaries. The combination of existing technical experience at DEI and the financial backing of Leucadia will enhance STi Prepaid's ability to efficiently provide and expand its services.

The proposed Transaction does not present any anticompetitive issues. As indicated on the enclosed Registration, STi Prepaid will operate under the fictitious name of "DEI", among others, as registered with the Texas Secretary of State. Thus, the Transaction will be transparent to any consumers using DEI's dial-around services. In addition, customer notice is not required in this case because DEI does not have a dedicated customer base. DEI's dial-around services can be used by any person at any time by dialing DEI's access code. DEI has no knowledge of the identity of the persons that utilize its services, and has no direct relationship with the person utilizing its services. Accordingly, customer notification of this Transaction is unnecessary and would be almost impossible.

Pursuant to the Commission's filing procedures, please find enclosed an original plus four (4) copies of this letter. Please date-stamp the additional copy and return to us in the enclosed Federal Express envelope. If you have any questions regarding this filing, please contact the undersigned.

Respectfully submitted,



**DIALAROUND ENTERPRISES INC.  
and STi PREPAID, LLC**

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Flushing, NY 11354  
718-358-5390 (telephone)  
718-732-7751 (facsimile)

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Enclosures