

**COMMISSIONERS**  
MIKE GLEASON  
Chairman  
JEFF HATCH-MILLER  
WILLIAM A. MUNDELL  
KRISTIN K. MAYES  
GARY PIERCE



0000068415

ARIZONA CORPORATION COMMISSION **RECEIVED**

**ORIGINAL**

July 9, 2008

2008 JUL -9 A 9:19

AZ CORP COMMISSION  
DOCKET CONTROL

Ms. Cherie Kiser  
Cahill Gordon & Reindel LLP  
1990 K Street, N.W.  
Washington, D.C. 20006

RE: Staff's Letter of Insufficiency and Sixth of Data Requests to STi Prepaid, LLC and Dialaround Enterprises Inc.  
Docket Nos. T-20517A-07-0135 and T-04045A-07-0135

Dear Ms. Kiser:

On March 2, 2007, STi Prepaid, LLC ("STi") and Dialaround Enterprises Inc. ("DEI") (together "Applicant") filed an application for approval of a transfer of assets and Certificate of Convenience and Necessity ("CC&N") to provide intrastate telecommunications services and approval of termination of service by DEI in Arizona. The Application submitted is not sufficient. This data request lists the information Staff needs to complete its Staff Report.

For purposes of this data request set, the word "STi" refers to STi Prepaid, LLC, any representative, including every person and/or entity acting with, under the control of, or on behalf of STi Prepaid, LLC. Also, the word "DEI" refers to Dialaround Enterprises Inc., any representative, including every person and/or entity acting with, under the control of, or on behalf of Dialaround Enterprises Inc. **For each answer, please identify by name, title, e-mail address, telephone number and address each person providing information that forms the basis for the response provided.**

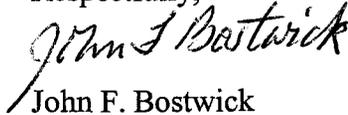
These data requests are continuing, and your answers or any documents supplied in response to these data requests should be supplemented with any additional information or documents that come to your attention after you have provided your initial responses. Also, please make sure all information you provide in response to item(s) concerning this Application, including Staff's data requests, is updated and current. If you need to update your response to any item(s)/request(s), please reference the item(s)/request(s) and provide your current response(s).

Please provide Docket Control with the information being requested within **10 days** of the date of this letter. Mail an Original plus 15 copies to Docket Control, Arizona Corporation Commission, 1200 W. Washington Street, Phoenix, AZ 85007-2927. If no response is received, Staff will lack information it believes is needed to complete its Staff Report. If Staff is unable to complete its Report, Staff will note this as a substantial amendment to the filing or an extraordinary event and request an extension of time to obtain information needed to complete its Staff Report.

July 9, 2008  
Page 2

Remember that information submitted for a CC&N will be made a part of the public record (including financial statements). Any information designated as confidential will not be accepted by Docket Control. If you have any questions, please contact me at (602) 542-0856. Thank you for your prompt response to this request.

Respectfully,



John F. Bostwick  
Administrative Services Officer II  
Utilities Division

Enclosure(s)

CC: Docket Control (Original and Fifteen Copies)

STAFF'S SIXTH SET OF DATA REQUESTS TO  
STi PREPAID, LLC AND DIALAROUND ENTERPRISES INC.  
DOCKET NOS. T-20517A-07-0135 and T-04045A-07-0135

---

Please make sure each numbered item and each part of the item is answered completely. If it is not, Staff will resubmit the numbered item(s) and/or part(s) of the item in a following data request. Also, please make sure all information you provide in response to item(s) concerning this Application, including Staff's data requests, is updated and current. If you need to update your response to any item(s)/request(s), please reference the item(s)/request(s) and provide your current response(s). In order for Staff to complete its Staff Report, the following information must be submitted:

- JFB6-1. In an e-mail dated May 27, 2008 to Kevin Torrey, Cherie Kiser stated that "Mr. Tawfik holds twenty-five percent (25%) indirect ownership in STi Prepaid." Staff interprets this to mean that STi Prepaid will rely 75 percent on the financial resources of Leucadia National Corp., as ultimate majority holder of STi Prepaid and 25 percent on the financial resources of ST Finance, LLC that is owned 100 percent by Samer Tawfik as minority holder of STi Prepaid. Please confirm the percentage of reliance by STi Prepaid, LLC on the financial resources of Leucadia National Corp. and on the financial resources of ST Finance, LLC.
- JFB6-2. In your e-mail dated May 27, 2008 to Kevin Torrey, Cherie Kiser stated that "The revenue (STi Prepaid) is rolled-up into Leucadia National Corp., as ultimate majority holder of STi Prepaid." Since you were able to identify STi Prepaid, LLC's net income, assets, and equity, please identify STi Prepaid, LLC's revenue figures rolled-up into Leucadia National Corp. for 2007 and 2006 and provide all of STi Prepaid, LLC's financial information requested in (B-2) on the Application form. The financial information you provided indicates that detailed financial figures of STi Prepaid, LLC are available and can be broken out or rolled-out from Leucadia National Corp.'s financial information. Staff needs detailed financial information requested in (B-2) on the Application form to verify STi Prepaid, LLC's reported net income of \$16,631,000 from the Income Statement and reported assets of \$16,631,000 and negative equity/deficit of \$14,793,000 from the Balance Sheet.
- JFB6-3. Please provide evidence that STi Prepaid, LLC is registered to provide telecommunications services in the State of Iowa.
- JFB6-4. Please provide a copy of Attachment E that you referenced in Items (A-11) and (A-12) of your Application.