

**ORIGINAL NEW APPLICATION**

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April 18, 2007

Arizona Corporation Commission

**DOCKETED**

**APR 27 2007**

**VIA OVERNIGHT DELIVERY**

Arizona Corporation Commission  
ATTN: Docket Control  
1200 West Washington Street  
Phoenix, AZ 85004

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 2007 APR 27 12 4: 59  
 AZ CORP COMMISSION  
 DOCUMENT CONTROL

Re: Notice of Indebtedness T-20404A-07-0261

Dear Sir or Madam:

This letter is filed on behalf of Vanco Direct USA, LLC ("Vanco") which is authorized to provide resold interexchange and local services in this State. The purpose of the letter is to inform the Commission of a transaction whereby Lloyds TSB Bank plc will make available to Vanco and certain of its affiliates, the sum of 100 million pounds Sterling (approximately \$200 million) which will be secured by the guarantee of Vanco, a security interest in Vanco's assets and a pledge of Vanco's membership interests.

The subject transaction will not result in a change of control of any entity. The transaction will enable Vanco to achieve better liquidity and capitalization, which in turn, will enhance its ability to provide quality services to customers of this State at competitive prices, thereby serving the public interest.

Vanco is a Delaware limited liability company with principal offices located at 200 S. Wacker Drive, Suite 1600, Chicago, Illinois, 60606. As previously stated, Vanco is authorized to provide resold interexchange and local services in this State.<sup>1</sup>

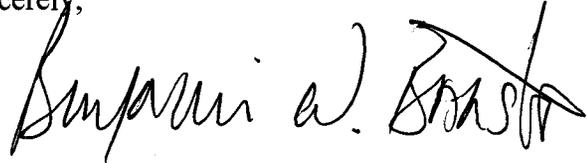
This letter is filed for informational purposes to keep the Commission abreast of the financial activities of Vanco. It is our understanding that no action by the Commission is necessary.

<sup>1</sup> Vanco's application is presently pending in Docket number T-20404A-05-0599.

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Enclosed are an original and fifteen (15) copies of this letter. Please return one (1) of the copies file-stamped in the envelope provided. Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Benjamin W. Bronston". The signature is written in a cursive style with a large, sweeping initial "B".

Benjamin W. Bronston  
(713) 355-1798