

# NEW APPLICATION

KELLEY DRYE & WARREN LLP

A LIMITED LIABILITY PARTNERSHIP



0000161344

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CHICAGO, IL  
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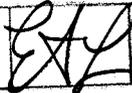
FACSIMILE  
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BRUSSELS, BELGIUM

AFFILIATE OFFICE  
MUMBAI, INDIA

Arizona Corporation Commission  
**DOCKETED**

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DOCKETED BY 

March 6, 2015

AZ CORP COMMISSION  
DOCKET CONTROL

STEVEN A. AUGUSTINO  
DIRECT LINE: (202) 342-8612  
EMAIL: saugustino@kelleydrye.com

**ORIGINAL**

Arizona Corporation Commission  
Docket Control Center  
1200 West Washington Street  
Phoenix, AZ 85007

*via Overnight Delivery*

T-04004A-15-0084

Re: Total Call International, Inc., Notice of Pro Forma Intra-Corporate Reorganization and Corporate Conversion

Dear Sir or Madam:

Total Call International, Inc. ("TCI" or the "Company") hereby notifies the Arizona Corporation Commission ("Commission") that its ultimate parent company, KDDI Corporation, Inc. ("KDDI Corporation"), will implement a minor, *pro forma*, internal reorganization.<sup>1</sup> The change will insert a new intermediary holding company into the ownership structure with no material impact to the Company or its operations. The reorganization will not, in any respect, change the party holding actual control of the Company.<sup>2</sup>

In addition, the Company notifies the Commission that, on or before March 31, 2015, TCI will convert its corporate status from corporation to limited liability company. As a result, the Company's name will change to Total Call International, LLC. The effects of this conversion will be *pro forma* in nature and, as a practical matter, will be transparent to

<sup>1</sup> The proposed reorganization will also involve Locus Telecommunications, Inc. and Total Call Mobile, Inc. ("TCM"), affiliates of TCI, are not registered to provide regulated telecommunications services in Arizona. TCM is, however, authorized as an Eligible Telecommunications Carrier to provide federal Lifeline service to low-income consumers in Arizona on a wireless basis. See Order issued January 7, 2014 in Docket No. T-20870A-12-0500.

<sup>2</sup> For this reason, the Company does not believe that this reorganization will constitute a transfer of control; however, in the event that the Commission believes approval is required for this change to intermediary holding companies, the Company respectfully requests that this filing be accepted as a request for such approval.

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customers. The conversion will effect no change whatsoever to the Company's ownership or to its operations. It will, however, result in a minor change to the Company's name. Consequently, TCI requests that the name on its operating certificate, if any, in Arizona be changed accordingly and request such approvals as are necessary in connection with this change.

***The Parties***

TCI is a corporation formed under the laws of the State of California and is a competitive provider of prepaid calling card telecommunications services. It is authorized in 45 states, including Arizona, and Puerto Rico to provide interexchange services, via resale and the use of leased facilities. The Commission granted TCI authority to operate in Arizona on October 4, 2001 in Docket No. T-04004A-01-0259. Following the transaction, TCI will be converted, by way of a merger, into Total Call International, LLC ("TCI LLC"), a limited liability company formed under the laws of the State of Delaware and commonly-owned lateral affiliate.

KDDI America, Inc. ("KDDI America"), a New York corporation, is the direct parent and sole owner of TCI and Locus. KDDI America is authorized, essentially nationwide, to provide interexchange telecommunications services including in Arizona. KDDI America is a wholly-owned subsidiary of KDDI Corporation, Japan's second largest telecommunications carrier ("KDDI Corporation"). KDDI Corporation and its affiliates provide mobile services (voice and data) and fixed line services (broadband, domestic and international telecommunications and data center services) in Japan and globally.

***Contacts for this Filing***

Questions and correspondence regarding this submission should be addressed to:

Steven A. Augustino  
Denise N. Smith  
Kelley Drye & Warren LLP  
3050 K Street, NW Suite 400  
Washington, DC 20007  
Tel: (202) 342-8400  
Email: [dsmith@kelleydrye.com](mailto:dsmith@kelleydrye.com)

with a copy to:

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Ms. Keiko Nakajima  
Senior Manager, Department of Corporate Planning for Affiliates (DCPA)  
KDDI America Inc.  
825 Third Avenue, 3rd Floor  
New York, NY 10022  
Tel: 212-295-1124  
Email: [k.nakajima@kddia.com](mailto:k.nakajima@kddia.com)

***The Reorganization and Corporation Conversion***

To achieve greater organizational efficiency, on or about March 31, 2015, KDDI America will implement an internal reorganization through which a newly formed entity, KDDI US Holding, Inc. ("KDDI US"), will be inserted into the chain of ownership between TCI and its prior direct parent entity, KDDI America. Prior to the transaction, TCI will be directly held by KDDI America, which owns 100% of the equity of TCI. With this filing, the Company notifies the Commission that after the reorganization, TCI will be directly and wholly-owned by KDDI US.

Through this reorganization, there will be no change in the ultimate control of TCI. The transaction will make no changes to the Company or its operations, qualifications to operate or their available financial, technical and operational resources. Other than the insertion of a holding company in the chain of ownership, the reorganization will have no effect upon the Company. Throughout this reorganization, ultimate controlling interest in the Company is, and will continue to be, held by KDDI Corporation. Diagrams of the pre- and post-reorganization corporate structures are provided as *Attachment 1*. Note that these diagrams highlight the ownership chain of the entities impacted by the transaction; unaffected affiliate entities have been omitted or grayed out in order to provide greater clarity of the transaction.

In addition, for internal corporate purposes, on or before March 31, 2015, TCI, a California corporation will be converted to a Delaware limited liability company by way of merger with TCI LLC and, post-conversion, its name will be Total Call International, LLC.<sup>3</sup> Under Delaware law, these conversions are treated as a continuation of the original corporate entities.<sup>4</sup> This entity-continuity is supported by a review of the Company, post-conversion. The

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<sup>3</sup> A copy of the documentation from the Delaware Secretary of State evidencing the conversion of TCI into a Delaware limited liability company is attached as *Attachment 2*.

<sup>4</sup> Under Delaware law, the date of commencement of existence of the LLC is the same date that the corporations were originally formed. All of the assets, rights, liabilities and obligations of the corporations become those of the LLCs by operation of law. Although the Company has changed its legal form, it is not

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ownership interests in the entity will be converted from corporate stock to membership interests; however, the entities holding the ownership of the Company will not have changed. KDDI Corporation continues to wholly-own KDDI America, KDDI America will wholly-own KDDI US and KDDI US will wholly-own the Company. Similarly, there will be no change whatsoever to the assets and obligations which the Company holds as a result of these changes. Finally, the TCI, as a limited liability company, will continue to be subject to the Commission's rules and orders exactly as it is prior to the conversion and change of operating name.

The converted entity will be registered with the Arizona Secretary of State as a foreign limited liability company and thus will be qualified to do business in the State.<sup>5</sup> To the extent the Company has tariffs on file with the Commission, following Commission approval of the name changes discussed herein, the Company will file replacement tariff materials. These filings will mirror the substantive rates, terms and conditions of any currently effective tariffs, revising the current tariff materials solely to reflect the change to the Company's name and to update certain contact information in the footers.

#### ***Public Interest Considerations***

The reorganization is in the public interest. KDDI Corporation, which wholly-owns the Company, will improve its corporate operations through this rearrangement. While the reorganization will have no direct impact on the Company, the strengthening of KDDI Corporation's corporate framework will provide the Company with enhanced stability and financial solidity in their ultimate parent company. This, in turn, will support the Company's ability to compete in the telecommunications market in Arizona and elsewhere.

The conversion described above will also serve the public interest, as the conversion enhances the strategic and financial flexibility of the Company. This flexibility benefits customers of the Company in Arizona and elsewhere. At the same time, the conversion and resulting name changes will hold no adverse consequences for consumers. But for the minor change from "Inc." to "LLC" in the Company's name, the conversion will be entirely transparent to TCI's customers. There will be no change to the ownership, management or operations of the Company as a result of this change. There will be no change to the services provided to customers nor to the terms and conditions under which these services are delivered. Finally, there will be no changes to TCI's overall operational and financial qualifications to provide

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deemed to have transferred any assets to different legal entities or taken on new debt. See Section 214 of the Delaware Limited Liability Company Act, 6 Del. C.C. 18, § 214.

<sup>5</sup> A copy of the limited liability company's registration with the Arizona Secretary of State will be provided in a supplemental filing.

KELLEY DRYE & WARREN LLP

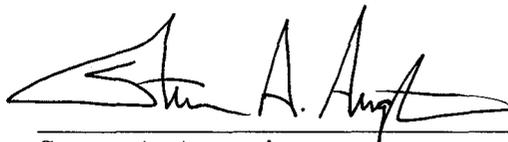
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competitive telecommunications services as a result of the conversions or change of operating name.

***Conclusion***

The Company requests that the Commission note this filing to update its records and, in the event that the Commission believes approval of the reorganization is required, grant such approval. Should the Commission have any questions regarding this filing, please contact Denise Smith at (202) 342-8614 or via email at [dsmith@kelleydrye.com](mailto:dsmith@kelleydrye.com).

Respectfully,

A handwritten signature in black ink, appearing to read "Steven A. Augustino", written over a horizontal line.

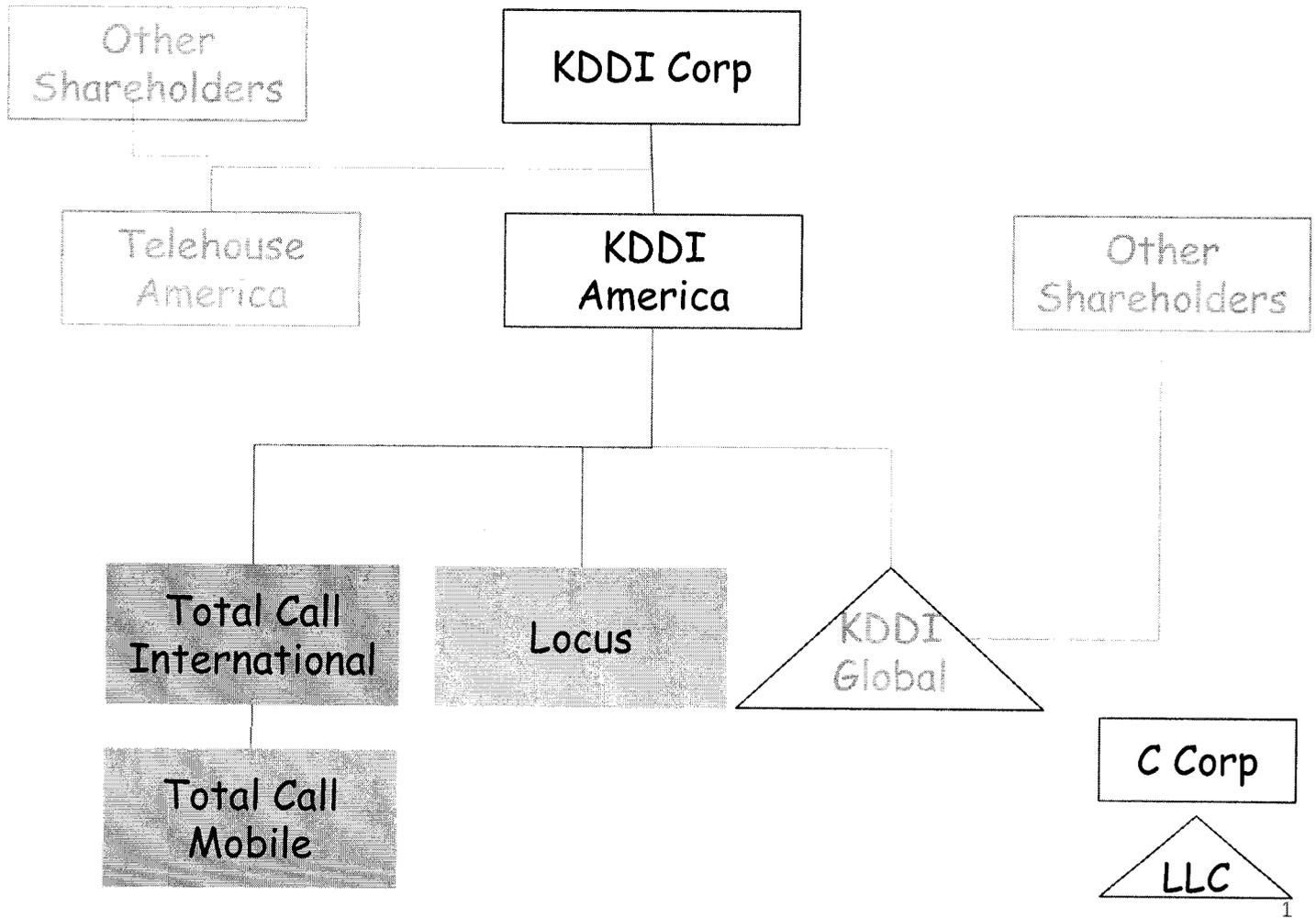
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*Counsel for Total Call International, Inc.*

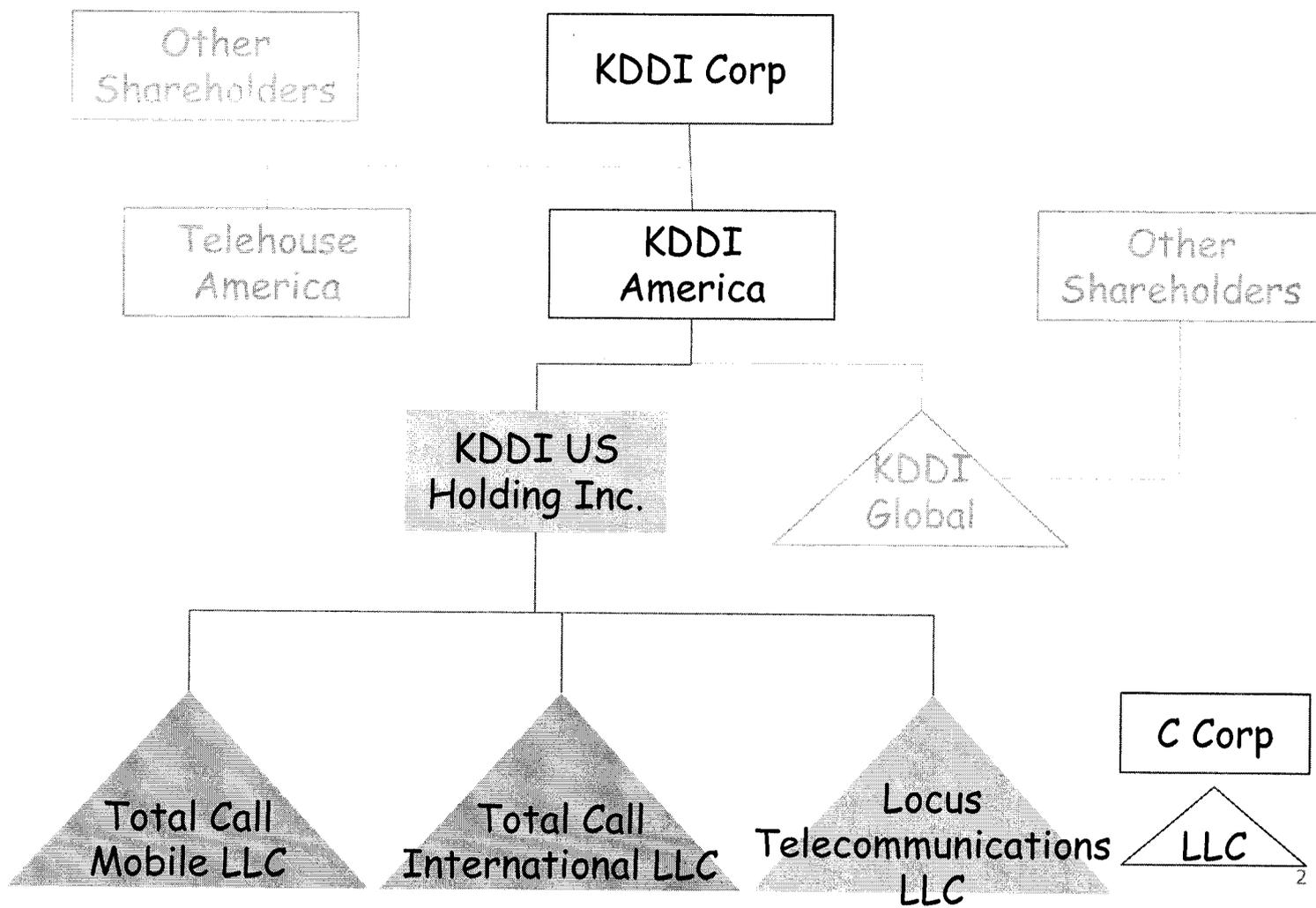
**Attachment 1**

**Pre- and Post-Transaction Organizational Charts**

# Overview of Current Structure



# Overview of New Structure



**Attachment 2**

**Delaware Conversion Documents**

# Delaware

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*The First State*

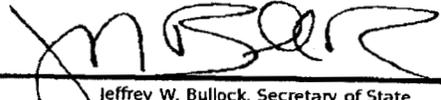
I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "TOTAL CALL INTERNATIONAL, LLC", FILED IN THIS OFFICE ON THE SEVENTEENTH DAY OF NOVEMBER, A.D. 2014, AT 10:39 O'CLOCK A.M.

5644779 8100

141416928

You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)



  
Jeffrey W. Bullock, Secretary of State  
AUTHENTICATION: 1890810

DATE: 11-21-14

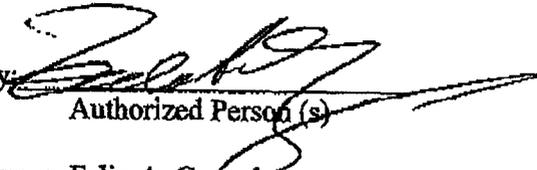
**STATE of DELAWARE LIMITED  
LIABILITY COMPANY  
CERTIFICATE of FORMATION**

**First:** The name of the limited liability company is: Total Call International, LLC

**Second:** The address of its registered office in the State of Delaware is: Corporation Trust  
Center 1209 Orange Street, in the City of Wilmington, Zip code 19801.

**Third:** The name of its Registered agent at such address is: The Corporation Trust  
Company.

**In Witness Whereof,** the undersigned has executed this Certificate of Formation this 17<sup>th</sup>  
day of November, 2014.

By:   
Authorized Person (s)

Name: Felix A. Gonzalez

# Total Call

## AUTHORIZATION AND CONSENT TO USE TOTAL CALL INTERNATIONAL

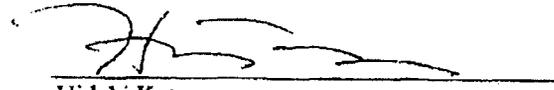
I, Hideki Kato, am the Chief Operating Officer of Total Call International, Inc., a California corporation with its principal offices at 1411 W. 190<sup>th</sup> St., Suite 650, Gardena, CA 90248.

Total Call International, Inc. is the registered trademark owner of the "Total Call International" Standard Character Mark (Serial Number 78784310) and the "Total Call International" Design Plus Words, Letters and/or Numbers (Serial Number 78786007).

Total Call International, LLC has duly apprised Total Call International, Inc. of its intent to register as a limited liability company in the state of Delaware. Total Call International, LLC is a 100% affiliate of Total Call International, Inc. The sole member of Total Call International, LLC is KDDI America, Inc., and Total Call International, Inc. is a 100% subsidiary of KDDI America, Inc.

On behalf of Total Call International, Inc., I hereby authorize and consent to the use of the name "Total Call International" by Total Call International, LLC seeking formation in Delaware;

I represent and warrant that I have full authority to submit this consent and authorization on behalf of Total Call International, Inc.



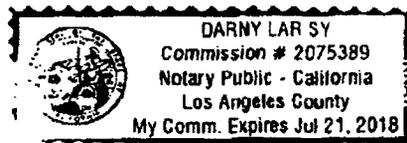
Hideki Kato  
Chief Operating Officer  
Total Call International, Inc.

State of California  
County of Los Angeles

Subscribed and sworn to or affirmed before me on this 20 day of NOVEMBER, by Hideki Kato, proved to me on the basis of satisfactory evidence to be the person who appeared before me.



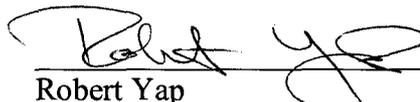
Notary Public  
State of California



**VERIFICATION**

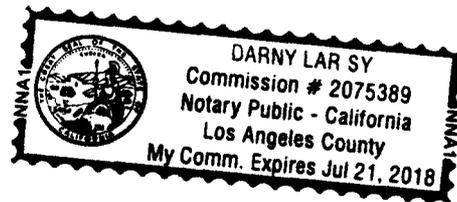
I, Robert Yap, state that I am Secretary of Total Call International, Inc.; that I am authorized to make this verification on behalf of Total Call International, Inc.; and that the statements in the foregoing document relating to Total Call International, Inc., except as otherwise specifically attributed, are true and correct to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct.

  
\_\_\_\_\_  
Robert Yap  
Total Call International, Inc.

Subscribed and sworn to me on February 9, 2015.

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



My Commission expires: July 21, 2018