

Spectrotel, Inc.
Description of Corporate Reorganization

Spectrotel, Inc. has completed an internal corporate reorganization resulting in the creation of a new affiliate, Spectrotel of the West LLC, which will become the telecommunications service provider for the Company's South Dakota customers. The effect of this reorganization is pro forma in nature and transparent to South Dakota customers. Spectrotel, Inc. respectfully requests that the Commission approve the transaction to the extent required by law and/or Commission rules and transfer or reissue Spectrotel Inc.'s Certificate of Public Convenience and Necessity to Spectrotel of the West LLC, effective as soon as practicable.

A description of the transaction is set forth below.

The Companies

Spectrotel, Inc. is a privately held corporation organized under the laws of the State of Delaware. Spectrotel's principal business address is 3535 State Highway 66, Suite 7, Neptune, New Jersey, 07753. Spectrotel, Inc. was authorized to provide Interexchange Long Distance and Local Exchange Telecommunications Services in South Dakota on September 30, 2011 in Order No. TC11-081.

Spectrotel of the West LLC is a newly created privately-held limited liability company organized under the laws of the State of Delaware, with offices at the same location as Spectrotel, Inc. Attachment 1 includes Spectrotel of the West LLC's Certificate of Formation of Limited Liability Company in Delaware, the certificate of good standing issued by the Delaware Secretary of State and the Certificate of Authority to transact business as a foreign LLC in South Dakota.

The Transaction

Spectrotel, Inc. has undertaken an internal corporate reorganization, creating Spectrotel of the West LLC to serve its customers in South Dakota. The corporate reorganization will not impact customers, and service will continue under the current rates, terms and conditions. The ultimate ownership and control of the Company will not change. Spectrotel of the West LLC is a member managed LLC with Spectrotel Holding Company, LLC, a Delaware LLC, as its sole member. Spectrotel Holding Company, LLC is also a member managed LLC, with Spectrotel, Inc. as its primary member. Spectrotel, Inc., the ultimate parent company of Spectrotel of the West LLC, will continue to be 100% owned by Jack Dayan.

No new parent corporation or other entity will acquire Spectrotel, Inc. and no change of control will occur. No other public service company or stock corporation will acquire Spectrotel, Inc. as a result of this transaction. An organizational chart depicting the operating entity's corporate ownership and status before and after the restructuring is displayed on Attachment 2.

Upon completion of this reorganization, there will be no change to the management, corporate ownership, employees, rates, services, or other contract rights and obligations of the company. All of the current managerial, technical and financial resources available to Spectrotel, Inc. will remain available to Spectrotel of the West LLC, since the ultimate ownership of the Company will not change. Through this transaction, Spectrotel, Inc. is not seeking to expand or reduce its operating authority, and its services to customers (and service obligations) will not change as a result. Customer bills will continue to reflect the name "Spectrotel". The proposed restructuring is in the public interest because it will allow Spectrotel to achieve administrative efficiencies and potential cost savings, thus financially strengthening the company without altering its operations in any respect.

Because the internal corporate restructuring will be transparent to customers, customer notice was not provided, as it would likely be confusing to customers.

Conclusion

Spectrotel, Inc. respectfully requests that the Commission approve the internal corporate reorganization described herein to the extent required by law or Commission rules, transfer or reissue Spectrotel Inc.'s Certificate of Public Convenience and Necessity to Spectrotel of the West LLC, effective as soon as practicable and grant such other relief as may be required.