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August 4, 2014

RECEIVED

AUG 05 2014

PUBLIC SERVICE  
COMMISSION

**BY OVERNIGHT DELIVERY**

Executive Secretary  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602

Re: Notification by First Choice Technology, Inc. and IBFA Acquisition Company, LLC (through its duly appointed Receiver), of a Purchase Agreement

Dear Sir or Madam:

On behalf of First Choice Technology, Inc. ("First Choice") and IBFA Acquisition Company, LLC, through its duly appointed Receiver ("IBFA") (together "Applicants"), this letter is to advise the Commission of a Purchase Agreement in the form of a Bill of Sale (the "Agreement"), whereby First Choice will acquire substantially all of the long distance customer assets of IBFA, including, but not limited to, IBFA's customer accounts in this State (the "Acquisition").

Pursuant to the July 23, 2014 Court Order and Bill of Sale attached, First Choice was awarded the assets of IBFA in an auction held by Thermo Credit, LLC, as secured creditor of IBFA Acquisition Company, LLC on July 23, 2014.

It is our understanding, based upon review of the applicable statutes and regulations, that this transaction does not require prior Commission approval. Accordingly, absent written notice to the contrary within thirty (30) days of the date of this letter, the parties will proceed to consummate the transaction in a timely fashion.

First Choice is a certified long distance telecommunications resale provider in this State.<sup>1</sup>

IBFA is a Michigan limited liability company with principal offices located at 353 Sacramento Street, Suite 1500, San Francisco, CA 94111. IBFA is a certified long

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<sup>1</sup>First Choice provides resold long distance telecommunications services in this State pursuant to tariff filed on 9/11/2004.

distance telecommunications resale provider in this State.<sup>2</sup>

The Acquisition contemplates the following:

- a. First Choice will acquire ownership, right, title and interest in and to all of IBFA's long distance assets, including its customer accounts, as defined in the Agreement.
- b. Thermo Credit (as the secured creditor) will receive the purchase price set forth in the Agreement, pursuant to the provisions of the Bill of Sale.

The Acquisition proposes to consolidate the long distance business and customer accounts of IBFA with those of First Choice, in order to create a single, larger provider of telecommunications services, facilitating efficiencies to benefit all of IBFA's and First Choice's customers. Service to IBFA's long distance customers will continue uninterrupted.

The customers of IBFA will be given the opportunity to switch their service to a different carrier. First Choice anticipates that none of the long distance customers of IBFA will experience any change in rates or services due to the Acquisition. To the extent that any of IBFA's rates are not presently included in First Choice's tariffs, First Choice will amend its tariffs accordingly to include such rates. As a result, the transaction should not cause any inconvenience or confusion to the pre-existing customers of either IBFA or First Choice. Those customers of IBFA who choose not to switch their service to a different carrier will continue to receive service from First Choice.

The technical, managerial and financial personnel of IBFA will assist with the transition and integration of the acquired Assets after the transaction and the technical, managerial and financial personnel of First Choice will continue to serve the transferred IBFA customers with the same high level of expertise.

Critical to the Acquisition is the need to ensure the continuation of high quality service to all long distance customers currently served by IBFA. The Acquisition will serve the public interest in that it will ensure that current IBFA customers maintain uninterrupted service. The Acquisition will also serve to create a heightened level of operating efficiency which generally will serve to enhance the overall capacity of First

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<sup>2</sup>IBFA provides resold long distance telecommunications services in this State pursuant to tariff filed on 10/26/05, Utility ID 22205481.

Executive Secretary  
Kentucky Public Service Commission

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Choice to compete in the marketplace and to provide telecommunications services for a greater number of consumers in this State at competitive rates.

The parties are forwarding this letter to the Commission for informational purposes, to be included in the appropriate files. Absent receipt of written notification to the contrary within thirty (30) days of the date of this letter, we will proceed under the understanding that no approval or other formal action is required by the Commission prior to consummation of the proposed transaction.

Enclosed are the original and fourteen (14) copies of this letter. Please return one (1) of the copies file-stamped in the envelope provided. If you need any further information or have any questions regarding the matters discussed herein, please do not hesitate to contact me. Thank you for your assistance in this matter.

Respectfully submitted,



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IBFA Acquisition Company, LLC through its  
Receiver

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS  
COUNTY DEPARTMENT, LAW DIVISION

THERMO CREDIT, LLC, )  
 )  
 Plaintiff, )  
 )  
 v. )  
 )  
 IBFA ACQUISITION COMPANY LLC, )  
 d/b/a IBFA ACQUISITIONS, INC., )  
 )  
 Defendant. )

Case No. 14 L 50087

ORDER

This matter coming to be heard on Plaintiff's Motion For Approval Of Non-Judicial Sale Pursuant To The Uniform Commercial Code, due notice having been given, the Court and Parties apprised at the premises,

IT IS HEREBY ORDERED THAT:

The Court hereby approves the July 23, 2014 Non-Judicial Sale of IBFA Acquisition Company, LLC's assets to First<sup>Choice</sup> Technology, Inc. (hereinafter "Buyer") having found that the Sale was conducted and concluded in a commercially reasonable manner pursuant to the Uniform Commercial Code.

Upon payment of purchase price, title to IBFA's assets will be vested in Buyer.

Plaintiff, Thermo Credit LLC as secured creditor is authorized to execute any and all further documents necessary and convenient to effectuate the terms of this Order and the UCC Sale conducted on July 23, 2014.

Scott Howsare, as Receiver, is also authorized to execute any and all further documents necessary to effectuate the terms of this Order and the UCC Sale conducted on July 23, 2014 and to take any and all actions necessary to facilitate the transfer of IBFA's assets and operations to First Choice Technology, Inc.

This Court Order for the sale of the Assets of IBFA Acquisition, LLC shall be binding upon and inure to the benefit of Buyer and its respective heirs, successors and assigns. Nothing contained within this Order shall prohibit or in any way interfere with Buyer's rights to assign this Agreement to a third-party or an affiliate of Buyer provided that the Purchase Price for the asset has been paid in accordance with the terms and conditions of this Order.

This Court Order authorizes the Receiver to sign and execute any and all documents on behalf of the Company necessary to facilitate the regulatory approval process required to consummate this transaction.

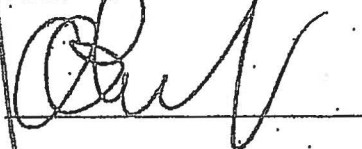
Pursuant to this court ordered Auction and following proper notice through publication, the expiration of appropriate waiting periods, and Buyer having submitted the superior bid, Buyer shall have the authority to acquire those assets of Debtor as more fully set forth herein.

The Acquisition of Debtor's assets shall be made free and clear of all liens, claims, encumbrances and interests. For purposes of this Order, the term encumbrances shall be defined as any lien, pledge, hypothecation, charge, mortgage, security interest, equity, trust, equitable interest, claim, cure claim, preference, right of possession, lease, tenancy, license, encroachment, covenant, infringement, interference, order, proxy, option, preemptive right, community property, interest, legend, defect, impediment, exception, reservation, limitation, impairment, imperfection of title, condition or restriction of any nature (including any restriction on the transfer of any assets, including, but not limited to, restriction on transfer of any assets by state, municipal or federal regulatory authorities, restriction on the receipt of any income derived from any asset, any restriction on the use of any asset and any restriction on the possession, exercise or transfer of any other attribute of ownership of any asset) and any other right of a third party.

Upon payment of the winning bid price in full, the Sale shall be deemed final and any such inferior or superior claims or encumbrances that may have existed prior to the auction shall be extinguished solely as such claims and encumbrances relate to those assets being sold

ENTERED  
JUDGE ALEXANDER P. WHITE-0241  
JUL 24 2014  
DOROTHY BROWN  
CLERK OF THE CIRCUIT COURT  
OF COOK COUNTY, IL  
DEPUTY CLERK

ENTER.



JUDGE

(Addendum)

THE JUDGEMENT ~~ENTIRE~~, THERMO CREDIT LLC, SHALL  
ISSUE TO IBFA A PARTIAL SATISFACTION OF JUDGMENT BY  
CLOSE OF BUSINESS JULY 25, 2014 IN THE FOLLOWING AMOUNTS:  
(1) [REDACTED] (SALE PRICE); (2) [REDACTED] <sup>OPERATING</sup> ~~LOCAL~~ ACCOUNT  
AT FIRST MERIT BANK; AND (3) ~~APPROXIMATE~~ AMOUNT IN  
FIRST MERIT BANK CD (APPROXIMATELY [REDACTED])

SECURED CREDITOR'S BILL OF SALE

Dated July 23, 2014

Thermo Credit LLC, a Louisiana limited liability Company, ("Seller") as secured creditor of IBFA Acquisition Company, LLC d/b/a IBFA Acquisitions, Inc., ("Debtor") for and in consideration of [REDACTED] and other valuable consideration the receipt of which is hereby acknowledged, does hereby sell, assign, transfer and set over to First Choice Technology, Inc., ("Buyer") all of Seller's right, title and interest in and to all of Debtor's presently existing and hereinafter acquired property, tangible and intangible including but not limited to leasehold interests, machinery, equipment, furniture, fixtures, inventory, accounts receivable, accounts, notes, securities, chattel paper, contract rights, licenses, permits, leasehold improvements, choses in action, patent applications, patents, trademarks, trade names, confidential information, and customer information, and customer lists together with all products and proceeds thereof or therefrom, including Debtor's website and countryconnect.us domain name; all accounts receivable arising from the provision or sale of telecommunications services (and any services or sales ancillary thereto) by the Debtor including the right to payment of any interest or finance charges and other obligations of such person obligated to make payments in respect of any such receivable with respect thereto and user letters of authorization and all associated customer accounts and receivables arising therefrom but excluding cash and excluding local dial tone customers; all security interest or liens or property subject thereto from time to time purporting to secure payment by an account; all other agreements or arrangements of whatever character from time to time supporting or securing payment of such receivables including but not limited to any billing and collection agreement and any clearinghouse agreement; all collections, records and proceeds with respect to any of the foregoing.

THE PARTIES AGREE THAT THE ASSETS ARE BEING TRANSFERRED "AS IS, WHERE IS" AND WITH NO EXPRESS OR IMPLIED WARRANTIES, STATEMENTS, REPRESENTATIONS OF ANY KIND, EXCEPT AS PROVIDED IN THE PURCHASE AGREEMENT, INCLUDING ANY WARRANTIES OR GUARANTIES, AS TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE AND NO OTHER IMPLIED REPRESENTATIONS OR WARRANTIES WHATSOEVER; THE PARTIES AGREE THAT, TO THE EXTENT REQUIRED BY LAW, THE DISCLAIMERS CONTAINED

HEREIN ARE "CONSPICUOUS" DISCLAIMERS FOR THE PURPOSE OF ANY LAW, RULE OR ORDER.

Notwithstanding anything contained in this bill of sale, the Seller is not transferring or selling herein to Buyer any leased property, whether real or personal, whether evidenced by a true lease or a capital lease (unless the capital lessor so consents).

IN WITNESS WHEREOF, Seller and Buyer have caused this Bill of Sale to be duly executed and accepted this 23<sup>rd</sup> day of July, 2014.

SELLER:

Thermo Credit LLC

*Scott Blunt*

Its: *Executive Vice President*

BUYER:

First Choice Technology, Inc.

By: *[Signature]*

Its: *President*