

to one share of Common Stock. If such distribution is not so made, the foregoing adjustment shall be eliminated.

(D) The current market price per share of Common Stock on any date shall be deemed to be the price per share determined by three independent appraisers appointed, the first by the Company, the second by the holders of the majority of the Preferred Shares and the third appointed by the first two. All costs of such appraisal process shall be paid by the Company. Provided, however, that in the event the Company's Common Stock is registered with the Securities and Exchange Commission and a market for such shares is maintained, then the current market price per share shall be deemed to be the average of the daily closing prices for the 30 consecutive trading days commencing 40 trading days before such date. The closing price on any day shall be the last sale price, regular way, as reported in a composite published report of transaction which includes transactions on the exchange or other principal markets in which the shares of the Company's Common Stock are traded, or, if there is no such composite way (or if there is not such reported sale on such day, the average of the closing reported bid and ask prices) on the principal United States securities trading market (whether a stock exchange, NASDAQ, or otherwise) in which shares of the Company's Common Stock are traded.

(E) Whenever this paragraph 6.2 shall require that an adjustment be made in the conversion rate effective as of a record date for a specified event, the Company may elect to defer until the occurrence of such event (1) issuance to the holder of any share of Series A Preferred Stock converted after such record date the shares of Common Stock and other capital stock of the Company, if any, issuable upon such conversion over and above the shares of Common Stock and other capital stock of the Company, if any, issuable upon such conversion on the basis of the conversion rate in effect prior to such adjustment and (2) paying any amount of cash in lieu of the issuance of fraction shares, provided, however, that the Company shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional shares, and such cash, upon the occurrence of the event requiring such adjustment.

(F) If there occurs any capital reorganization or any reclassification of the capital stock of the Company, the consolidation or merger of the Company with or into any other corporation or the sale or conveyance of all or substantially all of the assets of the Company to another corporation, each share of Series A Preferred Stock shall thereafter be convertible into the same kind and amounts of securities (including shares of stock) or other assets, or both, which were issuable or distributable to the

holders of outstanding shares of Common Stock of the Company upon such reorganization or reclassification, consolidation, merger, sale or conveyance, in respect of that number of shares of Common Stock into which such shares of Series A Preferred Stock might have been converted immediately prior to such reorganization, reclassification, consolidation, merger, sale or conveyance; and in any such case appropriate adjustments (as determined in good faith by the Board of Directors) shall be made in the application of the provisions herein set forth with respect to the rights and interests thereafter of the holders of the shares of the Series A Preferred Stock to the end that the provisions set forth herein (including provisions with respect to changes in and other adjustments of the conversion rate) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other assets thereafter deliverable upon the conversion of the shares of Series A Preferred Stock.

(G) No adjustment in the conversion rate shall be required unless such adjustment would require an increase or decrease of at least one-two hundredth of a share of Common Stock issuable upon conversion of one share of Series A Preferred Stock; provided, however, that any adjustments which by reason of this paragraph (F) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

6.3 Notice of Adjustments. Whenever there is proposed any transaction as a result of which the amount of shares of Common Stock or other securities deliverable upon the conversion of shares of Series A Preferred Stock would be adjusted pursuant to the provisions of paragraph 6.2, the Company shall file, at its principal executive office and with any transfer agent or agents for Preferred Shares and for Common Stock, and shall cause to be mailed to the record holders of the Series A Preferred Stock at least forty-five (45) days prior to the applicable record date, a notice describing the transaction which may give rise to such adjustment and stating the proposed adjusted amount of its shares of Common Stock or other securities deliverable per share of Preferred Shares and the effect thereof on paragraph 7.1, and setting forth in reasonable detail the method of calculation. Such calculation shall be reviewed by the independent accountants regularly employed by the Company to audit its financial statements, and said accountants concurrence with the calculation shall be included with the notice. Each adjustment shall remain in effect until a subsequent adjustment hereunder is required.

6.4 Reservation. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock the full number of shares of Common Stock deliverable upon the conversion of all then outstanding shares of Series A Preferred Stock and shall take all such action as may be

necessary to enable the Company lawfully to issue such shares of Common Stock upon the conversion of such shares of Series A Preferred Stock.

6.5 Fractional Shares. No fractional shares or scrip representing fractional shares shall be issued upon the conversion of any share of Series A Preferred Stock. If more than one share of Series A Preferred Stock shall be surrendered for conversion at any one time by the same holder, the number of whole shares which were issuable upon conversion shall be computed on the basis of the aggregate number of shares of Series A Preferred Stock so surrendered. If the conversion of any Series A Preferred Stock results in a fraction, an amount equal to such fraction multiplied by the current market price as of the date of conversion shall be paid to such holder in cash by the Company.

7. Redemption.

7.1 Optional Redemption. At any time and from time to time after the date of issuance the Company, at its option, exercised under authority of its Board of Directors, may purchase or redeem the whole of the outstanding shares of Series A Preferred Stock (and only the whole, no partial redemptions being permitted) by paying therefore in cash per share an amount determined to be the value of all such shares determined by an appraiser mutually selected by the Company and a majority of the holders of the Preferred Shares, provided that such purchase price equals or exceeds the sum of \$30.00 per share plus \$6.00 for each year or part thereof that such share has been outstanding per share of Preferred Shares so purchased or redeemed.

7.2 Procedure. The following procedure shall apply to all redemptions of Series A Preferred Stock, whether pursuant to paragraph 7.1 or the operation of the sinking fund provisions contained in paragraph 8 of this resolution.

(A) If less than all the Preferred Shares are to be redeemed, redemption shall be made by lot or pro rata, in any manner determined by the Board of Directors to be fair and proper, and the notice of redemption shall specify the shares to be redeemed. No redemption of any Series A Preferred Stock, through the operation of any sinking fund, or otherwise, shall be made unless all matured sinking fund obligations of the Company with respect to the Series A Preferred Stock shall have been met.

(B) Notice of any proposed redemption shall be mailed by the Company, postage prepaid, not less than thirty (30) days nor more than ninety (90) days prior to the date fixed for redemption, to each holder of record of shares of Series A

Preferred Stock which are to be redeemed, at such holder's address as shown on the records of the Company or given by such holder to the Company for the purpose of notice, or, if so such address appears or is given, at the place where the principal office of the Company is located. Such notice shall state the date fixed for redemption and the redemption price and shall call upon each holder of shares of Series A Preferred Stock to be redeemed to surrender to the Company on said date at the place designated in the notice such holder's certificate or certificates representing the shares to be redeemed.

(C) On or after the date fixed for redemption and dated in such notice, each holder of Series A Preferred Stock selected for redemption shall surrender the certificate evidencing such shares to the Company at the place designated in such notice and shall thereupon be entitled to receive payment of the redemption price. If such notice of redemption shall have been duly given, and, if, on the date fixed for redemption, funds necessary for the redemption are available therefor, then, notwithstanding that the certificates evidencing any Series A Preferred Stock called for redemption shall not have been surrendered, all voting rights of such shares shall terminate on said date.

(D) If, on or prior to any date fixed for redemption of Series A Preferred Stock, the Company deposits with any bank or trust company in the State of South Carolina or the State of Oklahoma, as a trust fund, a sum sufficient to redeem, on the date fixed for redemption thereof, the Series A Preferred Stock called for redemption, with irrevocable instructions and authority to pay, on or after the date fixed for redemption, the redemption price of such shares to their respective holders upon surrender of their share certificates, and if the notice described above designated such bank or trust company as the place to which such certificates are to be surrendered, such deposit shall constitute full payment of the redemption price of the shares to be redeemed, and, from and after the date fixed for redemption, such shares shall no longer be outstanding, and the holders thereof shall cease to be stockholders with respect to such shares and shall have no rights with respect thereto except the right to receive from the bank or trust company payment of the redemption price of such shares, without interest, upon surrender of their certificates therefor. If any shares of Series A Preferred Stock called for redemption are converted into Common Stock subsequent to the Company's making any such deposit, the amount deposited with respect thereto shall be repaid to the Company forthwith upon the conversion thereof. Any interest accruing on any funds so deposited shall be the property of and shall be paid to the holders of the Series A Preferred Stock so redeemed. If the holders of Series A Preferred Stock so called for redemption shall

not have claimed any funds so deposited prior to the end of six years from the date fixed for redemption of such shares, such bank or trust company shall thereupon pay over to the Company such unclaimed funds, and such bank or trust company shall thereafter be relieved of all responsibility in respect thereof to such holders, and such holders shall look only to the Company for payment of the redemption price.

(E) The Series A Preferred Stock redeemed pursuant to this paragraph 7 shall revert to the status of authorized but unissued Preferred Stock and may thereafter have such characteristics and designations as the Board of Directors may determine.

8. Sinking Fund.

8.1 Amount To Be Set Aside. On or before July 31st of each year commencing with 1988, so long as any shares of Series A Preferred Stock are outstanding, as a sinking fund for the redemption of Series A Preferred Stock, the Company shall set aside in cash out of any moneys legally available therefor, a sum equal to the product of 33-1/3% of the number of shares of Series A Preferred Stock outstanding on July 1, 1988, times Thirty Dollars (\$30.00) per share. If, on July 31, 1988, or on July 31 of any subsequent year, the funds of the Company legally available therefor shall be insufficient to discharge such sinking fund requirement for such year and all prior years in full, funds to the extent legally available for such purpose shall be set aside for the sinking fund. Such sinking fund requirements shall be cumulative, so that, if, for any year or years, such requirements shall not be fully discharged as they accrue, funds legally available therefor shall be applied thereto until such requirements are fully discharged.

8.2 Credits. The Company, at its option, shall be entitled to use as a credit against its sinking fund requirement for any year, at Thirty Dollars (\$30.00) per share, shares of Series A Preferred Stock which the Company shall have theretofore acquired (after July 1, 1988) by purchase or redemption, otherwise than through the operation of the sinking fund, or which have theretofore (after July 1, 1988) been converted into Common Stock (other than shares so converted after being called for redemption through the operation of the sinking fund), and for which credit shall not theretofore have been taken against any sinking fund requirement.

8.3 Sinking Fund Redemption. In each year, commencing with 1988, so long as any Series A Preferred Stock is outstanding, the Company, may but shall not be obligated to call for redemption, fixing August 31 as the date for redemption, the

number of shares of Series A Preferred Stock determined by dividing the amount in the sinking fund as of July 31 of that year by Thirty Dollars (\$30.00). Such redemption shall be made in the manner provided in paragraph 7. If any shares of Series A Preferred Stock called for redemption through the operation of the sinking fund are converted into Common Stock subsequent to the sinking fund deposit for said year, the amount of the sinking fund deposit with respect thereto shall be restored to the Company's general funds forthwith upon the conversion thereof.

CERTIFICATE
ASTM
ON

SECRET

**STATE OF SOUTH CAROLINA
SECRETARY OF STATE
ARTICLES OF INCORPORATION**

OF

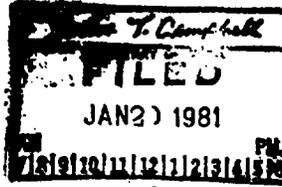
Telecommunications Systems, Inc.

For Use By The Secretary of State	
File No.	D46900
Fee Paid \$	45.00
R. N.	13584
Date	1-20-81

(File This Form in
Duplicate Originals)

(Sect. 33-7-30 of 1976 Code)

This Space For Use By
The Secretary of State



- The name of the proposed corporation is Telecommunications Systems, Inc.
- The initial registered office of the corporation is Route 3, Box 211-C
Street and Number
located in the city of Georgetown, county of Georgetown and
the State of South Carolina and the name of its initial registered agent at such address is
Edmund B. Pettiss
- The period of duration of the corporation shall be perpetual (~~xxxxxxxxxxxx years~~).
- The corporation is authorized to issue shares of stock as follows:

<u>Class of shares</u>	<u>Authorized No. of each class</u>	<u>Par Value</u>
<u>common</u>	<u>100,000</u>	<u>\$1.00</u>

If shares are divided into two or more classes or if any class of shares is divided into series within a class, the relative rights, preferences, and limitations of the shares of each class, and of each series within a class, are as follows:

CERTIFIED TO BE A TRUE AND CORRECT COPY
AS COMPARED WITH THE ORIGINAL FILED IN THIS OFFICE.

APR 02 1981

- Total authorized capital stock 100,000
SECRETARY OF STATE OF SOUTH CAROLINA
- It is represented that the corporation will not begin business until there has been paid into the corporation the minimum consideration for the issue of shares, which is \$1,000.00 of which at least \$500.00 is in cash.
- The number of directors constituting the initial board of directors of the corporation is one (1), and the names and addresses of the persons who are to serve as directors until the first annual meeting of shareholders or until their successors be elected and qualify are:

<u>Edmund B. Pettiss</u>	<u>Route 3, Box 211-C, Georgetown, SC</u>
<small>Name</small>	<small>Address</small>
	<u>29440</u>
<small>Name</small>	<small>Address</small>

..... Name Address

..... Name Address

8. The general nature of the business for which the corporation is organized is (it is not necessary to set forth in the purposes powers enumerated in Section (33-3-10 of 1976 Code).

To own, operate, rent, lease, sell, manage, and otherwise deal in the business of providing radio and telephone common carrier service to the general public, including but not limited to, corporations, partnerships, individuals, governmental agencies, associations, cooperatives, charities and other entities, for compensation.

9. Provisions which the incorporators elect to include in the articles of incorporation are as follows:

not applicable

10. The name and address of each incorporator is.

Name	Street & Box No.	City	County	State
Edmund B. Pettiss	Route 3, Box 211-C	Georgetown	Georgetown	SC 29440

Date January 19, 1981

Edmund B. Pettiss
.....
(Signature of Incorporator)

Edmund B. Pettiss
.....
(Type or Print Name)

.....
(Signature of Incorporator)

.....
(Type or Print Name)

.....
(Signature of Incorporator)

.....
(Type or Print Name)

STATE OF South Carolina }
COUNTY OF Georgetown } ss:

The undersigned Edmund B. Pettiss

he is
do hereby certify that ~~they are~~ the incorporators of Telecommunications System Corporation and
are authorized to execute this verification; that each of the undersigned for himself does hereby further
certify that he has read the foregoing document, understands the meaning and purport of the statements
therein contained and the same are true to the best of his information and belief.

Edmund B. Pettiss
(Signature of Incorporator)
Edmund B. Pettiss

(Signature of Incorporator)

(Signature of Incorporator)
(Each Incorporator Must Sign)

CERTIFICATE OF ATTORNEY

I, Mitchell Willoughby, an attorney licensed to practice in the State of South Carolina, certify that the corporation, to whose articles of incorporation this certificate is attached, has complied with the requirements of chapter 7 of Title 33 of the South Carolina Code of 1976, relating to the organization of corporations, and that in my opinion, the corporation is organized for a lawful purpose.

Date JAN 20, 1981

Mitchell Willoughby
(Signature)

Mitchell Willoughby
(Type or Print Name)

Address 1338 Pickens Street
Columbia, SC 29201

SCHEDULE OF FEES

(Payable at time of filing Articles of With Secretary of State)

Fee for filing Articles	\$	5.00
In addition to the above, \$.40 for each \$1,000.00 of the aggregate value of shares which the Corporation is authorized to issue, but in no case less than nor more than		40.00 1,000.00

SECRETARY OF STATE SOUTH CAROLINA

NOTE: THIS FORM MUST BE COMPLETED IN ITS ENTIRETY BEFORE IT WILL BE ACCEPTED FOR FILING. THIS FORM MUST BE ACCOMPANIED BY THE FIRST REPORT OF CORPORATIONS AND A CHECK IN THE AMOUNT OF \$10 PAYABLE TO THE SOUTH CAROLINA TAX COMMISSION.

**EXHIBIT II
(Questions 6, 7)**

A description of this transaction is contained in Volume One, Section II of this filing. The Merger Agreement for this transaction is set forth in Volume Three, Section D.

**EXHIBIT III
(Questions 9-10)**

The transferee, British Telecommunications plc ("BT"), is a public limited company whose registered offices are located at 81 Newgate Street, London EC1A 7AJ, England. BT has over 2.3 million shareholders and is listed on the London, New York and Tokyo stock exchanges. The principal business of BT is providing telecommunications services, and its main products and services are local, long-distance and international calls; telephone lines, equipment and private circuits for homes and businesses; providing and managing private networks; and supplying mobile communications services. BT is involved in a variety of joint ventures and arrangements in mainland Europe, and has partnerships or distributorship arrangements in a number of countries in the Asia-Pacific region.

The principals are substantially engaged in communications businesses.

**EXHIBIT IV
(Question 14(a)(1))**

A copy of the Articles of Incorporation of BT is attached in Volume
Three, Section E.

**EXHIBIT V
(Questions 14(a)(2))**

Information regarding the names and addresses of the officers and directors of BT is contained in Volume Three, Section B of this filing. As of June 21, 1996 the ownership of BT's ordinary shares by BT's directors and officers, collectively, was limited to .004% of total ordinary shares. There is no beneficial owner of more than 10% of BT's ordinary shares.

**EXHIBIT VI
(Questions 14(b) - 14(f))**

BT is not controlled by any other corporation. Organized and existing under the laws of England and Wales, BT is a corporation directly or indirectly controlling a corporation which is a common carrier radio licensee pursuant to Section 310(b)(4) of the Communications Act. Information about the citizenship status of the officers and directors of BT is set forth in Volume Three, Section B of this filing. Additionally, although foreign citizens hold more than 25 percent of BT's shares, BT estimates that upon consummation of this transaction at least 35 percent of its shares will be held by US citizens.

A detailed description of the transaction is contained in Volume One, Section II of this filing.

**EXHIBIT VII
(Question 15)**

BT is not affiliated with any providers engaged in the business of providing a public land line message telephone service in the United States ("US").

BT is affiliated with entities engaged in the business of providing a public land line message telephone service outside of the US.

**EXHIBIT VIII
(Question 20)**

Graphnet, Inc. v. MCII, Civ. No. 93-2046, USDC New Jersey.

This is an antitrust and rate discrimination suit filed in federal court in Newark, N.J. alleging, among other claims, that MCI International, Inc. ("MCII") is charging predatory rates to its customers for telex traffic terminating to Graphnet customers. This case grew out of a tortious interference suit against MCII in New York state court for the hiring of certain Graphnet employees. In January 1994, MCII filed a motion for judgment on the pleadings, seeking dismissal of the antitrust counts.

In April and May 1994, the U.S. District Court in New Jersey dismissed Graphnet's antitrust conspiracy claim, and stayed Graphnet's attempted monopolization claim -- and its remaining state law claims -- pending an FCC determination of the reasonableness of MCII's customer tariff rates for telex messages. Graphnet has a pending formal complaint with the FCC, which MCII, represented by MCI Regulatory, has answered.

In February 1994, MCII filed a separate action against Graphnet in federal court to recover over \$700,000 in past due charges for voice traffic. MCII was awarded its past due charges on its claim following a trial on the merits.

**EXHIBIT IX
(Question 21)**

BT currently is interested in the control of licensed radio stations in various services by virtue of its 20 percent investment in MCI Communications Corporation ("MCIC"). Subsidiaries of MCIC hold these licenses, as listed for each service in the relevant section of Volume Two. Since BT acquired its interest in 1994, the subsidiaries have sold or let expire other radio station licenses in the due course of business. Additional information about these licenses is contained in the Commission's files, and BT will provide any further information the Commission may require.

**EXHIBIT X
(Question 28)**

See Volume One, Section III for a description of how the instant proposal will be in the public interest.

**EXHIBIT XI
(Certification)**

Due to the absence of Applicant from the United States on the date of execution, and as permitted by Section 21.6(d) and Section 1.743(b) of the Commission's Rules, Joel S. Winnik of Hogan & Hartson L.L.P. is signing this Form 704 in his capacity as attorney for BT.

Est. Avg. Burden Hours Per Response: 8 Hrs.

APPLICATION FOR CONSENT TO TRANSFER OF CONTROL

(Under 47 CFR 21, 23 or 25)
Read Instructions on Page 4 Before Completing

PART I - To Be Completed by Permittee or Licensee

1(a) Name of Corporate Permittee or Licensee

Teleconnect Long Distance Services and Systems Company

Mailing Street Address or P.O. Box, City, State and ZIP Code
1801 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

Call Sign or Other FCC Identifier
See Exhibit I

(b) Fee Data. Refer to 47 CFR Section 1.1105 or the Common Carrier Services Fee Filing Guide.

Line No.	(1) Fee Type Code	(2) Fee Multiple	(3) Fee Due for Fee Type Code in (bX1)	FCC Use Only
1	CCP	1	\$ 70.00	
2	CAP	10	\$ 450.00	
Add all amounts in Column (3), lines 1 and 2. ▶▶			\$ 520.00	
Remit this amount with your application.				

2. Permits or Licenses Held by Corporation for which a transfer of Control is sought in this application. See Instr. H.

(a) Call Sign (b) File No. (c) Service (d) No. of Stations

See Exhibit I

3. Name and Street Address or P.O. Box, City, State and ZIP Code of Transferor
MCI Communications Corporation
1801 Pennsylvania Avenue, N.W.
Washington, D.C. 20006-3606

4. Name and Street Address or P.O. Box, City, State and ZIP Code of Transferee
British Telecommunications plc
BT Centre
81 Newgate Street, London EC1A 7AJ England

5. Permittee or Licensee represents: (check one)

- That there is attached to this application as Exhibit No. II a certified copy of the Articles of Incorporation (charter) of the permittee or licensee company.
 That there is now on file with the Commission a current certified copy of the Articles of Incorporation of the permittee or licensee company. Where Filed: _____ Date Filed: _____

Certification: The undersigned, individually and for the permittee or licensee, represents that all the attached exhibits pertinent to Part 1 are a material part hereof and are incorporated herein as if set out in full in this application; and certifies that all the statements made in Part 1 of this application are true, complete and correct to the best of his (her) knowledge and belief.

Date <u>4/8/97</u>	Printed or Typed Name of Permittee or Licensee (Must agree with Item 1) Teleconnect Long Distance Services and Systems Company	Signature 	Title (Office Held by Person Signing) Assistant Secretary
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Willful false statements made on this application are punishable by fine and imprisonment (U.S. Code, Title 18, Section 1001) and/or revocation of any station license or construction permit (U.S. Code, Title 47, Section 312(a)(1)) and/or forfeiture (U.S. Code, Title 47, Section 503).

PART II - To Be Completed By Transferor

6(a) Transfer of Control will be accomplished by: (check one):

- Sale or other transfer or assignment of stock (complete 6(b)).
 Other (e.g., voting trust agreement, management contract, Court Order, etc.)

(b) Shares	No. of Shares	Classification (common, preferred, etc.)
Shares to be transferred	<u>See</u>	Exhibit III
Shares issued and outstanding		
Shares authorized		

7. Attach as Exhibit No. III a statement on how control is to be transferred, and copies of any pertinent contracts, agreements, instruments, certified copies of Court Orders, etc.

Certification: The undersigned represents that stock will not be delivered and that control will not be transferred until the Commission's consent has been received, but that transfer must be completed within 45 days if Commission consents; that all the attached exhibits pertinent to Part II are a material part hereof and are incorporated herein as if set out in this application; and certifies that all the statements made in Part II of this application are true, complete and correct to the best of his (her) knowledge and belief.

Date <u>4/8/97</u>	Printed or Typed Name of Transferor (Must correspond with Item 3) MCI Communications Corporation	Signature 	Title (Office Held by Person Signing) Secretary
-----------------------	---	--	--

Willful false statements made on this application are punishable by fine and imprisonment (U.S. Code, Title 18, Section 1001) and/or revocation of any station license or construction permit (U.S. Code, Title 47, Section 312(a)(1)) and/or forfeiture (U.S. Code, Title 47, Section 503).

PART III - To Be Completed by Transferee

8. Transferee is: (Check one)

Individual

Partnership

Corporation

Unincorporated Association

9. Attach as Exhibit No. IV a statement of transferee's principal business.

10. Attach as Exhibit No. IV a statement of the businesses, employment, or activities, other than communications in which individual transferee, each member if a partnership, and all principals if a corporation, are engaged, giving:
(a) nature of activity; (b) location of activity; and (c) hours devoted to each activity.

	Place an "X" in the appropriate column.	
	YES	NO
11. Is individual transferee, or if partnership each member of partnership, a citizen of the United States?		X
12. Is transferee or any party to this application a representative of an alien or of a foreign government?		X
13. If transferee is a partnership, attach as Exhibit No. _____ one copy, properly certified of the partnership agreement, or if oral, complete details thereof. N/A		
14. If transferee is a Corporation (including joint stock companies) or Association, answer the following:		
a. Under laws of what State or Country is it organized? <u>England and Wales</u>		
(1) Attach as Exhibit No. <u>V</u> a certified copy of the Articles of Incorporation (charter) if not heretofore on file with the Commission.		
(2) Attach as Exhibit No. <u>VI</u> the names, addresses and percentages of stock held by all principals of the corporation and by all stockholders owning and/or voting 10 percent or more of transferee's stock.		
b. Is any director or officer an alien? See Exhibit VII	X	
c. Is more than one-fifth of the capital stock owned of record, or may it be voted, by aliens or their representatives, or by a foreign government or representatives thereof, or by a corporation organized under the laws of a foreign government? See Exhibit VII	X	
d. Is transferee directly or indirectly controlled by any other corporation? If "YES," give in Exhibit No. _____ the names and addresses of all such controlling corporations to and including organizations having final control and furnish for each all the information requested in 14 a thru c above.		X
e. Is transferee directly or indirectly controlled by any other corporation of which any officer or more than one-fourth of the directors are aliens? See Exhibit VII		X
f. Is more than one-fourth of the capital stock of any controlling corporation owned of record, or may it be voted by aliens or their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign government? See Exhibit VII		X
15. Is transferee directly or indirectly interested in or affiliated with any entity or person engaged in the business of providing a public land line message telephone service? If "YES," and transferee is not a land line telephone carrier, attach as Exhibit No. <u>VIII</u> a statement relating the facts.	X	
16. If permittee or licensee holds any Multipoint Distribution Service (MDS or MMDS) authorizations, is transferee directly or indirectly interested in or affiliated with, or has leasing arrangements with a cable television company? If "YES," submit as Exhibit _____ a description of the relationship and a map showing overlap of boundaries of cable franchise area and MDS station's protected service area, if any. N/A		
17. Has transferee or any party to this application had any station authorization revoked or had any application for construction permit, license, or renewal denied by this Commission? If "YES," attach as Exhibit No. _____ a statement relating all the pertinent circumstances.		X
18. Has any court finally adjudged the transferee, or any person directly or indirectly controlling the transferee, guilty of unlawfully monopolizing or attempting unlawfully to monopolize radio communication, directly or indirectly, through control of manufacture or sale of radio apparatus, exclusive traffic arrangement, or any other means or of unfair methods of competition? If "YES," attach as Exhibit No. _____ a statement relating the facts.		X
19. Has the transferee, or any party to this application, or any person directly or indirectly controlling the transferee ever been convicted of a crime for which the penalty imposed was a fine of \$500 or more, or an imprisonment of six months or more? If "YES," attach as Exhibit _____ a statement relating the facts.		X
20. Is transferee, or any person directly or indirectly controlling the transferee, presently a party in any matter referred to in Items 17, 18, 19? If "YES," attach as Exhibit No. <u>IX</u> a statement relating the facts.	X	
21. Is transferee directly or indirectly, through stock ownership, contract, or otherwise interested in the ownership or control of any other radio stations licensed by this Commission? If "YES," give: (a) call sign and service; (b) location; and (c) name of licensee below. See Exhibit X	X	

PART III - continued.		Place an "X" in the appropriate column.	YES	NO
22. Has applicant ever been directly or indirectly interested in the ownership or control of any radio stations other than those stated in 21 above? If "YES," give: (a) call sign and service; (b) location; and (c) name of licensee below.		▶	X	
See Exhibit X				
23. Will transferee propose any of the following changes, after the transfer of control is authorized (see instruction F):				
a. Changes in the services currently offered? If "YES," attach as Exhibit No. _____ a brief statement of the proposed changes.		▶		X
b. Changes in technical personnel, maintenance or repair of facilities? If "YES," attach as Exhibit No. _____ a description of positions to be changed and specific arrangements for prompt maintenance or repair of facilities.		▶		X
c. Changes in the management or personnel responsible for the operation of the station? If "YES," in Exhibit No. _____ describe the manner in which the proposal will operate, and list present positions of responsibility to be changed and proposed positions and division of responsibility, including hours of physical supervision. (When responsibilities are to be divided with any other business, give name and address of owner of each such business and submit copy of working agreement).		▶		X
24. If transferee is a corporation, is stock of transferee to be sold after this consent is issued for any purpose? If "YES," explain purpose in Exhibit No. _____		▶		X
25. Does transferee now hold any obligations of licensee corporation? If "YES," in Exhibit No. _____ describe the obligations, methods by which acquired, and the dates on which they were obtained.		▶		X
26. Does local or state law require any authorization to transfer the control of the facilities and/or operations involved herein? If "YES," attach as Exhibit No. _____ a single certified copy of such authorization.		▶		X
27. a. Is transferee personally familiar with the provisions of the Commission's Rules governing the service which are the subject of this application? b. Has transferee examined the subject facilities and determined that construction and operation is in compliance with current authorizations and the Commission's Rules?		▶	X	
		▶	X	
28. Attach as Exhibit No. <u>XI</u> a complete statement, setting forth facts which show how the instant proposal will be in the public interest, and disclosing all relationships, affiliations or connections between the transferee and current or prospective subscribers. The statement should contain the names of any common stockholders, officers, directors, employees or individuals closely related to the management or control of the facilities of the transferee and any subscriber.				
29. If corporate permittee or licensee holds any authorizations for Part 21 stations, answer (a) and (b) below:				
a. Does authorization involve facilities that have not been constructed? If "YES," does transferee represent that it has, or has reasonable assurance that it will have, the ability to meet the expected cost of constructing any such facilities within the construction period, and the estimated operating expenses for twelve months?		▶		X
b. Were facilities authorized following a comparative hearing and have been operated less than one year; or involve facilities that have not been constructed; or involve facilities that were authorized following a random selection proceeding in which the successful applicant received a preference and that have been operated for less than one year?		▶		X
30. Does transferee represent that the information given in Part III of this application is true and correct, including any contracts or other instruments submitted, and that said information and contracts (if any) constitute the full agreement?		▶	X	
31. Does transferee acknowledge that, if Commission consents, transfer of control must be completed within 45 days of date of consent and Commission must be notified by letter within 10 days of consummation?		▶	X	

Certification: The applicant certifies that, in the case of an individual applicant, he or she is not subject to a denial of federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. 853a, or, in the case of a nonindividual applicant (e.g., corporation, partnership or other unincorporated association), no party to the application is subject to a denial of federal benefits pursuant to that section. For the definition of a "party" for these purposes, see 47 CFR 1.2002.

YES NO

The undersigned represents that all the attached exhibits pertinent to Part III are a material part hereof and are incorporated herein as if set out in full in this application; and certifies that all the statements made in Part III of this application are true, complete and correct to the best of his (her) knowledge and belief.

Date <u>4-8-97</u>	Typed or Printed Name of Transferee British Telecommunications plc	Signature 	Title (Office Held by Person Signing) Attorney for British Telecommunications plc See Exhibit XII
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Willful false statements made on this application are punishable by fine and imprisonment (U.S. Code, Title 18, Section 1001) and/or revocation of any station license or construction permit (U.S. Code, Title 47, Section 312a(X)) and/or forfeiture (U.S. Code, Title 47, Section 503).

EXHIBIT I
(Questions 1(a), 2)

The call signs, file numbers, and station locations of the Point-to-Point Microwave Radio Service licenses held by Teleconnect Long Distance Services and Systems Company are as follows:

Call Sign	File Number	City	State
WLC930	20810-CF-R-91	Matherville	IL
WLC931	20811-CF-R-91	Galesburg	IL
WLC932	20812-CF-R-91	Brimfield	IL
WLC933	20813-CF-R-91	East Peoria	IL
WLC934	20814-CF-R-91	Peoria	IL
WLC935	20815-CF-R-91	Mackinaw	IL
WLC936	20816-CF-R-91	Bloomington	IL
WLC937	20817-CF-R-91	Dewitt	IL
WLC938	20818-CF-R-91	Mansfield	IL
WLC939	20819-CF-R-91	Urbana	IL
WLC940	20820-CF-R-91	Decatur	IL

**EXHIBIT II
(Question 5)**

**Attached is a certified copy of the Articles of Incorporation of
Teleconnect Long Distance Services and Systems Company.**