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OF COUNSEL RICHARD T. CIOTTONE

January 14, 2005

Mr. Dan Joyce Missouri Public Service Commission P. O. Box 360 Jefferson City, Missouri 65102

## **Re:** Cass County Telephone Company L.P.

Dear Dan:

Regarding recent events surrounding the Cass County Telephone Company L.P., please be advised that Kenneth M. Matzdorff, effective January 13, 2005, cedes all financial authority for Cass County Telephone Company L.P. (CassTel), including approval of expenditures of any amount. CassTel, effective immediately, will search for, and seek to contract with, an independent, third-party manager, acceptable to CassTel's lender and to the MoPSC, to assume all financial and operational managerial functions of CassTel. CassTel has been working to identify individuals and organizations willing and capable of serving as the independent, third-party manager. Identifying an independent, third-party manager, obtaining approvals for the identified manager and negotiating a management contract likely will require between thirty and ninety days. CassTel will keep the Staff apprised of its efforts in this regard.

Staff inquired about an eventual sale of CassTel. CassTel has no power to sell itself. CassTel is a limited partnership, the general partner of which is LEC, LLC. LEC, LLC is owned by approximately 50 members who collectively hold 107 membership units. Mr. Matzdorff holds only approximately eight of those membership units. Ultimately, any decision to sell CassTel would require the affirmative vote of two-thirds of the qualified membership units. Moreover, as a practical matter, CassTel will not be marketable until any MoPSC rate investigation is completed and USF certification is reinstated.

Please feel free to share this correspondence with appropriate Commission personnel. If there are any questions regarding this matter or you would like to discuss it more thoroughly, please feel free to give me a call at your convenience.

Sincerely,

W.R. England, III

WRE/da Cc: Dave Wenter