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December 2, 2004

Via UPS

Ms. Stephanie Bell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

RECEIVED

DEC 03 2004

**PUBLIC SERVICE
COMMISSION**

Re: Notification Regarding the Transfer of Control of Cypress
Communications Operating Company, Inc. from Cypress Communications
Holding Co., Inc. to TechInvest Holding Company, Inc.

Dear Ms. Bell:

Cypress Communications Operating Company, Inc. ("Cypress Operating"), Cypress Communications Holding Co., Inc. ("Cypress Holding"), and TechInvest Holding Company, Inc. ("THC"),¹ by their undersigned counsel, hereby respectfully notify the Kentucky Public Service Commission ("Commission") of a proposed transfer of control of Cypress Operating from Cypress Holding to THC. Cypress Operating is a provider of in-building networks and a reseller of telecommunications services. In Kentucky, Cypress Operating is authorized to provide intrastate interexchange telecommunications services. The proposed transaction will occur at the parent holding company level, such that the stock of Cypress Operating will not be directly affected.

As described in detail below, the proposed transaction will result in a change in the ultimate ownership of Cypress Operating, but the management and operation of Cypress Operating will continue largely unchanged. Cypress Operating will retain its authorization to provide telecommunications services in Kentucky and will continue to provide service to its

¹ Cypress Holding, together with its direct and indirect subsidiaries, Cypress Communications, Inc. ("Cypress Communications") and Cypress Operating are collectively referred to as "Cypress." Cypress and THC are collectively referred to as the "Parties."

existing customers in the same manner as it does today. The end result to Cypress Operating on a day-to-day management basis will be that it is stronger financially and, therefore, better able to serve its current customers and compete for new customers. Pursuant to the exemptions set forth in Administrative Case No. 359, the Parties understand that prior Commission approval of the proposed transfer of control described herein is not required. Thus, the Parties submit this letter for the Commission's information only.

The Relevant Parties

Cypress Operating. Cypress Operating is a corporation organized and existing under the laws of Delaware with its principal place of business located at 15 Piedmont Center, 3575 Piedmont Road, Suite 100, Atlanta, Georgia 30305. Cypress Operating is a wholly-owned subsidiary of Cypress Communications, which in turn is a wholly-owned subsidiary of Cypress Holding. Cypress Holding is a publicly-traded corporation organized under the laws of Delaware with the same principal place of business as Cypress Operating. While several of the existing shareholders in Cypress Holding hold a 10 percent or greater equity interest in the company, no shareholder or group of shareholders controls Cypress.

Cypress is a provider of bundled telecommunications services to small and medium-sized businesses located in multi-tenant commercial office buildings in major metropolitan markets in the U.S.² Specifically, Cypress offers its customers integrated service bundles that include local, long distance, and international telecommunications services; high-speed Internet connectivity; e-mail services; fully-managed firewall services; web hosting; virtual private networks; feature-rich digital desktop stations; calling cards; audio and web conferencing; and digital business television. Cypress delivers these services over in-building networks that it owns and operates. However, Cypress does not own or operate any switches or transmission facilities outside of the multi-tenant buildings in which its customers are located. Rather, Cypress obtains external transmission facilities and other network elements and telecommunications services from other carriers to connect its customers to the Internet and the public switched network. In other words, Cypress's regulated telecommunications services are provided entirely on a resale basis using facilities and switches that are owned and operated by other telecommunications carriers.

Certain Cypress companies are certificated or otherwise authorized to provide local exchange telecommunications services and/or intrastate interexchange services in 33 states. In Kentucky, Cypress Operating has authority to provide resold interexchange service pursuant to its registration and tariff filed on July 15, 2002 (Utility ID 516500). Cypress Operating provides domestic and international telecommunications services pursuant to authorizations granted by the Federal Communications Commission ("FCC").

² Cypress currently provides service in the following markets: Atlanta, Birmingham, Boston, Chicago, Dallas, Denver, Hartford, Houston, Indianapolis, Miami, Minneapolis, Nashville, New Orleans, New Jersey, New York, Orlando, Philadelphia, Phoenix, Pittsburgh, Portland, San Francisco, Seattle, Southern California (Los Angeles and Orange County), Tampa, and Washington, D.C.

THC. THC is a newly formed Delaware corporation established to effect the purchase of Cypress Holding. THC is an indirect subsidiary of First Islamic Investment Bank, E.C. ("FIIB"). The acquisition of Cypress was identified, structured, and executed by Crescent Capital Investments, Inc. ("Crescent"), a Delaware corporation with its headquarters in Atlanta, Georgia and an indirect, wholly-owned U.S. subsidiary of FIIB. FIIB and Crescent are discussed in detail below.

FIIB. FIIB is a joint stock company organized under the laws of Bahrain. Founded in 1996, FIIB is headquartered in Bahrain with U.S. and U.K. subsidiary offices in Atlanta and London. The mission of FIIB is to provide innovative and distinctive investment opportunities that generate superior risk-adjusted returns for its shareholders and investors. FIIB has a paid-in share capital of approximately \$154 million and operates under an investment banking license granted by the Bahrain Monetary Agency. In the U.S., FIIB operates through Crescent and currently has a corporate investment portfolio that consists of ten U.S. companies in various sectors including manufacturing, services, and technology. While one shareholder holds approximately 10.5 percent of the ownership of FIIB, and the employees of FIIB and Crescent collectively hold approximately 11 percent of the ownership interests, no shareholder or group of shareholders holds a controlling interest in FIIB, and there are no voting or other agreements that would give control to one shareholder or group of shareholders.³

Crescent. Crescent is a Delaware corporation based in Atlanta, Georgia. Crescent is principally engaged in identifying and structuring investments for the benefit of its parent company, FIIB, and clients of FIIB. Crescent identifies, structures and advises FIIB and its co-investors with respect to investments in operating companies, real estate, and asset-based transactions, and provides management and strategic advice to such operating companies and joint venture vehicles. Recent U.S. investments include Loehmann's Holdings, Inc. (high-end discount retailing), Caribou Coffee Company, Inc. (specialty retailing), Cirrus Industries, Inc. (aerospace manufacturing), American Pad & Paper LLC (manufacturing of paper-based office products), MediFax-EDI, Inc (healthcare claims processing) and Smart Documents Solutions, LLC (medical records processing).

Designated Contacts

The designated contacts for questions concerning this letter are:

³ Moreover, because of the proposed post-close ownership structure described below, no FIIB shareholder or group of shareholders will have a 10 percent or greater equity or voting interest in Cypress.

For Cypress:	For THC:
Gregory P. McGraw President and Chief Executive Officer Cypress Communications Holding Co. Inc. 15 Piedmont Center, Suite 100 3575 Piedmont Road Atlanta, GA 30305 Tel: 404-869-2500 Fax: 404-442-0343 gmcgraw@cypresscom.net	Charles H. Ogburn President TechInvest Holding Company, Inc. c/o Crescent Capital Investments, Inc. 75 Fourteenth St., 24 th Floor Atlanta, GA 30309 Tel: 404-920-9000 Fax: 404-920-9001 cogburn@crescentcapital.com
Kathy L. Cooper Brian M. McDermott Swidler Berlin Shereff Friedman, LLP 3000 K Street, NW, Suite 300 Washington, DC 20007-5116 Tel: 202-424-7500 Fax: 202-424-7643 KLCooper@swidlaw.com BMMcDermott@swidlaw.com	Melissa Conway Kelley Drye & Warren LLP 1200-19 th Street, N.W. Suite 500 Washington, D.C. 20036 Tel: 202-955-9667 Fax: 202-955-9792 mconway@kelleydrye.com

The Transaction. On November 5, 2004, TechInvest Acquisition, Inc. ("Merger Corporation"), THC and Cypress Holding entered into an Agreement and Plan of Merger (the "Merger Agreement"). Merger Corporation is a newly formed Delaware corporation and wholly-owned subsidiary of THC that was incorporated for the sole purpose of entering into the Merger Agreement and consummating the transactions contemplated thereby.

Pursuant to the Merger Agreement, Merger Corporation will merge with and into Cypress Holding, with Cypress Holding being the surviving corporation and becoming a direct, wholly-owned subsidiary of THC. The ownership structure of THC will result in no person holding interests that would be sufficient to constitute a 10 percent or greater equity or voting interest in Cypress post-close or confer the ability to control Cypress. Organization charts showing the ownership of Cypress Operating both before and after the proposed transaction is consummated are provided in *Exhibit A*. The Merger Agreement provides that the existing shareholders of Cypress Holding are entitled to receive in cash an amount equal to \$39,350,000, subject to adjustment for changes in working capital prior to closing and after repayment of certain indebtedness of Cypress Holding, for all of the outstanding capital stock of Cypress Holding. The closing of the transaction is contingent on receipt of necessary regulatory approvals and the approval of the shareholders of Cypress Holding, among other things. On November 12, 2004, the Parties filed an application with the FCC, seeking approval of the transaction with respect to Cypress's domestic interstate and international telecommunications services.

Qualifications of THC. Cypress Operating, backed by its ultimate parent company Cypress Holding, will continue to possess the managerial and technical qualifications to provide telecommunications services in Kentucky. THC currently plans to retain the majority of Cypress' current management team and will rely on its experienced professionals. It is thus not contemplated that there will be significant changes in Cypress' current management occasioned by this transaction, and the current senior management is expected to continue to oversee the day-to-day operations of its operating subsidiaries. Of course, over time, there may be management changes as deemed appropriate by THC's Board of Directors.

Similarly, Cypress Operating will continue to possess the financial qualifications to provide telecommunications services in Kentucky. THC will bring an infusion of new capital to Cypress and thus better equip Cypress to provide quality telecommunications services to its customers.

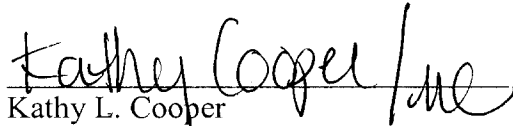
Public Interest Considerations. The transfer of control of Cypress to THC pursuant to the Merger Agreement will serve the public interest. THC will supplement Cypress' current management, the majority of whom will be retained post-close, and will bring additional capital to Cypress. In so doing, THC will strengthen Cypress and better ensure that it remains a viable long-term competitor in the telecommunications marketplace. Given the difficulties with which the competitive telecommunications industry is now struggling, the creation of a financially stronger telecommunications competitor would benefit consumers in Kentucky.

At the same time, the change in ultimate ownership of Cypress will not have any adverse impact on customers. Since this is a stock transaction as opposed to an asset sale, the transfer of control of Cypress will not result in a change of carrier for Cypress' customers or any transfer of authorizations. Immediately following consummation of the transaction, Cypress will continue to provide high-quality communications services to its customers without interruption and without immediate change in rates, terms or conditions. The contact for customers and Commission inquiries will continue to be Deena Snipes, Director – Legal and Business Affairs, Cypress Communications, 15 Piedmont Center, Suite 100, 3575 Piedmont Road, Atlanta, GA 30305, (404) 442-0169. In fact, the operations of Cypress will largely continue to be determined by many of the same management, technical, and customer service personnel that currently oversee those operations.

As noted above, the Parties do not believe that Commission approval is required for the proposed transfer of control described herein. Should the Commission determine otherwise, the Parties respectfully request that the Commission notify them as soon as possible. Enclosed please find ten (10) copies of this filing, a duplicate and a self-addressed, postage-paid envelope. Please date-stamp the duplicate upon receipt and return it in the envelope provided. Should the Commission have any questions, please contact Melissa Conway at (202) 955-9667.

Respectfully submitted,

**CYPRESS COMMUNICATIONS
HOLDING CO., INC. and
CYPRESS COMMUNICATIONS
OPERATING CO., INC.**



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Fax: 703-918-2450

Its Attorneys

VERIFICATION

I, Gregory P. McGraw, am President and Chief Executive Officer of Cypress Communications Holding Company, Inc., and am authorized to represent it and its affiliates, and to make this verification on their behalf. The statements in the foregoing document relating to this company and its affiliates, 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.



Subscribed and sworn to before me this 15th day of
November, 2004.


Notary Public

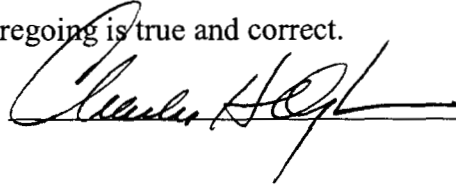
My Commission expires: _____

Janice Micetic
Notary Public, DeKalb County, Georgia
My Commission Expires May 30, 2006

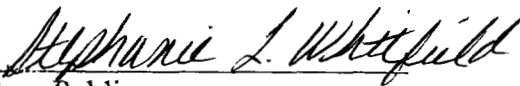
VERIFICATION

I, Charles H. Ogburn, am President of TechInvest Holding Company, Inc., and am authorized to represent it and its affiliates, and to make this verification on their behalf. The statements in the foregoing document relating to this company and its affiliates, 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.



Subscribed and sworn to before me this 15th day of November, 2004.

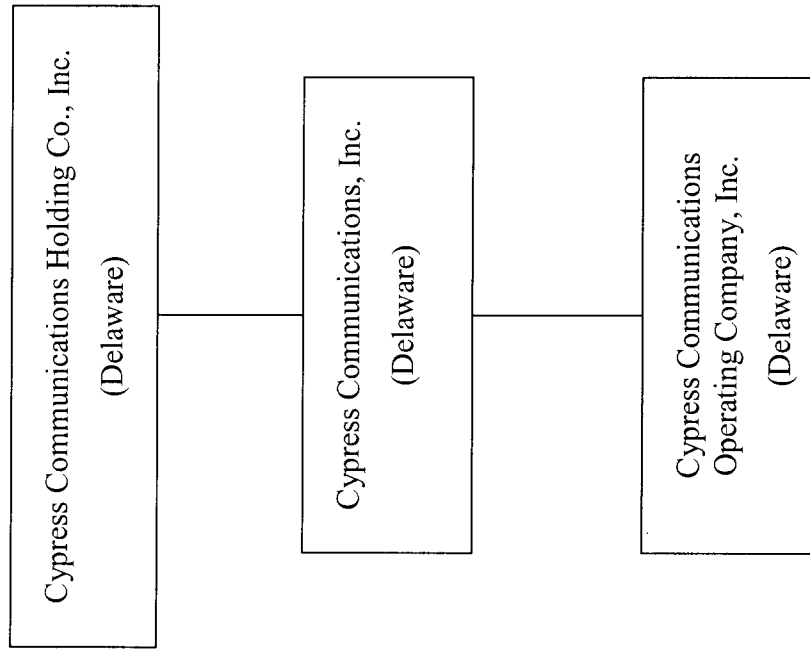

Notary Public

STEPHANIE L. WHITFIELD
NOTARY PUBLIC, FULTON COUNTY, GEORGIA
MY COMMISSION EXPIRES JULY 29, 2006

My Commission expires: _____

EXHIBIT A

OWNERSHIP STRUCTURE OF CYPRESS COMMUNICATIONS OPERATING COMPANY, INC. BEFORE CLOSING



OWNERSHIP STRUCTURE OF CYPRESS COMMUNICATIONS OPERATING COMPANY, INC. AT CLOSING

