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March 27, 2007

RECEIVED

MAR 28 2007

PUBLIC SERVICE
COMMISSION

VIA UPS

Ms. Stephanie Bell
Secretary to the Commission
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Re: *Informational Filing* Regarding a Change in Ownership of Southern Digital Network, Inc. d/b/a FDN Communications

Dear Ms. Bell:

FDN Holdings, LLC (“Holdings”), Florida Digital Network, Inc. d/b/a FDN Communications (“FDN”), Southern Digital Network, Inc. d/b/a FDN Communications (“SDN”), NuVox Transition Subsidiary, LLC¹ (“FDN LLC”) and NuVox, Inc. (“NuVox”) (collectively, “Parties”), by their counsel, hereby respectfully advise the Kentucky Public Service Commission (“Commission”) of their intent to consummate a merger transaction resulting in the transfer of control of SDN from its existing ultimate parent, Holdings, to NuVox. SDN is authorized as a competitive provider of telecommunications services in the BellSouth region, including in Kentucky. The Parties submit that the transfer of control does not require prior Commission approval pursuant to the exemptions set forth in the Administrative Case Nos. 359 and 370. Thus, this information is being submitted to the Commission for informational purposes only.

As described in detail below, pursuant to the terms of an Agreement and Plan of Merger (“Agreement”) dated March 20, 2007 among NuVox, FDN, Holdings and FDN LLC, SDN’s existing parent, FDN, will merge with and into FDN LLC, a newly-formed subsidiary of NuVox. As a result of this stock transaction, SDN will become a direct subsidiary of FDN LLC, and

¹ This newly-formed entity will change its name to “FDN, LLC d/b/a FDN Communications” at closing.

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NuVox will become the new ultimate parent company of SDN. The transaction will be transparent to SDN's customers. SDN will continue to serve its customers pursuant to its existing authorization. NuVox's operating subsidiaries, including NuVox Communications, Inc. in Kentucky, will continue to provide service and will be unaffected by the instant transaction.

The proposed transaction will not result in any loss or impairment of service for any customers. Following the transaction, customers will receive their existing services at the same rates, terms and conditions as at present. Any future changes in the rates, terms and conditions of service will be made pursuant to Commission requirements. All affected customers will continue to see "FDN Communications" on their invoices, and any future consolidation of the operations of SDN into or with other NuVox companies such that customers would see a change in their service provider will be undertaken pursuant to the Commission's rules and notice requirements. The only significant change that will take place following the closing of the transaction from a customers' perspective is that their service provider will be ultimately owned by NuVox.

In support of this notification, the Parties provide the following information:

The Parties

NuVox, Inc. NuVox is a privately-held Delaware corporation located at Two North Main Street, Greenville, South Carolina 29601. Through its operating subsidiaries, NuVox has operations in 48 markets throughout 16 contiguous Midwestern and Southeastern states. The company is a rapidly growing facilities-based integrated communications provider of voice and data telecommunications services to business customers. NuVox's subsidiary NuVox Communications, Inc. ("NuVox Communications"), a Delaware corporation, provides interexchange and competitive local exchange telecommunications services in the following states: Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee. In Kentucky, NuVox Communications provides competitive local exchange and interexchange telecommunications services.² NuVox also has subsidiaries, all Delaware corporations, that provide interexchange and competitive local exchange telecommunications services in the following states: Arkansas, Illinois, Indiana, Kansas, Missouri, Ohio and Oklahoma.³ NewSouth Communications of Virginia, Inc., a Virginia corporation that is wholly owned by NuVox Communications, is authorized to provide

² Authorized as of March 2, 1998, tariffs effective February 19, 2005, February 24, 2005 and March 25, 2005. This entity is not affected by the instant transaction.

³ NuVox Communications of Arkansas, Inc., NuVox Communications of Illinois, Inc., NuVox Communications of Indiana, Inc., NuVox Communications of Kansas, Inc., NuVox Communications of Missouri, Inc., NuVox Communications of Ohio, Inc. and NuVox Communications of Oklahoma, Inc.

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telecommunications services in Virginia. NuVox is also authorized by the FCC to provide domestic interstate and international telecommunications services.

NuVox Transition Sub⁴ is a Delaware limited liability company located at Two North Main Street, Greenville, South Carolina 29601. This entity is a direct, wholly-owned subsidiary of NuVox, formed for the purpose of facilitating the acquisition of FDN. As described below, FDN will merge into FDN LLC, with FDN LLC surviving. SDN will be a direct, wholly-owned subsidiary of FDN LLC, a direct, wholly-owned subsidiary of NuVox. Currently, there are three (3) investors that hold 10% or more of the total outstanding stock of NuVox: (1) NSHI Ventures LLC; (2) Wachovia Corporation, through various stockholders; and (3) M/C Venture Partners, through various stockholders. As noted below, the ownership interests held by these entities will change somewhat as a result of the transaction. No other person or entity currently holds 10% or more of the outstanding stock of NuVox.

FDN Communications. FDN is a Delaware corporation located at 2301 Lucien Way, Suite 200, Maitland, Florida 32751. FDN is a major provider of voice and data services to businesses in Florida, providing local telephone service, long distance service and high speed Internet services. SDN is a direct, wholly-owned subsidiary of FDN and is a Delaware corporation located at the same address. SDN also provides voice and data services to business customers. SDN is authorized to provide interexchange and competitive local exchange telecommunications services in the following states: Alabama, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee. In Kentucky, SDN is authorized to provide competitive local exchange and interexchange telecommunications services.⁵ SDN is authorized to provide international services pursuant to FDN's international authorization issued by the FCC.

SDN is ultimately owned by Holdings, a privately-held Delaware limited liability company located at the same address. Holdings functions as a holding company for the operating subsidiaries and will be dissolved immediately prior to consummation of the merger and will distribute its FDN stock to its members. Holdings is not authorized by the FCC or any state to provide telecommunications services.

A diagram showing the current corporate structure of SDN is appended hereto as **Exhibit A**.

⁴ As noted above, this entity will change its name to FDN, LLC d/b/a FDN Communications at closing.

⁵ See Filing Nos. T 65-0285, T 65-0286, April 1, 2004.

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Description of Transaction

Pursuant to the terms of the Agreement, FDN will merge with and into FDN LLC. As a result of this stock transaction (the "Transaction"), NuVox will become the new ultimate parent company of SDN and FDN LLC (the entity surviving the merger of FDN and FDN LLC).⁶ The current customers of FDN will be served by FDN LLC pursuant to FDN's licenses. SDN's customers will remain customers of SDN. Both entities will be ultimately owned by NuVox. The Transaction will be entirely transparent to customers, who will continue to enjoy the same rates, terms and conditions of service as they do prior to closing. The closing of the Transaction will be contingent upon the receipt of the required regulatory approvals among other things.

Post-close, the following two (2) investors will hold 10% or more of the total outstanding stock of NuVox: (1) NSHI Ventures LLC (11.5%); and (2) M/C Venture Partners, through various stockholders (28.1%). It is not anticipated that there will be any other 10% or greater stockholders.

NuVox is well-qualified to become the new ultimate owner of SDN. As noted above, the Commission has already examined and passed on the qualifications of NuVox to become an authorized telecommunications provider in Kentucky in connection with the certification proceeding of NuVox Communications referenced above. The documents exhibiting NuVox's qualifications in that proceeding are incorporated by reference herein. It is not anticipated, however, that the day-to-day operations of SDN will change as a result of the Transaction. SDN will continue to have the managerial, technical and financial qualifications to provide quality telecommunications services to consumers in Kentucky. The existing SDN management team will remain in place, supported by experienced NuVox personnel. SDN will also be supported by the financial resources of NuVox. The combined company will continue to assess the benefits of post-close consolidations, market coverage and/or mergers of the operating entities. When and if the combined company determines that it will pursue such plans, it will seek all appropriate regulatory approvals.

A diagram showing the corporate structure of the combined companies post-Transaction is appended hereto as **Exhibit B**.

Public Interest Considerations

The proposed Transaction will serve the public interest. The Transaction will be generally transparent to customers and at the time of the merger they will not experience any change in their services, rates, terms and conditions of such service, or in the name of their

⁶ Each of the issued and outstanding shares of common and preferred stock of FDN will be converted into and become the right to receive shares of NuVox's common stock in accordance with the applicable exchange ratio.

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service provider. Any future changes in rates, terms and conditions of service will be made in accordance with applicable Commission requirements, and any future consolidation of the operations of SDN into or with other NuVox operating companies, such that customers would see a change in their service provider, will be undertaken pursuant to the Commission's rules and notice requirements. The only significant change following the closing of the Transaction from the customers' perspective, however, will be that NuVox will be the new ultimate owner of SDN.⁷

Consummation of the proposed Transaction will serve the public interest in promoting competition among providers of local and interexchange telecommunications services by combining the financial resources and complementary managerial skills and experience of FDN, SDN and NuVox in providing telecommunications service to the public. The proposed Transaction will therefore ensure the continued provision of high quality and innovative telecommunications services to the existing customers of SDN and should promote competition in their respective local and interexchange telecommunications markets.

As a result, consumers in the Southeast will benefit from the operation of two strong telecommunications providers under one umbrella company. Both SDN and NuVox Communications share a similar serving strategy and focus on high quality customer service. The combination of these companies will increase the scope of each of the existing companies and provide synergies in their operations which should enable the companies to compete more effectively in the highly competitive market for telecommunications services. The companies will benefit from increased economies of scale that will permit them to operate more efficiently and thus realize substantial financial synergies that should enable them to increase their operating income and free cash flow.

Finally, the proposed Transaction does not present any anticompetitive issues. SDN and NuVox will continue to compete with the combined AT&T/SBC/BellSouth as well as other CLECs in the local and long distance markets. There are a number of other CLECs operating in each market, as well as the incumbent carrier, which in each market controls a substantial share.

The Parties submit that no prior Commission approval is required for the Parties to consummate the proposed Transaction described herein. Should the Commission believe that any action is required, the Parties respectfully request that the Commission notify the undersigned at its earliest convenience. In the absence of any response from the Commission, the Parties will proceed with their plans to consummate the Transaction as contemplated.

⁷ The contemplated transfer of control does not raise any slamming concerns or necessitate compliance with FCC or state procedures to notify customers prior to a carrier-to-carrier sale or transfer of subscribers as the contemplated transaction does not involve any change in a customer's existing service provider. SDN's customers will remain with their company and will continue to be served under SDN's existing authorization.

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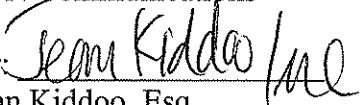
Enclosed please find four (4) copies, a duplicate and a self-addressed, postage-paid envelope. Please date-stamp the duplicate upon receipt and return it in the envelope provided. Should the Commission have any questions regarding this matter, please do not hesitate to contact Melissa Conway at (202) 342-8552.

Respectfully submitted,

FDN Holdings, LLC

NuVox, Inc.

Southern Digital Network, Inc. d/b/a
FDN Communications

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Its Counsel

Exhibit A

Current Corporate Structure of SDN Communications

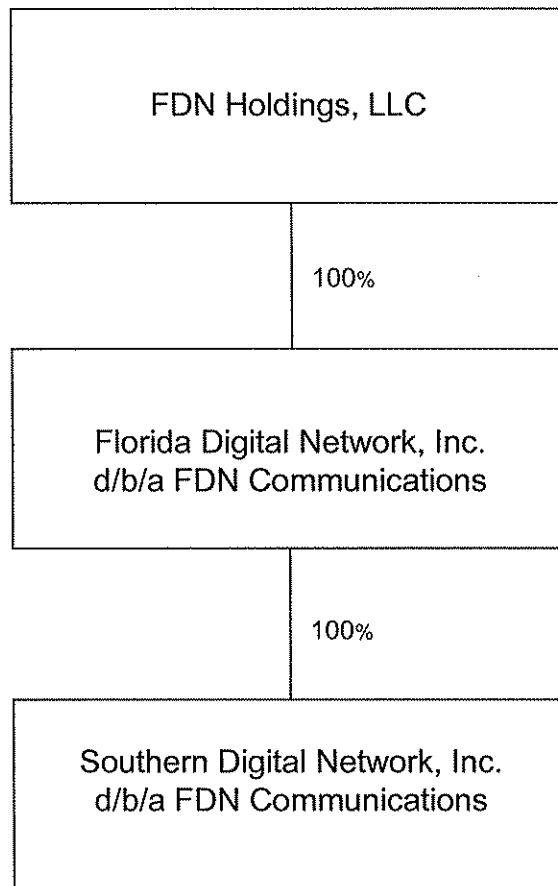
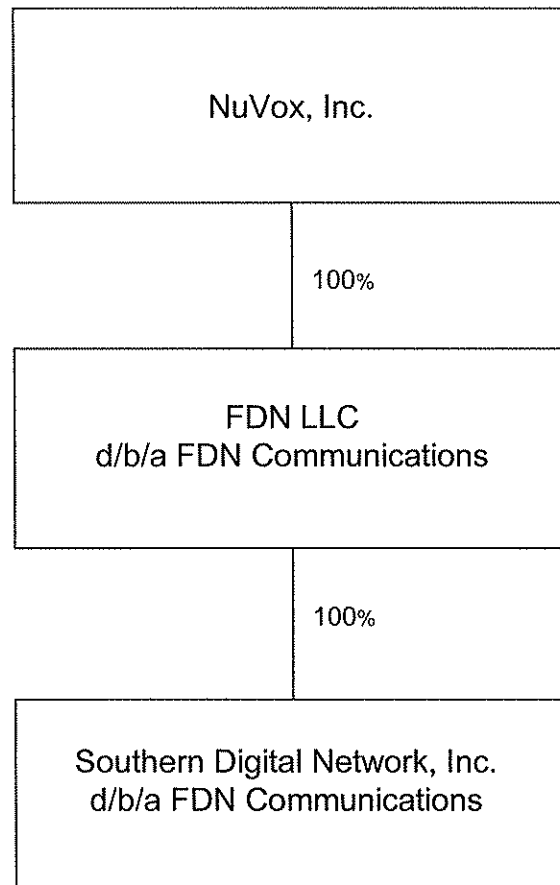


Exhibit B

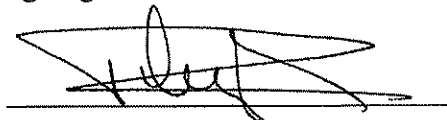
Corporate Structure Chart of the Companies Post-Close



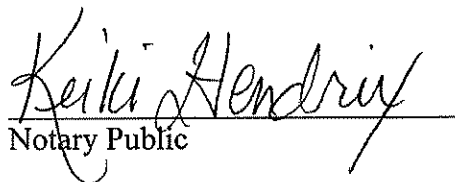
VERIFICATION

I, Riley M. Murphy, am Executive Vice President and General Counsel of NuVox, Inc. I am authorized to represent it and its affiliates and to make this verification on their behalf. The statements in the foregoing document relating to NuVox, Inc. 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 21st day of
March 2007.

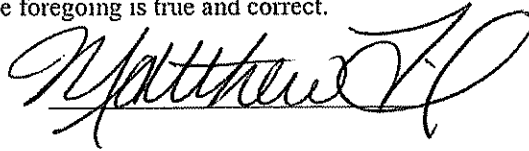

Notary Public

My Commission expires: 05-12-2014

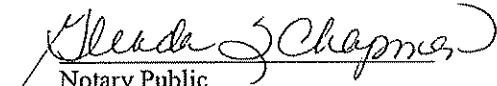
VERIFICATION

I, Matthew Feil, am General Counsel of Florida Digital Network, Inc. d/b/a FDN Communications. I am authorized to represent it and its affiliates and to make this verification on their behalf. The statements in the foregoing document relating to Florida Digital Network, Inc. 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 22nd day of March 2007.


Notary Public



Glenda S. Chapman
My Commission DD285574
Expires November 09, 2007

My Commission expires: 11-9-07