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September 18, 1997

Chief of Docketing Division of Ohio
Public Utilities Comm
180 East Broad St - 10th Floor
Columbus, OH 43216

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PUCO

RE: SmarTalk TeleServices, Inc.
Case #96-823-CT-ACE, Certificate #90-5708

Dear Sir or Madame,


The undersigned counsel represents SmarTalk TeleServices, Inc. ("SmarTalk") with respect to regulatory compliance matters.

This letter is written to notify the Commission that on September 12, 1997, SmarTalk completed a private placement of Convertible Subordinated Notes (the "Notes") totaling \$150,000,000. The Notes, due in 2004, bear interest at the rate of 5 ¾%. The Notes are convertible into shares of common stock and have a seven year term with a conversion premium of 25%.

The proceeds of the offering will be for general corporate purposes, which may include acquisitions, repayment of existing indebtedness and capital expenditures.

Please date-stamp the enclosed extra copy of this filing and return it in the self-addressed, stamped envelope provided. Should you have any questions, please do not hesitate to contact me.

Respectfully submitted,


George Rebensdorf, Esq.

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician Anna M. Nixon Date Processed Sept 23, 1997