

file

THE REBENSORF GROUP, INC.

• MANAGEMENT CONSULTING • INVESTMENT BANKING • REGULATORY COMPLIANCE •

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January 25, 1999

Ms. Daisy Cochran
Ohio Public Service Commission
180 Broad Street
Columbus, OH 43215

Re: STAR Telecommunications, Inc.

Dear Sir or Madame,

The undersigned counsel represents STAR Telecommunications, Inc. as well as its affiliates and subsidiaries (collectively, "STAR" or the "Company") with respect to regulatory compliance matters.

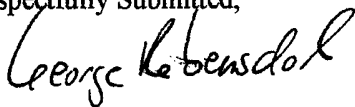
This letter is written to inform the Commission that STAR has received a Summary of Terms and Conditions for credit facilities (the "Facility" or "Facilities") totaling \$250 million. The Administrative Agent, Lead Arranger and Book Runner of the Facility would be NationsBank, N.A., together with Goldman Sachs Credit Partners L. P., ING Baring Furman Selz LLC, and Deutsche Bank Securities as Co-Syndication Agents. Goldman Sachs Credit Partners L. P., ING (US) Capital Corporation, and Deutsche Bank AG, New York Branch shall serve as Managing Agents. The proposed Lenders shall be a syndicate of financial institutions arranged by the Administrative Agent.

Collateral shall include all of the capital stock of each present and future subsidiary of STAR, as well as all of the present and future assets the subsidiaries, including LD Services, Inc. (Docket Number 94-1772-CT-RRJ); Advanced Management Systems, Inc (Docket Number 97-376-CT-RRJ); and PT-1 Communications, Inc. (Docket Number 96-979-CT-RRJ).

The Facility shall be comprised of a \$125 million three (3) year revolving credit facility, together with a \$125 million term loan facility. The proceeds of the Facility shall be used to (1) refinance existing indebtedness; (2) finance acquisitions and capital indebtedness associated with expansion and improvement of network infrastructure; and (3) to provide working capital to the Company. Closing, in the form of execution of definitive loan documentation, is anticipated to occur on or before February 28, 1999, subject to, *inter alia*, regulatory approval.

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.

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