

# MEMORANDUM

FILED<sup>2</sup>

SEP 23 1999

Missouri Public  
Service Commission

To: Missouri Public Service Commission Official Case File  
Case No. TM-2000-195

From: Tom Solt <sup>TAS</sup>  
Telecommunications Department <sup>BV</sup>

Wes Henderson 9/21/99  
Utility Operations Division/Date

Wm K Haas 9/22/99  
General Counsel's Office/Date

Subject: Application of Intelicom International Corp. and S4 Corporation for Approval of an Acquisition Agreement

Date: September 21, 1999

On August 30, 1999, S4 Corporation (S4), a non-regulated, privately held Indiana corporation operating as a holding company, and Intelicom International Corp. (Intelicom), filed an application (Application) for the approval of an acquisition agreement. Intelicom, a Florida corporation operates under a Missouri Certificate of Public Convenience and Necessity issued in Case No. TA-96-343 as a competitive interexchange carrier.

Based upon the Commission's decision in *Re CFL, L.L.C.*, Case No. TM-99-336, the Telecommunications Department Staff (Staff) asserts that the Commission lacks jurisdiction over the Application. In Case No. TM-99-336, the selling parent company, the telecommunications company, and the purchasing parent company requested Commission approval of the purchasing parent company's acquisition of all the telecommunications company's stock from the selling parent company. The telecommunications company, although certificated to provide telecommunications service in Missouri, was a Nebraska corporation. In its Order Dismissing Case, the Commission held that Section 392.300.2 RSMo 1994 applies only to the purchase of the stock of Missouri corporations. Intelicom, the Missouri regulated telecommunications company whose stock is to be acquired in the proposed transaction, is not a Missouri corporation.

If the Commission determines that it has jurisdiction over the Application, the Staff has no objections to its approval.

The Application asserts that the change in ownership will be beneficial to both companies, as well as to Intelicom's customers due to the enhanced overall financial strength and buying power of the combined companies. It also asserts that approval of the agreement will not be detrimental to the public interest. The Application further asserts that there are no judgments or other adjudications of liability against it from any state or federal agency involving service to customers or rates charged; the transaction will result in no change in the tax revenues of the State of Missouri or any political subdivision therein.

If the Application is approved, Intelicom will become a wholly owned subsidiary of S4. Intelicom will continue to provide service under its present operating authorities, certifications, and tariffs.

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Intelicom's business address would change to 7254 E 86<sup>th</sup> ST, Indianapolis, IN 46250 from 28050 U.S. 19 North, Suite 202, Clearwater, Florida 34621.

S4 and Intelicom have asked for expedited review of the instant application, seeking approval of the transaction by September 30, 1999. They have also requested that the Commission waive the ten day effective date.

Staff also no objections to S4's request for expedited review or waiver of the ten day effective date. Staff is not aware of any other filing that may affect, or be affected by, this filing.

Copies:            Director – Utility Operations Division  
                      Director – Research and Public Affairs Division  
                      Director – Utility Services Division  
                      General Counsel  
                      EllenAnn G. Sands - Attorney for Applicant  
                      William M. Wunderlich - Attorney for Applicant  
                      Office of the Public Counsel