

**BEFORE THE PUBLIC SERVICE COMMISSION  
STATE OF MISSOURI**

<b>In the Matter of</b>	)	
	)	
<b>Joint Application of</b>	)	
<b>Sprint Communications Company L.P.</b>	)	
<b>and</b>	)	<b>Case No. _____</b>
<b>STi Prepaid, LLC</b>	)	
<b>for Authority to Transfer Certain Assets</b>	)	

**APPLICATION**

STi Prepaid, LLC (“STi Prepaid”) and Sprint Communications Company L.P. (“Sprint”) (together “Applicants”), by its undersigned counsel and pursuant to Sections 240-3.520 and 240.2060 of the Missouri Code of State Regulations, hereby seek authority to transfer certain Sprint assets (excluding Sprint’s authority to provide intrastate telecommunications services in Missouri) to STi Prepaid. In support of this Application, the Applicants provide the following information:

**1. Description of Joint Applicants**

**A. STi Prepaid, LLC**

STi Prepaid is a Delaware limited liability company with its headquarters at 30-50 Whitestone Expressway, 4th Floor, Flushing, NY 11354. STi Prepaid holds authority from the Commission to provide intrastate interexchange services within Missouri, which was granted on May 31, 2007 in Case TA-2007-0390. STi Prepaid currently offers prepaid calling card and dial-around (10-10) services in Missouri and throughout the United States. STi Prepaid has previously submitted to this Commission in Case No. TO-2007-0391 the following items:

- 1). A Certificate of Authority to do business in Missouri as a foreign Limited Liability Company.

- 2). A copy of the registrations of fictitious names that STi Prepaid filed in the State of Missouri for the fictitious name entities that STi Prepaid provides services under in Missouri, to wit: Telco Group, Telco, TGI, Dialaround Enterprises, Dialaround, VOIP Enterprises, VOIP and DEI.
- 3). A copy of STi Prepaid's Delaware Articles of Organization.

STi Prepaid further states that all of the above items and the information contained therein are current and correct. STi Prepaid requests, pursuant to 4 CSR 240-2.060(1)(G), that this information previously furnished to the Commission in Case No. TO-2007-0391 be incorporated herein by reference.

Applicant STi Prepaid's attorneys are authorized by their signatures below to verify the information contained in this Application, pursuant to 4 CSR 240-2.060(1)(M).

**B. Sprint Communications Company L.P.**

Sprint is an indirect wholly-owned subsidiary of Sprint Nextel Corporation existing under the laws of the State of Delaware with headquarters at 6200 Sprint Parkway, Overland Park, Kansas 66251. Sprint is duly authorized to provide competitive local exchange and interexchange services in Missouri. Sprint is registered as a CLEC in Missouri and has been granted a certificate in Case Numbers TA-96-424 and TA 97-269. Sprint provides local exchange, long distance and data telecommunications services. Sprint has submitted the information in subsections (1)(B)-(F) of 4 CSR -2.060 in previous applications and incorporates the same by reference. See Report and Order, Case No. TA-97-269. Applicant Sprint's attorneys are authorized by their signatures below to verify the information contained in this Application, pursuant to 4 CSR 240-2.060(1)(M).

## 2. Contact Information

Correspondence, orders, or other material concerning this Application should be directed to:

For Sprint:	For STi Prepaid:
Ken Schiffman Director Sprint, State Regulatory Affairs Central Region <b>6450 Sprint Parkway</b> <b>Overland Park, KS 66251</b> <b>Mailstop: KSOPHN0212-2A303</b> 913-315-9783 (telephone) 913-523-9827 (facsimile) kenneth.schifman@sprint.com	Leland B. Curtis Curtis, Heinz, Garrett & O’Keefe, P.C. 130 S. Bemiston, Suite 200 Clayton, Missouri 63105 314-725-8788 (telephone) 314-725-8789 (facsimile) lcurtis@lawfirmemail.com  Chérie R. Kiser Cahill Gordon & Reindel LLP 1990 K Street, NW, Suite 950 Washington, D.C. 20006 202-862-8950 (telephone) 202-862-8958 (facsimile) ckiser@cgrdc.com

## 3. Description of the Transaction

On April 7, 2008, Sprint and certain of its affiliates (collectively, “Sellers”) entered into an Asset Purchase Agreement (“Agreement”) with STi Prepaid pursuant to which Sellers agreed to transfer certain assets to STi Prepaid (the “Transaction”). Specifically, Sellers agreed to transfer all of their assets related to the provision of prepaid calling card services, including tangible prepaid card inventory, customer agreements and contracts, vendor agreements and contracts, prepaid card point-of-sale and promotional materials, and rights to host personal identification numbers (“PINs”) used to make prepaid calling card calls (“Assets”). A copy of the Asset Purchase Agreement will be filed separately as Highly Confidential Exhibit 1 upon the Commission's issuance of a Protective Order in this case pursuant to Joint Applicants' Motion for Protective Order which will be filed with this Application.

The Transaction will not result in any change of control or ownership in either Sprint or STi Prepaid. Both carriers will continue to offer intrastate telecommunications services in Missouri pursuant to their Commission-issued authorizations. No certificates of authority are being transferred. Once the Transaction is consummated, any prepaid calling cards remaining in the market that list Sprint as the provider of the prepaid calling card service will continue to be available for use by consumers. STi Prepaid will continue to provide the underlying telecommunications services associated with any prepaid calling cards previously served by Sprint. Sprint will not remove its prepaid service from its Missouri state tariff for at least twelve (12) months following the closing date of the Transaction.

4. Sprint and STi Prepaid are large national corporations that are often engaged in various litigations and administrative proceedings. Sprint and STi Prepaid respectfully contend that no action, proceeding or judgment involving customer service or rates should be relevant to the Commission's consideration of this particular Application. Further, Sprint and STi Prepaid have no pending actions or final unsatisfied judgment or decision related to the pre-paid calling card service assets being transferred pursuant to this application, except Sprint has a claim pending against it in the Circuit Court of Cook County, Illinois from a retailer seeking refunds for certain calling cards.

5. No annual reports are overdue for either company.

**6. Public Interest**

The proposed Transaction furthers the public interest, convenience, and necessity. STi Prepaid is a major prepaid card provider offering state-of-the-art services to its customers. Thus, consumers currently utilizing Sprint prepaid cards will be able to enjoy the high quality and array of features that STi Prepaid's own customers now enjoy. Further, as an affiliate of Leucadia National Corporation, a publicly traded company, STi Prepaid will have access to the public

capital markets that can provide support for the expansion of the prepaid calling card services currently offered by Sprint.

7. In addition, the Transaction will not impact consumers currently utilizing Sprint's prepaid calling cards. Any consumers holding prepaid calling cards previously issued will continue to receive high-quality telecommunications services without interruption and without change in rates, terms, or conditions. Customer notice is not required in this case because Sprint does not have a dedicated customer base. Sprint's prepaid calling card services can be used by any person at any time. Sprint has no knowledge of the identity of the persons that utilize its prepaid calling card services, and has no relationship with the person utilizing the prepaid calling card. Accordingly, customer notification of this Transaction is unnecessary and would be almost impossible. As a resource for consumers, Sprint intends to post a notice on its website informing consumers who have purchased a Sprint-branded card that STi Prepaid is now the provider of service, but that Sprint's domestic (intrastate and interstate) prepaid card rates will remain in effect for a period of at least twelve (12) months. Consumers will also be informed that they should dial the toll free customer service number on their cards to obtain information on international prepaid card rates. Nonetheless, a user of a Sprint-branded card that calls the toll-free access number and enters the PIN to make a prepaid call will be informed that STi Prepaid and not Sprint is now the service provider. When a consumer calls for customer service associated with a Sprint-branded card, STi Prepaid's customer service representatives will also explain to cardholders that the prepaid calling card service is now being provided by STi Prepaid rather than Sprint.

8. The proposed Transaction does not present any anticompetitive issues. STi Prepaid's entry into the Missouri marketplace will benefit the public indirectly by increasing the

competitive pressure felt by existing interexchange carriers (“IXCs”) spurring them to lower costs and improved services in response.

9. Finally, the proposed Transaction will have no impact on tax revenues of any political subdivision in which structures, facilities or equipment of the Joint Applicants are located.

### **Conclusion**

The Joint Applicants respectfully request that the Missouri Public Service Commission approve the Transaction for the reasons stated herein.

Respectfully submitted,

**SPRINT COMMUNICATIONS  
COMPANY L.P.**

**STi PREPAID, LLC**

/s/ Ken Schiffman

/s/ Leland B. Curtis

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Attorneys for STi Prepaid, LLC

Dated: June 27, 2008

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of this document was emailed and/or mailed to the parties listed below on this 27th day of June, 2008.

/s/ Leland B. Curtis

\_\_\_\_\_  
Leland B. Curtis

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STATE OF *New York* )  
 )  
COUNTY OF *Queens* )

### VERIFICATION

I am authorized to represent STi Prepaid, LLC and to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are herein stated on information and belief, and as to those matters, I believe them to be true.



Richard Rebetti  
Chief Operating Officer

The foregoing instrument was acknowledge before me this 14<sup>th</sup> day May 2008

**ETHAN MIDDLEBROOKS**  
Notary Public, State of New York  
No. 01M16179538  
Qualified in New York County  
Commission Expires December 24, 2011




Notary Public

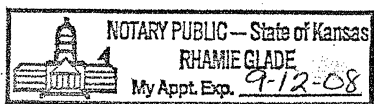


### VERIFICATION

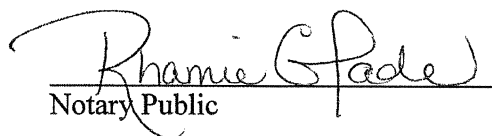
I, Kenneth A. Schiffman, an attorney and duly authorized representative of Sprint Communications Company L.P. hereby verify and affirm that I have read the foregoing Application, and verify that the statements contained therein are true and correct to the best of my information and belief.

  
Kenneth A. Schiffman

Subscribed and sworn to before me on this 27<sup>th</sup> day of June, 2008.



Johnson County

  
Notary Public

My Appointment Expires: 9-12-08