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July 14, 2003

Mr. Dale Hardy Roberts
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

FILED⁴

JUL 14 2003

Missouri Public
Service Commission

RE: Case No. _____
Application of Motion Telecom, Inc. for Approval of Transfer of Assets

Dear Mr. Roberts:

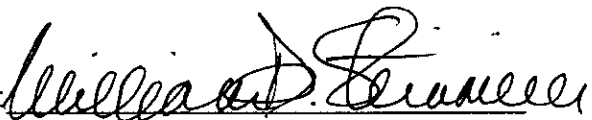
Enclosed for filing on behalf of Motion Telecom, Inc., please find an original and five (5) copies of an "**APPLICATION**" seeking approval of the Missouri Public Service Commission of a transfer of assets.

Please see that this filing is brought to the attention of the appropriate Commission personnel.

Thank you for your cooperation and assistance in this matter.

Sincerely,

WILLIAM D. STEINMEIER, P.C.

By: 
William D. Steinmeier

Enclosures

cc: General Counsel
Office of Public Counsel
Barbara H. Vonderheid, Motion Telecom, Inc.
Mary Ann (Garr) Young

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED⁴
JUL 14 2003

In the Matter of the Application of)
)
Motion Telecom, Inc.)
)
for Approval of the Transfer of Substantially)
All of the Assets, Including the Customers, of)
Univance Telecommunications, Inc. to Motion)
Telecom, Inc.)

Case No. _____

Missouri Public
Service Commission

APPLICATION

COMES NOW Motion Telecom, Inc. ("Motion Telecom"), Applicant herein, by its undersigned counsel, and pursuant to Section 392.300 RSMo. and 4 CSR 240-2.060(7), hereby requests approval of a transaction arising out of the Chapter 11 bankruptcy proceeding of Univance Telecommunications, Inc. ("Univance") whereby Motion will acquire substantially all of the assets of Univance, including its customer base, and whereby the current customers of Univance will be transferred to Motion Telecom (or another carrier of their choice) without interruption of service.¹ This Application also requests either a waiver of the subscriber authorization and verification requirements for the change of customers' interexchange carrier contained in 4 CSR 240-33.150, or a finding that 4 CSR 240-33.150 is inapplicable to this transaction. Motion Telecom is filing its application for a certificate of service authority simultaneously with the instant Application, and respectfully requests that the Commission coordinate these applications and issue its decisions at its earliest possible convenience, and no later than August 28, 2003. A motion for expedited treatment is being filed simultaneously herewith, pursuant to 4 CSR 240-2.080(16).

¹ Univance filed a voluntary petition for Chapter 11 protection with the United States Bankruptcy Court for the District of Colorado (the "Bankruptcy Court") on January 23, 2003. An Order approving the transaction covered by this Application was entered by the Bankruptcy Court on April 2, 2003. A copy of that Order is attached to this Application as **Exhibit C**.

Notice has been provided to the customers of Univance regarding the proposed transfer. Motion Telecom has entered into a Management Agreement with Univance, which provides that Motion Telecom is the manager of Univance's business until receiving the necessary regulatory approvals. This Management Agreement expires on September 1, 2003. The Applicant will notify the Commission when the transaction is complete. In the interim, Univance will provide continuous, uninterrupted service to their customers, pursuant to the aforementioned Management Agreement. However, because the Management Agreement ends September 1, 2003, it is important to secure all necessary regulatory approvals before that date. Therefore, Motion Telecom is also filing a Motion for Expedited Treatment in this matter, requesting that the Commission act on or before August 28, 2003.

Pursuant to the terms of the transaction approved by the Bankruptcy Court, Motion Telecom, Inc. is acquiring substantially all of the assets of Univance Telecommunications, Inc., including most of their customer accounts and contracts and, where applicable, their state regulatory authorizations, (the "Transaction"). Accordingly, the Applicant requests that the Commission approve the transfer of the Univance assets, including their customer base, to Motion Telecom. By a separate application, which is being filed simultaneously with this Application, Motion Telecom is requesting a certificate of authority to provide intrastate, interexchange services in Missouri and will provide service to the former Univance customers under this new certificate.

Applicant has simultaneously filed a motion for expedited treatment and consideration of this Application because Univance's customers currently are continuing to receive service under the Management Agreement with Motion Telecom. Univance is operating in Chapter 11 of the U.S. Bankruptcy Code, but may soon be forced to

convert to Chapter 7. If Univance is forced to convert, Univance could shut down and customers not already migrated to Motion Telecom could lose service. In order to avoid such an interruption of service — which Motion Telecom will endeavor to prevent — Applicant respectfully requests that the Commission grant all relief sought herein as soon as practically possible.

In support of its request, Applicant respectfully states:

1. Motion Telecom, Inc.

Applicant, Motion Telecom, Inc., is a privately-held corporation and a wholly-owned subsidiary of Advantage Advisory Service, Inc. (a California corporation doing business as Advantage Wireless). Motion Telecom, Inc., formerly known as Advantage Telecom, Inc., is incorporated under the laws of the State of Colorado. Motion Telecom's principal offices are located at 7101 South Fulton Street #200, Englewood, Colorado (CO) 80112. The company's telephone number is (303) 784-5300, and its fax number is (303) 784-5367. The character of business performed by Motion Telecom is telecommunications. Motion Telecom, Inc. is not currently authorized to provide telecommunications services in Missouri. However, an application by Motion Telecom for a certificate of service authority to provide intrastate, interexchange telecommunications services in Missouri is being filed simultaneously with the filing of the instant Application. Motion Telecom's Certificate of Authority to do business in Missouri from the Missouri Secretary of State's Office is attached to this Application as **Exhibit A**. In accordance with 4 CSR 240-2.060(1)(K), Motion Telecom states that there are no pending actions or final unsatisfied judgments or decisions against it in any state, federal agency, or court which involve customer service or rates for which action, judgment, or decision has occurred within three (3) years of the date of this Application. Pursuant to 4 CSR 240-2.060(1)(L), Motion Telecom hereby affirms that it does not

have any overdue annual reports or fees owed to the Missouri Public Service Commission.

2. Univance Telecommunications, Inc.

Univance Telecommunications, Inc. ("Univance"), formerly known as CSI Corp, is a Colorado corporation providing competitive interexchange services in Missouri pursuant to authority granted by the Missouri Public Service Commission in its "Order Approving Interexchange Certificate of Service Authority and Order Approving Tariff" issued October 29, 1997 in Case No. TA-98-73. In its "Order Approving Tariff" issued February 22, 2000 in Case No. TO-2000-458, the Commission approved revised tariffs reflecting the change of the name of the company from CSI Corp., d/b/a Missouri CSI Corp. to Univance Telecommunications, Inc. The firm's principal place of business is 12835 East Arapahoe Road, Tower 1, Fifth Floor, Englewood, Colorado.

3. Designated Contacts

All inquiries, correspondence, communications, pleadings, notices, orders and decisions relating to this case should be addressed to:

Barbara H. Vonderheid
Chief Legal Officer and General Counsel
Motion Telecom, Inc.
7101 South Fulton Street, #200
Englewood, Colorado (CO) 80112
Telephone: (303) 784-5329
Fax: (303) 784-5367 (facsimile)
Email: bvonderheid@awipcs.com

with a copy to:

William D. Steinmeier
Mary Ann (Garr) Young
William D. Steinmeier, P.C.
2031 Tower Drive, P. O. Box 104595
Jefferson City, Missouri (MO) 65110-4595
Telephone: (573) 659-8672
Fax: (573) 636-2305
Email: wds@wdspc.com
Myoung0654@aol.com

4. The Transaction

On January 23, 2003, Univance filed a voluntary petition for Chapter 11 protection with the United States Bankruptcy Court for the District of Colorado. Univance was unable to raise sufficient funding while in Chapter 11 to emerge from bankruptcy as a going concern and chose, instead, to auction its assets. The auction took place on April 4, 2003. As a result of the Bankruptcy auction, Motion Telecom is entitled to acquire substantially all of Univance's telecommunications assets and the authorizations and existing customer base associated therewith.

The transaction in Bankruptcy calls for, *inter alia*, the sale of certain assets of Univance to Motion Telecom; the continued provision of service to Univance's customers, under a Management Agreement with Motion Telecom, while necessary regulatory approvals to effect the transfer are obtained; and, upon obtaining such approvals, the transfer of Univance's assets, regulatory authorizations, and customers to Motion Telecom, Inc.

As explained above, to assure continuity of service to Univance's customers, the Management Agreement provides for Motion Telecom to provide management services to Univance while the approvals are obtained. Upon completion of the regulatory approval processes, the Univance assets and customers will be transferred to Motion Telecom, Inc., except for those customers choosing to designate another carrier. In Missouri, this will allow Univance to discontinue providing telecommunications service in the state of Missouri without any disruption of service to its current Missouri customers. Motion Telecom is seeking a certificate of service authority to provide intrastate, interexchange telecommunications services in Missouri in a separate application being filed simultaneously herewith. Motion Telecom is filing its proposed tariff simultaneously with its application for certificate of service authority.

5. Transfer of Univance's Customers

Following completion of the transaction, Motion Telecom will provide the same long distance and prepaid calling card services to Univance's former customers in Missouri. As described below, Motion Telecom will continue the rates and service arrangements previously offered by Univance for the customers of Univance it is acquiring. Thus, the customers of Univance that will be transferred to Motion Telecom will not experience any change in their rates and service arrangements. As a result, if expedited approval can be obtained, the proposed transfer of customers will be virtually transparent to the Missouri customers of Univance in terms of rates, terms, and conditions of service.

6. Waiver Request

Applicant submits that the notice already provided, and which will be provided again upon completion of the transfer, to customers will reasonably and adequately advise customers of the corporate change in their telecommunications services, and therefore respectfully request that the Commission either find that its anti-slamming rule (4 CSR 240-33.150) is inapplicable to this transfer or, in the alternative, find good cause to waive the applicability of 4 CSR 240-33.150 to this transaction.

7. Notice to Customers

To ensure a seamless transition and avoid customer confusion or inconvenience, written notice has been provided to the affected customers of Univance explaining the change in service provider. A copy of the notice is attached to this Application as **Exhibit B**. This notice advised customers: (a) that Motion Telecom will provide service to the customers with the same services and rates as currently provided to them by Univance; (b) that the customers will be transferred to Motion Telecom unless they choose a different interexchange carrier before the transfer date; and (c) that the customers may contact Applicants via a toll-free number with any questions regarding the transfer between companies. After consummation of the transfer, Motion Telecom will send another notification welcoming customers. Other than the identity of the

carrier providing their intrastate, interexchange service, the transaction will be substantially transparent to customers and will not involve a change in the manner or quality in which the customers of Univance will receive their telecommunications services.

8. Public Interest Considerations

Motion Telecom has sufficient managerial and financial qualifications to acquire the customer assets of Univance and to ensure the uninterrupted provision of telecommunications services to customers upon approval of this Application and the applications for certificate of service authority filed simultaneously herewith. Motion Telecom will provide the same services at the same rates, terms and conditions as provided by Univance, and no customers will be adversely affected as a result of this transaction. The customers have already been sufficiently notified of the transaction and their rights before and after the transaction, including the opportunity to switch to another service provider. This transaction will neither disrupt the service nor cause inconvenience or confusion to the customers of Univance. Therefore, the transaction will not be detrimental to the public interest. Failure to approve the transaction and the related certification applications is not in the public interest. This case involves two competitive carriers and failure to approve this transaction would interfere with the ability of competitive carriers to enter and exit the interexchange service marketplace.

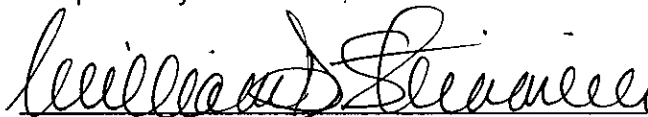
9. Tax Revenue Impact

The proposed transaction will not have any impact on the tax revenues of any political subdivision in the State of Missouri.

WHEREFORE, Applicant respectfully requests that the Commission approve the proposed transfer of Univance Telecommunications, Inc.'s assets (Missouri customers) to Motion Telecom; grant waiver of 4 CSR 240-33.150; and coordinate the issuance of

its order in this matter with its prospective orders regarding Motion Telecom's IXC application which is being filed simultaneously with this Application. Applicant respectfully requests that the authorizations sought in this Application be granted on an expedited basis in order to avoid any interruption of service or inconvenience to Univance's existing customers in Missouri and to comply with the order of the Bankruptcy Court. Specifically, as described herein and in the simultaneously filed Motion for Expedited Treatment, Applicant respectfully requests that the Commission grant all relief requested herein on or before August 28, 2003.

Respectfully submitted,



William D. Steinmeier Mo. Bar #25689

Mary Ann (Garr) Young Mo. Bar # 27951

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Jefferson City, MO 65110-4595

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E-mail: wds@wdspc.com



Barbara H. Vonderheid, Colo. Bar #16191

Chief Legal Officer and General Counsel

Motion Telecom, Inc.

7101 South Fulton Street, #200

Englewood, Colorado (CO) 80112

Tel.: (303) 784-5329

Fax: (303) 784-5367


E-mail: bvonderheid@awipcs.com

COUNSEL FOR MOTION TELECOM, INC.

Dated: July 14, 2003

Certificate of Service

I hereby certify that a copy of this document has been hand delivered or mailed by first class mail, postage prepaid, to the Office of the General Counsel of the Missouri Public Service Commission, and to the Office of Public Counsel, on this 14th day of July 2003.


William D. Steinmeier

LIST OF EXHIBITS

Exhibit A	Certificate of Missouri Secretary of State
Exhibit B	Customer Notice
Exhibit C	Bankruptcy Court Order
Verification	

Exhibit A

Certificate of Missouri Secretary of State

STATE OF MISSOURI



Matt Blunt
Secretary of State

AMENDED CERTIFICATE OF AUTHORITY OF A FOREIGN CORPORATION

WHEREAS,

MOTION TELECOM, INC.
F00520686

FORMERLY,

ADVANTAGE TELECOM, INC. d/b/a ADV TELECOM, INC.

incorporated under the laws of the State of Colorado and now in existence and in good standing in said State, and qualified to transact business in Missouri has delivered to me, duly authenticated evidence of an amendment to its Articles of Incorporation as provided by law, and has, in all respects, complied with the requirements of The General and Business Corporation Law of Missouri, governing Amendments to the Articles of Incorporation of Foreign Corporations, and in accordance therewith issue this Certificate of Amendment.

IN TESTIMONY WHEREOF, I have set
my hand and imprinted the GREAT SEAL
of the State of Missouri, on this, the 26th
day of June, 2003.


Secretary of State

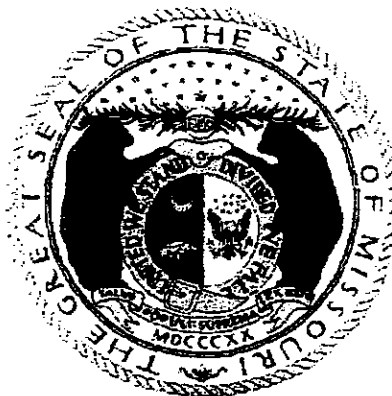


Exhibit B
Customer Notice

UNIVANCE

Univance Telecommunications, Inc.
7101 South Fulton Street Suite 200
Centennial, CO 80112

June 26, 2003

Dear Valued Customer:

We would like to take this opportunity to thank you for the business you have given to Univance Telecommunications, your long-distance service provider, and to share with you some changes you will be seeing in the near future.

In April 2003, Motion Telecom, Inc. purchased the assets of Univance Telecommunications, Inc. The customer service and key staff of Univance have now joined the Motion Telecom team, and have continued operations while merging into the new company. As part of that sale, and effective on August 1, 2003 (or as soon thereafter as all regulatory approvals have been given), Motion Telecom, Inc. will officially be your long distance services provider.

Motion Telecom, Inc. is part of a family of Advantage Advisory Service, Inc. companies which have a twelve-year history in the telecommunications business. Advantage has a proven history of profitability, cash flow and high credit ratings. In this unstable economy, Advantage's companies stand out as stable and successful.

You will notice only a few changes and the new name:



Your rates and services will remain the same.

All of your former contact numbers will remain the same:

CUSTOMER CARE: 1-800-864-4306

Monday – Friday, 7:00 a.m. – 6:00 p.m. (MST) (and emergency after hours service)

The former Univance employees are excited about their opportunity to continue to serve you, and at Motion Telecom Inc., they have access to the resources they need to meet the high level of service you deserve. Motion Telecom is required by the Federal Communications Commission to provide you with certain information and your rights as a customer. Please let us hear from you should you have any questions, comments, or concerns; we value your feedback! Please call us or send an e-mail with any concerns to: feedback@motiontelecom.com.

Thank you for your business.

Motion Telecom, Inc. and Univance Telecommunications, Inc.

June 26, 2003

Legal Notice

This notice serves to inform you that Motion Telecom, Inc. ("Motion Telecom") is acquiring the long distance customer base of Univance Telecommunications, Inc. ("Univance") in connection with the sale of Univance's assets in Univance's bankruptcy. Univance's customers and customer accounts are being assigned to and assumed by Motion Telecom. It is expected that the customer transfer process shall be take place on August 1, 2003, or as soon thereafter as all regulatory approvals have been received.

The proposed transition to Motion Telecom will be seamless; there will be no carrier charges associated with the transfer, and you should not experience an interruption in service. As a Motion Telecom customer, you will continue to receive services under the same terms, conditions and low rates that you enjoy today. You will be notified in writing, in advance, of any post-transfer changes. While you have a right to select another carrier to provide your long distance, Motion Telecom is committed to satisfying your communication needs and will ensure that you are provided first-rate, affordable telecommunications services. Customers under a term contract may face termination penalties if the customer selects another carrier prior to expiration of the term contract. All customers receiving this notice will be transferred to Motion Telecom if they do not select a different preferred carrier before the transfer date. Although Motion Telecom will not be responsible for resolving outstanding complaints against Univance, please call us at (800) 864-4306, or email us at: feedback@motiontelecom.com with any questions or concerns.

Exhibit C
Bankruptcy Court Order

In re:

Debtor.

Chapter 11

In re:

Debtor.

Chapter 11

**(Jointly Administered Under
Case No. 03-11156 EEB)**

1

the Sale Hearing, based on the modified terms of the Sale, described in court, and as approved by this Order. The form of this Order represents a negotiated compromise between and among the Debtors, the purchasers, and those objecting parties who requested an opportunity to review and provide input on the form of this Order.

2. The relief requested in the Sale Motion, as orally modified by Debtors' counsel at the Sale Hearing, is granted.

3. The form of the Asset Purchase Agreement (the "APA"), attached to the Sale Motion, is hereby authorized, approved, and confirmed on the terms described therein, except as modified by Debtors' counsel at the Sale Hearing. Each of the Debtors is hereby authorized to take all actions and execute all documents and instruments that the Debtors and purchasers deem necessary or appropriate to implement and effectuate the APA and the terms of this Order.

4. Pursuant to the APA, as amended by Debtors' counsel at the Sale Hearing, Univance Telecommunications, Inc. ("UTI") is authorized to sell, free and clear of all liens, claims, interests and encumbrances, all of its right, title and interest in all of its tangible and intangible assets, except as described below (the "UTI Assets") to Advantage Advisory Service, Inc. d/b/a/ Advantage Wireless, or its designee ("Advantage").

5. Pursuant to the APA, as orally amended at the Sale Hearing, Univance Marketing Group, Inc. ("UMG") is authorized to sell, free and clear of all liens, claims, interests and encumbrances, all of its right, title and interest in substantially all of its tangible and intangible assets (the "UMG Assets") to S Connect, Inc. ("S Connect").

6. The UMG Assets and the UTI Assets (collectively, the "Debtors' Assets") to be sold specifically do not include the following:

- a. all causes of action and rights of recovery for avoidance actions of Debtors under Sections 547-553 of the Bankruptcy Code;
- b. tax refunds and tax attributes;
- c. the documents relating solely to the organization, maintenance and existence of Debtors as corporations, partnerships or limited liability companies, as the case may be;
- d. any executory contracts that are not assumed executory contracts;
- e. any rights of Debtors under the APA, the Sale Motion and this Order; and
- f. professional fee retainers.

7. Based on the undisputed offer of proof made by Debtors, emergent circumstances and sound business reasons exist for the prompt sale of the Debtors' Assets. Sale of Debtors' Assets to separate purchasers and consummation of the transactions contemplated thereby are in the best interest of the Debtors, their estates, and creditors.

8. At the Sale Hearing, Debtors' counsel described the auction process that occurred between March 20, 2003 and March 28, 2003, outside the presence of the Court, including the receipt of two timely written qualified and competitive bids for Debtors' Assets from S Connect and Advantage. The terms of S Connect's original bid included payment of \$100,000 cash to the UMG estate, plus assumption of significant UMG liabilities and executory contracts, and payment of \$100,000 cash to the UTI estate, plus assumption of certain UTI liabilities. Both Advantage and S Connect engaged in subsequent competitive bidding for all of the Debtors' Assets. The terms of the bids differed significantly as to which executory contracts and liabilities of the Debtors were to be assumed, with a corresponding difference in the impact of these bids on the various creditor interests of the two estates. Consequently, the parties determined, with input from the Creditors' Committee, that it was in the best interests of both estates to allow S Connect and Advantage to bid for the UTI Assets and the UMG Assets separately. The combination of the two successful bids for the assets of each estate resulted in the two purchasers assuming or credit bidding significantly more debt owed by both UTI and UMG than indicated in their initial bids, as well as payment of \$740,000 cash to the UMG estate and \$300,000 cash to the UTI estate. It also eliminated payment to S Connect of a \$100,000 breakup fee and up to \$50,000 in expense reimbursements.

9. **Sale of UTI Assets.** The following terms shall apply to Advantage's purchase of the UTI Assets.

a. **Purchase Price.** Advantage shall pay the following:

i. Deposit with a third-party escrow holder the unpaid outstanding Debtor-in-Possession ("DIP") Financing owed to US Escrow, LLC (the "USE LLC Debt"), attributable to UTI, as currently evidenced by Debtors' records, with the exception that \$158,000 of the DIP Financing currently attributed to UTI shall be attributed to UMG. Such reallocation is based on a recalculation of amounts of the DIP Financing used for Debtors' joint corporate overhead. The deposit with a third-party escrow holder shall be subject to a final audit of the USE LLC Debt and accounts receivable applied to such debt. Based on the results of the audit, the escrowed funds shall be released to US Escrow LLC to the extent necessary to pay the USE LLC Debt attributable to UTI, with any remainder refunded to Advantage. To the extent the escrowed funds are insufficient to pay the USE LLC Debt attributable to UTI, Advantage shall pay such deficiency promptly after the results of the audit are delivered to Advantage. The audit shall be completed within 30 days of the closing and all escrowed funds shall be disbursed within two business days after delivery of the audit to US Escrow LLC and Advantage. All payments for post-petition goods or services received by UTI, or any party acting as agent for UTI, after the commencement date of the audit shall be the property of Advantage. All payments for post-

petition goods or services received by UTI or any party acting as agent for UTI, before the commencement date of the audit shall be applied to the USE LLC Debt attributable to UTI.

ii. Deposit of the amount of unpaid prepetition secured debt owed to US Escrow, Inc. (the "USE Inc. Debt") and attributable to UTI, as evidenced by Debtors' records, with a third party escrow holder, subject to a final audit of the USE Inc. Debt and accounts receivable applied to such debt. Based on the results of the audit, the escrowed funds shall be released to US Escrow Inc. to the extent necessary to pay the USE Inc. Debt attributable to UTI, with any remainder refunded to Advantage. To the extent the escrowed funds are insufficient to pay the USE Inc. Debt, Advantage shall pay such deficiency promptly after the results of the audit are delivered to Advantage. The audit shall be completed within 30 days of the closing and all escrowed funds shall be disbursed within two business days after delivery of the audit to Advantage and US Escrow Inc. All payments for pre-petition goods or services received by UTI, or any party acting as agent for UTI, after the commencement date of the audit shall be the property of Advantage. All payments for pre-petition goods or services received by UTI or any party acting as agent for UTI, before the commencement date of the audit shall be applied to the USE Inc. Debt attributable to UTI.

iii. UTI shall assume and assign the following executory contracts and unexpired leases: CIT Financial USA, Inc. with a cure amount of \$78,000, the CIT Group with a cure amount of \$75,000, Great America Leasing Corporation with a cure amount of \$8,216, Xtension Services, Inc. with a zero dollar cure amount, MCI WorldCom Network Services, Inc. agreement as amended September 1, 2002 with a zero dollar cure amount, Genesys Conferencing of Massachusetts with a zero dollar cure amount, CallVision.Com Inc. with a zero dollar cure amount, and all UTI existing agent agreements with a zero dollar cure amount. Advantage shall pay the above-stated cure amounts associated with such assumptions and shall hold the UTI estate harmless from any and all claims for cure on contracts assumed and assigned by UTI to Advantage.

iv. Advantage shall be deemed to have credit bid and/or released the UTI estate from any and all liability from the MCI/WorldCom Secured Claim, in the approximate amount of \$5,000,000.00 (the "WorldCom Secured Claim"), purchased by Advantage prior to the Sale hearing. Advantage shall indemnify and hold harmless the UTI estate from the WorldCom Secured Claim.

v. Advantage shall pay \$100,000 cash to Debtors' estates as its agreed upon share of the Carve-Out Expenses (as defined in Debtors' DIP Financing Agreement with USE LLC).

vi. Advantage shall pay \$300,000 cash to the UTI estate.

vii. Advantage shall assume and pay, in the ordinary course of business, any unpaid post-petition ordinary course administrative claims against the UTI estate, accrued as of the closing, including but not limited to unpaid payroll.

b. Other terms.

i. The Debtors are obligated to deliver to Advantage a non-solicitation agreement prohibiting solicitation of UTI's employees, agents or customers, including an agreement to refrain from using any proprietary technology or information gained from UTI (the "Non-Solicitation Agreements") from the following UTI employees/officers: Ray Ramirez, Rudy Zaragosa and Kevin Emch. The parties have acknowledged that Advantage is the only party acquiring any UTI proprietary technology or information as part of this sale transaction. The Non-Solicitation Agreements shall be enforceable for a period of two years, with the exception that, after June 28, 2003, there shall be no further prohibition against solicitation of former UTI employees who are not by that date employed by Advantage. Advantage shall deliver to S-Connect a non-solicitation agreement, agreeing that Advantage shall be prohibited from solicitation of UMG's employees for a period of two years, with the following exceptions: (a) after June 28, 2003, to the extent any former employee of UMG is not employed by S Connect, there shall be no prohibition against employment of such individuals by any other entity, and (b) Advantage is specifically permitted to contact and make employment offers to the following individuals: Theresa Mack, Felice Henderson, Carolyn Swift, Joel Vander-leest, Ron Husney and Barbara Vonderheid.

ii. To the extent there are proprietary assets owned and used by both UMG and UTI, Advantage and S Connect shall share costs of duplicating such assets so that both purchasers shall have use of such assets. Both Advantage and S Connect shall receive copies of the in-house designed provisioning software, described in Exhibit A to the S Connect Bid. Advantage shall not receive the Network Enhanced Telecom. LLP Agreement, dated March 15, 2002, currently in the name of UTI, but used by UMG.

iii. Advantage and S Connect shall deliver to each other a mutual non-disparagement agreement that shall be enforceable for a period of two years.

iv. All assumptions and assignments from UTI to Advantage shall be effective on the Closing Date (as defined in the APA).

10. Sale of the UMG Assets. The following terms shall apply to S Connect's purchase of the UMG Assets:

a. Purchase Price. S Connect shall pay the following:

i. S Connect shall be deemed to have assumed all of the outstanding USE LLC Debt attributable to UMG, as currently evidenced by Debtors' records, plus \$158,000 of the USE LLC Debt currently attributed to UTI. The \$158,000 represents a recalculation of the USE LLC Debt allocated for Debtors' joint corporate overhead.

ii. S Connect shall be deemed to have assumed all of the pre-petition secured debt owed to US Escrow Inc. (the "USE Inc. Debt"), attributable to UMG, as evidenced by Debtors' records.

iii. S Connect shall be deemed to have assumed any and all pre-petition claims against Debtors, whether secured or unsecured, asserted by the Edward P. Teppner Charitable Lead Trust and Jerry J. Teppner, or USE Inc. as Teppner's assignee (the "Teppner Debt").

iv. UMG is authorized to assume and assign to S Connect the executory contracts and unexpired leases listed on the S Connect Bid for the UMG Assets, dated March 27, 2003, excluding the following: (a) General Purchase Agreement, dated April 6, 2001 and related addenda, attachments and exhibits (the "GPA"), and (b) a Maintenance Agreement, dated September 1, 2001 and related addenda, attachments, and exhibits (the "Maintenance Agreement") with Lucent Technologies, Inc. ("Lucent"). In regard to the agreements with Lucent, UMG is not authorized to assign or transfer any software or other intellectual property interests of Lucent embedded in, contained within, or related to the property which is described in and is the subject of the above-described agreements with Lucent. UMG shall assume and assign to S Connect, and S Connect shall pay the related cure amounts, as to the following contracts between UMG and: (a) Cingular Wireless, Inc. ("Cingular") with a cure amount of \$887,568, (b) Sears Roebuck & Co. ("Sears") with a cure amount consisting of \$1,571,000 for buildout of Sears store kiosks, \$600,000 for Sears commissions, and \$420,000 for a Sears license transfer fee, (c) ATT Wireless with a cure payment in the estimated amount of \$916,000 in connection therewith, such amount to be subject to reconciliation as set forth below. UMG shall be deemed to have assigned to S Connect any claim it has or may have to assert credits or charges due to UMG from any party to an assumed contract. Nothing in this Order shall be interpreted as a waiver of any such claim of credit or offset by UMG or its assignee, S Connect, nor as a waiver of a defense to such claim or offset by the non-debtor party to the assumed contract. S Connect shall indemnify and hold the UMG estate harmless from any and all claims for cure on contracts assumed and assigned by UMG to S Connect, including but not limited to, claims by US Escrow Inc., US Escrow LLC, Teppner and Sears. All assumptions and assignments from UMG to S Connect shall be effective on the Closing Date (as defined in the APA).

v. S Connect's affiliate, US Escrow LLC, shall upon closing, release all of ATT Wireless' cash collateral to ATT Wireless, such amount to be credited as appropriate against the cure amount owed to ATT Wireless. S Connect shall indemnify and hold Debtors' estates harmless from any claim by ATT Wireless for return or payment of cash collateral to ATT Wireless.

vi. S Connect shall pay \$100,000 cash to the Debtors' estates as its agreed upon share of the Carve-Out Expenses (as defined in Debtors' DIP Credit Agreement with USE LLC).

vii. S Connect shall pay \$40,000 to UMG for personal property that is not otherwise encumbered by liens of parties whose debt or contracts are not being assumed, and systems and proprietary software used to support the Sears stores, as provided for in paragraphs 6, 7 and 8 of the S Connect Bid dated March 27, 2003.

viii. S Connect shall pay an additional \$700,000 cash to the UMG estate.

ix. S Connect shall pay in the ordinary course of business any unpaid, post-petition, ordinary course, administrative expense claims against UMG, accrued as of the closing, including but not limited to, unpaid UMG payroll.

x. On or after closing, S Connect will execute and deliver to ATT Wireless such documents as may be reasonably requested to evidence assumption of agreements with ATT Wireless, including any UCC financing statements to perfect security interests provided for in the assumed ATT Wireless agreements. The ATT inventory is not being sold free and clear of liens.

b. Other Terms:

i. S Connect shall deliver to Advantage a non-solicitation agreement prohibiting solicitation of UTI's employees, agents or customers for a period of two years, with the exception that, after June 28, 2003, to the extent any former employee of UTI is not employed by Advantage, there shall be no prohibition against employment of such individuals by any other entity.

ii. To the extent there are proprietary assets owned and used by both UMG and UTI, Advantage and S Connect shall share costs of duplicating such assets so that both purchasers shall have use of such assets. Both Advantage and S Connect shall receive copies of the in-house designed provisioning software, described in Exhibit A to the S Connect Bid. S Connect shall receive the Network Enhanced Telecom, LLP Agreement dated March 15, 2002, currently in the name of UTI, but used by UMG.

iii. Advantage and S Connect shall deliver to each other a mutual non-disparagement agreement that shall be enforceable for a period of two years.

11. The bid by S Connect for UMG's assets and the bid by Advantage for UTI's assets represent the highest and best offers received for the assets of each of the Debtors.

12. S Connect and Advantage are good faith purchasers under 11 U.S.C § 363(m) and are hereby granted the protections afforded to a good faith purchaser under 11 U.S.C § 363(m).

13. Debtors' Assets are being sold pursuant to Section 363(b) and (f) of the Bankruptcy Code, free and clear of all liens, claims and encumbrances. Any liens for debts that are not otherwise

assumed or credit bid pursuant to this Order, including but not limited to, any lien held by the City and County of Denver, shall attach to the proceeds of the sale.

14. There shall be no break-up fee or reimbursement for expenses payable to S Connect or any other bidder or purchaser in connection with the sale of the Debtors' Assets.

15. This Order shall be effective and enforceable immediately upon entry, and its provisions shall be self-executing. This Order shall not be stayed pursuant to Fed. R. Bankr. P. 6004(g) or otherwise.

16. The filing of the Sale Motion and the entry of this Order shall be deemed to have satisfied any requirement under Fed. R. Bankr. P. 6004(f)(1) that the Debtors file an itemized statement of property sold, name of purchaser and price received with respect to the sale of the UMG Assets and the UTI Assets described herein.

17. Notwithstanding any provision of this Order, nothing contained herein shall be construed to modify USE LLC's obligations regarding payments to MCI WorldCom under prior orders of this Court.

18. This Court shall not retain jurisdiction to hear or determine any disputes between non-debtor parties arising from the implementation of this Order. This Court shall retain jurisdiction to hear and determine any disputes between Debtor(s) and any other party arising from the implementation of this Order, the Sale Motion, the representations at the Sale Hearing, the APA, the S Connect Bid and/or the Advantage Bid.

Dated: April 2, 2003, *nunc pro tunc* March 28, 2003.

BY THE COURT:


United States Bankruptcy Judge

Verification

STATE OF COLORADO
COUNTY OF ARAPAHOE

SS.

VERIFICATION

I, Mark Gritz, being duly sworn, declare that I am
President of Motion Telecom, Inc., the Applicant in the subject
proceeding; that I have read the foregoing Application; and the statements
therein are true and correct to the best of my knowledge, information, or belief.

Pros/cod

Subscribed and sworn to before me
this 8th day of July, 2003.

Sharon K Gillespie
Notary Public

**Sharon K. Gillespie, Notary Public
State of Colorado**

My Commission Expires: My Commission Expires 1/17/2006