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BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Joint Application of)
Zenex Long Distance, Inc., Prestige)
Investments, Inc., Shareholders of Prestige)
Investments, Inc. and Lone Wolf Energy,)
Inc. for Approval of Merger and Acquisition)
of Prestige Investments, Inc.)

Case No. TM-2000-725

ORDER GRANTING STAFF'S MOTION TO DISMISS

On May 3, 2000, Zenex Long Distance, Inc. (Zenex), Prestige Investments, Inc. (Prestige), Shareholders of Prestige Investments, Inc., (Shareholders) and Lone Wolf Energy, Inc. (Lone Wolf) filed an application for approval of a merger and acquisition of Prestige Investments, Inc. pursuant to Section 392.300, RSMo. (1994). The applicants requested expedited treatment of this application.

Zenex is a wholly owned subsidiary of Prestige organized under the laws of Oklahoma with its principal offices located at 3705 West Memorial, Suite 101-A, Oklahoma City, Oklahoma 73134. As a part of its application, the applicants provided a copy of the Certificate of Good Standing in Missouri for Zenex. Zenex is a provider of intrastate interexchange telecommunications services in Missouri. Zenex was granted a certificate of service authority to provide interexchange telecommunications services by the Commission in Case No. TA-96-363 on June 11, 1996. The Commission approved Zenex's tariff and Zenex has provided services in Missouri since June 11, 1996.

Prestige is an Oklahoma corporation with its principal offices located at 821 S.W. 66th, Oklahoma City, Oklahoma 73139. The Commission granted Prestige authority to acquire all of the issued and outstanding stock of Zenex in Case No. TM-99-464 on June 1, 1999. Zenex thereby became a wholly owned subsidiary of Prestige. Lone Wolf is a Colorado corporation with its principal offices located at 2400 N.W. 30th, #814, Oklahoma City, Oklahoma 73112.

The application proposes to merge Prestige into a wholly owned subsidiary corporation of Lone Wolf with Prestige to be the surviving corporation and thus becoming a wholly owned subsidiary of Lone Wolf. The merger would result in a change in the ultimate parent company of Zenex. The applications stated that Zenex will continue to exist under the laws of the state of Oklahoma and its Certificate of Incorporation and bylaws will remain in effect immediately prior to the merger.

On June 16, 2000, the Staff of the Missouri Public Service Commission (Staff) filed its Motion to Dismiss for Lack of Jurisdiction. Staff reviewed the transaction proposed by the applicants and asserted that Section 392.300.1, RSMo 1994, does not apply to this case because Zenex, the regulated telecommunications company, is not selling, assigning, leasing, transferring, consolidating, merging, encumbering or otherwise disposing of any part of its franchise, works or system, necessary or useful in the performance of its duties to the public. Therefore, Section 392.300.1 does not apply in this transaction.

Staff also asserted that Section 392.300.2, RSMo, does not apply to this proposed transaction because Zenex, the regulated telecommunications company, is not incorporated under Missouri law, citing Contingent Application of CFL, L.L.C., Case No. TM-99-336, Order Dismissing Case, issued March 16, 1999, and Public Service Commission v. Union Pacific R. Co., 197 S.W. 39, 41 (Mo. Banc 1917). Pursuant to Commission rule 4 CSR 240-2.080(12), parties are permitted up to ten days within which to respond to motions. No party has responded to Staff's motion to dismiss and the time for doing so has passed.

The Commission has reviewed the pleadings of the parties and the applicable statutes and case law cited. Section 392.300.2 states as follows:

Except where stock shall be transferred or held for the purpose of collateral security, no stock corporation, domestic or foreign, other than a telecommunications company, shall, without the consent of the commission, purchase or acquire, take or hold more than ten percent of the total capital stock issued by any telecommunications company organized or existing under or by virtue of the laws of this state, except that a corporation now lawfully holding a majority of the capital stock of any telecommunications company may, without the consent of the commission, acquire and hold the remainder of the capital stock of such telecommunications company, or any portion thereof. (Emphasis added.)

Lone Wolf is a company which seeks to acquire the stock of Prestige, which is not a telecommunications company organized or existing under or by virtue of the laws of this state. Section 392.300.2, RSMo (1994). Therefore, the Commission will grant Staff's motion to dismiss.

IT IS THEREFORE ORDERED:

1. That the application filed by Zenex Long Distance, Inc., Prestige Investments, Inc., Shareholders of Prestige Investments and Lone Wolf Energy, Inc. on May 3, 2000, is hereby dismissed.
2. That this order shall become effective on July 20, 2000.
3. That this case may be closed on July 21, 2000.

BY THE COMMISSION



**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

(S E A L)

Shelly A. Register, Regulatory Law
Judge, by delegation of authority
pursuant to Section 386.240, RSMo 1994.

Dated at Jefferson City, Missouri,
on this 10th day of July, 2000.