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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held at its office
in Jefferson City on the 17th
day of September, 1998.

In the Matter of the Application of DDD Calling,)
Inc. for Approval of a Corporate Reorganization.) Case No. TM-98-496
)

ORDER APPROVING REORGANIZATION

DDD Calling, Inc. (DDD) filed an Application on May 4, 1998, asking the Commission to approve the reorganization of its corporate structure and a series of transactions related to the reorganization. DDD proposes a series of transactions whereby it will become a wholly-owned subsidiary of Imagitel, Inc. (Imagitel) and Imagitel will become a wholly-owned subsidiary of Wavetech, Inc. (Wavetech). In addition, the present shareholders of DDD will receive, on a pro rata basis, a designated number of shares of Wavetech's publicly traded common stock.

DDD provides intrastate interexchange telecommunications services under a certificate granted by the Commission on June 20, 1996, in Case No. TA-96-351. DDD is a privately held Texas corporation with its principal offices located at 5120 Woodway Drive, Suite 7007, Houston, Texas 77056.

Imagitel is a privately held Nevada Corporation with principal offices located at 5120 Woodway Drive, Suite 7007, Houston, Texas 77056. Imagitel does not directly offer long distance telecommunications services. It has been specifically organized for the purpose of acting as a holding company for the common stock of DDD and other telecom-

munications-related investments. Imagitel and DDD have the same ownership composition.

Wavetech is a publicly held Nevada corporation with principal offices located at 5210 East Williams Circle, Suite 200, Tucson, Arizona 85711. Wavetech does not provide direct long distance services, but will be the parent company of Imagitel and DDD after the reorganization.

DDD proposes a series of transactions to complete the reorganization. Imagitel will form a wholly-owned subsidiary, DDD Interim, Inc., which will merge with DDD, and in the process DDD will become a wholly-owned subsidiary of Imagitel. Wavetech will form a wholly-owned subsidiary called Wavetech Interim, Inc., which will merge with Imagitel, and in the process, Imagitel will become a wholly-owned subsidiary of Wavetech. In connection with the reorganization, DDD's shareholders will receive, on a pro rata basis, a designated number of shares of Wavetech's publicly traded common stock. On August 27, 1998 DDD filed pre-merger and post-merger flow charts to clarify the transactions.

DDD will continue to operate as a regulated entity under its present certifications, registrations, tariff requirements and rate structures. DDD states in its Application that the merger will enable it to become more streamlined and provide a more efficient level of service to its Missouri customers. DDD states that the reorganization will create a heightened level of operating efficiency which will enhance its ability to compete in the market for telecommunications services in Missouri. DDD also states that there will be no change to the tax

revenues of the State of Missouri or any political subdivision therein due to these transactions.

The Staff of the Commission (Staff) filed a Memorandum on June 19, 1998, recommending that the transactions be approved. Staff indicates that the reorganization is in the public's interest because it will allow the companies to operate with a more streamlined and efficient level of service and result in a cost savings.

The Commission has reviewed the application and Staff's recommendation, and determines that the proposed reorganization and related transactions have no adverse impact on the Missouri customers of DDD. Therefore, the Commission determines that the transaction is not detrimental to the public interest and should be approved.

IT IS THEREFORE ORDERED:

1. That the Application filed by DDD Calling, Inc., on May 4, 1998, is approved.
2. That the applicants are authorized to consummate the reorganization of DDD Calling, Inc., Imagitel, Inc., and Wavetech, Inc., as proposed in the Application.
3. That the parties are authorized to take any and all actions necessary to effect the reorganization authorized by this order.
4. That DDD Calling, Inc., shall file notification with the Commission no later than ten days after the closing date of the transactions authorized by this order.

5. That this order shall become effective on September 29, 1998.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Crumpton, Drainer, Murray
and Schemenauer, CC., concur.
Lumpe, Ch., absent.

Dippell, Regulatory Law Judge

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COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION