

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 26th
day of October, 1993.

In the matter of the application of Call Home)
America, Inc. ("Seller") and Allnet Communication)
Services, Inc. ("Purchaser") for approval to sell)
and purchase certain assets of seller and for) CASE NO. TM-94-45
authority for seller to withdraw from the resale)
of telecommunications services in the State of)
Missouri.)

ORDER APPROVING SALE AND SALE OF ASSETS

On August 9, 1993, Call Home America, Inc. (CHA) and Allnet Communication Services, Inc. (Allnet) filed a joint application pursuant to Chapter 392, RSMo 1986, as amended, seeking authorization of the Commission approving the sale and transfer of CHA's name, trademarks, service marks, and its customer base of resale inbound 1-800 telecommunications business within the State of Missouri to Allnet, and authorizing CHA to withdraw from the resale of telecommunications services within the State of Missouri.

CHA is a Texas corporation certificated by this Commission on November 16, 1992 in Case No. TA-93-14 to provide interexchange telecommunications services within the State of Missouri, and is classified as a competitive telecommunications company and public utility as defined in Section 386.020, RSMo Cum. Supp. 1992. Allnet is a Michigan corporation certificated by the Commission on August 26, 1986 in Case Nos. TO-84-222, TO-84-223, TO-85-126, and TO-85-130 to provide interexchange telecommunications services within the State of Missouri, and is classified as a competitive telecommunications company and public utility as defined in Section 386.020, RSMo Cum. Supp. 1992.

CHA and Allnet state in their joint application that it is in the public interest for the Commission to approve the proposed transaction in that CHA's inbound 1-800 customer base has grown dramatically, and Allnet--which

provides 800 telecommunications services nationwide, with extensive customer service resources--is eminently qualified to accommodate the growth in CHA's customer base, and to provide those customers with similar service. In addition, the joint applicants state that Allnet currently has tariffs on file for 800 services which are in all material respects the same as CHA's tariffs, thus customers would be subjected to the same rates and basic conditions of service. Since Allnet is also acquiring CHA's name, and its service will be designated "Call Home America", CHA and Allnet contend that the transfer of CHA's inbound 1-800 service will be essentially transparent to customers.

In their joint application CHA and Allnet indicate that CHA currently resells the services of Allnet and one other carrier, and that Allnet currently sells 800 services to CHA for resale. The joint applicants also explain that the effective date for the transfer of CHA's rights in the assets which are part of the proposed transaction shall be the date on which the joint application is approved by the Commission, and that CHA, upon Commission approval of the proposed transaction, intends its application to function as a cancellation of its tariff.

Attached to the joint application as Exhibit A is an Asset Purchase Agreement between CHA and Allnet dated June 30, 1993, which proposes to transfer from CHA to Allnet certain assets including customer accounts, contracts, intangibles, and intellectual property. The base purchase price for the transaction as provided in the contract is \$13,426,000, subject to adjustments. The property involved is further defined in the contract.

On October 6, 1993, the Commission's Staff filed a memorandum recommending approval of the joint application. Staff noted that the proposed transaction contemplates Allnet acquiring CHA's name, trademarks, service marks, and customer base. According to Staff, CHA currently has only two services in its tariff, Original 800 Service and PIN Plus 800 Service. Staff's information

indicates that CHA never offered PIN Plus 800 Service in Missouri, so that all of CHA's customers subscribed to Original 800 Service. Allnet previously submitted a tariff filing to introduce its "Call Home America" service, which was approved by the Commission effective August 17, 1993. Staff indicates that the only difference between CHA's Original 800 Service and Allnet's "Call Home America" service is that Allnet's service does not include a monthly service charge, and consequently former CHA customers would experience a rate decrease. Staff explains that the entire transaction would be transparent to the affected customers because they would be subjected to the same per minute rates and basic conditions of service, and that upon Commission approval of the joint application, former CHA customers would receive monthly bills from Allnet that identified their service as "Call Home America" service. Staff also recommends that the Commission cancel CHA's certificate of service authority and accompanying tariff at the same time it approves the proposed transaction. Staff concludes by stating it is unaware of any other filing which affects or would be affected by this proposal.

Upon review of the verified joint application and attachment, and Staff's recommendation, the Commission finds that Allnet possesses the capacity to provide good quality service to CHA's current customers; that CHA's current customers may experience a rate decrease, as Allnet's current tariff for this service does not include a monthly service charge; and that the proposed sale and transfer of CHA's assets to Allnet is not detrimental to the public interest. The Commission also finds the suggestion that CHA's certificate of service authority and accompanying tariff be cancelled contemporaneously with Commission approval of the proposed transaction to be appropriate.

IT IS THEREFORE:

1. That the sale and transfer of the customer accounts, contracts, intangibles, and intellectual property of Call Home America, Inc. to Allnet

Communications Services, Inc. in accordance with the Asset Purchase Agreement attached as Exhibit A to the joint application be hereby approved.

2. That Call Home America, Inc. and Allnet Communications Services, Inc. be hereby authorized to take any and all other actions necessary to effectuate the transaction contemplated by the joint application and this order.

3. That the certificate of service authority and current tariff of Call Home America, Inc. be hereby cancelled.

4. That this Order shall become effective on November 5, 1993.

BY THE COMMISSION



David L. Rauch
Executive Secretary

(S E A L)

McClure, Perkins, Kincheloe,
and Crumpton, CC., Concur.
Mueller, Chm., Absent.