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OpTex, Inc. (OpTex) and Claremont Technology Group, Inc. (Claremont) applied on September 18, 1997, for authority for Claremont to acquire OpTex. The proposed transaction involves the merger of Claremont Acquisition Corporation, a subsidiary of Claremont, with and into OpTex. The transaction would result in OpTex becoming a subsidiary of Claremont.

Claremont is an Oregon corporation with its principal place of business at 1600 NW Compton Drive, Suite 210, Beaverton, Oregon 97006. The address for Claremont Acquisition Corporation (Claremont's Subsidiary) is the same as for Claremont. Claremont is not a public utility, but a

publicly held company which provides information technology solutions for customer service, order processing, billing and logistics. Claremont's Subsidiary was formed to facilitate the transaction described in OpTex and Claremont's application.

OpTex and Claremont attached a copy of the "Agreement and Plan of Merger" (Agreement) to the application. This Agreement clarified that Claremont's Subsidiary would cease to exist as a result of the merger. OpTex would be the surviving corporation. Claremont would acquire all the issued and outstanding capital stock of OpTex with the consent of the OpTex Board of Directors and all OpTex shareholders. In return, OpTex's shareholders would receive their agreed-upon pro rata portion of \$1 million in cash and up to 240,000 shares of Claremont's common stock. The certificate currently held by OpTex would remain in OpTex's name. Also, the operations would continue to be performed by OpTex. OpTex's current tariff rates, terms and conditions of service would remain the same. With one exception, no personnel changes would occur. Only the underlying ownership of OpTex would change as a result of the Agreement. According to Claremont and OpTex, the merger is in the public interest because competition would be enhanced, customer choice would increase, and with Claremont's strong financial background, OpTex would be better able to develop new service offerings and deploy them more quickly in the market. OpTex customers would be notified of the transfer of ownership, and allowed to terminate existing service agreements and seek alternative providers, with any customer payments being returned if required by the rules of OpTex's tariff or the regulations of the Commission.

OpTex and Claremont did not include with their application a statement of whether OpTex has any pending or final decisions or judgments

against it from any state or federal agency involving service to its customers or rates charged, as required by 4 CSR 240-2.060(6)(H).

On October 8, the Staff of the Commission (Staff) filed its memorandum recommending approval of the proposed acquisition of OpTex by Claremont. Staff stated its opinion that the public interest would be served by the increased service offerings and competition. Staff was not aware of any other filings which would affect or be affected by the proposed transaction.

Upon review of the verified application and Staff's recommendation, the Commission finds that the proposed merger between Claremont's Subsidiary and OpTex, and the resulting acquisition of OpTex by Claremont should be approved. The Commission also finds that the proposed merger will not directly affect the operations of OpTex, because OpTex is expected to continue to hold its own certificate of service authority and continue to provide service to Missouri customers under OpTex's existing name and tariff. The Commission further finds that the proposed merger will allow OpTex to serve the public interest by offering greater competition and increased service offerings. However, the Commission finds that its approval of the proposed transactions should be conditioned upon OpTex filing the statement regarding judgments described above.

**IT IS THEREFORE ORDERED:**

1. That the merger of Claremont Acquisition Corporation with and into OpTex, Inc., with OpTex, Inc. as the surviving corporation, is approved.
2. That the acquisition of OpTex, Inc. by Claremont Technology Group, Inc. is approved.

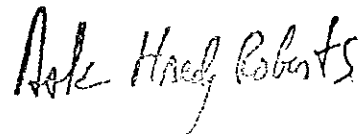
3. That Claremont Technology Group, Inc., Claremont Acquisition Corporation and OpTex, Inc. are authorized to enter into, execute, and perform in accordance with all necessary documents, and take all other actions, necessary to effectuate the merger and acquisition transaction contemplated by the document entitled "Agreement and Plan of Merger" that was attached as Exhibit C to the application filed by Claremont Technology Group, Inc. and OpTex, Inc. on September 18, 1997.

4. That the authority granted in Ordered Paragraphs 1, 2 and 3 is conditioned upon Claremont Technology Group, Inc. and OpTex, Inc. filing a statement of whether OpTex has any pending or final decisions or judgments against it from any state or federal agency involving service to its customers or rates charged, as required by 4 CSR 240-2.060(6)(H), by no later than February 4, 1998.

5. That Claremont Technology Group, Inc. and OpTex, Inc. are directed to file a pleading with the Missouri Public Service Commission notifying the Commission of the closing date of the merger within 30 days after completion of the transactions authorized by this order.

6. That this order shall become effective on January 20, 1998.

**BY THE COMMISSION**



( S E A L )

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

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

Randles, Regulatory Law Judge

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**JAN 21 1998**