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February 29, 2000

VIA OVERNIGHT DELIVERY

Dale Roberts, Executive Secretary
Missouri Public Service Commission
301 W. High Street, Floor 5A N
Harry S. Truman State Office Bldg.
Jefferson City, MO 65102

FILED²
MAR 01 2000
Missouri Public
Service Commission
TM-2000-532

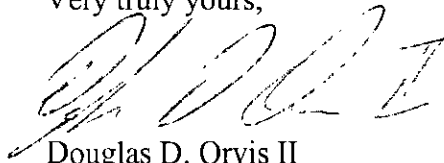
Re: WorkNet Communications, Inc.'s Application for Approval of Pro Forma
Internal Corporate Reorganization

Dear Mr. Roberts:

WorkNet Communications, Inc. ("WorkNet"), by its undersigned counsel, hereby encloses for filing an original and fourteen (14) copies of the above-referenced application.

Please date-stamp the extra copies of each filing and return them in the self-addressed, postage-paid envelope provided herein. If you have any questions concerning this filing, please do not hesitate to contact the undersigned at (202) 945-6941.

Very truly yours,



Douglas D. Orvis II
James W. Ferguson

Counsel for WorkNet Communications, Inc.

Enclosures

cc: J. Mark Klammer, Esq.

BEFORE THE
PUBLIC SERVICE COMMISSION OF THE
STATE OF MISSOURI

FILED³

MAR 01 2000

Missouri Public
Service Commission

In the Matter of the Application of)
)
WORKNET)
COMMUNICATIONS INC.)
)
for Approval of Pro Forma Internal)
Corporate Reorganization)
)

Case No. TM-2000-532

APPLICATION FOR APPROVAL
OF PRO FORMA INTERNAL CORPORATE REORGANIZATION

I. INTRODUCTION

WorkNet Communications Inc., ("WorkNet" or "Applicant") by its undersigned counsel, and pursuant to Missouri Statute 392.300(1), hereby respectfully requests Missouri Public Service Commission ("Commission") authority to reorganize WorkNet's corporate structure as described below. As part of a *pro forma* internal corporate reorganization (the "Reorganization"), WorkNet will become a wholly-owned subsidiary of a newly-created parent, WorkNet Communications Group Inc. ("WorkNet Group"). Following the Reorganization, therefore, WorkNet Group will hold 100% of the stock of WorkNet. WorkNet Group, in turn, shall be owned by the present shareholders of WorkNet, in identical proportions. Applicant therefore notifies, and, to the extent required, seeks Commission approval of the *pro forma* transfer of control of WorkNet. As discussed in further detail below, the Reorganization will not alter the ultimate ownership or control of the certificated entity, WorkNet, nor will the identity of the certificated entity change. Moreover, there will be no change in corporate officers, directors,

or change in the pricing of services offered to customers as a result of the Reorganization. In essentially all respects, the Reorganization will be transparent to WorkNet's customers.

The Applicant respectfully requests expedited treatment of this Application to permit them to consummate the Reorganization no later than March 31, 2000.

The Applicant submits the following information in support of this Application:

II. THE APPLICANT

1. WorkNet is a Delaware corporation, qualified to do business in Missouri, whose principal offices are located at 7777 Bonhomme Avenue, Suite 2000, St. Louis, Missouri 63105.

2. WorkNet, by Order dated April 9, 1999, in Case No. TA-99-350, is authorized to provide intrastate interexchange telecommunications services and non-switched local exchange telecommunications services in the State of Missouri. WorkNet is also authorized to provide local and/or interexchange telecommunications services in Kentucky, Kansas, Indiana, Illinois, Ohio and Texas. Applications are pending in Tennessee and Minnesota. WorkNet is also authorized by the Federal Communications Commission ("FCC") to provide international switched and private line telecommunications services between the United States and various international points.¹

3. Information concerning the legal, technical, managerial and financial qualifications of WorkNet to provide service in Missouri was submitted with its application for certification filed with the Commission in the docket noted above. The Applicant therefore respectfully requests that the Commission take official notice of that information and incorporate it by reference herein.

¹ File No. ITC-214-19990908-00563 (granted Oct. 6, 1999)

III. DESIGNATED CONTACTS

The designated contact for questions concerning this Application is:

Douglas D. Orvis II
James W. Ferguson
Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
(202) 424-7500 (Telephone)
(202) 424-7645 (Facsimile)

with a copy to:

J. Mark Klamer
General Counsel
WorkNet Communications Inc.
7777 Bonhomme Avenue, Suite 2000
St. Louis, Missouri 63105
(314) 727-7950 (Telephone)
(314) 212-5401 (Facsimile)

IV. REQUEST FOR APPROVAL OF CORPORATE REORGANIZATION

1. For internal corporate reasons, WorkNet has determined that the operational efficiency of the Applicant will be improved by the Reorganization. The Reorganization will enable WorkNet to flexibly and efficiently (i) obtain additional financing, (ii) engage in strategic partnerships that would benefit WorkNet customers by lowering costs and increasing product offerings, and (iii) allow its employees to participate in the success of its business.

2. The first step of the Reorganization will consist of the creation of two companies as subsidiaries of WorkNet Communications Inc. The first company, WorkNet Communications Group Inc., will be a direct wholly-owned subsidiary of WorkNet. This entity will survive the Reorganization as the parent of WorkNet. A second entity, created specifically for the purpose of consummating the transaction, and tentatively named WorkNet Reorganization Shell Inc. ("Merger Shell"), will be a direct wholly-owned subsidiary of WorkNet Group. WorkNet will then merge with Merger Shell, with WorkNet surviving. By virtue of the merger, (i) each share of outstanding WorkNet stock will automatically convert into an identical share of WorkNet Group stock, (ii) each share of WorkNet Group stock owned by WorkNet will be cancelled; and (iii) each share of Merger Shell will be converted into WorkNet stock. Accordingly, following the Reorganization WorkNet will be 100% owned by WorkNet Group which will, in turn, be owned by the present shareholders of WorkNet, in identical proportions. The Reorganization will thus result only in the insertion of a holding company above the presently certificated operating entity. No change in the certificated entity will occur. The new corporate structure of WorkNet, as well as the corporate structure prior to the Reorganization, is illustrated in the chart attached hereto as Exhibit A.

3. The creation of WorkNet Group as WorkNet's parent company will be made in a seamless fashion that will not adversely affect the offering of telecommunications services in Missouri, but will increase the financial and managerial strength of the entity which is providing service in Missouri. The Reorganization will simply be a paper transaction that will be transparent to consumers and will not in any way inconvenience or cause harm to WorkNet's customers.

4. As stated above, the Reorganization will not result in any change of the officers and directors of the certified entity. There is also no intent, as a result of the Reorganization, to change management, operations, or the services provided to Missouri customers. Consumers

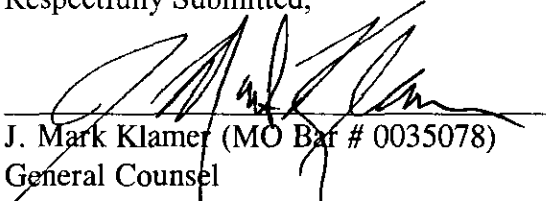
will continue to be provided high quality, affordable services by WorkNet. Therefore, the Reorganization will be entirely transparent to customers. The Applicant therefore notifies, and to the extent required, seeks Commission approval of the transfer of shares of stock of WorkNet and resulting *pro forma* transfer of control of WorkNet required to perform the internal corporate reorganization described herein.

V. PUBLIC INTEREST CONSIDERATIONS

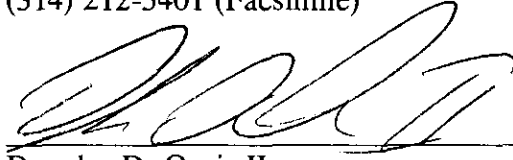
WorkNet provides small and medium sized business customers high quality, cost effective telecommunications services, with an emphasis on customer service. WorkNet has determined that the Reorganization would enable it to flexibly and efficiently (i) obtain additional financing that would allow it to grow more quickly and compete against larger telecommunications companies more effectively, (ii) engage in strategic partnerships that would benefit WorkNet customers by lowering costs and increasing product offerings, and (iii) allow its employees, including those located in Missouri to participate in the success of its business, allowing WorkNet to attract and retain more qualified employees. Consequently, grant of this Application is consistent with the public interest in promoting competition among telecommunications carriers in Missouri.

WHEREFORE, for the reasons stated above, WorkNet Communications Inc. submits that the public interest, convenience and necessity would be furthered by a grant of this Application. The Applicants respectfully request expedited treatment of this Application to permit them to consummate the *pro forma* internal corporate Reorganization no later than March 31, 2000.

Respectfully Submitted,



J. Mark Klamet (MO Bar # 0035078)
General Counsel
WorkNet Communications Inc.
7777 Bonhomme Avenue, Suite 2000
St. Louis, Missouri 63105
(314) 727-7950 (Telephone)
(314) 212-5401 (Facsimile)



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Counsel for WorkNet Communications Inc.

Dated: February 29, 2000

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EXHIBIT LIST

EXHIBIT A Organizational Chart

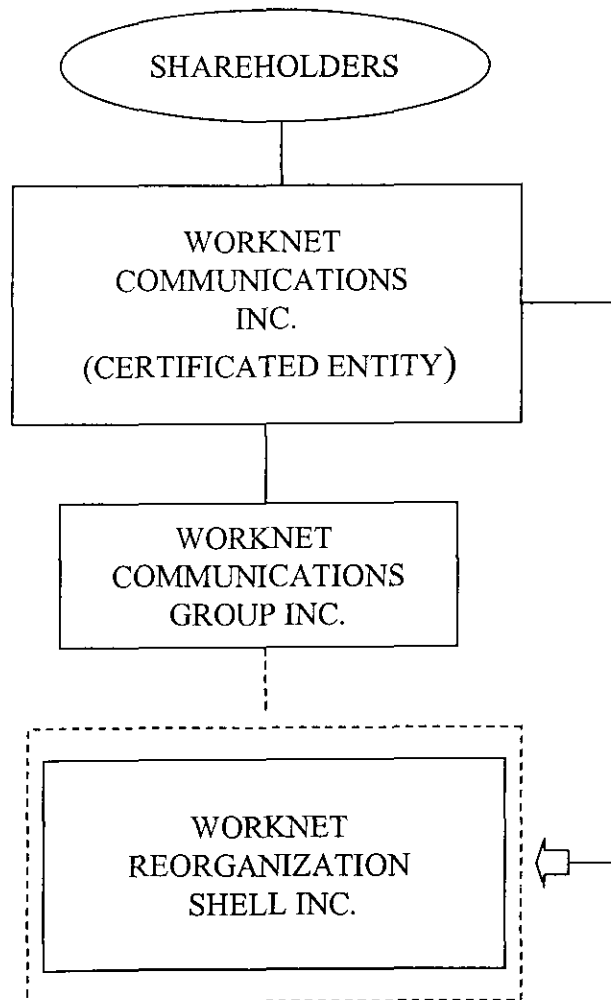
VERIFICATION

EXHIBIT A

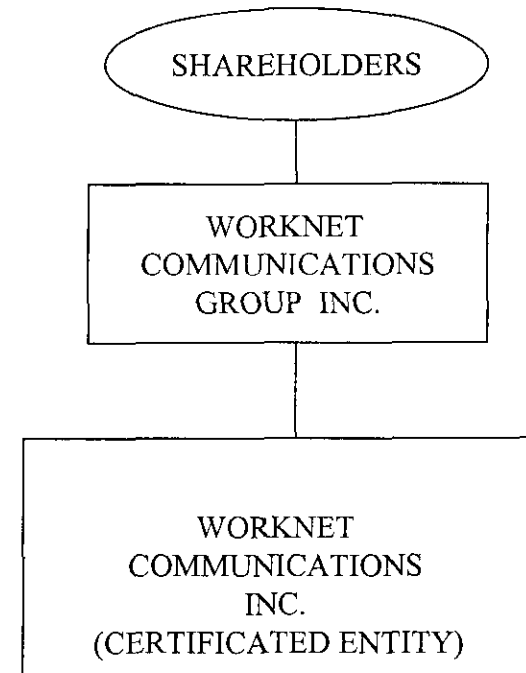
Organizational Chart

WORKNET COMMUNICATIONS INC.
PRO FORMA CORPORATE REORGANIZATION
ORGANIZATIONAL CHART

PRE-REORGANIZATION



POST REORGANIZATION

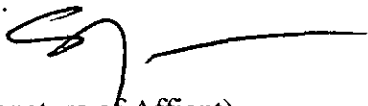


*WorkNet Reorganization Shell Inc.
does not survive the merger with
WorkNet Communications Inc.

VERIFICATION


State of Missouri)
) ss.
City of St. Louis)

Sanjay K. Jain makes oath and says that he is Chairman of WorkNet Communications Inc., that he has examined the foregoing application and that to the best of his knowledge, information, and belief, all statements of fact contained in the said application are true, and the said application is a correct statement of the business and affairs of the above-named applicant in respect to each and every matter set forth therein.


(Signature of Affiant)

Subscribed and sworn to before me, a Notary Public/
(Title of person authorized to administer oaths)

in the State and City above named, this 28 day of February, 2000.


(Signature of person authorized to administer oath)

My Commission expires: Aug 4, 2003.

