

10

(

(

1

(

1

authority to operate as a local exchange resale carrier in 20 states. LDM was granted a certificate of service authority to provide basic local telecommunications service in Case No. TA-98-199.

RSL is a Delaware corporation with its principal place of business at 5550 Topanga Canyon Boulevard, Suite 250, Woodland Hills, California 91367. According to the joint application, RSL is engaged in the provision of domestic intrastate interexchange, interstate and international telecommunications, and has authority by itself and through its wholly-owned subsidiaries to provide intrastate interexchange services in more than 30 states. A certificate of service authority to offer interexchange telecommunications services was issued to RSL on May 19, 1997 in Case No. TA-97-426.

The applicants did not file a copy of their Agreement, but stated that under the Agreement, RSL would acquire 100 percent of the issued and outstanding capital stock of LDM on a fully diluted basis from LDM shareholders. After the transfer of control, LDM would continue to operate as it has in the past, using the same name. RSL intends to retain all key LDM personnel, including certain senior management personnel. According to the applicants, the transfer of control would be transparent to and have no adverse impact upon LDM's customers. In Missouri, LDM would continue to hold the certificate of service authority and provide service to Missouri customers under its existing tariff. The application stated that transfer of control of LDM from its current shareholders to RSL would be in the public interest because combining LDM's and RSL's interests would enhance their ability to compete in the telecommunications market by offering more products and service options

and lower prices, and would enable them to operate more efficiently by achieving increased economies of scale.

The application did not include a certified copy of the resolutions of the boards of directors of RSL and LDM authorizing the sale of LDM's stock, as required by 4 CSR 240-2.060(9)(B). Therefore, on January 15, 1998, the Commission notified the applicants that their application would be subject to dismissal unless they filed certified copies of the required resolutions no later than February 17. On February 10, the applicants filed a certified copy of the Unanimous Written Consent of the Board of Directors of RSL (consent document). The consent document stated that RSL's directors "ratified, confirmed, adopted and approved in all respects" the LDM acquisition agreement dated December 2, 1997,<sup>1</sup> as revised on December 31. The consent document was executed on January 15, 1998.

The Staff of the Commission (Staff) filed its Memorandum on February 17, recommending approval of the Agreement. Staff stated that it has reviewed the application and believes that it meets the limited requirements of 4 CSR 240-2.060(9). Staff is unaware of any other filings which would affect or be affected by the proposal. According to Staff, the applicants did not submit a certified copy of an LDM board of directors' resolution because RSL has already acquired all of the shares of LDM shareholders and there was no resolution or other action taken by LDM itself to authorize the transaction.

The Commission has reviewed the joint application filed by RSL and LDM and the resolution of the board of directors of RSL filed on

---

<sup>1</sup> This agreement appears to be the same agreement which the application describes as being executed on "December 3."

February 10 and finds that the proposed sale of stock and transfer of control of LDM to RSL is in the public interest and should be approved.

The applicants' request for expedited treatment is denied because the applicants were not specific about the time period in which they sought to obtain approval.

**IT IS THEREFORE ORDERED:**

1. That the application filed by LDM Systems, Inc. and RSL Com U.S.A., Inc. is approved.

2. That RSL Com U.S.A., Inc. and LDM Systems, Inc. are authorized to enter into, execute, and perform in accordance with all necessary documents, and take all other actions, necessary to effectuate the stock acquisition and transfer of control contemplated by their application.

3. That RSL Com U.S.A., Inc. and LDM Systems, Inc. are directed to file a pleading with the Missouri Public Service Commission notifying the Commission of the closing date of the stock acquisition and transfer of control within 30 days after completion of the transactions authorized by this order or, if the transaction is already complete, no later than October 29, 1998.

4. That the applicants' request for expedited treatment is denied.

5. That this order shall become effective on October 9, 1998.

BY THE COMMISSION

A handwritten signature in black ink, reading "Dale Hardy Roberts". The signature is written in a cursive, slightly slanted style.

Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge

( S E A L )

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

Mills, Deputy Chief Regulatory Law Judge

RECEIVED

SEP 30 1998

COMMISSION COUNSEL  
PUBLIC SERVICE COMMISSION