

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Joint Application of)	
Talk America Holdings, Inc., Talk America, Inc.,)	
LDMI Telecommunications, Inc., and Cavalier)	
Telephone Corp. for Approval of an Indirect)	<u>Case No. TM-2007-0140</u>
Transfer of Control and Related Financing)	
Transactions)	

ORDER DIRECTING FILING

Issue Date: October 5, 2006

Effective Date: October 5, 2006

This order directs the Staff of the Commission to file a pleading informing the Commission when it will file its recommendation in this matter.

Talk America, Inc. ("Talk America") and LDMI Telecommunications, Inc. ("LDMI") are duly authorized to do business in Missouri as foreign corporations and have been certificated in Missouri as interexchange and local exchange telecommunications companies. Talk America and LDMI are subsidiaries of Talk America Holdings, Inc. ("TA Holdings"), a publicly-held, non-certificated Delaware corporation. Cavalier Telephone Corporation ("CTC") is a non-certificated Delaware corporation that serves primarily as a holding company for other business entities. CTC directly and wholly owns CavTel Holdings, LLC ("CavTel"), a non-certificated Delaware limited liability company. On October 2, 2006, TA Holdings and CTC filed a Joint Application seeking the Commission's approval of certain business transactions whereby CavTel will acquire indirect control of Talk America and LDMI by buying all the issued and outstanding shares of TA Holdings.

TA Holdings and CTC have requested expedited treatment, and ask that the Commission promptly commence its examination of the proposed transactions so the Commission can be in a position to approve them no later than December 10, 2006.

The Commission will order Staff to file a pleading informing the Commission when it will file its recommendation. This pleading shall also address the jurisdictional issues raised and discussed at some length in the Joint Application.¹

IT IS ORDERED THAT:

1. The Staff of the Commission shall file a pleading informing the Commission when it will file its recommendation no later than October 13, 2006.
2. This order shall become effective on October 5, 2006.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

Benjamin H. Lane, Regulatory
Law Judge, by delegation of authority
under Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 5th day of October, 2006.

¹ In their Joint Application, TA Holdings and CTC aver that the proposed transfer of ownership will not result in a transfer of the certificates, assets, or customers of Talk America or LDMI and will be seamless and transparent to Missouri consumers since Talk America and LDMI will continue to offer the services they currently offer with no change in the rates, terms, or conditions of service. For these reasons and others, TA Holdings and CTC observe that the proposed transactions may not be within the jurisdiction of the Commission. Cf. Order Dismissing Joint Application, Case No. TM-2006-0452 (issued June 13, 2006); Order Dismissing Joint Application, Case No. TM-2006-0289 (issued February 23, 2006).