

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the matter of the Joint Application of )  
Dialaround Enterprises Inc. and STi )  
Prepaid, LLC for Authority to Transfer )  
Assets )

Case No. TO-2007-0391

**STAFF RECOMMENDATION**

COMES NOW the Staff of the Public Service Commission, and for its recommendation in this matter, states:

1. On April 13, 2007, STi Prepaid, LLC and Dialaround Enterprises Inc. jointly filed an application seeking approval of the transfer of Dialaround Enterprises Inc.'s assets to STi Prepaid, LLC.

2. STi Prepaid, LLC has applied for a certificate of service authority in Case No. TA-2007-0390, and thus Staff's positive recommendation in this matter is contingent upon a grant of a certificate in that case. Dialaround Enterprises Inc. holds a certificate of service authority to provide intrastate interexchange telecommunications services from the Commission, granted in its order of February 20, 2003 in Case No. XA-2003-0241. If the Commission approves the application in this case, this certificate should be cancelled at its conclusion.

3. The transfer of assets is governed by Section 392.300 and 4 CSR 240-3.520. Applicable case law provides that the Commission may "not withhold its approval of the disposition of assets unless it can be shown that such disposition is detrimental to the public interest." *State ex rel. Fee Fee Trunk Sewer, Inc. v. Litz*, 596 S.W.2d 466, 468 (Mo.App. E.D. 1980), citing to *State ex rel. City of St. Louis v. Public Serv. Comm'n of Mo.*, 73 S.W.2d 393, 400 (Mo. banc 1934).

4. In the attached Memorandum, the Staff summarizes its review of the transaction between the Applicants, and concludes that the transfer of assets will not be detrimental to the public interest. Staff recommends that the Commission approve the *Application*.

5. As the customers involved in the transaction are prepaid calling card customers and cannot be identified, Staff has not recommended notice to customers as a prerequisite for approval.

**CANCELLATION OF DIALAROUND ENTERPRISES INC.'S  
CERTIFICATE AND TARIFF**

6. In the *Application*, the Applicant stated that at the conclusion of the transaction, Dialaround Enterprises Inc. will no longer be providing telecommunications services to consumers within Missouri and it will surrender its current authorization to the Commission after it has received all necessary regulatory approvals. See *Application* at page 4. Accordingly, Staff recommends that, should the Commission approve the application in Case No. TA-2007-0390 as well as the *Application* in this case, then Dialaround Enterprises Inc.'s certificate and tariff should also be cancelled.

WHEREFORE, Staff recommends that the Commission approve the *Application*, contingent upon its approval of STi Prepaid, LLC's application to obtain authority to provide telecommunications services in Missouri in Case No. TA-2007-0390; and if it approves the applications, then Staff recommends the Commission also cancel the certificate and tariff of Dialaround Enterprises Inc.

Respectfully submitted,

/s/ David A. Meyer

David A. Meyer

Senior Counsel

Missouri Bar No. 46620

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Missouri Public Service Commission

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### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 17<sup>th</sup> day of May 2007.

/s/ David A. Meyer

## Memorandum

To: Missouri Public Service Commission Official Case File  
Case No. **TO-2007-0391**

From: A. P. Kuss, Telecommunications Department

William Voight                      05/11/07

Utility Operations Division/Date

David A. Meyer                      05/17/07

General Counsel's Office/Date

**Subject: Staff Recommendation for Application Seeking Commission Approval of  
Competitive Company Transaction**

Date: May 11, 2007

**The Telecommunications Department Staff (Staff) recommends the Commission (check, as applicable):**

☐ Approve Merger   ☐ Approve Consolidation   ☒ Approve Sale of Assets   ☐ Approve Name Change  
☒ Cancel Certificate(s) & Tariff(s)                      ☐ Approve Certificate(s) & Tariff(s)

According to Commission rules, competitively classified companies are required to provide minimal information in applications to merge, consolidate or sell/transfer assets. Based on the information provided to Staff, Staff does not believe this particular transaction will be detrimental to the public interest. This transaction involves competitively classified companies and is not detrimental to the public interest since a customer has / will receive advance notice and can freely switch to another provider. The following chart summarizes this transaction.

Companies Involved in Transaction	Customer Served By ("X", if applicable)		Sale of Assets ("X", if applicable)		Certificates* (If applicable, indicate "C" to cancel, "A" to approve)			Tariffs* (If applicable, indicate Tariff PSC MO Nos.)	
	Before	After	Seller	Buyer	IXC	Local	Basic Local	Cancel	Approve
STi Prepaid, LLC (STi)				X	*				*
Dialaround Enterprises, Inc. (DEI)			X		C			C	

\* See attachment to Staff Recommendation for further details associated with approving certificates or tariffs.

**Merger, Consolidation, Sell or Transfer Assets**

Will affected customers be switched to a different company? (See Attachment). ☐ No ☒ Yes

☐ Customers have been adequately notified of the transaction and a copy of the notification has been attached to the Application.

**Company Name Change Notification**

☐ Company has notified its customers of the name change. A copy of the customer notice is attached.

☐ Staff recommends the Commission order the Company to notify its customers at or before the next billing cycle of the name change and file a copy of the notice with the Commission.

Does this transaction involve a company in bankruptcy?

☒ No

☐ Yes

If yes, a copy of the bankruptcy order is attached.

**Competitive Company Transaction Review Items****Administrative:**

☒ Application solely involves competitively classified companies.

☒ No applications to intervene filed.

**Noteworthy Transaction Application Requirements of 4 CSR 240-3.520 and 4 CSR 240-3.525:**

☒ Will have no impact on tax revenues pursuant to 4 CSR 240-3.520(F) or 4 CSR 240-3.525(F)

☒ Appropriate Secretary of State authorization has been submitted for any applicant (or if previously submitted, reference to prior case number). Case Nos. TA-94-153 (NOSVA) and XA-2003-0576 (RRN).

*Missouri corporations:* A Certificate of Good Standing.

*Foreign corporations:* Authorization to do business in Missouri.

*If business conducted under a fictitious name:* A copy of registration of the fictitious name.

☒ No pending or final judgments/decisions described in 4 CSR 240-2.060(1)(K).

☒ A statement that no annual report or assessment fees are overdue for any applicant.

**Are there additional recommendations or special considerations?**

☐ No

☒ Yes

If yes, explain in an Attachment.

☒ The Companies are not delinquent in filing Annual Reports or paying PSC Assessments.

☐ A Company is delinquent. Staff recommends the Commission grant the requested relief/action on the condition the applicant corrects the delinquency. The applicant should be instructed to make the appropriate filing in this case after it has corrected the delinquency.

☐ No Annual Report

☐ Unpaid PSC Assessment. Amount owed:

**Attachment:**

1. Dialaround Enterprises Inc. (DEI) is a Competitive Interexchange Carrier (IXC), certificated to provide Interexchange service in Missouri under Case No. XA-2003-0241.
2. STi Prepaid, LLC (STi) has applied for a Certificate to provide Interexchange service in Missouri and submitted a proposed tariff under Case No. TA-2007-0390, currently before the Commission.
3. DEI provides Interexchange service under its PSC Mo.-No. 1 Long Distance Telecommunications Services Tariff.
4. Following this transaction, the Certificate to Provide Service and Tariff of DEI are to be cancelled.
5. DEI representatives report that there are no presubscribed customers currently served by DEI in Missouri. As there are no identifiable Missouri customers that will be affected by this transaction, no notification to customers is necessary.
6. STi does not propose to adopt DEI tariffs. STi representatives have stated that the transaction will be transparent to existing customers.

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**AFFIDAVIT OF Arthur P. Kuss**

STATE OF MISSOURI )  
 ) ss:  
COUNTY OF COLE )

Arthur P. Kuss, employee of the Staff of the Missouri Public Service Commission, being of lawful age and after being duly sworn, states that he has participated in the preparation of the accompanying Memorandum, and that the facts therein are true and correct to the best of his knowledge and belief.

*Arthur P. Kuss*

Arthur P. Kuss

Subscribed and affirmed before me this 11<sup>th</sup> day of May, 2007.

I am commissioned as a Notary Public within the County of Callaway, State of Missouri  
and my commission expires on September 21, 2010



SUSAN L. SUNDERMEYER  
My Commission Expires  
September 21, 2010  
Callaway County  
Commission #06942086

*Susan L. Sundermeyer*  
NOTARY PUBLIC