

**FISCHER & DORITY**  
PROFESSIONAL CORPORATION

James M. Fischer  
Larry W. DORITY

Attorneys at Law  
Regulatory & Governmental Consultants

101 Madison, Suite 400  
Jefferson City, MO 65101  
Telephone: (573) 636-6758  
Fax: (573) 636-0383

July 25, 2002

**FILED<sup>3</sup>**

**JUL 25 2002**

**Missouri Public  
Service Commission**

Secretary of the Commission  
Missouri Public Service Commission  
200 Madison Street, Suite 100  
P.O. Box 360  
Jefferson City, Missouri 65102-0360

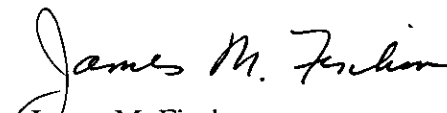
RE: *In Re: Application of Legent Communications Corporation d/b/a Long Distance America for Approval to Transfer Certain Assets to CEO Telecommunications, Inc.*

Dear Mr. Roberts:

Enclosed for filing in the above-referenced matter are the original and eight (8) copies of the Application of Legent Communications Corporation d/b/a Long Distance America. A copy of the foregoing Application has been hand-delivered or mailed this date to each party of record.

Thank you for your attention to this matter.

Sincerely,

  
James M. Fischer

/jr  
Enclosures

cc: Office of the Public Counsel  
Dana K. Joyce, General Counsel

**FILED<sup>3</sup>**

**JUL 25 2002**

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

**Missouri Public  
Service Commission**

IN RE: )  
 )  
APPLICATION OF )  
**LEGENT COMMUNICATIONS CORPORATION** )  
d/b/a **LONG DISTANCE AMERICA** ) CASE NO. \_\_\_\_\_  
FOR APPROVAL TO TRANSFER )  
CERTAIN ASSETS TO )  
**CEO TELECOMMUNICATIONS, INC.** )

**APPLICATION**

**COME NOW** Legent Communications Corporation d/b/a Long Distance America ("Legent") and CEO Telecommunications, Inc. ("CEO," f/k/a L. D. Services, Inc.) (jointly "Applicants"), pursuant to Section 392.300 RSMo. 2000 and 4 CSR 240-2.060(7), and hereby respectfully request Missouri Public Service Commission ("Commission") authority to effect an acquisition and transfer of certain assets currently owned by CEO to Legent. Applicants seek such Commission authority to enable Legent to begin serving CEO subscribers in Missouri immediately upon a grant of the instant Application. Legent does *not* seek a transfer of CEO's Certificate of Service Authority. CEO contemporaneously seeks authority to cease its provision of telecommunications services in Missouri with the grant of this Application. In support of this Application, Applicants state as follows.

**I. IDENTIFICATION OF APPLICANTS**

1. The full legal name, address, telephone number and facsimile number of Applicants are:

Legent Communications Corporation  
8001 Irvine Center Drive, Suite 1140  
Irvine, CA 92618

Telephone: 949.753.7000  
Facsimile: 949.753.7267

- and -

CEO Telecommunications, Inc.  
223 East De La Guerra Street  
Santa Barbara, CA 93101

Telephone: 805.963.1619

Communications concerning this Application should be directed to

James M. Fischer, Esq.  
FISCHER & DORITY, P.C.  
101 Madison Street, Suite 400  
Jefferson City, Missouri 65101  
Telephone: (573) 636-6758  
Facsimile: (573) 636-0383

- and -

Andrew O. Isar  
Miller Isar, Inc.  
7901 Skansie Avenue, Suite 240  
Gig Harbor, Washington 98335

Telephone: 253.851.6700  
Facsimile: 253.851.6474

## **II. DESCRIPTION OF APPLICANTS**

2. **Legent.** Legent is a non-dominant interexchange telecommunications service provider formed under the laws of the State of California on May 14, 2001. Legent was granted Certificate of Service Authority to provide intrastate interexchange telecommunications services in Missouri on April 14, 2002 in Case No. TA-2002-375. Legent's managerial, technical, and financial ability to provide resold interexchange telecommunications services are a matter of record with the Commission. A copy of Legent's Certificate to Transact Business as a Foreign Corporation was filed in Case No. TA-2002-375, and is incorporated herein by reference.

3. **CEO.** CEO is a non-dominant interexchange telecommunications service provider formed under the laws of the State of California. CEO was granted Certificate of Service Authority to provide intrastate interexchange telecommunications services in Missouri ("Certificate") under the name L. D. Services, Inc. in Case No. TA-95-314. On January 18, 2000, the Commission granted CEO authority to merge with L D Services, Inc. in Case No. TM-2000-157.<sup>1</sup> CEO's Certificate remains in good standing with the Commission. CEO continues to provide competitive resold telecommunications services to less than 500 subscribers in Missouri. CEO is unaware of any pending or potential customer complaints associated with the Company's provision of service in Missouri. A copy of CEO's<sup>2</sup> Certificate to Transact Business as a Foreign Corporation was filed in Case No. TA-95-314, and is incorporated herein by reference.

### **III. DESCRIPTION OF CEO'S SALE OF ASSETS TO LEGENT**

4. Legent and CEO have executed an Asset Purchase Agreement, dated July 20, 2001, pursuant to which CEO sold certain assets to Legent. This transaction is predicated on applicable regulatory approval.

5. Under the terms of the Asset Purchase Agreement, in exchange for consideration, Legent acquired from CEO CEO's base of customers and related data, databases, and customer records needed to support the provision of interexchange telecommunications services to CEO subscribers. CEO will continue to provide interexchange long distance telecommunications services to all customers affected by the transaction pursuant to CEO's existing tariff and operating Certificate until the instant Application is granted by the Commission.

---

<sup>1</sup> *In the Matter of the Application of L.D. Services, Inc. and CEO Telecommunications, Inc., for an Order Authorizing the Merger of L.D. Services, Inc., and CEO Telecommunications, Inc.*, Case No. TM-2000-157 (January 18, 2000).

<sup>2</sup> Then L.D. Services, Inc.

6. Upon the grant of the instant Application, Legent will assume all managerial, technical, and financial responsibilities in connection with the operation of the retail interexchange long distance assets in order to provide interexchange long distance telecommunications services to CEO customers in Missouri. In this regard, Legent further requests contemporaneous Commission authority to allow Legent to adopt CEO's Missouri P.S.C. Tariff No. 1, in its entirety, as Legent Missouri P.S.C. Tariff No. 2. Such authority is requested in order to maintain a seamless transition of CEO subscribers to Legent in the most expeditious and cost effective manner, while enabling Legent to remain fully compliant with its regulatory obligations. Alternatively, Legent will incorporate CEO's service offerings into its Missouri tariff, thereby enabling the customers affected by the transaction to obtain the same services from Legent under current rates, terms and conditions until such time as CEO subscribers have been migrated onto Legent rate plans. CEO will cease offering telecommunications services to its Missouri customers upon the grant of the instant Application.

7. CEO requests further that upon such authority being granted, that CEO's Certificate of Service Authority and tariffs be cancelled by the Commission. CEO shall maintain responsibility for the timely resolution of any complaints or issues that may arise through Commission approval of this transaction. The transfer of assets from CEO to Legent will not result in any interruption or diminution in the quality of service provided to customers in Missouri and will be essentially transparent to such customers.

8. Written notice of the proposed asset transfer was provided to CEO customers via First Class United States mail on or about June 7, 2002, pursuant to section 64.1120(e), Verification of

Orders for Telecommunications Services, as amended, of Federal Communications Commission rules.<sup>3</sup> A copy of the Customer Notification has been attached hereto at **Exhibit A**.

9. Applicants seek Commission authority for Legent to acquire, and for CEO to sell and transfer, the stated CEO assets to Legent, in accordance with the terms of Applicants' Asset Purchase Agreement. The transaction for which authority is sought is exclusively an acquisition of assets and does not involve a merger or consolidation, nor does the transaction require financing. Applicants state that the proposed asset acquisition is intended exclusively to enable Legent to provide resold intrastate, interstate, and international interexchange telecommunications services to current CEO subscribers as new Legent subscribers.

#### **IV. INAPPLICABILITY OF CARRIER VERIFICATION RULES**

10. For the exclusive purpose of this asset transfer, the Applicants request that Commission rules and/or policies governing verification of telecommunications service provider rules, 4 CSR 240-33.150, *Verification of Orders for Changing Telecommunications Service Provider*, be deemed inapplicable, or alternatively waived. Because the transfer of CEO assets does not constitute a change in CEO subscribers' primary carrier, but rather a transfer of service from CEO to Legent as the primary carrier, a primary interexchange carrier change will not occur. No additional verification associated with Legent's acquisition of CEO assets is, therefore, necessary as Legent in effect takes the place of CEO as the subscribers' primary interexchange carrier. CEO subscriber primary carrier selections were verified at the time CEO subscribers elected CEO as their primary carrier, in accordance with Federal Communications Commission primary carrier

---

<sup>3</sup> 47 C.F.R. §64.1120(e). *In the Matter of 2000 Biennial Review – Review of Policies and Rules Concerning Unauthorized Changes of Consumers Long Distance Carriers; Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996; Policies and Rules Concerning Unauthorized Changes of Consumers Long Distance Carriers*, CC Docket Nos. 00-257, 94-129, *First Report and Order in CC Docket No. 00-257 and Fourth Report and Order in CC Docket No. 94-129*, FCC 01-156 (rel. May 15, 2001).

verification rules,<sup>4</sup> and Commission rules. A second verification of the customer's primary carrier subscription is unnecessary and will accord subscribers no added protection, while potentially contributing to subscriber confusion.

11. As noted *Supra*, notice of the transaction pursuant to Federal Communications Commission Verification of Orders for Telecommunications Services rule, 47 CFR §64.1120(e), was provided to CEO subscribers via First Class United States mail on or about June 7, 2002. The subscriber notification informs subscribers *inter alia*, of the pending change in service provider, of the fact that no action is required on the subscriber's part, that no cost is to be incurred by the subscriber, and that the subscriber may elect an alternative carrier of his or her choosing. A copy of the subscriber notice and letter certifying compliance with the federal Verification of Orders for Telecommunications Services rule, 47 CFR §64.1120(e), is attached hereto at **Exhibit A**. Such notification virtually eliminates any potential for any unfounded slamming allegations.

#### **V. PUBLIC INTEREST, CONVENIENCE AND NECESSITY**

12. Commission approval of CEO's sale to Legent of the interexchange long distance telecommunications assets is in the public interest. The infusion of CEO's interexchange long distance telecommunications service assets into Legent's existing operations will allow Legent to expand its operations and to achieve economies of scale, thus enhancing Legent's ability to compete in the Missouri market for telecommunications services. Missouri consumers will benefit from the expanded availability of innovative and economic long distance telecommunications products and service options.

---

<sup>4</sup> 47 C.F.R. §64.1100 *et seq.*, Changes in Subscriber Carrier Selections.

**VI. NO TAX IMPACT**

13. The proposed transfer of assets will have no impact upon the revenues of the political subdivisions in which any structure, facility or equipment of the companies involved are located.

**VII. NO PENDING ACTION OR FINAL UNSATISFIED JUDGMENTS**

14. The Applicants have no pending actions or final unsatisfied judgments or decisions against them from any state or federal agency or court which involve customer service or rates, which action, judgment or decision has occurred within three (3) years of the date of the Application.

**VIII. NO OVERDUE ANNUAL REPORTS OR ASSESSMENT FEES**

15. The Applicants have no overdue annual reports or assessment fees due in Missouri.

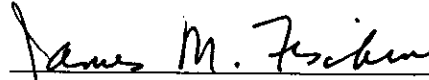
**IX. REQUEST FOR WAIVER OF HEARING**

16. Inasmuch as time is of the essence, CEO respectfully requests expeditious approval of the Application as soon as possible.

**WHEREFORE**, Applicants Legent Communications Corporation d/b/a Long Distance America and CEO Telecommunications, Inc. respectfully request the Commission to issue its Order Approving CEO's sale of certain long distance telecommunications service assets, including CEO's customer base, to Legent; authorizing CEO to discontinue providing telecommunications services in Missouri; waiving the requirements of the Commission rules, as specifically requested herein; and granting such other relief as is reasonable in the circumstances.



Respectfully submitted,



James M. Fischer, Esq. MBN 27543

FISCHER & DORITY, P.C.

101 Madison Street, Suite 400

Jefferson City, Missouri 65101

Telephone: (573) 636-6758

Facsimile: (573) 636-0383

E-mail: [jfischerpc@aol.com](mailto:jfischerpc@aol.com)

Attorney for Applicants

### CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered or mailed, First Class, postage prepaid, this 25<sup>th</sup> day of July 2002, to:

Office of the Public Counsel

P.O. Box 7800

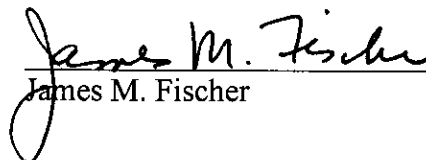
Jefferson City MO 65102

Dana K. Joyce, General Counsel

Missouri Public Service Commission

P.O. Box 360

Jefferson City MO 65102



James M. Fischer

## VERIFICATION

STATE OF CALIFORNIA §  
COUNTY OF ORANGE §

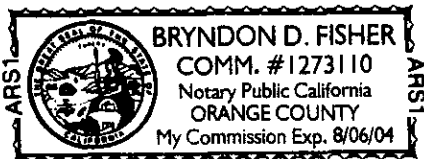
I, Scott A. White, hereby declare under penalty of perjury, that I am the President of Legent Communications Corporation d/b/a Long Distance America, ("Legent"); that I am authorized to make this verification on behalf of Legent; that I have read the foregoing Application; and that the facts stated therein are true and correct to the best of my knowledge, information and belief.



\_\_\_\_\_  
Scott A. White  
President  
Legent Communications Corporation  
d/b/a Long Distance America

State of California  
County of Orange

Subscribed and sworn to before me on July 15, 2002.  
WITNESS my hand and official seal.



NOTARY SEAL

  
\_\_\_\_\_  
Bryndon D. Fisher, Notary Public

This certificate is attached to a Verification, dated July 15, 2002.

STATE OF CALIFORNIA

)

)

ss.

COUNTY OF SANTA BARBARA

)

VERIFICATION

I, Eric Bohman, being first duly sworn and deposed, state that I am an officer of CEO Telecommunications, Inc. and I am authorized to make this Verification on its behalf.

The statements in the foregoing document concerning CEO Telecommunications, Inc. are accurate and true of my own knowledge, except as to any matters therein stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 18 day of June, 2002 at Santa Barbara, California.

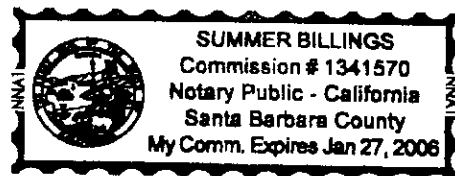
Eric Bohman  
(Signature of Officer)

Eric Bohman, Esq.  
Printed Name of Officer

Corporate Secretary  
Title

Subscribed and sworn to before me this 18 day of June, 2002

Summer Billings  
Notary Public in and for the state of California,  
residing at: Santa Barbara  
My commission expires: 1, 27, 2006





## IMPORTANT CUSTOMER NOTICE

LEGENT COMMUNICATIONS CORPORATION [D/B/A LONG DISTANCE AMERICA] WILL  
BEGIN PROVIDING YOUR LONG DISTANCE SERVICE FOLLOWING REGULATORY  
APPROVALS. SERVICE AND RATES WILL NOT BE AFFECTED

Dear Customer:

Legent Communications Corporation [d/b/a Long Distance America] (Legent) is pleased to announce its acquisition of the assets of CEO Telecommunications, Inc. d/b/a Long Distance Services\*, your present provider of long distance services. Your current service features and rates WILL NOT CHANGE. This acquisition will enable you to begin receiving the highest quality telecommunications services available and responsive customer service from Legent, a company with more than a decade of telecommunications experience.

This change is expected to occur within 30 to 60 days, pending approval by the state public utility/public service commission. There is no cost associated with the transfer of your service to Legent. You will continue to receive your current long distance services and features with no change in rates. A summary of Legent's full service offerings with terms and conditions can be found at [www.ldservices.info](http://www.ldservices.info), or by calling 888-478-8724. We have taken all necessary steps to ensure a seamless transition of your long distance services to Legent. If you have any questions, please contact us at: **Legent Communications Corporation, P.O. Box 50008, Irvine, CA 92619-0008 or 1.888.478.8724.**

We soon expect to introduce new and innovative products and services designed to bring you added value and savings. You should be aware that you have an option to change long distance provider. If you would like to change service providers, you should do so on or before July 15, 2002, otherwise your service will automatically convert to Legent following regulatory approval. Any future changes in rates, terms, and conditions of service will be made in accordance with applicable Federal Communications Commission and state regulatory commission regulations. Legent will not be responsible for any pending regulatory complaints filed before Legent begins providing your service. The disposition of those complaints remains the responsibility of CEO Telecommunications, Inc. If you have any questions regarding outstanding complaints, you may contact your state's regulatory commission consumer affairs division.

On behalf of Legent and its dedicated employee team, welcome as a new Legent customer. We realize you have a choice of providers and appreciate your business.

Sincerely,

Legent Communications Corporation [d/b/a Long Distance America]

Scott A. White  
President

\* where available

P.O. Box 50008, Irvine, CA 92619-0008  
Phone 949-753-7000 - Fax 949-753-7267