Lance J.M. Steinhart

Attorney At Law 6455 East Johns Crossing Suite 285 Duluth, Georgia 30097

Also Admitted in New York and Maryland

Telephone: (770) 232-9200 Facsimile: (770) 232-9208

July 10, 1999

VIA AIRBORNE EXPRESS

Mr. Dale Roberts Chief ALJ and Executive Secretary Missouri Public Service Commission P.O. Box 360 Jefferson City, Missouri 65102

Re: Common Concerns, Inc.

1M-2000-18 FILED

JUL 1 3 1999

Missouri Public Service Commission

Dear Mr. Roberts:

Enclosed please find one original and fourteen (14) copies of Common Concerns, Inc.'s Application for Authority for an acquisition by Washoe Technology Corporation.

I have also enclosed an extra copy of this letter to be date stamped and returned to me in the enclosed, self addressed, postage prepaid envelope.

If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me.

Please note that this Application is being submitted by myself and Judith A. Rau, Esq., Missouri Counsel, Bar # 24856.

Respectfully submitted,

Lance J.M. Steinhart

Attorney for Common Concerns, Inc.

Enclosures

cc: Mr. Don Reese

Office of Public Counsel

FILED
JUL 1 3 1999

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the matter of the application)	Missouri Public Service Commission
of Common Concerns, Inc.)	Service Commission
and Washoe Technology Corporation)	
for authority for)	Case No. TM 99 2000-18
Acquisition of Common Concerns, Inc.)	
by Washoe Technology Corporation)	

APPLICATION TO ACQUIRE CONTROL

Common Concerns, Inc. ("Common Concerns") and Washoe Technology Corporation ("Washoe"), hereinafter collectively referred to as Applicants, by their attorney, hereby file this verified application respectfully requesting that the Missouri Public Service Commission ("Commission") issue an order that grants Applicants approval to effectuate a transfer of Control of Common Concerns, Inc. to Washoe, pursuant to Chapter 392, Section 392.300 of the Missouri Revised Statutes.

Common Concerns will not modify its currently effective tariff as a result of this transaction and will continue to operate under as a wholly-owned subsidiary of Washoe and will remain the holder of its certification. Common Concerns' current customers will not be adversely affected by the proposed acquisition. The transfer of stock will be made in a seamless fashion that will not affect the provision of telecommunications services in Missouri. The rates, terms, and conditions currently available to Common Concerns customers will not change as a result of the transaction. Applicants respectfully request expedited treatment of this application.

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- 1. Common Concerns, Inc. is a privately-held Delaware corporation whose principal offices are located at 2722 Eastlake Avenue East, Suite 200, Seattle, Washington 98102. Common Concerns holds a Certificate of Service Authority to Provide Interexchange Telecommunications Services in Missouri, and is classified as a competitive telecommunications company, pursuant to Case No. TA-96-417, effective on August 21 1996.
- 2. In addition to the services it provides to Missouri customers, Common Concerns currently is authorized to provide intrastate services in 45 states, pursuant to certification, registration, notification, tariff requirements, or on an unregulated basis.

 Common Concerns is also authorized by the Federal Communications Commission ("FCC") to provide domestic interstate and international services as a non-dominant carrier in all 50 states and the District of Columbia.
- 3. Information concerning Common Concerns' legal, technical, managerial and financial qualifications to provide service, and a tariff of its Missouri rates and charges, was submitted with Common Concerns' application for certification filed with the Commission, and is, therefore, already a matter of record at the Commission, and is made part hereof by reference. A copy of Common Concerns' most recent financial statements is attached hereto as Exhibit 1.

- 4. Washoe Technology Corporation is a privately-held Nevada corporation, whose principal offices are located at 657 Main Street, Suite 301, Passaic, New Jersey 07055. Washoe is not currently a provider of local and long distance telecommunications services. Washoe, which is essentially a start-up company, has a management team with extensive telecommunications and business experience, and is well funded.
- 5. Information concerning Washoe's technical and managerial qualifications to provide service is set forth in the resume information which is attached hereto as Exhibit 2.
- 6. Information concerning Washoe's financial qualifications to provide service is set forth in the financial statements for the year ended April 30, 1999, a copy of which is attached hereto as Exhibit 3.
- 7. A copy of the "Letter of Intent" for Washoe' acquisition of Common Concerns is attached hereto as Exhibit 4. Pursuant to this proposed transaction, Washoe will acquire 100% of Common Concerns' issued and outstanding stock for cash.

Following the transfer of control to Washoe, Common Concerns will continue to provide services pursuant to the terms and conditions set forth in Common Concerns' tariff which is on file with the Commission. Therefore, the quality of service to customers shall be maintained and the transaction contemplated herein will be transparent to customers. Applicants expect that the proposed transfer of control will provide Common Concerns with greater operating flexibility to pursue operating purposes, including, without limitation, (a) expansion of Common Concerns' telecommunications networks; (b) improvement of customer service, billing, financial reporting and other management information systems; (c) possible acquisitions, future investments or strategic alliances; and (d) access to additional

working capital. Washoe currently owns no interest in Common Concerns.

- 8. Common Concerns has no pending or final decisions or judgments against it from any state or federal agency involving service to customers or rates charged.
- 9. The proposed transaction will have no impact on the tax revenues of the political subdivision in which any structures, facilities or equipment of the companies are located.
 - 10. The designated contact for questions concerning this application is:

Lance J.M. Steinhart Attorney at Law 6455 East Johns Crossing, Suite 285 Duluth, Georgia 30097 (770) 232-9200 (Telephone) (770) 232-9208 (Facsimile)

The name and address of Applicants' in-state attorney is:

Judith A. Rau, Esq. Rau & Rau 1007 Olive Street, 5th Floor St. Louis, Missouri 63101

PUBLIC INTEREST CONSIDERATIONS

11. Consummation of the proposed transaction will serve the public interest in promoting competition among long distance carriers by providing Applicants with the opportunity to strengthen its competitive position. The proposed transaction will enable Applicants to pursue its marketing and business plans more effectively. Moreover, after consummation of the transaction, Common Concerns will have access to additional working capital. The proposed transfer of control, therefore, will benefit the public interest by enhancing Applicants' operational flexibility and efficiency as well as its financial viability.

CONCLUSION

12. For the reasons stated in this Application, Applicants respectfully request that the Missouri Public Service Commission approve the acquisition of control of Common Concerns by Washoe described herein.

Respectfully submitted,

Washoe Technology Corporation

Common Concerns, Inc.

By:

Lance J.M. Steinhart Attorney at Law 6455 East Johns Crossing Suite 285 Duluth, GA 30097 (770) 232-9200 (770) 232-9208

Judith A. Rau, Esq.

Rau & Rau

1007 Olive Street, 5th Floor St. Louis, Missouri 63101

(314) 231-3323

Missouri Bar No. 24856

Attorneys for Applicants

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

STATE OF WASHINGT	ON]
COUNTY OF KING	

VERIFICATION

I, Don Reese, being duly sworn, declare that I am the Treasurer of Common Concerns, Inc., one of the Applicants. I verify that, based upon information and belief, I have knowledge of the statements in the foregoing Application, and I declare that they are true and correct.

Don Reese

Sworn to before me, the undersigned Notary Public on this 12 day of Xuly, 1999.

AGELOW CTARY OF NOTARY OF WASHING

Notary Public

Lia Yagelowich

Print or Type Name

My commission expires:

8-19-02

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

STATE OF NEW JERSEY	;
COUNTY OF PASSAIC	j
Pasaic)

VERIFICATION

I, Thomas J. Vrabel, being duly swom, declare that I am the President of Washoe Technology Corporation, one of the Applicants. I verify that, based upon information and belief, I have knowledge of the statements in the foregoing Application, and I declare that they are true and correct.

Thomas J. Vrabel

Sworn to before me, the undersigned Notary Public on this 13th day of 1999.

Notary Public

Print or Type Nume

My commission expires:

ATTACHMENTS

- 1. COMMON CONCERNS' FINANCIAL STATEMENTS
- 2. WASHOE'S MANAGEMENT INFORMATION
- 3. WASHOE'S FINANCIAL STATEMENTS
- 4. LETTER OF INTENT

EXHIBIT 1. COMMON CONCERNS' FINANCIAL STATEMENTS

See Attached

COMMON CONCERNS INC Income Statement For Period Ending 01-01-98 - 12-31-98

	\$ 6,641.16	4.2	ية بي	
REVENUE - OLYMPIC TEL BILLING	151,793.74	95.8	. Hand 数	rest to the
Net Revenues			158,434.90	100.0
Cost of Goods: TELCO CHARGES	40,996.75	25.9		, .
Total Cost of Goods			40,996.75	25.9
Gross Margin		\$	117,438.15	74.1
General Expenses: ADVERTISING DEPRECIATION EXPENSE AMORTIZATION EXPENSE FURN & EQUIP - NON CAPITAL INSURANCE EXPENSE FINANCE & LATE CHARGES FREIGHT & POSTAGE LICENSE & PERMITS APPLICATION FEES OFFICE EXPENSES LEGAL FEES ACCOUNTING FEES PAYROLL EXPENSES TELEPHONE EXP - ADMIN MEALS & ENTERTAINMENT INTEREST INCOME DIVIDEND INCOME STATE EXCISE/UTILITY TAXES STATE TAXES - OTHER OTHER TAXES	18,000.00 1,821.17 27,639.32 2,188.36 35.59 546.19 7,992.31 1,498.75 643.58 1,826.97 20,995.00 38,014.08 386.76 644.22 (6,500.00) (30.62) 427.47 1,066.40 916.80	11.4 17.4 10.8 00.3 00.4 13.0 00.3 00.4 13.0 00.3 00.4 13.0 00.3 00.3 00.3 00.3 00.3 00.3 00.3		
Total General Expenses		\$	119,388.56	75.4
Net Profit		\$	(1,950.41)	(1.2)
		=====	*********	

COMMON CONCERNS INC Balance Sheet As of 12-31-98

Așsets:

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Total Assets		\$	223,469.93
Total Fixed Assets		\$	3,835.19
Fixed Assets: ELECTRONIC EQUIPMENT ACCUM DEPREC - ELECTR EQUIP COVENANTS & INTANGIBLE ASSETS ACCUM AMORTIZ - INTANGIBLES ORGANIZATION COSTS ACCUM AMORTIZ - ORG COSTS	9,485.26 (6,753.50) 1,095.00 (116.20) 276.95 (152.32)	,	
ACCUM AMORTIZ - START-UP COST INTERCO REC/PAY - MIRAGE INTERCO REC/PAY - ISLANDS TEL INTERCO REC/PAY - QLYMPIC TEL INTERCO REC/PAY - AUSTRALIA Total Current Assets	(68,792.78) 101,237.00 6.60 47,616.74 7.80	\$	219,634.74
Current Assets: CASH - AEA BANK START-UP COSTS	\$ 1,973.67 137,585.71		· .

COMMON CONCERNS INC Balance Sheet As of 12-31-98

Liabilities and Equity:

Liabilities:

Current Liabi		
Total Current	Liabilities	

0.00

Long-Term Liabilities: NOTES PAYABLE - EISENBERG NOTES PAYABLE - KADOWAKI NOTES PAYABLE - MCGINNIS 28,975.00 288,972.22

75.00 Total Long-Term Liabilities 318,022.22

Total Liabilities 318,022.22

Stockholders Equity: COMMON STOCK 1,000.00 (323,879.66) RETAINED EARNINGS CAPITAL CONTRIBUTIONS 230,277.78 NET PROFIT (1,950.41)

(94,552.29)Total Stockholders Equity

Total Liabilities and Equity 223,469.93

COMMON CONCERNS, INC.

STATEMENT OF CASH FLOW FOR 1998

Sources of Cash:

Cash Flow from Operations:

Telephone revenues received	\$ 158,434.90
Less: Cash outflow for teleco charges	(40,996.75)
Less: Cash outflow for expenses and taxes	(96,458.69)

Increase in cash resulting from operations	\$ 20,979.46
Refund of Frontier Telco Deposit	100,000.00
Interest received on Frontler Telco Deposit	6,500.00
Sale of Horizon Pacific Investments plus interest	1,135.42
Proceeds from Issuance of Long Term Debt	1,500.00
Total Sources	\$ 130,114.88

Cash was applied to:

Purchase of Intangibles	\$ 380.00	
Increase of Intercompany Receivables	133,150.61	

Net Decrease in Cash for 1998	\$ (3,415.73)

Unaudited - For Internal Use Only Prepared by Dave Erickson - 3/1/99

Filename: CF98CCI.xls

EXHIBIT 2. WASHOE'S MANAGEMENT INFORMATION

See Attached

Thomas J. Vrabel - President

Thomas J. Vrabel has been the President of Washoe Technology Corporation since its inception in 1993. Prior to that, he had 30 years of experience in the data processing and data communications industry holding various sales and management positions. He is also the founder and President of Selmar Systems, Inc., a telecommunications consulting and systems design firm, and has substantial background in provisioning, billing, collections, and customer service systems architectural design and implementation.

Armando Medina - Chief Technology Officer

Armando Medina has over 10 years experience in the Data Processing / Telecommunications industry with project management responsibility for designing and implementing large scale database systems utilizing both on-line real time and internet environments. Mr. Medina has just finished a three (3) year assignment as Senior Systems Analyst at National Tele-Communications, Inc., a major telecommunications services and long distance provider, overseeing the development and operation of core provisioning, billing, rating, collections, customer service and regulatory reporting systems.

Christopher LeFebvre - Vice President of Networking

Prior to joining Washoe Technology, Christopher LeFebvre spent 15 years in the computer industry specializing in the installation and support of medium to large scale Novell and Windows NT networks and provided technical support for financial application software in the banking and telecommunication industries. Most recently as the Technical Support Manager with National Tele-Communications Inc, a major telecommunications services and long distance provider, his responsibilities included hardware and software support of their extensive networking systems. In particular, Christopher managed the provisioning network configuration, data transfer, and interexchange function with all long distance carriers and LECs and managed the internet FTP communications infrastructure.

EXHIBIT 3. WASHOE'S FINANCIAL STATEMENTS

See Attached

Confidential

Washoe Technology Corporation

657 Main Avenue - Suite 301 Passaic, New Jersey 07055

Year Ended April 30, 1999

Washoe Technology Corporation

Consolidated Balance Sheet

April 30, 1999

Assets		
Current assets	\$	600,000
Cash and cash equivalents		0
Accounts receivable, trade, net of allowance for		
doubtful accounts		
Total current assets	\$	600,000
Fixed assets, net		18,733
Other assets		0
Total assets	\$	618,733
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable and accrued expenses Short-term debt	\$	0
Total current liabilities		0
		•
Long-term debt		0
Deferred income taxes		
Commitments and contingencies		
Shareholders' equity:		
Common stock, \$.01 par value, 10,000,000 shares authorized		
10,000,000 shares issued and outstanding		250
Additional paid-in capital		618,483
Retained earnings		0
Total shareholders' equity	<u></u> _	618,733
Total liabilities and shareholders' equity	\$	618,733

Washoe Technology Corporation

Consolidated Statement of Income and Retained Earnings

April 30, 1999

Revenues	\$ 0
Cost and expenses:	
Cost of sales	0
Selling, general and administrative	0
Depreciation and amortization	0
Interest expense	0
······	 0
Income before provision for income taxes	0
Provision for deferred income taxes	
Net income	 0
Retained earnings, beginning of year	<u> </u>
Retained earnings, end of year	\$ 0

EXHIBIT 4. LETTER OF INTENT

See Attached

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WASHOE TECHNOLOGY CORPORATION

138 Timberhill Drive

East Hanover, New Jersey 07936

973-418-8014 cell 973-743-2919 fax 800-626-9736 pager

June 10, 1999

Danny McGinnis
Common Concerns, Inc.
C/O Mirage Marketing
2722 Eastlake Avenue East
Suite 200
Seattle, WA 98102

RE: Non Binding Letter of Intent to Purchase

Dear Mr. McGinnis:

This writing will codify our intent to purchase the stock assets and tariffs of Common Concerns, incorporated under the following general terms and conditions to be concluded at closing by our mutual attorney, Lance Steinhart. Our mutual understanding is as follows:

- 1. The shareholders of Common Concerns, lan Eisenberg, Linda Kadowaki, and Danny McGinnis, will execute certifications of proper title to the shares they are transferring, certifications of no litigation or obligations other than that to Telecom Compliance Services, and general releases of liability to both Common Concerns, Inc. and Washoe.
- 2. The purchase price of \$150,000 shall be offset and adjusted downward based upon the following factors:
 - a. Since 47 states were represented to have been in good standing an amount of \$3191.49 per state not PSC or PUC certificated or authorized, as the case may be, will be deducted. An additional amount of \$100 per such state for Secretary of State refillings shall be adjusted.
 - b. Appropriate offsets for 3.67% of sales as your 1998 Universal Service Fund obligation.
 - c An appropriate amount to be determined for TRS and FCC regulatory fees for the past 3 years shall be adjusted.
- 3. You shall provide complete and accurate copies of all tariffs filed with each PUC/PSC and the FCC. In particular, a copy of your international 214 FCC filing is required.

ORATE OFFICES JUN 14 '99 09:22AM 0

In closing, upon our receipt of the tariffs numerated above and the resolution of the dollar amount adjustments to the purchase price, we shall authorize Lance Steinhart to proceed with binding purchase agreements, certifications, general releases and other closing documents to consummate the sale. Please execute your agreement to these terms and conditions by signing below and returning this letter of Intent via fax to 973-743-2919 as soon as possible so we may continue to keep moving.

Sincere

Thomas Vracel, President

TV/dsl

CC:

On behalf of Common Concerns, Inc. agreed to in principle,

McGinnis

Lance Steinhart