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STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

At a Session of the Public Service  
Commission held at its office  
in Jefferson City on the 5th  
day of August, 1999.

In the Matter of the Application of	)	
Primus Telecommunications, Inc. and	)	
Telegroup, Inc. to Permit the Sale and	)	<u>Case No. TM-99-611</u>
Transfer of Assets of Telegroup, Inc., to	)	
Primus Telecommunications, Inc.	)	

**ORDER APPROVING APPLICATION TO TRANSFER ASSETS**

Primus Telecommunications, Inc. (Primus) and Telegroup, Inc. (Telegroup) filed an application on June 28, 1999, for authority to transfer to Primus the assets (including customer base) of Telegroup. Primus is a Delaware corporation with its principal place of business at 1700 Old Meadow Road, Third Floor, McLean, Virginia 22102. Telegroup is an Iowa corporation with its principal place of business at 209 Nutmeg Avenue, Fairfield, Iowa 52556. On February 11, 1999, Telegroup filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the District of New Jersey. The application seeks the Commission's approval of a Stock and Asset Purchase Agreement under the supervision of the bankruptcy court, by which Primus will purchase most of the assets of Telegroup.

The application requested that the Commission authorize this transaction quickly enough that the transaction could be approved by June 30, 1999. However, as the application was not filed until June 28, it was not possible to honor that request. The Commission did issue an

Order on July 1 that directed the Staff of the Public Service Commission (Staff) to file a statement no later than July 12, indicating how soon it would be able to file a recommendation regarding the application. On July 12, Staff filed a memorandum indicating that it has no objection to the proposed transaction and recommending approval of the application.

On July 15, Primus and Telegroup filed an amendment to their application. The amendment indicated that the company that is a party to the Stock and Asset Purchase Agreement for which the application seeks approval is Primus Telecommunications Group, Incorporated, the parent company of Primus Telecommunications, Inc., not Primus Telecommunications, Inc. as indicated in the application. The amendment also indicates that the Stock and Asset Purchase Agreement was consummated on June 30, 1999. This expedited closing was required by the terms and conditions of the sale as mandated by the bankruptcy court. Therefore, the applicants amended their application to request after the fact approval of the transaction. Staff did not file any additional response to these amendments.

The Commission has reviewed the application, the amendments to the application, the accompanying documentation, and Staff's recommendation and finds that the proposed transfer of assets will have no adverse impact on the Missouri customers of Primus and Telegroup. The Commission finds that the transaction is not detrimental to the public interest and should be approved.

**IT IS THEREFORE ORDERED:**

1. That the Application filed by Primus Telecommunications, Inc., and Telegroup, Inc., for authority to transfer the assets of

Telegroup, Inc., to Primus Telecommunications Group, Incorporated is approved.

2. That Primus Telecommunications, Inc. shall make the necessary tariff filing to add Telegroup, Inc.'s services and rates to the Primus tariff no later than September 14, 1999.

3. That upon the completion of the transaction authorized by this order, Telegroup, Inc. shall file a motion to cancel its certificate of service authority and accompanying tariff.

4. That this order shall become effective on August 17, 1999.

BY THE COMMISSION



Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge

( S E A L )

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

Woodruff, Regulatory Law Judge

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COMMISSION COUNSEL  
PUBLIC SERVICE COMMISSION