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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 28th  
day of May, 1998.

In the Matter of the Joint Application of )  
IntraTel Group, Ltd. And North American Telephone )  
Network, L.L.C., For Approval of an Agreement and ) Case No. TM-98-479  
Plan of Merger. )  
)

**ORDER APPROVING ACQUISITION AND MERGER**

IntraTel Group, Ltd. (IntraTel), and North American Telephone Network, L.L.C. (NATN) filed a Joint Application on April 24, 1998 asking the Commission to approve a transaction that would result in IntraTel, as the parent corporation, acquiring NATN as a wholly owned subsidiary. Also, NATN will change its name to North American Telephone Network, Inc. (NATN, Inc.) following the transaction. NATN is certificated to provide intrastate interexchange telecommunications services in Missouri, and therefore this transaction comes under Commission jurisdiction. Applicants have requested expedited treatment of this Application by June 1, 1998. Applicants have also waived the ten day effective date requirement for all orders of the Public Service Commission.

NATN was certificated to provide intrastate interexchange telecommunications services in Missouri on January 15, 1996 in Case No. TA-96-310. NATN is a privately held Georgia limited liability company with principal offices located at 4151 Ashford Dunwoody Road, Suite 550, Atlanta, Georgia 30319-1462. NATN is an intrastate interexchange telecommunications services provider in all 50 states.

IntraTel is a publicly held Delaware corporation with principal offices located at 28050 U.S. Highway 19 North, Suite 202, Clearwater, Florida 34621. IntraTel is a holding company which does not directly offer long distance services, but rather owns and operates other wholly owned subsidiaries which offer such services pursuant to the FCC's *Competitive Carrier* policies.

IntraTel and NATN executed an Agreement and Plan of Merger on February 27, 1998, which would result in a transfer of control of NATN from NATN shareholders to IntraTel. The transfer would be accomplished via a reverse triangle merger. A newly formed, special-purpose subsidiary of IntraTel, IntraTel Acquisition /NATN Corporation (SubCorp), will merge into NATN, leaving NATN as the surviving entity. Once that transaction is completed, NATN and IntraTel will continue to operate as two separate corporations. NATN will be a wholly owned subsidiary of IntraTel, with IntraTel providing no telecommunications services, and with NATN continuing to offer such services according to its present certification and tariff, and with no interruption of service.

The applicants state that the total cost of the acquisition is estimated to be approximately \$40 million, \$20 million to be paid to NATN shareholders by SubCorp as a Closing Payment, and approximately \$20 million to be paid NATN, Inc. as calculated according to the terms of the agreement and as referred to as "Contingent Payment". The applicants state that consummation of the transaction will not undermine the financial condition of NATN or its ability to provide high-quality telecommunications services to its Missouri customers.

Applicants state that the proposed merger will not be detrimental to the public interest because it would not adversely affect NATN's

operations or ratepayers. The technical, managerial, and financial personnel of NATN will not change after the transactions. Applicants state that the merger would have no adverse impacts on NATN's customers in Missouri and no impact on the tax revenues of any political subdivision. The applicants state that NATN's merger with IntraTel is expected to result in cost savings for both companies due to efficiencies in administration, purchasing, and marketing. The applicants state that NATN's access to IntraTel's capital, economies of scale, and various service offerings will enable it to improve its services to Missouri customers. Applicants declare that there are no pending or final decisions or judgments against NATN from any state or federal agency involving service to customers or rates charged.

The Staff of the Commission (Staff) filed a Memorandum on May 20, 1998, wherein Staff stated their belief that this merger complies with the requirements of 4 CSR 240-2.060, and therefore, Staff recommends that the Commission approve the merger. The Commission has reviewed the application, the accompanying documentation, and Staff's recommendation, and finds that the proposed acquisition and merger will have no adverse impact on the Missouri customers of NATN. Therefore, the Commission finds that the transaction is not detrimental to the public interest and should be approved.

**IT IS THEREFORE ORDERED:**

1. That the Joint Application filed by IntraTel Group, Ltd. (IntraTel), and North American Telephone Network, L.L.C. (NATN) on April 24, 1998 is approved.

2. That the applicants are authorized to consummate the transfer of control of North American Telephone Network, L.L.C. from the current

shareholders of North American Telephone Network, L.L.C. to IntraTel Group, Ltd.

3. That the parties are authorized to take any and all actions necessary to effect the acquisition and merger authorized by this order.

4. That North American Telephone Network, Inc. f/k/a North American Telephone Network, L.L.C., shall file notification and other appropriate pleadings with the Commission no later than ten days after the closing date of the transaction authorized by this order.

5. That upon request of the Applicants, the ten day effective date is waived and this order shall become effective on June 1, 1998.

**BY THE COMMISSION**



**Dale Hardy Roberts**  
**Secretary/Chief Regulatory Law Judge**

( S E A L )

Lumpe, C., Drainer and Murray,  
CC., concur.  
Crompton and Schemenauer, CC.,  
absent.

Register, Regulatory Law Judge

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COMMISSION COUNSEL  
PUBLIC SERVICE COMMISSION