

WILLIAM D. STEINMEIER, P.C.

2031 TOWER DRIVE
JEFFERSON CITY, MISSOURI (MO) 65109

WILLIAM D. STEINMEIER
ATTORNEY AT LAW
GOVERNMENTAL CONSULTANT
(573) 659-8672
FAX (573) 636-2305

MAILING ADDRESS:
POST OFFICE BOX 104595
JEFFERSON CITY, MISSOURI (MO)
65110-4595

MARY ANN YOUNG
ATTORNEY AT LAW
OF COUNSEL
(573) 634-8109
FAX (573) 634-8224

July 25, 2003

Mr. Dale Hardy Roberts
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

FILED²
JUL 25 2003
Missouri Public
Service Commission

RE: Case No. _____
Joint Application of Now Acquisition Corporation and NOW
Communications, Inc. for Approval of Transfer of Assets

Dear Mr. Roberts:

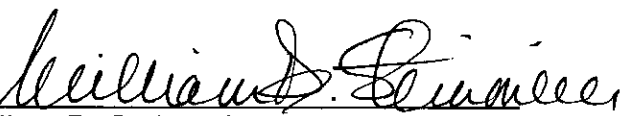
Enclosed for filing on behalf of Now Acquisition Corporation and NOW Communications, Inc., please find an original and five (5) copies of an "**APPLICATION**" seeking approval of the Missouri Public Service Commission of a transfer of assets.

Please see that this filing is brought to the attention of the appropriate Commission personnel.

Thank you for your cooperation and assistance in this matter.

Sincerely,

WILLIAM D. STEINMEIER, P.C.

By: 
William D. Steinmeier

Enclosures

cc: General Counsel
Office of Public Counsel
Mr. Patrick D. Crocker
Mary Ann (Garr) Young

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Case No. _____

NOW COME Now Acquisition Corporation ("NAC") and Now Communications, Inc. ("NOW"), Joint Applicants herein, by and through their undersigned counsel, and pursuant to Section 392.300 RSMo and 4 CSR 240-2.060(7) and 4 CSR 240-3.520, and hereby request approval for NAC to acquire the Missouri assets, including, but not limited to, the subscriber base of NOW Communications, Inc. NOW recently filed for reorganization under Chapter 11 of the U.S. Bankruptcy Laws in the U.S. Bankruptcy Court for the Southern District of Mississippi. This Application is filed pursuant to an Asset Purchase Agreement (the "Agreement") by NOW and MCG Capital Corporation ("MCG"), under which NAC, as MCG's assignee under the Agreement, will acquire certain assets of NOW and its subsidiaries. Furthermore, to allow the parties to consummate this transaction as soon as possible, a motion for expedited treatment is being filed simultaneously herewith, pursuant to 4 CSR 240-2.080(16).

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the service of NOW's existing customer base without interruption of service or other inconveniences to Missouri consumers.

In support of this Application, the Parties respectfully provide the following information:

I. THE PARTIES

A. NOW Communications, Inc.

NOW is a Mississippi corporation with its principal place of business located at 1418 Ellis Avenue, Jackson, Mississippi (MS) 39204. NOW and its various operating subsidiaries provide resold and facilities-based telecommunications services throughout the United States. NOW, together with its operating subsidiaries, holds authority to provide telecommunications services in 49 states, including Missouri, and the District of Columbia. NOW was granted authority to provide Basic Local Telecommunications Services in MoPSC Case No. TA-98-390 and a Certificate of Service Authority to Provide Intrastate Interexchange Telecommunications Services in MoPSC Case No. TA-98-502. NOW also holds authority to provide international telecommunications services as a nondominant common carrier pursuant to authority of the Federal Communications Commission ("FCC"). NOW provides interstate telecommunications services pursuant to FCC blanket authority available to non-dominant interexchange providers.

Further information concerning NOW's technical and managerial qualifications to provide service in Missouri was filed with its applications for authority to provide service in the above-referenced dockets. This information is, therefore, already a matter of public record at the Commission and Joint Applicants respectfully request that it be incorporated by reference herein.

B. Now Acquisition Corporation

NAC is a Delaware corporation with its principal business office located at 6590 West Rogers Circle, Suite 6A, Boca Raton, Florida (FL) 33487. NAC is a wholly owned subsidiary of BiznessOnline.com, Inc. d/b/a VeraNet Solutions ("Biz"). NAC's affiliates hold authority to provide resold and facilities-based local exchange and long distance telecommunications services in 10 states. Those affiliates currently are providing such services in nine of those states. NAC currently is not authorized to provide telecommunications services in any state. NAC's Certificate of Authority to do business in Missouri from the Missouri Secretary of State's Office is attached to this Application as ***Exhibit A.***

NAC states that there are no pending actions or final unsatisfied judgments or decisions against it in any state, federal agency, or court which involve customer service or rates for which action, judgment, or decision has occurred within three (3) years of the date of this Application. NAC hereby affirms that it does not have any overdue annual reports or fees owed to the Missouri Public Service Commission.

Further information in support of NAC's qualifications appears within the Application for a Certificate of Service Authority and for Competitive Classification, seeking authority to provide basic local exchange telecommunications services in portions of Missouri, being filed simultaneously with the instant Joint Application.

II. DESIGNATED CONTACTS

All inquiries, correspondence, communications, pleadings, notices, orders and decisions relating to this case should be addressed to:

William D. Steinmeier
Mary Ann (Garr) Young
William D. Steinmeier, P.C.
2031 Tower Drive
P.O. Box 104595
Jefferson City, Missouri (MO) 65110-4595
Telephone: (573) 659-8672
Fax: (573) 636-2305
Email: wds@wdspsc.com
Myoung0654@aol.com

With a copy to:

Patrick D. Crocker
Early, Lennon, Crocker & Bartosiewicz, P.L.C.
900 Comerica Building
Kalamazoo, Michigan 49007-4752
Telephone: (269) 381-8844
Fax: (269) 381-8822
Email: pcrocker@earlylennon.com

Scott Kellogg
Now Acquisition Corporation
180 North Wacker Drive, Suite 3
Chicago, IL 60606
Telephone: (312) 658-105
Facsimile: (312) 658-5487

R. Scott Seab
Vice President—Regulatory Affairs
NOW Communications, Inc.
711 S. Tejon Street, Suite 201
Colorado Springs, CO 80903
Telephone: (719) 633-3059
Facsimile: (719) 623-0287

III. DESCRIPTION OF TRANSACTION

NAC proposes to acquire certain assets of NOW and its operating subsidiaries in connection with a reorganization of NOW currently being overseen by the U.S. Bankruptcy Court for the Southern District of Mississippi. Pursuant to an Asset Purchase Agreement filed with the Bankruptcy Court, NAC will acquire assets of NOW as the assignee of MCG. Among other things, NAC will acquire all assets associated with NOW's

telecommunications operations in Missouri including, but not limited to, NOW's customer base.

NAC has determined that the proposed acquisition of NOW's assets in the bankruptcy proceeding will enable it to commence operations in a cost-efficient manner, thereby enhancing its competitive position and ability to provide an array of high quality services to consumers in Missouri. Although the proposed acquisition will result in a transfer of substantially all of the Seller's assets, the Agreement will not involve a change in the manner in which NOW customers will receive telecommunications services, and the transfer will be virtually seamless to customers. Specifically, customers will continue to receive the high quality, affordable telecommunications services that they presently receive. The Applicants are not requesting permission to transfer NOW's certificate or to adopt NOW's existing tariffs. Rather, along with NAC's Application for Certificate of Service Authority, filed simultaneously with this Joint Application, NAC will be filing its basic local exchange, non-switched local exchange and interexchange services tariffs to establish rates, terms, and conditions identical to those in the Seller's tariff. As a result, the proposed acquisition will be virtually transparent to NOW's customers. Given the pending bankruptcy proceeding, the Applicants are requesting cancellation of NOW's authorization and tariffs only after notice is provided to the Commission by the Applicants concerning the consummation of the transaction contemplated herein. Moreover, once the transaction is complete, NOW customers will receive service from NAC's team of well-qualified telecommunications managers. To ensure a seamless transition and avoid customer confusion or inconvenience, prior to the consummation of the transaction, the Parties will provide notice to customers of this transaction and of the change in carrier that will occur upon Commission approval, consistent with all state and federal regulations and statutes. A

draft of the customer notification required by the FCC's rules is attached hereto as ***Exhibit***

B.

IV. PUBLIC INTEREST CONSIDERATIONS

The Parties respectfully submit that telecommunications services in Missouri, in general, and for NOW customers in particular, will realize significant public interest benefits from NAC's acquisition of the assets of NOW, including NOW's customer base. The proposed transaction will enable NOW's customers to continue to receive high quality, competitively priced telecommunications services without interruption. At the same time, the proposed asset acquisition will promote competition in Missouri by enhancing NAC's ability to take advantage of certain efficiencies that will support expanded services and more competitive rates. By creating a more effective and multifaceted telecommunications carrier, the proposed transaction will expand competitive choices for U.S. telecommunications customers, including customers in Missouri. The Parties hope to complete the proposed acquisition as quickly as possible in order to avoid any interruption of service or other inconvenience to NOW's existing customers.

To that end, a motion for expedited treatment is being filed simultaneously herewith, pursuant to 4 CSR 240-2.080(16). NOW serves a largely low-income residential customer base that essentially has very poor credit. These customers pay cash, in advance at local currency exchanges and merchants, for monthly local dial tone telephone service. Very few carriers have an interest in or are even capable of providing service in such a manner to such customers, especially to customers located in often the most rural areas of their states. Many customers receiving service today from NOW have not had telephone service for months or years prior to receiving service from NOW. The local dial tone telephone service provided by NOW includes 911 emergency services. In the event that NOW's service is disrupted, these residential customers have few, if any, alternatives for local dial

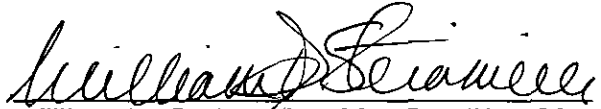
tone telephone service. Any delay in approving the transaction risks service disruption for the customers that rely on NOW for their local dial tone telephone service in the State of Missouri.

V. TAX REVENUE IMPACT

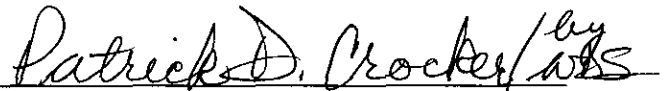
The proposed transaction will not have any impact on the tax revenues of any political subdivision in the State of Missouri.

WHEREFORE, NAC and NOW respectfully request that the Commission authorize the transfer of assets, including the customer base, as described herein. In addition, the Parties respectfully request that this authorization be granted on an expedited basis to allow them to consummate the transaction on or before September 23, 2003.

Respectfully submitted,



William D. Steinmeier, Mo. Bar #25689
Mary Ann (Garr) Young, Mo. Bar #27951
WILLIAM D. STEINMEIER, P.C.
2031 Tower Drive
P.O. Box 104595
Jefferson City, MO 65110-4595
Tel.: (573) 659-8672
Fax: (573) 636-2305
Email: wds@wds pc.com
Myoung0654@aol.com



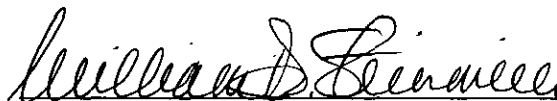
Patrick D. Crocker, MI Bar #P43527
Early, Lennon, Crocker
& Bartosiewicz, P.L.C.
900 Comerica Building
Kalamazoo, MI 49007
Tel.: (269) 381-8844
Fax: (269) 381-8822
Email: pcrocker@earlylennon.com

ATTORNEYS FOR APPLICANT
NOW ACQUISITION CORPORATION

Dated: July 25, 2003

Certificate of Service

I hereby certify that a copy of this document has been hand delivered or mailed by first class mail, postage prepaid, to the Office of the General Counsel of the Missouri Public Service Commission, and to the Office of Public Counsel, on this 25th day of July 2003.

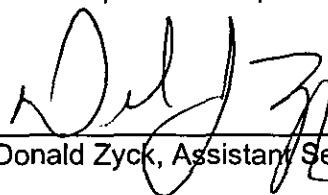

William D. Steinmeier

VERIFICATION

I, Donald Zyck, am the Assistant Secretary for Now Acquisition Corporation, and am authorized to make this verification on its behalf. I do hereby verify that I have read the foregoing Application and the statements made therein are true, correct, and complete to the best of my knowledge, information, and belief.

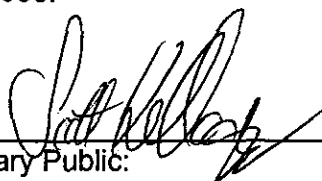
Executed on the 17th day of June 2003.

Now Acquisition Corporation

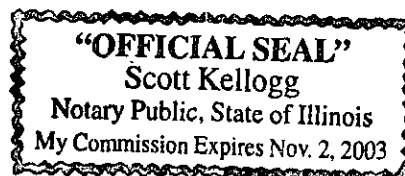


Donald Zyck, Assistant Secretary

Subscribed and sworn before me this 17th day of June 2003.



Notary Public:

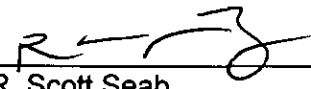


VERIFICATION

I, R. Scott Seab, am the Vice President - Regulatory Affairs for NOW Communications, Inc., and am authorized to make this verification on its behalf. I do hereby verify that I have read the foregoing Application and the statements made therein are true, correct, and complete to the best of my knowledge, information, and belief.

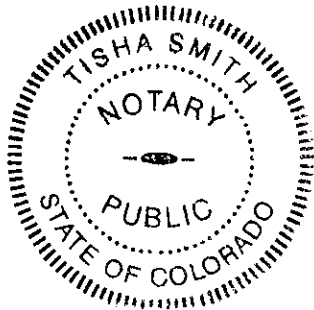
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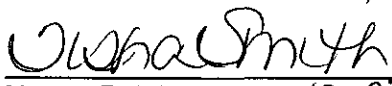
NOW Communications, Inc.



R. Scott Seab
Vice President - Regulatory Affairs

Subscribed and sworn before me this 20th day of June 2003.





Notary Public: up. 10-27-04
El Paso, CO.

EXHIBIT A

Secretary of State Certificate

STATE OF MISSOURI



Matt Blunt
Secretary of State
CERTIFICATE OF AUTHORITY

WHEREAS,

NOW ACQUISITION CORPORATION
F00528025

using in Missouri the name

NOW ACQUISITION CORPORATION

has complied with the General and Business Corporation Law which governs Foreign Corporations; by filing in the office of the Secretary of State of Missouri authenticated evidence of its incorporation and good standing under the Laws of the State of Delaware.

NOW, THEREFORE, I, MATT BLUNT, Secretary of State of the State of Missouri, do hereby certify that said corporation is from this date duly authorized to transact business in this State, and is entitled to all rights and privileges granted to Foreign Corporations under the General and Business Corporation Law of Missouri.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 18th day of June, 2003.


Secretary of State



EXHIBIT B

Proposed Customer Notification

Dear Valued NOW Customer,

As you may be aware, NOW Communications, Inc. and its subsidiaries ("NOW") filed recently for Chapter 11 bankruptcy protection, and entered into an asset purchase agreement to sell their assets to Now Acquisition Corporation ("NAC"), a wholly owned subsidiary of BiznessOnline.com, Inc. ("BOI"). The U.S. Bankruptcy Court recently approved that agreement. As a result of that agreement, and upon securing the necessary approvals, which we expect to receive by _____, the services that have been provided to you by NOW will be billed and serviced by NAC.

As we move through this process, there are several assurances we want to make to you. First, the transition of your service from NOW to NAC will be seamless and will not cause any impact upon the rates and terms of your services. Second, especially in today's marketplace, we want to assure you that we are committed to the tenet that we will operate at the highest ethical standards. Third, we can assure you that we, along with the hundreds of fine employees at BOI, are committed to providing you with the best in telecommunications quality and services. In fact, the senior executive team at BOI consists of several well known and well-respected telecommunications veterans (including senior personnel from Access One Communications, one of the first competitive local carriers in the southeastern United States), and we are therefore very familiar with what it takes to be successful in the marketplace. Access One was successfully acquired by Talk America in August 2000 for over \$200 million.

BOI is one of the Northeast's leading integrated communications providers, offering its customers a complete range of communications services, including Web Site design and hosting services, high-speed Internet access and local/long distance telecom services through its operating subsidiaries. Perhaps most importantly, BOI has the experience and resources to ensure that NAC meets your telecommunications needs. The majority investor in BOI is a financial services company that provides financing and advisory services to companies in the communications, information services, media and technology industry sectors. Since its inception, that company has originated an aggregate of over \$2 billion in investments in over 200 transactions and is an AAA-rated financial services company.

In short, BOI will continue to focus on building our existing infrastructure, while capitalizing on the strengths and resources of our newly acquired partners. What this means to you is that you can expect superior quality, service and support now and in the future.

Please be assured that your service will not be interrupted during this time of transition. In fact, BOI's senior executive team recently began managing the servicing of NOW customers on an interim basis until the transition occurs. NOW will remain responsible for addressing any complaints you have concerning your services in the interim. You have the right to switch your services to another carrier prior to _____. Thereafter, your service will be switched from NOW to NAC. Please note, you do not need to take any action to have your service switched to NAC, nor will you incur any carrier change charges as a result of the conversion of your service from NOW to NAC. Further, if you have a preferred carrier freeze in place, it will be lifted as part of the conversion. If you want a preferred carrier freeze on your line thereafter, you will have to request the establishment of a new freeze after the transition occurs.

NAC/BOI is a great and proud company of motivated, creative, highly skilled people. We take pride in our customer service and challenge you to find anyone better. We look forward to servicing your telecommunications needs of the future. If you have any questions regarding this information, please contact NAC/BOI at 888/389-1400.