## BEFORE THE PUBLIC SERVICE COMMISSION STATE OF MISSOURI

In the Matter of the Application of YourTel America, Inc.	)	
For Authority to Issue and Transfer Stock	)	Case No
	)	

# APPLICATION FOR AUTHORITY TO ISSUE STOCK AND MOTION FOR EXPEDITED TREATMENT

YourTel America, Inc., ("YourTel") a Missouri corporation, through its undersigned counsel, and pursuant to 4 CSR 240-3.525 and 3.530 and 4 CSR 240-2.080(16), hereby respectfully requests that the Missouri Public Service Commission grant it authority to consummate a transaction involving the issuance and transfer of stock, and that this Application be accorded expedited treatment. As outlined in the attached "Stock Purchase Agreement," certain individuals intend to purchase stock from YourTel. The terms of the Agreement dictate that YourTel issue 250 new shares of common stock. The Applicant respectfully requests the Commission to grant it authority to proceed with the proposed transaction.

In support of this Application, the Applicant provides the following information:

### I. INFORMATION REGARDING THE APPLICANT

YourTel, Inc. is a Missouri corporation that offers traditional and prepaid home telephone services and intends to provide prepaid wireless services. YourTel has 17 retail locations in Kansas, Missouri, and Oklahoma. The Company's principal office is located at 2800 East 18<sup>th</sup> Street, Kansas City, MO 64127. Its certificate of good standing is attached hereto as Exhibit A. YourTel is certificated by this Commission to provide basic local, local exchange, exchange access, and interexchange service in Missouri. See Case No. TA-99-115, Order dated April 12, 1999; and Case No. XA-2003-0118, Order dated November 5, 2002. YourTel was granted ETC status as a wireline carrier by the Commission for the receipt of Federal Universal Service Fund support in certain specified exchanges. See Case No. CO-2003-0094, Order dated April 1, 2003.

YourTel's ETC status was expanded in 2008 to include a number of exchanges in the St. Louis Metropolitan Area. See Case No. CO-2008-0334, Order dated June 12, 2008. Finally, YourTel was granted ETC status for wireless purposes in Case No. CO-2009-0257, Order dated March 11, 2009. The Commission approved the name of change of YourTel America, Inc., from The Pager Company dba The Pager & Phone Company. See Case No. CN-2007-0218, Order dated January 3, 2007.

#### II. PRINCIPAL CONTACTS

All communications or correspondence regarding the transactions or the Application should be addressed to the attorneys and authorized representative as follows:

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Mr. Dale Schmick YourTel America, Inc. 2800 East 18<sup>th</sup> Street Kansas City, MO 64127 dschmick@yourtel.com phone: 816/333-1088

#### III. SYNOPSIS OF TRANSACTIONS

1. The transactions that are the subject of this Application involve the following parties: the Richard Paul Yurich Revocable Living Trust dated June 11, 2008, as amended and restated ("Yurich"), the Jason G. Hirzel Trust dated December 20, 2008, as amended and restated ("Hirzel"), the Jeffrey L. White Revocable Trust dated September 1, 2010, as amended and

restated ("White"), and Barry L. Anderson (" Anderson") (Yurich, Hirzel, White and Anderson are collectively referred to as the "Purchaser"), YourTel, CLEC, Inc., a Missouri corporation ("CLEC"), and together with YourTel, collectively the "Corporations" or individually as the "Corporation," David Garza ("Garza"), Paul Hicks ("Hicks") and Dale Schmick ("Schmick"), and together with Garza and Hicks, collectively, the "Sellers" and individually as a "Seller."

- 2. The Sellers collectively own 500 shares of stock of YourTel, which presently comprise all of the issued and outstanding equity securities of YourTel.
- 3. Subject to the terms and conditions set forth in the Stock Purchase Agreement, a copy of which is attached hereto as Exhibit B, the Purchaser desires to purchase from the Sellers, and the Sellers desire to sell to the Purchaser, 500 shares of stock of YourTel. The aggregate purchase price for the Purchased Shares (the "Purchase Price") shall be \$1,333.33 per share of YourTel. The transaction also contemplates that YourTel will issue 250 additional shares of stock, which shall be owned by Garza, Hicks, and Schmick. Respective ownership of YourTel stock after the closing of the transactions shall be as described in the following paragraph.
- 4. Immediately following the consummation of the transactions contemplated by the Agreement, YourTel will have 750 shares of common stock issued and outstanding, which will be owned as follows: (i) 255 by Yurich, (ii) 145 by Hirzel, (iii) 75 by White, (iv) 25 by Anderson, (v) 200 by Garza, (vi) 25 by Hicks and (iv) 25 by Schmick.
- 5. The purpose for which the securities are to be issued is for a cash infusion of YourTel. The proceeds will be used for operational improvements and expansion of YourTel. YourTel will continue to exist as a separate and operating entity and its customer base will not be transferred to any other provider, certain operational efficiencies will be achieved from the transactions.

#### IV. TAX IMPACT

6. Since there will be no change in the location of any structures, facilities or equipment in Missouri, the proposed transaction will have no impact upon the tax revenues of the political subdivisions in which any structures, facilities or equipment of the Applicant are located.

### V. NO PENDING ACTIONS INVOLVING CUSTOMER SERVICE OR RATES

7. Applicant has no pending actions or final unsatisfied judgments or decisions against it 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 this Application.

## VI. NO ANNUAL REPORTS AND REGULATORY ASSESSMENTS OVERDUE

8. Applicant has no annual reports or regulatory assessment fees that are overdue in Missouri.

# VII. REQUEST FOR EXPEDITED CONSIDERATION

9. The Applicant requests that the Commission grant this Application expedited consideration, as approval is a contemplated condition of closing the transactions. As required by the provisions of 4 CSR 240-2.080(16), YourTel states that it desires the Commission to act by February 28, 2011, as the parties to the Stock Agreement cannot move forward without Commission approval. Although YourTel does not believe that its customer service will suffer as a consequence of application of normal Commission timelines to consideration of this Application, YourTel does believe that without expedited approval of the Transaction, YourTel will be unable to provide improvements to its customer service which its wishes to implement in the near future. Not until the Commission grants its approval will YourTel be able to make those improvements. Finally, YourTel notes that no party, person, or entity will be prejudiced by expedited consideration of this Application, and YourTel has in no way delayed filing this

Application. The Stock Agreement was negotiated only recently, and YourTel's plans for service improvements have been formulated in recent weeks.

### VIII. CONCLUSION

The Applicant respectfully requests that the Commission grant expedited approval for the issuance and transfer of stock of YourTel, as set forth above, and for such other relief the Commission determines appropriate.

/s/ Mark Johnson

Mark Johnson

MBN 30740

Daniel C. Gibb

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Attorneys for YourTel America, Inc.

## **CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the above and foregoing was served upon on this 14th day of February, 2011.

General Counsel Missouri Public Service Commission PO Box 200 Jefferson City, MO

Office of Public Counsel PO Box 360 Jefferson City, MO

/s/ Mark Johnson

Mark Johnson, Esq.

STATE OF MISSOURI	)
	) ss.
COUNTY OF IACKSON	)

# **VERIFICATION**

Comes now Mark P. Johnson, being of lawful age and duly sworn, who swears and affirms as follows:

- 1. My name is Mark P. Johnson. I am attorney and counsel for YourTel America, Inc., and have been authorized by the company to execute this affidavit.
- 2. I have reviewed the foregoing pleading, and swear that the contents thereof are true and best to my believe and knowledge.

Further affiant sayeth not.

Mark P. Johnson

Subscribed and sworn to before me this May of February, 2011.

Notary Public

My commission expires:

VICTORIA GARDEN

Notary Public, Notary Seal

State of Missouri
Platte County

Commission # 09447535

My Commission Expires January 13, 2013