

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Application of Inmate )	
Calling Solutions, LLC, d/b/a )	
ICSolutions, LLC and Michael R. Smith )	
and Group, LLC To Authorize Michael R. )	Case No. XM-2009-0121
Smith Group, LLC To Acquire the Equity )	
Interest of Inmate Calling Solutions, d/b/a )	
ICSolutions, LLC. )	

**STAFF RECOMMENDATION**

COMES NOW the Staff ("Staff") of the Public Service Commission ("Commission"), through counsel, and recommends that the Commission dismiss this case for lack of jurisdiction. In support thereof, the Staff respectfully states as follows:

1. On October 2, 2008, Inmate Calling Solutions, LLC, d/b/a ICSolutions, LLC ("ICS") and Michael R. Smith and Group, LLC ("Smith" or "the Buyer") jointly filed an Application seeking approval of a transfer to Smith of the equity interest in ICS owned by ICS's parent company, The Billing Resource f/k/a Integretel, Incorporated ("TBR"), which is a billing clearinghouse.

2. On October 7, the Commission issued an order setting an October 21, 2008 deadline for applications to intervene, and directing the Staff to file a recommendation concerning the Application no later than October 27, 2008. No applications to intervene have been filed.

3. According to the Application, ICS, a California Limited Liability Company, provides automated operator-assisted calling services for incarcerated persons in Missouri. Following the proposed transaction, ICS will be majority-owned and controlled by the Buyer, an investment consortium created for the purpose of acquiring ICS. ICS will remain a separate company and will continue to operate in Missouri as ICSolutions. The Application further

indicates that TBR, the seller, voluntarily filed for bankruptcy under Chapter 11 of the U.S. bankruptcy laws, and on September 4, 2008, the bankruptcy court approved the transaction proposed in this case, subject to all required regulatory approvals.

4. Section 392.300.2 RSMo (2000) generally provides that no stock corporation shall purchase or acquire more than ten percent of the total capital stock issued by any telecommunications company organized or existing under or by the virtue of the laws of this state, without the consent of the Commission. However, as noted earlier, ICS is a California entity. Consequently, no “telecommunications company organized or existing under or by the virtue of the laws of this state” is being acquired as a result of the transaction presented in the Application.

5. In the past, the Commission has dismissed, for lack of jurisdiction under Section 392.300.2 RSMo (2000), applications seeking approval for the transfer of the stock of corporations not organized or existing by virtue of the laws of the state of Missouri.<sup>1</sup> The Staff believes the same action is appropriate in this case.

WHEREFORE, the Staff recommends that the Commission issue an order that dismisses the Application for lack of jurisdiction.

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<sup>1</sup> See, e.g., Case No. TM-2000-524, *In the Matter of NEXTLINK Missouri, Inc., and NEXTLINK Long Distance Services, Inc* (the acquired company was organized under the laws of the state of Washington); Case No. XM-2005-0219, *In the Matter of SBC Long Distance, Inc., and SBC Telecom, Inc.* (the acquired company was organized under the laws of the state of Delaware); Case No. TM-2007-0140 *In the Matter of Talk America Holdings, Inc., Talk America, Inc., LDMI Telecommunications, Inc., and Cavalier Telephone Corp.* (the acquired companies were organized under the laws of state of Delaware); Case No. TO-2009-0111 ***Joint Application of First Communications, LLC and Renaissance Acquisition Corp. for Approval of a Transfer of Control*** (the acquired entity was organized under the laws of the state of Ohio).

Respectfully submitted,

/s/ Dennis L. Frey

Dennis L. Frey  
Senior Counsel  
Missouri Bar No. 44697

Attorney for the Staff of the  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102  
(573) 751-8700 (Telephone)  
(573) 751-9285 (Fax)  
denny.frey@psc.mo.gov

### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 27th day of October 2008.

/s/ Dennis L. Frey