

Trina R. LeRiche, Esq. (816) 460-2427 TLeRiche@sonnenschein.com



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Chicago Kansas City Los Angeles New York San Francisco St. Louis Washington, D.C.

June 6, 2001

FILED<sup>2</sup> JUN 7 2001

Mr. Dale Roberts Executive Secretary Missouri Public Service Commission 200 Madison Street, Suite 100 Jefferson City, Missouri 65101

Missouri Public Service Commission

Re: Joint Application for Approval of the Transfer of Stock in Claricom Networks, Inc. – Non-Public Version

Dear Mr. Roberts:

TM-2001-669

Enclosed please find an original and nine (9) copies of the Non-Public Version of the Joint Application For Approval of the Transfer of Stock in Claricom Networks, Inc. Said Application contains the Purchase and Sale Agreement and the Financial Statements of Platinum Equity, LLC, the parent company of Buyer, and Stacom Holdings LLC, in sealed envelopes. The Public Version of said Application is also properly noted as such in accordance with the Commission rules. The Purchase and Sale Agreement and the Financial Statements contain the results of operation of Platinum Equity which is privately held and as such are trade secrets, the release of which would place Buyer and its parent company at an unfair, competitive disadvantage.

Please acknowledge receipt of this filing by file stamping the extra copy of this transmittal and returning it in the self-addressed, stamped envelope included for this purpose. Should you have any questions or need anything further concerning this request for non-disclosure, please contact me.

I appreciate your help in this matter.

Sincerely,

Juna R. Le Riche

Trina R. LeRiche

TRL/lsc Enclosures cc: Service List

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June 6, 2001

Mr. Dale Roberts Executive Secretary Missouri Public Service Commission 200 Madison Street, Suite 100 Jefferson City, Missouri 65101

FILED<sup>2</sup> Missouri Public Service Commission TM2001\_669

# Re: Joint Application For Approval of the Transfer of Stock in Claricom Networks, Inc. – Public Version

Dear Mr. Roberts:

Enclosed please find an original and nine (9) copies of the Public Version of the Joint Application For Approval of the Transfer of Stock in Claricom Networks, Inc. The Purchase and Sale Agreement and the Financial Statements of the parent company of the Buyer have been removed from the Public Version and properly noted in accordance with the Commission rules. The Purchase and Sale Agreement and the Financial Statements are contained in the Non-Public Version being filed simultaneous herewith.

Please acknowledge receipt of this filing by file stamping the extra copy of this transmittal and returning it in the self-addressed, stamped envelope included for this purpose. Should you have any questions or need anything further, please contact me.

I appreciate your help in this matter.

Sincerely,

Jina R. Le Riche

Trina R. LeRiche

TRL/lsc Enclosures cc: Service List

# BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION Missouri Public Service Commission

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Joint Application of Claricom Networks, Inc., Claricom Holdings, Inc., Staples, Inc., Stacom Holdings, LLC, and Platinum Equity, LLC for Approval of the Transfer of Stock in Claricom Holdings, Inc. to Stacom Holdings, Inc.

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Case No. 17 - 2001 - 669

FILED<sup>2</sup>

JUN 7 2001

# **PUBLIC DOCUMENT - CONFIDENTIAL FINANCIAL**

# **INFORMATION HAS BEEN EXCISED**

# BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION Missouri Public Commission

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Joint Application of Claricom Networks, Inc., Claricom Holdings, Inc., Staples, Inc., Stacom Holdings, LLC, and Platinum Equity, LLC for Approval of the Transfer of Stock in Claricom Holdings, Inc. to Stacom Holdings, Inc.

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Case No. Tm-2001-669

FILED 2 JUN 7 2001

# JOINT APPLICATION FOR APPROVAL **OF TRANSFER OF STOCK**

COME NOW Claricom Networks, Inc., (hereinafter referred to as "Claricom"), Claricom Holdings, Inc., (each separately and collectively hereinafter referred to as "Seller"), Staples, Inc., (hereinafter referred to as "Staples"), Stacom Holdings, LLC, (hereinafter referred to as "Buyer"), and Platinum Equity, LLC (hereinafter referred to as "Platinum") (all collectively referred to as the "Applicants"), by their undersigned regulatory counsel and pursuant to Mo. Rev. Stat. § 392.300, move for Commission approval of a proposed agreement under which Seller will transfer 100% of the stock in Claricom to Buyer.

In support of this Application, Applicants state the following:

### THE PARTIES

### CLARICOM NETWORKS, INC. ("Claricom")

1. Claricom is a wholly-owned subsidiary of Seller organized under the laws of Delaware with its principal offices located at 4 Research Drive, Suite 500, Shelton, CT 06484. Claricom is a provider of interexchange telecommunications services in Missouri, pursuant to a certificate of service authority and tariff approval issued to Claricom Telecom LD by the Commission by Order dated September 23, 1997, in Case No. TA-98-47. By Order dated January

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31, 1998, in Case No. TO-98-276, the Commission approved the name change of Clarity Telecom LD to Claricom Networks, Inc. The Order Recognizing Name Change and Approving Tariff is attached as Exhibit 1. Claricom's Certificate of Good Standing in Missouri is attached as Exhibit 2. Claricom is certificated as a telecommunications reseller in the forty-eight contiguous states where required and as a competitive local exchange carrier in twenty-three states. CLEC authority is pending in an additional ten states. Claricom also provides interstate and international telecommunications services pursuant to the authorization granted to it by the Federal Communications Commission.

# CLARICOM HOLDINGS, INC. ("Seller") AND STAPLES, INC. ("Staples")

2. Claricom Holdings, Inc. is a Delaware corporation and the holder of 100% of the outstanding shares of capital stock of Claricom. Staples, Inc. is a Delaware corporation and the holder of 100% of the outstanding capital stock of Claricom Holdings, Inc. By this Application, Applicants seek Commission approval of the proposed sale of all of the stock in Claricom held by Claricom Holdings, Inc. to Stacom Holdings, LLC. Staples is a party to the Purchase and Sale Agreement (the "Agreement") and approves of the sale.

# STACOM HOLDINGS, LLC ("Buyer") AND PLATINUM EQUITY, LLC ("Platinum")

3. Stacom Holdings, LLC is a limited liability company organized under the laws of Delaware with its principal office located in California. A copy of the Certificate of Formation is included as Exhibit 3. Buyer is a holding company organized for the purpose of holding the ownership interests of Claricom Nètworks, Inc., upon consummation of the stock sale whose approval is sought in this Application.

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4. Platinum Equity, LLC, a Delaware limited liability company, was formed as a vehicle for the acquisition of companies and is the ultimate parent of Buyer. Platinum is recognized as one of the largest and fastest growing privately held information technology companies in the United States, with 16 technology driven subsidiaries and a workforce of 10,000 employees in more than 100 countries. Platinum is also the ultimate parent company of Matrix Telecom, Inc. ("Matrix"), a telecommunications service provider in Missouri. Matrix and Claricom will both continue to operate in the State of Missouri as separate entities serving distinctly different markets. The press release, organizational charts and officers listing attached as Exhibits 4, 5 and 6 provide more information concerning the background and pre- and post-acquisition structure of Platinum. Platinum is a party to the Agreement and approves of the purchase.

### **REQUEST FOR APPROVAL OF THE PURCHASE AND SALE AGREEMENT**

5. On March 27, 2001 Claricom Holdings, Inc., Staples, Inc., Stacom Holdings, LLC and Platinum Equity, LLC entered into a Purchase And Sale Agreement. The Purchase and Sale Agreement is provided in Exhibit 7 of the Non-Public Version of this Application in a sealed envelope pursuant to Commission Rules. Pursuant to the Agreement, Claricom will be converted to a limited liability company and all of the outstanding stock in Claricom will be transferred from Seller to Buyer. As a result of this transfer, Claricom will become a wholly-owned subsidiary of Buyer, whose ultimate parent company is Platinum. Claricom will remain a separate operating company. The only change will be the conversion of Claricom from a corporation to a limited hiability company and the transfer of the ownership interests.

6. The proposed transaction will have no impact on the customers of Claricom. Through the closing and for a short period of time thereafter, Claricom's Missouri customers will

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notice no change in the company name, address, contact information, services, rates or terms and conditions of services. Claricom will continue to provide high quality, affordable telecommunications services to the public in the same manner as it has operated since it obtained its certificate and tariff approval. All technical aspects of the provision of reliable telecommunication services will be handled in the same manner and by the same individuals who provide the technical support for Claricom today. Claricom will continue to possess the technical, managerial, and financial resources necessary to provide reliable and low-cost telecommunications services after the transaction is consummated. The proposed transaction will not in any way disrupt service nor cause inconvenience or confusion to the customers of Claricom and will in fact be transparent to the customers of Claricom.

7. Platinum is a privately held company with more than sufficient resources to insure the successful ongoing operations of Claricom. Financial Statements of Platinum are provided in Exhibit 8 of the Non-Public Version of this Application in a sealed envelope marked in accordance with Commission Rules. The Financial Statements have been removed from the Public Version of this Application as they contain valuable financial information concerning operation of a company which is privately held, and the release of which would place Buyer and its parent company at an unfair, competitive disadvantage.

8. It is anticipated that Claricom will introduce new products and rates in the near future. A separate filing for necessary tariff revisions due to these additions will be made.

9. Applications for approval of this transaction will be filed with the FCC and every state in which Claricom is required to file for approval. Letters of notification will be sent to all

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other states in which Claricom operates. Claricom pledges that it will comply with all applicable statutes and Commission rules and regulations.

### **CONTACT INFORMATION**

10. The Applicants herein provide the following contact information for questions,

notices, pleadings and other communications concerning this Application:

Mark P. Johnson, Esq. Trina R. LeRiche, Esq. Sonnenschein Nath & Rosenthal 4520 Main Street, Suite 1100 Kansas City, MO 64111 Felephone: (816) 460-2400 Facsimile: (816) 531-7545 email: MJohnson@sonnenschein.com TLeRiche@sonnenschein.com

Judith A. Riley, Esq. Telecom Professionals, Inc. 2912 Lakeside Drive Oklahoma City, OK 73120 Telephone: (405) 755-8177 Facsimile: (405) 755-8377 email: jriley@telecompliance.net

### **CONCLUSION**

11. For the reasons stated herein, the Applicants request approval of the purchase and sale of the stock of Claricom Networks, Inc. to Stacom Holdings, Inc., and to permit the Applicants to consummate this transaction as soon as possible.

Respectfully Submitted,

SONNENSCHEIN NATH & ROSENTHAL

ina R. Le Riche

Mark P. Johnson, Esq.MO #30740Trina R. LeRiche, Esq.MO #460804520 Main Street, Suite 1100Kansas City, MO 64111Telephone:(816) 460-2400Facsimile:(816) 531-7545email:Mjohnson@sonnenschein.com<br/>TleRiche@sonnenschein.com

### ATTORNEYS FOR APPLICANTS

Dated: June 6, 2001

### **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on this date, true and correct copies of the above and

(2 copies)

foregoing with attachments was hand delivered or mailed with proper postage thereon to:

Michael Dandino Office of Public Counsel Missouri Public Service Commission 200 Madison Street Suite 650 Jefferson City, Missouri 65101

With one copy being mailed postage prepaid, on the same date to:

William K. Haas Office of General Counsel Missouri Public Service Commission 200 Madison Street Suite 800 Jefferson City, Missouri 65101

Dated this 6th day of June, 2001.

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Trina R. LeRiche

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### VERIFICATION

STATE OF MASSACHUSETS SS COUNTY OF MDDLESEX

I, Patrick Hickey, hereby declare under penalty of perjury, that I am the Controller of Claricom Holdings, Inc., ("Seller") and Staples, Inc. ("Staples"); that I am authorized to make this verification on behalf of Seller and Staples; that I have read the foregoing; and that the facts stated therein are true and correct to the best of my knowledge, information and belief.

Dated this  $25^{\mu}$  day of April, 2001.

Patrick Hickey Controller Claricom Holdings, Inc.

Patrick Hickey Controller Staples, Inc.

Sworn to and subscribed before me this  $25^{-971}_{\text{day of}}$ APRIL , 2001.

My Commission expires:

CHRISTINE C. CARDOZA NOTARY PUBLIC MyCernistics/Extremt Match 31, 2003



Application of Control by Claricom Networks, Inc.

### VERIFICATION

STATE OF California ) COUNTY OF Los Angeles ) SS

I, William M. Foltz, Jr., hereby declare under penalty of perjury, that I am the Vice President of Stacom Holdings, LLC ("Buyer") and the Chief Financial Officer of Platinum Equity, LLC ("Platinum"); that I am authorized to make this verification on behalf of Buyer and Platinum; that I have read the foregoing; and that the facts stated therein are true and correct to the best of my knowledge, information and belief.

Dated this <u>19</u><sup>44</sup> day of April, 2001.

11. X. m

William M. Foltz, Jr. Vice President Stacom Holdings, LLC

William M. Foltz, Jr. Chief Financial Officer Platinum Equity Holdings, LLC

Sworn to and subscribed before me this 19th day of 4 2001.

My Commission expires:

June 22nd 201



Application for Transfer of Control by Claricom Networks, Inc.

### VERIFICATION

STATE OF  $\underline{C}_{\underline{T}}$  ) COUNTY OF  $\underline{A}$ 

I, Thomas Maier, hereby declare under penalty of perjury, that I am the Secretary and Treasurer of Claricom Networks, Inc., ("Claricom"); that I am authorized to make this verification on behalf of Claricom; that I have read the foregoing; and that the facts stated therein are true and correct to the best of my knowledge, information and belief.

Dated this 26 day of April, 2001. Thomas Maier Secretary/Treasurer Claricom Networks, Inc. Sworn to and subscribed before this 26 day of APRIL, 2001. Notary My Commission expires: 11. . . .

Application for Transfer of Control by Claricom Networks, Inc.



# ORDER RECOGNIZING CHANGE OF

# NAME AND APPROVING TARIFF

KCMLIB1 21077625 v1

### STATE MISSOURI PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 29th day of January, 1998.

In the Matter of Clarity Telecom LD Network Services, Inc.'s Tariff Designed to Change Name to Claricom Networks, Inc.

Case No. TO-98-275

# ORDER RECOGNIZING CHANGE OF CORPORATE NAME AND APPROVING TARIFF

Clarity Telecom LD Network Services, Inc., a Delaware corporation, submitted a tariff filing on December 31, 1997, designed to reflect its change of corporate name from "Clarity Telecom LD Network Services, Inc." to "Claricom Networks, Inc." (hereinafter referred to as Claricom). The company was certificated to provide interexchange telecommunications services on September 23, 1997, in Case No. TA-98-47. Claricom included with its filing the Certificate of Amendment to its Certificate of Incorporation reflecting its new corporate name. Claricom submitted substitute sheets on January 8, 13, 14, 15, and 16, 1998. Claricom's tariff filing, which carries an effective date of January 31, replaces its existing tariff in its entirety and makes several changes to tariff provisions.

The Staff of the Commission (Staff) filed a memorandum on January 22, stating that it had reviewed the company's filing and tariff sheets and had no objection to their approval. Staff stated that, in addition to the change in corporate name, the new tariff also eliminates the Multi-Location Plan, a service which has no Missouri customers. The tariff adds a second underlying carrier which will allow Claricom to examine a customer's traffic and offer, in some cases, a more beneficial rate by using a different underlying carrier. Customers will still have the option to select a preferred carrier regardless of the results of Claricom's traffic analysis. Claricom's tariff changes its rates from time-of-day sensitive to flat rates which will result in no increases to customers. Claricom introduces a 35-cent surcharge for pay phone calls and a 5 percent recurring charge for new customers whose total monthly bills are less than \$212.73. Staff recommended that the name change be recognized and the tariff approved, as amended, to become effective on January 31.

The Commission has reviewed Claricom's filing, the tariff sheets, and Staff's recommendation, and finds that the change of name should be recognized. The Commission further finds that the tariff sheets reflecting the new corporate name and making the changes discussed by Staff are reasonable and should be approved to become effective on January 31.

### IT IS THEREFORE ORDERED:

1. That the change of corporate name from "Clarity Telecom LD Network Services, Inc." to "Claricom Networks, Inc." is acknowledged.

2. That the tariffs submitted by Claricom Networks, Inc. on December 31, 1997, are approved as amended to become effective on January 31, 1998. The tariff approved is:

### P.S.C. Mo. No.1

3. That this order shall become effective on January 31, 1998.

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BY THE COMMISSION

Hole Hred Roberts

Dale Hardy Roberts Secretary/Chief Regulatory Law Judge

(SEAL)

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

Wickliffe, Regulatory Law Judge



# **CERTIFICATE OF GOOD STANDING**

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# STACOM CERTIFICATE OF FORMATION

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I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "STACOM HOLDINGS, LLC", FILED IN THIS OFFICE ON THE TWENTY-THIRD DAY OF MARCH, A.D. 2001, AT 6 O'CLOCK P.M.



Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 1046524

3372778 8100

010145937

DATE: 03-27-01

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## CERTIFICATE OF FORMATION OF STACOM HOLDINGS, LLC

1. The name of the limited liability company is Stacom Holdings, LLC.

2. The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle, State of Delaware 19801. The name of the registered agent at such address is The Corporation Trust Company.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation of Stacom Holdings, LLC this 23<sup>rd</sup> day of March, 2001.

Era M. Kalawski Authorized Person

# **EXHIBIT 4**

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# PRESS RELEASE

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Platinum Equity

### FOR IMMEDIATE RELEASE

### PLATINUM EQUITY ACQUIRES STAPLES COMMUNICATIONS

Acquisition of Telecommunications Subsidiary From Staples, Inc. Includes Three Primary Business Units Serving 45,000 Customers Across The United States

LOS ANGELES (April 4, 2001) – Platinum Equity, a leader in acquiring and growing technology companies, announces today that it has acquired Staples Communications, a telecommunications services subsidiary, from parent company, Staples, Inc., (NASDAQ: SPLS). A leading provider of bundled telecommunications services, Staples Communications has an employee base in excess of 850 and an active customer base of 45,000 located in 38 major metropolitan markets. Additionally, the Company has revenues of more than \$175 million for the year 2000. Terms of the acquisition are not disclosed.

Platinum Equity's acquisition of Staples Communications includes the Company's three primary businesses: Claricom, Inc. providing hardware sales and services, Claricom Networks, Inc. and Clarity Telecom Local Network Services, Inc., providing long distance and local network services. The acquisition of the two network divisions is subject to regulatory approvals being obtained. The Company's headquarters will continue to be based in Shelton, Connecticut. It will operate under a new name to be announced at a later date.

-More-

### Page 2...Platinum Equity / Staples Communications

Tom T. Gores, president and chief executive officer of Platinum Equity commented, "The acquisition of Staples Communications builds upon our strategy to increase our presence in the telecom space. As usual, we will apply fundamental business principals along with our understanding of the space to create new energy and enhanced value for the company."

Staples Communications is a nationwide advanced integrator of communications solutions, offering a full portfolio of business communications systems and software, voice, data and network solutions. The Company has built a strong national franchise by providing packaged telecommunications solutions to small and medium-sized business customers. Staples Communications offers a full spectrum of network services, such as local and long distance, internet access, paging, data and other related network services, as well as a full portfolio of business communications solutions including voice, data, and video hardware and software from some of the worlds leading manufacturers: Nortel Networks, Iwatsu, Executone, Active Voice, and Sony.

Platinum recently announced its acquisition of Williams Communications Solutions, renamed Nextira, from Williams Communications Group. Nextira is a leading communications network solutions operation with combined revenues of \$1.5 billion and more than 6,500 employees. Nextira includes the integrated operations of Platinumowned, Milgo Solutions.

### **Platinum Equity**

Platinum Equity (www.peh.com) is one of the largest and fastest growing, private equity firms in the United States. Platinum is a multi-billion dollar organization specializing in the acquisition and operation of

-More-





### Page 3...Platinum Equity / Staples Communications

global, mission-critical technology companies. Based in Los Angeles, Platinum is a unique company recognized as a hybrid financial and strategic buyer with deep financial resources and broad operational expertise. Due to their highly skilled executive management team, Platinum is able to stimulate and help drive the value of their portfolio companies. Since the company's founding in 1995, Platinum has acquired more than 25 technology-driven companies and several billion dollars of revenue from leading Fortune 500 Corporations including WorldCom, AT&T, Viacom, Dow Jones & Company and IBM. Platinum has an established infrastructure in North America, Europe, Asia and South America and a workforce of more than 10,000 employees serving tens of thousands of customers throughout the world. All Platinum companies operate as standalone entities and are lead by their own management teams.

# # #

**CONTACT:** 

Platinum Equity Alanna Chaffin 310.712-1850 achaffin@peh.com

### **Platinum Equity Communications**

Bill Kobel 717.703.6025 wkobel@peh.com Amy Kelchner 717.703.6177 akelchner@peh.com



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PRE-ACQUISITION AND POST-ACQUISITION ORGANIZATIONAL CHARTS FOR THE TELECOM DIVISION OF THE PLATINUM EQUITY COMPANIES



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# EXHIBIT 6

# PLATINUM EQUITY, LLC

# AND

# STACOM HOLDINGS, LLC

# LISTING OF OFFICERS

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### STACOM HOLDINGS LLC

Managers: Eva M. Kalawski

### Officers:

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Tom T. Gores William M. Foltz, Jr. Douglas E. Johnston, Jr. Johnny O. Lopez Philip E. Norment Robert J. Wentworth Eva M. Kaławski Robert J. Joubran Mark Reader

President Vice President Vice President Vice President Vice President Vice President Secretary Treasurer Assistant Treasurer

### PLATINUM EQUITY, LLC

Managers: Tom T. Gores

### Officers:

Tom T. Gores John H. Diggins Douglas E. Johnston, Jr. Johnny O. Lopez Gary L. Newton William M. Foltz, Jr. Philip E. Norment David M. Anglin William C. Bricking Robert J. Joubran Robert J. Wentworth Eva M. Kalawski Mark Reader Barbara J. Schmidt President Executive Vice President Executive Vice President Executive Vice President Executive Vice President Chief Financial Officer Chief Operations Officer Chief Technology Officer Senior Vice President Senior Vice President and Treasurer Senior Vice President Vice President, General Counsel and Secretary Assistant Treasurer Assistant Treasurer

April 9, 2001

# **PUBLIC DOCUMENT** –

# **CONFIDENTIAL FINANCIAL INFORMATION**

# FILED UNDER PROTECTIVE ORDER IN NON-PUBLIC VERSION

### EXHIBIT 7

# PLATINUM EQUITY, LLC

# PURCHASE AND SALE AGREEMENT





# PUBLIC DOCUMENT -

# CONFIDENTIAL FINANCIAL INFORMATION

# FILED UNDER PROTECTIVE ORDER IN NON-PUBLIC VERSION

EXHIBIT 8

PLATINUM EQUITY, LLC

FINANCIAL STATEMENTS

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