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Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
WorldConnect Communications Inc.)
("WCI") and Specialized)
Telecommunications Services, Inc.)
("STS") (U-5435-C) for Authority for)
WCI to acquire control of STS.)

ORIGINAL
Application 96-11-055
(Filed November 25, 1996)

O P I N I O N

Applicants WorldConnect Communications Inc. (WCI) and Specialized Telecommunications Services, Inc. (STS) seek authorization to transfer all shares of common stock of STS from owners Gary Friedman and Richard A. Sardi (Sellers) to WCI. Under Public Utilities (PU) Code § 854, changes in control of any public utility require prior Commission approval.

Notice of this application appeared in the Commission's Daily Calendar of November 27, 1996. No protests were filed; therefore, a public hearing is not necessary. The application requested expedited ex parte treatment. Certain exhibits to the application were filed under seal pursuant to the ruling of the Law and Motion Administrative Law Judge.

WCI, a California corporation, provides management of international telecommunications systems. It is not authorized as a nondominant interexchange carrier (NDIEC) by this Commission.

STS is a California corporation which holds a certificate of public convenience and necessity (CPCN) as a switchless reseller of communications services pursuant to Decision (D.) 94-11-057. Sellers own 100% of the shares of stock of STS, as well as an unregulated affiliate, Shared Telecommunications System, Inc. (Shared), which operates as a telemanagement company. Shared is not certificated by this Commission. Sellers propose to sell 100% of STS's and Shared's outstanding shares of stock to WCI,

which will operate STS as a subsidiary under STS's CPCN. This will result in WCI owning 100% of STS's outstanding stock.

Upon consummation of the transfer of shares of stock, STS will continue to provide telecommunications services. We will handle any changes in their rates or service offerings through the filing of revisions to their tariffs.

The proposed transfer will have no adverse effect or impact on the environment because the transactions involve only the transfer of outstanding shares of stock.

After its acquisition by WCI, STS will continue to be run by its Executive Vice President and other members of its staff. David Guardanapo, president of WCI, has disclosed that he was associated with Vortel Communications, Inc. (Vortel) after it was already in Chapter 11 bankruptcy reorganization proceedings. However, he successfully managed Vortel's emergence from Chapter 11 proceedings. Long after Guardanapo's departure from Vortel, it again filed bankruptcy proceedings and now is in the process of being dissolved. Guardanapo states that, to the best of his knowledge, Vortel has not been involved in slamming. We commend Guardanapo for making this disclosure and see no reason why it should bar WCI's acquisition of STS.

Pursuant to Ordering Paragraph 1 of Decision (D.) 87-10-035 (25 CPUC2d 459), this application should be approved by the Executive Director on an expedited basis because the application is non-controversial and because STS is a NDIEC. The Ordering Paragraph provides in part that:

"...the Executive Director [may] grant noncontroversial applications by nondominant telecommunications carriers and radiotelephone utilities for authority to transfer assets or control under §§ 851-855 of the PU Code."

Findings of Fact

1. Sellers propose to sell and WCI proposes to acquire 100% of the outstanding shares of stock of STS.

2. WCI will own 100% of STS as a result of the transaction and control of STS will change from Sellers to WCI. STS will become a subsidiary of WCI and will continue to operate under its present CPCN.

3. Notice of the filing of the application appeared in the Commission's Daily Calendar on November 27, 1996. No protests to the application have been filed.

4. It can be seen with certainty that the proposed transfer will not have an adverse impact on the environment.

5. Public convenience and necessity require the granting of this application, to be effective on the date signed.

6. The Executive Director may grant noncontroversial applications by nondominant telecommunications carriers for authority to transfer control under §§ 851-855 of the PU Code.

Conclusions of Law

1. The application for transfer of control should be granted.

2. This authority is not a finding of the value of the rights and property to be transferred.

O R D E R

IT IS ORDERED that:

1. On or after the effective date of this order, Gary Friedman and Richard A. Sardi (Sellers) may sell and WorldConnect Communications Inc. (WCI) may acquire 100% of the outstanding shares of Specialized Telecommunications Services, Inc.'s (STS) outstanding stock in accordance with the terms described in the application.

2. STS shall continue to use its existing corporate identification No. U-5435-C in the caption of all original pleadings and in the titles of pleadings filed in existing cases with the Commission.

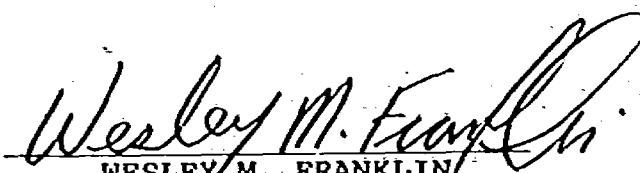
3. WCI shall file with the Commission's Docket Office for inclusion in the formal file of Application 96-11-041 written notice that the authorized change in control has been completed, within 30 days after the change in control has taken place.

4. The authority granted in Ordering Paragraphs 1 and 2 shall expire if not exercised within 12 months after the effective date of this order.

5. This proceeding is closed.

This order is effective today.

Dated JAN 30 1997, at San Francisco, California.


WESLEY M. FRANKLIN
Executive Director