

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF INTERNATIONAL	)	
TELEMANAGEMENT GROUP, INC. TO TRANSFER	)	CASE NO. 95-351
OWNERSHIP OR CONTROL	)	

O R D E R

On August 24, 1995, International Telemanagement Group, Inc. ("International Telemanagement") and GSTNET, Inc. ("GST") (hereinafter collectively referred to as "Joint Applicants") filed, pursuant to KRS 278.020(4) and (5), an application for Commission approval of the transfer of all issued and outstanding capital stock of International Telemanagement to GST, together with, inter alia, the parties' Stock Purchase Agreement and GST's 1994 Annual Report.

International Telemanagement is an Ohio corporation that was authorized to provide intrastate telecommunications services within the Commonwealth of Kentucky in Case No. 93-470.<sup>1</sup> GST, formerly known as Greenstar Telecommunications, is a publicly held Delaware Corporation that provides telecommunication services.

Pursuant to KRS 278.020(4), all persons are required to obtain Commission approval prior to the acquisition or transfer of ownership or control of a utility under the jurisdiction of the

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<sup>1</sup> Case No. 93-470, International Telemanagement Group, Inc. Application for a Certificate of Public Convenience and Necessity to Transact the Business of a Reseller of Interexchange Telecommunications Services Within the State of Kentucky and for Approval of its Initial Tariff.

Commission. KRS 278.020(5) prohibits any entity from acquiring control of any utility under the jurisdiction of the Commission without prior approval. The Commission finds that KRS 278.020(4) and (5) are applicable to the proposed transaction as described by Joint Applicants. Therefore, Commission approval is necessary.

The proposed transaction involves the sale of all issued and outstanding capital stock of International Telemanagement to GST [Application at 2; Stock Purchase Agreement at 1]. The sole shareholder of International Telemanagement shall then be employed by GST in an executive capacity [Employment Agreement, Exhibit B to Stock Purchase Agreement]. In addition, it is contemplated that International Telemanagement shall remain a fully functioning entity and that certain services to be provided to International Telemanagement will supplement functions that are performed by International Telemanagement employees [Services Agreement, Exhibit C to Stock Purchase Agreement]. Joint Applicants assert that the change in ownership will not affect the service received by International Telemanagement's customers.

The Annual Report of GST, together with additional information filed with the application, demonstrates that GST possesses the financial, managerial, and technical abilities to provide reasonable service in Kentucky. Since, according to Joint Applicants, services will continue to be offered by International Telemanagement pursuant to its tariff currently on file with the Commission, no adoption notice is necessary.

The Commission finds that GST has demonstrated the financial, technical, and managerial abilities to provide reasonable service to the public, and that the proposed transaction will be made in accordance with law, for a proper purpose, and consistently with the public interest. Consequently, the proposed transaction should be approved.

IT IS THEREFORE ORDERED that:

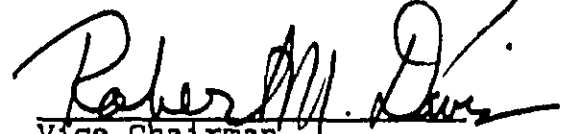
1. The proposed transaction as described by the Joint Applicants is hereby approved.

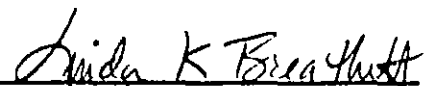
2. Joint Applicants shall notify the Commission within 10 days of the consummation of the proposed transaction or, in the alternative, shall notify the Commission if the proposed transaction does not occur.

Done at Frankfort, Kentucky, this 29th Day of August 1995.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director