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December 3, 2002

RECEIVED-DOCKETING DIV
2002 DEC -14 PM 12:20
PUCO

Public Utilities Commission of Ohio
Attention: Docketing Division
180 East Broad Street
Columbus, OH 43215

Re: FreedomStarr Communications, Inc. Form 563 Notification of a Change in Ownership

Enclosed, for filing with the Commission, please find an original, a duplicate and ten copies of the above-referenced submission. Please date-stamp the duplicate of this filing and return it in the pre-addressed envelope provided. If there are questions regarding this filing, please contact me at (703) 918-2315. Thank you in advance for your assistance with this matter.

Cordially,

Winafred Brantl

Winafred Brantl

Counsel for FreedomStarr Communications, Inc.

enclosures

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business
Technician APR Date Processed 12/4/02

PUBLIC UTILITIES COMMISSION OF OHIO

PUBLIC COMPETITIVE TELECOMMUNICATIONS SERVICE PROVIDER
563 REGISTRATION FORM
ISSUED: December 21, 1995

02-3154-CT-ZCO

In the Matter of
FREEDOMSTARR COMMUNICATIONS, INC.

)
) Originally Authorized in
) Case No. 99-1706-CT-RRJ
)

Notification of Change in Ownership

Name of Registrant **FREEDOMSTARR COMMUNICATIONS, INC.**
Registrant's Address **8730 Sunset Boulevard, #700, West Hollywood, CA 90046**
Contact Person **Matthew Hoffman** Phone **(310) 734-3441**

Date December 3, 2002

- I. Indicate the reason for submitting this form (check only one) (NOTES: 1. If a waiver is filed in conjunction with an automatic case, see I.D.2.b. of the 563 guidelines for the applicable automatic time frame; and 2. The number of copies noted below must be accompanied by an original filing. Facsimiles are not acceptable.):

- ☐ 1. (ABN) Withdrawal or Abandonment of all Services (14-day notice, 13 copies)
☐ 2. (ACE) New Operating Authority (30-day approval, 10 copies)
☒ IXC ☐ AOS ☐ CAP ☐ Cellular ☐ Paging
☐ Other _____
☐ 3. (AMT) Merger (14-day notice, 13 copies)
☐ 4. (ATR) Transfer or Transaction Affecting Operating Authority (14-day notice, 7 copies)
☐ 5. (ARJ) All Other Requests for Relief from Jurisdiction (NOT automatic, 10 copies)
☐ 6. (MTW "Me Too" Waiver (30-day approval, 10 copies)
☐ 7. (RRJ) Interexchange Switchless Rebiller Request for Relief from Jurisdiction (30-day approval, 10 copies)
☐ 8. (WVR) Request for Waiver from Portion(s) of 563 pursuant to I.D.3. of the 563 guidelines. (NOT automatic, 10 copies)
☐ 9. (ZAC) Contract (0-day notice, 10 copies)
☐ 10. (ZCN) Change of Name (0-day notice, 10 copies)
☒ 11. (ZCO) Change in Ownership (0-day notice, 10 copies)
☐ 12. (ZTA) Introduction of new tariffed service(s), textual revision, correction of error, addition of service area(s), etc. (0-day notice, 10 copies)
☐ 13. (UNC) Unclassified (explain) _____ (NOT automatic, 10 copies)
☐ 14. Other (explain) _____ (NOT automatic, 10 copies)

THE FOLLOWING ARE TRF FILINGS ONLY, NOT NEW CASES (0-day notice, 3 copies)

- ☐ 15. Introduction of Extension of Promotional Offering
☐ 16. New Price List Rate for Existing Service
☐ 17. Designation of Registrant's Process Agent(s)

- II. Indicate which of the following exhibits have been filed. The numbers (corresponding to the list above) indicate, at a minimum, the types of cases of which the exhibit is required:

- ☐ A copy of registrant's proposed informational tariffs. (2)
☐ Statement affirming that the registrant has notified the Ohio Department of Taxation of its intent to conduct operations as a telephone utility in the State of Ohio. (2)
☐ List of names, addresses, and phone numbers of officers and directors, or partners. (2-4)
☐ Brief description of service(s) proposed, as well as the targeted market(s). (2)
☐ Copy of tariff sheet(s) & price list(s) superseded, marked as Exhibit A. (1,3- 4,6,8,10,12-16)

- ☐ Copy of revised tariff sheets & price lists, marked as Exhibit B. (1,3-4,6,8,10,12-16)
- ☐ If increase to residential MTS, DA, or traditional operator surcharges, specify which notice procedure will be utilized: _____ real time; or _____ annual. (12,16)
- ☐ Copy of real time notice which has been provided to customers. (1,3,10-12,16) See Below *
- ☐ Copy of annual notice which will be sent to customers is: _____ included with this filing; or will be filed with the Commission _____ (month) _____ (year). (16)
- ☐ Description of and rationale for proposed tariff changes, including a complete description of the service(s) proposed or affected. Specify for each service affected whether it is business _____, residence _____, or both _____ as well as whether it is a switched _____ or dedicated _____ service. Include this information in either the cover letter or label as "Exhibit C". (3,6,8,12-15)
- ☐ Delineation of any deaveraged message toll service, if applicable. (6,12-16)
- ☒ Statement explaining rationale for proposal. (1,3-5,10-11) See Attachment A
- ☐ List of Ohio counties specifically involved or affected (1-6,8,10,16)
- ☐ Certification from Ohio Secretary of State as to party's proper standing (domestic or foreign corporation, authorized use of fictitious name, etc.). (2-4,7,10) (In transfer of certificate cases, the transferee's good standing must be established).
- ☐ Justification for waiver of specific element(s) of 563. (6,8)
- ☐ Responses to questions contained in Appendix A, Attachment 4 to the 563 guidelines (7)
- ☐ For radio common carriers, a statement affirming that registrant has obtained all necessary federal authority to conduct operations being proposed, and that copies have been furnished by cellular, paging, and mobile companies to this Commission of any Form 401, 463, and/or 489 which the applicant has filed with the Federal Communications Commission. (2-4)
- ☐ Other information requested by the Commission staff.

*** Subsequent to the change of ownership described herein, FreedomStarr Communications, Inc. continues to provide interexchange telecommunications services in Ohio under the same name and pursuant to the same authorization granted by the Public Utilities Commission of Ohio. Accordingly, the change of ownership and control described herein is transparent to the Applicant's customers in Ohio, and will have no impact upon them.**

- III. Registrant hereby attests to its compliance with the following requirements in the Service Requirements Form, as well as all pertinent entries and orders issued by the Commission with respect to these issues. Further, registrant hereby affirms that it will maintain with its TRF docket an up-to-date, properly marked, copy of the Service Requirements Form available for public inspection.

Mandatory requirements for all CTS providers:

- ☒ Sales tax
- ☒ Deposits

Service requirements for CTS providers of certain services (check all applicable):

- ☐ Discounts for Persons with Communication Disabilities and the Telecommunication Relay Service
- ☐ Emergency Services Calling Plan
- ☐ Alternative Operator Service (AOS) requirements
- ☐ Limitation of Liability
- ☐ Termination Liability Language

- IV. List names, titles, and addresses of those persons authorized to make and/or verify filings at the Commission on behalf of the registrant:

Matthew Hoffman	Winafred Brantl/Tamara Connor/Joseph Price (Counsel)
Marketing Coordinator	Kelley Drye & Warren LLP
8730 Sunset Boulevard, #700	8000 Towers Crescent Drive, Suite 1200
West Hollywood, CA 90069	Vienna, VA 22182

NOTE: An annual report is required to be filed with the Commission by each company on an annual basis. The annual report form will be sent for completion to the address and individual(s) identified in this Section unless another address or individual is so indicated.

VERIFICATION

I, WINIFRED BARNER, Counsel for FreedomStarr Communications, Inc. verify that I have utilized, verbatim, the Commission's 563 Registration Form issued December 21, 1995 and that all of the information submitted here, and all additional information submitted in connection with Case No. _____ is true and correct to the best of my knowledge.

Winifred Barner
(Signature)* (Date)

* A verification is required for every filing. It may be signed by counsel or a process agent designated by the Registrant, except that initial certification cases (ACE) must be signed by an officer of the registering entity.

Send your completed Registration Form, including all required attachments as well as the required number of copies, to:

Public Utilities Commission of Ohio
Attention: Docketing Division
180 East Broad Street
Columbus, OH 43215-3793

ATTACHMENT A

RATIONALE FOR PROPOSAL

Notification of a Transfer of Control of FreedomStarr Communications, Inc.
to AmericanFone, LLC and of Related Financing Transactions

FreedomStarr Communications, Inc. ("FreedomStarr") and AmericanFone, LLC ("AmericanFone" and, together with FreedomStarr, the "Parties") respectfully notify the Commission of a transfer of control of FreedomStarr to AmericanFone. FreedomStarr is authorized currently as a provider of resold interexchange telecommunications services in the state of Ohio and will continue its operations without alteration. The change in ownership will have no adverse effect whatsoever upon FreedomStarr's provision of services and, on the contrary, will provide FreedomStarr with substantially improved financial management and greater strength in customer service operations. Over time, the Parties also expect the synergies between the companies to permit FreedomStarr to provide a greater variety of telecommunications services at more competitive rates. In connection with this notification, the Parties provide the following information:

THE PARTIES

FreedomStarr is a California S-Corporation formed on July 22, 1996. The Company is located at 8730 Sunset Boulevard, West Hollywood, CA 90069 with its mailing address at 7985 Santa Monica Boulevard, #7, Los Angeles, CA 90046. FreedomStarr is authorized to provide resold interexchange services in 40 states, including Ohio. The Company was authorized by this Commission for the provision of resold interexchange services in Case No. 99-1706-CT-RRJ on January 25, 2000.

AmericanFone¹ is a telecommunications company serving consumers and small businesses. Through its subsidiaries, AmericanFone provides long distance services with a variety of access options depending on customer size and needs, all of which are conveniently linked to a single, monthly bill. Coupled with traditional long distance services, AmericanFone's subsidiaries offer calling card services for calling needs when away from the home or office. These calling cards can be used from more than 80 countries worldwide. AmericanFone's toll-

¹ AmericanFone shares principal and mailing addresses with FreedomStarr.

free services provide an easy and simple way for callers to reach the company's customers at home or in the office with no charge to them. Long distance, calling card and toll-free services are conveniently reflected in the customer's online bill for easy review at any time. For customers interested in controlling and monitoring their telecommunications costs more closely, AmericanFone offers pre-paid calling plans. Each month customers can purchase a predetermined number of service minutes. These can be used as needed, either at home or on the road. AmericanFone's proprietary billing systems and online distribution channels provide it with a unique competitive advantage which allows FreedomStarr to drive significant cost savings to its customers and bottom line.

DESCRIPTION OF THE TRANSACTION

In mid-January 2002, AmericanFone negotiated an agreement to acquire ownership of FreedomStarr from Michael Reed and Alan Ezeir, the carrier's original owners. In consequence of related commercial considerations, the parties were compelled to close the transaction as immediately as possible, consummating the arrangement on January 22, 2002. Under the terms of the agreement, AmericanFone acquired all of the issued and outstanding capital stock of FreedomStarr and FreedomStarr became a direct wholly-owned subsidiary of AmericanFone. A chart illustrating the pre-transaction and post-transaction ownership structures is provided as *EXHIBIT 1*.

This transfer of control has been transparent to consumers in Ohio and does not adversely affect FreedomStarr's provision of telecommunications services in Ohio. FreedomStarr continues to exist and provides service of equal or greater quality than before the transaction although it does so now as a subsidiary of AmericanFone.

AmericanFone possesses all the financial, managerial and technical qualifications necessary to assume control of FreedomStarr. AmericanFone brings a strong financial presence and expertise to its relationship with Freedomstarr, providing the carrier with significantly improved financial management as well as ready financial support should a temporary need arise. FreedomStarr's financial condition since its acquisition by AmericanFone reflects measurable improvements in financial strength and stability. Additionally, AmericanFone personnel as well as new FreedomStarr management brought on board since the transaction contribute extensive expertise both with the growth and ongoing management of commercial

enterprises and specifically with the management and operations of a telecommunications company. The key management team represents over 50 years of hands-on responsibility for management, marketing and technical performance of national and international telecommunications operations. Consequently, with respect to FreedomStarr customers in Ohio, there is no “down side” to the transaction. On the contrary, FreedomStarr’s access to AmericanFone’s management strength, financial support and expertise in customer service and billing operations enables the carrier to improve significantly both its customer offerings and its operating efficiencies. That improvement, in turn, enables FreedomStarr to play a more competitive role in the Ohio telecommunications market, with resulting benefits to consumers throughout Ohio.

PUBLIC INTEREST ANALYSIS

The transfer of control of FreedomStarr to AmericanFone is in the public interest. AmericanFone brings the benefits of sophisticated management, financial strength and expertise in key operational areas such as customer service and billing. This permits FreedomStarr to improve upon its current service offerings while realizing greater operating efficiencies – both improvements representing essential developments in a highly competitive telecommunications market. Moreover, as noted above, AmericanFone’s acquisition of FreedomStarr has been transparent to FreedomStarr’s existing customers in Ohio. FreedomStarr continues to provide the same services to its customers under the same terms and conditions they have received previously. Consequently, this acquisition holds no adverse effects for consumers. Instead, over time, consumers in Ohio will benefit from the availability of an increased range and enhanced caliber of telecommunications services.

Exhibit 1

PRE- AND POST TRANSFER OWNERSHIP STRUCTURE

FREEDOMSTARR COMMUNICATIONS, INC. OWNERSHIP STRUCTURE
PRE- AND POST- TRANSFER OF CONTROL

