

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 6287

Joint Petition of Intelicom International )  
Corporation and S4 Corporation for Approval of )  
a Transfer of Control )

Order entered: 12/15/99

I. INTRODUCTION

This case involves a petition filed on August 23, 1999, by Intelicom International Corporation ("Intelicom"), and S4 Corporation ("S4")(jointly "Petitioners"), seeking Vermont Public Service Board ("Board") approval, under 30 V.S.A. § 107, of a transfer of control of Intelicom to S4. The request is made pursuant to a Stock Acquisition Agreement ("Agreement") whereby Intelicom will become a wholly-owned subsidiary of S4.

On November 30, 1999, the Vermont Department of Public Service ("Department") submitted a letter to the Board indicating that the Department had no objection to the transfer of control of Intelicom to S4, through their Agreement. Further, the Department also had no objection to the issuance of an order without hearing or further investigation, as provided under 30 V.S.A. § 107.

II. FINDINGS OF FACT

Based upon the petition and accompanying documents, the Board makes the following findings of fact.

1. Intelicom is a Florida corporation headquartered at 28050 US 19 North, Suite 202, Clearwater, Florida 34621. Intelicom is authorized to provide interexchange services in Vermont pursuant to CPG No. 248, issued on July 5, 1996. Petition at 2.

2. S4 is an Indiana corporation with headquarters at 7254 East 86<sup>th</sup> Street, Indianapolis, Indiana 46250. S4 is a holding company which does not directly provide telecommunications services. Petition at 2-3.

3. Intelicom and S4 have determined that they will realize significant economic and marketing efficiencies by establishing Intelicom as a wholly-owned subsidiary of S4. Accordingly, the Agreement provides for S4 to acquire all of the shares of Intelicom. Petition at 4.

4. Following completion of the transaction, Intelicom will become a wholly-owned subsidiary of S4. Intelicom will continue to operate in all respects as they currently operate, pursuant to present operating authority and tariff rate structure, and will continue to provide service to current customers in Vermont as a direct subsidiary of S4. Accordingly, neither the name of, nor the terms and conditions of service offered by Intelicom, will be affected by the transaction. The proposed transaction simply changes the corporate parent of Intelicom. As such, the transaction should not cause inconvenience or confusion to Intelicom's customers and in fact should be virtually transparent to such customers in terms of the services that they receive. Accordingly, the transaction should not inconvenience customers within the State of Vermont. Petition at 4-5.

5. Completion of the proposed transaction will serve the public interest in that it will promote competition among long distance carriers by providing Intelicom with the opportunity to strengthen its competitive position and to pursue its marketing and business plans more effectively due to improved access to capital. Petition at 5.

### III. CONCLUSIONS OF LAW AND DISCUSSION

The proposed transaction requires Board approval under 30 V.S.A. § 107, which applies to a direct or indirect acquisition of a controlling interest in a Vermont utility.<sup>1</sup> Section 107 requires a finding that the transfer of control will promote the public good. This standard is met in this case. The proposed transaction will promote the public good, because Intelicom will have access to a larger pool of managerial, technical and financial resources due to the relatively larger resources of its new owner, S4. In the competitive arena of telecommunications, the overall effect of this merger may promote more customer choice in terms of services, with stronger competitors in the Vermont telecommunications market. It should also be noted that the transfer of control will not result in any rate increase to existing customers of Intelicom.

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1. Approval under 30 V.S.A. §§ 231 and 311 is not required because the current holder of the Certificate of Public Good, Intelicom, will continue to be the entity providing telecommunications service in Vermont.

For all of the above reasons, the proposed transfer of control of Intelicom to S4, through the mechanisms outlined in the Stock Acquisition Agreement, should be approved.

ORDER

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

1. The acquisition of control of Intelicom International Corp. by S4 Corporation through their Stock Acquisition Agreement, is approved.
2. Petitioners shall notify the Board, within one week, upon completion of the transfer of control.

DATED at Montpelier, Vermont, this 15<sup>th</sup> day of December, 1999.

s/Michael H. Dworkin	)	PUBLIC SERVICE
	)	
	)	
s/Suzanne D. Rude	)	BOARD
	)	
	)	
s/David C. Coen	)	OF VERMONT

OFFICE OF THE CLERK

Filed: December 15, 1999

Attest: s/Susan M. Hudson

Clerk of the Board

*NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board of any technical errors, in order that any necessary corrections may be made.*

*Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.*

