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AZ CORP COMMISSION
DOCUMENT CONTROL

**COMPLIANCE
MEMORANDUM**

TO: Docket Control Center
FROM: Patrick C. Williams *PCW*
Manager, Compliance and Enforcement
Utilities Division
DATE: April 30, 2002

This Memorandum to the Docket will certify that compliance, as described below, has been met for the referenced utility.

UTILITY: Teligent Services, Inc.

DOCKET NO. T-03761A-00-0521 **DECISION NO.** 64091
ET. AL.

COMPLIANCE ACTION:

File documentation relating to the transfer of equity with the Commission within 30 days from the date of the transaction.

DUE DATE: **DATE COMPLIED:** 10/23/2002

Arizona Corporation Commission
DOCKETED

APR 30 2002

DOCKETED BY *PCW*

Please Date Stamp & Return



Teligent, Inc.
8065 Leesburg Pike, Suite 400
Vienna, Virginia 22182
voice 703 782 5100
fax 703 782 5200
www.teligent.com

October 22, 2001

RECEIVED

OCT 23 2001

VIA OVERNIGHT MAIL

LEGAL DIV.

Arizona Corporation Commission ARIZ. CORPORATION COMMISSION
Legal Division
1200 W. Washington Street
Phoenix, AZ 85007

Re: CONFIDENTIAL AND PROPRIETARY INFORMATION
Joint Application of American Long Lines, Inc., Teligent, Inc. and
Teligent Services, Inc. for Approval of the Transfer of Equity, Docket
Nos. T-03761A-00-0521 and T-03336A-00-0521.

Dear Sir/Madam:

Pursuant to Decision No.64091 ordered October 4, 2001 in the above-referenced docket, enclosed please find the documentation relating to the transfer of equity as requested by the Commission. Specifically, page 4 of that decision required that American Long Lines, Inc., Teligent Inc., and Teligent Services, Inc. file "all documentation relating to the transfer of equity with the Commission within 30 days from the date of the transaction." As the Commission is aware, Decision No. 64091 was not rendered until after the date of transaction, therefore, the enclosed documentation is being filed within 30 days from date of the Commission's decision.

Please note that the enclosed materials are CONFIDENTIAL AND PROPRIETARY, and are being provided in accordance with the Protective Agreement issued in the above-referenced docket.

Please date-stamp and return the enclosed extra copy in the self-addressed, postage paid envelope provided. If you have any questions regarding this submission, please do not hesitate to contact the undersigned at (703) 762-5510.

Respectfully submitted,

Victoria A. Schlesinger
Associate General Counsel

Enclosures

Cc: Christopher C. Kemply
Joel M. Reiker

**PROPRIETARY AND
CONFIDENTIAL**

EXECUTION COPY

AGREEMENT AND PLAN OF MERGER AND REORGANIZATION

BY AND AMONG

**TELIGENT, INC.,
a Delaware corporation,**

**XANADU COMMUNICATIONS, INC.,
a Pennsylvania corporation,**

**AMERICAN LONG LINES, INC.,
a Pennsylvania corporation,**

ALAN WIDRA,

**INDENTURE OF TRUST OF ALAN WIDRA DATED 3/31/99
FOR THE BENEFIT OF HOWARD WIDRA**

AND

**INDENTURE OF TRUST OF ALAN WIDRA DATED 3/31/99
FOR THE BENEFIT OF JILL WIDRA,**

the sole shareholders of American Long Lines, Inc.

Dated as of June 6, 2000

**PROPRIETARY AND
CONFIDENTIAL**

**PROPRIETARY AND
CONFIDENTIAL****AGREEMENT AND PLAN OF MERGER AND REORGANIZATION**

This Agreement and Plan of Merger and Reorganization (this "Agreement") is dated as of this 6th day of June 2000, and is by and among TELIGENT, INC. ("Teligent"), a Delaware corporation XANADU COMMUNICATIONS, INC. ("Merger Sub"), a Pennsylvania corporation, AMERICAN LONG LINES, INC. ("ALL"), a Pennsylvania corporation, ALAN WIDRA ("AW" or the "Primary Shareholder"), an individual domiciled in the Commonwealth of Pennsylvania, Phyllis Pentima and Howard Widra, trustees under that Indenture of Trust of Alan Widra dated 3/31/99 for the benefit of Howard Widra ("HWT"), and Phyllis Pentima and Jill Widra, trustees under that Indenture of Trust of Alan Widra dated 3/31/99 for the benefit of Jill Widra ("JWT"). Any one of AW, HWT and JWT may sometimes be referred to herein as a "Shareholder," and they shall sometimes hereinafter be collectively referred to as the "Shareholders," and to the extent DD has become a shareholder of ALL prior to the Stock Transfer Effective Date and executes a counterpart of this Agreement in his capacity as a Shareholder, he shall be included in the defined terms Shareholder and Shareholders from and or after the date he becomes a shareholder.

RECITALS:

WHEREAS, Teligent, Merger Sub, ALL and the Shareholders wish to provide for the terms and conditions of the following described business combination in which Merger Sub, a newly organized Pennsylvania chartered, first-tier subsidiary of Teligent will be merged with and into ALL (the "Merger"), with ALL as the surviving corporation (sometimes referred to herein as the "Surviving Corporation");

WHEREAS, for federal income tax purposes, it is intended that the Merger shall qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code") by virtue of Section 368(a)(2)(E) of the Code, and this Agreement shall constitute a plan of reorganization pursuant to Section 368 of the Code;

WHEREAS, the respective Boards of Directors of Teligent, Merger Sub and ALL have deemed the Merger advisable and have approved this Agreement and the Merger;

WHEREAS, the Shareholders of ALL and Teligent, as the sole shareholder of Merger Sub, have adopted this Agreement and approved the Merger in accordance with all legal requirements for shareholder adoption and approval under the Pennsylvania Business Corporation Law (the "PBCL");

WHEREAS, the Primary Shareholder has agreed to enter into a non-competition and non-disclosure agreement in favor of Teligent at Closing (as hereinafter defined) in the form of **Exhibit A** hereto (the "Primary Shareholder Non-Competition Agreement") as a further inducement for Teligent entering into this Agreement; and

WHEREAS, Teligent and the Shareholders have agreed to enter into the Escrow Agreement (as hereinafter defined) for the purpose of securing the distribution payable to the

PROPRIETARY AND CONFIDENTIAL

Shareholders under Section 2.04(c) of this Agreement and providing partial security for the obligations of the Shareholders to Teligent under Article VIII of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants, agreements and indemnification hereinafter contained, the parties hereto agree as follows:

ARTICLE I CERTAIN DEFINITIONS

1.01. *Certain Definitions.* The following terms are used in this Agreement with the meanings set forth below:

"Acceptance Notice" has the meaning set forth in Section 2.04(b) of this Agreement.

"Add-On ALL Local Access Lines Percentage" means the percent (rounded to the second decimal place) in excess of 100% of the percent resulting from a fraction the numerator of which is ALL Local Access Lines and the denominator of which is the Targeted ALL Local Access Lines, divided by 2. For example, if ALL Local Access Lines at the end of the First Measurement Period totaled 18,000 lines, then the Add-On ALL Local Access Lines Percentage would be equal to $[(18,000/15,000) - 1]/2$, or 10.00%.

"Add-On ALL Monthly Revenue Percentage" means the percent (rounded to the second decimal place) in excess of 100% of the percent resulting from a fraction the numerator of which is Excess ALL Monthly Revenue for an Applicable Measurement Period and the denominator of which is Targeted ALL Monthly Revenue less the Minimum Amount, divided by 2. For example, if Excess ALL Monthly Revenue for the First Measurement Period equaled \$1,000,000, then the ALL Monthly Revenue Percentage would be equal to $[(\$1,000,000/(\$2,900,000 - \$2,030,000)) - 1]/2$, or 7.47%.

"ALL Local Access Lines Percentage" means the percentage (rounded to the second decimal place) resulting from a fraction the numerator of which is ALL Local Access Lines (not to exceed Targeted ALL Local Access Lines) and the denominator of which is the Targeted ALL Local Access Lines.

"ALL Monthly Revenue Percentage" means the percent (rounded to the second decimal place) resulting from a fraction the numerator of which is the Excess ALL Monthly Revenue (which numerator in no event shall exceed the denominator) for an Applicable Measurement Period and the denominator of which is the Targeted ALL Monthly Revenue less the Minimum Amount.

"Agreement" means this Agreement, as amended from time to time in accordance with Section 10.05.

"ALL" has the meaning set forth in the preamble to this Agreement.

**PROPRIETARY AND
CONFIDENTIAL****ARTICLE II
PLAN OF MERGER**

2.01. *The Merger.* Subject to the terms and conditions hereinafter set forth, and pursuant to the provisions of the PBCL, at the Stock Transfer Effective Time (as hereinafter defined), Merger Sub shall be merged with and into ALL. At the Stock Transfer Effective Time, the separate corporate existence of Merger Sub shall cease and ALL shall continue as the Surviving Corporation. The name of ALL, as the Surviving Corporation, shall remain "American Long Lines, Inc." From and after the Stock Transfer Effective Time, ALL, as the Surviving Corporation, shall possess all of the properties and rights and be subject to all of the liabilities and obligations of ALL and Merger Sub, all as more fully described in the PBCL.

2.02. *Legal Effects of the Merger.*

(a) The Articles of Incorporation of ALL as in effect immediately prior to the Stock Transfer Effective Time, shall be, from and after the Stock Transfer Effective Time, the Articles of Incorporation of the Surviving Corporation, until amended or restated in accordance with the PBCL.

(b) The Bylaws of Merger Sub, as in effect immediately prior to the Stock Transfer Effective Time, shall be, from and after the Stock Transfer Effective Time, the Bylaws of the Surviving Corporation until amended or restated in accordance with terms thereof or otherwise in accordance with the PBCL.

(c) The directors of Merger Sub in office immediately prior to the Stock Transfer Effective Time shall be, from and after the Stock Transfer Effective Time, the directors of the Surviving Corporation, and the officers of Merger Sub in office immediately prior to the Stock Transfer Effective Time, Alan Widra and Douglas Derstine shall be, from and after the Stock Transfer Effective Time, the officers of the Surviving Corporation with Alan Widra serving as President and Chief Executive Officer and Douglas Derstine serving as Executive Vice President and Chief Operating Officer; such directors and officers to hold office in accordance with the Surviving Corporation's Bylaws and applicable law.

(d) The 100 shares of common stock, \$.01 par value per share, of Merger Sub, issued and outstanding immediately prior to the Stock Transfer Effective Time, shall by virtue of the Merger and, without any action on the part of the parties hereto or the holder thereof, be converted into 1,000 shares of ALL Common Stock.

(e) All of the shares of ALL Common Stock issued and outstanding immediately prior to the Stock Transfer Effective Time shall cease to be outstanding and shall, in the aggregate, be converted at the Stock Transfer Effective Time into a right to receive (i) the Initial Payment, (ii) the Escrowed Amounts to the extent payable pursuant to Section 2.04(c), and (iii) the Earn-Out Shares to the extent earned pursuant to Section 2.04(a), but in the cases of subparts (ii) and (iii) subject to decrease adjustment for any Reduction Amount and Withheld Amount pursuant to Sections 8.04(d) and 8.04(e).

This Agreement has been executed by the parties effective on the date and year first above written.

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TELEIGENT, INC.

By: [Signature]
Name: KIRBY G. ACKLE
Title: PRESIDENT & CEO

KANADU COMMUNICATIONS, INC.

By: [Signature]
Name: KIRBY G. ACKLE
Title: PRESIDENT & CEO

AMERICAN LONG LINES, INC.

By: _____
Alan Widra, President and CEO

SHAREHOLDERS:

Alan Widra, Individually

Indenture of Trust of Alan Widra dated 3/31/99 for
the benefit of Howard Widra

By: _____
Howard Widra, Trustee

By: _____
Phyllis Pentima, Trustee

Indenture of Trust of Alan Widra dated 3/31/99 for
the benefit of Jill Widra

By: _____
Jill Widra, Trustee

By: _____
Phyllis Pentima, Trustee

This Agreement has been executed by the parties effective on the date and year first above written.

PROPRIETARY AND
CONFIDENTIAL

TELIGENT, INC.

By: _____
Robert H. Schwartz
Senior Vice President, Corporate
Development and Strategy

XANADU COMMUNICATIONS, INC.

By: _____
Robert H. Schwartz
Senior Vice President, Corporate
Development and Strategy

AMERICAN LONG LINES, INC.

By: Alan Widra
Alan Widra, President and CEO

SHAREHOLDERS:

Alan Widra
Alan Widra, Individually

Indenture of Trust of Alan Widra dated 3/31/99 for
the benefit of Howard Widra

By: _____
Howard Widra, Trustee

By: Phyllis M. Pentima
Phyllis Pentima, Trustee

Indenture of Trust of Alan Widra dated 3/31/99 for
the benefit of Jill Widra

By: Jill Widra
Jill Widra, Trustee

By: Phyllis M. Pentima
Phyllis Pentima, Trustee

This Agreement has been executed by the parties effective on the date and year first above written.

PROPRIETARY AND CONFIDENTIAL

TELEIGENT, INC.

By: Robert H. Schwartz, Senior Vice President, Corporate Development and Strategy

XANADU COMMUNICATIONS, INC.

By: Robert H. Schwartz, Senior Vice President, Corporate Development and Strategy

AMERICAN LONG LINES, INC.

By: Alan Widra, President and CEO

SHAREHOLDERS:

Alan Widra, Individually

Indenture of Trust of Alan Widra dated 3/31/99 for the benefit of Howard Widra

By: Howard Widra, Trustee

By: Phyllis Pentima, Trustee

Indenture of Trust of Alan Widra dated 3/31/99 for the benefit of Jill Widra

By: Jill Widra, Trustee

By: Phyllis Pentima, Trustee

PROPRIETARY AND
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AMERICAN LONG LINES, INC.

INCORPORATED UNDER THE LAWS OF PENNSYLVANIA
Authorized Shares ~~1000~~ **1000** at the rate of \$1.00 Per Share

CANCELLED

This Certifies that

Howard Widra and Phyllis Pentima, Trustees ϵ /b/o
Howard Widra U/I/T of Alan Widra dated 3/31/99

SEE REVERSE FOR CERTAIN DEFINITIONS

owner of

AMERICAN LONG LINES, INC.

Shares of

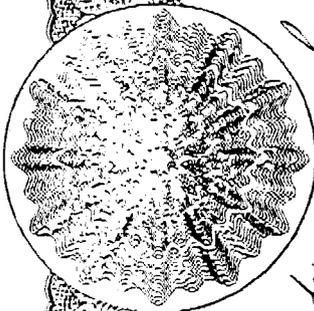
Full paid and non-assessable, transferable only on the books of the Corporation
in person or by attorney in person, surrender of this Certificate, together endorsed,
Jr Director thereof, the Board of Directors has caused this Certificate to be signed
by its duly authorized officers and its Corporate Seal to be hereunto affixed
this 31st day of March 31st 1999

M. BURRHEIM, PHILA

SECRETARY

ALAN WIDRA

PRESIDENT



PROPRIETARY AND
CONFIDENTIAL



AMERICAN LONG LINES, INC.

INCORPORATED UNDER THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA
Authorized Shares 1,000 Par Value \$1.00 Per Share

This certifies that Jill Wilk is the owner of Five Shares of AMERICAN LONG LINES, INC.

Jill Wilk, Philadelphia, Trustees E/b/o
John Widra dated 1/31/99

Full paid and non-assessable, transferable only on the books of the Corporation in
accordance with the provisions of the Charter and by order of the Board of Directors
of the Corporation has caused this Certificate to be properly endorsed
by its duly authorized officers and its Corporate Seal to be hereunto affixed
this 1st day of March 1999

Dora W. A.
SECRETARY

Dora W. A.
PRESIDENT



PROPRIETARY AND
CONFIDENTIAL



AMERICAN LONG LINES, INC.

INCORPORATED UNDER THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA
Authorized Shares 1,000 Par Value \$1.00 Per Share

This certifies that

CANCELLED

owner of ----- Nine Hundred -----

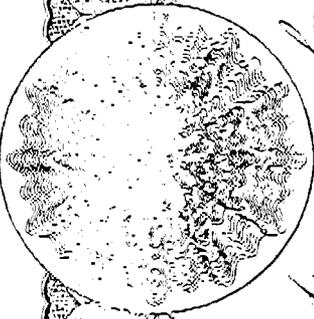
AMERICAN LONG LINES, INC.

is the
Share of -----

Full paid and non-assessable transferable only on the books of the Corporation
in person or by attorney upon surrender of this Certificate properly endorsed.
In witness whereof, the said Corporation has caused this Certificate to be signed
by its duly authorized officers and its Corporate Seal to be hereunto affixed
this 5th day of March 1999

M. Guirkem Phila
SECRETARY

W. D. ...
PRESIDENT



PROPRIETARY AND
CONFIDENTIAL



AMERICAN LONG LINES, INC.

INCORPORATED UNDER THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA
Authorized Shares 1,000 Par Value \$1.00 Per Share

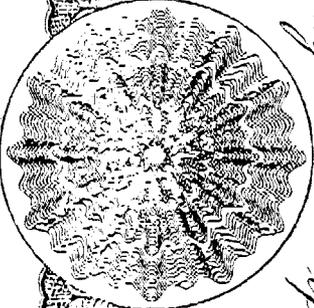
This Certifies that Teligel, Inc. is the
owner of 100 and 00 Shares of
AMERICAN LONG LINES, INC.

Full paid and duly assessed and transferable only on the books of the Corporation
in person or by its attorney in person or under its certificate properly endorsed
by its duly authorized officers and its Board of Directors. Seal hereunto affixed
this 23rd day of May 1949 2000

M. BURKHEIM - PHILA

SECRETARY

PRESIDENT



PROPRIETARY AND
CONFIDENTIAL



AMERICAN LONG LINES, INC.

INCORPORATED UNDER THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA
Authorized Shares 1,000 Par Value \$1.00 Per Share

This certifies that

Teligent Services, Inc.

is the

owner of

One Thousand

Shares of

AMERICAN LONG LINES, INC.

*Full paid and non-assessable transferable only on the books of the Corporation
in person or by Attorney upon surrender of this Certificate, property and bonded
in witness whereof the said Corporation has caused this Certificate to be signed
by its duly authorized officers and its Corporate Seal to be hereunto affixed
this 23rd day of June 19 2000*

M. S. Moore

SECRETARY

M. BURR DEN PAULS

M. S. Moore

PRESIDENT

