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KELLEY DRYE & WARREN LLP

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TYSONS CORNER

8000 TOWERS CRESCENT DRIVE

SUITE 1200

VIENNA, VIRGINIA 22182

(703) 918-2300

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2002 DEC -4 A 9:49 (703) 918-2450

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December 3, 2002

T-03822A-02-0880

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Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Re: Notification of a Transfer of Control of FreedomStarr Communications, Inc.
to AmericanFone, LLC

To Whom It May Concern:

FreedomStarr Communications, Inc. ("FreedomStarr") and AmericanFone, LLC ("AmericanFone" and, together with FreedomStarr, the "Parties"), by their attorneys, 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 Arizona 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, Applicants 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 Arizona.

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-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

¹ AmericanFone shares principal and mailing addresses with FreedomStarr.

with a unique competitive advantage which allows FreedomStarr to drive significant cost savings to its customers and bottom line.

DESIGNATED CONTACTS

The designated contact for questions concerning this notification are:

Winafred Brantl
Kelley Drye & Warren, LLP
8000 Towers Crescent Drive
Suite 1200
Vienna, VA 22182
(703) 918-2315
(703) 918-2450 (fax)
wbrantl@kelleydrye.com

Copies of all correspondence, notices, inquiries and orders also should be sent to:

Matthew Hoffman
AmericanFone, LLC
8730 Sunset Blvd., Suite 700
West Hollywood, CA 90069
(310) 734-3441
(310) 289-9046 (fax)
matthew@americanfone.com

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 *ATTACHMENT A*.

This transfer of control has been transparent to consumers in Arizona and does not adversely affect FreedomStarr's provision of telecommunications services in Arizona. 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 Arizona, 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, will enable FreedomStarr to play a more competitive role in the Arizona telecommunications market, with resulting benefits to consumers throughout Arizona.

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 will permit 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 Arizona. 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 Arizona will benefit from the availability of an increased range and enhanced caliber of telecommunications services.

It is the Parties' understanding, based upon review of the applicable statutory provisions, that prior Commission approval is not required for the transaction described herein. This notification is submitted for the Commission's information with a request that it be included in the appropriate files. Please date-stamp the enclosed duplicate of this filing and return it in the pre-addressed envelope provided. If there are questions regarding this notification or FreedomStarr generally, or if the Parties' understanding of the Commission's requirements

regarding this transaction is incorrect, please contact Winafred Brantl at (703) 918-2315. Thank you in advance for your assistance with this matter.

FREEDOMSTARR COMMUNICATIONS, INC.
AMERICANFONE, LLC

By: *Winafred Brantl*

Danny E. Adams
Winafred Brantl
Kelley Drye & Warren, LLP
8000 Towers Crescent Drive
Suite 1200
Vienna, VA 22182
(703) 918-2315

Their Attorneys

ATTACHMENT A

Pre-& Post-Transaction Ownership Structure Chart

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

