

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Joint Appli-) Application No. C-2302
cation of Zenez Long Distance,)
Inc.; Prestige Investments, Inc.;)
shareholders of Prestige Invest-) DISMISSED FOR LACK
ments, Inc.; and Lone Wolf Energy,) OF JURISDICTION
Inc., all of Oklahoma City, Okla-)
homa, seeking approval of a merger)
and acquisition of Prestige)
Investments, Inc.) Entered: August 1, 2000

BY THE COMMISSION:

By joint application filed May 22, 2000, Zenex Long Distance, Inc. (Zenex); Prestige Investments, Inc. (Prestige); shareholders of Prestige Investments, Inc.; and Lone Wolf Energy, Inc. (Lone Wolf), all of Oklahoma City, Oklahoma, seek approval of a merger and acquisition of Prestige Investments, Inc. Notice of the application was published in The Daily Record, Omaha, Nebraska, on May 23, 2000. No protests were filed; therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

O P I N I O N A N D F I N D I N G S

Zenex, a corporation organized under the laws of the state of Oklahoma, is a wholly-owned subsidiary of Prestige, also an Oklahoma corporation. Zenex received authority from this Commission to provide interexchange telecommunications services in Nebraska on July 16, 1996, pursuant to Application No. C-1317. Lone Wolf is a publicly-held Colorado corporation.

The current application stems from an agreement entered into by Zenex, Prestige and Lone Wolf. The transaction would result in Prestige merging into Prestige Acquisition Corp., a wholly-owned subsidiary of Lone Wolf, with Prestige to be the surviving corporation and thus becoming a wholly-owned subsidiary of Lone Wolf. Following the transfer of control of Prestige, Zenex will continue to operate as it has in the past, under the same name, tariff and operating authority. The transfer will have no effect on the immediate ownership or control of Zenex, as Zenex will continue to operate as a wholly-owned subsidiary of Prestige.

In Docket No. C-1746/PI-19, the Commission examined the situations in which it has authority to approve, condition or deny mergers, acquisitions and other transfers of control. The Commission concluded that, based on the pertinent statutes, rules and regulations, the Commission's authority over transfers of control extends only to transactions involving certificated carriers in Nebraska.

The Commission's authority is further limited to transfers which directly affect the ownership or control of the certificated

Application No. C-2302

PAGE 2

carrier. Transactions having only indirect effects on the securities of a certificated carrier, such as those involving entities at the holding company or parent company level and above, typically do not affect the actual ownership or control of the certificated entity and thus escape Commission jurisdiction.

In the present application, the transaction for which approval is sought does not directly involve the securities of the certificated entity in Nebraska, Zenex. Zenex will continue to be directly and wholly-owned and controlled by its parent corporation, Prestige. While the transaction may in fact touch the operations of Zenex through Lone Wolf's control of Prestige, the governing statutes and rules preclude us from exercising authority unless Zenex experiences a change in ownership or control directly as a result of the transfer of control. Because this condition is not satisfied, the Commission does not have the authority to express an opinion over the transaction. The application should be dismissed.

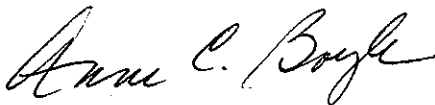
O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-2302 be, and it is hereby, dismissed.

MADE AND ENTERED at Lincoln, Nebraska, this 1st day of August, 2000.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:


Chairman//s/ Frank E. Landis
//s/ Daniel G. Urwiller

ATTEST:



Deputy Director