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April 9, 2001

BY OVERNIGHT DELIVERY

010440-TI

Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Application by Network US, Inc. and Affinity Corporation for
approval of a Foreclosure Sale Asset Purchase Agreement

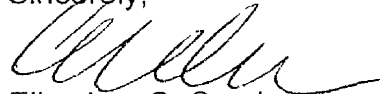
Dear Sir/Madam:

On behalf of Network US, Inc. and Affinity Corporation, enclosed please find an original and six (6) copies of the referenced Application.

Please date stamp and return the enclosed extra copy of this letter in the envelope provided as evidence of filing.

Should you have any questions concerning this filing, please call. Thank you for your assistance with this matter.

Sincerely,



EllenAnn G. Sands

Enclosures

DOCUMENT NUMBER-DATE

04410 APR 10 2001

FPSC-RECORDS/REPORTING

BEFORE THE PUBLIC SERVICE COMMISSION

STATE OF FLORIDA

APPLICATION BY NETWORK US, INC.
AND AFFINITY CORPORATION
FOR APPROVAL OF A FORECLOSURE
SALE ASSET PURCHASE AGREEMENT

CASE NO. _____

JOINT APPLICATION

Network US, Inc. ("Network") and Affinity Corporation, ("Affinity") (collectively referred to as "Applicants"), pursuant to the applicable Statutes of this State and the Commission's Rules and Regulations currently in effect and/or subsequently enacted, hereby jointly request Commission approval of a Foreclosure Sale Asset Purchase Agreement¹ (the "Agreement"). Under the Agreement, CAA, Inc. ("Sub"), a wholly-owned subsidiary of Network, acquired substantially all of the telecommunications assets of Affinity, including but not limited to Affinity's customer accounts, pursuant to a Uniform Commercial Code Foreclosure Sale under Wis. Stats. Section 409.504 (the "Acquisition").

Prior to consummation of the Acquisition on February 2, 2001 (the "Closing"), Affinity had been suffering financial difficulties, and its customers were on the brink of experiencing disconnection of their telecommunications service. As a result, Network, through its wholly owned subsidiary, Sub, acquired the assets of Affinity in order to

¹ A copy of the Agreement is attached hereto as Exhibit "A."

ensure uninterrupted service to Affinity's customers. Simultaneous with the Closing, Sub merged with and into Network, its parent company.²

Due to the exigent circumstances which existed at the time of the Closing, Network acquired Affinity's customer base even though it did not, at that time, have authority from this Commission to provide telecommunications services to Affinity's customers. However, Network is hereby requesting approval of the Acquisition, including the transfer of Affinity's certificate to provide telecommunications services in Florida to Network. In addition, Network has arranged for Affinity to continue service to the affected customers pursuant to Affinity's existing authority in this State³ until such time as this Commission has approved the transfer of Affinity's certificate to Network and the Commission has approved the Acquisition. Moreover, the customers of Affinity have already been given the opportunity to switch their service from Affinity to a different carrier. (See Footnote 5).

Commission approval of the Agreement and the Acquisition will be beneficial to the involved companies as well as Affinity's customers. Approval of the Acquisition will not in any way be detrimental to the public interests of this State. On the contrary, the customers of Affinity (who were on the verge of having their service disconnected due to Affinity's precarious financial situation) have nonetheless continued to receive the same high quality service previously rendered to them. Additionally, no party to the Agreement will be given undue advantage over any other party.

² A copy of the Articles of Merger wherein Sub merged with and into Network is attached hereto as Exhibit "B".

³ Affinity currently maintains authority to provide telecommunications services in this State pursuant to Docket No 900839-TI, May 1, 1991.

In support of this Application, Applicants show the following:

I. THE PARTIES

1. Network is a privately held Illinois corporation with principal offices located at 20876 Crossroads Circle, Waukesha, Wisconsin 53186. Sub is a wholly-owned Wisconsin subsidiary corporation of Network and maintains the same address. Network is requesting Commission approval of the transfer of Affinity's certificate to provide telecommunications services in Florida to Network. In connection with the Acquisition, Network has filed similar applications for the transfer of Affinity's certificate to Network or has filed applications for authority to provide interexchange telecommunications services in a number of other states.

2. Affinity is a privately held Wisconsin corporation with principal offices located at 20875 Crossword Circle, suite 400, Waukesha, Wisconsin 53185. Affinity is authorized to provide resold interexchange services in 48 states. Affinity is a certificated carrier in this State (see Footnote 3).

II. DESIGNATED CONTACT

3. The designated contact for questions concerning this Application is:

EllenAnn G. Sands
Nowalsky, Bronston & Gothard
A Professional Limited Liability Company
3500 North Causeway Boulevard
Suite 1442
Metairie, Louisiana 70002
Telephone: (504) 832-1984
Telefax: (504) 831-0892

4. Copies of such correspondence should also be sent to:

Ann Shah
Affinity Corporation
20876 Crossroads Circle
Waukesha, WI 53185

III. REQUEST FOR APPROVAL OF THE ACQUISITION

5. Applicants submit that the Acquisition accomplished the following:
- a. Affinity sold, transferred and assigned to Sub all of Affinity's right, title and interest in and to Affinity's assets, as defined in the Foreclosure Sale Asset Purchase Agreement.
 - b. In consideration for the above transfer and sale of assets, Sub paid to Affinity the purchase price set forth in the Foreclosure Sale Asset Purchase Agreement.
 - c. Network simultaneously merged Sub, its 100% wholly owned subsidiary, with and into Network. All of Sub's issued and outstanding common stock was canceled and extinguished, and the separate existence of Sub ceased, in connection with the Merger, with Network remaining as the surviving corporation.
6. Network is well-qualified to consummate both the transactions which are the subject of this Application. Current financial information for Network is attached hereto as Exhibit "C".⁴
7. Network proposes these transactions to ultimately ensure that the service to Affinity's customers continues uninterrupted.
8. The customers of Affinity have been given the opportunity to switch their service from Affinity to a different carrier. Those customers of Affinity who chose not to switch their service to a different carrier are continuing to receive service pursuant to authority previously granted to Affinity by this State (see Footnote 3) until such time as

⁴ Exhibit "C" consists of Network's Financial Statement for the year 1999.

this Commission grants Network authority to provide these services in this State at which time the customers will be serviced under Network's authority.

9. The technical, managerial and financial personnel of Affinity will assist with the transition and integration of the acquired Assets after the transaction, and along with the technical, managerial and financial personnel of Network, will continue to serve the transferred Affinity customers with the same high level of expertise.⁵

IV. PUBLIC INTEREST CONSIDERATIONS

10. Critical to the Acquisition is the need to ensure the continuation of high quality, uninterrupted service to all customers currently served by Affinity. The Acquisition will serve the public interest in that it will ensure that current Affinity customers maintain uninterrupted service, notwithstanding Affinity's financial difficulties.

11. The Acquisition will also serve to create a heightened level of operating efficiency which generally will serve to enhance the overall capacity of Network to compete in the marketplace and to provide telecommunications services for a greater number of consumers in this state at competitive rates.

V. EXPEDITED REVIEW

12. Applicants request expedited review and disposition of the instant Application due to Affinity's financial difficulties and in order to ensure that the transaction is transparent to the affected customers with no interruption in service.

⁵ Managerial profiles of those individuals from Network US and Affinity who will be responsible for the management of Network US following the transaction are attached as Exhibit "D". The customer notification informing Affinity's customers of the transaction is attached as Exhibit "E".

VI. TRANSFER OF CERTIFICATES

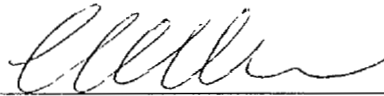
13. Applicants hereby request transfer of Affinity's Certificate of Public Convenience and Necessity, or other operating authority, to Network.

VII. CONCLUSION

14. WHEREFORE, for the reasons stated herein, Applicants respectfully request that the Commission retroactively authorize Network and Affinity to enter into the Agreement described above and consummate the Acquisition. More specifically, Applicants request that the Commission, retroactively and on an expedited basis, approve the Agreement, Acquisition and the transfer of Affinity's Certificate to provide telecommunications services and current customer accounts to Network.

DATED this 9th day of April, 2001.

Respectfully submitted,



EllenAnn G. Sands
Nowalsky, Bronston & Gothard
A Professional Limited Liability Company.
3500 North Causeway Boulevard
Suite 1442
Metairie, Louisiana 70002
(504) 832-1984
Counsel for Network US, Inc. and Affinity
Corporation

STATE OF LOUISIANA

COUNTY OF ORLEANS

VERIFICATION

I, Brian Sledz, am the President of Network US, Inc. and am authorized to make this verification on its behalf. The statements made in the foregoing Application are true of my own knowledge, except as to those matters which are therein stated on information and belief, and as to those matters I believe them to be true.

By: Brian Sledz
Name: Brian Sledz
Title: President

Sworn to and subscribed before me, Notary Public, in and for the State and County named above, this 4th day of April, 2001.

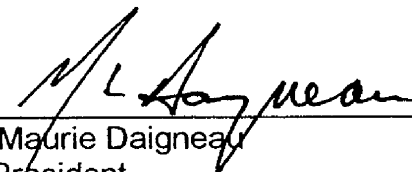
[Signature]
Notary Public

My commission expires: at death

STATE OF WISCONSIN
COUNTY OF WAUKESHA

VERIFICATION

I, Maurie Daigneau, am the President of Affinity Corporation and am authorized to make this verification on its behalf. The statements made in the foregoing Application are true of my own knowledge, except as to those matters which are therein stated on information and belief, and as to those matters I believe them to be true.

By: 
Name: Maurie Daigneau
Title: President

Sworn to and subscribed before me, Notary Public, in and for the State and County named above, this 31 day of March, 2001.


Notary Public

My commission expires: 1/18/04

EXHIBIT A

Agreement

CERTIFICATE OF SALE

Finova Mezzanine Capital, Inc. ("Finova"), a secured creditor of Affinity Corporation, ("Affinity") certifies that on February 2, 2001, at ____ o' clock p.m., at the offices of Quarles & Brady LLP, 411 East Wisconsin Avenue, Milwaukee, Wisconsin, it sold by quitclaim at a private sale pursuant to Section 409.504, Wis. Stats. to CAA, Inc ("Purchaser"), all of Affinity's right, title and interest in its (1) billed and unbilled accounts receivable; (2) furniture, fixtures and equipment, including all telecommunications equipment, computers, software and office supplies; (3) general intangibles, including all customer records, rights to provide local and long distance telecommunications services to customers; goodwill, tradenames and trademarks; (4) indebtedness of Lits, Inc. to Affinity; and (5) those assets specifically described on Exhibit A, attached hereto and incorporated herein by reference (the "Purchased Assets")

The purchase price was

_____, paid at closing. This sum was received by Finova in partial satisfaction of the obligations of Affinity to Finova but in full satisfaction of Finova's lien on the Purchased Assets.

The Purchased Assets referred to above were sold "as is" and "where is" without any warranties or representations of any kind or nature (including no warranties as to merchantability or fitness for a particular purpose).

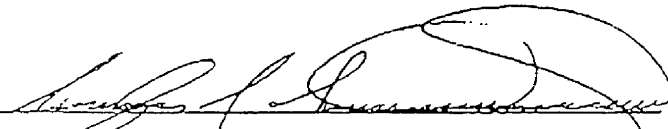
After the proceeds of the sale are applied to the debts and obligations of Affinity to Finova, a substantial deficiency will remain due and owing to Finova. There will be no surplus proceeds available to other creditors or other persons. No proceeds will be refunded to Affinity.

Finova reserves all rights to proceed against all other persons who may also be liable to it for the debts and obligations of Affinity and to proceed against all other collateral pledged to Finova as security for the debts and obligations of Affinity.

This Certificate of Sale is also the record of the disposition of the collateral referred to herein and the application of the proceeds.

Dated this 2nd day of February, 2001.

FINOVA MEZZANINE CAPITAL, INC.

By: 
Its: VICE PRESIDENT

Approved, accepted and agreed to
this 2nd day of February, 2001.

CAA, INC., a Wisconsin corporation

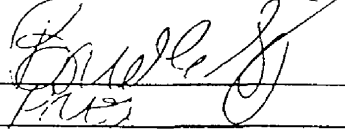
By: 
Its: CEO

EXHIBIT A
to Certificate of Sale Dated February 2, 2001
Between Finova and CAA

The "Customer Related Assets," comprised of (1) all end user long distance and local service telecommunications customer accounts of Affinity which are listed in an electronic format satisfactory to Purchaser (the "Customer Accounts") (the end users of the telecommunications services that generate the Customer Accounts shall be hereinafter referred to as the "Customers"); (2) all accounts receivable related to, associated with and derived from the Qualified Customer Accounts wherever incurred (collectively, the "Accounts Receivable"); (3) all of Affinity's rights under any agreements, application forms, term contracts, letters of agency and all other contractual instruments between Affinity and one or more Customers related to the Customer Accounts (collectively, the "Customer Contracts"), including but not limited to Affinity's right to assert claims and take other rightful actions in respect of breaches, defaults and other violations of such Customer Contracts; (4) all customer and other deposits held or made by Affinity related to the Customer Accounts; (5) all authorizations, certifications, licenses, permits and tariffs related to the Customer Accounts; (6) all relationships and goodwill related to the Customer Accounts; and (7) all dialers and other customer premise telecommunications equipment used by Affinity in the provision of local or long distance service to the Customers.

EXHIBIT B

Articles of Merger

ARTICLES OF MERGER

OF

CAA, INC.

Into

NETWORK US, INC.

Pursuant to the provisions of the Wisconsin Business Corporation Law, the following articles of merger are executed on the date hereinafter set forth.

1. Attached hereto and made a part hereof is a copy of the Plan of Merger approved by resolution of the Board of Directors of NETWORK US, INC., a corporation organized under the laws of the State of Illinois, the said laws of which permit a merger of a kind herein set forth and the applicable provisions of said laws have been or will be complied with, to merge CAA, INC., its wholly owned subsidiary corporation, into NETWORK US, INC..

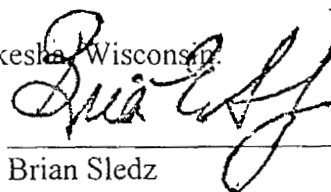
2. CAA, INC. is a corporation organized and existing under the laws of the State of Wisconsin.

3. CAA, INC. has only one class of outstanding shares, consisting of 9000 outstanding shares, all of which are owned by NETWORK US, INC. .

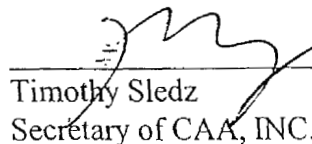
4. The articles of incorporation of NETWORK US, INC. do not require the approval by vote of its shareholders to authorize a merger of a wholly owned subsidiary of NETWORK US, INC. into NETWORK US, INC..

5. The county in which the registered office of NETWORK US, INC. is located is _____ County.

Executed on this 2nd day of February, 2001 at Waukesha, Wisconsin.

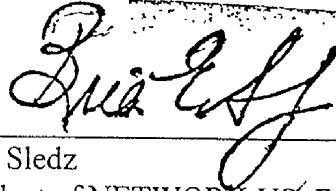


Brian Sledz
President of CAA, INC.



Timothy Sledz
Secretary of CAA, INC.

[Corporate Seal of CAA, INC.]



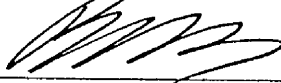
Brian Sledz
President of NETWORK US, INC.



Timothy Sledz
Secretary of NETWORK US, INC.

[Corporate Seal of NETWORK US, INC.]

This document was drafted by



Benjamin W. Bronston, Esq.
Nowalsky, Bronston & Gothard
A Professional Limited Liability Company

PLAN OF MERGER

OF

CAA, INC.

Merging Into

NETWORK US, INC.

PLAN OF MERGER approved by resolution adopted on February 2, 2001 by the Board of Directors of NETWORK US, INC., a corporation organized under the laws of the State of Illinois:

FIRST: NETWORK US, INC., as the owner of all of the outstanding shares of CAA, INC., a corporation of the State of Wisconsin, hereby merges said wholly owned subsidiary into NETWORK US, INC.

SECOND: The shares of CAA, INC. shall not be converted into shares of NETWORK US, INC., but said shares of CAA, INC. shall, upon effective date of the merger herein provided for, be surrendered and extinguished without the payment of any cash or the delivery of any other consideration.

EXHIBIT C

Network US Financials

Network US, Inc.
Balance Sheet
As of December 31, 1999

| | Dec 31, '99 |
|---------------------------------------|-------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| 1100 · Cash | |
| 116--FM Net general -21057 | 126,656.73 |
| Total 1100 · Cash | 126,656.73 |
| Total Checking/Savings | 126,656.73 |
| Other Current Assets | |
| 1400 · Security Deposits | 40,000.00 |
| Total Other Current Assets | 40,000.00 |
| Total Current Assets | 166,656.73 |
| TOTAL ASSETS | 166,656.73 |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| 2000 · Accounts Payable | |
| 2010 · A/P-carriers | 13,170.92 |
| Total 2000 · Accounts Payable | 13,170.92 |
| Total Accounts Payable | 13,170.92 |
| Total Current Liabilities | 13,170.92 |
| Total Liabilities | 13,170.92 |
| Equity | |
| 3010 · Bal Equity | 173,567.50 |
| Net Income | -20,081.69 |
| Total Equity | 153,485.81 |
| TOTAL LIABILITIES & EQUITY | 166,656.73 |

Network US, Inc.
Profit and Loss
January through December 1999

| | <u>Jan - Dec '99</u> |
|-----------------------------|--------------------------|
| Ordinary Income/Expense | |
| Cost of Goods Sold | |
| 5000 · Carrier Costs - COGS | 13,170.92 |
| Total COGS | <u>13,170.92</u> |
| Gross Profit | -13,170.92 |
| Expense | |
| 6110 · Bank Service Charges | 188.17 |
| 6480 · Professional Fees | 6,646.40 |
| 6690 · Miscellaneous | 76.20 |
| Total Expense | <u>6,910.77</u> |
| Net Ordinary Income | <u>-20,081.69</u> |
| Net Income | <u><u>-20,081.69</u></u> |

EXHIBIT D

Managerial Profiles

Timothy J. Sledz

Mr. Sledz has been an owner and operator of telecommunications companies for over ten (10) years. Mr. Sledz was the Chief Operating Officer of Discount Network Services, Inc. ("DNS"), a Chicago-based reseller of long distance service which was eventually sold to Network Long Distance, Inc. in October, 1995. Mr. Sledz was responsible for all back office functions, including billing, accounting and customer service. Mr. Sledz continues to serve as a member of the Board of Directors of the publicly traded Network Long Distance, Inc.

Since 1995, Mr. Sledz has been involved in a variety of telecommunications-related entrepreneurial endeavors, the latest of which is Network US, Inc. d/b/a CA Affinity ("Network US"), which is a reseller of long distance telecommunications services. Mr. Sledz is the Secretary and Treasurer of Network US and is responsible for all back office functions, including provisioning, billing, accounting and customer service.

Brian E. Sledz

Mr. Sledz has been an owner and operator of telecommunications companies for over ten (10) years. Mr. Sledz was the Founder and President of Discount Network Services, Inc. ("DNS"), a Chicago-based reseller of long distance service which was eventually sold to Network Long Distance, Inc. in October, 1995. Mr. Sledz was responsible for the overall management and operation of DNS, and concentrated his efforts primarily on managing all sales and marketing activities of the company.

Since 1995, Mr. Sledz has been involved in a variety of telecommunications-related entrepreneurial endeavors, the latest of which is Network US, Inc. d/b/a CA Affinity ("Network US"), which is a reseller of long distance telecommunications services. Mr. Sledz is the President and Chief Executive Officer of Network US and is responsible for the overall management and strategic direction of the company.

ANN SHAH

SUMMARY OF QUALIFICATIONS

Offering comprehensive experience and expertise in the following areas:

- A senior manager with extensive experience in the telecommunications industry
- Successful project management
- Personnel management including hiring, training, and procedure development
- Proficient in developing and maintaining excellent client relationships
- Extensive experience in planning, organization, evaluation, and follow-through
- Skilled in troubleshooting and problem resolution
- Excellent at on-the-spot negotiations, turning impending loss into profit
- Documented record of conscientious application, reliability, and loyalty in all positions
- Recognized for superior performance and ability to consistently remain within budget

PROFESSIONAL EXPERIENCE

8/92 TO Present. AFFINITY CORPORATION, WAUKESHA, WI.

VICE PRESIDENT, OPERATIONS

Reports to the President and CEO. Responsible for and authority over the strategic operations and administration of all customer care departments including Information Technologies, Customer Service, Credit and Collections, and Service Activation. Responsible for long-range planning, and developing corporate strategy, and align objectives to meet the strategy. Delegate goals and objectives to customer care management. Approve budgets, policies, procedures, and purchases, including technology upgrades. Identifies areas where improvements can be made and delegate quality improvement initiatives. Organizational responsibilities include inbound / outbound call processing, order intake processing, up-selling and cross-selling of assorted telecommunication products for residential and small business, and collection activities. Handles all tariffing, licensing, and certifications. Develops and implements annual budgets and business plans, analysis and reporting of departmental performance and productivity, forecasting, and implementation of process improvements.

Accomplishments include:

Reduction of chronically aged receivables and achieved a low 1.5% net-bad-debt ratio by instituting aggressive collection strategies while maintaining the client base.

Significantly upgraded service quality, resolved and prevented previously chronic customer and employee problems through restructuring the departments, which also served to enhance overall morale and increase productivity. Reduced staff by 30% while decreasing call abandon rate and speed of answer.

Improved service order activation time by 30% by establishing procedures to identify problem accounts earlier in the process.

Implemented human resource programs to improve productivity and morale, including continuation training initiatives, which were also used by other departments.

Negotiated Service Level Agreements with our underlying carriers to benefit our end users.

Led Conversion Committee, responsible for transferring and activating 60,000 lines on another long distance carrier in a 90-day period.

Developed and chaired Revenue Protection program, to reduce the occurrence of telecommunications and applications fraud through employee and customer awareness, and system monitoring and alarms.

854 James Ct., Hartford, WI 53076 (262) 670-0541 annshah@aol.com

EXHIBIT E

Customer Notice



Telecommunications with a purpose.

Date

Contact Name

Bill Name

Address 1

Address 2

City, State Zip

Dear Contact Name or Bill Name (if no contact name),

Thank you for using Affinity Long Distance. Please take a moment to read about very important changes which are taking place regarding your long distance service.

On Friday, February 2, 2001, Network US, Inc., through its wholly-owned subsidiary, CAA, Inc. ("CAA"), acquired all of Affinity's assets (the "Acquisition"). This change in ownership will not affect or in any way disrupt your current service, and CAA will continue to provide you with the same quality service that you have grown accustomed to under the new name, "CA Affinity". No rate increase will occur as a result of this transaction. The toll free Customer Service number will remain the same and if you have any questions, please call one of our Customer Service Representatives at 1-800-964-3863.

We at CAA are pleased to welcome you to our team and would like to express our appreciation for allowing us the opportunity to be your telecommunication service provider. We are confident that you will be pleased with the high quality of our service. However, if you do not wish to remain a customer, you may change your carrier and any fee imposed for making such change will be at our expense.

Our Customer Service Representatives are available to help you Monday – Friday 7 a.m. to 11 p.m. and Saturday 8 a.m. to 5 p.m. Central Time. You are a valued customer and we appreciate your patience and understanding during these upcoming changes.

Sincerely,
Customer Service