

PUBLIC UTILITY COMMISSION
OF THE STATE OF FLORIDA

IN THE MATTER OF THE APPLICATION)
OF CLARITY TELECOM LD)
NETWORK SERVICES, INC.)
FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY)
TO OPERATE AS A RESELLER)
OF INTEREXCHANGE)
TELECOMMUNICATIONS SERVICES)
WITHIN THE STATE OF FLORIDA)

Docket No. 961472-TT

JOINT MOTION REQUESTING
TRANSFER OF CUSTOMER BASE

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Clarity Telecom LD Network Services, Inc. ("Clarity") and EXECUTONE Information Systems, Inc. ("EXECUTONE"), by their respective attorneys, hereby request that the Florida Public Service Commission (the "Commission") approve the proposed transfer of EXECUTONE's customer base to Clarity upon approval of Clarity's Application for a Certificate of Public Convenience and Necessity to Operate as a Reseller of Interexchange Telecommunications Services Within the State of Florida filed concurrently with this Motion and following notice to customers of EXECUTONE which will be provided simultaneously¹ in each state where EXECUTONE operates. As described below, Clarity and EXECUTONE have entered into an agreement whereby Clarity has purchased selected assets of EXECUTONE.

EXECUTONE is a publicly-held Virginia corporation which is headquartered at

¹ Transfer of EXECUTONE's customer base to Clarity shall be completed upon receipt of regulatory approval by all regulatory agencies throughout the United States which require such approval and notification of the transfer to all customers of EXECUTONE. The transfer must be effectuated simultaneously throughout all jurisdictions in order to avoid customer confusion and to eliminate potential billing errors.

478 Wheelers Farms Road, Milford, CT 06460. EXECUTONE is in the business of designing, manufacturing, marketing, installing and servicing voice and data communications systems for businesses and healthcare customers. EXECUTONE is also in the business of reselling telecommunications services as a nondominant long-distance company. Pursuant to authority granted by the FCC, EXECUTONE currently originates interstate and international traffic in 46 states. EXECUTONE is also authorized and provides intrastate service in 43 states, including Florida.

EXECUTONE's products and services are sold under the EXECUTONE®, ISOETEC, IDS and INFOSTAR® brand names through direct sales organizations and a nationwide network of distributors.

Clarity is a privately-held corporation formed specifically for the purpose of facilitating the acquisition of certain of EXECUTONE's assets. Clarity is incorporated under the laws of the state of Delaware and is a wholly-owned subsidiary of Clarity Telecom Holdings, Inc. Clarity is authorized to transact business in Florida as a foreign corporation as evidenced in its above-captioned Application filed concurrently with this Motion.

On May 31, 1996, Clarity and EXECUTONE entered into an Asset Purchase Agreement whereby Clarity has acquired the telephony direct distribution business and telecommunications resale division (subject to regulatory approval of the transfer) of EXECUTONE by transferring the assets into the newly formed corporation.

The new corporation, Clarity, will continue existing telecommunications resale operations of EXECUTONE using substantially all the same personnel which previously comprised the telecommunications resale division of EXECUTONE. Service complaints

and response will be performed in the same manner as it was prior to the transfer. Customers may call Clarity's 800 number² to obtain service, make billing inquiries and report outages. Clarity will provide customer service twenty-four hours per day, seven days per week. Upon obtaining regulatory approval from all jurisdictions which require registration/authorization to resell telecommunications, EXECUTONE will notify customers of the proposed transfer and will notify the Commission of the completion of the transfer.³

The transfer of customer base will be made in a seamless fashion that will not adversely affect the provision of telecommunication services in Florida. Customers will be able to purchase the same high quality services from Clarity that they currently purchase from EXECUTONE. In addition, Clarity has filed, concurrently with this Motion, a tariff that substantially duplicates the service offerings, rates, terms and conditions currently available to EXECUTONE's customers. Thus, EXECUTONE's former customers will continue to receive the same services that they presently receive at the same rate levels.

The transfer of assets described herein is in the public interest because it will enable Clarity to expand operations, thereby offering new and improved services to customers in Florida. From the perspective of affected customers, the transfer will be largely transparent, leaving the quality of service that they expect unaltered. The transaction ultimately will enable Clarity to better service existing and future customers,

² Clarity's 800 number is the same 800 number utilized by EXECUTONE to respond to any customer inquiries. The number will be transferred by EXECUTONE concurrently with the transfer of customer base.

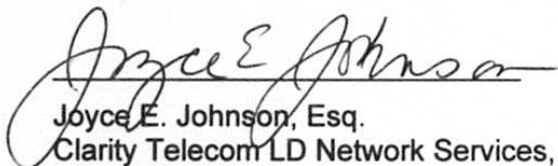
³ EXECUTONE intends to assign its contract with its underlying carrier(s) concurrently with the transfer of its customer base to Clarity.


and will enhance competition in the telecommunications market.

A form of Administrative Law Judge's Ruling is attached to this Motion.

WHEREFORE, Clarity and EXECUTONE respectfully request that their Joint Motion Requesting Transfer of Customer Base be granted.

Respectfully submitted,


Joyce E. Johnson, Esq.
Clarity Telecom LD Network Services, Inc.
Corporate & Regulatory Counsel


Barbara C. Anderson
EXECUTONE Information Systems, Inc.
Vice President, General Counsel &
Secretary

Dated: December 6, 1996

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ADMINISTRATIVE LAW JUDGE'S RULING

Clarity Telecom LD Network Services, Inc. ("Clarity") and EXECUTONE Information Systems, Inc. ("EXECUTONE") jointly move for a ruling that the Commission grant their Joint Motion Requesting Transfer of Customer Base of EXECUTONE to Clarity upon approval by the Commission and notice to customers. Good cause having been shown, the Motion shall be granted.

Now, therefore, **IT IS RULED** that:

The transfer of customer base of EXECUTONE to Clarity upon notice to customers and the Commission is granted.

Dated December , 1996 at Tallahassee, Florida.

Administrative Law Judge