

VIVARO CORPORATION

1250 Broadway, 30th Floor

New York, NY 10001

212-931-8773

October 14, 2010

To: Sharla Dillon, Docket Room Manager
Tennessee Regulatory Authority

From: Roberta Kraus
Assistant General Counsel

FILED ELECTRONICALLY IN DOCKET OFFICE ON 10/14/10
DOCKET NO. 10-00197

Re: STi Prepaid, LLC

Transmitted herewith is an original and 4 copies of an Application for Approval of a Transfer of Control of STi Prepaid, LLC to Vivaro Corporation and for approval of financing arrangements pertaining to the transaction. An electronic copy of the filing is being sent to your e-mail address, sharla.dillon@tn.gov, as well.

Included with the application is a check in the amount of \$25.00 in payment of the filing fee. Also enclosed are four (4) copies of the Application marked "Stamp and Return" that the Applicants kindly ask the Authority to date-stamp and return in the postage prepaid envelope provided.

STi Prepaid, LLC will continue to operate as a reseller of interstate and international telecommunications services throughout the United States by means of prepaid calling cards sold by its distributors to the public.

If any questions arise concerning the application we can respond most efficiently if sent to me by email at rkraus@epana.com with a copy to Vivaro Corporation's telecommunications attorney, David Nace, at dnace@fcclaw.com. Thank you.

**STATE OF TENNESSEE
BEFORE THE TENNESSEE REGULATORY AUTHORITY**

APPLICATION FOR APPROVAL OF TRANSFER OF CONTROL

Pursuant to Sections 65-4-109 and 65-4-113 of the Tennessee Code Annotated (Tenn. Code Ann. §§ 65-4-109, 65-4-113), approval is hereby requested for a transfer control of STi Prepaid, LLC (“STi”) to Vivaro Corporation (“Vivaro”) (and together with STi the “Applicants”) as financed through indebtedness payable over a period of 27 months and for STi’s participation in the financing arrangement by acting as a guarantor and by pledging its assets. As more fully described in the “Description of the Transfer of Control Transaction” below, the following changes in operations and authority held by STi are expected: (1) STi will be merged into a newly-formed Delaware limited liability company, Vivaro Acquisition, LLC, owned by Vivaro with STi resulting as the surviving entity; (2) Vivaro will acquire all membership interests in STi; and (3) STi will operate under the control of Vivaro to continue providing intrastate telecommunications services in the State of Tennessee. No changes are planned in the service provided by STi as the result of the proposed transfer of control to Vivaro, and no assignment of STi’s certificates, assets or customers will occur as a result of the Transaction.

DESCRIPTION OF THE TRANSFER OF CONTROL TRANSACTION

On September 22, 2010, Vivaro entered into an agreement and plan of merger with STi whereby STi will merge into Vivaro Acquisitions LLC, a wholly-owned subsidiary of Vivaro, with STi becoming the surviving entity (the “Transaction”). As a result thereof, Vivaro will acquire all membership interests in STi and pay the current members of STi certain merger consideration in form of cash. *See Exhibit A* for the organizational chart of STi pre- and post-merger.

Vivaro has the technical, financial and managerial resources to assure that STi will be in a position to continue high quality prepaid telephone service to persons who purchase STi’s calling cards within the State. Vivaro is a subsidiary of Progress International, LLC (“Progress”) which operates as a wholesale provider of resold international telecommunications services. James Continenza who is presently Chief Executive Officer of STi will continue in the same position after the Transaction and remain in charge of day-to-day operations of the company. Gerald Gilrane who is presently Vice President, Information Systems of STi will continue in the same position after the Transaction and remain responsible for technical operations.

The merger consideration to be received by the current members of STi will be received in cash. Immediately prior to the closing of the Transaction, Baldwin Enterprises, Inc. (“Baldwin”), an indirectly wholly-owned subsidiary of Leucadia National Corporation, will provide a loan to Vivaro to finance the majority of the merger

consideration to be paid to the current members of STi (the "Loan"). The Loan is amortizable over a 27-month period. STi will participate in the loan arrangement by acting as a guarantor and by pledging its assets.

DESCRIPTION OF THE ENTITIES INVOLVED IN THE PROPOSED TRANSACTION

STi Prepaid, LLC

STi is a private limited liability Delaware company with executive headquarters at 1250 Broadway Street, 26th Floor, New York, NY 10001. STi provides interstate and international telecommunications services throughout the United States.

STi holds a Tennessee Certificate of Convenience and Necessity, CNN Reseller ID No. 129029, pursuant to Docket No. 07-00191 that was approved on October 23, 2007.

Vivaro Corporation

Vivaro is a private Delaware corporation with executive headquarters at 1250 Broadway Street, 30th Floor, New York, NY 10001. Vivaro is not a provider of telecommunications services.

Vivaro Corporation is a wholly-owned subsidiary of Progress International, LLC, a private Texas limited liability company. The principal and currently only business of Progress is its operation as a wholesale provider of international telecommunications services. The address of Progress is 10190 Katy Freeway, Suite 410, Houston, TX 77043. Because Progress does not currently provide service in the State it does not have a CPCN issued by the State.

DESIGNATED CONTACTS

Correspondence regarding this application should be directed to:

For STi:

STi Prepaid, LLC
Attention: James Continenza
1250 Broadway Street, 26th Floor
New York, NY 10001
Tel: 212-660-2714
Fax: 212-660-2708
Email: jim.continenza@stiprepaid.com

For Vivaro:

Vivaro Corporation
Attention: Meryl Ravitz
1250 Broadway Street, 30th Floor
New York, NY 10001
Tel: 212-931-8755
Fax: 212-931-8693
Email: meryl@epana.com

With a copy to:

David L. Nace, Esq.
Lukas, Nace, Gutierrez & Sachs, LLP
8300 Greensboro Drive, Suite 1200
McLean, VA 22102
Tel: 703-584-8661
Fax: 703-584-8695
Email: dnace@fcclaw.com

APPROVAL OF THE TRANSFER OF CONTROL IS IN THE PUBLIC INTEREST

Applicants respectfully submit that the Transaction described herein will serve the public interest. The Transaction will allow STi to maintain and improve upon its position as a competitor in the prepaid telecommunications market. After the Transaction occurs, STi will provide the same high quality telecommunications services as currently offered to the public.

The Transaction will not adversely affect the operation of the STi or its customers in Tennessee, and will not impact consumers who continue to utilize STi's prepaid calling cards. Consumers holding prepaid calling cards issued before the Transaction occurs will receive high-quality telecommunications services after the Transaction without interruption and without any planned change in rates, terms or conditions. Customer notice is not required because no assignment of STi's certificate, assets or customers will occur as a result of the Transaction and because STi does not have a dedicated, identifiable customer base. STi's prepaid calling card services can be used by any person at any time after purchasing the calling card from a retailer. STi (i) sells all of its prepaid cards through distributors; (ii) has no knowledge of the identity of the persons who purchase its calling cards, and (iii) has no direct relationship with the persons utilizing its calling cards.

In summary, the proposed Transaction has no potential to harm the public interest and is expected to preserve and increase competition in the domestic and international telecommunications markets.

CONCLUSION

STi Prepaid, LLC and Vivaro Corporation respectfully request that the Authority grant authority for a transfer control of STi from its current owners to Vivaro Corporation and for the financing arrangements described herein.

Respectfully submitted,



By:

James Continenza
STi Prepaid, LLC
1250 Broadway Street, 26th Floor
New York, NY 10001
(212) 660-2714

By:

Meryl Ravitz
Vivaro Corporation
1250 Broadway Street, 30th Floor
New York, NY 10001
(212) 931-8773

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STi Prepaid, LLC and Vivaro Corporation respectfully request that the Authority grant authority for a transfer control of STi from its current owners to Vivaro Corporation and for the financing arrangements described herein.

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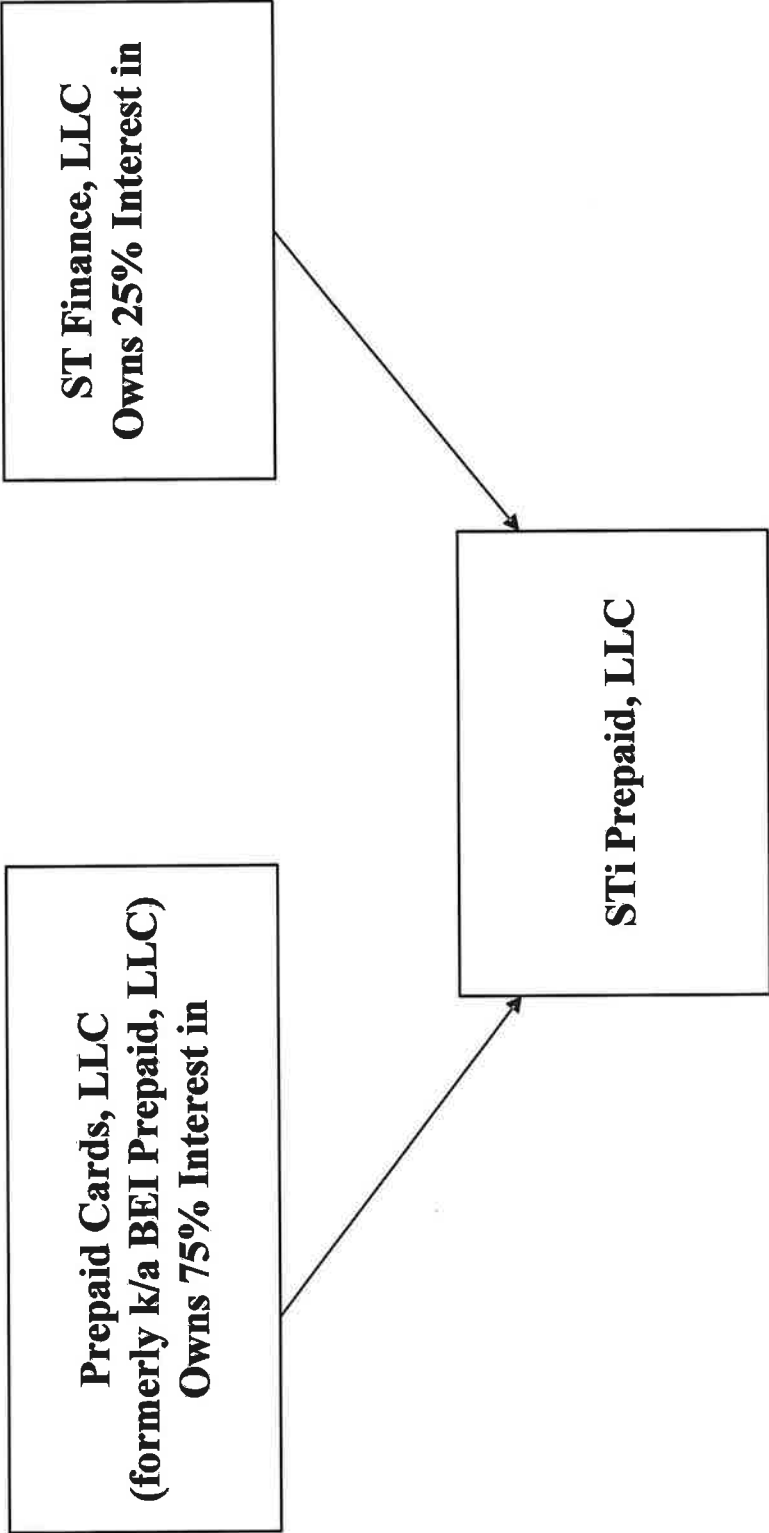
James Continenza
STi Prepaid, LLC
1250 Broadway Street, 26th Floor
New York, NY 10001
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By: _____

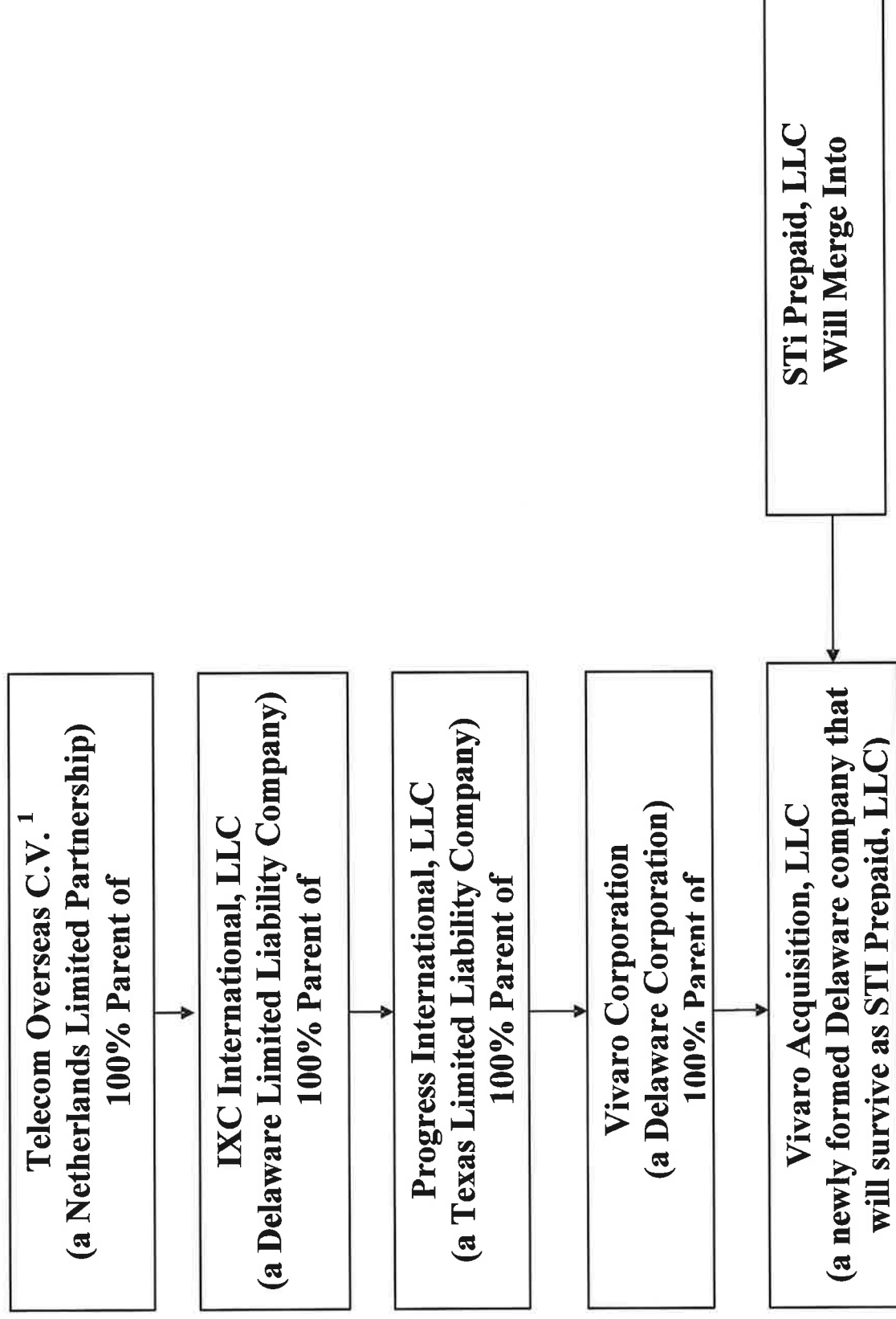


Meryl Ravitz
Vivaro Corporation
1250 Broadway Street, 30th Floor
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STi Prepaid, LLC Pre-Merger



STi Prepaid, LLC Post-Merger



¹ Telecom Overseas C.V. ("TOCV") has one general partner: Stichting Jarda which is a Dutch foundation. Stichting Jarda owns less than a one percent (1%) interest in TOCV. TOCV has one limited partner: Gustavo M. de la Garza Ortega, a citizen of Mexico. Mr. De la Garza owns more than a ninety-nine percent (99%) interest in TOCV.