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*** Also admitted in New York, Illinois, and Washington, D.C.

OF COUNSEL
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JOSEPH J. BURGIE
(1926 - 1992)

EXECUTIVE SECRETARY

August 16, 1999

Mr. Paul Allen
Executive Director
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

99-00785

RE: Petition for Authority to Acquire Certain Assets of Vista Group International, Inc.

Dear Mr. Allen:

Enclosed herewith for filing with the Authority, please find an original and three (3) copies of Communications Billing, Inc.'s Petition for Authority to Acquire Certain Assets of Vista Group International, Inc.

Also enclosed is a duplicate of this letter attached to a copy of the Petition. Please stamp the duplicate and return same in the self-addressed, stamped envelope.

Please contact the undersigned should you have any questions or concerns.

Very truly yours,

EARLY, LENNON, PETERS & CROCKER, P.C.

Patrick D. Crocker
PDC/sem

FILE

**Before the
REGULATORY AUTHORITY
OF THE STATE OF TENNESSEE**

**Petition for Authority
to Acquire Certain Assets of
Vista Group International, Inc.**

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Docket No.

99-00785

**JOINT PETITION FOR APPROVAL TO ACQUIRE ASSETS
AND REQUEST FOR EXPEDITED APPROVAL**

NOW COMES Communications Billing, Inc. ("CBI") and Vista Group International, Inc. ("Vista") by and through their attorneys Early, Lennon, Peters & Crocker, P.C., pursuant to the rules and regulations of the Tennessee Regulatory Authority ("Authority"), and hereby jointly request that the Authority approve the acquisition by CBI of a certain portion of the subscriber base of Vista and to grant such relief on an expedited basis to allow for the consummation of the transaction without undue delay. For the reasons set forth below, the parties request the Authority to grant such approval immediately. CBI and Vista provide the following in support of this request:

I. The Parties

A. Communications Billing, Inc.

CBI is a corporation organized under the laws of the State of Ohio with principal offices located at Rocky River, Ohio. CBI holds authorization under Section 214 of the Communications Act of 1934, as amended, to provide domestic interstate and international telecommunications service, and is authorized to provide intrastate, interexchange service in 38 states, including the State of Tennessee. A copy of CBI's applicable intrastate tariff is on file with the Authority.

The principle office of CBI is located at:

Communications Billing, Inc.
River Square Plaza
19645 Detroit Road, Suite #295
Rocky River, OH 44116

Please direct any questions concerning CBI and this application to:

Patrick D. Crocker
Early, Lennon, Peters & Crocker, P.C.
900 Comerica Building
Kalamazoo, MI 49007
(616) 381-8844
(616) 349-8525 (facsimile)

B. Vista Group International, Inc.

Vista is a corporation organized under the laws of the State of Ohio whose principal offices are located at Westlake, Ohio. Vista is authorized under Section 214 of the Communications Act of 1934, as amended, to provide domestic interstate and international telecommunications service, and is authorized to provide intrastate, interexchange service in 44 states, including Tennessee. A copy of Vista's applicable intrastate tariff is on file with the Authority.

The principal office of Vista is located at:

Vista Group International, Inc.
821 Westpoint Parkway
Suite 920
Westlake, OH 44145

Please direct any questions concerning Vista to:

Patrick D. Crocker
Early, Lennon, Peters & Crocker, P.C.
900 Comerica Building
Kalamazoo, MI 49007
(616) 381-8844
(616) 349-8525 (facsimile)

II. The Transaction

Pursuant to an Asset Purchase Agreement executed August 10, 1999, Vista has agreed to sell to CBI, and CBI has agreed to purchase (a) the right to provision certain Vista telecommunications customers (hereinafter "Vista Customers") with telecommunications and ancillary services; (b) the right to receive payments from Vista Customers; and (c) the right to receive accounts receivable for such Vista Customers. A copy of the Asset Purchase Agreement is attached hereto as Exhibit A.

III. Public Interest Considerations

The transfer contemplated by the Asset Purchase Agreement will serve the public interest by enabling CBI to achieve increased economies of scale and compete more effectively in the telecommunications marketplace. More effective competition will ultimately lead to lower prices and the availability of more products and services to the public.

The transfer of the Vista Customer base will also benefit Vista's existing customers directly. The acquisition of the Vista Customer base by CBI will enable these subscribers to continue to receive high-quality telecommunications service at affordable rates without interruption.

Thus, the public will benefit both directly, through the availability of, and access to, an active carrier of the competitive services, and indirectly, because of the presence of an active competitor in this market will increase the incentives for other telecommunications providers to operate more efficiently, offer more innovative services, reduce their prices, and improve their quality of service. The customers of CBI and Vista rely on these companies for high quality, affordable intrastate service. Upon approval of this transaction, CBI will provide notice to the Vista Customers, and assure them of CBI's commitment to continue the provision of high quality, affordable services pursuant to the company's filed tariff. As such,

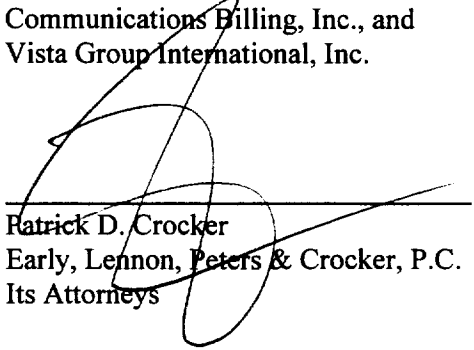
the transaction will not cause inconvenience or confusion to CBI or the Vista Customers. Indeed, the transaction will be virtually transparent to CBI and the Vista Customers in terms of the services that they receive. A copy of the sample notice of the transfer appears as Exhibit B attached hereto.

CBI certifies that it continues to have the necessary managerial and financial resources to provide the public with quality telecommunications service throughout the state. After the consummation of the transaction, CBI will continue to be led by a team of well-qualified managers comprised of its existing personnel. CBI expects that the ample managerial, technical and financial expertise of this managerial team will enable CBI to continue providing high quality service to its existing customers and those of Vista, as well as to expand its customer base. The proposed acquisition will therefore promote competition in the Tennessee services market and serve the public interest.

WHEREFORE, CBI and Vista respectfully requests that the Authority authorize the sale of assets from Vista to CBI. In addition, the Parties respectfully request expedited processing of this Joint Petition so that the transaction my proceed without undue delay.

Respectfully submitted,

Communications Billing, Inc., and
Vista Group International, Inc.

By: 
Patrick D. Crocker
Early, Lennon, Peters & Crocker, P.C.
Its Attorneys

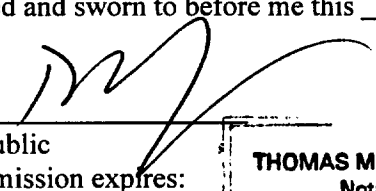
VERIFICATION

Philip Bethune, being duly sworn, deposes and says that he is the Vice President of Communications Billing, Inc.; that he has read the foregoing Joint Petition for Approval of Communications Billing, Inc. to Acquire Assets of Vista Group International, Inc. by Communications Billing, Inc., and knows the contents thereof; and that the same is true of his own knowledge except as to the matters therein stated upon information and belief as to those matters, he believes them to be true.



Philip Bethune
Vice President of Communications Billing, Inc.

Subscribed and sworn to before me this 9 of August, 1999.

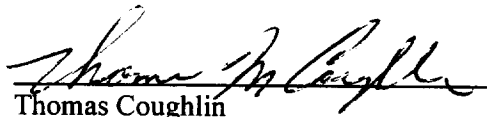


Notary Public
My Commission expires:

THOMAS M. COUGHLIN, JR. Attorney at Law
Notary Public - State of Ohio
My commission has no expiration date
Section 147.03 O.R.C.

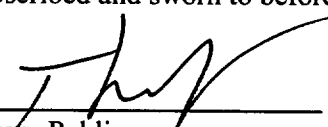
VERIFICATION

Thomas Coughlin, being duly sworn, deposes and says that he is President of Vista Group International, Inc.; that he has read the foregoing Joint Petition for Approval of Communications Billing, Inc. to Acquire Assets of Vista Group International, Inc. by Communications Billing, Inc., and knows the contents thereof; and that the same is true of his own knowledge except as to the matters therein stated upon information and belief, and as to those matters, he believes them to be true.


Thomas Coughlin

President, Vista Group International, Inc.

Subscribed and sworn to before me this 9 of August 1999.


Notary Public
My Commission expires:

THOMAS M. COUGHLIN, JR. Attorney at Law
Notary Public - State of Ohio
My commission has no expiration date
Section 147.03 O.R.C.

EXHIBIT A

ASSET PURCHASE AGREEMENT
VISTA COMMUNICATIONS/COMMUNICATIONS BILLING

This Asset Purchase Agreement, executed August 10 1999, to memorialize an agreement made March 2, 1999, between VISTA GROUP INTERNATIONAL, INC. ("Seller"), and COMMUNICATIONS BILLING, INC., ("Purchaser") is made in consideration of the covenants and agreements herein set forth, and provides as follows:

1. Sale of Assets. At the Closing, Seller shall sell to Purchaser, free and clear of all liabilities, liens, claims, restrictions or encumbrances of any kind, and Purchaser shall purchase from Seller, all the right, title and interest that Seller possesses and has the right to transfer in the specific assets set forth below, ("Purchased Assets").

- (a) the right to provision certain of Seller's telecommunications customers, ("Customers"), with telecommunications services, and to provide ancillary services to, or related to, such Customers, including without limitation, billing and collections, and the right to provide telecommunications services, and ancillary services, including without limitation, billing and collections, pursuant to certain contracts with resellers, such as Combined Billing Corporation;
- (b) the right to receive payments from, or in respect of, the Customers;
- (c) the right to provide customer service to the Customers;
- (d) the nonexclusive right to use the names "Vista Group International, Inc." and "Vista" to the extent required to conduct customer service and billing activities for the Customers during the transition period, estimated to be no more than twelve months, to apply for and obtain any necessary regulatory approval for this transaction; and

(e) all accounts receivable pertaining to the Customers for telecommunications services provided on and after the Closing.

2. Assumption of Liabilities. Subject to any necessary regulatory approval and the concurrence of any necessary third parties, on and after the Closing, Purchaser will assume all obligations of Seller to provide telecommunications services, customer service and billing service to the Customers.

3. Underlying Carrier. Purchaser shall assume and pay for the underlying carrier charges incurred on and after the Closing by reason of usage by the Customers. During any interim period Seller and Purchaser will cooperate to assure continued services to the Customers.

4. Billing Company. On and after the Closing, Purchaser shall assume and pay for the billing and collection of Customers accounts. The parties agree to cooperate in order to properly allocate these costs between them for those Customer accounts which straddle the date of Closing.

5. Collections. The parties agree that Purchaser is entitled to the proceeds of Customer accounts for charges incurred on and after the date of Closing and that Seller is entitled to the proceeds of Customer accounts for charges incurred up to the date of Closing.

6. Consideration. Purchaser shall pay Seller a price equal to two times monthly usage charges, less attrition subsequent to the transfer. The Purchaser shall remit a monthly payment of \$50,000 to satisfy the purchase amount.

7. Closing. The Closing shall take place at the offices of Seller on the seventh day following the execution and delivery of this Agreement by all parties, or at such other location as may be agreed by the parties. At the Closing, Seller will deliver to Purchaser a Bill of Sale for the

Purchased Assets together with a compilation of the necessary financial and billing data concerning the Customers.

8. Contracts. Purchaser has no obligation to close this transaction unless Seller has provided Purchaser copies of all contracts and documents relating to the Customers, and Purchaser is satisfied that Seller has, or can obtain the right to assign the same. Seller agrees that it will continue to perform all its obligations under said contracts until the same have been properly transferred to Purchaser and Seller has been released from said obligations.

9. Representations. Each party represents to the other party that it is a corporation in good standing under the laws of the state of its incorporation and each state it is admitted to conduct business as a foreign corporation; that this transaction has been duly authorized and that performance of this Agreement will not contravene or breach its corporate articles, bylaws or any contract to which it is a party. Seller represents that the sale and transfer of the Purchased Assets does not constitute the sale and transfer of a material portion of its assets and that no creditors will be materially adversely affected by the performance of its obligations under this Agreement. Seller further represents to Purchaser that the Customers have selected Seller as primary interexchange carrier in compliance with all federal and state laws, rules and regulations.

10. Complaints. Complaints filed by Customers relating to claimed violations of federal and state law, rules or regulations which are alleged to have occurred prior to the Closing will be handled and resolved by Seller at its own expense, provided that Purchaser agrees that it will cooperate and authorize credits on bills which are payable on and after the Closing to the extent Seller requests.

11. Taxes. Seller will timely file returns and pay all federal, state, local and foreign taxes

relating to telecommunications services provided to Customers prior to the Closing.

12. Due Diligence. Purchaser acknowledges that it will conduct its due diligence investigation of Seller and the Purchased Assets prior to the Closing and Seller agrees to fully cooperate with such investigation by Purchaser or its agents.

13. Non-Solicitation. Seller agrees that from and after the Closing, and for five years thereafter, it will not directly or indirectly solicit or accept any Customer transferred by Seller to Purchaser pursuant to this Agreement.

14. Confidentiality. Seller shall hold and cause its directors, officers, employees and agents to hold in strictest confidence, and without the prior written approval of Purchaser, not use for its own benefit or the benefit of any party other than Purchaser or disclose to any party other than Purchaser, any information of any kind relating to this Agreement, the Purchased Assets or to Purchaser, unless such information was publicly available prior to the Closing, provided, however, that Seller may make such disclosures of the foregoing as may be required by law.

15. Injunction. Seller acknowledges that any breach of paragraphs 13 and 14 will result in irreparable injury to Purchaser and that actual damages may be difficult to ascertain. Accordingly, and without limiting the available remedies of Purchaser, Seller agrees that if such breach occurs, Purchaser shall be entitled to injunctive relief.

16. Books and Records. Seller and Purchaser agree to fully cooperate with any and all reasonable requests from the other party to provide, on a timely basis and at its own expense, such information as is reasonably necessary to respond to inquiries relating to the Purchased Assets from any governmental authority and as necessary to procure necessary assignment of contracts and other documents from Seller to Purchaser.

17. Entire Agreement. This Agreement constitutes the entire understanding of the parties hereto with respect to the subject matter hereof.

18. Assignment. Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other.

19. Binding Effect. This Agreement shall inure the benefit of, and be binding upon, the parties, their respective representatives, executives, successors and permitted assigns. Nothing in this Agreement, expressed or implied, is intended to confer any benefit upon or to any party not specified in the first sentence of this paragraph.

20. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Ohio, without reference to its principles of conflict of laws.

21. Headings. The headings used herein are for the convenience of the parties and shall be given no effect in the construction or interpretation of this instrument.

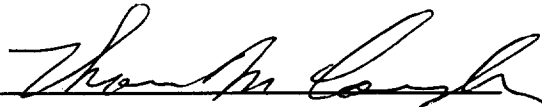
22. Arbitration. All disputes between the parties arising out of or under the terms of this Agreement, shall be resolved by binding arbitration pursuant to the Rules for Commercial Arbitration of the American Arbitration Association. The arbitration shall be conducted by a single arbitrator selected by the parties in accord with said Rules and shall be held in Cuyahoga County, Ohio. The award of the arbitrator shall be binding upon the parties and enforceable by any Court of competent jurisdiction. Pending the award of the arbitrator, Purchaser shall be entitled to injunctive relief pursuant to paragraph 15. The parties shall each bear its own costs for participation in the arbitration and shall share equally the costs for the fees and expenses of the American Arbitration Association and the arbitrator.

23. Termination. Either party may terminate this Agreement by written notice to the other party prior to the Closing. After the Closing, Purchaser may terminate this Agreement by delivery of written notice to Seller if Seller breaches any terms of this Agreement which Purchaser considers material. Such termination by Purchaser after the Closing will be without liability to the Seller.

24. Notices. All notices shall be in writing. Delivery of any notice shall be presumed to have occurred on the third day after the notice is deposited in the U.S. Mail, properly addressed to the recipient's principal business address, attention of the President, with postage fully prepaid.

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first set forth above.

VISTA GROUP INTERNATIONAL, INC.

By 

Its Chief Executive Officer

"Seller"

COMMUNICATIONS BILLING, INC.

By 

Its Vice President

"Purchaser"

EXHIBIT B

Communications Billing...your best choice in Long Distance.

In a continuing effort to provide you with reliable and cost effective long distance, we are pleased to announce that **Communications Billing** has recently acquired the customers of Vista Communications. Of course this is at **NO COST** to you!

Communications Billing...our features

There are no long term commitments required with **Communications Billing**. You will continue to receive the convenience of a combined billing program as well as access to a fully trained customer service department ready to handle your every need.

Communications Billing...our network

Like your previous carrier, **Communications Billing** provides excellent service by utilizing the reliable networks of one of the four major carriers.

Communications Billing...a good change

Although you will not notice any change in service, rates or billing we just thought we'd introduce ourselves and let you know we are strongly committed to advancing the interests of small businesses through telecommunications. Please call us toll free at **(887) 884-6585** with any questions or comments.