

ORIGINAL

FISHER WAYLAND COOPER LEADER & ZARAGOZA L.L.P.

2001 PENNSYLVANIA AVENUE, N.W.  
SUITE 400

WASHINGTON, D. C. 20006-1851

TELEPHONE (202) 659-3494

JAQUALIN FRIEND PETERSON

(202) 775-3534

FACSIMILE

(202) 296-6518

April 27, 1999

INTERNET

jpeterson@fwclz.com

**Via Federal Express**

Blanca S. Bayo  
Director, Division of Records & Reports  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0870

990528-TP

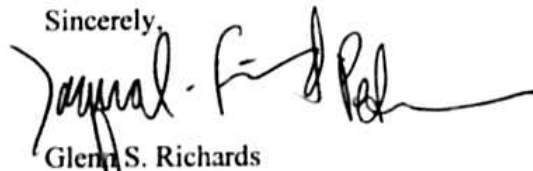
**Re: Petition of Arc Networks, Inc., Technology Acquisitions, Ltd.,  
and Gemini II, Inc. for Approval of Transfer of Control and Merger**

Dear Ms. Bayo:

Transmitted herewith for filing are an original and six (6) copies of a Petition of Arc Networks, Inc., Technology Acquisitions, Ltd., and Gemini II, Inc. seeking approval from the Florida Public Service Commission for a transfer of control and merger. Expedited treatment of this application is requested.

Please date-stamp the "Receipt" copy of this filing and return it in the enclosed self-addressed, stamped envelope. If you have any questions regarding this matter, please contact either of the undersigned.

Sincerely,



Glenn S. Richards  
Jaqualin Friend Peterson

Enclosure

J:\DATA\CLIENT\60\6018\6018L.FL

DOCUMENT NUMBER - DATE

05391 APR 28 99

FPSC-RECORDS/REPORTING

**Before the  
PUBLIC SERVICE COMMISSION  
OF THE STATE OF FLORIDA**

In the Matter of the Application of )  
 )  
 Arc Networks, Inc., Technology )  
 Acquisitions, Ltd., and Gemini, II, Inc. ) Docket No. \_\_\_\_\_  
 For Approval of Transfer of Control )  
 And Merger )

**APPLICATION**

Arc Networks, Inc., Technology Acquisitions, Ltd., and Gemini II, Inc., by their attorneys, hereby respectfully request authority from the Florida Public Service Commission ("Commission"), pursuant to Florida Statutes § 364.33, for the following i) the purchase by Technology Acquisitions, Ltd., of approximately 67 percent of the outstanding common stock of Arc Networks, Inc., and ii) the acquisition by a subsidiary of Gemini II, Inc. of Arc Networks, Inc. by merger. In support thereof, it is respectfully shown as follows:

**I. The Applicants**

A.R.C. Networks, Inc. ("ARC") is a New York corporation with its principal business office at 1770 Motor Parkway, Hauppauge, New York 11788. ARC provides resold telecommunications services on both a nationwide and international basis. ARC is authorized to provide local exchange and interexchange telecommunications services in Florida. See Order No. PSC-96-1387-FOF-TX, Docket No. 960792-TX, Certificate No. 4740 (November 19, 1996) (local exchange authority); Order No. PSC-96-1528-FOF, Docket No. 960610-TI, Certificate No. 4702 (December 16, 1996) (interexchange authority). ARC is a wholly-owned subsidiary of Arc Networks, Inc., a Delaware corporation ("ARC-Parent").

DOCUMENT NUMBER-DATE

05391 APR 28 88

FPSC-RECORDS/REPORTING

Technology Acquisitions, Ltd. is a Bermuda corporation. Its address is: c/o Benchmark Equity Group, 700 Gemini, Houston, Texas 77058.

Gemini II, Inc. is a Delaware corporation. Its address is: c/o Benchmark Equity Group, 700 Gemini, Houston, Texas 77058.

## **II. Designated Contacts**

The designated contacts for questions concerning this Application are:

Glenn S. Richards, Esq.  
Jaqualin Friend Peterson, Esq.  
Fisher Wayland Cooper Leader and Zaragoza, L.L.P.  
2001 Pennsylvania Ave., N.W., Suite 400  
Washington, D.C. 20006  
Telephone: (202) 659-3494  
Facsimile: (202) 296-6518

The designated contact for the continuing operations of ARC is:

Joseph Gregori, Executive Vice President  
A.R.C. Networks, Inc.  
1770 Motor Parkway  
Hauppauge, New York 11788  
Telephone: (516) 582-2222  
Facsimile: (516) 582-1240

## **III. Description of the Transactions**

The initial step in this transaction is the purchase by Technology Acquisitions, Ltd. of 6,392,800 shares of Arc-Parent, currently owned by SIS Capital Corp., a wholly owned subsidiary of Consolidated Technology Group, Ltd. This purchase represents approximately 67 percent of the outstanding shares of Arc-Parent. Contemporaneously with the acquisition, a subsidiary of Gemini II, Inc. will be merged into Arc-Parent, as a result of which, Arc-Parent will be a wholly owned subsidiary of Gemini II, Inc.

Although the merger will result in a change in control of ARC, it will not involve a change in the manner in which services are provided to ARC's customers. After the merger, ARC will continue to operate in Florida with its current name, providing service under its existing tariffs. ARC's management team of Peter Parrinello, Joseph Gregori and Michael Sable, will all maintain positions with the surviving company. In effect, the acquisition of Arc-Parent stock and its merger with a subsidiary of Gemini II, Inc. will be transparent to ARC's Florida customers.

#### **IV. Public Interest Analysis**

Consummation of the proposed transactions will serve the public interest. The acquisition of Arc-Parent and its merger with a subsidiary of Gemini II, Inc. will promote competition by enabling ARC to have access to additional capital so that it may expand its facilities and service offerings in Florida and throughout the country. In short, ARC will be positioned to become a more effective competitor in the Florida telecommunications market.

WHEREFORE, it is respectfully requested that the Commission grant the Application herein on an expedited basis, including the following specific relief:

1. Authorizing Technology Acquisitions, Ltd. to acquire approximately 67 percent of Arc Networks, Inc. from SIS Capital Corp.
2. Authorizing Arc Networks, Inc. to merge with a subsidiary of Gemini II, Inc.
3. For such other consents, authorizations and waivers as may be necessary to effectuate the authority sought herein.

Respectfully submitted,

**Arc Networks, Inc.  
Technology Acquisitions, Ltd  
Gemini II, Inc.**

by: 

Glenn S. Richards  
Jaquelin Friend Peterson  
Fisher Wayland Cooper Leader  
and Zaragoza, L.L.P.  
2001 Pennsylvania Ave., N.W., Suite 400  
Washington, D.C. 20006  
202-659-3494

Their Attorneys

Dated: April 13, 1999

JADATACLIENT\60\6018\6018P.FL

**VERIFICATION**

I am authorized to represent Arc Networks, Inc. and to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are therein stated on information and belief, and as to those matters, I believe them to be true. I declare under penalty of perjury that the foregoing is true and correct.

By: Joseph D. Gregori, EVP  
Name: JOSEPH D. GREGORI  
Title: EXEC. VICE PRES.  
Date: April 12, 1999

Sworn and subscribed to before me this 13th  
day of April, 1999.

Robin E. Werfel  
Notary Public

ROBIN E. WERFEL  
Notary Public, State of New York  
No. 4982255  
Qualified in Suffolk County  
Commission Expires May 28, 1999

My Commission expires May 28, 1999

VERIFICATION

I am authorized to represent Technology Acquisitions, Ltd. and to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are therein stated on information and belief, and as to those matters, I believe them to be true. I declare under penalty of perjury that the foregoing is true and correct.

By: Vance R. Tillman  
Name: VANCE R. TILLMAN  
Title: TREASURER  
Date: 04/15/99

Sworn and subscribed to before me this 21st  
day of April, 1999.

Traci Sue Meiser  
Notary Public

My Commission expires 6-17-00



VERIFICATION

I am authorized to represent Gemini II, Inc. and to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are therein stated on information and belief, and as to those matters, I believe them to be true. I declare under penalty of perjury that the foregoing is true and correct.

By: Vance R. Tillman  
Name: VANCE R. TILLMAN  
Title: TREASURER  
Date: 04/15/99

Sworn and subscribed to before me this 21<sup>st</sup>  
day of April, 1999.

Traci Sue Meiser  
Notary Public

My Commission expires 6-17-00

