



101 Market St., Suite 700
San Francisco, CA 94105
www.workingassets.com

TEL 415/369-2000
FAX 415/371-1046

Corporate Restructuring Letter
August 24, 2001

August 24, 2001

Bill Feldman
Executive Director
Kentucky Public Service Commission
730 Schenkel Lane
P.O. Box 615
Frankfort, KY 40602

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PUBLIC SERVICE
COMMISSION

RE: CORPORATE REORGANIZATION OF WORKING ASSETS
FUNDING SERVICE, INC., A LONG DISTANCE RESELLER
DATE OF CERTIFICATION: November 17, 2000
CERTIFICATE NUMBER: Administrative Case No. 360

TO THE COMMISSION:

Working Assets Funding Service, Inc. ("WAFS") is providing to the Commission an original and one copy (please date stamp the extra, and return in the enclosed envelope) of the description of a change in its corporate structure. The restructure is an exchange of shares between the Applicant's shareholders and a newly formed parent corporation, Working Assets, Inc. ("WA"). Working Assets anticipates this change will be completed by January 1, 2002.

• Current Organization

Working Assets Funding Service, Inc. is incorporated in California as an S-corporation. WAFS holds a certificate in this state where it currently re-sells long distance telephone service. WA will be incorporated in Delaware. It will become the parent company of WAFS, Working Assets Wireless and Working Assets Online.

• Proposed Re-structuring

After WA is created, a subsidiary of WA, "Working Assets Merger Sub", will be formed. WAFS will merge with Working Assets Merger Sub. After the merger, Working Assets Merger Sub will disappear, leaving WAFS as the surviving corporation and a subsidiary of WA. Each share of WAFS currently held by its shareholders will be exchanged for one share in the parent corporation. WAFS's current shareholders will have 100% ownership of WA, which in turn, will have 100% ownership of WAFS, as well as the other two subsidiaries.

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- Effects of Re-organization

Throughout the re-organization process, and after it's completion, the change in WAFS ownership will be transparent to its customers. WAFS does business under the name Working Assets Long Distance This name, which customers presently use to identify the company, will not change during or after re-organization. All existing services and rates currently provided to customers will remain the same, both during and after the re-organization process, and there will be no changes to the tariff currently on file.

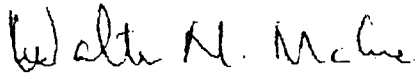
The current WAFS officers and the contact person for state and federal commissions will not change during or after re-organization. All WAFS financial records will remain where they are presently held at the corporate headquarters, located at 101 Market Street, Suite 700, San Francisco, CA, 94105.

- Public Interest served by Re-organization

The proposed restructuring of WAFS will produce a corporate structure more efficient in its ability to create and provide new products to its customers. The new corporate structure will allow each subsidiary to pursue its own individual goals in a more efficient and less costly manner. The new structure will protect long distance ratepayers from financial risk associated with new products and new ventures. In addition, the change will potentially advance the financial well being of its shareholders and other stakeholders.

Should you have any questions regarding the contents of this letter, I may be contacted at 415/369-2084.

Sincerely,



Walter N. McGee
Regulatory Manager

MESSAGE COVER SHEET

KENTUCKY PUBLIC SERVICE COMMISSION

FAX Number (502) 564-3460

Following is/are 2 page(s), not including this cover sheet. If any part of this message is missing or needs to be resent, please call us at (502) 564-3940.

TO: Name: JANET LAWRENCE
Company Name: _____
Address: _____
Telephone: _____
Fax Number: (415) 371-1048

FROM: Bill Feldman, Assistant Director 12/6/01
Filings Division Date
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-1203

(502) 564-3940 - Telephone
bfeldman@mail.state.ky.us - E-Mail
<http://www.psc.state.ky.us/> - Web Page

SPECIAL INSTRUCTIONS: Order _____ (Case Number _____)
Letter _____ Memorandum _____
Other _____

MESSAGE COVER SHEET

KENTUCKY PUBLIC SERVICE COMMISSION

FAX Number (502) 564-3460

Following is/are 3 page(s), not including this cover sheet. If any part of this message is missing or needs to be resent, please call us at (502) 564-3940.

TO: Name: Jean PARKER
Company Name: _____
Address: _____
Telephone: 415 369-2030
Fax Number: 415 371-1048

FROM: Bill Feldman, Assistant Director 11/27/01
Filings Division Date
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-1203

(502) 564-3940 - Telephone
bfeldman@mail.state.ky.us - E-Mail
<http://www.psc.state.ky.us/> - Web Page

SPECIAL INSTRUCTIONS: Order _____ (Case Number _____)
Letter X Memorandum _____
Other _____

101 Market Street, Suite 700
San Francisco, CA 94618
Phone: 415.369.2053
Fax: 415.371.1048



Fax

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PUBLIC SERVICE
COMMISSION

To: Kyle Willard **From:** Jean Parker

Fax: (502) 564-7279 **Date:** November 20, 2001

Phone: **Pages:** 3 (inc. cover)

Re: Notice of Corporate Reorganization **CC:**

Urgent For Review Please Comment Please Reply Please Recycle

•Comments:

Please find a copy of the letter we sent your agency regarding our corporate reorganization. I trust this will be sufficient for your purposes.

If you have any questions, please contact me at 415-369-2053

Sincerely,

Joan Parker

Legal Coordinator

Feldman, Bill (PSC)

From: Jean Parker [jparker@wafs.com]
Sent: Thursday, December 06, 2001 3:54 PM
To: 'bfeldman@mail.state.ky.us'
Subject: Working Assets Funding Service, Inc.

Mr. Feldman,

I have not received your date stamped received copy of our notice of corporate reorganization. If you'd like to try to re-fax, I'll make a point to check for it later today or tomorrow. If you prefer to scan it and e-mail it to me, that would be fine.

Thank you for your assistance in this matter,
Jean Parker