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NICHOLAS C. TAYLOR
MEMBER

June 26, 1996

Mr. Roy W. Mouer
Kuperman, Orr, Mouer & Albers
100 Congress Avenue, Suite 1400
Austin, Texas 78701

Re: AMNEX, Inc. (Acquisition of Capital Network System, Inc.)

Dear Mr. Mouer:

This is in response to your letter dated June 17, 1996, and received by this Agency on June 17, 1996. Your letter was superseded by letter dated June 21, 1996, and received by this Agency on June 21, 1996.

Your letters describe a proposed transaction pursuant to which Capital Network System, Inc. ("CNSI"), a Texas corporation, would merge with a wholly-owned subsidiary of AMNEX, Inc. ("AMNEX"), a publicly-traded corporation organized under the laws of New York. The yet-to-be formed subsidiary of AMNEX ("AMNEX SUB") will be a corporation formed under the Texas Business Corporation Act. On completion of the merger between CNSI and AMNEX SUB, CNSI will be the surviving entity.

You have indicated that in connection with the merger of CNSI and AMNEX SUB, AMNEX will issue shares of its common stock to the owners of CNSI in exchange for their shares of CNSI common stock. Further, you have stated that the merger of CNSI and AMNEX SUB will be carried out pursuant to a vote of the shareholders of CNSI and such shareholders will not pay or give or promise any consideration for the AMNEX shares they will receive other than the shares of CNSI common stock held by them immediately prior to the merger.

Based upon the foregoing understanding, and subject to the requisite shareholder approval, the exemption provided by Section 5.G of The Texas Securities Act is available.

Mr. Roy W. Mouer
June 26, 1996
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Please note that this Agency has not made an independent investigation of the facts, but has relied solely on the information you have provided. If this information is incorrect or changes substantially, the staff would reconsider the matter and the opinion stated above would be void.

Further, this Agency does not grant nor confer an exemption. Its availability depends entirely on full compliance with the language of the exemption. If a dispute arises about availability of an exemption, the burden of proof falls on the party claiming the exemption.

Finally, opinions expressed by this Agency are not binding on civil litigants in future proceedings.

I trust this letter answers your inquiry. Please feel free to write us if you need further information.

Very truly yours,

DENISE VOIGT CRAWFORD
Securities Commissioner

David Weaver
General Counsel

DW/rmf