

ACTION REQUEST

Date: November 13, 2015

FROM: Public Service Commission

Due: December 14, 2015*

SUBJECT: Matrix Telecom, Inc., Impact Telecom, Inc. and TNCI Operating Company, LLC
Docket Nos. 15-2431-01, 15-2452-02, and 15-2474-01

(Company Name, Case Number, etc.)

11/13/2015

15-2431-01, 15-2452-02, and 15-2474-01

(3) JOINT APPLICATION In the Matter of the Joint Application of Garrison TNCI LLC, TNCI Operating Company LLC, Impact Telecom, Inc. and Matrix Telecom, Inc. for Approval of the Proposed Transfer of Indirect Control of Matrix Telecom, Inc. to Garrison TNCI LLC and Related Transactions

This is a request for the Division to provide analysis, evaluation results, and the basis for conclusions and recommendations regarding the following:

- Review for Compliance and Make Recommendations
- Review Application and Make Recommendations
- Analyze the Complaint
- Review Notice and Make Recommendations
- Review Request for Agency Action and Make Recommendations
- Respond in Accordance with the Notice of Filing and Request for Comments
- Investigate
- Other – Explanation and Statement of Issues to be Addressed (See Below):

*In the event the Commission issues an order or notice providing dates for comments and/or testimony in this docket:

- The Division shall respond consistent with the order or notice;
- The order or notice, including any deadlines, shall supersede and replace this action request; and
- This action request shall be deemed withdrawn.

Please investigate whether the other companies mentioned in the document are required to have CPCNs, and if so, which ones. These companies are mentioned as follows:

First two companies: Matrix Telecom, Inc. and Impact Telecom, Inc.

1. Matrix Telecom, Inc. was granted a CPCN in docket 05-2452-01. (This joint application cites to docket 05-2451-01, which was not in the matter of Matrix. Rather, it was in the matter of Ernest Communications, Inc.)
2. Matrix is a wholly-owned direct subsidiary of Impact Telecom, Inc. Impact Telecom, **Inc.** has not been granted a CPCN. But Impact Telecom, **LLC** was granted a CPCN in docket 06-2474-01.
3. A company called TNCI Impact (no CPCN) is going to form (and presumably own) a new company called Impact Acquisition, LLC (no CPCN).
4. When formed, Impact Acquisition, LLC will acquire all of the equity of Impact Telecom, Inc., which owns Matrix.
5. Impact Acquisition, LLC will be 90% owned by Garrison TNCI, LLC (no CPCN), giving Garrison TNCI, LLC "indirect" control of both Impact Telecom and Matrix.

Third company: TNCI Operating Company, LLC.

1. TNCI Operating Company, LLC was granted a CPCN in docket 13-2431.
2. TNCI Holdings (no CPCN that I can find) wholly owns TNCI Operating Company, LLC.
3. TNCI Impact (no CPCN--see #3 above) is going to form and become the direct owner of TNCI Operating Company, LLC.
4. Garrison TNCI, LLC (no CPCN--see #5 above) will wholly and directly own TNCI Impact, thereby wholly and directly owning TNCI Operating Company, LLC.
5. A new company, Newco (no CPCN), will be formed and, when formed, will be the direct owner of TNCI Impact (no CPCN).

The application is jointly submitted by Garrison TNCI, LLC; TNCI Operating Company, LLC; Impact Telecom, Inc.; and Matrix Telecom, Inc.

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In addition to forming TNCI Impact, LLC, Impact Acquisition, LLC, and Newco, the parties propose that they will convert Matrix from being a Texas corporation to being a Texas LLC.

The parties also state that Matrix Telecom Virginia (no CPCN) will convert from being a Virginia corporation to being a Virginia LLC.

The applicants seek expedited approval (by December 15, 2015) of whatever aspects of these transactions the Commission is required to approve.

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