

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Joint) Application No. C-2845
Application of Matrix Telecom,)
Inc. of Oklahoma City, Oklahoma,)
and International Exchange Com-)
munications, Inc. of Burlingame,) GRANTED
California, seeking approval of)
the transfer of certain assets)
and related transactions and a)
waiver of applicable anti-)
slamming regulations.)
) Entered: January 7, 2003

BY THE COMMISSION:

On November 25, 2002, a joint application was filed by Matrix Telecom, Inc. (Matrix) of Oklahoma City, Oklahoma, and International Exchange Communications, Inc. (International) of Burlingame, California, seeking approval of the transfer of certain assets and related transactions and a waiver of applicable anti-slamming regulations. Notice of the application was published in The Daily Record, Omaha, Nebraska, on November 26, 2002. No protests were filed; therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

O P I N I O N A N D F I N D I N G S

The Parties:

Matrix is a Texas corporation with its headquarters in Oklahoma City, Oklahoma. Matrix is a provider of intrastate interexchange telecommunications services within the state.

International is a Delaware Corporation with its headquarters in Burlingame, California. International is a provider of intrastate interexchange telecommunications services within the state.

Description of the Transaction:

On December 29, 2000, International entered into a Management Service Agreement with Matrix, pursuant to which Matrix has been providing telecommunication services to International's customer base under International's supervision. The agreement reflected that the companies desired to negotiate and enter into an asset purchase agreement under which Matrix would buy the assets they were to manage pursuant to the agreement.

On January 4, 2001, International filed a voluntary petition under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court, Northern District of California, San Francisco Division. As of the bankruptcy date, International ceased operations. Since that time, Matrix and International agreed upon an assets purchase agreement that was approved by the Bankruptcy Court on October 17, 2002. Pursuant to the agreement, Matrix will pay International \$600,000 and International will transfer certain assets to Matrix.

Matrix intends to continue service to International's customers using the International name to ensure that the transition will be transparent to its customers. In addition, the customer rates, terms and conditions of service will not change from those currently in place.

The Commission, being fully informed, is of the opinion that this application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-2845 be, and it is hereby, granted and Matrix Telecom, Inc., and International Exchange Communications, Inc. are authorized to transfer certain assets and related transactions.

IT IS FURTHER ORDERED that Matrix Telecom, Inc., within 30 days of the close of the transaction, file an amended tariff reflecting any change in the rates, terms, or conditions, if such changes are made.

MADE AND ENTERED at Lincoln, Nebraska, this 7th day of January 2002.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chair

ATTEST:

Executive Director