SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Joint)	Applicati	ion No.	C-32	243
Application of QuantumShift)				
Communications, Inc., Novato,)				
California and VCOM Solutions,)				
Inc., San Ramon, California,)	GRANTED			
seeking approval of acquisition)				
by VCOM Solutions, Inc. of	.)				
QuantumShift Communications,	•)	·			
Inc., a provider of)				
telecommunications services)	Entered:	August	31,	2004

BY THE COMMISSION:

On July 28, 2004 QuantumShift Communications, Inc. (QuantumShift), Novato, California and VCOM Solutions, Inc. (VCOM), San Ramon, California, filed a joint application seeking authority to transfer control of QuantumShift to VCOM. Notice of the application was published in The Daily Record, Omaha, Nebraska, on July 29, 2004. No protests were filed; therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

OPINION AND FINDINGS

The Parties:

QuantumShift is a California corporation with its principal office located in Novato, California, and is a wholly-owned subsidiary of QuantumShift, Inc. (QSI). QuantumShift was authorized to provide local and interexchange telecommunications services in this state on pursuant to Application Nos. C-2171 and C-2279. QSI is the parent Corporation of QuantumShift.

VCOM is a California corporation with its principal office located in San Ramon, California. VCOM operates as a facilities-based and resale interexchange and competitive local exchange carrier in the State of California.

Description of the Transaction:

QuantumShift and VCOM request Commission approval for a transaction that resulted in transfer of control of QuantumShift to VCOM. The transfer of control is the result of the purchase by VCOM of 100 percent of the issued and outstanding stock in QuantumShift from its sole owner, QSI. Specifically, the terms by which the transfer took place are contained in the Stock Purchase Agreement (Agreement), a copy of which is contained in

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the application. While the transaction nominally closed on May 28, 2004, QuantumShift and VCOM acknowledge that the closing and transfer of control is subject to, and contingent upon, approval of this application by the Commission.

Under the Agreement, QSI agrees to sell, assign, transfer, and deliver to VCOM, and VCOM agrees to purchase, assume, and receive from QSI, all of QSI's right, title, and interest at closing in all the capital stock of QuantumShift.

VCOM intends to operate QuantumShift under the direction and control of the existing management team of VCOM. VCOM specializes in providing a full spectrum of voice and data communications services, conferencing services, Internet hosting and access, and other services designed specifically to meet the needs of small- and medium-sized businesses.

VCOM believes that QuantumShift's operations fit closely with those of VCOM and, as a result, customers will benefit in the form of greater opportunities for lower prices and service innovations resulting from the companies' stronger competitive positions.

Neither VCOM, nor any officer, director, affiliate, or owner of a five percent or greater interest of VCOM has been convicted of a felony, been subject to any formal or informal allegations of slamming or other complaint alleging any violation of telecommunications law or regulation, been sanctioned by any state or federal regulatory agency for slamming or other such violations, or been found civilly or criminally liable for misrepresentations to consumers unfair business practices or similar violations. Nor is any such person or entity subject to any investigation concerning any such violations.

Based on the evidence, we find the application to be fair and reasonable and in the public interest. The application should be granted.

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ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-3243 be, and it is hereby, granted.

MADE AND ENTERED at Lincoln, Nebraska, this 31st day of August, 2004.

NEBRASKA PUBLIC SERVICE COMMISSION

Chair Sull 2. Lap

ATTEST:

Ad S Pollock

Executive Director

//s// Gerald L. Vap