

ORIGINAL

August 9, 2018

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PUBLIC SERVICE
COMMISSION

VIA OVERNIGHT COURIER & E-MAIL

Gwen R. Pinson, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602-8294

**Re: Notification Regarding the Proposed Transfer of Indirect Control of
Matrix Telecom, LLC to Lingo Communications, LLC**

Dear Ms. Pinson:

By this letter, Lingo Communications, LLC ("Transferee" or "Lingo"), Birch Communications of Kentucky, LLC ("Birch-KY"), Birch Telecom of the South, LLC ("Birch-South"), TNCI Impact LLC ("Transferor") and Matrix Telecom, LLC ("Matrix") (collectively, the "Parties") notify the Commission of the proposed transfer of indirect control of Matrix to Transferee (the "Transaction") and related post-closing *pro forma* changes in ownership of Matrix. Pursuant to the Order issued in Admin. Case No. 359 on June 21, 1996 and Admin. Case No. 370 on January 8, 1998 and 807 KAR 5:011, Section 11, prior action by the Commission is not required for the transaction described herein. Accordingly, the Parties submit this letter for informational purposes.

Description of the Parties

A. Lingo Communications, LLC, Birch Telecom of the South, LLC, and Birch Communications of Kentucky, LLC

Transferee is a Georgia limited liability company, with a principal office at 3060 Peachtree Road, NW, Suite 1065, Atlanta, Georgia 30305. Transferee is a wholly owned, direct subsidiary of GG Telecom Investors, LLC ("GG Telecom"), a Georgia limited liability company. GG Telecom is owned by Holcombe T. Green, Jr. (66.5%) and R. Kirby Godsey (33.5%).

Lingo is a holding company and does not provide telecommunications services or hold any Commission authorizations. Birch-South, a Delaware limited liability company, is an indirect wholly owned subsidiary of Lingo and is authorized in Kentucky to provide local exchange services under Competitive Local Exchange Carrier Utility ID 22251533 and long distance services under Long Distance Carrier Utility ID 5153300. Birch-KY, a Georgia limited liability company, is an indirect wholly owned subsidiary of Lingo and is authorized in Kentucky to provide local exchange services under Competitive Local Exchange Carrier Utility ID 5057020 and long distance services under Long Distance Carrier Utility ID 5179670. Birch-South and Birch-KY also hold authority from the Federal Communications Commission ("FCC") to provide domestic interstate and international telecommunications services.

B. TNCI Impact LLC and Matrix Telecom, LLC

Matrix is a Texas limited liability company and wholly owned, indirect subsidiary of Transferor. Transferor is a Delaware limited liability company that is 90% owned by Garrison TNCI LLC and 10% owned by Impact Telecom Holdings, Inc. The corporate headquarters of Matrix and Transferor is located at 9000 E Nichols Ave., Suite 230, Englewood, Colorado 80112.

Matrix and its affiliates (collectively, "Impact Telecom") provides intrastate, interstate and international telecommunications services to residential, business and carrier customers throughout the United States. In Kentucky, Matrix is authorized to provide local exchange services under Competitive Local Exchange Carrier Utility ID 22213425 and long distance services under Long Distance Carrier Utility ID 13425.¹ Matrix also holds authority from the FCC to provide domestic interstate and international telecommunications services.

Contacts

For the purposes of this filing, contacts are as follows:

For Transferor and Matrix to:

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With a copy to:

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For Transferee and Birch-South and Birch-KY to:

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With a copy to:

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michelle.ansley@lingo.com

Description of the Transaction

Pursuant to the terms of a Securities Purchase Agreement (the "Agreement") dated as of July 3, 2018, by and between Transferor and Lingo, Lingo will acquire all issued and outstanding membership interests of Impact Acquisition, LLC, a Delaware limited liability company and an indirect parent of Matrix. Impact Acquisition, LLC and its subsidiaries, including Matrix, will be held by Lingo Management, LLC, which is a wholly owned subsidiary of Lingo. As a result, indirect ownership of Matrix will be transferred to Lingo.

¹ Matrix was originally granted authority to provide resold telecommunications services in Docket No. 90-270 on March 13, 1991.

After the closing of the Transaction, Lingo plans to eliminate Impact Telecom, LLC from the chain of ownership of Matrix (the "Post-Transaction *Pro Forma* Change") resulting in Matrix becoming a wholly owned, direct subsidiary of Impact Acquisition, LLC. Since Matrix is currently a wholly owned, indirect subsidiary of Impact Acquisition, LLC, the Post-Transaction *Pro Forma* Change will not change the ultimate post-Transaction ownership of Matrix and is *pro forma* in nature. This Post-Transaction *Pro Forma* Change will have no effect on Matrix, its customers or its operations, but eliminating the additional intermediate holding company will streamline recordkeeping and reporting among other benefits.

For the Commission's reference, Exhibit A depicts the current, post-closing and Post-Transaction *Pro Forma* Change entity ownership structure of the Parties.

The Transaction will bring together two enterprises that have demonstrated a long-standing commitment to excellence in a highly competitive marketplace. Customers of the combined company will benefit from the extensive telecommunications experience and expertise of the combined company. The financial, technical, and managerial resources that Transferee, Birch-South, and Birch-KY will bring to Matrix (and Matrix to Transferee and Birch-South and Birch-KY) are expected to enhance their ability to compete in the telecommunications market-place. The proposed Transaction will have no adverse impact on customers of Matrix, Birch-South, and Birch-KY. Following the Transaction, Matrix, Birch-South and Birch-KY will continue to provide high-quality communications services to their customers in Kentucky without interruption and without immediate change in rates, terms or conditions. The only change immediately following closing of the Transaction from a consumer's perspective is that Lingo will be the new ultimate owner of Matrix.

* * * *

Gwen R. Pinson, Executive Director
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An original and four (4) copies of this notification letter are enclosed. Please date-stamp the enclosed extra copy and return it in the envelope provided. Should you have any questions, please do not hesitate to contact us.

Respectfully submitted,

**For: Lingo Communications, LLC Birch
Telecom of the South, LLC, and Birch
Communications of Kentucky, LLC**

Angela Collins / SF

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**For: Impact Telecom LLC and
Matrix Telecom, LLC**

Stephany Fan

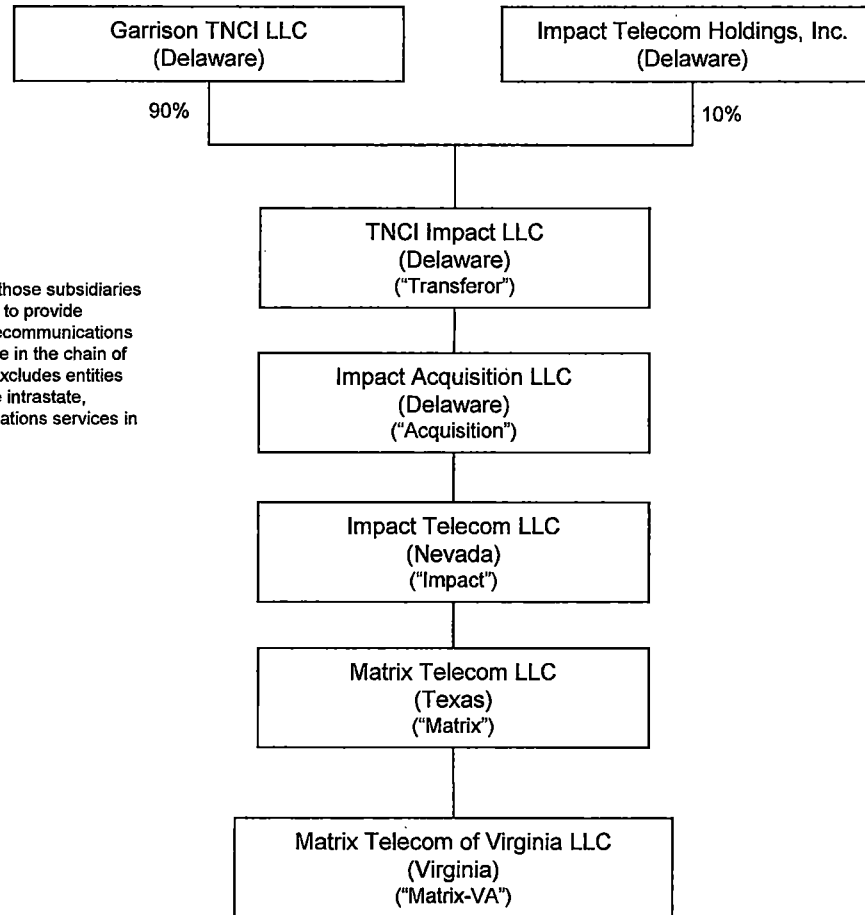
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EXHIBIT A

Current, Post-Closing and Post-Transaction *Pro Forma* Change Entity Structures

Current Organizational Structure of Matrix & Matrix-VA*

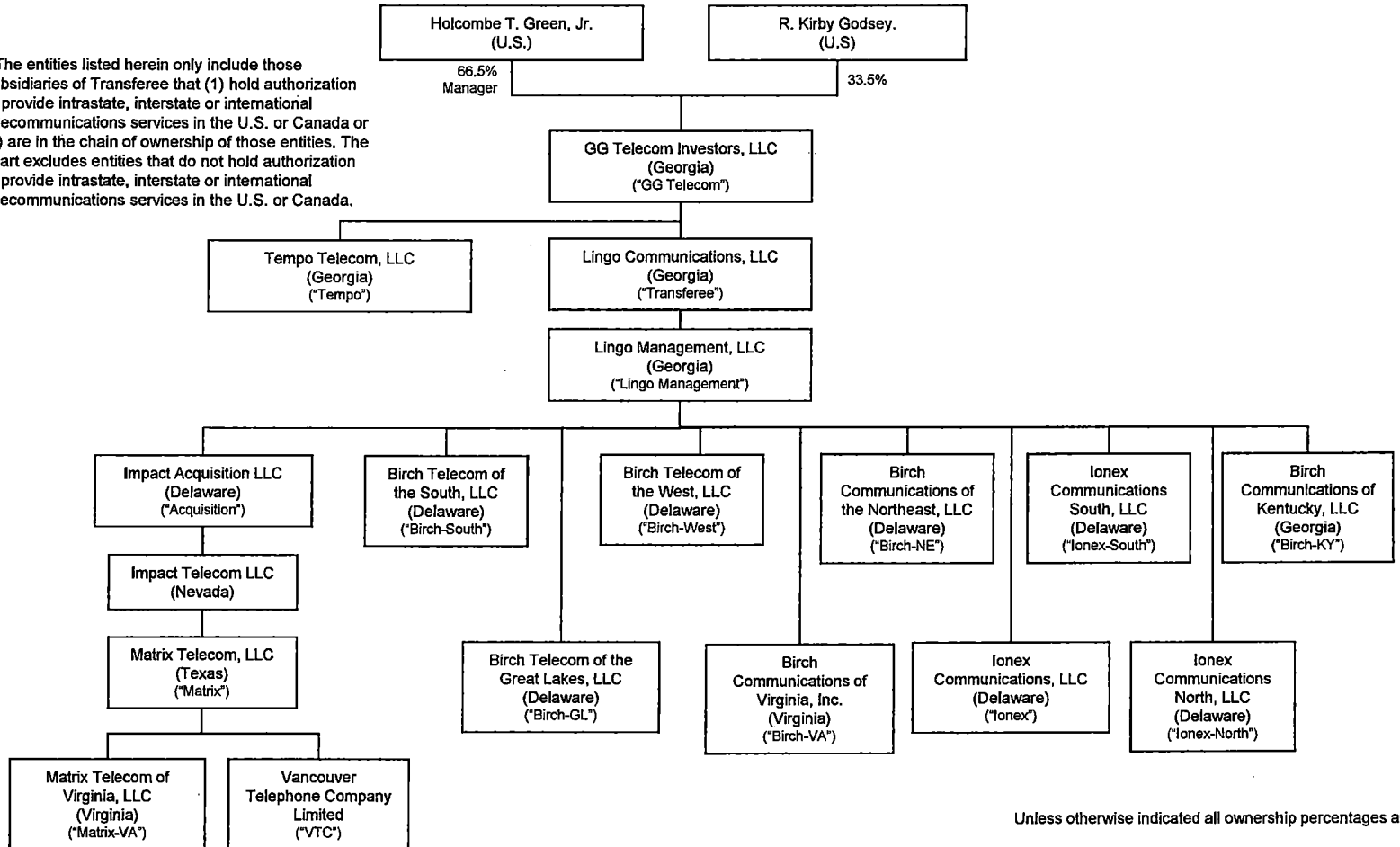
* The entities listed herein only include those subsidiaries of Transferor that (1) hold authorization to provide intrastate, interstate or international telecommunications services in the U.S. or Canada or (2) are in the chain of ownership of those entities. The chart excludes entities that do not hold authorization to provide intrastate, interstate or international telecommunications services in the U.S. or Canada.



Unless otherwise indicated all ownership percentages are 100%.

Post-Closing Organizational Structure of Matrix & Matrix-VA*

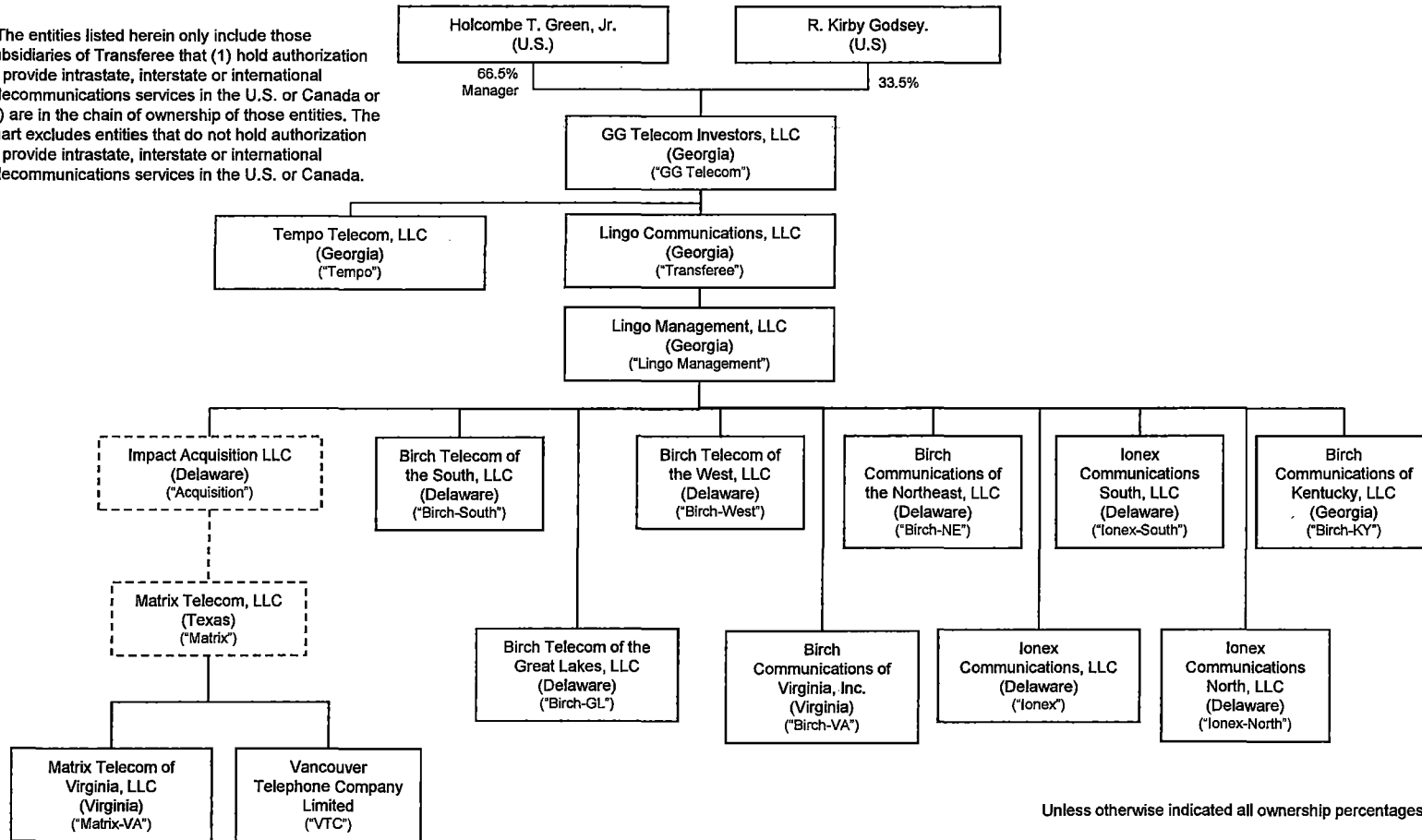
* The entities listed herein only include those subsidiaries of Transferee that (1) hold authorization to provide intrastate, interstate or international telecommunications services in the U.S. or Canada or (2) are in the chain of ownership of those entities. The chart excludes entities that do not hold authorization to provide intrastate, interstate or international telecommunications services in the U.S. or Canada.



Unless otherwise indicated all ownership percentages are 100%.

Organizational Structure of Matrix & Matrix-VA Post-Transaction Pro Forma Change*

* The entities listed herein only include those subsidiaries of Transferee that (1) hold authorization to provide intrastate, interstate or international telecommunications services in the U.S. or Canada or (2) are in the chain of ownership of those entities. The chart excludes entities that do not hold authorization to provide intrastate, interstate or international telecommunications services in the U.S. or Canada.



Unless otherwise indicated all ownership percentages are 100%.

Highlights Difference in Structure
Resulting from
Post-Transaction Pro Forma Change

VERIFICATIONS

STATE OF GEORGIA
COUNTY OF FULTON

§
§ ss:
§

VERIFICATION

I, Vincent M. Oddo, state that I am the President and Chief Executive Officer of Lingo Communications, LLC (the “Company”); that I am authorized to make this Verification on behalf of the Company and its affiliates; that I have read the foregoing document; and that any statements in the foregoing document with respect to the Company and its affiliates, except as otherwise specifically attributed, are true and correct to the best of my knowledge, information, and belief.



Vincent M. Oddo
President and Chief Executive Officer
Lingo Communications, LLC

Sworn and subscribed before me this 16 day of July 2018.



Notary Public

My commission expires March 26, 2020



