

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of Claricom) Application No.C-3486
Networks, LLC, Oklahoma City,)
Oklahoma, seeking an)
expedited approval of the)
transfer of membership) GRANTED
interests and the merger of)
Claricom Networks, LLC, and)
Matrix Telecom, Inc.,)
Oklahoma City, Oklahoma,) Entered: November 22, 2005

BY THE COMMISSION:

By application filed September 20, 2005, Claricom Network, LLC (Claricom), Matrix Telecom, Inc. (Matrix), EnergyTRACS Acquisition Corp. (ETAC), and Platinum Equity, LLC (Platinum) (collectively referred to as the "Applicants") seek approval of the proposed transfer of all of the membership interests of Claricom, currently held by Stacom Holdings LLC (Stacom), ultimately to Matrix and of the merger of Claricom with and into Matrix. Notice of the application was published in The Daily Record, Omaha, Nebraska, on September 29, 2005. 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

I. The Parties

Claricom is organized under the laws of the State of Delaware, with its principal office located in Oklahoma City, Oklahoma. Claricom provides domestic and international long distance services to business and residential customers throughout the continental United States. Claricom is authorized to provide intrastate interexchange telecommunications services in Nebraska.

Stacom is a Delaware limited liability company with its principal office located in Beverly Hills, California. Stacom is a holding company and holds 100% of the membership interests of Claricom. Stacom is a wholly owned subsidiary of Platinum.

Matrix is a Texas corporation with its principal office located in Oklahoma City, Oklahoma. Matrix provides domestic and international long distance services to business and residential customers throughout the United States. Matrix is authorized to

provide intrastate interexchange telecommunications services in Nebraska and certificated as a competitive local exchange carrier in Nebraska.

ETAC is a Delaware Corporation with its principal office located in Beverly Hills, California. ETAC is a holding company and holds all of the issued and outstanding capital stock of Matrix. ETAC is a wholly owned subsidiary of Platinum.

Platinum is a Delaware corporation with its principal offices in Beverly Hills, California. Platinum operates as a vehicle for the acquisition of companies and is the ultimate parent of Matrix, ETAC, Claricom and Stacom.

II. The Transaction

Matrix was acquired by Platinum in 1999. Claricom was acquired by Platinum in 2001. Since their acquisitions, Matrix and Claricom have operated as separate entities but under common management. As Matrix and Claricom provide the same services to the same markets, it has been determined that their customers can be served more efficiently by combining Matrix and Claricom into one company.

To that end, Applicants propose to transfer the membership interests of Claricom, currently held by Stacom, initially to Platinum, who will then transfer those interests to ETAC. The final transfer of the membership interests of Claricom will be from ETAC to Matrix. Claricom will then be merged with and into Matrix with Matrix being the surviving entity. Upon completion of the transaction described above, the customers of Claricom would be served by Matrix and Claricom would cease to exist.

III. Public Interest

Applicants state the proposed transaction will serve the public interest because there will be no change to the rates, terms or conditions of service to the Claricom customers as a result of the transaction. All managerial and technical aspects of the provision of reliable telecommunication services will be handled in the same manner and by the same individuals who provide the managerial and technical support for Claricom today.

Furthermore, consummation of the proposed transaction will serve the public interest in promoting competition in the intrastate interexchange and local telecommunications market by

providing Matrix the opportunity to strengthen its competitive position by combining Claricom's customer base with Matrix's current customers. Approval of the transaction will permit Matrix to realize significant economic and marketing efficiencies that will enhance its ability to continue providing high quality, low cost telecommunications services and to compete more effectively in the telecommunications market.

Matrix's operations will more readily increase in size and profitability, due to enhanced economies of scale. Accordingly, the proposed transaction will benefit consumers through improved services and lower rates, thereby promoting competition in the telecommunications market. The market for voice and data services is becoming increasingly competitive in nature and such competition benefits customers. Therefore, approval of the proposed transaction is in the public interest.

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

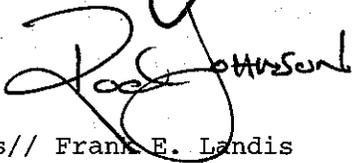
O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-3486 be, and it is hereby, granted.

MADE AND ENTERED at Lincoln, Nebraska, this 22nd day of November, 2005.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:



//s// Frank E. Landis

//s// Gerald L. Vap

Chairman



ATTEST:

Executive Director

