

ORIGINAL NEW APPLICATION



0000065051

T-03228A-06-0800

ARIZONA CORPORATION COMMISSION

Application and Petition for Certificate of Convenience and Necessity to Provide Intrastate Telecommunications Services

Mail original plus 13 copies of completed application to:

For Docket Control Only:
(Please Stamp Here)

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007-2927

Arizona Corporation Commission
DOCKETED

DEC 26 2006

Please indicate if you have current applications pending in Arizona as an Interexchange reseller, AOS provider, or as the provider of other telecommunication services.

DOCKETED BY	<i>MJL</i>
-------------	------------

Type of Service: Competitive Resold Interexchange

Docket No.: T-03338A-96-0392 Date: 7/17/96

Date Docketed: 5/16/03

Type of Service: Resold Local Exchange Carrier

Docket No.: T-0322BA-05-0244 Date: 4/6/05

Date Docketed: 12/9/05

AZ CORP COMMISSION
DOCUMENT CONTROL

2006 DEC 26 A 10: 03

RECEIVED

A. COMPANY AND TELECOMMUNICATION SERVICE INFORMATION

(A-1) Please indicate the type of telecommunications services that you want to provide in Arizona and mark the appropriate box(s).

- Resold Long Distance Telecommunications Services (Answer Sections A, B).
- Resold Local Exchange Telecommunications Services (Answer Sections A, B, C).
- Facilities-Based Long Distance Telecommunications Services (Answer Sections A, B, D).
- Facilities-Based Local Exchange Telecommunications Services (Answer Sections A, B, C, D, E)
- Alternative Operator Services Telecommunications Services (Answer Sections A, B)
- Other _____ (Please attach complete description)

(A-2) The name, address, telephone number (including area code), facsimile number (including area code), e-mail address, and World Wide Web address (if one is available for consumer access) of the Applicant:

Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, Texas 75230
Telephone: (214) 432-1453
Fax: (214) 432-1576
dhoyle@matrixbt.com
Website Address: www.matrixbt.com

(A-3) The d/b/a ("Doing Business As") name if the Applicant is doing business under a name different from that listed in Item (A-2):

Matrix Business Technologies

(A-4) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Management Contact:

***Scott Klopack, Vice President, Regulatory Affairs & General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite. 700
Dallas, Texas 75230
Telephone: (214) 432-1468
Fax: (214) 432-1576
E-mail address: sklopack@matrixbt.com***

(A-5) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Attorney and/or Consultant:

***Judith A. Riley, President
Telecom Professionals, Inc.
5909 Northwest Expressway, Suite 403
Oklahoma City, OK 73132
Telephone (405) 755-8177
Fax: (405) 755-8377
E-mail address: jriley@telecompliance.net
www.telecompliance.net***

(A-6) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Complaint Contact Person:

***Dana Hoyle, Manager of Regulatory Affairs
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, Texas 75230
Telephone: (214) 432-1453
Fax: (214) 432-1576
E-mail address: dhoyle@matrixbt.com***

(A-7) What type of legal entity is the Applicant? Mark the appropriate box(s) and category.

- Sole proprietorship
- Partnership: ___ Limited, ___ General, ___ Arizona, ___ Foreign
- Limited Liability Company: ___ Arizona, ___ Foreign
- Corporation: X "S", ___ "C", ___ Non-profit
- Other, specify: _____

(A-8) Please include "Attachment A":

Attachment "A" must include the following information:

1. A copy of the Applicant's Certificate of Good Standing as a domestic or foreign corporation, LLC, or other entity in Arizona.
2. A list of the names of all owners, partners, limited liability company managers (or if a member managed LLC, all members), or corporation officers and directors (specify).
3. Indicate percentages of ownership of each person listed in A-8.2.

Please see Attachment A for the applicants Certificate of Good Standing. Matrix is an indirect, wholly owned subsidiary of Platinum Equity, LLC. An organizational chart showing Matrix's corporate structure, is also attached at Attachment A.

Matrix's officers and directors, are:

Officers

Russell Lambert, President and Chief Executive Officer

Charles Taylor, Chief Financial Officer

Directors

Tom T. Gores, Founder, Chairman and Chief Executive Officer, Platinum Equity LLC

Robert J. Joubran, Chief Operating Officer, Platinum Equity LLC

Brian Wall, Managing Director, Europe, Platinum Equity LLC

Robert J. Wentworth, Executive Vice President, Platinum Equity LLC

Steve Zollo, Senior Vice President and General Manager, Portfolio Asset Management, Platinum Equity LLC

Rob Archambault, Senior Vice President, Operations, Platinum Equity LLC

(A-9) Include your Tariff as "Attachment B".

Applicant has filed a tariff and it is currently pending in T-03228A-06-0706. Included as Attachment B is a copy of the Applicant's currently pending tariff.

Your Tariff must include the following information:

1. Proposed Rates and Charges for each service offered (reference by Tariff page number).

Revised Pages 46-51

2. Tariff Maximum Rate and Prices to be charged (reference by Tariff page number).

Revised Pages 46-51

3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number).

Revised Pages 5, 12 and 13

4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number).

Revised Pages 25-27

5. The proposed fee that will be charged for returned checks (reference by Tariff page number).

Revised Page 26

(A-10) Indicate the geographic market to be served:

Statewide. (Applicant adopts statewide map of Arizona provided with this application).

Other. Describe and provide a detailed map depicting the area.

(A-11) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any formal or informal complaint proceedings pending before any state or federal regulatory commission, administrative agency, or law enforcement agency.

Describe in detail any such involvement. Please make sure you provide the following information:

1. States in which the Applicant has been or is involved in proceedings.
2. Detailed explanations of the Substance of the Complaints.
3. Commission Orders that resolved any and all Complaints.
4. Actions taken by the Applicant to remedy and/or prevent the Complaints from re-occurring.

Since 2001, the Federal Communications Commission ("FCC") has issued 13 orders resolving informal complaints from subscribers against Matrix Telecom, Inc. ("Matrix"). Each of these complaints alleged that Matrix had switched the subscriber's primary interexchange carrier without proper authorization. The FCC denied or found to be resolved nine of these 13 complaints. Of the remaining four, three found a technical violation of the FCC's "slamming" rules which resulted from Matrix's reliance on a third party to verify the subscriber's intent to switch his or her carrier to Matrix. In these three cases, the third party failed to confirm the telephone number to be switched. Matrix no longer uses the services of this third party verification provider. The remaining case involved a customer transferred to Matrix after his chosen carrier went out of business.

In 2001, the FCC issued an Order of Forfeiture, finding that Matrix had violated Section 254(d) of the Communications Act of 1934, as amended, 47 U.S.C. § 254(d), and Section 54.706 of the Commission's rules, 47 C.F.R. § 54.706, by failing to make required contributions to universal service support programs. *See Matrix Telecom, Inc.*, File No. EB -00-IH-0057, Forfeiture Order, FCC 01-48, 16 FCC Rcd 10553. The events that led to this Order took place prior to Platinum Equity's acquisition of Matrix, and under prior management. In its Order, the FCC cited with approval the efforts of the new Platinum Equity ownership and management both to put in place remedial compliance measures and to pay overdue amounts. In view of these efforts, the FCC reduced the base forfeiture amount it otherwise would have imposed by over 40 percent.

In 1995, the FCC issued a Notice of Apparent Liability alleging that Matrix had changed the primary interexchange carrier of one of its customers without obtaining proper authorization to do so. *See Matrix Telecom, Inc.*, File No. ENF-96-02, Notice of Apparent Liability for Forfeiture, DA 95-2421, 11 FCC Rcd 1258 (Com. Car. Bur. 1995). The parties later entered into a Consent Decree resolving these allegations with no finding of wrongdoing. *See Matrix Telecom, Inc.*, File No. ENF-96-02, Order, DA 96-2108, 11 FCC Rcd 21539 (Com. Car. Bur. 1996) (approving Consent Decree). The underlying events took place under the prior ownership and management of Matrix.

In 1993, again during the prior ownership and management of Matrix, the FCC issued a letter of admonition to Matrix regarding the form of its Letter of Agency ("LOA") used in signing up new long distance customers. *See Letter to Mr. Dennis Miga, Managing Partner, Matrix Telecom, 9003 Airport Freeway, Suite 340, Fort Worth, Texas 76180*, DA 93-886, 8 FCC Rcd 5512 (Com. Car. Bur. 1993). The LOA is no longer used.

Matrix is periodically the subject of informal customer complaints filed before state public utility commissions. There were 22 such complaints filed in 2005 and 28 such complaints filed in 2006. These generally concern minor billing issues or service questions. All but one of these complaints has been resolved. In the remaining case, Matrix has requested additional information from the customer and is awaiting a response.

(A-12) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any civil or criminal investigation, or had judgments entered in any civil matter, judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years.

Describe in detail any such judgments or convictions. Please make sure you provide the following information:

1. States involved in the judgments and/or convictions.
2. Reasons for the investigation and/or judgment.

Copy of the Court order, if applicable.

Paul Bird, currently Matrix's Sr. Vice President of Technology, was employed with NextiraOne from 1993 to March 1, 2006 as the Director of Networks. During 2001, Mr. Bird and his team designed the telecommunications platform that would allow certain native-American tribes to access the Internet. The U.S. government has a program for funding such telecommunications services for school and libraries. On April 20, 2006, NextiraOne pled guilty to charges of wire fraud for overbilling the U.S. government for the services actually provided to the tribes (a copy of the pleas agreement is attached, see Exhibit F). As the architect of the platform, neither Mr. Bird nor his team were involved with submitting invoices to either the United States or the tribes.

(A-13) Indicate if the Applicant's customers will be able to access alternative toll service providers or resellers via 1+101XXXX access.

Yes

No

(A-14) Is Applicant willing to post a Performance Bond? Please check appropriate box(s).

For Long Distance Resellers, a \$10,000 bond will be recommended for those resellers who collect advances, prepayments or deposits.

Yes

No

If "No", continue to question (A-15).

For Local Exchange Resellers, a \$25,000 bond will be recommended.

Yes

No

If "No", continue to question (A-15).

For Facilities-Based Providers of Long Distance, a \$100,000 bond will be recommended.

Yes

No

If "No", continue to question (A-15).

For Facilities-Based Providers of Local Exchange, a \$100,000 bond will be recommended.

Yes

No

If any box in (A-14) is marked "No", continue to question (A-15).

Note: Amounts are cumulative if the Applicant is applying for more than one type of service.

(A-15) If any box in (A-14) is marked "No", provide the following information. Clarify and explain the Applicant's deposit policy (reference by tariff page number). Provide a detailed explanation of why the Applicant's superior financial position limits any risk to Arizona consumers.

Matrix does not plan to collect deposits from its customers. Additionally, Matrix routinely has in excess of \$100,000 in unencumbered cash or cash equivalents on hand. These funds will limit any risk to Arizona consumers comparably to a bond in that amount.

(A-16) Submit copies of affidavits of publication that the Applicant has, as required, published legal notice of the Application in all counties where the Applicant is requesting authority to provide service.

Note: For Resellers, the Applicant must complete and submit an Affidavit of Publication Form as Attachment "C" before Staff prepares and issues its report. Refer to the Commission's website for Legal Notice Material (Newspaper Information, Sample Legal Notice and Affidavit of Publication). For Facilities-Based Service Providers, the Hearing Division will advise the Applicant of the date of the hearing and the publication of legal notice. Do not publish legal notice or file affidavits of publication until you are advised to do so by the Hearing Division.

(A-17) Indicate if the Applicant is a switchless reseller of the type of telecommunications services that the Applicant will or intends to resell in Arizona:

Yes

No

If "Yes", provide the name of the company or companies whose telecommunications services the Applicant resells.

Matrix Telecom, Inc. d/b/a Matrix Business Technologies is a reseller of Global Crossing Local Services, Inc., see Decision Nos. 68343 and 65926. Matrix seeks to augment this authority to include facilities-based service authority, so that it can gain the flexibility to better to meet its customers' needs, for instance through the use of its own facilities, leased unbundled network elements from Incumbent Local Exchange Carriers, and commercial wholesale agreements similar to the UNE-P replacement agreements that ILECs have recently reached with other CLECs, in addition to resale.

(A-18) List the States in which the Applicant has had an application approved or denied to offer telecommunications services similar to those that the Applicant will or intends to offer in Arizona:

Note: If the Applicant is currently approved to provide telecommunications services that the Applicant intends to provide in Arizona in less than six states, excluding Arizona, list the Public Utility Commission ("PUC") of each state that granted the authorization. For each PUC listed provide the name of the contact person, their phone number, mailing address including zip code, and e-mail address.

Matrix currently provides resold local exchange telecommunications service in 44 states and the District of Columbia (all but Alaska, Delaware, Idaho, Iowa, Louisiana, and South Dakota). Matrix currently provides resold intrastate interexchange telecommunications services in all 50 states. Matrix has not had an application for authority to provide exchange or intrastate interexchange telecommunications services denied in any state.

(A-19) List the States in which the Applicant currently offers telecommunications services similar to those that the Applicant will or intends to offer in Arizona.

Note: If the Applicant currently provides telecommunication services that the Applicant intends to provide in Arizona in six or more states, excluding Arizona, list the states. If the Applicant does not currently provide telecommunications services that the Applicant intends to provide in Arizona in five or less states, list the key personnel employed by the Applicant. Indicate each employee's name, title, position, description of their work experience, and years of service in the telecommunications services industry.

Attached, please find a list of certifications currently held by the applicant. Applicant currently operates as a reseller of local exchange telecommunications services in 44 states and operates as a reseller of long distance services on a nationwide basis. Applicant has not provided facilities-based local exchange or interexchange telecommunications services in any jurisdiction to date.

(A-20) List the names and addresses of any alternative providers of the service that are also affiliates of the telecommunications company, as defined in R14-2-801.

*Americatel Corporation
4045 97th Avenue
Miami, Florida 33178*

(A-21) Check here if you wish to adopt as your petition a statement that the service has already been classified as competitive by Commission Decision:

- Decision # 64178 Resold Long Distance
- Decision # 64178 Resold LEC
- Decision # 64178 Facilities Based Long Distance
- Decision # 64178 Facilities Based LEC

B. FINANCIAL INFORMATION

(B-1) Indicate if the Applicant has financial statements for the two (2) most recent years.

- Yes No

If "No," explain why and give the date on which the Applicant began operations.

(B-2) Include "Attachment D".

Provide the Applicant's financial information for the two (2) most recent years.

1. A copy of the Applicant's balance sheet.
2. A copy of the Applicant's income statement.
3. A copy of the Applicant's audit report.
4. A copy of the Applicant's retained earnings balance.
5. A copy of all related notes to the financial statements and information.

Note: Make sure "most recent years" includes current calendar year or current year reporting period.

These data are competitively sensitive trade secret information that are proprietary to Matrix and are not routinely disclosed in any public forum. On advice from the Commission's staff, Matrix does not submit Attachment "D" at this time.

(B-3) Indicate if the Applicant will rely on the financial resources of its Parent Company, if applicable.

Since 1999, Matrix has been an indirect, wholly-owned subsidiary of Platinum Equity, LLC. Matrix has operated as a telecommunications carrier since 1990 and does not intend to rely on the financial resources of Platinum Equity in connection with this application.

(B-4) The Applicant must provide the following information.

1. Provide the projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval. Adjusted revenues may be calculated as the number of units sold times the maximum charge per unit.
2. Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.
3. Provide the net book value (original cost less accumulated depreciation) of all Arizona jurisdictional assets expected to be used in the provision of telecommunications service to Arizona customers at the end of the first twelve months of operation. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.
4. If the projected value of all assets is zero, please specifically state this in your response.
5. If the projected fair value of the assets is different than the projected net book value, also provide the corresponding projected fair value amounts.

These data are competitively sensitive trade secret information that are proprietary to Matrix and are not routinely disclosed in any public forum. On advice from the Commission's staff, Matrix does not submit Attachment "E" at this time.

C. RESOLD AND/OR FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(C-1) Indicate if the Applicant has a resale agreement in operation,

Yes No

If "Yes", please reference the resale agreement by Commission Docket Number or Commission Decision Number.

Matrix has entered in to a private wholesale arrangement with its current underlying provider, Global Crossing. The agreement was a private offering between CLECs and therefore is not subject to requirements of Sections 251 and 252 of the Communications Act of 1934, as amended. As such, there is no associated Docket Number or Decision Number associated with said agreement.

D. FACILITIES-BASED LONG DISTANCE AND/OR FACILITIES BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(D-1) Indicate if the Applicant is currently selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in Arizona. This item applies to an Applicant requesting a geographic expansion of their CC&N:

Yes No

If "Yes," provide the following information:

1. The date or approximate date that the Applicant began selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in Arizona.
2. Identify the types of facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services that the Applicant sells in Arizona.

If "No," indicate the date when the Applicant will begin to sell facilities-based long distance telecommunications AND/OR facilities-based local exchange telecommunications services in Arizona.

Matrix does not currently provide facilities-based local exchange or interexchange telecommunications services in Arizona. As indicated above, Matrix seeks additional flexibility to serve its customers using a combination of its own facilities, unbundled network elements leased from incumbent local exchange carriers, services obtained pursuant to commercial wholesale agreements with other carriers, and resold telecommunications services. Deployment of these services will depend on the relative costs of these options and the needs of Matrix's customers.

Commission approval of this application will serve the public interest by promoting greater competition in Arizona telecommunications markets, to the ultimate benefit of consumers. Such competition promotes lower prices for telecommunications services and higher service quality. At the same time, competition drives increased innovation by carriers striving to best meet their customers' needs.

Matrix is already a competitor in the Arizona local and long distance telecommunications markets, and offers high quality telecommunications services at a low cost. Grant of this application will give Matrix greater flexibility in meeting the needs of its customers, permitting it to provide service through resale, facilities-based arrangements, commercial wholesale agreements, leased unbundled network elements, or some combination of these. As a result, Matrix will be able to offer Arizona businesses and residential consumers more service choices, and greater opportunities to customize services to meet those customers' needs. Moreover, this increased flexibility will make Matrix a stronger competitor by permitting it to realize significant economic and marketing efficiencies, which in turn will allow Matrix's operations more readily to increase in size and scope, further accelerating the beneficial effects of competition discussed above.

(E-1) Indicate whether the Applicant will abide by the quality of service standards that were approved by the Commission in Commission Decision Number 59421:

Yes No

(E-2) Indicate whether the Applicant will provide all customers with 911 and E911 service, where available, and will coordinate with incumbent local exchange carriers ("ILECs") and emergency service providers to provide this service:

Yes

No

(E-3) Indicate that the Applicant's switch is "fully equal access capable" (i.e., would provide equal access to facilities-based long distance companies) pursuant to A.A.C. R14-2-1111 (A):

Yes

No

I certify that if the applicant is an Arizona corporation, a current copy of the Articles of Incorporation is on file with the Arizona Corporation Commission and the applicant holds a Certificate of Good Standing from the Commission. If the company is a foreign corporation or partnership, I certify that the company has authority to transact business in Arizona. I certify that all appropriate city, county, and/or State agency approvals have been obtained. Upon signing of this application, I attest that I have read the Commission's rules and regulations relating to the regulations of telecommunications services (A.A.C. Title 14, Chapter 2, Article 11) and that the company will abide by Arizona state law including the Arizona Corporation Commission Rules. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.

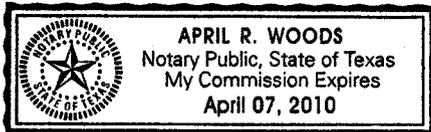
Scott Klopach
(Signature of Authorized Representative)

12/20/06
(Date)

Scott Klopach
(Name)

Vice President, Regulatory Affairs & General Counsel
(Title)

SUBSCRIBED AND SWORN to before me this 20th day of December, 2006



April R. Woods
NOTARY PUBLIC

My Commission Expires April 7th 2010

ATTACHMENT A
CERTIFICATE OF GOOD STANDING

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION
CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Director of the Arizona Corporation Commission, do hereby certify that

*****MATRIX TELECOM, INC.*****

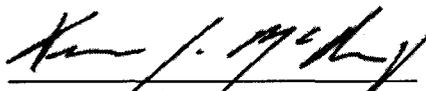
a foreign corporation organized under the laws of Texas did obtain authority to transact business in the State of Arizona on the 11th day of June 1994.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation has not had its authority revoked for failure to comply with the provisions of the Arizona Business Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed an Application for Withdrawal as of the date of this certificate.

This certificate relates only to the legal authority of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 13th Day of December, 2006, A. D.




Executive Director

Order Number: 109501

When recorded mail to:

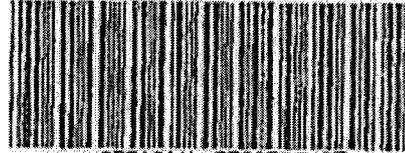
Name: C T Corporation System

Address: 3225 N. Central Avenue

Suite 1601

City/State/Zip: Phoenix, AZ 85012

Hold at FRONT COUNTER for C T Corporation



OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
2006-0904974 07/06/06 03:30 PM
1 OF 2

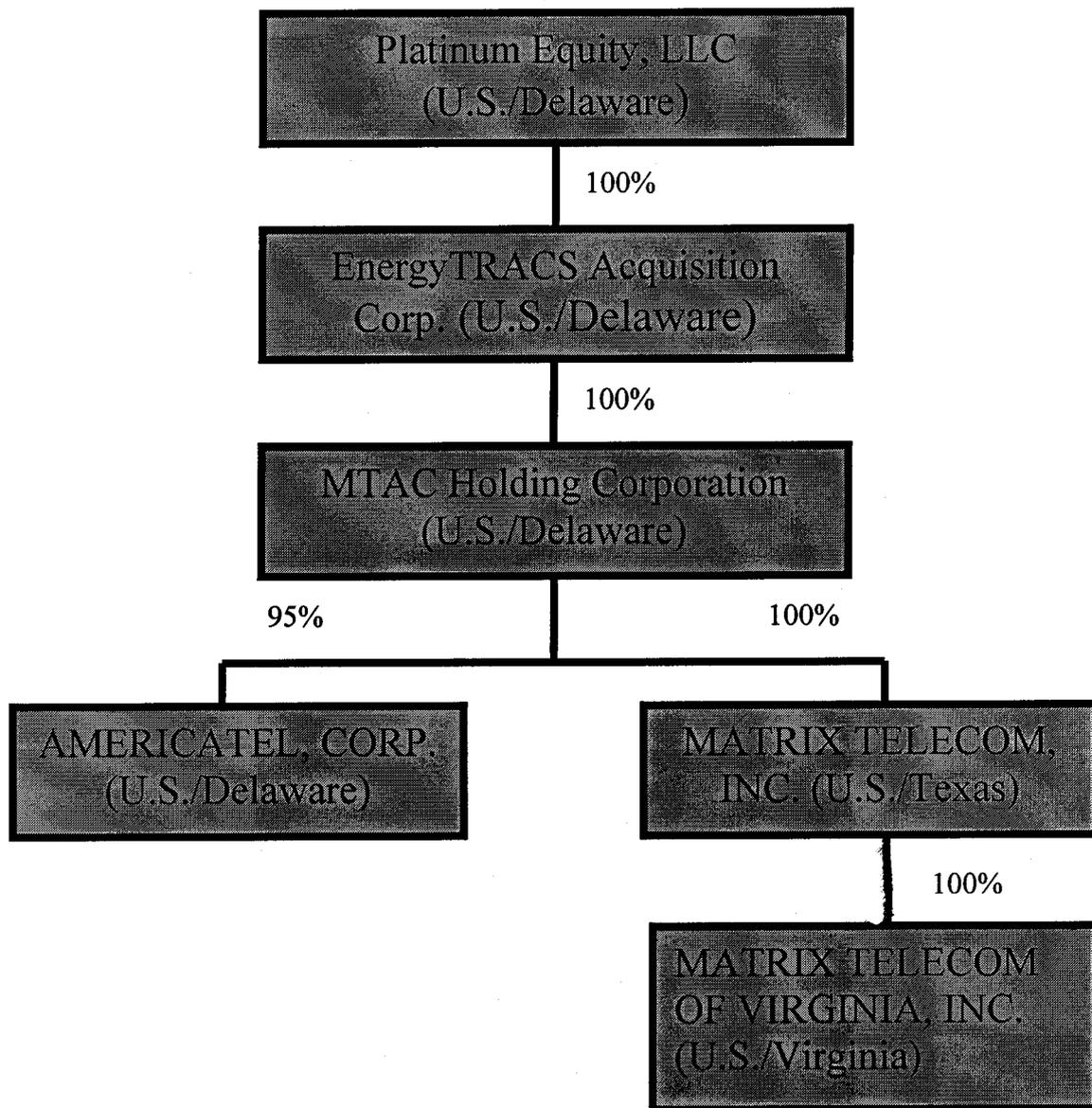
SEL00100

this area reserved for county recorder

CAPTION HEADING:

DO NOT REMOVE

This is part of the official document.



ATTACHMENT B

TARIFF AS FILED IN
T-03228A-06-0706

RETURN
COPY



RECEIVED

2006 NOV 20 P 2: 0

AZ CORP COMMISSION
DOCUMENT CONTROL

November 17, 2006

**VIA FEDERAL EXPRESS
STANDARD OVERNIGHT**

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
602-542-3477

T-03228A-06-0706

Re: Matrix Telecom, Inc d/b/a Matrix Business Technologies Filing Local Tariff No 2

To Whom It May Concern:

Enclosed, please find an original and thirteen (13) copies of Matrix Telecom, Inc's Local Tariff No. 2.

Tariff No. 2 is being filed to revise Local Tariff No. 1 and also to introduce Matrix Telecom, Inc.'s adoption of assumed name, Matrix Business Technologies.

To indicate receipt, please date stamp the extra copy and return to me via the enclosed self addressed stamped envelope. If you have any further questions, please contact me at (214) 231-4481 or email at rhunt@matrixbt.com.

Sincerely,

A handwritten signature in cursive script that reads "Renee Hunt".

Renee Hunt
Regulatory Assistant

Enclosures

RATES, TERMS AND CONDITIONS
RELATING TO THE PROVISION OF
LOCAL EXCHANGE SERVICES
IN THE STATE OF ARIZONA

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopack,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

Table of Contents

APPLICATION OF TARIFF..... 5

EXPLANATION OF SYMBOLS 6

EXPLANATION OF TERMS 7

1. Regulations 12

 1.1 Undertaking of the Company..... 12

 1.2 Terms and Conditions 12

 1.3 Notification of Service Affecting Activities 14

 1.4 Provision of Equipment and Facilities 14

 1.5 Liability of the Company 16

 1.6 Directory Listings 20

 1.7 Interruptions in Service..... 21

 1.7.1 Temporary Suspension for Repairs..... 21

 1.7.2 Credit Allowance for Interruptions..... 21

 1.7.3 Limitations on Credit Allowances 22

 1.8 Obligations of the Customer 22

 1.8.1 Customer Responsibility 22

 1.8.2 Claims 22

 1.8.3 Station Equipment..... 23

 1.8.4 Interconnection of Facilities 23

 1.8.5 Inspections 24

 1.9 Payment Arrangements 25

 1.9.1 Taxes and Surcharges 25

 1.9.2 Bills and Collection of Charges 26

 1.9.3 Disputed Bills 27

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopack,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

Table of Contents (cont'd)

1.10 Discontinuance of Service	27
1.10.1 Discontinuance of Service by Company	27
1.10.2 Discontinuance of Service by Customer	29
1.10.3 Cancellation of Application for Service	30
1.11 Restoration of Service	30
1.12 Transfers and Assignments	30
1.13 Notices and Communications	31
1.14 Promotional Offers	31
1.15 Individual Case Basis (ICB) Arrangements	31
1.16 Customer Service	31
2 Service Descriptions and Rates	32
2.1 Local Service	32
2.2 Features	33
2.3 Directory Listings	39
2.4 Directory Assistance	40
2.5 Operator Services	41
2.6 Presubscription	42
2.7 Service Restoration Charge	43
2.8 Vanity Number	43
2.9 Private Branch Exchange (PBX) Service	43
2.10 Direct Inward Dial (DID) Service	44
2.11 Moves, Adds and Changes	45
3.0 Price List- Business Services	46
3.1 Business Service Monthly Recurring Charge	46

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopach,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

Table of Contents (cont'd)

3.2	Initial Service Conversion.....	46
3.3	Installation Charge.....	46
3.4	Features - Business Line.....	46.1
3.5	DID Number Groups.....	47
3.6	Directory Listing.....	47
3.7	Local Directory Assistance.....	47
3.8	Directory Assistance Call Completion.....	47
3.9	Operator Services.....	47
3.10	Presubscription.....	47
3.11	Service Restoration Charge.....	48
3.12	Service Change Charge.....	48
3.13	Intercept Service.....	48
3.14	Time and Material Charges.....	48
4.0	Price List - Local Digital Service.....	49
4.1	LDS Monthly Recurring Charge.....	49
4.2	LDS Non-Recurring Charge.....	49
4.3	Optional Features.....	49
4.4	Presubscription.....	49
4.5	Miscellaneous Charges.....	49
4.6	Directory Listings.....	49
4.7	Operator Services.....	50
4.8	Local Directory Assistance.....	50
4.9	Directory Assistance Call Completion.....	50
4.10	Time and Material Charges.....	51

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopack,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

APPLICATION OF TARIFF

This tariff sets forth the service offerings, rates, terms and conditions applicable to the furnishing of local exchange service by Matrix Telecom, Inc d/b/a Matrix Business ("the Company") in the serving areas defined herein.

(T)

The provision of local exchange services is subject to existing regulations and terms and conditions specified in this tariff and may be revised, added to or supplemented by superseding issues.

This tariff is on file with the Arizona Corporation Commission. In addition, this tariff is available for review at the main office of Matrix Telecom, Inc d/b/a Matrix Business Technologies at 7171 Forest Lane, Suite 700, Dallas, Texas 75230.

(N)

(N)

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopach,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

EXPLANATION OF SYMBOLS

The following symbols shall be used in this tariff for the purposes indicated below:

- C To indicate changed regulation.
- D To indicate discontinued rate or regulation.
- I To indicate increased rate.
- M To indicate a move in the location of text.
- N To indicate new rate or regulation.
- R To indicate reduced rate.
- S To signify reissued matter (N)
- T To indicate a change in text but no change in rate or regulation.

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopach,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

EXPLANATION OF TERMS

ADVANCE PAYMENT

Part or all of a payment required before the start of service.

AGENCY

For 911 or E911 service, the government agency(s) designated as having responsibility for the control and staffing of the emergency report center.

AUTHORIZED USER

A person, corporation or other entity who is authorized by the Company's customer to utilize service provided by the Company to the customer. The customer is responsible for all charges incurred by an Authorized User.

ATTENDANT

An operator of a PBX console or telephone switchboard.

BUILDING

A structure enclosed within exterior walls or fire walls, built, erected and framed of component structural parts and designed for permanent occupancy.

CALL INITIATION

The point in time when the exchange network facility is initially allocated for the establishment of a specific call.

CALL TERMINATION

The point in time when the exchange network facility allocated to a specific call is released for reuse by the network.

CENTRAL OFFICE

An operating office of the incumbent local exchange company where connections are made between telephone exchange lines.

(T)

(T)

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopak,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

EXPLANATION OF TERMS (cont'd)

CUSTOMER

A person, firm, partnership, limited liability company, corporation, municipality, cooperative association or organization, governmental agency, or other entity receiving telecommunications services.

(T)

EMERGENCY

A situation that appears to present immediate danger to person or property.

EMERGENCY SERVICE (ENHANCED 911)

Allows customers to reach appropriate emergency services, including police, fire and medical services. Enhanced 911 has the ability to selectively route an emergency call to the primary E911 provider so that it reaches the correct emergency service located closest to the caller. In addition, the Customer's address and telephone information will be provided to the primary E911 provider for display at the Public Safety Answering Point (PSAP).

E911 SERVICE AREA

The geographic area in which the government agency will respond to all E911 calls and dispatch appropriate emergency assistance.

E911 CUSTOMER

A governmental agency that is the customer of record and is responsible for all negotiations, operations and payment of bills in connection with the provision of E911 service.

ERROR

A discrepancy or unintentional deviation by the Company from what is correct or true. An "error" can also be an omission in records.

EXCHANGE

An area, consisting of one or more central office districts, within which a call between any two points is a local call.

(T)

EXPLANATION OF TERMS (cont'd)

(T)

EXCHANGE ACCESS LINE

A central office line furnished for direct or indirect access to the exchange system.

FINAL ACCOUNT

A customer's outstanding charges still owed to the Company.

INVESTIGATIVE OR LAW ENFORCEMENT OFFICER

An officer of the United States, a state or a political subdivision of the United States which is empowered by law to investigate or make arrests for crimes related to communications, or an attorney authorized by law to prosecute those crimes.

LAST NUMBER REDIAL

Enables a station line user to redial the last called number by use of an access code rather than dialing the entire number.

LATA

A Local Access and Transport Area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192; or any other geographic area designated as a LATA in the National Exchange Carrier Association, Inc. Tariff F.C.C. No. 4.

LOCAL CALL

A call which is not rated as a long distance call.

LOCAL CALLING AREA

The area, consisting of one or more central office districts, within which a subscriber for exchange service may make telephone calls without a long distance charge.

LOCAL EXCHANGE CARRIER

A company that furnishes exchange telephone service.

(T)

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopach,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

EXPLANATION OF TERMS (cont'd)

LOCAL SERVICE

Telephone exchange service within a local calling area.

MOVE

The disconnection of existing service at one location and reconnection of the same service at a new location in the same building or in a different building on the same premises.

PBX

A private branch exchange.

PRESUBSCRIPTION

An arrangement whereby a Customer may select and designate to the Company an Exchange Carrier it wishes to access, without an access code, for completing intraLATA and interLATA toll calls. The selected Exchange Carrier is referred to as the End User's Primary Interexchange Carrier (PIC).

PRIVATE BRANCH EXCHANGE SERVICE

Service providing facilities for connecting central office trunks and tie lines to PBX stations, and for interconnecting PBX station lines by means of a switchboard or dial apparatus.

RATE CENTER

Company-designated service locations from which service is rendered or rated.

RECURRING CHARGES

The monthly charges to the Customer for services, facilities and equipment, which continue for the agreed upon duration of the service.

SERVICE COMMENCEMENT DATE

The first day following the date on which the Company notifies the customer that the requested service or facility is available for use, unless extended by the Customer's refusal to accept service which does not conform to standards set forth in the Service Order or this tariff, in which case the Service Commencement Date is the date of the Customer's acceptance. The Company and Customer may mutually agree on a substitute Service Commencement Date.

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopack,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

(T)

(T)

EXPLANATION OF TERMS (cont'd)

SERVICE ORDER

The written request for Services executed by the Customer and the Company in the format devised by the Company. The signing of a Service Order by the Customer and acceptance by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this tariff, but the duration of the service is calculated from the Service Commencement Date.

SERVING CENTRAL OFFICE

The central office from which local service is furnished.

SPEED CALLING

Permits a station line user to dial selected numbers by using fewer digits than normally required. This is accomplished through the assignment of abbreviated codes to frequently called numbers. The speed calling list is customer-changeable.

TELECOMMUNICATIONS RELAY SERVICE (TRS)

Enables deaf, hard-of-hearing or speech-impaired persons who use a Text Telephone (TT) or similar devices to communicate freely with the hearing population not using TT or vice versa. A customer will be able to access the state provider to complete such calls.

TELEPHONE CALL

A voice connection between two or more telephone stations through the public switched exchange system.

TERMINATION OF SERVICE

Discontinuance of both incoming and outgoing service.

TOLL BLOCKING

Allows end users to block direct-dialed long distance calls from their telephones.

TOLL CALL

Any call extending beyond the local exchange of the originating caller which is rated on a toll schedule by the Company.

USER

A customer or any other person authorized by a Customer to use service provided under this Tariff.

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopach,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

(T)

(T)

SECTION 1- REGULATIONS

- 1.1 Undertaking of the Company
- 1.1.1 The Company undertakes to provide the services in this tariff on the terms and conditions and at the rates and charges set forth herein. (T)
- 1.1.2 The Company is responsible under this tariff only for the services and facilities provided herein, and it assumes no responsibility for any service provided by any other entity. Customers may use services and facilities provided under this tariff to obtain access to services offered by other service providers. (T)
- 1.1.3 The Company will provide a toll-free number giving Customers access to service personnel during regular business hours. (T)
- 1.1.4 The Company will comply with any applicable quality of service requirements according to Arizona laws and rules. (T)

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopack,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

SECTION 1- REGULATIONS (cont'd)**1.2 Terms and Conditions**

- 1.2.1 Customers may be required to enter into written service orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this tariff. The Customer will be required to execute any other documents as may be reasonably requested by the Company. (T)
- 1.2.2 Service is provided for a minimum period of at least one month, 24 hours a day. A month is considered to have thirty days unless otherwise specified. At the expiration of the initial terms specified in each service order, or in any extension thereof, service shall continue on a month to month basis at the then current tariffed, month to month rates, unless terminated by the Customer. Any termination shall not relieve the Customer of its obligation to pay any charges incurred under the service order and this tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the service order shall survive such termination. (T)
- 1.2.3 This tariff shall be interpreted and governed by the laws of the State of Arizona without regard for the State's choice of laws provisions. (T)
- 1.2.4 Another telephone company must not interfere with the right of any person or entity to obtain service directly from the Company. (T)
- 1.2.5 The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits. (T)
- 1.2.6 In response to a subpoena or investigation or other demand issued or authorized by a court or government agency, the Company shall provide customer records and related information without further notice. (T)
- 1.2.7 Customer shall not connect any equipment to the Company's network, except with at least ten (10) days prior written notice to the Company. (T)

SECTION 1- REGULATIONS (cont'd)**1.3 Notification of Service Affecting Activities**

The Company will provide the Customer reasonable notification of service-affecting activities that may occur in the normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventive maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers' services. No specific advance notification period is applicable to all service-affecting activities. The Company will work cooperatively with the Customer to determine reasonable notification requirements. With some emergency or unplanned service affecting conditions, such as an outage resulting from cable damage, notification to the Customer may not be possible.

1.4 Provision of Equipment and Facilities

1.4.1 The Company will make reasonable efforts to make services available to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with the regulations contained in this tariff. The Company does not guarantee availability by any such date and any liability of the Company will be limited by Section 1.5 of this tariff. (T)

1.4.2 The Company shall use reasonable efforts to maintain the services that it furnishes to the Customer. The Customer may not rearrange, disconnect, remove, attempt to repair or otherwise interfere with any of the services provided by the Company, except upon the written consent of the Company. The Customer may not permit others to rearrange, disconnect, remove, attempt to repair or otherwise interfere with any of the services provided by the Company, except upon the written consent of the Company. (T)

1.4.3 The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities, as well as the facilities the Company may obtain from other carriers, from time to time, to furnish service as required at the sole discretion of the Company. (T)

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopach,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

(M)

(T)

SECTION 1- REGULATIONS (cont'd)

1.4 Provision of Equipment and Facilities (cont'd)

- 1.4.4 Customer bears all responsibility in the event they utilize equipment not approved or authorized by the Company. Customer shall supply all electrical power and other utilities necessary to operate or use the services provided.
- 1.4.5 The Company shall not be responsible for the installation, operation, or maintenance of any Customer provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of services offered under this tariff and to the maintenance and operation of such facilities. Beyond this responsibility, the Company shall not be responsible for:
- A the transmission of signals by Customer provided equipment or for the quality of, or defects in such transmission; or
 - B the reception of signals by Customer provided equipment; or
 - C network control signaling where such signaling is performed by Customer provided network control signaling equipment.
- 1.4.6 At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in hazardous locations. In such cases, charges based on cost of the actual labor, material or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours but at the Customer's request extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopack,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

SECTION 1- REGULATIONS (cont'd)**1.5 Liability of the Company**

1.5.1 The liability of the Company for damages arising out of the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays or errors, other defects, or representations by the Company, or use of these services or damages arising out of the failure to furnish the service whether caused by acts or omission, shall be limited to the extension of allowances for interruption as set forth below. The extension of such allowances for interruption shall be the sole remedy of the Customer and the sole liability of the Company. The Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to Customer as a result of any Company service, equipment or facilities, or the acts or omissions or negligence of the Company's employees or agents. (T)

1.5.2 The Company's liability for willful misconduct, if established as a result of liability, if any, with regard to delayed installation of the Company facilities or commencement of service, shall not exceed \$1,000. With respect to any other claim or suit, by a Customer or by any others, for damages associated with the ordering (including the reservation of any specific number for use with a service), installation (including delays thereof), provision, termination, maintenance, repair, interruption or restoration of any service or facilities offered under this tariff, and subject to the provisions of this tariff, the Company's liability, if any, shall be limited as provided herein. (T)

1.5.3 The Company shall be indemnified, defended and held harmless against any claim, loss or damage arising from the use of service offered under this tariff, involving: (T)

A claims for libel, slander, invasions of privacy or infringement of copyright arising from any communication; (T)

B claims for patent infringement arising from combining or using the service furnished by the Company in connection with facilities or equipment furnished by others; or (T)

C claims for loss of profit; or (T)

D all other claims arising out of any act or omission of others in the course of using services provided pursuant to this tariff. (T)

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopach,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

SECTION 1- REGULATIONS (cont'd)

1.5 Liability of the Company (cont'd)

1.5.4 The Company's failure to provide or maintain services under this tariff shall be excused by labor difficulties, governmental orders, civil commissions, preemption of existing services to restore services in compliance with Part 64, Subpart D, Appendix A, of the F.C.C.'s Rules and Regulations, acts of God and other circumstances beyond the Company's control. (T)

1.5.5 The Company shall not be liable for the Customer's failure to fulfill its obligations to take all necessary steps including, without limitation, obtaining, installing and maintaining all necessary equipment, materials and supplies for interconnecting the terminal equipment or communications system of the Customer, or any third party acting as its agent, to the Company's exchange access lines. If the Customer or its agent fails to maintain and operate its equipment and/or system or that of its agent properly, with resulting imminent harm to Company personnel, or the quality of service to other Customers, the Company may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, the Company may, upon written notice, terminate the Customer's service without liability. (T)

1.5.6 With Respect to Emergency Number 911 Service (T)

A This service is offered solely as an aid in handling assistance calls in connection with fire, police and other emergencies. The Company is not responsible for any losses, claims, demands, suits or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or person for any personal injury to or death of any person or persons and for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused by: (1) mistakes, omissions, interruptions, delays, errors or defects in the provision of this service, or (2) installation, operation, failure to operate, maintenance, removal, presence, condition, location, or use of any equipment and facilities furnishing this service.

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopach,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

SECTION 1- REGULATIONS (cont'd)

(M)(T)

1.5 Liability of the Company (cont'd)**1.5.7 With Respect to Directory Listings**

- A In the absence of gross negligence or willful misconduct, and except for any allowances stated below, no liability for damages arising from errors or mistakes in or omissions of any directory listings, or errors or mistakes in or omissions of listings obtainable from the directory assistance operator, including errors in the reporting thereof, shall attach to the Company.
- B An allowance for errors or mistakes in or omissions of any published directory listings or for errors or mistakes in or omissions of listings obtainable from the directory assistance operator shall be given as follows:
- (i) **Free Listings:** For free or non-charged published directory listings credit shall be given at the rate of one times the monthly tariff rate for an additional or charge listing affected for the life of the directory or the charge period during which the error, mistake or omission occurs.
 - (ii) **Charge Listings:** For each additional or charge published directory listings, credit shall be given at the monthly tariff rate for each such listing for the life of the directory or the charge period during which the error, mistake or omission occurs
 - (iii) **Operator Records:** For free or charge listings obtainable from records used by the directory assistance operator, upon notification to the Company of the error, mistake or omission in such records by the subscriber, the Company shall be allowed a period of three business days to make a correction. If the correction is not made in that time, credit shall be given at the rate of 2/20ths of the basic monthly rate for the line or lines in question for each day thereafter that the records remain uncorrected.

(M)(T)

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopach,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

SECTION 1- REGULATIONS (cont'd)

(M)(T)

1.5 Liability of the Company (cont'd)**1.5.7 With Respect to Directory Listings (cont'd)**

- (iv) **Credit limitation:** The total amount of the credit provided for the preceding paragraphs (i) and (ii) shall not exceed, on a monthly basis the total of the charges for each charge listing as specified in paragraph (ii), for the line or lines in question.
- (v) **Definitions:** As used in paragraphs (i), (ii) and (iii) above, the terms "error," "mistake," or "omission" shall refer to a discrepancy in the directory listing or directory assistance records which the Company has failed to correct and where the error affects the ability to locate a particular subscriber's correct telephone number. The terms shall refer to addresses only to the extent that an error, mistake or omission of an address places the subscriber on a street or a community different from the one provided to the Company.
- (vi) **Notice:** Such allowances or credits as specified in paragraphs (i) and (ii) above, shall be given upon notice to the Company by the subscriber that such error, mistake or omission has occurred; provided, however, that when it is administratively feasible for the Company to have knowledge of such error, mistake or omission, the Company shall give credit without the requirement of notification by the subscribers.

1.5.8 With Respect to Caller ID Blocking

- A The Company shall have no liability for monetary damages (including without limitation claims for direct, indirect, special, incidental or consequential damages, whether or not the Company has been advised of the possibility of such damages), arising from any failures, errors, malfunctions or omissions of Caller ID Blocking, whether or not arising from or relating to any ordinary negligence by the Company.

(M)(T)

SECTION 1- REGULATIONS (cont'd)**1.6 Directory Listings**

The Company will, as a service to the Customer, arrange for listing of Customer's phone number in the local white pages telephone directories, such listing to consist of one line of standard type. The Company's liability with respect to directory listings is set forth in Section 1.5 preceding. Customer must contact its yellow pages representative concerning its advertising in yellow pages directories. (T)

When a Customer with a non-published telephone number, as defined herein, places a call to Emergency 911 Service, the Company will release the name and address of the calling party, where such information can be determined, to the appropriate local governmental authority responsible for the Emergency 911 Service upon request of such governmental authority. By subscribing to service under this tariff, Customer acknowledges and agrees with the release of information as described above. (T)

In conjunction with a non-published telephone number, the Company will not be liable for failure or refusal to complete any call to such telephone when the call is not placed by number. The Company will try to prevent the disclosure of such telephone number, but will not be liable should such number be divulged. (T)

The Company shall not be liable for any act or omission concerning the implementation of presubscription as defined herein. (T)

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopach,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

SECTION 1- REGULATIONS (cont'd)**1.7 Interruptions in Service**

An interruption is deemed to have occurred when the phone lines of the underlying carrier are inoperative. If a Customer reports a facility, service or circuit to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.

1.7.1 Temporary Suspension for Repairs

The Company's underlying provider shall have the right to make necessary repairs or changes in its facilities at any time and will have the right to suspend or interrupt service temporarily for the purpose of making the necessary repairs or changes in its system. When such suspension or interruption of service for any appreciable period is necessary, the Company will give the Customers who may be affected as reasonable notice thereof as circumstances will permit, and will perform the work with reasonable diligence, and if practicable at times that will cause the Customer the least inconvenience. When the Company's services are being repaired or changed, it shall take appropriate precautions to avoid unnecessary interruptions of Customer's service.

1.7.2 Credit Allowance for Interruptions

- A Interruptions of more than 24 hour periods which are reported to or detected by the Company, and which are not due to the negligence or willful act of the Customer are credited to the Customer at the pro rata monthly charge involved for each twenty-four hours or fraction thereof of interruption. Credit is not allowed for interruptions to service of less than 24 hours.
- B For calculating credit allowances, every month is considered to have 30 days. A credit allowance is applied on a pro rata basis against the monthly recurring charges specified there under for local line or local trunk service and is dependent upon the length of interruption. Only those facilities on the interrupted portion of circuit will receive a credit.

SECTION 1- REGULATIONS (cont'd)

(M)

1.7 Interruptions in Service (cont'd)

1.7.3 Limitations on Credit Allowances

No credit allowances will be made for:

- (i) interruptions due to the negligence of, or non-compliance with the provisions of this Tariff by the Customer;
- (ii) interruptions which are restored on or before the day after the interruption is reported or discovered by the Company.

1.8 Obligations of the Customer

1.8.1 Customer Responsibility

The Customer shall be responsible for:

- (i) the payment of all applicable charges pursuant to this Tariff;
- (ii) providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents shall be installing or maintaining the Company's services.

1.8.2 Claims

A With respect to any service provided by the Company, Customer shall indemnify, defend and hold the Company harmless from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorney's fees for:

- (i) Any loss, destruction or damage to property of the Company or any third party, or the death or injury to persons, including, but not limited to employees or invitees of either party, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees; or
- (ii) Any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by Customer, including, without limitation, use of the Company's services and facilities in a manner not contemplated by the agreement between the Customer and the Company.

(M)

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopack,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

SECTION 1- REGULATIONS (cont'd)

(M)

1.8 Obligations of the Customer (cont'd)**1.8.3 Station Equipment**

The Customer is responsible for providing and maintaining any terminal equipment on the Customer premises. The electric power consumed by such equipment shall be provided by, and maintained at the expense of, the Customer. All such terminal equipment must be registered with the FCC under 47 C.F.R., Part 68 and all wiring must be installed and maintained in compliance with those regulations. The Company will, where practicable, notify the Customer that temporary discontinuance of the use of a service be required; however, where prior notice is not practicable, nothing contained herein shall be deemed to impair the Company's right to discontinue forthwith the use of a service temporarily if such action is reasonable under the circumstances. In case of such temporary discontinuance, the Customer will be promptly notified and afforded the opportunity to correct the condition which gave rise to the discontinuance, credit allowance for service interruptions as set forth in Section 1.7.2 is not applicable.

1.8.4 Interconnection of Facilities

- A Any special interface equipment necessary to achieve compatibility between the facilities used by the Company for furnishing local exchange service and the channels, facilities, or the equipment of others may be provided at the Customer's expense. Customer shall be liable for damages resulting from Customer's use of non-compatible equipment.
- B Local services may be connected to the services or facilities of other communication carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communication carriers which are applicable to such connections.
- C Services furnished under this tariff may be connected to Customer provided terminal equipment in accordance with the provisions of this tariff.

(M)

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopack,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

SECTION 1- REGULATIONS (cont'd)

1.8 Obligations of the Customer (cont'd)

1.8.5 Inspections

- A Upon reasonable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in this tariff for the installation, operation, and maintenance of Customer-provided facilities and equipment to Company-provided facilities. No credit will allowed for any interruptions occurring during such inspections.

- B If the protective requirements for the Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice the customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm. The Company will, upon request 24 hours in advance, provide the Customer with a statement of technical parameters that the Customer's equipment must meet.

SECTION 1- REGULATIONS (cont'd)

1.9 Payment Arrangements

The Customer is responsible for payment of all charges for services furnished by the Company to the Customer or its Authorized Users. Objections must be received by the Company within a reasonable period of time after receipt of bill, or all the charges shall be deemed correct and binding upon the Customer. If an entity other than the Company imposes charges of the Company, in addition to its own internal costs, in connection with a service for which a Company non-recurring charge is specified, those charges may be passed on to the customer.

1.9.1 Taxes and Surcharges

The Customer is responsible for the payment of any sales, use, excise, access or other local, state and federal taxes, charges or surcharges (however designated) excluding taxes on the Company's net income imposed on or based upon the provision of local exchange service, all of which shall be separately designated on the Company's invoices. Any taxes or surcharges imposed by a local jurisdiction (e.g. county and municipal taxes) will only be recovered from those Customers located in the affected jurisdictions. It shall be the responsibility of the Customer to pay any such taxes that subsequently become applicable retroactively.

(D)

SECTION 1- REGULATIONS (cont'd)**1.9 Payment Arrangements (cont'd)****1.9.2 Bills and Collection of Charges**

- (T)
- A Bills will be rendered monthly to Customer. Fixed monthly recurring charges are billed in advance. Usage charges and minimum charges for service are billed in arrears. Customer shall be liable for all accrued local charges, directory charges, long distance charges and other charges arising prior to the service commencement date, as defined herein, and shall pay the Company for any such charges which may be assessed against the Company in any manner.
- B All service, installation, monthly recurring charges and non-recurring charges are due and payable upon receipt.
- C For new customers or existing customers whose service is disconnected, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have 30 days.
- D Amounts not paid within 30 days after the date of invoice are considered past due. A late payment charge of 1.5%, or lower if required by law, per month shall apply to amounts shown on a monthly bill which remain after the due date. The late payment charge does not apply to any taxes the Company is required by law to levy on a customer. In the event the Company incurs fees or expenses, including attorney's fees, in collecting or attempting to collect any charges owed the Company, the Customer will be liable to the Company for payment of all such fees and expenses reasonably incurred.
- E A \$15.00 charge will be assessed for checks with insufficient funds or non-existing accounts. (R)
- F If Customer chooses to place calls or receives calls via a non-Matrix Telecom affiliated carrier, the Company will not be liable for any charges related to such calls (T)

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopack,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

SECTION 1- REGULATIONS (cont'd)**1.9 Bills and Collection of Charges (cont'd)**

(T)

1.9.3 Disputed Bills

- A The Customer shall notify the Company of any disputed items on a bill within a reasonable period of time after receipt of the bill. The existence of a disputed amount does not relieve the customer of their obligation to pay current charges. If the Customer and the Company are unable to resolve the dispute to their mutual satisfaction, the Customer may file a complaint with the Commission in accordance with the Commission's rules of procedure.
- B The date of the dispute shall be the date the Company receives sufficient documentation to enable it to investigate the dispute.
- C The date of the resolution is the date the Company completes its investigation and notifies the Customer of the disposition of the dispute.

1.10 Discontinuance of Service

- A The discontinuance of service by the Company pursuant to this section does not relieve the Customer of any obligation to pay the Company for charges due and owing for service(s) furnished during the time of or up to discontinuance of service.
- B Upon the Company's discontinuance of service to Customer pursuant to this section, all applicable charges, including termination charges, shall become due. This is in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff.

1.10.1 Discontinuance of Service by the Company

(S)

- A The Company may discontinue or suspend service to Customer without prior written notice without incurring liability for the following reasons:
- (i) The existence of an obvious hazard to the safety or health of the consumer or the general population or the Company's personnel; or
- (ii) The Company has evidence of tampering or evidence of fraud.

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopack,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopach,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

SECTION 1- REGULATIONS (cont'd)

1.10 Discontinuance of Service

1.10.1 Discontinuance of Service by the Company

B The Company may discontinue or suspend service to Customer upon no less than 5 days written notice without incurring liability for the following reasons:

- (i) Customer violation of any of the provisions of this tariff, and/or violation of the Commission's rules and regulations;
- (ii) Failure to pay a bill for service;
- (iii) Failure to meet or maintain the Company's credit and deposit requirements;
- (iv) Failure of the Customer to provide the Company reasonable access to its equipment and property;
- (v) Customer breach of contract for service between the Company and the customer;
- (vi) When necessary for the utility to comply with an order of any governmental agency having such jurisdiction;
- (vii) Unauthorized resale of service.

1.10.2 Discontinuance of Service by Customer

A If Customer cancels a service order or terminates service before the completion of the term for any reason whatsoever other than a service interruption (as defined in 1.7), Customer agrees to pay to Company the following sums which shall become due and owing as of the effective date of the cancellation or termination and be payable within the period set forth in this tariff, all costs, fees, and expenses incurred in connection with:

- (i) all non-recurring charges reasonably expended by Company to establish service to Customer, plus
- (ii) any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by Company on behalf of Customer, plus
- (iii) all recurring charges specified in the applicable service order tariff for the balance of the then current term.

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopak,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

(T)

(T)

SECTION 1- REGULATIONS (cont'd)

1.10 Discontinuance of Service (cont'd)

1.10.3 Cancellation of Application for Service

- A Where, prior to cancellation by Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of services ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service begun.
- B Applications for service may be cancelled prior to the start of service or prior to any special construction. No charges will be imposed except for those specified above.
- C The special charges described above will be calculated and applied on a case-by-case basis.

1.11 Restoration of Service

When Customer's service has been disconnected in accordance with this tariff and the service has been terminated through the completion of a Company service order, service will be re-established only upon the basis of an application for new service.

1.12 Transfers and Assignments

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company without the written consent of the other party, except that the Company may assign its rights and duties (i) to any subsidiary, parent Company affiliate of the Company; (ii) pursuant to any sale or transfer of substantially all the assets of the Company; or (iii) pursuant to any financing, merger or reorganization of the Company.

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopach,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

SECTION 1- REGULATIONS (cont'd)

1.13 Notices and Communications

- A The Customer shall designate on the Service Order an address to which the Company shall mail or deliver all notices and other communications, except that Customer may also designate a separate address to which the Company's bills for service shall be mailed.
- B The Company shall designate on the Service Order an address to which the Customer shall mail or deliver all notices and other communications, except that Company may designate an address on the bill for service to which the Customer shall mail payment for that bill.
- C All notices or other communications required to be given pursuant to this tariff will be in writing. Notices and other communications of either party, and all bills mailed by the Company, shall have been presumed to have been delivered to the party on the third business day following the deposit of the notice, communication or bill with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.
- D The Company or Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

1.14 Promotional Offers

The Company may, from time to time, make promotional offerings of its services. The promotional offerings may be limited as to the duration, the date and times of the offering and the locations where the offerings are made.

1.15 Individual Case Basis (ICB) Arrangements

Arrangements will be developed on a case-by-case basis in response to a bona fide request or prospective Customer to develop a competitive bid for a service not generally offered under this tariff. ICB rates will be offered to the Customers in writing and on a non-discriminatory basis.

1.16 Customer Service

Customer service personnel are available twenty-four (24) hours a day, seven days a week and may be reached toll-free at 888-411-0111.

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopach,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

SECTION 2 – SERVICE DESCRIPTIONS

2.1 Local Service

2.1.1 General

- A Matrix Telecom, Inc. d/b/a Matrix Business Technologies' local service enables the Customer to:
- (1) receive calls from other stations on the public switched telephone network;
 - (2) place calls to other stations on the public switched telephone network;
 - (3) access the Company for service related assistance; access directory assistance for the local calling area; access toll free telecommunications services; access enhanced 911 services for emergency calling; access Telephone Relay Service; and
 - (4) access the interexchange network. A Customer may presubscribe to the carrier of their choice for interLATA and intraLATA calling, or Customer may access a provider on an *ad hoc* basis by dialing the provider's Carrier Identification Code (10XXX).
- B The local calling area will be the same as that used by the incumbent local exchange company, a description of which can be found in the telephone directory published by the incumbent local exchange company.
- C Service will be offered in the service areas in which the Company has been certified by the Arizona Public Utilities Commission.

(T)

(D)

(D)

SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

(S)

2.2 Features**2.2.1** General

The following features will be available on all lines. Not all features are compatible with certain key sets and PBX systems.

A **Call Forward**

This optional feature allows all calls directed to a telephone number to be routed to a user defined telephone number. The user is charged any applicable usage charges for the re-routed call. The user can activate/deactivate Call Forward and define a telephone number where all calls will be forwarded. Calls cannot be forwarded to an International Direct Distance Dialing (IDDD) number.

B **Call Forward Busy Line**

This optional feature forwards calls to a busy station to a predetermined number. Calls cannot be forwarded to an International Direct Distance Dialing (IDDD) number. The user is charged any applicable usage charges for the forwarded call.

C **Call Forward Don't Answer**

This optional feature allows users to re-route a call to a predetermined station in the event that the call is not answered within a customer-specified number of rings. Users are charged for any applicable usage charges on the forwarded call.

(S)

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopach,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

(S)

2.2 Features (cont'd)2.2.1 General (cont)**D Call Return**

Allows a customer to automatically redial the telephone number of the last incoming call to that line, regardless of whether the call was answered, unanswered, or busy. After the recall is activated, and unless the number is blocked as described below, an announcement of the number is provided to the customer, who then has the choice of either continuing the recall by entering a code, or terminating the recall by hanging up. If the redialed number is busy, a distinctive ring alerts the customer when the number becomes available. If the telephone number of the last incoming call has been blocked through the use of a service such as Caller ID Blocking, the number cannot be redialed.

E Call Trace

Call Tracing allows for the identification and recording of the telephone numbers of some or all of the incoming calls to the telephone line of a customer.

F Call Transfer

Allows Customer to transfer an incoming call to a third party or to add a third party to an existing call, forming a three-party connection. The original party can then leave the call without disconnecting the other parties. Calls can be transferred to any number in the North American Dialing Plan (1-NPA-NXX-XXXX type numbers).

(S)

SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

(S)

2.2 Features (cont'd)

2.2.1 General (cont)

G Call Waiting

Provides a tone to notify customer on an existing call that a second call is waiting.

H Caller ID

Allows for the automatic delivery of a calling party's number to the called customer. The telephone number is displayed on customer-provided equipment.

I Continuous Redial

Allows a customer to automatically redial the last telephone number dialed. If the called number is busy, the number is redialed for a limited period of time.

J Direct Connect Line

Allows a customer to automatically dial a pre-designated number whenever the originating telephone goes off-hook. This feature is assigned to a phone which is used only for this purpose.

(S)

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopach,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

(S)

2.2 Features (cont'd)2.2.1 General (cont)**K Hunting**

This optional feature routes a call to an idle line in a prearranged group when the called telephone number is busy. Typically this feature is used with the customer's main telephone number and several subtending lines so that the customer can receive calls on several lines, although all calls are placed to the same number. Hunting will not work with Call Forward Busy and Don't Answer

L Remote Call Forward

Allows the Customer to automatically forward calls from one telephone number to another. The Customer is charged any applicable usage charges on the forwarded call.

M Third Number/Collect Blocking

Allows a Customer to block calls from being billed to individual stations, either on a third-number basis, or on a collect basis.

N Three Way Calling

Allows a user to add a third party to an existing conversation without expensive conferencing equipment. This feature also allows a user to place a call on hold in order to make a consultation call on the same line. When the consultation call is completed the user hangs-up or depresses the flash key on the telephone and is reconnected to the original conversation.

O Toll Blocking

Allows the user to restrict long distance outgoing calls on each line equipped.

(S)

SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

2.2 Features (cont'd)

2.2.2 Terms and Conditions

- A Per call blocking and unblocking shall be offered at no charge. Per line blocking shall be offered at no charge for the first request of each Customer. Domestic violence programs and law enforcement agencies shall always be offered per line blocking at no charge.
- B The results of a call trace will be furnished only to law enforcement agencies or authorities upon proper request by them.
- C Disclosure of telephone number may occur when caller subscribes to Caller Identification or Automatic Call Back. Call blocking, on either a per call or per line basis, prevents the delivery of this information.

(D)
—
(D)

(D)

(D)

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopach,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

2.3 Directory Listings

2.3.1 Description

Directory listings will be provided in accordance with Section 1.6 of this tariff. The following types of listings are available:

- A **Primary Listing.** A primary listing contains the name of the Customer, or the name under which business is regularly conducted, as well as the address and telephone number of the Customer. Primary listings are provided at no charge;
- B **Additional Listings.** Additional listings are available only in the names of Authorized Users of the Customer's service, as defined herein;
- C **Non-Published Listings.** Non-published listings are not printed in directories nor are they available from directory assistance. Non-published listings are subject to the provisions set forth in Sections 1.2 and 1.6;
- D **Non-Listed Numbers.** Non-listed numbers are those which provide for the omission or deletion of the Customer's listing from the telephone directory. Such listings are available from directory assistance;
- E **Foreign Listings.** A foreign listing is one which is published in a directory not in the Customer's immediate calling area.
- F **Extra Line Listings.** Provides additional information after main or additional listings.
- G **Cross Reference Listing.** This provides a reference to another listing in the same directory.

(D)

(D)

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopack,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

2.4 Directory Assistance

2.4.1 Description

The Customer may access Directory Assistance for the purpose of determining phone numbers within its local calling area by calling the Directory Assistance Operator. A maximum of two number requests per call will be allowed.

(D)

2.4.2 Directory Assistance Credits

A Credit will be given for calls to Directory Assistance as follows:

- 1 The Customer experiences poor transmission or is cut-off during the call; or
- 2 The Customer is given the incorrect telephone number.

B To obtain credit, the Customer must contact their Customer Service representative at 888-411-0111.

(T)

SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

(T)

2.5 Operator Services2.5.1 General

The Customer has the option of contacting the incumbent local exchange company operator for general information, such as dialing instructions, country or city codes, area code information and Customer Service 800 numbers. The Customer may obtain the assistance of an incumbent local exchange operator to complete local exchange telephone calls in the following manner:

- A **Third Party Billing.** Provides the Customer with the ability to charge a local call to a third number which is different from the called or calling party. The party answering at the third number has the option to refuse acceptance of the charges in advance or when queried by the operator.
- B **Collect Calls.** Provides the Customer with the capability to charge a call to the called party. On the operator announcement of a collect call, the called party has the option to refuse acceptance of charges in advance or when queried by the operator.
- C **Person to Person.** Calls completed with the assistance of an operator to a particular Station and person specified by the caller. The call may be billed to the called party.
- D **Station to Station.** Calls completed with the assistance of an operator to a particular Station. The call may be billed to the called party.
- E **Busy Line Verification.** Provides the customer with the verification that a line is busy and not otherwise disrupted.
- F **Busy Line Interrupt.** Provides the customer with the option of interrupting a line that has been verified to be busy.

(T)

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopach,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

2.6 Presubscription

(D)

A Customer may presubscribe to the intraLATA and/or interLATA carrier of their choice for long distance calling.

(D)

(D)

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopack,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

2.7 Service Restoration Charge

When service has been discontinued in accordance with the provisions of this tariff, and Customer wishes to restore service, a Service Restoration Charge will apply.

(D)

2.8 Vanity Number

When a customer requests a specific number (e.g. 555-TOYS), and the number is available, a charge will apply when the Company provides the service of retrieving and providing said number.

2.9 Private Branch Exchange (PBX) Service

(T)

2.9.1 Description

The Company's PBX Service uses PBX Trunks to connect to a customer PBX system or other similar equipment. This service provides customers with unrestricted local calling and carrier access. The Company treats these trunks similar to individual exchange lines and supports multi-line hunting over a group of trunks.

(D)

2.9.2 Rearrangement of PBX Service

A non-recurring per account charge will apply to effect changes to a PBX trunking arrangement. Such changes may include, but are not limited to, trunk hunting sequence, a change in signaling arrangement, etc. These Rates can be found in Sections 3 & 4, herein.

(D)

SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

2.10 Direct Inward Dial (DID) Service¹

2.10.1 DID Service is an optional feature which can be purchased in conjunction with Company-provided PBX trunks. DID Service transmits the dialed digits for all incoming calls allowing the Customer's PBX to route incoming calls directly to individual stations corresponding to each individual DID number. Charges for DID central Office termination and DID number blocks apply in addition to charges specified for PBX Trunks. One additional termination charge applies for each DID-equipped PBX Trunk. Telephone numbers are furnished in blocks of 20. Blocks of number groups will be determined at the sole discretion of the Company's resources. Whenever possible, the Company will attempt to provide telephone numbers arranged consecutively in a group, but will not guarantee nor accept responsibility for provision of such an arrangement within or between a block of numbers. In addition, the Company reserves the right to review vacant DID stations or stations not in use to determine efficient telephone number utilization. Should the Company determine, based on its own discretion, that there is inefficient number utilization, the Company may reassign the DID numbers.

(M)

¹ Where all numbers in a group have not been connected for service, the Customer is responsible for providing interception of calls to vacant or non-working assigned station lines or telephone numbers by means of attendant intercept or recorded announcement service. The Company will not terminate these numbers to an intercept message on the Customer's behalf.

(M)

SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

2.11 Moves, Adds and Changes

2.11.1 Non-recurring Installation Charges as described in Sections 3 & 4 of this tariff will be applied per line when a Customer moves to a new address within the same local exchange.

2.11.2 Non-recurring charges as described in Sections 3 & 4 of this tariff will be applied per line when a Customer requests any changes or additions to an existing account.

(T)

(T)

(D)

(D)

SECTION 3 - RATES – BUSINESS SERVICES

(N)

3.1 Business Service Monthly Recurring Charge

Business Line Local Only	\$37.50 per line
Business Line Local plus Long Distance ¹	\$30.50 per line
Analog PBX Trunk Local Only	\$68.00 per trunk
Analog PBX Trunk plus Long Distance ¹	\$61.00 per trunk
DID CO Termination	\$50.25 per trunk

3.2 Initial Service Conversion Charge

\$26.00 per business line or trunk converted, non-recurring
\$57.00 per DID CO termination per trunk, non-recurring

3.3 Installation Charge

\$52.50 per business line installed, non-recurring
\$53.00 per trunk installed, non-recurring

(N)

¹ When a Customer chooses to use the Company's Long Distance in addition to its local service, the Customer receives a \$7.00 subsidy on local service.

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopach,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

SECTION 3 - RATES – BUSINESS SERVICES (cont)

(M)

3.4 Features

	Monthly Recurring <u>Charge</u>	Non Recurring <u>Charge</u>	Per Usage <u>Charge</u>
Call Return	\$0.00	\$0.00	\$0.75
Continuous Redial	\$0.00	\$0.00	\$0.75
Call Trace	\$0.00	\$0.00	\$2.00
Three-way Conference Calling	\$3.75	\$12.25	\$2.00
Hunting-per Business Line	\$6.00	\$12.25	\$0.00
Hunting-per Analog Trunk	\$7.50	\$12.25	\$0.00
3 rd # Billed/Collect Blocking	\$7.00	\$12.25	\$0.00
Call Forward Variable	\$4.50	\$12.25	\$0.00
Call Forward Busy Line	\$6.00	\$12.25	\$0.00
Call Forward Don't Answer	\$3.75	\$12.25	\$0.00
Call Forward Busy Line/Don't Answer	\$9.00	\$12.25	\$0.00
Call Waiting	\$7.00	\$12.25	\$0.00
Speed Dial	\$2.75	\$12.25	\$0.00
Speed Dial, Expanded	\$4.25	\$12.25	\$0.00
Caller ID (Name and Number)	\$7.50	\$12.25	\$0.00
Vanity Number	\$9.25	\$230.00	\$0.00
Ground Start	\$0.00	\$12.25	\$0.00
Toll Restrict Blocking	\$4.75	\$26.00	\$0.00
Third # and Collect Blocking	\$7.00	\$12.25	\$0.00
Change Call Blocking	\$0.00	\$0.00	\$0.00
Change Class Blocking	\$0.00	\$12.25	\$0.00
Call Forward w/ Remote Access	\$7.75	\$12.25	\$0.00
Per Use Blocking	\$0.00	\$12.25	\$0.00

3.5 DID Number Groups

	Monthly Recurring Charge	Non-recurring Charge
20 numbers per group	\$2.75	\$18.75

(M)

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopach,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

SECTION 3 - RATES – BUSINESS SERVICES (cont)

(M)

3.6 Directory Listings

	Monthly Recurring Charge	Non - Recurring Charge
Primary Listing	\$0.00	\$0.00
Additional Listing	\$2.75	\$20.75
Cross Reference Listing	\$2.75	\$20.75
Extra Line Listing	\$2.75	\$20.75
Foreign Listing	\$2.75	\$20.75
Non-Published Listing	\$1.70	\$20.75
Non-Listed Number	\$1.35	\$20.75

3.7 Local Directory Assistance

\$0.59 per call

3.8 Directory Assistance Call Completion\$0.35 per call¹3.9 Operator Services

	surcharge	per minute charge
Third Party Billing	\$1.30	\$.2700
Collect	\$1.30	\$.2700
Person to Person	\$3.50	\$.2700
Busy Line Verification	\$1.40	\$.0000
Busy Line Verification 3 rd # Billed	\$2.75	\$.0000
Busy Line Verification w/Interrupt	\$2.75	\$.0000

3.10 Presubscription

A Customer may change their intra and/or interLATA long distance carrier. The Customer will incur a \$10.00 per line, per occurrence charge. A single occurrence can include a change of both the intraLATA and interLATA carriers.

(M)

¹ Provided where facilities permit, charge in addition to charge in 3.8

SECTION 3 - RATES – BUSINESS SERVICES (cont)3.11 Service Restoration Charge

\$55.00 per occurrence

3.12 Service Change Charge

\$27.50 per occurrence

3.13 Intercept Service

When a switching arrangement for an individual customer (a single line or entire hunt group) is discontinued at an end office, an intercept announcement is provided. This arrangement provides, for ninety (90) days, an announcement that the service associated with the number dialed has been disconnected. There is no charge for this service.

3.14 Time and Material Charges

Trip Charge	\$61.00
Each 15 min increment	\$16.00

(M)

(M)

SECTION 4 - RATES – LOCAL DIGITAL SERVICE

(N)

4.1 Local Digital Service Monthly Recurring Charge

ISDN-PRI – Per D Channel \$100.00

4.2 Local Digital Service Non-Recurring Charge

ISDN-PRI – Per D Channel \$2500.00

4.3 Optional Features

The optional features, hunting and vanity numbers, are provided at no additional charge to subscribers of Local Digital Service.

4.4 Presubscription

A Customer may change their intra and/or interLATA long distance carrier. The Customer will incur a \$5.00 per line, per occurrence charge. A single occurrence can include a change of both the intraLATA and interLATA carriers.

4.5 Miscellaneous Charges

	Monthly Recurring Charge	Non-Recurring Charge
Foreign Exchange Service (Per T)	\$100.00	\$0.00
Service Change Charge	\$0.00	\$15.00

4.6 Directory Listings

	Monthly Recurring Charge	Non-Recurring Charge
Additional Listing	\$2.75	\$20.75
Foreign Listing	\$2.75	\$20.75
Cross Reference Listing	\$2.75	\$20.75
Non-Listed Number	\$1.40	\$20.75
Non-Published Number	\$1.40	\$20.75

(N)

 Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopack,
 Vice President of Regulatory Affairs and General Counsel
 Matrix Telecom, Inc. d/b/a Matrix Business Technologies
 7171 Forest Lane, Suite 700
 Dallas, TX 75230
 800-406-0705
www.matrixbt.com

SECTION 4 - RATES – LOCAL DIGITAL SERVICE (cont)

(N)

4.7 Operator Services

	Surcharge	Per Minute
Third Party Billing	\$1.30	\$.2700
Collect	\$1.30	\$.2700
Person to Person	\$3.50	\$.2700
Busy Line Verification	\$1.40	\$.0000
Busy Line Verification w/Interrupt	\$2.75	\$.0000

4.8 Local Directory Assistance

\$0.59 per call

4.9 Directory Assistance Local Call Completion\$0.39 per call⁴

(N)

⁴ Provided where facilities permit; charge in addition to charge in 4.8

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopack,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

SECTION 4 - RATES – LOCAL DIGITAL SERVICE (cont)**4.10 Time and Material Charges**

Customer shall be responsible for payment of costs associated with installation of new local digital services or other time and material charges imposed on the Company by a Local Exchange Carrier as a prerequisite for installing or maintaining the Customers service, and not already recovered via the Company's existing recurring or nonrecurring charges as outlined herein. The customer will be advised of said charge prior to completion of service and will be given the option to contract an independent technician to complete the work. Hourly Rates are as follows:

	Per Visit
Trouble Isolation	\$75.00
Flat Inside Wire Maintenance	\$100.00
Flat Jack Installation -	
First Jack	\$75.00
Additional Wired	\$25.00
Additional Unwired	\$75.00

(N)

(N)

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopach,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

ATTACHMENT C
NOT APPLICABLE

ATTACHMENT D

NOT INCLUDED – CONFIDENTIAL

ATTACHMENT E

NOT INCLUDED – CONFIDENTIAL

ATTACHMENT F
PLEA AGREEMENT

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH DAKOTA
SOUTHERN DIVISION

FILED
APR 20 2006
[Signature]
CLERK

UNITED STATES OF AMERICA,

CR06 - 90041

Plaintiff,

PLEA AGREEMENT

vs.

NEXTIRAONE, LLC,

Defendant.

NextiraOne, LLC ("NextiraOne," or "defendant"), a limited liability company organized and existing under the laws of Delaware with its principal place of business in Houston, Texas; defendant's counsel; and the United States Department of Justice, by and through the United States Attorney's Office for the District of South Dakota and the Antitrust Division of the Department of Justice (hereinafter "the United States"), hereby submit the following Plea Agreement to the United States District Court pursuant to Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure ("Fed. R. Crim. P.").

Rights of Defendant

1. The defendant understands its rights:
 - (a) to be represented by an attorney;
 - (b) to be charged by Indictment;
 - (c) to plead not guilty to any criminal charge brought against it;
 - (d) to have a trial by jury, at which it would be presumed not guilty of the charge and the United States would have to prove every essential element of the charged

RECEIVED
DEPT. OF JUSTICE
06 APR 23 PM 1:16
CHICAGO OFFICE
ANTITRUST DIVISION

#12

offense beyond a reasonable doubt for it to be found guilty;

- (e.) to confront and cross-examine witnesses against it and to subpoena witnesses in its defense at trial;
- (f.) to appeal its conviction if it is found guilty; and
- (g.) to appeal the imposition of sentence against it.

Agreement to Plead Guilty and Waive Certain Rights

2. The defendant knowingly and voluntarily waives the rights set out in Paragraph 1(b)-(f) above. The defendant also knowingly and voluntarily waives the right to file any appeal, any collateral attack, or any other writ or motion, including but not limited to an appeal under 18 U.S.C. § 3742, that challenges the sentence imposed by the Court if that sentence is consistent with or below the recommended sentence in Paragraph 10 of this Plea Agreement, regardless of how the sentence is determined by the Court. This agreement does not affect the rights or obligations of the United States as set forth in 18 U.S.C. § 3742(b). Pursuant to Fed. R. Crim. P. 7(b), the defendant will waive Indictment and plead guilty at arraignment to a one-count Information to be filed in the United States District Court for the District of South Dakota. The Information will charge the defendant with wire fraud in violation of 18 U.S.C. § 1343.

3. NextiraOne agrees that the elements of the charged offense are as follows:

Wire Fraud –

Elements:

- (a.) Participation in a scheme to defraud or a plan for obtaining money or property by making false promises or statements;
- (b.) Knowledge that the promises or statements were false;
- (c.) The promises or statements were material;

(d.) Intent to defraud; and

(e.) The reasonably foreseeable use of, and actual use of, interstate wire communications to carry out an essential part of the scheme.

4. NextiraOne, pursuant to the terms of this Plea Agreement, will make a factual admission of guilt to the Court in accordance with Fed. R. Crim. P. 11, as set forth in Paragraph 5 below.

Factual Basis for Offense Charged

5. Had this case gone to trial, the United States would have presented evidence sufficient to prove the following facts:

(a.) For the purposes of this Plea Agreement, the "relevant period" encompasses from at least December, 2000, through at least December, 2002. Williams Communications Solutions ("WCS") was acquired by Platinum Equity, LLC ("Platinum Equity") in April 2001, and the name of the business was changed to Nextira and later NextiraOne. At the time of the acquisition, WCS was engaged in the design, sale, and maintenance of advanced voice and data networks.

(b.) During the relevant period, the Schools and Libraries Universal Service Support Mechanism ("E-rate" or the "E-rate Program") was a program mandated by Congress in the Telecommunications Act of 1996 and operated under the auspices of the Federal Communications Commission ("FCC") to provide funding to permit schools and libraries to upgrade their telecommunication and data infrastructure and to connect to and utilize the Internet. The FCC subsequently designated the Universal Services Administrative Company ("USAC"), a non-profit corporation, to administer the E-rate Program.

(c.) The E-rate Program's discount mechanism was designed to ensure that the neediest schools received the most financial help. All participating school districts, however, are

required to pay the remaining portion of their bill for equipment and services acquired under the E-rate Program after their discount had been applied. Each school's discount is determined based on the number of students in the district qualifying for the United States Department of Agriculture's school lunch program, with the neediest school districts eligible for the highest discounts.

(d.) During the relevant period, applications for E-rate funding far exceeded the funding amounts available each year. To ensure that E-rate funding was distributed to the widest number of applicants, USAC required all applicants to comply with various program rules and procedures. Two such requirements were that only USAC-approved equipment, services, and supplies would be eligible for funding and that local school districts had to follow competitive bidding procedures in accordance with local and state laws to ensure that the school districts received the lowest possible prices from vendors.

(e.) During the relevant period, WCS and NextiraOne paid a member of the Oglala Lakota Sioux Tribe residing on the Pine Ridge Reservation in the District of South Dakota for introducing WCS to the Oglala Lakota Sioux Tribe, assisting with filing required forms, obtaining authorized signatures, and handling questions from USAC's Schools and Libraries Division ("SLD").

(f.) On or about December 15, 2000, WCS made a presentation to the Tribal leaders and to the ONEC member schools in Rapid City, South Dakota, during which WCS promised the ONEC schools that they could participate in the E-rate Program at absolutely no cost. This offer circumvented the rules and regulations governing the E-rate Program.

(g.) On or about January 12-13, 2001, WCS presented its E-rate proposal for the

ONEC schools at a second meeting. It was understood by this date that the Tribe and ONEC schools would utilize WCS as the primary vendor for ONEC's FY Four application.

(h.) On or about January 18-19, 2001, the Tribal member and an associate met to prepare the Form 471s for the ONEC schools. A Form 471 is a school district's application for E-rate funding. It is supposed to set out the selected vendors' bid amounts, memorialized in contracts, for the equipment and services called for by the district's Request for Proposal and/or original Form 470. An employee of WCS guided the Tribal member and his associate through the process of electronically filing the Form 471s on-line at the SLD web site, with specific, line-by-line instructions on what to fill out on each form. Under WCS's guidance, the Tribal member and the associate filed the ONEC Form 471s, which contained atypical, non-competitive, manufacturer "list" prices for large portions of the technology equipment. On or about January 19, 2001, and with the continuing assistance of WCS, the Tribal member mailed the written certifications and attachments for ONEC's Form 471s from Pine Ridge, South Dakota, to the SLD's office in Lawrence, Kansas.

(i.) In or around September 2001, the SLD began a review of ONEC's Form 471s submitted in January 2001. As part of that review, the SLD asked ONEC to supply certain information to the SLD. The Tribal member submitted letters to the SLD which contained material representations and certifications. On or around October 31, 2001, the SLD, in reliance on the prior representations and certifications, approved funding for the ONEC E-rate project in part as follows: \$3,879,903.61 for Internal Connections.

(j.) On or about December 13, 2001, the defendant filed a Service Provider Invoice Form 474 in the amount of \$429,020.40 with the SLD even though as of that date no equipment

had been delivered or installed for the ONEC member schools on the Pine Ridge Reservation.

(k.) Beginning in or about December 2001, in connection with changes in project management personnel, the defendant re-engineered the original ONEC voice and data network design with the result that the total cost decreased. The defendant did not tell the ONEC schools that the project's costs, after the redesign, were lower.

(l.) At no time during the relevant period did the defendant advise ONEC, or the Tribal member and his associate, to file a USAC Form 500 notifying the SLD of these equipment changes and substantially decreased costs. A Form 500 is filed when a school decides to change the original scope of a project, or when it makes modifications to the services and equipment for which funding was requested. A Form 500 is a written request made by the applicant to the SLD that reduces, cancels, or requests a modification to a prior funding commitment.

(m.) During the relevant period, for the purpose of executing its scheme, the defendant transmitted electronic wire communications in interstate commerce, including a facsimile dated January 21, 2002, from a billing person at NextiraOne that contained a fraudulent "invoice" that falsely made it appear that ONEC had been billed for the non-discounted portion as well as the ineligible items associated with the Pine Ridge project. The facsimile was sent from Houston, Texas to SLD invoice analysts located in Whippany, New Jersey.

(n.) Based in part on materially false representations made to the SLD, NextiraOne succeeded in over-billing the E-rate Program in excess of \$1 million for the ONEC FY Four E-rate project. NextiraOne received a total of \$3,805,192.20 from the SLD for ONEC's FY Four E-rate project. The loss resulting from the charged offense is sufficient to justify a fine of \$1,818,380 pursuant to 18 U.S.C. § 3571(d).

(o.) During April 2001, through December 2002, NextiraOne employed more than 1,000 people and an individual formerly within high-level personnel of the organization was willfully ignorant of the fraudulent scheme.

(p.) The above information is provided for the limited purpose of setting forth a factual basis for the plea of guilty. It is not a full recitation of either WCS's or the defendant's actions relating to, knowledge of, or participation in the fraudulent scheme.

(q.) The events described above occurred prior to the arrival of current senior management of NextiraOne in May 2003. Under its new management, NextiraOne reorganized its sales force and adopted a Code of Business Ethics and Conduct; it also dismantled its E-rate consulting services business unit. NextiraOne has cooperated with the United States' investigation. NextiraOne has made its current employees available for interviews by the United States and, pursuant to a subpoena, it has produced voluminous corporate records in hard copy and electronic format to the United States.

(r.) NextiraOne Federal, LLC, a subsidiary of NextiraOne which operates as a separate company, was not involved in the events described above.

Possible Maximum Sentence

6. The defendant understands that the statutory maximum penalty which may be imposed against it upon conviction for a violation of 18 U.S.C. § 1343 is a fine in an amount equal to the greatest of:

- (a.) \$500,000 (18 U.S.C. § 3571 (c)(3));
- (b.) twice the gross pecuniary gain from the offense (18 U.S.C. § 3571 (d)); or
- (c.) twice the gross pecuniary loss caused to the victims of the crime (18 U.S.C.

§ 3571 (d)).

7. In addition, the defendant understands that:
- (a.) pursuant to 18 U.S.C. § 3561(c)(1), the Court may impose a term of probation of at least one year, but not more than five years;
 - (b.) pursuant to 18 U.S.C. § 3663A(c)(1)(A)(ii), the Court shall order it to pay restitution to the victims of the offense; and
 - (c.) pursuant to 18 U.S.C. § 3013 (a)(2)(B), the Court is required to order the defendant to pay a \$400 special assessment upon conviction for the charged crime.

Sentencing Guidelines

8. The defendant understands that the Sentencing Guidelines are advisory, not mandatory, but that the Court must consider the Guidelines in effect at the time of the offense, along with other factors set forth in 18 U.S.C. § 3553(a), in determining and imposing sentence. The defendant understands that the Guidelines determinations will be made by the Court by a preponderance of the evidence standard. The defendant understands that although the Court is not ultimately bound to impose a sentence within the applicable Guidelines range, its sentence must be reasonable based upon consideration of all relevant sentencing factors set forth in 18 U.S.C. § 3553(a).

9. The defendant stipulates that the Sentencing Guidelines would be calculated as follows, and that it will not ask for any other adjustment or reduction in the offense level or for a downward departure of any kind, including for its continuing cooperation:

For Wire Fraud:

a.	Base Offense Level (U.S.S.G. § 2B1.1):	6
b.	Specific offense characteristics: (U.S.S.G. § 2B1.1(b)) (Actual Loss > \$1 million)	+ 16
c.	Adjusted offense level:	<u>22</u>
d.	Base Fine (U.S.S.G. § 8C2.4):	\$1.2 million
e.	Culpability Score (U.S.S.G. § 8C2.5): (> 1000 employees and willful ignorance of the offense by high-level personnel of the organization)	5 + 4
f.	Acceptance of Responsibility:	- 2
g.	Total Culpability Score:	7
h.	Minimum/Maximum Multiplier (U.S.S.G. § 8C2.6):	1.4 to 2.8
i.	Fine Range (U.S.S.G. § 8C2.7):	\$1.68 million to \$2 million

Sentencing Agreement

10. Pursuant to Fed. R. Crim. P. 11(c)(1)(B), the United States agrees that it will recommend, as the appropriate disposition of this case, that the Court impose a sentence within the applicable Guidelines range requiring NextiraOne to:

(a.) Pay the United States \$1,818,380 within five days of this Plea Agreement being accepted by the Court. The United States also recommends that the Court not impose a term of probation. NextiraOne's parent, Platinum Equity, will act as a guarantor of this payment as set forth in Exhibit "A" to this Plea Agreement. The criminal fine shall be paid to the U.S. Clerk of Court, District of South Dakota, by FEDWIRE.

(b.) Within five (5) days of the civil Settlement Agreement being executed, NextiraOne

shall release claims totaling \$2.6 million to the FCC. This money shall be distributed in accordance with the civil Settlement Agreement which is attached as Exhibit "B" to this Plea Agreement.; and

(c.) Pay a special assessment of \$400, pursuant to 18 U.S.C. § 3013(a)(2)(B), in addition to any fine imposed.

The United States and the defendant jointly submit that this Plea Agreement, together with the record that will be created by the United States and the defendant at the plea and sentencing hearings, and the further disclosure described in Paragraph 11, will provide sufficient information concerning the defendant, the crime charged in this case, and the defendant's role in the crime to enable the meaningful exercise of sentencing authority by the Court under 18 U.S.C. § 3553. The United States and defendant agree to request jointly that the Court accept the defendant's guilty plea and impose sentence on an expedited schedule as early as the date of arraignment, based upon the record provided by the defendant and the United States, under the provisions of Fed. R. Crim. P. 32(c)(1)(A)(ii) and U.S.S.G. § 6A1.1. The Court's denial of the request to impose sentence on an expedited schedule will not void this Plea Agreement.

The parties agree that there exist no aggravating or mitigating circumstances of a kind, or to a degree, not adequately taken into consideration by the U.S. Sentencing Commission in formulating the Sentencing Guidelines justifying a departure pursuant to U.S.S.G. §5K2.0. The parties agree not to seek or support any sentence outside the Guidelines range nor any Guidelines adjustment for any reason that is not set forth in this Plea Agreement. In view of all the facts and circumstances of this case, including NextiraOne's continuing cooperation with the United States, the parties agree that the recommended sentence is reasonable.

11. Subject to the ongoing, full, and truthful cooperation of the defendant described in Paragraph 13 and 14 of this Plea Agreement, and before sentencing in the case, the United States will fully advise the Court and the Probation Office of the fact, manner, and extent of the defendant's cooperation and its commitment to prospective cooperation with the United States' investigation and prosecutions, all material facts relating to the defendant's involvement in the charged offense, and all other relevant conduct.

12. The United States and the defendant understand that the Court retains complete discretion to accept or reject the recommended sentence provided in Paragraph 10 of this Plea Agreement. NextiraOne understands that, as provided in Fed. R. Crim. P. 11(c)(3)(B), if the Court does not impose the recommended sentence contained in this Agreement, it nevertheless has no right to withdraw its plea of guilty.

NextiraOne's Cooperation

13. NextiraOne has cooperated with the United States' investigation and will continue to cooperate fully and truthfully with the United States in the prosecution of this case; the current federal investigations of violations of federal fraud, antitrust, and related criminal laws involving the sale of equipment and services funded by the E-rate Program; any other federal investigation resulting therefrom; and any litigation or other proceedings arising or resulting from any such investigation to which the United States is a party ("Federal Proceeding"). The cooperation provisions of this Plea Agreement, as set forth in Paragraphs 13-16, shall be limited to one (1) year from the date of this Plea Agreement being accepted by the Court.

14. The ongoing, full, and truthful cooperation of the defendant shall include, but not be limited to:

(a.) producing to the United States all non-privileged documents, information, and other materials, wherever located, in the possession, custody, or control of the defendant, requested by the United States in connection with any Federal Proceeding; and

(b.) using its best efforts to secure the ongoing, full, and truthful cooperation, as defined in Paragraph 15 of this Plea Agreement, of each current officer or employee of the defendant or its successors, as may be requested by the United States, including making these persons available at the defendant's expense for interviews and the provision of testimony in grand jury, trial, and other judicial proceedings in connection with any Federal Proceeding.

15. The ongoing, full, and truthful cooperation of each person described in Paragraph 14(b) above will be subject to the procedures and protections of this paragraph, and shall include, but not be limited to:

(a.) producing all non-privileged documents, including claimed personal documents, and other materials, wherever located, requested by attorneys and agents of the United States;

(b.) making himself or herself available for interviews, not at the expense of the United States, upon the request of attorneys and agents of the United States;

(c.) responding fully and truthfully to all inquiries of the United States in connection with any Federal Proceeding, without falsely implicating any person or intentionally withholding any information, subject to the penalties of making false statements (18 U.S.C. § 1001) and obstruction of justice (18 U.S.C. § 1503);

(d.) otherwise voluntarily providing the United States with any non-privileged material or information not requested in (a) - (c) of this paragraph that he or she may possess or

control that is related to any Federal Proceeding; and

(e.) when called upon to do so by the United States in connection with any Federal Proceeding, testifying in grand jury, trial, and other judicial proceedings, pursuant to subpoena, fully, truthfully, and under oath, subject to the penalties of perjury (18 U.S.C. § 1621), making false statements or declarations in grand jury or court proceedings (18 U.S.C. § 1623), contempt (18 U.S.C. §§ 401-402), and obstruction of justice (18 U.S.C. § 1503).

16. NextiraOne agrees not to intentionally provide false information to the Court, the Probation Office, Pretrial Services, or the United States; or fail to comply with any of the other promises it has made in this Plea Agreement.

17. NextiraOne has no current intention to participate in the E-rate Program. If, however, at any time within the five (5) year period following the date of execution of this Plea Agreement, NextiraOne decides to provide telecommunications goods or services intended to be funded by the E-rate Program, it shall give prior written notice to the FCC and provide high-level management oversight of NextiraOne's E-rate business. Such oversight shall include appointment of a Compliance Officer to monitor all aspects of NextiraOne's E-rate business, whose responsibilities shall include: (i) internal monitoring and audits to ensure compliance with E-rate application and bidding procedures and the absence of any hidden side agreements or undisclosed terms; (ii) implementation of a continuing education and training program for participation in the E-rate Program that shall cover the application process, competitive bidding, eligible E-rate services, the billing process, document retention, the service provider role, and such other areas as the Compliance Officer may consider appropriate; (iii) coordination with key executives in the company's accounting, finance, installations, legal, marketing, and sales units

to ensure compliance with E-rate Program requirements; (iv) disclosure to NextiraOne's Chief Executive and Chief Financial Officers and its General Counsel, as well as the FCC's Officer of Inspector General, of any program violations, including any associated disciplinary action taken or recommended; and (v) periodic reports every six months concerning NextiraOne's compliance with the requirements set forth in this paragraph, to the FCC's Office of Inspector General. The oversight and reporting obligations set forth in this paragraph, as well as the cooperation provisions of paragraphs 13-16, shall apply to NextiraOne, its successors and assigns. If NextiraOne is acquired by another corporation or entity ("Acquiring Company") and NextiraOne is (i) maintained as a separate legal entity by the Acquiring Company, and (ii) any E-rate Program activities of NextiraOne are maintained solely within NextiraOne, the oversight and reporting obligations set forth in this paragraph shall not apply to the Acquiring Company or any parent, subsidiary, sister company, affiliate, legal entity, or business unit (other than NextiraOne) of the Acquiring Company. If NextiraOne is legally merged into or with another legal entity, the oversight and reporting obligations set forth in this paragraph, as well as the cooperation provisions of paragraphs 13-16, shall apply to such merged entity, including NextiraOne, its successors and assigns, but shall not apply to any parent, subsidiary, sister company, or affiliate of such merged entity.

18. Following the entry of its guilty plea pursuant to the Plea Agreement, NextiraOne agrees not to commit or attempt to commit any crimes before sentence is imposed.

19. NextiraOne agrees that this Plea Agreement and the attached Exhibits "A", and "B", contain all of the promises and agreements between it and the United States, and it will not claim otherwise in the future.

20. NextiraOne agrees that this Plea Agreement binds the United States Department of Justice, excepting the Tax Division only, but does not bind any other federal, state, local, or Tribal agency.

United States' Agreement

21. Upon acceptance of the guilty plea called for by this Plea Agreement and the imposition of the recommended sentence, and expressly conditioned upon the cooperation requirements of Paragraph 13-15 of this Plea Agreement, the United States agrees not to file, prosecute, or seek any further criminal charges against the defendant, or its affiliated entities, or their successors, for any act or offense committed by NextiraOne prior to the date of this Plea Agreement involving the E-rate Program. The nonprosecution terms of this paragraph do not apply to individuals, civil matters of any kind, to any violation of federal tax or securities laws, or to any crime of violence. NextiraOne has entered into a separate civil Settlement Agreement with the United States which is attached as Exhibit "B" to this Plea Agreement.

22. The United States recommends that the appropriate sentence in this case should be as set forth in Paragraph 10 above, unless the defendant violates the terms and conditions of this Plea Agreement.

23. The defendant understands that it may be subject to administrative action by federal, state, local, or tribal agencies other than the United States Department of Justice, Antitrust Division, based upon the conviction resulting from this Plea Agreement, and that this Plea Agreement in no way controls what action, if any, other agencies may take. The Division agrees that, if requested, it will advise the appropriate officials of any governmental agency, whether federal, state, local or tribal, considering any administrative, criminal, or civil action, of the fact,

manner, and extent of the cooperation of the defendant and its affiliated entities and successors as a matter for that agency to consider before determining what action, if any, to take, and will advise as to the lack of involvement of NextiraOne Federal, LLC, a subsidiary of NextiraOne which operates as a separate company, in the conduct leading to this guilty plea.

Representation by Counsel

24. NextiraOne confirms that it has had adequate time to discuss this case, the evidence, and this Plea Agreement with legal counsel, and that its counsel has provided it with all the legal advice that it requested regarding the nature of the charge, any possible defenses to the charge, and the nature and range of possible sentences.

Voluntary Plea

25. NextiraOne confirms that its decision to enter a guilty plea is made knowing the charges that will be brought against it, any possible defenses, and the benefits and possible detriments of proceeding to trial. NextiraOne's decision to enter into this Plea Agreement and to tender a plea of guilty is freely and voluntarily made and is not the result of force, threats, assurances, promises, or representations other than the representations contained in this Plea Agreement. The United States has made no promises or representations to the defendant as to whether the Court will accept or reject the recommendations contained in this Plea Agreement.

Violation of Plea Agreement

26. The defendant agrees that, should the United States determine in good faith, during the period that any Federal Proceeding is pending, that the defendant or any of its affiliated entities or successors have failed to provide full and truthful cooperation, as described in Paragraph 13-15 of this Plea Agreement, or has otherwise violated any provision of this Plea Agreement, the

United States will notify counsel for NextiraOne in writing by personal or overnight delivery or facsimile transmission and may also notify counsel by telephone of its intention to void any of its obligations under this Plea Agreement (except its obligations under this paragraph), and NextiraOne and its affiliated entities and successors shall be subject to prosecution for any federal crime of which the United States has knowledge, including, but not limited to, the substantive offenses relating to the investigation resulting in this Plea Agreement. The defendant and its affiliated entities agree that, in the event that the United States is released from its obligations under this Plea Agreement and brings criminal charges against the defendant or its affiliated entities or successors for any offense referred to in Paragraph 21 of this Plea Agreement, the statute of limitations period for such offense will be tolled for the period between the date of the signing of this Plea Agreement and six (6) months after the date the United States gave notice of its intent to void its obligations under this Plea Agreement. NextiraOne, however, may seek Court review of any determination made by the United States under this Paragraph to void any of its obligations under the Plea Agreement.

27. The defendant understands and agrees that in any further prosecution of it or its affiliated entities or successors resulting from the release of the United States from its obligations under this Plea Agreement, because of the defendant's or its affiliated entities' or successors' violation of the Plea Agreement, any documents, statements, information, testimony, or evidence provided by it, its affiliated entities or successors, or current officers and employees of it or its affiliated entities or successors, to attorneys or agents of the United States, federal grand juries, or courts, and any leads derived therefrom, may be used against it or its affiliated entities in any such further prosecution. In addition, the defendant unconditionally waives its right to challenge the

use of such evidence in any such further prosecution, notwithstanding the protections of Rule 410 of the Federal Rules of Evidence.

Entirety of Agreement

28. This Plea Agreement constitutes the entire agreement between the United States and the defendant concerning the disposition of the criminal charge in this case. This Plea Agreement cannot be modified except in writing, signed by the United States and the defendant.

29. This Agreement has been authorized, following consultation with counsel, by the sole Manager of NextiraOne, as set forth in the certified resolution attached as Exhibit "C" to this Plea Agreement and is incorporated herein.

30. The undersigned attorneys for the United States have been authorized by the Attorney General of the United States to enter this Plea Agreement on behalf of the United States.

31. A facsimile signature shall be deemed an original signature for the purpose of executing this Plea Agreement. Multiple signature pages are authorized for the purpose of executing this Plea Agreement.

DATED:

4.11.06



Robert J. Buhay, Chief Financial Officer
NextiraOne, LLC
Defendant

DATED:

4-17-06

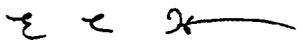
Steven K. Mullins
United States Attorney
District of South Dakota

BY:


DENNIS R. HOLMES
Chief, Criminal Division

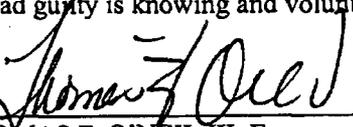
DATED:

4/11/06


ERIC C. HOFFMANN
KALINA M. TULLEY
BRIAN P. MCLAUGHLIN
Attorneys
U.S. Department of Justice
Antitrust Division
209 S. LaSalle Street, Suite 600
Chicago, Illinois 60604
Tel.: (312) 353-7530

I have fully explained to my client all of the rights that a criminal defendant possesses and all of the terms of this Plea Agreement. In my opinion, my client understands all of the terms of this Plea Agreement and all the rights it is giving up by pleading guilty, and, based on the information now known to me, its decision to plead guilty is knowing and voluntary.

DATED:



THOMAS F. O'NEIL III, Esq.
DLA Piper Rudnick Gray Cary US LLP
Counsel for NextiraOne, LLC

Exhibit A

GUARANTEE OF PAYMENT OF FINE AND RESTITUTION

In consideration of the attached Plea Agreement between the government and NextiraOne, LLC, and due to the financial condition of the latter, Platinum Equity, LLC, (NextiraOne's parent company), knowingly and voluntarily agrees that it will act as guarantor to the United States for payment of the criminal fine and restitution amounts imposed on NextiraOne, LLC, pursuant to the attached Plea Agreement. Acknowledgment of the aforesaid guarantee of the criminal fine and restitution amounts is confirmed by Platinum's authorized representative signing this document. As guarantor, Platinum agrees that, notwithstanding the fact that it did not engage in any of the conduct described in the referenced Plea Agreement, in the event that NextiraOne fails to make payment as set forth in the Plea Agreement (for whatever reason, including but not limited to, bankruptcy or dissolution of NextiraOne, or any other event that would prevent payment by NextiraOne of the fine or restitution imposed by the United States District Court for the District of South Dakota in this matter), Platinum shall cure any such delinquent payment or restitution amount (as defined by 18 USC § 3572 (h)) by NextiraOne, LLC within thirty (30) days of the date the fine or restitution amount became delinquent and will make such payment in accordance with the terms of the sentence imposed by the District Court pursuant to the attached Plea Agreement. Under 18 USC 3572(i), a fine or payment of restitution is in default if a payment is delinquent for more than 90 days, and that within 30 days after notification of the default, the entire amount of the fine or restitution is due.

The undersigned attests that he or she is authorized to enter into this guarantee on behalf of Platinum Equity.



Tom T. Gores
On behalf of Platinum Equity, LLC

SETTLEMENT AGREEMENT

I. PARTIES

This Settlement Agreement (Agreement) is entered into by the United States of America, acting through the United States Department of Justice and on behalf of the Federal Communications Commission (FCC) (collectively, the United States); and NextiraOne, LLC (NextiraOne), through their authorized representatives. The parties listed in this Paragraph are hereinafter collectively referred to as the Parties.

II. PREAMBLE

As a preamble to this Agreement, the Parties agree to the following:

A. NextiraOne is a limited liability company organized and existing under the laws of Delaware with its principal place of business in Houston, Texas. NextiraOne does business in South Dakota, among other states. NextiraOne does not operate as a common carrier. NextiraOne was originally known as Williams Communications Solutions (WCS).

B. E-rate is a program created by Congress in the Telecommunications Act of 1996 and administered by the Universal Service Administration Corporation (USAC) for the FCC. Under E-rate, the FCC typically reimburses providers of internet access, internal connections, and telecommunications services for discounts they provide to schools and libraries.

C. NextiraOne is entering a plea of guilty to a one count felony Information charging NextiraOne with wire fraud in violation of 18 U.S.C. § 1343, in connection with NextiraOne's participation in the E-rate program. The guilty plea is being entered in a matter captioned *United States of America v. NextiraOne, LLC* No. CR 06-____ (filed in the District of South Dakota, April __, 2006). A copy of the plea agreement in that matter is attached hereto as Exhibit A (hereinafter the Plea Agreement).

D. The United States contends that it may have certain civil claims against NextiraOne under the False Claims Act, the common law, and other causes of action for NextiraOne's conduct in connection with certain USAC Funding Request Numbers (FRNs) for the funding year 2001 of the E-rate program (from July 1, 2001 through June 30, 2002) listed in Exhibits B and C to this Agreement, including submitting and causing to be submitted false claims for payment by: (1) engaging in non-competitive bidding practices; (2) claiming and



receiving E-rate funds for goods and services that were ineligible for E-rate discounts; (3) providing materially false information to the United States regarding goods and services that were provided to schools and school districts under the E-rate program; (4) disregarding the requirement that all schools and school districts make co-payments to cover that portion of each funded E-rate project that was not paid for by E-rate discounts; (5) charging inflated prices on invoices and other documents provided to the United States to conceal some or all of the practices listed in this Paragraph. The conduct described in this Paragraph is referred to throughout as the Covered Conduct.

E. NextiraOne has entered into a separate agreement with the Oglala Nation Education Coalition (ONEC) to resolve claims that it or its affiliated schools may have had against NextiraOne regarding the participation of ONEC and NextiraOne and/or WCS, in the E-rate program, including the Covered Conduct and the matters set forth in the Plea Agreement.

F. This Agreement is neither an admission of liability by NextiraOne nor a concession by the United States that its claims are not well-founded.

G. To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, the Parties reach a full and final settlement pursuant to the Terms and Conditions below.

III. TERMS AND CONDITIONS

1. NextiraOne agrees to compensate the United States \$2,678,000 (hereinafter referred to as the Settlement Amount), as follows:

a. NextiraOne agrees to release the United States, including but not limited to the FCC and USAC, from any obligations to pay and any other liability for work performed under the USAC Funding Request Numbers (FRNs) listed in Exhibits B, C, and D to this Agreement. Exhibit B includes FRNs for the ONEC schools associated with the Covered Conduct; Exhibit C sets forth invoices, unrelated to the ONEC schools, for Our Lady of Guadalupe School, Kansas City, MO (BEN 75144); West New York School District, West New York, NJ (BEN122770); and Vallejo City Unified School District, Vallejo, CA (BEN 144225); and Exhibit D includes FRNs for uncompensated E-rate work performed by NextiraOne and its

related affiliates, or WCS, for other school districts in the amount of \$2,600,000, for which NextiraOne would otherwise be entitled to payment but for the release herein. It is the intent of the United States that Exhibit D to this Agreement identify FRNs representing uncompensated work performed by NextiraOne and its related affiliates, and/or by WCS, in an amount not less than \$2.6 million. The United States may make any changes or substitutions to Exhibit D that may be necessary to give effect to that intent.

b. In addition, to the extent that NextiraOne or any of its subsidiaries or affiliates has performed uncompensated E-rate work in connection with (i) any E-rate funding request filed by the Bureau of Indian Affairs collectively, or any other Native American school falling under the auspices and control of the BIA, individually, including but not limited to those listed in Exhibit E, or (ii) any claims not otherwise released herein, except for the FRNs set forth on Exhibit G, but only to a maximum amount of \$937,102.15, NextiraOne agrees to release the United States, including but not limited to the FCC and USAC, from any obligations to pay such claims and any other liability for work performed under such funding requests.

c. NextiraOne agrees to pay an additional \$78,000 by electronic funds transfer pursuant to written instructions to be provided by the United States Department of Justice, which payment shall be made within five days after payment from USAC to NextiraOne of the \$331,504.99 for the E-rate work performed under the FRNs listed in Exhibit F, but in no event later than 180 days after the effective date of this Agreement. Upon payment to NextiraOne, NextiraOne releases the United States, including but not limited to the FCC and USAC, from any other liability in connection with these FRNs.

2. In the event that the District Court does not accept the Plea Agreement, and/or does not impose a sentence consistent with the Plea Agreement, the United States or NextiraOne may, each in its respective discretion, within five calendar days of the Court's dispositive action on the Plea Agreement, declare this Agreement null and void by written notice to the other party.

3. NextiraOne agrees to fully cooperate with the United States in any investigation or litigation related to its participation in the E-Rate Program. NextiraOne has represented to the United States that it has no information or evidence concerning any misconduct by its current or

former employees in connection with any applications, contracts, bids, or transactions involving the District of Columbia Public Schools. However, it agrees to provide any such information or evidence to the United States should it subsequently obtain it.

4. Additional Releases

a. NextiraOne fully and finally releases the United States, the FCC and USAC, together with their respective agencies, employees, servants, and agents, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) which NextiraOne has asserted, could have asserted, or may assert in the future against the United States, the FCC and USAC, and their respective agencies, employees, servants, and agents, related to the Covered Conduct, the funding requests in Exhibits B, C and D, the BENs in Exhibit E, the Information, the Plea Agreement, and the investigation and prosecution thereof. NextiraOne does not release the United States from any claims to compensation under the FRNs set forth in Exhibit G up to an aggregate amount of \$937,102.15, as any such claims are outside the scope of this settlement agreement. The Parties acknowledge that such claims are subject to the administrative procedures of USAC and applicable rules of the FCC and that the FCC and USAC make no representations as to the eligibility of these claims for payment.

b. Subject to the exceptions in Paragraph 5 below, in consideration of the obligations of NextiraOne set forth in this Agreement, and conditioned upon NextiraOne fully satisfying the Settlement Amount, (i) the United States (on behalf of itself, its officers, agents, agencies, and departments) agrees to fully and finally release NextiraOne and its subsidiaries, affiliates, or parent corporations, and their predecessors, successors, and assigns, and any of their past or present directors, officers, and employees, from any civil or administrative monetary claim the United States has or may have relating to the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. § 3801-3812; or the common law theories of payment by mistake, unjust enrichment, disgorgement, restitution, recoupment, breach of contract, and fraud, for the Covered Conduct; (ii) the FCC (on behalf of itself, its officers, employees, and agents, and on behalf of USAC) agrees to release NextiraOne and any subsidiaries, affiliates, or parent corporations, and their predecessors,

successors, and assigns, and any of their past or present directors, officers, and employees, from any administrative monetary claims the FCC has or may have for the Covered Conduct.

5. Notwithstanding any term of this Agreement, specifically reserved and excluded from the scope and terms of this Agreement as to any entity or person (including NextiraOne) are the following claims:

(a) any civil, criminal, or administrative liability to the United States arising under Title 26, U.S. Code (Internal Revenue Code);

(b) any criminal liability;

(c) any process or proceeding, administrative or judicial, for any agency suspension or debarment action. Any suspension or debarment shall not affect any payments that NextiraOne may otherwise obtain for the invoices set out in Exhibit F, as referenced under Paragraph 1(c) of this Agreement;

(d) any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;

(e) any claims of the United States based upon such obligations as are created by this Agreement;

(f) any liability for the delivery of any deficient or defective products/services, including liability under any express or implied product/service liability warranties; and

(g) any civil or administrative claims of the United States (including its agencies) against individuals, including but not limited to past or present directors, officers, and employees of NextiraOne and any affiliates, subsidiaries, and parent corporations, and their predecessors, successors, and assigns who are criminally indicted or charged, or are convicted, or who enter into a criminal plea agreement related to the Covered Conduct.

6. NextiraOne waives and shall not assert, in any criminal prosecution or administrative action relating to the Covered Conduct, any defenses that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution,

this Agreement bars a remedy sought in such criminal prosecution or administrative action. Nothing in this Paragraph or any other provision of this Agreement constitutes an agreement by the United States concerning the characterization of the Settlement Amount for purposes of the Internal Revenue Laws, Title 26 of the United States Code.

7. NextiraOne agrees that all costs (as defined by the Federal Acquisition Regulation 31.205-47) incurred by or on behalf of NextiraOne in connection with (a) the matters covered by this Settlement Agreement; (b) the Government's audits and investigations of the matters covered by this Settlement Agreement; (c) NextiraOne's investigation, defense of matters, and corrective actions relating to the Covered Conduct; (d) the negotiation of this Settlement Agreement; and (e) the payments made to the United States pursuant to this Settlement Agreement, shall be unallowable costs for government accounting purposes. NextiraOne shall separately account for all costs that are unallowable under this Settlement Agreement.

8. This Agreement is intended to be for the benefit of the Parties only. Except as expressly stated in Paragraph 4 above, the Parties do not release any claims against any other person or entity.

9. NextiraOne warrants that payment of the Settlement Amount in the manner set forth in Paragraph III.1 to this Agreement will not result in NextiraOne becoming insolvent within the meaning of 11 U.S.C. §§ 547(c) and 548 (a)(1)(B)(ii)(I). Further, the Parties expressly warrant that, in evaluating whether to execute this Agreement, the Parties (a) have intended that the mutual promises, covenants, and obligations set forth herein constitute a contemporaneous exchange for new value given to NextiraOne within the meaning of 11 U.S.C. §§ 547(c)(1), and (b) have concluded that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange. Further, the Parties warrant that the mutual promises, covenants, and obligations set forth herein are intended to and do, in fact, represent a reasonably equivalent exchange of value which is not intended to hinder, delay, or defraud any entity to which NextiraOne is indebted to, or became indebted to, on or after the date of this transfer, all within the meaning of 11 U.S.C. § 548(a)(1).

10. NextiraOne agrees that this Settlement Agreement satisfies the requirements of the citation provision under subsections 503(b)(5)(A)-(B) of the Communications Act of 1934, as amended, 47 U.S.C. § 503(b)(5)(A)-(B), such that the FCC may issue a Notice of Apparent Liability against NextiraOne pursuant to 47 U.S.C. § 503(b)(4) if, after the Effective Date of this Agreement, NextiraOne engages in conduct of the type described as the Covered Conduct in Paragraph D of this Agreement.

11. The United States and NextiraOne shall each bear their own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

12. All Parties represent that this Agreement is freely and voluntarily entered into without any degree of duress or compulsion whatsoever.

13. This Agreement is governed by the laws of the United States. The Parties agree that exclusive jurisdiction and venue for any dispute arising between and among the Parties under this Agreement shall be the United States District Court for the District of South Dakota.

14. This Agreement constitutes the complete agreement between the Parties with respect to civil and administrative monetary liability. This Agreement may not be amended except by written consent of the Parties.

15. The individuals signing this Agreement on behalf of NextiraOne represent and warrant that they are duly authorized by NextiraOne to execute this Agreement. The United States signatories signing this Agreement represent that they are signing this Agreement in their official capacities and that they are duly authorized to execute this Agreement.

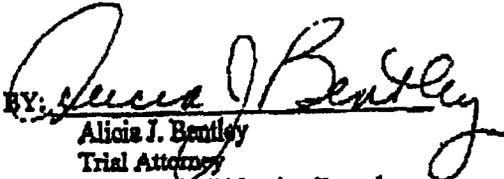
16. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same agreement.

17. This Agreement is binding on NextiraOne's successors, transferees, heirs, and assigns.

18. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Settlement Agreement.

THE UNITED STATES OF AMERICA

DATED: 4-7-06

BY: 
Alicia J. Bentley
Trial Attorney
Commercial Litigation Branch
Civil Division
U.S. Department of Justice

DATED: 4.7.06

BY: 
NextiraOne, LLC

DATED: 4-8-06

BY: 
Counsel for NextiraOne

Attachments

- Exhibit A - Plea Agreement
- Exhibit B - E-Rate Funds Disbursed on Behalf of Oglala Nation Education Coalition (BEN #222989) in Connection with Covered Conduct
- Exhibit C - E-Rate Funding Requests Released by Service Provider NextiraOne LLC (SPIN #1430004436) (Pending or Previously Denied)
- Exhibit D - FCC Form 474 Invoices Surrendered by NextiraOne LLC (SPIN #1430004436)
- Exhibit E- Bureau of Indian Affairs Related E-Rate Applicants

Exhibit F- FCC Form 474 Invoices to be Paid to NextiraOne LLC (SPIN
#1430004436)

Exhibit G- Remaining NextiraOne E-Rate Funding Requests which are Outside the
Scope of this Agreement (Currently in Denial Status)



Exhibit B

E-Rate Funds Disbursed on Behalf of
Oglala Nation Education Coalition (BEN #222989)

Funding Year	Form 471	FRN	Amount
2001	260432	659484	616,141.80
2001	260432	659988	160,098.77
2001	260432	659966	658,488.60
2001	260432	659545	2,370,463.33
2001	267618	676730	0.00
Total for NextiraOne LLC (SPIN #143004436)			<u>3,805,192.50</u>

Exhibit C

<u>Funding Year</u>	<u>Form 471</u>	<u>FRN</u>	<u>Disbursed Amount</u>
Our Lady of Guadalupe School (BEN #75144):			
2002	321569	855367	0.00
2002	321569	855410	0.00
2003	377524	1043738	<u>0.00</u>
Total Disbursed to NextiraOne LLC (SPIN #143004436)			<u>0.00</u>
West New York School District (BEN #122770):			
2003	379144	1041454	<u>0.00</u>
Total Disbursed to NextiraOne LLC (SPIN #143004436)			<u>0.00</u>
Vallejo City Unified School District (BEN #144225):			
2002	318595	865487	0.00
2003	373543	1035598	<u>0.00</u>
Total Disbursed to NextiraOne LLC (SPIN #143004436)			<u>0.00</u>

Exhibit D

FCC Form 474 Invoices Surrendered by NextiraOne LLC (SPIN #143004436)

Billed Entity Number	Funding Year	Form 471	FRN	SLD Invoices	Amount
142913	2001	25714	606770	604317	\$370,577.61
142913	2001	25714	606794	604317	\$1,731,716.06
142913	2001	25714	608311	597198	\$166,511.16
142913	2001	25714	608531	597198	\$174,034.82
142913	2001	25714	609303	597198	\$135,577.33
142913	2001	25714	609533	597198	\$21,583.02
TOTAL					<u>\$2,600,000.00</u>

Exhibit E

Bureau of Indian Affairs Related E-Rate Applicants

BEN	Applicant	City	Stat
4247	INDIAN ISLAND SCHOOL	OLD TOWN	ME
4365	BEATRICE RAFFERTY SCHOOL	PERRY	ME
4367	INDIAN TOWNSHIP SCHOOL	PRINCETON	ME
21973	BIA CNTRL OFC/DPT OF INTERIOR	WASHINGTON	DC
30142	CHEROKEE CENTRAL SCHOOL	CHEROKEE	NC
36772	MICCOSUKEE INDIAN SCHOOL	MIAMI	FL
43182	RED WATER ELEMENTARY SCHOOL	CARTHAGE	MS
43193	CONEHATTA ELEMENTARY SCHOOL	CONEHATTA	MS
43383	STANDING PINE ELEMENTARY SCH	WALNUT GROVE	MS
43569	CHOCTAW CENTRAL HIGH SCHOOL	PHILADELPHIA	MS
43571	TUCKER ELEMENTARY SCHOOL	PHILADELPHIA	MS
43572	BOQUE CHITTO ELEMENTARY SCHOOL	PHILADELPHIA	MS
43573	PEARL RIVER ELEMENTARY	PHILADELPHIA	MS
58461	BAHWETING ANISHNABE PUB SCH	SAULT ST MARIE	MI
58573	HANNAHVILLE INDIAN SCHOOL	WILSON	MI
59998	MESKWAKI SETTLEMENT SCHOOL	TAMA	IA
62184	MENOMINEE TRIBAL SCHOOL	NEOPIT	WI
62197	ONEIDA TRIBAL SCHOOL	ONEIDA	WI
63112	LAC COURTE OREILLES OJIBWA SCH	HAYWARD	WY
64641	FOND DU LAC OJIBWE SCHOOL	CLOQUET	MS
65407	NAY-AH-SHING SCHOOL	ONAMIA	MN
65629	CIRCLE OF LIFE SURVIVAL SCHOOL	WHITE EARTH	MN
65657	CHIEF BUG-O-NAY-GE-SHIG SCHOOL	CASS LAKE	MN
65808	FLANDREAU INDIAN SCHOOL	FLANDREAU	SD
66032	TIOSPA ZINA TRIBAL SCHOOL	AGENCY	SD
66050	ENEMY SWIM DAY SCHOOL	WAUBAY	SD
66129	CROW CREEK SIOUX TRIBAL H S	STEPHAN	SD
66158	MARTY INDIAN SCHOOL	MARTY	SD
66347	LOWER BRULE DAY SCHOOL	LOWER BRULE	SD
66385	ST FRANCIS INDIAN SCHOOL	SAINT FRANCIS	SD
66413	ROCK CREEK DAY SCHOOL	BULLHEAD	SD
66418	CHEYENNE-EAGLE BUTTE SCHOOL	EAGLE BUTTE	SD
66437	LITTLE EAGLE DAY SCHOOL	LITTLE EAGLE	SD
66533	TAKINI SCHOOL	HOWES	SD
66553	LONEMAN DAY SCHOOL	OGLALA	SD
66638	CIRCLE OF NATIONS WAHPETON IND. BRDG SCHOOL	WAHPETON	ND
66770	TURTLE MOUNTAIN HIGH SCHOOL	BELCOURT	ND
66772	OJIBWA INDIAN SCHOOL	BELCOURT	ND

**Exhibit E
(cont'd)**

BEN	Applicant	City	Stat
66779	DUNSEITH DAY SCHOOL	DUNSEITH	ND
66785	TATE TOPA ELEMENTARY	FORT TOTTEN	ND
66916	THEODORE JAMERSON ELEM SCH	BISMARCK	ND
66929	STANDING ROCK COMMUNITY SCHOOL	FORT YATES	ND
67008	TWIN BUTTES DAY SCHOOL	HALLIDAY	ND
67076	MANDAREE SCHOOL	MANDAREE	MD
67090	WHITE SHIELD SCHOOL	ROSEGLEN	ND
67150	BUSBY SCHOOL	BUSBY	MT
67993	TWO EAGLE RIVER SCHOOL	PABLO	MT
77029	KICKAPOO NATION SCHOOL	POWHATTAN	KS
80730	CHITIMACHA SCHOOL	JEANERETTE	LA
83401	RIVERSIDE INDIAN SCHOOL	ANADARKO	OK
84954	SEQUOYAH HIGH SCHOOL	TAHLEQUAH	OK
95223	ST STEPHENS INDIAN SCHOOL DISTRICT	SAINT STEPHENS	WY
95478	SHO-BAN SCHOOL	FORT HALL	ID
96068	COEUR D'ALENE TRIBAL SCHOOL	DESMET	ID
96805	ANETH COMMUNITY SCHOOL	MONTEZUMA	UT
97508	CASA BLANCA DAY SCHOOL	BAPCHULE	AZ
97574	BLACKWATER COMMUNITY SCHOOL	COOLIDGE	AZ
97669	SALT RIVER DAY SCHOOL	SCOTTSDALE	AZ
97902	GILA CROSSING COMMUNITY SCHOOL	LAVEEN	AZ
98112	NACO ELEMENTARY SCHOOL	NACO	AZ
98161	SAN SIMON SCHOOL	SELLS	AZ
98162	SANTA ROSA BOARDING SCHOOL	SELLS	AZ
98163	TOHONO O'ODHAM HIGH SCHOOL	SELLS	AZ
98433	SANTA ROSA RANCH SCHOOL	TUCSON	AZ
98515	CIBECUE COMMUNITY SCHOOL	CIBECUE	AZ
98523	THEODORE ROOSEVELT SCHOOL	FORT APACHE	AZ
98554	JOHN F KENNEDY SCHOOL	WHITERIVER	AZ
98616	HOTEVILLA-BACAVI COMM SCHOOL	HOTEVILLA	AZ
98620	KAYENTA COMMUNITY SCHOOL	KAYENTA	AZ
98625	CHILCHINBETO DAY SCHOOL	KAYENTA	AZ
98626	HOPI JR/SR HIGH SCHOOL	KEAMS CANYON	AZ
98629	KEAMS CANYON BOARDING SCHOOL	KEAMS CANYON	AZ
98632	HOPI DAY SCHOOL	KYKOTSMOVI	AZ
98633	ROCKY RIDGE BOARDING SCHOOL	KYKOTSMOVI	AZ
98639	POLACCA DAY SCHOOL	POLACCA	AZ
98640	SECOND MESA DAY SCHOOL	SECOND MESA	AZ
98641	TONALEA DAY SCHOOL	TONALEA	AZ
98642	NAVAJO MOUNTAIN HIGH SCHOOL	TONALEA	AZ
98650	MOENCOPI DAY SCHOOL	TUBA CITY	AZ

**Exhibit E
(cont'd)**

<u>BEN</u>	<u>Applicant</u>	<u>City</u>	<u>Stat</u>
98651	TUBA CITY BOARDING SCHOOL	TUBA CITY	AZ
98656	DILCON BOARDING SCHOOL	WINSLOW	AZ
98667	LITTLE SINGER COMMUNITY SCHOOL	WINSLOW	AZ
98671	SEBA DALKAI BOARDING SCHOOL	WINSLOW	AZ
98672	KAIBETO BOARDING SCHOOL	KAIBITO	AZ
98674	SHONTO BOARDING SCHOOL	SHONTO	AZ
98793	HAVASUPAI SCHOOL	SUPAI	AZ
98811	WIDE RUINS BOARDING SCHOOL	CHAMBERS	AZ
98812	COTTONWOOD DAY SCHOOL	CHINLE	AZ
98813	LOW MOUNTAIN BOARDING SCHOOL	CHINLE	AZ
98814	BLACK MESA COMMUNITY SCHOOL	PINON	AZ
98815	ROUGH ROCK COMMUNITY SCHOOL	CHINLE	AZ
98831	GREASEWOOD BOARDING SCHOOL	GANADO	AZ
98832	KINLICHEE BOARDING SCHOOL	GANADO	AZ
98833	NAZLINI BOARDING SCHOOL	GANADO	AZ
98839	PINE SPRINGS SCHOOL	HOUCK	AZ
98840	LUKACHUKAI COMMUNITY SCHOOL	LUKACHUKAI	AZ
98841	PINON DORMITORY	PINON	AZ
98846	HUNTERS POINT BOARDING SCHOOL	SAINT	AZ
98858	THIS NAZBAS COMMUNITY SCHOOL	TEEC NOS POS	AZ
98864	DENNEHOTSO BOARDING SCHOOL	DENNEHOTSO	AZ
98865	CHINLE BOARDING SCHOOL	MANY FARMS	AZ
98866	MANY FARMS HIGH SCHOOL	MANY FARMS	AZ
98867	RED ROCK DAY SCHOOL	RED VALLEY	AZ
98869	ROCK POINT COMMUNITY SCHOOL	ROCK POINT	AZ
98872	SAN FELIPE PUEBLO ELEM SCHOOL	SAN FELIPE PB	NM
98890	OJO ENCINO DAY SCHOOL	CUBA	NM
98895	PUEBLO PINTADO COMMUNITY SCHOOL	CUBA	NM
98898	NA NEELZHIIN JI OLTA (TORREON)	CUBA	NM
98917	ISLETA ELEMENTARY SCHOOL	ISLETA	NM
98919	JEMEZ DAY SCHOOL	JEMEZ PUEBLO	NM
98923	TO'HAJIILEE-HE COMMUNITY SCH	LAGUNA	NM
98925	LAGUNA ELEMENTARY SCHOOL	LAGUNA	NM
98926	LAGUNA MIDDLE SCHOOL	LAGUNA	NM
98941	SKY CITY COMMUNITY SCHOOL	PUEBLO OF	NM
98953	BACA COMMUNITY SCHOOL	PREWITT	NM
98959	T'SIYA ELEMENTARY-MIDDLE SCHOOL	ZIA PUEBLO	NM
99164	BREAD SPRINGS DAY SCHOOL	GALLUP	NM
99166	CROWNPOINT COMMUNITY SCHOOL	CROWNPOINT	NM
99168	MARIANO LAKE COMMUNITY SCHOOL	CROWNPOINT	NM
99169	BORREGO PASS SCHOOL	CROWNPOINT	NM

**Exhibit E
(cont'd)**

<u>BEN</u>	<u>Applicant</u>	<u>City</u>	<u>Stat</u>
99172	LAKE VALLEY NAVAJO SCHOOL	CROWNPOINT	NM
99173	TSE II AHI COMMUNITY SCHOOL	CROWNPOINT	NM
99174	WINGATE ELEMENTARY SCHOOL	FORT WINGATE	NM
99175	WINGATE HIGH SCHOOL	FORT WINGATE	NM
99176	PINE HILL SCHOOL	PINE HILL	NM
99184	DLO'AY AZHI COMMUNITY SCHOOL	THOREAU	NM
99188	CHOOSHGAI COMMUNITY SCHOOL	TOHATCHI	NM
99190	CHI-CHIL-TAH	VANDERWAGEN	NM
99199	CRYSTAL BOARDING SCHOOL	NAVAJO	NM
99209	NAVAJO PREPARATORY SCHOOL	FARMINGTON	NM
99238	DZILTH-NA-O-DITH-HLE SCHOOL	BLOOMFIELD	NM
99239	HUERFANO DORMITORY	BLOOMFIELD	NM
99246	NENAHNEZAD BOARDING SCHOOL	FRUITLAND	NM
99255	BECLABITO DAY SCHOOL	SHIPROCK	NM
99258	SHIPROCK ALTERNATIVE HIGH SCH	SHIPROCK	NM
99261	COVE DAY SCHOOL	SHIPROCK	NM
99262	SHIPROCK HIGH SCHOOL	SHIPROCK	NM
99265	TOADLENA BOARDING SCHOOL	NEWCOMB	NM
99267	SANOSTEE DAY SCHOOL	SANOSTEE	NM
99293	TE TSU GEH OWEENGE DAY SCHOOL	SANTA FE	NM
99294	SAN ILDEFONSO DAY SCHOOL	SANTA FE	NM
99297	SANTA FE INDIAN SCHOOL	SANTA FE	NM
99335	SANTA CLARA DAY SCHOOL	ESPANOLA	NM
99380	SAN JUAN DAY SCHOOL	SAN JUAN PBLO	NM
99384	TAOS DAY SCHOOL	TAOS	NM
99448	ALAMO NAVAJO SCHOOL	MAGDALENA	NM
99732	MESCALERO APACHE SCHOOL	MESCALERO	NM
100072	DUCKWATER SHOSHONE ELEM SCHOOL	DUCKWATER	NV
100124	PYRAMID LAKE HIGH SCHOOL	NIXON	NV
105107	SHERMAN INDIAN HIGH SCHOOL	RIVERSIDE	CA
113722	CHEMAWA INDIAN SCHOOL	SALEM	OR
115031	MUCKLESHOOT TRIBAL SCHOOL	AUBURN	WA
115414	LUMMI HIGH SCHOOL	BELLINGHAM	WA
115415	LUMMI TRIBAL SCHOOL	BELLINGHAM	WA
115711	QUILEUTE TRIBAL SCHOOL	LA PUSH	WA
115777	CHIEF LESCHI SCHOOL SYSTEM	PUYALLUP	WA
116077	WA-HE-LUT INDIAN SCHOOL	OLYMPIA	WA
116504	PASCHAL SHERMAN INDIAN SCHOOL	OMAK	WA
116639	YAKAMA TRIBAL SCHOOL	TOPPENISH	WA
155284	TIOSPAYE TOPA SCHOOL	LAPLANT	SD
207557	TRENTON SCHOOL	TRENTON	ND

Exhibit E
(cont'd)

<u>BEN</u>	<u>Applicant</u>	<u>City</u>	<u>Stat</u>
209824	PIERRE INDIAN LEARNING CENTER	PIERRE	SD
209828	CROW CREEK SIOUX TRIBAL ELEMENTARY SCHOOL	FORT	SD

Exhibit F

FCC Form 474 Invoices to be Paid to NextiraOne LLC (SPIN #143004436)

Billed Entity Number	Funding Year	Form 471	FRN	SLD Invoices	Amount
142913	2001	245714	609533	597202	\$110,381.03
142913	2001	245714	610089	597202	\$110,224.09
142913	2001	245714	610297	597,202	\$110,899.87
TOTAL					<u>\$331,504.99</u>

Exhibit G

Remaining NextiraOne E-Rate Funding Requests

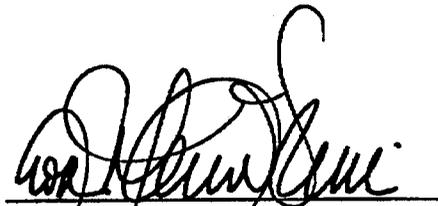
BE	Billed Entity Name	Fundin Year	Form	FRN	SLD Invoice	Amount
142	Roosevelt Elem School Dist	2001	245714	609868	457384	145,702.13
983	Cavett Elementary School	2001	254701	637946	439391	18,268.60
983	Corbett Elementary School	2001	254771	638327	439392	20,355.29
983	Cragin Elementary School	2001	254984	638675	439393	18,268.60
983	Davidson Elementary School	2001	255001	638858	439394	18,268.60
982	Drachman Prim Magnet Elem	2001	257442	645930	439395	20,355.29
984	Hohokam Middle School	2001	255844	637697	439396	54,346.79
983	Howell Elementary School	2001	257968	648639	439397	27,109.64
984	Johnson Primary School	2001	259455	655021	439398	20,355.29
983	Keen Elementary School	2001	259504	654346	439399	18,268.60
984	Lawrence Intermediate	2001	259174	654098	439400	30,040.44
983	Lynn Elementary School	2001	259768	655604	439401	43,584.53
984	Maldonado Elementary	2001	258091	648245	439402	43,584.53
984	Manzo Elementary School	2001	258300	649444	439403	20,355.29
222	Mary Meredith	2001	259721	655585	439404	18,268.60
984	Maxwell Middle School	2001	256028	638772	439405	37,530.41
984	Menlo Park Elementary	2001	259288	654617	439406	43,584.53
984	Miller Elementary School	2001	259655	655035	439407	43,584.53
983	Mission View Elementary	2001	259640	655023	439408	20,355.29
983	Myers-Ganoung Elementary	2001	258468	650991	439409	20,355.29
983	Naylor Middle School	2001	256064	638917	439410	22,441.99
983	Ochoa Elementary School	2001	259171	653217	439411	20,355.29
185	Project More	2001	259780	656179	439412	20,355.29
983	Pueblo Gardens Elem School	2001	259318	653673	439413	20,355.29
982	Richey Elementary School	2001	258452	649919	439414	20,355.29
983	Roberts Elementary School	2001	258683	653547	439416	43,584.29
983	Robinson Elementary School	2001	258862	651853	439417	20,355.29
983	Rose Elementary School	2001	259872	656344	439418	28,407.39
982	Safford Magnet Middle	2001	256151	639497	439420	15,630.79
983	Van Buskirk Elementary	2001	254999	644601	439422	13,544.09
983	Wakefield Middle School	2001	259828	656301	439423	15,630.79
983	Wright Elementary School	2001	254693	638095	439424	13,544.09
TOTAL						\$937,102.15

SECRETARY'S CERTIFICATE

NEXTIRAONE, LLC

I, EVA M. KALAWSKI, being the duly elected and qualified Secretary of NextiraOne, LLC (the "Company"), a Delaware limited liability company, do hereby certify that Robert Buhay is Executive Vice President and Chief Financial Officer of the Company and as such has the authority to enter into any and all agreements on behalf of the Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Company this 17th day of April, 2006.



Eva M. Kalawski
Secretary

[S E A L]