

ORIGINAL L



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NEW APPLICATION

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

RECEIVED
AZ CORP COMMISSION
DOCKET CONTROL
2016 OCT 11 P 3:21

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

T-03793A-16-0366

Arizona Corporation Commission
DOCKETED

Type of Service: _____

Docket No.: _____ Date: _____

Date Docketed: _____ OCT 11 2016

Type of Service: _____

Docket No.: _____ Date: _____

Date Docketed: _____ DOCKETED BY R.A.

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).
[X] Facilities-Based Long Distance Telecommunications Services (Answer Sections A, B, D).
[X] 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)

x(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:

QuantumShift Communications, Inc., d/b/a vCom Solutions

12657 Alcosta Blvd., Suite 418,

San Ramon, CA 94583

http://www.vcomsolutions.com/ CS: 800-804-8266

Fax: 925-244-1940

Email:

(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):

vCom Solutions

(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:

Jenna Brown, Director Regulatory Affairs

12657 Alcosta Blvd., Suite 418

San Ramon, CA 94583

Phone: 415-209-7044

Fax: 925-415-1458

E-Mail: jbrown@vcomsolutions.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:

Anita Taff-Rice

iCommLaw

1547 Palos Verdes, #298

Walnut Creek, CA 94597 Telephone: 415-699-7885 Fax: 925-274-0988 anita@icommlaw.com

(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:

Jenna Brown

12657 Alcosta Blvd., Suite 418

San Ramon, CA 94583

Phone: 415-209-7044

Fax: 925-415-1458

E-Mail: jbrown@vcomsolutions.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: ___ "S", X "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.

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

Your Tariff must include the following information:

1. Proposed Rates and Charges for each service offered (reference by Tariff page number).
2. Tariff Maximum Rate and Prices to be charged (reference by Tariff page number).
3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number).
4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number).
5. The proposed fee that will be charged for returned checks (reference by Tariff page number).

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

<input checked="" type="checkbox"/>
<input type="checkbox"/>

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 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.

No.

(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.
3. Copy of the Court order, if applicable.

No.

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

<input checked="" type="checkbox"/>

Yes

<input type="checkbox"/>

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.

The Company is requesting a waiver as it will not require deposits for its services.

(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.

Applicant will publish a legal notice as directed by the Commission at the appropriate time.

(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.

(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.

vCom is currently certified and provides resale-based telecommunications services in Arizona. See Exhibit G.

(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.

QuantumShift currently provides telecommunications services in more than 6 states. See Exhibit G.

(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.

None

(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.

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.

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

No.

(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.

See Exhibit E.

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.

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.

E. FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(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

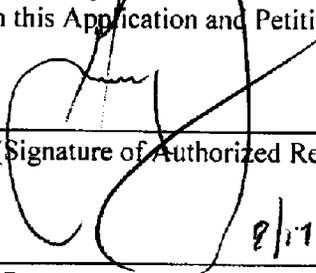
(E-2) Indicate whether the Applicant will provide all customers with 911 and E911 service, where available, and will coordinate with incumbent local exchange carriers ("ILECs") and emergency service providers to provide this service:

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.



(Signature of Authorized Representative)

8/17/16

(Date)

Gary Storm

(Print Name of Authorized Representative)

President/CEO

(Title)

See attached
SUBSCRIBED AND SWORN to before me this _____ day of August, 2016

NOTARY PUBLIC

My Commission Expires _____

**APPLICATION FOR CERTIFICATE OF
PUBLIC CONVENIENCE AND NECESSITY**

EXHIBIT	DESCRIPTION
A	COPY OF APPLICANT'S CERTIFICATE OF GOOD STANDING IN ARIZONA LIST OF NAMES OF ALL OWNERS AND PARTNERS
B	TARIFFS
C	AFFIDAVITS OF PUBLICATION
D	FINANCIAL STATEMENTS
E	PROJECTED TOTAL REVENUE AND OPERATING EXPENSES RESPONSE TO QUESTION B-4
F	ADDITIONAL INFORMATION
G	STATES APPLICANT IS PROVIDING SERVICE

EXHIBIT A

COPY OF APPLICANT'S CERTIFICATE OF GOOD STANDING

**LIST OF NAMES OF ALL OWNERS, PARTNERS, LIMITED LIABILITY
COMPANY MANAGERS**

ARTICLES OF INCORPORATION

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Jodi A. Jerich, Executive Director of the Arizona Corporation Commission, do hereby certify that

*****QUANTUMSHIFT COMMUNICATIONS, INC.*****

a foreign corporation organized under the laws of California did obtain authority to transact business in the State of Arizona on the 4th day of June 1999.

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 28th day of June, 2016, A. D.



Jodi A. Jerich

Jodi A. Jerich, Executive Director

By: _____ 1459907

Current List of Owners, Officers & Directors:

Joseph Condy	Director
Sameer Hilal	Director
Gary Storm	Director
Mike Storm	Director
Sandy Storm	Director
Timothy B. Hobin	
William M. Maier	
David M. Osborne	
George M. Delafield	
John Engs	
Michael M. Raffetto	
Matt Tunney	

QuantumShift Communications, Inc. is a wholly owned by vCom Solutions, Inc.

2074425

ARTICLES OF INCORPORATION
OF
MVX.COM COMMUNICATIONS, INC.

FILED
In the office of the Secretary of State
of the State of California

FEB 17 1999

1206



BILL JONES, Secretary of State

I.
NAME

The name of this Corporation is MVX.COM COMMUNICATIONS, INC.

II.
PURPOSE

The purpose of this Corporation is to engage in any lawful act or activity for which a Corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

III.
AGENT FOR SERVICE OF PROCESS

The name and address in the State of California of this Corporation's initial agent for service of process is:

William E. Horwich
Wendel, Rosen, Black & Dean, LLP
1111 Broadway, 24th Floor
Oakland, California 94607

IV.
CAPITAL STOCK

This Corporation is authorized to issue only one class of shares of stock, and the total number of shares which this Corporation is authorized to issue is 1,000,000.

V.
LIABILITY OF DIRECTORS

The liability of the directors of this Corporation for monetary damages shall be eliminated to the fullest extent permissible under California Law.

VI.
INDEMNIFICATION OF AGENTS

This Corporation is authorized to provide indemnification to its agents (as defined in

Section 317 of the California Corporations Code) through Bylaw provisions, agreements with agents, vote of shareholders or disinterested directors or otherwise, in excess of the indemnification otherwise permitted by Section 317 of the California Corporations Code, subject only to the applicable limits set forth in Section 204 of the California Corporations Code with respect to actions for breach of duty to this Corporation and its shareholders. Any repeal or modification of this Article VI shall only be prospective and shall not affect the rights under this Article VI in effect at the time of the alleged occurrence of any act or omission to act giving rise to liability or indemnification.

Date: February 17, 1999



WILLIAM E. HORWICH, Incorporator

40525809

FILED
In the office of the Secretary of State
of the State of California

MAY 07 1999

Bill Jones
Bill Jones, Secretary of State

2079425 JMV
AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (the "Agreement") is entered into as of March 5, 1999 by and between MVX COMMUNICATIONS LLC, a Nevada limited liability company ("MVX LLC"), and MVX.COM COMMUNICATIONS, INC., a California corporation ("MVX.COM COMMUNICATIONS").

RECITALS

- A. MVX LLC is owned by MVX.COM, a California corporation, and its wholly-owned subsidiary, MVX COMMUNICATIONS, INC., a California corporation, which are its sole Members.
- B. MVX.COM COMMUNICATIONS is a newly formed corporation, wholly-owned by MVX.COM, which has been incorporated for the purpose of having MVX LLC merge with and into it (the "Merger").

AGREEMENT

NOW, THEREFORE, as and for an agreement and plan of merger, the parties hereby agree as follows:

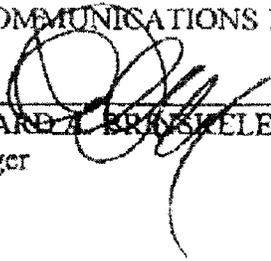
- 1. Effective Date of Merger.** The Merger shall become effective when this Agreement and the Officer's Certificate or Certificate of Merger of each of the constituent entities are filed with the Secretary of State of the State of California, as required by Section 1113 and Section 17551 of the California Corporations Code. The date on which the Merger shall become effective is referred to herein as the "Effective Date."
- 2. Effect of Merger.** On the Effective Date, MVX LLC shall be merged with and into MVX.COM COMMUNICATIONS pursuant to the terms and conditions of this Agreement and in accordance with the applicable provisions of California law. On and after the Effective Date, MVX.COM COMMUNICATIONS shall continue in existence as the surviving entity (the post-merger MVX.COM COMMUNICATIONS being sometimes referred to hereinafter as the "Surviving Corporation"). The corporate identity, existence, purposes, powers, rights and immunities of MVX.COM COMMUNICATIONS as the Surviving Corporation shall continue unaffected and unimpaired by the Merger. The separate existence and organization of MVX LLC as a limited liability company shall cease on the Effective Date, and MVX.COM COMMUNICATIONS shall succeed to and possess all the properties, rights, privileges, powers, franchises, immunities and purposes, and be subject to all the debts, liabilities, obligations, restrictions, disabilities, penalties and duties, of MVX LLC, all without further act or deed.
- 3. Articles of Incorporation and Bylaws.** The Articles of Incorporation and Bylaws of the Surviving Corporation are not amended by this Agreement or the Merger.
- 4. Directors and Officers.** From and after the Effective Date, the persons who are serving as Directors and as officers of MVX.COM COMMUNICATIONS immediately prior to

the Effective Date shall be the Directors and officers of the Surviving Corporation.

5. **Cancellation of Member Interests.** Upon the Effective Date, the Member Interests of the Members of MVX LLC shall automatically be cancelled, by virtue of the Merger and without other action, and without consideration.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date and year first set forth above.

MVX COMMUNICATIONS LLC

By 
EDWARD A. BRINSKELE,
Manager

MVX.COM COMMUNICATIONS, INC.

By 
EDWARD BRINSKELE, President

By 
JEFFREY G. RICHARDS, Secretary

MVX.COM COMMUNICATIONS, INC.

**CERTIFICATE OF APPROVAL
OF
AGREEMENT OF MERGER**

EDWARD A. BRINSKELE and JEFFREY G. RICHARDS certify that:

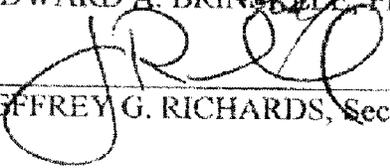
1. They are the President and Secretary, respectively, of MVX.COM COMMUNICATIONS, INC., a California corporation (the "Corporation").
2. The Agreement and Plan of Merger executed on March 5, 1999 in the form attached to this Certificate as **Exhibit A** was duly approved by the Board of Directors and shareholders of the Corporation.
3. The shareholder approval was by the holder of 100% of the outstanding shares of the Corporation.
4. There is one class of shares, and the number of shares outstanding is 100,000.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this Agreement are true and correct of our own knowledge.

Date: March 5, 1999.



EDWARD A. BRINSKELE, President



JEFFREY G. RICHARDS, Secretary



State of California
Secretary of State
Bill Jones

LIMITED LIABILITY COMPANY – CERTIFICATE OF MERGER

WHEN COMPLETING FORM, PLEASE TYPE OR PRINT IN BLACK INK.

THIS SPACE FOR FILING USE ONLY

IMPORTANT - Read The Instructions On The Back Of This Form Before Completing.

1. Name of surviving entity: MVX.COM Communications, Inc.	2. Type of entity Corporation	3. File number: 2074425	4. Jurisdiction of organization: California
5. Name of disappearing entity: MVX Communications, LLC	6. Type of entity: LLC	7. File number: 101998035016	8. Jurisdiction of organization: Nevada

9. If a vote was required pursuant to Section 17551 or Section 1200 et seq., enter each class entitled to vote and the percentage of vote required:

Surviving Entity		Disappearing Entity	
Each class entitled to vote	Percentage of vote required	Each class entitled to vote	Percentage of vote required
Common Stock	Over 50%	Members	Over 50%

10. The principal terms of the agreement of merger were approved by a vote of the number of interests or shares of each class that equaled or exceeded the vote required: Yes No

IF THE SURVIVING ENTITY IS A DOMESTIC LIMITED LIABILITY COMPANY, COMPLETE ITEM 11 AND PROCEED TO ITEM 14.

11. Requisite changes to the information set forth in the articles of organization of the surviving limited liability company resulting from the merger. Attach additional pages if necessary:
 N/A

IF THE SURVIVING ENTITY IS A FOREIGN LIMITED LIABILITY COMPANY OR OTHER BUSINESS ENTITY, SKIP ITEM 11 AND COMPLETE ITEMS 12 THROUGH 15.

12. Principal business address of the surviving foreign limited liability company or other business entity:
 Address: 100 Rowland Way, Suite 145
 City: Novato State: CA Zip Code: 94945

13. Other information required to be stated in the certificate of merger pursuant to the laws under which each constituent other business entity was organized. Attach additional pages if necessary.
 See attached Articles of Merger for the State of Nevada

14. Future effective date, if any: Upon filing
 15. Number of pages attached, if any: 5

16. I certify that the statements contained in this document are true and correct of my own knowledge. I declare that I am the person who is executing this instrument, which execution is my act and deed. Attach additional signature pages, if necessary.

Signature of authorized person for the surviving entity 	Edward A. Brinskele, President Type or print name and title of person signing
Signature of authorized person for the surviving entity 	Jeffrey G. Richards, Secretary Type or print name and title of person signing
Signature of authorized person for the disappearing entity 	Edward A. Brinskele, Manager Type or print name and title of person signing
Signature of authorized person for the disappearing entity	Type or print name and title of person signing

MVX COMMUNICATIONS LLC

ARTICLES OF MERGER

The undersigned, the duly elected and acting President and Secretary, respectively, of each of MVX.COM and of MVX COMMUNICATIONS, INC., each of which corporations is a California corporation and which are the two and only Members of MVX COMMUNICATIONS LLC, hereby certify:

1. MVX COMMUNICATIONS LLC, a Nevada limited liability company, and MVX.COM COMMUNICATIONS, INC., a California corporation, have agreed to merge.
2. A plan of merger entitled "Agreement and Plan of Merger," duly executed and dated as of March 5, 1999, has been adopted by each constituent merging entity named above in Section 1 (the "Plan of Merger").
3. A true and correct copy of the entire Plan of Merger is set forth as **Exhibit A** to these Articles.
4. The two and only Members of MVX COMMUNICATIONS, LLC unanimously approved the Plan of Merger.
5. As stated in the Plan of Merger, the Articles of Incorporation of MVX.COM COMMUNICATIONS, INC., the surviving entity, will not be amended as a result of the merger.

We further declare under penalty of perjury under the laws of the State of Nevada that the matters set forth in these Articles are true and correct of our own knowledge.

Date: March 5, 1999

MVX.COM, Member of MVX
COMMUNICATIONS LLC

By 
EDWARD A. BRINSKELE,
President

By 
JEFFREY G. RICHARDS, Secretary

MVX.COM COMMUNICATIONS, INC.,
Member of MVX COMMUNICATIONS LLC

By 
EDWARD A. BRINSKELE,
President

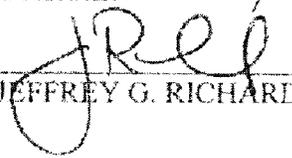
By 
JEFFREY G. RICHARDS, Secretary

EXHIBIT A
AGREEMENT AND PLAN OF MERGER

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RECITALS

A. MVX LLC is owned by MVX.COM, a California corporation, and its wholly-owned subsidiary, MVX COMMUNICATIONS, INC., a California corporation, which are its sole Members.

B. MVX.COM COMMUNICATIONS is a newly formed corporation, wholly-owned by MVX.COM, which has been incorporated for the purpose of having MVX LLC merge with and into it (the "Merger").

AGREEMENT

NOW, THEREFORE, as and for an agreement and plan of merger, the parties hereby agree as follows:

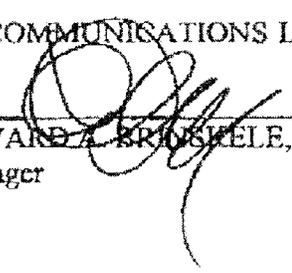
- 1. Effective Date of Merger.** The Merger shall become effective when this Agreement and the Officer's Certificate or Certificate of Merger of each of the constituent entities are filed with the Secretary of State of the State of California, as required by Section 1113 and Section 17551 of the California Corporations Code. The date on which the Merger shall become effective is referred to herein as the "Effective Date."
- 2. Effect of Merger.** On the Effective Date, MVX LLC shall be merged with and into MVX.COM COMMUNICATIONS pursuant to the terms and conditions of this Agreement and in accordance with the applicable provisions of California law. On and after the Effective Date, MVX.COM COMMUNICATIONS shall continue in existence as the surviving entity (the post-merger MVX.COM COMMUNICATIONS being sometimes referred to hereinafter as the "Surviving Corporation"). The corporate identity, existence, purposes, powers, rights and immunities of MVX.COM COMMUNICATIONS as the Surviving Corporation shall continue unaffected and unimpaired by the Merger. The separate existence and organization of MVX LLC as a limited liability company shall cease on the Effective Date, and MVX.COM COMMUNICATIONS shall succeed to and possess all the properties, rights, privileges, powers, franchises, immunities and purposes, and be subject to all the debts, liabilities, obligations, restrictions, disabilities, penalties and duties, of MVX LLC, all without further act or deed.
- 3. Articles of Incorporation and Bylaws.** The Articles of Incorporation and Bylaws of the Surviving Corporation are not amended by this Agreement or the Merger.
- 4. Directors and Officers.** From and after the Effective Date, the persons who are serving as Directors and as officers of MVX.COM COMMUNICATIONS immediately prior to

the Effective Date shall be the Directors and officers of the Surviving Corporation.

5. **Cancellation of Member Interests.** Upon the Effective Date, the Member Interests of the Members of MVX LLC shall automatically be cancelled, by virtue of the Merger and without other action, and without consideration.

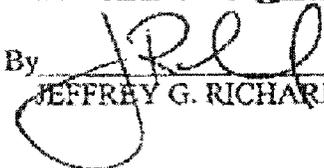
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date and year first set forth above.

MVX COMMUNICATIONS LLC

By 
EDWARD A. BRINSKELE,
Manager

MVX.COM COMMUNICATIONS, INC.

By 
EDWARD BRINSKELE, President

By 
JEFFREY G. RICHARDS, Secretary

2074425

A0537750

FILED
in the office of the Secretary of State
of the State of California
JAN 13 2008

Bill Jones
BILL JONES, Secretary of State

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
MVX.COM COMMUNICATIONS, INC.

EDWARD A. BRINSKELE and JEFFREY G. RICHARDS certify that:

1. They are the President and Secretary, respectively, of MVX.COM COMMUNICATIONS, INC., a California corporation.
2. The Articles of Incorporation are hereby amended and restated in their entirety to read as follows:

I.
NAME

The name of this Corporation is MVX.COM COMMUNICATIONS, INC.

II.
PURPOSE

The purpose of this Corporation is to engage in any lawful act or activity for which a Corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

III.
CAPITAL STOCK

This Corporation is authorized to issue only one class of shares of stock, and the total number of shares which this Corporation is authorized to issue is 100,000.

IV.
LIABILITY OF DIRECTORS

The liability of the directors of this Corporation for monetary damages shall be eliminated to the fullest extent permissible under California Law.

V.
INDEMNIFICATION OF AGENTS

This Corporation is authorized to provide indemnification to its agents (as defined in Section 317 of the California Corporations Code) through Bylaw provisions, agreements with agents, vote of shareholders or disinterested directors or otherwise, in excess of the indemnification otherwise permitted by Section 317 of the California Corporations Code, subject

only to the applicable limits set forth in Section 204 of the California Corporations Code with respect to actions for breach of duty to this Corporation and its shareholders. Any repeal or modification of this Article V shall only be prospective and shall not affect the rights under this Article V in effect at the time of the alleged occurrence of any act or omission to act giving rise to liability or indemnification.

3. The forgoing amendment and restatement of the Articles of Incorporation has been duly approved by the Board of Directors.

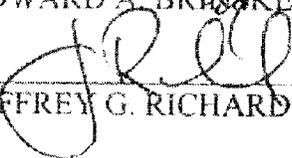
4. The forgoing amendment and restatement of the Articles of Incorporation has been duly approved by the required vote of shareholders in accordance with Section 902 of the Corporations Code. The total number of outstanding shares of the corporation entitled to vote on the amendment is 100,000 shares of Common Stock. The number of shares voting in favor of the amendment equaled or exceeded the vote required. The percentage vote required was more than 50% of all shares.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Date: June 9, 1999.



EDWARD A. BRUSKELE, President



JEFFREY G. RICHARDS, Secretary

A0551859

2074425

**CERTIFICATE OF AMENDMENT
TO THE
AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
MVX.COM COMMUNICATIONS, INC.
a CALIFORNIA corporation**

FILED
In the office of the Secretary of State
of the State of California

SEP 6 2000

Bill Jones
BILL JONES, Secretary of State

The undersigned, W. Scott Schaefer and Kenneth Holmes, hereby certify that:

ONE: They are the President and Secretary, respectively, of MVX.COM Communications, Inc., a California corporation.

TWO: Article I of the Articles of Incorporation of this corporation is hereby amended and stated in its entirety to read as follows:

"I.
NAME

The name of this Corporation is QuantumShift Communications, Inc."

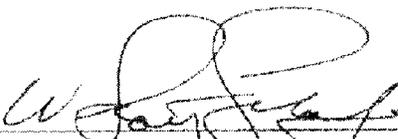
THREE: This Certificate of Amendment has been duly approved by the Board of Directors.

FOUR: This Certificate of Amendment has been duly approved by the required vote of the shareholders in accordance with Section 902 and 903 of the California Corporations Code. The total number of outstanding shares of Common Stock of the Corporation is 100,000 shares. The number of shares voting in favor of the amendment equaled or exceeded the vote required. The percentage vote required was more than fifty percent (50%) of the outstanding shares of Common Stock.

[Remainder of Page Intentionally Left Blank.]

The undersigned declare under penalty of perjury that the matters set forth in the foregoing certificate are true and correct of their own knowledge.

Executed this 5th day of September 2000.



W. Scott Schaefer, President



Kenneth Holmes, Secretary

EXHIBIT B

TARIFF AND REFERENCES

ARIZONA CC TARIFF NO. 1

QuantumShift Communication has a tariff on file with the Arizona Corporation Commission. The tariff may be found online on the Commission's website at:

<http://www.azcc.gov/Divisions/Utilities/Tariff/Telecom/QuantumShift%20Communications%20Tariff%20No.%201.pdf>

- Proposed Rates and Charges for each service offered Sheets
- Tariff Maximum Rate and Prices to be charged Sheets
- Terms and Conditions Applicable to provision of Service Sheets
- Deposits, Advances, and/or Prepayments Applicable to provision of Service Sheet
- The proposed fee that will be charged for returned checks Sheet

EXHIBIT C

AFFIDAVITS 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. Applicant will publish a legal notice as directed by the Commission at the appropriate time.

Exhibit D

Confidential

(will be provided upon execution of Protective Agreement)

Exhibit E

Confidential

(will be provided upon execution of Protective Agreement)

EXHIBIT F

ADDITIONAL INFORMATION

In support of its application, Applicant provides biographies of its officers, directors, and key personnel.

Gary Storm – founder and CEO

Gary Storm is the President, CEO and Founder of vCom Solutions, Inc. vCom Solutions is a Telecom Expense Management Firm that helps multi-site companies reduce and manage their communications costs. In 2005, vCom Solutions was ranked as the #1 Fastest Growing Private Company in the San Francisco Bay Area. In 2006, vCom was ranked as the #51 Fastest Growing Company in the United States (Entrepreneur Magazine).

Mr. Storm has worked in the telecommunications industry for more than 16 years. Prior to founding vCom Solutions in 2001, Gary was the former President & CEO of Networkd Communications. Gary was instrumental in shaping Networkd into one of the leading next generation voice and data equipment providers in the country. Under his leadership Networkd made the Inc. 500 list as the 62nd fastest growing private company in America. He successfully led Networkd's second round of funding that enabled Networkd to introduce its Hosted IP Telephony service, which was later spun off into a separate company, CallTower. Prior to Networkd Communications, Gary held sales positions with Nortel Networks and Williams Communications.

Mr. Storm is on the Board of Directors for Junior Achievement of Northern California and also The First Tee of the Tri Valley. He is also on the Board for COMPTTEL. Mr. Storm received a Bachelor of Arts degree from UC Berkeley.

Sameer Hilal – co-founder and Chief Operating Officer

Sameer Hilal is the Chief Operating Officer and co-founder of vCom Solutions. Mr. Hilal has worked in telecommunications and Information Technology for more than 14 years.

Prior to vCom, Mr. Hilal was the Vice President of Operations of Networkd Communications, a leading systems integrator of enhanced voice and network services. Mr. Hilal's management and technical expertise helped Networkd become an international telecommunication & networking player, deploying some of the first national and international VOIP project rollouts. In 2000, he was instrumental in Networkd becoming the 62nd fastest growing private company in the US (Inc. 500), in addition to enabling Networkd to introduce its Hosted VOIP service, which was later spun off into a separate company, CallTower. Prior to joining Networkd, Mr. Hilal was the Director of Technology at Bay Imaging Consultants, the largest private radiology medical group in Northern California.

Mr. Hilal earned his Bachelors degree in Physics and Biology with honors from Boston University.

Joseph Condy – co-founder and Executive Vice President of Sales

Joe Condy is the co-founder and Executive Vice President of Sales for vCom Solutions.

For over 15 years, Mr. Condy has been at the forefront in the telecommunication industry, responsible for engineering a sales model that leads his team to sustaining long-term customer relationships. Mr. Condy's balance of intuition, sound business strategies and loyalty are a winning combination in maintaining vCom Solutions' customer base. Mr. Condy also oversees vCom's agent and referral programs.

As former Vice President of Sales at Networkd Communications, Mr. Condy was instrumental in shepherding Networkd's market and sales growth to becoming a leading next generation voice and data solution provider. He successfully developed and executed Networkd's selling model in San Francisco, Phoenix and Seattle's regional markets. Mr. Condy played a pivotal role in Networkd becoming the 62nd Fastest Growing Private Company in the US (Inc. Magazine 2000) and 36th Fastest Growing Private Company in The Bay Area (SF Business Times 2000). Prior to Networkd Communications, Mr. Condy held positions with Nortel Networks and Williams Communications.

Mr. Condy earned a Bachelor of Arts degree from Lewis and Clark College.

Adam Shawley

Adam Shawley is Chief Information Officer for vCom Solutions. A leader and innovator in telecommunications for over 20 years, he brings a unique blend of skills in both telecommunications and technology. He has a proven track record in driving efficiency in organization through technology, and provides the company with customer-centric applications that enable the employees to build relationships with their clients. Adam's creativity, strategic thinking, and insights into user experience have driven the development of vManager, vCom's award-winning telecom management solution.

Prior to joining vCom Solutions in 2004, Adam helped build one of the pioneers in the Telecom Expense Management (TEM) segment, QuantumShift, which was acquired by vCom in 2004. Adam served in various capacities, including Director of Customer Service and Director of IT Operations.

Adam earned his Bachelor of Arts degree from the University of California at Davis.

Karen Weller

Karen is the Vice President of Corporate Development for vCom Solutions, with a focus on developing and executing business growth initiatives. She manages vendor and carrier contracts and the ongoing relationships, in addition to developing programs for maintaining business process efficiencies while scaling the business.

Prior to joining vCom Solutions, Karen was VP Operations for Flow Solutions Inc., a large, national distribution company. Karen was responsible for building an organization and infrastructure to support accelerated growth. The company grew organically and through acquisitions. She was responsible for integration which incorporated process efficiency that she developed utilizing technology. The company grew 50% in 3 years without additional headcount.

Ms. Weller received her Bachelor of Science degree in Business Management.

Ivy Lee

Ivy Lee is the Vice President of Finance, and is responsible for managing the day to day operations of the Finance Department, which includes accounting, revenue assurance, and banking/finance activities.

Prior to joining vCom Solutions in 2004, Ms. Lee was an Associate and Business Manager for several locations at IA Interior Architects, Inc. for 10 years. She was instrumental in shaping the finance and operational culture in the growth and change stages of IA Interior Architects, where she helped establish policies and procedures for billing and finance, as well as serve as a mentor and trainer for new business managers and billing personnel nationwide. Although now focused solely on the finance aspects of the job, her prior knowledge and experience in the operations and human resources give her the sensitivity that is necessary in balancing sound financial approach with the company's commitment to its employees and customer service excellence.

Ms. Lee is the recipient of the Management Award in September 2005 and the Worksmart Award in 2007.

Ms. Lee is an active volunteer guide for [Environmental Travelling Companions](#).

Ms. Lee received a Bachelor of Science degree in Business Management from the University of Phoenix.

Jenifer Frey

Jenifer Frey is the Vice President of Customer Experience for vCom Solutions. Ms. Frey's core focus is fostering and growing strategic relationships with vCom's clients. Ms. Frey works closely with the Client Relationship Management and Senior Engagement Management teams to ensure customer retention and satisfaction.

Ms. Frey's Sales, Marketing and Client Relations experience commenced at VIASINC, a foremost company in the travel software industry. Ms. Frey further refined her Client Relationship skills at Network World Communications, a leading systems integrator of enhanced voice and network services. Her experience allowed her to contribute significantly to the development of the vCom Client Relationship Management Team and the support of vCom's clients.

Ms. Frey was a recipient of the vCom Commitment to Service Award in January 2005.

Ms. Frey earned her Bachelor of Arts degree in Journalism: Communication Studies from the University of Oregon.

Heather Faison

Heather Faison is the Vice President of Carrier Operations for vCom Solutions. Ms. Faison is responsible for the leadership and oversight of the Service Delivery and Technical Support teams within vCom Solutions.

Ms. Faison brings over 10 years of telecommunications experience to vCom. Ms. Faison's provisioning and technical support experience commenced in the cellular and DSL industries with companies such as Cellular One and Northpoint Communications. Prior to joining vCom, Ms. Faison held several operational roles at AT&T including Lead Design Engineer, Network Provisioner and HDSL Provisioning Trainer.

Ms. Faison was the recipient of the vCom Commitment to Service Award in January 2005.

Ms. Faison is a member of the CHARGE Syndrome Foundation and active in the CARE Parent Network, a resource center serving families of children with disabilities.

Ms. Faison received a Bachelor of Arts degree from San Francisco State University.

Bob Barnes

Bob Barnes is the Vice President of Sales Operations for vCom Solutions. Mr. Barnes oversees vCom's Sales Operations Organization, managing the first step of the customer onboarding process and ensuring our telecom engineering and professional services are seamlessly implemented for our customers.

Mr. Barnes has over 15 years driving growth and running operations for communications oriented software and technology related businesses. He has successfully built and grown all facets of enterprise, web-oriented, and consumer-based go to market strategies. Prior to vCom, he was a senior leader for ConnectSolutions, NextUC, and CallTower, co-founding the latter two.

Jenna Brown

Jenna is the Director of Regulatory Affairs for vCom Solutions. Jenna's core focus centers on management of vCom's relations with various governmental and regulatory authorities, including the Federal Communications Commission, State Public Utility Commissions, Secretaries of State, and Departments of Revenue & Taxation in the company's operating region. Her duties include oversight of vCom's regulatory and legal affairs, as well as tax compliance matters.

Ms. Brown brings 16 years of telecommunications experience to vCom. Prior to joining the vCom team, Jenna worked in the operations and engineering group at Arrival Communications, a facilities-based competitive exchange carrier, and held various operations and sales positions during a seven-year tenure with AT&T.

Ms. Brown received a Bachelor of Arts degree from National University in La Jolla, CA.

Carina Hayek

As Vice President of Marketing, Carina is responsible for the direction of vCom's strategic marketing program. She develops, manages and executes vCom's marketing and corporate communications, public relations, online engagement and strategic partnership and sponsorship initiatives.

Prior to joining vCom, Ms. Hayek was Director of Marketing at Quickcomm Inc., a global provider of telecom management solutions. In this role, her marketing initiatives helped increase Quickcomm's sales revenue by 53 percent following its acquisition by Vodafone, the multinational telecommunications giant.

Before that, she built marketing programs for OneWire Inc., an online career management tool for the financial services industry. Here, Ms. Hayek's strategic acquisition programs recruited 40,000 job seekers and 300 colleges and universities into the OneWire system in just nine months. Previously, she served as Director of Marketing for Control Point Solutions, a telecommunications expense management firm.

Ms. Hayek received her BA in English Literature from Cornell University and her MBA from the S.C. Johnson Graduate School of Management at Cornell University.

EXHIBIT G

Answers to A-18 and A-19

Since 2001, vCom has been certified and providing resale and facilities-based telecommunications services since in all 50 states and the District of Columbia.

In the last 2 years, vCom has filed applications in states where it was certified only for reseller authority to expand to facilities-based CLEC services. All of the applications filed have been approved, including in AL, AK, CT, DC, GA, MD, ME, MN, NH, NJ, ND, RI, TN, and WI.

vCom is currently preparing an application for certification in Hawaii. In 2006, vCom's certificate in Hawaii was revoked due to non-payment of annual fees. This occurred due to a miscommunication with a compliance contractor over payment of those fees.



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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

DOCKETED

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WILLIAM A. MUNDELL
CHAIRMAN
JIM IRVIN
COMMISSIONER
MARC SPITZER
COMMISSIONER

DEC 19 2002

DOCKETED BY *pd*

IN THE MATTER OF THE APPLICATION OF
MVX COMMUNICATIONS, LLC FOR
AUTHORITY TO TRANSFER ITS CERTIFICATE
OF CONVENIENCE AND NECESSITY TO
QUANTUMSHIFT COMMUNICATIONS, INC.,
F/K/A MVX.COM COMMUNICATIONS, INC.

DOCKET NO. T-03793A-99-0608
DOCKET NO. T-03549A-99-0608
DECISION NO. 65468

OPINION AND ORDER

DATE OF HEARING: August 28, 2002
PLACE OF HEARING: Phoenix, Arizona
ADMINISTRATIVE LAW JUDGE: Teena Wolfe
APPEARANCES: Michael W. Patten, ROSHKA, HEYMAN & DeWULF, PLC,
on behalf of applicant QuantumShift Communications, Inc.; and
David Ronald, Staff Attorney, Legal Division, on behalf of the
Commission's Utilities Division Staff.

BY THE COMMISSION:

On October 26, 1999, MVX Communications, LLC ("MVX") and MVX.COM
Communications, Inc. (jointly, "Applicants") filed an application with the Arizona Corporation
Commission ("Commission") requesting approval of the transfer of assets from MVX to MVX.COM
Communications, Inc., and the transfer of MVX's Certificate of Convenience and Necessity
("CC&N") to MVX.COM Communications, Inc. ("Application").

Effective May 4, 2001, MVX.COM Communications, Inc. changed its name to QuantumShift
Communications, Inc. ("QuantumShift").

On December 24, 2001, the Commission's Utilities Division Staff ("Staff") filed a Staff
Report on the Application recommending that the Commission approve, after a hearing, the transfer
of MVX's assets and CC&N to QuantumShift.

A hearing was held on the Application on August 28, 2002. Applicants and Staff appeared
through counsel and presented evidence. No members of the public appeared to provide comment at

1 the hearing. At the close of the hearing, the matter was taken under advisement.

2 * * * * *

3 Having considered the entire record herein and being fully advised in the premises, the
4 Commission finds, concludes, and orders that:

5 FINDINGS OF FACT

6 1. MVX was granted a CC&N to provide competitive resold intrastate toll
7 telecommunications services in Arizona in Commission Decision No. 61989 (October 8, 1999).

8 MVX is a Nevada limited liability company authorized to do business in Arizona since 1998.

9 2. MVX merged with MVX.COM Communications, Inc. on May 5, 1999.

10 3. On October 26, 1999, MVX and MVX.COM Communications, Inc. filed the
11 Application.

12 4. On June 9, 2000, in Commission Decision No. 62640, the Commission granted
13 MVX.COM Communications, Inc., a California corporation authorized to do business in Arizona
14 since 1999, a CC&N to provide competitive local exchange services, but not toll services, as a
15 reseller.

16 5. Effective May 4, 2001, MVX.COM Communications, Inc. changed its name to
17 QuantumShift.

18 6. In the Application, MVX requests approval to transfer its CC&N to MVX.COM
19 Communications, Inc., now known as QuantumShift, so that QuantumShift will have authority to
20 provide both resold local exchange services and resold intrastate toll services.

21 7. On December 24, 2001, Staff filed a Staff Report on the Application recommending
22 approval after a hearing.

23 8. By Procedural Order of February 12, 2002, the matter was set for hearing, and
24 Applicants were ordered to publish notice of the hearing.

25 9. On March 15, 2002, Staff filed an amendment to its Staff Report to include a fair
26 value recommendation.

27 10. A hearing was convened as scheduled on April 9, 2002. Applicants failed to publish
28 notice of the hearing or to appear at the hearing.

1 11. By Procedural Order of April 10, 2002, the hearing was continued to May 28, 2002
2 and Applicants were again ordered to publish notice of the hearing.

3 12. A hearing was convened as scheduled on May 28, 2002. Applicants again failed to
4 publish notice or to appear at the hearing. Applicants' letter requesting a continuance of the May 28,
5 2002 hearing was docketed on May 29, 2002.

6 13. A Procedural Order was issued in these dockets on June 11, 2002, ordering counsel for
7 Applicants to file a motion for admission *pro hac vice*, or in the alternative, ordering Applicants to
8 obtain local counsel.

9 14. On July 8, 2002, local counsel filed a Notice of Appearance in this matter.

10 15. A Procedural Order was issued on July 19, 2002 setting the matter for hearing and
11 ordering Applicants to publish notice of the hearing.

12 16. On August 6, 2002, Applicants filed an Affidavit of Publication verifying that it
13 caused notice of the hearing to be published in the Arizona Republic on July 26, 2002.

14 17. No intervention requests were received, and no comments on the Application were
15 filed.

16 18. A public hearing was held as scheduled on August 28, 2002. Applicants and Staff
17 appeared through counsel and presented evidence. No members of the public appeared to provide
18 comment at the hearing.

19 19. QuantumShift currently provides resold local exchange and intrastate toll service to
20 approximately 20 business customers in the State of Arizona. MVX's customers were informed of
21 the change in provider and the name change to QuantumShift.

22 20. QuantumShift provided unaudited financial statements for it and its subsidiaries for
23 the year ending December 2001. Those financial statements reflect a net loss for the year of \$44.7
24 million on revenues of \$25.3 million.

25 21. Staff evaluated QuantumShift's financial and technical capabilities to provide resold
26 intrastate toll service. Staff states that the merged company has the combined experience of its
27 predecessors providing telecommunications services, that the Commission has not received any
28 complaints regarding MVX or QuantumShift, and that no harm was caused to Arizona customers by

1 the merger of MVX with QuantumShift. Staff believes that the requested CC&N transfer and
2 retroactive approval of the merger are in the public interest, and recommends approval of the
3 Application.

4 22. QuantumShift does not collect advances or prepayments, and MVX did not collect
5 advances or prepayments.

6 23. In its Staff Report, Staff stated that based on information obtained from QuantumShift,
7 it has determined that QuantumShift's fair value rate base is zero, and is too small to be useful in
8 setting rates. Staff further stated that in general, rates for competitive services are not set according
9 to rate of return regulation, but are heavily influenced by the market. Staff did not recommend that
10 the Commission set rates for QuantumShift based on the fair value of its rate base.

11 24. The Commission provides pricing flexibility by allowing competitive
12 telecommunication service companies to price their services at or below the maximum rates
13 contained in their tariffs as long as the pricing of those services complies with A.A.C. R14-2-1109.
14

15 25. QuantumShift has no market power and the reasonableness of its rates will be
16 evaluated in a market with numerous competitors. In light of the competitive market in which
17 QuantumShift provides its services, MVX's tariffed rates for competitive toll services are just and
18 reasonable, and should be approved for QuantumShift.
19

20 26. Staff recommends that in order to protect QuantumShift's customers in the event
21 QuantumShift discontinues provision of local exchange service, QuantumShift should be required to
22 post a performance bond, within 30 days of a Decision in this matter, in the amount of \$25,000. Staff
23 further recommends that the performance bond should be forfeited if QuantumShift discontinues
24 provision of local exchange service without complying with the requirements of A.A.C. R14-2-1107.
25

26 27. QuantumShift requested that it be allowed 90 days following a Decision in this matter
27 to post the performance bond recommended by Staff in order to allow it time to accrue the cost of the
28

1 bond.

2 28. QuantumShift's fair value rate base is determined to be zero for purposes of this
3 proceeding.

4 **CONCLUSIONS OF LAW**

5 1. Applicants are Arizona public service corporations within the meaning of Article 15 of
6 the Arizona Constitution and A.R.S. §§ 40-281, -282, and -285.

7 2. The Commission has jurisdiction over Applicants and the subject matter of the
8 Application.

9 3. Notice of the Application was given in accordance with the law.

10 4. QuantumShift is a fit and proper entity to receive a CC&N authorizing it to provide
11 intrastate toll services in Arizona as conditioned by Staff's recommendations.

12 5. It is in the public interest for the CC&N of MVX to be transferred to QuantumShift.

13 6. It is in the public interest to approve the merger of MVX with QuantumShift pursuant
14 to A.R.S. § 40-285.

15 7. Staff's recommendations, as set forth herein, are reasonable and should be adopted.

16 8. The competitive rates set forth in MVX's tariffs are just and reasonable and should be
17 approved for QuantumShift.

18 **ORDER**

19 IT IS THEREFORE ORDERED that the merger of MVX Communications, LLC with
20 QuantumShift Communications, Inc. is hereby approved, and that the Certificate of Convenience and
21 Necessity authorizing MVX Communications, LLC to provide competitive resold intrastate toll
22 telecommunications services in Arizona is hereby transferred to QuantumShift Communications, Inc.,
23 conditioned upon QuantumShift Communications, Inc.'s timely compliance with the following two
24 Ordering Paragraphs.

25 IT IS FURTHER ORDERED that QuantumShift Communications, Inc. shall file, within 30
26 days of this Decision, tariffs reflecting the intrastate toll rates previously authorized for MVX
27 Communications, LLC.
28

1 IT IS FURTHER ORDERED that QuantumShift Communications, Inc. shall procure a
2 performance bond equal to \$25,000 within 30 days from the effective date of this Decision.

3 IT IS FURTHER ORDERED that if QuantumShift Communications, Inc. fails to meet the
4 timeframes outlined in the Ordering Paragraphs above, that the approval of the merger, and the
5 Certificate of Convenience and Necessity conditionally granted herein, shall become null and void
6 without further Order of the Commission.

7 IT IS FURTHER ORDERED that if QuantumShift Communications, Inc. discontinues
8 provision of local exchange service without complying with the requirements of A.A.C. R14-2-1107,
9 QuantumShift Communications, Inc.'s performance bond shall be forfeited.

10 IT IS FURTHER ORDERED that QuantumShift Communications, Inc. shall not charge its
11 customers any prepayments or deposits without first receiving from the Commission an Order
12 authorizing it to do so.

13 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

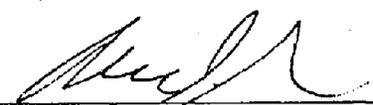
14 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

15 

16 CHAIRMAN

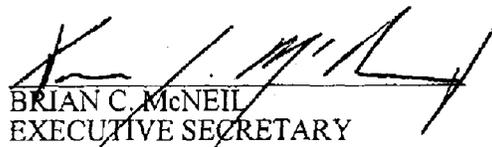
15 _____

16 COMMISSIONER

15 

16 COMMISSIONER

18 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive
19 Secretary of the Arizona Corporation Commission, have
20 hereunto set my hand and caused the official seal of the
21 Commission to be affixed at the Capitol, in the City of Phoenix,
22 this 19th day of December 2002.

22 
23 BRIAN C. McNEIL
24 EXECUTIVE SECRETARY

24 DISSENT _____
25 TW:mlj

1 SERVICE LIST FOR:

QUANTUMSHIFT COMMUNICATIONS INC.,
F/K/A/ MVX.COM COMMUNICATIONS INC. AND
MVX COMMUNICATIONS LLC

2
3 DOCKET NO.

T-03793A-99-0608 ET AL.

4 Michael W. Patten

5 ROSHKA HEYMAN & DEWULF, PLC

6 One Arizona Center

400 East Van Buren Street, Suite 800

Phoenix, AZ 85007

7 Attorneys for MVX Communications, LLC and

8 QuantumShift Communications, Inc., fka MVX.COM Communications, Inc.

9 Jenna Brown

QUANTUMSHIFT COMMUNICATIONS, INC.

10 101 Rowland Way, Ste. 300

Novato, CA 94945

11

12 Christopher Kempley, Chief Counsel

Legal Division

13 ARIZONA CORPORATION COMMISSION

1200 West Washington

14 Phoenix, AZ 85007

15 Ernest Johnson, Director

Utilities Division

16 ARIZONA CORPORATION COMMISSION

17 1200 West Washington

Phoenix, AZ 85007

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