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January 17, 2007

VIA ELECTRONIC FILING

Public Utilities Commission
Capitol Building, First Floor
500 East Capitol Avenue
Pierre, South Dakota 57501

Dear Sir/Madam:

Enclosed herein for filing on behalf of Matrix Telecom, Inc. ("Matrix") d/b/a Matrix Business Technologies, please find a copy of the application to grant Matrix authority to provide facilities-based and resold local exchange telecommunications services within the State of South Dakota.

Exhibit H to the filing is being provided under seal in a separate pdf document, in accordance with Commission practice. This exhibit contains financial data for Matrix. These data constitute competitively sensitive trade secret information that are proprietary to Matrix and are not routinely disclosed in any public forum. Given the competitive nature of the telecommunications market, public disclosure of these financial results would cause Matrix competitive harm by providing competitors with information that could be used against Matrix in the market. Therefore, Matrix respectfully requests that Exhibit H be accorded confidential treatment and not be made a part of the public record in this proceeding or otherwise disclosed to the public.

Should you have any questions regarding this filing, please do not hesitate to contact me.

Very truly yours,



Richard R. Cameron
Counsel for Matrix Telecom, Inc. d/b/a Matrix
Business Technologies

Enclosures

BEFORE THE SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

Application of)	
)	
MATRIX TELECOM, INC.)	Docket No. _____
For a Certificate of Authority)	
To Provide Local Exchange and Exchange)	
Access Telecommunications Services)	
In the State of South Dakota)	

Matrix Telecom, Inc. (“Matrix”), through its attorney and pursuant to S.D. Codified Laws § 49-31-76 and S.D. Admin. R. Chapter 20:10:32, hereby submits this Application for a Certificate of Authority to provide facilities-based and resold local exchange and exchange access telecommunications services throughout the service territory of Qwest Corporation (“Qwest”). In support of this Application, Matrix provides the following information:

- 1. The applicant’s name, address, telephone number, facsimile number, E-mail address and whether the applicant is a sole proprietorship, partnership, corporation, limited liability corporation, or limited liability partnership.**

Matrix Telecom, Inc.
7171 Forest Lane, Suite 700
Dallas, Texas 75230
Telephone: (214) 423-1453
Fax: (214) 432-1576
Website Address: www.matrixbt.com

Matrix is a corporation formed under the laws of the State of Texas.

- 2. If sole proprietorship, the full name and business address of its owner; if a partnership, the full name and business address of each partner; if a corporation, a listing of the full name and business address of each corporate officer and director; if a limited liability corporation, the full name and business address of each partner.**

Officers:

Russell Lambert, President and Chief Executive Officer

Charles Taylor, Chief Financial Officer

Mr. Lambert and Mr. Taylor may be contacted at:

Matrix Telecom, Inc.
7171 Forest Lane, Suite 700
Dallas, Texas 75230

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

Each of these Directors may be contacted at:

Platinum Equity, LLC
360 North Crescent Drive
South Building
Beverly Hills, CA 90210

3. The name under which the applicant will provide local exchange services if different than in question (1) of this section:

Matrix provides service under the name "Matrix Business Technologies." A copy of the registration of this fictitious name in South Dakota is attached as Exhibit A.

4. If a corporation:

(a) The location of its principal office, if any, in this state and the name and address of its current registered agent.

Matrix does not maintain an office in South Dakota.

Matrix's registered agent is:

CT Corporation Systems, Inc.
319 S. Coteau Street
Pierce, SD 57501

(b) A list of shareholders owning twenty (20) percent or more of the interest in the business.

Matrix is an indirect, wholly-owned subsidiary of Platinum Equity LLC, a privately held limited liability company formed under the laws of Delaware and headquartered in Beverly Hills, California. Platinum Equity holds this interest through two intermediate, wholly owned companies, EnergyTRACS Acquisition Corp. and MTAC Holding Corp.

Specifically, Matrix is 100% owned by MTAC Holding Corporation. MTAC Holding Corporation is 100% owned by EnergyTRACS Acquisition Corp. EnergyTRACS Acquisition Corp. is 100% owned by Platinum Equity, LLC.

MTAC Holding Corporation, Energy TRACS Acquisition Corp., and Platinum Equity, LLC may all be contacted at:

360 North Crescent Drive
Beverly Hills, CA 90210
310-712-1850

(c) The state in which the applicant is incorporated, the date of incorporation and a copy of its certificate of incorporation.

Matrix was incorporated in Texas on June 13, 1990. The certificate of incorporation is attached as Exhibit B.

(d) If its in an out-of-state corporation, a copy of its certificate of authority to transact business in South Dakota from the Secretary of State.

A copy of Certificate of Authorization: Foreign Corporation is attached as Exhibit C.

5. A description of the applicant's experience providing any telecommunications services in South Dakota or in other jurisdictions, including the types of services provided, and the dates and nature of state or federal authorization to provide the services.

Matrix was established in 1990 as an interexchange telecommunications service provider. In 2005, Matrix acquired Global Crossing's Small Business Group Customer base. As a result of this acquisition, Matrix is now the largest wholesaler of Global Crossing products. Matrix provides communication services to over 30,000 small and medium business customers. It is headquartered in Dallas, Texas, and has support offices in Oklahoma City, Oklahoma; Rochester, New York and Green Bay, Wisconsin.

Matrix is a leading provider of communications solutions specifically designed to help growing business achieve optimum results. Our portfolio of premier business products offers expansive global coverage, seamless integration, exceptional value and dedicated customer support.

Matrix acts as a single-source provider, in most cases, and routinely compares costs from multiple leading carriers before negotiating the most cost-effective route for our customer's particular business needs.

A list of state authorizations is attached as Exhibit D.

6. Names and addresses of applicant's affiliates, subsidiaries, and parent organizations, if any.

See response to Item 4(b), above, and Exhibit E, "Organizational Structure."

Matrix's only subsidiary is Matrix Telecom of Virginia, Inc., which may be reached at 7171 Forest Lane, Suite 700, Dallas, Texas 75230.

Americatel Corporation may be reached at: 4045 NW 97th Avenue, Miami, Florida 33178.

7. A list and specific description of the types of services the applicant seeks to offer and the means by which the services will be provided including:

(a) Information indicating the class of customers the applicant intends to serve.

Matrix intends to offer local exchange and exchange access telecommunications services, in addition to the resold interexchange services it currently provides, to small and medium-sized businesses and residential customers.

Matrix is already a competitor in the South Dakota long distance telecommunications market, and offers high quality interexchange 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 local exchange and exchange access telecommunications services in South Dakota for the first time through resale, facilities-based arrangements, commercial wholesale agreements, leased unbundled network elements, or a combination of these. As a

result, Matrix will be able to offer South Dakota 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.

(b) Information indicating the extent to and time-frame by which applicant will provide service through the use of its own facilities, the purchase of unbundled network elements, or resale.

Matrix initiated negotiation of an interconnection agreement with Qwest in December, 2006. Depending on the course of these negotiations, Matrix anticipates that it will be in a position to begin providing local exchange and exchange access services within the service territory of Qwest in Spring, 2007.

Matrix intends initially to enter into an interconnection agreement and commercial wholesale agreement with Verizon (and, potentially, other ILECs), that would afford it the opportunity to lease unbundled network elements and purchase commercial wholesale services, such as "UNE-P replacement" services, as well as resale services offered pursuant to 47 U.S.C. § 251(c).

Matrix currently does not own any of its own network equipment in South Dakota, but intends to deploy and maintain Company-owned facilities as soon customer saturation can support said deployment.

(c) A description of all facilities that the applicant will utilize to furnish the proposal local exchange services, including any facilities of underlying carriers.

Because it will initially provide service using a combination of unbundled network elements, resale, and commercial wholesale services, Matrix will initially rely on the facilities and services of the underlying incumbent local exchange carrier, Qwest.

(d) Information identifying the types of services it seeks authority to provide by reference to the general nature of the service.

Matrix intends to provide local exchange telecommunications services and exchange access services, through, for instance, the use of leased unbundled network elements from Incumbent Local Exchange Carriers ("ILECs"), commercial wholesale agreements (similar to the UNE-P replacement agreements that ILECs have recently reached with other CLECs), resale of services obtained from other carriers, or any combination thereof. Specific services that Matrix seeks authority to provide include:

1. Local Exchange Services for business and residence customers that will enable customers to originate and terminate local calls in the local calling area served by other LECs, including local dial tone and custom calling features;
2. Switched local exchange services such as flat-rated and measure-rated local services;
3. Vertical services, Direct Inward and Outward Dialed trunks, and carrier access;
4. Other switched local services that currently exist or will exist in the future;
5. Non-switched local services (e.g., private line) that currently exist or will exist in the future;
6. Centrex and/or Centrex-like services that currently exist or will exist in the future; and
7. Digital subscriber line, ISDN, and other high capacity line services.

8. A service area map and narrative description indicating with particularity the geographic area proposed to be served by the applicant.

Matrix intends to provide service throughout the area served by Qwest. A map of this area is attached as Exhibit F.

9. Information regarding the technical competence of the applicant to provide its proposed local exchange services including:

- (a) A description of the education and experience of the applicant's management personnel who will oversee the proposed local exchange services.**

See Exhibit G for biographical data describing the education and experience of Matrix's key management personnel.

- (b) Information regarding policies, personnel, or arrangements made by the applicant which demonstrates the applicant's ability to respond to customer complaints and inquiries promptly and to perform facility and equipment maintenance necessary to ensure compliance with any commission quality of service requirements.**

Matrix has a long history of providing high quality competitive local exchange and interexchange services to its customers, having operated as a telecommunications carrier since the early 1990s. Initially, upon grant of this application, Matrix will have the opportunity to

supplement its existing resale service offerings with commercial wholesale services and those using ILEC unbundled network elements.

Matrix has designated departments established to handle customer service, billing and repair issues. Matrix provides a toll free number that is printed on every billing statement. Complaints are generally resolved through a customer's interaction with a Customer Service representative. Matrix attempts to resolve these matters as expeditiously as possible. Should the Customer Service Department be unable to resolve a particular issue, Matrix has escalation procedures in place, under which complaints are escalated to the regulatory department. These escalated complaints are normally resolved within 30 to 45 days.

In jurisdictions where it is authorized to do so, Matrix currently provides resold local exchange and interexchange services, purchased at wholesale from Global Crossing, and this contract requires Global Crossing to provide service and repair functions, as necessary. Customers experiencing trouble with their service contact a Matrix customer service representative, who interfaces with Global Crossing's service and repair personnel to resolve the issue. Matrix will use a similar arrangement with future providers of unbundled network elements or commercial wholesale services. When Matrix deploys its own network equipment in the future, it will also obtain the necessary service and repair capabilities, either itself or under contract with a third-party provider.

10. Information explaining how the applicant will provide customers with access to emergency services such as 911 or enhanced 911, operator services, interexchange services, directory assistance, and telecommunications relay services.

Matrix intends to obtain wholesale arrangements from the ILECs, to include access to the following services: 911 services; white page directory listings; access to telephone directory assistance; access to operator access; equal access to interLATA long distance carriers, so long as the same are required of ILECs; and free blocking of 900- and 700- services.

11. Financial information including:

- (a) For the most recent 12 month period, financial statements consisting of balance sheets, income statements, and cash flow statements.**

See CONFIDENTIAL Exhibit H, financial statements.

- (b) If a public corporation, the applicant's latest annual report and report to stockholders.**

Not Applicable

12. Information detailing the following matters associated with interconnection to provide proposed local exchange services.

- (a) **The identity of all local exchange carriers with which the applicant plans to interconnect.**

Matrix ultimately intends to seek interconnection and wholesale service agreements with all companies whose service territories are open to competition, specified above. Initially, Matrix will seek such agreements with Qwest.

- (b) **The likely timing of initiation of interconnection service and a statement as to when negotiations for interconnection started or when negotiations are likely to start.**

Matrix initiated negotiation of an interconnection agreement with Qwest in December, 2006.

- (c) **A Copy of any request for interconnection made by the applicant to any local exchange carrier.**

See Exhibit I.

13. **A tariff or price list indicating the prices, terms and conditions of each contemplated local service offering.**

See Exhibit J, Tariff.

14. **Cost support for rates shown in the Company's tariff or price list for rate or price regulated noncompetitive or emerging competitive services.**

As a competitive carrier, Matrix will determine its retail rates based on market conditions and the results of its negotiations with its underlying carriers.

15. **A description of how the applicant intends to market its local exchange target market, whether the applicant engages in multilevel marketing, and copies of any company brochures that will be used to assist in the sale of the services.**

Matrix attests it is in compliance with all FCC and State requirements regarding marketing and service provisions. Matrix uses written letters of authority in addition to third party verification on all orders. New orders are not provisioned without these two required steps.

Matrix uses only integrated direct marketing tactics to promote its products and services, including direct mail, internet advertising, telemarketing and referral partners. Matrix does not use multi-level marketing in any manner.

- 16. If the applicant is seeking authority to provide local exchange service in the service area of a rural telephone company, the date by which the applicant expects to meet the service obligation imposed pursuant to §20:10:32:15 and applicant's plan for meeting the service obligations.**

Matrix does not seek authority to provide local exchange service in the service area of any South Dakota rural telephone company.

- 17. A list of the states in which the applicant is registered or certified to provide telecommunications services, whether the applicant has ever been denied registration or certification in any state and the reasons for any such denial, a statement as to whether or not the applicant is in good standing with the appropriate regulatory agency in the states where it is registered or certified, and a detailed explanation of why the applicant is not in good standing in the given state, if applicable.**

See Exhibit D, List of State Authorizations. Matrix has never been denied registration or certification as a telecommunications carrier in any state, and, to its knowledge, is in good standing with the appropriate telecommunications regulatory agency in each of the states where it is so registered or certified.

- 18. The names, addresses, telephone numbers, E-mail addresses, and facsimile numbers of the applicant's representatives to whom all inquiries must be made regarding customer complaints and other regulatory matters.**

Dana Hoyle, Manager of Regulatory Affairs
Matrix Telecom, Inc. b/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

- 19. Information concerning how the applicant plans to bill and collect charges from customers who subscribe to its proposed local exchange services.**

Matrix will bill all subscribers for services each month via direct billing through a third party vendor. Matrix does not provide prepaid telecommunications services.

- 20. Information concerning the applicant's policies relating to solicitation of new customers and a description of the efforts the applicant shall use to prevent the unauthorized switching of local service customers by the applicant, its employees, or agents.**

Matrix attests it is in compliance with all FCC and State requirements regarding marketing and service provisions. Matrix uses written letters of authority in addition to third party verification on all orders. New orders are not provisioned without these two required steps.

21. The number and nature of complaints filed against the applicant with any state or federal commission regarding the unauthorized switching of a customer's telecommunications provider and the act of charging customers for services that have not been ordered.

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 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.

22. A written request for waiver of those rules believed to be inapplicable.

Matrix does not seek any such waiver.

23. Federal Tax Identification Number.

75-2332193.

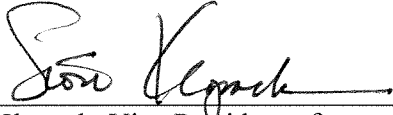
24. Other information requested by the commission needed to demonstrate that the applicant has sufficient technical, financial, and managerial capabilities to provide the local exchange services it intends to offer consistent with the requirements of this chapter and other applicable rules and laws.

Matrix will supply any such information requested by the Commission.

WHEREFORE, Matrix Telecom, Inc. respectfully requests that the South Dakota Public Utilities Commission grant this Application to issue Matrix a Certificate of Authority to permit Matrix to provide competitive facilities-based and resold local exchange and exchange access telecommunications services in the State of South Dakota.

Respectfully submitted,

MATRIX TELECOM, INC.

BY: 

Scott Klopach, Vice President of
Regulatory Affairs and General Counsel
Matrix Telecom, Inc.
7171 Forest Lane, Suite 700
Dallas, TX 75230
(214) 432-1447

DATED: January 17, 2007

EXHIBIT A

REGISTRATION OF FICTITIOUS NAME

STATEMENT

RE: Use of Fictitious Name in Business

The undersigned hereby state(s) that he/they will conduct or operate a business in the state of South Dakota under the firm name and style of Matrix Business Technologies

that the main office of said business is at 2207 Commerce Street, Dallas, TX 75201

and that the name, post office address and residence address of each person owning or having an interest in said business are as follows:

Name	Post Office Address	Residence Address
<u>Matrix Telecom, Inc.</u>		<u>2207 Commerce Street, Dallas, TX</u>

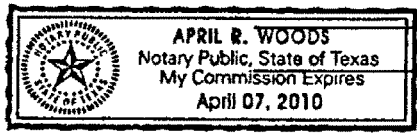
Dated this 28th day of April A.D. 2006

[Signature]
Russ Lambert
President

STATE OF TEXAS)
COUNTY OF DALLAS)SS

being first duly sworn, says that he/they has/have read the foregoing statement and know(s) the contents thereof and that the same is true.

Subscribed and sworn to before me
this 28th day of April
2006
April Woods
Notary Public



This statement was prepared by Judith A. Riley, at 2912 Lakeside Drive
Oklahoma City, OK 73120, Tel. 405-755-8177

#59-06

Matrix Business Technologies

Received
Hughes County Register of Deeds
104 East Central
Perma. SD 57501

JUN 08 2006
Time 11:00 A.M.
[Signature]
Register of Deeds

Fee \$10.00 pd.



EXHIBIT B

CERTIFICATE OF INCORPORATION



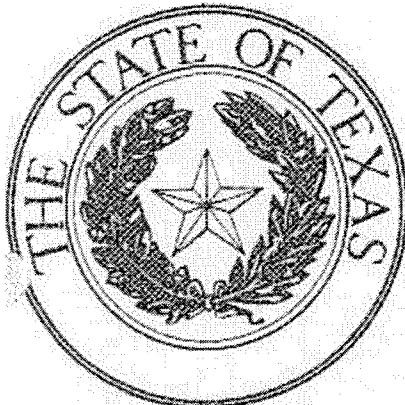
The State of Texas

SECRETARY OF STATE


IT IS HEREBY CERTIFIED that the attached is/are true and correct copies of the following described document(s) on file in this office:

**MATRIX TELECOM, INC.
FILE NO. 1156915**

ARTICLES OF INCORPORATION	JUNE 13, 1990
ARTICLES OF AMENDMENT	JANUARY 21, 1992
CHANGE OF REGISTERED OFFICE AND/OR AGENT	MARCH 2, 1994
CHANGE OF REGISTERED OFFICE AND/OR AGENT	DECEMBER 31, 1994
ARTICLES OF AMENDMENT	AUGUST 9, 1995
ARTICLES OF AMENDMENT	NOVEMBER 27, 1995
CHANGE OF REGISTERED OFFICE AND/OR AGENT	DECEMBER 11, 1995
ARTICLES OF AMENDMENT	APRIL 9, 1997

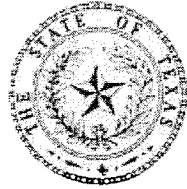


IN TESTIMONY WHEREOF, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in the City of Austin, on November 17, 1997.



Antonio O. Garza, Jr.
Secretary of State

BAM



The State of Texas
Secretary of State

CERTIFICATE OF INCORPORATION

OF

MIGA, INC.
CHARTER NUMBER 01156915

THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS, HEREBY CERTIFIES THAT ARTICLES OF INCORPORATION FOR THE ABOVE CORPORATION, DULY SIGNED HAVE BEEN RECEIVED IN THIS OFFICE AND ARE FOUND TO CONFORM TO LAW.

ACCORDINGLY THE UNDERSIGNED, AS SUCH SECRETARY OF STATE, AND BY VIRTUE OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES THIS CERTIFICATE OF INCORPORATION AND ATTACHES HERETO A COPY OF THE ARTICLES OF INCORPORATION.

ISSUANCE OF THIS CERTIFICATE OF INCORPORATION DOES NOT AUTHORIZE THE USE OF A CORPORATE NAME IN THIS STATE IN VIOLATION OF THE RIGHTS OF ANOTHER UNDER THE FEDERAL TRADEMARK ACT OF 1946, THE TEXAS TRADEMARK LAW, THE ASSUMED BUSINESS OR PROFESSIONAL NAME ACT OR THE COMMON LAW.

DATED JUNE 13, 1990



George S. Bayard Jr.
Secretary of State

FILED
In the Office of the
Secretary of State of Texas

ARTICLES OF INCORPORATION

JUN 13 1990

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

Corporations Section

I, the undersigned natural person of the age of twenty-one (21) years or more, who is a citizen of the State of Texas, acting as incorporator of a corporation under the Texas Business Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation.

ARTICLE ONE

The name of the Corporation is MIGA, INC.

ARTICLE TWO

The period of its duration is perpetual.

ARTICLE THREE

The purpose or purposes for which the Corporation is organized

(a) to conduct, engage in, and carry on general business; (b) to manufacture, purchase and sell goods, wares, and merchandise of every kind and description, and to receive and sell the same as agent or on commission; (c) to buy and sell goods; (d) to transact and engage in any mercantile or trading business; (e) to erect or repair any building or improvement; (f) to buy, sell, acquire by lease, grant by lease, rent, sublease and subdivide real property in towns, cities, villages and suburbs not extending more than two (2) miles beyond their limits; (g) to do everything necessary and proper for the accomplishment of any of the purposes, or the attainment of any of the objects or furtherance of any of the

powers hereinbefore set forth, either alone or in association with other corporations, firms or individuals, and to do every act or acts, thing or things, incidental to or arising out of or connected with the aforesaid business, or any part or parts thereof; provided, the same is not inconsistent with the laws under which this Corporation is organized and subject to Part Four of the Texas Miscellaneous Corporation Laws Act; (h) to be an organizer, partner, member, associate, or manager of any partnership, joint venture, or other business entity; i and to be an incorporator of any other corporation of any type or kind.

ARTICLE FOUR

aggregate number of shares which the Corporation shall have authority to issue is the following: 1,000 shares common stock, such stock shall have no par value.

ARTICLE FIVE

Corporation will not commence business until it has received for the issuance of the shares consideration of ONE THOUSAND DOLLARS (\$1,000.00), consisting of money, labor done or property actually received.

ARTICLE SIX

The street address of its initial registered office is 2705 Summertree Lane, Colleyville, Texas 76034, and the name of its registered agent at such address is Dennis Miga.

ARTICLE SEVEN

The number of Directors constituting the initial Board of Directors is one (1), and the name and address of the person who is to serve as Director until the first annual meeting of the Stockholders or until his successors are elected and qualified is as follows:


- (1) Dennis Miga
2705 Summertree Lane
Colleyville, Texas 76034

ARTICLE EIGHT

The name and address of the incorporator is:

Mark A. Haney
9001 Airport Freeway, Suite 650
Fort Worth, Texas 76180

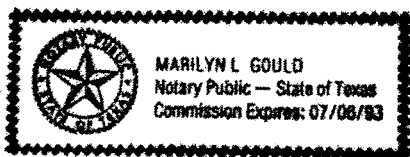
IN WITNESS WHEREOF, I have hereunto set my hand this the 12th day of June, 1990.



MARK A. HANEY

THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

I, MARILYN L. GOULD, a Notary Public in and for said County and State, do hereby certify that on this the 12th day of June, 1990, personally appeared before me MARK A. HANEY, who being by me first sworn, declared that he is the person who signed the foregoing document as incorporator, and that the statements therein contained are true and correct.





NOTARY PUBLIC, STATE OF



The State of Texas

SECRETARY OF STATE

CERTIFICATE OF AMENDMENT
OF

MATRIX TELECOM, INC.
FORMERLY
MIGA, INC.

The undersigned, as Secretary of State of the State of Texas, hereby certifies that the attached Articles of Amendment for the above named entity have been received in this Office and are found to conform to law.

ACCORDINGLY the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Amendment.

Dated JANUARY 21, 1992.

Effective JANUARY 21, 1992 at XXXX a.m./p.m.



John Hannah Jr
Secretary of State

LC

FILED
In the Office of the
Secretary of State of Texas

ARTICLES OF AMENDMENT
TO ARTICLES OF INCORPORATION OF
MIGA, INC.

JAN 21 1992

Corporations Section

Pursuant to the provisions of Article 4.04 of the Texas Business Corporation Act, the undersigned corporation adopts the following Article of Amendment to its Articles of Incorporation:

ARTICLE ONE

The name of the corporation is MIGA, INC.

ARTICLE TWO

The following amendment to the Articles of Incorporation was adopted by the shareholders of the corporation on January 14, 1992: the name of the corporation shall be changed to MATRIX TELECOM, INC.

ARTICLE THREE

The number of shares of the corporation outstanding at the time of the adoption was one hundred (100); and the number of shares entitled to vote on the amendment was one hundred (100).

ARTICLE FOUR

The number of shares that voted for the amendment was one hundred (100); and the number of shares that voted against the amendment was zero (0).

DATED: January 16, 1992.

MATRIX TELECOM, INC.

By: 
DENNIS MIGA, President

STATEMENT OF CHANGE OF REGISTERED OFFICE
OR REGISTERED AGENT OR BOTH BY
A PROFIT CORPORATION

FILED
In the Office of the
Secretary of State of Texas

MAR 2 1994

Corporations Section

1. The name of the corporation is Matrix Telecom, Inc.
The corporation's charter number is 01156915-00

2. The address of the CURRENT registered office as shown in the records of the Texas secretary of state is: (Please provide street address, city, state and zip code. The address must be in Texas).
2705 Summertree Lane, Colleyville, Texas 76034

3. A. The address of the NEW registered office is: (Please provide street address, city, state and zip code. The address must be in Texas).
9003 Airport Freeway, Suite 340, Fort Worth, Texas 76180

OR B. The registered office address will not change.
The name of the CURRENT registered agent as shown in the records of the Texas secretary of state is Dennis Miga

5. A. The name of the NEW registered agent is _____

OR B. The registered agent will not change.

6. Following the changes shown above, the address of the registered office and the address of the office of the registered agent will continue to be identical, as required by law.

7. The changes shown above were authorized by: (check one)

- A. The board of directors.
- B. An officer of the corporation so authorized by the board of directors.


An Authorized Officer

(Please refer to the back of this form for additional instructions)

9 3 / 1 1 0

FILED
In the Office of the
Secretary of State of Texas
DEC 31 1994
Corporations Section

STATEMENT OF CHANGE OF REGISTERED OFFICE
OR REGISTERED AGENT OR BOTH BY
A PROFIT CORPORATION

1. The name of the corporation is Matrix Telecom, Inc.
The corporation's charter number is 01156915-00

2. The address of the CURRENT registered office as shown in the records of the Texas secretary of state is:
9003 Airport Freeway, Suite 340, Fort Worth, Texas 76180

3. A. The address of the NEW registered office is:

OR B. The registered office address will not change.

4. The name of the CURRENT registered agent as shown in the records of the Texas secretary of state is Dennis Miga

5. A. The name of the NEW registered agent is Gary Friedman

OR B. The registered agent will not change.

6. Following the changes shown above, the address of the registered office and the address of the office of the registered agent will continue to be identical, as required by law.

7. The changes shown above were authorized by:
A. The board of directors.
B. An officer of the corporation so authorized by the board of directors.

Charles G Taylor, Jr.
~~Chuck Taylor~~, Authorized Officer
CHARLES G TAYLOR, JR., PRESIDENT

**ARTICLES OF AMENDMENT
TO ARTICLES OF INCORPORATION OF
MATRIX TELECOM, INC.**

FILED
in the Office of the
Secretary of State of Texas

AUG 09 1995

Corporations Section

Pursuant to the provisions of article 4.04 of the Texas Business Corporation Act, the undersigned corporation adopts the following Article of Amendment to its Articles of Incorporation:

ARTICLE ONE

The aggregate number of shares which the corporation shall have authority to issue is the following: 1,000 shares of common stock, such stock shall have no par value.

ARTICLE TWO

The following amendment to the Articles of Incorporation was adopted by the shareholders of the corporation on July 31, 1995: the aggregate number of shares which the corporation shall have authority to issue is changed to 100,000 shares of common stock, such stock shall have no par value.

ARTICLE THREE


The number of shares of the corporation outstanding at the time of the adoption was one thousand (1,000); and the number of shares entitled to vote on the amendment was one thousand (1,000).

ARTICLE FOUR

The number of shares that voted for the amendment was one thousand (1,000); and the number of shares that voted against the amendment was zero (0).

DATED: July 31, 1995

MATRIX TELECOM, INC.

By 
Ronald L. Jensen, President

1 0 2 0 8 8 0 1 1 0

**ARTICLES OF AMENDMENT
TO ARTICLES OF INCORPORATION OF
MATRIX TELECOM, INC.**

FILED
In the Office of the
Secretary of State of Texas

NOV 27 1995

Pursuant to the provisions of Article 4.04 of the Texas Business Corporation Act, the undersigned corporation adopts the following Article of Amendment to its Articles of Incorporation:

ARTICLE ONE

The aggregate number of shares which the corporation shall have authority to issue is the following: 100,000 shares of common stock, such stock shall have no par value.

ARTICLE TWO

The following amendment to the Articles of Incorporation was adopted by the shareholders of the corporation October 6, 1995: the aggregate number of shares which the corporation shall have authority to issue is changed to 200,000 shares of common stock, such stock shall have no par value.

ARTICLE THREE

The number of shares of the corporation outstanding at the time of the adoption was one hundred thousand (100,000); and the number of shares entitled to vote on the amendment was one hundred thousand (100,000).

ARTICLE FOUR

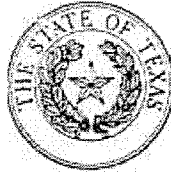
The number of shares that voted for the amendment was one hundred thousand (100,000); and the number of shares that voted against the amendment was zero (0).

DATED: November 10, 1995

MATRIX TELECOM, INC.

By: 
Scott Crist, President

Office of the
Secretary of State



Corporations Section

P.O. Box 13697
Austin, Texas 78711-3697

**STATEMENT OF CHANGE OF REGISTERED OFFICE OR
REGISTERED AGENT OR BOTH BY A CORPORATION,
LIMITED LIABILITY COMPANY OR LIMITED PARTNERSHIP**

In the Office of the
Secretary of State of Texas
DEC 11 1995
Corporations Section

1. The name of the entity is Matrix Telecom
The entity's charter/certificate of authority/file number is 115,915
2. The registered office address as **PRESENTLY** shown in the records of the Texas Secretary of State is: 9003 Airport Fwy, Ste 340, Ft. Worth, TX 76180
3. A. The address of the **NEW** registered office is: (Please provide street address, city, state and zip code. The address must be in Texas.)
4635 Southwest Fwy, Ste 800, Houston, TX 77027
OR B. The registered office address will not change.
4. The name of the registered agent as **PRESENTLY** shown in the records of the Texas secretary of state is Gary Friedman
5. A. The name of the **NEW** registered agent is _____
OR B. The registered agent will not change.
6. Following the changes shown above, the address of the registered office and the address of the office of the registered agent will continue to be identical, as required by law.
7. The changes shown above were authorized by:
Business Corporations may select A or B Limited Liability Companies may select D or E
Non-Profit Corporations may select A, B, or C Limited Partnerships select F
 - A. The board of directors; OR
 - B. An officer of the corporation so authorized by the board of directors; OR
 - C. The members of the corporation in whom management of the corporation is vested pursuant to article 2.14C of the Texas Non-Profit Corporation Act.
 - D. Its members
 - E. Its managers
 - F. The limited partnership

[Signature]
(Authorized Officer of Corporation)
(Authorized Member or Manager of LLC)
(General Partner of Limited Partnership)



The State of Texas

Secretary of State

CERTIFICATE OF AMENDMENT

FOR

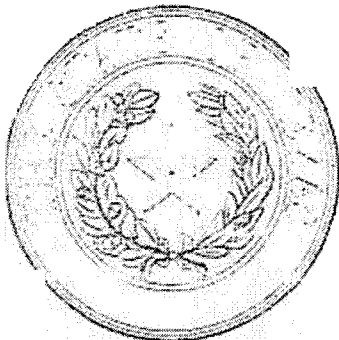
**MATRIX TELECOM, INC.
CHARTER NUMBER 01156915**

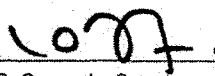
THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS,
HEREBY CERTIFIES THAT THE ATTACHED ARTICLES OF AMENDMENT FOR THE ABOVE
NAMED ENTITY HAVE BEEN RECEIVED IN THIS OFFICE AND ARE FOUND TO
CONFORM TO LAW

ACCORDINGLY THE UNDERSIGNED, AS SECRETARY OF STATE, AND BY VIRTUE
OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES THIS
CERTIFICATE OF AMENDMENT.

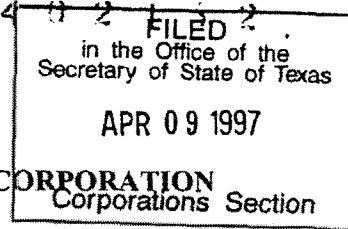
DATED APR. 9, 1997

EFFECTIVE APR. 9, 1997




Antonio O. Garza, Jr., Secretary of State

1 0 2 3 6 4



**ARTICLES OF AMENDMENT TO ARTICLES OF INCORPORATION
OF
MATRIX TELECOM, INC.**

Pursuant to the provisions of Article 4.04 of the Texas Business Corporation Act, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation, as adopted by the unanimous consent of all of the shareholders of the corporation at the December 16, 1996 Special Meeting:

**ARTICLE 1
AUTHORIZED SHARES**

The authorized shares of common stock of the Corporation shall be increased to ten million (10,000,000) shares. The common stock shall be without par value. The Board of Directors have authority to establish series or classes of unissued shares and may increase or decrease the shares of any class of shares or series established, and to establish the rights granted to the holders of such shares. The Board of Directors shall have the right to set the par value of shares at the time of issuance. The Board of Directors shall have the authority to exchange, reclassify, or cancel all or part of any shares of the class or series, and exchange or create a right of exchange of all or any part of the shares or one class or series into the series or class of another. The Board of Directors may change or alter the designations, preferences, limitations or relative rights of the shares of the class or series.

**ARTICLE 2
PRINCIPAL PLACE OF BUSINESS AND REGISTERED AGENT**

The principal place of business for the corporation shall be 8721 Airport Freeway, North Richland Hills, Texas 76180. The name and address of its registered agent shall be Mr. Gary L. Friedman, 8721 Airport Freeway, North Richland Hills, Texas 76180.

**ARTICLE 3
NUMBER OF DIRECTORS**

The number of directors constituting the Board of Directors shall be five (5).

**ARTICLE 4
DENIAL OF PREEMPTIVE RIGHTS**

No shareholder or other person shall have any preemptive rights whatsoever.

**ARTICLE 5
PLURALITY VOTE**

Directors shall be elected by plurality vote. Cumulative voting shall not be permitted.

**ARTICLE 6
AMENDMENTS TO BYLAWS**

The power to alter, amend, or repeal the Bylaws of the corporation shall be vested in the Board of Directors; however, the Bylaws made by the Board of Directors may be repealed or changed, or new bylaws made, by the shareholders of the corporation, and the shareholders may prescribe that any bylaw made by them shall not be altered, amended, or repealed by the Board of Directors.

**ARTICLE 7
LIMITATION ON DIRECTOR LIABILITY**

A director of the corporation shall not be liable to the corporation or its shareholders for monetary damages for any act or omission in such director's capacity as a director of the corporation, except to the extent otherwise required, at the time of such act or omission, by a statute of the State of Texas. Any repeal or amendment of this Article by the corporation shall be prospective only, and shall not adversely affect any limitation on the liability of the director of the corporation for any act or omission occurring prior to the time of such repeal or amendment. If the corporate laws of the State of Texas are amended to authorize corporate actions further eliminating or limiting the personal liability of directors, the liability of a director of the corporation shall be eliminated or limited to the full extent then permitted. Notwithstanding anything herein to the contrary, any such further elimination or limitation of liability shall apply retroactively to acts or omissions occurring prior to any such amendment of the corporate laws of the State of Texas.

**ARTICLE 8
RELIANCE BY DIRECTORS AND OFFICERS**

Each director, officer, or member of any committee designated by the Board of Directors shall, in the performance of his or her duties, be fully protected and absolved from liability if relying in good faith upon any records of the corporation or upon the books of account or reports made to the corporation by any of its officials, an independent public accountant, an attorney for the corporation, or by any other person, including an appraiser or investment banker, who is selected with reasonable care by the Board of Directors or by any officer or committee with regards to matters which the director, officer, or member reasonably believes is within such other person's professional training or within their competence. This Article is in addition to and shall not in any manner limit the scope of the director's liability limitation set forth in Article 11, or as otherwise provided by law.

**ARTICLE 9
INDEMNIFICATION/INSURANCE**

The corporation shall indemnify, to the fullest extent possible or permitted by law, any person who is named a defendant or respondent in any action, suit, or proceeding, whether civil or criminal, administrative or arbitrative or investigative, or in any appeal in such an action, suit or proceeding, by reason of the fact that he or she is or was a director, advisory director, committee member, or officer of the corporation, against all expenses, (including attorney's fees incurred), judgements, fines, penalties, amounts paid in settlement or otherwise, actually reasonably incurred by such director advisory director, committee member, or officer in connection with nay such action, suit, or proceeding. The corporation shall pay or reimburse expenses to directors, advisory directors, committee members, or officers and may pay or reimburse expenses to other persons as permitted by law. The corporation may purchase and maintain insurance, create a trust fund, establish any form of self-insurance, secure its indemnity obligations by grant of a security interest or other liens on the assets of the corporation, establish a letter of credit, guaranty or surety arrangement, or other arrangement on behalf of the directors, advisory directors, committee members, officers, or other persons permitted by law, against any liability asserted against such person or persons in their capacities as directors, advisory directors, committee members, or officers, or otherwise, of the corporation, whether or not the corporation would have the power to indemnify such directors, advisory directors, committee members, officers or other persons against such liability, as permitted by law.

**ARTICLE 10
ACTION BY CONSENT OF SHAREHOLDERS**

To the fullest extent permitted by law, any action required or permitted to be taken at any annual or special meeting of the shareholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed, bearing the date of each signature, by the holder or holders of shares or party entitled to vote any shares, having not less than the minimum number of votes that would be necessary to take such action at any meeting or special meeting at which the holders of all shares entitled to vote on the action were present and voted.

**ARTICLE 11
MAJORITY VOTES**

For any matter that the affirmative vote of the holders of a specified portion in excess of a majority, of the shares entitled to vote, or of the shares of any series or class, is required by the Texas Business Corporation Act, the affirmative vote of the holders of a majority of the shares entitled to vote, or of the series or class of shares, is sufficient.

ARTICLE 12

The number of shares of the corporation outstanding at the time of the adoption was one hundred ninety-three thousand, five hundred seventy (193,570); and the number of shares entitled to vote on the amendment was one hundred ninety-three thousand, five hundred seventy (193,570).

ARTICLE 13

The number of shares that voted for the amendment was one hundred thirty-five thousand, one hundred seventy-two (135,172); and the number of shares that voted against the amendment was zero (0).

Executed this 16th day of December, 1996.

MATRIX TELECOM, INC.


By: 
Title: Secretary

Office of the
Secretary of State
Corporations Section
P.O. Box 13697
Austin, Texas 78711-3697



**STATEMENT OF CHANGE OF REGISTERED OFFICE OR
REGISTERED AGENT OR BOTH BY A CORPORATION,
LIMITED LIABILITY COMPANY OR LIMITED PARTNERSHIP**

1. The name of the entity is Matrix Telecom, Inc.
The entity's charter/certificate of authority/file number is 01156915-00
2. The registered office address as PRESENTLY shown in the records of the Texas secretary of state is: 8721 Airport Freeway, North Richland Hills, TX 76180
3. A. The address of the NEW registered office is: (Please provide street address, city, state and zip code. The address must be in Texas.)
8721 Airport Freeway, Fort Worth, TX 76180
OR B. The registered office address will not change.
4. The name of the registered agent as PRESENTLY shown in the records of the Texas secretary of state is Gary L. Friedman
5. A. The name of the NEW registered agent is Michael Ussery
OR B. The registered agent will not change.
6. Following the changes shown above, the address of the registered office and the address of the office of the registered agent will continue to be identical, as required by law.
7. The changes shown above were authorized by:
Business Corporations may select A or B Limited Liability Companies may select D or E
Non-Profit Corporations may select A, B, or C Limited Partnerships select F
 - A. The board of directors;
 - B. An officer of the corporation so authorized by the board of directors;
 - C. The members of the corporation in whom management of the corporation is vested pursuant to article 2.14C of the Texas Non-Profit Corporation Act;
 - D. Its members;
 - E. Its managers; or
 - F. The limited partnership.


(Authorized Officer of Corporation)



The State of Texas

SECRETARY OF STATE CERTIFICATE OF MERGER

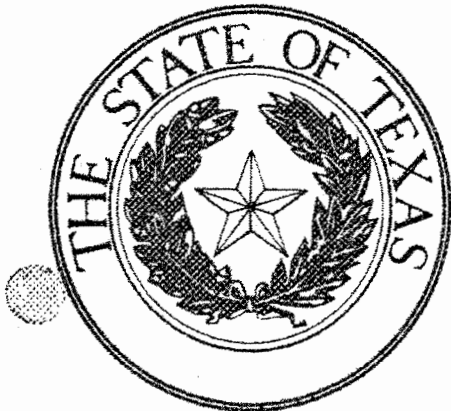
The undersigned, as Secretary of State of Texas, hereby certifies that the attached Articles of Merger of

BEST CONNECTIONS, INC.
A Texas corporation
with
MATRIX TELECOM, INC.
A Texas corporation

have been received in this office and are found to conform to law. ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Merger.

Filed October 18, 1999

Effective October 18, 1999



Elton Bomer
Secretary of State

ARTICLES OF MERGER
OF
BEST CONNECTIONS, INC.
(Subsidiary Corporation)
INTO
MATRIX TELECOM, INC.
(Parent Corporation)

FILED
 In the Office of the
 Secretary of State of Texas
 OCT 18 1999
 Corporations Section

Pursuant to the provisions of Article 5.16 of the Texas Business Corporation Act, **MATRIX TELECOM, INC.**, a business corporation organized under the laws of the State of Texas and owning at least ninety percent of the shares of **BEST CONNECTIONS, INC.**, a business corporation organized under the laws of the State of Texas, hereby executes the following articles of merger.

1. The following is a copy of a resolution of **MATRIX TELECOM, INC.**, adopted by the Board of Directors on June 8, 1999, and in accordance with the laws of its jurisdiction and its constituent documents:

RESOLVED: The Corporation shall merge Best Connections, Inc., its wholly owned subsidiary, with and into itself and shall assume all of the obligations of Best Connections, Inc., pursuant to the provisions of the Texas Business Corporation Act.

2. The total number or percentage of outstanding shares identified by class, series or group of the subsidiary corporation(s) and the number or percentage of shares in each class, series or group owned by the parent corporation is:

Class, Series Percentage of Or Group	Number or Percentage of Shares Outstanding	Number or Shares Owned by Parent
common stock	1,000 shares	1,000 shares

3. **MATRIX TELECOM, INC.**, the surviving corporation hereby: (a) appoints the Texas Secretary of State as its agent for service of process to enforce an obligation or the rights of dissenting shareholders of each domestic

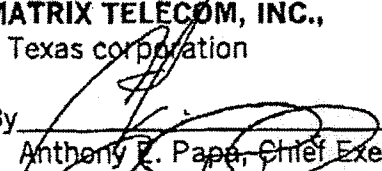
corporation that is a party to the merger; and (b) agrees that it will promptly pay to the dissenting shareholders of each domestic corporation which is a party to the merger the amount, if any, to which they shall be entitled under the provisions of the Texas Business Corporation Act with respect to the rights of dissenting shareholders.

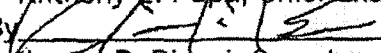
5. The surviving corporation will be responsible for the payment of all fees and franchise taxes of the merged corporation(s) and will be obligated to pay such fees and franchise taxes if the same are not timely paid.

Dated: SEPTEMBER 15, 1999
~~JUN 09 1999~~

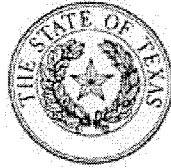
PARENT CORPORATION

MATRIX TELECOM, INC.,
a Texas corporation

By  _____
Anthony R. Papa, Chief Executive Officer

By  _____
James P. Pisani, Secretary

Corporations Section
P.O. Box 13697
Austin, Texas 78711-3697



Geoffrey S. Connor
Secretary of State

Office of the Secretary of State

CERTIFICATE OF MERGER

The undersigned, as Secretary of State of Texas, hereby certifies that the attached articles of merger of

Matrix Acquisition Holdings Corp.
Foreign Business Corporation
DE, USA
[Entity not of Record, Filing Number Not Available]

Into

MATRIX TELECOM, INC.
Domestic Business Corporation
[Filing Number: 115691500]

have been filed in this office as of the date of this certificate.

Accordingly, the undersigned, as Secretary of State, and by the virtue of the authority vested in the secretary by law, hereby issues this certificate of merger.

Dated: 12/31/2003

Effective: 12/31/2003



A handwritten signature in black ink, appearing to read "G. Connor".

Geoffrey S. Connor
Secretary of State

FILED
In the Office of the
Secretary of State of Texas

DEC 31 2003

Corporations Section

ARTICLES OF MERGER
OF
MATRIX ACQUISITION HOLDINGS CORP.
INTO
MATRIX TELECOM, INC.

Pursuant to the provisions of Article 5.04 of the Texas Business Corporation Act, the undersigned corporations do hereby certify that:

1. The name and state of incorporation of each of the constituent corporations are:
 - (a) Matrix Acquisition Holdings Corp., a Delaware corporation (the "Matrix Acquisition"); and
 - (b) Matrix Telecom, Inc., a Texas corporation (the "Surviving Corporation").
2. An agreement of merger has been approved, adopted, certified, executed and acknowledged by the respective boards of directors and the shareholders of Matrix Acquisition and the Surviving Corporation.
3. The name of the surviving corporation is Matrix Telecom, Inc.
4. The articles of incorporation of the Surviving Corporation shall be the articles of incorporation of the surviving corporation.
5. The executed agreement of merger is on file at the principal place of business of the Surviving Corporation, 222 W. Las Colinas Boulevard, Suite 250, Irving, Texas 75039.
6. A copy of the agreement of merger will be furnished by the Surviving Corporation, on written request and without cost, to any shareholder of Matrix Acquisition or the Surviving Corporation.
7. For each of the parties to the agreement of merger, the number of shares outstanding and the designation and number of outstanding shares of each class or series of stock that are entitled to vote as a class on the agreement of merger are as follows:

<u>Name of Corporation</u>	<u>No. of Shares Outstanding</u>	<u>Entitled to Vote as a Class or Series</u>	
		<u>Designation of Class or Series</u>	<u>Number of Shares</u>
Matrix Acquisition Holdings Corp.	1,000	Common Stock, \$0.01 par value	1,000
Matrix Telecom, Inc.	3,860,987	Common Stock, \$0.01 par value	3,860,987

8. For each party to the merger, the number of shares that voted for and against the agreement of merger, and the number of each class or series that voted for and against the agreement of merger are as follows:

<u>Name of Corporation</u>	<u>Number of Shares Entitled to Votes as a Class</u> <u>Class or Series</u>	<u>Number of Shares</u>	
		<u>Voted For</u>	<u>Voted Against</u>
Matrix Acquisition Holdings Corp.	Common Stock, \$0.01 par value	1,000	0
Matrix Telecom, Inc.	Common Stock, \$0.01 par value	3,860,987	0

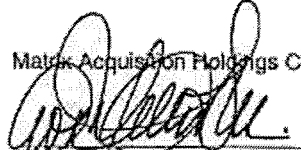
9. The approval of the agreement of merger and performance of its terms were duly authorized by all action required by the laws of the states under which Matrix Acquisition and the Surviving Corporation were incorporated and by their respective constituent documents.

10. The Surviving Corporation will be responsible for the payment of all franchise taxes and fees and the Surviving Corporation will be obligated to pay such franchise taxes and fees if the same are not timely paid.


11. The merger of Matrix Acquisition into the Surviving Corporation shall be effective upon the date of the execution of these Articles of Merger, December 31, 2003.

IN WITNESS WHEREOF, Matrix Acquisition Holdings Corp. and Matrix Telecom, Inc. have caused these articles of merger to be signed by their respective authorized officers on December 31, 2003.

Matrix Acquisition Holdings Corp.


Eva M. Kalawski
Vice President and Secretary

Matrix Telecom, Inc.


Eva M. Kalawski
Vice President and Secretary

AGREEMENT OF MERGER

THIS AGREEMENT OF MERGER (this "Agreement") is made and entered into as of December 31, 2003 by and between Matrix Acquisition Holdings Corp., a Delaware corporation ("MAHC") and Matrix Telecom, Inc., a Texas corporation ("MATRIX" or, after the Effective Time (as defined in Article V hereof), the "Surviving Corporation").

WHEREAS, MAHC is a corporation organized and validly existing under the laws of the State of Delaware;

WHEREAS, MATRIX is a corporation organized and validly existing under the laws of the State of Texas;

WHEREAS, the Board of Directors and the shareholders of each of the parties have duly authorized the merger of MAHC with and into MATRIX pursuant to the terms of this Agreement (the "Merger");

WHEREAS, it is intended that the Merger be a non-taxable transaction for tax purposes; and

WHEREAS, all other conditions precedent to the Merger have been, or prior to the Effective Time will be, satisfied or validly waived;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I MERGER

At the Effective Time, MAHC shall be merged with and into MATRIX, the separate existence of MAHC shall cease, MATRIX shall continue in existence as the Surviving Corporation, and the Merger shall in all respects have the effects provided for by the Texas Business Corporation Act.

Prior to the Effective Time, MAHC and MATRIX shall take all such action as shall be necessary or appropriate in order to effectuate the Merger. If at any time after the Effective Time, MATRIX shall consider or be advised that any further assignments, conveyances or assurances in law are necessary or desirable to carry out the provisions hereof, the proper former officers or other agents of MAHC shall execute and deliver any and all proper deeds, assignments, and assurances in law, and do all such additional things necessary or proper to carry out the provisions hereof.

ARTICLE II TERMS OF MERGER

At the Effective Time, all of the shares of MAHC's common stock issued and outstanding immediately prior to the Effective Time shall, by virtue of the Merger and without any action on the part of the officers or directors of MAHC be converted into the right to receive an equal number of shares of MATRIX.

At the Effective Time, all of the shares of MATRIX's common stock issued and outstanding immediately prior to the Effective Time shall be cancelled and retired.

EXHIBIT C

**CERTIFICATE OF AUTHORIZATION: FOREIGN
CORPORATION**

State of South Dakota



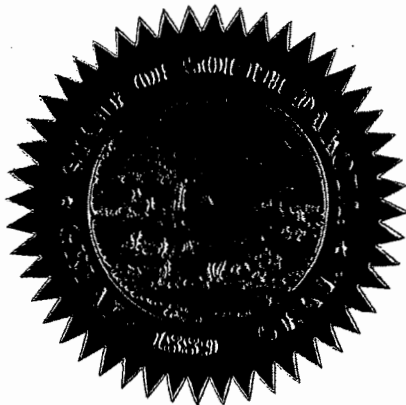
OFFICE OF THE SECRETARY OF STATE

Certificate of Authorization Foreign Corporation

ORGANIZATIONAL ID #: FB016925

I, **Chris Nelson**, Secretary of State of the State of South Dakota, do hereby certify that **MATRIX TELECOM, INC. (TX)** was authorized to transact business in this state on **May 6, 1994**.

I, further certify that said corporation has complied with the South Dakota law governing foreign corporations transacting business in this state, and so far as the records of this office show, said corporation is in good standing and the annual report required by law has been filed. This certificate is not to be construed as an endorsement, recommendation or notice of approval of the corporation's financial condition or business activities and practices. Such information is not available from this office.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this December 20, 2006.

Chris Nelson

Chris Nelson
Secretary of State

EXHIBIT D

STATE AUTHORIZATIONS

**MATRIX
LD/IXC AND CLEC/LEC
CERTIFICATE STATUS**

No.	State	Cert	Effective Date	CLEC/LEC		Authorization	Cert	Effective Date	LD/IXC	
				Docket #	Agency #				Docket #	Authorization
1	Alabama	Yes	9/16/2005	21793		Local	Yes	5/10/1991	21793	Reseller of Interexchange LD
2	Alaska	No					Yes	9/15/2005	RX05027	LD Reseller
3	Arizona	Yes	12/9/2005	T-0322BA-05-0244			Yes	5/16/2003	T-03338A-96-0392	Competitive Resold Interexchange
4	Arkansas	Yes	6/24/2005	05-029-U		Competing Local Exchange	Yes	10/25/1990	97-037-U	Reseller of Telecommunications
5	California	Yes	11/18/2005	05-03-023	U-5227-C	CPCN	Yes	12/19/1990	90-10-062	Reseller of Telecommunication
6	Colorado	Yes	6/1/2005	05A-136T		Local Exchange	Yes	2/25/1999	N/A	Toll Reseller Registration
7	Connecticut	Yes	5/11/2005	42127		Resell Local Exchange	Yes	11/14/1999	95-08-30	Reseller of intrastate
8	Delaware	No				No Local	Yes	3/4/1997	96-319	Reseller of Interexchange LD
9	District of Columbia	Yes	9/30/2005	TA-05-5-10		Local	Yes			De-Regulated
10	Florida	Yes	5/20/2005	050200-TX		CLEC	Yes	10/13/1994	940688-TI	Interexchange Telecommunications
11	Georgia	Yes	5/2/2005	20457-U		Interm CLEC	Yes	10/6/1992	Cert # R-067	Resell Interexchange
12	Hawaii	Yes	6/20/2005	05-0063		Certificate of Authority	Yes	6/20/2005	05-0063	Intrastate Telecom
13	Idaho	No				No Local	Yes			De-Regulated
14	Illinois	Yes	7/13/2005	05-0213		Local reseller	Yes	11/7/1990	90-0334	Reseller of LD
15	Indiana	Yes	7/28/2005	42813		Resell Local Exchange	Yes	5/15/1996	40091	Territorial reseller of Interexchange
16	Iowa	No				No Local	Yes			De-Regulated
17	Kansas	Yes	7/6/2005	05-MXTC-867-COC		Local Exchange & Exchange Acc	Yes	6/26/1995	191,589-U 95-MXTC-189-CCN	Reseller of Telecommunications
18	Kentucky	Yes	5/10/2005	TFS2005-00386		Local Exchange Reseller	Yes	3/13/1991	90-270	Reseller of Telecommunications
19	Louisiana	No				No Local	Yes	10/2/1990	N/A	Reseller Long Distance
20	Maine	Yes	1/4/2006	2005-756		CLEC	Yes	4/28/1997	96-665	Long Distance Reseller (Switchless)
21	Maryland	Yes	10/19/2005	96645		Resold Local Exchange	Yes	10/15/1990		Resell Intrastate
22	Massachusetts	Yes	6/12/2005			Tariff for local effective 6/12/05	Yes	5/13/1991	90-247	Reseller
23	Michigan	Yes	9/20/2005	U-14470		Local Authority	Yes			De-Regulated
24	Minnesota	Yes	6/21/2005	NA-05-490		Resold Local Exchange	Yes	6/17/1991	P3038/NA-90-792	Resell Long Distance
25	Mississippi	Yes	8/22/2005	05-UA-0269		Reseller Inrast, IntraLATA, Interex	Yes	11/26/1990	90-UA-0268	Reseller of Telecommunications
26	Missouri	Yes	10/31/2005	CA-2005-0393 (C) YC-2005-0947 (T)		Basic Local Telecommunication	Yes	1/18/2004	XA-2004-0238	Interexchange
27	Montana*	Yes				Registered	Yes	N/A	N/A	Registered
28	Nebraska	Yes	6/28/2005	C-3397		Reseller of Local Exchange	Yes	2/19/1991	C-865	Reseller of Telecommunications
29	Nevada	Yes	6/10/2005	05-4006		Basic	Yes	11/10/1994	94-7016	Reseller of Interexchange LD
30	New Hampshire	Yes	5/16/2005	C05-001-05		Local Exchange	Yes	11/4/1993	22,473	Intralata Toll
31	New Jersey	No	6/9/2005	Reseller		De-Regulated	Yes			De-Regulated
32	New Mexico	Yes	5/20/2005	N/A		CLEC	Yes	9/12/1991	91-75-TC	Non-Facilities Interexchange
33	New York	Yes	4/19/2005	05-C-0376		Ltr notifying of Approval	Yes	10/3/1990	90-C-0687	CPCN
34	North Carolina	Yes	8/1/2005	P-224-9		Local Exchange	Yes	12/18/1990	P-224	Reseller of Interexchange LD
35	North Dakota	Yes	4/20/2005	PU-05-206		Resell Local Exchange	Yes	8/10/1994	PU-1281-94-458	Intrastate Long Distance Reseller
36	Ohio	Yes	5/5/2005	05-443-TP-ACE		Local Exchange	Yes	5/5/2005	05-443-TP-ACE	Interexchange
37	Oklahoma	Yes	12/9/2005	200500161		Resold Local Exchange	Yes	6/16/1997	413393	CPCN
38	Oregon	Yes	5/16/2005	CP 1281/UM 376		CLEC	Yes	3/19/1991	91-409	Competitive Provider
39	Pennsylvania	Yes	12/1/2005	A-310302F-0004		Resold Comp	Yes	9/11/1992	Certificate	Interexchange reseller
40	Rhode Island*	Yes	1/12/1997	2262L5		Competitive Switchless Reseller	Yes	1/12/1997	2262(L5)	Competitive Switchless Reseller
41	South Carolina	Yes	8/25/2005	2005-98-C		Local Exchange	Yes	12/19/1990	90-517-C	Reseller Telecommunications
42	South Dakota	No				No Local	Yes	7/3/1991	TC91-017	Intralata/Intrastate Reseller
43	Tennessee	Yes/LEC	5/16/2005	05-00083		Resell Local	Yes	10/13/1995	95-03215	Resell Interexchange Long Distance
44	Texas	Yes	6/26/1997	17215		ILEC	Yes	8/13/1990	IX010828	IXC
45	Utah	Yes	11/18/2005	05-2451-01		Local Exchange Services	Yes			De-Regulated
46	Vermont	Yes	7/6/2005	CPG 107-CR		Local Exchange	Yes	9/3/1992	107	CPG
47	Virginia	Yes	12/22/2005	PUC-2005-00088		Local Exchange Telecom Services - Certified as Matrix Telecom of Virginia, Inc.	Yes			De-Regulated
48	Washington	Yes	5/27/2005	UT-910020 Cert. UT-030675 Tar.		Tariff for local effective 5/27/05	Yes	5/8/1991	UT-910020	Reseller of Intrastate
49	West Virginia	Yes	9/15/2005	05-0415-T-CN		Resold Local Exchange	Yes	5/5/1992	92-0001-T-CN	Interexchange Long Distance
50	Wisconsin	Yes	8/31/2001	7115-TI-101 5-9300.59.Cert-01		Resell Local Exchange Tariff # 31328	Yes	8/31/2001	7115-TI-101 5-9300.59.Cert-01	Reseller of Intrastate as an Alternative
51	Wyoming*	Yes	5/4/2005	70200-TA-05-1		Local Exchange	Yes	1/2/1996	74140-TX-96-1	Interexchange Carrier

EXHIBIT E

ORGANIZATIONAL STRUCTURE

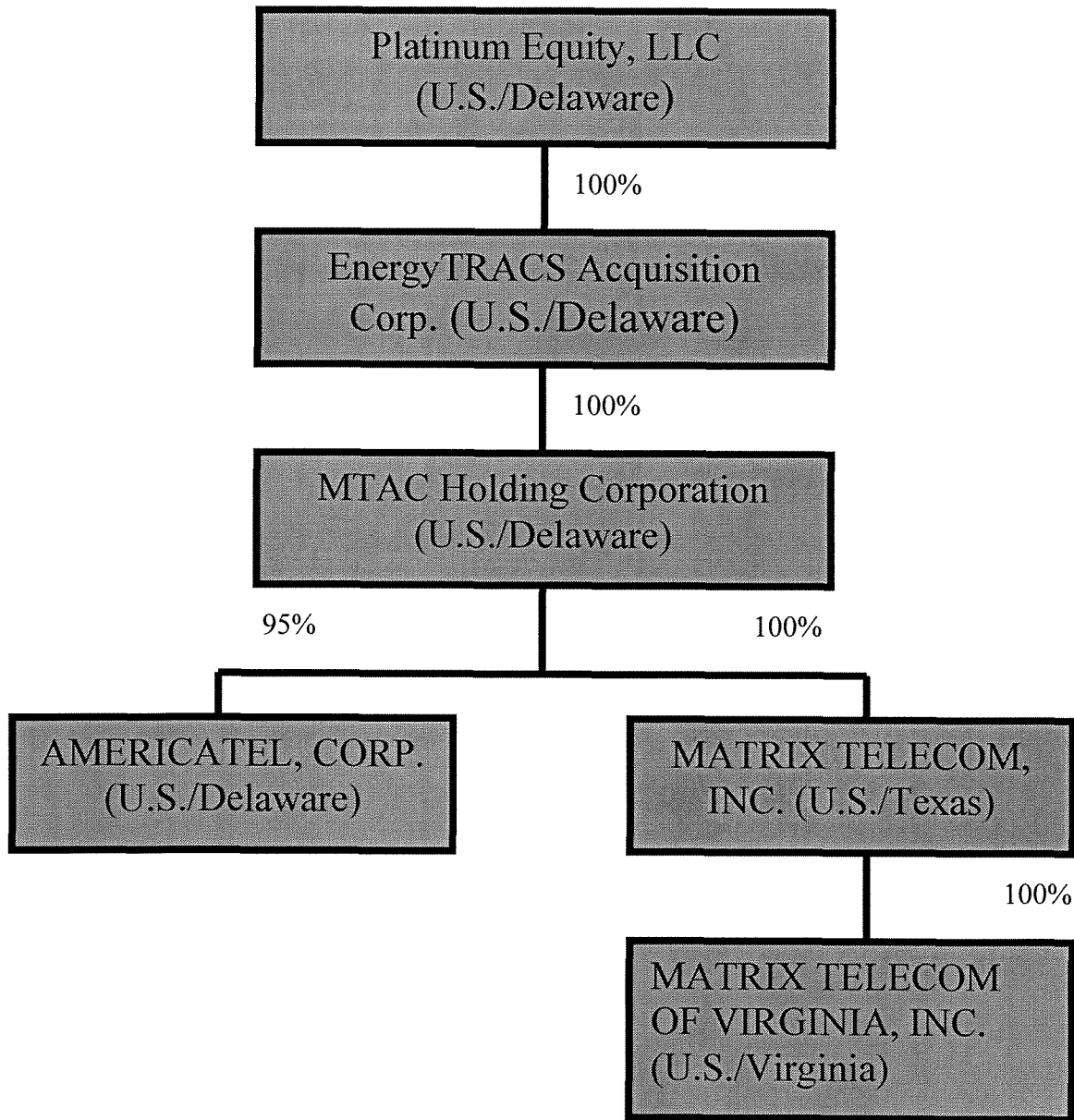
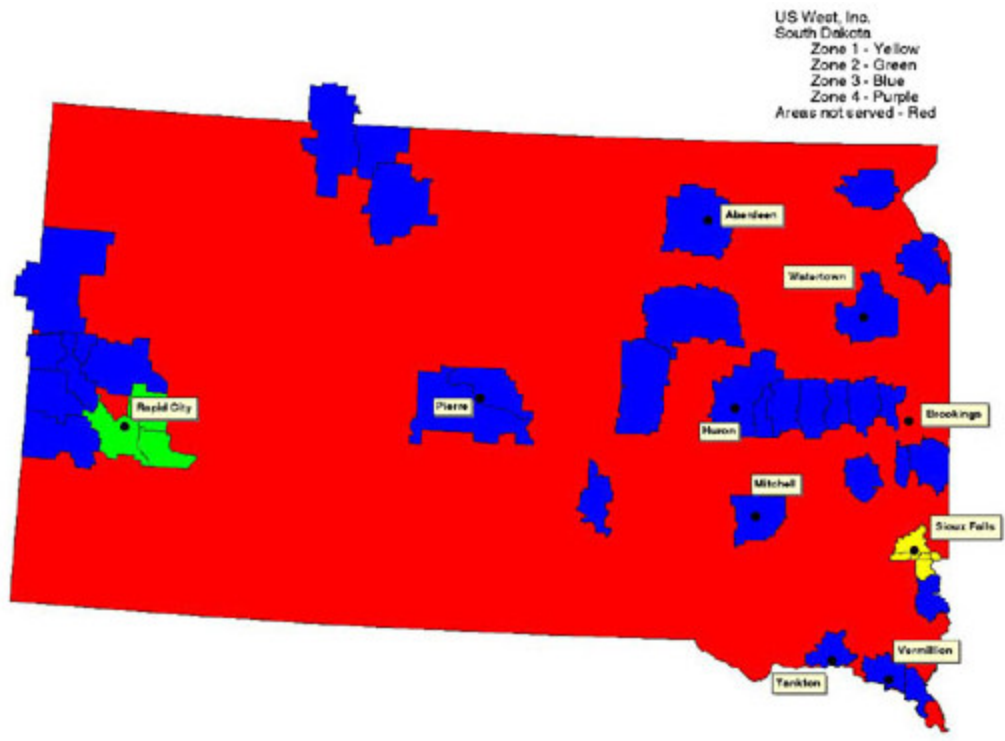


EXHIBIT F
SERVICE AREA MAP

South Dakota: US West, Inc.



[View more states](#) ▶

EXHIBIT G

BIOGRAPHICAL DATA

Russell Lambert - President and Chief Executive Officer

Russ Lambert is an accomplished business executive and turnaround specialist with Fortune 500 experience in operational and strategic management positions, a proven 20 year track record in new service and technology product development, and extensive B2B and B2C sales and marketing credentials.

Mr. Lambert's industry experience encompasses distribution, service, construction logistics and telecommunications. He has authored and implemented strategic plans in international development and technology and led the e-commerce strategic planning function of a multi-billion dollar publicly traded company. Lambert has built his career on leading organizations through challenging market conditions, including: turnarounds in Chapter 11, rapid expansion, new product development, consolidation, and strategic redefinition.

Lambert holds a Bachelors Degree with dual majors in finance and accounting (honors) and a Doctorate in Jurisprudence from South Texas College of Law. He has passed the Certified Public Accounting examination, and is licensed to practice law in the State of Texas. Mr. Lambert is a published author of *The Executive's Guide to the Wireless Workforce*, a business book on productivity improvements possible through wireless computing.

Charles G. Taylor - Vice President and Chief Financial Officer

Mr. Taylor has over 17 years of telecommunications experience. He was hired in October of 2001 as CFO with responsibility for all financial matters for the Company. Prior to rejoining Matrix in 2001, Mr. Taylor was founder and Vice President of Finance for Vartec Telecom from 1987 to 1990, founder and COO for Matrix Telecom, Inc. from 1990 to 1996, EVP – Retail Business Development for Pacific Gateway Exchange from 1996 to 2000 and founder and President of Local Gateway Exchange from 2000 to 2001. Mr. Taylor graduated cum laude with a BS in Accounting from Lamar University and has been a Certified Public Accountant in Texas since 1984.

Paul Bird - Sr. Vice President of Technology

Paul Bird has over 25 years of consistent success and background in the telecommunications industry and enterprise networking field. Mr. Bird has held several technical positions as Network Engineer, Network Architect, IT Director and Manager of Voice and Data Networks in fortune 500 company environments. Mr. Bird's most recent position was IT Director of Networks with a Platinum Equity sister company. Mr. Bird joined Matrix Business Technologies in April of 2006, and is currently, Sr. Vice President of Technology. The primary responsibilities of his position at Matrix are: full responsibility for Application Development, Network Operations, Switch support, Provisioning, and NOC Operations. Mr. Bird also works closely with all the other Matrix Technologies Divisions to align the IT Group with Matrix Technologies business objectives.

Stephen A. Wagner - Vice President of Sales and Client Services

Stephen A. Wagner, Vice President of Sales and Client Services, joined Matrix Business Technologies in December 2005 after serving over 10 years in various management roles at Global Crossing and Frontier Communications in sales, client services, account management and channel sales. Prior to that, Mr. Wagner worked in the shipping and transportation industry. Mr. Wagner is responsible for all customer facing operations at Matrix Business Technologies; including sales, account management, customer service and provisioning. He is a graduate of St. John Fisher College in Rochester, New York and has attended the Simon Business School at the University of Rochester.

Kevin P Gorman - Vice President of Marketing

Kevin P Gorman, Vice President of Marketing, joined Matrix Business Technologies in October 2006 after serving eleven years in a management role in account management, channel sales, sales operations and marketing at Frontier Communications/Global Crossing Telecommunications, providing telecommunications solutions over the world's first integrated global IP-based network. Prior to that, Mr. Gorman served as a sales and strategic marketing manager at a large business forms and office supplies provider. In his current capacity, Mr. Gorman is responsible for market management activities, marketing communications, and product management/marketing. Mr. Gorman obtained his BA from the University at Buffalo.

Brian Gustas - Vice President of Wholesale Services

Brian Gustas has been continuously working in the telecommunications industry for over 20 years. In November of 2004, Mr. Gustas joined Matrix Telecom, Inc. as its Vice President of Wholesale Services. He is responsible for managing wholesale relationships and negotiating vendor contracts, all with the objective of reducing the cost of goods and improving operational efficiencies. From 1989 to 1996, Mr. Gustas worked in various capacities for Westel, Incorporated. In 1996, he co-founded ComSource, Inc., an international wholesale telecommunications brokerage firm. In 1999, Mr. Gustas sold his interest in ComSource to pursue other opportunities in telecommunications. From 1999 through 2004, he was the President of Business Development Group, LLC. This organization provided specialized consulting, outsourcing, and strategic venture capital investments. Additionally, from 1999 to 2002, Mr. Gustas was President and CEO of Zenex Communications. Zenex was a wholesaler of prepaid platform minutes to card providers across the United States. Mr. Gustas obtained his BS in Management with a Minor in Economics from Oklahoma State University.

Scott Klopack - Vice President of Regulatory Affairs and General Counsel

Scott Klopack is responsible for leading Matrix's legal and regulatory department. Mr. Klopack has a broad background as an attorney, working primarily as a litigator for his first several years out of law school. As a sole practitioner, his practice expanded to include transactional work, including corporate structuring, drafting and negotiating commercial leases, purchase agreements, and similar documents. He then spent several years as in-house counsel, including as Senior Counsel for Nucentrix Broadband Networks, responsible for a variety of issues, from managing litigation and negotiating tower leases to advising the company's executives and directors as necessary. Mr. Klopack obtained a B.A. in political science from Austin College and his Juris Doctorate from Baylor Law School.

Laurie Rodriguez – Vice President of Financial Planning and Analysis

Laurie Rodriguez is currently responsible for all budgeting/forecasting and strategic financial planning within Matrix. She also has responsibility for monthly operational and financial reporting/analysis against plan. With over 20 years of experience in varying finance-related positions, and over 15 years of telecommunications experience, she fills a vital role in the planning and analysis of the Company. Her experience includes strategic and financial planning, financial accounting and reporting, cash flow/working capital management, product profitability analysis, process/performance reengineering, business restructuring, organization design, management and development, and internal control management. She holds a Bachelor's Degree in Accounting from Murray State University and is a CPA (licensed in Texas) and CMA.

EXHIBIT H

FINANCIAL STATEMENTS

CONFIDENTIAL AND FILED UNDER SEAL

EXHIBIT I

REQUEST FOR INTERCONNECTION

-----Original Message-----

From: Dana Hoyle
Sent: Sunday, December 10, 2006 12:01 PM
To: intagree@qwest.com
Cc: Scott Klopach; Dana Hoyle
Subject: Request to initiate negotiations

Please accept this as a request to initiate negotiations, under the Telecommunications Act of 1996, on behalf of Matrix Telecom, Inc. d/b/a Matrix Business Technologies.

Any inquiries regarding this request should be addressed to:

Dana Hoyle
Manager of Regulatory Affairs
Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, Texas 75230
214/432-1453 voice
214/432-1576 facsimile
dhoyle@matrixbt.com

We look forward to obtaining a mutually acceptable wholesale arrangement with Qwest.

Regards,

Dana Hoyle
Manager of Regulatory Affairs
Matrix Business Technologies

EXHIBIT J
PROPOSED TARIFF

RATES, TERMS AND CONDITIONS

RELATING TO THE PROVISION OF

LOCAL EXCHANGE SERVICES PROVIDED BY

MATRIX TELECOM, INC.

D/B/A MATRIX BUSINESS TECHNOLOGIES

WITHIN THE

STATE OF SOUTH DAKOTA

Issued:

By:

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

Effective:

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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 Technologies ("the Company") in the serving areas defined herein.

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.

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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.
- T To indicate a change in text but no change in rate or regulation

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24.....		Original
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27.....		Original

Note: Future revisions to these tariff pages shall include an updated check sheet. Such check sheet shall include an asterisk (*) beside the applicable added or revised page number and the Caption "XX Revised".

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TARIFF FORMAT

A. Page Numbering: Each page is numbered at the upper right corner of the page. Pages are numbered sequentially. New pages are occasionally added to the tariff between pages already in effect. In this case the new page number appears with a decimal added.

B. Page Revision Numbers: Revision numbers also appear in the upper right corner of each page where applicable. These numbers are used to indicate the most current page version on file with the Commission. Consult the Check Sheet for the pages currently in effect.

C. Paragraph Numbering Sequence: There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

- 2.
- 2.1
- 2.1.1
- 2.1.1.A
- 2.1.1.A.1
- 2.1.1.A.1.(a)
- 2.1.1.A.1.(a).I
- 2.1.1.A.1.(a).I.(i)
- 2.1.1.A.1.(a).I.(i).(1)

D. Check Sheets: When a tariff filing is made with the Commission, an updated Check Sheet will accompany the tariff filing. The Check Sheet lists the pages contained in the tariff, with a cross-reference to the current Revision Number. When new pages are added, the Check Sheet is changed to reflect that revision. All revisions made in a given filing are designated by an asterisk (*). The tariff user should refer to the latest Check Sheet to find out if a particular page is the most current on Commission file.

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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 that 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.

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EXPLANATION OF TERMS (cont'd)

CENTRAL OFFICE

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

CUSTOMER

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

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.

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EXPLANATION OF TERMS (cont'd)

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.

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.

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EXPLANATION OF TERMS (cont'd)

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.

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.

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EXPLANATION OF TERMS (cont'd)

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.

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.

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EXPLANATION OF TERMS (cont'd)

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.

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Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230

Effective:

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.
- 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.
- 1.1.3 The Company will provide a toll-free number giving Customers access to service personnel during regular business hours.
- 1.1.4 The Company will comply with any applicable quality of service requirements according to South Dakota laws and rules.

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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.
- 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.
- 1.2.3 This tariff shall be interpreted and governed by the laws of the State of South Dakota without regard for the State's choice of laws provisions.
- 1.2.4 Another telephone company must not interfere with the right of any person or entity to obtain service directly from the Company.
- 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.
- 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.
- 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

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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.
- 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.
- 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.
- 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.

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SECTION 1 – REGULATIONS (CONT'D)

1.4 Provision of Equipment and Facilities (cont'd)

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:

- (i) the transmission of signals by Customer provided equipment or for the quality of, or defects in such transmission; or
- (ii) the reception of signals by Customer provided equipment; or
- (iii) 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.

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SECTION 1 – REGULATIONS (CONT'D)

1.5 Liability of the Company

- 1.5.1 The Company's liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in transmission which occur in the course of furnishing service or facilities, shall be determined in accordance with SDCL 49-13-1 and 49-13-1.1 and any other applicable law. Nothing in this tariff is intended either to limit or to expand Customer's right to assert any claims against third parties for damages of any nature other than those described in the preceding sentence.
- 1.5.2 The Company's liability for willful misconduct, if established as a result of judicial or administrative proceedings, is not limited by this tariff. The Company's 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 Section 1.7.2, the Company's liability, if any, shall be limited as provided herein.
- 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:
- (i) claims for libel, slander, invasions of privacy or infringement of copyright arising from any communication;
 - (ii) 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
 - (iii) claims for loss of profit; or
 - (iv) all other claims arising out of any act or omission of others in the course of using services provided pursuant to this tariff.

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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.

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.

1.5.6 With Respect to Emergency Number 911 Service

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.

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SECTION 1 – REGULATIONS (CONT'D)

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.

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SECTION 1 – REGULATIONS (CONT'D)

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.

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SECTION 1 – REGULATIONS (CONT'D)

1.6 Directory Listings

- 1.6.1 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 1.5.7 preceding. Customer must contact its yellow pages representative concerning its advertising in yellow pages directories.
- 1.6.2 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.
- 1.6.3 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.
- 1.6.4 The Company shall not be liable for any act or omission concerning the implementation of presubscription as defined herein.

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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 thereunder 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.

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SECTION 1 – REGULATIONS (CONT'D)

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.

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SECTION 1 – REGULATIONS (CONT'D)

1.8 Obligations of the Customer(cont)

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.

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.

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SECTION 1 – REGULATIONS (CONT'D)

1.8 Obligations of the Customer (cont'd)

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.

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.

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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.

A E911 Service Surcharge

All Customers will be assessed a per line surcharge to support local E911 Service Program. The E911 Surcharge will be based on a monthly snapshot of lines associated with each Customer's account. No fractional debits or credits will be given. This surcharge will appear as a separate line item on the Customers bill. The amount of the surcharge will be equal to the per line assessment paid by the Company as determined by local jurisdictional assessments rounded up to the nearest whole cent, and may vary from time to time as required by South Dakota law, Commission rules or local jurisdiction requirements.

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SECTION 1 – REGULATIONS (CONT'D)

1.9.1 Taxes and Surcharges (cont)

B South Dakota Telecommunications Relay Service Surcharge

All Customers will be assessed a per line surcharge to support the South Dakota Telecommunications Relay Service ("SDTRS") program. The SDTRS Surcharge will be based on a monthly snapshot of lines associated with each Customer's account. No fractional debits or credits will be given. This surcharge will appear as a separate line item on the Customers bill. The amount of the surcharge will be equal to the per line assessment paid by the Company as determined by South Dakota law or Commission rules rounded up to the nearest whole cent, and may vary from time to time as required by South Dakota law or Commission rules.

1.9.2 Bills and Collection of Charges

- 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.

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SECTION 1 – REGULATIONS (CONT'D)

1.9 Payment Arrangements (cont'd)

1.9.2 Bills and Collection of Charges (cont'd)

- E A \$15.00 charge will be assessed for checks with insufficient funds or non-existing accounts.
- 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.

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.
- D If after investigation and review by the Company, a disagreement remains as to the disputed amount, the customer may file an appropriate complaint with:

South Dakota Public Utilities Commission
500 East Capitol
Pierre, South Dakota 57501-5070
Toll-Free: (800) 332-1782
TTY Through Relay South Dakota: (800) 877-1113

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SECTION 1 – REGULATIONS (CONT'D)

1.10 Discontinuance of Service

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.

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

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.

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SECTION 1 – REGULATIONS (CONT'D)

1.10.1 Discontinuance of Service by the Company (cont'd)

- 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.

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SECTION 1 – REGULATIONS (CONT'D)

1.10 Discontinuance of Service (cont'd)

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.

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.

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SECTION 1 – REGULATIONS (CONT'D)

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.

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.

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SECTION 1 – REGULATIONS (CONT'D)

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.

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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 South Dakota Public Service Commission.

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**SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)**

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.

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.

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**SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)**

2.2 Features

2.2.1 General

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).

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.

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SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

2.2 Features

2.2.1 General

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.

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**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.

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**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 a main or additional listings.
- G **Cross Reference Listing.** This provides a reference to another listing in the same directory.

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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.

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.

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SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

2.5 Operator Services

2.5.1 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.

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**SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)**

2.6 Presubscription

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

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.

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

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.

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 Section 4, herein.

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**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.

2.11 Moves, Adds and Changes

2.11.1 Non-recurring Installation Charges as described in Sections 4 & 5 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 4 & 5 of this tariff will be applied per line when a Customer requests any changes or additions to an existing account

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.

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SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

2.12 Measurement of Service

2.12.1 When charges for calls are mileage sensitive, airline mileage is computed as described below. Calls are measured and rounded to the higher full minute from the serving wire center of the Customer's originating location to the serving wire center of the destination of the call, regardless of Company routing. The distance between the serving wire center origination point and that of the destination point is calculated by using the "V" and "H" coordinates as defined by Bell Communications Research (BellCore) and NECA Tariff FCC No. 4 in the following manner:

Step 1 Obtain the "V" and "H" coordinates for the originating and terminating wire centers.

Step 2 Obtain the difference between the "V" coordinates of each of the serving wire centers. Obtain the difference between the "H" coordinates.

Step 3 Square the differences obtained in Step 2.

Step 4 Add the squares of the "V" difference and "H" difference obtained in Step 3.

Step 5 Divide the sum of the squares obtained in Step 4 by ten (10). Round to the next higher whole number, if any fraction results.

Step 6 Obtain the square root of the whole number obtained in Step 5. Round to the next higher whole number, if any fraction is obtained. This is the airline mileage of the call.

Formula:

$$\sqrt{\frac{(V_1V_2) + (H_1H_2)}{10}}$$

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SECTION 3- SERVICE AREAS

3.1 Exchange Service Areas

Local exchange services are provided, subject to availability of facilities and equipment, in areas currently served by the following Incumbent LECs:

1) Qwest.

3.2 Rate Groups

Charges for local services provided by the Company may be based, in part, on the Rate Group associated with the Customer's Central Office. The Rate Group is determined by the total access lines and PBX trunks in the local calling area which can be reached from each Central Office as listed in the following table:

Rate Group	Exchange Access Lines and PBX Trunks In Local Calling Area-Upper Limit
A/B	1 to 1,000
C/D	1,001 to 5,000
E	5,001 to 20,000
G	20,001 to 45,000
H	45,001 and over

3.3 Local Calling Areas

Local Calling Areas and exchanges are equivalent to those specified by Qwest in its Exchange and Network Services Tariff, Section 5.

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SECTION 4 - PRICE LIST – BUSINESS SERVICES

4.1 Monthly Recurring Charge

<u>Business Line Plan</u>	<u>Local Only</u>	<u>plus Long Distance¹</u>
Rate Group A	\$33.50	\$26.50
Rate Group B	\$36.75	\$29.75
Rate Group C	\$39.25	\$32.25
Rate Group D	\$41.25	\$34.25
Rate Group E	\$43.25	\$36.25
Rate Group F	\$45.25	\$38.25
Rate Group G	\$46.75	\$39.75
Rate Group H	\$53.75	\$46.75

<u>Analog PBX Trunk</u>	<u>Local Only</u>	<u>plus Long Distance¹</u>
Rate Group A	\$38.00	\$31.00
Rate Group B	\$43.50	\$36.50
Rate Group C	\$49.00	\$42.00
Rate Group D	\$51.50	\$44.50
Rate Group E	\$54.50	\$47.50
Rate Group F	\$58.50	\$51.50
Rate Group G	\$61.50	\$54.50
Rate Group H	\$73.50	\$66.50

4.2 Initial Service Conversion Charge

\$5.00 per line or trunk converted, non-recurring

4.3 Installation Charge

\$54.00 per line or trunk installed, non-recurring

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.

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**SECTION 4 - PRICE LIST – BUSINESS SERVICES
(CONT)**

4.4 Features

	<u>Non Recurring Charge</u>	<u>Monthly Recurring Charge</u>	<u>Per Usage Charge</u>
Call Return	\$0.00	\$0.00	\$0.75
Continuous Redial	\$0.00	\$0.00	\$0.75
Call Trace	\$0.00	\$0.00	\$8.00
Caller ID (Name and Number)	\$25.00	\$8.00	\$0.00
Call Forward Variable	\$25.00	\$6.15	\$0.00
Call Forward Busy Line	\$25.00	\$2.85	\$0.00
Call Forward Don't Answer	\$25.00	\$2.85	\$0.00
Call Forward Busy Line/Don't Answer	\$25.00	\$3.75	\$0.00
Call Waiting	\$25.00	\$5.20	\$0.00
Change Call Blocking	\$11.50	\$0.00	\$0.00
Change Class Blocking	\$0.00	\$0.00	\$0.00
Hunting			
Rate Groups A, B, C	\$14.25	\$3.65	\$0.00
Rate Groups D, E	\$14.25	\$4.15	\$0.00
Rate Groups F, G	\$14.25	\$4.65	\$0.00
Rate Group H	\$14.25	\$5.65	\$0.00
Three Way Calling	\$25.00	\$3.75	\$0.00
Third # and Collect Blocking	\$0.00	\$0.00	\$0.00
Toll Blocking	\$11.00	\$16.75	\$0.00
Touch Tone per Trunk Equipped	\$0.00	\$4.00	\$0.00
Ground Start	\$11.50	\$0.00	\$0.00

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**SECTION 4 - PRICE LIST – BUSINESS SERVICES
(CONT)**

4.5 DID Number Service

Description	Non-Recurring Charge	Monthly Recurring Charge
DID Central Office Termination	\$88.00	\$31.00
DID Number Group (per 20)	\$140.00	\$5.75
DID Number Group (per 20 add'l)	\$50.00	\$5.75
DID Number Group (per 100)	\$200.00	\$19.50
DID Number Group (per 100 add'l)	\$110.00	\$19.50

4.6 Directory Listings

	Monthly Recurring Charge	Non - Recurring Charge
Primary Listing	\$0.00	\$0.00
Additional Listing	\$1.65	\$18.00
Cross Reference Listing	\$1.65	\$18.00
Extra Line Listing	\$1.65	\$18.00
Foreign Listing	\$1.65	\$18.00
Non-Published Listing	\$2.35	\$18.00
Non-Listed Number	\$2.35	\$18.00

4.7 Local Directory Assistance

\$0.35 per call

4.8 Directory Assistance Call Completion

\$0.30 per call³

³ Provided where facilities permit; charge in addition to charge in 4.7

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**SECTION 4 - PRICE LIST – BUSINESS SERVICES
(CONT)**

4.9 Operator Services

	surcharge	per minute charge
Third Party Billing	\$2.75	\$.1700
Collect	\$2.75	\$.1700
Person to Person	\$3.25	\$.1700
Busy Line Verification	\$2.00	N/A
Busy Line Verification- Third Party Billed	\$2.00	N/A
Busy Line Verification w/Interrupt	\$2.50	N/A

4.10 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.

4.11 Moves, Adds and Changes

Non-recurring charges as shown in this SECTION 4 - Price List, will be applied when Customer requests moves, adds and/or changes to existing service arrangements.

4.12 Service Restoration Charge

\$15.00 per occurrence

4.13 Service Change Charge

\$32.00 per occurrence

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**SECTION 4 - PRICE LIST – BUSINESS SERVICES
(CONT)**

4.14 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.

4.15 Time and Material Charges

\$27.65 first 15 minutes
\$13.80 each add'l 15 minutes

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SECTION 5 - PRICE LIST – LOCAL DIGITAL SERVICE

5.1 Local Digital Service Monthly Recurring Charge

ISDN-PRI – Per D Channel \$100.00

5.2 Local Digital Service Non-Recurring Charge

ISDN-PRI – Per D Channel \$2500.00

5.3 Optional Features

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

5.4 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.

5.5 Miscellaneous Charges

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

5.6 Directory Listings

	Monthly Recurring Charge	Non-Recurring Charge
Additional Listing	\$1.65	\$18.00
Extra Line Listing	\$1.65	\$18.00
Foreign Listing	\$1.65	\$18.00
Cross Reference Listing	\$1.65	\$18.00
Non-Listed Number	\$2.35	\$18.00
Non-Published Number	\$2.35	\$18.00

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SECTION 5 - PRICE LIST – LOCAL DIGITAL SERVICE

5.7 Operator Services

	Charge	Per Min
Third Party Billing	\$2.75	\$.17
Collect	\$2.75	\$.17
Person to Person	\$3.25	\$.17
Busy Line Verification	\$2.00	N/A
Busy Line Verification- 3 rd Party Billed	\$2.00	N/A
Busy Line Verification w/ Interrupt	\$2.50	N/A

5.8 Local Directory Assistance

\$0.30 per call

5.9 Directory Assistance Local Call Completion

\$0.35 per call¹

5.10 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

¹ Provided where facilities permit; charge in addition to charge in 5.8

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