

Eric Fryson

120000-TX

From: Loson, Kristalyn J. [KJLoson@Venable.com]
Sent: Thursday, May 03, 2012 6:25 PM
To: Filings@psc.state.fl.us
Cc: Loson, Kristalyn J.
Subject: Notification of Proposed Transfer of Control of Sage Telecom, Inc.
Attachments: DC1DOCS1-#478309-v1-Florida_(FL)_Telscape-Sage_Notification_of_Transfer_of_Control_(TOC)_-_PDF.PDF

Dear Public Service Commission Clerk:

Please find attached a notification of the proposed transfer of control of Sage Telecom, Inc. from SP Sage LLC to TSC Acquisition Corp.

This electronic filing is being submitted by Tony S. Lee and Kristalyn J. Loson whose information is below:

Tony S. Lee
 Kristalyn J. Loson
 Venable LLP
 575 7th Street, NW
 Washington, DC 20004
 Tel: (202) 344-4522
 Fax: (202) 344-8300

This electronic filing relates to Docket No. 070531-TX.

The parties on whose behalf the electronic filing is submitted are Sage Telecom, Inc. and TSC Acquisition Corp.

The total number of pages in the attached document is 7.

Please contact Kristalyn Loson at (202) 344-4522 or Tony Lee at (202) 344-8065 should you have any questions regarding this electronic filing.

Thank you.

Kristalyn J. Loson, Esq. | Venable LLP
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May 3, 2012

SUBMITTED VIA EMAIL to filings@psc.state.fl.us

Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

120000-TX

Re: Notification of Proposed Transfer of Control of Sage Telecom, Inc.

Dear Ms. Cole:

TSC Acquisition Corp. ("TSC") and Sage Telecom, Inc. ("Sage Telecom") (together, the "Parties"), hereby notify the Commission of the proposed transfer of control of Sage Telecom from SP Sage LLC ("SP Sage") to TSC (the "Transfer of Control"). The Parties submit this letter for informational purposes only to ensure the continuing accuracy of the Commission's records.

This letter is being filed electronically. We would appreciate acknowledgement of receipt and acceptance of this filing.

I. Description of the Parties

A. Sage Telecom, Inc.

Sage Telecom is a corporation organized under the laws of the State of Texas. Sage Telecom has a principal office at 3300 E. Renner Road, Suite 350, Richardson, Texas 75082. Sage Telecom is a wholly owned subsidiary of SP Sage, a Delaware limited liability company. The company is authorized to provide competitive local exchange and/or interexchange services in Arkansas, California, Colorado (interexchange only), Connecticut, Florida, Illinois, Indiana, Kansas, Kentucky, Michigan, Missouri, Montana, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Utah, Washington, Wisconsin, and Wyoming. In addition, a wholly owned subsidiary of Sage Telecom, Sage Telecom of Texas, LP, is authorized to provide competitive local exchange and interexchange services in Texas.

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In Florida, Sage Telecom is authorized to provide competitive local exchange telecommunications services pursuant to certification issued in Docket No. 070531-TX on September 19, 2007 and interexchange telecommunications services pursuant to de-regulation.¹ Sage Telecom is also authorized by the Federal Communications Commission ("FCC") to provide interstate and international telecommunications services.

B. TSC Acquisition Corporation

TSC is a Delaware corporation headquartered in Los Angeles, California. TSC is owned by GP/T Holdings, LLC (approximately 57% ownership), Gemini Partners, Inc. (approximately 17% ownership) and other investors (none of whom individually own 10% or more of TSC). Through its operating subsidiary, Telscape Communications, Inc. ("Telscape"), TSC provides innovative communications solutions through a comprehensive line of telecommunications, Internet, and wireless services. Telscape is a competitive local exchange carrier servicing the U.S. Hispanic market. The company is founded on the premise that the Hispanic market has unique and identifiable communications needs. Telscape meets these requirements by offering a customized telecommunications experience.

Founded in 1999, Telscape is authorized to provide service in Arizona, California, Florida, Illinois, Nevada, New Jersey, New York, and Texas. In Florida, Telscape is authorized to provide competitive local exchange services pursuant to certification issued by the Commission on August 3, 2004 in Docket No. 04053-TX. Telscape is also authorized by the FCC to provide interstate and international telecommunications services.

II. **Description of the Proposed Transfer of Control**

TSC and SP Sage, the parent company for Sage Telecom, recently entered into a Stock Purchase Agreement ("Agreement"), pursuant to which Sage Telecom will become a direct, wholly-owned subsidiary of TSC. Pursuant to the Agreement, TSC will purchase all of the outstanding stock of Sage Telecom held by SP Sage. GP/T Holdings, LLC, which is a California limited liability company, will, in turn, hold an indirect interest of approximately 57% in Sage Telecom. TSC will acquire the stock of Sage Telecom for cash and also will satisfy all of Sage Telecom's outstanding debt.² Following the change in control, Sage Telecom will continue providing service to its customers, without change, and in accordance with existing tariffs and

¹ Sage was granted authorization to provide interexchange telecommunications services in Docket No. 070532-TI on July 26, 2007.

² In order to fund a portion of the transaction and satisfy Sage Telecom's outstanding debt, TSC plans to incur new debt that may be secured by Sage Telecom upon, or shortly after, closing of the Transfer of Control.

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contracts. Thus, the transaction will be completely transparent to Sage Telecom's customers. Corporate organization charts depicting the respective corporate structures of the parties prior to and immediately following the transaction are attached hereto as Exhibit A.

III. Public Interest Considerations

TSC believes the proposed acquisition of Sage Telecom by TSC will serve the public interest by enabling Sage Telecom and Telscape to offer customers a compelling alternative to legacy carriers through the combined footprint of the two companies, and a comprehensive suite of telecommunications services. Specifically, TSC anticipates that the complementary strengths, product sets, and geographic footprints of the two companies should position the companies to strengthen their ability to enhance service offerings and provide more advanced communications services to a broader customer base.

Although TSC's acquisition of Sage Telecom will result in a change in the ownership and control of Sage Telecom, no transfer of authorizations/certificates, assets or customers will occur as a result of the transaction. Immediately following consummation of the transaction, Sage Telecom will continue to provide service to customers pursuant to its existing authorization with no immediate change in their rates or terms and conditions of service as a result of the transaction. The transfer of control, therefore, will be transparent to Sage Telecom's customers in terms of the services they currently receive.

In sum, TSC expects that the combination of Telscape and Sage Telecom will create opportunities for existing and potential customers of both companies to receive a broader base of high quality services over a larger footprint. Further, the transaction will be transparent to Sage Telecom's customers in terms of the services they currently receive. The transaction, therefore, will serve the public interest.

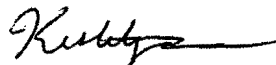
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Should you have any questions with respect to this matter, please do not hesitate to contact the undersigned at (202) 344-4522.

Respectfully submitted,



Tony S. Lee
Kristalyn J. Loson

Counsel for TSC Acquisition Corporation

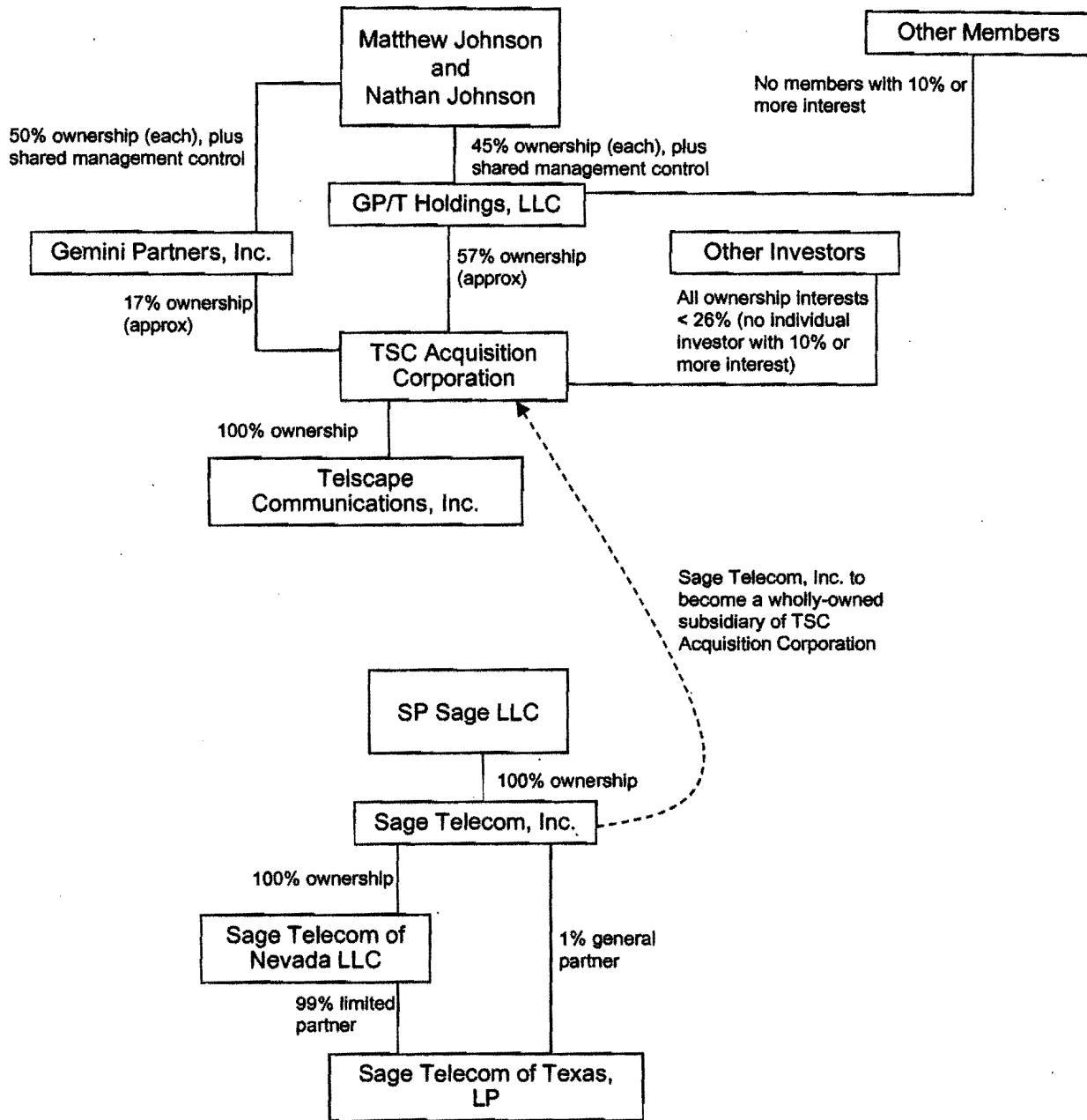
Attachment

cc: Matthew Johnson (TSC Acquisition Corp.)
Nathan Johnson (TSC Acquisition Corp.)
Eric J. Branfman (Counsel to Sage Telecom, Inc.)
Brett. P. Ferrenchak (Counsel to Sage Telecom, Inc.)

EXHIBIT A

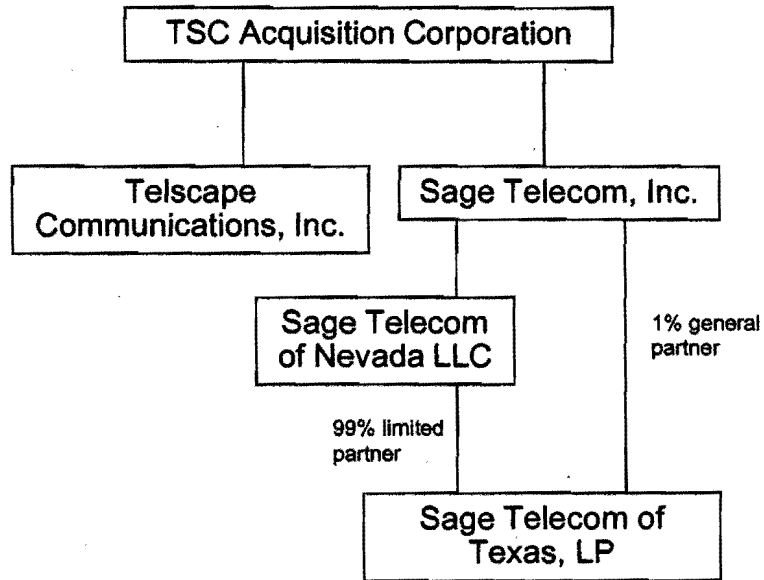
Pre- and Post-Transaction Corporate Structure of the Parties

**Pre-Merger Corporate Structure of
TSC Acquisition Corporation and Sage
Telecom, Inc.**



**POST-Merger Corporate Structure of
TSC Acquisition Corporation and Sage
Telecom, Inc.**

(Ownership of TSC Acquisition Corporation
shown in Exhibit A-1 omitted)



All links are 100% ownership unless
otherwise indicated.