

Eric Fryson

From: Cheng Liu <liu@fhhlaw.com>
Sent: Wednesday, May 29, 2013 6:39 PM
To: Filings@psc.state.fl.us
Cc: Tony Lee
Subject: Notification to FL PSC of Sage Telecom, Inc. and Sage Telecom Communications, LLC.
Attachments: Sage - Florida (FL) notice of certificate transfer to an affiliate (00531538).pdf

Dear Office of Commission Clerk:

Please find attached a notification of the transfer of Sage Telecom, Inc.'s certification to operate as a Florida competitive local exchange carrier (#8968) to its affiliate, Sage Telecom Communications, LLC.

This electronic filing is being submitted by Tony S. Lee whose information is below:

Tony S. Lee
Fletcher, Heald & Hildreth, P.L.C.
1300 N. 17th Street, Suite 1100
Arlington, VA 22209
Tel: (703) 812-0442
Fax: (703) 812-0486
lee@fhhlaw.com

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

The parties on whose behalf the electronic filing is submitted are Sage Telecom, Inc. and Sage Telecom Communications, LLC.

The total number of pages in the attached document is twelve (12).

Please contact Tony Lee at (703) 812-0442 should you have any questions regarding this electronic filing.

Thank you.

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* NOT ADMITTED IN VIRGINIA

May 29, 2013

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

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

**Re: Notification of *Pro Forma* Internal Structural Change Involving
Sage Telecom, Inc. (TX940) and Sage Telecom Communications, LLC**

Dear Ms. Cole:

TSC Acquisition Corp. ("TSC"), Sage Telecom, Inc. ("Sage Inc."), and Sage Telecom Communications, LLC ("Sage LLC") (together, the "Parties"), pursuant to § 364.33, Fla. Stat. (2012), hereby notify the Florida Public Service Commission ("Commission") of a *pro forma* internal structural change whereby all of the assets of Sage Inc. (Company Code TX940, Certificate #8698), including its customers and authority to operate in the state of Florida will be assigned to its affiliate, Sage LLC. As described more fully below, the proposed transaction will not involve any change in (a) the ultimate ownership of TSC or Sage Inc., (b) the current management or key personnel of the company, or (c) the rates, terms, or conditions or service currently being provided to customers. Corporate organization charts depicting the respective corporate structure of Sage Inc. prior to and following the transaction are attached hereto as Exhibit A. Immediately following consummation of the transaction, Sage LLC will continue to provide service to its Florida customers with no change in the rates or terms and conditions of service as currently provided. The proposed *pro forma* internal structural change will be completely seamless to customers in terms of the services they receive.

I. Description of the Parties

A. TSC Acquisition Corp.

TSC is a Delaware corporation headquartered in Los Angeles, California. TSC is the parent corporation of Sage Inc. and Sage LLC. Through its operating subsidiaries, Telscape Communications, Inc. ("Telscape") and Sage Inc., TSC provides innovative communications solutions through a comprehensive line of telecommunications, Internet, and wireless services. Founded in 1999, Telscape is authorized to provide service in Arizona, California, Florida,

Illinois, Nevada, New Jersey, New York, and Texas. TSC and Telscape are operated by a highly qualified management team.

B. Sage Telecom, Inc. and Sage Telecom Communications, LLC

Sage Inc. is a corporation organized under the laws of the State of Texas. Sage Inc.'s principal offices are located at 10440 N. Central Expressway, Suite 700, Dallas, Texas 75231-2228. Sage Inc. is a wholly owned subsidiary of TSC. In Florida, Sage Inc. 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 The company is authorized to provide competitive local and/or interexchange services in Arkansas, California, Colorado, Connecticut, Florida, Illinois, Indiana, Kansas, Kentucky, Michigan, Missouri, Montana, Nevada, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Texas,² Washington, Wisconsin, and Wyoming.

Sage LLC is a recently-formed limited liability company created for the special purpose of acquiring the assets of Sage Inc. A copy of Sage LLC's registration to do business as a foreign corporation in Florida is attached hereto as Exhibit B. Both Sage Inc. and Sage LLC are ultimately wholly-owned by TSC. Thus, they are commonly owned and controlled by the same management team.

II. Description of the Proposed *Pro Forma* Internal Structural Change

In 2000, the U.S. Treasury Department created the New Markets Tax Credits ("NMTC") Program, which awards tax credits to spur new or increased investments in businesses that serve low-income communities. Sage Inc. applied for and was awarded a grant under the NMTC Program to provide telecommunications services to low-income residents. However, in order to comply with certain requirements under the NMTC Program, TSC was required to create Sage LLC as a special-purposes entity into which it will transfer all of the assets of Sage Inc.³ Specifically, the company proposes to undertake a *pro forma* internal structural change whereby all of Sage Inc.'s assets and customers will be transferred to Sage LLC. After the transaction, Sage LLC will become the sole Sage operating company in Florida.

The Parties emphasize that the proposed transaction will be completely seamless to Sage Inc.'s existing customers. The proposed transaction is entirely intra-corporate in nature, will not

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

² In Texas, the company is authorized to provide service under Sage Telecom of Texas, LP.

³ It is important to note that although Exhibit A depicts the assets of Sage Telecom of Nevada LLC and Sage Telecom of Texas, LP as also being transferred to Sage LLC, those entities do not hold any authorizations issued by the Commission. Accordingly, those two entities are being included in the corporate structure chart depicting the *pro forma* transaction only for purposes of completeness.

Ann Cole, Director
May 29, 2013
Page 3

involve any change in the ultimate ownership or control of TSC or the Sage companies, and will not affect any of the rates, terms or conditions under which the company's customers receive service. Immediate following the transaction, existing customers will continue to receive service under the Sage brand name, and the proposed transaction will not involve any discontinuation of service or termination of customers. Moreover, because the transaction is *pro forma* in nature, the company's operations will continue to be managed and conducted by the same technical, operational, and managerial personnel that are currently in place.

III. Public Interest Considerations

The proposed transaction will serve the public interest by enabling the company to continue offering customers a compelling alternative to legacy carriers, and a comprehensive suite of telecommunications services, while at the same time, expanding the availability of advanced telecommunications services to low-income residents through the NMTC Program. Low-income residents are often ignored by competitive telecommunications service providers as they generally do not provide the same returns on investment associated with service provided to enterprise customers. TSC is committed to serving the low-income market, and participation in the NMTC Program is just one example of that commitment. The public interest is served by allowing the Parties to undertake the proposed *pro forma* internal structural change to permit Sage LLC to take advantage of the NMTC tax credits, and to continue TSC's mission of providing service to historically underserved low-income subscribers. In sum, the internal structural change is expected to create substantial new service opportunities for low-income customers, which will ultimately enhance the variety of telecommunications products and services offered to Florida consumers.

Should you have any questions with respect to this matter, please do not hesitate to contact the undersigned at (703) 812-0442.

Respectfully submitted,

s/ Tony S. Lee

Counsel for TSC Acquisition Corporation,
Sage Telecom, Inc., and Sage Telecom
Communications, LLC

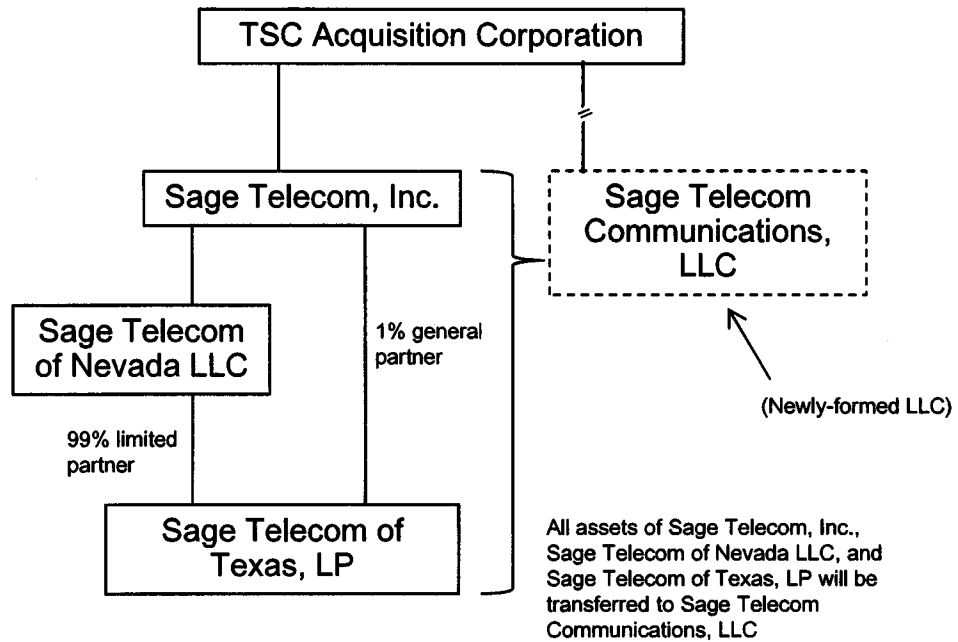
Attachments

cc: Nathan Johnson
Joseph Holop
Sherri Flatt

EXHIBIT A

Corporate Structure Chart

Corporate Structure of TSC Acquisition Corporation and the Sage Companies Before the *Pro Forma* Internal Structural Change



Corporate Structure of TSC Acquisition Corporation and the Sage Companies After the *Pro Forma* Internal Structural Change

The ownership of TSC Acquisition Corporation and all key management and personnel of the Sage companies will remain unchanged.

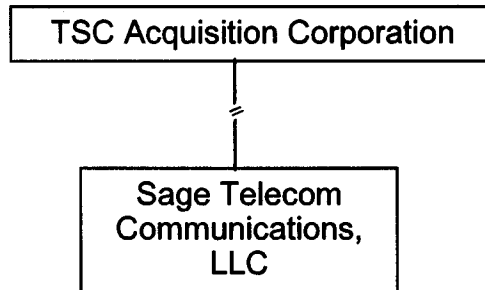


EXHIBIT B

Secretary of State Qualification



FLORIDA DEPARTMENT OF STATE
Division of Corporations

February 14, 2013

CORPDIRECT AGENTS
% RICKY SOTO

Qualification documents for SAGE TELECOM COMMUNICATIONS, LLC were filed on February 13, 2013, and assigned document number M1300000965. Please refer to this number whenever corresponding with this office.

Your limited liability company is authorized to transact business in Florida as of the file date.

To maintain "active" status with the Division of Corporations, an annual report must be filed yearly between January 1st and May 1st beginning in the year following the file date or effective date indicated above. If the annual report is not filed by May 1st, a \$400 late fee will be added.

A Federal Employer Identification Number (FEI/EIN) will be required when this report is filed. Contact the IRS at 1-800-829-4933 for an SS-4 form or go to www.irs.gov.

Please notify this office if the limited liability company address changes.

Should you have any questions regarding this matter, please contact this office at the address given below.

Leslie Sellers
Regulatory Specialist II
Registration/Qualification Section
Division of Corporations

Letter Number: 613A00003693

www.sunbiz.org

Division of Corporations - P.O. BOX 6327 -Tallahassee, Florida 32314

APPLICATION BY FOREIGN LIMITED LIABILITY COMPANY FOR AUTHORIZATION TO TRANSACT BUSINESS IN FLORIDA

IN COMPLIANCE WITH SECTION 608.503, FLORIDA STATUTES, THE FOLLOWING IS SUBMITTED TO REGISTER A FOREIGN LIMITED LIABILITY COMPANY TO TRANSACT BUSINESS IN THE STATE OF FLORIDA:

1. Sage Telecom Communications, LLC
(Name of Foreign Limited Liability Company; must include "Limited Liability Company," "L.L.C.," or "LLC.")

(If name unavailable, enter alternate name adopted for the purpose of transacting business in Florida and attach a copy of the written consent of the managers or managing members adopting the alternate name. The alternate name must include "Limited Liability Company," "L.L.C.," "LLC.")

2. Texas (Jurisdiction under the law of which foreign limited liability company is organized)
3. 46-1521990 (FEI number, if applicable)

4. 12/05/2012 (Date of Organization)
5. Perpetual (Duration: Year limited liability company will cease to exist or "perpetual")

6. (Date first transacted business in Florida, if prior to registration.) (See sections 608.501 & 608.502 F.S. to determine penalty liability)

7. 10440 N Central Expressway, Suite 700
Dallas, TX 75231-2228
(Street Address of Principal Office)

8. If limited liability company is a manager-managed company, check here [X]

9. The name and usual business addresses of the managing members or managers are as follows:

Nathan Johnson 10440 N Central Expressway, Suite 700, Dallas, TX 75231-2228

10. Attached is an original certificate of existence, no more than 90 days old, duly authenticated by the official having custody of records in the jurisdiction under the law of which it is organized. (A photocopy is not acceptable. If the certificate is in a foreign language, a translation of the certificate under oath of the translator must be submitted.)

11. Nature of business or purposes to be conducted or promoted in Florida: Telecommunication Services

Signature of a member or an authorized representative of a member.

(In accordance with section 608.408(3), F.S., the execution of this document constitutes an affirmation under the penalties of perjury that the facts stated herein are true. I am aware that any false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s.817.155, F.S.)

Nathan Johnson
Typed or printed name of signee

13 FEB 13 PM 1:00
FILED

**CERTIFICATE OF DESIGNATION OF
REGISTERED AGENT/REGISTERED OFFICE**

PURSUANT TO THE PROVISIONS OF SECTION 608.415 or 608.507, FLORIDA STATUTES, THE UNDERSIGNED LIMITED LIABILITY COMPANY SUBMITS THE FOLLOWING STATEMENT TO DESIGNATE A REGISTERED OFFICE AND REGISTERED AGENT IN THE STATE OF FLORIDA.

1. The name of the Limited Liability Company is:

Sage Telecom Communications, LLC

If unavailable, the alternate to be used in the state of Florida is:

2. The name and the Florida street address of the registered agent and office are:

NRAI Services, Inc.

(Name)

515 East Park Avenue

Florida Street Address (P.O. Box NOT ACCEPTABLE)

Tallahassee

32301

FL

City/State/Zip

Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent as provided for in Chapter 608, Florida Statutes.

NRAI Services, Inc.

By:

(Signature)

Jose Castellanos, Asst. Secretary

\$ 100.00 Filing Fee for Application
\$ 25.00 Designation of Registered Agent
\$ 30.00 Certified Copy (optional)
\$ 5.00 Certificate of Status (optional)

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



John Steen
Secretary of State

Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Certificate of Formation for Sage Telecom Communications, LLC (file number 801694983), a Domestic Limited Liability Company (LLC), was filed in this office on December 05, 2012.

It is further certified that the entity status in Texas is in existence.

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on February 12, 2013.



A handwritten signature in black ink, appearing to read "John Steen".

John Steen
Secretary of State