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TONY S. LEE*
(703) 812-0442
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* NOT ADMITTED IN VIRGINIA

April 4, 2013

VIA ELECTRONIC FILING

Mr. Rick Willis
Executive Director
Public Utility Commission of Oregon
550 Capitol Street N.E. Suite 215
Salem, OR 97301-2551
PUC.FilingCenter@state.or.us

**Re: Sage Telecom, Inc. and Sage Telecom Communications, LLC; Application
for Approval for the Transfer of Certificate of Authority to Provide
Competitive Telecommunications Services in Oregon**

Dear Mr. Willis:

On behalf of Sage Telecom, Inc. ("Sage Inc."), and Sage Telecom Communications, LLC ("Sage LLC"), transmitted herewith is the above-referenced Application. As further detailed in the Application, Sage Inc. is engaging in a *pro forma* internal structural change, which will result in the assets of Sage Inc. being transferred to Sage LLC. The parties request approval for the transfer of Sage Inc.'s authorizations to Sage LLC.

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

Tony S. Lee

Counsel for Sage Telecom, Inc., and Sage Telecom
Communications, LLC

Attachments

cc: Nathan Johnson
Joseph Holop
Sherri Flatt

{00512828-1 }

APPLICATION FOR TRANSFER OF CERTIFICATE OF AUTHORITY TO
PROVIDE COMPETITIVE TELECOMMUNICATIONS SERVICES IN OREGON

INSTRUCTIONS: Complete every applicable section of this application. Attach additional documents and/or sheets to complete responses (if needed). You will be notified when the Commission receives your application, and again when it has been processed. Upon acceptance of this application, the Commission will publish notice pursuant to ORS 759.020(2). After submitting this application electronically, mail one copy with original signature and all attachments.

Desired Effective Date:

To guarantee processing by the effective date, the Commission must receive an application at least 60 days prior to the desired effective date unless Commission Staff and Applicant have agreed to an earlier effective date. The Commission allows filing and notice prior to effective date of transaction. The Commission will issue an order on the desired effective date unless Applicant files a notice of extension or withdraws the application.

SECTION I -- Transferee/Surviving Entity Information

1. Exact Legal Name of Surviving Entity or Transferee:

Sage Telecom Communications, LLC

Applicant's Assumed Business Name(s) (if any) (e.g., dba, aka)

Must be registered with the Corporation Division.

Applicant's Type of Legal Entity (e.g., corporation, limited partnership)

Limited Liability Company

Business Address

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

Phone (214) 495-4700

Fax (214) 495-4790

Email sflatt@sagetelecom.net

2. Name and Address of Person to be Contacted for Further Information Regarding This Application:

Tony S. Lee, Esq.

Fletcher, Heald & Hildreth

1300 North 17th Street, Suite 1100

Arlington, VA 222

Phone (703) 812-0442

Fax (703) 812-0486

Email lee@fhhlaw.com

3. Name and Address of Person to be Contacted for Regulatory Information (Commission will send requests for information to this person).

Sherri Flatt, Executive Director, Regulatory Affairs

10440 N. Central Expressway, Suite 700

Dallas, TX 75231-2228

Phone (214) 495-4847

Fax (214) 495-4790

Email sflatt@sagetelecom.net

4. Affiliated Interests:

As of the date of the transfer, will you be, or are you now, or have you ever been affiliated with any provider of telecommunications service that serves Oregon? If so, who? When? Describe affiliation. Affiliated interest is defined in OAR 860-032-0001.

Sage Telecom Communications, LLC is affiliated with Sage Telecom, Inc. See Atch. A.

5. Previous Certificates of Authority:

List each certificate of authority previously granted by the Oregon PUC to Applicant and to each affiliated entity, under a legal name, an assumed business name, or any other name. Include all certificates whether or not canceled. For each certificate include: name of entity, docket number, and order number.

	Name of Entity	Docket Number	Order Number
a.	Sage Telecom, Inc.	CP 1374	07-330
b.			
c.			
d.			

SECTION II -- Transferring Entity (Transferor) Information

By completing this information the Transferor acknowledges that it will no longer have authority and cannot provide the telecommunications services that are transferred.

1. Exact Legal Name of Transferring or Merging Entity (Transferor):
Sage Telecom, Inc.

Applicant's Assumed Business Name(s) (if any) (e.g., dba, aka)
Must be registered with the Corporation Division.

Applicant's Type of Legal Entity (e.g., corporation, limited partnership)
Corporation

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Phone (214) 495-4847 Fax (214) 495-4790 Email **sflatt@sagetelecom.net**

4. Certificates of Authority to be Transferred:

- a. List each certificate of authority previously granted by the Oregon PUC to Transferor, under its legal name, an assumed business name, or any other name. Include all certificates whether or not canceled. For each certificate provide the name of entity, docket number, and order number.

	Name of Entity	Docket Number	Order Number
1)	Sage Telecom, Inc.	CP 1374	07-330
2)			
3)			
4)			

- b. Do you request that ALL authority to provide telecommunications service be transferred? Yes No
- c. If response to 4.b. is No, describe what authority is to be transferred and what authority is to be retained by the Transferor.

Note: The transferring entity (Transferor) will no longer be authorized to provide the telecommunications services that are transferred.

SECTION III -- Nature of Transaction between Transferee and Transferor (describe in detail)

See Attachment A for an description of the transaction.

Please use additional sheets if necessary to fully answer any item.

SECTION IV -- Conditions of a Certificate of Authority

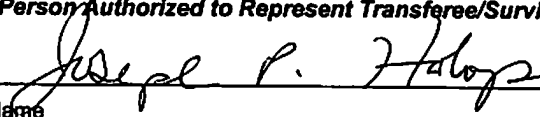
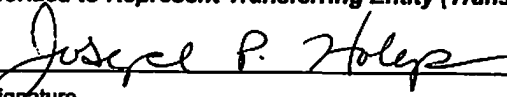
As a condition of a certificate of authority, certificate holder must comply with all applicable Commission rules and state law, as well as conditions listed in the certificate.

For your convenience, following is a summary of some conditions from OAR 860-032-0001 et seq. (Division 32). Additional conditions will be specified in the certificate.

- a. Certificate holder shall provide only telecommunications services authorized by the certificate.
- b. Certificate holder's books and records shall be open to inspection by the Commission to the extent necessary to verify information required by the Commission's rules.
- c. Certificate holder shall pay all access charges and subsidies imposed pursuant to the Commission's rules.
- d. Certificate holder shall pay an annual fee to the Commission pursuant to the Commission's rules. This fee will be based on the certificate holder's annual gross retail intrastate revenues and will be no less than \$100 per calendar year. The certificate holder shall collect the fee by charging an equitable amount to each retail customer and describe the amount of the apportioned charge on each retail customer's bill, pursuant to the Commission's rules.
- e. The surviving entity (Transferee) is responsible for the annual PUC fee and all other fees incurred by the transferring entity (Transferor) as of the date the Commission approves the transfer.
- f. Certificate holder shall respond in a timely manner to Commission inquiries.

Pursuant to Residential Service Protection statutes, Chapter 290, Oregon Laws 1987, and Division 033, certificate holder shall be responsible to ensure that the Residential Service Protection Fund surcharge is remitted to the Commission. This surcharge is assessed against each paying retail subscriber at a rate that is set annually by the Commission.

Applicant understands that all services provided by Applicant must comply with all applicable Commission rules and state law, and with conditions of the certificate (check box at left).

<p>Signature of Person Authorized to Represent Transferee/Surviving Entity</p> <p></p> <p>Typewritten Name Joseph Holop</p>	<p>Title Chief Operations Officer</p> <p>Date 3/26/2013</p>
<p>Person Authorized to Represent Transferring Entity (Transferor)</p> <p></p> <p>Typewritten Signature Joseph Holop</p>	<p>Title Chief Operations Officer</p> <p>Date 3/26/2013</p>
<p>By signing this document I certify that I am a legal representative of this entity and that by transferring the authority to provide telecommunications to the above noted surviving entity, the transferring entity no longer has authority to provide telecommunications services that are transferred.</p>	

**APPLICATION FOR TRANSFER OF CERTIFICATE OF AUTHORITY TO
PROVIDE COMPETITIVE TELECOMMUNICATIONS SERVICES IN OREGON**

Response to Section III – Nature of Transaction between Transferee and Transferor

I. INTRODUCTION

TSC Acquisition Corp. (“TSC”), Sage Telecom, Inc. (“Sage Inc.”), and Sage Telecom Communications, LLC (“Sage LLC”) (collectively, the “Applicants”), hereby request Commission approval, to the extent necessary, for a *pro forma* internal structural change, whereby all of the assets of Sage Inc., including its customers and authority to operate in the state of Oregon will be assigned to Sage LLC. As described more fully below, the proposed transaction will not involve any change in (a) the ultimate ownership of Applicants, (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 Oregon 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.

In support of this Application, the parties state as follows:

II. 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 of Texas LP

Sage Telecom, Inc. (“Sage Inc.”) is a corporation organized under the laws of the State of Texas. Sage Telecom of Texas, LP, a wholly owned subsidiary of Sage Telecom, is a limited partnership organized under the laws of the State of Texas. Sage Inc. and Sage-TX have principal offices at 10440 N. Central Expressway, Suite 700, Dallas, Texas 75231-2228. Sage Inc. is a wholly owned subsidiary of TSC. In Oregon, Sage Inc. is authorized to provide local exchange, interexchange, private line (point-to-point) and switched (toll) telecommunications service pursuant to Order No. 07-330 issued on August 2, 2007 in Docket No. CP-1374. 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, 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 Oregon is attached hereto as Exhibit B. Both Sage Inc. and Sage LLC are wholly-owned subsidiaries of TSC. Thus, they are commonly owned and controlled by the same management team.

C. Designated Contacts

Questions, correspondence, or other communications concerning this Application should be directed to the following:

Tony S. Lee, Esq.
Fletcher, Heald & Hildreth, PLC
1300 17th Street, 11th Floor
Arlington, VA 22209
Tel: (703) 812-0442
Fax: (703) 812-0486
E-mail: lee@fhhlaw.com

with a copy to:

Sherri Flatt
Sage Telecom, Inc.
Executive Director, Regulatory Affairs
10440 N. Central Expressway, Suite 700
Dallas, Texas 75231-2228

III. DESCRIPTION OF PROPOSED TRANSACTION

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. Specifically, Applicants propose to undertake a *pro forma* internal structural change whereby all of Sage Inc.’s assets and customers will be transferred to Sage LLC.¹ After the transaction, Sage LLC will become the sole Sage operating company in Oregon.

¹ 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.

Applicants 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 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 Applicants' 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, Applicants operations will continue to be managed and conducted by the same technical, operational, and managerial personnel that are currently in place.

Although the proposed transaction will be completely transparent to Sage customers, applicants will nonetheless provide advance notice to customers affected by the proposed transaction. A form of the customer notice is attached hereto as Exhibit C. Corporate organization charts depicting the respective corporate structures of the parties prior to and immediately following the merger, are attached hereto as Exhibit A.

IV. 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 Applicants 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 Oregon consumers. Grant of this Application will therefore serve the public interest of the State of Oregon.

V. CONCLUSION

For foregoing reasons, Applicants submit that the public interest, convenience, and necessity would be furthered by grant of this Application for Commission approval to undertake the *pro forma* internal structural change as described herein. Applicants respectfully request expedited consideration and grant of this Application.

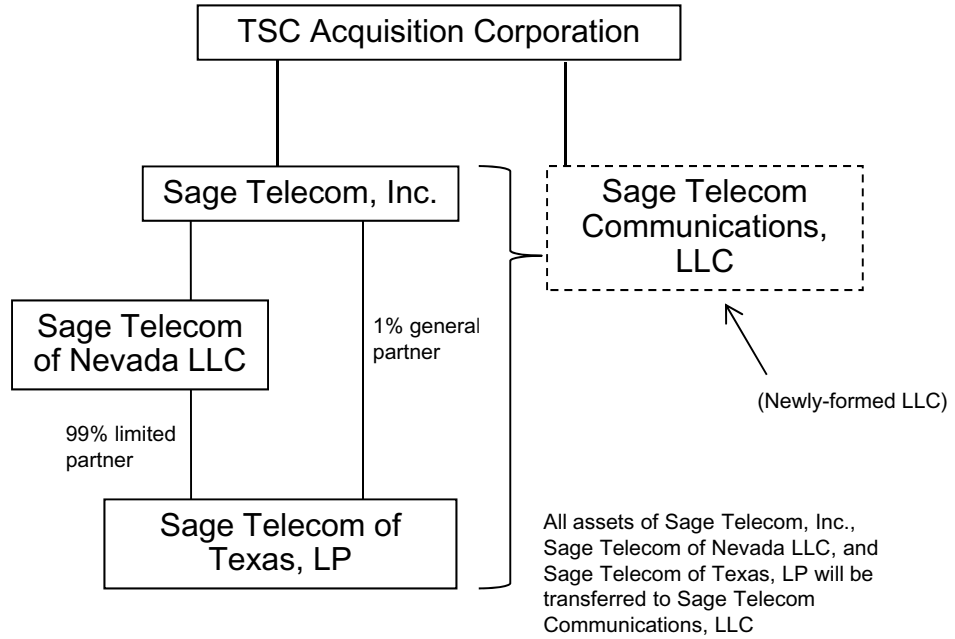
LIST OF EXHIBITS

- Exhibit A Corporate Structure
- Exhibit B Secretary of State Registration
- Exhibit C Form of Customer Notice
- Verification

EXHIBIT A

Corporate Structure

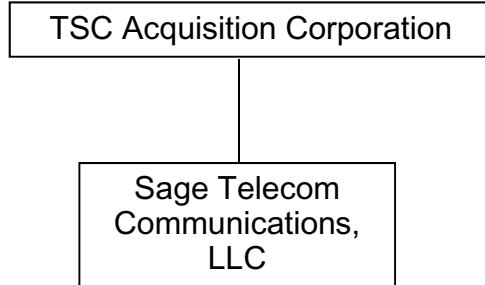
Corporate Structure of TSC Acquisition Corporation and the Sage Companies Before the *Pro Forma* Internal Structural Change



All links are 100% ownership unless otherwise indicated.

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.



All links are 100% ownership unless otherwise indicated.

EXHIBIT B

Secretary of State Qualification



Secretary of State
Corporation Division
255 Capitol Street NE, Suite 151
Salem, OR 97310-1327

Phone:(503)986-2200
www.filinginoregon.com

Registry Number: 915246-95
Type: FOREIGN LIMITED LIABILITY COMPANY

Next Renewal Date: 02/13/2014

SAGE TELECOM COMMUNICATIONS, LLC
10440 N CENTRAL EXPRESSWAY STE 700
DALLAS TX 75231-2228

Acknowledgment Letter

The document you submitted was recorded as shown below. Please review and verify the information listed for accuracy.

Document

APPLICATION FOR AUTHORITY

Filed On

02/13/2013

Jurisdiction

TEXAS

Name

SAGE TELECOM COMMUNICATIONS, LLC

Principal Place of Business

10440 N CENTRAL EXPRESSWAY STE 700
DALLAS TX 75231-2228

Registered Agent

NATIONAL REGISTERED AGENTS, INC.
388 STATE ST STE 420
SALEM OR 97301

Mailing Address

10440 N CENTRAL EXPRESSWAY STE 700
DALLAS TX 75231-2228



Application for Authority to Transact Business - Foreign Limited Liability Company

Secretary of State - Corporation Division - 255 Capitol St. NE, Suite 151 - Salem, OR 97310-1327 - <http://www.FilingInOregon.com> - Phone: (503) 986-2200

FILED

FEB 13 2013

OREGON
SECRETARY OF STATE

REGISTRY NUMBER:

915246-95

For office use only

In accordance with Oregon Revised Statute 192.410-192.490, the information on this application is public record. We must release this information to all parties upon request and it will be posted on our website.

For office use only

Please Type or Print Legibly in Black Ink. Attach Additional Sheet if Necessary.

1) NAME: Sage Telecom Communications, LLC

NOTE: (Must contain the words "Limited Liability Company" or the abbreviations "LLC" or "L.L.C.") Must be identical to the name of record in home jurisdiction.

2) REGISTRY NUMBER IN HOME JURISDICTION

OR: CERTIFICATE OF EXISTENCE (ATTACHED)

(Please provide a web-verifiable registry number from the entity's home jurisdiction. Certain states, such as Delaware and New Jersey, do not provide status information online. Entities from such places must instead attach an official certificate of existence, current within 90 days of delivery to this office.)

7) REGISTERED AGENT'S PUBLICLY AVAILABLE ADDRESS:

(Must be an Oregon Street Address, which is identical to the registered agent's business office.)

388 State Street, Ste. 420

Salem, OR 97301

3) DATE OF ORGANIZATION:

DURATION, IF NOT PERPETUAL:

12/05/2012

Perpetual

8) ADDRESS OF PRINCIPAL OFFICE OF THE BUSINESS:

10440 N Central Expressway, Suite 700

Dallas, TX 75231-2228

4) STATE OR COUNTRY OF ORGANIZATION:

Texas

9) ADDRESS WHERE THE DIVISION MAY MAIL NOTICES:

10440 N Central Expressway, Suite 700

Dallas, TX 75231-2228

5) THIS FOREIGN LIMITED LIABILITY COMPANY SATISFIES THE REQUIREMENTS OF ORS 63.714(3).

5) NAME OF OREGON REGISTERED AGENT:

National Registered Agents, Inc.

10) HOW WILL THIS LIMITED LIABILITY COMPANY BE MANAGED?

This LLC will be member-managed by one or more members.

This LLC will be manager-managed by one or more managers.

6) EXECUTION: (At least one member or manager must sign.)

By my signature, I declare as an authorized authority, that this filing has been examined by me and is, to the best of my knowledge and belief, true, correct, and complete. Making false statements in this document is against the law and may be penalized by fines, imprisonment or both.

Signature:

Printed Name:

Title:

Nathan Johnson

Manager

CONTACT NAME: (To resolve questions with this filing.)

Lang Nguyen

PHONE NUMBER: (Include area code.)

503-562-6439

FEES

Required Processing Fee \$275

Processing Fees are non-refundable. Please make check payable to "Corporation Division."

Free copies are available at FilingInOregon.com, using the Business Name Search program.



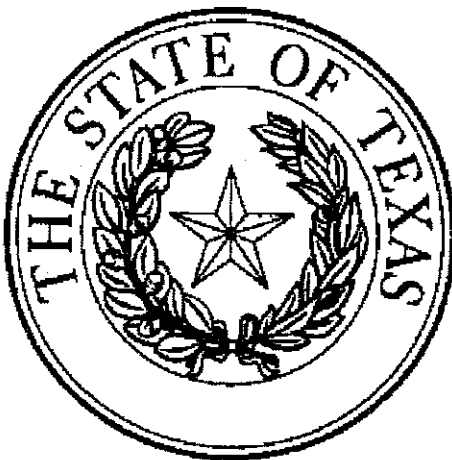
Office of the Secretary of State

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

EXHIBIT C

Form of Customer Notice

FORM OF CUSTOMER NOTICE

Thank you for choosing Sage as your telecommunications provider. Sage Telecom, Inc. and Sage Telecom Communications, LLC are pleased to announce that Sage Telecom Communications, LLC will be acquiring the telecommunications customers of its sister company, Sage Telecom, Inc.. The actual effective date of the transfer will depend on when we receive the appropriate state and federal regulatory approvals. Sage Telecom Communications, LLC will automatically become your telecommunications provider for your services at that time.

We want to assure you that the transaction will not affect the price of the services you currently receive and that you will continue to receive Sage services, without interruption, at the same rates and with the same features, terms, and conditions as the service you enjoy today.

The transaction has been structured such that customers should not be charged any carrier-change charges levied by your local telephone company. If, however, such a charge does appear on the bill from your local telephone company as a result of this transfer of service to Sage Telecom Communications, LLC, please call Sage's customer service department toll-free at 1-888-449-4940 (for residential customers) and 1-877-619-3969 (for business customers), and a representative will reimburse you or credit your account accordingly. You may also call the customer service department if you have any service orders or complaints up until the time the transfer takes place. You may, of course, choose another carrier for your telephone service, but additional charges may apply, including any termination liability charges in your contract.

Please note that any "freeze" you have placed on your existing telephone lines to prevent unauthorized transfer to another long distance carrier will be over-ridden for purposes of this transaction, and will need to be reinstated by you after the transfer is complete. Your Sage Telecom Communications, LLC's customer care representative can provide you with further details.

Additional information about the vast array of communications services offered by Sage is available at www.sagetelecom.net.

VERIFICATION

VERIFICATION


STATE OF CALIFORNIA §
 §
COUNTY OF LOS ANGELES §

I, Nathan Johnson, hereby verify under penalty of perjury that I am the Chairman of the Board of Sage Telecom, Inc., and Sage Telecom Communications, LLC, and I am authorized by Sage Telecom to make this verification on their behalf. I verify that I have read the foregoing document and know the contents thereof; and that the same are true of my own knowledge, except to those matters therein stated upon information and belief, and as to those matters I believe them to be true.



Nathan Johnson
Chairman of the Board

Subscribed and sworn to before me on this 11th day of March, 2013.



My commission expires: 5-17-2014

(OR)



**APPLICATION FOR TRANSFER OF CERTIFICATE OF AUTHORITY TO
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4. **Affiliated Interests:**

As of the date of the transfer, will you be, or are you now, or have you ever been affiliated with any provider of telecommunications service that serves Oregon? If so, who? When? Describe affiliation. Affiliated interest is defined in OAR 860-032-0001.

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 10440 N. Central Expressway, Suite 700
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- b. Do you request that ALL authority to provide telecommunications service be transferred? Yes No
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SECTION IV -- Conditions of a Certificate of Authority

As a condition of a certificate of authority, certificate holder must comply with all applicable Commission rules and state law, as well as conditions listed in the certificate.

For your convenience, following is a summary of some conditions from OAR 860-032-0001 et seq. (Division 32). Additional conditions will be specified in the certificate.

- a. Certificate holder shall provide only telecommunications services authorized by the certificate.
- b. Certificate holder's books and records shall be open to inspection by the Commission to the extent necessary to verify information required by the Commission's rules.
- c. Certificate holder shall pay all access charges and subsidies imposed pursuant to the Commission's rules.
- d. Certificate holder shall pay an annual fee to the Commission pursuant to the Commission's rules. This fee will be based on the certificate holder's annual gross retail intrastate revenues and will be no less than \$100 per calendar year. The certificate holder shall collect the fee by charging an equitable amount to each retail customer and describe the amount of the apportioned charge on each retail customer's bill, pursuant to the Commission's rules.
- e. The surviving entity (Transferee) is responsible for the annual PUC fee and all other fees incurred by the transferring entity (Transferor) as of the date the Commission approves the transfer.
- f. Certificate holder shall respond in a timely manner to Commission inquiries.

Pursuant to Residential Service Protection statutes, Chapter 290, Oregon Laws 1987, and Division 033, certificate holder shall be responsible to ensure that the Residential Service Protection Fund surcharge is remitted to the Commission. This surcharge is assessed against each paying retail subscriber at a rate that is set annually by the Commission.

Applicant understands that all services provided by Applicant must comply with all applicable Commission rules and state law, and with conditions of the certificate (check box at left).

<i>Signature of Person Authorized to Represent Transferee/Surviving Entity</i> <hr/> Typewritten Name Joseph P. Holop	Title Chief Operations Officer Date 4/5/2013
<i>Person Authorized to Represent Transferring Entity (Transferor)</i> <hr/> Typewritten Signature Joseph P. Holop	Title Chief Operations Officer Date 4/5/2013
By signing this document I certify that I am a legal representative of this entity and that by transferring the authority to provide telecommunications to the above noted surviving entity, the transferring entity no longer has authority to provide telecommunications services that are transferred.	