**DA 15-1342**

**November 20, 2015**

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF**

**IMPACT TELECOM, INC., MATRIX TELECOM, INC.,**

**AND MATRIX TELECOM OF VIRGINIA, INC. TO GARRISON TNCI LLC**

**STREAMLINED PLEADING CYCLE ESTABLISHED**

**WC Docket No. 15-275**

**Comments Due: December 4, 2015**

**Reply Comments Due: December 11, 2015**

Impact Telecom, Inc. (Impact), Matrix Telecom, Inc. (Matrix) Matrix Telecom of Virginia, Inc. (Matrix-VA),[[1]](#footnote-1) and Garrison TNCI LLC (Garrison) (together, Applicants) filed an application pursuant to section 214 of the Communications Act of 1934, as amended (Act), and section 63.03 of the Commission’s rules, requesting approval to transfer control of Matrix and Matrix-VA to Garrison.[[2]](#footnote-2)

Matrix, a Texas corporation, is a wholly owned subsidiary of Impact, a Nevada corporation. Matrix-VA, a Virginia corporation, is a wholly owned direct subsidiary of Matrix. Impact, through its subsidiaries Matrix and Matrix-VA, combined, provide competitive local exchange and/or interexchange telecommunications services in the District of Columbia and in every state. Garrison, a Delaware limited liability company, indirectly owns TNCI Operating Company LLC (TNCI OpCo), a Delaware limited liability company, which provides, or is authorized to provide, competitive telecommunications services in the District of Columbia and in every state except Alaska. Garrison is owned by funds managed by the Garrison Investment Group. Garrison is ultimately and indirectly held by Jospeh Tansey and Steven Stuart, both U.S. citizens and individually holding a 50 percent voting interest and 25 percent equity interest in Garrison.

Pursuant to the terms of a Securities Purchase Agreement (Agreement) dated as of November 3, 2015, by and among the current shareholders of Impact, Robert Beaty, Charles Griffin, William Beaty, Jason McKesson, Doug Funsch, Impact Telecom Holdings, Inc. (Newco), Impact, Impact Acquisition LLC (Acquisition) and TNCI Impact LLC (TNCI Impact), whereby Acquisition, a subsidiary of Garrison, will acquire all the equity of Impact.[[3]](#footnote-3) As a result, indirect ownership of Matrix and Matrix-VA will be transferred to Acquisition and thereby indirectly to Garrison. Garrison will be the ultimate majority owner (90 percent) of Acquisition. Newco, which is controlled by the current shareholders and warrant holders of Impact, none of which will have a ten percent or greater interest in TNCI Impact through Newco, will hold the remaining ten percent interest. Applicants assert that the proposed transaction is entitled to presumptive streamlined treatment under section 63.03(b)(2)(i) of the Commission’s rules and that a grant of the application will serve the public interest, convenience, and necessity.[[4]](#footnote-4)

Domestic Section 214 Application Filed for the Transfer of Control of Impact Telecom, Inc., Matrix Telecom, Inc., and Matrix Telecom of Virginia, Inc. to Garrison TNCI LLC,

WC Docket No. 15-275 (filed Nov. 5, 2015).

**GENERAL INFORMATION**

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer application if, upon further examination, it is determined to be defective and not in conformance with the Commission’s rules and policies. Pursuant to section 63.03(a) of the Commission’s rules, 47 CFR § 63.03(a), interested parties may file comments **on or before December 4, 2015**, and reply comments **on or before December 11, 2015**. Pursuant to section 63.52 of the Commission’s rules, 47 C.F.R. § 63.52, commenters must serve a copy of comments on the Applicants no later than the above comment filing date. Unless otherwise notified by the Commission, the Applicants may transfer control on the 31st day after the date of this notice.

Pursuant to section 63.03 of the Commission’s rules, 47 CFR § 63.03, parties to this proceeding should file any documents in this proceeding using the Commission’s Electronic Comment Filing System (ECFS): http://apps.fcc.gov/ecfs/.

**In addition, e-mail one copy of each pleading to each of the following:**

1. Myrva Freeman, Competition Policy Division, Wireline Competition Bureau, mailto:myrva.freeman@fcc.gov;
2. Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, dennis.johnson@fcc.gov;
3. David Krech, Policy Division, International Bureau, david.krech@fcc.gov;
4. Sumita Mukhoty, Policy Division, International Bureau, sumita.mukhoty@fcc.gov;
5. Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at (202) 418-0530 (voice), 1-888-835-5322 (tty).

The proceeding in this Notice shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission’s *ex parte* rules. Persons making ex parte presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral ex parte presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the ex parte presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter’s written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during ex parte meetings are deemed to be written ex parte presentations and must be filed consistent with rule 1.1206(b), 47 C.F.R. § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission’s ex parte rules.

 For further information, please contact Myrva Freeman at (202) 418-1506 or Dennis Johnson at (202) 418-0809.

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1. Impact and its subsidiaries, including Matrix and Matrix-VA, are collectively referred to herein as Impact Telecom. [↑](#footnote-ref-1)
2. 47 U.S.C. § 214, 47 C.F.R. § 63.03. Applicants are also filing applications for transfer of control associated with authorization for international services. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications. *See* Application for a complete description of ownership interests involved in the transaction. [↑](#footnote-ref-2)
3. Before the Agreement is consummated, the Applicants will complete a series of pro forma steps, including TNCI forming Acquisition and the forming of Newco, which will be the direct owner of Impact, with the current shareholders and warrant holders of Impact owning Newco. *See* Application at 4, Exh. A. [↑](#footnote-ref-3)
4. 47 C.F.R. § 63.03(b)(2)(i). [↑](#footnote-ref-4)