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**Mark P. Johnson**  
(816) 932-4424  
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December 8, 1999

**FILED**

DEC 9 1999

VIA FEDERAL EXPRESS

Mr. Dale Hardy Roberts  
Executive Secretary  
MISSOURI PUBLIC SERVICE COMMISSION  
301 W. High Street, Suite 530  
Jefferson City, MO 65101

Missouri Public  
Service Commission

TA-2000-361

**RE: *In the Matter of the Application of Matrix Telecom, Inc. for a Certificate of Service Authority to Provide Intrastate Interexchange Services, for Designation as a Competitive Telecommunication Company, and for a Waiver of Certain Statutory and Regulatory Provisions***

Dear Mr. Roberts:

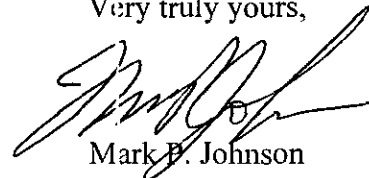
Please find enclosed for filing the original and fourteen copies of the following:

1. Motion by Matrix Telecom, Inc. for a Protective Order, and
2. Verified Application (with attachments).

By copy of this letter, I have mailed two copies of the enclosed to the Office of Public Counsel by Federal Express.

I have also enclosed two additional sets of the enclosed, and would appreciate your stamping those "filed" and returning them to me in the enclosed self-addressed, stamped envelope.

Very truly yours,



Mark P. Johnson

MPJ/rgr

Enclosures

cc: Office of Public Counsel (w/encl.) (via Federal Express)

Schallenberg

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED

DEC 9 1999

Missouri Public  
Service Commission

In the matter of the Application )  
of Matrix Telecom, Inc. )  
for a Certificate of Service )  
Authority to Provide Intrastate )  
Interexchange Telecommunications )  
Services, for Designation as a )  
Competitive Telecommunication )  
Company, and for Waiver of Certain )  
Statutory and Regulatory Provisions. )

Case No. TA-2000-361

VERIFIED APPLICATION

Matrix Telecom, Inc. ("Applicant"), a Texas corporation, files this verified application respectfully requesting that the Missouri Public Service Commission ("Commission") issue an expedited order that:

- (a) grants Applicant a Certificate of Service Authority to provide intrastate telecommunications services pursuant to Chapter 392 of the Missouri Revised Statutes;
- (b) designates Applicant as a competitive telecommunications provider;
- (c) waives certain Commission rules and statutory provisions pursuant to Section 392.420, RSMo Cum. Supp. 1992; and
- (d) approves Applicant's operation under the tariff approved by the Commission in Case No. TO-96-240 (Tariff File No. 9600471).

In support of its request, Applicant states:

- 1. The legal name and principal office or place of business of the Applicant are:

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DEC 9 1999

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Matrix Telecom, Inc.  
8721 Airport Freeway  
Ft. Worth, Texas 76180

Copies of Applicant's Articles of Incorporation, By-laws, and Certificate of Authority from the Missouri Secretary of State to transact business in Missouri are attached hereto as Appendix I.

2. Applicant proposes to provide the resale of interexchange long distance telecommunications services within Missouri. Applicant proposes to provide service to prospective customers throughout the State of Missouri.

3. The events giving rise to this Application are unique. In Case No. TA-91-237, by orders effective October 22, 1991, and December 15, 1991, the Commission granted to Matrix Telecom, a partnership, a certificate of authority to provide interexchange service and approved its tariff. By order effective January 1, 1994, the Commission granted the application of Matrix Telecom, Inc., to adopt the tariff of the partnership Matrix Telecom. By order effective March 13, 1996, in Case No. TO-96-240, the Commission approved Matrix Telecom's application to change its name to Matrix Telecom, Inc., to reflect its recent incorporation.

4. It appears that through simple inadvertence, by both the Applicant and Staff, Matrix Telecom, Inc., has never received a certificate of service authority from the Commission, necessitating this Application. This situation was only discovered in the course of Staff's review of the Joint Application in Case No. TM-2000-247.

5. The Applicant, Matrix Telecom, Inc., has provided interexchange service in Missouri for several years, and has never been the subject of a Staff complaint.

6. To cure the situation discovered in the consideration of Case No. TM-2000-247, Staff counsel suggested that Applicant file this Application.

7. Applicant's long distance services will be provided through the resale of services of other carriers. Applicant proposes to offer long distance services to business and residential end users. Applicant agrees to comply with all requirements established by the Missouri Commission for the provisioning of the resale of long distance services; indeed, it has done so since it initiated service in Missouri.

8. Applicant has the experience in the telecommunications industry and the technical and financial resources to provide telecommunications services within Missouri. A brief description of the qualifications and experience of its officers is attached as Appendix II. Applicant's financial statements are attached as Appendix III, and are filed under seal. By motion filed with this Application, Applicant requests that the Commission grant a protective order declaring these financial statements be treated as proprietary documents.

9. Applicant proposes to continue providing service pursuant to the tariff approved by the Commission in Case No. TO-96-240 (Tariff File No. 9600471), which Applicant adopts by incorporation. This tariff contains the rules and regulations applicable to Applicant's customers, a description of the services offered, and a list of rates associated with such services. Applicant requests that the Commission approve Applicant's operation under that tariff.

10. Applicant requests classification as a competitive telecommunications company within the State of Missouri. Applicant believes that all of the services it proposes to offer in Missouri

are subject to sufficient competition to justify their designation as competitive services. Granting this application will allow greater price and service options for telephone users.

11. Applicant also requests, pursuant to Section 392.420, RSMo (Cum. Supp. 1992), that the Commission waive the application of the following rules and statutory provisions as they relate to the regulation of Applicant:

392.240(1)	Rates-reasonable average return on investment.
392.270	Property valuation.
392.280	Depreciation rates.
392.290	Issuance of stocks and bonds.
392.310	Issuance of stocks and bonds.
392.320	Issuance of stocks and bonds.
392.330	Issuance of stocks and bonds.
392.340	Reorganization.
4 CSR 240-10.020	Income on depreciation fund investments.
4 CSR 240-30.010(2)(C)	Posting exchange rates at central offices.
4 CSR 240-32.030(1)(B)	Exchange boundary maps.
4 CSR 240-32.030(1)(C)	Record of access lines.
4 CSR 240-32.030(2)	Records kept within state.
4 CSR 240-32.050(3-6)	Telephone directories.
4 CSR 240-32.070(4)	Coin telephones.
4 CSR 240-33.030	Inform customers of lowest priced service.

The above-referenced rules and statutory provisions have been waived for other interexchange carriers in prior cases.

12. Applicant will comply with all applicable Commission rules except those which are specifically waived by the Commission.

13. Please send all correspondence, orders and pleadings in this matter to:

Ms. Judy Riley  
Telecom Professionals, Inc.  
2912 Lakeside Drive, Suite 100  
Oklahoma City, OK 73120  
(405) 755-8177

Mark P. Johnson  
Lisa C. Creighton  
Sonnenschein Nath & Rosenthal  
4520 Main, Suite 1100  
Kansas City, Missouri 64111  
(816) 932-4400

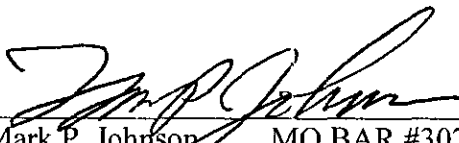
14. In light of the Joint Application in Case No. TM-2000-247, in which Applicant seeks approval of its sale to Matrix Acquisition Holdings Corp., Applicant requests that the Commission expedite its consideration of this Application, and issue its order approving this Application no later than the date on which it issues its order approving those aspects of the transaction described in Case No. TM-2000-247 over which this Commission has jurisdiction.

15. Applicant states that no resident or business in Missouri will be injured or prejudiced by approval of this Application or expedited consideration thereof.

WHEREFORE, Applicant respectfully requests that the Missouri Public Service Commission grant it a certificate of service authority to provide intrastate interexchange telecommunications services within the State of Missouri, designate Applicant as a competitive telecommunications company, waive the above-referenced rules and statutory provisions, and approve Applicant's operation under the tariff approval in Case No. TO-96-240 (Tariff File No. 9600471).

Respectfully submitted,

SONNENSCHN NATH & ROSENTHAL



Mark P. Johnson MO BAR #30740

Lisa C. Creighton MO BAR #42194

James D. McMullen MO BAR #49559

4520 Main Street, Suite 1100

Kansas City, Missouri 64111


Telephone: (816) 932-4400

Facsimile: (816) 531-7545

ATTORNEYS FOR APPLICANT  
MATRIX TELECOM, INC.

CERTIFICATE OF SERVICE

I hereby certify that two true and final copies of this Application were served by Federal Express on the Office of Public Counsel, 301 W. High Street, Suite, 530, Jefferson City, Missouri, 65101, on this 8th day of December, 1999.

  
\_\_\_\_\_  
Attorney for Applicant

STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

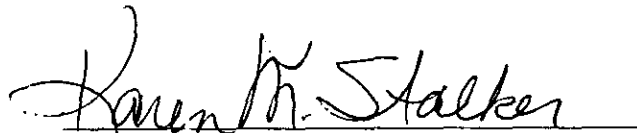
State of Missouri            )  
                                          ) ss:  
County of Jackson         )

VERIFICATION

I, Mark P. Johnson, being duly sworn upon oath depose and say that I am the attorney for Matrix Telecom, Inc., a Texas Corporation; that I am authorized to make this verification on its behalf; that I have read the above and foregoing Application by me subscribed and know the contents thereof; and said contents are true and correct to the best of my knowledge and belief.

  
\_\_\_\_\_  
Mark P. Johnson

Subscribed and Sworn to before me this 8<sup>th</sup> day of December, 1999.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:

KAREN M. STALKER  
Notary Public - Notary Seal  
STATE OF MISSOURI  
Jackson County  
My Commission Expires: April 20, 2002



**ATTACHED APPENDICES**

Appendix I	Applicant's Certificate to do Business in Missouri and Articles of Incorporation
Appendix II	Officers' Qualifications and Experience
Appendix III	Confidential Financial Information (Filed Under Seal)

**APPENDIX I**  
**APPLICANT'S CERTIFICATE TO DO BUSINESS IN MISSOURI**  
**AND ARTICLES OF INCORPORATION**

# STATE OF MISSOURI



**Rebecca McDowell Cook**  
**Secretary of State**

CORPORATION DIVISION

CERTIFICATE OF CORPORATE GOOD STANDING - FOREIGN CORPORATION

I, REBECCA McDOWELL COOK, SECRETARY OF STATE OF THE STATE OF MISSOURI, DO HEREBY CERTIFY THAT THE RECORDS IN MY OFFICE AND IN MY CARE AND CUSTODY REVEAL THAT

MATRIX TELECOM, INC.

USING IN MISSOURI THE NAME

MATRIX TELECOM, INC.

A TEXAS CORPORATION FILED ITS EVIDENCE OF INCORPORATION WITH THIS STATE ON THE 18TH DAY OF AUGUST, 1994; AND IS IN GOOD STANDING, HAVING FULLY COMPLIED WITH ALL REQUIREMENTS OF THIS OFFICE.

IN TESTIMONY WHEREOF, I HAVE SET MY HAND AND IMPRINTED THE GREAT SEAL OF THE STATE OF MISSOURI, ON THIS, THE 8TH DAY OF DECEMBER, 1999.

*Rebecca McDowell Cook*  
Secretary of State





The State of Texas

Secretary of State

APR. 22, 1997

MATRIX TELECOM      GARY JETER  
8721 AIRPORT FRWY.  
FORT WORTH      ,TX 76180

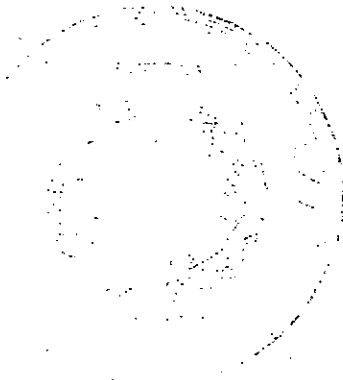
RE:  
MATRIX TELECOM, INC.  
CHARTER NUMBER 01156915-00

IT HAS BEEN OUR PLEASURE TO APPROVE AND PLACE ON RECORD YOUR  
ARTICLES OF AMENDMENT.

THE APPROPRIATE EVIDENCE IS ATTACHED FOR YOUR FILES AND THE  
ORIGINAL HAS BEEN FILED IN THIS OFFICE.

PAYMENT OF THE FILING FEE IS ACKNOWLEDGED BY THIS LETTER.

IF WE CAN BE OF FURTHER SERVICE AT ANY TIME, PLEASE LET US KNOW.



A handwritten signature in black ink, appearing to read "Antonio O. Garza, Jr.", located above the printed name of the Secretary of State.

Antonio O. Garza, Jr., Secretary of State



# The State of Texas

## Secretary of State

CERTIFICATE OF AMENDMENT

FOR

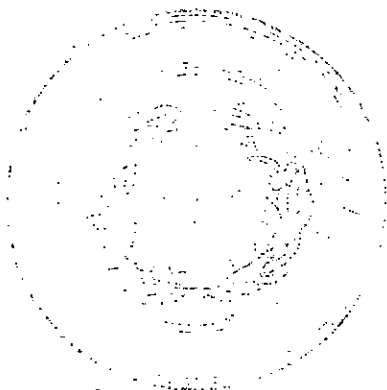
MATRIX TELECOM, INC.  
CHARTER NUMBER 01156915


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

APR 09 1997

Corporations Section

**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 any 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 16<sup>th</sup> day of December, 1996.

MATRIX TELECOM, INC.

By: 

Title: SECRETARY

**MATRIX TELECOM, INC.**

**CORPORATE BY-LAWS**

**MATRIX TELECOM, INC.  
CORPORATE BY-LAWS**

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**MATRIX TELECOM, INC.**  
**Corporate By-Laws**

**Article 1: Offices**

1.01 Registered Office and Agent. The registered office of the corporation shall be at 9003 Airport Freeway, Suite 340, Fort Worth, Texas 76180. The name of the registered agent at such address shall be Gary Friedman.

1.02 Other Offices. The corporation may also have offices at such other places both within and without the State of Texas, as the Board of Directors may from time to time determine or the business of the corporation may require.

**Article 2: Shareholders**

2.01 Place of Meetings. All meetings shall be held at such time and place, within or without the State of Texas, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

2.02 Annual Meeting. An annual meeting of the Shareholders, commencing with year 1991, shall be held each year at 10:00 a.m. on a day during the month of June, to be selected by the Board of Directors. If such a day is a legal holiday, then the meeting will be held on the next secular day following. At the meeting, the Shareholders shall elect Directors, and transact business as may be properly brought before the meeting.

2.03 Voting List. At least ten (10) days before each meeting of Shareholders, a complete list of the Shareholders entitled to vote at the meeting, arranged in alphabetical order, with the address of each and the number of voting shares held by each, shall be prepared by the officer or agent having charge of the stock transfer books. The list, for a period of ten (10) days prior to the meeting, shall be kept on file at the registered office of the corporation, and shall be subject to inspection by any Shareholder at any time during the usual business hours. The list shall also be produced and kept open at the time and place of the meeting during the whole time thereof, and shall be subject to the inspection of any Shareholder during the whole time of the meeting.

2.04 Special Meetings. Special meetings of the Shareholders, for any purpose or purposes, unless otherwise prescribed by statute or by the Articles of Incorporation, or by these By-Laws, may be called by the President, the Board of Directors, or the holders of not less than one-twenty-fifth (1/25) of all the shares entitled to vote at the meetings. Business transacted at a special meeting shall be confined to the subjects stated in the notice of the meeting.

2.05 Notice. Written or printed notice stating the place, day, hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the officer or person calling the meeting, to each Shareholder of record entitled to vote at the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the Shareholder at his or her address as it appears on the stock transfer books of the corporation, with postage thereon prepaid.

2.06 Quorum. The holders of a majority of the shares of the corporation issued and outstanding, and entitled to vote there at, present in person, or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the Shareholders for the transaction of business except as otherwise provided by statute, by the Articles of Incorporation or by these By-laws. If a quorum is not present or represented at a meeting of the Shareholders, the Shareholders entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice, other than announcement at the meeting, until quorum is presented or represented. At such adjourned meeting at which a quorum is present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

2.07 Majority Vote. Withdrawal of Quorum: When a quorum is present at any meeting, the vote of the holders of a majority of the shares having voting power, present in person or represented by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provisions of the statutes or of the Articles of Incorporation or by these By-laws, a different vote is required, in which case, such express provision shall govern and control the decision of such question. The Shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Shareholders to leave less than a quorum.

2.08 Method of Voting. Each outstanding share, regardless of class, shall be entitled to one (1) vote on each matter submitted to a vote at the meeting of Shareholders. At any meeting of the Shareholders, every Shareholder having the right to vote may vote either in person, or by proxy executed in writing by the Shareholder, or by his or her duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Each proxy shall be revocable unless expressly provided therein to be irrevocable and unless otherwise made irrevocable by law. Each proxy shall be filed with the secretary of the corporation prior to or at the time of the meeting. Voting for Directors shall be in accordance with Section 3.06 of these By-laws. Any vote may be taken viva voce or by show of hands, unless someone entitled to vote objects, in which case, written ballots shall be used.

2.09 Record Date; Closing Transfer Books. The Board of Directors may fix in advance, a record date for the purpose of determining the Shareholders entitled to notice of or to vote at a meeting of the Shareholders, the record date to be not less than ten (10) nor more than fifty (50) days prior to the date of the meeting; or the Board of Directors may close the stock transfer books for such purpose for a period not less than ten (10) nor more than fifty (50) days prior to such meeting. In the absence of any action by the Board of Directors, the date upon which the notice of the meeting is mailed shall be the record date.

2.10 Action without Meeting. Any action required by statute to be taken at a meeting of the Shareholders, or any action which may be taken at a meeting of the Shareholders, may be taken without a meeting, provided, however, that written consent, setting out the action intended to be taken is first obtained from all of the Shareholders entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect as a unanimous vote of the Shareholders. Any such signed consent, or a signed copy thereof, shall be placed in the minute book of the company.

### Article 3: Directors

3.01 Management. The business and affairs of the corporation shall be managed by the Board of Directors, who may exercise all such powers of the corporation, and do all such lawful acts and things as are not prohibited by statute, the Articles of Incorporation, or by these By-laws, or that are not directed or required to be exercised or done by the Shareholders.

3.02 Number; Qualification; Election; & Term. The Board of Directors shall consist of seven (7) Directors, none of whom need be Shareholders in the corporation, or residents of the State of Texas. The Director shall be elected at the annual meeting of the Shareholders, except as provided in By-laws 3.03 and 3.05. Each such Director elected shall hold office until such time as his successor shall be elected and shall qualify.

3.03 Change in Number. The number of Directors may be increased or decreased from time to time by amendment to these By-laws, but no decrease shall have the effect of shortening the term of office of any incumbent Director. Any Directorship to be filled by reason of an increase in the number of the Directors, shall be filled by election at the annual meeting of the Shareholders or at a special meeting of the Shareholders called for that purpose.

3.04 Removal. Any Director may be removed either for or without cause at any special or annual meeting of the Shareholders of the corporation, by the affirmative vote of over two-thirds in number of shares of the Shareholders present in person or by proxy at such meeting, and entitled to vote for the election of such Director, if notice of intention to act upon such matter shall have been given in the notice calling such meeting.

3.05 Vacancies. Any vacancy occurring in the Board of Directors, either by death, resignation, incapacity, or removal, may be filled by an affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors, or by a sole remaining Director. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any vacancy created by an increase in the number of Directors shall be filled by election at an annual or special meeting of the Shareholders called for that purpose.

3.06 Election of Directors. Directors shall be elected by plurality vote. Voting on a cumulative basis shall not be permitted.

3.07 Place of Meetings. Meetings of the Board of Directors, either regular or special, may be held either within or without the State of Texas.

3.08 First Meetings. The first meeting of each newly elected Board shall be held without further notice, immediately following the annual meeting of the Shareholders, and at the same place, unless, by unanimous consent of the Directors, then elected and serving, such time and place shall be changed.

3.09 Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and place as shall from time to time be determined by the Board.

3.10 Special Meetings. Special meetings of the Board of Directors may be called by the President, or, if he is absent or unable to do so, by any Vice-President, or by any two (2) Directors. Notice of such special meeting shall be given to each Director, at least ten (10) days prior to the meeting, by either personally delivering notice, by registered mail, or by telegram. The notice shall include the time, place, and purpose for which the meeting is being held.

3.11 Quorum; Majority Vote. A majority of the authorized number of Directors shall constitute a quorum for the purposes of transacting business. The act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors, except as otherwise specifically provided by statute or by the Articles of Incorporation or by these By-laws. If a quorum is not present at a meeting of the Board of Directors, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

3.12 Compensation. By resolution of the Board of Directors, the Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid a fixed sum for attendance at each meeting of the Board of Directors, or a stated salary as Director. No such payment shall preclude any Director from serving the corporation in any other capacity and receiving compensation therefrom.



3.13 Procedure. The Board of Directors shall keep regular minutes of its proceedings. The minutes shall be placed in the minute book of the corporation.

3.14 Interested Directors, Officer, and Shareholders. Any contract or other transaction between the corporation, and any of its Directors, or any corporation or firm in which any of the Directors is directly or indirectly interested, shall be valid for all purposes notwithstanding the presence of such Director at the meeting during which the contract or transaction was authorized, and notwithstanding the Directors participation at such meeting. The foregoing shall apply only if the interest of each Director is known or disclosed to the entire Board of Directors, and that Board nevertheless authorizes or ratifies the contract or transaction by a majority of the Directors present. Each interested Director is to be counted in determining whether a quorum is present, but not in calculating the majority present to carry the vote. The foregoing shall also apply only if the contract or transaction is just and reasonable to the corporation at the time it is authorized and ratified. This section shall not be construed to invalidate any contract or transaction that would be valid in the absence of this paragraph.

#### Article 4: Notice

4.01 Method. Whenever by statute, or the Articles of Incorporation or these By-laws, notice is required to be given to Director or Shareholder, and no provision is made as how the notice shall be given, it shall not be construed to mean that actual notice is required, but any such notice may be given either in writing, by mail, postage prepaid, addressed to the Director or Shareholder at the address appearing on the books of the corporation, or in any other method allowed by law. Any notice required or permitted to be given by mail shall be deemed given at the time when the same is thus deposited in the United States Mails.

4.02 Waiver. Whenever by statute or the Articles of Incorporation, or these by laws, notice is required to be given to a Shareholder or Director, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in such notice, shall be equivalent to the giving of such notice. Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

#### Article 5: Officers and Agents

5.01 Number; Qualification; Election; and Term. The corporation shall have:

a. A President, Vice-President, a Secretary, and a Treasurer, and such other officers, including a Chairman of the Board and additional Vice-Presidents, and

assistants, officers and agents as the Board of Directors may deem necessary to properly carry out the business of the corporation.

b. No officer or agent need be a Shareholder, a Director, or a resident of Texas.

c. Officers named in section 5.01(a) shall be elected by the Board of Directors on the expiration of an officers term, or whenever a vacancy exists. Agents of the corporation shall be appointed by the Board of Directors, at any meeting without the requirement of notice of the intention to do so, whether the meeting be a regular or special meeting, as the Board may deem such appointment from time to time to be necessary.

d. Unless otherwise specified by the Board at the time of election or appointment, or in an employment contract approved by the Board, each officers and agents term shall end at the first meeting of Directors after the next annual meeting of Shareholders. He shall serve until the end of his term, or, if earlier, his death, resignation, termination, or removal.

e. Any two (2) or more offices may be held by the same person, except that the President and the Secretary shall not be the same person.

5.02 Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the best interests of the corporation will be served thereby. Such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

5.03 Vacancies. Any vacancy occurring in any office of the corporation, by death, removal, resignation, termination or otherwise, may be filled by the Board of Directors, and anyone so appointed by the Board shall function in such capacity for the remaining term of the party whom they replaced, subject to the terms of these By-laws, and the Articles of Incorporation.

5.04 Authority. Officers and agents of the corporation shall have such authority, and perform such duties in the management of the corporation, as are provided in these By-laws, or as may be determined by resolution of the Board of Directors not inconsistent with these By-laws.

5.05 Compensation. The compensation of officers and agents shall be fixed from time to time by the Board of Directors.

5.06 President. The President shall be the chief executive officer of the corporation; he shall preside at all meetings of the Shareholders and the Board of Directors, shall have

general and active management of the business and affairs of the corporation, shall see that all orders and resolutions of the Board are carried out, and he shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe.

5.07 Vice-President. The Vice President shall, in the absence or disability of the President, perform the duties and have the authority and exercise the powers of the President. He shall perform such other duties, and have such other authority and powers as the Board of Directors may from time to time prescribe or as the president may from time to time delegate.

5.08 Secretary.

a. The Secretary shall attend all meetings of the Board of Directors and all meetings of the Shareholders, and record all votes and the minutes of all of the proceedings of the meetings in a book to be kept for that purpose, and shall perform like duties for the executive committee when required.

b. The Secretary shall give, or cause to be given, notice of all meetings of the Shareholders and special meetings of the Board of Directors.

c. The Secretary shall keep in safe custody, the seal of the corporation, and when authorized by the Board of Directors or the executive committee, affix the same to any instrument requiring it; and when so affixed, it shall be attested by his signature, or by the signature of the Treasurer or an Assistant Secretary.

d. The Secretary shall be under the supervision of the President, and shall perform such other duties, and have such other authority and powers as the Board of Directors may from time to time prescribe, or as the President may from time to time delegate.

5.09 Assistant Secretary. The Assistant Secretary shall, in the absence or disability of the Secretary, perform the duties, and have the authority, and exercise the power of the Secretary. The Assistant Secretary shall also perform such other duties and have such other powers as the Board of Directors may from time to time prescribe, or as the President may from time to time delegate.

5.10 Treasurer.

a. The Treasurer shall have the custody of the corporate funds and securities, and shall keep full and accurate accounts of receipts and disbursements of the corporation, and shall deposit all monies and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors.

b. The Treasurer shall disburse the funds of the corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board or whenever they may require it, an account of all transactions completed as Treasurer, and of the financial condition of the corporation.

c. If required by the Board of Directors, he shall give the corporation a bond in such form, and in such sum, and with such surety or sureties, as shall be satisfactory to the Board for the faithful performance of the duties of his office and for the restoration of the corporation, in case of his death, resignation, termination, or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or control belonging to the corporation.

d. The Treasurer shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe, or as the president may from time to time delegate.

#### Article 6: Certificates and Shareholders

6.01 Certificates. Certificates in the form determined by the Board of Directors shall be delivered representing all shares to which a Shareholder is entitled. Certificates shall be consecutively numbered, and shall be entered in the books of the corporation as they are issued. Each certificate shall state on the face thereof, the holder's name, the number and class of shares owned, the par value of the shares or a statement that the shares are without par value, and such other matters as may be required by law. They shall be signed by the President or a Vice-President and such other officer or officers as the Board of Directors shall designate, and may be sealed with the seal of the corporation or a facsimile thereof. If any security is countersigned by a transfer agent or registered by a registrar, either one of which is other than the corporation, or an employee thereof, the signature of any such officer may be facsimile.

6.02 Replacement of Lost or Destroyed Certificate. The Board of Directors may direct that a new certificate or certificates be issued in place of any previously issued certificates of the corporation which have allegedly been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the loss or destruction. In so doing, the Board of Directors may, in its discretion, and as a condition precedent to the issuance, (a) require the owner of the lost or destroyed certificate, or his legal representative, to advertise the same in such a manner as it shall require and/or (b) to give the corporation a bond, with a surety or sureties satisfactory to the corporation, in such sum as it may direct, as indemnity against any claim or expense resulting from any claim, that may be made against the corporation with respect to the certificates.

6.03 Transfer of Shares. Shares of stock shall be transferable only on the books of the corporation by the holder thereof, in person or by his duly authorized attorney. Upon surrender to the corporation or its transfer agent, of a certificate representing shares of the corporation, duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, the corporation, or its transfer agent, shall issue a new certificate to the person entitled thereto, cancel the old certificate, and record the transaction upon its corporate books.

6.04 Registered Shareholders. The corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof, and accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it has express or other notice thereof, except as otherwise provided by law.

6.05 Preemptive Rights. No Shareholder shall have any preemptive rights.

#### Article 7: General Provisions

##### 7.01 Dividends and Reserves.

a. Declaration and Payment. Subject to statute, and the Articles of Incorporation, dividends may be declared by the Board of Directors at any regular or special meeting, and may be payable in cash, in property, or in shares of the corporation. The declaration and payment shall be at the discretion of the Board of Directors.

b. Record Date. The Board of Directors may fix in advance a record date for the purpose of determining Shareholders entitled to receive payment of any dividends. The record date shall not be more than sixty (60) days prior to the payment date of such dividend, or the Board of Directors may close the stock transfer books for such purpose for a period of not more than sixty (60) days prior to the payment date of such dividend. In the absence of any action by the Board of Directors, the date upon which the Board of Directors adopts the resolution declaring the dividend shall be the record date.

c. Reserves. By resolution the Board of Directors may create such reserve or reserves out of the earned surplus of the corporation, as the Directors from time to time, in their discretion, think proper to provide for contingencies, or to equalize dividends, or to repair or maintain any property of the corporation. The Directors may increase the term or amount of any such reserve in the manner in which it was created.

7.02 Books and Records. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Shareholders and Board of Directors, and shall keep at its registered office or principal place of business, or at the office of its transfer agent or registrar, a record of its Shareholders and the number and class of the shares held.

7.03 Annual Statement. The Board of Directors shall present at each annual meeting of the Shareholders, a full, clear, and complete statement of the business and condition of the corporation, including a reasonably detailed balance sheet, income statement, and surplus statement.

7.04 Checks and Notes. All checks or demands for money and notes of the corporation shall be signed by such officer or officers, or such other person or persons, as the Board of Directors may from time to time designate.

7.05 Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

7.06 Seal. The corporate seal, of which there may be one (1) or more exemplars, shall contain the name of the corporation, and the name of the state of incorporation. The seal may be used by impressing it or reproducing a facsimile of it, or otherwise.

7.07 Resignation. Any Director, officer or agent may resign by giving written notice to the president or the secretary. The resignation shall take effect at the time specified therein, or immediately, if no time is specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

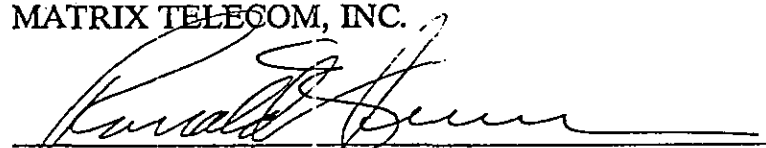
7.08 Amendment of By-laws. These By-laws may be altered, amended, or repealed at any meeting of the Board of Directors at which a quorum is present, by the affirmative vote of a majority of the Directors present at such meeting, provided notice of the proposed alteration, amendment, or repeal is contained in the notice of such meeting, and said amendment or repeal is approved by a two-thirds vote of the Shareholders.

7.09 Construction. Whenever the context so requires, the masculine shall include the feminine and the neuter, and the singular shall include the plural, and conversely. If any portion of these By-laws are deemed to be illegal or invalid, or inoperative, then, so far as is reasonable and possible these By-laws shall be construed as if such illegal or invalid or inoperative portion were not a part hereof, unless to do so would defeat the purposes for which these By-laws were created, and in such case, a special meeting of the Board of Directors shall be called as soon as is practicable, provided that reasonable notice of such meeting is given, in compliance with the notice provisions of these By-laws, for the purpose of adopting new By-laws.

7.10 Table of Contents and Headings. The table of contents and headings used in these By-laws have been inserted for convenience only, and do not constitute matter to be construed in interpretation hereof.

Adopted by the Board of Directors on this the 23<sup>rd</sup> day of December, 1994.

MATRIX TELECOM, INC.



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RONALD L. JENSEN, President of U. A. Plus,  
Inc., General Partner of Matrix Communications, Ltd.,  
Shareholder of Matrix Telecom, Inc.

MATRIX TELECOM, INC.

JOINT UNANIMOUS WRITTEN CONSENT OF  
THE SHAREHOLDERS AND BOARD OF DIRECTORS

OCTOBER 6, 1995

The undersigned, being all the shareholders and all the members of the Board of Directors of MATRIX TELECOM, INC., a corporation organized and existing under the laws of the State of Texas (the "Company"), hereby consent to and take the following action on behalf of the Company:

**RESOLVED**, that the resignations of Howard Neckowitz, Charles G. Taylor, Dan Evanoff and Adrian Toader from the Board of Directors of the Company be and hereby are accepted effective this date; and

**RESOLVED FURTHER**, that Article 3, Sections 3.02 and 3.03 of the By-laws of the Company be amended to read as follows:

**3.02 Number, Qualification, Election and Term.** The Board of Directors shall consist of three (3) and not more than nine (9) persons, none of whom need to be Shareholders of the Corporation or residents of the State of Texas. Directors shall be elected at the annual meeting of the Shareholders, except as provided in Sections 3.03 and 3.04. Each such Director shall hold office until such time as his successor shall be elected and shall qualify.

**3.03 Change in Number.** The number of Directors, within the limits hereinabove provided, may be increased or decreased by resolution of the Board of Directors or in such other manner permitted or required by law or the Articles of Incorporation. Any directorship to be filled by reason of any increase in the number of directors serving shall be filled by either the affirmative vote of a majority of the directors of the Board of Directors, or by election at an annual meeting of the Shareholders or at a special meeting of the Shareholders called for that purpose.

**RESOLVED FURTHER**, that Article One of the Articles of Incorporation of the Company be amended to read as follows:

"ARTICLE ONE

"The aggregate number of shares which the corporation shall have authority to issue is the following: 200,000 shares of common stock, such stock shall have no par value."



MIGA, INC.  
CORPORATE BY-LAWS

MIGA, INC.  
CORPORATE BY-LAWS

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MIGA, INC.  
Corporate By-Laws

Article 1: Offices

1.01 Registered Office and Agent. The registered office of the corporation shall be at 2705 Summertree Lane, Colleyville, Texas 76034. The name of the registered agent at such address shall be Dennis Miga.

1.02 Other Offices. The corporation may also have offices at such other places both within and without the State of Texas, as the Board of Directors may from time to time determine or the business of the corporation may require.

Article 2: Shareholders

2.01 Place of Meetings. All meetings shall be held at such time and place, within or without the State of Texas, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

2.02 Annual Meeting. An annual meeting of the Shareholders, commencing with year 1991, shall be held each year at 10:00 a.m. on a day during the month of June, to be selected by the Board of Directors. If such a day is a legal holiday, then the meeting will be held on the next secular day following. At the meeting, the Shareholders shall elect Directors, and transact business as may be properly brought before the meeting.

2.03 Voting List. At least ten (10) days before each meeting of Shareholders, a complete list of the Shareholders entitled to vote at the meeting, arranged in alphabetical order, with the address of each and the number of voting shares held by each, shall be prepared by the officer or agent having charge of the stock transfer books. The list, for a period of ten (10) days prior to the meeting, shall be kept on file at the registered office of the corporation, and shall be subject to inspection by any Shareholder at any time during the usual business hours. The list shall also be produced and kept open at the time and place of the meeting during the whole time thereof, and shall be subject to the inspection of any Shareholder during the whole time of the meeting.

2.04 Special Meetings. Special meetings of the Shareholders, for any purpose or purposes, unless otherwise prescribed by statute or by the Articles of Incorporation, or by these By-Laws, may be called by the President, the Board of Directors, or

the holders of not less than one-twenty-fifth (1/25) of all the shares entitled to vote at the meetings. Business transacted at a special meeting shall be confined to the subjects stated in the notice of the meeting.

2.05 Notice. Written or printed notice stating the place, day, hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the officer or person calling the meeting, to each Shareholder of record entitled to vote at the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the Shareholder at his or her address as it appears on the stock transfer books of the corporation, with postage thereon prepaid.

2.06 Quorum. The holders of a majority of the shares of the corporation issued and outstanding, and entitled to vote there at, present in person, or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the Shareholders for the transaction of business except as otherwise provided by statute, by the Articles of Incorporation or by these By-laws. If a quorum is not present or represented at a meeting of the Shareholders, the Shareholders entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice, other than announcement at the meeting, until quorum is presented or represented. At such adjourned meeting at which a quorum is present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

2.07 Majority Vote. Withdrawal of Quorum: When a quorum is present at any meeting, the vote of the holders of a majority of the shares having voting power, present in person or represented by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provisions of the statutes or of the Articles of Incorporation or by these By-laws, a different vote is required, in which case, such express provision shall govern and control the decision of such question. The Shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Shareholders to leave less than a quorum.

2.08 Method of Voting. Each outstanding share, regardless of class, shall be entitled to one (1) vote on each matter submitted to a vote at the meeting of Shareholders. At any meeting of the Shareholders, every Shareholder having the right to vote may vote either in person, or by proxy executed in writing by the Shareholder, or by his or her duly authorized attorney-in-fact. No

proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Each proxy shall be revocable unless expressly provided therein to be irrevocable and unless otherwise made irrevocable by law. Each proxy shall be filed with the secretary of the corporation prior to or at the time of the meeting. Voting for Directors shall be in accordance with Section 3.06 of these By-laws. Any vote may be taken viva voce or by show of hands, unless someone entitled to vote objects, in which case, written ballots shall be used.

2.09 Record Date; Closing Transfer Books. The Board of Directors may fix in advance, a record date for the purpose of determining the Shareholders entitled to notice of or to vote at a meeting of the Shareholders, the record date to be not less than ten (10) nor more than fifty (50) days prior to the date of the meeting; or the Board of Directors may close the stock transfer books for such purpose for a period not less than ten (10) nor more than fifty (50) days prior to such meeting. In the absence of any action by the Board of Directors, the date upon which the notice of the meeting is mailed shall be the record date.

2.10 Action without Meeting. Any action required by statute to be taken at a meeting of the Shareholders, or any action which may be taken at a meeting of the Shareholders, may be taken without a meeting, provided, however, that written consent, setting out the action intended to be taken is first obtained from all of the Shareholders entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect as a unanimous vote of the Shareholders. Any such signed consent, or a signed copy thereof, shall be placed in the minute book of the company.

### Article 3: Directors

3.01 Management. The business and affairs of the corporation shall be managed by the Board of Directors, who may exercise all such powers of the corporation, and do all such lawful acts and things as are not prohibited by statute, the Articles of Incorporation, or by these By-laws, or that are not directed or required to be exercised or done by the Shareholders.

3.02 Number; Qualification; Election; & Term. The Board of Directors shall consist of one (1) Director, none of whom need be Shareholders in the corporation, or residents of the State of Texas. The Director shall be elected at the annual meeting of the Shareholders, except as provided in By-laws 3.03 and 3.05. Each such Director elected shall hold office until such time as his successor shall be elected and shall qualify.

3.03 Change in Number. The number of Directors may be increased or decreased from time to time by amendment to these By-laws, but no decrease shall have the effect of shortening the term of office of any incumbent Director. Any Directorship to be filled by reason of an increase in the number of the Directors, shall be filled by election at the annual meeting of the Shareholders or at a special meeting of the Shareholders called for that purpose.

3.04 Removal. Any Director may be removed either for or without cause at any special or annual meeting of the Shareholders of the corporation, by the affirmative vote of over two-thirds in number of shares of the Shareholders present in person or by proxy at such meeting, and entitled to vote for the election of such Director, if notice of intention to act upon such matter shall have been given in the notice calling such meeting.

3.05 Vacancies. Any vacancy occurring in the Board of Directors, either by death, resignation, incapacity, or removal, may be filled by an affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors, or by a sole remaining Director. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any vacancy created by an increase in the number of Directors shall be filled by election at an annual or special meeting of the Shareholders called for that purpose.

3.06 Election of Directors. Directors shall be elected by plurality vote. Voting on a cumulative basis shall not be permitted.

3.07 Place of Meetings. Meetings of the Board of Directors, either regular or special, may be held either within or without the State of Texas.

3.08 First Meetings. The first meeting of each newly elected Board shall be held without further notice, immediately following the annual meeting of the Shareholders, and at the same place, unless, by unanimous consent of the Directors, then elected and serving, such time and place shall be changed.

3.09 Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and place as shall from time to time be determined by the Board.

3.10 Special Meetings. Special meetings of the Board of Directors may be called by the President, or, if he is absent or unable to do so, by any Vice-President, or by any two (2) Directors. Notice of such special meeting shall be given to each Director, at least ten (10) days prior to the meeting, by either personally delivering notice, by registered mail, or by telegram.

The notice shall include the time, place, and purpose for which the meeting is being held.

3.11 Quorum; Majority Vote. A majority of the authorized number of Directors shall constitute a quorum for the purposes of transacting business. The act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors, except as otherwise specifically provided by statute or by the Articles of Incorporation or by these By-laws. If a quorum is not present at a meeting of the Board of Directors, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

3.12 Compensation. By resolution of the Board of Directors, the Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid a fixed sum for attendance at each meeting of the Board of Directors, or a stated salary as Director. No such payment shall preclude any Director from serving the corporation in any other capacity and receiving compensation therefrom.

3.13 Procedure. The Board of Directors shall keep regular minutes of its proceedings. The minutes shall be placed in the minute book of the corporation.

3.14 Interested Directors, Officer, and Shareholders. Any contract or other transaction between the corporation, and any of its Directors, or any corporation or firm in which any of the Directors is directly or indirectly interested, shall be valid for all purposes notwithstanding the presence of such Director at the meeting during which the contract or transaction was authorized, and notwithstanding the Directors participation at such meeting. The foregoing shall apply only if the interest of each Director is known or disclosed to the entire Board of Directors, and that Board nevertheless authorizes or ratifies the contract or transaction by a majority of the Directors present. Each interested Director is to be counted in determining whether a quorum is present, but not in calculating the majority present to carry the vote. The foregoing shall also apply only if the contract or transaction is just and reasonable to the corporation at the time it is authorized and ratified. This section shall not be construed to invalidate any contract or transaction that would be valid in the absence of this paragraph.

#### Article 4: Notice

4.01 Method. Whenever by statute, or the Articles of Incorporation or these By-laws, notice is required to be given to



Director or Shareholder, and no provision is made as how the notice shall be given, it shall not be construed to mean that actual notice is required, but any such notice may be given either in writing, by mail, postage prepaid, addressed to the Director or Shareholder at the address appearing on the books of the corporation, or in any other method allowed by law. Any notice required or permitted to be given by mail shall be deemed given at the time when the same is thus deposited in the United States Mails.

4.02 Waiver. Whenever by statute or the Articles of Incorporation, or these by laws, notice is required to be given to a Shareholder or Director, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in such notice, shall be equivalent to the giving of such notice. Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

#### Article 5: Officers and Agents

5.01 Number; Qualification; Election; and Term. The corporation shall have:

a. A President, Vice-President, a Secretary, and a Treasurer, and such other officers, including a Chairman of the Board and additional Vice-Presidents, and assistants, officers and agents as the Board of Directors may deem necessary to properly carry out the business of the corporation.

b. No officer or agent need be a Shareholder, a Director, or a resident of Texas.

c. Officers named in section 5.01(a) shall be elected by the Board of Directors on the expiration of an officers term, or whenever a vacancy exists. Agents of the corporation shall be appointed by the Board of Directors, at any meeting without the requirement of notice of the intention to do so, whether the meeting be a regular or special meeting, as the Board may deem such appointment from time to time to be necessary.

d. Unless otherwise specified by the Board at the time of election or appointment, or in an employment contract approved by the Board, each officers and agents term shall end at the first meeting of Directors after the next annual

meeting of Shareholders. He shall serve until the end of his term, or, if earlier, his death, resignation, termination, or removal.

e. Any two (2) or more offices may be held by the same person, except that the President and the Secretary shall not be the same person.

5.02 Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the best interests of the corporation will be served thereby. Such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

5.03 Vacancies. Any vacancy occurring in any office of the corporation, by death, removal, resignation, termination or otherwise, may be filled by the Board of Directors, and anyone so appointed by the Board shall function in such capacity for the remaining term of the party whom they replaced, subject to the terms of these By-laws, and the Articles of Incorporation.

5.04 Authority. Officers and agents of the corporation shall have such authority, and perform such duties in the management of the corporation, as are provided in these By-laws, or as may be determined by resolution of the Board of Directors not inconsistent with these By-laws.

5.05 Compensation. The compensation of officers and agents shall be fixed from time to time by the Board of Directors.

5.06 President. The President shall be the chief executive officer of the corporation; he shall preside at all meetings of the Shareholders and the Board of Directors, shall have general and active management of the business and affairs of the corporation, shall see that all orders and resolutions of the Board are carried out, and he shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe.

5.07 Vice-President. The Vice President shall, in the absence or disability of the President, perform the duties and have the authority and exercise the powers of the President. He shall perform such other duties, and have such other authority and powers as the Board of Directors may from time to time prescribe or as the president may from time to time delegate.

5.08 Secretary.

a. The Secretary shall attend all meetings of the Board of Directors and all meetings of the Shareholders, and record all votes and the minutes of all of the proceedings of the meetings in a book to be kept for that purpose, and shall perform like duties for the executive committee when required.

b. The Secretary shall give, or cause to be given, notice of all meetings of the Shareholders and special meetings of the Board of Directors.

c. The Secretary shall keep in safe custody, the seal of the corporation, and when authorized by the Board of Directors or the executive committee, affix the same to any instrument requiring it; and when so affixed, it shall be attested by his signature, or by the signature of the Treasurer or an Assistant Secretary.

d. The Secretary shall be under the supervision of the President, and shall perform such other duties, and have such other authority and powers as the Board of Directors may from time to time prescribe, or as the President may from time to time delegate.

5.09 Assistant Secretary. The Assistant Secretary shall, in the absence or disability of the Secretary, perform the duties, and have the authority, and exercise the power of the Secretary. The Assistant Secretary shall also perform such other duties and have such other powers as the Board of Directors may from time to time prescribe, or as the President may from time to time delegate.

5.10 Treasurer.

a. The Treasurer shall have the custody of the corporate funds and securities, and shall keep full and accurate accounts of receipts and disbursements of the corporation, and shall deposit all monies and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors.

b. The Treasurer shall disburse the funds of the corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board or whenever they may require it, an account of all transactions completed as Treasurer, and of the financial condition of the corporation.

c. If required by the Board of Directors, he shall give the corporation a bond in such form, and in such sum, and with such surety or sureties, as shall be satisfactory to the Board for the faithful performance of the duties of his office and for the restoration of the corporation, in case of his death, resignation, termination, or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or control belonging to the corporation.

d. The Treasurer shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe, or as the president may from time to time delegate.

#### Article 6: Certificates and Shareholders

6.01 Certificates. Certificates in the form determined by the Board of Directors shall be delivered representing all shares to which a Shareholder is entitled. Certificates shall be consecutively numbered, and shall be entered in the books of the corporation as they are issued. Each certificate shall state on the face thereof, the holder's name, the number and class of shares owned, the par value of the shares or a statement that the shares are without par value, and such other matters as may be required by law. They shall be signed by the President or a Vice-President and such other officer or officers as the Board of Directors shall designate, and may be sealed with the seal of the corporation or a facsimile thereof. If any security is countersigned by a transfer agent or registered by a registrar, either one of which is other than the corporation, or an employee thereof, the signature of any such officer may be facsimile.

6.02 Replacement of Lost or Destroyed Certificate. The Board of Directors may direct that a new certificate or certificates be issued in place of any previously issued certificates of the corporation which have allegedly been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the loss or destruction. In so doing, the Board of Directors may, in its discretion, and as a condition precedent to the issuance, (a) require the owner of the lost or destroyed certificate, or his legal representative, to advertise the same in such a manner as it shall require and/or (b) to give the corporation a bond, with a surety or sureties satisfactory to the corporation, in such sum as it may direct, as indemnity against any claim or expense resulting from any claim, that may be made against the corporation with respect to the certificates.

6.03 Transfer of Shares. Shares of stock shall be transferable only on the books of the corporation by the holder thereof, in person or by his duly authorized attorney. Upon surrender to the corporation or its transfer agent, of a certificate representing shares of the corporation, duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, the corporation, or its transfer agent, shall issue a new certificate to the person entitled thereto, cancel the old certificate, and record the transaction upon its corporate books.

6.04 Registered Shareholders. The corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof, and accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it has express or other notice thereof, except as otherwise provided by law.

6.05 Preemptive Rights. No Shareholder shall have any preemptive rights.

## Article 7: General Provisions

### 7.01 Dividends and Reserves.

a. Declaration and Payment. Subject to statute, and the Articles of Incorporation, dividends may be declared by the Board of Directors at any regular or special meeting, and may be payable in cash, in property, or in shares of the corporation. The declaration and payment shall be at the discretion of the Board of Directors.

b. Record Date. The Board of Directors may fix in advance a record date for the purpose of determining Shareholders entitled to receive payment of any dividends. The record date shall not be more than sixty (60) days prior to the payment date of such dividend, or the Board of Directors may close the stock transfer books for such purpose for a period of not more than sixty (60) days prior to the payment date of such dividend. In the absence of any action by the Board of Directors, the date upon which the Board of Directors adopts the resolution declaring the dividend shall be the record date.

c. Reserves. By resolution the Board of Directors may create such reserve or reserves out of the earned surplus of the corporation, as the Directors from time to time, in their discretion, think proper to provide for contingencies, or to

equalize dividends, or to repair or maintain any property of the corporation. The Directors may increase the term or amount of any such reserve in the manner in which it was created.

7.02 Books and Records. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Shareholders and Board of Directors, and shall keep at its registered office or principal place of business, or at the office of its transfer agent or registrar, a record of its Shareholders and the number and class of the shares held.

7.03 Annual Statement. The Board of Directors shall present at each annual meeting of the Shareholders, a full, clear, and complete statement of the business and condition of the corporation, including a reasonably detailed balance sheet, income statement, and surplus statement.

7.04 Checks and Notes. All checks or demands for money and notes of the corporation shall be signed by such officer or officers, or such other person or persons, as the Board of Directors may from time to time designate.

7.05 Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

7.06 Seal. The corporate seal, of which there may be one (1) or more exemplars, shall contain the name of the corporation, and the name of the state of incorporation. The seal may be used by impressing it or reproducing a facsimile of it, or otherwise.

7.07 Resignation. Any Director, officer or agent may resign by giving written notice to the president or the secretary. The resignation shall take effect at the time specified therein, or immediately, if no time is specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

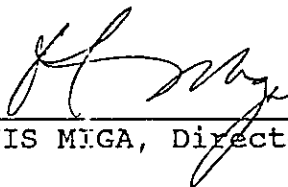
7.08 Amendment of By-laws. These By-laws may be altered, amended, or repealed at any meeting of the Board of Directors at which a quorum is present, by the affirmative vote of a majority of the Directors present at such meeting, provided notice of the proposed alteration, amendment, or repeal is contained in the notice of such meeting, and said amendment or repeal is approved by a two-thirds vote of the Shareholders.

7.09 Construction. Whenever the context so requires, the masculine shall include the feminine and the neuter, and the singular shall include the plural, and conversely. If any portion of these By-laws are deemed to be illegal or invalid, or

inoperative, then, so far as is reasonable and possible these By-laws shall be construed as if such illegal or invalid or inoperative portion were not a part hereof, unless to do so would defeat the purposes for which these By-laws were created, and in such case, a special meeting of the Board of Directors shall be called as soon as is practicable, provided that reasonable notice of such meeting is given, in compliance with the notice provisions of these By-laws, for the purpose of adopting new By-laws.

7.10. Table of Contents and Headings. The table of contents and headings used in these By-laws have been inserted for convenience only, and do not constitute matter to be construed in interpretation hereof.

Adopted by the Board of Directors on this the 15th day of June, 1990.



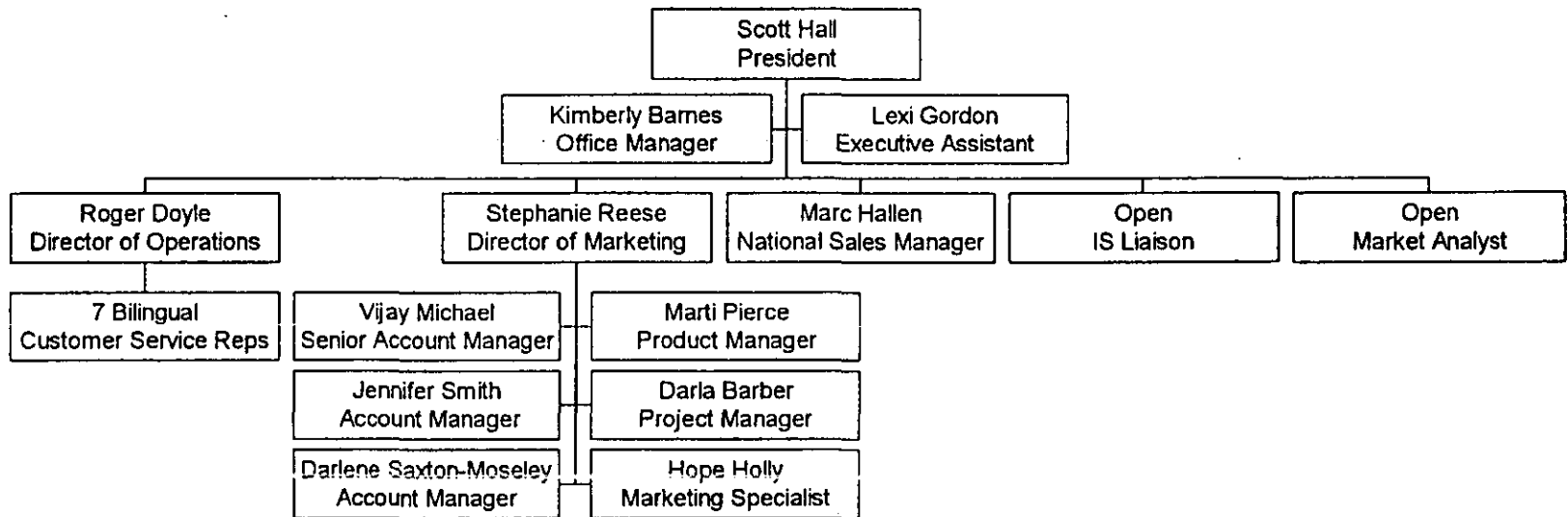
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DENNIS MIGA, Director

**APPENDIX II**  
**OFFICERS' QUALIFICATIONS AND EXPERIENCE**



# Matrix Telecom, Inc.



## **Key Employee Profiles**

### **M. Scott Hall, President**

Mr. Hall was recently appointed President of Matrix Telecom, Inc. From September 1998 until his appointment as President, he was Senior Vice President of AvTel's Channel Markets Group. Based in Fort Worth, Texas, Mr. Hall was responsible for directing AvTel's broad range of telecommunications and advanced network services to target corporation, reseller distribution companies and affinity groups. Mr. Hall has been in telecommunications for 16 years and has held several management and executive positions. Prior to joining AvTel, Mr. Hall served as Vice President at One Call Communications, Inc., where he directed all sales, marketing and customer retention activities. Mr. Hall received a B.A. from the University of Hawaii in 1982.

### **Stephanie S. Reese, Director of Marketing**

Ms. Reese joined AvTel in February 1999 as Director of Marketing and is now with Matrix Telecom, Inc. in the same position. Ms. Reese earned a BBA in Marketing Management from the University of North Texas in August 1989 and an MBA in Marketing from the University of Texas in May 1996. She comes to AvTel and Matrix from PageMart Wireless, Inc. based in Dallas, Texas where she spear-headed direct mail, telemarketing and collateral programs to support new product launches and designed and negotiated lead trading programs with Southwestern Bell.

### **Roger L. Doyle, Director of Operations**

Mr. Doyle joined AvTel in March 1999 as Director of Customer Relations and is now with Matrix Telecom, Inc. as Director of Operations. Mr. Doyle has over 12 years experience in the call center/customer support industry with a focus in providing quality support in the high-tech, telecommunication and sales environments. He comes to AvTel and Matrix from Netcom On-Line Communication Services, Inc. where he served as Director of Customer Support. At Netcom, Mr. Doyle was responsible for planning and building the Dallas Customer Support Center for one of the country's largest internet service providers.

**Marc Hallen, National Sales Manager**

Mr. Hallen joined Matrix in November 1998 as National Sales Manager. Based in Atlanta, GA, Mr. Hallen is responsible for recruiting, training and motivating agents and affinity groups in the selling of all Matrix products and services. Mr. Hallen has been in the telecommunications industry for 17 years. Prior to joining Matrix, Mr. Hallen served as National Sales Manager for FaxNet, where he penetrated the RBOC, IXC and CLEC marketplace offering fax over IP services.

**Darlene Saxton-Moseley, Account Manager**

Ms. Saxton-Moseley has been with Matrix since 1990. She has held the position of Facilities Manager, Manager of New Business and Distributor Support and General Manager of Operations for all Telemarketing Centers within the Core Marketing family. Those duties included responsibility for the day to day operations of three outbound telemarketing centers. Ms. Saxton-Moseley is currently working as an Account Manager for CMA, Star and Americall.