

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of)
Matrix Telecom, Inc. d/b/a VarTec Telecom)
for a Certificate of Service Authority) Case No.: _____
to provide Basic Local Telecommunications, Non-)
Switched Local Exchange Services and Resold)
Interexchange Service in the State of Missouri)
and to Classify Said Services and the)
Company as Competitive)

**APPLICATION FOR CERTIFICATE OF SERVICE AUTHORITY
TO PROVIDE BASIC LOCAL EXCHANGE, NON-SWITCHED LOCAL EXCHANGE
AND INTEREXCHANGE TELECOMMUNICATION SERVICES AND FOR
COMPETITIVE CLASSIFICATION**

COMES NOW Matrix Telecom, Inc. d/b/a VarTec Telecom, a Texas corporation ("Applicant" or "VarTec"), by its undersigned counsel, and hereby applies pursuant to sections 392.361, 392.410, 392.420, 392.430, 392.440 and 392.470 RSMo and 4 CSR 240-2.060 and 4 CSR 240-3.510 for authority to provide a) facilities-based and resold basic local, telecommunications service in portions of the State of Missouri; b) non-switched local exchange and resold interexchange telecommunications service state wide and to classify said service and Applicant as competitive. Pursuant to Section 392.420 and 392.361, RSMo and 4 CSR 240-32.010(2) VarTec also seeks a waiver of certain Commission rules and statutory provisions. In support of its Application, VarTec states as follows:

1. Matrix Telecom, Inc. d/b/a VarTec Telecom is a corporation duly organized and existing under and by virtue of the laws of the State of Texas, and is duly authorized to conduct business in Missouri. The nature of Applicant's business is telecommunications. Matrix Telecom, Inc. was previously granted certificate of service authority from the Missouri Public Service Commission to provide Local Facilities-Based services in Case No. CA-2005-0393 (Order issued October 31, 2005) and interexchange reseller services in Case No. XA-2004-0238 (Order issued January 18, 2004). Pursuant to 4 CSR 240-2.060(1)(C), a Certificate of Authority to transact business in Missouri and a certificate of good standing, issued by the Missouri Secretary of State, and the registration of the applicant's fictitious name are attached hereto and

incorporated herein by reference as **Exhibit A**. Applicant's principal place of business is 433 E. Las Colinas Blvd., Suite 400, Irving, Texas 75039. Its telephone number is 972-910-1900 and its toll-free customer service number is 1-800-411-0111.

2. An officer's verification of the information contained in the Application is attached hereto.

3. All correspondence, communications, pleadings, notices, order, and decisions relating to this Application should be addressed to:

Mark W. Comley
Newman, Comley & Ruth P.C.
601 Monroe Street, Suite 301
P.O. Box 537
Jefferson City, MO 65102
Telephone: (573) 634-2266
Facsimile: (573) 636-3306

Thomas M. Forte
Consultant to Matrix Telecom, Inc. d/b/a VarTec Telecom
Technologies Management, Inc.
2600 Maitland Center Parkway, Suite 300
Maitland, FL 32751
Telephone: (407) 740-3001
Facsimile: (407) 740-0613

All inquiries or communications regarding the ongoing operations of VarTec should be addressed to:

Aurora Ares
Regulatory Affairs
Matrix Telecom, Inc. d/b/a VarTec Telecom
433 E. Las Colinas Blvd., Suite 400
Irving, TX 75039
Telephone: (972) 910-1900
Facsimile: (888) 411-0111

4. By this Application, VarTec requests a certificate of authority to provide competitive facilities-based and resold basic local exchange and resold interexchange services to residential and business customers throughout all exchanges served by Southwestern Bell Telephone, L.P. d/b/a AT&T Missouri (AT&T Missouri). The exchanges in which VarTec seeks authority are listed in the approved tariffs of AT&T Missouri, and will be listed in Applicant's

basic local service tariff. VarTec's proposed service areas will follow the respective exchange boundaries of the stated incumbent LEC and shall be no smaller than an exchange as required by Section 392.455(3) RSMo. Applicant may seek authorization to provide service in exchanges served by other incumbent LECs in a subsequent proceeding.

5. Upon certification, Applicant will provide services by combining unbundled network elements and reselling services obtained from AT&T Missouri pursuant to interconnection agreement(s) that Applicant has filed or will file with the Commission. Applicant may also acquire services and facilities from other carriers operating in the State. VarTec will, through interconnection with other carriers or resale of other carriers' services, provide access to 911 and enhanced 911 emergency services and provide directory assistance and operator assisted calling, dual party relay services, and other miscellaneous services currently provided by incumbent local exchange carriers. VarTec intends to provide local service using unbundled network combinations offered by AT&T Missouri and via resold services. VarTec may eventually provide local services via its own switching facilities. VarTec plans to commence offering basic local service upon receiving Commission approval of its interconnection agreement(s) and related tariffs.

6. Pursuant to this Application, VarTec also seeks authority to offer and provide all forms of non-switched local exchange and facilities-based and resold basic local telecommunications and resold interexchange service to customers throughout the State of Missouri as those services are defined in 386.020(4) RSMo. The Applicant has received authority to provide interexchange access in 48 states and local access in 19 states. VarTec has not been denied authority in any state.

7. Applicant possesses the technical and managerial expertise and experience necessary to provide the services it proposes as required by Section 392.455(1) RSMo. VarTec will initially utilize resold services and combinations of network elements provided by the underlying carrier(s). Underlying carriers will perform all local switching, routing and call completion functions. Company personnel have experience working with underlying carriers of long distance and local services. Applicant's technical and managerial personnel are well qualified to direct the delivery and billing of the proposed services. A listing of Applicant's

principal management employees and their qualifications is attached hereto and incorporated herein as **Exhibit B**.

8. Applicant possesses the necessary financial resources and abilities to provide the services it proposes as required by Section 392.455(1), RSMo and has the necessary capital to conduct its proposed operations in Missouri. Attached as Exhibit C and marked highly confidential (HC) is a copy of the Applicant's financial statements.

9. VarTec seeks classification of itself and its services as competitive, with accompanying reduced regulation pursuant to Section 392.361 RSMo and 4 CSR 240-3.510(1)(A). Applicant believes that its proposed services will be subject to sufficient competition to justify a lesser degree of regulation and that granting this request will allow greater price and service options for telephone users.

10. VarTec will offer basic local telecommunications services as a separate and distinct service in accordance with applicable law. VarTec will give consideration to equitable access for all Missourians, regardless of where they might reside or their income, to affordable telecommunications services in VarTec's proposed service areas in accordance with law.

11. Applicant will not unjustly discriminate among its customers as is prohibited by Section 392.200, RSMo. Applicant is willing to comply with all applicable Commission rules and is willing to meet all relevant service standards including, but not limited to, quality service, billing, and tariff filing and maintenance with the Commission's requirements for incumbent local exchange carrier(s) with whom VarTec seeks authority to compete. Additionally, VarTec agrees that, pursuant to Section 392.455(3), RSMo, its service area shall be no smaller than an exchange. Consistent with the Commission's treatment of other certificated competitive local exchange telecommunications companies, Applicant requests the following statutes and regulations be waived for VarTec and its basic and non-basic local exchange service offerings:

STATUTES

- | | | |
|-----------|---|----------------------------|
| 392.210.2 | - | Uniform System of Accounts |
| 392.240.1 | - | Just and Reasonable Rates |
| 392.270 | - | Ascertain Property Values |
| 392.280 | - | Depreciation Accounts |

| | | |
|---------|---|--|
| 392.290 | - | Issuance of Securities |
| 392.300 | - | Acquisition of Stock |
| 392.310 | - | Issuance of Stock & Debt |
| 392.320 | - | Stock dividend payment |
| 392.330 | - | Issuance of securities, debt and notes |
| 392.340 | - | Reorganization(s) |

RULES

| | |
|-----------------------|--|
| 4 CSR 240-3.520 | Applications to sell or transfer assets |
| 4 CSR 240-3.525 | Applications to merge or consolidate |
| 4 CSR 240-3.530 | Applications to issue stocks, obtain loans |
| 4 CSR 240-3.535 | Applications to acquire stock |
| 4 CSR 240-3.545(8)(C) | Listing of Waivers in Tariff |
| 4 CSR 240-3.550 | Telco Records and Reports (except (5)(B), (D) and (E)) |
| 4 CSR 240-3.555 | Residential Customer Inquiries |
| 4 CSR 240-3.560 | Procedure for Ceasing Operations |
| 4 CSR 240-10.020 | Depreciation Records |
| 4 CSR 240-30.020 | Residential Telephone Underground Systems |
| 4 CSR 240-30.040 | Uniform System of Accounts |
| 4 CSR 240-32.010 | General Provisions |
| 4 CSR 240-32.040 | Metering, Inspections and Tests |
| 4 CSR 240-32.050 | Customer Services |
| 4 CSR 240-32.060 | Engineering and Maintenance |
| 4 CSR 240-32.070 | Quality of Service |
| 4 CSR 240-32.080 | Service objectives and surveillance levels |
| 4 CSR 240-32.090 | Connection of equipment and Inside Wiring |
| 4 CSR 240-32.100 | Provision of Basic Local and Interexchange Services |
| 4 CSR 240-32.130-170 | Prepaid Calling Cards (except 32.140 and 32.150(1)) |
| 4 CSR 240-32.180-190 | Caller ID blocking requirements |
| 4 CSR 240-33.010 | Service and Billing Practice General Provisions |
| 4 CSR 240-33.040 | Billing and Payment standards |
| 4 CSR 240-33.045 | Clear identification and placement of charges on bills |
| 4 CSR 240-33.050 | Deposits |
| 4 CSR 240-33.060 | Residential Customer Inquiries |
| 4 CSR 240-33.070 | Discontinuance of service |
| 4 CSR 240-33.080 | Disputes by Residential Customers |
| 4 CSR 240-33.090 | Settlement agreements with residential customers |
| 4 CSR 240-33.130 | Operator service requirements |
| 4 CSR 240-33.140 | Payphone requirements (except (2)) |
| 4 CSR 240-33.150 | “Anti-slamming” requirements |
| 4 CSR 240-33.160 | Customer Proprietary Network Information |

12. Applicant acknowledges 4 CSR 240-3.510(1)(C), which requires that a tariff and any applicable interconnection agreements must be filed with the Commission and approved

before service can be provided. The tariff(s) for VarTec is attached hereto and incorporated herein by reference as **Exhibit D**.

13. Applicant submits that the public interest will be served by Commission approval of this Application because Applicant's proposed service will create and enhance competition and expand customer service options, consistent with the legislative goals set forth in the Telecommunications Act of 1996 and Chapter 392, RSMo. Prompt approval of this Application also will expand the availability of innovative, high quality and reliable telecommunications services within the State of Missouri.

14. Notwithstanding the provisions of Section 392.500, RSMo, as a condition of certification and competitive classification, VarTec agrees that, unless otherwise ordered by the Commission, VarTec's originating and terminating switched exchange access rates will be no greater than the lowest Commission-approved corresponding access rates in effect for each ILEC within those service area(s) in which Applicant seeks authority to provide service. Additionally, pursuant to the Commission's Report and Order in Case No. TO-99-596, VarTec agrees that if the ILEC in whose service area the Applicant is operating decreases its originating and/or terminating access service rates, the Applicant shall file an appropriate tariff amendment to reduce its originating and/or terminating access rates within thirty (30) days of the ILEC's reduction of its originating and/or terminating access rates in order to maintain the cap on switched access rates.

15. VarTec has no pending or final judgments or decisions against it from any state or federal agency or court that involves customer rates or service.

16. VarTec has no annual report or assessment fees that are overdue.

17. Applicant states that it will undertake all necessary measures to ensure its contracts with other companies and carriers do not contain provisions preventing delivery of traffic to any telephone exchange area, and that such measures include but are not limited to:

- Prevention of call blocking and/or call gapping based on the cost of traffic termination.
- Preventing the alteration or stripping of Calling Party Number Identification.
- Ensuring sufficient network capacity exists to process all traffic according to industry accepted practices.

WHEREFORE, Applicant Matrix Telecom, Inc. d/b/a VarTec Telecom respectfully requests that the Commission grant it a certificate of service authority to provide facilities-based and resold basic local telecommunications service, non-switched local exchange and resold interexchange service as herein requested, classify Applicant and Applicant's proposed services as competitive, and grant waivers of aforesaid statutes and regulations, as expeditiously as possible.

Respectfully submitted,

/s/ Mark W. Comley

Mark W. Comley #28847
Newman, Comley & Ruth P.C.
601 Monroe Street, Suite 301
P.O. Box 537
Jefferson City, MO 65102
Telephone: (573) 634-2266
Facsimile: (573) 636-3306
Email: comley@ncrpc.com

ATTORNEYS FOR APPLICANT
Matrix Telecom, Inc. d/b/a VarTec Telecom

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been served electronically on the Office of Public Counsel at opcservice@ded.mo.gov and on the General Counsel's office at gencounsel@psc.mo.gov this 24th day of January, 2013.

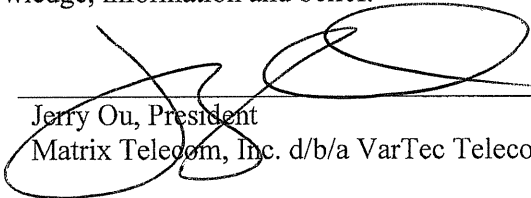
/s/ Mark W. Comley

AFFIDAVIT

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

Jerry Ou, being first duly sworn, deposes and says: That he is President for Matrix Telecom, Inc. d/b/a VarTec Telecom, the Applicant in the foregoing Application.

The undersigned states that he has read the foregoing Application, knows the contents thereof and is authorized to verify the accuracy of same; and that the statements contained in the Application are true to his best knowledge, information and belief.

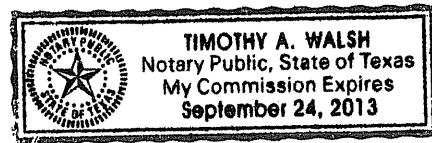


Jerry Ou, President
Matrix Telecom, Inc. d/b/a VarTec Telecom

Subscribed and sworn to before me this 18th day of January, 2013
Timothy A Walsh

Notary Public

My commission expires: 9-24-13



MATRIX TELECOM, INC. D/B/A VARTEC TELECOM

EXHIBIT A

Missouri Secretary of State Certificate of Authority and Certificates of Good Standing

STATE OF MISSOURI



Jason Kander
Secretary of State

CORPORATION DIVISION
CERTIFICATE OF GOOD STANDING

I, JASON KANDER, Secretary 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

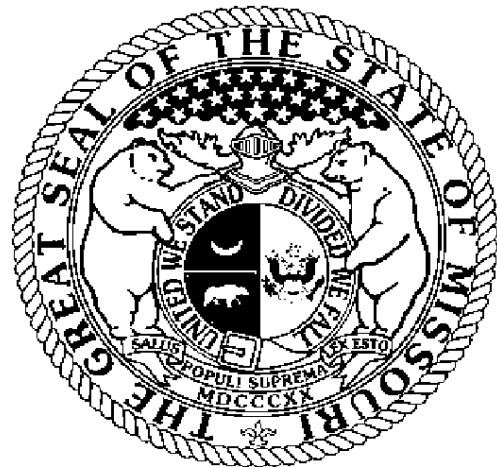
MATRIX TELECOM, INC.
F00399876

a TEXAS entity was created under the laws of 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 24th day of January, 2013

A handwritten signature in cursive script that reads "Jason Kander".

Secretary of State





State of Missouri
 Robin Carnahan, Secretary of State

Corporations Division
 PO Box 2050 / 600 W. Main St., Rm. 322
 Jefferson City, MO 65102

File Number:
 X01076412
 Date Filed: 08/04/2010
 Expiration Date: 08/04/2015
 Robin Carnahan
 Secretary of State

Registration of Fictitious Name

(Submit with filing fee of \$7.00)
 (Must be typed or printed)

This information is for the use of the public and gives no protection to the name being registered. There is no provision in this Chapter to keep another person or business entity from adopting and using the same name. The fictitious name registration expires 5 years from the filing date. (Chapter 417, RSMo)

Please check all that apply:

New Registration Renewal _____ Registration # Amendment _____ Registration # Correction _____ Registration #

The undersigned is doing business under the following name and at the following address:

Business name to be registered: VarTec Telecom

Business Address: 7171 Forest Lane, Suite 700

(PO Box may only be used in addition to a physical street address)

City, State and Zip Code: Dallas, TX 75230

Owner Information:

If a business entity is an owner, indicate business name and percentage owned. If all parties are jointly and severally liable, percentage of ownership need not be listed. Please attach a separate page for more than three owners. The parties having an interest in the business, and the percentage they own are:

| Name of Owners, Individual or Business Entity | Charter # of Owner Required If Owned by a Business Entity | Street and Number (PO Box Alone Not Acceptable) | City and State | Zip Code | If Listed, Percentage of Ownership Must Equal 100% |
|---|---|---|----------------|----------|--|
| Matrix Telecom, Inc. | F00399876 | 7171 Forest Lane, Suite 700 | Dallas, TX | 75230 | |

All owners must affirm by signing below

In Affirmation thereof, the facts stated above are true and correct:

(The undersigned understands that false statements made in this filing are subject to the penalties of a false declaration under Section 575.060 RSMo)

Scott Klopack
 Authorized Signature

Scott Klopack, General Counsel
 Printed Name

7/8/10
 Date

Authorized Signature

Printed Name

Date

Authorized Signature

Printed Name

Date

Name and address to return filed document:

Name: Phyllis Miller

Address: 2600 Maitland Center Parkway, Suite 300

City, State, and Zip Code: MAITLAND, FL 32751

State of Missouri
 Fictitious Creation 1 Page(s)



T1021716530

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MATRIX TELECOM, INC. D/B/A VARTEC TELECOM

EXHIBIT B

Profiles of Key Management Employees

Jerry Ou - Chief Executive Officer (CEO)

Jerry has served as the Chief Executive Office of Matrix Telecom, Inc. since 2011. Jerry previously served as COO at Comtel Assets team conjunction with Denham Capital Management (Formerly Sowood Capital Management). Mr. Ou was focused on the restructuring of the business through optimizing the organizational chart as well as implementing a new network and a new technological infrastructure. Mr. Ou also repositioned the company as a wholesale company, bolstering its marketing efforts into indirect distribution channels. Mr. Ou also served as president of Mercantel Communications LP and has been in telecommunications for the last ten years. Prior to Mercantel, Mr. Ou worked with Simplified Development – the technology provider for Mercantel – as Senior Consultant focusing primarily on the Asian-American customer base working with such customers as PCCW. Prior to Simplified, Mr. Ou was a financial analyst with Goldman Sachs subsidiary structuring mezzanine finance deals that focused primarily on real estate bond offerings from banks such as JP Morgan and the Bank of Tokyo. Mr. Ou was also involved in managing real estate assets for the Goldman Sachs fund and the Archon Group. Mr. Ou graduated from Harvard University with an honors degree in Economics.

Michael Simpson - Chief Financial Officer/Chief Restructuring Officer

Michael Simpson has served as the Chief Financial Officer of Matrix Telecom, Inc. since 2010 and is in charge of all of the financial operations of the company. Mike was the Chief Financial Officer at CompuCom immediately before his time with Matrix. Prior to joining CompuCom, Mike served as Vice President of Portfolio Operations at Platinum Equity, a global firm specializing in the merger, acquisition, and operation of companies. At Platinum Equity, Mike was responsible for transitioning newly acquired companies from a financial and operations perspective. Most recently, as part of his role at Platinum Equity, he managed both the CompuCom and GE IT Solutions acquisitions. Mike directed the transitional finance activities as CompuCom reverted from public to private status, and focused on EBITDA and margin improvement. Previously, he served as Chief Financial Officer for Billing Concepts, a Platinum Equity company based in San Antonio, Texas. Mike's other positions were Mike served as Vice President of Finance for HBS Billing Services, Ltd., and functioned in several accounting capacities with leading firms such as KPMG Peat Marwick, LLC., Gene Brehm & Company, LLC. and Wolfe & Company, LLC. Mike holds an MBA in finance from St. Mary's University, and a bachelor's degree in accounting from Abilene Christian University.

Stephen A. Wagner - Executive Vice President, Customer Operations

Mr. Wagner, EVP Customer Operations, joined Matrix Telecom in December 2005 after serving over 10 years in various management roles at Global Crossing and Frontier Communications in sales, client services, account management and channel sales. Prior to that, Mr. Wagner worked in the shipping and transportation industry. Mr. Wagner is responsible for all customer facing operations at Matrix Business Technologies including account management, customer service, offshore support and provisioning. He is a graduate of St. John Fisher College in Rochester, New York and has attended the Simon Business School at the University of Rochester.

Nermin Selimic - Executive Vice President of Sales and Marketing

Mr. Nermin Selimic serves as Executive Vice President of Sales and Marketing at Matrix. Mr. Selimic served as a Vice President of Business Development and Marketing at Matrix and leads its marketing, business development, sales and customer service teams. Mr. Selimic joined Startec in 2003 leading Startec's marketing efforts in Germany. In 2005, he joined Startec's U.S. marketing team and was responsible for integrating Startec's U.S. and Canadian marketing and sales teams. He was a member of Startec's M&A team responsible for negotiations which resulted in the acquisition by Americatel. Since September 2008, Mr. Selimic has led the consolidation of Americatel and Startec's marketing teams. With 17 years of marketing experience, he has led ethnic marketing efforts in Europe, the United States, Canada and Australia. He has launched products for clients from the Finance, Travel, Telecommunication, Publishing, Consumer goods and other sectors. He was a founding member of the daily newspaper "Vesti", one of the largest ethnic newspapers in the world, distributed in 22 countries across three continents, and the Nidda Verlag Publishing Company and Marketing agency. Prior to joining Americatel, Mr. Selimic was managing Nidda Verlag's Ethnic Advertising Agency and Sales in Frankfurt, Germany.

Micheal Rothchild - Vice President of Network Operations

As Vice President of Network Operations, Mr. Rothchild is responsible for oversight of Matrix's core switching infrastructure. He joined as a member of the Network Operations team in June of 2006. Since joining Matrix he has been involved in the successful deployment of state of the art switching technology, the optimization of network costs and the streamlining of operational process, which has facilitated a 150% growth in traffic volume. Prior to being with Matrix, Mr. Rothchild joined Mercantel in late 2002. Mercantel was a facilities based wholesale telecom start-up focused on international minutes trading. During his three years with the organization, he and his fellow managing partners worked to attract financial investors. Successfully attracting a growth oriented investment firm, in June of 2006 the organization was rolled into the newly created Excel Telecommunications. Mr Rothchild joined the natural gas trading organization of Dynegy, Inc, in 1997. After less than a year in operations for the commodities trading division, Mr. Rothchild spent a year in financial forecasting role and a year and a half as a member of a small process re-engineering team. The process team successfully established, documented and oversaw the process changes required to integrate new trading and risk management systems for the multibillion dollar trading operations. In early 2001 he moved to Dynegy's newly created telecom trading team. Mr. Rothchild graduated from a pilot Entrepreneurship program at the University of Houston in 1997 receiving a Bachelor of Business in Finance.

David Shifley - Vice President, Technology

Mr. Shifley joined the Matrix team in 2010 as Vice President of Technology after the acquisition of the Excel Telecommunications. Prior to Excel, he held the position of Director of Technology for QuickGifts, an online retailer of gift cards. Mr. Shifley graduated from The University of Texas with a bachelor's degree in Computer Science.