

**APPLICATION FOR CERTIFICATE  
TO PROVIDE OPERATOR SERVICES AND/OR  
RESELL  
TELECOMMUNICATION SERVICES IN TENNESSEE  
SECTION A**

Application is hereby made for a certificate of authority pursuant to TRA Rule 1220-4-2-.57 to provide telecommunication services in the State of Tennessee.

**Part I: General Information**

A. *Name of Applicant* A.R.C. Networks, Inc. d/b/a InfoHighway  
Full exact name of person, corporation, partnership, sole proprietorship, or other entity for which application is made.  
A.R.C. Networks, Inc.  
Legal name of applicant, if different from above.  

|                          |                     |                      |                    |
|--------------------------|---------------------|----------------------|--------------------|
| <u>175 Pinelawn Road</u> | <u>Melville</u>     | <u>New York</u>      | <u>11747</u>       |
| <small>Address</small>   | <small>City</small> | <small>State</small> | <small>Zip</small> |

*Tenn. Secretary of State Certificate of Authority ID* 0432695

*Federal Taxpayer ID Number* 11-3240814

*Social Security Number for Applicants  
Applying as Individuals* \_\_\_\_\_

*Any trade name(s), assumed name(s) or fictitious name(s) used by applicant:*  
d/b/a InfoHighway

*If applicant has affiliate(s) engaged in providing telecommunications services, provide the above requested information for each affiliate(s), as well as for the applicant.*

Applicant has a single affiliate, InfoHighway of Virginia, Inc., which operates solely in Virginia:

*Name* InfoHighway of Virginia, Inc.  
*Address* 175 Pinelawn Road *City* Melville  
*State* NY *Zip Code* 11747 *Phone No.* (631) 249-1802

(Use additional pages if necessary)

**\*\*\*IMPORTANT INFORMATION\*\*\***

**If applicant has affiliate(s) or parent company, or constituency corporations, engaged in providing telecommunications services, or operating under any trade name, assumed name or fictitious name used by the above, provide the above requested information on all parts of this application as well as for the applicant. Provide this information on a separate attachment, if necessary.**

**THIS SECTION FOR TRA USE ONLY**

Docket Number \_\_\_\_\_

Company ID Number 128806

Date Approved \_\_\_\_\_

Evaluator \_\_\_\_\_

- B. Describe other businesses or business transactions, if any, at the same location as the principal business address: Not Applicable.
- 

- C. Provide the name, business and home address of and a chronological summary of the employment history and business experience over the preceding eight years of:

- (a) The proprietor, if the applicant is an individual;
- (b) Every member, if the applicant is a partnership;
- (c) Each Executive Officer, Director and each Key Stockholder if the applicant is a joint stock association or corporation. (Note: If the applicant is a publicly traded corporation or a subsidiary of such a corporation it does not need to provide this information.)
- (d) Any person in a position to exercise control over or direction of, the business of the applicant, regardless of the form of organization of the applicant.

Information to be included:

NAME TITLE  
BUSINESS ADDRESS  
HOME ADDRESS  
EMPLOYMENT HISTORY

SOCIAL SECURITY NUMBER  
PHONE NO.  
PHONE NO.

**Provide the above requested information on separate attachments  
See APPENDIX III.**

- D. Has the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, LLC members, directors, officers, five percent (5%) more shareholders or beneficiaries (of a trust) been associated with a business whose authority to transact business was denied, revoked or suspended by a state or federal regulatory or law enforcement entity?  
☐ Yes ☒ No If yes, please explain fully.

- E. Has the Tennessee Regulatory Authority, or any other agency of the State of Tennessee, any federal agency or any agency of any other state ever initiated a regulatory action or order against the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, LLC members, directors, officers, five percent (5%) more shareholders or beneficiaries (of a trust)?  
☐ Yes ☒ No If yes, please explain fully.

(1) Has the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, LLC members, directors, officers, five percent (5%) more shareholders or beneficiaries (of a trust), been enjoined or restrained by order by any court or state or federal regulatory or law enforcement entity from engaging in any conduct or practice related to the telecommunications business? ☐ Yes ☒ No If yes, please explain fully.

- F. Has the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, LLC members, directors, officers, five percent (5%) more shareholders or beneficiaries (of a trust) been associated with a business who has ceased providing telecommunications services in any state, describe the circumstances.  
☐ Yes ☒ No (Use additional pages if necessary.)

- G. Has the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, L.L.C. members, directors, officers, five percent (5%) more shareholders or beneficiaries (of a trust) been convicted of any crime or crimes, or charged in a court with any fraudulent or dishonest acts in any transaction of any kind, or confined in any penal institution? If so, list such persons, give details, state results and final outcome. **(Use additional pages if necessary.)**

☐ Yes ☒ No

- (1) Has the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, L.L.C. members, directors, officers, five percent (5%) more shareholders or beneficiaries (of a trust) been indicted, convicted, pled guilty or pled nolo contendere to a felony in Tennessee or elsewhere? **If yes, please explain fully.**

☐ Yes ☒ No

- H. Name and telephone number of contact person authorized to respond to Authority inquiries regarding company operations Monday through Friday.

Paola Bulloch (212) 566-2100 Ext. 6954 (212) 695-9667  
Director  
Regulatory Affairs

Name Phone No. Fax No.

(800) 272-6389 E-mail Address pbulloch@infohighway.com

- I. List a toll-free telephone number and mailing address that consumers can call or write to report service problems and/or request refunds or adjustments.

(800) 320-6372

(631) 249-1616

Phone Number

Alternate Phone Number

175 Pinelawn Road

Melville

NY

11747

Address

City

State

Zip Code

- J. Provide the name and address of the registered agent for services of process:

Corporation Service Company  
2908 Poston Avenue, Nashville, TN 37203

- K. Identify all authorized agents in the state, if any by name, address, business and home phone numbers and any other businesses conducted by the agent at the same location: (use additional sheets if necessary)

None.

**Part II:**

A. Check the type of telecommunication services you plan to provide in Tennessee.

- ☒ Resell Interexchange long distance services  
☐ Operator Services  
☐ Resell local services  
☐ Other (describe) \_\_\_\_\_

B. If providing operator services, list company name, address and contact person for all reseller carriers you serve in Tennessee. **Provide the above information on Appendix I.**

Not Applicable.

C. List the state(s) where the applicant, its parent company, and all affiliates is authorized to operate in at this time. For each such state, describe applicant's current activities along with a history of operations there. (Use additional pages if necessary.)

See APPENDIX III, Part II-C

For the above states, list the number and types of complaint(s) filed against applicant, and the complaint(s)' current status. Provide this information on a separate attachment, if necessary.

There are no pending complaints filed against Applicant or its subsidiary, InfoHighway of Virginia, Inc.

**If applicant has affiliate(s) or parent company, or constituency corporations, engaged in providing telecommunications services, or operating under any trade name, assumed name or fictitious name used by the above, provide the above requested information for all as well as for the applicant. Provide this information on a separate attachment, if necessary.**

D. List any states that the applicant or any affiliate, parent company, or constituency corporation operating under any trade name, assumed name, or fictitious name, has been denied authority to provide service. (Use additional pages if necessary.)

None

E. Areas in Tennessee to be served.

Statewide

F. What type of customers will the applicant serve?

- a. Business ☒  
b. Residential ☒  
c. Aggregators ☐  
(e.g. Hotels, Payphones)  
d. Other (specify) \_\_\_\_\_

G. Does the applicant allow a property imposed fee (PIF) to be added to the price of intrastate telephone calls over its network? If yes, specify amount. Not Applicable.

H. Are your prices for intrastate services plus any PIF equal to or less than the dominant carriers' price for similar service? Yes ☒ No ☐

I. Describe the type of services and price that the applicant will be offering in Tennessee on the Informational Tariff Form found in Appendix II<sup>1</sup>.

See Attached Informational Tariff.

J. What is the applicant's 10XXX or 800 access code, if applicable? \_\_\_\_\_

Not applicable. Applicant does not have its own carrier identification code ("CIC"). It uses the CIC number(s) of its underlying carrier(s).

K. Does the applicant now have or plan to have any telecommunication's facilities (e.g. switches, fiber lines in Tennessee? No

L. Whose facility-based network(s) will the applicant be reselling? Sprint

M. Will the applicant be utilizing the local telephone company's billing system or billing customers directly?<sup>2</sup> Applicant will bill customers directly. A copy of the relevant portions of an InfoHighway customer bill is provided in ATTACHMENT 1.

N. Describe briefly how the applicant plans to market their services in Tennessee?

Applicant will market its services by direct solicitation. Applicant does not currently utilize marketing and/or promotional materials in Tennessee.

O. If independent telemarketers are to be used, list the name, contact person, address, phone number and federal taxpayer ID for each company.

Not applicable.

P. Describe the methods and procedures by which the applicant will use to switch a consumer's preferred interexchange service, and to prevent unauthorized switching of a consumer's interexchange service. Use additional pages if necessary. If you have written procedures or company guidelines, attach copies.

To ensure that its customers have affirmatively selected the Company or any additional services, Applicant will not switch a new customer's long distance carrier or provide additional telecommunications services until it has received a Letter of Authorization from the new customer in accordance with Section 64.1100 of the rules of the Federal Communications Commission, 47 C.F.R. §64.1100.

Q. Applicant has the ability and agrees to honor the form of call blocking that the consumer has subscribed to with their local telephone company. Yes ☒ No ☐

<sup>1</sup> Applicant is required to fill out an Informational Tariff form. Failure to fill out this form will cause the applicant's request to be rejected.

<sup>2</sup> A copy of a bill is required if the applicant is going to bill the customer directly.

- R. Applicant gives permission to the local telephone company to provide the Authority a periodic sample of the reseller's intrastate toll calls. The purpose of this analysis is to audit the reseller's rates to assure they are at or below the dominant carrier's tariffed rates.

Yes ☒ No ☐

**Part III:**

A. Applicant's organizational Structure

  X   Corporation

☐ Publicly Traded Corporation

☐ Subsidiary of a Publicly Traded Corporation

☒ Limited Liability Corporation Attach a copy of the articles of organization and operating agreement along with amendments.

☐ Other Form of Corporation

List type C (Example S Corporation)

Attach a copy of the charter, bylaws and/or certificate of incorporation.

       Association

Attach a copy of the charter, bylaws and/or certificate of incorporation and Letter of Authorization from Tennessee Secretary of State.

       Joint Stock Association

Attach a copy of the charter, bylaws and/or certificate of incorporation and Letter of Authorization from Tennessee Secretary of State.

       Trust

Attach a copy of the trust agreement and Letter of Authorization from Tennessee Secretary of State.

       Individual

Attach a copy of the trust agreement and Letter of Authorization from Tennessee Secretary of State.

**SECTION (a) – (f) is to be completed if applicant is a Corporation, Association, or Trust**

- (a) The date and state of formation/incorporation: February 22, 1993 - New York  
Applicant was originally incorporated under the name A.R.C. Networks Corp. It changed its name to A.R.C. Networks, Inc. on April 10, 1996.

(1) Parent Company, if applicable InfoHighway Communications Corporation

- (b) Attach a certificate of good standing from the state in which the applicant was incorporated/formed.

See **ATTACHMENT 2.**

- (1) Attach a copy of Certification of Authority issued by Tennessee Secretary of showing corporation's authority to engage in business in Tennessee.

See **ATTACHMENT 3.**

- (c) *Describe the corporate structure of the applicant, including the identity of any parent or subsidiary of the applicant. Disclose whether any parent or subsidiary is publicly traded on any stock exchange.*

Applicant A.R.C. Networks, Inc. d/b/a InfoHighway is a wholly-owned subsidiary of Arc Networks, Inc., a privately-held Delaware corporation, which is a wholly-owned subsidiary of InfoHighway Communications Corporation ("ICC"), also a privately-held Delaware corporation. ICC was organized in 1996 under the name Gemini II, Inc. for the purpose of owning and operating a business in the data and voice telecommunications services industry. The principal business locations of Applicant, Arc Networks, Inc. and InfoHighway Communications Corporation is 175 Pinelawn Road, Melville, NY 11747.

Applicant has no subsidiaries. It has a single affiliate, InfoHighway of Virginia, Inc., which on June 19, 2001 was granted a certificate to provide facilities-based and resold local exchange services in the Commonwealth of Virginia. The business address of InfoHighway of Virginia, Inc. is 175 Pinelawn Road, Melville, NY 11747.

- (e) *Provide the history of material litigation and criminal convictions of every current director, executive officer, or key shareholder of the applicant for the ten-year period prior to the date of this application.*

None.

- (f) *If applicable, attach a copy of the instrument creating the trust and all amendments thereto:*

Not Applicable.

B.   N/A   *Proprietorship*

  N/A   *Partnership*

☐ General

Attach a copy of the partnership agreement along with any amendments

☐ Limited

Attach a copy of the certificate of limited partnership and the partnership agreement along with any amendments.

☐ Other (Explain on separate sheet)

All of the above will be required to submit a valid business license.

- (a) Identify the place and date of the applicant's qualifications to provide telecommunications services in this state.
- (b) List the full name, social security number and address of the owners, if a sole proprietorship, or all partners identifying the percentage of ownership:  
**ATTACH ADDITIONAL PAGES AS NECESSARY**

- (c) Number of employees: \_\_\_\_\_

Employer Identification Number (E.I.N.) \_\_\_\_\_

**Part IV: Financial Information**

A. 

|  |          |   |                |
|--|----------|---|----------------|
| Address where business records are kept: |          | A.R.C. Networks, Inc. d/b/a InfoHighway |                |
| 175 Pinelawn Road, Suite 408             |          |   |                |
| Melville                                 | New York | 11747                                   | (631) 249-1616 |
| City                                     | State    | Zip Code                                | Phone Number   |

B. Attach a copy of the applicant's most recent unconsolidated and consolidated audited financial statements for the immediately preceding three-year period. Provide in detail the applicant's financial condition, including balance sheet and income statement, or a copy of IRS form 1120 or 1065 filed by your business for the previous year. Attach, if available, a copy of your company's 10K and/or stockholder reports. SEE ATTACHMENT 3.

(1) Fiscal year end: 2001 Month December Day 31

(2) Date of most recent audited, unconsolidated financial statement of Applicant  
N/A. Applicant does not prepare unconsolidated financial statements.

(3) If applicable, name and address of independent certified public account:

Moore Stephens, P.C., Cranford, NJ

(4) Period covered by financial statement attached:

Attached hereto as **ATTACHMENT 4** is a copy of ICC's most recent audited financial statements. Also attached is a copy of InfoHighway's balance sheet for the year ended December 31, 2001. These documents have been designated CONFIDENTIAL and Applicant requests that they be treated in a proprietary manner.

C. Does the applicant currently have an internal auditor and/or internal audit program? Yes  
If so, Name of internal auditor: Francine Mambuca

D. If applicable, provide a history of applicant's material litigation and criminal convictions for the ten-year period prior to the date this application is made. Material litigation is defined as any litigation that, according to generally accepted accounting principles, is deemed significant to a person's financial health and would be required to be referenced in annual audited financial statements, reports to shareholders or similar documents.

None.

**Part VI: Rule Compliance Agreement**

A. Have you read and understand the Tennessee Regulatory Authority's (TRA) Rules and Regulations for Resellers, 1220-4-2 located at the TRA's website <http://www.state.tn.us/tra> electronic fileroom in its entirety?

X Yes ☐ No

B. Do you understand the penalties for non-compliance, and all associated fees to provide such service? X Yes ☐ No

Mail the completed application and a check for \$50.00 to: Tennessee Regulatory Authority, P.O. Box 198907, Nashville, TN 37219-8907. Should you have any questions, call (615) 741-7489, ext. 163.



The Reseller or Operator Service Provider applicant, hereby, affirms the following:

Will comply with the TRA Reseller Rules and all other applicable Authority Rules and state laws, including T.C.A. Section 65-5-206 located at the TRA's website <http://www.state.tn.us/tra> electronic fileroom under the External Site of Lexis Law Publishing.

**Having been duly sworn, and under the penalties of perjury, I hereby certify that the representations in the RESELLER APPLICATION and all attachments and appendices are true and correct to the best of my knowledge and belief. I further understand that omissions or inaccuracies may result in denial of the APPLICATION and grounds for revocation of Certificate of Authority.**

For Corporations and other Organizations

A.R.C. Networks, Inc. d/b/a InfoHighway  
(NAME OF CORPORATION)

BY:

*P. M. Bulloch*  
SIGNATURE

Paola M. Bulloch

PRINTED NAME

Director of Regulatory Affairs

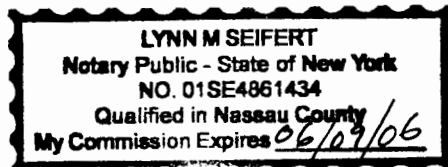
Title

ATTEST:

Title

On this 8<sup>th</sup> day of Oct., 2002 before me, a Notary Public  
PAOLA M. BULLOCH

known to me to be the person(s) named in, and who executed the foregoing application, being duly sworn according to law, deposes and says that the statements and representations set forth in the above application are true and correct to the best of his/her knowledge and belief.



*[Signature]*  
Notary Public

seal

415911 118113

# State of New York } ss: Department of State

I hereby certify, that the Certificate of Incorporation of A.R.C. NETWORKS, INC. was filed on 02/22/1993, under the name of A.R.C. NETWORKS CORP., with perpetual duration, and that a diligent examination has been made of the Corporate index for documents filed with this Department for a certificate, order, or record of a dissolution, and upon such examination, no such certificate, order or record has been found, and that so far as indicated by the records of this Department, such corporation is a subsisting corporation.

A Certificate of Amendment A.R.C. NETWORKS CORP., changing its name to A.R.C. NETWORKS, INC., was filed 04/10/1996.



\*\*\*

*Witness my hand and the official seal  
of the Department of State at the City  
of Albany, this 28th day of August  
two thousand and two.*

Secretary of State

**Secretary of State**  
**Division of Business Services**  
**312 Eighth Avenue North**  
**6th Floor, William R. Snodgrass Tower**  
**Nashville, Tennessee 37243**

DATE: 08/30/02  
REQUEST NUMBER: 4590-1298  
TELEPHONE CONTACT: (615) 741-2286  
FILE DATE/TIME: 08/30/02 1148  
EFFECTIVE DATE/TIME: 08/30/02 1148  
CONTROL NUMBER: 0432695

TO:  
CSC  
2711 CENTERVILLE RD  
STE 400  
WILMINGTON, DE 19808

RE:  
A.R.C NETWORKS, INC.  
APPLICATION FOR CERTIFICATE OF AUTHORITY -  
FOR PROFIT

WELCOME TO THE STATE OF TENNESSEE. THE ATTACHED CERTIFICATE OF  
AUTHORITY HAS BEEN FILED WITH AN EFFECTIVE DATE AS INDICATED ABOVE.

A CORPORATION ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF STATE  
ON OR BEFORE THE FIRST DATE OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE  
CORPORATION'S FISCAL YEAR. PLEASE PROVIDE THIS OFFICE WITH WRITTEN  
NOTIFICATION OF THE CORPORATION'S FISCAL YEAR. THIS OFFICE WILL MAIL THE  
REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE CORPORATION AT THE  
ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING ADDRESS PROVIDED TO THIS  
OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO MAINTAIN A REGISTERED  
AGENT AND OFFICE WILL SUBJECT THE CORPORATION TO ADMINISTRATIVE REVOCATION  
OF ITS CERTIFICATE OF AUTHORITY.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR  
FILING, PLEASE REFER TO THE CORPORATION CONTROL NUMBER GIVEN ABOVE.

-----  
FOR: APPLICATION FOR CERTIFICATE OF AUTHORITY -  
FOR PROFIT

ON DATE: 08/30/02

FROM:  
CSC (DE)  
2711 CENTERVILLE  
SUITE 400  
WILMINGTON, DE 19808-0000

RECEIVED: FEES \$600.00 \$0.00  
TOTAL PAYMENT RECEIVED: \$600.00  
RECEIPT NUMBER: 00003138224  
ACCOUNT NUMBER: 00365348



*Riley C. Darnell*

RILEY C. DARNELL  
SECRETARY OF STATE

State of Tennessee



Department of State

Corporate Filings

312 Eighth Avenue North

6th Floor, William R. Snodgrass Tower

Nashville, TN 37243

APPLICATION FOR  
CERTIFICATE OF AUTHORITY  
(FOR PROFIT)

FILED

For Office Use Only

Pursuant to the provisions of Section 48-25-103 of the Tennessee Business Corporation Act, the undersigned corporation hereby applies for a certificate of authority to transact business in the State of Tennessee, and for that purpose sets forth:

1. The name of the corporation is A.R.C. Networks, Inc.

\*If different, the name under which the certificate of authority is to be obtained is \_\_\_\_\_

[NOTES: The Secretary of State of the State of Tennessee may not issue a certificate of authority to a foreign corporation for profit if its name does not comply with the requirements of Section 48-14-101 of the Tennessee Business Corporation Act. \*If obtaining a certificate of authority under a different corporate name, an application for registration of an assumed corporate name must be filed pursuant to Section 48-14-101(d) with an additional \$20.00 fee.]

2. The state or country under whose law it is incorporated is New York

3. The date of its incorporation is 02/02/1993 (must be month, day, and year), and the period of duration, if other than perpetual, is \_\_\_\_\_

4. The complete street address (including zip code) of its principal office is  
175 Pinelawn Road, Suite 408, Melville, NY 11747

Street City State/County Zip Code

5. The complete street address (including the county and the zip code) of its registered office in Tennessee and the name of its registered agent is  
2908 Poston Avenue, Nashville, TN 37203

Street City State/County Zip Code

Registered Agent Corporation Service Company

6. The names and complete business addresses (including zip code) of its current officers are: (Attach separate sheet if necessary.)  
See Attached List

7. The names and complete business addresses (including zip code) of its current board of directors are: (Attach separate sheet if necessary.)  
See Attached List

8. If the corporation commenced doing business in Tennessee prior to the approval of this application, the date of commencement (month, day and year) \_\_\_\_\_

9. The corporation is a corporation for profit.

10. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date/time is \_\_\_\_\_ (date), \_\_\_\_\_ (time).

[NOTE: A delayed effective date shall not be later than the 90th day after the date this document is filed by the Secretary of State.]

[NOTE: This application must be accompanied by a certificate of existence (or a document of similar import) duly authenticated by the Secretary of State or other official having custody of corporate records in the state or country under whose law it is incorporated. The certificate shall not bear a date of more than two (2) months prior to the date the application is filed in this state.]

August 27, 2002  
Signature-Date

Treasurer  
Signer's Capacity

A.R.C. Networks, Inc.

Name of Corporation

Signature

Francine Mambuca  
Name (typed or printed)

UNITED STATES BANKRUPTCY COURT  
THE WESTERN DISTRICT OF KENTUCKY  
LOUISVILLE DIVISION

\_\_\_\_\_  
In re:

Chapter 11

LIGHTYEAR HOLDINGS, INC., *ET AL.*

Case Nos. 02-32257, 02-32723,  
02-32725, 02-32726

Debtors.

\_\_\_\_\_  
Hon. David T. Stosberg

ORDER PURSUANT TO 11 U.S.C. §§ 105, 363 AND 1146(c) AND  
BANKRUPTCY RULES 2002 AND 6004 APPROVING (i) ASSET  
PURCHASE AGREEMENT AND, (ii) SALE FREE AND CLEAR OF ALL  
LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS, (iii) WAIVER OF  
STAY PROVISIONS UNDER BANKRUPTCY RULE  
SECTION 6004 AND GRANTING RELATED RELIEF

Upon the motion (the "Motion") of Lightyear Communications, Inc., Lightyear Telecommunications, LLC and Lightyear Communications of Virginia, Inc.. debtors and debtors-in-possession (the "Debtors") for the entry of an order pursuant to Bankruptcy Code Sections 105, 363 and 1146(c) and Bankruptcy Rules 2002 and 6004: (i) authorizing the sale, transfer and conveyance, subject to higher or better offer, of the Debtors' rights, title and interests in, and to, certain assets of the Debtors (the "Assets"), pursuant to and as more fully described and defined in that certain asset purchase agreement dated as of June 14, 2002 (the "Asset Purchase Agreement"), between the Debtors and Lightyear Acquisition, Inc. ("Purchaser"), substantially in the form annexed hereto as Exhibit "A", free and clear of all liens (including mechanics', materialmen's and other consensual or statutory liens), security interests and claims (including reclamation claims), whether or not allowable (as such terms are defined in the Bankruptcy Code), mortgages, pledges, restrictions, hypothecations, charges, indentures,

loan agreements, instruments, leases, licenses, options, rights of first refusal, contracts, offsets, recoupment, rights of recovery, judgments, orders, and decrees of any court or governmental entity and environmental, tax and other liabilities and claims, whether secured or unsecured, choate or inchoate, filed or unfilled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, contingent or non-contingent, liquidated or unliquidated, matured or unmatured, disputed or undisputed, or known or unknown, whether arising prior to or subsequent to the filing of the chapter 11 petitions in these cases, whether imposed by agreement, understanding, law, equity or otherwise (collectively the "Liens"), with all such Liens to be transferred, affixed and attached solely to the proceeds of sale; and (ii) granting other and further related relief; and due notice of the Motion and relief sought therein having been given to all parties entitled thereto as evidenced by the certificates of service filed with this Court; and upon the record of the hearing held before me on July 22, 2002 (the "Approval Hearing"), and based upon the pleadings, testimony of witnesses, if any, and arguments of counsel; and good and sufficient cause appearing to me therefor;

IT IS HEREBY FOUND, DETERMINED, ORDERED, ADJUDGED AND DECREED THAT:

1. This Court has jurisdiction to hear and determine the Motion pursuant to 28 U.S.C. § 157(b)(2)(A) and (N). The statutory predicates for the relief sought herein are Sections 105, 363 and 1146(c) of the United States Code, 11 U.S.C. §§ 101 *et seq.* as amended (the "Bankruptcy Code") and Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") 2002 and 6004.

2. Proper, timely and adequate notice of the Motion and the Approval Hearing have been provided in accordance with Section 102(1) of the Bankruptcy Code and Bankruptcy Rules

2002 and 6004, and no other or further notice of the Motion, the Approval Hearing or the entry of this Order is required.

3. The Motion be, and hereby is, granted in all respects.

4. All objections, if any, to the Motion or the relief requested therein that have not been withdrawn, waived or settled, are overruled on the merits.

5. The Debtors have full corporate power and authority, to execute the Asset Purchase Agreement and all other documents contemplated thereby and the sale of the Assets by the Debtors have been duly and validly authorized by all necessary corporate actions of the Debtors. No consents or approvals, other than entry of this Approval Order, are required for the Debtors to consummate the transactions provided for under the Asset Purchase Agreement.

6. The sale of the Assets reflects the Debtors' sound business judgment.

7. Approval of the Asset Purchase Agreement as provided for herein and consummation of the sale of the Assets are in the best interests of the Debtors, their creditors and estates. The Debtors have articulated good and sufficient business justification for the sale of Assets pursuant to Section 363(b) of the Bankruptcy Code outside of a plan of reorganization, in that, among other things:

- (a) In the absence of a prompt sale of the Assets, their value will steadily decline;
- (b) A sale pursuant to Section 363(b) is likely to produce a greater return to creditors in the Debtors' cases than if the Assets were sold in connection with a liquidating or reorganization plan, because the unavoidable delay and expense required to confirm such a plan would deprive the Debtors'

estates of the opportunity to realize the maximum value of the Assets available through an immediate sale; and

- (c) A sale of the Assets at this time will result in the highest possible sale price for the Assets and reflects the Debtors' sound business judgment.

8. A full and fair opportunity to submit higher or better offers was provided, and the Court has determined that the highest or best offer for the Assets was submitted by Purchaser, for a purchase price ("the Purchase Price") in the amount of up to \$1,900,000.00, less possible adjustments, plus the amount Purchaser shall pay for the Accounts Receivable more fully described and defined in the Asset Purchase Agreement and in the management agreements between the Debtors and A.R.C. Networks, Inc. and InfoHighway Virginia, Inc. (the "Management Agreements") previously approved by this Court.

9. The terms and conditions of the Asset Purchase Agreement are hereby approved in all respects pursuant to Section 363(b) of the Bankruptcy Code, the Purchase Price is fair and reasonable, and the Debtors and Purchaser are directed and authorized to immediately take such actions as are necessary to consummate and implement the Asset Purchase Agreement including but not limited to the sale of the Accounts Receivable, without further order of this Court.

10. The Debtors are hereby authorized to pay all proceeds received from the sale of the Accounts Receivable at the First Closing and the proceeds received from the sale of the Assets at the Second Closing to the Debtors' lenders pursuant to the terms of the debtor in possession secured financing facility and the Final Order Authorizing Secured Postpetition Financing on a Super Priority Administrative Expense Basis Pursuant to Section 364(c) of the Bankruptcy Code, dated May 20, 2002.



11. The Asset Purchase Agreement was negotiated, proposed and entered into by the parties thereto without collusion, in good faith, and from arm's length bargaining positions. Purchaser (being the entity approved by this Court as having submitted the highest or best bid after an opportunity for competitive bidding) is a good faith purchaser under Section 363(m) of the Bankruptcy Code and, as such, is entitled to the protections afforded thereby.

12. Purchaser will be acting in good faith within the meaning of Section 363(m) of the Bankruptcy Code in closing the transactions contemplated by the Asset Purchase Agreement, including, but not limited to, purchasing the Accounts Receivable, at any time after the entry of this Approval Order, unless a stay pending appeal is in effect at the time of any closing (including a closing on the purchase of the Accounts Receivable), and the ten (10) day stay otherwise in effect under Bankruptcy Rule 6004 is hereby waived and dispensed with with respect to the First Closing and Second Closing, as defined in the Asset Purchase Agreement.

13. The transfer of the Assets, including the Accounts Receivable, pursuant to the Asset Purchase Agreement (a) is or will be a legal, valid and effective transfers of property of the Debtors' estate to Purchaser, and (b) is or will vest Purchaser with all right, title and interest of the Debtors in and to the Assets free and clear of all Liens pursuant to Section 363(f) of the Bankruptcy Code.

14. With reference to Section 363(n) of the Bankruptcy Code, the consideration paid by Purchaser under the Asset Purchase Agreement was not controlled by an agreement among potential bidders at the Approval Hearing.

15. Pursuant to Sections 363(b) of the Bankruptcy Code, the Debtors are hereby authorized, empowered and directed to fully assume, perform under, consummate and implement the Asset Purchase Agreement, together with such additional instruments and

documents that may be reasonably necessary or desirable to implement the Asset Purchase Agreement and to take all further actions as may reasonably be requested by Purchaser for the purpose of assigning, transferring, granting, conveying and conferring to Purchaser, or reducing to Purchaser's possession, any or all of the Assets, or as may be necessary or appropriate to the performance of the obligations contemplated by the Asset Purchase Agreement without further order of this Court.

16. Pursuant to Sections 105(a) and 363(f) of the Bankruptcy Code, the Assets, including but not limited to the Accounts Receivable, shall be transferred to Purchaser and upon the First and Second Closings under the Asset Purchase Agreement, the Assets conveyed shall be free and clear of all Liens, whether arising prior to or subsequent to the commencement of this case, and whether imposed by agreement, understanding, law, equity or otherwise, with all such Liens to attach to the Purchase Price in the order of their priority, with the same validity, force and effect which they now have as against the Assets.

17. Except as expressly permitted in the Asset Purchase Agreement, all persons and entities holding Liens of any kind and nature with respect to any of the Assets, including but not limited to the Accounts Receivable, hereby are barred from asserting such Liens against the Assets, and the Purchaser and its successors or assigns.

18. All persons, landlords, utilities and corporations are hereby prohibited and enjoined from taking any action that would adversely affect or interfere with the ability of the Debtors to sell and transfer all of the Debtors' right, title and interest in the Assets, including but not limited to the Accounts Receivable, to Purchaser as contemplated by the Asset Purchase Agreement.

19. Pursuant to Sections 105(a) and 363 of the Bankruptcy Code, other than as may specifically be provided in the Asset Purchase Agreement and the Management Agreements, all entities are hereby enjoined from taking any action against Purchaser, its designee or any affiliate thereof, to recover any claim which such entity has against the Debtors.

20. Purchaser shall not be liable for any claims against the Debtors except as may specifically be set forth in the Asset Purchase Agreement and the Management Agreements, and the transfers of the Assets by the Debtors to Purchaser pursuant to the Asset Purchase Agreement do not and will not subject Purchaser to any liability as a successor of the Debtors.

21. Except as may specifically be provided for in the Asset Purchase Agreement and the Management Agreements, Purchaser is not assuming nor shall it in any way whatsoever be liable or responsible, as successor or otherwise, for: (a) any liabilities, debts or obligations of the Debtors, or (b) any liabilities, debts or obligations in any way relating to or arising from the Assets or the Debtors' operation or use of the Assets.

22. As to the Asset Purchase Agreement and Assets transferred thereby, including but not limited to the Accounts Receivable, this Approval Order (a) is and shall be effective as a determination that, on the dates the Purchaser purchases the Accounts Receivable on the First Closing and purchases the remainder of the Assets on the Second Closing, all Liens existing as to the Accounts Receivable, as of the First Closing, and the remaining Assets, as of the Second Closing, shall be unconditionally released, discharged and terminated, and (b) is and shall be binding upon and govern the acts of all entities including without imitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, registrars of patents, trademarks or other intellectual property, administrative agencies, governmental departments, secretaries of state, federal, state and local officials and all other

persons and entities who may be required by operation of law, the duties of their office or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the Assets.

23. All entities who are presently, or may be, on the date of Second Closing as to the Assets, or on the First Closing as to the Accounts Receivable, in possession of some or all of the Assets are hereby directed to surrender possession of said Assets to Purchaser on the applicable date.

24. In order to permit for the smooth transfer of the Assets and to insure that Customers do not suffer any disruption in telecommunication services, MCI (WorldCom) shall, for a period of 120 days from the Second Closing continue to provide underlying long distance service to the Customers (as defined in the Management Agreements) at rates in effect as of the date of the earlier of this Court's order of July 23, 2002 (the 'Procedures Order'), conditioned on Purchaser's payment for these services in a timely manner, consistent with normal and customary business terms.

25. Each and every federal, state and local governmental agency or department is directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Asset Purchase Agreement.

26. This Court shall retain jurisdiction (i) to enforce and implement the terms and provisions of the Asset Purchase Agreement, all amendments thereto, any waivers and consents thereunder, and all agreements executed in connection therewith, (ii) to compel delivery of the Assets to Purchaser, (iii) to compel delivery of the Purchase Price, (iv) to compel specific performance of the Debtors and Purchaser's obligations under the Asset Purchase Agreement, (v) to resolve any disputes arising under or related to the Asset Purchase Agreement, (vi) to

interpret, implement and enforce the provisions of this Approval Order, and (vii) determine any disputes relating to or concerning the receipt, use, Motion or retention of the proceeds from the sale of the Assets.

27. Nothing contained in any plan of reorganization or liquidation confirmed in this case or the order of confirmation confirming such plan shall conflict with or derogate from the provisions of the Asset Purchase Agreement or this Approval Order.

28. Nothing in this Approval Order provides for the assumption or assignment to Purchaser of any executory contracts between the Debtors and Verizon Communications, Inc. or any of its affiliates (collectively, "Verizon"), including any tariffs, interconnection agreements, access service requests or other agreements involving the provision of or access to telecommunication services, circuits or facilities.

29. The terms and provisions of the Asset Purchase Agreement, together with terms and provisions of this Approval Order, shall be binding in all respects upon, the Debtors, their estates and creditors, Purchaser, and its affiliates, successors and assigns, and any affected third parties including but not limited to entities asserting a claim against or interest in the Debtors' estates or any of the Assets to be sold to Purchaser pursuant to the Asset Purchase Agreement, notwithstanding any subsequent appointment of any trustee, examiner, responsible officer or similar entity for the Debtors (a "Debtors Successor/Representative") under any chapter of the Bankruptcy Code, as to which Debtors Successor/Representative such terms and provisions likewise shall be binding in all respects.

30. The Asset Purchase Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto in accordance

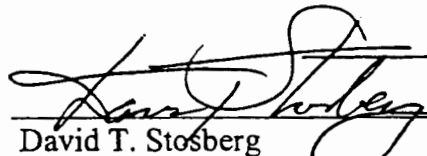
with the terms thereof without further order of this Court, provided that any such modification, amendment or supplement is not material.

31. The provisions of the Fed. R. Bank. P. 6004(g) and 6006(d) staying the effectiveness of this Approval Order for 10 days are hereby waived, and this Approval Order shall be effective immediately upon entry thereof.

32. Capitalized terms not defined in this Approval Order shall be as defined in the Asset Purchase Agreement.

33. The transfers of the Assets and the recordation of any and all instruments necessary to evidence the transfers, sale and assignments hereby authorized shall not be subject to transfer, recordation, stamp or similar tax, and are hereby deemed exempt from state and local transfer taxes pursuant to 11 U.S.C. § 1146(c).

Dated: August 23, 2002

  
David T. Stosberg  
United States Bankruptcy Judge

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# ShawPittman LLP

A Limited Liability Partnership Including Professional Corporations

Susan M. Hafeli  
(202) 663-8414  
susan.hafeli@shawpittman.com

ORIGINAL

October 29, 2002

***VIA FEDERAL EXPRESS***

Ms. Carol Timberlake  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

**Re: Application of A.R.C. Networks, Inc. d/b/a InfoHighway  
for Certificate to Resell Telecommunications Services in Tennessee Docket  
No. 02-0-1168**

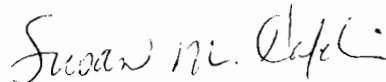
Dear Ms. Timberlake:

As discussed during our telephone conversation today, enclosed please find revised pages 4 and 6 of the above-referenced Application of A.R.C. Networks, Inc. d/b/a InfoHighway, as well as a copy of the Applicant's Articles of Incorporation.

We are revising the response to Question II.G on page 4 to clarify that the Company does not allow a property imposition fee to be added to the price of its intrastate calls. We are correcting the response to Question III.A on page 6 to identify the company as an "Other Form of Corporation." As stated on the original page 6, the Applicant is a C corporation.

As requested, we are transmitting this material directly to you, rather than filing it with the Executive Secretary's office. We have enclosed a Receipt copy for our records, however, and would appreciate it if you would date-stamp the Receipt copy of this filing and return it to the undersigned in the enclosed self-addressed, stamped envelope. Please refer all questions and correspondence regarding this filing to the undersigned.

Respectfully submitted, /



Susan M. Hafeli  
Counsel for A.R.C. Networks, Inc.  
d/b/a InfoHighway

Enclosures

**Part II:**

A. Check the type of telecommunication services you plan to provide in Tennessee.

- ☒ Resell Interexchange long distance services  
☐ Operator Services  
☐ Resell local services  
☐ Other (describe) \_\_\_\_\_

B. If providing operator services, list company name, address and contact person for all reseller carriers you serve in Tennessee. **Provide the above information on Appendix I.**

Not Applicable.

C. List the state(s) where the applicant, its parent company, and all affiliates is authorized to operate in at this time. For each such state, describe applicant's current activities along with a history of operations there. (Use additional pages if necessary.)

See APPENDIX III, Part II-C

For the above states, list the number and types of complaint(s) filed against applicant, and the complaint(s)' current status. Provide this information on a separate attachment, if necessary.

There are no pending complaints filed against Applicant or its subsidiary, InfoHighway of Virginia, Inc.

**If applicant has affiliate(s) or parent company, or constituency corporations, engaged in providing telecommunications services, or operating under any trade name, assumed name or fictitious name used by the above, provide the above requested information for all as well as for the applicant. Provide this information on a separate attachment, if necessary.**

D. List any states that the applicant or any affiliate, parent company, or constituency corporation operating under any trade name, assumed name, or fictitious name, has been denied authority to provide service. (Use additional pages if necessary.)

None

E. Areas in Tennessee to be served.

Statewide

F. What type of customers will the applicant serve?

- a. Business ☒  
b. Residential ☒  
c. Aggregators ☐  
(e.g. Hotels, Payphones)  
d. Other (specify) \_\_\_\_\_

G. Does the applicant allow a property imposed fee (PIF) to be added to the price of intrastate telephone calls over its network? If yes, specify amount. No.



- R. Applicant gives permission to the local telephone company to provide the Authority a periodic sample of the reseller's intrastate toll calls. The purpose of this analysis is to audit the reseller's rates to assure they are at or below the dominant carrier's tariffed rates.

Yes ☒ No ☐

**Part III:**

**A. Applicant's organizational Structure**

- X   Corporation  
☐ Publicly Traded Corporation  
☐ Subsidiary of a Publicly Traded Corporation  
☐ Limited Liability Corporation Attach a copy of the articles of organization and operating agreement along with amendments.  
☒ Other Form of Corporation  
List type C (Example S Corporation)  
Attach a copy of the charter, bylaws and/or certificate of incorporation.
- Association Attach a copy of the charter, bylaws and/or certificate of incorporation and Letter of Authorization from Tennessee Secretary of State.
- Joint Stock Association Attach a copy of the charter, bylaws and/or certificate of incorporation and Letter of Authorization from Tennessee Secretary of State.
- Trust Attach a copy of the trust agreement and Letter of Authorization from Tennessee Secretary of State.
- Individual Attach a copy of the trust agreement and Letter of Authorization from Tennessee Secretary of State.

**SECTION (a) – (f) is to be completed if applicant is a Corporation, Association, or Trust**

- (a) The date and state of formation/incorporation: February 22, 1993 - New York  
Applicant was originally incorporated under the name A.R.C. Networks Corp. It changed its name to A.R.C. Networks, Inc. on April 10, 1996.
- (1) Parent Company, if applicable InfoHighway Communications Corporation
- (b) Attach a certificate of good standing from the state in which the applicant was incorporated/formed.

See **ATTACHMENT 2.**

- (1) Attach a copy of Certification of Authority issued by Tennessee Secretary of showing corporation's authority to engage in business in Tennessee.

See **ATTACHMENT 3.**

State of New York } ss:  
Department of State

I hereby certify, that the Certificate of Incorporation of A.R.C. NETWORKS, INC. was filed on 02/22/1993, under the name of A.R.C. NETWORKS CORP., with perpetual duration, and that a diligent examination has been made of the Corporate index for documents filed with this Department for a certificate, order, or record of a dissolution, and upon such examination, no such certificate, order or record has been found, and that so far as indicated by the records of this Department, such corporation is a subsisting corporation.

A Certificate of Amendment A.R.C. NETWORKS CORP., changing its name to A.R.C. NETWORKS, INC., was filed 04/10/1996.

The Biennial Statement is past due.



\*\*\*

Witness my hand and the official seal  
of the Department of State at the City  
of Albany, this 20th day of June  
two thousand and one.

Special Deputy Secretary of State

F980222000087

CERTIFICATE OF INCORPORATION  
OF

A.R.C. NETWORKS CORP.

Under Section 402 of the Business Corporation Law

The undersigned, being a natural person of at least 18 years of age and acting as the incorporator of the Corporation hereby being formed under the Business Corporation Law of the State of New York, DOES HEREBY CERTIFY THAT:

FIRST: A.R.C. NETWORKS CORP. shall be the name of the Corporation.

SECOND: The Corporation is formed for the following purposes:

To engage in any lawful act or activity for which corporations may be organized under the Business Corporations Law. The Corporation is not formed to engage in any act or activity requiring the consent or approval of any state official, department, board, agency or other body.

To enter into, perform and carry out contracts and agreements of every kind and nature, with any person, firm, corporation or other entity, and any State, county, municipal or other governmental body, including all boards, bureaus and agencies thereof.

To carry on any other activities necessary to, in connection with or incidental to the foregoing.

To exercise the powers, in furtherance of the corporate purposes, granted by the New York Business Corporation Law, including without limitation the powers enumerated in Section 202 thereof.

The provisions of this Article shall be construed as purposes and objects, and the matters expressed in each provision hereof shall not be limited in any way, except as otherwise expressly provided herein, by reference to or inference from the terms of any other provision hereof, and shall be regarded as independent purposes and objects. The enumeration of specified purposes and objects shall not be construed to exclude, limit or otherwise restrict in any manner any power, right or privilege given to the Corporation herein or by law, or to limit or restrict in any manner the meaning of the provisions hereof, or the general powers of the Corporation, nor shall the expression of one thing be deemed to exclude another, although it be of like nature, not expressed.

THIRD: The office of the Corporation shall be located in the County of Suffolk and the State of New York.

FOURTH: The aggregate number of shares which the Corporation shall have authority to issue is 200 shares, no par value, all of which shall be of the same class and all of which hereby are designated as common stock. Each share of the common stock of the Corporation shall have one vote for all corporate purposes, with no cumulative voting rights. Each share of common stock shall have equal rights on dissolution, corporate distribution and for all other corporate purposes.

FIFTH: No shareholder of the Corporation, by reason of the holding of shares by such shareholder, shall have any preemptive right to purchase, subscribe to, or have first offered to, any shares of any class of the Corporation, presently or subsequently authorized, or any notes, debentures, bonds or other securities of the Corporation convertible into, or carry options or warrants to purchase, shares of any class, presently or subsequently authorized (whether or not the issuance of any such shares, or such notes, debentures, bonds or other securities would adversely affect the dividend or voting rights of such shareholders), other than such rights, if any, as the Board of Directors in its sole discretion from time to time may grant, at such prices as the Board of Directors in its discretion may fix. The Board of Directors may issue shares of any class of the Corporation, or any notes, debentures, bonds or other securities convertible into, or carrying options or warrants to purchase, shares of any class without offering any such shares of any class, either in whole or in part, to the existing shareholders of any class.

SIXTH: The Secretary of State of the State of New York hereby is designated as the agent of the Corporation upon whom process in any action or proceeding against the Corporation may be served. The post office address to which the Secretary of State shall mail a copy of any process against the Corporation, served upon the Secretary of State, is c/o William J. Reilly, Esq., 396 Broadway, Suite 1001, New York, N.Y. 10013.

SEVENTH: The Corporation, to the fullest extent permitted by Sections 722, 723 and 724 of the New York Business Corporation Law, as the same may be amended and supplemented, shall indemnify any and all persons whom it shall have power to indemnify under said Sections from and against any and all of the expenses, liabilities or other matters referred to in, or covered by, said Sections. The indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of stockholders or directors, or otherwise, both as to action in his official capacity and as to action in any other capacity while holding such office. The indemnification provided for herein shall continue as to a person who has ceased to be a director, officer, employee or agent of the Corporation, and shall inure to the benefit of the heirs, executors and administrators of such person.

IN WITNESS WHEREOF, the undersigned has executed this Certificate on February 3, 1993 and affirms the contents thereof to be true under penalty of perjury:

*William J. Reilly*

William J. Reilly, Esq.  
Incorporator  
398 Broadway, Suite 1001  
New York, N.Y. 10013

F980222000087

CERTIFICATE OF INCORPORATION

OF

A.R.C. NETWORKS CORP.

Incorporator: William J. Reilly, Esq.  
396 Broadway, Suite 1001  
New York, N.Y. 10013

Filed by: WILLIAM J. REILLY, ESQ.  
396 Broadway, Suite 1001  
New York, N.Y. 10013  
(212) 219-9866

FEB 22 1 39 PM '93

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FEB 22 9 22 AM '93

STATE OF NEW YORK  
DEPARTMENT OF STATE

FILED FEB 22 1993

TAXS 10

BY: KC

Subb

980222000097

State of New York  
Department of State } ss:

*I hereby certify that I have compared the annexed copy of the original document filed by the Department of State and that the same is a correct transcript of said original.*

Witness my hand and seal of the Department of State on FEB 12 1996



*Alexander F. Brusch*  
Secretary of State

# **Certificate of Amendment of the Certificate of Incorporation of**

**A.R.C. NETWORKS CORP.**

**under Section 805 of the Business Corporation Law**

**IT IS HEREBY CERTIFIED THAT:**

**(1) The name of the corporation is A.R.C. NETWORKS CORP.**

**(2) The certificate of incorporation was filed by the department of state on the 22ND day of FEBRUARY - 19 93 .**

**(3) The certificate of incorporation of this corporation is hereby amended to effect the following change\***

**THE CERTIFICATE OF INCORPORATION IS AMENDED TO CHANGE THE NAME OF THE CORPORATION. PARAGRAPH 1 OF THE CERTIFICATE OF INCORPORATION IS AMENDED TO READ AS FOLLOWS:**

**1. THE NAME OF THE CORPORATION IS A.R.C. NETWORKS, INC.**