

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

January 11, 2010

IN RE:

**APPLICATION OF NOBELTEL, LLC FOR APPROVAL
OF A CHANGE IN OWNERSHIP OF AN AUTHORIZED
TELECOMMUNICATIONS PROVIDER**

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**DOCKET NO.
09-00177**

ORDER APPROVING *APPLICATION*

This matter came before Director Mary W. Freeman, Director Eddie Roberson and Director Kenneth C. Hill of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on December 14, 2009 for consideration of the *Application* filed on October 30, 2009 by NobelTel, LLC ("NobelTel" or "Applicant") to consummate a transaction resulting in the transfer of 100% ultimate ownership and control of NobelTel from its current owners, Michael Knobel and Thomas Knobel (the "Knobels"), to a new owner, Mr. Richard Mahfouz ("Mr. Mahfouz").

NobelTel is a Delaware limited liability company and a direct, wholly-owned subsidiary of Nobel, Inc. that provides a variety of interexchange resale services, including prepaid and postpaid card services, to residential and business end users as well as on a wholesale basis to other telecommunications carriers. In Tennessee, NobelTel is authorized to provide intrastate telecommunications services pursuant to Authority Order in Docket No. 02-01319 issued on April 24, 2003. NobelTel is also authorized to provide both interstate and international telecommunications by the Federal Communications Commission ("FCC").

THE APPLICATION

The parties have agreed to a transaction whereby Mr. Mahfouz will acquire 100% of the membership interest of the Applicant. Specifically, as a result of a Stock Purchase Agreement dated October 26, 2009 among the Knobels, Nobel, Inc. and Nobel Holding, Inc. ("Nobel Holding"), Nobel Holding will purchase 100% of the shares of Nobel, Inc. Nobel Holding is a newly-formed holding company that is owned by Mr. Mahfouz. Following the closing of the transaction, NobelTel will ultimately be 100% owned and controlled by Mr. Mahfouz, and the Knobels will no longer have any interest in the Applicant. In addition, after the transaction, NobelTel will not have any affiliates that offer domestic telecommunications services.

The *Application* asserts that NobelTel does not anticipate a change in the management or operational personnel as a result of the transaction, thus maintaining the managerial and technical expertise of the company. All current customers will continue to be served by NobelTel pursuant to its existing telecommunications authorizations. The *Application* asserts that customers will continue to receive their existing services at the same rates, terms and conditions as at present and that all existing tariffs will remain in place. Any future change in the rates, terms and conditions of service will be made pursuant to Authority requirements. The *Application* states that the transfer of ownership will be transparent to consumers in Tennessee.

FINDINGS AND CONCLUSIONS

Tenn. Code Ann. § 65-4-113(a) (2004) requires a public utility to obtain TRA approval to transfer its authority to provide utility services and provides:

No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) (2004) provides the standards by which the TRA shall consider an application for transfer of authority, which in pertinent part, states as follows:

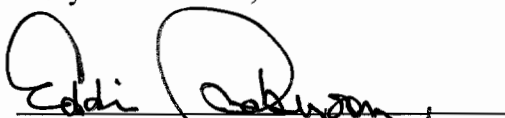
Upon application for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. The authority shall approve the transfer after consideration of all relevant factors and upon finding that such transfer furthers the public interest.

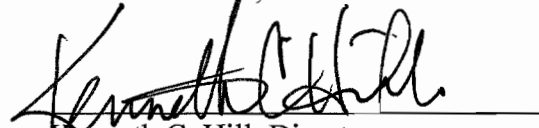
The panel found that the proposed transfer of authority will serve the public interest by enabling NobelTel to continue to enhance and expand the services that it offers to customers. The panel further found that this transaction will be transparent to Tennessee customers, and they will continue to receive their existing services at the same rates, terms, and conditions as at present. Thereafter, the panel voted unanimously to approve the *Application* pursuant to Tenn. Code Ann. § 65-4-113(b) (2004).¹

IT IS THEREFORE ORDERED THAT:

The *Application* filed by NobelTel, LLC is approved.


Mary W. Freeman, Director


Eddie Roberson, Director


Kenneth C. Hill, Director

¹ The FCC has also approved this transfer of authority. See DA 09-2526 issued December 3, 2009.