

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

November 23, 2010

IN RE:

**JOINT PETITION OF LY HOLDINGS, LLC, LIGHTYEAR
NETWORK SOLUTIONS, LLC AND LIGHTYEAR
NETWORK SOLUTIONS, INC. FOR APPROVAL OF THE
INDIRECT TRANSFER OF CONTROL OF LIGHTYEAR
NETWORK SOLUTIONS, LLC**

)
)
)
)
)
)
)

**DOCKET NO.
10-00121**

ORDER APPROVING *JOINT PETITION*

This matter came before Chairman Mary W. Freeman, Director Kenneth C. Hill and Director Sara Kyle of the Tennessee Regulatory Authority (the “Authority” or “TRA”), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on September 27, 2010 for consideration of the *Joint Petition* filed by LY Holdings, LLC (“LYH”), Lightyear Network Solutions, LLC (“Lightyear”) and Lightyear Network Solutions, Inc. (formerly known as Libra Alliance Corp.) (“LYNS”) (collectively, “Petitioners”) on June 15, 2010. The Petitioners request approval of a *pro forma* change in Lightyear’s corporate structure, *nunc pro tunc*, that resulted from the insertion of LYNS, a publicly-held holding company, in between Lightyear and its former direct parent company, LYH.

Lightyear and LYH are both Kentucky limited liability companies. Prior to the *pro forma* change of direct control, Lightyear was a wholly-owned, direct subsidiary of LYH. Lightyear holds domestic and international Section 214 authorizations from the Federal Communications Commission (“FCC”) and is authorized to provide local exchange telecommunications services in forty-four states and long distance telecommunications services in forty-nine states. In Tennessee,

Lightyear is authorized to provide facilities-based and resold local exchange and interexchange telecommunications pursuant to Authority Order in Docket No. 03-00634 issued on April 14, 2004.

LYNS is a publicly-held Nevada corporation that has had no operations since 1998. LYNS is the new direct 100% owner of Lightyear, while LYH owns approximately 69% of LYNS. No other person or entity than LYH has a 10% or greater direct ownership interest in LYNS.

THE JOINT PETITION

Through various agreements, LYH exchanged 100% of its membership interest in Lightyear for shares in LYNS, representing an approximately 69% ownership interest. As a result, LYNS became the sole direct owner of Lightyear, and LYH became the only direct owner of more than 10% of LYNS. The final result of the exchange was the insertion of LYNS in Lightyear's corporate ownership between Lightyear and LYH. Since LYH continues to control Lightyear through LYNS, the transfer of direct control of Lightyear from LYH to LYNS was *pro forma* in nature. The *Joint Petition* asserts that the majority owner of LYH, and therefore the largest indirect owner of Lightyear, did not change following the insertion of LYNS. Therefore, the owner continues to hold indirect control of Lightyear.

The *Joint Petition* states that following the *pro forma* internal change in corporate structure, customers of Lightyear continue to receive service under the same rates, terms and conditions of service as before. The transaction did not involve a change in Lightyear's operating authority, and Lightyear's rates remain in effect. In addition, there was no change in Lightyear's management as a result of the change of corporate structure, and the transaction was seamless and transparent to consumers.

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.

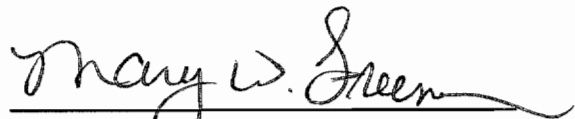
Tenn. Code Ann. § 65-4-113(b) (2004) provides the standards by which the TRA shall consider an application for transfer of authority, which in pertinent part, states as follows:

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.

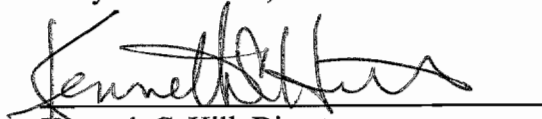
The panel noted that the record indicates that customers of Lightyear continue to receive service under the same rates, terms and conditions of service as before. The transaction did not involve a change in Lightyear's operating authority, and Lightyear's rates remain in effect. In addition, the record indicated that there was no change in Lightyear's management as a result of the change of corporate structure, and the transaction was seamless and transparent to consumers. Based on the entire record, the panel voted unanimously to approve the *Joint Petition, nunc pro tunc*, pursuant to Tenn. Code Ann. § 65-4-113 (2004).

IT IS THEREFORE ORDERED THAT:

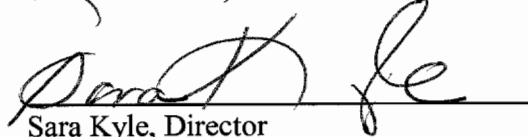
The *Joint Petition* of LY Holdings, LLC, Lightyear Network Solutions, LLC and Lightyear Network Solutions, Inc. is approved, *nunc pro tunc*.



Mary W. Freeman, Chairman



Kenneth C. Hill, Director



Sara Kyle, Director