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June 6, 2012

Via Overnight Courier and Electronic Mail

Chairman Kenneth C. Hill
c/o Sharla Dillon, Dockets and Records Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243
sharla.dillon@tn.gov

Re: Petition of Americatel Corporation and Matrix Telecom, Inc. For Approval to Participate in Certain Financing Arrangements

Dear Chairman Hill:

On behalf of Americatel Corporation and Matrix Telecom, Inc. ("Petitioners"), enclosed please find an original and four (4) copies of the above-referenced Petition for filing with the Authority. Also enclosed is a check in the amount of \$50.00 to cover the requisite filing fee. A copy of this filing in PDF format is also being submitted via electronic mail.

Please date-stamp the enclosed extra copy of this filing and return it in the self-addressed, stamped envelope provided. Should you have any questions concerning this filing, please do not hesitate to contact the undersigned.

Respectfully submitted,



Russell M. Blau
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Counsel for Petitioners

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**BEFORE THE
TENNESSEE REGULATORY AUTHORITY**

Petition of)	
)	
Americatel Corporation, and)	
Matrix Telecom, Inc.,)	Docket No. _____
)	
For Approval to Participate in Certain)	
Financing Arrangements)	
)	

PETITION

I. INTRODUCTION

Americatel Corporation (“Americatel”), and Matrix Telecom, Inc. (“Matrix”) (Americatel, and Matrix collectively “Petitioners”), by their undersigned counsel and pursuant to Section 65-4-109 of the Tennessee Code, and any regulations deemed applicable, request approval, to the extent necessary, from the Tennessee Regulatory Authority (“Authority”) to participate in certain financing arrangements whereby the Petitioners will incur long-term debt obligations. In addition to borrowing under these facilities, the Petitioners intend to grant a security interest in their assets, and to have their stock pledged by their parent company, to secure the financing arrangements, as further described below. In support of this Petition, Petitioners state:

II. DESCRIPTION OF THE PETITIONERS

A. Americatel Corporation

Americatel is a Delaware corporation with principal offices located at 433 E. Las Colinas Blvd, Suite 400, Irving, Texas 75039. Serving the needs of United States customers with connections to Latin America and the Caribbean, Americatel provides international and domestic

facilities-based and resold long distance services, including “dial around” casual calling (i.e., 1010XXX) service and presubscribed 1+ calling services. In Tennessee, Americatel is authorized to operate as a reseller of telecommunications services pursuant to authority granted by in Docket No. 98-00065, on February 2, 1999.

B. Matrix Telecom, Inc.

Matrix is a Texas corporation with principal offices located at 433 E. Las Colinas Blvd, Suite 400, Irving, Texas 75039. Established in 1991, Matrix is a competitive provider of integrated communications services including local, 1+ long distance and toll-free voice services plus a wide range of data services, such as dedicated Internet access, frame relay and point-to-point transmission services, chiefly to enterprise customers. In Tennessee, Matrix is authorized to resell local telecommunications pursuant to authority granted in Docket Nos. 05-00083 on June 30, 2005 and 07-0003 on May 22, 2007. Matrix is also authorized to resell interexchange telecommunications service pursuant to authority granted in Docket No. 95-03125 on October 13, 1995.

III. CONTACT INFORMATION

For the purposes of this Petition, questions or any correspondence, orders, or other materials should be directed to the following contacts:

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With copies to:

Scott M. Klopach
General Counsel
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433 E. Las Colinas Blvd, Suite 400
Irving, Texas 75039
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Fax: 214-432-1576
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IV. REQUEST FOR APPROVAL TO PARTICIPATE IN CERTAIN FINANCING ARRANGEMENTS

Matrix and Americatel are affiliated companies, both 100% owned by MTAC Holding Corporation, a Delaware corporation. The Petitioners intend to enter into a long-term financing arrangement to provide working capital, finance capital expenditures, refinance existing indebtedness, and other general corporate purposes. The financing arrangements are expected to consist of a senior secured lien facility in an aggregate principal amount to be determined based on market conditions, currently expected to be up to \$40 million (the "Facility"). The proceeds of loans under the Facility will be used by the borrowers to refinance certain existing indebtedness and for other permissible general corporate purposes. The Facility is expected to mature within five (5) years after the closing date.¹

All obligations under the Facility are expected to be incurred directly by the Petitioners (as borrowers) or guaranteed by the Petitioners, subject to certain exceptions to be determined. The Facility will also be secured by substantially all the assets of the Petitioners, subject to

¹ Based on market conditions, the term of the financing arrangements may be set to mature on the date that is 364 days after the closing date, provided that upon receipt of the requisite regulatory approvals the maturity date for the financing arrangements will be extended to an expected term of up to five (5) years from the date of closing.

certain exceptions to be determined.² The Petitioners also intend to have their stock pledged by their parent company as security for the Facility.

The Petitioners' participation in these financing arrangements will not result in a change in the Petitioners' management or in their day-to-day operations; nor will it adversely affect the Petitioners' current or expected operations in Tennessee. The financing arrangements will enable the Petitioners to bring services to new markets and allow more consumers to benefit from competitive telecommunications services. Accordingly, Petitioners request that the Authority approve the participation of the Petitioners in the financial arrangements described herein.

V. PUBLIC INTEREST CONSIDERATIONS

The financing arrangements described herein are consistent with the public interest and will not impair the ability of the Petitioners to perform services to the public. The financing arrangements will enable the Petitioners to refinance existing obligations, will provide additional capital for capital expenditures and other corporate purposes, will be entirely transparent to Tennessee consumers, and will not alter the rates, terms and conditions under which the Petitioners provide service in Tennessee. The financing arrangement will not cause a change in the control of the Petitioners.

The financing arrangements described herein, including the requirement that the Petitioners pledge any jurisdictional assets in support of the financing, serve the public interest in promoting competition among telecommunications carriers by providing the Petitioners with the opportunity to strengthen their financial position. As a result, the financing arrangements are expected to continue to yield financial benefits that ultimately inure to the benefit of the Petitioners' customers. Furthermore, greater access to capital strengthens the Petitioners' ability to bring

² The interest rates under the Facility will be determined based on market conditions at the time of closing.

competitive telecommunications services to consumers in Tennessee and is, therefore, in the public interest.

VI. CONCLUSION

For the reasons stated above, the Petitioners submit that the public interest, convenience and necessity will be furthered by expeditious Authority approval of the Petitioners' participation in the financing arrangements described herein.

Respectfully submitted,



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Counsel for Americatele Corporation and Matrix
Telecom, Inc.

Date: June 6, 2012

VERIFICATION

STATE OF TEXAS

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ss:

§

COUNTY OF DALLAS

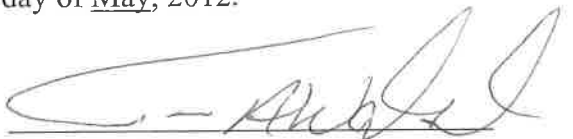
VERIFICATION

Michael W. Simpson, being duly sworn, deposes and say that I am the Chief Financial Officer, of Matrix Telecom, Inc. and Americatel Corporation; that I am authorized to make this Verification on behalf of Matrix Telecom, Inc. and Americatel Corporation; that the foregoing document was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.



Michael W. Simpson
Chief Financial Officer
Matrix Telecom, Inc. and Americatel Corporation

Sworn and subscribed before me this 17th day of May, 2012.



Notary Public

