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CASE MANAGEMENT



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BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

State of New Jersey

DIVISION OF RATE COUNSEL

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BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

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Director

PHIL MURPHY  
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Lt. Governor

**Via Electronic and Regular Mail**

March 6, 2018

Aida Camacho-Welsh, Board Secretary  
New Jersey Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Fl., Ste. 314  
P.O. Box 350  
Trenton, New Jersey 08625-0350

Re: I/M/O the Verified Joint Petition of DSCI, LLC, U.S. TelePacific Holdings Corp. and Pensare Acquisition Corp. for Approval to Transfer Indirect Control of DSCI, LLC to Pensare Acquisition Corp.  
**BPU Docket No.: TM19020217**

Dear Secretary Camacho-Welsh:

The New Jersey Division of Rate Counsel ("Rate Counsel") has reviewed the above referenced Verified Joint Petition of DSCI, LLC, ("DSCI") U.S. TelePacific Holdings Corp., ("TPx Holdings") and Pensare Acquisition Corp. ("Pensare") (collectively, the "Petitioners") filed with the New Jersey Board of Public Utilities ("Board") seeking Board approval, to the extent required, to effectuate a transfer of indirect control of DSCI to Pensare, without change or impact on DSCI customers.<sup>1</sup> Petitioners have requested expedited treatment. Rate Counsel submits the within comments on this matter for the Board's consideration and encloses with this original please ten copies. Kindly return a date/stamped "Received" and/or "Filed" copy to Rate Counsel. For the reasons that follow, Rate Counsel does not object to Board approval of Petitioners' requests in this matter.

Petitioners and Transaction

DSCI is a Delaware limited liability company and a wholly-owned indirect subsidiary of TPx Holdings and provides resold and facilities-based competitive local and long distance telecommunications services in New Jersey under Board docket TE14091038 as of December 17, 2014 and has no employees in New Jersey.<sup>2</sup> Pensare is a publicly traded Delaware corporation (NASDAQ, trading under "WRLSU"), and was organized as a Special Purpose Acquisition Company ("SPAC") and for purposes of effectuating this merger/transfer Pensare has created Tango Merger Sub Corp. ("Merger Sub"), a Delaware corporation and direct wholly-owned subsidiary of Pensare.<sup>3</sup> Merger-Sub will merge with TPx Holdings, with TPx Holdings surviving as a wholly-own subsidiary of Pensare and DSCI as an indirect wholly-

<sup>1</sup> Petition at pp. 6-7.

<sup>2</sup> Id., at p. 3. TPx is one of the largest telecommunications companies headquartered in Los Angeles, California and also provides facilities-based business communications services to thousands of small-to-medium sized business customers. Id.

<sup>3</sup> Id., at p. 4.

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owned subsidiary of Pensare.<sup>4</sup> Petitioners state that post transaction DSCI will continue to conduct all current operations as conducted prior to the acquisition by Pensare, under TPx's existing management team and personnel "ensuring DSCI's managerial, technical and operational standards will be maintain."<sup>5</sup> The transfers will be transparent and have no impact on its customers or on the services provided which will continue to be provided to current customers under the same rates, terms and conditions of service as prior to the indirect transfer transaction.<sup>6</sup> In addition, Petitioners note that the proposed merger/transfer will not have a detrimental effect on competition in New Jersey.<sup>7</sup> Lastly, DSCI will continue to guarantee financial arrangements up to \$680 million previously approved by the Board in Docket No. TF17050556, on August 23, 2017.<sup>8</sup>

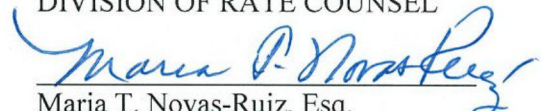
Board approval of any sale or merger must be based on its satisfaction that the transaction will result in positive benefits and are in the public interest. Petitioners have provided information required by *N.J.S.A.* 48:2-51.1 *et seq.*, and *N.J.S.A.* 48:3-10 regarding a petition for approval of a merger/indirect transfer. Petitioners assert that the transfer will strengthen and increase the company's financial and technical ability to compete, will not directly affect DSCI's management, reduce competition, or services and will have no impact on employment as Petitioners have no employees in New Jersey.<sup>9</sup>

Rate Counsel supports the contemplated continued provision of innovative, high quality telecommunications services to the public and the promotion of increased competition in the New Jersey telecommunications market for the benefit of both residential and business customers in this state. Accordingly, Rate Counsel would not oppose Board approval of Petitioner's requests in this matter.

Thank you for your consideration of Rate Counsel's comments in this matter.

Very truly yours,

STEFANIE A. BRAND, ESQ.  
DIRECTOR  
DIVISION OF RATE COUNSEL

  
Maria T. Novas-Ruiz, Esq.  
Assistant Deputy Rate Counsel

MNR/td

c: Service List

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<sup>4</sup> Petition, p. 6. In addition, Petitioners state that post transaction, Pensare intends to change its name to TPx Corp. and either continue trading on NASDAQ under "TPXC" or transfer its listing to the New York Stock Exchange.

Petition, p. 4.

<sup>5</sup> Petition, at p. 5.

<sup>6</sup> Id, p. 6.

<sup>7</sup> Id.

<sup>8</sup> Id., p. 7.

<sup>9</sup> Id., at pp. 7-8.

**I/M/O Verified Joint Petition of  
DSCI, LLC, U.S. TelePacific Holdings  
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for Approval to transfer Indirect  
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**BPU Docket No. TM19020217  
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