



February 13, 2017

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PUBLIC SERVICE
COMMISSION

Talina Matthews
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

Re: Informational Filing Regarding a Pro Forma Change to Peerless Network, Inc.

Dear Director Matthews:

Peerless Network, Inc. ("PNI"), on behalf of its Kentucky operating subsidiaries, Peerless Network of Kentucky, LLC and Airus, Inc., hereby respectfully notifies the Kentucky Public Service Commission ("Commission") that it has implemented a minor internal reorganization. This change, as described in more detail below, will have no material impact on Peerless Network of Kentucky, LLC or Airus, Inc. ("Operating Companies") or their respective operations.

PNI and the Operating Companies understand that the transaction did not require regulatory approval. Accordingly, PNI submits this letter for the Commission's information.

Description of the Operating Companies

The Operating Companies are competitive telecommunications services providers certified to provide local exchange and intrastate interexchange telecommunications services in the state of Kentucky.¹ PNI subsidiaries hold similar certificates of authority to provide competitive local exchange and intrastate interexchange services in more than 40 states and the District of Columbia.

Description of the Transaction

The reorganization addressed herein was implemented to provide the PNI companies with greater corporate flexibility. A new holding company -- Peerless Network Holdings, Inc. ("Peerless Holdings") -- was inserted between the ultimate shareholders of the PNI companies and PNI. To effectuate this, the PNI shareholders exchanged their shares in PNI for an identical number of shares in Peerless Holdings. All equity interests and shareholder rights previously held in PNI were changed to equal equity interests and shareholder rights in the new holding company. At the same time, Peerless Holdings acquired 100% of the direct interests in PNI. As a result, there was no change whatsoever to the ultimate ownership and control of the PNI companies.

As a consequence of the reorganization, Peerless Holdings is now the direct parent company of PNI and the indirect parent company of Peerless Network of Kentucky, LLC and Airus, Inc. *Attachment 1* provides

¹ Docket Nos. TFS2012-00222 (Peerless Network of Kentucky, LLC) and 5056510/5179170 (Airus f/k/a IntelePeer, Inc.).



an updated company organization chart reflecting the addition of Peerless Holdings into the corporate chain and confirming that there has been no change to ultimate ownership of the PNI companies.

Public Interest Considerations

The Operating Companies have, and will continue to have, strong financial, managerial and technical abilities, ensuring that both companies continue to provide comprehensive, reliable and cost-effective service. Given that this change was pro forma in nature and as there are no operational changes associated with this transaction, there is no impact on any Kentucky end user customers of intrastate telecommunications services for either company.

Conclusion

As noted above, the Operating Companies and their parent company, PNI, do not believe that Commission approval is required for the transaction. Therefore, PNI requests that the Commission note this filing and update its records.

Enclosed please find an original and four (4) copies of this filing, a duplicate and a self-addressed, postage-paid envelope. Please date-stamp the duplicate upon receipt and return it in the envelope provided. Should the Commission have any questions, please contact Julie Oost, Vice President of Regulatory Affairs and Contracts at Peerless Network, Inc. at (312) 878-4137.

Respectfully submitted,

PEERLESS NETWORK, INC.

DocuSigned by:
John Barnicle
40CFEED258CB48C

By: John Barnicle, President and CEO
Peerless Network Inc.
222 S. Riverside, Suite 2730
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Attachment 1

Organizational Chart

