

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 14A-0027T

IN THE MATTER OF THE JOINT APPLICATION OF MBS HOLDINGS, INC./MOMENTUM TELECOM, INC. AND STELLUS CAPITAL INVESTMENT CORPORATION TO EXECUTE AN ENCUMBRANCE.

DECISION GRANTING APPLICATION

Mailed Date: February 19, 2014

Adopted Date: February 19, 2014

I. BY THE COMMISSION

A. Statement

1. This matter comes before the Commission for consideration of a joint application filed by MBS Holdings, Inc. (MBS), Momentum Telecom, Inc. (Momentum) and Stellus Capital Investment Corporation (Stellus), as the lender, on January 7, 2014. The joint applicants request Commission authorization to enter into a financing transaction in which substantially all of the assets of MBS's existing and newly acquired unregulated entities, including those of its regulated subsidiary Momentum, will be encumbered. We will construe this filing as an application for approval of the encumbrance of the Certificate of Public Convenience and Necessity (CPCN) of Momentum pursuant to § 40-15-204, C.R.S.

2. If the Commission grants the authority to execute the encumbrance of Momentum's assets, including its Commission issued telecommunications authority, the joint application represents that there will be no transfer of Momentum's assets. Services provided by Momentum will continue to its customers with no change in terms and conditions.

3. MBS is a holding company and the corporate parent of Momentum. It does not hold any Commission issued telecommunications authorities.

4. Momentum holds a CPCN and a Letter of Registration to provide regulated telecommunications services. These authorities were granted in Decision No. C08-0995, Proceeding No. 08A-126T on September 22, 2008.

5. Stellus is serving as the lender in the financial transaction.

6. On January 8, 2014, the Commission provided notice of the application on its website. Interventions were due on February 7, 2014. No interventions were filed.

7. We find that the Commission has jurisdiction in this matter.

B. Discussion

8. The application contains all information required by the applicable Commission Rules and is therefore deemed complete.

9. The application is unopposed and therefore may be considered without a formal hearing pursuant to § 40-6-109(5), C.R.S.

10. We find that the proposed encumbrance is not contrary to the public interest and therefore grant the joint application.

11. The applicants are reminded that approval of the Commission is necessary before a Commission issued telecommunications authority can be transferred to another party in the event of default or foreclosure of the financial instrument.

II. ORDER

A. The Commission Orders That:

1. The joint application to encumber telecommunications authorities filed by MBS Holdings, Inc., Momentum Telecom, Inc. (Momentum), and Stellus Capital Investment Corporation (Stellus) is deemed complete and is granted with certain conditions as noted below.

2. Momentum and Stellus shall jointly notify the Commission when the encumbrance has been terminated or is not completed within 60 days of the proposed effective date stated in the application or if the proposed encumbrance terms are changed prior to the consummation date. This notice shall include the proceeding and decision numbers which granted the authority to execute the encumbrance.

3. In the event the encumbrance held by Stellus is exercised or transferred to another entity, Stellus or the new entity and Momentum shall jointly file a transfer application to transfer the encumbered telecommunications authorities and obtain specific approval for this subsequent transfer from the Commission.

4. The 20-day time period provided by § 40-6-114, C.R.S., to file an application for rehearing, reargument, or reconsideration shall begin on the first day after the effective date of this Decision.

5. This Decision is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
February 19, 2014.**

(S E A L)



ATTEST: A TRUE COPY

A handwritten signature in cursive script that reads "Doug Dean".

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JOSHUA B. EPEL

PAMELA J. PATTON

GLENN A. VAAD

Commissioners