BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application of Enhanced Communications Network, Inc. (U-6658-C; U-4431-C) and PEN Tel Inc. for Approval of Transfer of Control of Enhanced Communications Network, Inc. to PEN Tel Inc. Pursuant to Public Utilities Code Section 854(a).

Application No. A.26-[__]-[___]
(Filed June 8, 2026)

JOINT APPLICATION FOR APPROVAL OF TRANSFER OF CONTROL OF ENHANCED COMMUNICATIONS NETWORK, INC. (U-6658-C; U-4431-C) TO PEN TEL INC. PURSUANT TO PUBLIC UTILITIES CODE SECTION 854(a)

(PUBLIC VERSION)

Enhanced Communications Network, Inc. ("ECN") (U-6658-C; U-4431-C) and PEN Tel Inc. ("PEN Tel" or "Transferee") (collectively, "Joint Applicants"), pursuant to California Public Utilities Code Section 854(a) and the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission" or "CPUC"), respectfully request that the Commission authorize the transfer of control of ECN to PEN Tel as described herein (the "Transaction").

I. INTRODUCTION AND SUMMARY

Joint Applicants request Commission authorization under Public Utilities Code Section 854(a) for PEN Tel to acquire 100% of the issued and outstanding capital stock of ECN from ECN's current shareholders (the "Transaction"). The Transaction is a management buyout: PEN Tel's shareholders are the current members of ECN's management team. Following the Transaction, ECN will become a wholly owned subsidiary of PEN Tel and will continue to provide the same telecommunications services under its existing Certificates of Public Convenience and Necessity ("CPCNs") and registrations, at the same rates, terms, and conditions, without interruption of service to any customer.

ECN holds CPUC-regulated telecommunications authority under two Utility ID numbers:

- **U-6658-C:** Interexchange Carrier, Resale (“IER”), approved May 7, 2002 by Decision D.02-05-022; Competitive Local Carrier, Facilities-Based (“CLC”) and Competitive Local Carrier, Resale (“CLR”), approved February 27, 2003 by Decision D.03-02-051.
- **U-4431-C:** Cellular Resale Carrier (“CER”), approved July 18, 2012, Wireless Registration Number U-4431-C.

Both Utility ID numbers are held by the same legal entity—Enhanced Communications Network, Inc., a Delaware corporation. ECN operates all services on a pure resale basis. ECN does not own or operate any telecommunications facilities in California. ECN operates under the d/b/a names “Asian American Association” and “Asian American Association Telecom Services.”

The Transaction is subject to review solely under Section 854(a). Sections 854(b) and (c) do not apply because ECN is a nondominant resale carrier and neither ECN nor PEN Tel has gross annual California revenues exceeding $500 million.

The Exhibit List includes the exhibits filed in support of this Application following this Application.

II.
DESCRIPTION OF THE PARTIES

A. Enhanced Communications Network, Inc. (ECN)

ECN is a Delaware corporation with its principal place of business at 1031 South Glendora Avenue, West Covina, California 91790. ECN is authorized by the Commission to provide telecommunications services in California as follows:

(1) **Interexchange Carrier, Resale (IER):** CPCN granted by Decision D.02-05-022 (May 7, 2002), authorizing ECN to operate as a resale interexchange carrier throughout the State of California. Utility ID: U-6658-C.

(2) **Competitive Local Carrier (CLC/CLR):** CPCN granted by Decision D.03-02-051 (February 27, 2003), authorizing ECN to operate as a competitive local carrier on both a facilities-based (CLC) and resale (CLR) basis. Utility ID: U-6658-C.

(3) **Cellular Resale Carrier (CER):** Registration granted July 18, 2012, authorizing ECN to operate as a cellular resale carrier in California. Utility ID: U-4431-C.

Copies of ECN's California CPCNs and WIR Registration are attached as Exhibits C-1, C-2, and C-3.

ECN is a nondominant carrier in all service categories. ECN provides all services on a resale basis. ECN does not own or operate any telecommunications transmission facilities, switching equipment, or network infrastructure in California. ECN's gross annual California intrastate revenues are well below $500 million.

ECN operates under the d/b/a names "Asian American Association" and "Asian American Association Telecom Services." ECN's primary telephone contact is (800) 777-8003.

ECN is also authorized by the Federal Communications Commission to provide domestic interstate telecommunications services. The FCC has authorized the Transaction by grant of the Section 214 application in WC Docket No. 25-341. A copy of the FCC's grant of authorization is attached as Exhibit B.

B. PEN Tel Inc. (PEN Tel)

PEN Tel is a Delaware corporation with its principal place of business at 1031 South Glendora Avenue, West Covina, CA 91790. PEN Tel was formed for the purpose of acquiring ECN. PEN Tel does not currently hold a CPCN or registration from this Commission. A copy of PEN Tel's Certificate of Incorporation is attached as Exhibit D. PEN Tel's shareholders and officers are:

- Richard Franz, President — 40% ownership
- Thomas Haluskey, Secretary/Treasurer — 30% ownership
- Yu-Kwang (Kevin) Chiang, Director — 15% ownership
- Yun Fei (Fred) Si, Director — 15% ownership

Each of PEN Tel's shareholders is a current member of ECN's management team who has managed ECN's day-to-day operations, including its California operations, for many years.

Biographical information for each is attached as Exhibit G. None of PEN Tel's officers or shareholders has been convicted of a felony, declared bankrupt, been denied a telecommunications license or authority by any regulatory body, or had any telecommunications authority revoked or suspended.

III.
DESCRIPTION OF THE TRANSACTION

Pursuant to the Management Buy-Out Term Sheet dated August 29, 2025, as amended by the First Amendment to Management Buy-Out Term Sheet dated July 20, 2026 (the "First Amendment") (as so amended, the "Term Sheet"), PEN Tel will acquire 100% of the issued and outstanding capital stock of ECN from ECN's current shareholders. The Term Sheet is attached as Exhibit K, filed in redacted form publicly and unredacted under seal. The consideration for the Transaction is as set forth in Exhibit K.

The First Amendment extends the Closing Date so that the closing of the Transaction will occur on a date within thirty (30) days after the effective date of a Commission decision approving the transfer of control of ECN to PEN Tel pursuant to Public Utilities Code Section 854(a), and provides that in no event shall the closing occur prior to receipt of the Commission's approval. The First Amendment contains no confidential terms and is included, without redaction, in both the public and sealed versions of Exhibit K. Consistent with the Term Sheet, the parties will execute a definitive stock purchase agreement effectuating the transfer of ECN's shares at the closing, following receipt of the Commission's approval.

Following the closing:

- ECN will become a wholly owned subsidiary of PEN Tel.
- ECN will retain all CPCNs and registrations, including U-6658-C (IER/CLC/CLR) and U-4431-C (CER), and will continue operating under its own name and d/b/a names.
- ECN's rates, terms, conditions, tariffs, price lists, and quality of service will remain unchanged.
- No customers will be transferred to a different carrier. No billing name change will occur.

- ECN's existing management team (Messrs. Franz, Haluskey, Chiang, and Si) will continue managing ECN's operations, including California operations.
- ECN's principal business address (1031 South Glendora Avenue, West Covina, CA 91790) will remain unchanged.

Pre- and post-Transaction organizational charts are attached as Exhibit A. A detailed corporate ownership structure is provided in Exhibit E.

The Transaction is conditioned upon, among other things, receipt of all necessary regulatory approvals, including CPUC authorization under Section 854(a). The Transaction is part of a broader multi-state regulatory approval process encompassing ECN's authority in Alabama, Florida, Illinois, Louisiana, Michigan, Missouri, New Jersey, New York, Tennessee, and Texas and before the FCC.

IV.
SECTION 854(a) STANDARD OF REVIEW

Section 854(a) requires Commission authorization before any person or corporation may directly or indirectly acquire control of a public utility doing business in California. The standard of review under Section 854(a) for transactions involving nondominant carriers is whether the transaction would be "adverse to the public interest." D.20-02-052 at 4–5; D.13-09-017 at 3–4; D.03-12-033 at 6.

Sections 854(b) and (c) are inapplicable. The Commission has consistently exempted transactions involving NDIECs and CLECs from Sections 854(b) and (c). D.05-11-028 at 20–21 ("authorized scores of transactions involving NDIECs and CLECs, but uniformly has exempted them from the detailed requirements of § 854(b)") (collecting cases); D.97-05-092; D.97-07-060; D.98-08-068; D.04-10-038. ECN is a nondominant resale carrier across all service categories. Neither ECN nor PEN Tel has California revenues approaching $500 million. No ILEC is a party. Joint Applicants respectfully request that the Commission confirm the inapplicability of Sections 854(b) and (c) and, to the extent necessary, exercise its authority under Section 853(b) to exempt the Transaction from the requirements of Sections 854(b) and (c).

V.
THE TRANSACTION IS NOT ADVERSE TO THE PUBLIC INTEREST

A. Continuity of Service

Following the Transaction, ECN will continue to provide the same local exchange, interexchange, and cellular resale telecommunications services to the same customers, at the same rates, terms, and conditions. ECN will continue operating under its existing CPCNs (U-6658-C and U-4431-C) and d/b/a names ("Asian American Association" and "Asian American Association Telecom Services"). The Transaction will be transparent to ECN's California customers. No service interruption will occur. No customer notice is required as no billing name change will result from the Transaction. See Exhibit J.

B. Management Continuity

The Transaction is a management buyout involving long term employees. PEN Tel's shareholders—Messrs. Franz, Haluskey, Chiang, and Si—are the same individuals who currently manage ECN's day-to-day operations, including California operations. The Transaction does not introduce new, untested management; it formalizes ownership by the team that already operates the company. This provides greater management stability than the status quo. During the pre-closing period, PEN Tel has been managing ECN's operations pursuant to a Management Services Agreement dated August 29, 2025, attached as Exhibit L.[1]

C. No Adverse Impact on Competition

ECN operates in the highly competitive California local exchange, long distance, and cellular resale markets. The Transaction does not combine two competitors and does not reduce the number of carriers in any market. PEN Tel is a newly formed entity that does not currently provide

[1] The Management Services Agreement refers to a "Stock Purchase Agreement" by and among Pacific Telecom Inc., ECN, and PEN Tel as the "Purchase Agreement." That reference is to the Management Buy-Out Term Sheet dated August 29, 2025, as amended by the First Amendment dated July 20, 2026 (Exhibit K), which serves as the parties' purchase agreement; a definitive stock purchase agreement transferring the shares of ECN will be executed at the closing, following receipt of the Commission's approval. The Management Services Agreement expressly provides that nothing therein is intended to give PEN Tel any right that would be deemed to constitute a transfer of "control" of ECN, any of its regulated assets, or any of its communications licenses prior to receipt of all required regulatory approvals. Management Services Agreement § 6.

telecommunications services. The Transaction is purely a change in ECN's upstream ownership structure. Competitive conditions in all relevant markets remain unchanged.

D. Financial Qualifications

PEN Tel has the financial capacity to continue ECN's operations. As a pure resale carrier with no facilities, ECN's capital requirements are modest. Financial information demonstrating PEN Tel's qualifications, consistent with D.95-12-056, Appendix C (CLC/CLR requirements) and D.14-11-004 (NDIEC requirements), is set forth in Exhibit F, filed concurrently under seal pursuant to PUC § 583 and General Order 66-D.

E. No Impact on Safety

The Transaction will have no adverse impact on safety. ECN is a pure resale carrier that does not own or operate any physical telecommunications facilities, transmission equipment, or network infrastructure in California. There are no physical plant safety considerations associated with ECN's operations. ECN's resale arrangements with its underlying carriers will remain unchanged.

F. Public Benefit

The public may benefit from the Transaction to the extent that the management buyout structure aligns the interests of ECN's ownership and management, potentially enhancing ECN's ability to maintain and expand services and operations in California. The Transaction ensures the continued viability of ECN as a competitive provider in California's telecommunications market.

VI.
CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The Transaction does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. ECN is a pure resale carrier that does not own or operate any physical facilities. The Transaction involves only a change in the ownership of ECN's stock. Accordingly, the Transaction is exempt from

CEQA review under the “common sense” exemption, Cal. Code Regs., Title 14, § 15061(b)(3). See also Cal. Public Resources Code § 21065.

VII.
D.13-05-035 DISCLOSURE

The disclosure required by D.13-05-035 regarding affiliate relationships and transactions is attached as Exhibit I. Attachment 1 to Exhibit I, containing confidential information, is filed concurrently under seal.

VIII.
MOTION FOR CONFIDENTIAL TREATMENT

Concurrent with this application, Joint Applicants file a Motion for Leave to File Confidential Materials Under Seal pursuant to PUC § 583 and General Order 66-D. The materials filed under seal include Exhibit F (Financial Information of PEN Tel Inc.), Exhibit H (ECN Financial Statements), Exhibit K (unredacted Management Buy-Out Term Sheet, as amended by the First Amendment), and Attachment 1 to Exhibit I (D.13-05-035 Disclosure). The First Amendment contains no confidential terms and is included, without redaction, in both the public and sealed versions of Exhibit K. These materials contain competitively sensitive financial and business information that, if publicly disclosed, would place Joint Applicants at an unfair business disadvantage.

IX.
PROCEDURAL REQUESTS

Joint Applicants respectfully request:

1. That the Commission categorize this proceeding as Ratesetting pursuant to PUC § 1701.1 et seq.
2. That the Commission confirm that Sections 854(b) and (c) do not apply, and to the extent necessary, exercise its authority under Section 853(b) to exempt the Transaction from Sections 854(b) and (c).
3. That the Commission determine that evidentiary hearings are not necessary.

4. That the Commission issue a Decision authorizing the transfer of control of ECN (U-6658-C and U-4431-C) to PEN Tel pursuant to PUC § 854(a) and finding that the Transaction is not adverse to the public interest.

5. That any Decision be effective immediately upon issuance.

6. That the Commission grant the Motion for Confidential Treatment of Exhibits F, H, K (unredacted), and Attachment 1 to Exhibit I.

X.
NOTICE AND SERVICE

A copy of this application has been served on the Commission's Public Advocates Office ("Cal Advocates") at the address below. Joint Applicants will serve all parties on the service list established for this proceeding with all subsequent filings in accordance with the Commission's Rules of Practice and Procedure.

Public Advocates Office
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Respectfully submitted,

/s/ Patrick D. Crocker
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Counsel for Joint Applicants

Dated: August 21, 2026

VERIFICATION

I, Patrick D. Crocker, under authority granted on December 19, 2025, am authorized to make this verification on behalf of Enhanced Communications Network, Inc. and PEN Tel Inc. The officers of Enhanced Communications Network, Inc. and PEN Tel Inc. are located in Los Angeles County, California, and are absent from the County of Kalamazoo, Michigan, where I have my office. I have read the foregoing Joint Application, and I am informed and believe, and on that ground allege, that the matters stated therein are true and correct to the best of my knowledge.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed at Kalamazoo, Michigan, on August 21, 2026.

/s/ Patrick D. Crocker
Patrick D. Crocker
Authorized Representative

EXHIBIT LIST

Exhibit A: Pre- and Post-Transaction Organizational Charts [PUBLIC]

Exhibit B: FCC Section 214 Authorization — DA 26-54, WC Docket No. 25-341 (eff. 01/16/2026) [PUBLIC]

Exhibit C-1: ECN IER CPCN — Decision D.02-05-022 (05/07/2002), U-6658-C [PUBLIC]

Exhibit C-2: ECN CLC/CLR CPCN — Decision D.03-02-051 (02/27/2003), U-6658-C [PUBLIC]

Exhibit C-3: ECN CER WIR Registration (07/18/2012), U-4431-C [PUBLIC]

Exhibit D: PEN Tel Inc. Certificate of Incorporation (Delaware) [PUBLIC]

Exhibit E: Detailed Pre- and Post-Transaction Corporate Ownership Structure [PUBLIC]

Exhibit F: Financial Information of PEN Tel Inc. and 36-Month Projected Financial Summary (Post-Transaction) [UNDER SEAL]

Exhibit G: Resumes / Biographical Information — Franz, Haluskey, Chiang, Si [PUBLIC]

Exhibit H-1: ECN Financial Statements — FY 2022 (Final) [UNDER SEAL]

Exhibit H-2: ECN Financial Statements — FY 2023 (Final) [UNDER SEAL]

Exhibit H-3: ECN Financial Statements — FY 2024 (Final) [UNDER SEAL]

Exhibit H-4: ECN Management Financial Statements and Financial Condition Report — Fiscal Year Ended December 31, 2025 [UNDER SEAL]

Exhibit I: D.13-05-035 Disclosure — Affiliate Relationships and Transactions (Att. 1: Under Seal) [PUBLIC / UNDER SEAL]

Exhibit J: Customer Notice — Not Applicable (no billing name change)

Exhibit K: Management Buy-Out Term Sheet (dated 08/29/2025), as amended by First Amendment to Management Buy-Out Term Sheet (dated 07/20/2026) (Term Sheet Unredacted: Under Seal; First Amendment: unredacted in both versions) [PUBLIC (redacted) / UNDER SEAL]

Exhibit L: Management Services Agreement (dated 08/29/2025) [PUBLIC]