



Date: May 5, 2011  
Contact: TelePacific                      Telekenex  
          Rebecca Rosen                 Lisa Struck  
Phone: (213) 213-3622                (415) 287-1208

### **TelePacific Communications to Acquire Telekenex**

Acquisition builds on TelePacific's strategy of offering comprehensive, managed telecommunications solutions to meet the needs of today's businesses.

**Los Angeles, CA – May 5, 2011** —[TelePacific Communications](#), the largest California-based CLEC providing integrated voice and data telecommunications services to the small and medium-sized business ("SMB") customer segment in California and Nevada, today announced a definitive agreement to acquire all of the assets and customers of IXC, Inc., and IXC Holdings, Inc., which do business as Telekenex, a business-grade IP services provider headquartered in San Francisco and Seattle.

Under the terms of the agreement, the TelePacific Communications family of companies will gain approximately 1,000 business customers and 122 employees. Additionally TelePacific will augment its existing IP portfolio with the following services:

- A robust hosted PBX platform with nationwide voice capabilities;
- A nationwide PCI compliant MPLS backbone;
- A fiber network in the San Francisco-Oakland Bay Area;
- Managed network services providing advanced configuration and support for complex network deployments; and
- Managed security services through a cloud-based firewall.

"This is a big game-changer for TelePacific," said Dick Jalkut, president and CEO of TelePacific. "This transaction not only enhances TelePacific's network and makes us even more competitive, but it instantly opens up new markets and opportunities for growth. We are excited about the strategic opportunities this presents us and our customers."

With hosted PBX services, TelePacific customers will be able to benefit from all the conveniences and features of an on-premise PBX without the equipment cost and capital outlay. Moreover customers will realize increased productivity leveraging an extensive feature set of cloud-based tools.

"Since our beginnings in San Francisco in 1994, Telekenex has been dedicated to delivering quality communications solutions," says Brandon Chaney, CEO and co-founder of Telekenex.



"We are very proud of the products and services we've developed, as well as the care and service we have provided our customers. I feel confident that TelePacific will successfully carry that tradition forward and build upon our successes," says Anthony Zabit, COO and co-founder.

TelePacific plans to operate the business assets of Telekenex – its service offerings and customer operations - as a separate channel led by Chaney. "I am excited to be part of this dynamic company and I look forward to bringing hosted PBX and managed solutions to TelePacific," said Chaney.

Closing of the transaction is subject to customary closing conditions, including state and federal regulatory approvals. TelePacific will assume operational responsibility for Telekenex's customer base following regulatory approval, expected in the third quarter of 2011. Throughout the closing process, there will be no impact to Telekenex's customer service or support, and TelePacific and Telekenex will work together to ensure a seamless transition of customer service.

The exclusive legal advisor to TelePacific was Gibson, Dunn & Crutcher LLP. The exclusive financial and legal advisors to Telekenex were D.A. Davidson & Co., Gunderson Dettmer and DLA Piper.

#### **About TelePacific Communications**

TelePacific Communications is a competitive telecommunications carrier that serves business customers throughout California and Nevada. Headquartered in Los Angeles, the Company is the leading competitive carrier in its footprint. TelePacific offers a host of IP, voice, data and Internet services, as well as business continuity, security and managed solutions. For more information, visit [www.telepacific.com](http://www.telepacific.com).

#### **About Telekenex**

Headquartered in Seattle and San Francisco, Telekenex is a business-grade IP service provider with a robust private international network and innovative cloud based solutions, including hosted VoIP, call center, MPLS + Internet, managed ethernet and security. For more information, visit [www.telekenex.com](http://www.telekenex.com).