



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu/

TELECOMMUNICATIONS

IN THE MATTER OF THE JOINT PETITION)
OF LIGHTYEAR NETWORK SOLUTIONS, LLC)
AND WHERIFY WIRELESS, INC. FOR APPROVAL)
OF THE INDIRECT TRANSFER OF CONTROL)
OF LIGHTYEAR NETWORK SOLUTIONS, LLC)
TO WHERIFY WIRELESS, INC.)

ORDER OF APPROVAL

BPU DOCKET NO: TM08080610

(SERVICE LIST ATTACHED)

BY THE BOARD:

On August 29, 2008, Lightyear Network Solutions, LLC ("Lightyear") and Wherify Wireless, Inc. ("Wherify") (together "Petitioners") filed a joint petition with the Board of Public Utilities ("Board") pursuant to N.J.S.A. 48:2-51.1 and N.J.A.C. 14:1-5.14 requesting approval of a transaction that will result in the indirect transfer of control of Lightyear to Wherify through the merger of Lightyear's parent, LY Holdings, LLC ("Holdings") into and with a subsidiary of Wherify. Upon consummation of the proposed transaction, Lightyear will continue to operate in New Jersey, and will continue to provide services to its existing customers in New Jersey pursuant to the existing rates, terms and conditions.

BACKGROUND

Lightyear, formally known as Lightyear Communications, Inc., is a limited liability company organized under the laws of the Commonwealth of Kentucky, with offices located in Louisville, Kentucky. Lightyear is a wholly owned subsidiary of LY Holdings, LLC ("Holdings") which in turn is owned by a series of investors including LANJK, LLC, SullivanLY, LLC, and Rice-LY Ventures, LLC. Lightyear is authorized to provide local exchange telecommunications services in 44 states and long distance telecommunications services in 49 states. In New Jersey, Lightyear provides Residential and Business UNEP, Calling Card, Local PRI, DSL, 800 Switched, 800 dedicated, and long distance services. Lightyear was authorized by the Board to provide facilities-based local exchange and interexchange telecommunications services

pursuant to Docket No. TM03121032. See Order, I/M/O the Joint Petition of Lightyear Communications, Inc., Lightyear Telecommunications, LLC and Lightyear Network Solutions, LLC for Approval of Transfer of Assets, Authorization to Provide Telecommunications Services and Related Financing Transactions dated March 3, 2004. As of August 2008, Lightyear had approximately 270 customers and no employees in New Jersey.

Wherify, a Delaware corporation, is a public company with its principal office located in San Mateo, California. The petition states that Wherify is a developer of patented wireless location products and services for family safety and business communications. For the purpose of completing the proposed transaction, Wherify created a wholly-owned merger subsidiary named Wherify Acquisition, Inc. ("Merger Sub"), a Delaware corporation.

DISCUSSION

According to the petition, the Petitioners have entered into an Agreement and Plan of Merger ("Agreement") on August 12, 2008 whereby Merger Sub will merge with Holdings, with Holdings surviving. As a result, Holdings will be a direct, wholly-owned subsidiary of Wherify, and Lightyear will be an indirect subsidiary of Wherify. Petitioners state that following the transaction, Holdings' current owners will hold, on a fully diluted basis, approximately 51 percent combined interest in Wherify. Petitioners, therefore, are requesting authority for the indirect transfer of control of Lightyear to Wherify. Petitioners state that upon consummation of the transaction, Lightyear will continue to operate in New Jersey, with no change in the name of the company or in its rates, terms and conditions of service. As a result, Petitioners claim that the transfer will be virtually transparent to Lightyear customers. Additionally, the proposed transfer will have no negative impact on Lightyear's New Jersey employees, as Lightyear currently has no employees in New Jersey.

Petitioners assert that the proposed transaction is in the public interest. The proposed merger will enable Lightyear to obtain access to additional financial resources as a result of its new publicly-traded parent company. These additional resources will allow Lightyear the ability to offer a broader range of services and thus strengthen its competitive position in New Jersey to the benefit of New Jersey's consumers and the State's telecommunications marketplace.

FINDINGS AND CONCLUSIONS

After a thorough review of the petition and all related documents, the Board concludes that there will be no negative impact on service quality to New Jersey customers or the rates they pay. Additionally, there will be no negative impact on competition. The operations of Lightyear will not be affected by this transaction and it will have no negative impact on employees. Moreover, a positive benefit may be expected from the strengthening of Lightyear's competitive posture in the telecommunications market due to its access to additional resources.

Accordingly, after careful review of this matter, the Board FINDS that the change of control will have no material impact on the rates of current customers, or on employees. The Board also FINDS that the transfer will have no negative impact on the provision of safe, adequate and

proper service, and may positively benefit competition. Therefore, after investigation, having considered the record and exhibits submitted in this proceeding, the Board FINDS that the proposed transfer is in accordance with the law and is in the public interest. The Board HEREBY ORDERS that the Petitioners shall notify the Board of the closing of the proposed transactions within 7 days of the consummation of the transaction. The Board FURTHER ORDERS that this approval will expire if the transaction is not fully consummated on or before October 31, 2009.

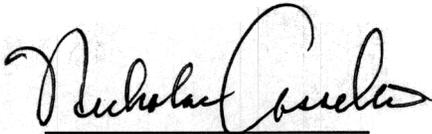
DATED: 10/23/08

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT

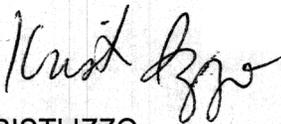

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COMMISSIONER


JOSEPH L. FIORDALISO
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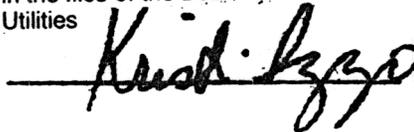

NICHOLAS ASSELTA
COMMISSIONER


ELIZABETH RANDALL
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



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Docket No. TM08080610

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