

EXPLANATION OF STOCK TRANSACTION
LATE FILING OF TRANSFER OF CONTROL APPLICATION

Endstream was founded in 2007 by Mr. Erik Levitt and Mr. Dov Schwartz, each of whom owned an equal 50% share of the Company. Endstream operates as a wholesale provider of Telecommunications services that are purchased by other carriers to provide interconnected VoIP, toll free, calling card and other communications services. Mr. Levitt serves as CEO and, from Endstream's inception, has managed the day-to-day operations of Endstream. Mr. Schwartz was primarily an investor, who did not participate substantially in running the Company.

On December 31, 2011, Transferor, who at the time owned 50% of the Endstream stock, left the partnership. His share of the Company was distributed among Mr. Levitt and two new investors, resulting in the following ownership of Endstream:

Erik Levitt, 41%

Dan Pulver: 41%

Avinash Kenkare: 18%

Subsequently, October 8, 2016, Brian Stone acquired 8% of the Company's stock, which resulted in the following ownership shares, which exists today:

Erik Levitt, 37.5%

Dan Pulver: 37.5%

Avinash Kenkare: 17%

Brian Stone: 8%

Because Mr. Levitt had exercised *de facto* control of Endstream since its inception, he did not view the transaction that occurred in 2011 as having conferred on him any greater control of the Company than he had already continuously exercised for the preceding four years. It never occurred to him at that time or subsequently that FCC approval might be required. The subsequent transfer of 8% of the stock to Mr. Stone that occurred on October 8, 2016 did not involve a transfer of control that would have required approval.

On September 11, 2018, Endstream entered into a stock purchase agreement with Hammer Fiber Optic Holdings Corp, whereby Hammer will purchase 100% of the stock of Endstream. In the process of preparing a Section 214 Transfer of Control Application for this transaction,

Endstream's regulatory consultant, Inteserra Consulting Group ("Inteserra"), questioned whether Mr. Schwartz remained an owner of Endstream and, when they determined that he did not, investigated the requirement for Endstream to have filed a Transfer of Control application for approval of the ownership change that occurred when Mr. Schwartz departed from the Company in 2011. Inteserra determined and advised Mr. Levitt that a Transfer of Control Application should have been filed for that transaction. Accordingly, Endstream is now submitting a Section 214 STA in conjunction with this application for approval of the transfer of control that took place in 2011. It is also filing a separate transfer of control application with respect to the purchase of Endstream by Hammer Fiber Optic Holdings Corp.

Endstream's oversight in failing to seek and obtain the required approval for the 2011 transfer at the time of the transaction, while not excused, is certainly understandable. This was not an intentional violation; rather, the principals simply did not perceive the transaction as a major change in control. Moreover, once the problem was discovered, Endstream has taken prompt action to notify the Commission and correct matters.

Endstream is taking steps to avoid such regulatory compliance failures in the future. They have conferred with their regulatory consultant and been briefed on the types of transactions that require FCC notification and/or approval. Inteserra will be consulted in the future regarding any significant changes in company equity ownership and/or voting control.