

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

U.S. TELEPACIFIC CORP., *et al.*¹

Debtors.

Chapter 11

Case No. 26-90625 (ARP)

(Jointly Administered)

**NOTICE OF CANCELLATION OF AUCTION AND
PROCEEDING WITH REORGANIZATION TRANSACTION**

PLEASE TAKE NOTICE that, on June 29, 2026, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed the *Debtors’ Emergency Motion for Entry of an Order (I)(A) Approving Bid Procedures and Authorizing Sale Transaction; (B) Authorizing Designation of Stalking Horse Bidder; (C) Scheduling Auction and Sale Hearing; (D) Approving Sale Notices; (E) Approving Assumption and Assignment Procedures; and (II) Granting Related Relief* [Docket No. 17] (the “Bid Procedures Motion”), seeking approval of certain Bid Procedures (as defined therein), which was granted by the Court on June 29, 2026 [Docket No. 66] (the “Bid Procedures Order”).²

PLEASE TAKE FURTHER NOTICE that, concurrently therewith, the Debtors filed the (i) *Joint Chapter 11 Plan of U.S. TelePacific Corp. and Its Debtor Affiliates* [Docket No. 15, as amended by Docket No. 105] (as further amended, supplemented, or modified from time to time, the “Plan”) and (ii) the related Disclosure Statement, which was conditionally approved on July 7, 2026 [Docket No. 115].

PLEASE TAKE FURTHER NOTICE that the Debtors did not receive any Qualified Bids by the Bid Deadline (each as defined in the Bid Procedures).

PLEASE TAKE FURTHER NOTICE that, consistent with Article XI of the Bid Procedures, the Debtors, in consultation with the Consultation Parties, have **cancelled the Auction** previously scheduled for August 12, 2026 and **will not be proceeding with the Sale Transaction.**

¹ The Debtors in these chapter 11 cases, together with the last four digits of the Debtors’ federal tax identification numbers, are: U.S. TelePacific Holdings Corp. (0151); Mpower Holding Corporation (N/A); Mpower Communications Corp. (0042); TPx International Holdings Corp. (N/A); U.S. TelePacific Corp. (3876); NextWeb, Inc. (7530); DSCI, LLC (1304); OCiX, Inc. (2715); Arrival Communications, Inc. (2990); TPx Communications Co. (8824); Big City Networks, Inc. (N/A); and ICG ChoiceCom L.P. (N/A). The Debtors’ service address is Plaza 7000 North Mopac Expressway, Suite 2080, Austin, TX 78731.

² Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Bid Procedures Order or the Plan, as applicable.

PLEASE TAKE FURTHER NOTICE that, consistent with Article XI of the Bid Procedures, the Debtors hereby provide notice that they are **proceeding with the Reorganization Transaction** pursuant to the terms of the Plan.

PLEASE TAKE FURTHER NOTICE that, the Combined Hearing, at which the Bankruptcy Court will consider, among other things, final approval of the adequacy of the Disclosure Statement and confirmation of the Plan, shall be held on **September 2, 2026, at 11:00 a.m. (prevailing Central Time)**. Any objections to the adequacy of the Disclosure Statement and confirmation of the Plan must be filed on or before **August 26, 2026**.

PLEASE TAKE FURTHER NOTICE that copies of the foregoing pleadings may be obtained (i) at the website established by the Debtors' noticing agent, Kroll Restructuring Administration LLC, at <https://restructuring.ra.kroll.com/TPx>, (ii) from the Court's website <http://www.txs.uscourts.gov> via ECF/Pacer, or (iii) upon request to the undersigned.

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Dated: August 10, 2026
Houston, Texas

Respectfully submitted,

/s/ Chelsea McManus

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*Attorneys for the Debtors
and Debtors in Possession*

Certificate of Service

I certify that on August 10, 2026, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Chelsea McManus
Chelsea McManus