

be a going private transaction. Once the short-form merger is complete, Axesstel will file a Form 15 and formally deregister Axesstel under the Securities Exchange Act of 1934. The negotiations regarding this transaction are nearly complete. As of now, the necessary funds needed to complete the transaction have been staged and will be placed in escrow in the United States shortly. Given the advanced stage of negotiations and discussions with the buyer's counsel, we continue to anticipate that the tender offer will commence in June 2017, and be completed in July or August 2017.

In light of this transaction, revocation of the registration of Axesstel's securities would not serve as a deterrent and should not be imposed. Revocation is used to deter a company's non-compliance through the deregistration of a company's securities. *See Absolute Potential, Inc.*, Exchange Act Release No. 71866, 2014 WL 1338256, at *6 (Apr. 14, 2014); *Citizens Capital Corp.*, Exchange Act Release No. 67313, 2012 WL 2499350, at *8 (June 29, 2012). In this case, however, completion of the transaction would lead to the same ultimate result as revocation, deregistration of Axesstel's securities. Because Axesstel will be deregistered upon completion of the transaction, revocation would not deter any future non-compliance. Since revocation would not deter future non-compliance and deregistration will already occur upon completion of the transaction, revocation is not the appropriate remedy.

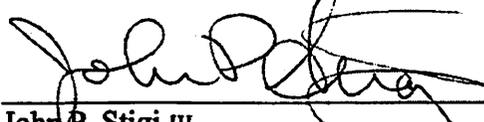
Revocation would harm rather than protect both current and potential investors and is not the appropriate remedy. Revocation is a tool used to protect both current and potential investors. *See, e.g., Absolute Potential*, 2014 WL 1338256, at *6. Here, revocation would not protect but would harm both current and potential investors. First, if registration of Axesstel's securities are revoked prior to the tender offer, completing the pending transaction would become more costly, time-consuming, and nearly impossible. This would occur because brokers and dealers would be

barred from sending tender off materials to clients through inter-state commerce. The additional burdens revocation would place on the transaction would harm the current and potential investors. Axesstel's stockholders would be unable to take advantage of the tender offer and the potential buyer would be either barred from completing its transaction or would need to exert even greater resources to complete it. Second, revocation would not protect an uninformed potential investor. Here, the potential buyer is fully aware of Axesstel's financial circumstances and is choosing to proceed with the transaction. Revocation would only harm the buyer by hindering its efforts and leading to the use of more resources. Thus, revocation would harm both current and potential investors and is not the appropriate remedy.

In light of the pending transaction and the impropriety of revocation as a remedy, Axesstel respectfully requests that the administrative law judge avail itself of the full 120 days as permitted by Rule of Practice 360(a) to make its initial decision. Axesstel also respectfully requests that the administrative law judge does not revoke the registration of its securities.

Respectfully submitted this 23d day of June, 2017.

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP



John P. Stigi III
1901 Avenue of the Stars, 16th Floor
Los Angeles, California 90067
(310) 228-3717

Attorneys for Respondent Axesstel, Inc.