

# BINGHAM

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070000-01

September 26, 2007

### Via Overnight Courier

Ann Cole, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

RECEIVED-FPSC  
07 SEP 27 AM 10:01  
COMMISSION  
CLERK

### Re: Notice of Indirect Transfer of Control of Broadview Networks Holdings, Inc. and its Subsidiaries

Dear Ms. Cole:

Broadview Networks Holdings, Inc. ("Broadview Holdings"), and its direct and indirect subsidiaries A.R.C. Networks, Inc. ("A.R.C."), ATX Licensing, Inc. ("ATX"), BridgeCom International, Inc. ("BridgeCom"), and Broadview Networks, Inc. ("Broadview Networks") (collectively, the "Parties"), through undersigned counsel, hereby notify the Florida Public Service Commission ("Commission") of a financial transaction that may result in the transfer of ownership control of Broadview Holdings, and the indirect transfer of control of A.R.C., ATX, BridgeCom, and Broadview Networks (these subsidiaries collectively referred to as "Licensees").

Licensees are competitive carriers that hold authority from the Commission to provide telecommunications services. The proposed transactions will be entirely transparent to customers and will not affect the day-to-day operations of the Licensees or their technical or managerial qualifications.

Upon review of Florida statutes and rules, the Parties understand that approval of the transactions by the Commission is not necessary. Accordingly, the Parties submit this filing as a courtesy and to ensure the continuing accuracy of the Commission's records.

In support, the Parties state as follows:

### I. DESCRIPTION OF THE PARTIES

Broadview Holdings is a privately held Delaware corporation with offices located at 800 Westchester Avenue, Suite N-501, Rye Brook, New York 10573. Broadview Holdings is the ultimate parent company of Broadview Networks, Broadview NP Acquisition Corp., BridgeCom, TruCom Corporation, ATX, A.R.C., and Eureka Telecom, Inc., each of which provides telecommunications services in multiple states. Broadview Holdings is

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also the indirect parent of Broadview Networks of Virginia, Inc., ATX Telecommunications Services of Virginia, Inc., Eureka Telecom of VA, Inc. and InfoHighway of Virginia, Inc., which provide telecommunications services in Virginia. Below is a brief description of each service provider and its authority in Florida:

- A. Broadview Networks is a network-based electronically integrated communications provider which serves small and medium-sized businesses in the northeastern and mid-Atlantic United States. Broadview Networks is authorized to provide competitive telecommunications services in approximately 20 states and holds authority from the FCC to provide international and interstate service.

State of Incorporation: New York

Address: 800 Westchester Avenue, Suite N-501, Rye Brook, NY.

Florida Authority: Broadview Networks is authorized to provide local exchange and interexchange telecommunications services pursuant to Commission authority granted in Docket Nos. 020238-TI and 020239-TX on July 18, 2002.

- B. BridgeCom serves small and medium-sized businesses in the northeastern and mid-Atlantic United States. BridgeCom is authorized to provide competitive telecommunications services in approximately 20 states and holds authority from the FCC to provide international and interstate service.

State of Incorporation: Delaware

Address: 800 Westchester Avenue, Suite N-501, Rye Brook, NY.

Florida Authority: BridgeCom is authorized to provide interexchange telecommunications services pursuant to Commission authority granted in Docket No. 010665-TI on September 24, 2001.

- C. ATX serves small and medium-sized businesses in the mid-Atlantic United States. ATX is authorized to provide competitive telecommunications services in approximately 40 states and holds authority from the FCC to provide international and interstate services.

State of Incorporation: Delaware

Address: 800 Westchester Avenue, Suite N-501, Rye Brook, NY.

Florida Authority: ATX is authorized to provide interexchange telecommunications services pursuant to Commission authority granted in Docket No. 920563-TI on August 6, 1992.

- D. A.R.C. serves small and medium-sized businesses in the northeastern United States and selected areas of Texas. A.R.C. is authorized to provide competitive telecommunications services in approximately 30 states and holds authority from the FCC to provide international and interstate services.

State of Incorporation: New York

Address: 800 Westchester Avenue, Suite N-501, Rye Brook, NY.

Florida Authority: A.R.C. is authorized to provide local exchange and interexchange telecommunications services pursuant to Commission authority granted in Docket Nos. 960792-TX and 960610-TI on November 19, 1996 and December 16, 1996, respectively.

Further information regarding the Parties' technical, managerial, and financial qualifications has been submitted previously to the Commission, is therefore a matter of public record, and is incorporated herein by reference.

## **II. CONTACTS**

Questions or any correspondence, orders, or other materials pertaining to this filing should be directed to the following.

For Parties:

Catherine Wang  
Danielle Burt  
Bingham McCutchen LLP  
2020 K Street, N.W.  
Washington, DC 20006  
(202) 373-6000 (Tel)  
(202) 373-6001 (Fax)  
catherine.wang@bingham.com (Email)  
danielle.burt@bingham.com (Email)

With copies to:

Charles Hunter  
Executive Vice President and General  
Counsel  
Broadview Networks Holdings, Inc.  
800 Westchester Avenue, Suite N-501  
Rye Brook, NY 10573

## **III. DESCRIPTION OF THE TRANSACTIONS**

Broadview Holdings plans to issue new stock in an aggregate amount of up to \$500 million through either a private placement or a public offering of Broadview Holdings stock. The proceeds of the stock sale may be used for a variety of business purposes

including network expansion, technological upgrades and other capital investments, as well as to provide working capital and defray transaction costs. The proceeds may also be used to repurchase outstanding stock, providing Broadview Holdings' current investors with a potential liquidity event. As a result of the anticipated stock issuance, ownership of Broadview Holdings may be dispersed among multiple new shareholders and control of Broadview Holdings and its subsidiaries and their respective Boards of Directors may be relinquished by its current owners.

The largest of the current owners of Broadview Holdings are Baker Capital (which controls approximately 15%) and MCG Capital Corporation (which controls approximately 47%). No other shareholder currently owns or controls 10% or greater of Broadview Holdings. MCG Capital Corporation controls more than 50.0% of the stock entitled to vote and is contractually entitled to appoint a majority of the Board of Directors of Broadview Holdings.

Following the stock issuance, it is not anticipated that any new shareholder would own 10% or more of Broadview Holdings, although Baker Capital and MCG Capital Corporation may each retain a 10% or greater stake in the Broadview Holdings. The Parties therefore notify the Commission of the indirect transfer of control of Broadview Networks, Bridgecom, ATX, and A.R.C. that may result from these transactions.

Although the proposed transactions may change the underlying ownership of Broadview Holdings, it is not anticipated that they will change the day-to-day management and operations of Broadview Holdings or its licensed subsidiaries. It is anticipated that current management will remain in place and the Licensees will continue to offer service with no change in the rates or terms and conditions of service. Therefore, any change in ownership is anticipated to be seamless and transparent to consumers in the State of Florida.

Broadview Holdings will continue to maintain the technical, managerial, and financial qualifications to operate the Licensees and provide telecommunications services in Florida. Broadview Holdings is currently operated by a highly qualified management team, all of who have extensive backgrounds in telecommunications.

#### **IV. PUBLIC INTEREST STATEMENT**

The Parties submit that the transactions described herein will serve the public interest. The proposed transactions will provide Broadview Holdings, as well as its subsidiaries, access to additional financing. Such financing will allow Broadview Holdings and the Licensees greater resources and flexibility to implement their business plans, ultimately making the Licensees stronger competitors to the benefit of Florida customers. Further, the transactions will be conducted in a manner that is anticipated to be transparent to customers in Florida. A transfer of control of Broadview Holdings will not result in any transfer of authorizations. Following consummation of the proposed transactions, Licensees will continue to provide high-quality communications services to their customers without interruption and without immediate change in rates, terms or

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conditions. The Parties emphasize that the proposed indirect transfer of control is anticipated to be seamless and completely transparent to the customers in Florida, and in no event will it result in the discontinuance, reduction, loss, or impairment of service to customers.

**V. CONCLUSION**

For the reasons stated above, the Parties submit that the public interest, convenience, and necessity would be furthered by the transactions.

An original and fifteen (15) copies of this notification letter are enclosed for filing. Also enclosed is a diskette containing an Adobe copy of this filing. Please date-stamp the enclosed extra copy of this letter and return it in the attached self-addressed, stamped envelope. Please contact the undersigned if the Commission has any questions regarding this letter or the transaction.

Respectfully submitted,



Catherine Wang  
Danielle Burt

STATE OF NEW YORK  
COUNTY OF WEST CHESTER

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§ SS:  
§

**VERIFICATION**

I, Charles Hunter, state that I am Executive Vice President and General Counsel of Broadview Networks Holdings, Inc.; that I am authorized to make this Verification on behalf of Broadview Networks Holdings, Inc., and as the ultimate parent of the following subsidiaries: Broadview Networks, Inc., BridgeCom International, Inc., TruCom Corporation, Broadview NP Acquisition Corp., ATX Licensing, Inc., A.R.C. Networks, Inc., Eureka Telecom, Inc.; that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.



Charles Hunter  
Executive Vice President and General Counsel  
Broadview Networks Holdings, Inc.

Sworn and subscribed before me this 7 day of September, 2007.

  
Notary Public

My commission expires 9/21/09

**COREY RINKER**  
NOTARY PUBLIC, STATE OF NEW YORK  
No. 02R16013490  
QUALIFIED IN WESTCHESTER COUNTY  
MY COMMISSION EXPIRES 9/21/2009

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2540 Shumard Oak Blvd.  
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07 SEP 27 AM 9:13

REGISTRATION CENTER

**Re: Notice of Indirect Transfer of Control of Broadview Networks Holdings, Inc. and its Subsidiaries**

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Boston  
Hartford  
Hong Kong  
London  
Los Angeles  
New York  
Orange County  
San Francisco  
Santa Monica  
Silicon Valley  
Tokyo  
Walnut Creek  
Washington

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