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C O U N S E L O R S A T L A W

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PUBLIC VERSION

March 10, 2015

VIA ELECTRONIC FILING

Burl W. Haar, Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East
Suite 350
St. Paul, MN 55101-2147

Re: Joint Application of MegaPath Corporation and MegaPath Cloud Company for Approval to Assign a Certificate of Authority and to Transfer Certain Assets

Dear Mr. Harr:

On behalf of the MegaPath Corporation ("MegaPath") and MegaPath Cloud Company d/b/a VoIPCo ("VoIPCo") (collectively, "Applicants"), attached for filing with the Commission is an Application for Approval to assign MegaPath's Certificate of Authority and certain assets to VoIPCo. Please note that the financial statements in Exhibit 2 contain sensitive information constituting trade secret information or privileged data under Minn. Stat. § 13.37 ("Trade Secret Information"). Accordingly, this Privileged Data is being submitted only with the Non-Public Version of this filing and has been excised from the Public Version. Pursuant to the Minnesota Public Utilities Commission's Revised Procedures for Handling Trade Secret and Privileged Data (Sept. 1, 1999), "Applicants") provide this justification for the Privileged Data designation of information in Exhibit 2:

As provided by Minn. Stat. § 13.37, Applicants have taken necessary measures to prevent disclosure of such Privileged Data to competitors. Unrestricted availability of the details of the Privileged Data would provide competitors with key knowledge regarding the Applicants' business and finances that would otherwise be unavailable and could place the Applicants at a significant competitive disadvantage. Privileged treatment of the financial statements data is therefore required to avoid commercial and competitive injury. Applicants therefore employ all reasonable means to maintain the confidentiality of this information.

The non-public version of this filing is being served electronically on the Department of Commerce.

Please acknowledge receipt and acceptance of this filing. Should you have any questions concerning this filing, please do not hesitate to contact the undersigned at (202) 373-6002.

Burl W. Haar, Executive Secretary
March 10, 2015
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Morgan Lewis
C O U N S E L O R S A T L A W

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Russell M. Blau" and "Jeffrey R. Strenkowski".

Russell M. Blau
Jeffrey R. Strenkowski

**BEFORE THE STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION**

Beverly Jones Heydinger	Chair
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
John Tuma	Commissioner
Betsy Wergin	Commissioner

_____)	
Joint Application of)	
)	
MegaPath Corporation)	Docket No. _____
and)	
MegaPath Cloud Company)	
)	
for Approval to Assign a Certificate of Authority)	
and to Transfer Certain Assets)	
_____)	

APPLICATION

I. INTRODUCTION

MegaPath Corporation (“MegaPath”) and MegaPath Cloud Company, LLC (“VoIPCo,” and together with MegaPath, “Applicants”), by their undersigned counsel, and pursuant to Minnesota Statutes § 237.23 and §237.74, Subd. 12 and all other Minnesota laws and regulations deemed applicable, request approval from the Minnesota Public Utilities Commission (“Commission”), to the extent necessary, to assign MegaPath’s certificate of authority and certain assets to its subsidiary, VoIPCo (the “Transaction”). MegaPath and VoIPCo anticipate and are working towards a closing on or before March 31, 2015, and as such respectfully request expedited processing of this Application.

In support of this Application, Applicants state:

I. DESCRIPTION OF THE APPLICANTS

A. MegaPath Corporation

MegaPath Corporation (“MegaPath”) is a Virginia corporation with principal offices at 6800 Koll Center Parkway, Suite 200, Pleasanton, CA 94566. MegaPath is a leading nationwide provider of integrated voice and data communications. MegaPath offers commercial DSL, Voice over IP (“VoIP”), T1, Ethernet, Web hosting, managed security, IP and dial-up, wireless broadband, and bundled VoIP and data services to small medium-sized businesses, enterprise businesses through MegaPath’s network and through Internet Service Providers, value-added resellers, telecommunications carriers and affinity groups, as well as commercial DSL, T1, Ethernet, and other data services to wholesale customers who provide their own services using the MegaPath network.

In Minnesota, MegaPath is authorized to provide local exchange and interexchange telecommunications services pursuant to Commission authorization issued in Docket No. P5692/NA-98-1259.

CCGI Holding Corporation (“CCGI Holding”) is a Delaware corporation with offices located at 555 Anton Blvd., Ste. 200, Costa Mesa, CA 92626. CCGI Holding is the parent company of MegaPath. CCGI is privately held by investors, including Platinum Equity LLC (“Platinum”). Neither CCGI Holding nor Platinum offers any regulated telecommunications services. Platinum is a privately held Delaware limited liability company with offices located at 360 North Crescent Drive, Beverly Hills, California 90210. Platinum is a global firm specializing in the merger, acquisition, and operation of companies that provide services and solutions to customers in a broad range of business markets, including information technology, telecommunications, logistics, manufacturing, and entertainment distribution.

B. MegaPath Cloud Company

MegaPath Cloud Company (“VoIPCo”) is a Delaware limited liability company with principal offices located at 6800 Koll Center Parkway, Suite 200, Pleasanton, CA 94566. VoIPCo is a newly created subsidiary of MegaPath. Following the Transaction, VoIPCo will continue to be owned by CCGI Holding (either directly or through indirect ownership), and will continue to be ultimately controlled by Platinum.

II. CONTACT INFORMATION

For the purposes of this Application, contacts for the Applicants are as follows:

Russell M. Blau
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jeffrey.strenkowski@morganlewis.com

With a copy to:

Steven B. Chisholm
Senior Vice President
MegaPath Corporation
6800 Koll Center Parkway, Suite 200
Pleasanton, CA 94566
steve.chisholm@megapath.com

III. REQUEST FOR APPROVAL FOR APPLICANTS TO PARTICIPATE IN AN INTRA-COMPANY TRANSACTION

In February 2015, MegaPath entered into a transaction with GTT Communications, Inc. (“GTT”) whereby GTT intends to acquire MegaPath’s non-regulated managed services business. To effectuate this transaction, MegaPath intends to transfer its existing VoIP services business, VoIP customers (all of which are business and enterprise customers), and Minnesota certificate of authority to VoIPCo through an intra-company transfer. Once accomplished, MegaPath, as an unregulated entity providing non-regulated services, will be transferred to GTT. VoIPCo will step into MegaPath’s shoes, and will continue to provide VoIP services to customers in Minnesota and elsewhere. The assets to be transferred from MegaPath to VoIPCo will consist of the VoIP

customer base and related accounts and contracts, as well as the assets used to provide VoIP services to those customers. A chart depicting the Transaction is attached as Exhibit 1.

The Applicants emphasize that the customers being transferred are business and enterprise customers, and not residential customers. The Applicants intend to notify customers of the assignment of their service to VoIPCo pursuant to the terms of their service contracts. In the interest of assuring seamless and uninterrupted service, all of the assigned customers will continue to receive service from VoIPCo under the same rates, terms and conditions of service as were previously provided by MegaPath. Future changes in the rates, terms and conditions of service to the affected customers will be undertaken pursuant to customer contracts and any applicable federal and state notice and tariff requirements.

IV. VOIPCO'S QUALIFICATIONS TO PROVIDE SERVICES

VoIPCo is a subsidiary of MegaPath, and after the Transaction will continue to have the administrative and financial capacity currently held by MegaPath to continue to provide VoIP services to the affected customers. Through the assignment of MegaPath's certificate of authority to VoIPCo, VoIPCo will become the regulated service provider in Minnesota, and will be subject to the same regulatory requirements that currently apply to MegaPath. Upon the approval of the Transaction, VoIPCo will adopt MegaPath's tariffs on file in Minnesota, if any, as well as its 911 plan. VoIPCo will likewise be responsible for collecting and remitting TAP and TAM fees as applicable under Minnesota law and Commission rules. MegaPath does not currently have any interconnection agreements ("ICAs") with any incumbent local exchange carriers in Minnesota that it intends to transfer to VoIPCo, as the underlying services are provided through wholesale and other non-ICA contractual arrangements primarily with competitive carriers. Further, MegaPath does not directly access telephone numbering resources and as such does not intend to

transfer any such resources to VoIPCo. VoIPCo will operate under the same terms of the certificate of authority held by MegaPath.

As evidence of the company's financial fitness to continue to provide VoIP services, it provides under seal as Exhibit 2 **CONFIDENTIAL** preliminary, pro forma financial statements of VoIPCo that demonstrates the finances of the VoIP business segment. Further, VoIPCo's management will be comprised of the same personnel that currently manage MegaPath. The Applicants respectfully assert that VoIPCo's fitness to provide services in Minnesota is evidenced by MegaPath's long-standing fitness to provide services in the state.

The result of the intra-company Transaction will be that VoIPCo will take over the regulatory obligations in Minnesota and continue to provide services to VoIP customers in the state. The Applicants emphasize that the Transaction will not effectuate a transfer of control of VoIPCo as the ultimate control of the company will not be changed. Commission approval of the transfer of MegaPath's certificate of authority and VoIP service business to VoIPCo is necessary for the Applicants to undertake the contemplated Transaction.

V. PUBLIC INTEREST CONSIDERATIONS

The proposed Transaction described herein is consistent with the public interest and will not impair the ability of the Applicants to perform services to the public. The Transaction will result in the assignment of VoIP customers and the business assets used to serve those customers to a subsidiary of MegaPath, which has a long history of providing high quality communications services in Minnesota. VoIPCo's operations will be overseen by a well-qualified management team with substantial telecommunications experience and technical expertise.

The Transaction is structured to assure an orderly transition of business VoIP customers from MegaPath to VoIPCo. In accordance with the terms of their service contracts, affected

customers will be properly notified of the Transaction and the change in their service provider from MegaPath to VoIPCo. In addition, immediately following consummation of the Transaction, VoIPCo will continue to provide service to customers with no immediate change in their rates or terms and conditions of service. The Transaction will therefore be virtually transparent and seamless to the affected customers in terms of the services they currently receive.

VI. CONCLUSION

For the reasons stated above, the Applicants submit that the public interest, convenience and necessity will be furthered by expeditious Commission approval of this Application.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Russell M. Blau".

Russell M. Blau
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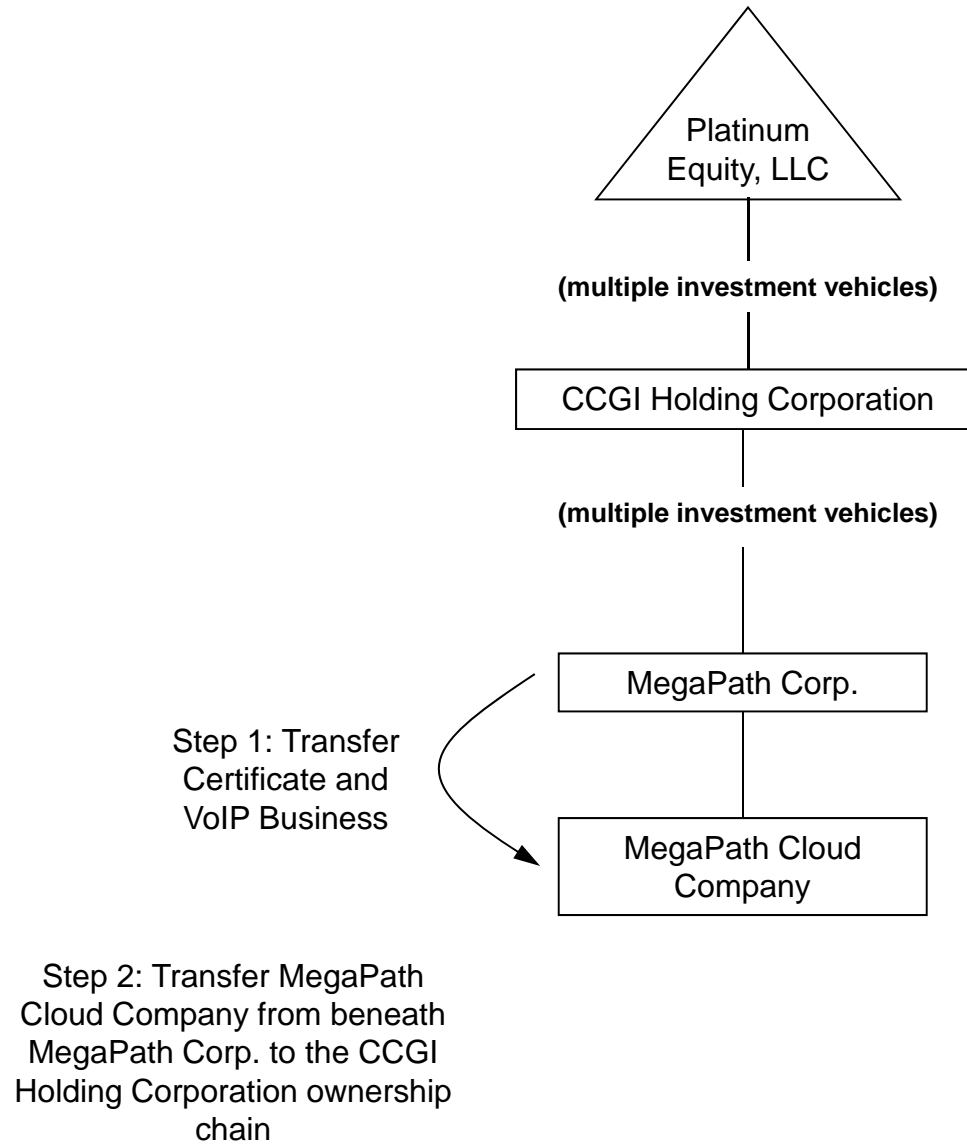
Counsel for the Applicants

Date: March 10, 2015

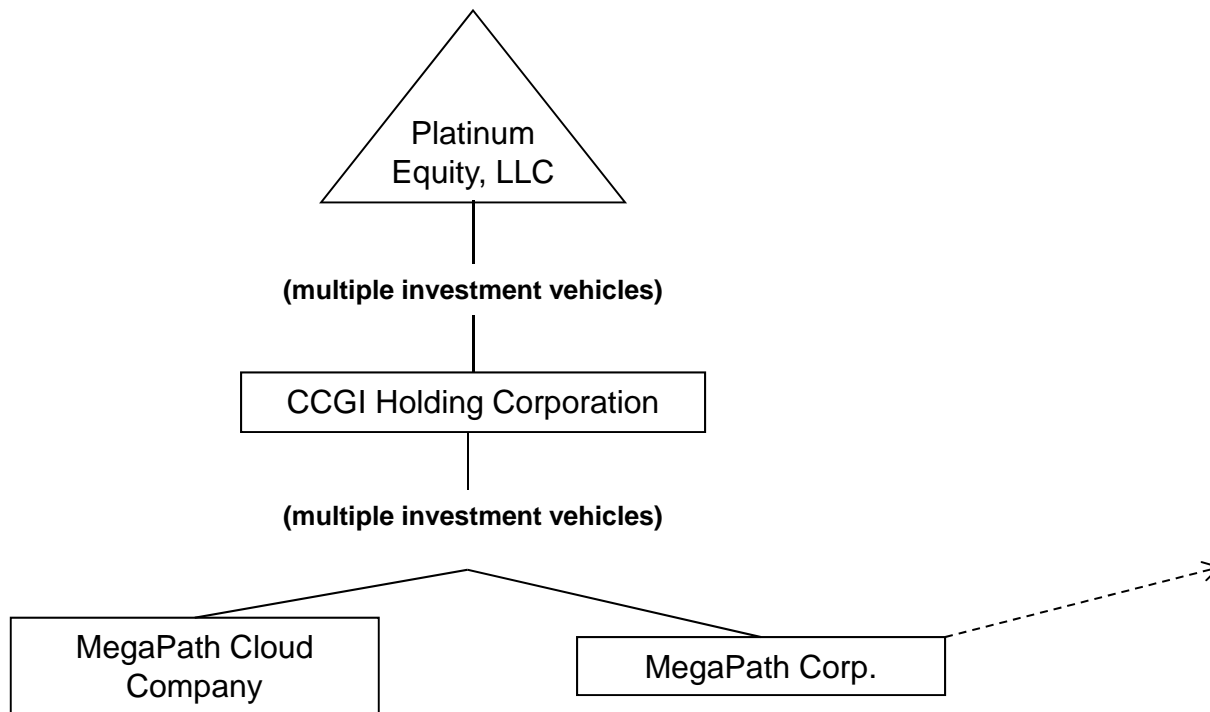
Exhibit 1

Transaction Chart

Pre-Transaction Organizational Chart



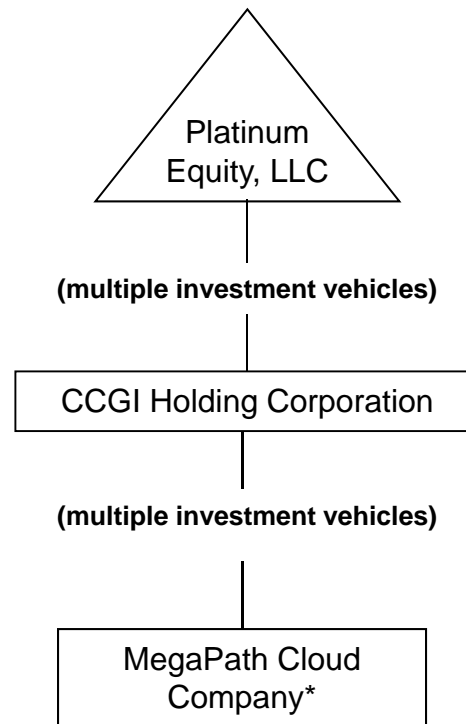
Transaction Organizational Chart



Step 2: Transfer of MegaPath Cloud Company from beneath MegaPath Corp

Step 3: Transfer of MegaPath to GTT.

Post-Transaction Organizational Chart



* Will hold certificate of authority and continue to provide VoIP services to MN customers.

Exhibit 2

Financial Statements

CONTAINS PRIVILEGED DATA -- NOT FOR PUBLIC DISCLOSURE

STATE OF CALIFORNIA
COUNTY OF ALAMEDA

§
§
§

VERIFICATION

I, Steven B. Chisholm, state that I am the Senior Vice President, Business Development, Legal and Regulatory of MegaPath Corporation, that I am authorized to make this Verification on behalf of MegaPath Corporation; 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.



Steven B. Chisholm
Senior Vice President, Business Development,
Legal and Regulatory
MegaPath Corporation

Sworn and subscribed before me this 9 day of March, 2015.


Notary Public

My commission expires March 8, 2017

