

KELLEY DRYE & WARREN LLP

A LIMITED LIABILITY PARTNERSHIP

WASHINGTON HARBOUR, SUITE 400

3050 K STREET, NW

WASHINGTON, D.C. 20007-5108

(202) 342-8400

FACSIMILE

(202) 342-8451

www.kelleydrye.com

NEW YORK, NY

LOS ANGELES, CA

CHICAGO, IL

STAMFORD, CT

PARSIPPANY, NJ

BRUSSELS, BELGIUM

AFFILIATE OFFICES

MUMBAI, INDIA

DIRECT LINE: (202) 342-8614

EMAIL: dsmith@kelleydrye.com

December 31, 2013

Mr. Burl Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

Electronically Filed

Re: Joint Application of Peerless Network, Inc. and IntelPeer, Inc. for Approval of a Transfer of Control of an Authorized Telecommunications Provider

Dear Mr. Haar:

Enclosed, on behalf of Peerless Network, Inc. and Intelpeer, Inc., please find a copy of the above-referenced application for approval of a transaction which resulted in the transfer of Intelpeer, Inc. to Peerless Network, Inc.

If there are any questions regarding this application, please contact me at (202) 342-8614 or via email at dsmith@kelleydrye.com. Thank you for your assistance with this matter.

Respectfully submitted,

/s/ Denise N. Smith

Denise N. Smith

Counsel for Peerless Network, Inc.

Enclosures

**Before the
State of Minnesota
Public Utilities Commission**

Joint Application of)	
)	
Peerless Network, Inc.)	
)	Docket No.
and)	
)	
IntelePeer, Inc.)	
)	
for Approval of a Transfer of Control of an)	
Authorized Telecommunications Provider)	

APPLICATION

Peerless Network Inc. (“Peerless”) and IntelePeer, Inc. (“IntelePeer,” and collectively with Peerless, “Applicants”), by their counsel and pursuant to Minn. Stat. Section 237.74, subd. 12 and any other applicable regulations hereby respectfully request authority from the Minnesota Public Utilities Commission (“Commission”) in connection with a transaction (“Transaction”) which resulted in the transfer of control of IntelePeer to Peerless.

As discussed below, on November 29, 2013 (the “Closing Date”), Peerless acquired all of the shares of common stock in IntelePeer. As a result of this Transaction, IntelePeer became a wholly-owned direct subsidiary of Peerless. The Transaction did not and will not result in any loss or impairment of service for any customers. At the time of the Transaction and currently, IntelePeer did not and does not have end user communications customers in Minnesota.

In support of this Joint Application, Applicants provide the following information:

I. DESCRIPTION OF THE APPLICANTS

A. IntelePeer

IntelePeer, previously a wholly-owned subsidiary of IntelePeer Holdings, Inc.¹, was organized under the laws of the State of Delaware on October 31, 2008. IntelePeer's principal offices are now located at 177 Bovet Rd Ste 400 San Mateo, CA 94402. IntelePeer offers communications services using fully managed, hosted, on-demand peering infrastructure to directly exchange voice traffic over traditional TDM networks, as well as over IP, between any application and any telephony device. In Minnesota, IntelePeer is authorized to provide local exchange telecommunications services and intrastate interexchange services pursuant to authority granted by the Commission in Docket No. 09-1355 (P-6832) on December 29, 2009. Additionally, IntelePeer holds similar authorities to provide intrastate interexchange and local exchange services in forty-five (45) other states, and the District of Columbia.

A diagram of IntelePeer's pre-close corporate structure is provided in **Exhibit A**.

B. Peerless Network, Inc.

Peerless is a corporation organized under the laws of the Delaware. Its principal place of business is 222 South Riverside Plaza, Suite 2730, Chicago, Illinois 60606. Peerless, through its subsidiaries, is a competitive local exchange carrier that provides interconnection services throughout the United States. A Peerless company is certificated to provide local exchange telecommunications services and intrastate interexchange services in Minnesota.² Based in Chicago, Illinois, Peerless relies on IP technology to provide signaling and call setup support for

¹ IntelePeer Holdings is a Delaware holding company with principal offices located at 177 Bovet Rd Ste 400 San Mateo, CA 94402.

² See the Order in Docket P6590/NA-06-1131 authorizing Peerless Network of Minnesota, LLC to provide resold and facilities-based local and interexchange telecommunications services; October 30, 2006.

calls originating, terminating or traversing its network, and operates as a CLEC, competitive tandem provider and long distance company throughout the United States. In 2012, Peerless Network's revenues were approximately \$63 million.

Founded in 2008, Peerless has invested nearly \$30 million in over 40 major markets across the country since inception. Peerless has achieved a number of significant operational and financial milestones, including: building an combined TDM and IP network connected to nearly every major domestic carrier offering call origination and termination services in over 100 LATAs (Local Access Transport Areas) and 30 MTAs (Major Trading Areas); and obtaining certification to provide services in 33 states and Washington, D.C. (with applications pending for 2 more states). Peerless Network currently provides its full range of services in 27 states and in the District of Columbia.

Peerless' success is built on its unique network design. Peerless employs centralized, redundant call routing databases to route calls on a national level versus the industry norm of localized switching and signaling control. Peerless also uses regional media gateways to direct calls from multiple LATAs through its national IP network for transport and termination to one of the hundreds of carriers with whom it has direct interconnection arrangements. Peerless' regional media gateway centers are termination points for customer and network switch interconnections via locally-accessed points of presence.

As noted, a Peerless subsidiary is authorized by this Commission to provide competitive intrastate telecommunications services pursuant to a Certificate of Public Convenience and Necessity. The Commission's grant of authority to Peerless Network of Minnesota, LLC reflects its finding that Peerless is qualified to own and operate a telecommunications carrier in

Minnesota. Peerless respectfully requests that the Commission take official notice of previously filed evidence of Peerless' qualifications and incorporate it by reference herein.

The officers of Peerless are John Barnicle, President and Chief Executive Officer and Doug Lee, Chief Financial Officer with an address of 222 South Riverside Plaza, Suite 2730, Chicago, Illinois 60606. Peerless' Board of Directors is comprised of the following individuals all located at 222 South Riverside Plaza, Suite 2730, Chicago, Illinois 60606: John Barnicle, Doug Lee, Jeff Diehl, Lynn Refer, and Ted Schell.

A diagram identifying the pre-close corporate structure of Peerless is provided in **Exhibit A**.

II. DESIGNATED CONTACTS

The designated contacts for questions concerning this notice are:

Denise N. Smith, Esq.
Kelley Drye & Warren LLP
3050 K Street, N.W.
Washington, D.C. 20007
Tel: 202.342.8614
dsmith@kelleydrye.com

with a copy to:

Julie M. Oost
VP, Regulatory Affairs and Contract Management
Peerless Network Inc.
222 S. Riverside, Suite 2730
Chicago, IL 60606
Tel: 312.878.4137
Joost@peerlessnetwork.com

III. DESCRIPTION OF THE TRANSACTION

On November 29, 2013, Peerless entered into an Agreement with IntelPeer and its owners whereby Peerless agreed to purchase all of the common stock in IntelPeer. The Transaction resulted in IntelPeer becoming a wholly owned subsidiary of Peerless Network,

Inc., with no resulting transfer of IntelPeer customer accounts, employees or network equipment. The Transaction was consummated and Peerless took control of IntelPeer on the Closing Date. For the Commission's convenience, organizational charts illustrating the pre-close and post-close corporate structures for Peerless and IntelPeer are provided in **Exhibit A** and **Exhibit B**.

The transaction solely affected the identity of the party holding stock in IntelPeer and did not result in the assignment away from IntelPeer of any certificates or intrastate telecommunications assets in Minnesota. Moreover, it will have no adverse impact on IntelPeer's provision of service. IntelPeer retains its certificates following the change in its ownership and each of the IntelPeer tariffs remains in full force and effect. Significantly, IntelPeer currently does not have end user communications customers in Minnesota to be affected by the Transaction. Following completion of the transaction, IntelPeer provides the same wholesale telecommunications services to service provider customers that it did prior to the Transaction.

IV. PUBLIC INTEREST STATEMENT

The transfer of control of IntelPeer to Peerless serves the public interest. In particular, the Parties submit that: (1) the financial, technical, and managerial resources that Peerless brings to IntelPeer further enhance IntelPeer's ability to compete in the telecommunications and information services marketplace; (2) the Transaction in no way impairs or jeopardizes the provision of adequate service to the public at just and reasonable rates; and (3) the Transaction strengthens competition and consumer choice in the Minnesota communications market by improving the financial status of IntelPeer. Prior to the Transaction, there were financial

constraints that were limiting IntelPeer's ability to grow, which have been resolved through the Transaction. By combining Peerless' network with IntelPeer's cloud-based communications services, Applicants will accelerate and expand the national availability of customer services and interconnection options. In addition, Peerless benefits from increased economies of scale, permitting it to operate more efficiently through enhanced routing capabilities, realize financial synergies and develop new products and services.

Peerless has established a reputation as a successful telecommunications provider in the state of Minnesota for over five years, growing rapidly to expand its operations nationwide. Peerless has, and will continue to have, strong financial, managerial and technical abilities, and thus is well-qualified and equipped to provide comprehensive, reliable and cost-effective service. Moreover, for these reasons, Peerless is well qualified to hold an ownership interest in IntelPeer. As noted previously, there will be no impairment or interruption of service to either company's customers as a result of this Transaction. The only significant change following the closing of the Transaction, from the customers' perspective, is that IntelPeer has a new owner, Peerless.

For all these reasons, grant of this Application is consistent with and conducive to the public interest.

V. CONCLUSION

Based on the foregoing, the Applicants respectfully request that the Commission grant the Application and grant such further relief as it may deem appropriate.

Respectfully submitted,

**PEERLESS NETWORK, INC.
INTELEPEER, INC.**

/s/ Denise N. Smith

John Barnicle
President and Chief Executive Officer
Peerless Network, Inc.
222 South Riverside Plaza, Suite 2730
Chicago, Illinois 60606
jbarnicle@peerlessnetwork.com

Denise N. Smith, Esq.
Kelley Drye & Warren LLP
3050 K. Street, N.W.
Washington, D.C. 20007
Tel: 202.342.8614
dsmith@kelleydrye.com

Henry T. Kelly, Esq.
Kelley Drye & Warren LLP
333 West Wacker Drive
Chicago, IL 60606
Tel: 312.857.2350
hkelly@kelleydrye.com

Their Attorneys

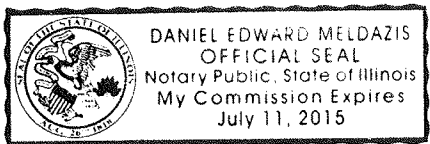
Dated: December 31, 2013

VERIFICATION

STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, John Barnicle, state that I am President and Chief Executive Officer of Peerless Network, Inc.; that I am authorized to make this Verification on behalf of Peerless Network, Inc.; that the foregoing filing was prepared under my direction and supervision; and that the statements in the foregoing document are true and correct to the best of my knowledge, information, and belief.

John Barnicle
John Barnicle
President and Chief Executive Officer



SWORN TO AND SUBSCRIBED before me on the 18 day of December 2013.

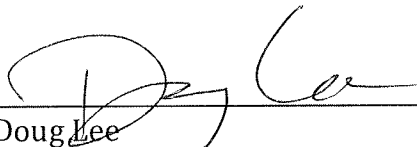
My commission expires: July 11, 2015

Daniel Edward Meldazis

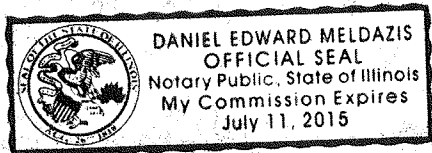
VERIFICATION

STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, Doug Lee, state that I am Chief Financial Officer of IntelePeer, Inc.; that I am authorized to make this Verification on behalf of IntelePeer, Inc.; that the foregoing filing was prepared under my direction and supervision; and that the statements in the foregoing document are true and correct to the best of my knowledge, information, and belief.



Doug Lee
Chief Financial Officer



SWORN TO AND SUBSCRIBED before me on the 18 day of December 2013.

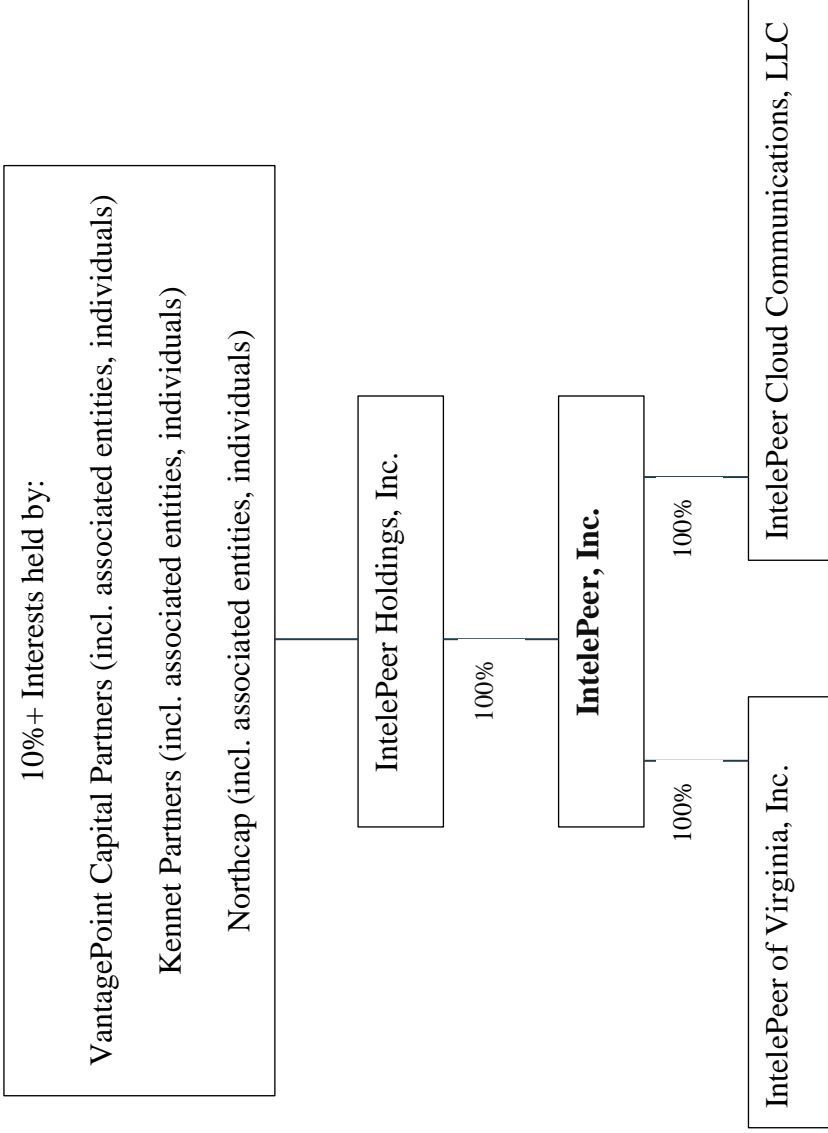
My commission expires: July 11, 2015



Exhibit A

**Pre-Transaction Corporate Structures
of
IntelePeer, Inc.
&
Peerless Network, Inc.**

**IntelePeer, Inc. Ownership
Pre-close**



**Peerless Network, Inc. Ownership
Pre-Close**

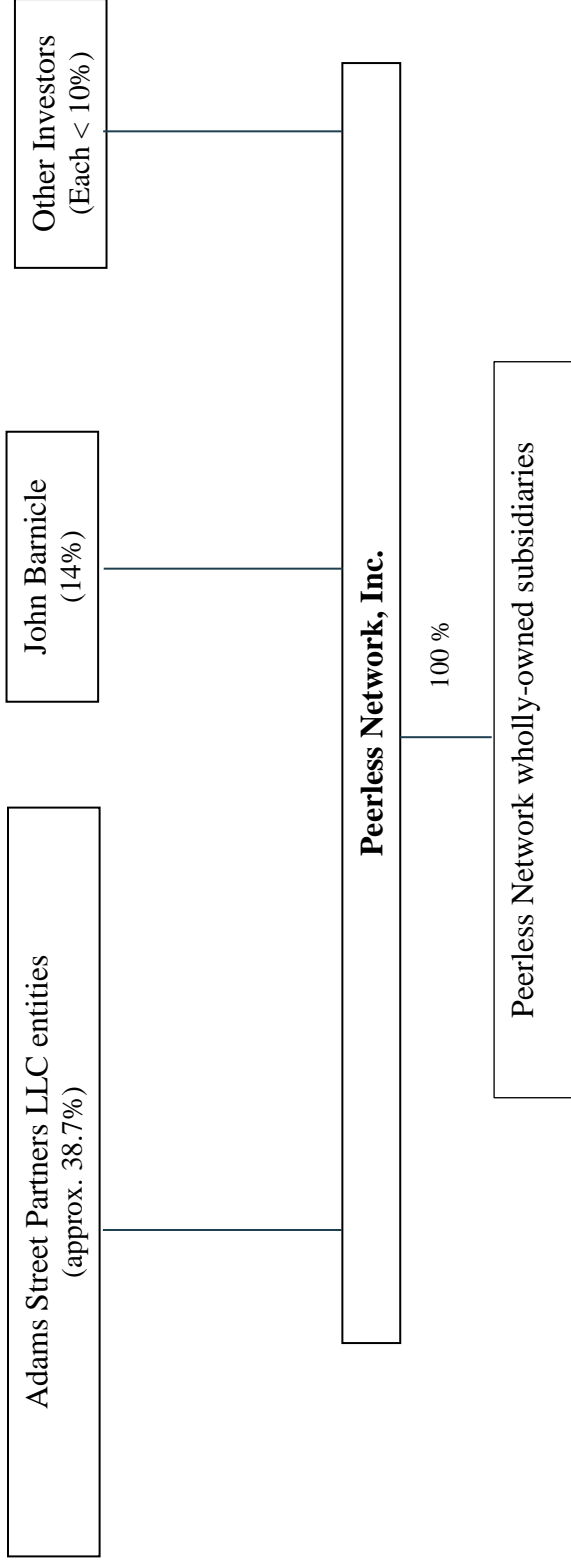


Exhibit B

**Post-Transaction Corporate Structure
of
Peerless Network, Inc.
and IntelePeer, Inc.**

**Peerless Network, Inc. & Intelepeer, Inc. Ownership
Post-Close**

