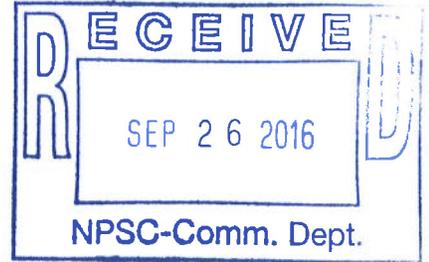


BEFORE THE  
NEBRASKA PUBLIC SERVICE COMMISSION



In the Matter of the Joint Application of )  
)  
**AccessLine Communications Corporation** )  
**Oak Hill Capital Partners III, L.P.** )  
**Oak Hill Capital Management Partners III, L.P.** )  
)  
and )  
)  
**Madison Dearborn Capital Partners VII-A, L.P.** )  
**Madison Dearborn Capital Partners VII-C,** )  
**L.P.Madison Dearborn Capital Partners VII** )  
**Executive-A, L.P.** )  
)  
for Approval of a Holding Company Level Transfer )  
of AccessLine Communications Corp., and for )  
Certain Financing Arrangements )

Docket No. C-4872

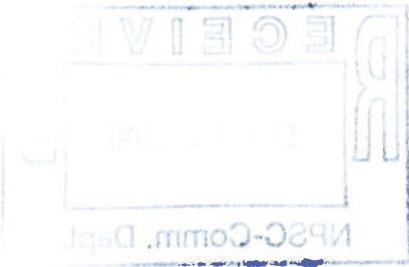
JOINT APPLICATION

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*L.P.*  
*Madison Dearborn Capital Partners VII-C,*  
*L.P.*  
*Madison Dearborn Capital Partners VII*  
*Executive-A, L.P.*



10-11-10

10/11/10

**BEFORE THE  
NEBRASKA PUBLIC SERVICE COMMISSION**

\_\_\_\_\_  
In the Matter of the Joint Application of )  
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**AccessLine Communications Corporation** )  
**Oak Hill Capital Partners III, L.P.** )  
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\_\_\_\_\_

Docket No. \_\_\_\_\_

**JOINT APPLICATION**

Pursuant to Neb. Rev. Stat. Ann. § 75-146, 291 Neb. Admin. Code Ch. 5, § 002.27, and the Rules of Procedure of the Nebraska Public Service Commission (“Commission”), Madison Dearborn Capital Partners VII-A, L.P., Madison Dearborn Capital Partners VII-C, L.P., and Madison Dearborn Capital Partners VII Executive-A, L.P. (collectively, “MDP”), Oak Hill Capital Partners III, L.P., and Oak Hill Capital Management Partners III, L.P. (together, “Oak Hill”), and AccessLine Communications Corporation, an indirect subsidiary of Oak Hill (“AccessLine,” and, together with Oak Hill and MDP, the “Applicants”) respectfully request Commission approval, to the extent required, for a holding company level transaction (“Transaction”) that will result in the transfer of control to MDP of AccessLine, an authorized non-dominant provider of telecommunications services in Nebraska.

The proposed Transaction is in the public interest because it will provide AccessLine with additional resources, thereby allowing it to become an even more robust competitor in the

Nebraska market for telecommunications services. The Transaction will result only in a change in the ultimate equity ownership and control of AccessLine; it will not result in an assignment of AccessLine's licenses, assets or customers. AccessLine will continue to provide service to existing Nebraska customers under existing rates, terms and conditions, and future changes (if any) in these rates, terms or conditions will be subject to compliance with governing contractual provisions and applicable law. As a result, the proposed Transaction will be seamless, transparent and beneficial to Nebraska consumers and is in the public interest.

For these reasons, as further described below, Petitioners respectfully request expeditious Commission approval of the Transaction.

## **I. DESCRIPTION OF THE PETITIONERS**

### **A. MDP**

The funds constituting MDP are managed by their ultimate general partner, Madison Dearborn Partners, LLC ("MDP LLC"). MDP LLC is a leading private equity investment firm based in Chicago, Illinois. Since MDP LLC's formation in 1992, the firm has raised seven funds with aggregate capital of over \$22 billion and has completed investments in approximately 132 companies. MDP LLC's objective is to invest in companies with outstanding management teams to achieve significant long-term appreciation in equity value. MDP LLC's founders adopted an industry-focused investment approach over 30 years ago, and the firm has six dedicated teams that have long and successful track records of investing in their respective sectors. These sectors include: basic industries, business and government services, consumer, financial and transaction services, health care, and telecom, media and technology services. MDP LLC and its funds do not currently hold an interest in any other telecommunications carrier.

**B. Oak Hill Capital Partners III, L.P. and Oak Hill Capital Management Partners III, L.P.**

Oak Hill Capital Partners is a private equity firm managing the Oak Hill funds that are sellers in the Transaction, as well as other funds, with more than \$9 billion of initial capital commitments since inception from leading entrepreneurs, endowments, foundations, corporations, pension funds and global financial institutions.

Most relevant to this Transaction, Oak Hill owns Intermedia Holdings, Inc. (“Intermedia”), the indirect parent of AccessLine. Intermedia, through its operating subsidiaries, is a premier provider of cloud services to small and mid-sized businesses. Delivered from Intermedia’s secure datacenters, these services include hosted Microsoft Exchange email, VoIP, instant messaging, file management, security, backup, and support for a full range of smartphones, tablets, and other devices. Intermedia’s proprietary cloud infrastructure assures high reliability, and a certified support team provides 24/7 assistance to customers. Intermedia also empowers thousands of partners—including managed service providers and select Fortune 500 companies—to sell cloud services under their own brand. Founded in 1995, Intermedia was the first company to offer business-class cloud email.

**C. AccessLine Communications Corporation**

In Nebraska, AccessLine is authorized to operate as a resale common carrier of telecommunications services pursuant to authority granted by the Commission in Docket No. C-3320 on February 4, 2005. AccessLine is also authorized to provide telecommunications services nationwide. Specifically, AccessLine holds blanket domestic Section 214 authority as well as facilities-based and resold international Section 214 authority from the Federal Communications Commission. In addition, AccessLine provides regulated intrastate telecommunications services in the following jurisdictions: Alabama, Alaska, Arizona, Arkansas, California, Colorado,

Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Washington, West Virginia, Wisconsin, and Wyoming. Upon consummation of the Transaction, AccessLine will retain these authorizations and continue to provide the same services to its customers.

## II. CONTACT INFORMATION

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

### For Oak Hill and AccessLine

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Oak Hill Capital Management Partners III,  
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AccessLine Communications Corporation*

### For MDP

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Madison Dearborn Capital Partners VII-C, L.P.  
Madison Dearborn Capital Partners VII  
Executive-A, L.P.*

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

#### **A. Description of the Transfer of Control**

On September 11, 2016, Oak Hill and Intermedia entered into an Agreement and Plan of Merger with newly formed MDP subsidiaries Ivy Parent Holdings, LLC and Ivy Merger Sub, Inc. (the “Agreement”), pursuant to which MDP will indirectly acquire approximately 98.8% percent of the voting interests in Intermedia and approximately 86.95% of Intermedia’s equity interests.<sup>1</sup> To effectuate the Transaction, Ivy Merger Sub, Inc. will be merged with and into Intermedia, with Intermedia emerging as the surviving entity. When this occurs, MDP LLC will indirectly be Intermedia’s controlling shareholder. For the Commission’s reference, pre- and post-Transaction organization charts are provided as Exhibit A.

#### **B. Description of the Financing Arrangements**

In connection with the Transaction, Ivy Merger Sub, Inc., Intermedia and certain of its wholly-owned U.S. subsidiaries designated as co-borrowers expect to obtain debt financing consisting of one or more secured credit facilities that are sufficient (together with contemplated equity contributions) to finance the transactions contemplated by the Agreement, including repaying the existing indebtedness for borrowed money of Intermedia and its subsidiaries. A portion of such debt financing is expected to include commitments for a senior secured revolving credit facility, available on the closing date of the transactions for certain specified transaction-related purposes and general working capital purposes, and after the closing date for purposes of financing working capital and general corporate purposes.

The specific maturity date for any debt instruments issued in connection with the financing will be subject to negotiation and will depend on credit market conditions at the time

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<sup>1</sup> The remaining equity and voting interests will be split among various holders, none of whom will hold a 10% or greater equity or voting interest in Intermedia.

they are priced and issued. Applicants anticipate that the debt financing will consist solely of long-term indebtedness, and that such maturity dates will be no shorter than 5 years. The interest rate will likely be a market rate for similar financings and will not be determined until the financing arrangements are finalized.

It is expected that (i) the obligations of Ivy Merger Sub, Intermedia and any co-borrowers will be unconditionally guaranteed by Ivy Intermediate Holdings, Inc. (the direct parent company of Ivy Merger Sub and, after the transactions, Intermedia) and each of its existing and future U.S. wholly-owned subsidiaries (with certain exceptions, including immaterial subsidiaries and “unrestricted subsidiaries”), including Intermedia and AccessLine, and (ii) the obligations of Ivy Merger Sub, Intermedia and any co-borrowers under any secured facilities, together with obligations under the guarantees, will be secured by a security interest in substantially all of the assets of Intermedia, the co-borrowers and the guarantors, in each case, now owned or later-acquired, including a pledge of all of the capital stock or membership interests of Intermedia and its U.S. wholly-owned subsidiaries and 65% of the voting capital stock or membership interests (and 100% of any non-voting capital stock or membership interests) of certain of its foreign subsidiaries, subject in each case to the exclusion of certain assets and additional exceptions, including exceptions related to immaterial subsidiaries and unrestricted subsidiaries.

In addition to the debt financing arrangements described above, new and rollover equity investments will provide the financing for the remainder of funds required to consummate the transactions contemplated by the Agreement.

AccessLine’s participation in the financing arrangements described above will not adversely affect its current or proposed operations, given MDP’s robust financial qualifications as described herein.

### **C. Financial, Legal and Technical Qualifications**

MDP has the requisite financial, technical, legal, and managerial qualifications to acquire control of AccessLine. As explained above, MDP has been involved with the telecom, media and technology industry for over thirty years, and the firm has established a long and successful investment track record. MDP has raised seven funds with aggregate capital of over \$22 billion and has completed investments in approximately 132 companies. MDP's financial and experience and scale will enable AccessLine to continue to provide reliable services to Nebraska consumers.

### **IV. PUBLIC INTEREST CONSIDERATIONS**

Applicants submit that the proposed Transaction will serve the public interest. Under new ownership, AccessLine will continue to provide high-quality telecommunications services to Nebraska consumers, while gaining access to the additional resources and operational expertise of MDP. With the strong financial backing of MDP, the transfer of control will bolster the ability of AccessLine's parent, Intermedia, to provide innovative enterprise services and will give AccessLine the ability to become a stronger competitor, to the ultimate benefit of consumers. The Transaction will not result in a change in carrier, services, rates, terms or conditions for customers, or the assignment of existing Commission authorizations. The Transaction therefore will be seamless and transparent to customers. Future changes in those rates, terms and conditions, if any, will be undertaken pursuant to applicable law and contract provisions.

Significantly, the pro-competitive and pro-consumer public interest benefits resulting from the Transaction will not be offset by any anti-competitive harm in the telecommunications marketplace. Fundamentally, the Transaction will not result in any market consolidation. As indicated above, MDP LLC and its funds are not themselves providers of telecommunications

services, and they do not hold an interest in any entity that provides telecommunications services.

**V. CONCLUSION**

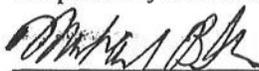
For the reasons stated above, Petitioners respectfully submit that the public interest, convenience and necessity would be well served by approval of the holding company level Transaction that will result in the transfer of control to MDP of AccessLine and the financing arrangements described above.



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Respectfully submitted,



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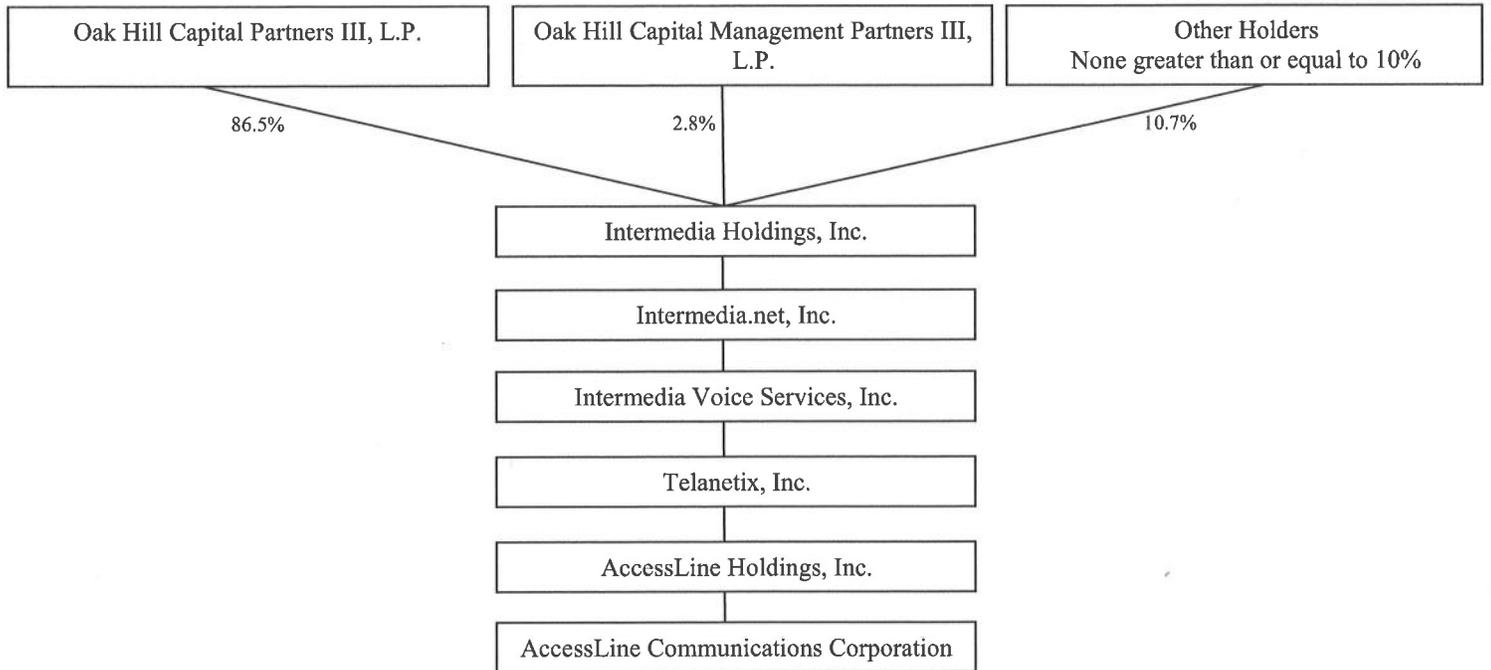
*Counsel for Madison Dearborn Partners,  
LLC  
Madison Dearborn Capital Partners VII-  
A, L.P.  
Madison Dearborn Capital Partners VII-  
C, L.P.  
Madison Dearborn Capital Partners VII  
Executive-A, L.P.*

**EXHIBIT A**

**Pre- and Post-Transaction Corporate Ownership Charts**



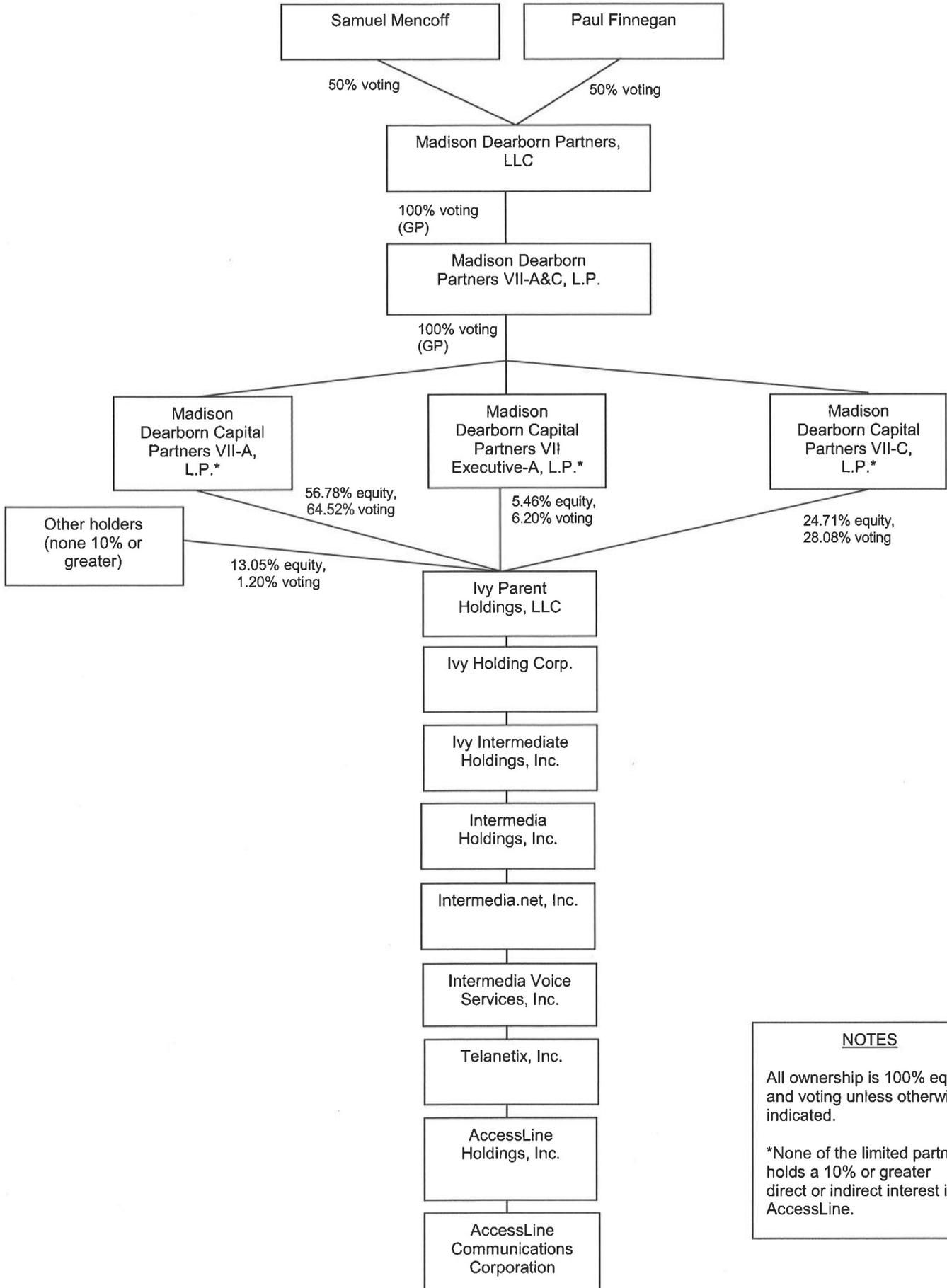
Pre-Transaction Corporate Organizational Chart



\* Unless otherwise indicated, ownership is 100%



Post-Transaction Corporate Organizational Chart



**NOTES**

All ownership is 100% equity and voting unless otherwise indicated.

\*None of the limited partners holds a 10% or greater direct or indirect interest in AccessLine.



STATE OF CALIFORNIA           §  
  §  
CITY OF MOUNTAIN VIEW       §

**VERIFICATION**

I, Michael J. Gold, hereby declare that I am President and CEO of AccessLine Communications Corporation (“AccessLine”); that I am authorized to make this Verification on behalf of AccessLine; 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.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 16<sup>th</sup> day of September, 2016.

  
\_\_\_\_\_  
Name: Michael J. Gold  
Title: President and Chief Executive Officer



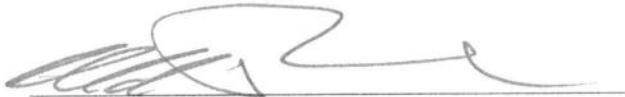
STATE OF ILLINOIS  
CITY OF CHICAGO

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**VERIFICATION**

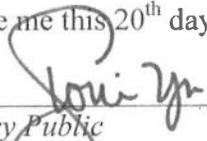
I, Mark Tresnowski, hereby declare that I am Managing Director and General Counsel of Madison Dearborn Partners, LLC; that I am authorized to make this Verification on behalf of Madison Dearborn Partners, LLC; that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 20<sup>th</sup> day of September, 2016.



Name: Mark Tresnowski  
Title: Managing Director and General Counsel,  
Madison Dearborn Partners, LLC

SUBSCRIBED AND SWORN to  
before me this 20<sup>th</sup> day of September, 2016.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: 12 AUG 2018

