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June 6, 2007

**By Overnight Mail**

filed electronically in docket office on 06/08/07

Chairman Sandra Kyle  
c/o Sharla Dillon, Dockets and Record Manager  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

**Re: Application of Comtel Telcom Assets LP for Approval of an Indirect Transfer of Control**

Dear Ms. Dillon:

Enclosed for filing with the Commission are an original and four (4) copies of the above-referenced Application. Also enclosed is a check in the amount of \$25.00 to cover the filing fee.

Applicant requests confidential treatment of its Transaction Documents labeled as Exhibit B, and its Financial Statements which are labeled as Exhibit D. Both Exhibits contain commercially sensitive and competitively significant information that is not otherwise released to the public. Unrestricted availability of this information would provide competitors with knowledge that would be otherwise unavailable and could place Applicant at a competitive disadvantage. Confidential and trade secret treatment is therefore required to avoid commercial and competitive injury.

Please date-stamp the enclosed extra copy of this filing and return it in envelope provided. Should you have any questions concerning this filing, please do not hesitate to contact Jeff Strenkowski at (202) 373-6002.

Respectfully submitted,



Catherine Wang  
Troy F. Tanner  
Jeffrey R. Strenkowski

Enclosures

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

Bingham McCutchen LLP  
2020 K Street NW  
Washington, DC  
20006-1806

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## Nashville, Tennessee

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

Petitioner requests that the Authority act expeditiously to grant the approval requested no later than June 22, 2007, so that the change can be timely completed.

In support of this Petition, Comtel provides the following information:

## **II. DESCRIPTION OF THE PETITIONER**

Comtel is a limited partnership organized under the laws of the State of Texas. The principal office for Comtel is located at 433 E. Las Colinas Blvd., Suite 1300, Irving, TX 75039. Comtel is owned by (1) Comtel Assets Corp. as Comtel's primary limited partner, (2) various current and former officers of Comtel Assets Inc. and employees of Comtel as limited partners, and (3) Comtel Assets Inc. as Comtel's general partner. Comtel Assets Corp. is wholly owned by Sowood Commodity Partners Fund III LP ("Sowood Fund III"), and Comtel Assets Inc. is majority owned by Sowood Fund III. Sowood Fund III's limited partner is Harvard Private Capital Holdings, Inc., a passive institutional investor that is wholly owned by the President and Fellows of Harvard College. The general partner of Sowood Fund III is Sowood Commodity Partners GP III LP ("Sowood GP III"). The general partner of Sowood GP III is Sowood GP III LLC, which is, in turn, owned by the following members: Mr. Jeff Larson (the managing member), Mr. Stuart Porter, and Ms. Megan Kelleher. As a result of these various ownership interests, the majority of the equity of Comtel is ultimately owned by the President & Fellows of Harvard College through the limited partnership interests of Sowood Fund III, while ultimate control of Comtel is held by Mr. Jeff Larson through the successive general partners of Sowood Fund III. For the Authority's convenience, pre- and post-change in control corporate structure charts are provided as Exhibit A.

Comtel completed the acquisition of substantially all of the assets of VarTec Telecom, Inc. and certain of its subsidiaries in June 2006 and continues to operate those assets. Comtel provides intrastate, interstate and international long distance throughout the United States, and Comtel is authorized to provide local exchange and exchange access services in every state except Alaska, Hawaii, and Virginia. In Tennessee, Comtel is authorized to provide facilities-

based and resold local exchange and interexchange telecommunications services pursuant to an Authority order issued in Docket No. 05-00287 on April 19, 2006.

### **III. CONTACTS**

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

#### **For Comtel:**

Catherine Wang  
Troy F. Tanner  
Bingham McCutchen LLP  
2020 K Street, N.W.  
Washington, DC 20006  
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(202) 373-6001 (Fax)  
catherine.wang@bingham.com  
troy.tanner@bingham.com

#### **With copies to:**

Becky Gipson  
Sr. Director, Regulatory Affairs  
Comtel Telcom Assets LP  
433 E. Las Colinas Blvd. Suite 1300  
Irving, TX 75039  
(972) 910-1453 (Tel)  
(866) 418-9750 (Fax)  
becky.gipson@excel.com

### **IV. REQUEST FOR APPROVAL OF THE INDIRECT CHANGE IN CONTROL**

The proposed change in control is the result of certain management changes being made to Sowood's private equity funds, which include Sowood Fund III, and their successive general partners. As part of the change, two of the three members, including the current managing member, of Sowood GP III LLC will leave the limited liability company and Mr. Stuart Porter will become the managing member and will wholly own the only other member. (In addition, the name of the entity will be changed to Denham GP III LLC.) As a result of these changes, Mr. Stuart Porter ultimately will control (subject to certain protections for minority equity holders) the successive general partner interests of Sowood Fund III and, therefore, Comtel. Sowood Fund III and its successive general partners will be renamed "Denham." The limited partnership interests of Sowood Fund III, however, will not change. For the Authority's convenience, pre- and post-change in control corporate structure charts are provided as Exhibit A. A copy of the transaction documents is provided, under seal, as Exhibit B. Further,

biographies for Comtel's management team are attached hereto as Exhibit C, and Petitioner provides confidentially as Exhibit D its most recent financial statements.

Following the change in control, Petitioner will continue to offer service with no change in the rates or terms and conditions of service resulting from the change in control. Further, Petitioner will continue to provide service to its customers under the same name, and will continue to be led by an experienced management team. Therefore, the change in control of Petitioner will be seamless and transparent to consumers.

**V. PUBLIC INTEREST STATEMENT**

Petitioner submits that the transaction will serve the public interest. The proposed structural and management changes to the ultimate controlling investment entity will enable the investing entities to implement an improved business, financial, and management structure. Petitioner will continue to provide high-quality telecommunications services to consumers in Tennessee. Further, Petitioner will not change its name or its rates, terms or conditions of service as a result of the change in ultimate control. The change in ultimate control, therefore, will be transparent to consumers.

For important business reasons, the general partner of the general partner of the fund that owns Petitioner, Sowood Fund III, must make certain management changes to its structure by June 30, 2007. As part of these changes, only one of the three current members of the limited liability company that is the general partner of the limited partnership that is the general partner of Sowood Fund III will remain as an interest holder in such limited liability company and will become the managing member of the general partner that ultimately controls Petitioner. In order for the transition to be completed by June 30, 2007, with all required approvals, Petitioner requests approval of this Petition no later than June 22, 2007.

VI. **CONCLUSION**

For the reasons stated above, Petitioner submits that the public interest, convenience, and necessity would be furthered by a grant of this Petition. Petitioner therefore respectfully requests that the Authority consider and approve this Petition expeditiously to permit the consummation of the proposed indirect transfer of control as soon as possible.

Respectfully submitted,



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catherine.wang@bingham.com  
troy.tanner@bingham.com

Counsel for Comtel

Dated: June 6, 2007

## **LIST OF EXHIBITS**

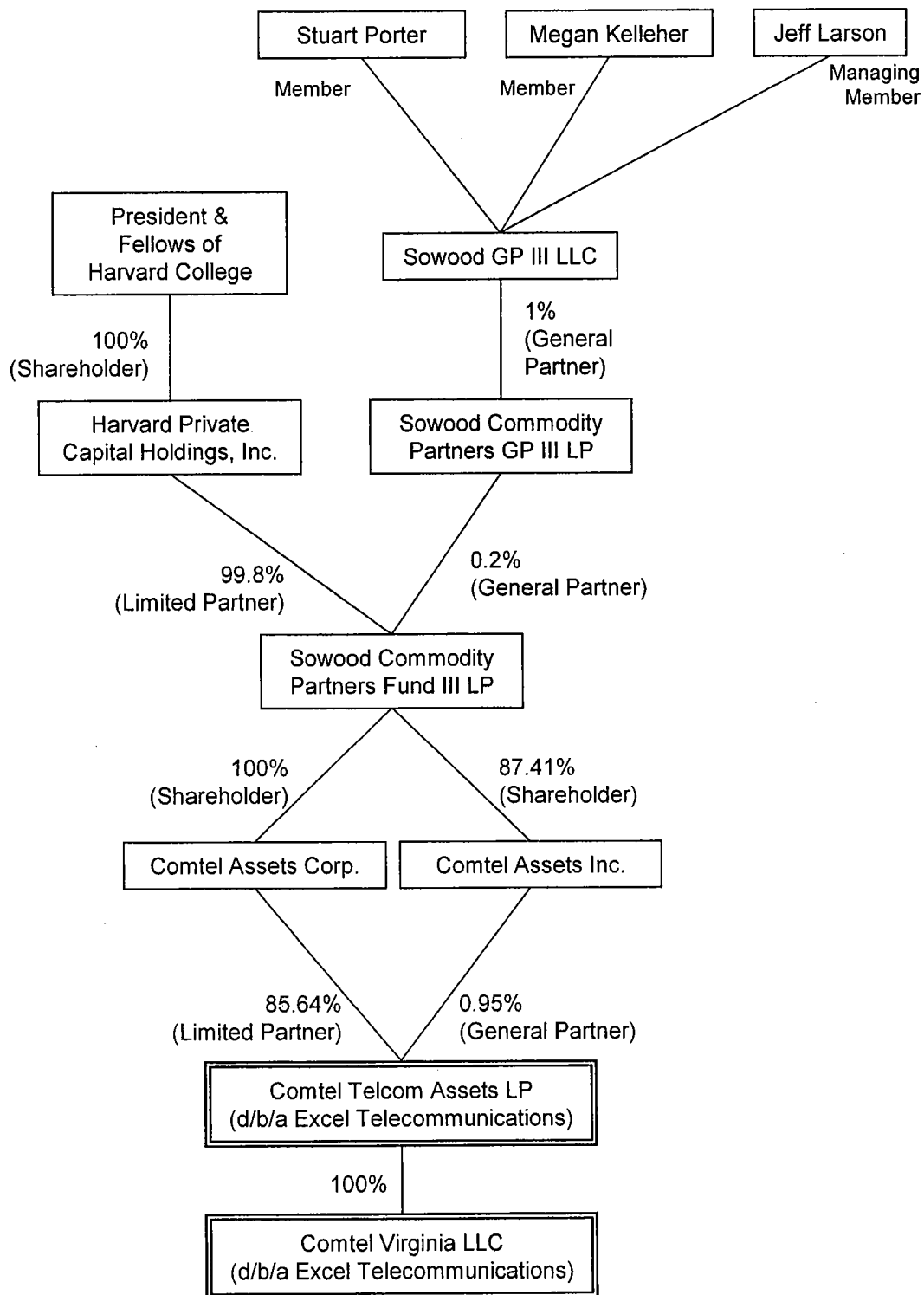
Exhibit A	Pre- and Post-Change in Control Corporate Structure Chart
Exhibit B	Transaction Documents ( <b>CONFIDENTIAL</b> )
Exhibit C	Management Biographies
Exhibit D	Financial Statements ( <b>CONFIDENTIAL</b> )
Verification	

**Exhibit A**

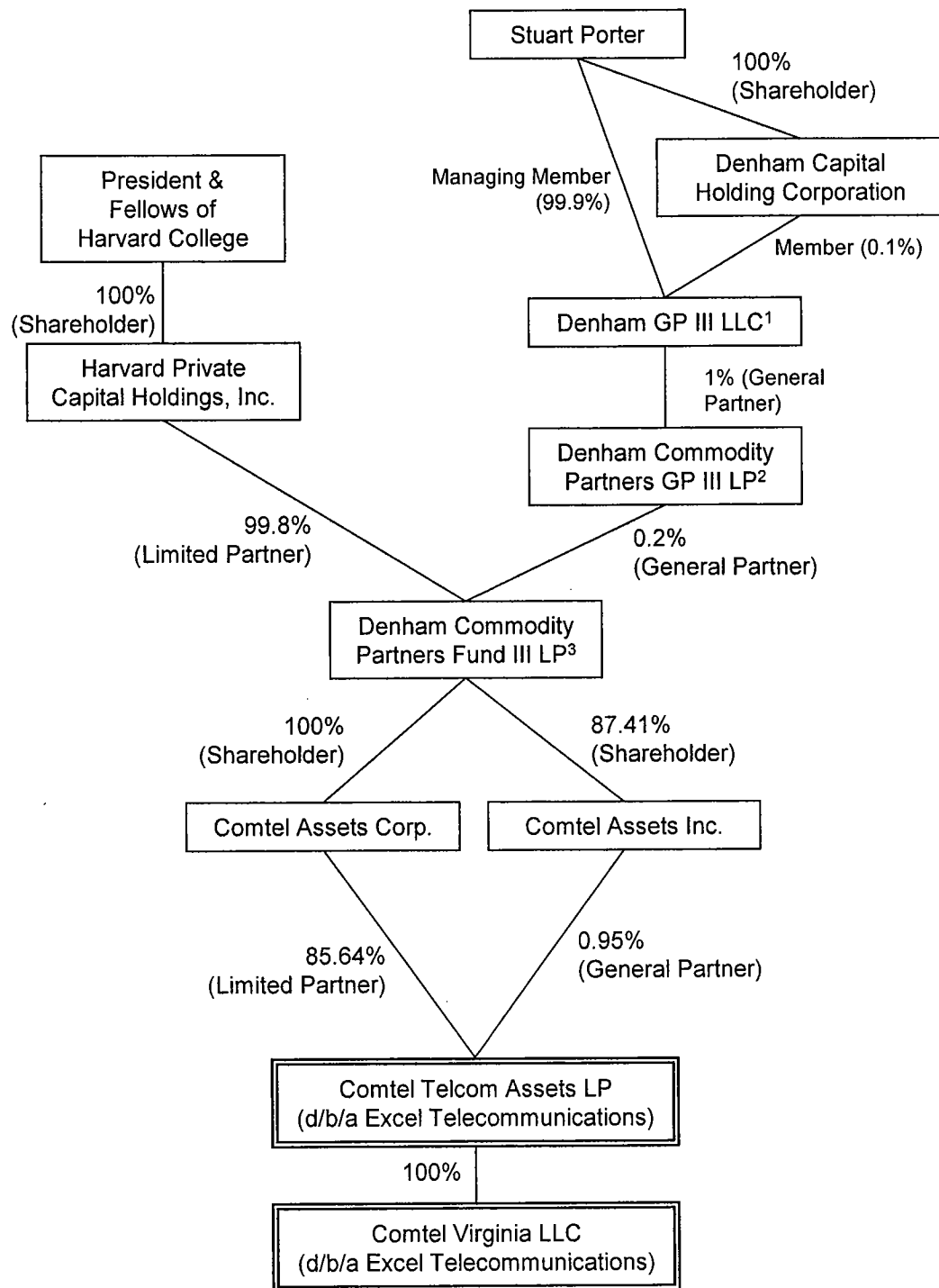
**Pre- and Post-Transaction Corporate Structure Chart**



## Pre-Change in Control Corporate Structure



# Post-Change in Control Corporate Structure



<sup>1</sup> "Sowood GP III LLC" will change its name to "Denham GP III LLC."

<sup>2</sup> "Sowood Commodity Partners GP III LP" will change its name to "Denham Commodity Partners GP III LP."

<sup>3</sup> "Sowood Commodity Partners Fund III LP" will change its name to "Denham Commodity Partners Fund III LP."

## **EXHIBIT B**

### Transaction Documents

**[CONFIDENTIAL - Provided Under Seal]**

Petitioner requests confidential treatment of Exhibit B - Second Amended and Restated Limited Liability Company Agreement of Denham GP III LLC. This Exhibit constitutes commercially sensitive and competitively significant information that is not otherwise released to the public. Unrestricted availability of this information would provide competitors with knowledge that would be otherwise unavailable and could place Petitioner at a competitive disadvantage. Confidential and trade secret treatment is therefore required to avoid commercial and competitive injury.

**Exhibit C**

Management Biographies

## **Biographies of Key Personnel of Comtel Telecom Assets LP**

### **James Cashiola - President (Comtel Assets, LP)**

Mr. Cashiola founded and was President of Simplified Development Corp, an infrastructure software company focused on creating technology that aids service providers in operating and offering their services while optimizing underlying cost elements. Mr. Cashiola started in the telecommunications business in 1985 with a dialup business focused on transmission of government documents. In 1989, Mr. Cashiola transitioned to the switch less resale business, and in 1991, moved into the facilities-based resale with a focus on the development and implementation of IVR and ISDN technologies. By 1996, Mr. Cashiola entered into carrier class switching and was designing and developing proprietary software, which was integral to perform protocol translation that allowed for management of direct routes into international countries. Over his 22-year telecommunications career, Mr. Cashiola has founded or co-founded seven different telecommunications businesses ranging from service bureau to prepaid calling card to wholesale carrier companies. Mr. Cashiola graduated from the University of Southern California in 1984 with a degree in Philosophy.

**Richard Dinh – Senior Vice President, Network and Information Technology (Comtel  
Assets, Inc.)**

Mr. Dinh has served as Chief Operating Officer of Mercantel Communications LP and has been in the telecommunications space for the last six years. Mr. Dinh previously worked for Simplified Development where he helped secure investor funding. Mr. Dinh also managed Simplified Development's customer accounts in Asia, resulting in his move to lead consultant for the SingTel project. Meanwhile, Mr. Dinh was also one of the responsible parties involved in creating a wholesale voice division and platform for Dynegy, which has led to the formation of Teleworks Wholesale Services, LP. Prior to his role with Simplified Development, Mr. Dinh was a financial analyst with a subsidiary of Goldman Sachs where he structured mezzanine finance deals that included, but were not limited to, real estate bond offerings from JP Morgan and the Bank of Tokyo in addition to managing the real estate debt portfolios for Goldman Sachs and the Achron Group. Mr. Dinh graduated from Harvard University in 1998 with an honors degree in Psychology.

**Keith Henderson - Vice President, Customer Care and Provisioning**

Mr. Henderson is Vice President - Customer Care and Provisioning for Comtel. He is responsible for operations, including internal call centers as well as international and domestic outsourced call center operations. In addition, Mr. Henderson has the responsibility for the provisioning operations for local and long distance products as well as responsibility for call center technologies (IVR, ACD, quality monitoring), customer service program management, training and curriculum development, and customer relations. Mr. Henderson has also been responsible for Receivables Management operations, primarily focusing on the reduction of bad debt through inbound and outbound collections. Mr. Henderson has 25 years of leadership experience with major telecommunications providers, such as SBC, Sprint, Citizens Communications. His diverse experience includes information technology, field operations, billing, receivables management, customer service, acquisition of telecom properties and Total Quality Management (TQM) processes, including the teaching of business process improvement and statistical process control applications. Mr. Henderson received his Bachelor of Science degree from the University of Texas (Dallas) in 1979 and his Master of Science degree from the University of Texas (Dallas) in 1981.

**John D. Jenkins – Chief Administrative Officer (Comtel Assets, Inc.)**

John Jenkins serves as Chief Administrative Officer for Comtel. As Chief Administrative Officer, Mr. Jenkins directs Comtel's legal, regulatory and human resources divisions and has approximately two years of direct telecommunications experience. His oversight also includes corporate services and contracts. Before joining Comtel, Mr. Jenkins was the President of First Advantage CoreFacts, a stand-alone division of the First Advantage Corporation (FADV), a leading risk mitigation and business solutions provider with tens of thousands of clients globally. He is formerly an executive at both Kroll Associates and DSFX International. Mr. Jenkins specialized in due diligence investigations of officers, directors, and key employees of target companies and initial public offering candidates, instituting, managing and monitoring corporate compliance programs, conducting internal fraud investigations and providing litigation support. He has managed a number of high-profile investigations including the SEC receivership inquiry into PinnFund, USA, one of the largest securities frauds in U.S. history. He was the outside compliance officer to several companies including Pacific Coin, LLC, one of the largest pay telephone operators in the U.S. He also served as Counsel to the Rampart Independent Review Panel, a body created by the Los Angeles Police Commission, which was responsible for reviewing the Los Angeles Police Department's Board of Inquiry Report and conducting a comprehensive examination of the police department in the wake of the Rampart corruption scandal. Mr. Jenkins was a Deputy District Attorney in Orange County, California and an attorney at Troop, Meisinger, Steuber & Pasich and Sheppard, and Mullin, Richter & Hampton, two large Los Angeles, California-based full service law firms.



**Jerry Ou - Chief Operations Officer (Comtel Assets, Inc.)**

Jerry Ou has served as President of Mercantel Communications LP and has been in the telecommunications industry for more than five years. Mr. Ou has previously worked with Simplified Development, the technology provider for Teleworks, as a senior consultant focusing primarily on the Asian-American customer base and working with such customers as PCCW. Mr. Ou, serving as a business strategist for Simplified Development, helped secure initial investment funding with venture capitalists. Most recently, Mr. Ou was one of the responsible parties involved in creating the wholesale voice division at Dynegy, which led to the formation of Teleworks Wholesale Services, LP. Prior to Simplified Development, Mr. Ou was a financial analyst with a subsidiary of Goldman Sachs where he structured mezzanine finance deals that included, but were not limited to, real estate bond offerings from JP Morgan and the Morgan Bank of Tokyo in addition to managing real estate assets for Goldman Sachs and the Archon Group. Mr. Ou graduated from Harvard University with an honors degree in Economics.

**EXHIBIT D**

Financial Statements

**[CONFIDENTIAL - Provided Under Seal]**

**Petitioners request confidential treatment of Exhibit D - Financial Statements. This Exhibit constitutes commercially sensitive and competitively significant information that is not otherwise released to the public. Unrestricted availability of this information would provide competitors with knowledge that would be otherwise unavailable and could place Petitioners at a competitive disadvantage. Confidential and trade secret treatment is therefore required to avoid commercial and competitive injury.**

## **Verifications**

VERIFICATION

STATE OF TEXAS

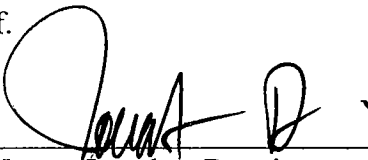
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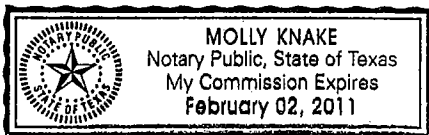
DALLAS COUNTY

§

I, Jonathan Dennis, state that I am Vice President, Legal Affairs of Comtel Assets Inc., the sole general partner of Comtel Telcom Assets LP ("Comtel"); that I am authorized to make this Verification on behalf of Comtel; 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.

  
Name: Jonathan Dennis  
Title: Vice President, Legal Affairs  
Comtel Assets Inc., the sole general partner  
of Comtel Telcom Assets LP

SWORN TO AND SUBSCRIBED before me on the 24 day of May, 2007.



  
Notary Public

My commission expires: 02/02/2011