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April 30, 2010

*Via Overnight Courier*

Chairman Eddie Roberson, Ph.D.  
c/o Sharla Dillon, Dockets and Record Manager  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

10-00089

**Re: Joint Petition of Megapath Inc., DSLnet Communications, LLC and CCGI Holding Corporation, Inc. for Approval of the Indirect Transfer of Control of DSLnet Communications, LLC**

Dear Chairman Roberson:

On behalf of MegaPath Inc., DSLnet Communications, LLC and CCGI (collectively, the "Petitioners") enclosed for filing are an original and thirteen (13) copies of the above-referenced Joint Petition. Also, enclosed is a check for fifty dollars (\$50.00) payable to the Tennessee Regulatory Authority to cover the filing fees.

Please date-stamp the extra copy of this filing and return it in the envelope provided. Should you have any questions concerning this filing, please do not hesitate to contact Brett Ferenchak at (202) 373-6697.

Respectfully submitted,



Jean L. Kiddoo  
Russell M. Blau  
Brett P. Ferenchak

Counsel to the Petitioners

Enclosure

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

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**Before the Tennessee Regulatory Authority  
Nashville, Tennessee**

**April 30, 2010**

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*In re: Joint Petition of MegaPath Inc., DSLnet  
Communications, LLC and CCGI Holding  
Corporation for Approval of an Indirect Transfer  
of Control of DSLnet Communications to  
CCGI Holding Corporation*

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

**JOINT PETITION**

**I. INTRODUCTION**

1. MegaPath Inc. (“MegaPath”), its wholly owned direct subsidiary DSLnet Communications, LLC (“DSLnet”), and CCGI Holding Corporation (“CCGI”) (MegaPath, DSLnet and CCGI collectively, “Petitioners”), through their undersigned counsel and pursuant to Tenn. Code Ann. § 65-4-112 and the rules of the Tennessee Regulatory Authority (“Authority”), respectfully request approval or such authority as may be necessary or required to enable the parties to consummate a transaction between CCGI and MegaPath through which CCGI will acquire indirect control of DSLnet Communications, LLC, a wholly owned direct subsidiary of MegaPath Inc.<sup>1</sup> DSLnet will continue to hold and operate its Tennessee certificate under the same name, rates, terms, and management team as today. The transaction will be seamless to customers.

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<sup>1</sup> The proposed transaction is not contingent on any party obtaining new or amended financing arrangements. In connection with that transaction, however, Applicants may refinance their existing indebtedness. If so, DSLnet may be a borrower and/or guarantor or pledge its assets as security under the new financing arrangements in which case DSLnet will separately request approval for those financing arrangements to the extent it pledges assets located in Tennessee.

2. The Petitioners request that the Authority act expeditiously to grant the authority requested herein as soon as possible, so that the Petitioners can timely consummate the proposed transaction to meet important business objectives.

In support of their Joint Petition, the Petitioners state as follows:

## **II. DESCRIPTION OF THE PETITIONERS**

### **A. MegaPath Inc. and DSLnet Communications, LLC**

3. MegaPath Inc. is a Delaware corporation with its principal office located at 555 Anton Boulevard, Suite 200, Costa Mesa, CA 92626. MegaPath is the parent company of DSLnet Communications, LLC. MegaPath is a provider of a variety of managed Internet Protocol ("IP") services including cable and satellite system broadband Internet access, mobility services such as digital certificates, global remote access, personal firewalls, and remote access virtual private networks ("VPN"), and security services. MegaPath does not currently offer any regulated telecommunications services and therefore does not hold any telecommunications authorizations from the Federal Communications Commission ("FCC") or any state regulatory authority.

4. DSLnet Communications, LLC is a Delaware limited liability company with principal offices located at 50 Barnes Park North, Suite 104, Wallingford, Connecticut 06492. DSLnet provides highspeed access to the Internet services. DSLnet is authorized to provide intrastate telecommunications services in forty-seven (47) states and the District of Columbia, and DSLnet's affiliate DSLnet Communications VA, Inc. is authorized to provide intrastate telecommunications services in Virginia. DSLnet is also authorized by the FCC to provide international and domestic interstate telecommunications services as a non-dominant carrier.

5. In Tennessee, DSLnet was granted a Certificate of Convenience and Necessity as a Competing Telecommunications Service Provider pursuant to the Order issued by the Authority in Docket No. 99-00092 on June 4, 1999. DSLnet will continue to operate under its present Certificate and business licenses as filed with the Tennessee Secretary of State's office.

6. Further information concerning DSLnet's legal, technical, managerial and financial qualifications to provide service was submitted with its application for certification and other documents filed with the Authority and is, therefore, a matter of public record. DSLnet respectfully requests that the Authority take official notice of that information and incorporate it herein by reference.

7. In Tennessee, DSLnet currently has no employees and approximately one (1) wholesale customer with 47 lines in service..

**B. CCGI Holding Corporation**

8. CCGI Holding Corporation is a Delaware corporation with offices located at 360 North Crescent Drive, Beverly Hills, California 90210. CCGI is the parent company of Covad Communications Group, Inc. ("Covad"), a Delaware corporation that owns Covad Communications Company ("CCC"), a California corporation, and DIECA Communications, Inc. ("DIECA"), a Virginia corporation. Covad is a leading nationwide provider of integrated voice and data communications. Through its operating companies, the company offers DSL, Voice Over IP, T1, Ethernet, Web hosting, managed security, IP and dial-up, wireless broadband, and bundled voice and data services directly through Covad's network and through Internet Service Providers, value-added resellers, telecommunications carriers and affinity groups to small and medium-sized businesses and home users. Covad broadband services are currently available across the nation in 44 states and 235 Metropolitan Statistical Areas ("MSAs") and can

be purchased by more than 57 million homes and businesses, which represent over 50 percent of all US homes and businesses. In Tennessee, Covad is authorized to provide intrastate telecommunications services pursuant to an order of the Authority issued May 22, 2000, in Docket 99-00823. Covad is also authorized by the FCC to provide international and domestic interstate telecommunications services as a non-dominant carrier.

9. CCGI is ultimately controlled by Platinum Equity LLC ("Platinum"). Neither CCGI nor Platinum offer 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.

10. Platinum indirectly controls several other telecommunications carriers: Matrix Telecom, Inc. ("Matrix"); and Americatel Corporation ("Americatel"). Matrix provides integrated communications services including local, 1+ long distance and toll-free voice services plus a wide range of data services, such as dedicated Internet access, frame relay and point-to-point transmission services, chiefly to enterprise customers. Americatel provides international and domestic facilities-based and resold long distance services, including "dial around" casual calling (i.e., 1010XXX) service and presubscribed 1+ calling services, in each of the 48 contiguous states, with a particular emphasis on serving the needs of United States customers with connections to Latin America and the Caribbean. Through the ownership of these companies, Platinum has demonstrated its qualifications to obtain control of DSLnet.

11. Further information concerning the legal, technical, managerial and financial qualifications of CCGI and Covad to provide service was submitted with its application for certification and other documents filed with the Authority and is, therefore, a matter of public record. In Docket 99-00823, the Authority found that Covad had sufficient technical, managerial, and financial capabilities to meet the statutory requirements for offering telecommunications services in Tennessee. Petitioners respectfully requests that the Authority take official notice of that information and incorporate it herein by reference.

### **III. CONTACT INFORMATION**

12. Questions or inquiries concerning this Application may be directed to:

For Petitioners:

Jean L. Kiddoo, Esq.  
Russell M. Blau, Esq.  
Brett P. Ferencsak, Esq.  
Jeffrey R. Strenkowski, Esq.  
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For CCGI:

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Executive Vice President, General  
Counsel and Secretary  
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Beverly Hills, CA 90210  
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310-712-1863 (Fax)  
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and:

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Director, State Affairs & ILEC Relations  
Covad Communications Company  
7000 N. Mopac Expressway, 2d Floor  
Austin, Texas 78731  
512-514-6380 (Tel)  
512-514-6520 (Fax)  
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For MegaPath and DSLnet:

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MegaPath Inc.  
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Steve.Chisholm@megapath.com

and:

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Regulatory Affairs  
DSLnet Communications, LLC  
50 Barnes Park North, Suite # 104  
Wallingford, CT 06492  
203-284-6205 (Fax)  
shobbs@megapath.com

#### **IV. DESCRIPTION OF THE TRANSACTION**

13. CCGI and MegaPath entered into an Agreement and Plan of Merger dated as of March 26, 2010 (the “Agreement”). Pursuant the Agreement, a subsidiary of CCGI created specifically for this transaction, TMAC Merger Corporation, will merge with Megapath, with MegaPath surviving. As a result, MegaPath will become a wholly owned, direct subsidiary of CCGI and CCGI will acquire indirect control of DSLnet. Petitioners therefore request authority to transfer indirect control of DSLnet to CCGI, and ultimately to Platinum. For the Authority’s convenience, pre- and post-transaction corporate organizational structure charts are provided as Exhibit A.

14. Following the consummation of the proposed transaction, DSLnet’s customers will continue to receive service under the same rates, terms and conditions of service as before. The proposed transaction will not involve a change in DSLnet’s operating authority in Tennessee and DSLnet’s tariffs will remain in effect. Thus, the proposed transaction will be seamless and virtually transparent to Tennessee consumers. Further, DSLnet’s management will remain with the company following completion of the transaction and be supplemented by the management team of CCGI and Covad.

15. Petitioners have filed or will file, with the FCC, and in all states in which DSLnet has certification and such approval is required, similar petitions to allow the Petitioners to

consummate certain transactions whereby CCGI will acquire indirect control of DSLnet. Additionally, notification of the proposed transactions will be sent to those states in which it is required. A schedule to complete review of the application has not yet been established by the FCC.

**V. PUBLIC INTEREST CONSIDERATIONS**

16. Petitioners respectfully submit that the proposed transaction serves the public interest. In particular, Petitioners submit that: (1) the proposed transaction will increase competition in the Tennessee telecommunications market by reinforcing the status of DSLnet as a viable competitor and (2) the proposed transaction will be virtually transparent to Tennessee consumers.

17. Immediately following the consummation of the proposed transaction, DSLnet will continue to offer service with no change in the rates or terms and conditions of service. Further, DSLnet 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 transfer of control of DSLnet will be seamless and virtually transparent to consumers in Tennessee.



V. CONCLUSION

18. For the reasons stated above, Petitioners respectfully submit that the public interest will be furthered by a grant of this Application. Accordingly, Petitioners respectfully request expedited treatment to permit Petitioners to complete the proposed transaction as soon as possible.

Respectfully submitted,

By: Brett P. Ferenchak

Jean L. Kiddoo

Russell M. Blau

Brett P. Ferenchak

Jeffrey R. Strenkowski

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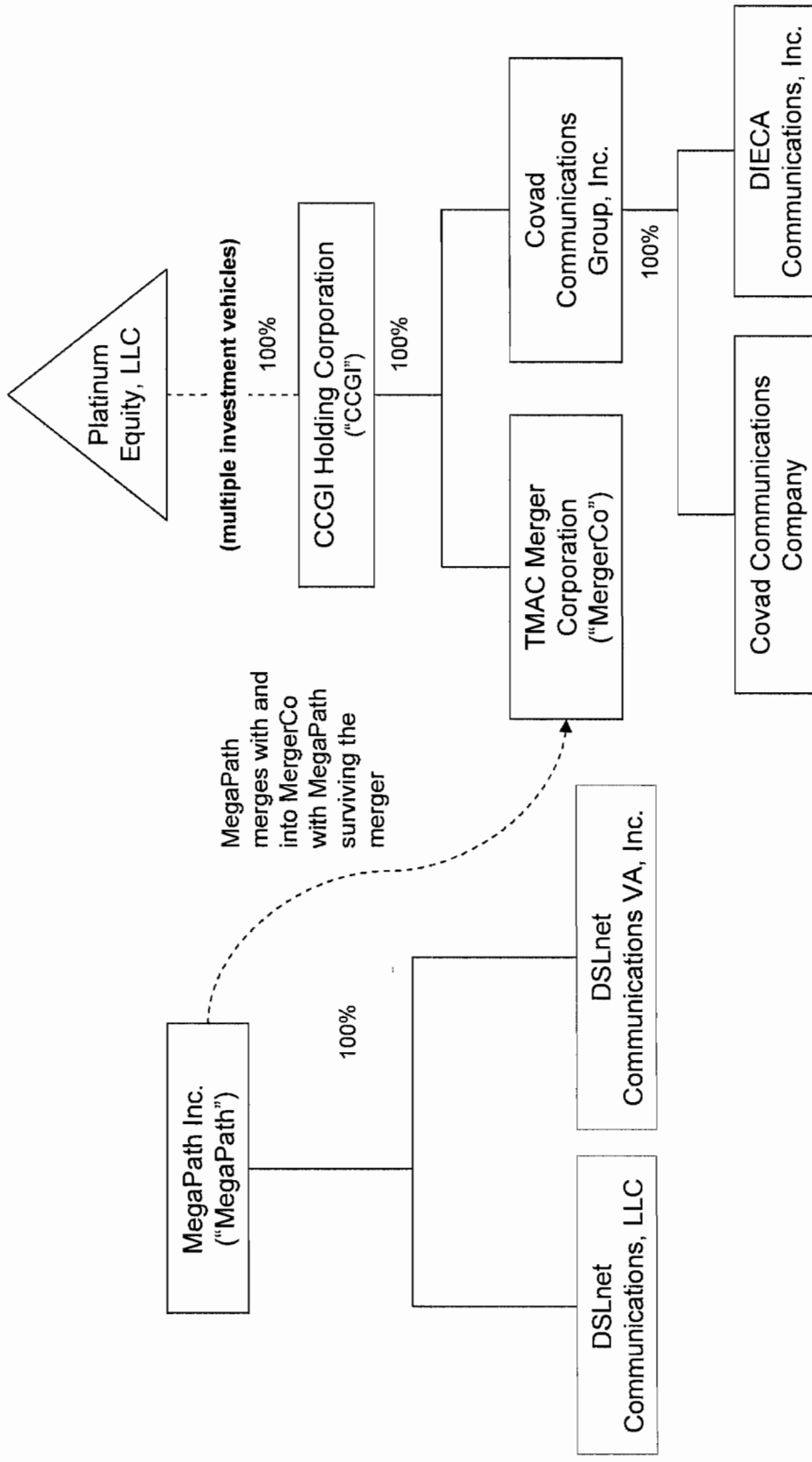
COUNSEL FOR PETITIONERS

Dated: April 30, 2010

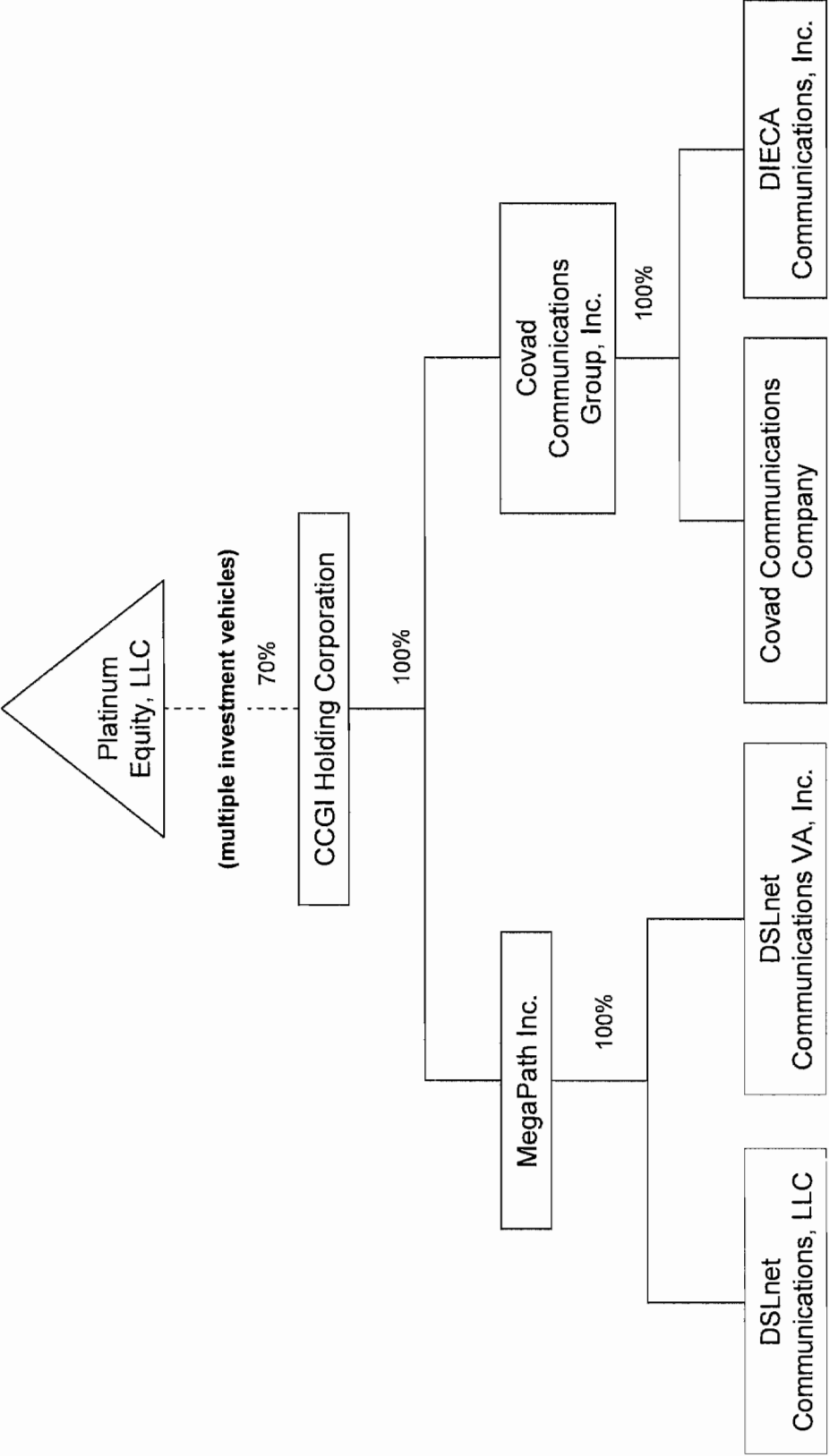
**EXHIBIT A**

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

## Pre-Transaction Ownership of DSLnet and CCGI



Post-Transaction Ownership of DSLnet and CCGI



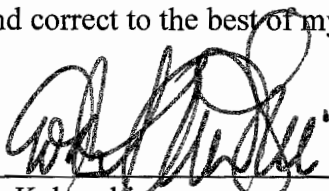
## **Verifications**

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES

§  
§ SS:  
§

**VERIFICATION**

Eva Kalawski, being duly sworn, deposes and say that I am the Vice President and Secretary of CCGI Holding Corporation (the "Company"); that I am authorized to make this Verification on behalf of the Company; 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.

  
\_\_\_\_\_  
Eva Kalawski  
Vice President and Secretary  
CCGI Holding Corporation

**CERTIFICATE OF ACKNOWLEDGMENT OF NOTARY PUBLIC**

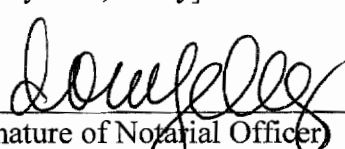
STATE OF CALIFORNIA  
COUNTY OF Los Angeles

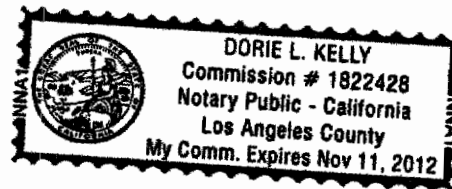
On April 29, 2010, before me, the undersigned notary public, personally appeared Eva M. Kalawski, personally know to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Notary Seal, if any]:

  
\_\_\_\_\_  
(Signature of Notarial Officer)



Notary Public for the State of California

My commission expires: Nov. 11, 2012

STATE OF CALIFORNIA

COUNTY OF ORANGE

§  
§  
§

ss:

**VERIFICATION**

Steven B. Chisholm, being duly sworn, deposes and say that I am the Senior Vice President, of MegaPath Inc. and DSLnet Communications, LLC (the "Company"); that I am authorized to make this Verification on behalf of the Company; 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  
MegaPath Inc. and DSLnet Communications, LLC

Sworn and subscribed before me this 14 day of April, 2010.

  
Notary Public

My commission expires: July 20, 2010

