

Lance J.M. Steinhart, P.C.

Attorney At Law
1720 Windward Concourse
Suite 115
Alpharetta, Georgia 30005

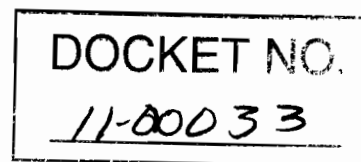
Also Admitted in New York
and Maryland

RECEIVED
2011 MAR 11 11:04 AM
Telephone: (770) 232-9200
Facsimile: (770) 232-9208
Email: lsteinhart@telecomcounsel.com

March 10, 2011

**VIA ELECTRONICALLY &
VIA OVERNIGHT DELIVERY**

Honorable Freeman, Chairman
Attn: Sharla Dillon, Dockets
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-9021
(615) 741-3939



Re: Vanco Direct USA, LLC and GC Pivotal, LLC

Dear Ms. Dillon:

Enclosed please find for filing an original and fifteen (15) copies of the **REPLACEMENT** Joint Application without Exhibits for Approval for Vanco Direct USA, LLC to Transfer Assets to GC Pivotal, LLC and to Transfer Certificate of Public Convenience and Necessity Issued to Vanco Direct USA, LLC to GC Pivotal, LLC to remove the name Global Capacity Direct, LLC and all references to GCD to Vanco. This filing has also been sent via e-mail to sharla.dillon@state.tn.us on March 10, 2011.

I have also enclosed an extra copy of this letter to be date-stamped and returned to me in the enclosed preaddressed, postage prepaid envelope.

If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Lance J.M. Steinhart". The signature is written over the "Respectfully submitted," text.

Lance J.M. Steinhart
Attorney for Global Capacity Group, Inc.
Vanco Direct USA, LLC and
Global Capacity Holdco, LLC

Enclosure

cc: Mr. Dan Kardatzke
Thomas H. Campbell, Esq.
Mr. Richard Garner

STATE OF TENNESSEE
BEFORE THE TENNESSEE REGULATORY AUTHORITY

Joint Application for Approval for)	
Vanco Direct USA, LLC)	Docket No.
)	
)	
To Transfer Assets)	
To GC Pivotal, LLC)	
)	
And to Transfer Certificate of Public)	
Convenience and Necessity Issued to)	
Vanco Direct USA, LLC to)	
GC Pivotal, LLC)	

JOINT APPLICATION TO TRANSFER ASSETS
AND TO TRANSFER CERTIFICATE

Vanco Direct USA, LLC ("Vanco"), Global Capacity Holdco, LLC ("GC Holdco"), and GC Pivotal, LLC ("Pivotal"), hereinafter collectively referred to as "Applicants", by their attorneys, hereby respectfully request that the Tennessee Regulatory Authority (the "Commission"), hereby respectfully request that the Commission issue an Order authorizing the Transfer of Assets of Vanco to Pivotal, and the Transfer of Vanco's Certificate to Pivotal (the "Proposed Transaction"). The Applicants submit that the Proposed Transaction is in the public interest and will result in continuous telecommunications service to all Vanco customers at just and reasonable rates.

On July 23, 2010, Global Capacity, including Capital Growth Systems, Inc. and its direct and indirect subsidiaries commenced voluntary petitions for relief pursuant to Chapter 11 of Title 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Cases").

By order entered on January 26, 2011, the Bankruptcy Court for the District of Delaware approved the sale of substantially all of the assets of the jointly-administered Global Capacity debtors, including direct and indirect subsidiaries of Capital Growth Systems, Inc., to Pivotal Global Capacity, LLC or its wholly-owned subsidiary assignee GC Pivotal, LLC (the "Bankruptcy Court Order Approving Sale"). A copy of the Bankruptcy Order Approving Sale is attached hereto as Exhibit A. The sale (the "Proposed Transaction") closes and becomes effective upon required regulatory approvals being obtained. Section 4.1 of the Asset Purchase Agreement ("APA") approved under the order defines the Closing Date as occurring as soon as practicable after all conditions in Article XI have occurred. Section 11.1(h) requires regulatory approval of all relevant governmental entities, and Section 8.5 of the APA provides for the parties to use commercially reasonable efforts to obtain such regulatory approvals. If all regulatory approvals have not been obtained by an outside deadline of the Regulatory Approval Date (which will be August 8, 2011), the closing may still occur, with assets lacking such regulatory approval to be transferred thereafter, when such approval is obtained. Such assets will be managed by the seller pursuant to a management agreement until regulatory approval is granted.

In addition, Pivotal as successor to the Debtor in Possession Lenders, has been authorized to advance additional amounts under the DIP Loan Documents (secured by the collateral pledged thereunder, including the assets being transferred pursuant to the Proposed Transaction) for the Purchase Price, including through a credit bid of all amounts advanced. The Applicants also seek whatever approval may be required to pledge the assets being transferred from Vanco to Pivotal.

In support of this Joint Application, the Applicants show the following:

I. The Applicants

A. Vanco Direct USA, LLC

Vanco is a Delaware limited liability company with principal offices also located at 200 South Wacker Drive, Suite 1650, Chicago, Illinois 60606. Vanco delivers telecommunications logistics solutions to a global client set consisting of systems integrators, telecommunications companies and enterprise customers. Vanco is authorized to provide resold and facilities-based local exchange and/or interexchange services in Alabama, Arkansas, California, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Mississippi, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Vermont, Virginia, Washington and Wisconsin.

The Commission issued Vanco (in the name of Vanco USA Direct, LLC) Authority to Resell Local and Interexchange Long Distance Services in Docket No. 05-00306, Company ID 128975, granted on August 14, 2006 (See Exhibit B which is attached hereto). An application was filed by Vanco Direct USA, LLC's and Capital Growth Acquisition, Inc. for a Transfer of Control and Issuance of Debt and Related Financing Transaction in Docket No. 08-00220, and such application was approved on February 19, 2009. On April 19, 2010, Vanco Direct USA, LLC submitted a request for Approval to Change the Name on its Operating Authority to Global Capacity Direct, LLC, Docket No. 10-00064. During the process of the name change, a bond to reflect the new name was unable to be obtained due to pending Bankruptcy filing described above. On February 11, 2011, Vanco Direct USA, LLC withdrew the request to change its name.

In addition, Vanco holds blanket FCC domestic Section 214 authority and operates pursuant to the FCC international Section 214 authority held by GC Holdco. Vanco is a direct, wholly-owned subsidiary of GC Holdco, which in turn is a wholly-owned subsidiary of Capital Growth.

C. Capital Growth Systems, Inc.

Capital Growth is a publicly-traded Florida corporation with principal offices located at 200 South Wacker Drive, Suite 1650, Chicago, Illinois 60606. Capital Growth's principal business activities involve the delivery of network logistics solutions that enable customers to optimize and manage their complex global networks, resulting in improved efficiency, reduced cost, and simplified operations. The company leverages a proprietary knowledge base of global

telecommunications pricing and supply data, customized tools that analyze and optimize complex networks, and structured processes focused on the entire telecom supply chain to deliver logistics solutions to its clients. These activities are conducted primarily through Vanco.

D. Global Capacity Holdco, LLC

GC Holdco is a Delaware limited liability company with principal offices located at 200 South Wacker Drive, Suite 1650, Chicago, Illinois 60606. GC Holdco is a holding company that was formed to hold Capital Growth's interests in Vanco to facilitate the Proposed Transaction.

E. GC Pivotal, LLC

Pivotal is a Delaware limited liability company with principal offices located at 3200 East Camelback Road, Suite 295, Phoenix, Arizona 85018. Pivotal is a newly formed operating company that was formed to facilitate the ability of its indirect parent, FFN Investments, LLC ("FFN"), to acquire the telecommunications assets currently held by Vanco and then operate those assets. FFN is an Arizona limited liability company with principal offices located at 3200 East Camelback Road, Suite 295, Phoenix, Arizona 85018. FFN is the direct 100% parent of Pivotal Global Capacity, LLC ("Pivotal Holdco") which in turn owns 100% of Pivotal. FFN is a management company owned and controlled by a series of trusts formed for the benefit of F. Francis Najafi and his family members.

Pivotal will offer resold data circuits by utilizing the facilities of incumbent local exchange carriers ("LECs") and other facilities-based carriers. Pivotal will not own its own circuits or fiber. Pivotal will resell Layer One (DS-1's & OCNs), Layer Two (ATM and Frame Relay), and Layer Three (MPLS) data circuits to business customers only. No voice services will be provided. All services will be provided pursuant to contracts between Pivotal and its customers. Pivotal has no plans to install either purchased or leased facilities in the State of Tennessee.

II. Designated Contacts

The designated contacts for questions concerning this Application are as follows:

For Vanco and GC Holdco:

Lance J.M. Steinhart, Esq.
Lance J.M. Steinhart, P.C.
1720 Windward Concourse
Suite 115
Alpharetta, GA 30005
(770) 232-9200/Phone
(770) 232-9208/Fax
lsteinhart@telecomcounsel.com/Email

For Pivotal:

Thomas H. Campbell, Esq.
Lewis and Roca LLP
40 N. Central Avenue
Phoenix, Arizona 85004
(602) 262-5723/Phone
TCampbell@LRLaw.com/Email

III. Description of Transaction

The Bankruptcy Order Approving Sale was issued on January 26, 2011, and under the terms of that order, Pivotal is purchasing substantially all of the assets of Vanco. Upon completion of the Proposed Transaction, the assignment of assets from Vanco to Pivotal will have no adverse impact on customers. Customers will continue to receive their existing services at the same rates, terms and conditions as at present. Furthermore, upon closing of the Proposed Transaction, Pivotal will change its name to Global Capacity, LLC and will make all necessary filings to effectuate the name change with the Commission. If for any reason the sale order is not effectuated, Pivotal intends to acquire the assets by foreclosure of the security interests of Pivotal Holdco. Capital Growth and its affiliates are party to a series of Pledge Agreements, and a Term Loan and Security Agreement, dated as of November 19, 2008. The original lender's rights under those Pledge Agreements subsequently were assigned to Pivotal Holdco, the parent of Pivotal. Further, Pivotal Holdco is the successor Debtor in Possession lender in the Bankruptcy Cases, holding a first priority security interest in all of the Debtors' assets to collateralize the Debtor in Possession loan facility. Under these agreements, Pivotal Holdco may foreclose on its security interests and acquire the assets held by Capital Growth through Vanco if certain repayment and other conditions are not met. If Pivotal Holdco does so, it would assign the assets to Pivotal. If foreclosure is necessary before all regulatory approvals are granted, the assets in states without regulatory approval will be managed by seller pursuant to a management agreement until regulatory approval is granted.

The Proposed Transaction will provide Pivotal as the successor in interest to Vanco, with greater operating flexibility to pursue operating purposes, including, without limitation, (a) expansion of its telecommunications infrastructure; (b) improvement of customer service, billing, financial reporting and other management information systems; and (c) possible acquisitions, future investments or strategic alliances.

Organizational charts, showing the current ownership structure, and the ownership structure after the Proposed Transaction is completed, are attached hereto as Exhibit C.

A copy of Pivotal Financial Statements as of February 14, 2011 is attached hereto as Exhibit D.

In connection with the Proposed Transaction, customers of Vanco will be transferred to Pivotal after being notified of the pending transaction in compliance with Section 64.1120(e) of the FCC's rules, 47 C.F.R. § 64.1120(e), and applicable state requirements. Given the nature and timing of the Proposed Transaction, that notice has not yet been sent, although it will be in a form substantially consistent with that contained in Exhibit E. Pivotal will ensure that the required notice is provided at least 30 days prior to the consummation of the Proposed Transaction, and will provide a copy to the Commission once it is sent.

This Application is one of a number of applications/notifications filed with respect to the Proposed Transaction. Specifically, approval is being sought from the FCC and several states, including Alabama, California, Georgia, Hawaii, Indiana, Maryland, Mississippi, Nebraska, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, and West Virginia.

IV. Additional Information on GC Pivotal, LLC

In order to demonstrate Pivotal's managerial, financial and technical ability to provide service in the State of Tennessee, the following information is provided.

Pivotal is a Delaware limited liability company. Pivotal has no affiliate providing telecommunications services in any states. Its Certificate of Formation filed with the State of Delaware is attached hereto as Exhibit F (TN Certificate of Authority ID No. 32504). Pivotal was also issued a Certificate of Authority by the Tennessee Secretary of State, a copy of which is attached hereto as Exhibit G.

Pivotal's Federal Tax ID No. is 27-2666227.

Biographical information for the officers of Pivotal is attached hereto as Exhibit H. Since it is expected that most of the management and operations people will be retained by Pivotal since they are a financial buyer, please also see further information on Vanco's technical and managerial ability in Exhibit I.

Tennessee Question and Answer:

Q. Has the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, LLC members, directors, officers, five percent (5%) more shareholders or beneficiaries (of a trust) been associated with a business whose authority to transact business was denied, revoked or suspended by a state or federal regulatory or law enforcement entity?

A. No.

Q. Has the Tennessee Regulatory Authority, or any other agency of the State of Tennessee, any federal agency or any agency of any other state ever initiated a regulatory action or order against the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, LLC members, directors, officers, five percent (5%) more shareholders or beneficiaries (of a trust)?

A. No.

Q. Has the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, LLC members, directors, officers, five percent (5%) more shareholders or beneficiaries (of a trust), been enjoined or restrained by order by any court or state or federal regulatory or law enforcement entity from engaging in any conduct or practice related to the telecommunications business?

A. No.

Q. Has the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, LLC members, directors, officers, five percent (5%) more shareholders or beneficiaries (of a trust) been associated with a business who has ceased providing telecommunications services in any state, describe the circumstances?

A. No.

Q. Has the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, L.L.C. members, directors, officers, five percent (5%) or more shareholders or beneficiaries (of a trust) been convicted of any crime or crimes, or charged in court with any fraudulent or dishonest acts in any transaction of any kind, or confined in any penal institution?

A. No.

Q. Has the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, L.L.C. members, directors, officers, five percent (5%) or more shareholders or beneficiaries (of a trust) been indicted, convicted, pled guilty or pled nolo contendere to a felony in Tennessee or elsewhere?

A. No.

Q. Name and telephone number of contact person authorized to respond to Authority inquiries regarding company operations Monday through Friday.

A. Susan Naber
Customer Advocate Manager
Phone & E-mail: 312-881-4824
snaber@globalcapacity.com

Q. Name and telephone number of contact person authorized to respond to Authority inquiries regarding this filing Monday through Friday.

A. Lance J.M. Steinhart, Esq.
Lance J.M. Steinhart, P.C.
1720 Windward Concourse
Suite 115
Alpharetta, GA 30005
(770) 232-9200/Phone
(770) 232-9208/Fax
lsteinhart@telecomcounsel.com/Email

Q. List a toll-free telephone number and mailing address that consumers can call or write to report service problems and/or request refunds or adjustments.

A. (866) 226-4244

Q. Provide the name and address of the registered agent for service of process:

A. Incorp Services, Inc.
216 Centerview Drive, Suite 217
Nashville, Tennessee 37219

Q. Identify all authorized agents in the state, if any by name, address, business and home phone numbers and any other businesses conducted by the agent at the same location:

A. None.

IV. Public Interest Showing

The Applicants respectfully submit that the proposed transaction is in the public interest and should be approved by the Commission. The Proposed Transaction will not adversely affect the customers of Vanco. In fact, the operations of the company will be better because the Company will be economically much stronger. The economic benefits are expected to strengthen the company's ability to expand its service offerings to a broader customer base in Tennessee. Applicants also expect that the Proposed Transaction will enable the company to strengthen its competitive position to the benefit of Tennessee consumers and the telecommunications marketplace.

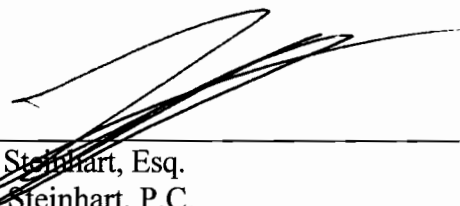
Grant of this application will serve the public interest by facilitating the assignment of the telecommunications assets of Vanco, including their customer bases, to Pivotal, which has the financial strength and resources to ensure continuity of service to the existing customers. Absent this assignment, Vanco will be in financial distress, and possibly would be liquidated—both of which would place that continuity of service in jeopardy. Thus, the proposed transaction is

necessary to ensure that there is no interruption of service to customers. In fact, the proposed transaction would not affect the day-to-day service that they receive and would be offered on the same terms as presently in place.

In addition, the Proposed Transaction will involve no disruption or impairment of service to customers, the facilities used to provide such services, or the rates, terms and conditions of such service. Vanco corporate officers and management team responsible for its day-to-day operations are expected to remain essentially the same immediately following the Proposed Transaction. The Proposed Transaction will not have an adverse effect on non-management employees of Vanco. Finally, all existing customer service numbers/operations, contacts and procedures of Vanco will also remain in place after the Proposed Transaction, including procedures relating to billing, repair and customer complaints.

Wherefore, for the reasons stated above, Applicants hereby respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Application and respectfully request that the Commission issue and Order authorizing the Transfer of Assets and the Transfer of Certificate described herein.

Respectfully submitted,



Lance J.M. Steinhart, Esq.
Lance J.M. Steinhart, P.C.
1720 Windward Concourse, Suite 115
Alpharetta, Georgia 30005
Telephone: (770) 232-9200
Facsimile: (770) 232-9208
E-mail: lsteinhart@telecomcounsel.com

**Attorney for Vanco Direct USA, LLC and
Global Capacity Holdco, LLC**

March 10, 2011