

COVINGTON

BEIJING BRUSSELS LONDON LOS ANGELES
NEW YORK SAN FRANCISCO SEOUL
SHANGHAI SILICON VALLEY WASHINGTON

Covington & Burling LLP
One CityCenter
850 Tenth Street, NW
Washington, DC 20001-4956
T +1 202 662 6000

September 23, 2016

By Federal Express

Chairman, Tennessee Regulatory Authority
c/o Sharla Dillon, Dockets and Records Manager
502 Deaderick Street, 4th Floor
Nashville, Tennessee 37243

DOCKET NO.

16-00114

Re: Joint Petition 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 Corporation, and for Certain Financing Arrangements

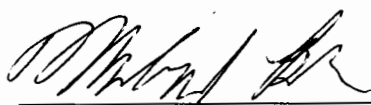
Dear Ms. Dillon:

Enclosed for filing, pursuant to Tenn. Comp. R. & Regs. 1220-1-1-.03(4), are an original and four (4) copies of the Joint Petition of 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"), for such approval as may be required to transfer control of AccessLine to MDP, and for the Petitioners to participate in certain financing arrangements. This Joint Petition has been filed by electronic mail to sharla.dillon@tn.gov.

Also enclosed is (1) a check for the \$25 filing fee, and (2) an extra copy of the Joint Petition for the Authority to date-stamp and return using the enclosed self-addressed stamped envelope.

Any further questions regarding this filing may be directed to the undersigned.

Respectfully submitted,



Yaron Dori
Michael Beder
Ani Gevorkian

COVINGTON

COVINGTON & BURLING LLP

One City Center

850 Tenth Street, N.W.

Washington, DC 20001

Tel: (202) 662-6000

Fax: (202) 662-6291

E-mail: ydori@cov.com

mbeder@cov.com

agevorkian@cov.com

Counsel for

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.

BEFORE THE TENNESSEE REGULATORY AUTHORITY

Joint Petition of)	
)	
AccessLine Communications Corporation)	
Oak Hill Capital Partners III, L.P.)	
Oak Hill Capital Management Partners III, L.P.)	
)	Case No. _____
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 Corporation, and)	
for Certain Financing Arrangements)	

JOINT PETITION

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 "Petitioners"), through their undersigned counsel and pursuant to Section 65-4-113 of the Tennessee Code and any other laws or regulations deemed applicable, request Tennessee Regulatory Authority ("Authority") approval or such authority as may be necessary or required to enable the parties to consummate a transaction for the transfer control of AccessLine from Oak Hill to MDP pursuant to an Agreement and Plan of Merger described more fully below in Section III (the "Transaction"). AccessLine is authorized to resell interexchange long distance telecommunications in Tennessee.

In addition, pursuant to Section 65-4-109 of the Tennessee Code and any other regulations deemed applicable, Petitioners request approval to participate in certain financing arrangements.

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 this request Petitioners provide the following information:

I. DESCRIPTION OF THE PETITIONERS

A. Madison Dearborn Partners, LLC

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, 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 Tennessee, AccessLine is authorized to resell interexchange long distance telecommunications services pursuant to an Order issued by the Authority on January 4, 2006. 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, Nebraska, Nevada, New Hampshire, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Texas,

Utah, Vermont, Washington, West Virginia, Wisconsin, and Wyoming. Upon consummation of the Transaction, AccessLine will continue to provide the same services to its customers.

II. CONTACT INFORMATION

For Oak Hill and AccessLine

Glenn S. Richards
Christine A. Reilly
PILLSBURY WINTHROP SHAW PITTMAN
LLP
1200 Seventeenth Street, N.W.
Washington, DC 20036
Tel: (202) 663-8000
Fax: (202) 513-8006
Email: glenn.richards@pillsburylaw.com
christine.reilly@pillsburylaw.com

*Counsel for
Oak Hill Capital Partners III, L.P.
Oak Hill Capital Management Partners
III, L.P.
AccessLine Communications Corporation*

For MDP

Yaron Dori
Michael Beder
Ani Gevorkian
COVINGTON & BURLING LLP
One City Center
850 Tenth Street, N.W.
Washington, DC 20001
Tel: (202) 662-6000
Fax: (202) 662-6291
E-mail: ydori@cov.com
mbeder@cov.com
agevorkian@cov.com

*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.*

III. DESCRIPTION OF THE TRANSACTION

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% of the voting interests in Intermedia and approximately 86.95% of Intermedia’s equity interests.¹ To effectuate the Transaction, Ivy Merger Sub, Inc., will be merged with and into Intermedia,

¹ 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.

with Intermedia emerging as the surviving entity. When this occurs, MDP LLC will indirectly be Intermedia's controlling shareholder.

For the Authority's reference, pre- and post-Transaction organization charts are provided as Exhibit A.

IV. DESCRIPTION OF FINANCING

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 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. Accordingly, Applicants request that the Commission approve the Transaction and the participation by AccessLine in the proposed financing arrangements.

V. PUBLIC INTEREST STATEMENT

Applicants submit that the proposed Transaction will serve the public interest. Under new ownership, AccessLine will continue to provide high-quality telecommunications services to Tennessee 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 rates, terms and conditions of service, 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.

VI. CONCLUSION

For the reasons stated above, Petitioners respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Petition. Accordingly, Petitioners respectfully request expedited treatment to permit Petitioners to complete the proposed transactions as soon as possible.

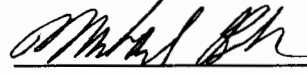
Respectfully submitted,

**OAK HILL CAPITAL PARTNERS III,
L.P.
OAK HILL CAPITAL
MANAGEMENT PARTNERS III, L.P.
ACCESSLINE COMMUNICATIONS
CORPORATION**



Glenn S. Richards
Christine A. Reilly
PILLSBURY WINTHROP SHAW PITTMAN
LLP
1200 Seventeenth Street, N.W.

**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.**



Yaron Dori
Michael Beder
Ani Gevorkian
COVINGTON & BURLING LLP
One City Center

Washington, DC 20036
Tel: (202) 663-8000
Fax: (202) 513-8006
Email: glenn.richards@pillsburylaw.com
christine.reilly@pillsburylaw.com

*Counsel for
Oak Hill Capital Partners III, L.P.
Oak Hill Capital Management Partners
III, L.P.
AccessLine Communications Corporation*

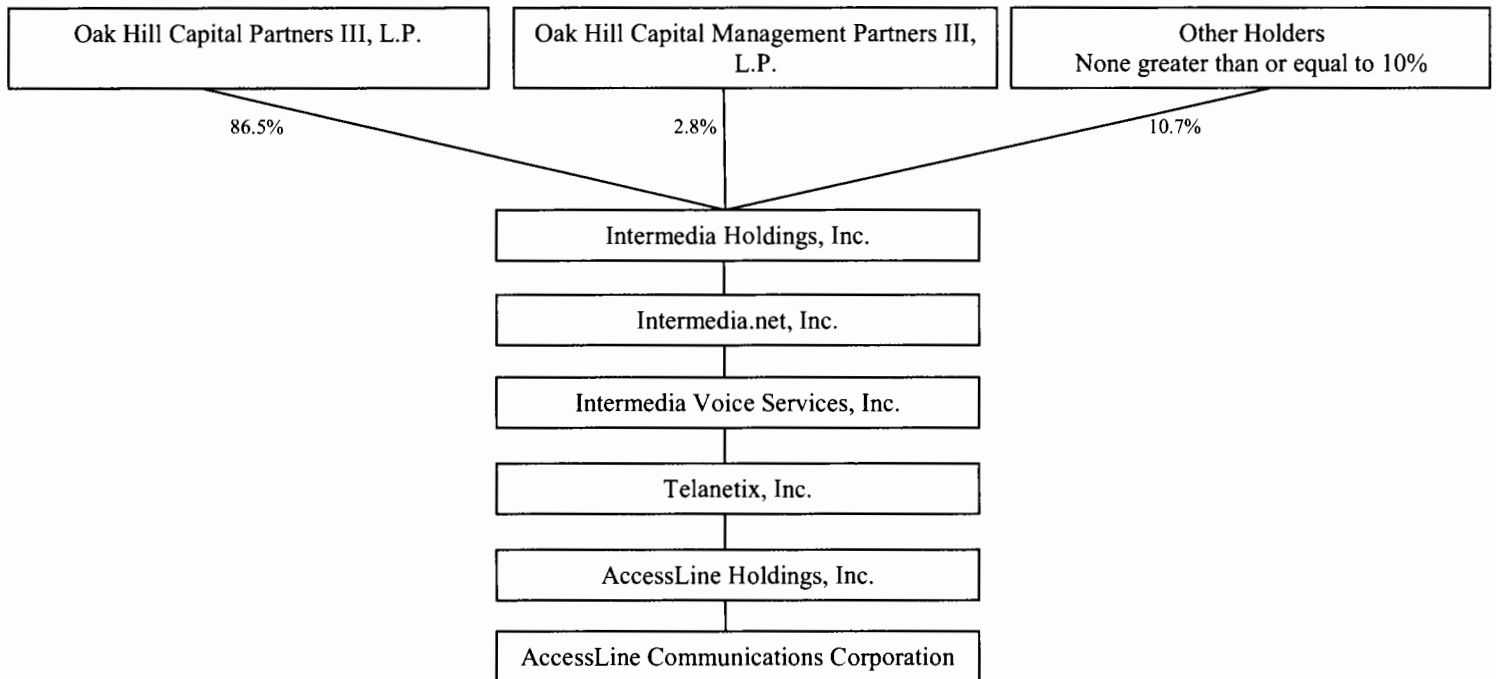
850 Tenth Street, N.W.
Washington, DC 20001
Tel: (202) 662-6000
Fax: (202) 662-6291
E-mail: ydori@cov.com
mbeder@cov.com
agevorkian@cov.com

*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.*

September 23, 2016

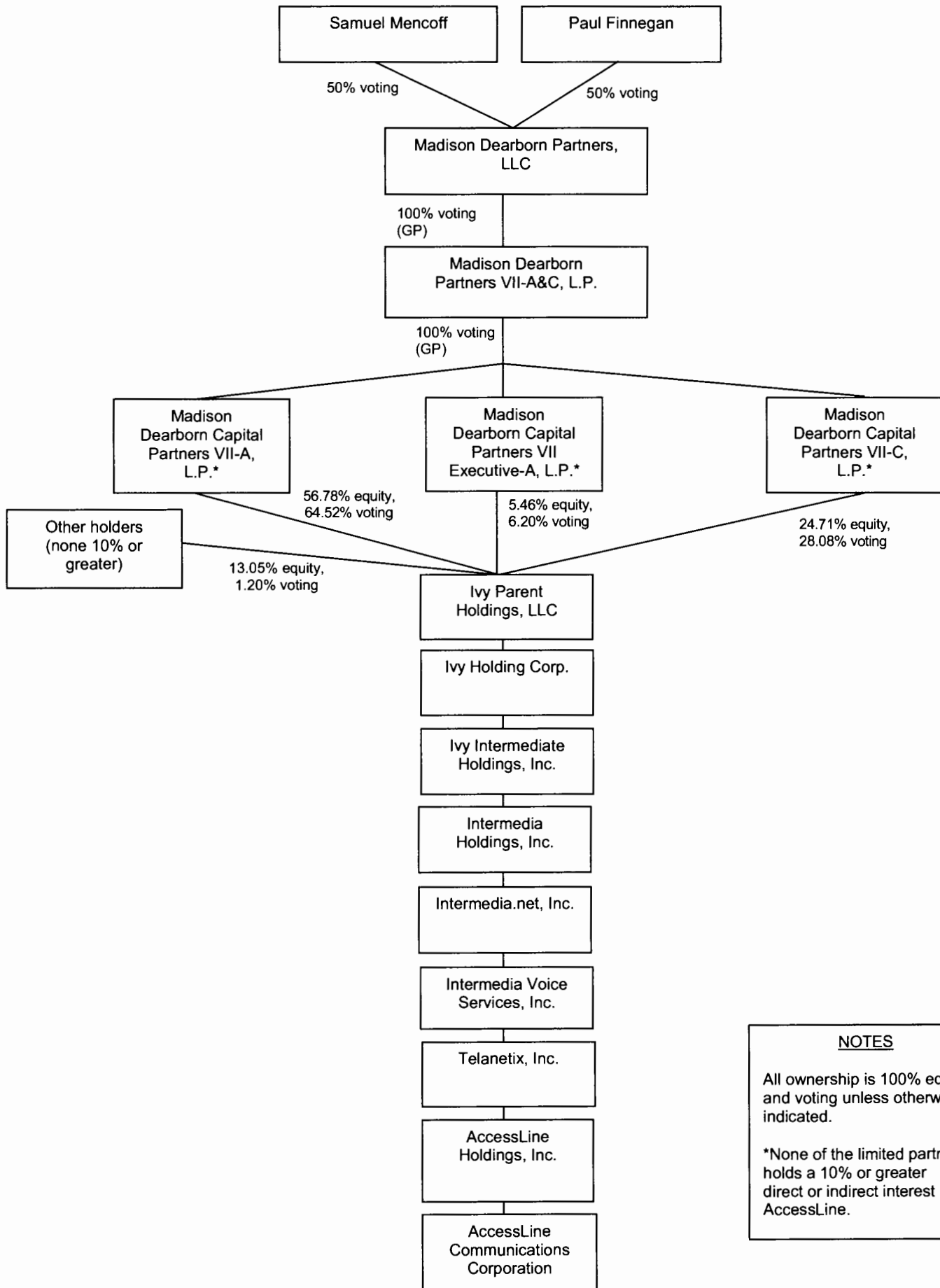
Attachment A
Pre- and Post-Transaction Corporate Organizational Charts

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.

Verifications

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 16th day of September, 2016.

A handwritten signature in black ink, appearing to read 'Michael J. Gold', written over a horizontal line.

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

STATE OF ILLINOIS

CITY OF CHICAGO

§
§
§

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.

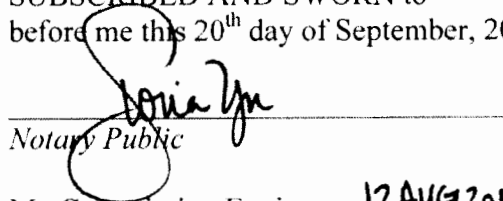
I declare under penalty of perjury that the foregoing is true and correct. Executed this 20th day of September, 2016.



Name: Mark Tresnowski

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

SUBSCRIBED AND SWORN to
before me this 20th day of September, 2016.


Notary Public

My Commission Expires: 12 AUG 2018

