

March 18, 2021

VIA E-MAIL AND FEDERAL EXPRESS

21-00036

Earl Taylor, Executive Director
Tennessee Public Utility Commission
c/o Tory Lawless, Dockets and Records Manager
502 Deaderick Street, 4th Floor
Nashville, TN 37243
tpuc.docketroom@tn.gov

Re: Notification of Proposed Change in Control of Wholesale Carrier Services, Inc.

Dear Mr. Taylor:

Wholesale Carrier Services, Inc. ("WCS") and BCM One Group Holdings, Inc. ("BCM One Group Holdings") (collectively, the "Parties") hereby file the attached notification of a proposed transfer of control of WCS to BCM One Group Holdings. As explained in the attached notification, it is the Parties' understanding that approval of the transaction by the Commission is not required to complete the transaction. Accordingly, the Parties are submitting this letter for informational purposes.

Please contact the undersigned if there are any questions or any additional information is needed concerning this notification.

Respectfully submitted,

/s/ Todd B. Lantor

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Enclosure

**WHOLESALE CARRIER SERVICES, INC.
BCM ONE GROUP HOLDINGS, INC.
NOTIFICATION OF TRANSFER OF CONTROL**

Wholesale Carrier Services, Inc. (“WCS,” “Company,” or “Transferor”) and BCM One Group Holdings, Inc. (“BCM One Group Holdings” or “Transferee”) (collectively, the “Parties”) hereby file written notification of a proposed transfer of control of WCS to BCM One Group Holdings. WCS will be acquired by BCM One Group Holdings indirectly through one of its wholly-owned subsidiaries, BCM One, Inc. (“BCM One”), a New York corporation.

The transfer of control will have no effect on the ongoing operations of WCS, which will remain the holder of its certificate of public convenience and necessity (“CPCN”). In addition, as discussed herein, the transfer of control will have no impact on Tennessee customers. For the reasons discussed in Section II, *infra*, it is the Parties’ understanding that no prior approval of this transaction by the Tennessee Public Utility Commission (“Commission”) is required.

I. DESCRIPTION OF THE PARTIES.

A. Wholesale Carrier Services.

WCS is a corporation organized under the laws of the State of Florida.¹ WCS provides enterprise solutions to businesses. It offers Time Division Multiplexing (“TDM”) and Internet Protocol-based voice services, and other connectivity services.

WCS was issued a certificate of public convenience and necessity by the Tennessee Regulatory Authority in 2008.² The principal office of WCS is located at 12350 NW 39th Street, Coral Springs, Florida, 33065. The telephone number of the Company is (888) 940-5600.

¹ Florida Department of State, Division of Corporations, Document No. P96000042828 (May 20, 1996). WCS’s current status is active.

² Wholesale Carrier Services, Inc., Docket No. 07-00250, ID No. 129034 (approved May 12, 2008).

B. BCM One Group Holdings, Inc.

BCM One Group Holdings is incorporated in Delaware, the Certificate of Incorporation having been filed in the Office of the Secretary of the State of Delaware on September 14, 2018, Registration No. 7046551. The principal office of BCM One Group Holdings is located at 7676 Forsyth Blvd., Suite 2700, St. Louis, Missouri, 63105. A controlling interest in BCM One Group Holdings is held by Thompson Street Capital Partners V, L.P. (“Thompson Street”). The principal office of Thompson Street is the same as that of BCM One Group Holdings.

Thompson Street is a limited partnership and is part of a privately held investment firm based in St. Louis, Missouri. The firm was founded in 2000 and has acquired more than 150 companies and managed more than \$2.6 billion in equity. Thompson Street specializes in growth capital, recapitalizations, management buyouts, and private investments in middle market companies. Thompson Street invests in companies to ensure that they are positioned for continued growth in their markets. The General Partner of Thompson Street is Thompson Street Capital V GP, L.P., a Delaware limited partnership.

II. DESCRIPTION OF THE TRANSACTION.

On February 23, 2021, BCM One Group Holdings and the owners of WCS entered into a Share Purchase Agreement (“SPA”) for BCM One Group Holdings (together with Thompson Street and its co-investors) to acquire WCS. Pursuant to the SPA, and as noted above, WCS will be acquired by BCM One Group Holdings, indirectly through BCM One.³ Thompson Street holds approximately 70% of the equity and voting interests in BCM One Group Holdings.

³ Regardless of the intervening subsidiaries in the vertical ownership chain, WCS will be subject to the control of Thompson Street. BCM One, formerly known as McGraw Communications, Inc., is a corporation engaged in the telecommunications business and duly organized and incorporated under the laws of the State of New York. NYS Department of State, Division of Corporations, DOS ID No. 2042126 (June 25, 1996). BCM One’s current status is active.

The remaining approximately 30% of BCM One Group Holdings and BCM One is held separately and independently by certain individual investors, certain lender co-investors, and other commercial partners. Except for Thompson Street, no interest holder ultimately has equity or voting shares of 10% or greater in BCM One Group Holdings or BCM One.

Thompson Street is a Delaware Limited Partnership. Its general partner is Thompson Street Capital V GP, L.P. No limited partner in Thompson Street owns more than 10% of the equity of Thompson Street.

Thompson Street Capital V GP, L.P. is a Delaware Limited Partnership. Its general partner is Thompson Street Capital LLC, a Delaware Limited Liability Company, and its sole member is James A. Cooper.

One of Thompson Street Capital V GP, L.P.'s limited partners, Thompson Street Capital Manager LLC, a Delaware limited liability company, owns approximately 16.9% of the equity of Thompson Street Capital V GP, L.P. The only other limited partners that own more than 10% of the equity of Thompson Street Capital V GP, L.P. are James A. Cooper and Robert C. Dunn.

Several members of WCS's current management team will remain with WCS, continuing to direct its day-to-day operations. This will ensure that WCS's business decisions going forward will be guided by an experienced team with a proven record in the telecommunications field and with detailed knowledge and experience concerning the operations of WCS.

The transaction thus will join together the strength and success of WCS's performance in telecommunications markets with Thompson Street's management and financial expertise. The Parties expect that the transaction will enable WCS to achieve measurable growth in its business operations, while also developing and implementing enhanced operating efficiencies.

It is the Parties' understanding that no prior Commission approval of this transaction is required. Because WCS has not notified the Commission of its intent to operate pursuant to market regulation, in accordance with T.C.A. Section 65-5-109, the issue of whether the proposed transfer of control must be approved by the Commission is governed by the provisions of T.C.A. Section 65-4-112. Subsection (a) of that section provides that:

No lease of its property, rights, or franchises, by any such public utility, and no merger or consolidation of its property, rights and franchises by any such public utility with the property, rights and franchises of any other such public utility of like character shall be valid until approved by the commission

The proposed transfer of control does not involve any lease of WCS's property, rights, or franchises to the Transferee or any of its subsidiaries or affiliates. Further, the proposed transaction does not involve the merger or consolidation of any of WCS's property, rights, or franchises with any other public utility of like character. Instead, as the Parties have explained, the proposed transaction will result in the transfer of control of WCS to BCM One Group Holdings through an SPA arrangement. The CPCN issued to WCS by the Commission will not be leased, transferred, or otherwise acquired. Also, the proposed transaction will not result in any merger or consolidation of the Transferor's CPCN, or its property or rights, with those of the Transferee or with any public utility of like character.

Because the terms of T.C.A. Section 65-4-112 do not apply to the proposed transaction, the Parties respectfully suggest that the Commission should conclude that its prior approval is not necessary for consummation of the proposed transaction.

III. PUBLIC INTEREST STATEMENT; IMPACT ON CUSTOMERS.

The proposed transaction will advance the public interest. The transfer of control will not involve any assignment of operating authority, assets, or customers. As noted in Section II., *supra*, WCS will benefit from the additional capital, in addition to Thompson Street's financial and

managerial expertise, to better serve its existing customers and compete more effectively in the marketplace. Services will continue to be provided by experienced and qualified personnel.

Upon closing, WCS will continue to provide competitive and innovative services to existing customers in Tennessee at the same rates, terms, and conditions and in the same geographic areas as currently provided. Market conditions will determine any future changes in the rates, terms, or conditions of service, and such changes will only be undertaken in a manner consistent with any applicable Tennessee and federal rules and regulations. The transaction is not intended – or expected to – result in the discontinuance, reduction, loss, or impairment of service to any customer.

The proposed transaction also will not harm competition in Tennessee. Only a small percentage of the telecommunications services available in the state were ever provided by WCS, even if combined with other entities BCM One Group Holdings directly or indirectly controls. Moreover, the market for telecommunications services is fiercely competitive among these types of providers. In all cases, the affected markets in Tennessee will continue to be served by a dominant local exchange carrier that is not a party to the transaction.

WCS will use the improvements resulting from the acquisition, among other things, to pursue the continued development of telecommunications technologies for use by its customers, including integrated, global voice, video, and instant messaging services, among other business services.

IV. CONTACT INFORMATION.

For Transferor:

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V. CONCLUSION.

The Parties respectfully submit that the proposed transfer of control serves the public interest. The transfer of control will not involve any assignment of operating authority, assets, or customers. The Company will benefit from the additional capital, in addition to Thompson Street's financial and managerial expertise to better serve its existing customers and compete more effectively in the marketplace. Services will continue to be provided by experienced and qualified personnel.

The proposed transfer of control will enhance competition that benefits WCS's business consumers that have access to enterprise solutions, including TDM and Internet Protocol-based voice services and other connectivity services. These benefits include competitive pricing and increased availability of a variety of service options, enabling WCS to better serve its customers and compete more effectively in the marketplace.

As noted in Section III, *supra*, the transfer of control will be seamless to Tennessee customers because there will be no changes in the Company's business practices, customer service offerings, and/or customer billing.

As discussed above, it is the Parties' understanding that no prior Commission approval of this transaction is required. The Parties respectfully request that the Commission update its records to reflect this transaction.