

NEW APPLICATION



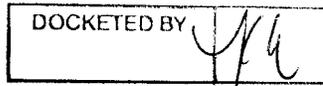
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ORIGINAL

Arizona Corporation Commission

DOCKETED

SEP 27 2016



By Overnight Mail

September 23, 2016

Ernest Johnson, Executive Director
Arizona Corporation Commission
Utilities Division
1200 W. Washington Street
Phoenix, AZ 85007-2927

T-04292A-16-0341

**Re: Notification of Indirect Change of Control of AccessLine
Communications Corporation**

Dear Mr. Johnson:

On behalf 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 "Parties"), this letter is to advise the Arizona Corporation Commission ("Commission") that the Parties have entered into a transaction (the "Transaction") whereby MDP will acquire from Oak Hill ultimate control of AccessLine, which is certificated to provide intrastate interexchange telecommunication services in Arizona.

The Parties understand that Commission approval is not required for the Transaction, which is further described below. AccessLine Communications Corporation was issued a Certification of Convenience and Necessity by the Commission on August 28, 2007 (Decision No. 69888). In the most recent fiscal year, 2015, AccessLine had less than \$10 million in jurisdictional revenues. AccessLine has no affiliates that provide telecommunications service in Arizona, and thus has no other revenues in Arizona. Therefore, the Arizona Affiliated Interest Rules, A.A.C. R12-2-801 to R12-2-806, requiring utilities with greater than \$10 million in jurisdictional revenues to obtain prior approval for a change of control and/or an internal reorganization transaction do not apply in this matter. Because the change of control will occur at the parent company level, no assets of the regulated utility will be sold, leased, encumbered, or otherwise disposed of by the utility. Therefore, A.R.S. §40-285 does not apply to this transaction.

The Transaction will not cause any change in the direct ownership or legal structure of AccessLine, nor will it affect the company's daily management or operations. Further, AccessLine will continue to provide high-quality communications services to its customers without interruption, and there are no plans to discontinue any service or to implement any changes in rates, terms, or conditions in connection with the Transaction. Accordingly, the

Certificate of Convenience and Necessity will continue to be used to provide service under existing terms and conditions even though the ultimate ownership and control will change after the Transaction is consummated. This letter is filed for informational purposes only to ensure the continuing accuracy of the Commission's records.

In furtherance of this notice, the Parties provide the following information:

I. THE PARTIES

A. MDP

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 Arizona, AccessLine is authorized to provide resold intrastate interexchange telecommunications services pursuant to a Certificate of Convenience and Necessity granted August 28, 2007 in Decision No. 69888. 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 to Arizona, AccessLine provides regulated intrastate telecommunications services in the following jurisdictions: Alabama, Alaska, 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, Tennessee, Texas, Utah, Vermont, Washington, West Virginia, Wisconsin, and Wyoming. Upon consummation of the Transaction, AccessLine will retain these authorizations and continue to provide services to its customers.

II. DESIGNATED CONTACTS

The designated contacts for all correspondence, notices, inquiries, and orders in relation to this notice are:

For Oak Hill and AccessLine

Glenn S. Richards
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For MDP

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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, with Intermedia emerging as the surviving entity. When this occurs, MDP LLC will indirectly be Intermedia's controlling shareholder. For the Commission's reference, pre- and post-Transaction organization charts are provided as Exhibit A.

IV. PUBLIC INTEREST CONSIDERATIONS

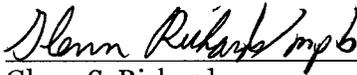
Applicants submit that the proposed Transaction will serve the public interest. Under new ownership, AccessLine will continue to provide high-quality telecommunications services to Arizona consumers, while gaining access to the additional resources and operational expertise of MDP. With the strong financial 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.

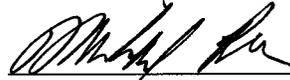
¹ The remaining equity and voting interests will be split among various holders, none of whom will hold a 10% or greater equity or voting interest in Intermedia.

Any questions on this matter may be directed to the undersigned.

Respectfully submitted,



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Counsel for
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L.P.
Madison Dearborn Capital Partners VII-C,
L.P.
Madison Dearborn Capital Partners VII
Executive-A, L.P.

ORIGINAL + 13 copies of the foregoing filed this 23 day of September, 2016 with:

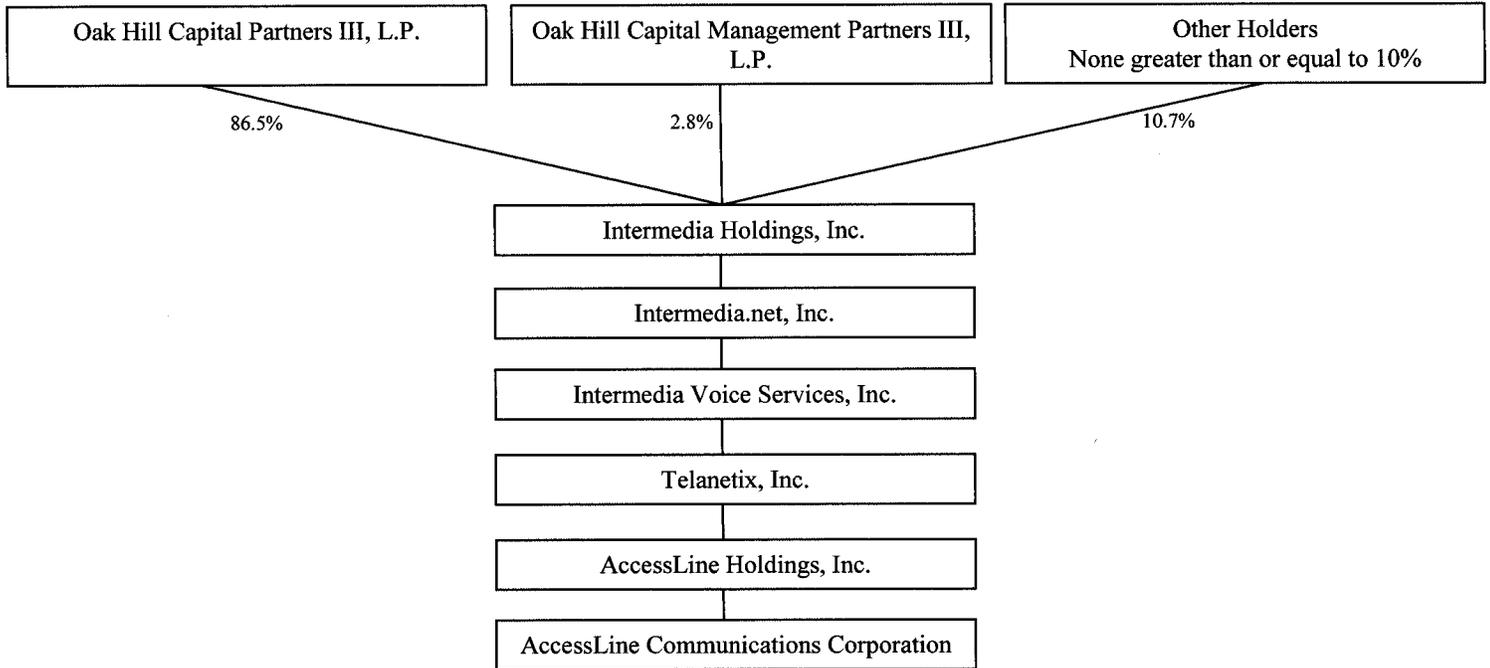
Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

By _____

EXHIBIT A

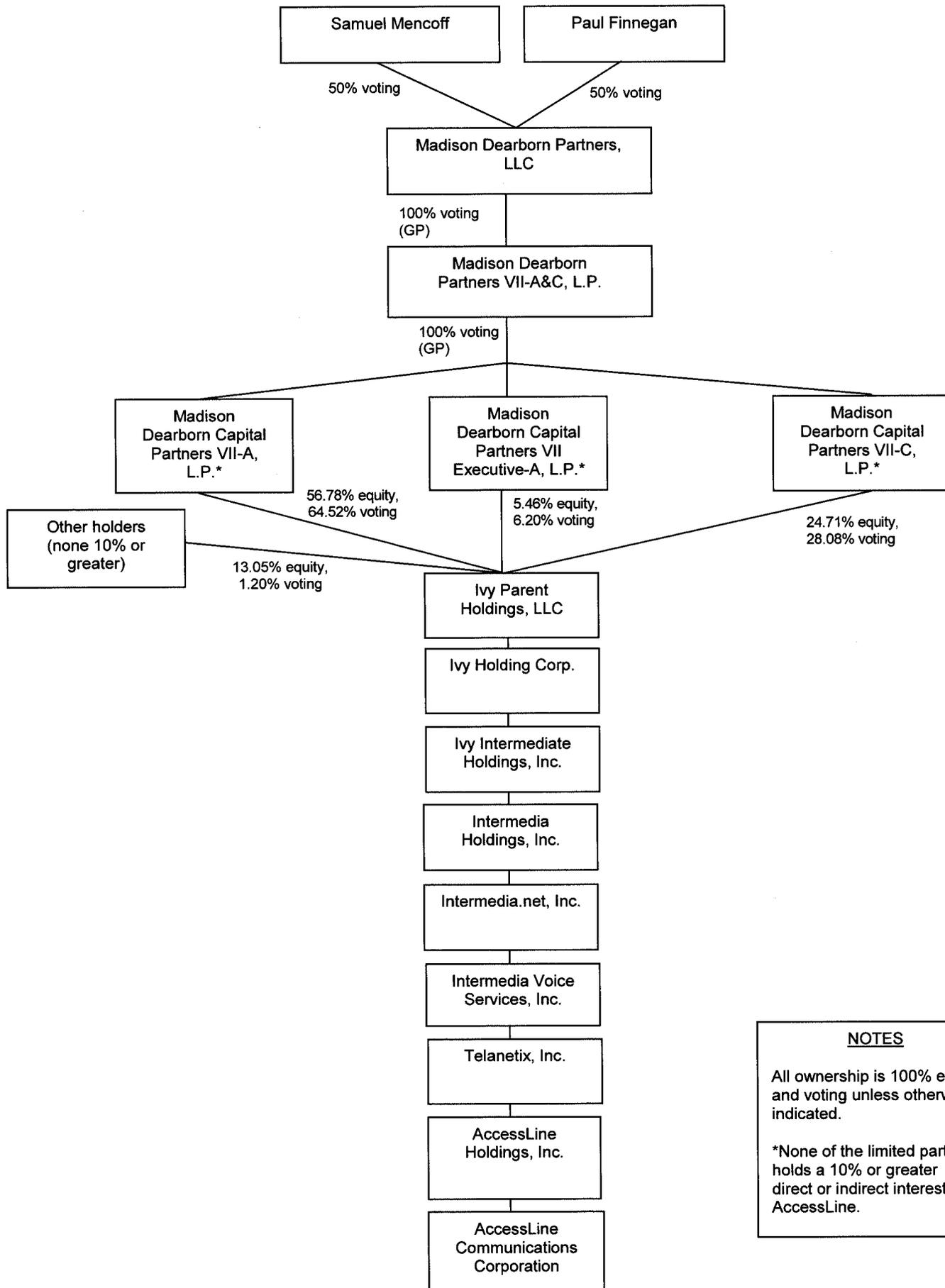
Pre- and Post-Transaction Corporate Ownership Charts

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.