WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Gary T. Holtzer
Sunny Singh

*Attorneys for Debtors
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re	:	**Chapter 11**
FUSION CONNECT, INC., *et al.*,	:	**Case No. 19-11811 (SMB)**
Debtors.[1]	:	**(Jointly Administered)**

NOTICE OF FILING OF (A) LIQUIDATION ANALYSIS, (B) VALUATION ANALYSIS, AND (C) FINANCIAL PROJECTIONS OF FUSION CONNECT, INC. AND ITS DEBTOR SUBSIDIARIES

PLEASE TAKE NOTICE that Fusion Connect, Inc. and its debtor subsidiaries, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the "**Debtors**"), filed the *Amended Disclosure Statement for Amended Joint Chapter 11 Plan of Fusion*

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are Fusion Connect, Inc. (2021); Fusion BCHI Acquisition LLC (7402); Fusion NBS Acquisition Corp. (4332); Fusion LLC (0994); Fusion MPHC Holding Corporation (3066); Fusion MPHC Group, Inc. (1529); Fusion Cloud Company LLC (5568); Fusion Cloud Services, LLC (3012); Fusion CB Holdings, Inc. (6526); Fusion Communications, LLC (8337); Fusion Telecom, LLC (0894); Fusion Texas Holdings, Inc. (2636); Fusion Telecom of Kansas, LLC (0075); Fusion Telecom of Oklahoma , LLC (3260); Fusion Telecom of Missouri, LLC (5329); Fusion Telecom of Texas Ltd., L.L.P. (8531); Bircan Holdings, LLC (2819); Fusion Management Services LLC (5597); and Fusion PM Holdings, Inc. (2478). The principal executive office of the Debtors is located at 210 Interstate North Parkway, Suite 300, Atlanta, Georgia 30339.

Connect, Inc. and Its Subsidiary Debtors, dated as of September 3, 2019 (ECF No. 369) (the "**Disclosure Statement**").[2]

PLEASE TAKE FURTHER NOTICE that the Debtors hereby file the Liquidation Analysis attached as **Exhibit A**, the Valuation Analysis attached as **Exhibit B**, and the Financial Projections attached as **Exhibit C**.

PLEASE TAKE FURTHER NOTICE that the Liquidation Analysis, Valuation Analysis, and Financial Projections can be viewed and obtained (a) by accessing the Court's website at www.nysb.uscourts.gov or (b) from the Debtors' claims and noticing agent, Prime Clerk LLC ("**Prime Clerk**"), https://cases.primeclerk.com/Fusion. In addition, copies of the Liquidation Analysis, Valuation Analysis, and Financial Projections will be provided on request free of charge by contacting Prime Clerk by calling (844) 230-7218 (domestic toll-free) or +1 (347) 859-8784 (international) or emailing fusionconnectinfo@primeclerk.com. Note that a PACER password is needed to access documents on the Court's website.

Dated: September 17, 2019
New York, New York

/s/ Sunny Singh
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Gary T. Holtzer
Sunny Singh

Attorneys for Debtors
and Debtors in Possession

[2] Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Disclosure Statement.

Exhibit A

Liquidation Analysis

LIQUIDATION ANALYSIS[1]

NOTHING CONTAINED IN THE FOLLOWING LIQUIDATION ANALYSIS IS INTENDED TO BE OR CONSTITUTES A CONCESSION OR ADMISSION OF THE DEBTORS. THE ESTIMATED AMOUNT OF ALLOWED CLAIMS SET FORTH HEREIN SHOULD NOT BE RELIED UPON FOR ANY OTHER PURPOSE, INCLUDING ANY DETERMINATION OF THE VALUE OF ANY DISTRIBUTION TO BE MADE ON ACCOUNT OF ALLOWED CLAIMS UNDER THE PLAN. THE ACTUAL AMOUNT OF ALLOWED CLAIMS IN THESE CHAPTER 11 CASES COULD DIFFER MATERIALLY FROM THE ESTIMATED AMOUNTS SET FORTH IN THE LIQUIDATION ANALYSIS.

A. Introduction

A chapter 11 plan cannot be confirmed unless a bankruptcy court determines that the plan is in the "best interests" of all holders of claims and interests that are impaired by the plan and that have not accepted the plan. The "best interests" test, as set forth in section 1129(a)(7) of the Bankruptcy Code, requires that a bankruptcy court find either that: (i) all members of an impaired class of claims or interests have accepted the plan or (ii) the plan will provide a member of an impaired class of claims or interests who has not accepted the plan with a recovery of property of a value, as of the effective date of the plan, that is not less than the amount that such holder would recover if the debtor were liquidated under chapter 7 of the Bankruptcy Code on such date, prior to confirming the plan. To determine the Debtors' compliance with section 1129(a)(7), the Bankruptcy Court must evaluate the Debtors' estimate of: (a) the cash proceeds that a chapter 7 trustee would generate if each Debtor's chapter 11 case were converted to a chapter 7 case on the Effective Date and the assets of such Debtor's estate were liquidated; (b) the distribution that each non-accepting Holder of a Claim or Interest would receive from the net estimated liquidation proceeds under the priority scheme set forth in chapter 7; and (c) comparison of each Holder's estimated recovery under liquidation to the distribution under the Plan that such Holder would receive if the Plan were confirmed and consummated.

Based on the following hypothetical liquidation analysis set forth herein (the "**Liquidation Analysis**"), the Debtors believe that the Plan satisfies the best interests test and that each Holder of an Impaired Claim or Interest will receive value under the Plan on the Effective Date that is not less than the value such Holder would receive if the Debtors liquidated under chapter 7 of the Bankruptcy Code. The Debtors believe that this Liquidation Analysis and the conclusions set forth herein are fair and represent management's best judgment regarding the results of a hypothetical liquidation of the Debtors under chapter 7 of the Bankruptcy Code, taking into account various factors, including the negative impact on values arising from a liquidation of the Debtors' assets under current market conditions. This Liquidation Analysis was prepared for the sole purpose of assisting the Bankruptcy Court and Holders of Impaired Claims or Interests in making this determination, and should not be used for any other purpose. Nothing contained in this Liquidation Analysis is intended as or constitutes a concession or admission for any purpose other than the presentation of a hypothetical liquidation for purposes of the best interests test. Accordingly, asset values discussed herein may be different than amounts referred to in the Plan. This Liquidation Analysis is based upon certain assumptions discussed herein and in the Disclosure Statement.

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[1] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Disclosure Statement (ECF No.369) or the Plan (ECF No. 368), as applicable.

This Liquidation Analysis was prepared by FTI Consulting, Inc. ("**FTI**") in connection with FTI's representation of the Debtors in these chapter 11 cases. This Liquidation Analysis assumes that the Debtors' liquidation would commence on or about **November 6, 2019** (the "**Conversion Date**") under the direction of a chapter 7 trustee, during which time the Debtors' assets would be administered and the cash proceeds (net of liquidation-related costs), together with cash on hand, would then be distributed to creditors in accordance with the priority scheme established under the Bankruptcy Code. It is assumed that the Debtors would (i) immediately cease all operations following the Conversion Date; (ii) lose access to cash collateral and the financing provided under the DIP Facility; (iii) lose access to critical employees as a result of immediate departures, including employees involved in accounting, treasury, IT support, and management; and (iv) not receive relief from the regulations of the Federal Communications Commission or state regulators that provide for restrictions on and notice requirements for the transfer of customer accounts and services to other providers. All other operations, management, and corporate functions are assumed to immediately cease in order to minimize costs associated with the chapter 7 liquidation. The Debtors would expect the chapter 7 trustee to retain professionals to assist in the liquidation of the Debtors' estates.

For purposes of this Liquidation Analysis, FTI has attempted to ascribe value to the assets based on general classes by estimating the percentage recoveries that a chapter 7 trustee might achieve under these conditions. Where applicable, asset recoveries below are shown net of the costs to achieve those recoveries.

B. Statements of Limitation

The preparation of a liquidation analysis is an uncertain process involving the use of estimates and assumptions that, although considered reasonable by the Debtors based upon their business judgment and input from their advisors, are inherently subject to significant business, economic, and competitive risks, uncertainties and contingencies, most of which are difficult to predict and many of which are beyond the control of the Debtors, their management, and their advisors. Inevitably, some assumptions in the Liquidation Analysis would not materialize in an actual chapter 7 liquidation and unanticipated events and circumstances could materially affect the ultimate results in an actual chapter 7 liquidation. The Liquidation Analysis was prepared for the sole purpose of generating a reasonable good faith estimate of the proceeds that would be generated if the Debtors' assets were liquidated in accordance with chapter 7 of the Bankruptcy Code; it is not intended, and should not be used, for any other purpose. The underlying financial information in the Liquidation Analysis, and the values stated herein, have not been subject to review, compilation, or audit by any independent accounting firm. In addition, various liquidation decisions, upon which certain of the assumptions are based, are subject to change. As a result, the actual amount of the Claims against the Debtors' Estates could vary significantly from the estimates stated herein, depending on the nature and amount of Claims asserted during the pendency of the chapter 7 cases. Similarly, the value of the Debtors' assets in a liquidation scenario is uncertain and could vary significantly from the values set forth in the Liquidation Analysis.

As further detailed below, in preparing the Liquidation Analysis, the Debtors estimated Allowed Claims based on the Debtors' financial statements. The Debtors have not estimated, and the Liquidation Analysis does not take into account: (i) the tax consequences that may result from the liquidation and sale of the Debtors' assets; (ii) recoveries resulting from any potential preference, fraudulent transfer, or other litigation or avoidance actions; or (iii) certain of the Claims that may be entitled to priority under the Bankruptcy Code, including certain administrative priority Claims under sections 503(b) and 507(b) of the Bankruptcy Code.

In addition, the Liquidation Analysis includes estimates for Claims not currently asserted in these Chapter 11 Cases, but which could be asserted and allowed in a chapter 7 liquidation, including chapter 7 administrative claims such as wind down costs and chapter 7 trustee fees. To date, the Bankruptcy Court has not estimated or otherwise fixed the total amount of Allowed Claims used for purposes of preparing the Liquidation Analysis. Therefore, the Debtors' estimate of Allowed Claims set forth in the Liquidation Analysis should not be relied on for any other purpose, including determining the value of any distribution to be made on account of Allowed Claims and Interests under the Plan.

THE DEBTORS BELIEVE THAT ANY ANALYSIS OF A HYPOTHETICAL LIQUIDATION IS NECESSARILY SPECULATIVE. THERE ARE A NUMBER OF ESTIMATES AND ASSUMPTIONS UNDERLYING THE LIQUIDATION ANALYSIS THAT ARE INHERENTLY SUBJECT TO SIGNIFICANT UNCERTAINTIES AND CONTINGENCIES BEYOND THE CONTROL OF THE DEBTORS OR A CHAPTER 7 TRUSTEE. NEITHER THE LIQUIDATION ANALYSIS NOR THE FINANCIAL INFORMATION ON WHICH IT IS BASED HAS BEEN EXAMINED OR REVIEWED BY INDEPENDENT ACCOUNTANTS IN ACCORDANCE WITH STANDARDS PROMULGATED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS. THERE CAN BE NO ASSURANCE THAT ACTUAL RESULTS WILL NOT VARY MATERIALLY FROM THE HYPOTHETICAL RESULTS PRESENTED IN THE LIQUIDATION ANALYSIS.

C. Summary Notes to Liquidation Analysis

1. ***Dependence on Assumptions***. The Liquidation Analysis is based on a number of estimates and assumptions that are inherently subject to significant economic, business, regulatory and competitive uncertainties and contingencies beyond the control of the Debtors. Accordingly, there can be no assurance that the values reflected in the Liquidation Analysis would be realized if the Debtors were, in fact, to undergo such liquidation and actual results could vary materially and adversely from those contained herein.

2. ***Additional Claims in a Liquidation***. The liquidation itself may trigger certain obligations and priority payments that otherwise would not be due in the ordinary course of business or would otherwise not exist under a chapter 11 plan. These priority payments must be paid in full before any distribution of proceeds to Holders of General Unsecured Claims or Parent Equity Interests. The liquidation would likely prompt certain other events to occur, including the immediate rejection of executory contracts and unexpired leases, defaults under agreements with vendors and customers, the exercise of set-off rights by creditors, and acceleration of severance obligations. Such events, if triggered, would subject the chapter 7 estates to additional claims.

3. ***Litigation Claims***. The Liquidation Analysis does not attribute any value to potential litigation claims that may belong to the Debtors' estates, including any claims to recover potentially avoidable preferential and/or fraudulent transfers.

4. ***Chapter 7 Liquidation Costs***. It is assumed that a period of six to nine months would be required to complete the liquidation of the Debtors' estates. The fees and operating expenses incurred during the chapter 7 process are included in the estimate of Chapter 7 Administrative Claims and Trustee Expenses. In addition, there are liquidation costs associated with most of the Debtors' assets. Costs of liquidation are displayed as a

reduction to gross liquidation proceeds.

5. ***Claim Estimates***. Claims are estimated at the Conversion Date based on management's current projections. In instances where claims could not be projected, liabilities as of July 31, 2019 were used.

D. Detailed Assumptions. Asset recovery estimates presented in the Liquidation Analysis are based on the Debtors' unaudited balance sheets as of July 31, 2019.

1. ***[a] Cash and Cash Equivalents***. The Debtors estimate 100% realization on Cash and Cash Equivalents as of July 31, 2019.

2. ***[b] Accounts Receivable***. The Debtors estimate an overall 10% to 20% realization rate on accounts receivable, which is based on collecting 15% to 30% of accounts receivable balances less than sixty (60) days past their due dates.

3. ***[c] Prepaid Expenses***. Prepaid expenses include a variety of asset balances, the major part of which are assumed not to have any realizable value. The Debtors estimate an overall 0% to 1.3% realization rate on prepaid expenses, which is based on realizing 0% to 50% of the carrying value of prepaid insurance.

4. ***[d] Inventory***. The Debtors estimate an overall realization rate of 10% to 20% on inventory, which consists of finished goods such as network components, customer premises equipment, and ancillary network supplies.

5. ***[e] PP&E (Net)***. Property, plant, and equipment includes a variety of asset types, some of which are assumed not to have any realizable value. Leased assets and assets securing financings (excluding assets that secure the loans under the Prepetition First Lien Credit Agreement and the Prepetition Second Lien Credit Agreement) are assumed to have been immediately returned to the lessors or secured parties upon the Conversion Date. The Debtors estimate an overall 2% to 4% realization on total net book value as of July 31, 2019, which is based on realizing 20% to 30% of the gross book value of vehicles and 10% to 20% of the net book value of network hardware.

6. ***[f] Land & Buildings (Net)***. Fusion Management Services, LLC owns a parcel of land and an office building in Emporia, Kansas. The Debtors estimate realizing 57% to 76%, after commissions, of the value set forth in a third-party appraisal report dated March 23, 2018.

7. ***[g] Intangibles (Net)***. Intangible assets include a variety of asset types, the major part of which are assumed not to have any realizable value. The Debtors estimate an overall 6% to 13% realization rate on total net book value as of July 31, 2019, which is based on realizing proceeds from sale of Internet Protocol v4 addresses held by certain Debtors at an estimated range of market values.

8. ***[h] Global Intercompany Note (Secured)***. Fusion Connect, Inc. is owed $2.0 million from Primus Management ULC on account of the Global Intercompany Note that is secured by the assets of Primus Management ULC, the Debtors' principal Canadian non-debtor subsidiary. The Debtors estimate 100% realization on this note receivable.

9. ***[i] Intercompany Note (Unsecured)***. Certain Debtors are owed $29.8 million in aggregate from Primus Management ULC on account of an unsecured intercompany note. The estimated realization rate on this note receivable is 0% to 35%.

10. ***[j] Asset Sale Commissions***. The Debtors estimate a 10% commission cost on the proceeds realized from sale of inventory and net property, plant, and equipment.

11. ***[k] Chapter 7 Administrative Claims and Expenses***. These claims represent the estimated chapter 7 operating and administrative expenses, costs of the chapter 7 trustee's professionals, and other associated costs.

    a. ***Operating Expenses***. Operating expenses incurred following the Conversion Date consist primarily of liquidation expenses, including payroll, office and administration costs.

    b. ***Chapter 7 Trustee Professional Fees***. Legal and financial professionals assisting the chapter 7 trustee are estimated to cost $200,000 to $300,000 for the entirety of the liquidation period.

    c. ***Chapter 7 Trustee Fees***. The Liquidation Analysis assumes that the chapter 7 trustee would be compensated in accordance with the guidelines of section 326 of the Bankruptcy Code.

12. ***[l] Accrued & Unpaid Estate Professional Fees***. As provided in the DIP Credit Agreement, an amount equal to the aggregate of (i) all unpaid U.S. Trustee fees; (ii) professional fees incurred through the Conversion Date by advisors to the Debtors and Unsecured Creditors' Committee; and (iii) a further amount of up to $2.5 million of post-Conversion Date professional fees incurred by advisors to the Debtors and Unsecured Creditors' Committee otherwise allocable to the First Lien Lenders and Second Lien lenders is carved out for chapter 7 administrative claims and chapter 7 trustee expenses.

13. ***[m] Collection Costs***. It is assumed that a chapter 7 trustee would retain or hire personnel to conduct a collection effort for outstanding accounts receivable. The Debtors estimate that the costs associated with collecting accounts receivable, including salaries for the collections team, office rent, subscription costs for billing systems, and professional fees would range from $1.2 million to $1.6 million. The chapter 7 trustee is assumed to be reimbursed for such costs from the proceeds of collection of accounts receivable otherwise allocable to the First Lien Lenders and Second Lien lenders.

F. Conclusion

Based on the assumptions outlined herein, the Debtors project they would realize $84.6 million to $111.3 million in net liquidation proceeds from their encumbered assets in a chapter 7 liquidation, representing 13% to 17% of aggregate net book value. After estimated asset sale commissions, chapter 7 administrative claims and operating expenses, the carve-out for accrued and unpaid estate professional fees, costs for collection of receivables, and repayment of the loans under the DIP Credit Agreement, recovery to holders of First Lien Claims is estimated to range from $10.8 million to $36.4 million, or a recovery rate of 2% to 6%.

Holders of Second Lien Claims are not projected to realize any recoveries in a chapter 7 liquidation from the encumbered assets. Holders of General Unsecured Claims, including the Term Loan Deficiency Claim and the Second Lien Deficiency Claim, against the estates of all Debtors are not expected to realize any recoveries in a chapter 7 liquidation. Holders of Parent Equity Interests and Subordinated Securities Claims are not expected to realize any recoveries in a chapter 7 liquidation.

Liquidation Analysis		Fusion Connect, Inc.					Fusion BCHI Acquisition LLC					Fusion NBS Acquisition Corp.				
$USD 000's	Note	*Low %*	*High %*	Book Value	Low $	High $	*Low %*	*High %*	Book Value	Low $	High $	*Low %*	*High %*	Book Value	Low $	High $
Proceeds From Sale of Assets																
Cash and equivalents	[a]	*100%*	*100%*	$ 18	$ 18	$ 18	*n/a*	*n/a*	$ -	$ -	$ -	*n/a*	*n/a*	$ -	$ -	$ -
Accounts receivable	[b]	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-
Prepaid expenses	[c]	*0%*	*1%*	21	-	0	*0%*	*1%*	0	-	0	*n/a*	*n/a*	-	-	-
Inventory	[d]	*10%*	*20%*	55	6	11	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-
PP&E, net	[e]	*2%*	*4%*	11	0	0	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-
Land & buildings, net	[f]	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-
Intangible assets, net	[g]	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-
Intercompany – Secured	[h]	*100%*	*100%*	2,000	2,000	2,000	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-
Intercompany – Unsecured	[i]	*0%*	*35%*	21	-	7	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-
Total proceeds from liquidation of assets					**2,024**	**2,037**				**-**	**0**				**-**	**-**
Less: Asset sale commissions	[j]				(1)	(1)				-	-				-	-
Less: Chapter 7 administrative claims and trustee expenses	[k]				(2,389)	(2,641)										
Less: Carve-out for accrued & unpaid professional fees	[l]				(8,360)	(8,360)				-	-				-	-
Less: Collection costs	[m]				-	-				-	-				-	-
Proceeds available for distribution to secured lenders					**$ -**	**$ -**				**$ -**	**$ 0**				**$ -**	**$ -**
Proceeds available for distribution to unsecured creditors					**$ -**	**$ -**				**$ -**	**$ -**				**$ -**	**$ -**

Liquidation Analysis		Fusion Cloud Services, LLC					Fusion MPHC Holding Corporation					Fusion LLC				
$USD 000's	Note	*Low %*	*High %*	Book Value	Low $	High $	*Low %*	*High %*	Book Value	Low $	High $	*Low %*	*High %*	Book Value	Low $	High $
Proceeds From Sale of Assets																
Cash and equivalents	[a]	*100%*	*100%*	$ 57,412	$ 57,412	$ 57,412	*n/a*	*n/a*	$ -	$ -	$ -	*100%*	*100%*	$ 7,412	$ 7,412	$ 7,412
Accounts receivable	[b]	*7%*	*15%*	9,643	717	1,434	*n/a*	*n/a*	-	-	-	*9%*	*17%*	9,954	857	1,715
Prepaid expenses	[c]	*0%*	*1%*	7,060	-	89	*n/a*	*n/a*	-	-	-	*0%*	*1%*	3,285	-	41
Inventory	[d]	*10%*	*20%*	1,419	142	284	*n/a*	*n/a*	-	-	-	*10%*	*20%*	1,150	115	230
PP&E, net	[e]	*2%*	*4%*	29,295	588	1,175	*n/a*	*n/a*	-	-	-	*2%*	*4%*	15,236	306	611
Land & buildings, net	[f]	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-
Intangible assets, net	[g]	*1%*	*3%*	19,387	251	502	*n/a*	*n/a*	-	-	-	*2%*	*3%*	84,642	1,331	2,662
Intercompany – Secured	[h]	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-
Intercompany – Unsecured	[i]	*0%*	*35%*	29,731	-	10,406	*n/a*	*n/a*	-	-	-	*0%*	*35%*	20	-	7
Total proceeds from liquidation of assets					**59,110**	**71,302**				**-**	**-**				**10,022**	**12,679**
Less: Asset sale commissions	[j]				(98)	(196)				-	-				(175)	(350)
Less: Chapter 7 administrative claims and trustee expenses	[k]				-	-				-	-				-	-
Less: Carve-out for accrued & unpaid professional fees	[l]				-	-				-	-				-	-
Less: Collection costs	[m]				(410)	(321)				-	-				(423)	(332)
Proceeds available for distribution to secured lenders					**$ 58,603**	**$ 70,784**				**$ -**	**$ -**				**$ 9,424**	**$ 11,997**
Proceeds available for distribution to unsecured creditors					**$ -**	**$ -**				**$ -**	**$ -**				**$ -**	**$ -**

Liquidation Analysis		**Fusion MPHC Group, Inc.**					**Fusion Cloud Company LLC**					**Fusion CB Holdings, Inc.**				
$USD 000's	**Note**	*Low %*	*High %*	**Book Value**	**Low $**	**High $**	*Low %*	*High %*	**Book Value**	**Low $**	**High $**	*Low %*	*High %*	**Book Value**	**Low $**	**High $**
Proceeds From Sale of Assets																
Cash and equivalents	[a]	*n/a*	*n/a*	$ -	$ -	$ -	*100%*	*100%*	$ 847	$ 847	$ 847	*n/a*	*n/a*	$ -	$ -	$ -
Accounts receivable	[b]	*n/a*	*n/a*	-	-	-	*13%*	*27%*	5,129	684	1,368	*n/a*	*n/a*	-	-	-
Prepaid expenses	[c]	*n/a*	*n/a*	-	-	-	*0%*	*1%*	1,206	-	15	*n/a*	*n/a*	-	-	-
Inventory	[d]	*n/a*	*n/a*	-	-	-	*10%*	*20%*	291	29	58	*n/a*	*n/a*	-	-	-
PP&E, net	[e]	*n/a*	*n/a*	-	-	-	*2%*	*4%*	9,679	194	388	*n/a*	*n/a*	-	-	-
Land & buildings, net	[f]	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-
Intangible assets, net	[g]	*n/a*	*n/a*	-	-	-	*0%*	*0%*	31,433	-	-	*n/a*	*n/a*	-	-	-
Intercompany – Secured	[h]	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-
Intercompany – Unsecured	[i]	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-
Total proceeds from liquidation of assets					**-**	**-**				**1,754**	**2,676**				**-**	**-**
Less: Asset sale commissions	[j]				-	-				(22)	(45)				-	-
Less: Chapter 7 administrative claims and trustee expenses	[k]				-	-				-	-				-	-
Less: Carve-out for accrued & unpaid professional fees	[l]				-	-				-	-				-	-
Less: Collection costs	[m]				-	-				(218)	(171)				-	-
Proceeds available for distribution to secured lenders					**$ -**	**$ -**				**$ 1,514**	**$ 2,461**				**$ -**	**$ -**
Proceeds available for distribution to unsecured creditors					**$ -**	**$ -**				**$ -**	**$ -**				**$ -**	**$ -**

Liquidation Analysis		**Fusion Telecom, LLC**					**Fusion Texas Holdings, Inc.**					**Fusion Telecom of Kansas, LLC**				
$USD 000's	**Note**	*Low %*	*High %*	**Book Value**	**Low $**	**High $**	*Low %*	*High %*	**Book Value**	**Low $**	**High $**	*Low %*	*High %*	**Book Value**	**Low $**	**High $**
Proceeds From Sale of Assets																
Cash and equivalents	[a]	*n/a*	*n/a*	$ -	$ -	$ -	*n/a*	*n/a*	$ -	$ -	$ -	*n/a*	*n/a*	$ -	$ -	$ -
Accounts receivable	[b]	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-	*5%*	*10%*	179	9	17
Prepaid expenses	[c]	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-	*0%*	*1%*	1	-	0
Inventory	[d]	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-
PP&E, net	[e]	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-
Land & buildings, net	[f]	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-
Intangible assets, net	[g]	*50%*	*100%*	4,019	2,010	4,019	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-
Intercompany – Secured	[h]	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-
Intercompany – Unsecured	[i]	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-	*n/a*	*n/a*	-	-	-
Total proceeds from liquidation of assets					**2,010**	**4,019**				**-**	**-**				**9**	**17**
Less: Asset sale commissions	[j]				(201)	(402)				-	-				-	-
Less: Chapter 7 administrative claims and trustee expenses	[k]				-	-				-	-				-	-
Less: Carve-out for accrued & unpaid professional fees	[l]				-	-				-	-				-	-
Less: Collection costs	[m]				-	-				-	-				(8)	(6)
Proceeds available for distribution to secured lenders					**$ 1,809**	**$ 3,617**				**$ -**	**$ -**				**$ 1**	**$ 11**
Proceeds available for distribution to unsecured creditors					**$ -**	**$ -**				**$ -**	**$ -**				**$ -**	**$ -**

Liquidation Analysis
$USD 000's

Fusion Telecom of Oklahoma, LLC

Proceeds From Sale of Assets	Note	Low %	High %	Book Value	Low $	High $
Cash and equivalents	[a]	n/a	n/a	$ -	$ -	$ -
Accounts receivable	[b]	5%	10%	314	16	31
Prepaid expenses	[c]	0%	1%	0	-	0
Inventory	[d]	n/a	n/a	-	-	-
PP&E, net	[e]	n/a	n/a	-	-	-
Land & buildings, net	[f]	n/a	n/a	-	-	-
Intangible assets, net	[g]	n/a	n/a	-	-	-
Intercompany – Secured	[h]	n/a	n/a	-	-	-
Intercompany – Unsecured	[i]	n/a	n/a	-	-	-
Total proceeds from liquidation of assets					**16**	**31**
Less: Asset sale commissions	[j]				-	-
Less: Chapter 7 administrative claims and trustee expenses	[k]				-	-
Less: Carve-out for accrued & unpaid professional fees	[l]				-	-
Less: Collection costs	[m]				(13)	(10)
Proceeds available for distribution to secured lenders					**$ 2**	**$ 21**
Proceeds available for distribution to unsecured creditors					**$ -**	**$ -**

Fusion Telecom of Missouri, LLC

Proceeds From Sale of Assets	Note	Low %	High %	Book Value	Low $	High $
Cash and equivalents	[a]	n/a	n/a	$ -	$ -	$ -
Accounts receivable	[b]	5%	10%	377	18	36
Prepaid expenses	[c]	0%	1%	3	-	0
Inventory	[d]	n/a	n/a	-	-	-
PP&E, net	[e]	n/a	n/a	-	-	-
Land & buildings, net	[f]	n/a	n/a	-	-	-
Intangible assets, net	[g]	n/a	n/a	-	-	-
Intercompany – Secured	[h]	n/a	n/a	-	-	-
Intercompany – Unsecured	[i]	n/a	n/a	-	-	-
Total proceeds from liquidation of assets					**18**	**36**
Less: Asset sale commissions	[j]				-	-
Less: Chapter 7 administrative claims and trustee expenses	[k]				-	-
Less: Carve-out for accrued & unpaid professional fees	[l]				-	-
Less: Collection costs	[m]				(16)	(13)
Proceeds available for distribution to secured lenders					**$ 2**	**$ 24**
Proceeds available for distribution to unsecured creditors					**$ -**	**$ -**

Bircan Holdings, LLC

Proceeds From Sale of Assets	Note	Low %	High %	Book Value	Low $	High $
Cash and equivalents	[a]	n/a	n/a	$ -	$ -	$ -
Accounts receivable	[b]	n/a	n/a	-	-	-
Prepaid expenses	[c]	n/a	n/a	-	-	-
Inventory	[d]	n/a	n/a	-	-	-
PP&E, net	[e]	n/a	n/a	-	-	-
Land & buildings, net	[f]	n/a	n/a	-	-	-
Intangible assets, net	[g]	n/a	n/a	-	-	-
Intercompany – Secured	[h]	n/a	n/a	-	-	-
Intercompany – Unsecured	[i]	n/a	n/a	-	-	-
Total proceeds from liquidation of assets					**-**	**-**
Less: Asset sale commissions	[j]				-	-
Less: Chapter 7 administrative claims and trustee expenses	[k]				-	-
Less: Carve-out for accrued & unpaid professional fees	[l]				-	-
Less: Collection costs	[m]				-	-
Proceeds available for distribution to secured lenders					**$ -**	**$ -**
Proceeds available for distribution to unsecured creditors					**$ -**	**$ -**

Liquidation Analysis
$USD 000's

Fusion Communications, LLC

Proceeds From Sale of Assets	Note	Low %	High %	Book Value	Low $	High $
Cash and equivalents	[a]	100%	100%	$ 44	$ 44	$ 44
Accounts receivable	[b]	14%	28%	9,304	1,318	2,636
Prepaid expenses	[c]	0%	1%	626	-	8
Inventory	[d]	10%	20%	226	23	45
PP&E, net	[e]	2%	4%	46,750	939	1,876
Land & buildings, net	[f]	n/a	n/a	-	-	-
Intangible assets, net	[g]	41%	82%	14,765	6,072	12,145
Intercompany – Secured	[h]	n/a	n/a	-	-	-
Intercompany – Unsecured	[i]	n/a	n/a	-	-	-
Total proceeds from liquidation of assets					**8,396**	**16,754**
Less: Asset sale commissions	[j]				(703)	(1,407)
Less: Chapter 7 administrative claims and trustee expenses	[k]				-	-
Less: Carve-out for accrued & unpaid professional fees	[l]				-	-
Less: Collection costs	[m]				(395)	(310)
Proceeds available for distribution to secured lenders					**$ 7,297**	**$ 15,037**
Proceeds available for distribution to unsecured creditors					**$ -**	**$ -**

Fusion Management Services LLC

Proceeds From Sale of Assets	Note	Low %	High %	Book Value	Low $	High $
Cash and equivalents	[a]	n/a	n/a	$ -	$ -	$ -
Accounts receivable	[b]	n/a	n/a	-	-	-
Prepaid expenses	[c]	0%	1%	46	-	1
Inventory	[d]	10%	20%	0	0	0
PP&E, net	[e]	2%	4%	1,943	39	78
Land & buildings, net	[f]	57%	76%	1,750	998	1,330
Intangible assets, net	[g]	n/a	n/a	-	-	-
Intercompany – Secured	[h]	n/a	n/a	-	-	-
Intercompany – Unsecured	[i]	n/a	n/a	-	-	-
Total proceeds from liquidation of assets					**1,037**	**1,409**
Less: Asset sale commissions	[j]				(4)	(8)
Less: Chapter 7 administrative claims and trustee expenses	[k]				-	-
Less: Carve-out for accrued & unpaid professional fees	[l]				-	-
Less: Collection costs	[m]				-	-
Proceeds available for distribution to secured lenders					**$ 1,033**	**$ 1,401**
Proceeds available for distribution to unsecured creditors					**$ -**	**$ -**

Fusion PM Holdings, Inc.

Proceeds From Sale of Assets	Note	Low %	High %	Book Value	Low $	High $
Cash and equivalents	[a]	n/a	n/a	$ -	$ -	$ -
Accounts receivable	[b]	n/a	n/a	-	-	-
Prepaid expenses	[c]	n/a	n/a	-	-	-
Inventory	[d]	n/a	n/a	-	-	-
PP&E, net	[e]	n/a	n/a	-	-	-
Land & buildings, net	[f]	n/a	n/a	-	-	-
Intangible assets, net	[g]	n/a	n/a	-	-	-
Intercompany – Secured	[h]	n/a	n/a	-	-	-
Intercompany – Unsecured	[i]	n/a	n/a	-	-	-
Total proceeds from liquidation of assets					**-**	**-**
Less: Asset sale commissions	[j]				-	-
Less: Chapter 7 administrative claims and trustee expenses	[k]				-	-
Less: Carve-out for accrued & unpaid professional fees	[l]				-	-
Less: Collection costs	[m]				-	-
Proceeds available for distribution to secured lenders					**$ -**	**$ -**
Proceeds available for distribution to unsecured creditors					**$ -**	**$ -**

Liquidation Analysis		Fusion Telecom of Texas Ltd., L.L.P.					Debtors Consolidated				
$USD 000's	Note	*Low %*	*High %*	Book Value	Low $	High $	*Low %*	*High %*	Book Value	Low $	High $
Proceeds From Sale of Assets											
Cash and equivalents	[a]	*n/a*	*n/a*	$ -	$ -	$ -	*100%*	*100%*	$ 65,734	$ 65,734	$ 65,734
Accounts receivable	[b]	*8%*	*15%*	2,086	158	316	*10%*	*20%*	36,986	3,776	7,552
Prepaid expenses	[c]	*0%*	*1%*	79	-	1	*0%*	*1%*	12,327	-	155
Inventory	[d]	*n/a*	*n/a*	-	-	-	*10%*	*20%*	3,141	314	628
PP&E, net	[e]	*n/a*	*n/a*	-	-	-	*2%*	*4%*	102,914	2,067	4,130
Land & buildings, net	[f]	*n/a*	*n/a*	-	-	-	*57%*	*76%*	1,750	998	1,330
Intangible assets, net	[g]	*n/a*	*n/a*	-	-	-	*6%*	*13%*	154,246	9,664	19,328
Intercompany – Secured	[h]	*n/a*	*n/a*	-	-	-	*100%*	*100%*	2,000	2,000	2,000
Intercompany – Unsecured	[i]	*n/a*	*n/a*	-	-	-	*0%*	*35%*	29,772	-	10,420
Total proceeds from liquidation of assets					**158**	**317**				**84,552**	**111,277**
Less: Asset sale commissions	[j]				-	-				(1,205)	(2,409)
Less: Chapter 7 administrative claims and trustee expenses	[k]				-	-				(2,389)	(2,641)
Less: Carve-out for accrued & unpaid professional fees	[l]				-	-				(8,360)	(8,360)
Less: Collection costs	[m]				(89)	(70)				(1,571)	(1,233)
Proceeds available for distribution to secured lenders					**$ 69**	**$ 247**				**71,028**	**96,635**
Less: DIP Claims										(60,189)	(60,189)
Proceeds available for distribution to First Lien lenders										**$ 10,839**	**$ 36,446**
Proceeds available for distribution to unsecured creditors					**$ -**	**$ -**				**$ -**	**$ -**

G. Estimated Recovery by Creditor Class

Creditor recoveries under the Plan and under a hypothetical chapter 7 liquidation are summarized below.

Summary for Estimated Claims and Interests		Recovery – Plan		Recovery – Hypothetical Chapter 7 Liquidation		Pass/Fail
Creditor Class	**Note**	***Low %***	***High %***	***Low %***	***High %***	
1 - Priority Non-Tax Claims	[a]	*100.0%*	*100.0%*	*100.0%*	*100.0%*	Pass
2 - Other Secured Claims	[b]	*100.0%*	*100.0%*	*100.0%*	*100.0%*	Pass
3 - First Lien Claims[1][2]	[c]	*60.6%*	*77.1%*	*1.8%*	*6.0%*	Pass
4(a) - Second Lien Claims (accepting class)[3]	[d]	*0.1%*	*2.6%*	*0.0%*	*0.0%*	Pass
4(b) - Second Lien Claims (rejecting class)	[d]	*0.0%*	*0.0%*	*0.0%*	*0.0%*	Pass
5(a)(i) - Second Lien Deficiency Claims (accepting class)[4]	[e]	*n/a*	*n/a*	*0.0%*	*0.0%*	Pass
5(a)(ii) - Second Lien Deficiency Claims (rejecting class)[4]	[e]	*n/a*	*n/a*	*0.0%*	*0.0%*	Pass
5(c) - General Unsecured Claims[4]	[e]	*n/a*	*n/a*	*0.0%*	*0.0%*	Pass
6 - Intercompany Claims		*n/a*	*n/a*	*n/a*	*n/a*	n/a
7 - Intercompany Interests		*n/a*	*n/a*	*n/a*	*n/a*	n/a
8 - Parent Equity Interests		*0.0%*	*0.0%*	*0.0%*	*0.0%*	Pass
9 - Subordinated Securities Claims		*n/a*	*n/a*	*n/a*	*n/a*	n/a

[1] - Based on the low range of total reorganization value of $225 million for the new first lien debt plus $143 million for the new equity, as valued by PJT Partners.

[2] - Based on the high range of total reorganization value of $225 million for the new first lien debt plus $243 million for the new equity, as valued by PJT Partners.

[3] - Based on a total reorganization value ranging from $60,000 to $2.3 million in the form of warrants, as valued by PJT Partners.

[4] - "n/a" indicates the amount and percentage recovery cannot be calculated because the outcome and the amount and allocation of net proceeds of the litigation to be transferred to the Litigation Trust cannot be predicted at this time.

[a] ***Class 1: Priority Non-Tax Claims***. Holders of Priority Non-Tax Claims are expected to receive full recovery both under the Plan and a hypothetical chapter 7 liquidation.

[b] ***Class 2: Other Secured Claims***. Holders of Other Secured Claims are expected to receive full recovery both under the Plan and a hypothetical chapter 7 liquidation.

[c] ***Class 3: First Lien Claims***. The estimated recovery for Holders of First Lien Claims under the Plan is based on the valuation conclusions of the Debtors' investment banker, PJT Partners, which estimated an enterprise value of $450 million to $550 million and a value of plan consideration to the First Lien lenders aggregating from $368 million to $468 million. The Debtors estimate that, using this valuation, Holders of First Lien Claims will receive a recovery ranging from 61% to 77% under the Plan. Under a chapter 7 liquidation it is estimated that Holders of First Lien Claims will receive a recovery ranging from 2% to 6%.

[d] ***Class 4: Second Lien Claims***. In the event that Holders of Second Lien Claims vote to accept the Plan, such Holders are estimated to receive a recovery ranging from 0.1% to 2.6% based on a reorganization valuation ranging from $60,000 to $2.3 million in the form of warrants. In the event that Holders of Second Lien Claims vote as a class to reject the Plan, such Holders will receive a recovery only through interests in the Litigation Trust received under the Plan on account of their deficiency claims. The amount and percentage recovery of the interests in the Litigation Trust cannot be estimated because the outcome and the amount and allocation of net proceeds cannot be predicted at this time. Under a chapter 7 liquidation, Holders of Second Lien Claims are expected to receive no recovery.

[e] ***Class 5: General Unsecured Claims***. Holders of General Unsecured Claims will realize a recovery through interests in the Litigation Trust received under the Plan. The amount and percentage recovery of the interests in the Litigation Trust cannot be estimated because the outcome and the amount and allocation of net proceeds cannot be predicted at this time. The estimated recovery for Holders of General Unsecured Claims under a hypothetical chapter 7 liquidation is 0%.

Exhibit B

Valuation Analysis

VALUATION ANALYSIS[1]

THE INFORMATION CONTAINED HEREIN IS NOT A PREDICTION OR GUARANTEE OF THE ACTUAL MARKET VALUE THAT MAY BE REALIZED THROUGH THE SALE OF ANY SECURITIES TO BE ISSUED PURSUANT TO THE PLAN. THIS INFORMATION IS PRESENTED SOLELY FOR THE PURPOSE OF PROVIDING ADEQUATE INFORMATION UNDER SECTION 1125 OF THE BANKRUPTCY CODE TO ENABLE THE HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN TO MAKE AN INFORMED JUDGMENT ABOUT THE PLAN AND SHOULD NOT BE USED OR RELIED UPON FOR ANY OTHER PURPOSE, INCLUDING THE PURCHASE OR SALE OF CLAIMS AGAINST THE DEBTORS OR ANY OF THEIR AFFILIATES.

Solely for the purposes of the Plan and the Disclosure Statement, PJT Partners LP ("**PJT**"), as investment banker to the Debtors, has estimated a range of total enterprise value ("**Enterprise Value**") and implied equity value ("**Equity Value**") for the Reorganized Debtors pro forma for the transactions contemplated by the Plan (the "**Valuation Analysis**"). The Valuation Analysis is based on financial and other information provided by the Debtors' management, as well as the financial projections attached to the Disclosure Statement (the "**Financial Projections**"), and information provided by other sources. The valuation estimates set forth herein represent valuation analyses of the Reorganized Debtors generally based on the application of customary valuation techniques to the extent deemed appropriate by PJT. The Valuation Analysis is dated as of September 12, 2019 and is based on data and information as of that date. PJT makes no representations as to changes to such data and information that may have occurred since September 12, 2019.

The preparation of the Valuation Analysis is a complex analytical process involving subjective determinations about which methodologies of financial analysis are most appropriate and relevant and the application of those methodologies to particular facts and circumstances in a manner that is not readily susceptible to summary description. In preparing its valuation, PJT evaluated: (a) discounted cash flow analysis, (b) comparable companies analysis, and (c) non-binding bids received as part of the sale process.

The Valuation Analysis considered the non-binding indications of interest received from prospective purchasers as part of the sale process that PJT conducted prior to and during the Debtors' chapter 11 cases (the "**Sale Process**"). Certain prospective purchasers submitted their indications of interest after signing non-disclosure agreements with the Debtors and receiving extensive information through an electronic data room. In total, PJT contacted 75 potential purchasers, more than 25 of whom signed a non-disclosure agreement with the Company and received a confidential information memorandum and access to an electronic data room. PJT received three non-binding indications of interest for the Company's entire business, including its U.S. and Canadian operations, and continued to facilitate due diligence and purchase price discussions with these parties until the termination of the U.S. sale process on August 27, 2019.

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[1] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Disclosure Statement (ECF No. 369) or the Plan (ECF No. 368), as applicable.

THE VALUATION ANALYSIS REFLECTS WORK PERFORMED BY PJT ON THE BASIS OF INFORMATION IN RESPECT OF THE BUSINESSES AND ASSETS OF THE DEBTORS AVAILABLE TO PJT AS OF SEPTEMBER 12, 2019. IT SHOULD BE UNDERSTOOD THAT, ALTHOUGH SUBSEQUENT DEVELOPMENTS MAY HAVE AFFECTED OR MAY AFFECT PJT'S CONCLUSIONS, PJT DOES NOT HAVE ANY OBLIGATION TO UPDATE, REVISE, OR REAFFIRM THE VALUATION ANALYSIS AND DOES NOT INTEND TO DO SO.

PJT DID NOT INDEPENDENTLY VERIFY THE FINANCIAL PROJECTIONS OR OTHER INFORMATION THAT PJT USED IN THE VALUATION ANALYSIS, AND NO INDEPENDENT VALUATIONS OR APPRAISALS OF THE DEBTORS OR THEIR ASSETS WERE SOUGHT OR OBTAINED IN CONNECTION THEREWITH. THE VALUATION ANALYSIS WAS DEVELOPED SOLELY FOR PURPOSES OF THE PLAN AND THE ANALYSIS OF POTENTIAL RELATIVE RECOVERIES TO CREDITORS THEREUNDER. THE VALUATION ANALYSIS REFLECTS THE APPLICATION OF VARIOUS VALUATION TECHNIQUES, DOES NOT PURPORT TO BE AN OPINION AND DOES NOT PURPORT TO REFLECT OR CONSTITUTE AN APPRAISAL, LIQUIDATION VALUE, OR ESTIMATE OF THE ACTUAL MARKET VALUE THAT MAY BE REALIZED THROUGH THE SALE OF ANY SECURITIES TO BE ISSUED OR ASSETS TO BE SOLD PURSUANT TO THE PLAN, WHICH MAY BE SIGNIFICANTLY DIFFERENT THAN THE AMOUNTS SET FORTH IN THE VALUATION ANALYSIS.

THE VALUE OF AN OPERATING BUSINESS IS SUBJECT TO NUMEROUS UNCERTAINTIES AND CONTINGENCIES THAT ARE DIFFICULT TO PREDICT AND WILL FLUCTUATE WITH CHANGES IN FACTORS AFFECTING THE FINANCIAL CONDITION AND PROSPECTS OF SUCH A BUSINESS. AS A RESULT, THE VALUATION ANALYSIS IS NOT NECESSARILY INDICATIVE OF ACTUAL OUTCOMES, WHICH MAY BE SIGNIFICANTLY MORE OR LESS FAVORABLE THAN THOSE SET FORTH HEREIN. BECAUSE SUCH ESTIMATES ARE INHERENTLY SUBJECT TO UNCERTAINTIES, NEITHER THE DEBTORS, PJT, NOR ANY OTHER PERSON ASSUMES RESPONSIBILITY FOR THEIR ACCURACY. IN ADDITION, THE POTENTIAL VALUATION OF NEWLY ISSUED FUNDED DEBT AND SECURITIES IS SUBJECT TO ADDITIONAL UNCERTAINTIES AND CONTINGENCIES, ALL OF WHICH ARE DIFFICULT TO PREDICT. ACTUAL MARKET PRICES OF SUCH FUNDED DEBT AND SECURITIES AT ISSUANCE WILL DEPEND UPON, AMONG OTHER THINGS, PREVAILING INTEREST RATES, CONDITIONS IN THE FINANCIAL MARKETS, THE ANTICIPATED INITIAL FUNDED DEBT AND SECURITIES HOLDINGS OF PREPETITION CREDITORS, SOME OF WHICH MAY PREFER TO LIQUIDATE THEIR INVESTMENT RATHER THAN HOLD IT ON A LONG-TERM BASIS, THE POTENTIALLY DILUTIVE IMPACT OF CERTAIN EVENTS, INCLUDING THE ISSUANCE OF EQUITY SECURITIES PURSUANT TO A MANAGEMENT INCENTIVE PLAN, AND OTHER FACTORS THAT GENERALLY INFLUENCE THE PRICES OF FUNDED DEBT.

Management of the Debtors advised PJT that the Financial Projections were reasonably prepared in good faith and on a basis reflecting the Debtors' best estimates and judgments as to the future operating and financial performance of the Reorganized Debtors. If the business performs at levels below or above those set forth in the Financial Projections such performance may have a materially negative or positive impact, respectively, on the valuation of the Reorganized Debtors and the Enterprise Value thereof.

In preparing the Valuation Analysis, PJT has, among other things: (1) reviewed certain historical financial results of the Debtors; (2) reviewed certain financial and operating data of the Debtors, including the Financial Projections; (3) discussed with certain of the Debtors' senior executives and third-party advisors the current operations and prospects of the Debtors; (4) discussed with certain of the Debtors' senior executives key assumptions related to the Financial Projections; (5) prepared discounted cash flow analyses based on the Financial Projections; (6) considered the market value of certain publicly-traded companies in businesses reasonably comparable to the operating business of the Debtors; (7) considered the results of the Sale Process, including the non-binding indications of interest received; (8) considered certain economic and industry information that PJT deemed generally relevant to the Debtors; (9) conducted such other analyses as PJT deemed necessary and/or appropriate under the circumstances; and (10) considered a range of potential risk factors.

PJT assumed, without independent verification, the accuracy, completeness, and fairness of all of the financial and other information available to it from public sources or as provided to PJT by the Debtors or their representatives. PJT also assumed that the Financial Projections have been reasonably prepared on a basis reflecting the Debtors' best estimates and good faith judgment as to future operating and financial performance. To the extent the valuation is dependent upon the Reorganized Debtors' achievement of the Financial Projections, the Valuation Analysis must be considered speculative. PJT does not make any representation or warranty as to the fairness of the terms of the Plan.

In addition to the foregoing, PJT relied upon the following assumptions in preparing the Valuation Analysis:

1. The Reorganized Debtors will be able to maintain adequate liquidity to operate in accordance with the Financial Projections;
2. The Reorganized Debtors will operate consistently within the levels specified in the Financial Projections;
3. The Plan will become effective on December 31, 2019 (the "**Assumed Effective Date**");
4. Future values were appropriately discounted to December 31, 2019; and
5. General financial and market conditions as of the Assumed Effective Date will not differ materially from those conditions prevailing as of the date of the Valuation Analysis of September 12, 2019.

As a result of such analyses, review, discussions, considerations, and assumptions, PJT estimated the Enterprise Value and implied Equity Value of the Reorganized Debtors as of the Assumed Effective Date as shown in the table below. The Equity Value shown below is subject to dilution as a result of the issuance of any equity under the Management Incentive Plan and any conversion of the Warrants, to the extent applicable.

($ in millions)	Low	Mid	High
Enterprise Value (at 12/31/19)	$450	$500	$550
Less: Total Debt and Capital Leases	(332)	(332)	(332)
Plus: Cash	25	25	25
Equity Value (at 12/31/19)	$143	$193	$243

The Valuation Analysis does not constitute a recommendation to any Holder of Allowed Claims or any other person as to how such person should vote or otherwise act with respect to the Plan. PJT has not been requested to, and does not, express any view as to the potential trading value of the Reorganized Debtors' funded debt and securities on issuance or at any other time.

THE SUMMARY SET FORTH ABOVE DOES NOT PURPORT TO BE A COMPLETE DESCRIPTION OF THE VALUATION ANALYSES PERFORMED BY PJT. THE PREPARATION OF AN ESTIMATE OF VALUE INVOLVES VARIOUS DETERMINATIONS AS TO THE MOST APPROPRIATE AND RELEVANT METHODS OF FINANCIAL ANALYSIS AND THE APPLICATION OF THESE METHODS IN THE PARTICULAR CIRCUMSTANCES AND, THEREFORE, SUCH AN ESTIMATE IS NOT READILY SUSCEPTIBLE TO SUMMARY DESCRIPTION.

PJT IS ACTING AS RESTRUCTURING ADVISOR TO THE DEBTORS, AND HAS NOT AND, WILL NOT BE RESPONSIBLE FOR, AND HAS NOT AND WILL NOT PROVIDE ANY TAX, ACCOUNTING, ACTUARIAL, LEGAL, OR OTHER SPECIALIST ADVICE TO THE DEBTORS OR ANY OTHER PARTY IN CONNECTION WITH THE DEBTORS' CHAPTER 11 CASES, THE PLAN OR OTHERWISE.

Exhibit C

Financial Projections

FINANCIAL PROJECTIONS[1]

THE DEBTORS DO NOT, AS A MATTER OF COURSE, PUBLISH THEIR BUSINESS PLANS, BUDGETS OR STRATEGIES OR MAKE EXTERNAL PROJECTIONS OR FORECASTS OF THEIR ANTICIPATED FINANCIAL POSITIONS OR RESULTS OF OPERATIONS. ACCORDINGLY, THE DEBTORS DO NOT ANTICIPATE THAT THEY WILL, AND DISCLAIM ANY OBLIGATION TO, FURNISH UPDATED BUSINESS PLANS, BUDGETS OR PROJECTIONS TO STOCKHOLDERS PRIOR TO THE EFFECTIVE DATE OR TO INCLUDE SUCH INFORMATION IN DOCUMENTS REQUIRED TO BE FILED WITH THE SEC OR OTHERWISE MAKE SUCH INFORMATION PUBLICLY AVAILABLE.

The Debtors prepared the financial projections set forth herein (the "**Financial Projections**") based on, among other things, the anticipated future financial condition and results of operations of the Debtors in the Reorganization Transaction. The following forecast was not prepared with a view toward compliance with published guidelines of the SEC or the American Institute of Certified Public Accountants regarding forecasts. EisnerAmper LLP, the independent auditor of the Debtors, has not audited, reviewed, compiled or otherwise applied procedures to the forecast and consequently, does not express an opinion or any other form of assurance with respect to the forecast. The forecast data is not measured on a basis consistent with generally accepted accounting principles ("**GAAP**") as applied to the Debtors' historical financial statements and should not be relied upon as such.

THE FINANCIAL PROJECTIONS HEREIN HAVE BEEN PREPARED BY THE DEBTORS' MANAGEMENT, IN CONJUNCTION WITH THE DEBTORS' ADVISORS. THESE PROJECTIONS, WHILE PRESENTED WITH NUMERICAL SPECIFICITY, ARE NECESSARILY BASED ON A VARIETY OF ESTIMATES AND ASSUMPTIONS WHICH, THOUGH CONSIDERED REASONABLE BY MANAGEMENT, MAY NOT BE REALIZED, AND ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH ARE BEYOND THE DEBTORS' CONTROL. THE DEBTORS CAUTION THAT NO REPRESENTATIONS CAN BE MADE AS TO THE ACCURACY OF THESE FINANCIAL PROJECTIONS OR TO THE REORGANIZED DEBTORS' ABILITY TO ACHIEVE THE PROJECTED RESULTS. SOME ASSUMPTIONS INEVITABLY WILL NOT MATERIALIZE. FURTHER, EVENTS AND CIRCUMSTANCES OCCURRING SUBSEQUENT TO THE DATE ON WHICH THESE PROJECTIONS WERE PREPARED MAY BE DIFFERENT FROM THOSE ASSUMED OR, ALTERNATIVELY, MAY HAVE BEEN UNANTICIPATED, AND THUS THE OCCURRENCE OF THESE EVENTS MAY AFFECT FINANCIAL RESULTS IN A MATERIAL AND POSSIBLY ADVERSE MANNER. THE PROJECTIONS, THEREFORE, MAY NOT BE RELIED UPON AS A GUARANTY OR OTHER ASSURANCE OF THE ACTUAL RESULTS THAT WILL OCCUR.

<u>Risks Associated with Forward-Looking Statements</u>

The Financial Projections are, by their nature, forward-looking and are necessarily based on certain assumptions and estimates. Should any or all of these assumptions or estimates ultimately prove to be incorrect, the actual future results of the Reorganized Debtors may differ from those set forth from the Financial Projections.

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[1] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Disclosure Statement (ECF No. 369) or the Plan (ECF No. 368), as applicable.

The Financial Projections reflect numerous assumptions concerning the anticipated future performance of the Reorganized Debtors, some of which may not materialize, including, without limitation, assumptions concerning: (a) the timing of confirmation and consummation of the Plan in accordance with its terms; (b) the anticipated future performance of the Reorganized Debtors, including, without limitation, the Debtors' ability to maintain or increase revenue and gross margins, control future operating expenses or make necessary capital expenditures; (c) general business and economic conditions; (d) overall industry performance and trends; and (e) the Debtors' ability to maintain market strength and receive vendor support.

GENERAL ASSUMPTIONS

A. Emergence Date

The Financial Projections were finalized as of September 11, 2019 and assume that the Effective Date of the Plan will occur on December 31, 2019.

B. Methodology

The Financial Projections are presented on a consolidated basis, including estimates of operating results for the Debtor entities. The Financial Projections were prepared by Debtors' management, in conjunction with the Debtors' advisors. During the forecasting process, the Debtors reviewed current business performance and established reasonable assumptions relating to industry trends and demand and pricing of the Debtors' products and services, while also considering direct and indirect costs associated with the Debtors' business.

C. Net Revenue

The Debtors' revenue forecast is primarily based upon assumptions for bookings, monthly recurring revenue, usage revenue, and other revenue. Monthly recurring revenue comprises most of the total revenue.

Monthly Recurring Revenue. Monthly Recurring Revenue ("**MRR**") represents revenue received by the Debtors from business and their customers. Customers pay a fixed monthly charge for a specific set of telecommunication services and most customers hold multi-year or annual contracts with the Debtors. Customers pay a defined amount to the Debtors every calendar month.

Usage Revenue. Usage Revenue represents amounts paid to the Debtors by customers in exchange for exceeding the quantity of prepaid voice minutes or internet bandwidth contained as part of the MRR charge. Usage revenue is variable based on the quantity of voice minutes or internet bandwidth that a customer uses. The per unit rate paid is contained within the customer contract.

Other Revenue. Other Revenue represents non-recurring installation revenue, pass-through regulatory taxes, and other miscellaneous revenue.

D. Cost of Revenue Expense

Cost of Revenue Expense represents the Debtors' directs costs of providing telecommunications services to their customers. These costs include the costs of operating the Debtor-owned portion of its telecommunications network as well as circuit costs and third-party services costs with other telecommunications carriers.

E. Operating Expenses

Operating Expenses include costs associated with sales and marketing, compensation and other expense for executive, operations, service delivery, engineering, finance, product development, human resources and administrative personnel, professional fees and other general corporate costs. 2019 operating expenses reflect cost savings and rationalization actions undertaken by the Debtors beginning Q2 2019. Operating expenses reflect an annual inflation adjustment where appropriate.

F. Depreciation and Amortization ("D&A")

D&A reflects the anticipated depreciation and amortization of the Debtors' net property, plant & equipment, and intangible assets based on book values. D&A reflects the Debtors' estimated adjustment to the carrying values of intangible assets and goodwill based on limited information available to them.

G. Interest Expense

The forecast period reflects interest expense associated with the reorganized capital structure. The reorganized capital structure includes the New Exit Facility with a principal balance of $100.0 million at 7.75% annual interest paid quarterly and the New First Lien Credit Agreement with a principal balance of $225.0 million at 10.00% annual interest paid quarterly, but with an annual maximum of $13.75 million of interest paid in cash and the remaining amount paid in kind interest.

H. Restructuring Expenditures

Restructuring Expenditures reflect estimated one-time costs and transaction fees related to the Reorganization Transaction. No adjustment has been made to reflect potential "fresh start" reporting as required by Topic 852, Reorganizations, of the Financial Accounting Standards Board Accounting Standards Codification.

I. Income Taxes

The projections assume that $29.4 million of Net Operating Losses offset taxable income during the forecast period and that the Debtors pay taxes on earned income at a rate of 26%. Income tax payments of $10.9 million are incurred and $5.1 million are paid in cash during the forecast period due to the payment of income taxes following the year in which they are incurred.

J. Impairment Charge to Goodwill and Intangible Assets

The Debtors have estimated a potential adjustment to the carrying values of intangible assets and goodwill based on limited information. The Debtors' 2018 audit is not complete as of the time that the Financial Projections were prepared and the annual asset impairment analysis has not yet been undertaken. Asset values will be further readjusted based upon the application of "fresh start" reporting as required by Topic 852, Reorganizations, of the Financial Accounting Standards Board Accounting Standards Codification as a result of the occurrence of the Effective Date. The actual impairment adjustments could differ materially from the estimates shown herein. The adjustments resulting from "fresh start" reporting may increase or decrease these carrying values materially.

K. Capital Expenditures

Capital Expenditures primarily relate to maintenance-oriented capital necessary to maintain the operating capability of the Debtors' existing assets in the ordinary course and success-based capital required to provision and install new customer services.

CONSOLIDATED BALANCE SHEET
($ in millions)

Unaudited	As of December 31,				
	Pre-Reorganization Debtor (Unaudited)		Pro-Forma Reorganized Debtor (Unaudited, Pro-Forma for Estimated Anticipated Adjustments)		
	2019E	**Adjustments**	**2019E**	**2020P**	**2021P**
ASSETS					
Current assets:					
Cash and Cash Equivalents	$ 5.0	$ 20.0	$ 25.0	$ 67.0	$ 99.5
Accounts Receivable	50.7	-	50.7	47.0	44.5
Other Current Assets	22.1	-	22.1	22.1	22.0
Total Current Assets	**77.9**	**20.0**	**97.9**	**136.1**	**166.0**
Long-term assets:					
Net PP&E	115.5	(26.1)	89.4	73.3	63.2
Other non-Current Assets	405.3	-	405.3	378.0	353.6
TOTAL ASSETS	**598.7**	**(6.1)**	**592.5**	**587.4**	**582.8**
LIABILITIES & EQUITY					
Current liabilities:					
Accounts payable and accrued liabilities	173.5	(79.6)	94.0	17.4	16.4
Other Current Liabilities	9.4	-	9.4	9.4	9.4
Total Current Liabilities	**182.9**	**(79.6)**	**103.3**	**26.8**	**25.7**
Short Term/Long Term Debt	736.0	(411.0)	325.0	324.5	324.9
Other non-current liabilities	30.0	(26.1)	3.9	3.9	3.9
TOTAL LIABILITIES	**948.9**	**(516.7)**	**432.2**	**355.1**	**354.5**
Shareholders' Equity	**(350.3)**	**510.6**	**160.3**	**232.3**	**228.3**
TOTAL LIABILITIES & EQUITY	**598.7**	**(6.1)**	**592.5**	**587.4**	**582.8**
Memo: Net Debt			300.0	257.5	225.4

CONSOLIDATED INCOME STATEMENT

($ in millions)

Unaudited	Fiscal Year Ending December 31,		
	2019E	**2020P**	**2021P**
Revenue	$ 526.7	$ 476.1	$ 432.9
Cost of Revenue	281.5	246.2	218.9
Gross Profit	**245.2**	**229.9**	**213.9**
SG&A Expense	143.8	130.4	117.4
Depreciation and Amortization	47.1	71.0	63.7
Other non-Current Assets	-	-	-
Total Operating Expenses	**190.9**	**201.4**	**181.1**
Operating Income	**54.2**	**28.5**	**32.8**
Net Interest Income (Expense)	-	(30.8)	(30.9)
Other Expense/Income	-	-	-
Taxes	-	(5.1)	(5.8)
Net Income (Loss)	**54.2**	**(7.4)**	**(3.9)**
Memo: EBITDA	101.4	99.5	96.5

CONSOLIDATED CASH FLOW STATEMENT

($ in millions)

Unaudited	Fiscal Year Ending December 31,	
	2020P	**2021P**
Operating Activites		
Net Income	$ (7.4)	$ (3.9)
Depreciation and Amortization	71.0	63.7
Changes in Working Capital	1.4	(4.3)
Other	14.6	16.3
Operating Cash Flow	**79.6**	**71.7**
Investing Activities		
Capital Expenditures	(27.6)	(29.3)
Investments	-	-
Sale of Assets	-	-
Investing Cash Flow	**(27.6)**	**(29.3)**
Financing Activities		
Payments on Long Term Debt	(10.0)	(10.0)
Other Expense/Income	-	-
Financing Cash Flow	**(10.0)**	**(10.0)**
Net Change in Cash	**42.0**	**32.4**