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March 3, 2023

***Via IBFS***

Marlene H. Dortch
Secretary
Federal Communications Commission
45 L Street, NE
Washington, DC 20554

Re: Fusion Cloud Services, LLC Notice of *Pro Forma* Transaction
(ITC-214-19971001-00592)

Dear Ms. Dortch:

Fusion Cloud Services, LLC ("Fusion Cloud") hereby notifies the Federal Communications Commission (the "Commission"), pursuant to Section 63.24(f) of the Commission's Rules, that on February 1, 2023, Fusion Cloud and Fusion Communications, LLC ("Fusion Communications")[1] completed a *pro forma* transfer of a customer base and related operating assets. **There was no transfer of any international Section 214 authorization.**[2]

In an effort to improve corporate operating efficiencies and to streamline its corporate structure, effective February 1, 2023, Fusion Cloud acquired the Nebraska customer base and operating assets of its commonly-owned affiliate, Fusion Communications (the "Transaction").[3] Accordingly, the Transaction is *pro forma* as there was no change in the ultimate ownership or control of the customer base or operating assets of Fusion Communications.

A certification, as required pursuant to 47 C.F. R. § 63.24(f)(2)(ii), is appended.

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[1] Fusion Cloud and Fusion Communications are wholly-owned subsidiaries of Fusion Connect, Inc. ("Fusion Connect").

[2] Fusion Cloud and Fusion Communications both operate pursuant to the international Section 214 authority of their parent, Fusion Connect, granted in IB File No. ITC-214-19971001-00592. Post-close, Fusion Connect continues to hold this authority.

[3] In accordance with Commission rule 47 C.F.R. § 64.1120(e), customers were notified of the Transaction and the requisite filing was made with the Commission on December 30, 2022. *See* Letter to Marlene H. Dortch, Secretary, Federal Communications Commission, from Winafred Brantl, Kelley Drye & Warren LLP, External Counsel to Fusion Cloud and Fusion Communications, CC Dkt. 00-257 (Dec. 30, 2022).

In support of this filing, Fusion Cloud provides the following information required by Commission Rule 63.24(f)(2):

(a) The contact name, address, and telephone number of the assignee:

Fusion Cloud Services, LLC
210 Interstate North Parkway, Suite 200
Atlanta, GA 30339
Tel: (212) 201-2425

(b) Fusion Cloud is a Georgia limited liability company.

(c) Correspondence concerning this *pro forma* notice should be directed to:

Winafred Brantl
Kelley Drye & Warren, LLP
3050 K St., NW, Suite 400
Washington, D.C. 20007
Tel: (202) 342-8400
Fax: (202) 342-8451
Email: wbrantl@kelleydrye.com

(d) Fusion Communications and Fusion Cloud each hold blanket domestic Section 214 authority[4] and, consistent with Section 63.21(h) of the Commission's Rules, operate pursuant to the international Section 214 authorization (IB File No. ITC-214-19971001-00592) held by Fusion Connect.

(h) As of the date of this filing, the following individuals and entities hold ten percent (10%) or more of the direct or indirect current ownership interests in Fusion Cloud:

**Fusion Connect**
210 Interstate North Parkway, Suite 200
Atlanta, GA 30339
Citizenship: U.S.
Principal Business: Holding Company
Percentage Interest: 100% direct interest

On March 1, 2023, Fusion Connect and its subsidiaries, including Fusion Cloud, consummated a substantive transaction (approved by the Commission in IB File No. ITC-T/C-20220317-00038 and WC Dkt. 22-128).[5] The organizational structure of the direct and indirect reportable interests in

[4] 47 C.F.R. §63.01.

[5] A separate notice of the consummation of this Transaction is being submitted to the Commission.

Fusion Connect, following the consummation, is rather complex. Accordingly, these interests are presented in Attachment 1-A, along with an organizational chart.

Except as described in this filing, no other entity or individual currently holds a 10% or greater direct or indirect equity or voting interest in Fusion Cloud.

Interlocking Directorates

Fusion Cloud has no interlocking directorates with any foreign carriers.

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Please contact the undersigned counsel should there be any questions regarding this matter.

Respectfully submitted,

*/s/ Winafred R. Brantl*

Winafred Brantl
Kelley Drye & Warren LLP
3050 K Street, NW, Suite 400
Washington, D.C. 20007

*Counsel for Fusion Cloud Services, LLC and Fusion Communications, LLC*

## Attachment 1-A

**Ten Percent or Greater Interest Holders in Fusion Connect, Inc.**
**(and Indirectly in Fusion Cloud Services, LLC)**
**(Continuation of Answer to IBFS Main Form Question 11)**

On March 1, 2023, Fusion Connect, Inc. ("Fusion Connect") consummated a transaction resulting to a material change in its ownership. Using the information available to Fusion Connect as of the date of this filing, Fusion Connect has identified the following entities and/or individuals as holding a ten percent (10%) or greater direct or indirect ownership interest in Fusion Connect and, indirectly, in Fusion Cloud Services, LLC ("Fusion Cloud").[1]

**The North Haven Entities and Other Morgan Stanley Entities with Interests in Fusion Cloud**

As explained below, the North Haven Entities (identified on pages 3-4), each a Delaware limited partnership with headquarters located at 1585 Broadway, New York, NY 10036, in combination, hold directly and indirectly approximately 80.86% of the voting equity of Fusion Connect, and therefore have *de jure* control over Fusion Cloud. The North Haven Entities' interests in Fusion Connect are under the common investment management of MS Capital Partners Adviser, a Delaware corporation and SEC-registered investment adviser, with corporate headquarters located at 1585 Broadway, New York, NY 10036. In total, MS Capital Partners Adviser manages approximately 82.65% of Fusion Connect's voting equity, held directly by the North Haven Funds (identified below on page 4). More specifically, the North Haven Funds have delegated to MS Capital Partners Adviser, as investment manager, the authority to acquire,

[1] As described in the underlying Section 214 application, the transaction contemplated a variety of warrants that might or might not be exercised immediately upon closing. The interests identified herein reflect an assumption that all Warrants, except the equityholder Warrants (as discussed further in the Section 214 application) are exercised. Neither exercise of the equityholder warrants nor delayed exercise of the other warrants would create new reportable 10% direct or indirect interest holders in Fusion Connect, and the North Haven Entities, under the common management of MS Capital Partners Adviser, would retain *de jure* control over Fusion Connect and its subsidiaries due to their combined direct and indirect interests in the voting equity of Fusion Connect.

dispose of, and vote the securities held by the North Haven Funds, including the North Haven Entities and their shares in Fusion Connect.

MS Capital Partners Adviser is a wholly-owned subsidiary of MS Holdings Incorporated ("MS Holdings"), a Delaware corporation, which is itself a wholly-owned direct subsidiary of Morgan Stanley. MS Holdings and Morgan Stanley, therefore, are each deemed to hold an indirect, approximate 82.65% interest in Fusion Cloud pursuant to the Commission's ownership attribution rules and have a *de jure* indirect controlling interest in Fusion Cloud.

No single person or entity controls Morgan Stanley. Mitsubishi UFJ Financial Group, Inc. ("MUFG") owns approximately a 21.6% interest in Morgan Stanley, and is thus deemed to have, using the Commission's attribution rules, an indirect interest in Fusion Connect of approximately 21.6%.[2] No other person or entity apart from MUFG has a sufficient interest in Morgan Stanley to give it a 10% or greater direct or indirect interest in Fusion Cloud. No person or entity that is not affiliated with Morgan Stanley or MUFG, as explained more fully below, has a direct or indirect ownership or controlling interest in Fusion Connect or Fusion Cloud of 10% or more pursuant to the Commission's ownership attribution rules.

The following Morgan Stanley Entities hold direct ownership interests in Fusion Connect which are commonly managed by MS Capital Partners Adviser in its role as investment manager for the shares held by these entities:

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[2] The description of MUFG in this filing, including the particulars required regarding its interests in the Morgan Stanley Entities, insofar as those result in interests in Fusion Cloud, are based upon public records.

### 1. The "North Haven Entities"

**<u>NH Credit Partners III Holdings LP</u>.** NH Credit Partners III Holdings LP., a Delaware limited partnership ("NH III"), has *direct* ownership interests in Fusion Connect of approximately 33.43%. In addition, NH III has an approximately 13.09% *indirect* interest in Fusion Connect voting stock and equity through seven subsidiaries (the "NHCP III LLCs"). Specifically, NH III is the 100% owner and sole member of the seven NHCP LLCs: NHCP III Holdings 1 LLC, NHCP III Holdings 2 LLC, NHCP III Holdings 3 LLC, NHCP III Holdings 4 LLC, NHCP III Holdings 5 LLC, NHCP III Holdings 6 LLC, and NHCP III Holdings 7 LLC. Each of the NHCP III LLCs is a Delaware limited liability company and holds a 1.87% direct voting and equity interest in Fusion Connect. Consequently, in total, NH III, either directly or indirectly, holds a combined 46.52% interest in Fusion Connect. No individual or entity holds a large enough ownership interest in NH III to have a 10% or greater indirect ownership interest in Fusion Connect. MS Capital Partners Adviser acts as the investment manager for the shares directly held by NH III as well as those held by the NHCP III LLCs.

NH III's general partner is MS Credit Partners III GP L.P, a Delaware limited partnership. The general partner of MS Credit Partners III GP L.P. is MS Credit Partners III GP Inc., a Delaware corporation. MS Credit Partners III GP Inc. is a wholly-owned subsidiary of MS Holdings.

**<u>North Haven Credit Partners II LP</u>.** North Haven Credit Partners II LP., a Delaware limited partnership ("North Haven II"), holds, directly, an approximate 31.20% voting equity interest in Fusion Connect. No individual or entity holds a large enough ownership interest in North Haven II to have a 10% or greater indirect ownership interest in Fusion Connect. North Haven II's interests, like those of NH III, are managed by MS Capital Partners Adviser. North

Haven II's general partner is MS Credit Partners II GP L.P. The general partner of MS Credit Partners II GP L.P, is MS Credit Partners II GP Inc., a Delaware corporation.[3] MS Credit Partners II GP Inc. is a wholly-owned subsidiary of MS Holdings.

**North Haven Senior Loan Fund L.P.** The third North Haven Entity, the North Haven Senior Loan Fund L.P. ("NH Senior Loan Fund), has the smallest interest of the North Haven Entities in Fusion Connect. NH Senior Loan Fund holds a direct interest of 3.14% in Fusion Connect. NH Senior Loan Fund is a Delaware limited partnership and its share of voting equity in Fusion Connect is also managed by MS Capital Partners Adviser.

### 2. The Remaining North Haven Funds

In addition to the North Haven Entities and the NHCP III LLCs, four other funds (together with the North Haven Entities and the NHCP III LLCs, the "North Haven Funds") have direct investments in Fusion Connect, although all of these interests, combined, are under two percent (2%). They are mentioned here because their interests in Fusion Connect are also under the investment management of MS Capital Partners Adviser, contributing to the total count of Fusion Connect direct voting equity under its management. These are the North Haven Senior Loan Fund (Alma) Designated Activity Company (0.20%), an Ireland corporation; the North Haven Senior Loan Fund Offshore L.P. (1.06%), a Cayman limited partnership; the North Haven Senior Loan Fund Unleveraged Offshore L.P. (0.20%), a Cayman limited partnership; and the North Haven Unleveraged Senior Loan Fund (Yen) L.P (0.31%), a Cayman limited partnership.

Through its common investment management of the holdings of North Haven Entities and the other North Haven Funds, MS Capital Partners Adviser indirectly manages approximately 82.65% of the Fusion Connect voting equity interests and therefore has a *de jure* controlling interest in Fusion Connect.

MS Capital Partners Adviser, an SEC-registered investment adviser, has a principal business of investment activities and a corporate headquarters located at 1585 Broadway, New York, NY 10036. MS Credit Partners II GP, L.P. and MS Credit Partners II GP Inc. each have a principal business of investment activities and a corporate headquarters located at 1585 Broadway, 39th Floor, New York, NY 10036. MS Credit Partners III GP, L.P. and MS Credit Partners III GP Inc. each have a principal business of investment activities and a corporate headquarters located at 1585 Broadway, 39th Floor, New York, NY 10036.

MS Holdings also has a principal business of investment activities and a corporate headquarters located at 1585 Broadway, New York, NY 10036. Morgan Stanley is a multinational investment bank and financial services company which, through its affiliates and subsidiaries, advises, and originates, trades, manages, and distributes capital for institutions, governments, and individuals. Morgan Stanley is headquartered at 1585 Broadway, New York, NY 10036.

Other than as described in this Attachment 1, no other Morgan Stanley-related entity or individual has a direct or indirect interest by which it would be deemed to hold, manage, or control a ten percent (10%) or greater, direct or indirect, voting or equity interest in Fusion Connect. The interests in Fusion Connect held by Morgan Stanley-related entities are depicted in the appended ownership chart. *See* **Exhibit 1**.

## Mitsubishi UFJ Financial Group, Inc.

MUFG, a Japanese bank and financial services institution, owns an approximate 21.6% voting and equity interest in Morgan Stanley and, therefore holds an equivalent *indirect* interest in Fusion Connect.[4] MUFG is an investment banking group headquartered in Tokyo, Japan. No individual or entity controls MUFG, nor does any individual or entity hold enough voting or equity interests in MUFG to hold a ten percent (10%) indirect interest in Morgan Stanley, and by extension, in Fusion Connect or Fusion Cloud. The business address and headquarters of MUFG, which was incorporated in Japan, is 7-1, Marunouchi 2-Chome, Chiyoda-ku, Tokyo, Japan.

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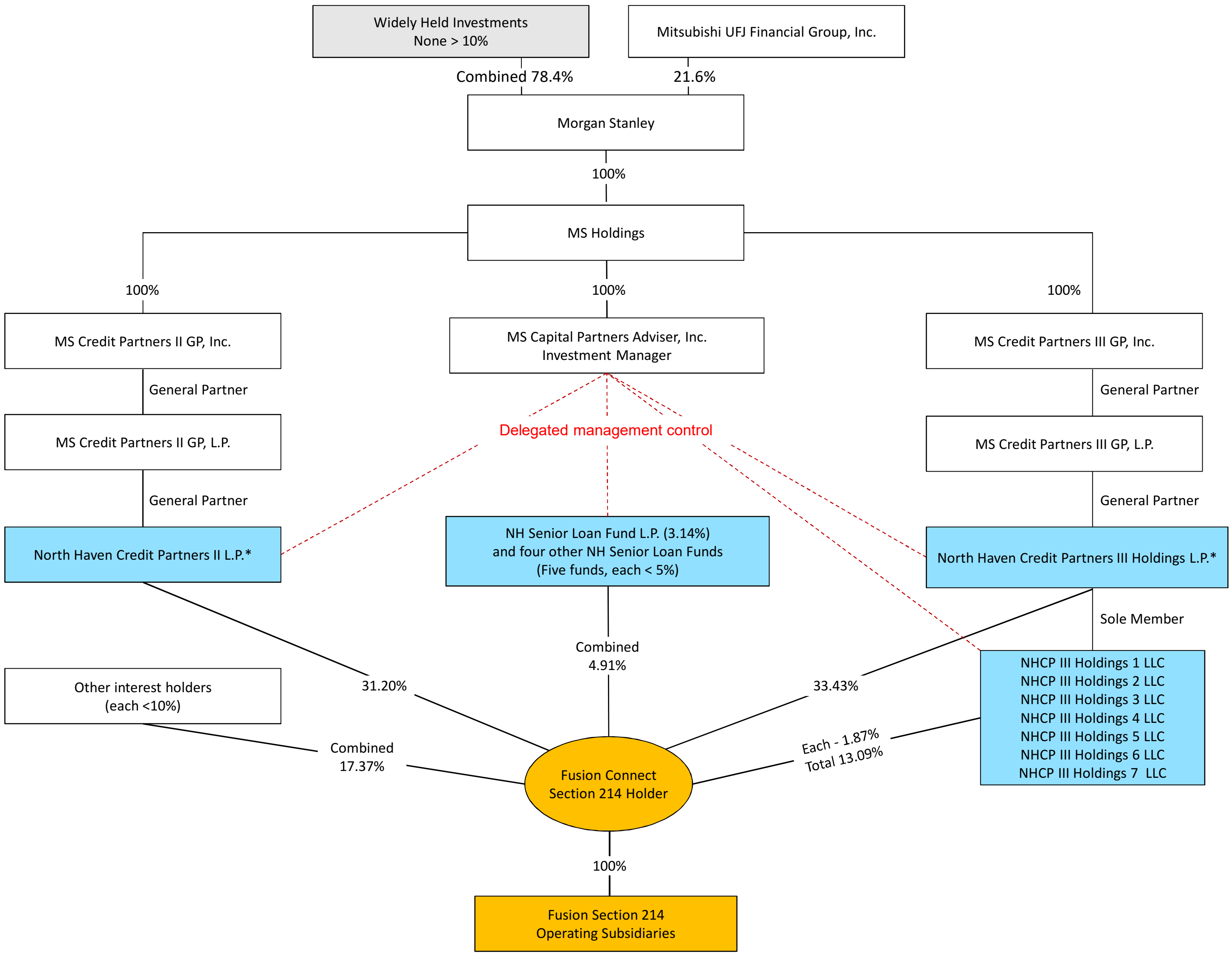
4 MUFG's 21.6% indirect interest in Fusion Connect is calculated treating Morgan Stanley's *de jure* controlling indirect interest as a 100% interest, per the Commission's attribution rules.

# OWNERSHIP OF THE FUSION COMPANIES
# (Effective March 1, 2023)




* No person or entity has a large enough interest in the limited partnership, alone or in combination with interests in other North Haven Funds, that constitutes a 10% or greater indirect interest in the Fusion Licensees.

EXHIBIT 1

**Certification**

The undersigned hereby certifies, on behalf of Fusion Cloud Services, LLC, and with respect to the foregoing notification of a *pro forma* transaction, that the statements in the notification are true and correct to the best of my belief and are made in good faith; that the transaction was *pro forma* as described in Sections 63.24(d) of the Commission's Rules; and that this transaction, together with all previous *pro forma* transactions, did not result in a change in ultimate control.

By: ________________________________
James P. Prenetta, Jr.
Executive Vice President and General Counsel
Fusion Cloud Services, LLC

March 2, 2023