

**ANSWER TO QUESTION 10**

**63.18(c) and (d) Information for Masergy Communications, Inc. – Transferor**

- Contact Information for Masergy Communications, Inc.

Company Contact:

Irene Peterson  
Masergy Communications, Inc.  
2740 North Dallas Parkway, Suite 260  
Plano, TX 75093  
Telephone: (214) 442-8839  
irene.peterson@masergy.com

Legal Counsel

Douglas D. Orvis II  
Bingham McCutchen LLP  
2020 K Street NW  
Washington, DC 20006-1806  
Telephone: (202) 373-6041  
Fax: (202) 373-6001  
douglas.orvis@bingham.com

- Masergy Communications, Inc. is a U.S. corporation organized under the laws of the State of Delaware.
- Masergy Communications, Inc. holds the section 214 authority to provide international and domestic telecommunications services that is the subject of this transaction. *See* File No. ITC-214-20010820-00432 and 47 C.F.R. § 63.01.

**63.18(c) and (d) Information for Masergy Holdings, Inc. – Transferee**

- Contact Information for Masergy Holdings, Inc.

Company Contact

Blake Battaglia  
President  
Masergy Holdings, Inc.  
c/o ABRY Partners, LLC  
111 Huntington Avenue, 30<sup>th</sup> Floor  
Boston, MA 02199  
Telephone: (617) 859-2959  
Facsimile: (617) 859-8797  
bbattaglia@abry.com

Legal Counsel  
Bennett Ross  
Wiley Rein LLP  
1776 K Street NW  
Washington, DC 20006  
Telephone: (202) 719-7524  
Facsimile: (202) 719-9411  
Email: [bross@wileyrein.com](mailto:bross@wileyrein.com)

- Masergy Holdings, Inc. is a U.S. corporation organized under the laws of the State of Delaware.
- Masergy Holdings, Inc. has not previously received Section 214 authority.

#### **ANSWER TO QUESTION 11**

The following entities will have a ten (10) percent or greater direct or indirect ownership interest in Masergy Holdings, Inc. at the time the proposed transaction is consummated:

Masergy Investment Holdings, LLC will hold a direct 100 percent interest in the Transferee, Masergy Holdings, Inc. Masergy Investment Holdings, LLC, a Delaware holding company, is located at 111 Huntington Avenue, 30<sup>th</sup> Floor, Boston, MA 02199.

ABRY Senior Equity III, L.P., a Delaware investment company, will hold an indirect 20.1% equity interest in Masergy Holdings, Inc. ABRY Senior Equity Investors III, L.P., a Delaware investment company, is the sole general partner of ABRY Senior Equity III, L.P. The sole general partner of ABRY Senior Equity Investors III, L.P. is ABRY Senior Equity Holdings III, LLC, a Delaware limited liability company. All of the voting securities of ABRY Senior Equity Holdings III, LLC are held by Royce Yudkoff, a citizen of the United States.

ABRY Partners VI, L.P., a Delaware investment company, will hold an indirect 34.2% equity interest in Masergy Holdings, Inc. ABRY VI Capital Partners, L.P., a Delaware investment company, is the sole general partner of ABRY Partners VI, L.P. The sole general partner of ABRY VI Capital Partners, L.P. is ABRY VI Capital Investors, LLC, a Delaware limited liability company. All of the voting securities of ABRY VI Capital Investors, LLC are held by Royce Yudkoff, a citizen of the United States.

ABRY Partners VII, L.P., a Delaware investment company, will hold an indirect 40.3% equity interest in Masergy Holdings, Inc. ABRY VII Capital Partners, L.P., a Delaware investment company, is the sole general partner of ABRY Partners VII, L.P. The sole general partner of ABRY VII Capital Partners, L.P. is ABRY VII Capital Investors, LLC, a Delaware limited

liability company. All of the voting securities of ABRY VII Capital Investors, LLC are held by Royce Yudkoff, a citizen of the United States.

The address for Mr. Yudkoff and all entities is 111 Huntington Avenue, 30<sup>th</sup> Floor, Boston, MA 02199.<sup>1</sup>

No other person or entity will have a ten percent or greater ownership interest in Masergy Holdings, Inc. at the time the proposed transaction is consummated.

## **ANSWER TO QUESTION 12**

Rob E. Bodnar is the Executive Vice President, Chief Financial Officer, Secretary, and member of the Board of Directors of Masergy Communications, Inc. and the Executive Vice President, Chief Financial Officer and Director to the Board of Masergy Communications UK Limited, a United Kingdom entity. Jack Tankersly is a member of the Board of Directors of Masergy Communications, Inc. and Masergy Communications UK Limited, a United Kingdom entity. Charlsa Hamner is the Controller and Treasurer of Masergy Communications, Inc. and the Controller and Secretary for Masergy Communications UK Limited, a United Kingdom entity. Irene Peterson is the Tax Director and Assistant Treasurer for Masergy Communications, Inc. and the Tax Director for Masergy Communications UK Limited, a United Kingdom entity.

## **ANSWER TO QUESTION 13**

### ***Description Of The Proposed Transaction***

Through this Transfer of Control Application, Masergy Holdings, Inc. seeks Federal Communications Commission (“FCC” or the “Commission”) consent to the transfer of control of the international and domestic Section 214 authorizations held by Masergy Communications, Inc. to Masergy Holdings, Inc. As described below, the transaction will be in the public interest, as it will enhance Masergy Communication, Inc.’s competitiveness within its industry.

### ***Description of the Parties***

Masergy Communications, Inc. provides managed, secure virtualized network services to enterprises that have complex needs across multiple locations. Masergy Communications, Inc.’s network and software solutions enable customers to seamlessly deploy and manage IT applications such as video, voice and data, on a global basis. To provide these services, Masergy Communications, Inc. also resells long distance interstate private line services in every state. Masergy Communications, Inc. is a Delaware corporation headquartered in Plano, Texas.

---

<sup>1</sup> Two other ABRY Partners funds, ABRY Partners VII Co-Investment Fund, L.P. and ABRY Senior Equity III Co-Investment Fund, L.P., will acquire a less than ten percent indirect equity interest in Masergy Holdings, Inc. Both of these funds are also ultimately controlled by Royce Yudkoff.

Masergy Communications, Inc. holds section 214 authority to provide international and domestic telecommunications services.

Masergy Communications, Inc. is currently owned by several venture capital firms, including Meritage Private Equity Funds, Lightspeed Venture Partners, Centennial Ventures, West LB Mellon Asset Management, and Kleiner Perkins Caufield & Byers. None of these firms individually holds a fifty (50) percent or greater interest in Masergy Communications, Inc.

The transferee, Masergy Holdings, Inc., is a Delaware corporation that is wholly owned by Masergy Investment Holdings, LLC, a Delaware limited liability company. The post-consumption ownership structure of Masergy Holdings, Inc. is set forth in Exhibit A. Masergy Investment Holdings, LLC is primarily owned by several private equity funds, including those listed above in response to Question 11, affiliated with ABRY Partners.<sup>2</sup> ABRY Partners is a private equity investment firm focused solely on media, communications, business and information services investments. Masergy Investment Holdings, LLC will be controlled by a seven member board of managers, four of whom will be affiliated with the ABRY Partners funds. These four managers will initially be Peggy Koenig, Blake Battaglia, Azra Kanji and Rob Nicewicz. The remaining three managers will be Royce Holland, Chris MacFarland and Rob Bodnar, all of whom are currently members of management of Masergy Communications, Inc. All of these individuals are U.S. citizens.

### ***Description of the Agreement***

On June 21, 2011, an Agreement and Plan of Merger (the “Merger Agreement”) was executed by Masergy Holdings, Inc., Masergy Acquisition, Inc., a Delaware corporation and a wholly owned subsidiary of Masergy Holdings, Inc., Masergy Communications, Inc., and Meritage Investment Partners II, LLC, solely in its capacity as representative of various sellers. Pursuant to the Merger Agreement, Masergy Acquisition, Inc. will be merged into Masergy Communications, Inc., with Masergy Communications, Inc. remaining in existence as the surviving corporation. As a result of the merger, the current holders of equity interests in Masergy Communications, Inc. will receive cash compensation in exchange for such interests, and Masergy Communications, Inc. will become a wholly owned subsidiary of Masergy Holdings, Inc. The transaction thus will result in a change of control of all of the section 214 authority granted by the FCC to Masergy Communications, Inc. Control of such authorizations will be held effectively by Masergy Holdings, Inc. after closing of the transaction.

Because the proposed transfer of control will be completed at the holding company level, the Applicants expect that the transaction will be entirely transparent to Masergy Communications, Inc.’s customers and will have no effect on the services those customers currently receive. As a transaction affecting only the ownership of Masergy Communications, Inc., the proposed transaction will not result in any adverse change in the assets Masergy

---

<sup>2</sup> As part of the transaction, members of management will acquire a 2.3% equity interest in Masergy Investment Holdings, LLC.

Communications, Inc. uses to provide service or Masergy Communications, Inc.'s day-to-day operations, nor will the transaction itself have any effect on Masergy Communications, Inc.'s rates, terms or conditions of service.

**Public Interest Statement**

The proposed transfer of control of Masergy Communications, Inc. to Masergy Holdings, Inc. serves the public interest and will cause no offsetting public interest harms. Therefore, the Commission should expeditiously approve the proposed transfer of control.

The proposed transfer of control will promote competition by strengthening Masergy Communications, Inc. and increasing its ability to compete effectively in the market for global network solutions. The proposed transaction will provide Masergy Communications, Inc. access to financial resources necessary to expand its customer base and develop new products and services to meet the evolving needs of enterprise customers.

At the same time, the proposed transfer of control does not raise any competitive concerns. The only impact of the proposed transaction is that Masergy Communications, Inc. will obtain access to increased resources necessary to become an even more effective competitor.

For the reasons stated above, the transfer of control of Masergy Communications, Inc. to Masergy Holdings, Inc. will benefit the public interest. Thus, the parties to this application respectfully request the Commission to approve the transfer of control as expeditiously as possible.

**ANSWER TO QUESTION 14**

Neither Masergy Communications, Inc. nor Masergy Holdings, Inc. is a foreign carrier. Upon consummation of this transaction, Masergy Holdings, Inc. will be affiliated with the foreign carriers listed below, which are subsidiaries of Masergy Communications, Inc.:

<b>Name of the affiliated foreign carrier:</b>	<b>Countries in which company is authorized telecommunications services to the public:</b>
Masergy Communications UK Limited (a United Kingdom entity)	United Kingdom, Canada, France, Hong Kong, Japan, Singapore
Masergy Comunicaciones S. De R.L. de C.V. (a Mexican limited liability company)	Mexico

Masergy Holdings, Inc. has no other foreign carrier affiliations.

**ANSWER TO QUESTION 15**

Pursuant to Section 63.18(j) of the Commission's rules, 47 C.F.R. § 63.18(j), Masergy Holdings, Inc. certifies that it is not a foreign carrier but that it holds controlling interests in certain foreign carriers in destination countries where its subsidiaries provide international service. These carriers and the countries where they provide service are described above in the answer to Question 14.

**ANSWER TO QUESTION 16**

Pursuant to Section 63.10 of the Commission's rules, 47 C.F.R. § 63.10, Masergy Holdings, Inc. qualifies for non-dominant classification on the routes between the United States and all the above-listed countries because the affiliated entities in these countries have no market power on the foreign end of any of these routes. *See id.* § 63.10(a)(3). All of the above-listed affiliates lack 50 percent market share in the international transport and the local access markets in their respective foreign markets, and none is listed on the Commission's List of Foreign Telecommunications Carriers that Are Presumed to Possess Market Power in Foreign Telecommunications Markets. As such, Masergy Holdings, Inc. is presumptively classified as non-dominant on these routes.

**ANSWER TO QUESTION 20**

This application for transfer of control of international Section 214 authorization qualifies for streamlined processing pursuant to Section 63.12(c). 47 C.F.R. § 63.12. While the Transferee will be affiliated with two foreign carriers in destination markets, the Transferee qualifies for a presumption of non-dominance under Section 63.10(a)(3) of the Commission's rules as set forth in the Answer to Question 16. The parties will not consummate the proposed transaction until after all necessary Commission approvals are obtained.

**INFORMATION REQUIRED BY SECTION 63.04 OF THE COMMISSION'S RULES IN  
RELATION TO MASERGY COMMUNICATION, INC.'S DOMESTIC 214  
AUTHORIZATION**

In support of the Applicants' request for consent to transfer control of Masergy Communication, Inc.'s domestic blanket Section 214 authority to Masergy Holdings, Inc., the following information is submitted pursuant to Section 63.04 of the Commission's rules. 47 C.F.R. § 63.04. Specifically, Section 63.04(b) provides that applicants submitting a joint domestic/international Section 214 transfer of control application should submit as an attachment to the international Section 214 application responses to the information requested in paragraphs (a)(6) through (a)(12) of Section 63.04.

**RESPONSES TO SECTION 63.04(a)(6)-(12)**

**(a)(6):** See Answer to Question 13.

**(a)(7):** Masergy Communications, Inc. resells long distance interstate private line services in every state.

Masergy Holdings, Inc. is affiliated with domestic telecommunications providers through its ownership by ABRY Partners.

- ABRY's affiliate, RCN Corporation, through its operating subsidiaries, is authorized to provide local, long distance, and/or competitive access provider services in Connecticut, Delaware, District of Columbia, Illinois, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, and Virginia. All of the services provided by RCN Corporation's subsidiaries are competitive in nature and neither RCN Corporation nor any subsidiary company holds a dominant position in any market.

Specifically, RCN Telecom Services, Inc. provides competitive intrastate telecommunications services in Delaware, New Jersey, New York, and Pennsylvania. RCN Telecom Services of Illinois, LLC provides competitive intrastate telecommunications services in Illinois. RCN BecoCom, Inc. provides competitive intrastate telecommunications services in Massachusetts. RCN Telecom Services of Philadelphia, Inc. provides competitive intrastate telecommunications services in Pennsylvania. Starpower Communications, LLC provides competitive intrastate telecommunications services in the District of Columbia, Maryland, and Virginia. RCN New York Communications, LLC provides competitive intrastate telecommunications services in Connecticut, Delaware, the District of Columbia, Illinois, Massachusetts, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, and Virginia. NEON Optica, Inc.'s affiliates are authorized to provide intrastate services in Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, and Virginia.

- ABRY Partners also controls Grande Communications Networks, Inc., which provides telecommunications services in Arkansas, Oklahoma, and Texas.

In addition, ABRY Partners is in the process of confirming whether the following affiliated companies provide domestic telecommunications services, but is disclosing its ownership interest in these entities out of an abundance of caution.

- Atlantic Broadband is a cable television operator providing video, internet and telephone services to customers in Florida, Maryland/Delaware, South Carolina and Central Pennsylvania.
- Home Town Cable is a local service provider of bundled cable TV, high-speed internet, security-alarm monitoring and telephone services in Florida.
- Hometown Broadband provides wireless high-speed internet and VOIP telephone services to underserved rural and ex-urban markets throughout Maryland and Arizona.
- JAB Broadband is one of the nation's largest fixed wireless broadband service providers. Through its subsidiaries, JAB provides wireless broadband Internet and digital voice telephone service to residential and business customers in Colorado, Wyoming, Utah, Idaho, and Texas.

No other affiliates of Masergy Holdings, Inc. provide domestic telecommunications services.

**(a)(8):** This application for transfer of control of domestic Section 214 authorization presumptively qualifies for streamlined processing pursuant to Section 63.03(b)(1)(ii) because Masergy Holdings, Inc., the transferee, is not a telecommunications provider. 47 C.F.R. §63.03(b)(1)(ii). This application also qualifies for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transaction: (1) Applicants and their affiliates (as defined in 47 U.S.C. § 153(1) – “Affiliates”) combined will hold less than a ten (10) percent share of the interstate, interexchange market; (2) to the extent that Applicants or their Affiliates provide U.S. local exchange services or exchange access services, those services are provided only in geographic areas served by a dominant local exchange carrier that is not a party to this transaction; and (3) none of the Applicants or their Affiliates is dominant with respect to any U.S. domestic service. 47 C.F.R. §63.03(b)(2)(i).

**(a)(9):** See Answer to Question 13.

**(a)(10):** The Applicants are not requesting special consideration because neither party to the transaction is facing imminent business failure.

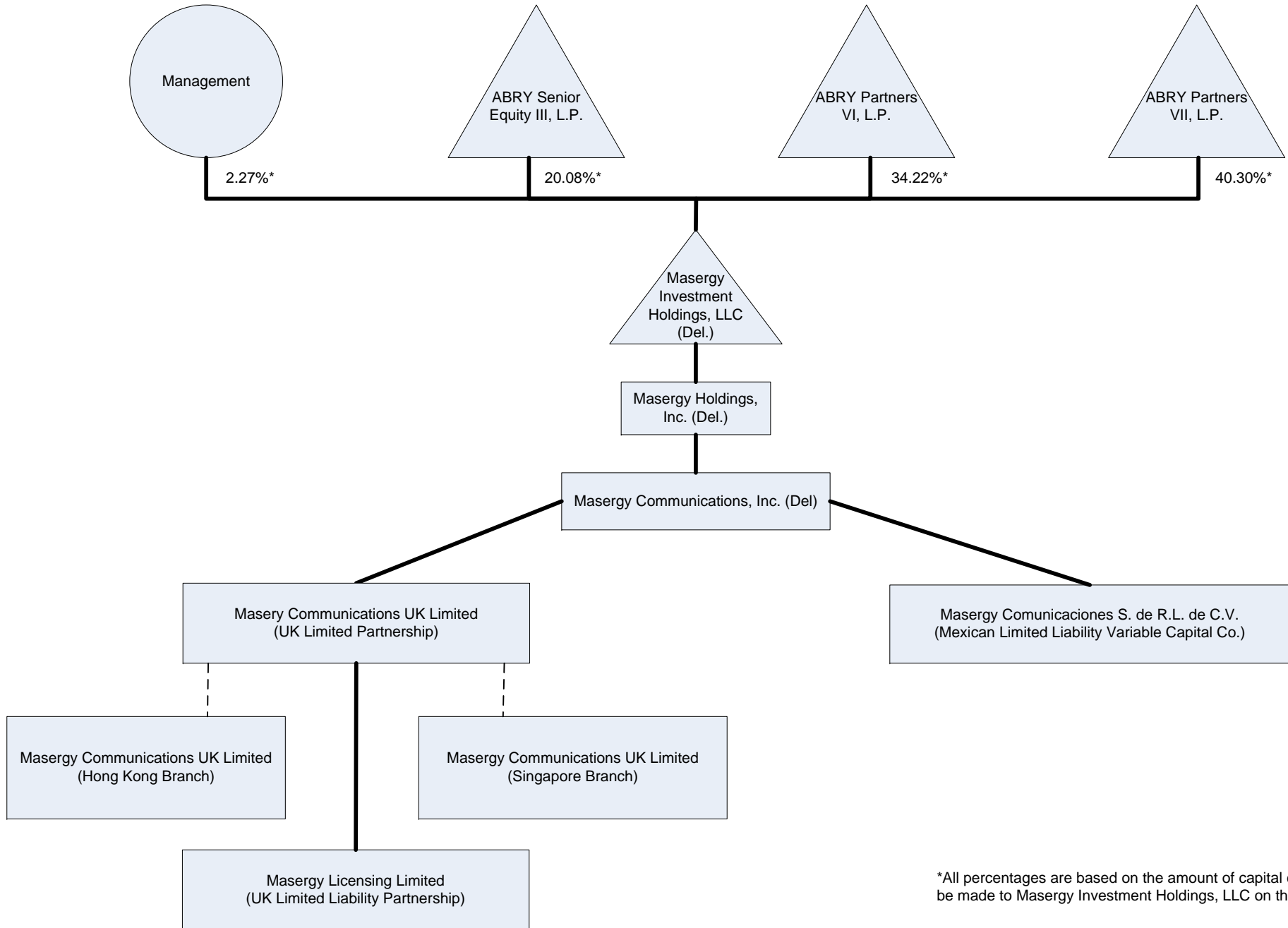
**(a)(11):** The Applicants are not separately filing any waiver requests in conjunction with the transaction.

**(a)(12):** See Answer to Question 13.



# **EXHIBIT A**

# Post-Closing Organizational Chart: Masergy Communications, Inc.



\*All percentages are based on the amount of capital contributions to be made to Masergy Investment Holdings, LLC on the closing date.