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June 14, 2012

***Via Electronic Filing***

Marlene H. Dortch, Secretary  
Federal Communications Commission  
International Bureau Applications  
P.O. Box 979093  
St. Louis, MO 63197-9700

**Re: In the Matter of the Joint Application of Network Billing Systems, LLC (“Transferor”) and Fusion Telecommunications International Inc. and Fusion NBS Acquisition Corp (“Transferees”) for Grant of Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended, to Complete a Transfer of Control of Network Billing Systems, LLC**

Dear Ms. Dortch:

On behalf of Fusion Telecommunications International, Inc. (“Fusion”), Fusion NBS Acquisition Corp. (“Newco”) and Network Billing Systems, LLC (“NBS”), (collectively, the “Applicants”), enclosed please find an application for approval of the proposed transfer of control of NBS to Newco and Fusion.

Pursuant to Section 63.04(b) of the Commission’s rules, Applicants submit this filing as a combined domestic section 214 transfer of control application and international section 214 transfer of control application (“Combined Application”). Applicants are simultaneously filing the Application with the Wireline Competition Bureau, in accordance with the Commission’s rules.

This filing and the applicable credit card payment in the amount of \$1,050.00 which satisfies the filing fee required for this application under line 2.b of Section 1.1105 of the Commission’s rules, are being submitted electronically through the MyIBFS.

Please direct any questions regarding this filing to the undersigned.

Respectfully submitted,



Andrew D. Lipman  
Brett P. Ferenchak

Counsel for Fusion Telecommunications International, Inc.

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Transaction will have no immediate effect on the rates, terms and conditions of service of the customers of NBS.

In support of this Application, Applicants state as follows:

**I. DESCRIPTION OF THE APPLICANTS**

**A. Fusion and Newco**

Fusion is a publicly-held Delaware corporation (OTC BB: FSNN) with principal offices located at 420 Lexington Avenue, Suite 1718, New York, NY 10170. Newco is a corporation formed under the laws of the State of Delaware and a wholly-owned direct subsidiary of Fusion. Although a publicly-held company, Fusion has the following shareholders that hold more than 10% of Fusion's equity: Marvin S. Rosen, the Chairman of Fusion (approximately 15%) and the Post-Confirmation Estate of West End Financial Advisors (approximately 12%). In connection with the Transactions, Fusion may issue additional equity diluting the ownership of current shareholders such that upon completion of the Transactions there may be no shareholder that has a 10% or greater ownership interest in Fusion.

Formed in 1997, Fusion is a provider of Internet Protocol ("IP") based digital voice and data communications services to corporations and carriers worldwide. Fusion's services include local, long distance, and international Voice over Internet Protocol ("VoIP") services and other enhanced communications services and features. Currently, Fusion does not hold authorization to provide intrastate telecommunications services in any state, but is authorized by the Commission to provide interstate and international telecommunications services.

**B. NBS**

NBS is a New Jersey limited liability company with principal offices at 155 Willowbrook Boulevard, Wayne, NJ 07470. NBS is owned by its founder and Chief Executive Officer, Jonathan Kaufman (15%), and the LK Trust (85%), which is managed by Mr. Kaufman. NBS

provides voice (circuit switched and VoIP) and data telecommunications services to small and medium sized companies.

NBS is authorized to provide intrastate telecommunications services every state except Alaska and Hawaii. NBS is also authorized by the Commission to provide interstate and international telecommunications services.

## **II. DESCRIPTION OF THE TRANSACTION (Response to Question 13)**

Pursuant to a Membership Interest Purchase and Sale Agreement by and among Fusion, Newco, NBS, Jonathan Kaufman and Christiana Trust as trustee of LK Trust (the “Agreement”), Newco will acquire all of the outstanding equity interests in NBS. As a result, NBS will become a wholly-owned direct subsidiary of Newco and a wholly-owned indirect subsidiary of Fusion. Diagrams depicting the pre- and post-transaction corporate organization structures are appended hereto as Exhibit A.

The current customers of NBS will remain customers of NBS immediately following the Transaction. Accordingly, the Transaction will be seamless and transparent to NBS’s customers, who will continue to enjoy the same rates, terms and conditions of service as they do prior to closing. Any future changes to the rates, terms and conditions of service will be undertaken pursuant to the customers’ contracts and applicable law. The only immediate change resulting from the Transaction will be that NBS will be owned directly by Newco and ultimately Fusion.

Fusion is managerially, technically, and financially well-qualified to complete the Transaction. As noted above, Fusion has provided voice and data communications services since 1997. For additional detail on the financial and managerial qualifications of Fusion, please see [www.fusiontel.com](http://www.fusiontel.com). In addition, the key management of NBS will remain with NBS and continue to manage the day-to-day operations of company with additional support from Fusion’s experienced management team. Following the Transaction, therefore, NBS will continue to have

the managerial, technical and financial qualifications to provide high quality telecommunications services to consumers supported by experienced Fusion management and Fusion's financial resources.

#### **IV. PUBLIC INTEREST CONSIDERATIONS**

Applicants submit that the Transaction described herein will serve the public interest. The Transaction is expected to enable Fusion and NBS to offer customers a compelling alternative to legacy carriers through a comprehensive suite of IP-based and circuit switched communications services. The Transaction also will serve the public interest in promoting competition among telecommunications carriers by providing Fusion and NBS with access to greater financial resources that will allow them to combine their operations and thereby become more effective competitors to legacy carriers. Fusion expects that the combination of Fusion and NBS will create opportunities for existing and potential customers of both companies to receive a broader base of high quality services. Immediately following consummation of the Transaction, NBS will continue to provide service to customers pursuant to its existing authorizations with no immediate change in their rates or terms and conditions of service. The Transaction, therefore, will be transparent and seamless to NBS's customers in terms of the services they currently receive.

#### **V. INFORMATION REQUIRED BY SECTION 63.24(e)**

Pursuant to Section 63.24(e)(3) of the Commission's Rules, the Applicants submit the following information requested in Section 63.18 (a)-(d) and (h)-(p) in support of this Application:

**(a) Name, address and telephone number of each Applicant:**

Transferor/Licensee:

**Network Billing Systems, LLC**  
155 Willowbrook Boulevard  
Wayne, NJ 07470  
Tel. 973-638-2100

FRN: 0004965141

Transferees:

**Fusion Telecommunications International, Inc.** FRN: 0004383337  
**Fusion NBS Acquisition Corp.**  
420 Lexington Avenue, Suite 1718  
New York, NY 10170  
Tel: 212-201-2400

**(b) Jurisdiction of Organizations:**

Transferor: NBS is a New Jersey limited liability company.

Transferees: Fusion and Newco are Delaware corporations.

**(c) (Answer to Question 10) Correspondence concerning this Application should be sent to:**

For Fusion and Newco:

Andrew D. Lipman  
Brett P. Ferenchak  
Bingham McCutchen LLP  
2020 K Street, N.W., Suite 1100  
Washington, DC 20006-1806  
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[andrew.lipman@bingham.com](mailto:andrew.lipman@bingham.com)  
[brett.ferenchak@bingham.com](mailto:brett.ferenchak@bingham.com)

With copies to:

Gordon Hutchins, Jr.  
President and Chief Operating Officer  
Fusion Telecommunications International, Inc.  
420 Lexington Avenue, Suite 1718  
New York, NY 10170  
212-201-2424 (tel)  
212-972-7884 (fax)  
[dhutchins@fusiontel.com](mailto:dhutchins@fusiontel.com)

For NBS:

Jonathan Kaufman  
Chief Executive Officer  
Network Billing Systems, LLC  
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Wayne, NJ 07470  
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973-638-2199 (fax)  
[jonk@nbsvoice.com](mailto:jonk@nbsvoice.com)

**(d) Section 214 Authorizations**

Licensees: NBS holds blanket domestic Section 214 authority pursuant to 47 C.F.R. §63.01. NBS also holds international Section 214 authority to provide global or limited global facilities-based and resale services as granted in IB File No. ITC-214-19990127-00044.

Transferees: Fusion holds blanket domestic Section 214 authority pursuant to 47 C.F.R. §63.01. Fusion also holds international Section 214 authority to provide global facilities-based and resale services as granted in IB File No. ITC-214-19971001-00592 (Old File No. ITC-97-668).

Newco does not hold any Section 214 Authorizations.

**(h) (Answer to Questions 11 & 12)** Upon completion of the Transaction, the following entities will hold, directly or indirectly a ten percent (10%) or greater interest<sup>1</sup> in NBS as calculated pursuant to the Commission ownership attribution rules for wireline and international telecommunications carriers:<sup>2</sup>

The following entities will hold a ten percent (10%) or greater direct or indirect equity ownership in **Network Billing Systems, LLC**:

Name:	Fusion NBS Acquisition Corp. (“Newco”)
Address:	420 Lexington Avenue, Suite 1718 New York, NY 10170
Citizenship:	U.S.
Principal Business:	Holding Company
% Interest:	100% (directly in NBS)

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<sup>1</sup> Unless otherwise indicated, the ownership interests provided herein represent both equity and voting interests.

<sup>2</sup> While the Commission’s rules for combined domestic and international applications require this information only for the assignee/transferee, *see* 47 C.F.R. §§ 63.04(b), 63.24(3)(2), Applicants are providing ownership information for both parties.



Name: Fusion Telecommunications International, Inc. (“Fusion”)  
Address: 420 Lexington Avenue, Suite 1718  
New York, NY 10170  
Citizenship: U.S.  
Principal Business: Telecommunications  
% Interest: 100% (indirectly in NBS as 100% owner of Newco)

Pre-and Post-Transaction Ownership of Fusion.

As a publicly held corporation, the percentage of Fusion’s shares held by an entity at any given time may fluctuate. Further, in connection with the Transactions, Fusion may issue additional equity diluting the ownership of current shareholders such that upon completion of the Transactions there may be no shareholder that has a 10% or greater ownership interest in Fusion.

Currently, the following person and entities own or control a ten percent (10%) or more interest in **Fusion Telecommunications International, Inc.:**

Name: Marvin S. Rosen (Chairman)  
Address: c/o Fusion Telecommunications International, Inc.  
420 Lexington Avenue, Suite 1718  
New York, NY 10170  
Citizenship: U.S.  
Principal Business: Individual  
% Interest: 15.1% (directly in Fusion)

Name: Post-Confirmation Estate of West End Financial Advisors<sup>3</sup>  
Address: 606 Post Road East, Suite 604  
Westport, CT 06880  
Citizenship: U.S.  
Principal Business: Post-Confirmation Estate  
% Interest: 12.2% (directly in Fusion)

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<sup>3</sup> The Post-Confirmation Estate of West End Financial Advisors (the “Estate”) is the post-bankruptcy successor to West End Financial Advisors LLC (“WEFA”). The Estate consolidated 42 different funds previously managed by WEFA, including West End Special Opportunity Fund II, LP (“WESOF”), which was the original WEFA fund that invested in Fusion. An Oversight Committee controls the actions and decisions of the Estate, with day-to-day management handled by the Estate Administrator. Neither the Estate Administrator nor any single member of the Oversight Committee has the authority to make decisions concerning the stock holdings of the Estate. Such decision can only be made by a majority vote of the Oversight Committee. Except as described above and to the knowledge of Transferee, no other person or entity directly or indirectly owns or controls the Estate such that the person or entity would be considered to indirectly own or control 10% or more of Fusion.



To the best of Fusion's knowledge, no other person or entity directly or indirectly owns or controls a ten percent (10%) or more interest in Fusion. To the best of Fusion's knowledge and based upon information available at this time, upon consummation of the Transaction no other person or entity will directly or indirectly hold a ten percent (10%) or greater equity interest in Fusion.

Currently, Transferees have no interlocking directorates with a foreign carrier. Upon consummation of the Transaction, Transferees will have no interlocking directorates with a foreign carrier.

(i) **(Answer to Question 14)** The Transferees certify that following consummation of the Transaction, (i) they will not be a foreign carrier within the meaning of 63.09(d) of the Commission's Rules, 47 C.F.R. §63.09(d); and (ii) they will not be affiliated, within the meaning of the Commission's Rules, with a foreign carrier.

(j) **(Answer to Question 15)** The Transferees certify that they do not seek to provide international services to any destination country for which any of the statements set forth in Section 63.18(j)(1) through (4) is true.

(k) Not applicable.

(l) Not applicable.

(m) Not applicable.

(n) Applicants certify that they have not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.

(o) Applicants certify that they are not subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998. *See* 21 U.S.C. § 853a; *see also* 47 C.F.R. §§ 1.2001-1.2003.

(p) With respect to international authority, this Application is eligible for streamlined processing pursuant to Section 63.12 of the Commission's Rules, 47, C.F.R. § 63.12, because (1) Applicants are not affiliated with a foreign carrier on any route for which authority is sought; (2) Applicants are not affiliated with any dominant U.S. carrier whose international switched or private line services it seeks to resell; and (3) Applicants are not requesting authority to provide switched service over private lines to countries not previously authorized for service by the Commission.

## **VI. INFORMATION REQUIRED BY SECTION 63.04**

Pursuant to Section 63.04(b) of the Commission's Rules, 47 C.F.R. § 63.04(b), Applicants submit the following information in support of their request for domestic Section 214 authority in order to address the requirements set forth in Section 63.04(a)(6)-(12) of the Commission's Rules:

(a)(6) A description of the proposed Transaction is set forth in **Section II** above.

(a)(7) (i) NBS is authorized to provide local exchange and intrastate interexchange telecommunications services in California, Connecticut, Florida, Georgia, Maryland, Massachusetts, New Jersey, New York, Ohio, Pennsylvania, Texas and Virginia and intrastate interexchange telecommunications services in all other states except Alaska and Hawaii. NBS provides telecommunications services in every state where it holds authorization to provide intrastate telecommunications services except for Mississippi.

(ii) Transferees do not provide intrastate or interstate telecommunications services nor are they authorized to provide intrastate telecommunications services in any state. Fusion does provide international telecommunications services pursuant to its international Section 214 authorization.

**(a)(8)** Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Sections 63.03 of the Commission's Rules, 47 C.F.R. §63.03. In particular, with respect to domestic authority, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transaction, (a) the Transferee (and its Affiliates (as defined in the Act)) will have a market share in the interstate, interexchange market of less than ten percent (10%); (b) the Transferee (and its Affiliates) will provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction; and (c) none of the Applicants (or their Affiliates) are dominant with respect to any service.

**(a)(9)** None.

**(a)(10)** While no party is requesting special consideration because it is facing imminent business failure, Applicants seek approval as expeditiously as possible so that Applicants can close the Transactions by August 10, 2012, and meet critical business objectives. Doing so will enable Applicants to minimize their financial exposure and uncertainty inherent in debt and equity market fluctuations over time and to close the Transactions before Applicants' financial statements become outdated, which would increase the complexity and cost related to accounting for the Transaction. For these reasons, Applicants request that the Commission issue its public notices as promptly as possible and establishing a streamlined pleading cycle.

**(a)(11)** Not applicable.

**(a)(12)** Consummation of the Transaction will serve the public interest for the reasons detailed in Section IV of this Application.

## VII. CONCLUSION

For the reasons stated above, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Application for the transfer of control of NBS to Transferees.

Respectfully submitted,



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Counsel for Transferees

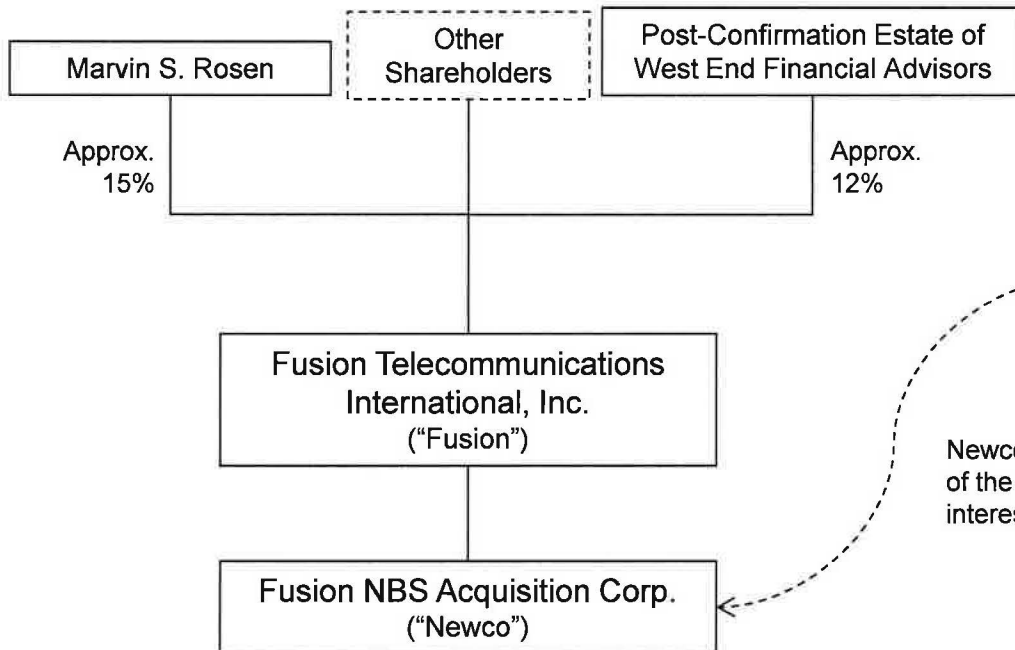
Dated: June 14, 2012

**EXHIBIT A**

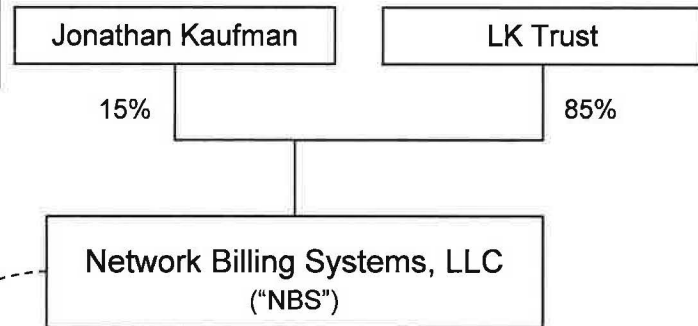
**Diagrams of the Pre- and Post-Transaction Corporate Organization Structures**

# Pre-Transaction Corporate Organization Structures

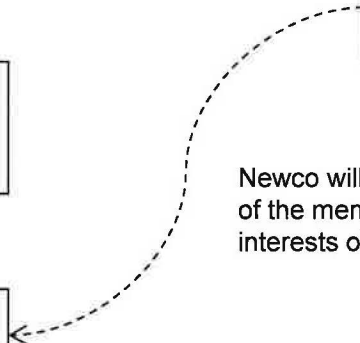
## Ownership Structure of Fusion



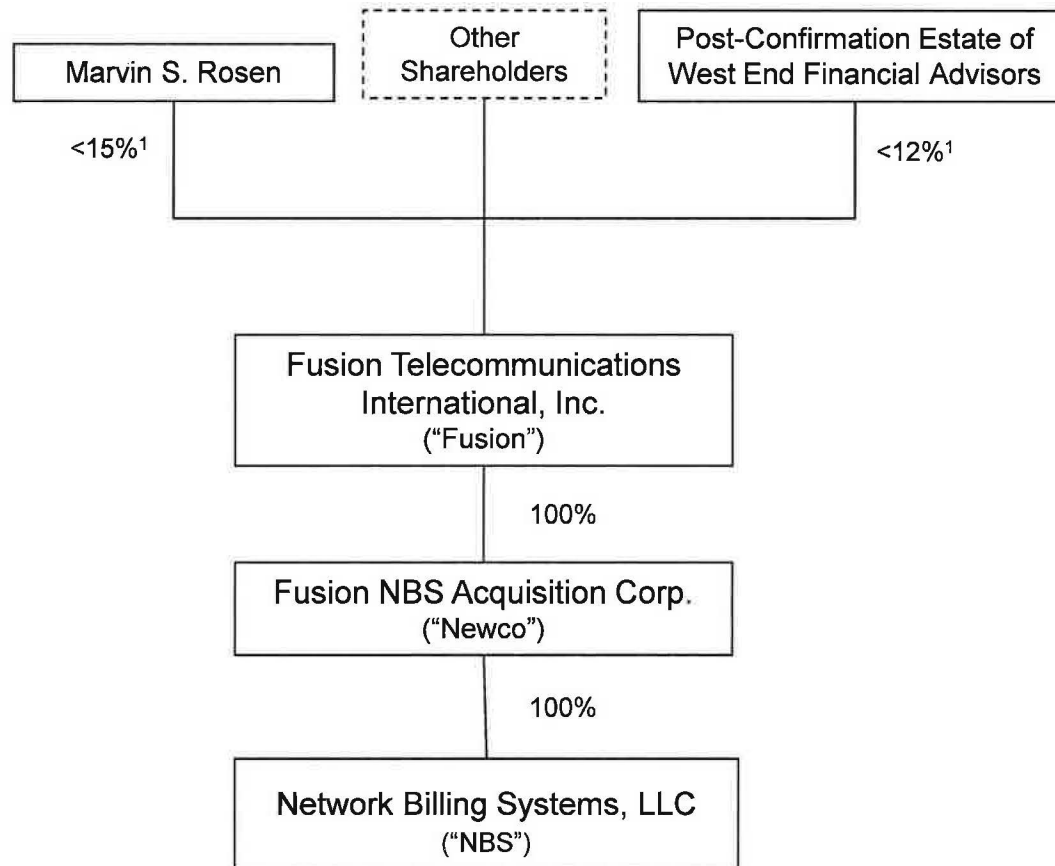
## Ownership Structure of NBS



Newco will purchase all of the membership interests of NBS



# Post-Transaction Corporate Organization Structure



<sup>1</sup> The ownership of Fusion's current stockholders is expected to be diluted (possibly below 10% each) as a result of new equity that may be issued by Fusion.

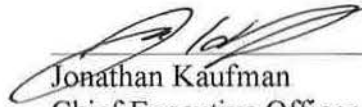


## Verifications

## VERIFICATION

I, Jonathan Kaufman, am Chief Executive Officer of Network Billing Systems, LLC (“NBS”); that I am authorized to make this Verification on behalf of NBS; that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to the Company are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 14<sup>th</sup> day of June 2012.



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Jonathan Kaufman  
Chief Executive Officer  
Network Billing Systems, LLC

## VERIFICATION

I, Gordon Hutchins, Jr., am President and Chief Operating Officer of Fusion Telecommunications International, Inc. ("Fusion"); that I am authorized to make this Verification on behalf of Fusion; that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to the Company are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 14<sup>th</sup> day of June 2012.

  
\_\_\_\_\_  
Gordon Hutchins, Jr.  
President and Chief Operating Officer  
Fusion Telecommunications International, Inc.