



PUBLIC NOTICE

Federal Communications Commission
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DA 04-3581

Released: November 12, 2004

DOMESTIC SECTION 214 APPLICATION FILED FOR TRANSFER OF CONTROL OF BROADVIEW NETWORKS HOLDINGS, INC. TO MCG CAPITAL CORPORATION

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 04-415

Comments Due: November 26, 2004

Reply Comments Due: December 3, 2004

On November 1, 2004, MCG Capital Corporation (“MCG” or “Transferee”) and Broadview Network Holdings, Inc. (“Broadview Holdings” or Transferor”) (MCG and Broadview Holdings collectively, “Applicants”), pursuant to sections 63.03 and 63.04 of the Commission’s rules,¹ filed an application requesting authority to transfer control of Broadview Networks, Inc. (“Broadview Networks”) and Broadview NP Acquisition Corp. (“Broadview NP”) (together, “Broadview Operating Companies”), two subsidiaries of Broadview Holdings, to MCG.²

Applicants assert that this transaction is entitled to presumptive streamlined treatment pursuant to section 63.03(b)(2)(i) of the Commission’s rules because (1) Applicants and their affiliates combined will hold less than a ten percent (10%) share of the interstate, interexchange market, (2) Applicants and their affiliates will provide local exchange service only in areas served by dominant local exchange carriers (none of which are parties to the proposed transactions) and; (3) none of the Applicants or their affiliates are dominant with respect to any service.³

¹ 47 C.F.R. §§ 63.03, 63.04; *see* 47 U.S.C. § 214.

² Applicants are also filing applications for transfer of control associated with authorization for international services. Any action on this domestic 214 application is without prejudice to Commission action on other related, pending applications.

³ 47 C.F.R. § 63.03(b)(2)(i).

Trasnferee is a publicly held financial services company, formed under the laws of the State of Delaware. It provides financing and advisory services to a variety of small to mid-sized communications, information services, media and technology companies throughout the United States. BridgeCom Holdings, a Delaware corporation, is a wholly owned subsidiary of MCG. BridgeCom Holdings is the corporate parent of BridgeCom International, Inc. (“BridgeCom”) and TruCom Corporation (“TruCom”). BridgeCom provides competitive local exchange services primarily in the mid-Atlantic and Northeast regions along with interexchange services in approximately twenty states. TruCom is authorized to provide competitive interexchange and local exchange service in New York and New Jersey. MCG also wholly owns Cleartel Communications, Inc. (“Cleartel”) and MCG Finance Corporation IH. [Cleartel is authorized, through several subsidiaries, to provide competitive local exchange services and interexchange services in several states.

Transferor, a Delaware corporation privately held by a number of institutional and other investors, is the parent company of Broadview Networks, Inc. (“Broadview Networks”) and Broadview NP Acquisition Corp. (“Broadview NP”). Broadview Networks, a New York corporation, is a network-based electronically integrated communications provider which serves small and medium-sized businesses and residential customers in the northeastern and mid-Atlantic United States. Broadview Networks offers integrated communications solutions, including local, long-distance and international voice services, data services, and dial-up and high-speed Internet services using digital subscriber line and other advanced technologies in approximately 22 states. Broadview Networks also has two wholly owned subsidiaries, Broadview Networks, Inc. of Mass. and Broadview Networks, Inc. of VA, that provide service in Massachusetts and Virginia only. Broadview NP, a Delaware Corporation, is authorized to provide interexchange service and, in some instances, competitive local exchange service in 23 states.

On October 29, 2004, BridgeCom Holdings and Broadview Holdings entered into an Agreement and Plan of Merger (“Agreement”), under which BV-BC Acquisition Corporation (“BV-BC”), a newly formed wholly owned subsidiary of Broadview Holdings will merge with and into BridgeCom Holdings. As a result, BridgeCom Holdings will become a wholly owned subsidiary of Broadview Holdings and BridgeCom and TruCom will indirectly become wholly owned subsidiaries of Broadview Holdings.⁴ In return for transferring its interest in BridgeCom Holdings to Broadview Holdings, MCG, currently the indirect sole owner of BridgeCom Holdings, will receive a 49% equity interest along with 60% voting control of Broadview Holdings. MCG will thereby acquire indirect control over the Broadview Operating Companies and retain ultimate control over BridgeCom Holdings and indirect control of BridgeCom Holdings’ operating subsidiaries, BridgeCom and TruCom. Current Broadview Holdings shareholders will continue to hold significant minority interest in Broadview Holdings

⁴ Because MCG will continue to retain ultimate control of BridgeCom International, Inc. and TruCom Corporation, the proposed transactions are *pro forma* in nature with respect to those entities. MCG hereby notifies the Commission of the *pro forma* transfer of control of BridgeCom International, Inc. and TruCom Corporation, and certifies that the transfer is *pro forma* and that, together with all previous *pro forma* transactions, if any, does not result in a change in the actual controlling party.

Following the proposed transactions, the Broadview Operating Companies will be wholly owned by Broadview Holdings. The following entities will have a 10% or greater equity interest in Broadview Holdings: MCG Finance Corporation IH, 49% economic interest, but 60% voting control; Baker Communications Fund II (QP), L.P., 13.3%. The General Partner of Baker Communications Fund II (QP) is Baker Capital Partners II, L.L.C. MCG Finance Corporation IH will be wholly owned by MCG and GS Capital Partners 2000, L.P., in turn, will have a 13% interest in MCG. GS Advisors 2000, L.L.C. is a General Partner of GS Capital Partners 2000, L.P. and is wholly owned by Goldman Sachs Group, Inc. No entity owns more than half of the equity of The Goldman Sachs Group, Inc. The Applicants confirm that no other entity will directly or indirectly own 10% or more of the equity of the Broadview Operating Companies following the proposed transactions.

Applicants assert that the proposed Transactions will service the public interest by providing the Broadview Operating Companies greater access to capital and allowing the Broadview Operating Companies to realize certain operational and other efficiencies which will allow them to streamline their respective operations, better utilize their respective resources, and improve implementation of their business strategies going forward. Applicant's state that the proposed transactions will not result in any change of the names under which the operating companies provide service, and each will continue to provide service to their respective customer bases under the same rates, terms and conditions.

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Interested parties may file **comments on or before November 26, 2004** and **reply comments on or before December 3, 2004.**⁵ Unless otherwise notified by the Commission, Applicants are permitted to transfer assets on the 31st day after the date of this notice.⁶ Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 Fed. Reg. 24121 (1998).

Comments filed through the ECFS can be sent as an electronic file via the Internet to <<http://www.fcc.gov/e-file/ecfs.html>>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen,

⁵ See 47 C.F.R. § 63.03(a).

⁶ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send e-mail to ecfs@fcc.gov, and should include the following words in the subject line “get form <your e-mail address>.” A sample form and directions will be sent in reply.

Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). The Commission's contractor, Natek, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, D.C. 20554. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

In addition, one copy of each pleading must be sent to each of the following:

- (1) The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, SW, Room CY-B402, Washington, DC 20554, www.bcpweb.com; phone: (202) 488-5300 fax: (202) 488-5563;
- (2) Tracey Wilson-Parker Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C212, Washington, D.C. 20554; e-mail: tracey.wilson-parker@fcc.gov;
- (3) Kimberly Jackson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C142, Washington, D.C. 20554; e-mail: kimberly.jackson@fcc.gov;
- (4) Terri Natoli, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C234, Washington, D.C. 20554; e-mail: terri.natoli@fcc.gov;
- (5) Susan O'Connell, Policy Division, International Bureau, 445 12th Street, S.W., Room 7-B544, Washington, D.C. 20554; email: susan.o'connell@fcc.gov; and
- (6) James Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: james.bird@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC, 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC 20554, telephone: (202) 488-5300, fax: (202) 488-5563, or via e-mail www.bcpweb.com.

For further information, please contact Tracey Wilson-Parker, at (202) 418-1394, or at (202) 418-.

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