



PUBLIC NOTICE

Federal Communications Commission
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DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF MASERGY COMMUNICATIONS, INC. TO MASERGY HOLDINGS, INC.

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 11-111

Comments Due: July 25, 2011

Reply Comments Due: August 1, 2011

On June 27, 2011, Masergy Holdings, Inc. (Masergy Holdings) and Masergy Communications, Inc. (Masergy Communications) (together, Applicants) filed an application pursuant to section 63.03 of the Commission's rules¹ to consummate a transfer control of Masergy Communications to Masergy Holdings.

Masergy Communications, a Delaware corporation, provides managed, secure virtualized network services to enterprise customers. Masergy Communications's network and software solutions enable customers to deploy and manage IT applications such as video, voice and data, on a global basis. Masergy Communications also resells long distance interstate private line services in every state. Masergy Communications 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 percent or greater interest in Masergy Communications.

Masergy Holdings, a Delaware corporation, is wholly owned by Masergy Investment Holdings, LLC, a Delaware limited liability company.² Masergy Holdings is affiliated with domestic

¹ 47 C.F.R § 63.03; *see* 47 U.S.C. § 214. Applicants are also filing applications for transfer of control associated with authorization for international services. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

² Masergy Investment Holdings, LLC is primarily owned by several private equity funds, affiliated with ABRY Partners. 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. All of these individuals are U.S. citizens.

telecommunications providers through its ownership by ABRY Partners.³ ABRY's affiliate, RCN, 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.⁴ 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.⁵

On June 21, 2011, an Agreement and Plan of Merger (the Merger Agreement) was executed by Masergy Holdings, Masergy Acquisition, Inc., a Delaware corporation and a wholly owned subsidiary of Masergy Holdings, Masergy Communications 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, with Masergy Communications remaining in

³ The following entities will have a ten percent or greater direct or indirect ownership interest in Masergy Holdings at the time the proposed transaction is consummated: Masergy Investment Holdings, LLC, a Delaware holding company, will hold a direct 100% interest in Masergy Holdings. ABRY Senior Equity III, L.P., a Delaware investment company, will hold an indirect 20.1% equity interest in Masergy Holdings. 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. 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. ABRY Partners VII, L.P., a Delaware investment company, will hold an indirect 40.3% equity interest in Masergy Holdings. 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. No other person or entity will have a ten percent or greater ownership interest in Masergy Holdings at the time the proposed transaction is consummated.

⁴ 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 affiliate companies provide domestic telecommunications services, but is disclosing its ownership interest in the following entities: 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.

⁵ 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, 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.

existence as the surviving corporation. As a result of the proposed merger, the current holders of equity interests in Masergy Communications will receive cash compensation in exchange for such interests, and Masergy Communications will become a wholly owned subsidiary of Masergy Holdings. Applicants assert that the proposed transaction is entitled to presumptive streamlined treatment under section 63.03(b)(2)(i) of the Commission's rules and that a grant of the application will serve the public interest, convenience, and necessity.⁶

Domestic Section 214 Application Filed for the Transfer of Control of Masergy Communications, Inc. to Masergy Holdings, Inc., WC Docket No. 11-111 (filed June 27, 2011).

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 application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to section 63.03(a) of the Commission's rules, 47 CFR § 63.03(a), interested parties may file comments **on or before July 25, 2011**, and reply comments **on or before August 1, 2011**. Unless otherwise notified by the Commission, the Applicants may transfer control on the 31st day after the date of this notice.⁷ Comments should be filed using the Commission's Electronic Comment Filing System (ECFS). See *Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: <http://fjallfoss.fcc.gov/ecfs2/>.

In addition, e-mail one copy of each pleading to each of the following:

- 1) The Commission's duplicating contractor, Best Copy and Printing, Inc., fcc@bcpiweb.com; phone: (202) 488-5300; fax: (202) 488-5563;
- 2) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, tracey.wilson@fcc.gov;
- 3) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, dennis.johnson@fcc.gov;
- 4) David Krech, Policy Division, International Bureau, david.krech@fcc.gov; and
- 5) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

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

⁶ 47 C.F.R. § 63.03(b)(2)(i).

⁷ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

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For further information, please contact Tracey Wilson at (202) 418-1394 or Dennis Johnson at (202) 418-0809.

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