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November 14, 2006

RECEIVED

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PUBLIC SERVICE  
COMMISSION

**Via FedEx**

Elizabeth O'Donnell, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602-8294

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**Re: Notification of McDATA Corporation, Computer Network Technology Corporation (Utility ID # 22205423) and Brocade Communications Systems, Inc. of the Indirect Transfer of Control of Computer Network Technology Corporation**

Dear Ms. O'Donnell:

McDATA Corporation ("McDATA"), its wholly owned subsidiary Computer Network Technology Corporation ("CNT"), and Brocade Communications Systems, Inc. ("Brocade") (McDATA, CNT and Brocade collectively, the "Parties"), through their undersigned counsel, pursuant to the Orders issued in Administrative Case Nos. 359 and 370 on June 21, 1996 and January 31, 1998, respectively, notify the Kentucky Public Service Commission ("Commission") of a transaction between McDATA and Brocade that will result in Brocade acquiring indirect control of CNT, a wholly owned subsidiary of McDATA and an authorized non-dominant provider of telecommunications services. Upon consummation of the transaction, the parties will notify the Commission that the transaction was completed.

The Parties understand that Commission approval is not required for the transaction described herein. Accordingly, this letter is filed for informational purposes only to ensure the continuing accuracy of the Commission's records.

**I. Description of the Parties**

**A. Computer Network Technology Corporation ("CNT")**

CNT is a corporation organized under the laws of the state of Minnesota and operated as both CNT and McDATA Services Corporation. CNT's business address is 6000 Nathan Lane North, Minneapolis, Minnesota 55442. CNT is a wholly owned subsidiary of McDATA. CNT was acquired by McDATA in 2005. Prior to its acquisition CNT designed, developed, marketed, sold and supported worldwide sales of data networking

solutions involving hardware, firmware, software, professional services, connectivity and remote systems monitoring directly to end users.

In Kentucky, CNT is authorized to provide interexchange telecommunications services pursuant to its registration filed with the Commission. CNT is authorized to provide telecommunications services in 45 other states and the District of Columbia. Its affiliate, CNT Telecom Services, Inc., is authorized to provide telecommunications services in two (2) additional states: Alabama and Virginia. CNT is also authorized by the FCC to provide international and domestic interstate telecommunications services as a non-dominant carrier. After completion of the transaction, CNT will retain its authorization and will continue to provide services to its customers. Further information concerning CNT's legal, technical, managerial and financial qualifications to provide service was submitted with its application for certification and other subsequent filings with the Commission.

#### **B. McDATA Corporation ("McDATA")**

McDATA is a Delaware corporation with principal offices located at 11802 Ridge Parkway, Broomfield, Colorado 80021. McDATA is publicly traded on the NASDAQ Global Select Market. McDATA's Class A common shares are traded under the symbol "MCDTA" and its Class B common shares are traded under the symbol "MCDT". McDATA does not hold any authorizations relating to the provision of telecommunications services.

McDATA designs, develops, markets, sells and supports data storage networking and application infrastructure management solutions involving hardware, firmware, software, professional services, connectivity and remote systems monitoring. It offers a variety of products and services directly to end users and indirectly through channel partners.

Additional information on McDATA is available on the company's website at: <http://www.mcdata.com>.

#### **C. Brocade Communications Systems, Inc. ("Brocade")**

Brocade is a Delaware corporation with principal offices located at 1745 Technology Drive, San Jose, California 95110. Brocade is publicly traded on the NASDAQ Global Select Market under the symbol "BRCD." Brocade does not hold any authorizations relating to the provision of telecommunications services.

Brocade designs, develops, markets, sells, and supports data storage networking and application infrastructure management solutions, offering a line of storage networking products, software and services that enable companies to implement highly available, scalable, manageable, and secure environments for data storage applications. Brocade products are installed around the world at companies, institutions, and other entities ranging from large enterprises to small and medium size businesses. Brocade products

and services are marketed, sold, and supported worldwide. Additional information regarding Brocade is available on the company's website at: <http://www.brocade.com>.

Brocade has the technical, managerial, and financial qualifications to acquire control of CNT. Brocade is operated by a highly qualified management team, all of whom have extensive backgrounds in information technology, networking and computer industries.

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## **II. Description of the Transaction**

McDATA and Brocade have entered into an Agreement and Plan of Reorganization dated as of August 7, 2006 ("Agreement")<sup>1</sup> whereby Brocade will acquire McDATA in an all stock transaction. Specifically, Worldcup Merger Corporation ("Merger Sub"), a wholly owned subsidiary of Brocade created for the purposes of this transaction, will be merged with and into McDATA with McDATA surviving the merger. The merger will be accomplished by (1) the cancellation of the Class A and Class B common stock of McDATA and (2) the conversion of Merger Sub's stock into common stock of McDATA. Under the terms of the Agreement, McDATA stockholders will receive 0.75 shares of Brocade common stock for each share of McDATA Class A common stock and each share of McDATA Class B common stock they hold.<sup>2</sup> As a result of the transaction, CNT will become a wholly owned indirect subsidiary of Brocade. Attached as Exhibit A is an illustrative chart of the transaction.

Following the consummation of the transaction, CNT's customers will continue to receive service under the same rates, terms and conditions of service as before. CNT will become a wholly owned indirect subsidiary of Brocade, will continue to operate and provide services to CNT's customers, and will retain the assets used in the provisions of those services. Upon completion of the transfer, however, CNT will change its name to "Brocade Services Corporation." Upon completion of the transaction and the name change, CNT will make the necessary filings, and seek any necessary approval, to change the name on its authorization to provide telecommunications services. As part of that filing, CNT will include a copy its amended authority to transact business from the Secretary of State and, to the extent applicable, revised tariffs or adoption supplements to reflect the name change. Except for the associated name change, the transaction will not involve a change in CNT's operating authority in Kentucky and CNT's tariffs will remain in effect. Aside from the name change, the transaction will be seamless and virtually transparent to Kentucky consumers.

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<sup>1</sup> A copy of the Agreement is available at [http://media.corporate-ir.net/media\\_files/NSD/MCDTA/MergerAgree.pdf](http://media.corporate-ir.net/media_files/NSD/MCDTA/MergerAgree.pdf).

<sup>2</sup> Upon completion of the Transaction, McDATA stockholders will own approximately 30 percent of Brocade.

**III. Public Interest Considerations**

The Parties respectfully submit that the transaction serves the public interest. In particular, the Parties submit that: (1) the transaction will increase competition in the Kentucky telecommunications market by reinforcing the status of CNT as a viable competitor and (2) the transaction will minimize the disruption of service and, except for the name change, will be virtually transparent to Kentucky consumers.

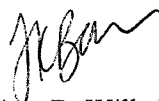
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The transaction is expected to facilitate competition in Kentucky by improving the operational position of CNT. The combination of the products and services of CNT and McDATA with Brocade's complementary products and services will provide customers with the long-term confidence that their strategic requirements for a storage networking infrastructure needed for increased productivity, business continuity and regulatory compliance will be met. Moreover, given that the transaction will not affect CNT's rates, terms and conditions of services, the transaction will have no negative effects on consumers.

\* \* \* \*

An original and ten (10) copies of this notification letter are enclosed for filing. Please date-stamp the enclosed extra copy of this filing and return it in the envelope provided. Should you have any questions concerning this filing, please do not hesitate to contact us.

Respectfully submitted,



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Counsel for the Parties

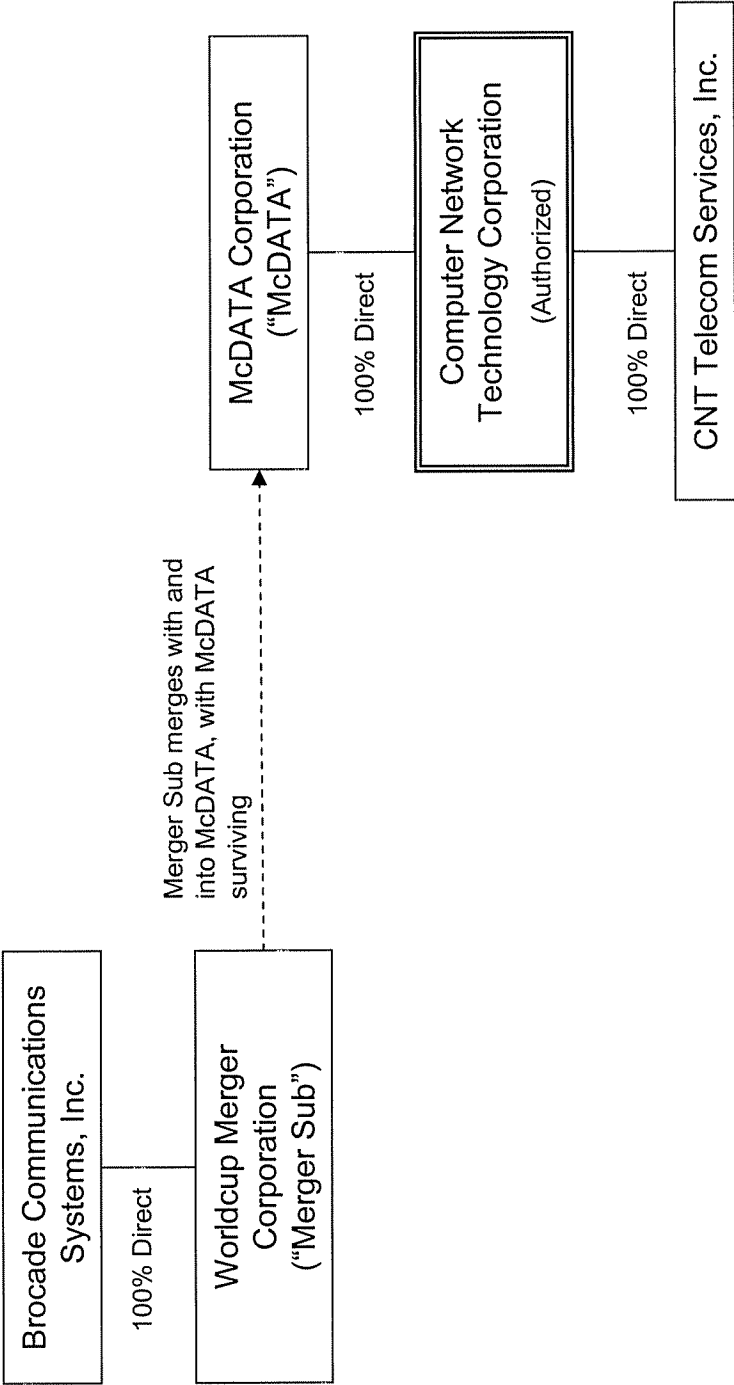
**EXHIBIT A**

**Illustrative Chart**

# PRE- AND POST-TRANSACTION ILLUSTRATIVE CHART

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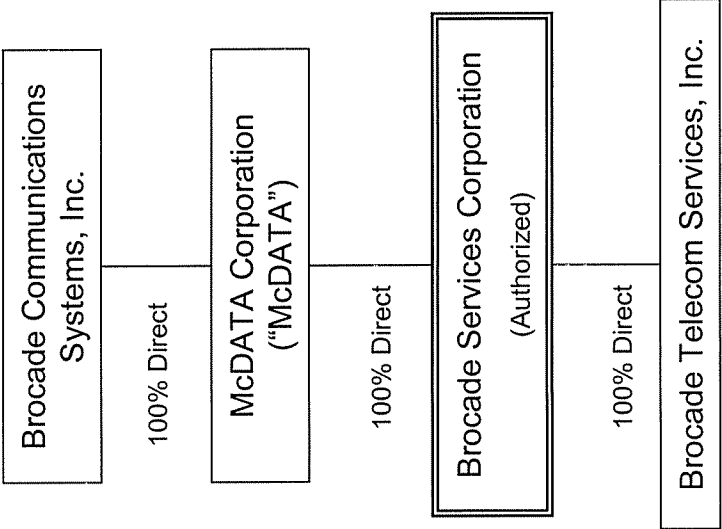
## Pre-Transaction



# PRE- AND POST-TRANSACTION ILLUSTRATIVE CHART

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## Post-Transaction



Post-Closing, Computer Network Technology Corporation will change its name to Brocade Services Corporation and CNT Telecom Services, Inc. will change its name to Brocade Telecom Services, Inc.

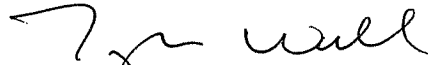
## VERIFICATIONS



## VERIFICATION

I, Tyler Wall, state that I am Vice President, General Counsel, and Corporate Secretary of Brocade Communications Systems, Inc. ("Brocade"); that Brocade is a Party in the foregoing filing; that I am authorized to make this Verification on behalf of Brocade; that the foregoing filing was prepared under my direction and supervision; and that the contents 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 19<sup>th</sup> day of October, 2006.



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Tyler Wall  
Vice President, General Counsel, and Corporate Secretary  
Brocade Communications Systems, Inc.

Kentucky

## VERIFICATION

I, Thomas O. McGimpsey, state that I am: (i.) General Counsel, Secretary, and Senior Vice President of McDATA Corporation ("McDATA"); and (ii.) President and Secretary of Computer Network Technology Corporation ("CNT"); that both McDATA and CNT are Parties in the foregoing filing; that I am authorized to make this Verification on behalf of McDATA and CNT; that the foregoing filing was prepared under my direction and supervision; and that the contents 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 18 day of October, 2006.



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Thomas O. McGimpsey  
General Counsel, Secretary, and Senior Vice President  
McDATA Corporation

President and Secretary  
Computer Network Technology Corporation

Kentucky