

COPY

BINGHAM

Catherine Wang
Danielle C. Burt
catherine.wang@bingham.com
danielle.burt@bingham.com

RECEIVED

AUG 29 2012

PUBLIC SERVICE
COMMISSION

August 28, 2012

Via Overnight Courier

Jeff R. Derouren
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602-0615

Re: Notification Regarding the Indirect Transfer of Control of Broadview Networks, Inc.

Dear Mr. Derouren:

Broadview Networks, Inc. ("Broadview Networks"), pursuant to the Orders issued in Admin. Case No. 359 on June 21, 1996 807 KAR 5:011, Section 11, hereby notifies the Kentucky Public Service Commission ("Commission") of a transaction through a "pre-packaged" Chapter 11 bankruptcy proceeding that will result in the indirect transfer of control of Broadview Networks.

Broadview Networks Holdings, Inc. and its subsidiaries, including Broadview Networks, filed a petition ("Petition") on August 22, 2012 with the United States Bankruptcy Court for the Southern District of New York to reorganize under Chapter 11 (Case No. 12-13581 (SCC)). The filing of the Petition served to convert the legal status of Broadview Networks to a debtor-in-possession. The bankruptcy filing did not result in any change to the current operations of Broadview Networks, its address or the terms and conditions of its services.

As detailed herein, Broadview Holdings plans to exchange outstanding notes for equity in Broadview Holdings upon completion of the bankruptcy proceeding (the "Transaction"), which will result in an indirect transfer of control of Broadview Networks. It is Broadview Networks' understanding that Commission approval is not required to complete the Transaction described herein. Accordingly, Broadview Networks submits this letter for informational purposes only to ensure the continuing accuracy of the Commission's records.

- Beijing
- Boston
- Frankfurt
- Hartford
- Hong Kong
- London
- Los Angeles
- New York
- Orange County
- San Francisco
- Santa Monica
- Silicon Valley
- Tokyo
- Washington

Bingham McCutchen LLP
2020 K Street NW
Washington, DC
20006-1806

T +1.202.373.6000
F +1.202.373.6001
bingham.com

Description of the Parties

Broadview Networks Holdings, Inc. (“Broadview Holdings” and together with Broadview Networks, the “Company”) is a privately held Delaware corporation.¹ The Company has principal offices located at 800 Westchester Avenue, Suite N-501, Rye Brook, New York 10573. Broadview Holdings is an unregulated holding company that is the ultimate parent company of Broadview Networks, Broadview NP Acquisition Corp., ATX Licensing, Inc., Eureka Telecom, Inc., A.R.C. Networks, Inc., BridgeCom International, Inc., and TruCom Corporation, each of which is authorized to provide telecommunications services in multiple states. Broadview Holdings is also the indirect parent of Broadview Networks of Virginia, Inc., ATX Telecommunications Services of Virginia, Inc., Eureka Telecom of VA, Inc. and InfoHighway of Virginia, Inc., which are authorized to provide telecommunications services in Virginia. Below is a brief description of each subsidiary of Broadview Holdings authorized to provide services in Kentucky:

- A. Broadview Networks, Inc. is a network-based electronically integrated communications provider which serves small and medium-sized businesses in the northeastern and mid-Atlantic United States. Broadview Networks is authorized to provide competitive telecommunications services in 48 states and the District of Columbia and holds authority from the Federal Communications Commission (“FCC”) to provide international and interstate service.

State of Incorporation: New York

Kentucky Authority: Broadview Networks is authorized to provide interexchange and local exchange services pursuant to authority granted by the Commission in Case Nos. TFS-2007-00885 and TFS-2009-827 on November 13, 2007 and January 19, 2010, respectively.

Further information regarding the technical, managerial, and financial qualifications of Broadview Networks has been submitted previously to the Commission, is therefore a matter of public record, and is incorporated herein by reference.

¹ Although Broadview Holdings’ stock is not publicly traded, the Company’s notes are publicly traded and Broadview Holdings files its financial information with the Securities and Exchange Commission.

Contacts

Inquiries or copies of any correspondence, orders, or other materials pertaining to this Notice should be directed to:

Catherine Wang
Danielle Burt
Bingham McCutchen LLP
2020 K Street, N.W.
Washington, DC 20006
(202) 373-6000 (Tel)
(202) 373-6001 (Fax)
catherine.wang@bingham.com
danielle.burt@bingham.com

With copies to:

Charles Hunter
Executive Vice President and General Counsel
Broadview Networks Holdings, Inc.
800 Westchester Avenue, Suite N-501
Rye Brook, NY 10573

Description of the Transaction

Broadview Holdings plans to exchange outstanding notes for equity in Broadview Holdings upon completion of a “pre-packaged” Chapter 11 bankruptcy proceeding (the “Transaction”), which will result in an indirect transfer of control of Broadview Networks. The overall purpose of the Transaction is to enable Broadview Holdings to de-lever its balance sheet, better position the Broadview companies to compete in the telecommunications and information technology industry, and to provide a solution for the impending maturity of its senior secured notes. To that end, Broadview Holdings has entered into an agreement with a majority of the equity-holders and note-holders for a restructuring of its outstanding obligations, including its \$300 million 11 3/8% senior secured notes due in September 2012. Pursuant to that agreement, the existing note-holders will obtain approximately 97% of Broadview Holdings’ common shares and approximately \$150 million in principal amount of new 10 1/2% senior secured notes. As such, the restructuring will affect a transfer of control of Broadview Holdings and, indirectly, its subsidiaries.

Broadview Networks has obtained agreement to this arrangement from the company’s note-holders who hold approximately two-thirds of the aggregate principal amount of outstanding senior secured notes and the equity-holders who hold approximately 70% of the existing preferred equity interests. Although a large majority of noteholders and equity holders have already agreed to the terms of the restructuring, in order to complete the transaction, Broadview Holdings has filed a “pre-packaged” Chapter 11 bankruptcy

proceeding in the U.S. Bankruptcy Court for the Southern District of New York.² Broadview Networks anticipates that customers and vendors will not be adversely affected by the completion of the Transaction through a “pre-packaged” Chapter 11 bankruptcy proceeding.

The largest of the current owners of Broadview Holdings are Baker Capital (which controls approximately 16.2% of Broadview Holdings’ common stock) and MCG Capital Corporation (which controls approximately 50.9% of Broadview Holdings’ common stock). Following the Transaction, no single entity will control Broadview Holdings or Broadview Networks. Only MSD Credit Opportunity Fund, L.P. and High River Limited Partnership are each expected to hold an equity interest of 10% or more in Broadview Holdings, and it is not expected that Baker Capital or MCG Capital Corporation will retain a 10% or greater equity interest in Broadview Holdings. No entity will hold voting control over Broadview Holdings. Accordingly, Broadview Networks notifies the Commission of the indirect transfer of control that will result from this Transaction. For the Commission’s convenience, a corporate organizational chart is attached as Exhibit A.

Public Interest Considerations

Broadview Networks submits that the proposed Transaction serves the public interest. As a result of the Transaction, Broadview Holdings and Broadview Networks will substantially reduce their debt load, which will strengthen their financial position. This will enable Broadview Holdings and Broadview Networks to implement their business plans and strengthen their competitive position in Kentucky to the benefit of Kentucky consumers.

Further, the proposed Transaction will be conducted in a manner that will be transparent to Broadview Networks’ customers in Kentucky. The transfer of control of Broadview Networks will not result in a change of carrier for customers or any assignment of authorizations. Broadview Networks also emphasizes that the proposed indirect transfer of control will be seamless and completely transparent to the customers in Kentucky, and in no event will it result in the discontinuance, reduction, loss, or impairment of service to customers.

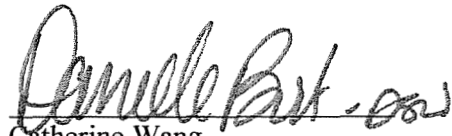
* * * * *

² Case No. 12-13581 (SCC). Further details of this plan are set forth in the Company’s Disclosure Statement for Soliciting Acceptances for a Plan of Reorganization publicly available at <http://www.kccllc.net/broadview>.

Jeff R. Derouren
August 28, 2012
Page 5

An original and four (4) copies of this letter are enclosed for filing. Please date-stamp the enclosed extra copy and return it in the envelope provided. Should you have any questions regarding this filing, please do not hesitate to contact Danielle C. Burt at 202-373-6039.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Danielle Burt" with a flourish at the end.

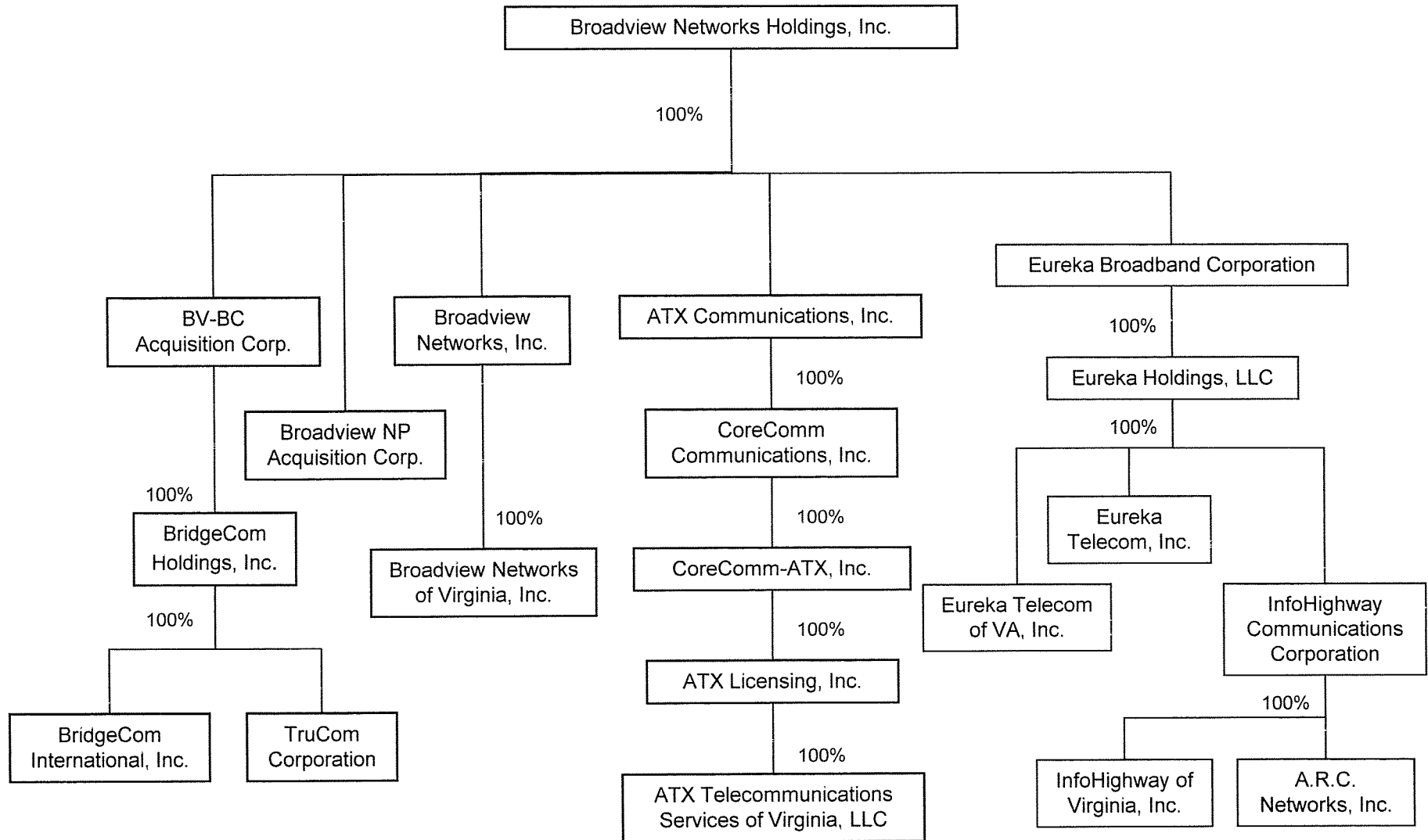
Catherine Wang
Danielle C. Burt

Counsel for Broadview Networks

EXHIBIT A

Corporate Organizational Chart

Corporate Ownership Structure

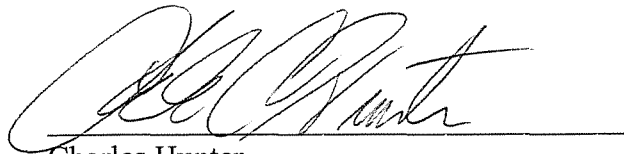


STATE OF NEW YORK
COUNTY OF WEST CHESTER

§
§ ss:
§

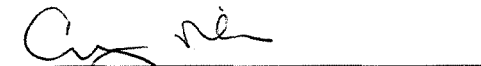
VERIFICATION

I, Charles Hunter, state that I am Executive Vice President and General Counsel of Broadview Networks Holdings, Inc.; that I am authorized to make this Verification on behalf of Broadview Networks Holdings, Inc. and its operating subsidiaries; 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.



Charles Hunter
Executive Vice President and General Counsel
Broadview Networks Holdings, Inc.

Sworn and subscribed before me this 12 day of July, 2012.


Notary Public

My commission expires _____

COREY RINKER
Notary Public, State of New York
Registration #02R16220888
Qualified in Westchester County
Commission Expires April 19, 2014