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PUBLIC SERVICE  
COMMISSION

June 10, 2010

*Via Overnight Courier*

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

**RE: Notification of MegaPath Inc., DSLnet Communications and CCGI Holding Corporation Regarding the Indirect Change of Control of DSLnet Communications, LLC**

Dear Ms. O'Donnell:

MegaPath Inc. ("MegaPath"), its wholly owned direct subsidiary DSLnet Communications, LLC ("DSLnet"), and CCGI Holding Corporation ("CCGI") (MegaPath, DSLnet and CCGI collectively, the "Parties"), through their undersigned counsel and pursuant to the Orders issued in Admin. Case No. 359 on June 21, 1996 and Admin. Case No. 370 on January 8, 1998 and 807 KAR 5:011 Section 11, notify the Kentucky Public Service Commission ("Commission") of a transaction between CCGI and MegaPath through which CCGI will acquire indirect control of DSLnet Communications, LLC, a wholly owned direct subsidiary of MegaPath Inc.

It is the Parties' understanding that Commission approval is not required to complete the transaction described herein. Accordingly, the Parties submit this letter for informational purposes only to ensure the continuing accuracy of the Commission's records. In support, the Parties provide the following information:

**Description of the Parties**

**A. MegaPath Inc. and DSLnet Communications, LLC**

MegaPath Inc. is a Delaware corporation with its principal office located at 555 Anton Boulevard, Suite 200, Costa Mesa, CA 92626. MegaPath is the parent company of DSLnet Communications, LLC. MegaPath is a provider of a variety of managed Internet Protocol ("IP") services including cable and satellite system broadband Internet access, mobility services such as digital certificates, global remote access, personal firewalls, and remote access virtual private networks ("VPN"), and security services. MegaPath does not currently offer any regulated telecommunications services and therefore does not hold any telecommunications authorizations from the Federal Communications Commission ("FCC") or any state regulatory authority.

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DSLnet Communications, LLC is a Delaware limited liability company with principal offices located at 50 Barnes Park North, Suite 104, Wallingford, Connecticut 06492. DSLnet provides highspeed access to the Internet services. DSLnet is authorized to provide intrastate telecommunications services in forty-seven (47) states and the District of Columbia, and DSLnet's affiliate DSLnet Communications VA, Inc. is authorized to provide intrastate telecommunications services in Virginia. In Kentucky, DSLnet is authorized to provide local exchange telecommunications services pursuant to its registration and tariff filed on February 11, 1999. DSLnet is also authorized by the FCC to provide international and domestic interstate telecommunications services as a non-dominant carrier.

Further information concerning DSLnet's legal, technical, managerial and financial qualifications to provide service was submitted with its application for certification and other documents filed with the Commission and is, therefore, a matter of public record. DSLnet respectfully requests that the Commission take official notice of that information and incorporate it herein by reference.

#### **B. CCGI Holding Corporation**

CCGI Holding Corporation is a Delaware corporation with offices located at 360 North Crescent Drive, Beverly Hills, California 90210. CCGI is the parent company of Covad Communications Group, Inc. ("Covad"), a Delaware corporation that owns Covad Communications Company ("CCC"), a California corporation and DIECA Communications, Inc. ("DIECA"), a Virginia corporation. Covad, CCC and DIECA have offices located at 2220 O'Toole Avenue, San Jose, California 95131. Covad is a leading nationwide provider of integrated voice and data communications. Through its operating companies, the company offers DSL, Voice Over IP, T1, Ethernet, Web hosting, managed security, IP and dial-up, wireless broadband, and bundled voice and data services directly through Covad's network and through Internet Service Providers, value-added resellers, telecommunications carriers and affinity groups to small and medium-sized businesses and home users. Covad broadband services are currently available across the nation in 44 states and 235 Metropolitan Statistical Areas ("MSAs") and can be purchased by more than 57 million homes and businesses, which represent over 50 percent of all US homes and businesses. In Kentucky, DIECA is authorized to provide local exchange and interexchange services pursuant to Authorization No. 05021900 dated December 22, 1999. Covad is also authorized by the FCC to provide international and domestic interstate telecommunications services as a non-dominant carrier.

CCGI is ultimately controlled by Platinum Equity LLC ("Platinum"). Neither CCGI nor Platinum offer any regulated telecommunications services. Platinum is a privately held Delaware limited liability company with offices located at 360 North Crescent Drive, Beverly Hills, California 90210. Platinum is a global firm specializing in the merger, acquisition and operation of companies that provide services and solutions to customers in a broad range of business markets, including information technology, telecommunications, logistics, manufacturing, and entertainment distribution.

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Platinum indirectly controls several other telecommunications carriers: Matrix Telecom, Inc. ("Matrix"); and Americatel Corporation ("Americatel"). Matrix provides integrated communications services including local, 1+ long distance and toll-free voice services plus a wide range of data services, such as dedicated Internet access, frame relay and point-to-point transmission services, chiefly to enterprise customers. Americatel provides international and domestic facilities-based and resold long distance services, including "dial around" casual calling (i.e., 1010XXX) service and presubscribed 1+ calling services, in each of the 48 contiguous states, with a particular emphasis on serving the needs of United States customers with connections to Latin America and the Caribbean. Through the ownership of these companies, Platinum has demonstrated its qualifications to obtain control of DSLnet.

Further information concerning the legal, technical, managerial and financial qualifications of CCGI and Platinum has been submitted previously to the Commission and is, therefore, a matter of public record. CCGI respectfully requests that the Commission take official notice of that information and incorporate it herein by reference.

#### **Contact Information**

Questions or inquiries concerning this filing may be directed to:

For the Parties:

Jean L. Kiddoo, Esq.  
Russell M. Blau, Esq.  
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For CCGI:

Eva Kalawski, Esq.  
Executive Vice President, General  
Counsel and Secretary  
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310-712-1863 (Fax)  
ekalawski@platinumequity.com

and:

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Director, State Affairs & ILEC  
Relations  
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512-514-6520 (Fax)  
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For MegaPath and DSLnet:

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and:

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DSLnet Communications, LLC  
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Wallingford, CT 06492  
203-284-6205 (Fax)  
shobbs@megapath.com

### **Description of the Transaction**

CCGI and MegaPath entered into an Agreement and Plan of Merger dated as of March 26, 2010 (the "Agreement"). Pursuant the Agreement, a subsidiary of CCGI created specifically for this transaction, TMAC Merger Corporation, will merge with MegaPath, with MegaPath surviving. As a result, MegaPath will become a wholly owned, direct subsidiary of CCGI and CCGI will acquire indirect control of DSLnet. The Parties therefore notify the Commission of the transfer of indirect control of DSLnet to CCGI, and ultimately to Platinum. For the Commission's convenience, pre- and post-transaction corporate organizational structure charts are provided as Exhibit A.

Following the consummation of the proposed transaction, DSLnet's customers will continue to receive service under the same rates, terms and conditions of service as before. The proposed transaction will not involve a change in DSLnet's operating authority in Kentucky and DSLnet's tariffs will remain in effect. Thus, the proposed transaction will be seamless and virtually transparent to Kentucky consumers. Further, DSLnet's management will remain with the company following completion of the transaction and be supplemented by the management team of CCGI and Covad.

### **Public Interest Considerations**

The Parties respectfully submit that the proposed transaction serves the public interest. In particular, the Parties submit that: (1) the proposed transaction will increase competition in

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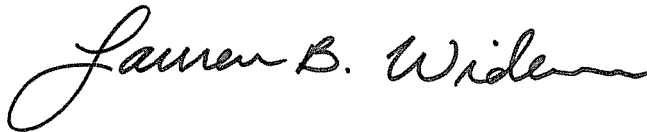
the Kentucky telecommunications market by reinforcing the status of DSLnet as a viable competitor and (2) the proposed transaction will be virtually transparent to Kentucky consumers.

Immediately following the consummation of the proposed transaction, DSLnet will continue to offer service with no change in the rates or terms and conditions of service. Further, DSLnet will continue to provide service to its customers under the same name, and will continue to be led by an experienced management team. Therefore, the transfer of control of DSLnet will be seamless and virtually transparent to consumers in Kentucky.

### Conclusion

For the reasons stated above, the Parties respectfully submit that the public interest, convenience and necessity will be furthered by the proposed transaction. 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 us.

Respectfully submitted,



Jean L. Kiddoo  
Russell M. Blau  
Brett P. Ferenchak  
Lauren B. Wideman

Counsel for the Parties

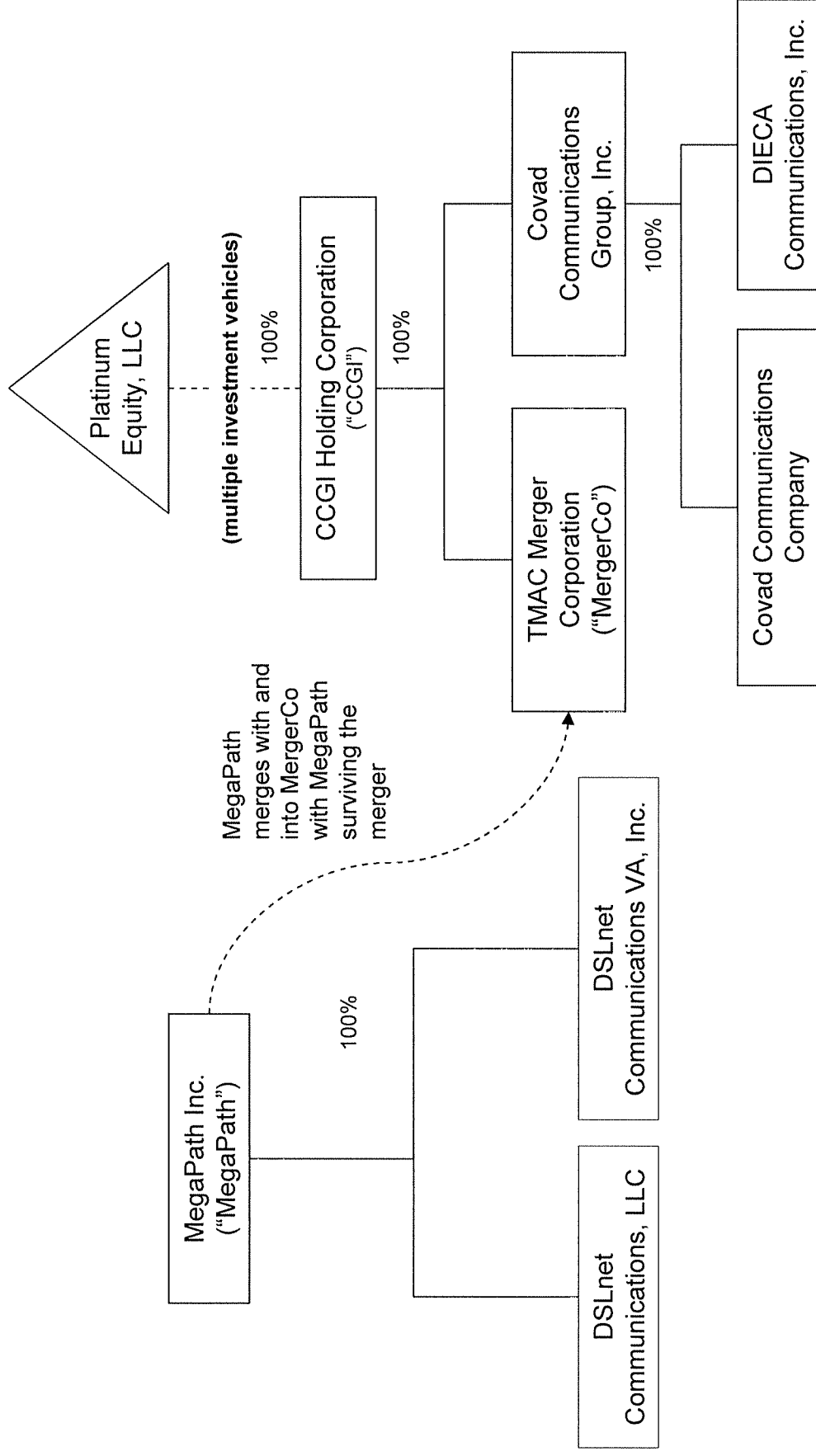
**LIST OF EXHIBITS**

Exhibit A                      Pre- and Post-Transaction Corporate Organizational Structure  
Verifications

**EXHIBIT A**

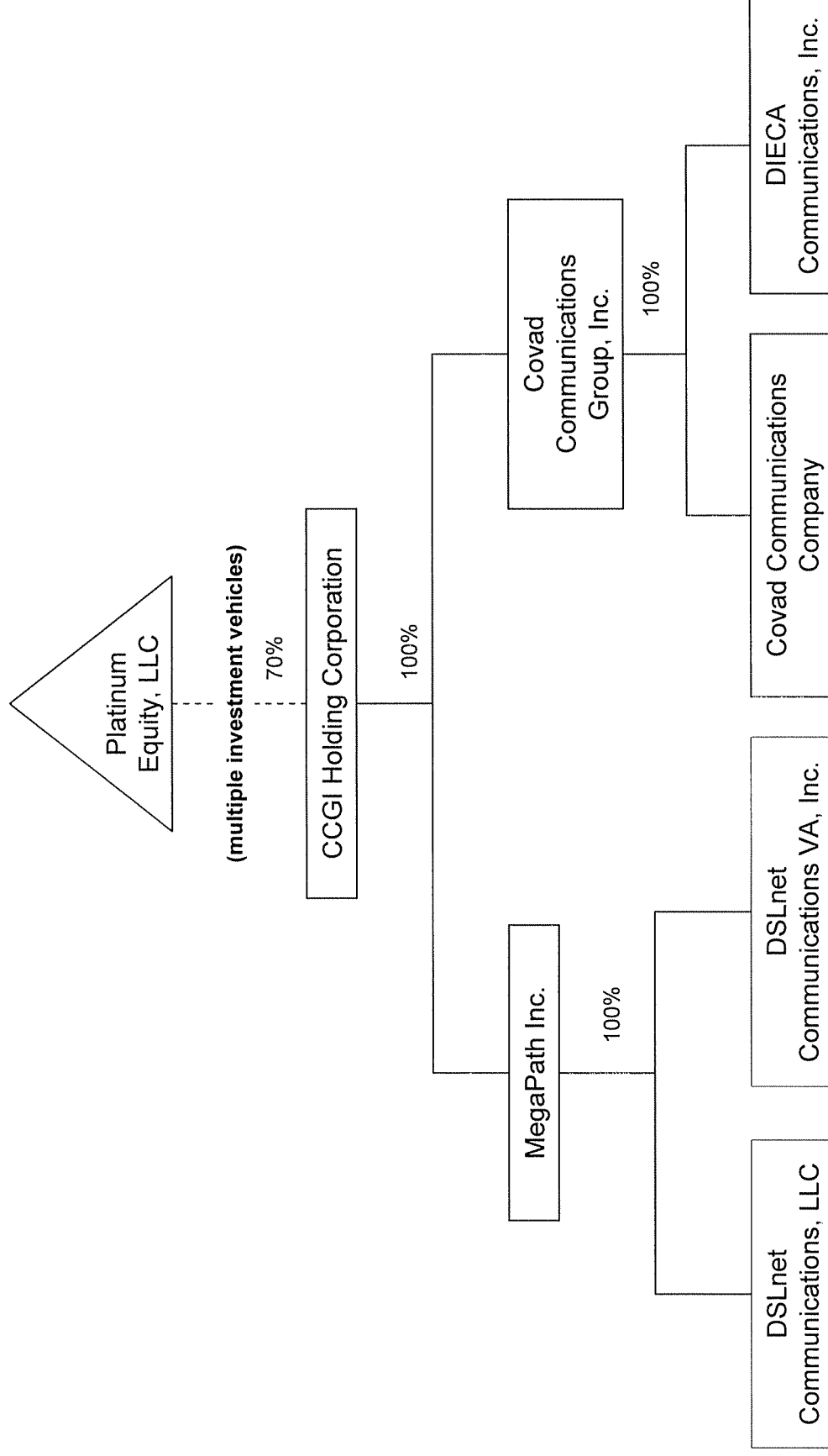
**Pre- and Post-Transaction Corporate Organizational Structure**

# Pre-Transaction Ownership of DSLnet and CCGI





# Post-Transaction Ownership of DSLnet and CCGI

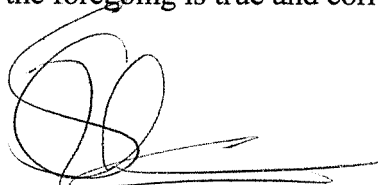


## **Verifications**

## VERIFICATION

I, Steven B. Chisholm, state that I am the Senior Vice President, of MegaPath Inc. and DSLnet Communications, LLC (the "Company"); that I am authorized to make this Verification on behalf of the Company; 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 \_\_\_\_\_ day of April, 2010.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

Steven B. Chisholm  
Senior Vice President  
MegaPath Inc. and DSLnet Communications, LLC

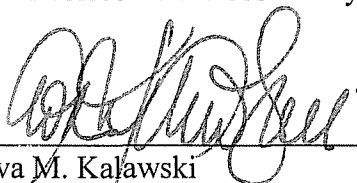
STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES

§  
§  
§

SS:

**VERIFICATION**

Eva M. Kalawski, being duly sworn, deposes and say that I am the Vice President and Secretary of CCGI Holding Corporation (the "Company"); that I am authorized to make this Verification on behalf of the Company; 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.



Eva M. Kalawski  
Vice President and Secretary  
CCGI Holding Corporation

**CERTIFICATE OF ACKNOWLEDGMENT OF NOTARY PUBLIC**

STATE OF CALIFORNIA  
COUNTY OF Los Angeles

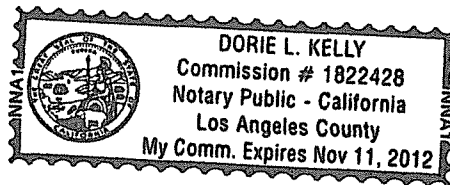
On June 7, 2010, before me, the undersigned notary public, personally appeared Eva M. Kalawski, personally know to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Notary Seal, if any]:

Dorie Kelly  
(Signature of Notarial Officer)



Notary Public for the State of California

My commission expires: November 11, 2012