

Catherine Wang
Brett P. Ferenchak
catherine.wang@morganlewis.com
brett.ferenchak@morganlewis.com

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PUBLIC SERVICE
COMMISSION

December 5, 2016

VIA OVERNIGHT COURIER

Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602-8294

Re: Notification of Network Billing Systems, L.L.C. Regarding a Change in Indirect Minority Ownership

Dear Mr. Derouen:

By this letter, Network Billing Systems, L.L.C. ("NBS") notifies the Kentucky Public Service Commission ("Commission") that Apptix, ASA ("Apptix") will acquire a minority ownership interest of approximately 19.9% in Fusion Telecommunications International, Inc. ("Fusion" and together with NBS and Apptix, the "Parties"), the ultimate parent company of NBS. Other than Apptix, there will not be any new 10 percent or greater owners of Fusion. 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, prior action by the Commission is not required for the transactions described herein. Accordingly, the Parties submit this letter for informational purposes.

In support of this filing, the Parties provide the following information:

Description of the Parties

A. NBS and Fusion

NBS is a New Jersey limited liability company with a principal office located at 155 Willowbrook Boulevard, Wayne, New Jersey 07470. NBS is a wholly-owned subsidiary of Fusion NBS Acquisition Corp. ("FNAC"), a Delaware corporation. FNAC is a direct wholly-owned subsidiary of Fusion (and together with each of its subsidiaries hereinafter collectively referred to as the "Company"), a publicly held Delaware corporation (NASDAQ: FSNN) with principal offices located at 420 Lexington Avenue, Suite 1718, New York, New York 10170. The Company offers a comprehensive suite of cloud communications, cloud connectivity, cloud infrastructure, cloud computing, and managed cloud-based applications solutions to small,

Morgan, Lewis & Bockius LLP

2020 K Street, NW
Washington, DC 20006-1806
United States

📞 +1.202.373.6000
📠 +1.202.379.6001

medium and large businesses, and offers domestic and international voice services to carriers worldwide. Its business service offerings include Hosted Voice over Internet Protocol ("VoIP") and Session Initiated Protocol ("SIP") Trunking.

In Kentucky, NBS is authorized as a long distance carrier pursuant to its registration and tariff (Utility ID 5141900). NBS is also authorized by the Federal Communications Commission to provide interstate and international telecommunications services. Additional information concerning NBS' legal, technical, managerial and financial qualifications has been submitted to the Commission in connection with NBS' certification application and prior transactions and is therefore already a matter of public record.¹ NBS requests that the Commission take official notice of these existing descriptions of its qualifications and incorporate them by reference herein. In support of its financial qualifications, Fusion's most recent Forms 10-Q and 10-K filed with the Securities and Exchange Commission are available at <http://ir.fusionconnect.com/all-sec-filings>.

B. Apptix

Apptix is a Norwegian corporation headquartered in Billingstad, Norway. Apptix is a holding company, the sole remaining assets of which were its interests in Apptix, Inc., a Florida corporation and provider of hosted business communication, collaboration, and IT solutions. Apptix, Inc. was acquired by FNAC on November 14, 2016. Apptix, Inc. does not provide telecommunications services or have a certificate from the Commission to provide such services.

Contacts

For the purposes of this filing, contacts are as follows:

and:

Catherine Wang
Brett P. Ferenchak
Morgan, Lewis & Bockius LLP
2020 K Street, N.W., Suite 1100
Washington, DC 20006-1806
202-373-6697 (tel)
202-373-6001 (fax)
catherine.wang@morganlewis.com
brett.ferenchak@morganlewis.com

Gordon Hutchins, Jr., President and
Chief Operating Officer
Fusion Telecommunications
International, Inc.
420 Lexington Avenue, Suite 1718
New York, NY 10170
212-201-2424 (tel)
212-972-7884 (fax)
dhutchins@fusionconnect.com

¹ See Notification of Proposed Transfer of Control of Network Billing Systems, LLC to Fusion Telecommunications International, Inc., dated June 20, 2012, and NBS's registration.

Description of the Minority Ownership Change

NBS notifies the Commission that Apptix will acquire a minority interest of approximately 19.9% of Fusion, and therefore an indirect minority interest in NBS. Apptix will acquire this minority interest in connection with a transaction whereby FNAC acquired all the stock of Apptix, Inc. from Apptix (the "Apptix Transaction").² As part of the consideration for the Apptix Transaction, Apptix will receive Fusion stock representing approximately a 19.9% interest in Fusion. NBS therefore notifies the Commission that Apptix will acquire minority (more than 10%) ownership of Fusion and, indirectly of NBS (the "Minority Ownership Change").

Although Apptix has not yet taken title to the stock of Fusion, under the Stock Purchase and Sale Agreement executed by FNAC and Apptix, the transfer of Fusion stock to Apptix is required to be completed on a highly expedited basis.

The Minority Ownership Change will serve the public interest. The Minority Ownership Change will be transparent to NBS' customers and will not transfer actual working control of NBS or create a new majority equity owner in Fusion. Because the Minority Ownership Change will occur at the holding company level and will not affect the rates, terms and conditions under which NBS operates or the day-to-day operations of NBS, the Minority Ownership Change will have no effect on the services NBS provides. Following completion of the Minority Ownership Change, NBS will continue to provide high-quality communications services to its customers without interruption.

* * * *

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, please do not hesitate to contact us.

Respectfully submitted,



Catherine Wang
Brett P. Ferenchak

Counsel for the Parties

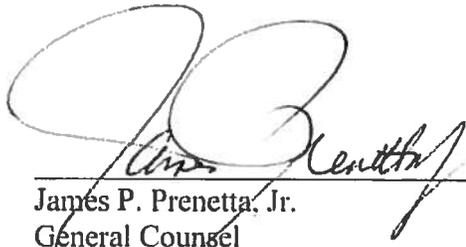
² Additional details regarding the Apptix Transaction are available at:
<http://ir.fusionconnect.com/press-releases/detail/389/fusion-acquires-cloud-services-provider-apptix>.

STATE OF NEW YORK
COUNTY OF NEW YORK

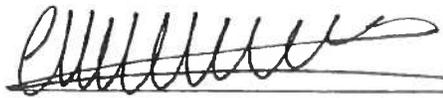
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VERIFICATION

I, James P. Prenetta, Jr., state that I am General Counsel of Fusion Telecommunications International, Inc. and General Counsel of its subsidiaries (collectively, the "Company"), including Network Billing Systems, L.L.C.; 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 with respect to the Company are true and correct to the best of my knowledge, information, and belief.


James P. Prenetta, Jr.
General Counsel
Fusion Telecommunications International, Inc.

Sworn and subscribed before me this 28th day of November, 2016.


Notary Public

My commission expires 02/27/2020

LAURA V NADAL UCEDA
NOTARY PUBLIC-STATE OF NEW YORK
No. 01NA6256571
My Commission Expires 02/27/2020

