



Agenda Date: 12/08/08
Agenda Item: IVC

STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu/

TELECOMMUNICATIONS

IN THE MATTER OF THE JOINT PETITION OF)	ORDER OF APPROVAL
FIRST COMMUNICATIONS, LLC AND RENAISSANCE)	
ACQUISITION CORP. FOR APPROVAL OF A)	
TRANSFER OF CONTROL)	DOCKET NO. TM08090732

(SERVICE LIST ATTACHED)

BY THE BOARD:

On September 16, 2008, First Communications, LLC ("FCL") and Renaissance Acquisition Corp. ("RAC") (together "Petitioners") filed a joint petition with the Board of Public Utilities ("Board") requesting approval for a transaction that will result in the transfer of control of FCL to RAC, pursuant to N.J.S.A. 48:2-51.1 and N.J.A.C. 14:1-5.14. The proposed transaction will also result in the transfer of control of Xtension Services, Inc (Xtension), FCL's sister corporation, and Globalcom, Inc. (Globalcom), a telecommunications provider to be acquired by First Communications, Inc. (FCI), FCL's parent company. Both Xtension and Globalcom operate as resellers in New Jersey. Upon consummation of the proposed transaction, FCL will continue to operate in New Jersey and will continue to provide services to its existing customers in New Jersey pursuant to the existing rates, terms and conditions.

BACKGROUND

FCL is an Ohio limited liability company with headquarters located in Akron Ohio. FCL is a wholly owned subsidiary of FCI, a Delaware corporation listed on the Alternative Investment Market of the London Stock Exchange. According to the petition, FCL is authorized to provide local, private line, and/or long distance services to both business and residential customers in 49 states. Its services include local and long distance services, toll free packages, Internet access and dedicated and private line services. In New Jersey, FCL was authorized to provide facilities-based and resold local exchange and interexchange telecommunications services. See Order I/M/O the Verified Petition of First Communications, LLC, for Approval to Provide Local Exchange and Interexchange Telecommunications Services in The State of New Jersey, Docket No. TE04030220, dated May 12, 2004.

RAC, a Delaware corporation with principal offices in Pompano Beach, Florida is a publicly traded corporation on the American Stock Exchange. According to the petition, RAC was organized for the purpose of effecting a merger, capital stock exchange, asset acquisition, or other similar business combination with an operating business. For the purpose of effectuating this transaction, RAC has created a new merger subsidiary, FCI Merger Sub I, Inc. ("Merger Sub I"), a Delaware corporation and direct wholly-owned subsidiary of RAC, and has created FCI Merger Sub II, LLC ("Merger Sub II"), a Delaware limited liability company and a direct wholly-owned subsidiary of RAC.

DISCUSSION

According to the petition, RAC and FCI entered into an Agreement and Plan of Merger ("Agreement") on September 13, 2008, whereby (1) FCI will merge into and with Merger Sub I with FCI surviving and (2) FCI will merge into and with Merger Sub II with Merger Sub II surviving. As a result, FCL along with Globalcom and Xtension will be wholly-owned indirect subsidiaries of RAC, which according to the petition intends to change its name to "First Communications, Inc." Petitioners state that following completion of the transaction, FCL will continue to offer services at the same rates terms and conditions, and as a result, Petitioners claim that the transfer will be virtually transparent to customers.

Petitioners state that the proposed acquisition is in the public interest and will enable FCL to obtain additional financial and operational resources from its new publicly-traded parent company and these additional resources will allow FCL to strengthen their competitive position in New Jersey to the benefit of New Jersey's consumers and the State's telecommunications marketplace. Petitioners state that the transaction will allow the combined company to pursue growth strategies as well as increase brand awareness, expand into additional geographic markets, and expand their service offerings. Petitioners note that the combined company will also hold the managerial, operational technical qualifications of existing FCI management. Petitioners note that they have no employees in New Jersey.

FINDINGS AND CONCLUSIONS

After a thorough review of the petition and all related documents, the Board concludes that there will be no negative impact on service quality to New Jersey customers or the rates they pay. Additionally, there will be no negative impact on competition. The operations of FCL will not be affected by this transaction and it will have no impact on employees. Moreover, a positive benefit may be expected from the strengthening of the Petitioner's financial stability and its ability to compete in the telecommunications market because the proposed transaction will enable the investing entities to implement an improved business, financial, and management structure.

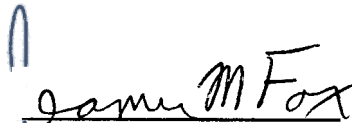
Accordingly, after careful review of this matter, the Board FINDS that the change of control will have no material impact on the rates of current customers, or on employees. The Board also FINDS that the transfer will have no negative impact on the provision of safe, adequate and proper service, and may positively benefit competition. Therefore, after investigation, having considered the petition and exhibits submitted in this proceeding, the Board FINDS that the proposed transfer is in accordance with the law and is in the public interest. The Board


HEREBY ORDERS that the Petitioners shall notify the Board of the closing of the proposed transactions within 7 days of the consummation of the Transaction. The Board FURTHER ORDERS that this approval will expire if the Transaction is not fully consummated on or before December 31, 2009.

DATED:

12/9/08

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT

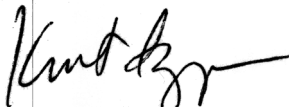

FREDERICK F. BUTLER
COMMISSIONER


JOSEPH L. FIORDALISO
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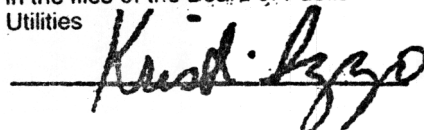

NICHOLAS ASSELTA
COMMISSIONER


ELIZABETH RANDALL
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public
Utilities



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Docket No. TM08090732

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