



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**Two Gateway Center**  
**Newark, NJ 07102**  
**www.bpu.state.nj.us**

TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED )  
PETITION OF COMTEL TELCOM ASSETS )  
LP FOR THE INDIRECT CHANGE OF )  
CONTROL OF COMTEL TELECOM )  
ASSETS LLP )

ORDER OF APPROVAL

DOCKET NO. TM07060371

(SERVICE LIST ATTACHED)

**BY THE BOARD:**

Comtel Telcom Assets, LP (Comtel or Petitioner), pursuant to N.J.S.A. 48:2-51.1, filed a petition seeking the Board's approval for a transaction that will result in the indirect change in control of Petitioner. The proposed indirect change in control results from acquisition by a minority member of a majority interest and resulting control of an upstream limited liability company four levels above Comtel. Upon consummation of the transfer, Comtel will continue to offer services at the same terms, rates and conditions that it currently provides such services in the State.

**BACKGROUND**

Comtel is a limited partnership organized under the laws of Texas with principal offices located in Irving, Texas. Comtel is owned by (1) Comtel Assets Corp. as Comtel's primary limited partner, (2) various current and former officers of Comtel Assets Inc. and employees of Comtel as limited partners, and (3) Comtel Assets Inc. as Comtel's general partner. Comtel Assets Corp. is wholly owned by Sowood Commodity Partners Fund III (Sowood Fund III), and Comtel Assets Inc. is majority owned by Sowood Fund III. Sowood Fund III's limited partner is Harvard Private Capital Holdings, Inc., a passive institutional investor that is wholly owned by the President and Fellows of Harvard College. The general partner of Sowood Fund III is Sowood Commodity Partners GP III LP (Sowood GP III). The general partner of Sowood GP III is Sowood GP III LLC, which in turn, is owned by the following members: Stuart Porter, Megan Kelleher and Jeff Larson (the managing member). As a result of these various ownership interests, the majority of the equity of Comtel is ultimately owned by the President and Fellows of Harvard College through the limited partnership interest of Sowood Fund III. Ultimate control of Comtel is held by Mr. Jeff Larson through the general partners of Sowood Fund III.

Comtel provides intrastate, interstate and international long distance throughout the United States and, according to the petition, Comtel is authorized to provide local exchange and exchange access services in every state except Alaska, Hawaii, and Virginia. In New Jersey, Comtel is authorized to provide exchange telecommunications services. See, I/M/O the Petition of Comtel Telcom Assets LP Request for a Certificate of Public Convenience and Necessity to Provide Facilities-Based Local

Exchange, Exchange Access and Resold Inter-Exchange Telecommunications Services throughout the State of New Jersey, Docket No. TE05110987, dated April 27, 2006.

## DISCUSSION

According to the petition, the proposed change in control is the result of certain management changes being made to Sowood's private equity funds, which include Sowood Fund III, and their successive general partners. As part of the change, two of the three members, including the current managing member of Sowood GP III LLC, will leave the limited liability company, and Mr. Stuart Porter will wholly own the only other member and become the managing member. Petitioner states that the transaction will result in an indirect change of control of Comtel four levels above it, and that the only change to Comtel will be to its ultimate ownership and control. Comtel will continue to offer service with no change to the rates, terms and conditions of such service as currently offered to its New Jersey customers. Furthermore, Petitioner states that Comtel will continue to provide service to its customers under the same name, and will continue to be led by an experienced management team. Further, Petitioner represents that the proposed transaction will enable the investing entities to implement an improved business, financial, and management structure.

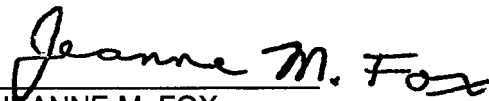
## FINDINGS AND CONCLUSIONS

After a thorough review of the petition, the Board concludes that there will be no negative impact on rates or service quality since Comtel's New Jersey customers will continue to receive the same services from the same entity at the same rates and under the same terms and conditions as they currently do. As Comtel currently does not have any employees in New Jersey, there will be no impact on employees. Moreover, a positive benefit may be expected from the strengthening of the Petitioner 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 negative 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 record and exhibits submitted in this proceeding, the Board FINDS that the proposed transfer is in accordance with the law and public interest.

DATED: 5/9/08


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PRESIDENT

  
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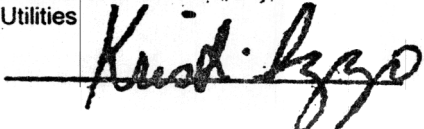
  
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COMMISSIONER

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  
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Docket No. TM07060371

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