



Agenda Date: 7/14/11
Agenda Item: IVA

STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center, Suite 801
Newark, NJ 07102
www.nj.gov/bpu/

TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED JOINT PETITION
OF BROADVIEW NETWORKS, INC., BRIDGECOM)
INTERNATIONAL, INC., TRUCOM CORPORATION,)
BROADVIEW NP ACQUISITION CORP., ATX)
LICENSING, INC., EUREKA TELECOM, INC., AND)
A.R.C. NETWORKS, INC. FOR AUTHORITY TO)
INCUR DEBT OBLIGATIONS AND ENCUMBER)
PUBLIC UTILITY PROPERTY)

ORDER

DOCKET NO. TF11050316

James H. Laskey, Esq. Norris McLaughlin & Marcus, P.A.
Stefanie A. Brand, Director, New Jersey Division of Rate Counsel
Catherine Wang, Bingham McCutchen LLP

BY THE BOARD:

Broadview Networks, Inc. ("Broadview Networks"), BridgeCom International, Inc. ("BridgeCom"), TruCom Corporation ("TruCom"), Broadview NP Acquisition Corp. ("Broadview NP"), ATX Licensing, Inc. ("ATX"), A.R.C. Networks, Inc. ("A.R.C."), Eureka Telecom, Inc. ("Eureka") (collectively, "Petitioners"), filed a petition with the Board on May 20, 2011, pursuant to N.J.S.A. 48:3-7 and N.J.S.A. 48:3-9, for approval to participate in various debt financing arrangements, being pursued by their corporate parent, Broadview Networks Holdings, Inc. ("Broadview Holdings").

Broadview Holdings is a privately held Delaware corporation. 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, ATX, BridgeCom, TruCom, A.R.C. and Eureka, each of which provides telecommunications services in multiple states.

Broadview Holdings plans to incur debt obligations of up to \$340 million primarily for the purpose of refinancing existing debt obligations. Broadview Holdings anticipates that the new financing arrangements will consist of \$315 million of corporate notes ("Notes") and a revolving credit facility in an amount up to \$25 million (the "Revolver"). Broadview Holdings expects that the financing arrangements will mature or have a term of six (6) years. The interest rates for the financing arrangements will be based on current market rates for similar financings and will not be determined until shortly before the financing arrangements are finalized.

Ultimately, Petitioners anticipate that they will be guarantors of Broadview Holdings' debt and that the debt will be secured by liens on substantially all of Petitioners' assets. The funds from the proposed financing arrangements will be used primarily to retire existing debt of Broadview Holdings that is coming due in 2012, with any remaining amounts available to fund transaction expenses and other general corporate expenses.

Petitioners explained that the exact amounts and terms of the proposed new financing arrangements, which may be completed in multiple issuances and tranches, will not be priced and otherwise finalized until shortly before closing, and will reflect then existing market conditions for the Notes and negotiation for the Revolver.

Petitioners state that the financing arrangements will allow Broadview Holdings to take advantage of important market opportunities to complete a refinancing of both its Notes and Revolver upon favorable financing terms. By completing this refinancing now, Petitioners state that Broadview Holdings will be able to extend significantly the maturity dates of certain obligations on reasonable terms thus reducing the future refinancing risk associated with its 2012 scheduled maturities. The refinancing is expected to facilitate Broadview Holdings' continued pursuit of its business strategy. Petitioners anticipate that their participation in the debt financing arrangements described herein will ultimately strengthen the ability of Petitioners to enhance their service offerings, and provide more advanced telecommunications services to a broader customer base to the benefit of New Jersey consumers and the State's telecommunications marketplace.

Petitioners' participation in the financing arrangements described herein will not involve a transfer of authorizations, assets or customers of any Petitioner. Petitioners' participation will be transparent to their respective customers in New Jersey. Petitioners will continue to provide services to their respective New Jersey customers with no changes in the rates or terms and conditions of service as currently provided.

The Division of Rate Counsel has reviewed this matter and by a letter dated June 15, 2011 does not object to the Board's approval of this petition.

After review, the Board FINDS that the proposed transaction is consistent with the applicable law and the Board HEREBY AUTHORIZES Petitioners to participate in the financing arrangements described herein.

This Order is issued subject to the following provisions:

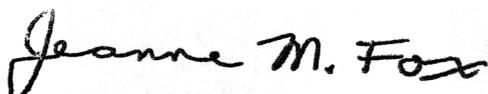
1. This Order shall not affect or in any way limit the exercise of the authority of the Board or the State of New Jersey in any future petition or in any proceeding regarding rates, costs of service, franchises, service, financing, accounting, capitalization, depreciation or any other matters affecting Petitioners.
2. This Order shall not be construed as directly or indirectly fixing, for any purpose whatsoever, any value of the tangible or intangible assets now owned or hereafter to be owned by Petitioners.
3. The Petitioners shall notify the Board, within five business days, of any material changes in the Loan Agreement and shall provide complete details of such transactions including any anticipated effects upon service in New Jersey.

4. The Petitioners shall notify the Board of any material default on the terms of the Loan Agreement within five business days of such occurrence.
5. Notwithstanding anything to the contrary in the documents executed pursuant to the financing transactions or other supporting documents, a default or assignment under such agreement shall not constitute automatic transfer of Petitioners' assets. Board approval must be sought pursuant to N.J.S.A. 48:1-1 et seq. where applicable.
6. The authority granted in this Order shall become null and void and of no effect with respect to any portion which is not exercised on or before May 1, 2013.

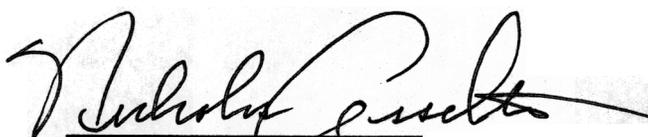
DATED: 7/14/11

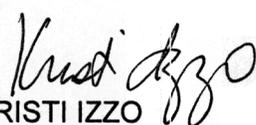
BOARD OF PUBLIC UTILITIES
BY:


LEE A. SOLOMON
PRESIDENT

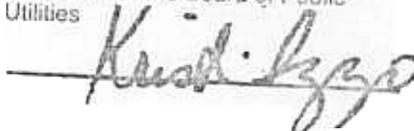

JEANNE M. FOX
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER


NICHOLAS ASSELTA
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



SERVICE LIST

In The Matter Of The Verified Joint Petition of Broadview Networks, Inc., Bridgecom International, Inc., Trucom Corporation, Broadview NP Acquisition Corp., ATX Licensing, Inc., Eureka Telecom, Inc., and A.R.C. Networks, Inc. for Authority to Incur Debt Obligations and Encumber Public Utility Property

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