



Agenda Date: 10/28/21
Agenda Item: IVB

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

OFFICE OF CABLE TELEVISION AND
TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED JOINT) ORDER
PETITION OF BCM ONE, INC., WHOLESALE)
CARRIER SERVICES, INC., AND BCM ONE)
GROUP HOLDINGS, INC. FOR APPROVAL OF)
INTERMEDIATE TRANSFER OF CONTROL)
) DOCKET NO. TM21091109

Parties of Record:

Brian O. Lipman, Esq., Acting Director, New Jersey Division of Rate Counsel
Laura M. Miller, Esq., Norris McLaughlin LLP, on behalf of Petitioners

BY THE BOARD:

On September 1, 2021, BCM One, Inc., (“BCM One”), Wholesale Carrier Services, Inc. (“WCS”) and BCM One Group Holdings, Inc., (“BCM Group Holdings”) (collectively, “Petitioners”) submitted a Verified Petition (“Petition”) with the New Jersey Board of Public Utilities (“Board”) pursuant to N.J.S.A. 48:2-51.1 for approval of the intermediate transfer of control of BCM One, WCS and BCM One Group Holdings (the “Restructuring”). Following the Restructuring, BCM One and WCS have represented that they will continue to offer the same services in New Jersey at the same rates, terms, and conditions.

BACKGROUND

Petitioners represent that BCM One is a corporation organized under the laws of the State of New York with principal offices located in New York, New York. BCM One, formerly known as McGraw Communications, Inc., was authorized in New Jersey to provide local exchange and interexchange telecommunications services.¹ Control of BCM One was transferred to BCM One Group Holdings, which was approved by the Board on December 18, 2018.²

¹ See In the Matter of the Petition for an Order Authorizing McGraw Communications, Inc. to Provide Local Exchange and Interexchange Telecommunications Services Throughout New Jersey, Docket No. TE01050329 (Order dated June 10, 2002).

² See In the Matter of BCM One, Inc.’s Notification for a Change in Stock Ownership Resulting in a Transfer of Control and Related Financing, Docket No. TM18101120 (Order dated December 18, 2018).

Petitioners represent that BCM One Group Holdings is a Delaware corporation that is majority owned by Thompson Street Capital Partners V, L.P. (“TSCP Fund V”), a fund in a family of funds controlled by Thompson Street Capital Partners (“Thompson Street”), a private equity and investment firm. TSCP Fund V is ultimately controlled by James A. Cooper and Robert C. Dunn through a number of intervening business entities. Equity ownership of TSCP Fund V is dispersed among numerous limited partners, none of whom directly or indirectly own 10% or more of BCM One or WCS.

WCS is a corporation organized under the laws of the State of Delaware. According to the Petition, WCS provides enterprise solutions to businesses. WCS offers Time Division Multiplexing (“TDM”) and Internet Protocol-based voice services, cloud services, managed services, and other connectivity services. In New Jersey, WCS is authorized to provide local exchange services.³ Control of WCS was transferred to BCM One Group Holdings and was authorized by the Board on June 24, 2021.⁴

The Petition states that TSCP Fund V and its direct and indirect owners plan to undergo the Restructuring whereby TSCP Fund V’s ownership in BCM One Group Holdings (and its indirect ownership in BCM One and WCS) will be transferred to an affiliated entity currently under formation (“Continuation Fund”). Also, as with the TSCP Fund, V, the Continuation Fund will have a General Partner (“Continuation Fund GP”), and Continuation Fund GP’s General Partner will be Thompson Street Capital UGP LLC, which is managed by James A. Cooper and Robert C. Dunn.⁵ Pursuant to a management agreement, Continuation Fund and Continuation Fund GP will be managed by Thompson Street Capital Manager LLC, which is controlled by James A. Cooper and Robert C. Dunn, the same two individuals who currently ultimately control BCM One and WCS.

The Petition avers that the Restructuring will not alter the ultimate control of BCM One and WCS, will not affect the management, operations, or personnel of the certificated entities, in New Jersey or otherwise, and will not disrupt the growth of BCM One and WCS. Petitioners state that the purpose of the Restructuring is to allow BCM One and WCS to obtain increased capital investments, which will be used to support BCM and WCS, as well as to acquire complementary entities.

Petitioners state that the proposed Restructuring will advance the public interest. The Restructuring will not involve any assignment of operating authority, assets, or customers and

³ See In the Matter of the Petition of Wholesale Carrier Services, Inc. for Approval to Provide Local Exchange Telecommunications Services Throughout the State of New Jersey, Docket No. TE08030171 (Order dated June 16, 2008).

⁴ See In the Matter of the Verified Joint Petition of Wholesale Carrier Services, Inc. and BCM One Group Holdings, Inc., for Approval of a Transfer of Control and for Authorization for Wholesale Carrier Services, Inc. to Become a Co-Borrower with Respect to Certain Debt Financing Previously Approved by the Board of Public Utilities, Docket No. TM21030647 (Order dated June 24, 2021).

⁵ On October 7, 2021, Petitioners submitted a letter to the Board for the purpose of identifying those funds under formation at the time the Petition was filed (Continuation Fund and Continuation Fund GP). The Continuation Fund has been formed and is named TSCP CV I, L.P. TSCP CV I, L.P.’s equity will be dispersed among a number of partners, none of whom will directly or indirectly own 10% or more of BCM One or WCS. Also, as with TSCP Fund V, TSCP CV I, L.P. will have a General Partner, newly formed entity TSCP CV I GP, L.P., and TSCP CV I GP, L.P.’s General Partner will be Thompson Street Capital UGP LLC, which will be managed by James A. Cooper and Robert C. Dunn. Pursuant to a management agreement, TSCP CV I, L.P. and TSCP CV I GP, L.P. will be managed by Thompson Street Capital Manager LLC, which is controlled by James A. Cooper and Robert C. Dunn, the same two individuals who currently ultimately control BCM One and WCS.

WCS and BCM One will benefit from the additional capital the Restructuring will allow. Further, services will continue to be provided by experienced and qualified personnel.

The New Jersey Division of Rate Counsel ("Rate Counsel") submitted comments by letter dated October 7, 2021 stating it does not object to approval of the Restructuring transfer requested by Petitioners.

DISCUSSION AND FINDINGS OF FACT AND CONCLUSIONS OF LAW

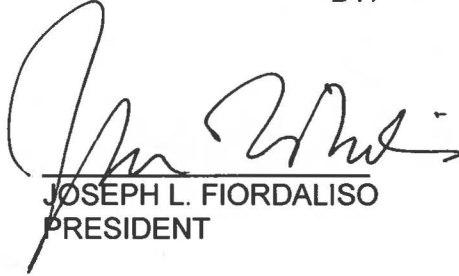
In considering a request for transfer of control, the Board shall evaluate the impact of the acquisition on competition, on the rates of ratepayers affected by the acquisition of control, on the employees of the affected public utility or utilities, and on the provision of safe and adequate utility service at just and reasonable rates. N.J.S.A. 48:2-51.1(a). The Board must be satisfied that positive benefits will flow to customers and the State of New Jersey and, at a minimum, that there are no adverse impacts on any of the criteria delineated in N.J.S.A. 48:2-51.1; N.J.A.C. 14:1-5.14(c). Also, pursuant to N.J.S.A. 48:3-7 and N.J.S.A. 48:3-10, the Board must determine whether the public utility, or a wholly-owned subsidiary thereof, may be unable to fulfill its pension obligations to any of its employees.

After a careful review of this matter, the Board **FINDS** that the proposed Transaction is consistent with the applicable law, is not contrary to the public interest, and will have no material impact on the rates of current customers or on New Jersey employees. The Board also **FINDS** that the proposed Transaction will have no impact on the provision of safe, adequate and proper service, and will positively benefit competition. Therefore, after investigation, having considered the record and exhibits submitted in this proceeding, the Board **HEREBY AUTHORIZES** Petitioners to complete the proposed restructuring.

This Order shall be effective November 4, 2021.

DATED: October 28, 2021

BOARD OF PUBLIC UTILITIES
BY:


JOSEPH L. FIORDALISO
PRESIDENT


MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER


ROBERT M. GORDON
COMMISSIONER

ATTEST: 
AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE VERIFIED JOINT PETITION OF BCM ONE, INC., WHOLESALE CARRIER SERVICES, INC., AND BCM ONE GROUP HOLDINGS, INC. FOR APPROVAL OF INTERMEDIATE TRANSFER OF CONTROL

DOCKET NO. TM21091109

SERVICE LIST

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