



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 JOINT)
PETITION OF ACCERIS MANAGEMENT)
AND ACQUISITION LLC, NEW ACCESS)
COMMUNICATIONS LLC AND FIRST)
COMMUNICATIONS, LLC FOR)
APPROVAL OF AN ASSET TRANSFER)

ORDER OF APPROVAL

DOCKET NO. TM06120842

(SERVICE LIST ATTACHED)

BY THE BOARD:

On December 4, 2006, First Communications, LLC (First), Acceris Management and Acquisition LLC (Acceris), and New Access Communications LLC (New Access) (collectively, Petitioners), by their counsel and pursuant to N.J.S.A. 48:3-7, filed a petition with the Board of Public Utilities (Board) requesting authority to consummate transactions involving the transfer of assets of Acceris and New Access to First. On January 19, 2007, Petitioners submitted a Supplement to the Petition with further information concerning the Board's mass migration rules found in N.J.A.C. 14:10-12. Upon consummation of the transactions, First will provide telecommunications services to all of the customers of Acceris and New Access at the same rates, terms, and conditions that they currently receive. Acceris and New Access will cease operations in New Jersey, and Acceris will surrender its authority.

BACKGROUND

First Communications, LLC is a privately held Ohio limited liability company headquartered in Akron, Ohio. According to Petitioners, McKinley Communications, LLC holds a 51% ownership interest in First, First Energy Corp. holds a 32% interest in First, and Boich Investment Group, Ltd. holds a 17% interest in First. No other entity holds a 10% or greater ownership interest in First. The petition states that First provides local, private line and long distance services to both business and residential customers in several states, which include Ohio, Michigan, Indiana, Illinois, Pennsylvania, Florida and New Jersey. In New Jersey, First 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.

Acceris Management and Acquisition LLC, is a Minnesota limited liability company also conducting business as Acceris Communications and WorldxChange, with headquarters in San Diego, California. Acceris is a direct wholly owned subsidiary of North Central Equity LLC (North Central), a privately held Minnesota holding company. Mr. Elam Baer, the CEO of North Central,

holds approximately 53% of the ownership interests in Acceris indirectly through its holdings in North Central. No other entity holds a 10% or greater ownership interest in Acceris. The petition states that Acceris is a telecommunications provider which serves residential, small and medium-sized business and large enterprise customers throughout the United States. Acceris is authorized to provide long distance and competitive local exchange in California, Pennsylvania, New York, Florida, Massachusetts and New Jersey. In New Jersey, Acceris was authorized to provide facilities-based and local exchange and interexchange telecommunications services. See Order I/M/O the Verified Petition of Acceris Management and Acquisition LLC for Approval to Provide Local Exchange and Interexchange Telecommunications Services in The State of New Jersey, Docket No. TE05070592, dated October 13, 2005. Currently, Acceris has approximately 6,870 customers in New Jersey. In New Jersey, New Access is operating as a reseller and has approximately 220 customers.

DISCUSSION

According to the petition, the Petitioners have reached an agreement providing for the acquisition by First of certain of the remaining assets of Acceris, including the remaining long distance resale customers and any remaining personal property and the acquisition by First of certain of the assets of New Access including all local and long distance customers. After consummation of the transactions, Acceris will surrender its telecommunications authorization in New Jersey, and First will provide telecommunications services to Acceris and New Access customers directly pursuant to its own telecommunications authorizations. Petitioners emphasize that the transfer of customers to First will have no adverse impact on those customers. The affected customers will continue to receive their existing services at the same rates, terms, and conditions that they have prior to the transfer.

On January 19, 2007, Petitioners submitted a Supplement to the Petition (Supplement) with further information showing their compliance with the Board's mass migration rules found in N.J.A.C. 14:10-12 and also requested a request for a waiver of certain of the Board's mass migration rules to the extent applicable. The Supplement points out that Petitioners are in substantial compliance with the mass migration rules. Petitioners note that the customers will receive the required notification consistent with the advance notice requirements in N.J.A.C. 14:10-12.3. Petitioners anticipate that First will acquire all of the existing customers of Acceris and New Access, with the exception of those that choose a different service provider.

FINDINGS AND CONCLUSIONS

Accordingly, after careful review of this matter, the Board FINDS that the transaction will have no negative impact on competition, 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 moreover, a positive benefit may be expected from the strengthening of First's competitive posture in the telecommunications market. Therefore, the Board, after investigation, having considered the record and exhibits submitted in this proceeding, FINDS that the transfer is in accordance with the law and in the public interest. The Board also FINDS that, in accordance with N.J.S.A. 48:2-59 and 48:2-60 and N.J.S.A. 52:27E-61 and 52:27E-62, Acceris is responsible for the filing of its final annual report with the Board and for the payment of any outstanding assessment liabilities.

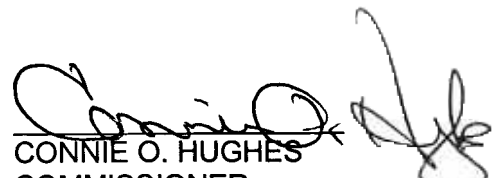
The Board FURTHER FINDS that First has behaved in substantial compliance with the mass migration rules and that to the extent any rules have not been fully satisfied, the requested waiver is HEREBY APPROVED. The Board HEREBY ORDERS that Petitioners shall notify the Board of the closing of the proposed transaction within ten (10) days of consummation of the transfer. The Board FURTHER ORDERS that the approval in this Order shall become null and void and of no effect to the extent it has not been exercised prior to July 30, 2007.


DATED: 3/5/07


BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT

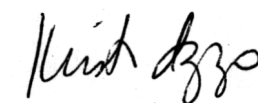

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COMMISSIONER


CONNIE O. HUGHES
COMMISSIONER

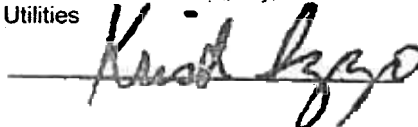

JOSEPH L. FIORDALISO
COMMISSIONER


CHRISTINE V. BATOR
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. TM06120842

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