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January 28, 2014

VIA FEDEX

Ms. Kristi Izzo
Secretary, Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102

Re: I/M/O Verified Petition of Network Billing Systems, LLC
for Approval to Participate in Financing Arrangements of Fusion
NBS Acquisition Corp.
Docket No. TF14010102

Dear Secretary Izzo:

Enclosed for filing on behalf of Network Billing Systems, LLC, please find an original and eleven copies of a verified petition for approval to participate in additional financing arrangements.

Please return one copy of the filed petition with the assigned docket number in the enclosed self-addressed, stamped envelope.

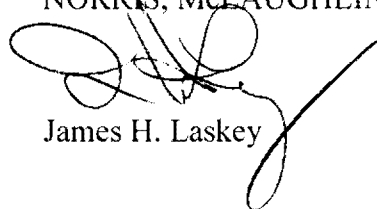
Very truly yours,

NORRIS, McLAUGHLIN & MARCUS, P.A.

James H. Laskey

C.M.S.
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Enclosures

B. WOJCIAK



cc: Mark Beyer
Anthony Centrella
Stephanie A. Brand, Esq.
Brett P. Ferencak, Esq.
Jean L. Kiddoo, Esq.
Gordon Hutchins, Jr.



**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

I/M/O Verified Petition of

Network Billing Systems, LLC

for Approval to Participate in Financing
Arrangements of Fusion NBS Acquisition Corp.

Docket No.

VERIFIED PETITION

Network Billing Systems, LLC (“NBS” or “Petitioner”), pursuant to New Jersey Statutes, N.J.S.A. 48:3-7 and N.J.S.A. 48:3-9, and the rules of the New Jersey Public Utilities Board (“Board”), respectfully request Board approval, to the extent required, to participate in additional financing arrangements of its parent company, Fusion NBS Acquisition, Corp. (“FNAC”).

In support of this filing, Petitioner provides the following information:

I. DESCRIPTION OF THE PETITIONER

NBS is a New Jersey limited liability company with a principal office located at 155 Willowbrook Boulevard, Wayne, New Jersey 07470. NBS is a wholly owned subsidiary of FNAC, a Delaware corporation. FNAC is a direct wholly owned subsidiary of Fusion Telecommunications International, Inc. (“Fusion” and together with its subsidiaries, the “Company”), a publicly-held Delaware corporation (OTCQB: FSNN) with principal offices located at 420 Lexington Avenue, Suite 1718, New York, New York 10170. The Company provides digital voice and data communications services to businesses and carriers worldwide. Its services include international voice services for carriers and a variety of voice and data services for businesses, including Hosted Voice over Internet Protocol (“VoIP”) and Session Initiated Protocol (“SIP”) Trunking services, and other enhanced communications services and features.

In New Jersey, NBS is authorized to provide local exchange and interexchange telecommunications services pursuant to a Board authorization granted in Docket No. TE08070466 on September 15, 2008. NBS is also authorized by the Federal Communications Commission (“FCC”) to provide interstate and international telecommunications services. Additional information concerning the NBS’s legal, technical, managerial and financial qualifications has been submitted to the Board in connection with NBS’s certification application and prior transactions and is therefore already a matter of public record.¹ NBS requests that the Board take official notice of these existing descriptions of its qualifications and incorporate them by reference herein. In support of its financial qualifications, NBS has included the Company’s consolidated financial statements (excluding the notes) from Fusion’s most recent SEC Form 10-Q as Exhibit A.²

II. CONTACTS

Questions or any correspondence, orders, or other materials pertaining to this filing should be directed to the following:

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¹ See Docket Nos. TM12060511 (acquisition of NBS and financing) and TE08070466 (NBS certification).

² A complete copy of Fusion’s SEC Form 10-Q, as well as its most recent SEC Form 10-K and other SEC filings, is available at <http://ir.fusiontel.com/all-sec-filings>.

For NBS:

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With copies to:

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420 Lexington Avenue, Suite 1718
New York, NY 10170
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III. DESCRIPTION OF THE FINANCING ARRANGEMENTS

Consistent with the Board's Order issued in Docket No. TM12060511, FNAC issued notes in the amount of \$16.5 million (the "Existing Notes") in order to fund its acquisition of NBS. Upon closing of that transaction, NBS provided a guaranty and related pledge of assets as security for the Existing Notes. By this Petition, NBS seeks authority to provide a guaranty for and related pledge of assets in support of additional financing arrangements undertaken by FNAC in connection with the acquisition by Fusion BVX LLC, a subsidiary of FNAC, of certain unregulated assets of BroadvoxGo!, LLC and Cypress Communications, LLC (the "Broadvox Acquisition").³ Specifically, on December 31, 2013, FNAC (a) amended the Existing Notes,⁴ (b) amended additional notes in the amount of \$0.5 Million issued on December 16, 2013 (the "Series C Notes"),⁵ and (c) issued new notes in the aggregate amount of \$25 million (the "Series D Notes" and together with the Series C Notes, the "New Notes")

³ NBS will separately file a joint petition with respect to the acquisition of certain telecommunications services and customers as part of the Broadvox Acquisition.

⁴ While the interest rates for the Existing Notes were adjusted to 11.15%, such interest rates remained within the interest rate range (10% to 11.5%) considered by the Board in Docket No. TM12060511. In addition, the maturity date of the Existing Notes was adjusted to five years from the date the Existing Notes were amended (December 31, 2013) rather than five years from their initial issuance date (October 27, 2012).

⁵ The Series C Notes were amended so that the guaranty and pledge of certain assets provided by NBS as security are not effective until receipt of the necessary regulatory approvals.

(the New Notes together with the Existing Notes, the “Notes”) in order to fund the Broadvox Acquisition and for working capital and other general corporate purposes. The Notes will mature on December 31, 2018 and have an interest rate of 11.15%. The Notes are secured with a first lien on substantially all of the assets of FNAC and its subsidiaries and a second lien on substantially all of the assets of Fusion; *however*, the lien on the New Jersey assets of NBS for the New Notes will not be effective until receipt of approval from this Board. Additionally, Fusion and the subsidiaries of FNAC also provided a guaranty as security for the Notes; *however*, the guaranty by NBS for the New Notes will not be effective until receipt of necessary regulatory approvals.

In order to maintain adequate flexibility to respond to market conditions and requirements, NBS requests approval to participate as a borrower or guarantor and by providing a pledge of its assets as security for financing arrangements that are consistent with the parameters outlined below, which approval would permit the Company, to the extent market conditions may warrant, to modify the specific structure of the current financing in a manner most favorable to the Company, including NBS:

Amount: Up to an aggregate amount of \$42 Million (which amount includes the \$16.5 Million previously authorized by the Board).

Debt Instruments: Notes or debentures (including notes convertible into equity and private notes that may be exchanged for public notes); conventional credit facilities, such as revolving credit facilities and term loans; letters of credit; and bridge loans; or a combination thereof.

Maturity: Between five (5) and eight (8) years after issuance or amendment depending on the type of facility.

Interest: Interest rates will be the market rate for similar financings and will not be determined until the financing arrangement(s) is finalized. The indebtedness may accrue interest at a rate(s) that may be fixed (typically set at signing or closing based on then current market conditions) or floating (consisting of a base rate, which will float with a rate index such as LIBOR or Federal Funds Rate, plus an applicable margin), or a combination of fixed rates and floating rates.

Security: Some or all of the financing arrangements may be secured by a grant of a security interest in some or all of the assets the Company, including NBS. Additionally, Fusion and its current and future subsidiaries, including NBS, may provide a guaranty as security for all or part of the full amount in financing arrangements to the extent such entity is not a borrower.

Purpose: The financing arrangements may be used for acquisitions, working capital requirements and general corporate purposes of the company.

In the event the Board cannot grant such flexibility, NBS requests that the Board at a minimum grant approval for NBS to provide a guaranty and related pledge of its assets as security for the New Notes.

IV. PUBLIC INTEREST CONSIDERATIONS

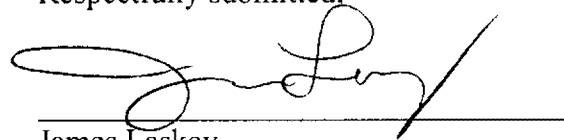
Petitioner submits that the financing arrangements described herein will serve the public interest. The financing arrangements provided the Company with access to the financial resources necessary to complete the Broadvox Acquisition, which will allow the Company to become a more effective competitor to larger incumbent telecommunications providers. The financing arrangements are necessary and appropriate, are consistent with the performance by NBS of its services to the public, will not impair NBS's ability to perform such services, and will promote the corporate purposes of the Company. The financings are transparent to NBS's customers and will not disrupt service or cause customer confusion or inconvenience.

Employment is also a factor for the Board to consider pursuant to N.J.S.A. 48:3-7. The Company does not expect a change in its existing management and employees in New Jersey as a result of the financing arrangements. The Company does not have an employee pension plan, although the employees have other retirement benefits to the extent the employees elect to participate in such retirement benefits. Employees of the Company will retain their existing rights in those retirement benefits upon completion of the financing arrangements.

V. **CONCLUSION**

WHEREFORE, for the reasons set forth above, Petitioner submits that the public interest, convenience, and necessity would be furthered by grant of this Petition, authorizing Petitioner to participate in financing arrangements as described herein.

Respectfully submitted,



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Counsel for Network Billing Systems, LLC

Dated: January 28, 2014