

DENNIS C. LINKEN, Partner  
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July 22, 2014

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CASE MANAGEMENT

RECEIVED

JUL 23 2014

BOARD OF PUBLIC UTILITIES  
MAIL ROOM

Via Email and FedEx Overnight Mail

Kristi Izzo, Secretary  
Board of Public Utilities  
44 S. Clinton Avenue, 9<sup>th</sup> Floor  
Trenton, NJ 08625

TM14070787

**Re: I/M/O the Verified Petition of Zayo Group, LLC, for Approval of a  
Pro Forma Change in Indirect Ownership  
Our File No. 41049.5000**

Dear Secretary Izzc:

On behalf of Petitioner Zayo Group, LLC ("Petitioner"), enclosed please find an original and 11 copies of its Verified Petition in connection with the above-captioned matter.

It would be appreciated if you would kindly date stamp the extra copy of this letter and said Petition as "FILED" and return same in the self-addressed, stamped envelope enclosed herein.

As always, should you require any further information, please do not hesitate to contact me.

Very truly yours,

*Dennis Linken ldp*

Dennis C. Linken  
For the Firm

DCL/dp

enc.

cc: John DeLuca, Acting Director (w/enc. via FedEx Overnight delivery)  
Rocco Della Serra, Administrative Analyst II (w/enc. via FedEx Overnight delivery)  
Christopher J. White, Deputy Public Advocate (w/enc. via regular mail)

CMS  
LEGAL(2) TELECL(6)  
DAG  
RPA

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

I/M/O Verified Petition of

**Zayo Group, LLC**

for Approval of a *Pro Forma* Change  
in Indirect Ownership

Docket No. \_\_\_\_\_

**VERIFIED PETITION**

Zayo Group, LLC (“Zayo” or “Petitioner”), by undersigned counsel and pursuant to New Jersey Statutes, N.J.S.A. 48:2-51.1, and the regulations of the New Jersey Board of Public Utilities (“Board”), hereby requests approval, to the extent necessary, of a *pro forma* change in indirect ownership of Zayo (the “*Pro Forma* Change”) that will occur in connection with an initial public offering (“IPO”) by Zayo Group Holdings, Inc. (“Holdings”), Petitioner’s direct holding company (a copy of Holdings’ registration statement on Form S-1 can be found on the SEC website at [www.sec.gov](http://www.sec.gov)). The *pro forma* change, which will remove Zayo’s current indirect holding company from the Holdings and Zayo ownership structure by assigning its owners’ equity interests to Holdings and offering a portion of the Holdings equity to the public, is not expected to result in any new equity owners who will hold 10 percent or more indirect ownership in Petitioner.

Petitioner requests expedited treatment of this Petition. Because the *pro forma* removal of a holding company from Zayo’s ownership structure is occurring as part of an IPO, it is important that required regulatory approvals be obtained in a timely fashion to allow flexibility for the IPO to proceed when market conditions dictate following Securities and Exchange Commission (“SEC”) clearances. While the ultimate timing and final decision by the SEC is still yet to be determined, such approval could occur as early as September 30, 2014. Accordingly,

Petitioner is seeking to have all state regulatory approvals in hand no later than that date. Petitioner therefore requests that the Board consider this Petition at its meeting scheduled for September 30, 2014, or any other meeting that may be scheduled earlier, so that the parties will be able to complete the *Pro Forma* Change and IPO when appropriate.

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

**I. DESCRIPTION OF THE PETITIONER**

Zayo is a Delaware limited liability company with principal offices at 1805 29th Street, Boulder, Colorado 80301. Zayo is a wholly-owned subsidiary of Holdings, a Delaware corporation. Holdings is currently a wholly-owned subsidiary of Communications Infrastructure Investments, LLC ("CII"), a Delaware limited liability company. CII has no majority owner.

Zayo is a provider of bandwidth infrastructure and network neutral colocation and interconnection services over regional and metropolitan fiber networks. These services enable customers to manage, operate, and scale their telecommunications and data networks. Such customers consist primarily of wireless service providers, national and regional telecommunications carriers and other communications service providers, media and content companies, schools, hospitals, governments, banks and other bandwidth-intensive enterprises.

In New Jersey, Zayo is authorized to provide local exchange and interexchange services, pursuant to Board authorization granted in Docket No. TE11020049 on May 16, 2011. Zayo is also authorized by the FCC to provide domestic and international telecommunications services. Additional information concerning Zayo's legal, technical, managerial and financial qualifications has been submitted to the Board with various prior filings with respect to Zayo's certification and various transactions and is therefore already a matter of public record. Zayo requests that the Board take official notice of these existing descriptions of Zayo's qualifications and incorporate

them by reference herein. In support of its financial qualifications, a copy of Zayo's most recent SEC Form 10-Q is available at:

<http://www.sec.gov/Archives/edgar/data/1502756/000150275614000022/0001502756-14-000022-index.htm>

and its most recent SEC Form 10-K is available at:

[http://zayo.uldev.co/images/uploads/resources/Financial\\_Reports/FY4Q2013/Annual/FY\\_2013\\_Annual\\_Report\\_10-K\\_\(PDF\).pdf](http://zayo.uldev.co/images/uploads/resources/Financial_Reports/FY4Q2013/Annual/FY_2013_Annual_Report_10-K_(PDF).pdf).

## II. DESIGNATED CONTACTS

Questions, correspondence or other communications concerning this Petition should be directed to:

Dennis C. Linken, Esq.  
Scarinci & Hollenbeck, LLC  
1100 Valley Brook Avenue  
Lyndhurst, nj 07071-0790  
201-806-3426 (tel.)  
201-806-3454 (fax)  
[Dlinken@scarincihollenbeck.com](mailto:Dlinken@scarincihollenbeck.com)

With a copy to:

Jean L. Kiddoo  
Brett P. Ferenchak  
Bingham McCutchen LLP  
2020 K Street, N.W., Suite 1100  
Washington, DC 20006-1806  
202-373-6000 (tel.)  
202-373-6001 (fax)  
[jean.kiddoo@bingham.com](mailto:jean.kiddoo@bingham.com)  
[brett.ferenchak@bingham.com](mailto:brett.ferenchak@bingham.com)

and:

Scott E. Beer, General Counsel  
Zayo Group, LLC  
1805 29th Street  
Boulder, CO 80301  
303-381-4664 (tel.)  
303-226-5923 (fax)  
[scott.beer@zayo.com](mailto:scott.beer@zayo.com)

## III. DESCRIPTION OF THE PRO FORMA CHANGE

In connection with the planned IPO of Holdings, CII will be eliminated from the ownership chain between Holdings and the ultimate investors/owners of the company. As a result of the *Pro Forma* Change, Holdings will become the ultimate parent company of Zayo rather than an intermediate parent company and the current owners of CII will have a direct rather than indirect ownership interest in Holdings. Since immediately after the *Pro Forma*

Change Holdings will continue to have direct control of Zayo and will obtain ultimate control of Zayo with the same ultimate investors/owners, the *Pro Forma* Change is simply an internal change in the ownership chain that is *pro forma* in nature. For the Board's reference, a chart depicting the pre- and post-*Pro Forma* Change ownership of Zayo is provided as Exhibit A.

Upon completion of the *Pro Forma* Change, the current investors/owners of CII will directly own equity in Holdings. Contemporaneously, Holdings will initiate an IPO to sell a small part of its equity to the public. Zayo and Holdings do not expect any new shareholder to obtain a 10% or greater ownership as a result of the IPO. As a result of the IPO, the shares of some of the current owners will be somewhat diluted.

#### **IV. PUBLIC INTEREST CONSIDERATIONS**

Zayo submits that the *Pro Forma* Change is in the public interest. The *Pro Forma* Change is another step in and will complete the realignment of CII's corporate structure that began with the *pro forma* transfer of direct ownership of Onvoy, LLC from Holdings to CII. See Docket No. TM14040367. Together with that prior change, the *Pro Forma* Change will provide Holdings and CII with greater flexibility for equity transactions, including the IPO, as well as other corporate and financial transactions, which will further strengthen Zayo's financial qualifications. The *Pro Forma* Change will be entirely transparent to Zayo's customers and will not result in any change in their services. In particular, the rates, terms and conditions of their services will not change as a result of the purely *pro forma* change.

The *Pro Forma* Change is also not expected to have any adverse impact on New Jersey employees.

V. **CONCLUSION**

For the foregoing reasons, Petitioner submits that the public interest, convenience, and necessity would be furthered by grant of this Petition no later than at the Board's meeting scheduled for September 30, 2014.

Respectfully submitted,

*Dennis Linken /dp*

Dennis C. Linken, Esq.  
Scarinci & Hollenbeck, LLC  
1100 Valley Brook Avenue  
Lyndhurst, NJ 07071-0790  
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[Dlinken@scarincihollenbeck.com](mailto:Dlinken@scarincihollenbeck.com)

Counsel for Petitioner

Dated: July 22, 2014

STATE OF COLORADO

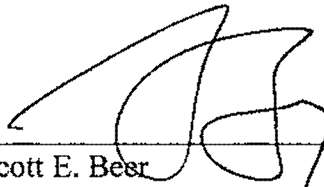
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COUNTY OF BOULDER

District of Columbia, City of Washington, D.C.

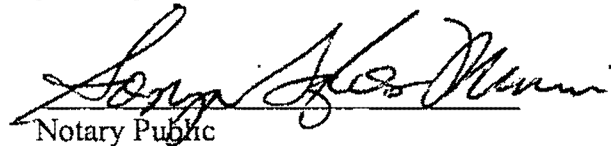
VERIFICATION

I, Scott E. Beer, am Vice President, General Counsel and Secretary of Zayo Group, LLC and its subsidiaries (collectively, the "Company"); that I am authorized to make this Verification on behalf of the Company; that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.



\_\_\_\_\_  
Scott E. Beer  
Vice President, General Counsel and Secretary  
Zayo Group, LLC

Sworn and subscribed before me this 11th day of July, 2014.

  
\_\_\_\_\_  
Notary Public

My commission expires \_\_\_\_\_  
Sonja Sykes-Minor  
District of Columbia, Notary Public  
My Commission Expires  
October 14, 2014



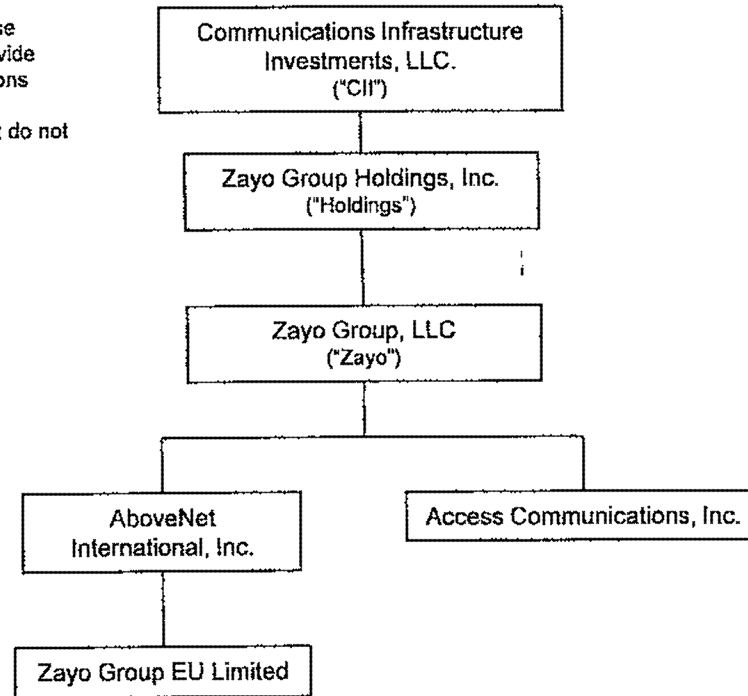
**EXHIBIT A**

Pre- and Post-*Pro Forma* Change Ownership of Zayo



# Pre-*Pro Forma* Change Corporate Organizational Structure

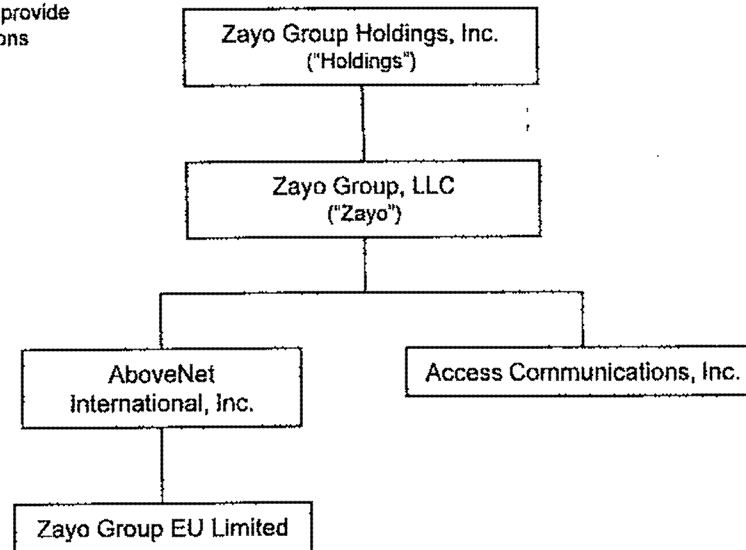
\* The entities listed herein only include Zayo and those subsidiaries of Zayo that (1) hold authorization to provide intrastate, interstate or international telecommunications services or (2) are in the chain of ownership of those entities. The chart excludes subsidiaries of Zayo that do not hold authorization to provide intrastate, interstate or international telecommunications services.



Unless otherwise indicated all ownership percentages are 100%.

# Post-*Pro Forma* Change Corporate Organizational Structure

\* The entities listed herein only include Zayo and those subsidiaries of Zayo that (1) hold authorization to provide intrastate, interstate or international telecommunications services or (2) will be in the chain of ownership of those entities. after the *Pro Forma* Change. The chart excludes subsidiaries of Zayo that do not hold authorization to provide intrastate, interstate or international telecommunications services..



Unless otherwise indicated all ownership percentages are 100%.