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March 4, 2021

FILED ELECTRONICALLY

Hon. Aida Camacho
Secretary to the Board
New Jersey Board of Public Utilities
44 South Clinton Avenue, 7th Floor
Trenton, New Jersey 08625

Re: Joint Petition of Wholesale Carrier Services, Inc., and BCM One Group Holdings, Inc., for Approval of a Transfer of Control

Dear Secretary Camacho:

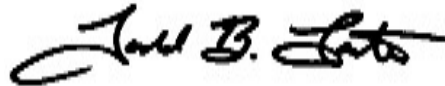
Please find enclosed a Joint Petition of Wholesale Carrier Services, Inc. (“WCS”), and BCM One Group Holdings, Inc. (“BCM One Group Holdings”), for approval of a transfer of control.

The Joint Petition is being submitted on behalf of WCS and BCM One Group Holdings pursuant to N.J.S.A. 48:2-51.1, to petition the Board of Public Utilities for approval and authority for the transfer of control of WCS to BCM One Group Holdings.

Hon. Aida Camacho
Secretary to the Board
New Jersey Board of Public Utilities
March 4, 2021
Page 2

Please contact counsel below if any questions arise concerning the above-referenced enclosure or if you require any additional information.

Sincerely,



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Counsel for BCM One Group Holdings, Inc.

cc: Leon L. Nowalsky
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1420 Veterans Memorial Blvd.
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Counsel for Wholesale Carrier Services, Inc.

Enclosure

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

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) Docket No. _____
a Co-Borrower with Respect to Certain Debt)
Financing Previously Approved by the Board of)
Public Utilities)

**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**

Wholesale Carrier Services, Inc. (“WCS,” “Company,” or “Transferor”) and BCM One Group Holdings, Inc. (“BCM One Group Holdings” or “Transferee”) (collectively “Petitioners”), by and through counsel, hereby petition the State of New Jersey Board of Public Utilities (“Board”) for approval and authority, pursuant to N.J.S.A. 48:2-51.1, for the transfer of control of WCS to BCM One Group Holdings, and for authorization, pursuant to N.J.S.A. 48:3-9, for WCS to become a co-borrower with respect to certain debt financing previously approved by the Board in Docket No. TF19020149.

In support of their petition, Petitioners respectfully submit the following:

I. THE PARTIES.

A. Wholesale Carrier Services.

WCS is a corporation organized under the laws of the State of Florida.¹ It is registered with the New Jersey Department of the Treasury, Division of Revenue and Enterprise Services, as a

¹ Florida Department of State, Division of Corporations, Document No. P96000042828 (May 20, 1996). WCS’s current status is active.

foreign for-profit corporation.² WCS provides enterprise solutions to businesses. It offers Time Division Multiplexing (“TDM”) and Internet Protocol-based voice services, and other connectivity services.

WCS is authorized by the Board to provide local exchange telecommunications services throughout New Jersey. Specifically, WCS has been given authority by the Board to provide resold and facilities-based Unbundled Network Element local exchange telecommunications services throughout the state.³ The principal office of WCS is located at 12350 NW 39th Street, Coral Springs, Florida 33065. The telephone number of the Company is (888) 940-5600. WCS currently does not have any employees in New Jersey.

B. BCM One Group Holdings, Inc.

BCM One Group Holdings is incorporated in Delaware, the Certificate of Incorporation having been filed in the Office of the Secretary of the State of Delaware on September 14, 2018, Registration No. 7046551. The principal office of BCM One Group Holdings is located at 7676 Forsyth Blvd., Suite 2700, St. Louis, Missouri 63105. A controlling interest in BCM One Group Holdings is held by Thompson Street Capital Partners V, L.P. (“Thompson Street”). The principal office of Thompson Street is located at 7676 Forsyth Blvd., Suite 2700, St. Louis, Missouri 63105.

Thompson Street is a limited partnership and is part of a privately held investment firm based in St. Louis, Missouri. The firm was founded in 2000 and has acquired more than 150 companies and managed more than \$2.6 billion in equity. Thompson Street specializes in growth capital, recapitalizations, management buyouts, and private investments in middle market

² State of New Jersey, Dept. of the Treasury, Div. of Revenue and Enterprise Services, Entity ID No. 0100880337 (May 31, 2002).

³ *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 (June 16, 2008).

companies. Thompson Street invests in companies to ensure that they are positioned for continued growth in their markets. The General Partner of Thompson Street is Thompson Street Capital V GP, L.P., a Delaware limited partnership.

II. DESCRIPTION OF THE TRANSACTION.

On February 23, 2021, BCM One Group Holdings and the owners of WCS entered into a Share Purchase Agreement (“SPA”) for BCM One Group Holdings, together with Thompson Street and its co-investors, to acquire WCS. Pursuant to the SPA, WCS will be acquired by BCM One Group Holdings, indirectly through one of its wholly-owned subsidiaries, BCM One, Inc., a New York corporation (“BCM One”).⁴ Thompson Street holds approximately 70% of the equity and voting interests in BCM One Group Holdings.

The remaining approximately 30% of BCM One Group Holdings and BCM One is held separately and independently by certain individual investors, certain lender co-investors, and other commercial partners. Except for Thompson Street, no interest holder ultimately has equity or voting shares of 10% or greater in BCM One Group Holdings or BCM One.

Thompson Street is a Delaware Limited Partnership. Its general partner is Thompson Street Capital V GP, L.P. No limited partner in Thompson Street owns more than 10% of the equity of Thompson Street Capital Partners V, L.P.

Thompson Street Capital V GP, L.P. is a Delaware Limited Partnership. Its general partner is Thompson Street Capital LLC. One of its limited partners, Thompson Street Capital Manager

⁴ Regardless of the intervening subsidiaries in the vertical ownership chain, WCS will be subject to the control of Thompson Street. BCM One is a corporation engaged in the telecommunications business and duly organized and incorporated under the laws of the State of New Jersey. State of New Jersey, Dept. of the Treasury, Div. of Revenue and Enterprise Services, Entity ID No. 0100742965 (April 20, 1998). BCM One, formerly known as McGraw Communications, Inc., is authorized by the Board to provide local exchange and interexchange telecommunications services. *In the Matter of the Petition for an Order Authorizing McGraw Communications, Inc. to Provide Local Exchange and Interexchange Telecommunications Services Throughout New Jersey*, Order, Docket No. TE01050329 (June 10, 2002).

LLC, a Delaware limited liability company, owns approximately 16.9% of the equity of Thompson Street Capital V GP, L.P. The only other limited partners that own more than 10% of the equity of Thompson Street Capital V GP, L.P. are James A. Cooper and Robert C. Dunn.

Thompson Street Capital LLC is a Delaware Limited Liability Company. Its sole member is James A. Cooper.

Exhibit A and **Exhibit B** are charts depicting the disclosable ownership structure and ownership structure of WCS pre-closing and post-closing.

Several members of WCS's current management team will remain with WCS, continuing to direct its day-to-day operations. This will ensure that WCS's business decisions going forward will be guided by an experienced team with a proven record in the telecommunications field and with detailed knowledge and experience concerning the operations of WCS.

The transaction thus will join together the strength and success of WCS's performance in telecommunications markets with Thompson Street's management and financial expertise. The Petitioners expect that the transaction will enable WCS to achieve measurable growth in its business operations, while also developing and implementing enhanced operating efficiencies.

III. AUTHORIZATION FOR WHOLESALE CARRIER SERVICES, INC., TO BECOME A CO-BORROWER.

BCM One Group Holdings previously has obtained debt financing, pursuant to approval and authority granted by the Board, to effect the acquisition of BCM One,⁵ and BCM One has

⁵ *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 (Dec. 18, 2018). The petition was filed jointly by BCM One Group Holdings and BCM One. Approval was granted to obtain debt financing (both term and revolving debt) in the aggregate amount of up to \$105 million. The debt financing includes senior secured financing (consisting of a five-year term loan of up to \$48 million, a five-year revolving credit facility of up to \$5 million, and certain other incremental and other loans). The senior secured financing will accrue interest at a rate per annum up to the sum of a benchmark interest rate to be described in the senior secured financing documentation, plus 4.5%, plus, if applicable, default interest of 2.0%. The debt financing also includes a 5.5-year unsecured subordinated mezzanine term loan of up to \$16 million and

obtained additional debt financing to effect the acquisition of complementary entities engaged in similar business activities to BCM One.⁶ The Petitioners also note that a petition seeking additional debt financing, filed by BCM One earlier this year, is currently pending with the Board.⁷

The Petitioners request that, upon completion of the acquisition of WCS by BCM One Group Holdings, the Board authorize WCS to become a co-borrower with respect to the debt financing previously approved and authorized by the Board for BCM One Group Holdings and BCM One. If this authorization is granted, then, upon the completion of the acquisition, the debt financing obtained by BCM One Group Holdings and BCM One will be secured by substantially all of the assets of WCS, in addition to those of BCM One Group Holdings, BCM One, and certain other entities.⁸

certain other loans. The subordinated mezzanine term loan will accrue interest at a rate per annum equal to 11.0%, plus, if applicable, default interest of 2.0%. *Id.* at 2.

⁶ *In the Matter of BCM One, Inc. – Referred to as (“BCM”) Petition for Approval to Obtain Debt Financing*, Docket No. TF19020149, Order, Apr. 18, 2019. The Board authorized additional debt financing in the amount of \$50 million. The Board noted that “BCM One is wholly owned by BCM One Group Holdings, Inc., which will take on the additional indebtedness” *Id.* at 1. The debt financing includes senior secured financing consisting of a five-year term loan of up to \$48 million, a five-year revolving credit facility of up to \$5 million, and certain other incremental and other loans). The senior secured financing will accrue interest at a rate per annum up to the sum of a benchmark interest rate to be described in the senior secured financing documentation, plus 4.5%, plus, if applicable, default interest of 2.0%. The debt financing also includes a 5.5-year unsecured subordinated mezzanine term loan of up to \$16 million and certain other loans. The subordinated mezzanine term loan will accrue interest at a rate per annum equal to 11.0%, plus, if applicable, default interest of 2.0%. *Id.* at 1-2. The following year, in 2020, the Board authorized additional debt financing for BCM One in the amount of \$200 million. *See* Docket No. TF20020136.

⁷ *BCM One, Inc. – Referenced To As (“BCM”) Petition for Approval To Obtain Debt Financing*, Docket No. TF21010036 (filed Jan. 13, 2021).

⁸ These are complementary entities that are obligated to secure the debt financing approved by the Board in its orders in Docket No. TM18101120 and Docket No. TF19020149.

IV. CONTACT INFORMATION.

For Transferor:

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For Transferee:

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Chief Executive Officer
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V. PUBLIC INTEREST STATEMENT; IMPACT ON CUSTOMERS.

The proposed transaction will advance the public interest. The transfer of control will not involve any assignment of operating authority, assets, or customers. As noted in Section II., *supra*, WCS will benefit from the additional capital, in addition to Thompson Street's financial and managerial expertise, to better serve its existing customers and compete more effectively in the marketplace. Services will continue to be provided by experienced and qualified personnel.

Upon closing, WCS will continue to provide competitive and innovative services to existing customers in New Jersey at the same rates, terms, and conditions and in the same geographic areas as currently provided. Market conditions will determine any future changes in the rates, terms, or conditions of service, and will only be undertaken in a manner consistent with any applicable New Jersey and federal rules and regulations. The transaction is not intended—or expected—to result in the discontinuance, reduction, loss, or impairment of service to any customer.

The proposed transaction also will not harm competition in New Jersey. Only a small percentage of the telecommunications services available in the state are provided by WCS, even if combined with other entities BCM One Group Holdings directly or indirectly controls. Moreover, the market for telecommunications services is fiercely competitive among these types of providers. In all cases, the affected markets in New Jersey will continue to be served by a dominant local exchange carrier that is not a party to the transaction.

WCS will use the improvements resulting from the acquisition, among other things, to pursue the continued development of telecommunications technologies for use by its customers, including integrated, global voice, video, and instant messaging services, among other business services.

VI. CONCLUSION.

The Petitioners respectfully submit that the proposed transfer of control serves the public interest. The transfer of control will not involve any assignment of operating authority, assets, or customers.

As the Petitioners have explained, the proposed transfer of control will enhance competition that benefits WCS's business consumers that have access to enterprise solutions, including TDM and Internet Protocol-based voice services, and other connectivity services. These benefits include competitive pricing and increased availability of a variety of service options, enabling WCS to better serve its customers and compete more effectively in the marketplace.

Further, as noted in Section V., *supra*, the transfer of control will be seamless to WCS's customers in New Jersey because there will be no changes in the WCS's business practices, customer service offerings, and/or customer billing. Based on these considerations, the Petitioners respectfully suggest that there are sufficient grounds for a finding pursuant to N.J.S.A. 48:2-51.1

and N.J.A.C. 14:1-5.14(c) that positive benefits will flow to customers, and that the enterprise would not be able to exercise market power to raise prices above competitive levels or exclude competitors from the marketplace.

Finally, authorizing WCS to become a co-borrower with respect to debt financing obtained by BCM One Group Holdings and by BCM One will provide additional security for that financing. In addition, WCS's becoming a co-borrower is an appropriate consequence of its acquisition by BCM One Group Holdings.

Wherefore, for the foregoing reasons, the Petitioners respectfully request the Board's approval and authority for the transfer of control of Wholesale Carrier Services, Inc., to Thompson Street Capital Partners V, L.P., through its wholly-owned subsidiary, BCM One, Inc.

/s/ Todd B. Lantor

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/s/ Leon L. Nowalsky

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Counsel for Wholesale Carrier Services, Inc.

Dated: March 4, 2021

EXHIBIT A

Pre-Close Disclosable Ownership

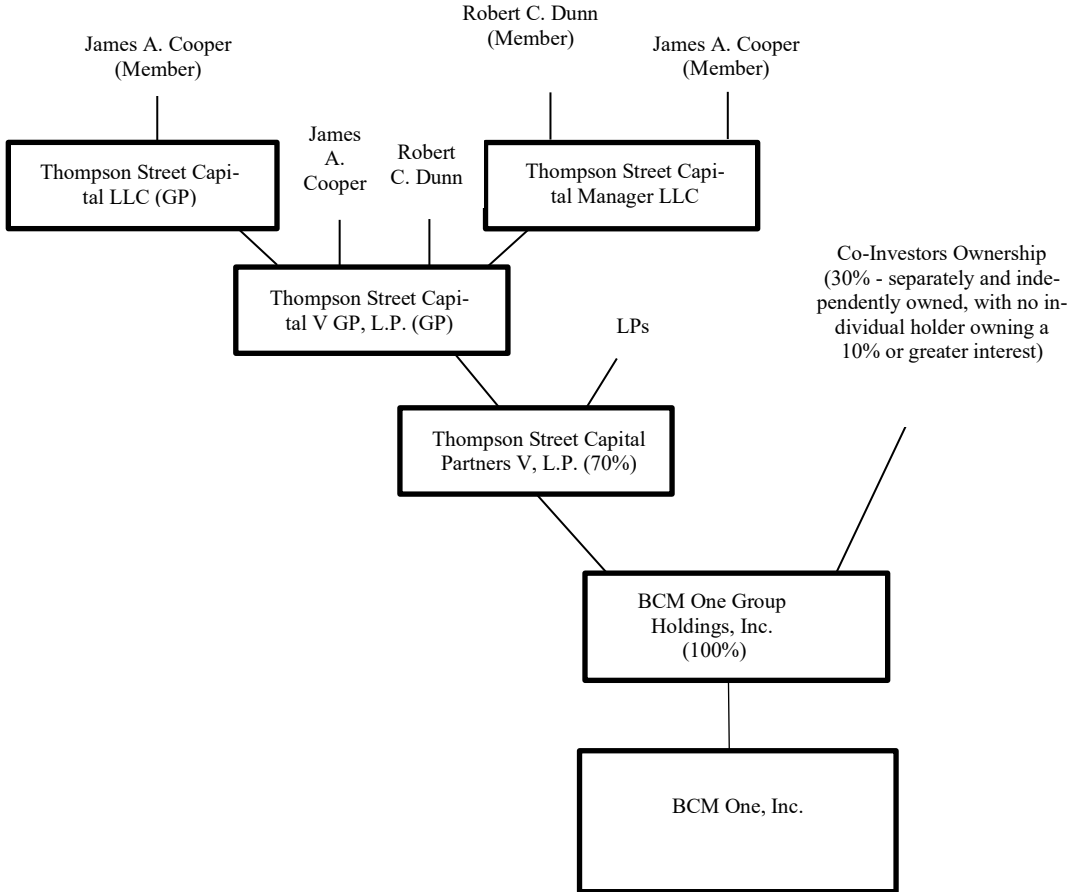
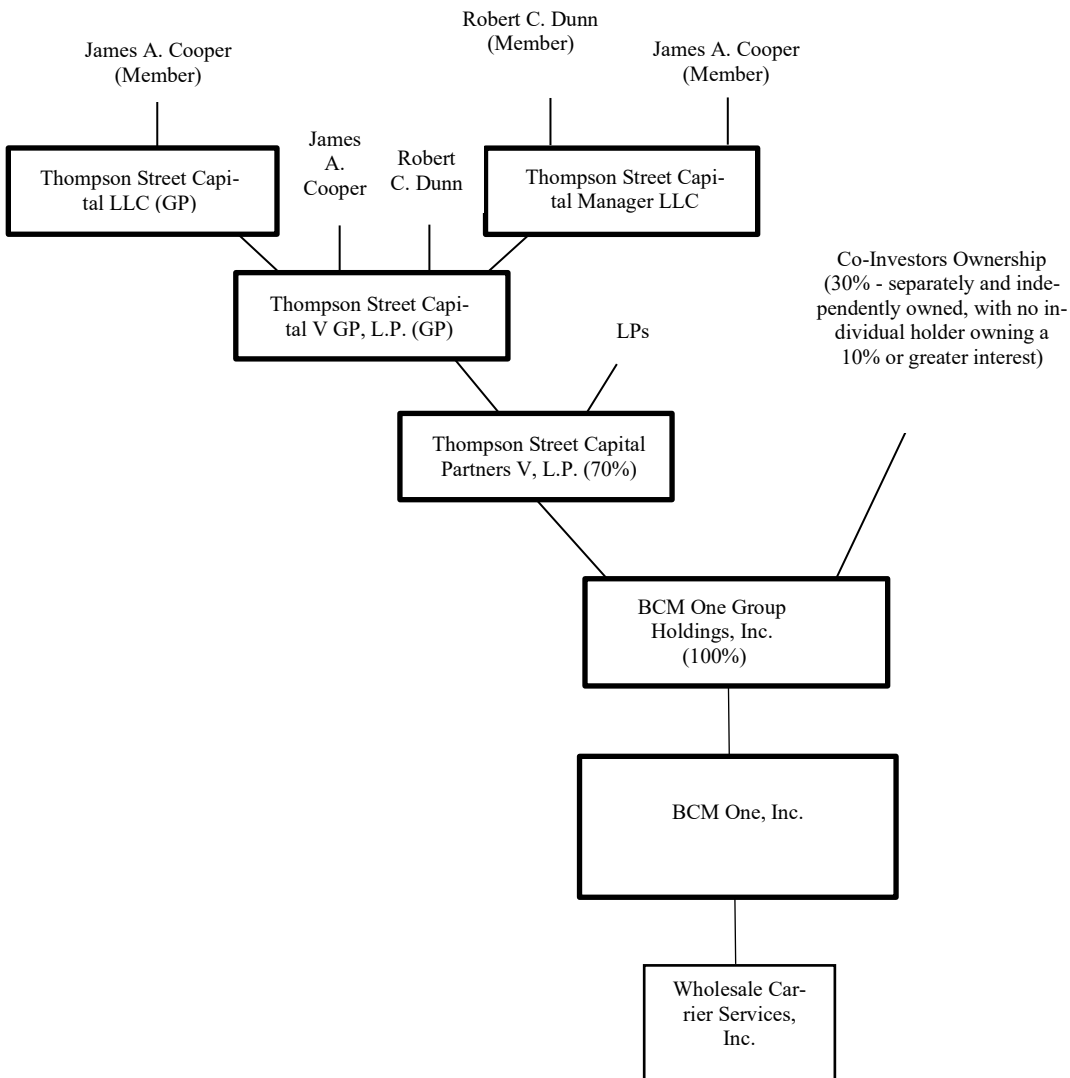


EXHIBIT B

Post-Close Disclosable Ownership of WCS



VERIFICATION

STATE OF NEW YORK §
 §
COUNTY OF MANHATTAN §

I, Geoffrey Bloss, hereby certify as follows:

1. I am Chief Executive Officer of BCM One Group Holdings, Inc.
2. I am familiar with the nature and contents of the foregoing documents.
3. The facts, statements, and representations contained in the foregoing documents, as they pertain to BCM One Group Holdings, Inc., are true and accurate to the best of my knowledge, information, and belief.



Geoffrey Bloss
Chief Executive Officer
BCM One Group Holdings, Inc.

Dated: 3/4/2021

Subscribed and sworn to before me this 4th day of March, 2021

Notary Public: Eileen M. Cohan

My Commission expires: _____

EILEEN M. COHAN	
NOTARY PUBLIC, STATE OF NEW YORK	
Registration No. 02CO6390903	
Qualified in Suffolk County	
Commission Expires	April 22, 20 <u>23</u>

VERIFICATION

STATE OF LOUISIANA §

§

PARISH OF JEFFERSON §

I, Christopher Barton, hereby certify as follows:

- 1. I am President and Chief Executive Officer of Wholesale Carrier Services, Inc.
- 2. I am familiar with the nature and contents of the foregoing documents.
- 3. The facts, statements, and representations contained in the foregoing documents, as they pertain to Wholesale Carrier Services, Inc., are true and accurate to the best of my knowledge, information, and belief.

Chris L. Barton

Christopher Barton
President and Chief Executive Officer
Wholesale Carrier Services, Inc.

Dated: 3/02/21

Subscribed and sworn to before me this 2nd day of MARCH, 2021

Notary Public: *[Signature]*

My Commission expires: AT DEATH

LEON L. NOWALSKY
Notary Public, State of Louisiana
My Commission is issued for life.
Notary Number : 4339