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

Joint Petition of BCM One, Inc. – )  
Referenced To As (“BCM”) )  
and Wholesale Carrier Services, Inc. )  
 (“WCS”) for Approval ) Docket \_\_\_\_\_  
To Obtain Debt Financing )

**JOINT PETITION OF BCM ONE, INC. AND WHOLESALE CARRIER SERVICES,  
INC. FOR APPROVAL TO OBTAIN DEBT FINANCING**

NOW COMES PETITIONERS, BCM One, Inc. (“BCM”) and Wholesale Carrier Services, Inc. (“WCS”), by and through counsel and, pursuant to Section 48:3-9 of the New Jersey Revised Statutes, to hereby petition the State of New Jersey Board of Public Utilities for approval and authority to obtain additional debt financing in the amount of \$150 million. In support of its petition, Petitioner respectfully submits the following:

1. BCM is a corporation duly organized and incorporated under the laws of the State of New York. BCM was issued a Certificate of Convenience and Necessity by the New Jersey Board of Public Utilities on June 8, 2002, to provide competitive local exchange carrier and interexchange carrier telecommunications services in a decision issued in Docket No. TE01050329. The principal office of BCM is located at 295 Madison Avenue, 5th Floor, New York, New York 10017. BCM is engaged in the telecommunications business and operates within the state of New Jersey.
2. WCS is a corporation duly organized and incorporated under the laws of the State of Delaware. WCS has been given authority by the Board to provide resold and facilities-based Unbundled Network Element local exchange telecommunications services throughout the state in a decision issued in Docket No. TE0100880337. The principal

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office of WCS is located at 12350 NW 39th Street, Coral Springs, Florida 33065. WCS is engaged in the telecommunications business and operates within the state of New Jersey.

3. Control of WCS was transferred to BCM One Group Holdings, Inc., the parent company of BCM One, in a Board approved application granted June 24, 2021 in Docket No. TM21030647.
4. BCM obtained approval for debt financing in the amount \$105 million from the Board as part of the acquisition of BCM by BCM One Group Holdings, Inc. *See* Docket No. TM18101120. BCM subsequently obtained approval for debt financing in the amount of \$50 million from the Board in 2019, *See* Docket No. TF19020149, \$200 million in 2020, *See* Docket No. TF0020136, and \$100 million in 2021, *See* Docket No. TF21010036. WCS was added as a co-borrower when acquired by BCM One, an action approved by the Board in Docket No. TM21030647. BCM and WCS subsequently obtained approval for additional debt filing in the amount of \$150 million by the Board in a decision effective March 2, 2022. *See* Docket No. TF21121252.
5. BCM and WCS propose to obtain additional debt financing in the aggregate amount of up to \$150 million to effect the acquisition of complementary entities to BCM One and WCS, either directly or through one or more wholly-owned subsidiaries of BCM One Group Holdings, Inc. It is contemplated that such additional indebtedness would be on similar terms and conditions as set forth in the prior requests for indebtedness filed with the Board and references in paragraph 4.
6. BCM One and WCS will be co-borrowers with BCM One Group Holdings, Inc. and other entities held by BCM One Group Holdings, Inc.

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7. If any of these complementary entities referenced in paragraph 5 have certificates in New Jersey, appropriate authority to acquire such entities will be applied for.
8. The additional debt financing will not disrupt customer service in New Jersey and will not result in a degradation of services. The potential acquisitions funded by the debt financing are intended to position BCM One and WCS for measured growth in the telecommunications market, while also developing improved operating efficiencies, all of which serves the public interest.
9. BCM One currently has 18 employees in New Jersey.<sup>1</sup> The proposed debt financing will not have any adverse effect on their continuing status as employees. BCM One does not provide a pension plan to the employees, but the employees have other retirement benefits that will not be affected by the additional debt financing.
10. WCS currently has no employees in New Jersey. The proposed debt financing will not have any adverse effect on their continuing status as employees. WCS does not provide a pension plan to its employees elsewhere, although such employees have other retirement benefits that will not be affected by the additional debt financing.

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<sup>1</sup> BCM One is headquartered in New York and the increase in telework from COVID-19 has led to more BCM One employees based in New Jersey.

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11. BCM One's unaudited total companywide year to date revenue is \$33,598,970.13. It's New Jersey-specific revenue in 2021 was \$5,174,433. It has New Jersey customers.<sup>2</sup>
12. WCS's unaudited total companywide year to date revenue is \$16,432,301.47. It's New Jersey-specific revenue in 2021 was \$917,023. It has New Jersey customers for regulated services.
13. The projected closing date fees, expenses and other costs of the additional debt financing consist of less than in lender expenses and in legal expenses.
14. Attached hereto is a chart showing the current and pro-forma capital structure reflecting the incurrence of the additional debt financing, which also includes a calculation of the debt-to-equity ratio and the estimated cost of capital, as well as a schedule of the outstanding debt (Ex. 1). In addition, attached hereto are copies of the most recent loan agreement documentation (Ex. 2).<sup>3</sup>
15. The security interests securing BCM's loan agreements cover substantially all of the assets of BCM and the other companies under the BCM One Group Holdings, Inc. umbrella. The maturity date of the current loans and commitments under the senior facility is November 17, 2027. The maturity date of the current loans under the mezzanine facility is November 17, 2028. The interest rate for the senior

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<sup>2</sup> Prior filings have shown a significantly higher number of customers because BCM One was providing individual accounts, not customers. Customers can have multiple accounts.

<sup>3</sup> BCM One and WCS have provided these same most recent agreements in a semi-annual letter filed on November 22, 2021.

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facility is based on a senior secured net leverage ratio determined quarterly. If the senior secured leverage ratio equals or exceeds 3.50 to 1.00, loans bear interest at a rate per annum equal to the base rate plus a margin equal to 3.50% or LIBOR plus a margin equal to 4.50%, as applicable. If the senior secured leverage ratio is less than 3.50 to 1.00, loans bear interest at a rate per annum equal to the base rate plus a margin equal to 3.25% or LIBOR plus a margin equal to 4.25%, as applicable. The interest rate for loans under the mezzanine facility is 10.25% per annum. The foregoing terms are subject to change in subsequent amendments, restatements, supplements and other modifications to the loan agreements. There are no securities being sold in connection with the transactions described herein – security interests are being granted.

16. The most recent annual financial statements for BCM One Group Holdings, Inc. are attached (Ex. 3).
17. The most recent Board of Directors Resolutions for additional debt increases are attached (Ex. 4).
18. A Draft Order and Draft Non-Disclosure Agreement is also attached hereto.
19. BCM One and WCS do not intend to use any of the additional debt to refinance outstanding credit facilities.
20. No franchise, nor right to own, operate, or enjoy any franchise, nor any contract for consolidation or lease is proposed to be capitalized either directly or indirectly in this proceeding.

Wherefore, for the foregoing reasons, the Petitioners respectfully request the Board's approval and authority to obtain additional debt financing in the amount of \$200 million.

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/s/ Marc A. Korman  
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*Counsel for BCM One, Inc. and  
Wholesale Carrier Services, Inc.*

Dated: September 2, 2022

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**VERIFICATION**

I hereby verify that as an authorized signer for BCM One, Inc. and Wholesale Carrier Service, Inc.'s majority owner, BCM One Group Holdings, Inc. BCM One, Inc. and Wholesale Carrier Services, Inc. are authorized to become a co-borrower on an additional debt financing not to exceed \$150 million being undertaken by BCM One, Inc.'s parent company, BCM One Group Holdings, Inc.

It is the intention of BCM One, Inc., Wholesale Carrier Services, Inc., and their parent entities, in good faith, to use the proceeds of the debt financing for the purposes set forth in this petition. The Petitioners shall notify the Board of Public Utilities of any material changes in the proposed financing, consistent with any Board order.



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Brian R. Kornmann  
Director

Date: September 2, 2022