

BINGHAM

Ronald W. Del Sesto, Jr.  
Jeffrey Strenkowski  
r.delsesto@bingham.com  
jeffrey.strenkowski@bingham.com

UTAH PUBLIC  
SERVICE COMMISSION

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October 19, 2011

RECEIVED

Via Overnight Courier

Julie P. Orchard, Secretary  
Public Service Commission of Utah  
Heber M. Well Building, 4th Floor  
160 East 300 South  
Salt Lake City, UT 84111

Docket No. 09-2518-01

RE: Notification of IntelPeer, Inc. of Pro Forma Intra-Corporate Transactions

Dear Ms. Orchard:

IntelPeer, Inc. ("IntelPeer"), by undersigned counsel, hereby notifies the Public Service Commission of Utah ("Commission") of IntelPeer's intention to undertake one or more *pro forma* intra-corporate transactions whereby IntelPeer intends to: (1) insert one or more holding companies between IntelPeer and its current direct shareholders;<sup>1</sup> (2) move IntelPeer's subsidiary, IntelPeer Virginia, Inc.,<sup>2</sup> under the new holding company, making IntelPeer Virginia, Inc. an affiliate of IntelPeer, Inc., rather than a subsidiary of IntelPeer, Inc.; and (3) assign certain assets into one or more affiliates of IntelPeer (the "Transactions").<sup>3</sup> The Transactions are being undertaken in order to allow the company to more expediently and efficiently undertake debt and equity financing transactions in the future, and to separate its various core operations into component parts for better operational management.

It is IntelPeer's understanding that Commission approval is not required to complete the transactions described herein. Accordingly, IntelPeer submits this letter for informational purposes only to ensure the continuing accuracy of the Commission's records. In support, IntelPeer provides the following information:

- Boston
- Frankfurt
- Hartford
- Hong Kong
- London
- Los Angeles
- New York
- Orange County
- San Francisco
- Santa Monica
- Silicon Valley
- Tokyo
- Washington

<sup>1</sup> Although IntelPeer currently intends to insert only one holding company above IntelPeer in the ownership chain, IntelPeer is still reviewing the operational, administrative and tax benefits of various types of company structures and therefore may insert two or more such entities in the ownership chain.

<sup>2</sup> IntelPeer Virginia, Inc. only holds a certificate of authority in Virginia.

<sup>3</sup> Although IntelPeer currently intends to undertake the *pro forma* asset transfer transactions with an affiliate of the company, IntelPeer is still reviewing the operational, administrative and tax benefits of various types of company structures, and as such, may, in the alternative, transfer assets into one or more parent companies, subsidiaries, or affiliates, or a combination thereof.

Bingham McCutchen LLP  
2020 K Street NW  
Washington, DC  
20006-1806

T +1.202.373.6000  
F +1.202.373.6001  
bingham.com

### **Description of IntelPeer, Inc.**

IntelPeer, Inc. is organized under the laws of the State of Delaware and formed on October 31, 2008, with principal offices located at 2855 Campus Drive, Suite 200, San Mateo, CA, 94403. IntelPeer provides communications services using fully managed, hosted, on-demand peering infrastructure to directly exchange voice traffic over IP or legacy TDM networks between any application and any telephony device. In Illinois, IntelPeer is authorized to provide facilities-based and resold telecommunications services pursuant to Commission Order issued in Docket No. 09-2518-01 on March 25, 2010. IntelPeer is also authorized by the Federal Communications Commission ("FCC") to provide international and domestic interstate telecommunications services as a non-dominant carrier.

### **Contact Information**

Questions or inquiries concerning this filing may be directed to:

Ronald W. Del Sesto Jr.	Kristin Manwarren
Jeffrey R. Strenkowski	Corporate Counsel
Bingham McCutchen LLP	Legal & Regulatory Compliance
2020 K Street, NW	IntelPeer, Inc.
Washington, D.C. 20006	2300 15th Street, Suite 100
Tel: (202) 373-6000	Denver, CO 80202
Fax: (202) 373-6001	Tel: (720) 889-9568
r.delsesto@bingham.com	Fax: (720) 889-9595
jeffrey.strenkowski@bingham.com	kmanwarren@intelepeer.com

### **Description of the Pro Forma Intra-Corporate Transactions**

IntelPeer intends to complete a series of *pro forma* intra-corporate transactions. First, one or more holding companies will be inserted between IntelPeer and its current direct shareholders.<sup>4</sup> Second, IntelPeer may move its subsidiary, IntelPeer Virginia, Inc., under the new holding company, making IntelPeer Virginia, Inc. an affiliate of IntelPeer Inc., rather than a subsidiary of IntelPeer, Inc. Finally, IntelPeer intends to assign the legal title of certain assets to one or more affiliates.<sup>5</sup> While IntelPeer continues to review the operational, administrative, and tax benefits of various types of company structures, an organizational chart demonstrating the insertion of a single

<sup>4</sup> Although IntelPeer currently intends to insert only one holding company above IntelPeer in the ownership chain, IntelPeer is still reviewing the operational, administrative and tax benefits of various types of company structures and therefore may insert one or more such entities in the ownership chain.

<sup>5</sup> Although IntelPeer currently intends to undertake the asset transfer transactions with an affiliate of the company, IntelPeer is still reviewing the operational, administrative and tax benefits of various types of company structures, and as such, may, in the alternative, transfer assets to one or more parent companies, subsidiaries, or affiliates, or a combination thereof.

holding company and transfer of assets to an affiliate, as is currently contemplated by IntelPeer, is attached hereto as Exhibit A.

IntelPeer emphasizes that the insertion of the holding company(ies) in the ownership chain will not affect the ultimate ownership of IntelPeer. The current ultimate owners of IntelPeer will remain the same following the insertion of the holding company(ies). As such, the insertion of the holding company(ies) above IntelPeer is purely a *pro forma* transaction, will not affect the day-to-day operations of IntelPeer, and will not affect the ultimate ownership of IntelPeer.

Likewise, the transfer of assets will not result in the transfer of customers or IntelPeer's authority to provide telecommunications services in Utah, and will be undertaken in a manner that is seamless to consumers. While IntelPeer will no longer have legal title to the assets being assigned, IntelPeer will continue to operate those assets through arrangements with the assignee(s) for the continued provision of services to its customers. IntelPeer's customers will continue to be served by IntelPeer following the Transactions. Because the rates, terms and conditions of the services being received by customers will not change as a result of the proposed Transactions, they will be virtually transparent to customers of IntelPeer in terms of the services that those customers receive. The ultimate beneficial ownership of IntelPeer and its assets will not change as a result of the Transactions, and as such, the Transactions are entirely *pro forma* in nature.

As a result of the Transactions, IntelPeer will remain well-qualified to provide service to its customers. IntelPeer's operations will continue to be overseen by the same well-qualified management team with substantial telecommunications experience and technical expertise.

#### **Public Interest Considerations**

The proposed Transactions described above will serve the public interest by ensuring that IntelPeer's customers enjoy continuity of high-quality services. In particular, the *pro forma* insertion of the holding company(ies) and the assignment of assets to one or more affiliates will better enable IntelPeer to undertake equity and debt financing transactions in the future, and will enable the company to allocate its assets into specialized segments to better focus its operations. Customers will continue to receive uninterrupted services, and the Transactions will not result in a transfer of customers or certificates of authority, nor will it change the ultimate ownership of IntelPeer or its assets. Customers will continue to be served by a carrier with significant technical, managerial and financial resources. The Transactions are intended to provide operational flexibility to IntelPeer, and to allow the company to better manage its operations.

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**Conclusion**

Enclosed are an original and eight (8) copy of this letter. Also enclosed is a diskette containing PDF and Word copies of the filing. Please date-stamp the extra copy and return it in the envelope provided. Should you have any questions regarding this filing, please do not hesitate to contact Jeffrey Strenkowski at 202-373-6002.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ronald W. Del Sesto Jr.", written in a cursive style.

Ronald W. Del Sesto Jr.  
Jeffrey R. Strenkowski

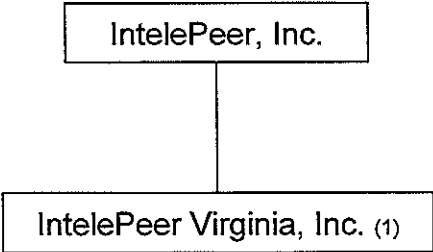
Counsel for IntelePeer, Inc.

**Exhibit A**

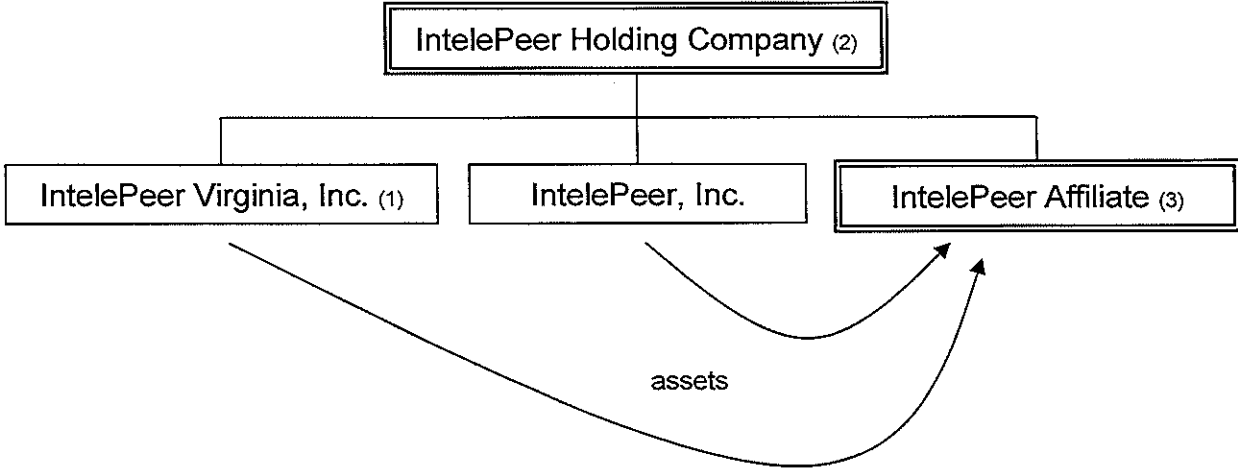
Corporate Organizational Charts

# IntelPeer Organizational Chart

## Pre-Transactions



## Post Transactions



(1) Holds a CPCN in Virginia only

(2) May include one or more holding companies  
(3) May include one or more affiliates

## Verification

**VERIFICATION**

STATE OF CALIFORNIA  
COUNTY OF SAN MATEO


§  
§     ss:  
§

Todd Smith, being duly sworn, deposes and say that I am the Vice President, Corporate Controller, of IntelePeer, Inc.; that I am authorized to make this Verification on behalf of IntelePeer, Inc.; that the foregoing document was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.



\_\_\_\_\_  
Todd Smith  
Vice President, Corporate Controller  
IntelePeer, Inc.

Sworn and subscribed before me this 6<sup>th</sup> day of October, 2011.

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

My commission expires: May 25, 2015

