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**BEFORE THE  
PUBLIC SERVICE COMMISSION OF UTAH**

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In the Matter of the Joint Application of

**MLN TopCo Ltd.,  
Mitel Networks Corporation, and  
Mitel Cloud Services, Inc.  
f/k/a Mitel NetSolutions, Inc.**

for Approval to Transfer Indirect Control of  
Mitel Cloud Services, Inc. to MLN TopCo  
Ltd.

JOINT APPLICATION FOR APPROVAL  
TO TRANSFER INDIRECT CONTROL

Docket No. 18-2480-02

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**JOINT APPLICATION FOR APPROVAL TO TRANSFER CONTROL**

MLN TopCo Ltd. (“TopCo” or “Transferee”); Mitel Networks Corporation (“Mitel” or “Transferor”); and Mitel Cloud Services, Inc. (“MCSI”) (collectively, “Applicants”), through their undersigned counsel, submit this Application pursuant to Utah Code Ann. §§ 54-4-29 and 54-8b-3(1)(b) and the rules of the Public Service Commission of Utah (the “Commission”), including Utah Admin. Code R746-349-7 and R746-110. Applicants request Commission approval to transfer indirect control of MCSI to Transferee (the “Transaction”).<sup>1</sup> In support of this Application, Applicants provide the following information:

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<sup>1</sup> The Parties also note that on April 2, 2018, MCSI and Mitel filed a Notice of the *pro forma* transfer of control of MCSI from Mitel (Delaware), Inc. to Mitel Networks, Inc. (fka ShoreTel, Inc.), resulting from an internal restructuring.

## **I. DESCRIPTION OF THE APPLICANTS**

### **A. Mitel Networks Corporation (Transferor)**

Mitel, a publicly-held Canadian business corporation (NASDAQ: MITL), is a leading global provider of cloud and on-site communications and collaboration solutions for business customers, serving more than 70 million end users around the world. Since 2011, Mitel has fundamentally reoriented its business from an on-site or premise-based unified communications and telephony business to become a diverse global market leader with established positions in next-generation cloud and enterprise markets. These solutions enable customers to realize significant cost benefits and to conduct business more efficiently and effectively by enabling enhanced communications, information sharing and collaboration within a business and with customers, partners and suppliers. Mitel is headquartered in Ottawa, Canada, with offices, partners and resellers worldwide.

### **B. Mitel Cloud Services, Inc.**

MCSI, a Texas corporation and wholly owned indirect subsidiary of Mitel, resells local communications services; domestic and international long-distance services; calling card services; 800 services; dedicated data services; internet, DSL, MPLS services and web voice and videoconferencing; disaster recovery solutions; and network monitoring and management. MCSI resells telecommunications services through its agreements with major U.S. long-distance carriers. In addition, MCSI is licensed as a competitive local exchange and interexchange carrier throughout the United States, and registered as an interconnected VoIP provider and wireless/CMRS reseller in numerous states. MCSI is also a provider of interexchange, CMRS, and VOIP services in the District of Columbia. MCSI was authorized by the Commission to offer public local exchange and interexchange telecommunications services in the state of Utah on July 25, 2007 (Docket No. 07-

2480-01). MCSI is also authorized by the Federal Communications Commission (“FCC”) to provide domestic and international telecommunications services.

Additional information concerning MCSI’s legal, technical, managerial and financial qualifications has been submitted to the Commission with its filings for certification and is therefore already a matter of public record in Docket No. 07-2480-01. Applicants request that the Commission take official notice of these existing descriptions of MCSI’s qualifications and incorporate them by reference herein.

**C. MLN TopCo Ltd. (Transferee)**

TopCo is a Cayman Islands exempted company (an incorporated entity) formed for the purposes of implementing the Transaction. TopCo is a wholly owned subsidiary of Searchlight II MLN, L.P., a Cayman Islands exempted limited partnership and master aggregator of an investor group led by funds affiliated with Searchlight Capital Partners, L.P. (“Searchlight”). Searchlight is a leading private equity investment group and has worked successfully in partnership with leading businesses throughout North America and Europe. Searchlight derives value through thoughtful strategic direction, operational expertise and deep industry knowledge. Searchlight’s funds invest in companies across various sectors, including communications, media, consumer, and business services.

**II. DESIGNATED CONTACTS**

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

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### **III. DESCRIPTION OF THE TRANSACTION**

Pursuant to the Arrangement Agreement (the “Agreement”), dated as of April 23, 2018, by and between Mitel, MLN AcquisitionCo ULC (“MLN”),<sup>2</sup> and TopCo, MLN will acquire all of the issued and outstanding common shares in the capital of Mitel in an all-cash transaction valued at approximately \$2.0 billion, including Mitel’s net debt. Subsequently, Mitel and MLN will amalgamate under Canadian law to form a new combined entity, Mitel Networks ULC (“New Mitel”), a British Columbia unlimited liability company. The shares in Mitel’s U.S. subsidiaries will be

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<sup>2</sup> MLN AcquisitionCo ULC is an unlimited liability company organized under the laws of British Columbia, Canada, formed for purposes of effectuating the Transaction. As described herein, MLN will be amalgamated into New Mitel and will have no separate existence following the completion of the Transaction.

transferred from New Mitel to MLN US HoldCo LLC, a Delaware limited liability company, through a series of steps. As a result, at the closing of the Transaction, MCSI will become a wholly owned indirect subsidiary of TopCo through a number of intermediate holding companies. Diagrams depicting the pre- and post-Transaction corporate ownership structure of MCSI are appended hereto at **Exhibit A**.

After the Transaction closes, Robert Agnes, the current Director, Chairman and President of MCSI, will continue to serve in his existing role. MCSI will continue to be managed and operated by the same officers and personnel, but will be supplemented by management of Transferee. Biographies of key management personnel of Transferee and MCSI are provided as **Exhibit B**. The Transaction will occur entirely at the holding company level and will have no adverse impact on MCSI's customers. MCSI will continue to operate in Utah under its existing certificate of public convenience and necessity without change to its daily management or operations. As such, the Transaction will not result in service disruption, termination, or customer confusion.

#### **IV. INFORMATION REQUIRED BY R746-349-7**

Pursuant to R746-349-7, Applicants provide the following information:

**a. identification that it is not an ILEC,**

Applicants confirm that none of the Applicants or their affiliates serve as an ILEC in Utah.

**b. identification that it seeks approval of the Application pursuant to this rule,**

Applicants confirm that they seek approval of the Application pursuant to the informal adjudication process set forth in this rule.

Applicants further request that the Commission issue a report and order granting this Application without a hearing consistent with Utah Code Ann. § 54-8b-3(1)(b) and R746-110. If Applicants' request for informal adjudication is unopposed, the Application in the present case meets

the conditions of Section 54-8b-3(1)(b) because this matter is not one of the proceedings described in Section 54-1-3(2)(a)<sup>3</sup> and the Applicants have requested that the Application be adjudicated informally. In that situation, the Commission should designate this Application as an informal adjudicative proceeding, presume that approval of the Transaction is in the public interest pursuant to R746-349-7(A)(3), and grant the Application without a hearing.

**c. a reasonably detailed description of the transaction for which approval is sought,**

A reasonably detailed description of the transaction is provided in Section III, above.

**d. a copy of any filings required by the Federal Communications Commission or any other state utility regulatory agency in connection with the transaction, and**

Applicants have filed a Domestic and International Section 214 Application with the FCC. A copy of the Section 214 Application is provided as **Exhibit C**. In connection with this transaction, Applicants also expect to request approval from the public utility regulatory agencies (“PUCs”) in the following jurisdictions: Alaska, California, Colorado, Delaware, the District of Columbia, Georgia, Hawaii, Indiana, Louisiana, Maryland, Minnesota, Mississippi, Nebraska, New Jersey, New York, Ohio, Pennsylvania, Texas, Virginia and West Virginia. Due to the voluminous nature of the state filings, most of which contain the same information, Applicants have only attached as **Exhibit D** a copy of the New York filing requesting approval. Applicants will also provide notice to certain other PUCs. Due to the voluminous and repetitive nature of the notices to be sent to the PUCs, Applicants

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<sup>3</sup> Utah Code Ann. § 54-1-3(2)(a) provides:

The following proceedings shall be heard by at least a majority of the commissioners:

- (i) general rate proceedings to establish rates for public utilities which have annual revenues generated from Utah utility service in excess of \$200,000,000; or
- (ii) any proceeding which the commission determines involves an issue of significant public interest.

Utah Code Ann. § 54-1-3(2)(a) (2016).

have not included copies of the notice filings. Applicants will provide any additional filings or notices at the request of the Commission or the parties to this docket.

- e. **copies of any notices, correspondence or orders from any federal agency or any other state utility regulatory agency reviewing the transaction which is the subject of the Application.**

Applicants have not yet received any notices, correspondence or orders from any federal agency or state PUC reviewing the Transaction. To the extent requested by the Commission, Applicants will forward any orders or similar actions granting or denying the request for approval of transfer of control.

## **V. PUBLIC INTEREST CONSIDERATIONS**

Applicants submit that the Transaction described herein will serve the public interest. MCSI will continue to be managed and operated by the same officers and personnel, but will be supplemented by management of Transferee. The Transaction will provide MCSI with access to Transferee and the Searchlight-managed investor group's financial and operational expertise, permitting MCSI to continue to provide robust unified communications solutions to its customers and to better compete in the telecommunications marketplace. Transferee and its affiliates will seek to build on MCSI's existing assets, support investment in new infrastructure and continue to offer innovative and high-quality services to existing customers.

The proposed Transaction will have no adverse impact on customers and will not alter the nature of the services provided by MCSI or the manner of service delivery or billing. Transferee further intends that MCSI's existing management team will remain in place and that MCSI's managerial, technical and operational standards will be maintained. MCSI will continue to comply with existing contracts and tariffs, as applicable, subject to change in the ordinary course of business and in accordance with applicable law.

**VI. CONCLUSION**

For the foregoing reasons, Applicants submit that the public interest, convenience, and necessity would be furthered by the Transaction described above, and respectfully request that the Commission grant the relief requested in this Application. In order to consummate the Transaction in time to meet critical business objectives, Applicants request that the Commission issue an Order approving the Transaction at the earliest possible date.

Respectfully submitted,

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Dated: May 17, 2018

## **LIST OF EXHIBITS**

EXHIBIT A      Pre- and Post-Transaction Corporate Ownership Structures

EXHIBIT B      Key Management Biographies

EXHIBIT C      FCC Application

EXHIBIT D      New York Application

VERIFICATIONS