



State of Utah
Department of Commerce
Division of Public Utilities

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MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities
Philip Powlick, Director
Bill Duncan, Telecommunications / Water Manager
Ron Slusher, Utility Technical Consultant

Date: November 16, 2010

Re: In the Matter of the Joint Application of TechInvest Holding Company, Inc., Cypress Communications Operating Company, LLC and The Broadvox Holding Company, LLC for Approval of a Transfer of Control of an Authorized Telecommunications Provider, Docket No. 10-2389-01.

RECOMMENDATION (Approve):

The Division has reviewed the joint application and believes that the transfer of control is in the public interest. As a result of the acquisition, Cypress Communications should be in a better position to provide expanded and advanced telecommunications services because of improved financial stability and access to the technical and managerial abilities of the acquiring Company.

EXPLANATION:

On October 19, 2010, TechInvest Holding Company, Inc. ("THC"), Cypress Communications Operating Company, LLC ("Cypress") and The Broadvox Holding Company, LLC ("Broadvox") notified the Commission of a transaction which will result in a transfer of control of Cypress to Broadvox.

Cypress holds a Certificate of Public Convenience and Necessity to provide local and long distance services in the state of Utah. Their certificate was granted on July 22, 2002 in docket number 02-2389-01. Cypress is a limited liability company organized under the laws of Delaware with its principal place of business located at 4 Piedmont Center, Suite 600, 3565 Piedmont Road, Atlanta, Georgia 30305. Cypress provides voice and data telecommunications services as well as unregulated information services to approximately 5,000 small and medium-sized business customers. Cypress offers its customers integrated service bundles that may include local, long distance, and international telecommunications services; toll-free

telecommunications services; high-speed Internet access; voicemail services; e-mail services; unified messaging; firewall services; web hosting; virtual private networks; and audio and web conferencing. Cypress is a wholly-owned subsidiary of Cypress Communications, Inc., a Delaware corporation and a holding company. Cypress Communications, Inc. is a wholly-owned subsidiary of Cypress Communications Holding Company, a Delaware corporation and a holding company. Cypress Communications Holding Company is a wholly-owned subsidiary of THC, which is also a Delaware corporation.

Broadvox is a Delaware limited liability company with its principal place of business at 1228 Euclid Avenue, Suite 390, Cleveland, Ohio 44115. Broadvox is a holding company that operates through its subsidiaries, including BroadvoxGO! LLC. Broadvox, LLC. Brivia Acquisition, LLC., and Origination Technologies, LLC. Another subsidiary, Broadvox-CLEC, LLC. holds licenses and certificates authorizing it to provide telecommunications services in the state of Utah that were issued in docket number 09-2519-01, on February 09, 2010 but does not currently provide any service to any customers.

Broadvox and THC have entered into an agreement pursuant to which a subsidiary of Broadvox will merge with and into THC. THC will survive the merger, and thus, Cypress will become a wholly-owned indirect subsidiary of Broadvox. This change in ultimate control of Cypress will occur at the parent holding company level and will not directly involve the membership interests of Cypress. Further, the applicants state that, the Transaction does not involve a transfer of operating authority, assets or customers, and the process is expected to be seamless to end user customers. Immediately following consummation of the transaction, Cypress will continue to offer the same services, rates, terms and conditions pursuant to its existing authorizations and the only change resulting from the transaction will be that Cypress will be ultimately owned by Broadvox.

The transaction has been structured such that it will be transparent to Cypress's customers in Utah. Following the closing, Cypress will continue as a going concern. The transaction will not affect the rates, terms or conditions under which Cypress provides service in Utah, and will not cause disruption in the services received by Cypress customers in Utah.

The Applicants state that although the transaction will not change the services provided to Cypress's customers, the Applicants expect that the transaction will improve their business operations. Specifically, Cypress will benefit from the highly qualified and experienced management and financial resources provided by Broadvox. Furthermore, the Applicants submit that the transaction will provide Cypress access to significant additional resources which will benefit its customers.

The Applicants submit that the transfer of control described herein will serve the public interest. Cypress will continue to provide local and long distance telecommunications services to the citizens of Utah as it has to this date. Cypress's operations will remain customer service oriented. The Applicants believe the transaction will enhance the ability of Cypress to expand its

respective operations both in terms of service area coverage and offerings to customers of more products and services.

cc: Joan M. Griffin, Counsel for Cypress Communications
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John A. Harwood, Vice President/General Counsel, Cypress Communications
Alexander E. Gertsburg, Vice President/General Counsel, Broadvox, Inc.
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