

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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In the Matter of the Global Capacity Group, )  
Inc., Global Capacity Direct, LLC f/k/a ) DOCKET NO. 11-2539-02  
Vanco Direct USA, LLC Transfer of Assets ) ORDER APPROVING  
to GC Pivotal, LLC ) TRANSFER OF ASSETS  
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ISSUED: April 20, 2011

By The Commission:

This matter is before the Commission on the application of Global Capacity Group, Inc., Global Capacity Direct, LLC f.k.s Vanco Direct USA, LLC (Applicants) petition to transfer assets to GC Pivotal, LLC (GC Pivotal). On April 11, 2011, the Division of Public Utilities (Division) submitted its recommendation, suggesting the Commission approve the application. The Division found as follows:

Global Capacity Group, Inc is a Texas corporation with principal offices located at 200 South Wacker Drive, Suite 1650, Chicago, Illinois 60606. They're currently registered as a toll reseller in the state of Utah. Global Capacity Group, Inc. is a direct, wholly-owned subsidiary of GC Holdco, which in turn is a wholly-owned subsidiary of Capital Growth Systems, Inc.

Global Capacity Direct, LLC f/k/a Vanco Direct USA, LLC is a Delaware corporation with principal offices located at 200 South Wacker Drive, Suite 1600, Chicago, Illinois 60606. They are currently registered as a toll reseller in the state of Utah. Global Capacity Group, Inc. is a direct, wholly-owned subsidiary of GC Holdco, which in turn is a wholly-owned subsidiary of Capital Growth Systems, Inc.

GC Pivotal, LLC is a Delaware limited liability company with principal offices located at 3200 East Camelback Road, Suite 295, Phoenix, Arizona 85018. GC Pivotal is a newly formed operating company that was formed to facilitate the ability of its indirect parent, FFN Investments, LLC, to acquire the telecommunications assets currently held by Global Capacity Group, Inc and then operate those assets. FFN Investments, LLC, is an Arizona limited liability company with principal offices located at 3200 East Camelback Road, Suite 295, Phoenix, Arizona 85018. FFN Investments, LLC, is the direct 100% parent of Pivotal Global Capacity, LLC ("Pivotal Holdco") which in turn owns 100% of

Pivotal. FFN Investments, LLC, is a management company owned and controlled by a series of trusts formed for the benefit of F. Francis Najafi and his family members.

On March 14, 2011, GC Pivotal, LLC applied for a Certificate of Public Convenience and Necessity to Provide Resold and Facilities-Based Local Exchange Telecommunications Service within the State of Utah Docket No. 11-2539-01. The Division filed a recommendation on March 24, 2011 with the Commission for asking for approval of their application.

The Commission approved GC Pivotal's application for CPCN.

On January 26, 2011, the Bankruptcy Court for the District of Delaware approved the sale of all the assets of the jointly-administered applicants (debtors in the Bankruptcy Court) to GC Pivotal, LLC. GC Pivotal informed the Commission that it intended to emerge from bankruptcy on May 17, 2011 and desired to have the Commission approve the transfer of assets by that time.

The Division also found that the transfer of assets will not disrupt or impair service to customers, or impair facilities used to provide that service, or impact the rates, terms, or conditions as presently set. Nor will the transfer of control have any significant effect on day-to-day operations. Procedures related to billing, repairs, and customer complaints will also stay the same. The Applicants and GC Pivotal will send a notice to customers containing notice of the change.

The Division found that the approval of the Application was in the public interest. Transfer of assets will allow the new company to emerge from bankruptcy and be financially stronger, allow it to expand its service offerings to a broader customer base, and further allow competition to benefit Utah consumers.

DOCKET NO. 11-2539-02

-3-

Utah Admin. Code R746-110-1 allows the Commission to adjudicate a matter informally when the Commission “determines that the matter can reasonably be expected to be unopposed and uncontested.” This matter has been unopposed and there has been no opposition lodged to the application. The Commission finds it should be adjudicated informally. Further, the Commission finds there exists good cause to waive the 20-day tentative period of 746-110-2.

ORDER

1. This matter is converted to an informal proceeding;
2. The application for transfer of control of assets is approved;
3. The approval granted here is effective as of the issuance of this order;
4. Pursuant to Sections 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this Order by filing a written request with the Commission within 30 days after the issuance of this Order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission does not grant a request for review or rehearing within 20 days after the filing of the request, it is deemed denied. Judicial review of the Commission’s final agency action may be obtained by filing a petition for review with the Utah Supreme Court within 30 days after final agency action. Any petition for review must comply with the requirements of Sections 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

DOCKET NO. 11-2539-02

-4-

DATED at Salt Lake City, Utah, this 20<sup>th</sup> day of April, 2011.

/s/ Ruben H. Arredondo  
Administrative Law Judge

Approved and confirmed this 20<sup>th</sup> day of April, 2011, as the Order Approving  
Transfer of Assets of the Public Service Commission of Utah.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard  
Commission Secretary  
G#72159