

Exhibit 1
Federal Communications Commission Application and
Approval of Transfer of Control

X5 Solutions, Inc. and X5 OpCo LLC
Joint Application for Transfer
Public Service Commission of Utah

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the matter of the Joint Application of)
)
X5 SOLUTIONS, INC. and X5 PDX, LLC,)
Transferors)
)
And)
)
X5 OPCO LLC, Transferee)
) WCB Docket No. 14- _____
For Authority Pursuant to Section 214 of)
The Communications Act of 1934, as amended)
And Section 63.04 of the Commission's Rules)
to Complete the Sale and Transfer of)
Assets and Customers of Transferors to)
Transferee)

**JOINT APPLICATION FOR
SALE AND TRANSFER OF ASSETS AND CUSTOMERS**

Richard F. Reynolds
President and Chief Executive Officer
X5 Solutions, Inc.
X5 PDX, LLC
1301 Fifth Ave.
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and

Walter P. Maner
Chairman
X5 OpCo LLC
c/o NewSpring Holdings LLC
555 E. Lancaster Ave, Suite 444
Radnor, PA 19087
Telephone: 610.567.2380

December 29, 2014

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the matter of the Joint Application of)
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X5 SOLUTIONS, INC. and X5 PDX, LLC,)
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For Authority Pursuant to Section 214 of)
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And Section 63.04 of the Commission’s Rules)
to Complete the Sale and Transfer of Assets)
and Customers of Transferors to Transferee)

**JOINT APPLICATION FOR
SALE AND TRANSFER OF ASSETS AND CUSTOMERS**

X5 Solutions, Inc. (“X5”) and X5 PDX, LLC (“X5 PDX; together with X5, collectively, the “Transferors”) and X5 OpCo LLC (“X5 OpCo” or “Transferee,” jointly, “Applicants”), pursuant to Section 214 of the Communications Act, as amended,¹ and Sections 63.03 and 63.04 of the “Commission’s rules,”² hereby request approval for the sale and transfer of assets and customers (“Transfer”), authorizing Transferee to acquire substantially all of the assets and business of Transferors. The domestic Section 214 authorizations currently held by Transferors will transferred and assigned to Transferee following approval and consummation of the proposed Transfer.

This Transfer entails the acquisition of substantially all of the assets and business of Transferors by a non-telecommunications provider. Following the grant of the proposed

¹ 47 U.S.C. §214.
² 47 C.F.R. §§63.03 and 63.04.

Transfer, Transferee will operate the assets of Transferors and will continue to provide domestic telecommunications services to commercial end user subscribers, wholesale telecommunications customers and interconnecting carriers. The Transferors' current name, employees, service rates, terms, and conditions will be maintained by Transferee under new corporate ownership (after the transaction is consummated, X5 OpCo intends to change its name to X5 Solutions LLC). The Transaction will provide additional capitalization enabling Transferee to innovate, expand operations and generally increase competitiveness. The Transaction will be entirely transparent to Transferors' subscribers and customers.

After the Transfer has been completed, Transferors will no longer provide regulated telecommunications services or IP-enabled services. As a result, Transferors request that they be allowed to withdraw from the telecommunications market. Not later than 30 days before the Transfer from the Transferor to the Transferee, the Applicants shall provide written notice to affected subscribers consistent with 47 C.F.R. § 64.1120(e)(3). Such notice will be provided to the Commission.

Applicants respectfully submit that this Joint Application is eligible for presumptive streamlined processing under Section 63.03(b)(1)(ii) of the Commission's rules because the Transferee is not a telecommunications provider.³ This Joint Application also is entitled to streamlined processing under Section 63.03(b)(2)(i) of the Commission's rules because, immediately following the transaction: (a) the Applicants and their affiliates combined will hold less than a ten percent (10%) share of the interstate, interexchange market, (b) the Applicants and their affiliates would provide competitive telephone exchange services exclusively in geographic

³ 47 C.F.R. § 63.03(b)(1)(ii).

areas served by a dominant local exchange carrier that is not a party to the transaction, and (c) neither the Applicants nor their affiliates are dominant with respect to any service.⁴

In support of this Joint Application, Applicants state as follows:

I. DESCRIPTION OF THE APPLICANTS

A. X5 Solutions, Inc. and X5 PDX, LLC (“Transferors”)

X5 is a Seattle, Washington-based privately-held corporation organized under the laws of the State of Washington in 2004. X5 PDX is a Seattle, Washington-based privately-held limited liability company organized under the laws of the State of Washington in 2002. Transferors provide local exchange and domestic interexchange telecommunications services primarily to commercial and governmental institution subscribers, wholesale telecommunications network facilities and services to carriers, and switched exchange access services to interconnecting carriers in the States of Washington, Oregon and Utah. X5 PDX provides services primarily in the State of Oregon. X5 and X5 PDX are authorized to provide interstate service by virtue of general domestic Section 214 authority pursuant to Section 63.01.⁵ Neither X5 nor X5 PDX offer international service and do not maintain international Section 214 service authority.

B. X5 OpCo LLC (“Transferee”)

X5 OpCo LLC (“X5 OpCo”) is a limited liability company formed under the laws of the State of Delaware in 2014. X5 OpCo is a wholly owned subsidiary of X5 Holdings LLC (“X5 Holdings”) which, in turn, is owned 97.6% by NewSpring Holdings LLC (“NewSpring”). X5 OpCo has been formed specifically to effect the proposed Transfer. NewSpring is a limited

⁴ 47 C.F.R. § 63.03(b)(2)(i).

⁵ 47 C.F.R. §63.01.

liability company organized under the laws of the State of Delaware. NewSpring is a private equity fund that seeks to partner with successful business owners and management teams to grow profitable businesses. Neither X5 OpCo, X5 Holdings or NewSpring currently provide telecommunications services. After consummation of the Transfer, X5 OpCo will manage Transferors' operations and business under its current organization.

II. INFORMATION REQUIRED BY SECTION 63.04.

1. The name, address and telephone number of each applicant (47 C.F.R. §§63.04(a)(1);

Transferors:

X5 Solutions, Inc. FRN: 0011317278
X5 PDX, LLC FRN: 0008333056
1301 Fifth Ave.
Suite # 2301
Seattle, WA 98101
Telephone: 206.973.5800
Email: info@X5Solutions.com

Transferee:

X5 OpCo LLC FRN: 0024178360
c/o NewSpring Holdings LLC
555 E. Lancaster Ave, Suite 444
Radnor, PA 19087
Telephone: 610.567.2380
Email: smaner@newspringcapital.com

2. The government, state, or territory under the laws of which each corporate or partnership applicant is organized 47 C.F.R. §§63.04(a)(2);

X5 is a corporation and X5 PDX is a limited liability company, both of which are organized under the laws of the State of Washington. X5 OpCo is a limited liability company organized under the laws of the State of Delaware.

3. **The name, title, post office address, and telephone number of the officer or contact point, such as legal counsel, to whom correspondence concerning the Joint Application is to be addressed 47 C.F.R. §§63.04(a)(3);**

Correspondence regarding this Joint Application should be addressed to:

For Transferors:

Barbara Meyer
Controller
X5 Solutions, Inc.
X5 PDX, LLC
1301 Fifth Ave.
Suite # 2301
Seattle, WA 98101
Telephone: 206.973.5800
Email: bmeyer@x5solutions.com

With a copy to:

Andrew O. Isar
Regulatory Consultant
Miller Isar, Inc.
4423 Point Fosdick Drive, NW
Suite 306E
Gig Harbor, WA 98335
Telephone: 253.851.6700
Email: aisar@millerisar.com

For Transferee:

Walter P. Maner
Chairman
X5 OpCo LLC
c/o NewSpring Holdings LLC
555 E. Lancaster Ave, Suite 444
Radnor, PA 19087
Telephone: 610.567.2380
Email: smaner@newspringcapital.com

With a copy to:

Thomas J. Navin, Esq.
Wiley Rein LLP
1776 K Street, NW
Washington, DC 20006
Telephone: 202.719.7487
Email: tnavin@wileyrein.com

- 4. The name, address, citizenship and principal business of any person or entity that directly or indirectly owns at least ten (10) percent of the equity of the applicant, and the percentage of equity owned by each of those entities (to the nearest one (1) percent) 47 C.F.R. §§63.04(a)(4);**

A. Transferors:

Richard F. Reynolds and Nancy Reynolds, husband and wife, both U.S. citizens, own 100% of X5 Solutions, Inc. Their address follows below:

1301 Fifth Ave.
Suite # 2301
Seattle, WA 98101

The following own a 10% or greater interest in X5 PDX, LLC:

Richard F. Reynolds (U.S. citizen): 59.09%
Kenneth R. Poorman (U.S. citizen): 18.18%
Frank Williamson (U.S. citizen): 14.20%

Their addresses follow below:

Richard F. Reynolds
1301 Fifth Ave.
Suite # 2301
Seattle, WA 98101

Kenneth R. Poorman
3037 S.W. Scholls Ferry Road
Portland, OR 97221

Frank Williamson
2174 Long Street
West Linn, OR 97068

No other individual or entity has a direct or indirect 10% or greater interest in X5 PDX.

B. Transferee:

X5 OpCo LLC is owned 100% by:

X5 Holdings LLC
c/o NewSpring Holdings LLC
555 E. Lancaster Ave, Suite 444
Radnor, PA 19087
Delaware Limited Liability Company

X5 Holdings LLC is owned 97.6% by:

NewSpring Holdings LLC
555 E. Lancaster Ave, Suite 444
Radnor, PA 19087
Delaware Limited Liability Company

The following own a 10% or greater interest in NewSpring Holdings LLC:

John M. Surgent (U.S. citizen): 18.52%
549 S. Waterloo Road
Devon, PA 19333

KCT Investment Partnership (“KCT”): 18.52%
237 W. Lancaster Avenue, Suite 221
Devon, PA 19333
Attn: Christian Surgent

KCT is a general partnership organized under the laws of the Commonwealth of Pennsylvania and is owned 33-1/3% each by Katharine Lusch, Christian Surgent and Thomas Surgent, each U.S. citizens with an address at 237 W. Lancaster Avenue, Suite 221, Devon, PA 19333.

The operations of NewSpring Holdings LLC are managed by NewSpring Holdings Management Company LLC (“NSHMC”). NSHMC is a Delaware limited liability company with its address at 555 E. Lancaster Avenue, Suite 444, Radnor, PA 19087. NSHMC reports to a five-person Board of Managers of NewSpring Holdings LLC consisting of James Ashton, Gregory Case, Michael DiPiano, John M. Surgent and Walter P. Maner. All of these individuals are U.S. citizens. Messrs. Ashton, Case, DiPiano and Maner have an address at 555 E. Lancaster Avenue, Suite 444, Radnor, PA 19087. Mr. Surgent has an address at 549 S. Waterloo Road, Devon, PA 19333.

No other individual or entity has a direct or indirect 10% or greater interest in X5 OpCo LLC.

5. Certification pursuant to §§1.2001 through 1.2003 of this chapter that no party to the joint application is subject to a denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988. See 21 U.S.C. 853 47 C.F.R. §§63.04(a)(5).

By their signatures below, Applicants certify that no party to the instant Joint Application is subject to a denial of Federal benefits that includes Commission benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988. Applicants certify that this certification is true, complete, and correct to the best of their knowledge and belief, and are made in good faith.

(6) A description of the transaction 47 C.F.R. §§63.04(a)(6);

Transferors seek to sell, and Transferee seeks to acquire, substantially all of the assets and business of Transferors as an ongoing operation. Under the terms of the proposed acquisition, Transferors will sell the entirety of their interest in operational assets, customer and supplier contracts, and the transfer of all personnel to Transferee. Following the grant of the proposed Transfer, Transferee will operate the assets and business of Transferors and will continue to provide domestic telecommunications services to commercial subscribers, wholesale carrier customers, and interconnecting carriers, and otherwise operate under Transferors' current name, organization, and service rates, terms, conditions and authority. The Transaction will provide Transferee with additional capitalization needed to innovate, expand operations and generally increase competitiveness. The Transaction will be entirely transparent to Transferors' subscribers and wholesale customers.

(7) A description of the geographic areas in which the Transferors and Transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area 47 C.F.R. §§63.04(a)(7);

Transferors provide local exchange and domestic interexchange telecommunications services primarily to commercial and governmental institution subscribers, wholesale telecommunications network facilities and services to carriers, and switched exchange access

services to interconnecting carriers in the States of Washington, Oregon and Utah. X5 PDX provides services primarily in the State of Oregon.

Transferee does not currently provide telecommunication services.

- (8) **A statement as to how the Joint Application fits into one or more of the presumptive streamlined categories in this section or why it is otherwise appropriate for streamlined treatment** 47 C.F.R. §§63.04(a)(8);

Applicants respectfully request authority under the Commission's presumptive streamlined application procedures for transfer pursuant to Section 63.03(b) of the Commission's rules. Transferee is not a telecommunications service provider. Further, following approval and consummation of the proposed Transaction, Transferee will have a market share of less than ten percent (10%) in the interstate, interexchange market, and provide competitive telephone exchange services and exchange access services exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction. Neither Transferors nor Transferee is dominant with respect to any service provided.

- (9) **Identification of all other Commission applications related to the same transaction** 47 C.F.R. §§63.04(a)(9);

Applicants make no other applications to the Commission related to this Transaction.

- (10) **A statement of whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure** 47 C.F.R. §§63.04(a)(10);

Neither Applicant is facing imminent business failure.

- (11) **Identification of any separately filed waiver requests being sought in conjunction with the transaction** 47 C.F.R. §§63.04(a)(11); and

There are no separately filed waiver requests being sought in conjunction with this Transaction.

- (12) A statement showing how grant of the Joint Application will serve the public interest, convenience and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets 47 C.F.R. §§63.04(a)(12).**

Applicants submit that the Transaction is consistent with the public interest. The Transaction will provide additional capitalization needed by Transferee to expand services and operations, and enhance Transferee's ability to provide competitive telecommunications services to the public. Further, Transferee's broad management experience will enable it to explore new innovative service opportunities and provide added value to Transferors' subscribers and customers. The proposed transfer does not raise any competitive concerns. The only impact of the proposed transaction is that Transferee will obtain access to increased resources that will result in a stronger, more capable and robust company, capable of pursuing opportunities formerly foreclosed to Transferors.

The Transaction will be entirely transparent to subscribers and customers. The Transaction will not result in any immediate change in service rates, terms, and conditions, and will not result in the discontinuance, reduction, loss, or impairment of service to subscribers or customers.

The public interest will also be served by expeditious consideration and approval of the Transaction. The proposed Transaction seeks to strengthen the competitive capabilities of the business being transferred to Transferee. Delays in obtaining regulatory approval could impede the initiatives planned following consummation of the Transaction. Such delays could further create uncertainty and risk to Company subscribers, customers, and employees.

For the foregoing reasons, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of the instant Joint Application.

Applicants respectfully request streamlined and expedited treatment to permit Applicants to consummate the proposed transaction as soon as possible.

Respectfully submitted,

/s/ Richard F. Reynolds

Richard F. Reynolds
President and Chief Executive Officer
X5 Solutions, Inc.
X5 PDX, LLC
1301 Fifth Ave.
Suite # 2301
Seattle, WA 98101
Telephone: 206.973.5800

and

/s/ Walter P. Maner

Walter P. Maner
Chairman
X5 OpCo LLC
c/o NewSpring Holdings LLC
555 E. Lancaster Ave, Suite 444
Radnor, PA 19087
Telephone: 610.567.2380

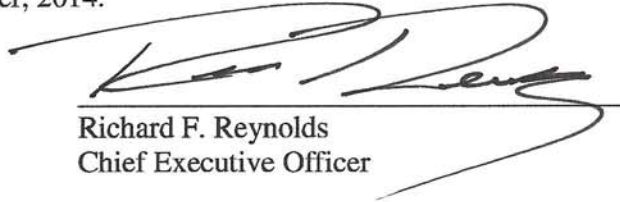
Dated: December 29, 2014

CERTIFICATION

I, Richard F. Reynolds, Chief Executive Officer of X5 Solutions, Inc. and its affiliate, X5 PDX, LLC, hereby certify under penalty of perjury that I am authorized to make this Certification on behalf of X5 Solutions, Inc. and X5 PDC, LLC, the Transferors in the foregoing Joint Application. I further certify that the information in the foregoing Joint Application as it pertains to the Transferors is true and accurate to the best of my knowledge, and that the Transferors are not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. §853(a), as amended.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 29th day of December, 2014.



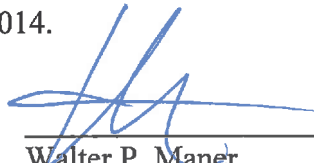
Richard F. Reynolds
Chief Executive Officer

CERTIFICATION

I, Walter P. Maner, Chairman of X5 OpCo LLC, hereby certify under penalty of perjury that I am authorized to make this Certification on behalf of X5 OpCo LLC, the Transferee in the foregoing Joint Application. I further certify that the information in the foregoing Joint Application as it pertains to the Transferee is true and accurate to the best of my knowledge, and that the Transferee is not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. §853(a), as amended.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 29th day of December, 2014.



Walter P. Maner
Chairman



PUBLIC NOTICE

Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

DA 15-334
March 16, 2015

NOTICE OF DOMESTIC SECTION 214 AUTHORIZATIONS GRANTED

WC Docket Nos. 15-27; 14-268

The Wireline Competition Bureau (Bureau) has granted the applications listed in this notice pursuant to the Commission's streamlined procedures for domestic section 214 transfer of control applications, 47 C.F.R. § 63.03. The Bureau has determined that grant of these applications serves the public interest.¹ For purposes of computation of time when filing a petition for reconsideration or application for review, or for judicial review of the Commission's decision, the date of "public notice" shall be the release date of this notice.²

Domestic Section 214 Application Filed for the Transfer of Control of Pinnacles Telephone Company to Steven R. Bryan, Jr., WC Docket No. 15-27, Public Notice, DA 15-199 (rel. Feb. 11, 2015).

Effective Grant Date: March 14, 2015

Domestic Section 214 Application Filed for the Acquisition of Certain Assets of X5 Solutions, Inc. and X5 PDX, LLC by X5 OpCo LLC, WC Docket No. 14-268, Public Notice, DA 15-216 (rel. Feb. 13, 2015).

Effective Grant Date: March 16, 2015

For further information, please contact Myrva Freeman at (202) 418-1506 or Dennis Johnson at (202) 418-0809, Competition Policy Division, Wireline Competition Bureau.

-FCC-

¹ *Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations*, CC Docket No. 01-150, Report and Order, 17 FCC Rcd 5517, 5529, para. 22 (2002).

² *Id.*; see 47 C.F.R. § 1.4 (Computation of time).