



State of Utah
Department of Commerce
Division of Public Utilities

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Executive Director

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GARY HERBERT.
Governor
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MEMORANDUM

To: Public Service Commission

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

Date: June 07, 2018

Re: 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.
Docket No. 18-2480-02.

RECOMMENDATION (Allow):

The Division of Public Utilities (“Division”) has reviewed the joint application between Mitel Cloud Services, Inc. f/k/a Mitel NetSolutions, Inc. and MLN TopCo Ltd and believes that the public interest will be promoted by recommending that the Public Service Commission (“Commission”) allow the this Transfer of Indirect Control. As a result of the acquisition, the Companies should be in a better position to provide expanded and advanced telecommunications services in the State of Utah.

The Division expects that based on history that a filing of this type and with the information submitted by the company there will be no objections or opposition to this recommendation. Therefore, the Division request that this docket be adjudicated informally in accordance with R746-110-1.

EXPLANATION:

On or about May 18, 2018, Mitel Cloud Services, Inc. f/k/a Mitel NetSolutions, Inc. (“Mitel”) and MLN TopCo Ltd (“MLN”) (together the “Applicants”) notified the Commission of a transaction, which will result in a transfer of control of Mitel to MLN.

Mitel Cloud Services, Inc. f/k/a Mitel NetSolutions, Inc. is a corporation Texas corporation headquartered at 1146 North Alma School Road, Mesa, AZ 85201. Mitel is a wholly-owned subsidiary of Mitel Networks Corporation. Mitel is authorized to provide public telecommunications services in the State of Utah by the Commission on July 25, 2007, Docket No. 07-2480-01.

MLN TopCo, Ltd. is a Cayman Islands exempted company (an incorporated entity) formed for the purposes of implementing the Transaction. MLN 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 Capital Partners, L.P. funds invest in companies across various sectors, including communications, media, consumer, and business services.

On or about April 23, 2018 the Applicants entered into an agreement whereby MLN TopCo, LTD will acquire all the assets and debt of Mitel Networks Corporation. As a result of the transaction, Mitel will become a subsidiary of MLN. Mitel will continue to be managed and operated by the same officers and personnel, but will be supplemented by management of MLN. Mitel 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.

The Applicants submit that the transaction described herein will serve the public interest. The Applicants expect that the merger will enable the combined entities to better meet the needs of enterprises, wholesale buyers, and other customers. The transaction will bring together two successful carrier organizations that have proven themselves in a highly competitive marketplace. The transaction will help create a stronger competitor by bringing together each organization's respective strengths.

The Applicants further submit that the transaction will be conducted in a manner that will be largely transparent their customers. The transaction will not result in a change of carrier for customers or any assignment of authorizations, and in no event will it result in the discontinuance, reduction, loss, or impairment of service to customers.

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Justin Jetter, Assistant Attorney General, State of Utah
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