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Please Date Stamp & Return

Jean L. Kiddoo  
Brett P. Ferenchak  
jean.kiddoo@bingham.com  
brett.ferenchak@bingham.com

September 17, 2010

Via Overnight Delivery

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Wireline Competition Bureau Applications  
P.O. Box 979091  
St. Louis, MO 63197-9000

**Re: In the Matter of the Joint Application of Cavalier Telephone Corp.,  
Transferor, Cavalier Telephone, LLC, Cavalier Telephone Mid-Atlantic, LLC,  
Talk America, Inc., Talk America of Virginia, Inc., LDMI  
Telecommunications, Inc., Network Telephone Corp., The Other Phone  
Company, Inc. and Intellifiber Networks, Inc., Licensees, and PAETEC  
Holding Corp., Transferee, for Grant of Authority Pursuant to Section 214 of  
the Communications Act of 1934, as amended, and Sections 63.04 and 63.24 of  
the Commission's Rules to Complete a Transfer of Indirect Majority  
Ownership of the Cavalier Licensees to PAETEC Holding Corp.**

Dear Ms. Dortch:

On behalf of PAETEC Holding Corp., Cavalier Telephone Corp., Cavalier Telephone, LLC, Cavalier Telephone Mid-Atlantic, LLC, Talk America, Inc., Talk America of Virginia, Inc., LDMI Telecommunications, Inc., Network Telephone Corp., The Other Phone Company, Inc., and Intellifiber Networks, Inc. (collectively, the "Applicants"), enclosed please find an original and six (6) copies of an application for approval to complete the transfer of control of the Cavalier Licensees to PAETEC Holding Corp. Pursuant to Section 63.04(b) of the Commission's rules, Applicants submit this filing as a combined domestic section 214 assignment application and international section 214 assignment application ("Combined Application").

Also enclosed is a completed Fee Remittance Form 159 containing a valid credit card number and expiration date for payment, in the amount of \$1,015.00; to the Federal Communications Commission, which satisfies the filing fee required for this Combined Application under line 2.b of Section 1.1105 of the Commission's Rules. Applicants are simultaneously submitting for filing the Combined Application with the International Bureau through the MyIBFS Filing System.

Please date-stamp the enclosed extra copy of this filing and return it in the envelope provided. Please direct any questions regarding this filing to the undersigned.

Respectfully submitted,



Jean L. Kiddoo  
Brett P. Ferenchak

Counsel for PAETEC Holding Corp.

A/73504741.1

- Boston
- Hartford
- Hong Kong
- London
- Los Angeles
- New York
- Orange County
- San Francisco
- Santa Monica
- Silicon Valley
- Tokyo
- Washington

Bingham McCutchen LLP  
2020 K Street NW  
Washington, DC  
20006-1806

T +1.202.373.6000  
F +1.202.373.6001  
bingham.com

READ INSTRUCTIONS CAREFULLY  
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION  
REMITTANCE ADVICE  
FORM 159

Approved by OMB  
3060-0589  
Page No. 1 of 2

(1) LOCKBOX # 979091		SPECIAL USE ONLY	
		FCC USE ONLY	
SECTION A - PAYER INFORMATION			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) <b>PAETEC Holding Corp.</b>		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) <b>\$1,015.00</b>	
(4) STREET ADDRESS LINE NO. 1 <b>c/o Bingham McCutchen LLP</b>			
(5) STREET ADDRESS LINE NO. 2 <b>2020 K Street, NW</b>			
(6) CITY <b>Washington</b>		(7) STATE <b>DC</b>	(8) ZIP CODE <b>20006</b>
(9) DAYTIME TELEPHONE NUMBER (include area code) <b>202-373-6000</b>		(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) <b>0016331985</b>		(12) FCC USE ONLY	
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME <b>Cavaller Telephone, LLC</b>			
(14) STREET ADDRESS LINE NO. 1 <b>2134 West laburnum Avenue</b>			
(15) STREET ADDRESS LINE NO. 2			
(16) CITY <b>Richmond</b>		(17) STATE <b>VA</b>	(18) ZIP CODE <b>23227</b>
(19) DAYTIME TELEPHONE NUMBER (include area code) <b>267-803-4002</b>		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) <b>0003757275</b>		(22) FCC USE ONLY	
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE <b>CUT</b>	(25A) QUANTITY <b>1</b>	
(26A) FEE DUE FOR (PTC) <b>\$1,015.00</b>	(27A) TOTAL FEE <b>\$1,015.00</b>	FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2	
SECTION D - CERTIFICATION			
CERTIFICATION STATEMENT I, <u>M. Renee Britt</u> , certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.			
SIGNATURE <u>M. Renee Britt</u>		DATE <u>9/17/2010</u>	
SECTION E - CREDIT CARD PAYMENT INFORMATION			
MASTERCARD _____ VISA <input checked="" type="checkbox"/> AMEX _____ DISCOVER _____			
ACCOUNT NUMBER <u>PAID BY CREDIT CARD</u>		EXPIRATION DATE <u>08/2012</u>	
I hereby authorize the FCC to charge my credit card for the services described.			
SIGNATURE <u>William Haas</u>		DATE <u>9/17/2010</u>	

FEDERAL COMMUNICATIONS COMMISSION  
REMITTANCE ADVICE (CONTINUATION SHEET)  
FORM 159-C

Page No 2 of 2

SPECIAL USE  
FCC USE ONLY

USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT  
SECTION BB - ADDITIONAL APPLICANT INFORMATION

(13) APPLICANT NAME  
**PAETEC Holding Corp.**

(14) STREET ADDRESS LINE NO. 1  
**One PAETEC Plaza**

(15) STREET ADDRESS LINE NO. 2  
**600 Willowbrook Office Park**

(16) CITY  
**Fairport**

(17) STATE  
**NY**

(18) ZIP CODE  
**14450**

(19) DAYTIME TELEPHONE NUMBER (include area code)  
**585-340-2500**

(20) COUNTRY CODE (if not in U.S.A.)

FCC REGISTRATION NUMBER (FRN) REQUIRED

(21) APPLICANT (FRN)  
**0016331985**

(22) FCC USE ONLY

COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET

(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY
(28A) FCC CODE 1	(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE 1	(29B) FCC CODE 2	
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY
(28C) FCC CODE 1	(29C) FCC CODE 2	
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY
(28D) FCC CODE 1	(29D) FCC CODE 2	
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY
(28E) FCC CODE 1	(29E) FCC CODE 2	
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY
(28F) FCC CODE 1	(29F) FCC CODE 2	



sees”) (Cavalier and Cavalier Licensees collectively, the “Cavalier Entities”) (PAETEC and the Cavalier Entities collectively, the “Applicants”), pursuant to Section 214 of the Communications Act, as amended (the “Act”), 47 U.S.C. § 214, and Sections 63.04 and 63.24 of the Commission’s Rules, 47 C.F.R. §§ 63.04 & 63.24, respectfully request Commission approval or such authority as may be necessary or required for the transfer of indirect control of the Cavalier Licensees to PAETEC. Although the proposed transaction will result in a change in the ultimate ownership of the Cavalier Licensees, no transfer of authorizations, assets or customers will occur as an immediate consequence of the proposed transaction. The Cavalier Licensees will continue to provide service to their existing customers pursuant to their authorizations under the same rates, terms and conditions. Accordingly, this transaction will have no effect on the rates, terms and conditions of service of the customers of the Cavalier Licensees.

In support of this Application, Applicants state as follows:

**I. REQUEST FOR STREAMLINED PROCESSING**

Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Section 63.03 and 63.12 of the Commission's Rules, 47 C.F.R. §§ 63.03 & 63.12. This Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transaction, (a) the Transferee (including its affiliates, as that term is defined in Section 3(1) of the Act) will have a market share in the interstate, interexchange market of less than 10 percent (10%); (b) the Transferee (and its affiliates) will provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction; and (c) none of the Applicants (or their affiliates) are dominant with respect to any service.

With respect to international authority, this Application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission’s Rules, 47 C.F.R. §63.12(a)-(b). In

particular, none of the exclusionary criteria set forth in Section 63.12(c) apply as described more fully in Section V below. Accordingly, this Application qualifies for streamlined processing pursuant to Section 63.12 of the Commission's Rules.

## **II. DESCRIPTION OF THE APPLICANTS**

### **A. PAETEC Holding Corp. and the PAETEC Entities**

PAETEC is a publicly traded Delaware corporation (NASDAQ GS: PAET) with principal offices located at One PAETEC Plaza, 600 Willow Brook Office Park, Fairport, New York 14450. PAETEC, through its operating subsidiaries, has a presence in 84 of the nation's top 100 MSAs, delivering communications solutions to business customers in 46 states and the District of Columbia. Additional information regarding PAETEC, including its most recent SEC Form 10-Q, as filed with the Securities and Exchange Commission, is available at [www.paetec.com/investors](http://www.paetec.com/investors). A pre-transaction corporate structure chart for PAETEC is provided as part of Exhibit A.

PAETEC's regulated operating subsidiaries include PaeTec Communications, Inc. ("PCI"), PaeTec Communications of Virginia, inc. ("PCI-VA"), McLeod USA Telecommunications Services L.L.C. d/b/a PAETEC Business ("PAETEC Business"), US LEC Communications, LLC d/b/a PAETEC Business ("PAETEC-Comm"), US LEC of Alabama, LLC d/b/a PAETEC Business ("PAETEC-AL"), US LEC of Florida, LLC d/b/a PAETEC Business ("PAETEC-FL"), US LEC of Georgia, LLC d/b/a PAETEC Business ("PAETEC-GA"), US LEC of Maryland, LLC d/b/a PAETEC Business ("PAETEC-MD"), US LEC of North Carolina, LLC d/b/a PAETEC Business ("PAETEC-NC"), US LEC of Pennsylvania, LLC d/b/a PAETEC Business ("PAETEC-PA"), US LEC of South Carolina, LLC d/b/a PAETEC Business ("PAETEC-SC"), US LEC of Tennessee, LLC d/b/a PAETEC Business ("PAETEC-TN") and US LEC of Virginia, LLC d/b/a PAETEC Business ("PAETEC-VA") (collectively, the "PAETEC Licensees"). The PAETEC

Licenses each hold blanket a domestic Section 214 authorization and hold or operate under the international Section 214 authorization of US LEC LLC<sup>1</sup> as described below.

**B. The Cavalier Entities**

The Cavalier Licensees are wholly-owned indirect subsidiaries of Cavalier Telephone Corporation (“Cavalier”), a Delaware corporation. For the Commission’s reference, a pre-transaction corporate structure chart that includes the various intermediate holding companies and subsidiaries between each of the Cavalier Entities and Cavalier is provided as part of Exhibit A. CavTel is a Virginia limited liability company; CavTel-MA is a Delaware limited liability company; TA is a Pennsylvania corporation; TA-VA is a Virginia corporation; LDMI is a Michigan corporation; NTC is a Florida corporation; TOPC is a Florida corporation; and Intellifiber is a Virginia corporation. Cavalier and the Cavalier Entities have their principal business offices at 2134 West Laburnum Avenue, Richmond, Virginia 23227. Through its various operating subsidiaries, including the Cavalier Entities, Cavalier owns and manages a high-capacity fiber network spanning 20 Midwest, Southeast, Northeast, and Rocky Mountain states. This fiber network contains approximately 13,000 intercity route miles and approximately 4,000 metro route miles. Cavalier provides telecommunications services and solutions to business, consumer, and government customers.

Each of the Cavalier Licensees holds a blanket domestic Section 214 authorization, except for TA-VA, which provides only intrastate telecommunications services in Virginia. TA, LDMI, TOPC, NTC and Intellifiber also hold international Section 214 authorizations. CavTel holds a registration for a C-band license receive-only earth station located in Richmond, VA (IB

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<sup>1</sup> US LEC LLC is a Delaware limited liability and wholly owned subsidiary of PCI. PAETEC-Comm, PAETEC-AL, PATEC-FL, PAETEC-GA, PAETEC-MD, PAETEC-NC, PAETEC-PA, PAETEC-SC, PAETEC-TN and PAETEC-VA and are each a direct subsidiary of US LEC LLC.

File No. SES-REG-20050921-01309; Call Sign E050268). Intellifiber holds a Basic International Telecommunications Services (“BITS”) license, granted by the Canadian Radio-television and Telecommunications Commission (“CRTC”), to provide international service in Canada, and is registered with the CRTC as a non-facilities-based reseller of telecommunications services.<sup>2</sup> Intellifiber holds its BITS license and registration was granted to Intellifiber under its previous name, Elantic Telecom Inc.

## **II. DESCRIPTION OF THE TRANSACTION**

Pursuant to the Agreement and Plan of Merger, dated as of September 12, 2010, by and among PAETEC, Cairo Acquisition Corp. (“MergerCo”) (an indirect, wholly-owned subsidiary of PAETEC created for purposes of the transaction),<sup>3</sup> Cavalier, and the Stockholder Representative (the “Agreement”), MergerCo will merge with and into Cavalier, with Cavalier continuing as the surviving entity (the “Merger”).<sup>4</sup> As a result of the Merger, the Cavalier Entities will become wholly owned indirect subsidiaries of PAETEC. Thus, PAETEC will become the new ultimate parent company of Cavalier and the Cavalier Licensees. Diagrams depicting the Merger and the pre- and post-transaction corporate structures of the companies are appended hereto as Exhibit A.

The current customers of the Cavalier Licensees will remain customers of those entities following the Merger. Accordingly, the Merger will be virtually seamless to customers, who will continue to enjoy the same rates, terms and conditions of service as they do prior to closing. The

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<sup>2</sup> The Cavalier Licensees will file foreign carrier affiliation notifications pursuant to Section 63.11 of the Commission’s Rules with respect to Intellifiber’s operations in Canada within the next two weeks.

<sup>3</sup> MergerCo is a direct wholly-owned subsidiary of PAETEC Corp., a Delaware corporation and direct wholly-owned subsidiary of PAETEC.

<sup>4</sup> There will be no change in the current ownership of PAETEC and its subsidiaries as a result of the Merger.

only change resulting from the Merger will be that Cavalier and the Cavalier Licensees will be ultimately owned by PAETEC, a widely-held public corporation.

PAETEC is managerially, technically, and financially well-qualified to become the new ultimate owner of the Cavalier Licensees. As noted above, subsidiaries of PAETEC currently provide local exchange and/or interexchange telecommunications services in 46 states and the District of Columbia. For additional detail on the financial and managerial qualifications of PAETEC, please see [www.paetec.com](http://www.paetec.com). The Cavalier Licensees will therefore continue to have the managerial, technical and financial qualifications to provide high quality telecommunications services supported by experienced PAETEC management. The Cavalier Licensees will also be supported by the financial resources of PAETEC.

**IV. INFORMATION REQUIRED BY SECTION 63.24(e)**

Pursuant to Section 63.24(e)(3) of the Commission's Rules, the Applicants submit the following information requested in Section 63.18 (a)-(d) and (h)-(p) in support of this Application:

**(a) Name, address and telephone number of each Applicant:**

Transferor:

**Cavalier Telephone Corporation**                      FRN: 0015562069  
2134 West Laburnum Avenue  
Richmond, Virginia 23227  
Tel. (267) 803-4002

Licensees:

<b>Cavalier Telephone, LLC</b>	FRN: 0003757275
<b>Cavalier Telephone Mid-Atlantic, LLC</b>	FRN: 0015799133
<b>Talk America, Inc.</b>	FRN: 0004319430
<b>Talk America of Virginia, Inc.</b>	FRN: 0015669492
<b>LDMI Telecommunications, Inc.</b>	FRN: 0004371043
<b>Network Telephone Corp.</b>	FRN: 0004071262
<b>The Other Phone Company, Inc.</b>	FRN: 0004346706
<b>Intellifiber Networks, Inc.</b>	FRN: 0013102439

2134 West Laburnum Avenue  
Richmond, Virginia 23227  
Tel. 267-803-4002

Transferee:

<b>PAETEC Holding Corp.</b>	FRN: 0016331985
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One PAETEC Plaza  
600 Willow Brook Office Park  
Fairport, New York 14450  
Tel. 585-340-2500

**(b) Jurisdiction of Organizations:**

Transferor: Cavalier is a Delaware corporation.

Licensees: CavTel is a Virginia limited liability company.  
CavTel-MA is a Delaware limited liability company.  
TA is a Pennsylvania corporation.  
TA-VA is a Virginia corporation.  
LDMI is a Michigan corporation.  
NTC is a Florida corporation.  
TOPC is a Florida corporation.  
Intellifiber is a Virginia corporation.

Transferee: PAETEC is a Delaware corporation.

(c) (Answer to Question 10) Correspondence concerning this Application should be sent to:

For PAETEC:

Jean L. Kiddoo  
Brett P. Ferenchak  
Bingham McCutchen LLP  
2020 K Street, N.W., Suite 1100  
Washington, DC 20006-1806  
202-373-6000 (tel)  
202-373-6001 (fax)  
jean.kiddoo@bingham.com  
brett.ferenchak@bingham.com

with a copy to:

William A. Haas  
Vice President of Public Policy & Regulatory  
PAETEC Holding Corp.  
One Martha's Way  
Hiawatha, IA 52233  
319-790-7295 (tel)  
william.haas@paetec.com

For the Cavalier Entities:

Brad E. Mutschelknaus  
Melissa S. Conway  
Kelley Drye & Warren LLP  
3050 K Street NW, Suite 400  
Washington, DC 20007  
202-342-8539 (tel)  
202-342-8451 (fax)  
bmutschelknaus@kelleydrye.com  
mconway@kelleydrue.com

with a copy to:

Frances E. McComb  
General Counsel; EVP- Law & Public Policy  
Cavalier Telephone  
2134 West Laburnum Avenue  
Richmond, VA 23227  
267-803-4349 (tel)  
femccomb@cavtel.com

**(d) Section 214 Authorizations**

Transferor: Cavalier does not hold any domestic or international Section 214 authority, but controls the Cavalier Licensees, which hold such authorizations.

Licensees: Each Cavalier Licensee, except TA-VA, holds blanket domestic Section 214 authority pursuant to 47 C.F.R. §63.01. The Cavalier Licensees also hold the following international Section 214 authorizations:

TA holds an international Section 214 authorization to resell service of other common carriers to provide switched service from the United States to international points, as granted in IB File No. ITC-214-19960119-00025 (Old File No. ITC-96-053).

LDMI holds an international Section 214 authorization to resell service of common carriers to international points, as granted in IB File No. ITC-214-19940517-00169 (Old File No. ITC-94-330).

TOPC holds an international Section 214 authorization to provide global or limited global resold international services, as granted in IB File No. ITC-214-19980501-00289 (Old File No. ITC-98-336).

NTC holds an international Section 214 authorization to provide global or limited global resold international services, as granted in IB File No. ITC-214-19981228-00911.

Intellifiber holds an international Section 214 authorization to provide global and limited global facilities-based and resold services, as granted in IB File No. ITC-214-20020730-00389.

Transferee: PAETEC does not hold any domestic or international Section 214 authority, but controls the PAETEC Licensees, which hold such authorizations. Each PAETEC Licensee holds domestic Section 214 Authority. And the following PAETEC Licensees hold or operate under the following international Section 214 authorizations:

PCI holds an international Section 214 authorization to provide global facilities-based and global resale services, as granted in IB File No. ITC-214-19980925-00658.

PAETEC-NC holds an international Section 214 authorization to provide global resale services, as granted in IB File No. ITC-214-19970220-00101.

PAETEC-GA, PAETEC-TN, PAETEC-VA, PAETEC-FL, and PAETEC-SC hold an international Section 214 authorization to provide global resale services, as granted in IB File No. ITC-214-19970929-00589.

US LEC LLC<sup>5</sup> holds an international Section 214 authorization global or limited global facilities-based and resale services, as granted in FCC File No. ITC-214-19990303-00104. PAETEC-Comm, PAETEC-MD, PAETEC-AL, and PAETEC-PA provide international services pursuant to the international Section 214 authorization of their parent company, US LEC LLC.

PAETEC Business holds an international Section 214 authorization to provide global resale services, as granted in IB File FCC File No. ITC-214-19930827-00153 (Old IB File No. ITC-93-311).

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<sup>5</sup> US LEC LLC does not provide any telecommunications services itself, but holds an international Section 214 authorization pursuant to which certain of its subsidiaries provide international telecommunications services.

(h) (Answer to Questions 11 & 12) The following entities hold, directly or indirectly a ten percent (10%) or greater interest<sup>6</sup> in Applicants as calculated pursuant to the Commission ownership attribution rules for wireline and international telecommunications carriers:<sup>7</sup>

Pre-and Post-Transaction Direct Ownership of Cavalier Licensees:

A. CavTel and CavTel-MA

The following entity holds a ten percent (10%) or greater direct interest in **Cavalier Telephone Mid-Atlantic, LLC**:

Name: Cavalier Telephone, LLC  
Address: 2134 West Laburnum Avenue  
Richmond, Virginia 23227  
Citizenship: U.S.  
Principal Business: Telecommunications  
% Interest: 100% (directly in CavTel-MA)

The following entities hold a ten percent (10%) or greater direct interest in **Cavalier Telephone Mid-Atlantic, LLC** and direct or indirect interest in **Cavalier Telephone, LLC**:

Name: CavTel Holdings LLC (“CavTel-Holdings”)  
Address: 2134 West Laburnum Avenue  
Richmond, Virginia 23227  
Citizenship: U.S.  
Principal Business: Holding Company  
% Interest: 100% (directly in CavTel and indirectly in CavTel-MA through CavTel)

Name: Cavalier Telephone Company  
Address: 2134 West Laburnum Avenue  
Richmond, Virginia 23227  
Citizenship: U.S.  
Principal Business: Holding Company  
% Interest: 100% (indirectly in CavTel-MA and CavTel as the 100% direct owner of CavTel-Holdings)

<sup>6</sup> Unless otherwise indicated, the ownership interests provided herein represent both equity and voting interests.

<sup>7</sup> While the Commission’s rules for combined domestic and international applications require this information only for the assignee/transferee, see 47 C.F.R. §§ 63.04(b), 63.24(3)(2), Applicants are providing ownership information for both parties.

B. TA, TA-VA, LDMI, NTC, and TOPC

The following entity holds a ten percent (10%) or greater direct interest in **LDMI Telecommunications, Inc.:**

Name: Talk America, Inc.  
Address: 2134 West Laburnum Avenue  
Richmond, Virginia 23227  
Citizenship: U.S.  
Principal Business: Telecommunications  
% Interest: 100% (directly in LDMI)

The following entities hold a ten percent (10%) or greater direct or indirect interest in **Network Telephone Corp.:**

Name: NT Corporation  
Address: 2134 West Laburnum Avenue  
Richmond, Virginia 23227  
Citizenship: U.S.  
Principal Business: Holding Company  
% Interest: 100% (directly in NTC)

Name: Talk America, Inc.  
Address: 2134 West Laburnum Avenue  
Richmond, Virginia 23227  
Citizenship: U.S.  
Principal Business: Telecommunications  
% Interest: 100% (indirectly in NTC as the 100% direct owner of NT Corporation)

The following entity holds a ten percent (10%) or greater direct interest in **The Other Phone Company, Inc.:**

Name: Access One Communications Corp. ("Access One")  
Address: 2134 West Laburnum Avenue  
Richmond, Virginia 23227  
Citizenship: U.S.  
Principal Business: Holding Company  
% Interest: 100% (directly in TOPC)

The following entities hold a ten percent (10%) or greater in indirect interest in **LDMI Telecommunications, Inc.**, **Network Telephone Corp.** and **The Other Phone Company, Inc.** and direct or indirect interest in **Talk America, Inc.** and **Talk America of Virginia, Inc.**:

Name: Talk America Holdings, Inc. ("TA-Holdings")  
Address: 2134 West Laburnum Avenue  
Richmond, Virginia 23227  
Citizenship: U.S.  
Principal Business: Holding Company  
% Interest: 100% (directly in TA and TA-VA; indirectly in LDMI and NTC through TA; and indirectly in TOPC as the 100% direct owner of Access One)

Name: CavTel Holdings LLC  
Address: 2134 West Laburnum Avenue  
Richmond, Virginia 23227  
Citizenship: U.S.  
Principal Business: Holding Company  
% Interest: 100% (indirectly in TA, TA-VA, LDMI, NTC and TOPC as the 100% direct owner of TA-Holdings)

Name: Cavalier Telephone Company  
Address: 2134 West Laburnum Avenue  
Richmond, Virginia 23227  
Citizenship: U.S.  
Principal Business: Holding Company  
% Interest: 100% (indirectly in TA, TA-VA, LDMI, NTC and TOPC as the 100% direct owner of CavTel-Holdings)

C. **Intellifiber**

The following entities hold a ten percent (10%) or greater direct or indirect interest in **Intellifiber Networks, Inc.**:

Name: Elantic Networks, Inc. ("Elantic")  
Address: 2134 West Laburnum Avenue  
Richmond, Virginia 23227  
Citizenship: U.S.  
Principal Business: Holding Company  
% Interest: 100% (directly in Intellifiber)

Name: CavTel Holdings LLC  
 Address: 2134 West Laburnum Avenue  
 Richmond, Virginia 23227  
 Citizenship: U.S.  
 Principal Business: Holding Company  
 % Interest: 100% (indirectly in Intellifiber as the 100% direct owner of Elantic)

Name: Cavalier Telephone Company  
 Address: 2134 West Laburnum Avenue  
 Richmond, Virginia 23227  
 Citizenship: U.S.  
 Principal Business: Holding Company  
 % Interest: 100% (indirectly in Intellifiber as the 100% direct owner of CavTel-Holdings)

**Pre-Transaction Direct Ownership of Cavalier:**

The following entities hold a ten percent (10%) or greater direct or indirect equity ownership in **Cavalier Telephone Corporation**:

<b>Name/Address</b>	<b>% Held</b>	<b>Citizenship</b>	<b>Principal Business</b>
(i) M/C Venture Partners IV L.P. c/o MC Venture Partners 75 State Street, Suite 2500 Boston, MA 02109	22.27%	USA	Investment
(ii) M/C Venture Partners V L.P. c/o MC Venture Partners 75 State Street, Suite 2500 Boston, MA 02109	29.99%	USA	Investment
(iii) Banc America Capital Investors SBIC I, L.P. c/o Banc of America Capital Investors 100 North Tryon Street 25th Floor Charlotte, NC 28255	17.22%	USA	Investment
(iv) KDZ Holdings, LLC 2134 West Laburnum Avenue Richmond, VA 23227	14.74%	USA	Investment

**M/C Venture Partners IV L.P.**

M/C Venture Partners IV L.P. ("MCVPIV") is a Delaware limited partnership. The sole general partner of MCVPIV is M/C VP IV LLC, a Massachusetts limited liability com-

pany. In turn, M/C VP IV LLC is controlled by the following individuals all of whom have their principal place of business at 75 State Street, Suite 2500, Boston, MA 02109:

<b>Name</b>	<b>Citizenship</b>	<b>Positional Interest</b>	<b>Percentage of Votes<sup>8</sup></b>
James F Wade	U.S.A.	Class A Member and Manager	50%
David D. Croll	U.S.A.	Class A Member and Manager	30%
Mathew J. Rubbins	U.S.A.	Class A Member and Manager	20%

M/C Venture Partners V L.P.

M/C Venture Partners V L.P. ("MCVPV") is a Delaware limited partnership. The sole general partner of MCVPV is M/C VP V LLC, a Massachusetts limited liability company. In turn, M/C VP V LLC is controlled by the following individuals all of whom have their principal place of business at 75 State Street, Suite 2500, Boston, MA 02109:

<b>Name</b>	<b>Citizenship</b>	<b>Positional Interest</b>	<b>Percentage of Votes<sup>9</sup></b>
James F Wade	U.S.A.	Class A Member and Manager	37.5%
David D. Croll	U.S.A.	Class A Member and Manager	18.9%
Mathew J. Rubbins	U.S.A.	Class A Member and Manager	9.5%
John W. Watkins	U.S.A.	Class A Member and Manager	22.7%
John O. Van Hooser	U.S.A.	Class A Member and Manager	11.4%

<sup>8</sup> In addition, M/C VP IV LLC has the following Class B Members (with no voting rights): Peter H.O. Cloudy, John P. Ward, Neil N. Sheth, Joseph S. Monaco, Russell T. Pyle, and Peter A. Schober. With the exception of Mr. Schober, who is a citizen of Austria, all Class B Members are US citizens. Non-US citizens hold less than 3% of the company.

<sup>9</sup> In addition, M/C VP V LLC has the following Class B Members (with no voting rights): Peter H.O. Cloudy, John P. Ward, Neil N. Sheth, Joseph S. Monaco, Russell T. Pyle, Brian M. Clark, Edward J. Keele, David D. Croll, Peter A. Schober and Adrian Bachmann. With the exception of Mr. Schober, who is a citizen of Austria, and Mr. Bachmann, who is a citizen of Switzerland, all Class B Members are US citizens. Non-US citizens hold less than 3% of the company.

Banc America Capital Investors SBIC I, L.P.

Banc America Capital Investors SBIC I, L.P. ("BACI") is a Delaware limited partnership. The general partner of BACI is Bank of America Capital Management SBIC, LLC a Delaware limited liability company. BA SBCI Sub, Inc. a Delaware corporation holds 99.5% of BACI's limited partnership interests. BA SBCI Sub, Inc. is a wholly-owned subsidiary of Bank of America Bank N.A., which in turn is wholly-owned by the Bank of America Corporation, a Delaware corporation engaged in banking and financial services activities with its principal place of business at 100 North Tryon Street, Charlotte, NC 28255. Bank of America's capital is widely-held; its shares are publicly traded on the New York Stock Exchange under the ticker symbol BAC.

KDZ Holdings, LLC

KDZ Holdings, LLC ("KDZ") is a Delaware limited liability company. Mr. Brad Evans is the managing member of KDZ and has a ten percent (10%) membership interest in KDZ. Breanne Evans, Darrin Evans, Kirk Evans, and Kyle Evans (the "Evans Shareholders") each holds a 22.5% membership interest in KDZ. The Evans Shareholders are U.S. citizens and their business address is 2134 West Laburnum Avenue, Richmond, VA 23227.

Except as set forth above, to Cavalier's knowledge, no other person or entity owns or controls a ten percent (10%) or more direct or indirect interest in Cavalier or the Cavalier Licensees prior to the consummation of the Merger.

Post-Transaction Direct Ownership of Cavalier:

Upon consummation of the transaction, the following entity will hold a ten percent (10%) or greater direct or indirect equity ownership in **Cavalier Telephone Corporation**:

Name:	PAETEC Holding Corp.
Address:	One PAETEC Plaza 600 Willow Brook Office Park Fairport, New York 14450
Citizenship:	U.S.
Principal Business:	Holding Company
% Interest:	100% (directly in Cavalier)

Pre-and Post-Transaction Direct Ownership of PAETEC Holding Corp.

The following entity holds a ten percent (10%) or greater direct or indirect interest in PAETEC Holding Corp.:

Name:	Columbia Wanger Asset Management, L.P. ("CWAM")
Address:	227 West Monroe Street, Suite 3000 Chicago, IL 60606
Citizenship:	U.S.
Principal Business:	Investment
% Interest:	10.7% (directly in PAETEC and as an advisor to an entity (or entities) that directly hold(s) an interest in PAETEC) <sup>10</sup>

PAETEC Holding Corp. is a publicly held corporation. Except as stated above, to the PAETEC's knowledge, no other person or entity directly or indirectly owns or controls a ten percent (10%) or more interest in PAETEC Holdings Corp.

Except for an interlocking directorate with Intellifiber, to PAETEC's knowledge, the Applicants will not have any interlocking directorates with a foreign carrier upon completion of the Merger.

(i) (Answer to Question 14) The Transferee certifies that following consummation of the Merger, (i) it will not be a foreign carrier within the meaning of 63.09(d) of the Commission's Rules, 47 C.F.R. §63.09(d); and (ii) it will become affiliated, within the meaning of the Commission's Rules, with Intellifiber, a foreign carrier in Canada.

(j) (Answer to Question 15) The Transferee certifies that through the acquisition of control of the Cavalier Licensees, it does not seek to provide international telecommunications

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<sup>10</sup> CWAM is disclosed herein based upon its filing of an SEC Form 13G indicating that as of December 31, 2009 it serves as an investment advisor and as such beneficially (as defined by the SEC) owns 10.7 percent of PAETEC. According to its SEC filing, CWAM's reported aggregate 10.7 percent ownership is a beneficial interest, of which it reports that 8.14 percent is held by Columbia Acorn Trust, a Massachusetts business trust that holds 8.14 percent of the shares of PAETEC, and is advised by CWAM. PAETEC has no direct knowledge of the ownership structure of CWAM but notes that according to a disclosure note on what appears to be the website of one of its affiliates that it was acquired by Ameriprise Financial, Inc. ("Ameriprise") on April 30, 2010. See <http://www.columbiamanagement.com/choice>. According to its SEC Form 10-K, Ameriprise is a publicly traded (NYSE: AMP) Delaware corporation with its headquarters located at 1099 Ameriprise Financial Center, Minneapolis, Minnesota 55474. Ameriprise is in the financial services business.

services to any country where (i) PAETEC is a foreign carrier; (ii) PAETEC controls a foreign carrier, except in Canada, where PAETEC will control Intellifiber; (iii) any entity that owns more than 25% of PAETEC, or controls PAETEC, controls a foreign carrier in that country; or (iv) two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate more than 25% of PAETEC and are parties to, or the beneficiaries of, a contractual relationship affecting the provision or marketing of international basic telecommunications services in the United States.

(k) Canada is a member of the World Trade Organization.

(l) See response to item (m), below.

(m) PAETEC qualifies for a presumption of non-dominant treatment on the US-Canada route post-close pursuant to Section 63.10(a)(3) of the Commission's Rules because its foreign carrier affiliate in Canada, Intellifiber, lacks 50 percent market share in the international transport and local access markets on the foreign end of the route and thus lacks sufficient market power on the foreign end to adversely affect competition in the U.S. market. As noted previously, Intellifiber holds a BITS license in Canada to provide international service and is registered as a non-facilities-based reseller of telecommunications services with the CRTC.

(n) PAETEC certifies that it has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.

(o) Applicants certify that they are not subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998. *See* 21 U.S.C. § 853a; *see also* 47 C.F.R. §§ 1.2001-1.2003.

(p) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission's Rules, 47 C.F.R. §63.12(a)-(b). Post-close, PAETEC will be affiliated with a foreign carrier in Canada, but as demonstrated in item (m) above, PAETEC qualifies for a presumption of non-dominance under Section 63.10(a)(3) on this route. On all other routes, PAETEC will not be affiliated with any foreign carrier. Finally, PAETEC is not affiliated with any dominant U.S. carrier.

#### **VI. INFORMATION REQUIRED BY SECTION 63.04**

Pursuant to Section 63.04(b) of the Commission's Rules, 47 C.F.R. § 63.04(b), Applicants submit the following information in support of their request for domestic Section 214 authority in order to address the requirements set forth in Section 63.04(a)(6)-(12) of the Commission's Rules:

(a)(6) A description of the proposed Transaction is set forth in **Section II** above.

(a)(7) (i) Cavalier does not provide domestic telecommunications services. However, Cavalier controls the Cavalier Licensees which provide such services.

(iv) CavTel provides local and long distance telecommunications services in Virginia. CavTel-MA provides local and long distance telecommunications services in Delaware, the District of Columbia, Maryland, New Jersey, and Pennsylvania. TA provides local and long distance telecommunications services in Alabama, Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Jersey, New York, New Mexico, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Washington and Wisconsin. TA-VA provides local and long distance telecommunications services in Virginia. LDMI provides local and long distance telecommunications services in California, Florida, Georgia, Illinois, Indiana, Maryland, Massachusetts,

Michigan, New Jersey, New York, New Mexico, North Carolina, Ohio, Pennsylvania, Texas and Wisconsin. NTC provides local and long distance telecommunications services in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee. TOPC provides local and long distance telecommunications services in Alabama, Florida, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee. Intellifiber provides local and long distance telecommunications services in Connecticut, Delaware, District of Columbia, Florida, Georgia, Illinois, Indiana, Maryland, Massachusetts, Michigan, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Virginia and West Virginia.

(iii) PAETEC does not provide domestic telecommunications services. However, PAETEC controls the PAETEC Licensees which provide such services.

(iv) At least one of the PAETEC Licensees is authorized to provide and provides local exchange and/or interexchange in the District of Columbia and all states except Alaska and Hawaii.

(a)(8) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Sections 63.03 of the Commission's Rules, 47 C.F.R. §63.03. In particular, with respect to domestic authority, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transaction, (a) the Transferee (including its affiliates, as that term is defined in Section 3(1) of the Act) will have a market share in the interstate, interexchange market of less than ten percent (10%); (b) the Transferee (and its affiliates) will provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction; and (c) none of the Applicants (or their affiliates) are dominant with respect to any service.

**(a)(9)** CavTel holds a registration for a C-band receive-only earth station located in Richmond, VA (IB File No. SES-REG-20050921-01309; Call Sign E050268). CavTel will file the necessary notification with the Commission with respect to that registration.

**(a)(10)** No party is requesting special consideration because it is facing imminent business failure.

**(a)(11)** Not applicable.

**(a)(12)** Applicants submit that the transaction described herein will serve the public interest. Under new ownership, the Cavalier Licensees will continue to provide high-quality telecommunications services to consumers, while gaining access to the additional resources and operational expertise of PAETEC. The transfer of control will therefore give the Cavalier Licensees the ability to become stronger competitors, to the ultimate benefit of consumers. The Cavalier Licensees' networks complement PAETEC's existing networks and the acquisition will increase PAETEC's existing fiber footprint giving the combined companies greater market depth and breadth. As a result, the transaction will strengthen PAETEC's ability to compete with other, much larger, fiber providers to the benefit of consumers and the telecommunications marketplace.

The transfer of control of the Cavalier Licensees will not result in a change of carrier for customers or any assignment of existing Commission authorizations. Further, the rates, terms and conditions of services currently provided by the Cavalier Licensees to their customers will not change as a result of the transaction. Following consummation of the proposed transaction and after appropriate notices to customers and any required regulatory filings, the name of the Cavalier Licensees are expected to change to include the "PAETEC" brand name. Otherwise, the transaction will be seamless and transparent to customers and the Cavalier Licensees will continue to provide high-quality communications services to their customers without

interruption and without change in rates, terms or conditions. Future changes in those rates, terms and conditions, if any, will be undertaken pursuant to the applicable federal and state notice and tariff requirements.

**VI. CONCLUSION**

For the reasons stated above, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Application for the transfer of indirect majority equity ownership of the Cavalier Licensees to PAETEC.

Respectfully submitted,



Jean L. Kiddoo  
Brett P. Ferenchak  
Bingham McCutchen LLP  
2020 K Street, N.W.  
Washington, DC 20006-1806  
(202) 373-6000 (Tel)  
(202) 373-6001 (Fax)  
jean.kiddoo@bingham.com  
brett.ferenchak@bingham.com

Counsel for Transferee

Brad E. Mutschelknaus  
Melissa S. Conway  
Kelley Drye & Warren LLP  
3050 K Street NW, Suite 400  
Washington, DC 20007  
202-342-8539 (tel)  
202-342-8451 (fax)  
bmutschelknaus@kelleydrye.com  
mconway@kelleydrye.com

Counsel for the Transferor and Licensees

Dated: September 17, 2010

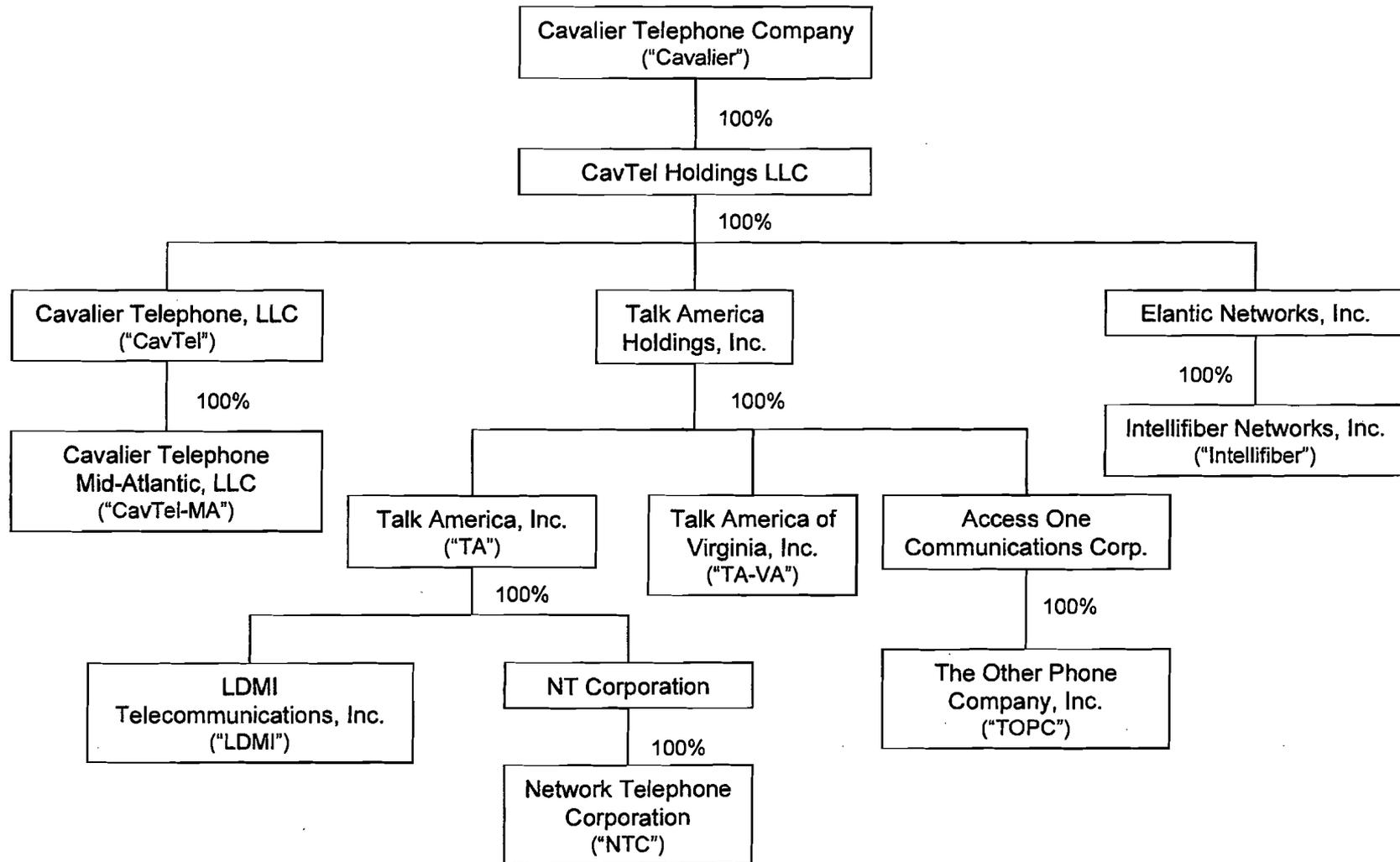
**EXHIBIT A**

**Pre- and Post-Transaction Corporate Structure Charts**

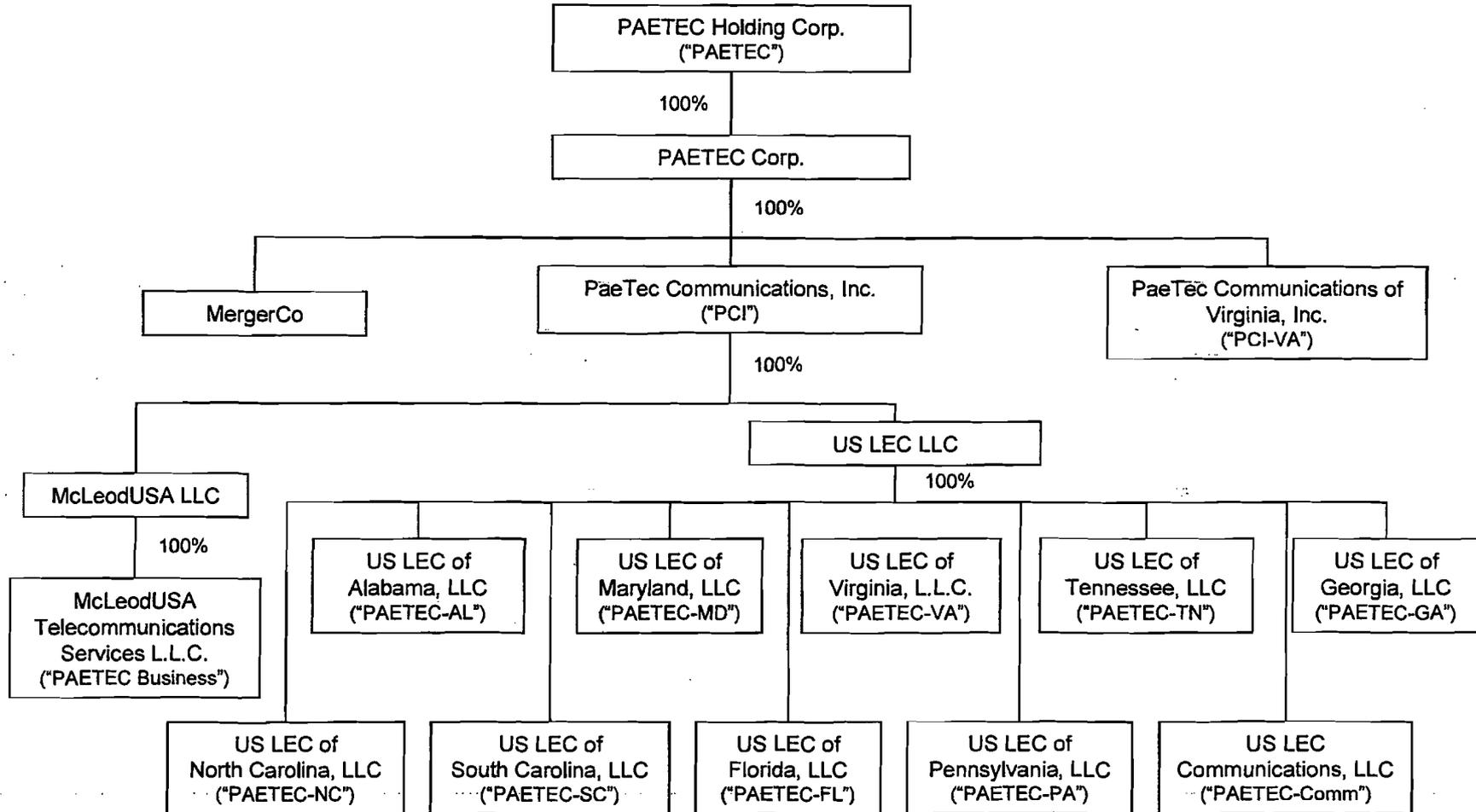
**EXHIBIT A**

**Pre- and Post-Transaction Corporate Structure Charts**

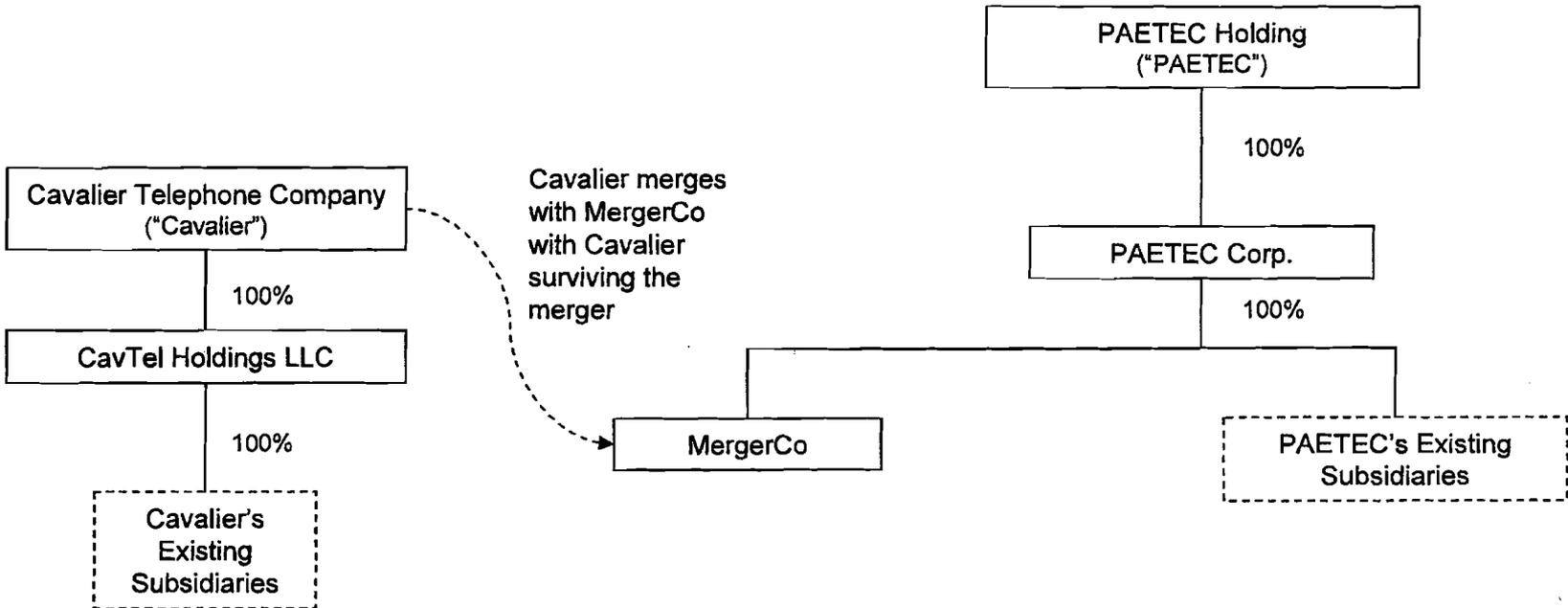
## Pre-Transaction Ownership of the Regulated Subsidiaries of Cavalier



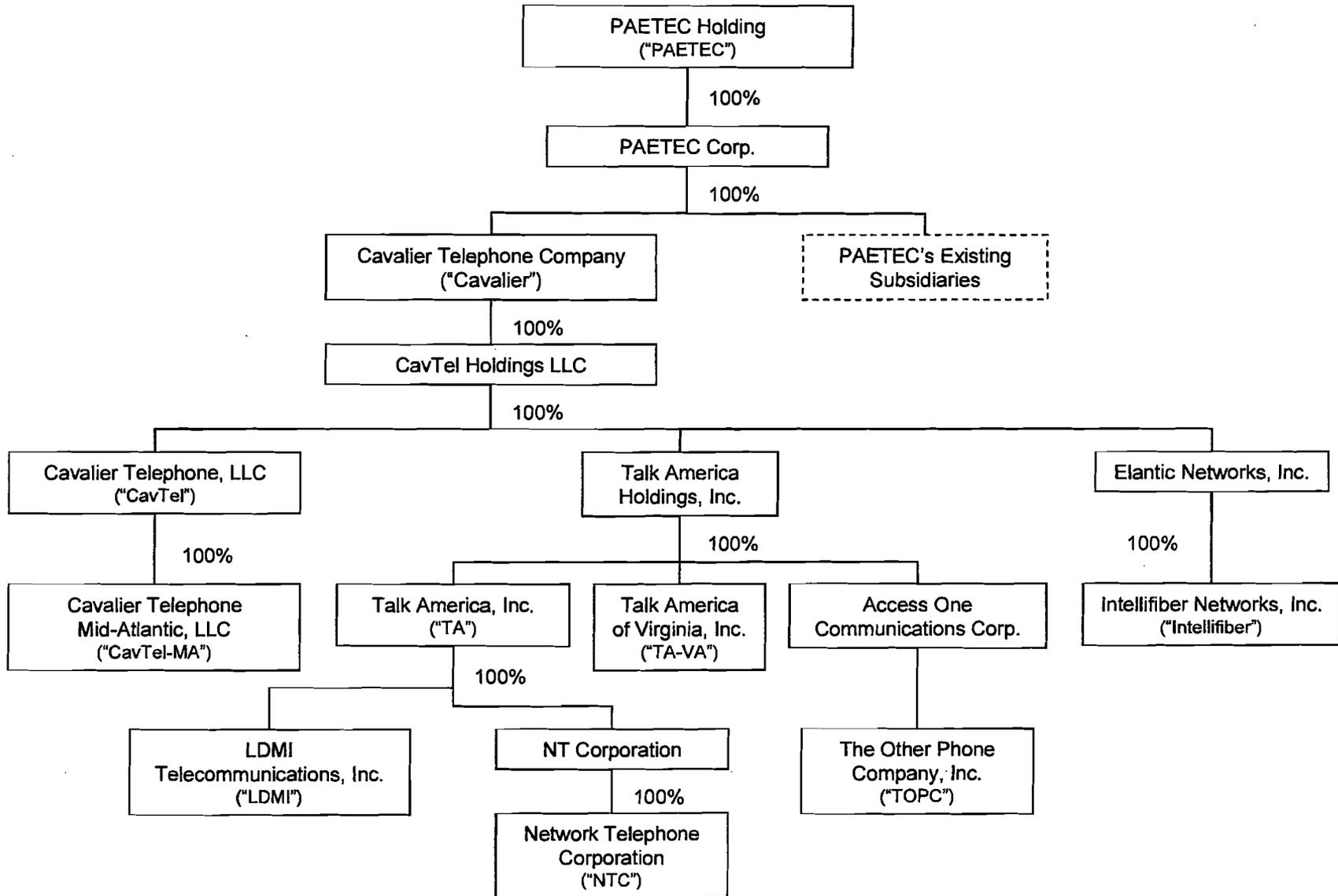
## Pre-Transaction Ownership of the Regulated Subsidiaries of PAETEC



## Illustration of the Merger



## Post-Transaction Ownership of the Regulated Subsidiaries of PAETEC and Cavalier



## Verifications

## VERIFICATION

I, Sarah L. Murphy, state that I am Vice President of Cavalier Telephone Corporation, the ultimate parent company of the Cavalier Licensees (as defined in the foregoing document) (collectively, the "Company"); that I am authorized to make this Verification on behalf of the Company; that the foregoing filing was prepared under my direction and supervision; and that the statements with respect to the Company in the foregoing document are true and correct to the best of my knowledge, information, and belief.

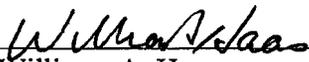
I declare under penalty of perjury that the foregoing is true and correct. Executed this 13 day of September, 2010.

  
Name: Sarah L. Murphy  
Title: Vice President  
Cavalier Telephone Corporation

## VERIFICATION

I, William A. Haas, state that I am Vice President Regulatory and Public Policy of PAETEC Holding Corp.; that I am authorized to make this Verification on behalf of PAETEC Holding Corp.; that the foregoing filing was prepared under my direction and supervision; and that the statements with respect to PAETEC Holding Corp and its subsidiaries in the foregoing document are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 12<sup>th</sup> day of September, 2010.

  
Name: Williams A. Haas  
Title: Vice President Regulatory and Public Policy  
PAETEC Holding Corp.