

CROSS  
RIVER  
FIBER

June 5, 2018

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JUN -5 2018

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**VIA FEDERAL EXPRESS**

Rosemary Chiavetta, Secretary  
Pa. Public Utility Commission  
400 North Street, Commonwealth Keystone Building  
Second Floor – Room N201  
Harrisburg, PA 17120

**Re: *In the Matter of the Verified Joint Application of Cross River Fiber LLC and ZenFi Networks, Inc. For approval of a Business Merger, Transfer of Control and Certain Financing Arrangements***

Dear Secretary Chiavetta,

Enclosed please find an amended original of the Public and Confidential versions of the Application referenced above, as well as one additional exhibit, Exhibit F. The Applicants' Verifications, Certifications and Exhibits A through E remain unchanged, so we have not included those portions of the Application again with this submission.

Please contact me if you have any questions regarding this Application. Thank you.

Respectfully submitted,

*Robert Sokota*

Robert Sokota  
Chief Administrative Officer and  
General Counsel

cc: David Huff (via email only to dhuff@pa.gov)

COMMONWEALTH OF PENNSYLVANIA  
PUBLIC UTILITY COMMISSION

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In the Matter of the Joint Application of )  
 )  
CROSS RIVER FIBER LLC and )  
ZENFI NETWORKS, INC. )  
 )  
 )  
For approval of a Business Merger, Transfer of )  
Control and Certain Financing Arrangements and )  
Stock Transfer )  
\_\_\_\_\_

APPLICATION

PUC Docket No. \_\_\_\_\_

**RECEIVED**

JUN - 5 2018

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**JOINT APPLICATION FOR APPROVAL OF A GENERAL RULE TRANSACTION**

**PUBLIC VERSION**

Cross River Fiber LLC (“CRF”) and ZenFi Networks, Inc. (“ZenFi”) and their subsidiaries and affiliates (collectively, “Applicants”) jointly and respectfully request the consent of the Pennsylvania Public Utilities Commission (“PUC”) to the merger detailed in this filing. ZenFi will acquire CRF and merge CRF into ZenFi, through an intermediary Merger Sub, as discussed in more detail below (the “Merger”). CRF will be the surviving entity following the merger with Merger Sub and will become a wholly-owned subsidiary of ZenFi. To the extent necessary pursuant to 66 Pa.C.S. §1102(a) and the PUC’s Policy Statement on Utility Stock Transfers at 52 Pa. Code § 69.901, and the PUC regulations on Abbreviated Procedures for Review of Transfer of Control of Telecommunications Public Utilities at 52 Pa. Code §§ 63.321-63.325, the Applicants seek PUC approval to 1) consummate the Merger; and 2) to participate in the equity transfers and financing arrangements arising in connection with the Merger (“Transactions”), as described more fully herein.

The Applicants assert that this Merger and its related Transactions satisfy all necessary requirements and meet the standards set forth pursuant to statute and regulation such that approval should be granted. The Applicants therefore respectfully request that the PUC commence its examination and act expeditiously to grant the approval, thereby enabling the Applicants to consummate the Merger and related Transactions as quickly as possible. Applicants intend for the Merger and related Transactions to be effectuated no later than August 31, 2018, and request PUC approval prior to that date. In support of this request, Applicants respectfully submit the following:

**I. DESCRIPTION OF THE APPLICANTS**

**A. Cross River Fiber LLC**

Founded in 2011, CRF is a Delaware limited liability company with principal offices located at 461 Headquarters Plaza, Morristown, NJ 07960. CRF provides custom-designed, scalable and secure high-speed fiber network solutions for carriers, wireless mobility providers and enterprise businesses. CRF is authorized by the PUC to offer, render, furnish or supply telecommunication services as a Competitive Access Provider to the public throughout the Commonwealth of Pennsylvania.<sup>1</sup> Its purpose-built fiber network extends into key data centers, carrier hotels, enterprise buildings, wireless access points, and financial exchanges within New Jersey and New York. Providing dark and lit transport solutions, CRF connects businesses both to private intranets and also to the public Internet. CRF does not provide any end-user telecommunications services that Pennsylvania currently regulates.

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<sup>1</sup> *Application of Cross River Fiber LLC for Approval to Offer, Render, Furnish or Supply Telecommunication Services as a Competitive Access Provider (statewide) to the Public in the Commonwealth of Pennsylvania*, Order dated March 10, 2016. CRF has a telecommunication services tariff on file with the PUC, effective March 24, 2016.

CRF has provided the PUC with further information regarding its managerial, technical and financial qualifications, as well as the services it provides, as part of its prior filings. These materials are a matter of public record, and Applicants request that they be incorporated by reference herein.

**B. ZenFi Networks, Inc.**

ZenFi Networks, Inc. was founded in 2013 by executives with significant experience in the industry. ZenFi and its affiliated and predecessor companies have been continuously involved in the construction, operation and maintenance of fiber facilities in the New York and Northern New Jersey metropolitan area since 1985. ZenFi has deployed a purpose-built fiber network focused on cellular fronthaul/backhaul, Distributed Antenna Systems (“DAS”) / small cell deployments and wholesale fiber opportunities.

ZenFi holds multiple franchises for access to the public rights of way in New York City. ZenFi’s Certificate of Public Convenience and Necessity to provide facilities-based and resold telecommunications service throughout the State of New York was approved by the New York State Department of Public Service on July 14, 2014. ZenFi is likewise authorized to provide facilities-based and resold local exchange and interexchange telecommunications services in the State of New Jersey.<sup>2</sup> ZenFi has not been denied authority to provide services in any state, nor has any state revoked its authority to do business therein.

Applicants intend for the Merger and related Transactions to be effectuated no later than August 31, 2018, and request PUC approval prior to that date.

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<sup>2</sup> *I/M/O ZenFi Networks, Inc’s Verified to Provide Resold and Facilities-Based Local Exchange and Interexchange Telecommunications Services Throughout New Jersey*, Docket No. TE14080907, Order dated September 30, 2014.

**II. DESCRIPTION OF PROPOSED MERGER AND RELATED TRANSACTIONS**

CRF and ZenFi have entered into a Merger Agreement (“Agreement”) effective April 13, 2018, under which ZenFi will acquire CRF in exchange for an ownership interest in ZenFi by CRF shareholders that will represent approximately [REDACTED]% of the total outstanding ownership interests of ZenFi after giving effect to such issuance. ZenFi will acquire CRF by merging CRF with and into ZenFi Merger Sub Inc., a Delaware corporation (“Merger Sub”), which is a wholly owned subsidiary of ZenFi created solely to allow for the Merger. As a result of the Merger, the separate existence of Merger Sub will cease, and CRF will survive the Merger as a wholly-owned subsidiary of ZenFi.

Several related Transactions will occur during the consummation of the Merger. First, CRF’s equity interests outstanding immediately prior to the Merger will be converted into the right to receive newly issued shares of ZenFi common stock; and, as a result, CRF’s current owners will become partial owners of ZenFi. Second, immediately following the Merger, ZenFi will convert from a Delaware corporation to a Delaware limited liability company (the “Conversion”), whereupon each share of ZenFi common stock (including the newly issued shares then held by former owners of CRF as a result of the Merger) will be converted into interests in the ZenFi limited liability company. Third, CRF and ZenFi also anticipate entering into a new credit facility (the “Credit Facility”) at the closing of the transaction. Among other things, this Credit Facility will refinance the respective CRF and ZenFi current indebtedness; finance fees and expenses associated with the transaction; and provide general liquidity for operating purposes. ZenFi will secure the Credit Facility by a pledge of certain equity interests, as well as offering a first priority lien on substantially all of the assets and property of ZenFi, CRF and their subsidiaries. The Credit Facility will provide for up to \$[REDACTED] in financing to ZenFi in the form of a \$[REDACTED] Senior Secured Revolver, a

**\$(REDACTED)** Senior Secured Term Loan and a **\$(REDACTED)** Senior Secured Delayed Draw Term Loan. The initial lenders under the Credit Facility will be **[REDACTED]**, **[REDACTED]**, **[REDACTED]**, with **[REDACTED]** acting as the administrative agent.

Upon closing of the Merger, ZenFi will continue in existence as an LLC with CRF as a wholly-owned subsidiary. For the PUC's reference, pre- and post-Merger and Transactions organizational charts are provided as Exhibit A.

While the Merger and Transactions will result in changes in the equity ownership of both CRF and ZenFi, they are not expected to change the day-to-day operations or customer-facing activities of CRF. No customers will be affected by the Transactions. The proposed Merger and Transactions are designed to bring both companies together into a streamlined organizational structure and have no impact beyond increasing efficiency of business operations, the types of services provided by the individual businesses and the geographic reach of the individual businesses.

Upon closing of the Merger and Transactions, management will continue to be a combination of both Applicants such that the expertise and experience in both businesses will be retained. CRF will not experience any substantive changes in operations, and the market for telecommunications services in the Commonwealth of Pennsylvania will not suffer any adverse effects.

The Merger and Transactions also will not adversely affect com for the provision of telecommunications services in the Commonwealth of Pennsylvania because all customers have, and following consummation of the Merger and Transactions will continue to have, access to multiple competitive alternatives. The Applicants anticipate customers will benefit from CRF's enhanced access to capital and the availability of additional management expertise following the

Merger and greater operational efficiency as a result of the combination. In support of this Application, attached please find a copy of the executed Merger Agreement as Exhibit B. Also in support of this Application, attached please find a copy of the corporate resolutions as Exhibit C; and a copy of the recent balance sheets of the Applicants and a pro forma income statement going forward, as Exhibit D; and a copy of the certificates of incorporation for the Applicants, as appropriate, as Exhibit E.

### **III. STANDARDS FOR APPROVAL**

Applicants submit that the Merger and its related Transactions will benefit Pennsylvania customers by enhancing the ability of CRF to compete in the telecommunications marketplace in the Commonwealth of Pennsylvania. CRF will continue to be operated by highly experienced, well-qualified management, operating and technical personnel. CRF will also have increased access to the operational and managerial resources of its related entities, and such support will strengthen CRF's competitive position. CRF will continue to offer service at the same rates and on the same terms and conditions as currently offered (subject to future changes pursuant to applicable law and contract provisions). The Merger and Transactions will also enable CRF to continue to offer competitive and innovative products following the Merger and Transactions. The Merger and Transactions are expected to be transparent to customers of CRF and are not expected to result in the discontinuance, reduction, loss or impairment of service to any customer. Ultimately, the Merger and Transactions will benefit businesses and consumers by enabling CRF to become a stronger competitor in its market.

Pursuant to 66 Pa.C.S. § 1103(a), Applicants' proposed Merger and Transactions satisfy the applicable PUC criteria of being "necessary or proper for the service, accommodation, convenience, or safety of the public." Applicants understand that this obligation has been

included to cover the concept of a positive benefit – “that the merger will affirmatively promote the ‘service, accommodation, convenience, or safety of the public’ in some substantial way.” City of York v. Pennsylvania Public Utility Commission, 449 Pa. 136, 141 (1972).

This Merger and its related Transactions have no negative impact whatsoever. CRF does not provide services currently regulated by Pennsylvania, so there is no impact upon com or rates. All employees will be retained in this merger, and nothing in this process will impact the provision of safe and adequate utility service at just and reasonable rates.

Additionally, the Merger and its related Transactions will result in positive benefits to the Commonwealth of Pennsylvania while causing no negative impacts to the criteria listed above. Specifically, the Merger and Transactions will create a stronger company, with significant corporate experience, better access to capital, and a commitment to create and increase competitive options for customers in the Commonwealth.

**IV. INFORMATION REQUIRED BY 52 PA. CODE § 63.324**

This Application is filed as a General Rule Transaction pursuant to 52 Pa. Code § 63.324.

Pursuant to 52 Pa. Code § 63.324(d), the Applicants provide the following:

(1) Name, address and telephone number of each party or applicant to the transaction.

Cross River Fiber LLC  
461 Headquarters Plaza  
Morristown, NJ 07960  
(908) 277-0105

ZenFi Networks, Inc.  
90 White Street  
New York, NY 10013  
(212) 202-3211

(2) Government, state or territory under the laws of which each corporate or partnership applicant to the transaction is organized.

Please see Section I above. Certificates of Incorporation for CRF and ZenFi are provided in Exhibit E.

(3) The name, title, post office address and telephone number of the officer or contact point, including legal counsel in this Commonwealth, to whom correspondence concerning the transaction is to be addressed.

For CRF:

Robert Sokota  
General Counsel and CAO  
Cross River Fiber  
461 Headquarters Plaza, North Tower, 2nd Floor  
Morristown, NJ 07960  
(908) 277-0105

For ZenFi:

Victoria O’Kane  
Chief Operating Officer  
ZenFi Networks  
90 White Street  
New York, NY 10013  
(212) 202-3211

(4) The name, address, citizenship and principal place of business any person, party or entity that directly or indirectly owns more than 20% of the equity of the applicant, and the percentage of equity owned by each of those entities (to the nearest 1%).

**ZenFi:**

[REDACTED]

**Cross River Fiber LLC:**

[REDACTED]

(5) A summary description of the transaction.

Please see Section III above.

(6) A summary of the services and the service territories in this Commonwealth that will be affected by the transaction.

No service territories will be affected by the Merger or Transactions, as Licensee will continue to offer services in the same locations before and after the proposed transaction.

(7) A verified statement as to how the transaction fits into one or more of the categories subject to the general rule for notification.

The Applicants verify that the Merger and Transactions involve a change in the Licensee's controlling interest greater than 20%. See 52 Pa. Code § 63.324(a)(2). The Applicants also verify that the Merger and Transactions involve a transfer of control (relating to utility stock transfer under 66 Pa.C.S. § 1102(a)(3)). See 52 Pa. Code § 63.324(a)(4).

(8) Identification of other transactions related to the transaction.

There are no jurisdictional transactions other than the Merger, Transactions and Credit Facility described in the introductory paragraphs and Section II of this Application.

(9) A verified statement whether the transaction warrants special consideration because either party to the transaction is facing imminent business failure.

While no party is requesting special consideration because it is facing imminent business failure, Applicants seek to complete the Merger and Transactions as soon as possible, and no later than August 31, 2018. Please see the introductory paragraphs and Section II for additional details on the timing of the Merger and related Transactions.

(10) Identification of a separately filed waiver request sought in conjunction with the transaction.

No waiver request is being made with respect to the Merger or Transactions.

(11) A verified statement containing facts and allegations establishing:

(i) For a merger or similar transaction, how the transaction will affirmatively promote the service, accommodation, convenience, or safety of the public in some substantial way as required by State law.

(ii) Findings that approval for a transaction subject to 66 Pa.C.S. § 1103(a) (relating to procedure to obtain certificates of public convenience) is necessary or proper for the service, accommodation, convenience, or safety of the public.

(iii) The impact of the transaction on competition.

The Applicants verify the facts and allegations set forth in Section III above, demonstrating the impact of the Merger and Transactions on the promotion of service, competition, and the public interest.

(12) A verified statement affirming that the applicant is in compliance with Commission obligations and filings and a listing of all State and Federal proceedings when:

(i) Within the 3-year period prior to filing the application, the applicant was found to have violated either State or Federal requirements.

(ii) Within the 3-year period prior to filing the application, the applicant is alleged to have violated either State or Federal requirements.

The Applicants verify that, to their knowledge and belief, Licensee is in compliance with all Commission obligations and filings. The Applicants have not been found to have violated either State or Federal requirements over the last three years, and Applicants have not been alleged by any state or Federal regulatory agency to have materially violated either State or Federal requirements over the last three years.

**[REDACTED]**

(13) A verified statement affirming that customers received prior notice. Notice shall be accomplished using a notice approved by the Commission's Bureau of Consumer Services (BCS). Any disagreement between the applicant and BCS shall be addressed by an appeal from an action of staff mirroring the process in § 5.44 (relating to petitions for appeal from actions of the staff) of the Commission's rules of practice and procedure.

Not applicable. The Merger and related Transactions will not result in any changes to the services received by customers, including rates, terms and conditions of service. Therefore, Applicants do not intend to provide customers notice of the Merger.

**[REDACTED]**

(14) A verified statement containing a copy of any Commonwealth utility certificates held by the applicant.

Please see Section I, in which the Applicants verify the authority held by Licensee in Pennsylvania.

(15) A verified statement on the effect of the transaction on existing Commonwealth tariffs. If applicable or in response to a request from staff, an applicant shall provide a red-line document identifying changes in existing Commonwealth tariffs before and after the transaction for which the applicant seeks approval from the Commission.

The Applicants verify the Merger and Transactions will have no effect on the Pennsylvania tariff of Licensee.

(16) A verified statement on the transaction's effect on the existing affiliate interest agreements of the applicant.

The Applicants verify the Merger and related Transactions will have no effect on the Applicant's affiliated interest agreements, if any.

(17) A verified statement establishing that no State or Federal regulatory agency is expected to undertake an informal or formal investigation, complaint or proceeding relating to the transaction.

The Applicants verify the Merger and Transactions will not require an informal or formal investigation, complaint or proceeding into the transaction except for public utility commission

reviews typically required for such transactions. The Applicants are also seeking advance approval from the FCC.

(18) Organizational charts showing the effect on the applicant's organization before and after the transaction.

Please see Confidential Exhibit A.

(19) A copy of the application filed at the FCC or a notice filed with the U.S. DOJ, if any, including the electronic location on the agency's web site.

An Application has been filed with the FCC with respect to the Merger and Transactions. A copy of the FCC Domestic Section 214 Application is attached as Exhibit F. No filing will be made with the U.S. DOJ with respect to the Merger and Transactions.

(20) A verified statement setting forth the expected public effect of the transaction on the capital structure of the applicant over the next 5 years.

Please see Section III, which the Applicants verify and which provides a description of the public benefits of the Merger and Transactions. The Applicants further verify that consummation of the Merger and Transactions will not have a negative impact on the capital structure of the Licensee over the next five years.

(21) For an applicant subject to a broadband deployment commitment under Federal or State law, a verified statement affirming that the applicant is in compliance with that commitment.

The Applicants verify that they are under no Federal or State broadband deployment obligation in Pennsylvania.

(22) For an applicant with eligible telecommunications carrier status under Federal and State law, a verified statement affirming that the applicant is in compliance with the law and that the applicant will continue to be in compliance with the law.

Applicants verify that they are not “eligible telecommunications carriers.”

(23) A verified statement affirming that the transaction complies with the prohibition against cross-subsidization imposed under Federal and State law.

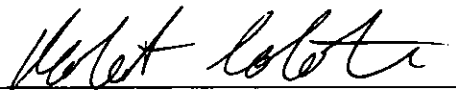
The Applicants verify that the Merger and Transactions do not violate Federal or State cross-subsidization rules.

**V. CONCLUSION**

The Applicants respectfully request that the PUC approve the Merger and related Transactions as set forth above.

Respectfully submitted,

**CROSS RIVER FIBER LLC. AND  
ZENFI NETWORKS, INC.**

By: 

Robert Sokota  
General Counsel and CAO  
Cross River Fiber, LLC

Dated: June 4, 2018

## **List of Exhibits**

CONFIDENTIAL Exhibit A	Pre- and Post-Merger Organizational Charts <b>[REDACTED]</b>
CONFIDENTIAL Exhibit B	Merger Agreement <b>[REDACTED]</b>
CONFIDENTIAL Exhibit C	Corporate Resolutions <b>[REDACTED]</b>
CONFIDENTIAL Exhibit D	Recent Balance Sheets and pro forma Income Statement <b>[REDACTED]</b>
Exhibit E	Certificates of Incorporation
Exhibit F	FCC Domestic Section 214 Application

**Exhibit F**

FCC Domestic Section 214 Application

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JUN -5 2018  
PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, D.C. 20554

In the Matter of )  
 )  
ZenFi Networks, Inc. )  
    *Transferee,* )  
 )  
And )  
 )  
Cross River Fiber LLC )      WC Docket No. \_\_\_\_\_  
    *Transferor* )  
 )  
For Grant of Authority Pursuant to Section 214 )  
of the Communications Act of 1934, as amended, )  
to Transfer Control )

**JOINT APPLICATION**

ZenFi Networks, Inc. (“ZenFi”) and Cross River Fiber LLC (“Cross River Fiber”) (collectively, “Applicants”), and their subsidiaries and affiliates, respectfully request authority from the Federal Communications Commission (“Commission”) pursuant to section 214 of the Communications Act of 1934, as amended, and sections 63.03 and 63.04 of the Commission’s rules, to transfer control of Cross River Fiber to ZenFi. As described below in Section III, ZenFi will acquire Cross River Fiber and merge Cross River Fiber into ZenFi (“Merger”), through an intermediary entity called ZenFi Merger Sub, Inc. (“Merger Sub”). Following its merger with Merger Sub, Cross River Fiber will be the surviving entity and will become a direct wholly-owned subsidiary of ZenFi. Zenfi will also engage in several related post-Merger transactions described in Section III below. (The Merger and related transactions are referred to collectively herein as the “Transactions”.)

## I. REQUEST FOR STREAMLINED TREATMENT

The Applicants respectfully request streamlined treatment of this Application pursuant to Section 63.03(b)(2) of the Commission's rules. This Application is eligible for streamlined processing because: 1) post-Transactions, the Applicants will have a market share in the interstate, interexchange market of less than 10 percent; 2) Applicants 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 3) no Applicant is dominant with respect to any service.<sup>1</sup>

## II. DESCRIPTION OF THE APPLICANTS

### A. ZenFi Networks, Inc.

ZenFi Networks, Inc. is a private Delaware corporation with executive headquarters at 90 White Street, New York, NY 10013 and is authorized to provide resold telephone service in New York, and facilities-based and resold local exchange and interexchange telecommunications services in New Jersey. ZenFi was founded in 2013 by executives with significant experience in the telecommunications industry. ZenFi and its affiliated and predecessor companies have been continuously involved in the construction, operation and maintenance of fiber facilities in the New York and Northern New Jersey metropolitan area since 1985. ZenFi has deployed a fiber network focused on cellular fronthaul/backhaul, Distributed Antenna Systems (DAS) and small cell deployments, and wholesale fiber opportunities.

ZenFi is owned by U. S. citizens

ZenFi is not a foreign carrier and is not affiliated with foreign

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<sup>1</sup> See 47 C.F.R. Sec. 63.03(b)(2)(i).

carriers in any market. A diagram showing the pre-and post-Merger corporate structure of ZenFi is provided in Exhibit A.

**B. Cross River Fiber LLC**

Cross River Fiber is a Delaware limited liability company with executive headquarters at 461 Headquarters Plaza, North Tower Second Floor, Morristown, NJ 07960, and is authorized to operate as a reseller of telephone service in New York, as a Competitive Access Provider in Pennsylvania, and as a reseller and facilities-based provider of telecommunications services in New Jersey. Cross River Fiber provides custom-designed, scalable and secure high-speed fiber telecommunications services for carriers, wireless mobility providers and enterprise businesses. Its fiber network extends into key data centers, carrier hotels, enterprise buildings, wireless access points and financial exchanges within New Jersey and New York. Providing dark and lit transport solutions, Cross River Fiber offer telecommunications services to connect businesses in New Jersey and New York on private networks and to the public Internet.

The majority ownership interests in Cross River Fiber are currently held by U. S. citizen Vincenzo Clemente and entities associated with Ridgemont Equity Partners, a U.S. partnership, specifically Ridgemont Equity Partners I, L.P., Ridgemont Equity Partners I-B, L.P. and Ridgemont Equity Partners Affiliates I, L.P. (collectively, the "Ridgemont Entities"). No other entity or individual holds a 10 percent or greater ownership interest in Ridgemont Entities or Cross River Fiber. Cross River Fiber is not a foreign carrier and is not affiliated with any foreign carriers. The pre-Merger legal structure of Cross River Fiber is provided in Exhibit A. Post-

Merger,



### III. DESCRIPTION OF THE TRANSFER OF CONTROL TRANSACTION

ZenFi and Cross River Fiber entered into a Merger Agreement ("Agreement") effective April 13, 2018, under which ZenFi will acquire Cross River Fiber in exchange for an ownership interest in ZenFi by Cross River Fiber shareholders. ZenFi will acquire Cross River Fiber by merging Cross River Fiber with and into ZenFi Merger Sub Inc., a Delaware corporation ("Merger Sub"), which is a wholly-owned subsidiary of ZenFi created solely to allow for the Merger. Upon completion of the Merger, Merger Sub will cease to exist and Cross River Fiber will survive the Merger as a direct wholly-owned subsidiary of ZenFi.

Several related transactions will occur during the consummation of the Merger. First, Cross River Fiber's equity interests outstanding immediately prior to the Merger will be converted into the right to receive newly-issued shares of ZenFi common stock; and as a result, Cross River Fiber's current owners will become partial owners of ZenFi. Second, immediately following the Merger, ZenFi will convert from a Delaware corporation to a Delaware limited liability company (the "Conversion"), whereupon each share of ZenFi common stock (including the newly-issued shares then held by Cross River Fiber's former owners as a result of the Merger) will be converted into interests in the ZenFi limited liability company, ZenFi Networks, LLC.<sup>2</sup> Third, Cross River Fiber and ZenFi also anticipate entering into a new credit facility (the "Credit Facility") at the closing of the transaction. Among other things, this Credit Facility will refinance the respective Cross River Fiber and ZenFi current indebtedness and provide general liquidity for operating purposes.

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<sup>2</sup> This conversion of ZenFi's legal structure from a corporation to a limited liability company will be a *pro forma* transfer only and will not result in a change in ultimate control of ZenFi, as Ray LaChance will remain the CEO. As such, it is permitted under Section 63.03(d)(1) of the Commission's rules.

While the Transactions will result in changes in the equity ownership and legal structure of both Cross River Fiber and ZenFi, they are not expected to change the day-to-day operations of either company. Both entities will retain their respective authorizations to provide telecommunications services. The proposed Transactions are designed to bring the companies together into a streamlined organizational structure and have no impact on the day-to-day operations of the companies beyond increasing efficiency of business operations.

Upon closing of the Transactions, management will continue to be a combination of both Applicants such that the expertise and experience in both businesses will be retained. Cross River Fiber will not experience any substantive changes in services, and there will not be any adverse effects on its customers or the competitive market for telecommunications services in New York, New Jersey or Pennsylvania as a result of the Transactions.

Further, the Transactions will not adversely affect competition for the provision of telecommunications services in New York, New Jersey or Pennsylvania because all customers served by ZenFi and Cross River Fiber currently have, and will continue to have, access to multiple competitive alternatives. The Applicants anticipate their current and future customers will benefit from the enhanced access of ZenFi and Cross River Fiber to capital and the availability of additional management expertise following the Transaction, and greater operational efficiency as a result of the combination.

#### **IV. DESIGNATED CONTACTS**

Questions, correspondence or other communications regarding this Application should be directed to:

Mary E. Burgess  
David Bronston  
Phillips Lytle LLP  
30 South Pearl Street  
Albany, NY 12207  
Tel: (518) 618-1221  
Email: [mburgess@phillipslytle.com](mailto:mburgess@phillipslytle.com)  
[dbronston@phillipslytle.com](mailto:dbronston@phillipslytle.com)

#### **V. APPROVAL OF THE TRANSFER OF CONTROL IS IN THE PUBLIC INTEREST**

Pursuant to Section 214 of the Communications Act, control of a competitive carrier may be transferred provided the Commission finds that the public interest, convenience, and necessity will be served thereby. Applicants respectfully submit that the Transactions described herein will serve the public interest because they will significantly enhance the ability of ZenFi and Cross River Fiber to offer a variety of telecommunications services to businesses and other telecommunications providers in the competitive telecommunications marketplace. Following the Transactions, the entity will continue to be operated by highly experienced, well qualified management, and operating and technical personnel. Following the Transactions, the Applicants expect to continue to offer competitive and innovative products and services in the states in which they operate.

**VI. INFORMATION REQUIRED BY SECTION 47 CFR SEC. 63.04**

**(1) Name, address and telephone number of the Applicants:**

ZenFi Networks, Inc., 90 White Street, New York, NY 10013 (212)981-0735.

FRN: 0023895865

Cross River Fiber LLC, 461 Headquarters Plaza, North Tower, 2nd Floor, Morristown, NJ 07960

(908)409-6970. FRN: 0021416037

**(2) The government, state, or territory under the laws of which each corporate or partnership applicant is organized:**

ZenFi Networks, Inc.: a Delaware corporation.

Cross River Fiber LLC: a Delaware limited liability company.

**(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 application is to be addressed;**

For ZenFi Network, Inc.:

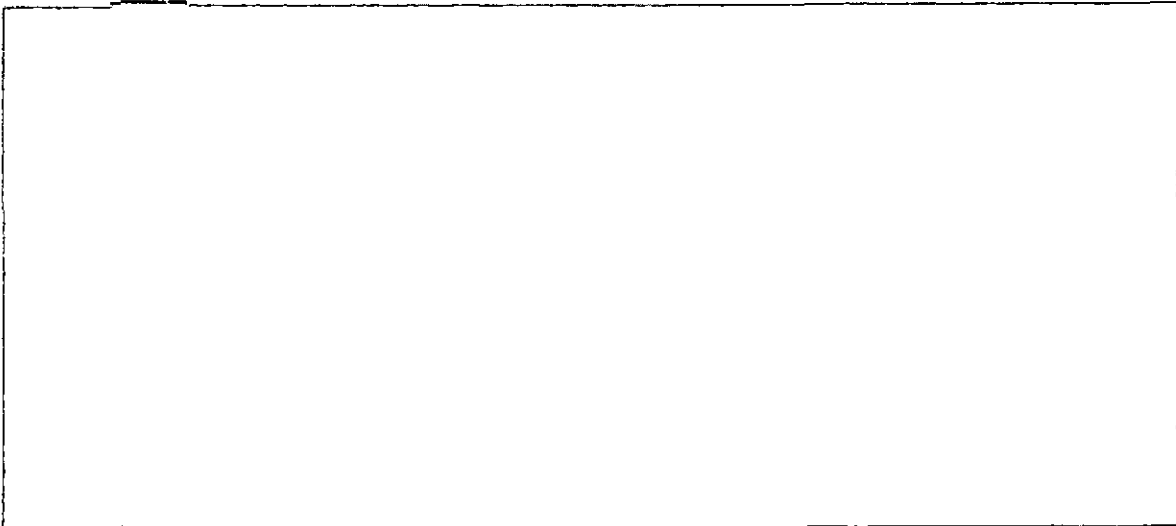
Mary E. Burgess  
David Bronston  
Phillips Lytle LLP  
30 South Pearl Street  
Albany, NY 12207  
(518) 618-1221  
mburgess@phillipslytle.com  
dbronston@phillipslytle.com

For Cross River Fiber LLC:

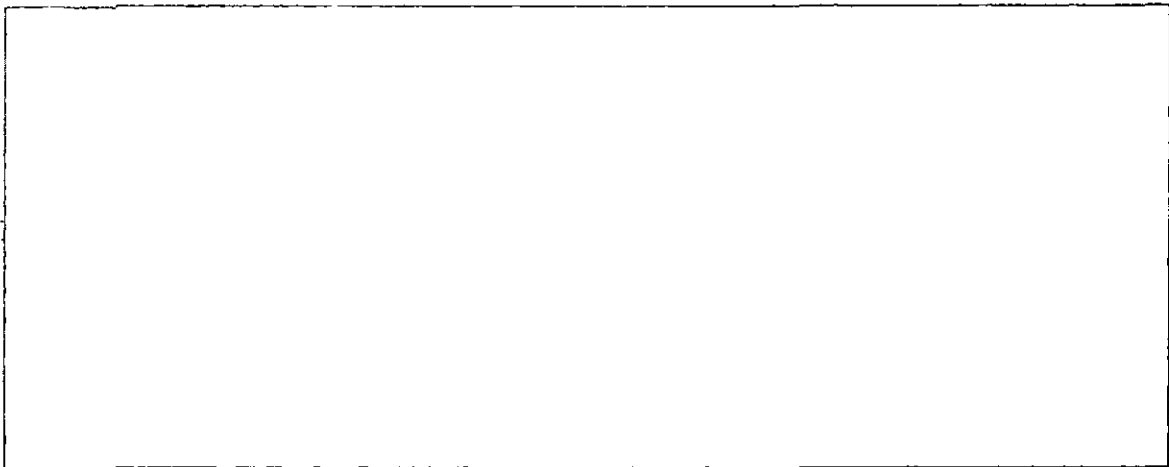
William Mosca, Jr.  
Bevan, Mosca, Giuditta, P.C.  
222 Mount Airy Road, Suite 200  
Basking Ridge, NJ 07920  
(908)753-8300  
wmosca@bmg.law

**(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);**

ZenFi:



CROSS RIVER FIDELITY



**(5) Certification pursuant to §§1.2001 through 1.2003 of this chapter that no party to the application is subject to a denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.**

Applicants hereby certify that no party to this Application is subject to a denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. Section 862.

**(6) A description of the transaction;**

See Section III, above.

**(7) A description of the geographic areas in which the transferor and transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area;**

See Section II, above.

**(8) A statement as to how the application fits into one or more of the presumptive streamlined categories in this section or why it is otherwise appropriate for streamlined treatment;**

See Section I, above.

**(9) Identification of all other Commission applications related to the same transaction;**

None.

**(10) A statement of whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure;**

The Applicants are not requesting special consideration. Neither Applicant is facing imminent business failure.

**(11) Identification of any separately filed waiver requests being sought in conjunction with the transaction;**

None.

(12) A statement showing how grant of the 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.

See Section V, above.

### CONCLUSION

For the reasons explained above, the Applicants respectfully request that the Commission grant authority under Section 214 of the Communications Act to transfer control of Cross River Fiber to ZenFi.

Respectfully submitted,

CROSS RIVER FIBER LLC. AND ZENFI NETWORKS, INC.

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Counsel for Cross River Fiber LLC

MEB

Dated: May 25, 2018

## VERIFICATION

I am authorized to represent ZenFi Networks, Inc. and to make this verification on its behalf. I verify under penalty of perjury that the statements in the foregoing Joint Application are true and correct to the best of my knowledge, information and belief.

By: 

Name: Victoria Lamberth  
Title: Chief Operating Officer

## VERIFICATION

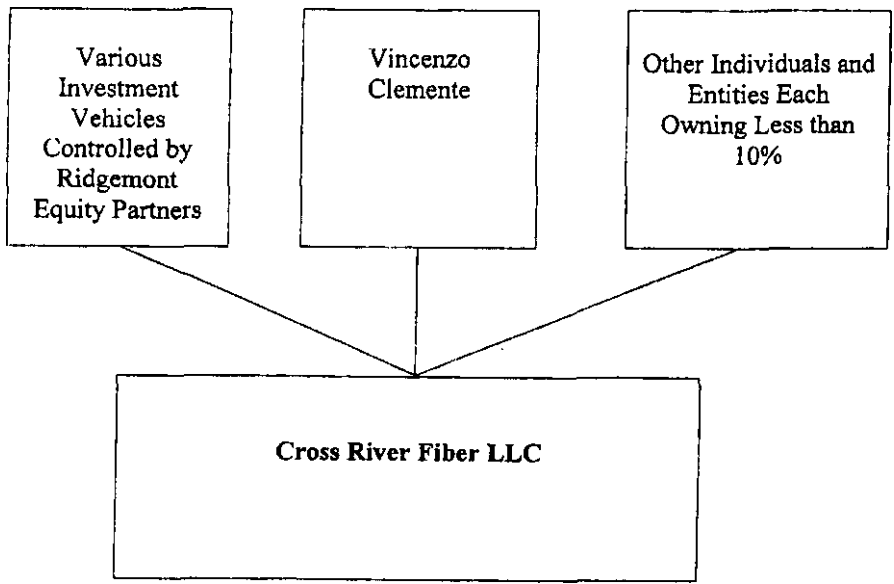
I am authorized to represent Cross River Fiber, LLC and to make this verification on its behalf. I verify under penalty of perjury that the statements in the foregoing Joint Application are true and correct to the best of my knowledge, information and belief.

By: Robert Sokota

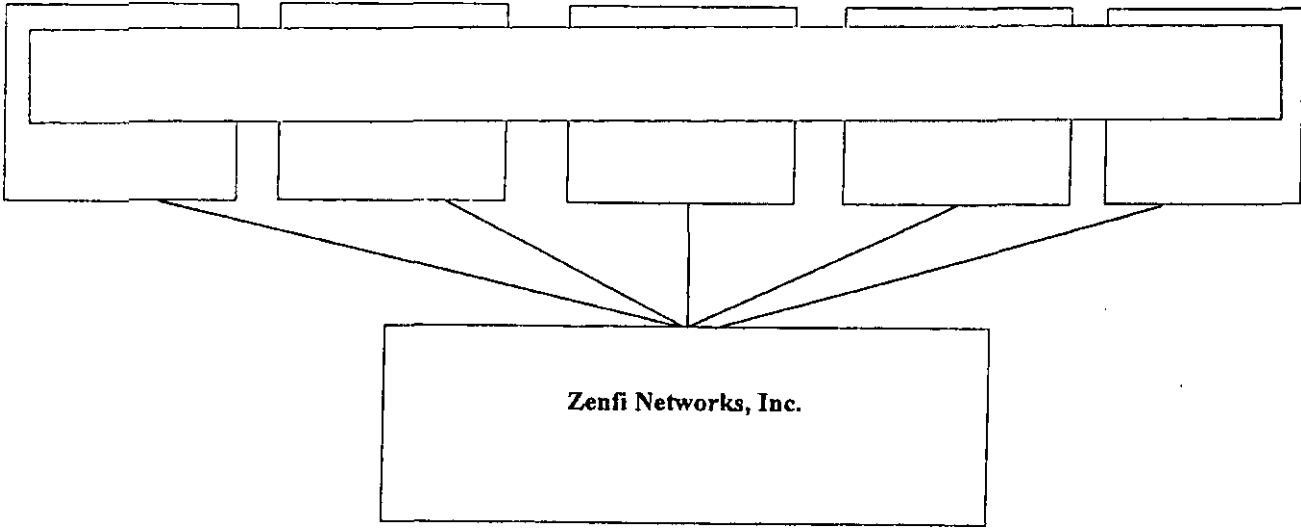
Name: Robert Sokota

Title: General Counsel and Chief  
Administrative Officer

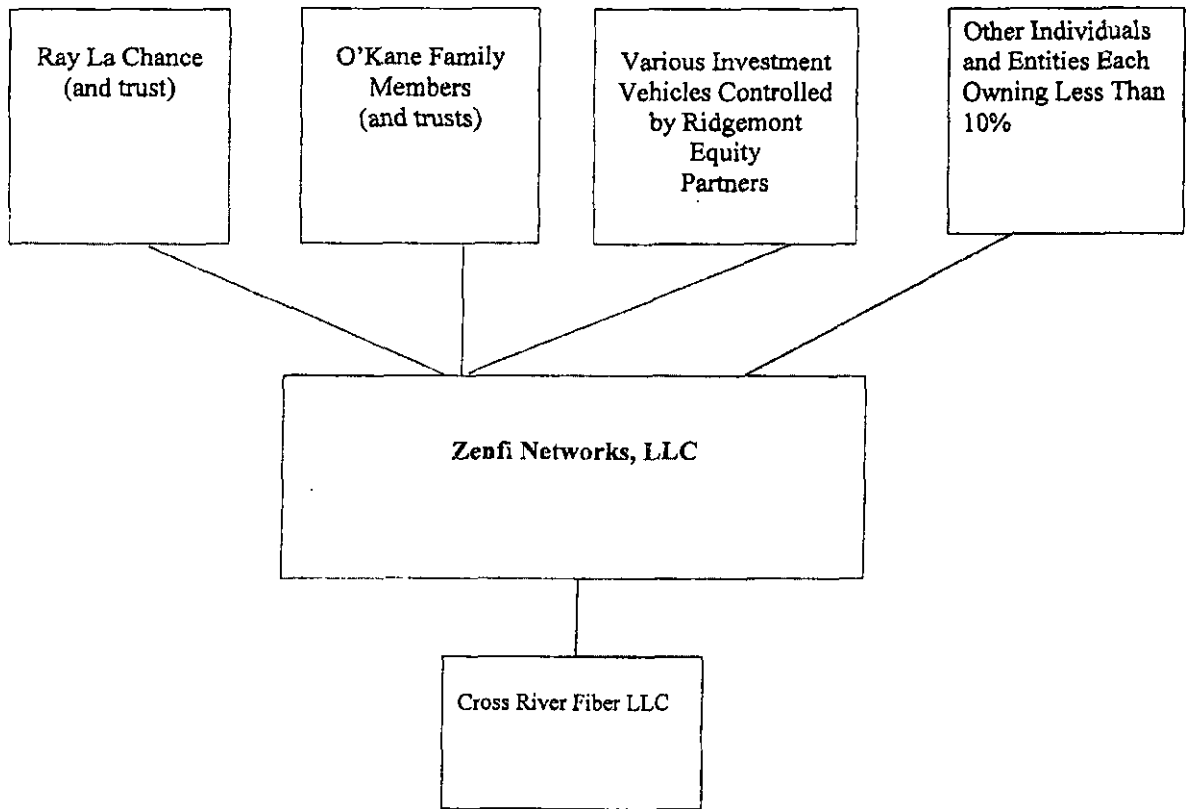
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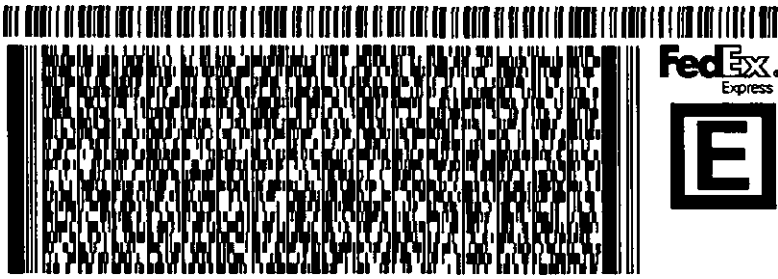
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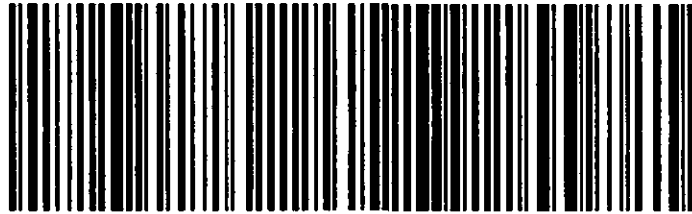


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