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August 25, 2003

## VIA OVERNIGHT DELIVERY

Blanca S. Bayo, Director  
Division of Records and Recording  
Florida Public Service Commission  
6 St. Paul Street  
William Donald Shaefer Tower  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

030000-Pu

RE: DSLnet Communications, LLC  
**Notification of Minority Transfer of Control**

Dear Ms. Bayo:

DSLnet Communications, LLC ("DSLnet"), through its undersigned counsel, hereby advises the Commission of a series of transactions through which (a) Deutsche Bank AG London ("Deutsche Bank") may obtain a substantial indirect minority interest in DSLnet and (b) DSLnet's current indirect majority investor VantagePoint Venture Partners ("VPVP") may relinquish its majority position. As described below, because the proposed transactions will be completed at the holding company level and will not change the rates, terms or conditions of DSLnet's services, the proposed transactions will be entirely transparent with respect to DSLnet's services. The transactions described below are expected to provide DSLnet and its corporate family with greater access to needed capital and allow DSLnet to compete more effectively.

It is DSLnet's understanding that no approval is required to complete the proposed transactions.<sup>1</sup> This letter is therefore provided as a courtesy to the Commission to ensure the

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<sup>1</sup> DSLnet understands that recent changes in the Florida statutory scheme have eliminated the approval requirements under Section 364.33 with respect to transactions such as those outlined herein. Moreover, the proposed transactions will not cause a change in control of DSLnet or cause the company to merge, consolidate or acquire another utility. VPVP will continue to hold a substantial interest in and will continue to control DSLnet after the

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continuing accuracy of the Commission's records. Accordingly, DSLnet respectfully requests that the Commission retain this letter in the appropriate file and notify DSLnet if it believes further filings are required. Absent such notification within thirty (30) days, DSLnet will proceed under its understanding that no further filings are required with the Commission to complete the proposed transactions.

An original and twelve (12) copies of this letter are enclosed. Please date stamp and return the enclosed extra copy in the self-addressed stamped envelope provided. Questions regarding this filing may be directed to the undersigned.

DSLnet further states as follows:

**I. The Parties**

**A. DSLnet Communications, LLC ("DSLnet")**

DSLnet is a limited liability company organized and existing under the laws of the State of Delaware with principal offices located in New Haven, Connecticut. DSLnet is a wholly owned subsidiary of DSL.net, Inc. ("Parent"), a publicly held Delaware Corporation also headquartered in New Haven. Parent is currently majority owned by VantagePoint Venture Partners, a family of affiliated private investor funds.<sup>2</sup> In Florida, DSLnet is authorized to provide service by virtue of Certificate No. 7035 granted by the Commission on August 12, 1999 in Docket No. 990164-TI. DSLnet is also authorized to provide service as a competitive local exchange carrier pursuant to Certificate No. 7034 granted on July 6, 1999 in Docket No. 990163-TX. Further information concerning DSLnet's legal, technical, managerial and financial qualifications to provide service was submitted with its application for certification with the Commission and is, therefore, a matter of public record.

**B. Deutsche Bank AG London ("Deutsche Bank")**

Deutsche Bank AG is incorporated as a German stock corporation with limited liability. Deutsche Bank AG London is the London branch of Deutsche Bank AG and is registered as a foreign company in England and Wales. Deutsche Bank AG is a widely held international financial service provider offering a broad range of first-class banking, account-keeping, cash

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transactions. The transactions will not result in the sale, lease, transfer, assignment, mortgage, disposal or encumbrance of any DSLnet property necessary or useful in the performance of DSLnet's duties. DSLnet will also not directly issue any stocks, bonds, notes or other evidence of indebtedness.

<sup>2</sup> VPVP is comprised of four affiliated private investment funds: VantagePoint Venture Partners III (Q), L.P., VantagePoint Venture Partners III, L.P., VantagePoint Communications Partners, L.P. and VantagePoint Venture Partners 1996, L.P.

and securities investment and asset management. Deutsche Bank AG files reports and other information that are available to the public with the US Securities and Exchange Commission under the US Securities Exchange Act of 1934, as amended.<sup>3</sup>

## II. Contact Information

Questions or inquiries concerning this Request may be directed to:

Richard M. Rindler  
Edward S. Quill, Jr.  
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## III. Description of the Transactions

Parent is in the process of completing a series of financing transactions (“Transactions”) which, if consummated, could result in an indirect minority transfer of control of DSLnet.<sup>4</sup> Specifically, in connection with an investment financing of approximately \$30 million, Parent has proposed, subject to shareholder and regulatory approvals, to issue to Deutsche Bank certain warrants through which Deutsche Bank could acquire more than 118 million shares of Parent’s common stock. In the event that such warrants are issued and exercised, Deutsche Bank would acquire an indirect minority interest of up to approximately 37% of DSLnet. In addition, although DSLnet’s current indirect majority shareholder, VPVP, will continue to control DSLnet immediately following such transactions and will continue to be a large minority shareholder, VPVP’s interest in Parent (and therefore indirectly in DSLnet) could be reduced below 50%. In order to complete the proposed series of Transactions, DSLnet has entered into a Purchase Agreement dated as of July 18, 2003 (“Purchase Agreement”).<sup>5</sup> A chart illustrating the proposed Transactions is provided in Exhibit A.

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<sup>3</sup> SEC filings for Deutsche Bank may be found on-line at [http://ircontent.db.com/ir/fa.php?m=annual\\_sec\\_e.php&a=http://ircontent.db.com/dbaction/banner\\_ir.php?section=IRBERICHTE](http://ircontent.db.com/ir/fa.php?m=annual_sec_e.php&a=http://ircontent.db.com/dbaction/banner_ir.php?section=IRBERICHTE)

<sup>4</sup> In addition to the issuance of warrants described herein, Deutsche Bank has also entered into certain debt financing arrangements. Such arrangements were completed solely at the Parent company level and do not involve any encumbrance or debt issuance by DSLnet. As a result, it is DSLnet’s understanding that no approval is required to complete such arrangements.

<sup>5</sup> A copy of the Purchase Agreement will be provided upon request.

The proposed Transactions will not directly affect the rates, terms and conditions under which DSLnet provides service. All of the proposed Transactions are financial in nature and are being completed as part of an overall financing package of the DSLnet family of companies. Because DSLnet continues to have access to capital through its corporate Parent, the proposed Transactions are expected to allow DSLnet to become financially stronger and thereby be better positioned to operate in Florida. As a result, the Transactions will be entirely transparent to customers in terms of the services they receive.

#### **IV. Public Interest Considerations**

DSLnet respectfully submits that the proposed Transactions serve the public interest. In particular, DSLnet submits that (1) the Transactions will increase competition in the Florida telecommunications market by reinforcing the status of DSLnet as a viable competitor, and (2) the Transactions will be transparent to DSLnet's Florida customers in terms of the services that they receive.

The proposed Transactions are expected to facilitate competition in Florida by improving the financial position of DSLnet's corporate parent. In particular, the proposed Transactions are expected to provide Parent access to substantial additional capital which will allow Parent and DSLnet to ensure continuity of operation, expand the companies' operations as market conditions warrant and further refine their operations. All of these factors are expected to allow DSLnet to improve its position in the Florida market place and compete more effectively in Florida.

The proposed Transactions will not inconvenience or cause confusion to customers. The Transactions described herein will not affect DSLnet's current management structure or alter DSLnet's operations. The Transactions will not affect the rates, terms and conditions of the services that DSLnet currently provides. Indeed, from the customer's standpoint, the proposed Transactions will be entirely transparent.

#### **V. Conclusion**

For the reasons stated above, DSLnet respectfully submits that the public interest, convenience, and necessity would be furthered by the Transactions described herein. Questions regarding this filing may be directed to the undersigned.

Respectfully submitted,



Richard M. Rindler  
Edward S. Quill, Jr.

Counsel for DSLnet Communications, LLC

Blanca S. Bayo, Director

August 25, 2003

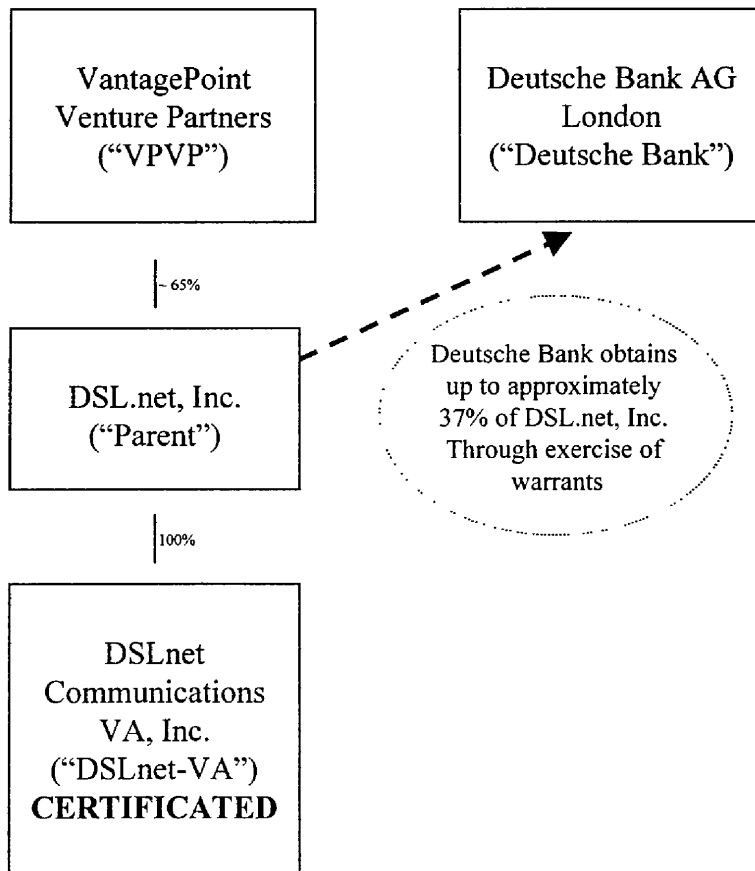
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**Exhibit A**

**Illustrative Chart**

# Illustrative Chart

## Pre-Transaction



## Post-Transaction

