

# SWIDLER BERLIN LLP

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February 1, 2005

## VIA OVERNIGHT DELIVERY

Blanca S. Bayó  
Commission Clerk and Administrator Services  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-085

Dear Ms. Bayó:

Computer Network Technology Corporation (“CNT”), Condor Acquisition, Inc. (“Condor”) and McDATA Corporation (“McDATA”) (collectively, “Parties”), through undersigned counsel, hereby request that the Florida Public Service Commission (“Commission”) grant such authority as may be necessary or required to permit Parties to consummate a series of transactions, described in greater detail below, whereby McDATA will acquire control of CNT through a merger of Condor, McDATA’s wholly-owned subsidiary, and CNT (“Transaction”).

Based on a review of Florida law, it is the Parties’ understanding that Commission approval is not required to complete the transaction described herein.<sup>1</sup> Accordingly, the Parties submit this letter for informational purposes only to ensure the continuing accuracy of the Commission’s records. In support of this filing, Parties state as follows:

<sup>1</sup> The Parties understand that changes in the Florida statutory scheme have eliminated the approval requirements under Section 364.33, Florida Statutes, with respect to transactions such as those outlined in this letter.

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**I. Description of Parties**

**A. Computer Network Technology Corporation (“CNT”)**

CNT is a corporation organized under the laws of the state of Minnesota. CNT’s address is Computer Network Technology Corporation, 6000 Nathan Lane North, Minneapolis, Minnesota 55442. CNT is publicly traded on the Nasdaq National Market System under the symbol “CMNT”. In Florida, CNT holds certificate number 8408 to operate as a competitive local exchange carrier, issued by Order No. PSC-03-1422-CO-TX granted in Docket No. 030941-TX closed on December 17, 2003. After the consummation of the transaction, CNT will retain its authorization and will continue to provide services to its customers. Further information concerning CNT’s legal, technical, managerial and financial qualifications to provide service was submitted with its application with the Commission and is, therefore, a matter of public record. CNT respectfully requests that the Commission take official notice of that information and incorporate it herein by reference. Additional information on CNT is available on the company’s website at: <http://www.cnt.com>.

**B. Condor Acquisition, Inc. (“Condor”)**

Condor is a newly formed Minnesota corporation established to effect the merger of CNT. Condor’s principal offices are located at 380 Interlocken Crescent, Broomfield, Colorado 80021. Condor is a wholly owned subsidiary of McDATA Corporation. Condor is not authorized to provide telecommunication services in any state.

**C. McDATA Corporation (“McDATA”)**

McDATA is a Delaware corporation with principal offices located at 380 Interlocken Crescent, Bloomfield, Colorado 80021. McDATA is publicly traded on the Nasdaq National Market System. McDATA’s Class A common shares are traded under the symbol “MCDTA” and its Class B common shares are traded under the symbol “MCDT”. Neither McDATA nor any of its subsidiaries have any licenses relating to the provision of telecommunications services. McDATA’s revenue from the twelve months ending January 31, 2004 was \$418.9 million and for the quarter ending October 31, 2005 was \$98.5 million. McDATA is financially qualified to acquire control of CNT. Additional information on McDATA is available on the company’s website at: <http://www.mcddata.com>.

## **II. Contact Information**

Questions or inquiries concerning this filing may be directed to:

William B. Wilhelm, Jr.  
Brian McDermott  
Joshua S. Lamel  
Swidler Berlin LLP  
3000 K Street, NW, Suite 300  
Washington, DC 20007-5116  
(202) 424-7500 (Tel)  
(202) 424-7645 (Fax)

## **III. Description of the Transaction**

Parties have entered into an Agreement and Plan of Merger dated as of January 17, 2005 (“Merger Agreement”)<sup>2</sup> through which (1) Condor will be merged with and into CNT whereupon the separate existence of Condor shall cease and CNT will be the surviving corporation (“Surviving Corporation”) and (2) outstanding shares of CNT will be converted into the right to receive 1.3 shares of McDATA Class A Common Stock plus cash in lieu of fractional shares and the Surviving Corporation will become a wholly owned subsidiary of McDATA. Upon completion of the transaction, current McDATA and CNT stockholders will own approximately 76% and 24%, respectively, of McDATA. In light of the structure of the proposed Transaction, Parties hereby advise the Commission of both: (1) the merger of CNT and Condor; and (2) the transfer of control of CNT to McDATA. Attached as Exhibit A is an illustrative chart describing the proposed Transaction.

Following the consummation of the Transaction, CNT’s customers will continue to receive service under the same rates, terms and conditions of service as before. CNT will become a wholly owned subsidiary of McDATA, will continue to operate and provide services to CNT’s customers and will retain the assets used in the provisions of those services. As a result, the proposed Transaction will not involve a change in CNT’s operating authority in Florida and CNT’s tariffs will remain in effect. As a result, the Transaction will be virtually transparent to CNT’s customers in terms of the services they receive.

## **IV. Public Interest Considerations**

Parties respectfully submit that the proposed Transaction serves the public interest. In particular, Parties submit that: (1) the Transaction will increase competition in the Florida telecommunications market by reinforcing the status of CNT as a viable competitor and (2) the

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<sup>2</sup> A copy of the Merger Agreement will be provided upon request.

Transaction will minimize the disruption of service and be virtually transparent to CNT's customers.

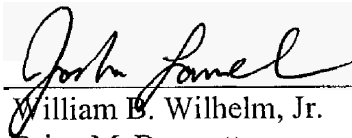
The proposed Transaction is expected to facilitate competition in Florida by improving the operational position of both CNT and McDATA. The combination of CNT's and McDATA's complementary products and services will provide customers with the long-term confidence that their strategic requirements for a storage networking infrastructure needed for increased productivity, business continuity and regulatory compliance will be met. Moreover, given that the Transaction will not affect CNT's rates, terms and conditions of services, the Transaction will have no negative effects on customers.

V. **Conclusion**

An original and seven (7) copies of this letter are enclosed. Kindly date stamp and return the enclosed extra copy of this letter. The Parties hope to close the transaction described as soon as possible after receipt of necessary approvals. Therefore, the Parties respectfully request that the Commission notify the Parties promptly if it has any questions regarding the proposed transaction or believes that further action is required.

Respectfully submitted,

By:



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Brian McDermott

Joshua S. Lamel

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COUNSEL FOR PARTIES

Dated: February 1, 2005

**LIST OF EXHIBITS**

Exhibit A - Illustrative Chart  
Verifications

**Exhibit A**

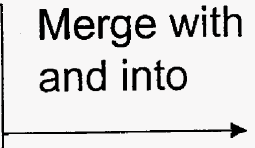
**Illustrative Chart**

**Pre-Transaction**

McDATA  
Corporation



Condor  
Acquisition,  
Inc.



Computer  
Network  
Technology  
Corporation

**Post-Transaction**

McDATA  
Corporation



Computer  
Network  
Technology  
Corporation

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## Verifications



VERIFICATION

I, Gregory T. Barnum, state that I am Chief Financial Officer of Computer Network Technology Corporation, a Party in the foregoing filing; that I am authorized to make this Verification on behalf of Computer Network Technology Corporation; that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.



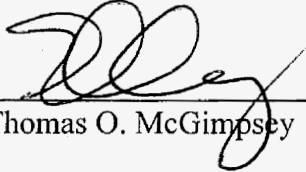
Gregory T. Barnum

Chief Financial Officer  
Computer Network Technology Corporation

Dated: 1/20/05

VERIFICATION

I, Thomas O. McGimpsey, state that I am Vice President, General Counsel and Business Development of McDATA Corporation, a Party in the foregoing filing; that I am authorized to make this Verification on behalf of McDATA Corporation; that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.



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Thomas O. McGimpsey

Vice President, General Counsel and  
Business Development  
McDATA Corporation

Dated: 1-20-05