DOCKET NO. 140191-TX

BINGHAM

Russell M. Blau
Jeffrey R. Strenkowski
russell.blau@bingham.com
jeffrey.strenkowski@bingham.com

October 1, 2014

Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward deposit information to Records.

Initials of person who forwarded check:

Via Overnight Courier

Ann Cole, Commission Clerk
Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

REDACTED

Re: Application of GC Pivotal, LLC d/b/a Global Capacity for Authority to Provide Telecommunications Service Within the State of Florida

Dear Ms. Cole:

On behalf of GC Pivotal, LLC d/b/a Global Capacity ("Global Capacity"), enclosed for filing are an original and one (1) copy of an Application for Authority to Provide Resold Local Exchange and Interexchange Telecommunications Services within the State of Florida. Also enclosed is a check in the amount of $500.00 to cover the requisite filing fee.

Pursuant to Rule 25-22.006(5), Florida Administrative Code, Global Capacity respectfully requests confidential treatment for the confidential and proprietary information included as **Exhibit D** of the Application. One (1) copy of *confidential* **Exhibit D** has been submitted under seal along with one (1) highlighted copy of *confidential* **Exhibit D** and two (2) redacted copies of *confidential* **Exhibit D**.

Please date-stamp the enclosed extra copy of this filing and return it in the envelope provided. Should you have any questions concerning this filing, please do not hesitate to contact the undersigned.

Respectfully submitted,

Russell M. Blau
Jeffrey R. Strenkowski

Counsel for GC Pivotal, LLC d/b/a Global Capacity

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San Francisco
Santa Monica
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Tokyo
Washington

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

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A/76303564.1

FLORIDA PUBLIC SERVICE COMMISSION

OFFICE OF TELECOMMUNICATIONS

APPLICATION FORM
FOR
AUTHORITY TO PROVIDE TELECOMMUNICATIONS COMPANY SERVICE WITHIN THE STATE OF FLORIDA

Instructions

A. This form is used as an application for an original certificate and for approval of transfer of an existing certificate. In the case of a transfer, the information provided shall be for the transferee (See Page 8).

B. Print or type all responses to each item requested in the application. If an item is not applicable, please explain.

C. Use a separate sheet for each answer which will not fit the allotted space.

D. Once completed, submit the original and one copy of this form along with a non-refundable application fee of **$500.00** to:

Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6770

E. A filing fee of **$500.00** is required for the transfer of an existing certificate to another company.

F. If you have questions about completing the form, contact:

Florida Public Service Commission
Office of Telecommunications
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6600

1. This is an application for (check one):

☒ **Original certificate** (new company). **See <u>Exhibit A</u> for further information.**

☐ **Approval of transfer of existing certificate:** <u>Example</u>, a non-certificated company purchases an existing company and desires to retain the original certificate of authority rather that apply for a new certificate.

2. Name of company: **GC Pivotal, LLC**

3. Name under which applicant will do business (fictitious name, etc.):

Applicant will conduct business under the name Global Capacity

4. Official mailing address:

Street/Post Office Box: **180 North LaSalle Street, Suite 2430**
City: **Chicago**
State: **IL**
Zip: **60601**

5. Florida address: **Not applicable**

Street/Post Office Box: ____________
City: ____________
State: ____________
Zip: ____________

6. Structure of organization:

☐ Individual	☐ Corporation
☐ Foreign Corporation	☐ Foreign Partnership
☐ General Partnership	☐ Limited Partnership
☒ Other, please specify: **Foreign Limited Liability Company**	

If individual, provide: **Not applicable**

Name: __________
Title: __________
Street/Post Office Box: __________
City: __________
State: __________
Zip: __________
Telephone No.: __________
Fax No.: __________
E-Mail Address: __________
Website Address: __________

7. **If incorporated in Florida,** provide proof of authority to operate in Florida. The Florida Secretary of State corporate registration number is: **Not applicable**

8. **If foreign corporation,** provide proof of authority to operate in Florida. The Florida Secretary of State corporate registration number is: **M10000002464. See Exhibit B for Certificate of Authority to Operate in Florida.**

9. **If using fictitious name (d/b/a),** provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida. The Florida Secretary of State fictitious name registration number is: **G14000094834. See Exhibit B**

10. **If a limited liability partnership,** please proof of registration to operate in Florida. The Florida Secretary of State registration number is: **Not applicable**

11. **If a partnership**, provide name, title and address of all partners and a copy of the partnership agreement. **Not applicable**

Name: __________
Title: __________
Street/Post Office Box: __________
City: __________
State: __________
Zip: __________
Telephone No.: __________
Fax No.: __________
E-Mail Address: __________
Website Address: __________

12. **If a foreign limited partnership**, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable. The Florida registration number is: **Not applicable**

13. Provide **F.E.I. Number**: **27-2666227**

14. Who will serve as liaison to the Commission in regard to the following?

(a) The application:

Name:	**Russell M. Blau** **Jeffrey R. Strenkowski**
Title:	**Counsel for GC Pivotal, LLC d/b/a Global Capacity**
Street Name & Number:	**Bingham McCutchen LLP** **2020 K St., NW**
Post Office Box:	
City:	**Washington**
State:	**DC**
Zip:	**20006**
Telephone No.:	**(202) 373-6000**
Fax No.:	**(202) 373-6001**
E-Mail Address:	**russell.blau@bingham.com** **jeffrey.strenkowski@bingham.com**
Website Address:	**www.bingham.com**

(b) Official point of contact for the ongoing operations of the company:

Name:	**Jeremy M. Kissel**
Title:	**General Counsel**
Street Name & Number:	**180 North LaSalle Street**
Post Office Box:	
City:	**Chicago**
State:	**IL**
Zip:	**60601**
Telephone No.:	**(312) 673-2400**
Fax No.:	**(312) 265-2422**
E-Mail Address:	**jkissel@globalcapacity.com**
Website Address:	**www.globalcapacity.com**

(c) Where will you officially designate as your place of publicly publishing your schedule (a/k/a tariffs or price lists)?

☒ Florida Public Service Commission
Price Lists will be provided prior to Applicant providing service
☐ Website – *Website address*:
☐ Other – *Please provide address*:

15. List the states in which the applicant:

(a) has operated as a telecommunications company.

Global Capacity currently holds authority or is registered to provide some form of telecommunications services in the following jurisdictions: Alabama, Arizona, Arkansas, California, Connecticut, Delaware, District of Columbia, Florida (interexchange on a deregulated basis), Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Louisiana, Maine, New Hampshire, Nevada, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Texas, Utah, Vermont, Virginia, West Virginia and Wisconsin.

(b) has applications pending to be certificated as a telecommunications company.

Global Capacity is in the process of filing applications for authority or registering to provide telecommunications services in Colorado, Florida, Georgia, Idaho, Nebraska, New Jersey, Tennessee, Washington, and Wyoming, and is planning to request expanded authority in several of the states listed above (including Florida).

(c) is certificated to operate as a telecommunications company.

See answer to 15(a).

(d) has been denied authority to operate as a telecommunications company and the circumstances involved.

None. Applicant has not been denied authority to operate in any jurisdiction.

(e) has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

In 2013, the regulatory staff of the Nevada Public Utilities Commission issued a petition for a show cause order against Global Capacity due to an incomplete annual report filing for calendar year 2012. See Nevada PUC Docket No. 13-08019. Global Capacity was ultimately fined $50 for a late filing. See Nevada PUC Docket No. 13-10053, Procedural Order No. 3.

(f) has been involved in civil court proceedings with another telecommunications entity, and the circumstances involved.

None. Applicant has not been involved in any civil court proceedings with another telecommunications provider.

16. Have any of the officers, directors, or any of the ten largest stockholders previously been:

(a) adjudged bankrupt, mentally incompetent (and not had his or her competency restored), or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. ☐ Yes ☒ No

If yes, provide explanation.

(b) granted or denied a certificate in the State of Florida (this includes active and canceled certificates). ☐ Yes ☒ No

If yes, provide explanation and list the certificate holder and certificate number.

(c) an officer, director, partner or stockholder in any other Florida certificated or registered telephone company. ☐ Yes ☒ No

If yes, give name of company and relationship. If no longer associated with company, give reason why not.

17. Submit the following:

(a) **Managerial capability:** Resumes of employees/officers of the company that would indicate sufficient managerial experiences of each. Please explain if a resume represents an individual that is not employed with the company and provide proof that the individual authorizes the use of the resume. **See Exhibit C.**

(b) **Technical capability:** Resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance. Please explain if a resume represents an individual that is not employed with the company and provide proof that the individual authorizes the use of the resume. **See Exhibit C.**

(c) **Financial Capability**: Applicant's audited financial statements for the most recent three (3) years. If the applicant does not have audited financial statements, it shall so be stated. Unaudited financial statements should be signed by the applicant's chief executive officer and chief financial officer affirming that the financial statements are true and correct and should include:

1. the balance sheet,
2. income statement, and
3. statement of retained earnings.

Financial information demonstrating Global Capacity's financial qualifications is provided under seal as Exhibit D. As shown in the attached information, Global Capacity is financially qualified to operate within the State of Florida Applicant is also providing an affirmation from F. Francis Najafi, President,[1]

[1] Mr. Najafi is the Founder and CEO of Pivotal Group, a leading investment company with an equity portfolio that includes Global Capacity.

and Richard Garner, Secretary and Treasurer, that the financial statements are true and correct.

Note: *It is the applicant's burden to demonstrate that it possesses adequate managerial capability, technical capability, and financial capability. Additional supporting information can be supplied at the discretion of the applicant.*

THIS PAGE **MUST BE** COMPLETED AND SIGNED

REGULATORY ASSESSMENT FEE: I understand that all telephone companies must pay a regulatory assessment fee. Regardless of the gross operating revenue of a company, a minimum annual assessment fee, as defined by the Commission, is required.

RECEIPT AND UNDERSTANDING OF RULES: I acknowledge receipt and understanding of the Florida Public Service Commission's rules and orders relating to the provisioning of telecommunications company service in Florida.

APPLICANT ACKNOWLEDGEMENT: By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide telecommunications company service in the State of Florida. I have read the foregoing and declare that, to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

Further, I am aware that, pursuant to Chapter 837.06, Florida Statutes, ***"Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083."***

I understand that any false statements can result in being denied a certificate of authority in Florida.

COMPANY OWNER OR OFFICER

	Richard Garner
Title:	**Secretary and Treasurer**
Telephone No.:	**(312) 673-2400**
E-Mail Address:	**rgarner@pivotalgroup.com**

Signature: ______________________ Date: 9/24/14

LIST OF EXHIBITS

Exhibit A	**Background**
Exhibit B	**Authority to Transact Business**
Exhibit C	**Management Biographies**
Exhibit D	**Financial Statements - *CONFIDENTIAL - SUBMITTED UNDER SEAL***

EXHIBIT A

This Application is being filed as part of a larger transaction whereby Global Capacity intends to obtain certain network assets and data service customers from MegaPath Corporation ("MegaPath"). Global Capacity intends to provide services to those customers under the same rates, terms and conditions as they are currently provided by MegaPath. Consistent with the services provided by MegaPath, Global Capacity does not intend to provide voice services at this time. In order to serve those customers, Global Capacity is hereby requesting facilities-based and resold authority, and intends to adopt the existing MegaPath tariffs (if any). Any future changes in the rates, terms or conditions of services provided to affected customers will be undertaken pursuant to their service contracts and/or applicable federal and state tariffing requirements.

EXHIBIT B

Authority to Transact Business

State of Florida
Department of State

I certify from the records of this office that GC PIVOTAL, LLC is a Delaware limited liability company authorized to transact business in the State of Florida, qualified on June 1, 2010.

The document number of this limited liability company is M10000002464.

I further certify that said limited liability company has paid all fees due this office through December 31, 2014, that its most recent annual report was filed on January 7, 2014, and its status is active.

I further certify that said limited liability company has not filed a Certificate of Withdrawal.

Given under my hand and the Great Seal of the State of Florida at Tallahassee, the Capital, this the Sixteenth day of September, 2014

Ken Detzner

Secretary of State

Authentication ID: CU4506993634

To authenticate this certificate,visit the following site,enter this ID, and then follow the instructions displayed.

https://efile.sunbiz.org/certauthver.html

FLORIDA DEPARTMENT OF STATE
Division of Corporations

September 18, 2014

GLOBAL CAPACITY
180 N. LASALLE, STE. 2430
CHICAGO, IL 60601

Subject: **GLOBAL CAPACITY**

REGISTRATION NUMBER: **G14000094834**

This will acknowledge the filing of the above fictitious name registration which was registered on September 17, 2014. This registration gives no rights to ownership of the name.

Each fictitious name registration must be renewed every five years between January 1 and December 31 of the expiration year to maintain registration. Three months prior to the expiration date a statement of renewal will be mailed.

If the mailing address of this business changes, please notify this office in writing, or through the link provided on our website www.sunbiz.org for Address & FEI/EIN Changes. Please reference the original registration number.

Should you have any questions regarding this matter you may contact our office at (850) 245-6058.

Leslie Sellers
Reinstatement Section
Division of Corporations   Letter No. 814A00019993

Account number: 20000000195 Account charged: 50.00

APPLICATION FOR RE ISTRATION OF TITIOUS NAME

Note: Acknowledgements/certi tes will be sent to the ress in Section 1 only.

Section 1

1. Global Capacity

Fictitious Name to be Regi ed (see instructions if name ides "Corp" or "Inc")

180 N. LASALLE SUITE 2430

Mailing Address of Business

CHICAGO, IL 60 01

City State Zip Code

3. Florida County of princ al place of business

MULTIPLE

(see inst ions if more than one count

FEI Number:

14 SEP 17 PM 4:10

G14000094834

This space for office use only

Section 2

A. Owner(s) of Fictitiou Name If Individual(Use an attachment if necessary):

1.			2.		
Last			Last	First	M.I.
Address			Address		
City	State	Zip C	City	State	Zip Code

B. Owner(s) of Fictitiou Name If other than individual: (Use attachment if necessary):

1.			2.		
GC Pivotal, LLC					
Entity Name			Entity Name		
180 N. LASALLE SUITE 2430					
Address			Address		
CHICAGO, IL 60 01					
City	State	Zip C	City	State	Zip Code
Florida Document N nber M1000000 4			Florida Document Number		
FEI Number:			FEI Number:		
☐ Applied fo	☐ Not Applicab		☐ Applied for	☐ Not Applicable	

Section 3

I the undersigned, being an owner i e above fictitious name, fy that the information indicated on this form is true and accurate. In accordance with Section 865.09, F.S., I further certi at the fictitious name to egistered has been advertised at least once in a newspaper as defined in chapter 50, Florida Statutes, in the county are the principal place o iness is located. I understand that the signature below shall have the same legal effect as if made under oath and I aware that false inform submitted in a document to the Department of State constitutes a third degree felony as provided for in s.817.155 , IS.

Signature of Owner Date

E-mail address: (to be used for future renewal notification)

Phone Number:

Section 4

FOR CANCELLATION C MPLETE SECTION NLY:

FOR FICTITIOUS NAME R OWNERSHIP CH GE COMPLETE SECTIONS 1 THROUGH 4:

I (we) the undersigne hereby cancel t ictitious name ______

______, which wa egistered on ______ and was assigned

registration number ______

Signature of Owner Date Signature of Owner Date

Mark the app able boxes ☐ C ificate of Status — $10 ☐ Certified Copy — $30

NON-REFUN BLE PROCESSING FEE: $50

CR4E001 (9/10)

EXHIBIT C

Management Biographies

F. Francis Najafi - Founder and CEO

F. Francis Najafi is founder and CEO of Pivotal Group, a leading investment company focused on private equity and real estate.

He founded the privately held firm 30 years ago, investing in landmark properties.

Pivotal Group's real estate investments have included major hotel properties including the Century Plaza Hotel in Los Angeles, Class A commercial office properties such as 650 California Street in San Francisco, and community development projects, including Promontory in Park City.

Drawn by the unrealized potential of well-managed middle-market companies with unique assets, Mr. Najafi entered the private equity market in 2002, and acquired Network Solutions, the world's largest domain-name registry, in 2003. His acquisition philosophy is to initiate and support management-led efforts to build long-term value through the adoption of disruptive innovation, developing new products, expanding markets served and the continued optimization of its cost structure.

Pivotal Group's private equity portfolio includes Global Capacity, the industry's first telecom logistics company globally serving system integrators, carriers and enterprise clients.

Mr. Najafi completed his Bachelor of Science degree in engineering at Arizona State University (ASU), followed by two Masters Degrees from Thunderbird – The School of Global Management, and the University of Southern California (USC). At USC, he began his entrepreneurial activities while a Ph.D. candidate in International Political Economy.

Over the past quarter century while heading Pivotal Group, Mr. Najafi devoted significant time and resources to causes in the public interest. His commitment to community service spans the world. Mr. Najafi is a board member of EastWest Institute, a global think-and-do tank that devises innovative solutions to pressing security concerns; is a member of Urban Land Institute and a governor of the ULI Foundation, which generates funding for research and public service activities that enhance communities. Additionally, he is active in the World President's Organization, a global organization focused on corporate responsibility and personal service and Chief Executive's Organization (CEO), which represents 2,000 global leaders who represent leading businesses around the world.

In Arizona, Mr. Najafi is a foundation board member of the Translational Genomics Research Institute, which employs innovative advancements from the Human Genome Project.

Mr. Najafi's wide-ranging philanthropic interests include the Arizona Science Center, PARSA Community Foundation, Public Affairs Alliance of Iranian Americans (PAAIA), Science Foundation Arizona and Teach for America.

Jack Lodge - President

Jack Lodge is the President of Global Capacity, responsible for all aspects of strategy and execution of the company. He has over 23 years of experience in information technology and telecommunications. Mr. Lodge served as Global Capacity's COO since 2008, and has been a key driver in the development of the company's industry-leading One Marketplace platform. Under his leadership, the number of customers and suppliers participating in One Marketplace has grown steadily, while the company has achieved significant improvements in gross margin and EBITDA performance.

Mr. Lodge joined Global Capacity in 2006 via the acquisition of CentrePath, Inc., a privately-held network management and engineering company where he served as General Manager, with responsibility for all aspects of CentrePath's managed services business. Prior to joining CentrePath's predecessor company, GiantLoop, Mr. Lodge held several leadership positions in the IT organization at Nortel Networks, where his responsibilities included network architecture and strategy. Lodge joined Nortel via the 1998 acquisition of Bay Networks, where he held a number of IT management positions. At Bay Networks, Mr. Lodge led the IT infrastructure integration following the 1994 merger of Wellfleet Communications and Synoptics Communications that created Bay Networks. Prior to Wellfleet / Bay Networks, Mr. Lodge owned and operated a regional network services and maintenance business, distributing and supporting technology from multiple manufacturers. He began his career with AT&T in 1989 in a sales role.

Mr. Lodge holds a B.A. from the College of the Holy Cross, and an M.B.A. from Northeastern University. He played varsity lacrosse at Holy Cross, and remains active as a youth lacrosse coach. Mr. Lodge currently resides in the Boston area with his family.

Richard Garner - Secretary and Treasurer

Mr. Garner has been an integral part of Pivotal Group's management team for more than a decade and is responsible for overseeing the accounting and finance requirements of Pivotal and its portfolio ventures.

As a Certified Public Accountant, he has more than 20 years of accounting, finance and general business experience, including 10 years as a consultant, auditor and business advisor with the national CPA firms of Ernst & Young and Kenneth Leventhal.

He enjoys community service, including serving as an active youth leader with the Boy Scouts of America to help shape the lives of America's youth.

Mr. Garner received a Bachelor of Science degree in accounting from Northern Arizona University.

Ben Edmond - Chief Revenue Officer

Mr. Edmond is Chief Revenue Officer at Global Capacity, with responsibility for all aspects of Global Capacity's revenue generation, including sales and marketing. Mr. Edmond has more than 15 years of experience in the telecommunications industry, encompassing broad expertise in the areas of sales, marketing and managerial experiences. Mr. Edmond joined Global Capacity in 2012. Prior to joining Global Capacity, Mr. Edmond was President of Sales and Marketing at FiberLight, where he led a national carrier and enterprise sales team in 15 metro markets and conducted daily operations in customer and account development and service as well as implementation of product development and all marketing activities.

Prior to joining FiberLight, Mr. Edmond owned Telecom Inventory, a consulting firm focusing on services for large enterprises requiring better access and use of telecommunications information. Mr. Edmond's telecom experience includes eight years with Xspedius Communications (formerly ACSI), where he held several leadership positions.

Mr. Edmond holds a M.S. in International Business from St. Louis University and a B.S. in International Business & Finance from Northeastern University.

Phil Doyle - Chief Information Officer

Phil Doyle is Chief Information Officer of Global Capacity, responsible for the development and management of all proprietary Global Capacity systems and data, including One Marketplace. Mr. Doyle has over 15 years of experience in systems and data resource management, successfully leading development teams and facilitating innovative software solutions for the telecommunications industry. A co-founder of Magenta netLogic, he conceived and developed the core systems that are the foundation of One Marketplace.

Prior to co-founding Magenta netLogic, Mr. Doyle held several positions, including Managing Director, at LANalysis and netFusion Limited. He began his career with ICI in a network and systems engineering role.

Mr. Doyle is an engineering graduate of Manchester Metropolitan University in the UK. He resides in Manchester with his wife and two children, where he enjoys cycling, surfing and walking.

Craig Magerkurth - Chief Knowledge Officer

Craig Magerkurth is Chief Knowledge Officer of Global Capacity, responsible for all systems and data that power the business. He brings over 18 years of experience in developing, building and managing complex, technology-based solutions for multiple industries. Most recently, he served as Vice President of Technology Programs at the Rise Group, where he had oversight of network and video surveillance programs such as Operation Virtual Shield, a Homeland Defense initiative in Chicago.

Previously, Mr. Magerkurth served as Chief Information Officer at Universal Access, where he managed the initial build-out of the Universal Transport Exchanges (UTX), and was instrumental in the development and deployment of the Universal Information Exchange (UIX) and Universal Solutions Exchange (USX). Through merger, these solutions ultimately became key components of what today is Global Capacity's One Marketplace. Mr. Magerkurth has previously served in executive roles for American Traffic Solutions and Mobility Technologies, in addition to serving as Chief Information Officer for 20-20 Technologies. He began his career in the United States Army Corp of Engineers.

Mr. Magerkurth is a graduate of the United States Military Academy at West Point, where he served as President of his class. He holds a Masters of Science in Engineering Management from the University of Missouri at Rolla. Mr. Magerkurth currently resides in the Austin, TX area with his family.

John Nannenhorn - Senior Vice President of Finance

As Senior Vice President of Finance for Global Capacity, John Nannenhorn is responsible for directing all aspects of Global Capacity's Finance, Accounting, Internal Control, Treasury, Human Resources, Legal and Administrative affairs. He brings over 20 years of comprehensive, in-depth, multi-industry experience.

Most recently, Mr. Nannenhorn served as Vice President/Controller at AirCell, where he played an integral role in building the company's Finance Department from the ground-up. He was instrumental in defining and deploying core accounting processes as well as hiring, developing and mentoring a top-performing financial team. Previously, Mr. Nannenhorn served as Executive Director of Finance at ConferencePlus and held several executive roles within prominent corporations including LANSA, Baan, SAP, Memorex Telex and Ryobi. As Chief Financial Officer at LANSA, he was instrumental in implementing new accounting and reporting systems as well as crafting and deploying mission-critical pricing and business model policies. Mr. Nannenhorn began his career as a Senior Accountant with Friedman, Eisenstein, Raemer & Schwartz, LLP.

Mr. Nannenhorn holds a Masters of Business Administration in Finance and Bachelor of Science in Accountancy from Northern Illinois University's College of Business in DeKalb, Illinois. He currently resides in the greater Chicago area.

Jeremy Kissel - General Counsel

Jeremy Kissel is General Counsel at Global Capacity, responsible for all legal and compliance functions of the company. Prior to joining Global Capacity in 2012, Mr. Kissel worked for a boutique communications law firm in Washington, D.C. and Chicago, assisting companies with regulatory compliance, commercial transactions, and representing clients before federal government agencies and the United States Congress. While serving as both an Attorney-Advisor in the Policy Division of the Federal Communications Commission's Media Bureau and Acting Legal Advisor to the Chief of the Media Bureau, Mr. Kissel was involved in all aspects of regulatory proceedings at the agency.

Prior to joining the Federal Communications Commission, Mr. Kissel worked in a United States Senate Leadership Office in Washington, D.C. From 2003 to 2006, Mr. Kissel was a litigator in Miami, Florida, where he concentrated his practice on insurance defense, insurance coverage, and bad faith matters.

Mr. Kissel holds a Bachelor of Science (B.S.) from Florida State University, a Juris Doctor (J.D.) from Nova Southeastern University, Shepard Broad Law Center, and a Master of Laws (LL.M) from American University's Washington College of Law. Mr. Kissel resides in Chicago with his wife.

FLORIDA PUBLIC SERVICE COMMISSION

APPLICATION OF	)	
	)	
GC PIVOTAL, LLC d/b/a Global Capacity	)	
	)	**Docket No. ________**
FOR AUTHORITY TO PROVIDE	)	
COMPETITIVE FACILITIES-BASED AND RESOLD	)	
LOCAL EXCHANGE AND INTEREXCHANGE	)	
TELECOMMUNICATIONS SERVICES	)	
WITHIN THE STATE OF FLORIDA	)	

EXHIBIT D

Financial Statements

CONFIDENTIAL - SUBMITTED UNDER SEAL

Please note that the financial statements attached as **Exhibit D** to the original copy of the application are proprietary and confidential, and thus, is being submitted under seal. Applicant respectfully requests that the information be accorded confidential treatment and that it not be made a part of the public record or otherwise be made available for public disclosure. This information is provided in a sealed envelope attached only to the original copy of the Application.

FINANCIAL STATEMENTS AFFIRMATION

The undersigned, F. Francis Najafi, President, and Richard Garner, Secretary and Treasurer of Global Capacity each affirm that the financial statements provided as **Exhibit D** to the Application for Authority to Provide Telecommunications Company Service in the State of Florida 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 24 day of September, 2014.

F. Francis Najafi
GC Pivotal, LLC d/b/a Global Capacity
President

Richard Garner
GC Pivotal, LLC d/b/a Global Capacity
Secretary and Treasurer

A/76311220

STATE OF ARIZONA §
§
COUNTY OF MARICOPA §

VERIFICATION

I, Richard Garner, state that I am Secretary and Treasurer of GC Pivotal, LLC; that I am authorized to make this Verification on behalf of GC Pivotal, LLC; 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.

Richard Garner
Secretary and Treasurer
GC Pivotal, LLC

Sworn and subscribed before me this 19 day of September, 2014.

Notary Public

My commission expires May 15, 2018

JENNIFER CASEY
NOTARY PUBLIC – ARIZONA
MARICOPA COUNTY
My Commission Expires
May 15, 2018

REDACTED

CONSOLIDATED FINANCIAL STATEMENTS
AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
GC PIVOTAL, LLC AND SUBSIDIARY
DECEMBER 31, 2011 AND MAY 16, 2011

REDACTED

CONTENTS

REDACTED

Grant Thornton

Audit • Tax • Advisory

Grant Thornton LLP
175 W Jackson Boulevard, 20th Floor
Chicago, IL 60604-2687

T 312.856.0200
F 312 565 4719
www.GrantThornton.com

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Members
GC Pivotal, LLC

We have audited the accompanying consolidated balance sheets of GC Pivotal, LLC (a Delaware limited liability company) and Subsidiary (together, the Company) as of December 31, 2011 and May 16, 2011, and the related consolidated statement of operations, changes in members' equity and cash flows for the period from May 16, 2011 (date of inception) through December 31, 2011. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of GC Pivotal, LLC and Subsidiary as of December 31, 2011 and May 16, 2011, and the results of their operations and their cash flows for the period from May 16, 2011 (date of inception) through December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Chicago, Illinois
June 28, 2012

REDACTED

GC Pivotal, LLC and Subsidiary
CONSOLIDATED BALANCE SHEETS
December 31, 2011 and May 16, 2011

ASSETS	December 31, 2011	May 16, 2011
CURRENT ASSETS		
Cash and cash equivalents	$ [redacted]	[redacted]
Restricted cash	[redacted]	[redacted]
Accounts receivable, net of allowances of $[redacted] and [redacted] at December 31, 2011 and May 16, 2011, respectively	[redacted]	[redacted]
Prepaid expenses and other current assets	[redacted]	[redacted]
Total current assets	[redacted]	[redacted]
PROPERTY AND EQUIPMENT, NET	[redacted]	[redacted]
INTANGIBLE ASSETS, NET	[redacted]	[redacted]
GOODWILL	[redacted]	[redacted]
TOTAL ASSETS	[redacted]	[redacted]

LIABILITIES AND MEMBERS' EQUITY	December 31, 2011	May 16, 2011
CURRENT LIABILITIES		
Current portion of long-term debt	$ [redacted]	$ [redacted]
Accounts payable	[redacted]	[redacted]
Accrued expenses	[redacted]	[redacted]
Deferred revenue	[redacted]	[redacted]
Accrued commitments and contingencies	[redacted]	[redacted]
Total current liabilities	[redacted]	[redacted]
LONG-TERM LIABILITIES		
Deferred revenue	[redacted]	[redacted]
Notes payable	[redacted]	[redacted]
Total long-term liabilities	[redacted]	[redacted]
Total liabilities	[redacted]	[redacted]
MEMBERS' EQUITY		
Class A members' units, par value [redacted]; 1 unit issued authorized and outstanding at December 31, 2011 and May 16, 2011	-	-
Additional paid-in capital	[redacted]	[redacted]
Accumulated other comprehensive loss	[redacted]	-
Accumulated deficit	[redacted]	-
Total members' equity	[redacted]	[redacted]
TOTAL LIABILITIES AND MEMBERS' EQUITY	[redacted]	[redacted]

The accompanying notes are an integral part of these statements.

REDACTED

GC Pivotal, LLC and Subsidiary
CONSOLIDATED STATEMENT OF OPERATIONS
Period from May 16, 2011 (date of inception) through December 31, 2011

Revenues	[redacted]
Cost of goods and services sold	[redacted]
Gross profit	[redacted]
Operating expenses	
Compensation	[redacted]
Travel and entertainment	[redacted]
Facility-related costs	[redacted]
Marketing	[redacted]
Outside services	[redacted]
Insurance	[redacted]
Bad debt expense	[redacted]
Asset management fee	[redacted]
Depreciation and amortization	[redacted]
Other	[redacted]
Total operating expenses	[redacted]
Loss from operations	[redacted]
Other expense	
Interest	[redacted]
Other	[redacted]
Total other expense	[redacted]
Net [redacted]	[redacted]
Other comprehensive loss	
Foreign currency translation adjustment	[redacted])
TOTAL COMPREHENSIVE LOSS	[redacted])

The accompanying notes are an integral part of this statement.

REDACTED

GC Pivotal, LLC and Subsidiary
CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' EQUITY
Period from May 16, 2011 (date of inception) through December 31, 2011

	Class A members' units		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total
	Shares	Amount				
Balance, May 16, 2011 (date of inception)	1	$ -	[redacted]	$ -	$ -	[redacted]
Foreign currency translation adjustment	-	-	-	-	[redacted]	[redacted]
Net [redacted]	-	-	-	[redacted]	[redacted]	[redacted]
Balance, December 31, 2011	1	$ -	[redacted]	[redacted]	[redacted]	[redacted]

The accompanying notes are an integral part of this statement.

REDACTED

GC Pivotal, LLC and Subsidiary
CONSOLIDATED STATEMENT OF CASH FLOWS
Period from May 16, 2011 (date of inception) through December 31, 2011

Cash flows from operating activities	
Net loss	[redacted]
Adjustments to reconcile net loss to net cash provided by operating activities	
Depreciation and amortization	[redacted]
Bad debt expense, net of recoveries	
Changes in operating assets and liabilities	
Accounts receivable	[redacted]
Other current assets	
Accounts payable	
Accrued expenses	
Deferred revenue	
Deferred revenue - long term	
Net cash provided by operating activities	[redacted]
Cash flows from investing activities	
Purchase of fixed assets	[redacted]
Net cash used in investing activities	[redacted]
Cash flows from financing activities	
Payments for restricted cash	[redacted]
Loan repayments	
Net cash used in financing activities	[redacted]
INCREASE IN CASH AND CASH EQUIVALENTS	[redacted]
Cash and cash equivalents, beginning of period	[redacted]
Cash and cash equivalents, end of period	[redacted]
Cash paid during the year for	
Interest	[redacted]
Non-cash investing and financing activities	
Purchase of property and equipment through payables	[redacted]

The accompanying notes are an integral part of this statement.

REDACTED

NOTE A - BACKGROUND AND BASIS OF PRESENTATION

GC Pivotal, LLC d/b/a Global Capacity, LLC and Subsidiary (together, Global Capacity or the Company) is a telecommunications information and logistics company that improves the efficiency and reduces the cost of obtaining and managing access networks globally. Through its One Marketplace Access Exchange, the Company connects customers and suppliers in an automated exchange platform. Global Capacity delivers its solutions to purpose-built integrators, global carriers, managed service providers and enterprise customers globally.

Global Capacity was formed on May 16, 2011, via a purchase of substantially all of the assets of Capital Growth Systems by Pivotal Global Capacity, LLC. On July 23, 2010, Capital Growth Systems and its subsidiaries (together, the Debtors) filed for protection under Chapter 11, in Delaware bankruptcy court. The subsidiaries included were Global Capacity Group, Inc., 20/20 Technologies, Inc., Capital Growth Systems, Inc., CentrePath, Inc., Global Capacity Direct, LLC f/k/a Vanco Direct USA, LLC, 2020 Technologies I, LLC, NEXVU Technologies, LLC, FNS 2007, Inc. f/k/a Frontrunner Network Systems, Corp., Capital Growth Acquisition, Inc. and Global Capacity Holdco, LLC. On January 26, 2011, the sale of substantially all of the assets of the Debtors to Pivotal Global Capacity, LLC or its subsidiary (GC Pivotal, LLC) was approved by the bankruptcy court.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include all of the accounts of Global Capacity and its wholly owned UK subsidiary, Magenta netLogic, Ltd. (Magenta). All intercompany accounts and transactions have been eliminated in consolidation. Assets and liabilities of the Company's foreign subsidiary are translated at year-end exchange rates. Amounts in the consolidated statement of operations are translated using average monthly exchange rates during the year. Gains and losses resulting from translating foreign currency financial statements are recorded in the accompanying consolidated balance sheets within accumulated other comprehensive loss. The consolidated financial statements and notes have been prepared in accordance with accounting standards generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. These estimates also affect the disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant Risks and Uncertainties

The Company's operations are subject to certain risks and uncertainties, including those associated with fluctuations in operating results, funding expansion, strategic alliances, managing rapid growth and expansion, relationships with suppliers, regulatory issues, competition, the economy, technology trends and evolving industry standards.

REDACTED

Cash and Cash Equivalents

The Company considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. The Company continually monitors its positions with, and the credit quality of, the financial institutions with which it invests.

Restricted Cash

Certain cash amounts are restricted as to use and are classified outside of cash and cash equivalents. As of December 31, 2011, restricted cash of [redacted] includes [redacted] in cash held in an escrow account for a constructive trust litigation case (see note K) and [redacted] in cash on deposit in reserve accounts related to a securing a credit limit on the Company's corporate cards. The remaining restricted cash comprises [redacted] relating to cash on deposit in reserve for letters of credit. As of May 16, 2011, restricted cash of [redacted] includes [redacted] in cash held in an escrow account for a constructive trust litigation case (see note K) and [redacted] in cash on deposit in reserve accounts related to securing a credit limit on the Company's corporate cards. The remaining restricted cash comprises [redacted] relating to cash on deposit in reserve for letters of credit

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist principally of cash and cash equivalents and accounts receivable. All cash and cash equivalents are with creditworthy financial institutions. At times during the periods presented, the Company had funds in non-interest-bearing transaction accounts that are fully insured by the Federal Deposit Insurance Corporation. Management believes the Company is not exposed to significant credit risk due to the financial position of the depository institutions in which those deposits are held.

The Company performs ongoing credit evaluations, but generally does not require collateral to support receivables. For the period from May 16, 2011 (date of inception) through December 31, 2011, one customer accounted for [redacted]% of the Company's total revenues. As of December 31 2011, three customers made up [redacted]%, [redacted]% and [redacted]%, respectively, of accounts receivable. As of May 16, 2011, three customers made up [redacted]%, [redacted]% and [redacted]%, respectively, of accounts receivable.

Property and Equipment and Depreciation

Property and equipment, including leasehold improvements, as of December 31, 2011, are stated at their fair value at date of acquisition less accumulated depreciation and amortization. Depreciation and amortization of property and equipment is computed principally using the straight-line method over the estimated useful lives for owned assets, which are as follows:

Asset description	Life
Computer hardware	2 - 4 years
Leasehold improvements	2 years
Machinery and equipment	2 - 5 years
Office equipment	3 years

Improvements to leased property are amortized over the shorter of the useful life of the improvement or the term of the related lease. Repairs and maintenance costs are expensed as incurred.

REDACTED

Fair Value of Financial Instruments

The Company's financial instruments include cash and cash equivalents, accounts receivable, accounts payable and notes payable. The carrying values of cash and cash equivalents, accounts receivable and accounts payable approximate their estimated fair values based on the attributes of the instruments or their quoted prices, unless stated, because of the short-term maturity of these instruments. The fair values of the Company's borrowings under its variable-rate agreements approximate their fair values unless stated. The fair values of the notes payable reflect the market values for similar obligations considering their maturities, credit quality and market interest rates.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The Financial Accounting Standards Board has established a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value, and also establishes the following three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted market prices in markets that are not active; or model-derived valuations or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Goodwill and Intangible Assets

Goodwill represents the excess of purchase price paid over net assets acquired in a business combination. Goodwill is not amortized. Intangible assets with finite useful lives are generally amortized on a straight-line basis over the periods benefited. Goodwill is tested annually for impairment and whenever events or circumstances change, such as a significant adverse change in business climate or the decision to sell a business, that would make it more likely than not that an impairment may have occurred. If the carrying values of goodwill exceed its fair value, an impairment loss is recognized. The evaluation of impairment involves comparing the estimated fair value of the Company to the recorded value of goodwill. There was no impairment of goodwill during the period from May 16, 2011 (date of inception) through December 31, 2011.

The Company recognizes an acquired intangible asset apart from goodwill whenever the intangible asset arises from contractual or other legal rights, or when it can be separated or divided from the acquired entity and sold, transferred, licensed, rented or exchanged, either individually or in combination with a related contract, asset or liability. The intangible assets are amortized over their expected life as follows:

Asset description	Life
Trademark/trade name	20 years
Software	3 years
CLM technology	12 years
Database	8 years
Customer relationships	12 years

REDACTED

Impairment losses are recognized if the carrying amount of an intangible subject to amortization is not recoverable from expected future cash flows and its carrying amount exceeds its fair value. No such losses were recognized in the period from May 16, 2011 (date of inception) through December 31, 2011.

Long-lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. The criteria for determining impairment for such long-lived assets to be held and used is determined by comparing the carrying value of these long-lived assets to be held and used to management's best estimate of future undiscounted cash flows expected to result from the use of these assets. If the assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. The estimated fair value of the assets is measured by estimating the present value of the future discounted cash flows to be generated. There was no impairment of long-lived assets during the period from May 16, 2011 (date of inception) through December 31, 2011.

Revenue Recognition

The Company recognizes revenue for provisioning and reselling of telecommunication circuits and from supporting and monitoring of its customers' network. The Company recognizes the revenue when persuasive evidence of an arrangement exists, delivery or upon performance of the service to customers has occurred, the price is fixed or determinable, and collectibility is reasonably assured. Deferred revenue represents cash received from clients or billings for which services have not yet been rendered or earned.

The Company also provides engineering services to design and implement private transport networks The Company uses the input proportional performance method, which approximates the ratio of total input efforts completed to date to the total estimated input effort, to recognize the revenue. The Company bills the engineering services as the services are completed on a monthly basis. As such, there are no billings in excess of revenues or revenues in excess of billings as of December 31, 2011 and May 16, 2011.

Accounts Receivable, Net

Accounts receivable balances are stated at amounts due from the customer net of an allowance for doubtful accounts. Credit extended is based on an evaluation of the customer's financial condition and is granted to qualified customers on an unsecured basis.

The Company's standard terms require payment within 30 days of the date of the invoice. The Company treats invoices as past due when they remain unpaid, in whole or in part, beyond the payment time set forth in the applicable service contract.

The Company determines its allowance for doubtful accounts by considering a number of factors, including the length of time trade receivables are past due, the customer's current ability to pay its obligation to the Company, and the condition of the general economy and the industry as a whole. Specific reserves are also established on a case-by-case basis by management. The Company writes off accounts after a determination by management that the amounts at issue are no longer likely to be collected, following the exercise of reasonable collection efforts, and upon management's determination that the costs of pursuing collection outweigh the likelihood of recovery. Payments subsequently received on such receivables are credited to the allowance for doubtful accounts. As of December 31, 2011 and May 16, 2011, the total allowance for doubtful accounts was [redacted] and [redacted]-, respectively.

REDACTED

GC Pivotal, LLC and Subsidiary
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
December 31, 2011 and May 16, 2011

	Balance, May 16, 2011	Net additions charged to cost and expenses	Accounts written off	Balance, December 31, 2011
Accounts receivable allowances	$ -	[redacted]	[redacted]	[redacted]

Deferred Revenue

The Company earns sales revenue from providing its customers ongoing access to data services and the installation of those services. Advance billings are recorded as deferred revenue in the month prior to delivery. Deferred revenue is generally short-term in nature.

Research and Development Costs

Expenditures made for research and development are charged to expense as incurred. Approximately [redacted] of research and development costs are included in compensation in the accompanying consolidated statement of operations for the period from May 16, 2011 (date of inception) through December 31, 2011.

Income Taxes

The Company is an LLC taxed as a partnership under the U.S. Internal Revenue code and similar provisions of state income tax rules. Under these provisions, the members of the Company are taxed on their proportionate share of the Company's taxable income. Income or loss generated by the Company flows through to the members' income tax returns. Accordingly, no provision for federal or state income taxes has been included in these consolidated financial statements.

The Company recognizes the benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. Interest and penalties, if incurred, are recognized in the statement of operations. The Company had no liabilities related to uncertain tax positions at December 31, 2011 and May 16, 2011.

Accrued Carrier Expenses

The Company accrues estimated charges owed to its suppliers for services which is included in accrued expenses in the accompanying balance sheets. The Company bases this accrual on the supplier contract, the individual service order executed with the supplier for that service, and the length of time of the service.

Other Comprehensive Loss

In addition to net loss, comprehensive loss includes charges or credits to equity occurring other than as a result of transactions with members. For the Company, this consists of foreign currency translation adjustments.

REDACTED

NOTE C - FORMATION OF BUSINESS

[redacted]

[redacted]

[redacted]

[redacted] [redacted]

[redacted] [redacted]

[redacted] [redacted]

[redacted] [redacted]

[redacted]

[redacted]

[redacted]

NOTE D - RELATED-PARTY TRANSACTIONS

In the ordinary course of business, the Company enters into transactions with Pivotal Group. Accrued payables in the accompanying consolidated balance sheet include amounts owed to this entity of [redacted] as of December 31, 2011. Expenses related to management fees and legal expenses totaled [redacted] during the period. The management fee [redacted] is charged monthly. The Company has loans outstanding to two directors of Magenta (see note J).

REDACTED

NOTE E - COMPOSITION OF CERTAIN BALANCE SHEET ACCOUNTS

Accounts receivable as of December 31, 2011 and May 16 2011, consist of the following:

	December 31, 2011	May 16, 2011
Accounts receivable - trade	[redacted]	[redacted]
Unbilled receivables		
Vendor receivable		
Less allowance for doubtful accounts		-
Accounts receivable, net	[redacted]	[redacted]

Property and equipment as of December 31, 2011 and May 16, 2011, consist of the following:

	December 31, 2011	May 16, 2011
Computer hardware	[redacted]	[redacted]
Leasehold improvements		
Machinery and equipment		
Office equipment		
Less accumulated depreciation and amortization (expense)		-
Property and equipment, net	[redacted]	[redacted]

Accrued expenses as of December 31, 2011 and May 16, 2011, consist of the following:

	December 31, 2011	May 16, 2011
Accrued carrier payable	[redacted]	[redacted]
Accrued sales and regulatory tax		
Accrued employee salary and benefits		
Accrued other		
Total accrued expenses	[redacted]	[redacted]

NOTE F - INTANGIBLE ASSETS

The Company's intangible assets have useful lives that vary generally over three to 20 years.

REDACTED

The Company's intangible assets subject to amortization as of December 31, 2011 and May 16, 2011, comprise the following:

	December 31, 2011	May 16, 2011
CLM technology	[redacted]	[redacted]
Database	[redacted]	[redacted]
Customer relationships	[redacted]	[redacted]
Trade name	[redacted]	[redacted]
Computer software	[redacted]	[redacted]
	[redacted]	[redacted]
Less accumulated amortization	[redacted]	-
Intangible assets, net	[redacted]	[redacted]

Amortization expense for intangible assets for the period from May 16, 2011 (date of inception) through December 31, 2011, was [redacted].

The estimated future amortization expense is as follows:

<u>Years ending December 31,</u>

2012	$ [redacted]
2013	[redacted]
2014	[redacted]
2015	[redacted]
2016	[redacted]
Thereafter	[redacted]

NOTE G - FOREIGN OPERATIONS

Total assets relating to foreign operations included in the consolidated financial statements as of December 31, 2011 and May 16, 2011, were $[redacted]and [redacted] respectively.

NOTE H - BORROWINGS AND OTHER LIABILITIES

Letter of Credit

The Company maintains a [redacted] letter of credit for the benefit of the landlord for office space in Illinois in lieu of a security deposit, and a $[redacted]letter of credit for the benefit of the Tennessee Regulatory Authority.

REDACTED

NOTE I - EMPLOYEE BENEFIT PLANS

401(k) Plan

Under the Company's 401(k) plan, all employees who are eligible to participate in the 401(k) plan are entitled to make tax-deferred contributions subject to IRS limitations. The Company currently does not match the employee's contributions made.

NOTE J - NOTES PAYABLE

The Company has two loans outstanding with directors of the Company as of December 31, 2011 and May 16, 2011. These amounts are all unsecured and due on demand. The amounts bear interest at [redacted]%. The loans were from December 1, 2003 to November 1, 2013. Both loans were paid off early in 2012.

	December 31, 2011	May 16, 2011
Current portion of notes payable	$ [redacted]	$ [redacted]
Long-term portion of notes payable	[redacted]	[redacted]
	[redacted]	[redacted]

NOTE K - COMMITMENTS AND CONTINGENCIES

Leases

The Company has operating lease agreements relating to certain facilities expiring through July 2018. Rent expense on operating leases for the period from May 16, 2011 (date of inception) through December 31, 2011, was [redacted].

Future minimum lease payments under operating leases as of December 31, 2011 until July 1, 2018, are approximately as follows:

Years ending December 31,

2012	$ [redacted]
2013	[redacted]
2014	[redacted]
2015	[redacted]
2016	[redacted]
Thereafter	[redacted]
	[redacted]

Contractual Commitments

Subsequent to December 31, 2011, the Company entered into a supplier agreement on March 20, 3012, with purchase obligations of [redacted] in year one, [redacted] in year two, and [redacted] in year three associated with the telecommunications services that the Company has contracted to purchase from its vendors. If the Company does not purchase the minimum obligated amount, the supplier will charge the Company the difference between the minimum annual obligated amount and the amounts paid in telecommunications services to the supplier for the commitment period.

Contingencies - Legal Proceedings

The Company is subject to legal proceedings arising in the ordinary course of business. In the opinion of management, the ultimate disposition of those matters will not have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity. No material reserves have been established for any pending legal proceeding, either because a loss is not probable or the amount of a loss, if any, cannot be reasonably estimated.

NOTE L - SUBSEQUENT EVENTS

The Company evaluated its December 31, 2011, financial statements for subsequent events through June 28, 2012, the date the financial statements were available to be issued. There were no other subsequent events besides the ones disclosed in the notes above that require recognition or additional disclosure in the financial statements.

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Grant Thornton

Consolidated Financial Statements and Report of Independent Certified Public Accountants

GC Pivotal, LLC and Subsidiary

December 31, 2012 and 2011

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Contents

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Members
GC Pivotal, LLC

We have audited the accompanying consolidated financial statements of GC Pivotal, LLC (a Delaware limited liability company) and Subsidiary (together, the Company), which comprise the consolidated balance sheets as of December 31, 2012 and 2011, and the related consolidated statements of comprehensive loss, changes in members' equity and cash flows for the year ended December 31, 2012, and the period from May 16, 2011 (date of inception) through December 31, 2011, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the

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reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of GC Pivotal, LLC and Subsidiary as of December 31, 2012 and 2011, and the results of their operations and their cash flows for the year ended December 31, 2012, and the period from May 16, 2011 (date of inception) through December 31, 2011, in accordance with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Chicago, Illinois
May 1, 2013

REDACTED

GC Pivotal, LLC and Subsidiary
CONSOLIDATED BALANCE SHEETS
December 31,

ASSETS	2012	2011
CURRENT ASSETS		
Cash and cash equivalents	$ [redacted]	$ [redacted]
Restricted cash	[redacted]	[redacted]
Accounts receivable, net of allowances of [redacted] and [redacted] at December 31, 2012 and 2011, respectively	[redacted]	[redacted]
Prepaid expenses and other current assets	[redacted]	[redacted]
Total current assets	[redacted]	[redacted]
PROPERTY AND EQUIPMENT, NET	[redacted]	[redacted]
INTANGIBLE ASSETS, NET	[redacted]	[redacted]
GOODWILL	[redacted]	[redacted]
TOTAL ASSETS	[redacted]	[redacted]

LIABILITIES AND MEMBERS' EQUITY	2012	2011
CURRENT LIABILITIES		
Current portion of long-term debt	$ -	$ [redacted]
Accounts payable	[redacted]	[redacted]
Accrued expenses	[redacted]	[redacted]
Deferred revenue	[redacted]	[redacted]
Accrued commitments and contingencies	-	[redacted]
Total current liabilities	[redacted]	[redacted]
LONG-TERM LIABILITIES		
Deferred revenue	-	[redacted]
Notes payable	-	[redacted]
Total long-term liabilities	-	[redacted]
DEFERRED COMPENSATION	[redacted]	-
Total liabilities	[redacted]	[redacted]
MEMBERS' EQUITY		
Class A members' units, par value $[redacted]; 1 unit issued, authorized and outstanding at December 31, 2012 and 2011	-	-
Additional paid-in capital	[redacted]	[redacted]
Accumulated other comprehensive loss	[redacted]	[redacted]
Accumulated deficit	[redacted]	[redacted]
Total members' equity	[redacted]	[redacted]
TOTAL LIABILITIES AND MEMBERS' EQUITY	[redacted]	[redacted]

The accompanying notes are an integral part of these statements.

REDACTED

GC Pivotal, LLC and Subsidiary
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
Year ended December 31, 2012, and period from
May 16, 2011 (date of inception) through December 31, 2011

	2012	2011
Revenues	[redacted]	[redacted]
Cost of goods and services sold	[redacted]	[redacted]
Gross profit	[redacted]	[redacted]
Operating expenses		
Compensation	[redacted]	[redacted]
Compensation - long-term incentive plan	[redacted]	[redacted]
Travel and entertainment	[redacted]	[redacted]
Facility-related costs	[redacted]	[redacted]
Marketing	[redacted]	[redacted]
Outside services	[redacted]	[redacted]
Insurance	[redacted]	[redacted]
Bad debt (recovery) expense	[redacted]	[redacted]
Asset management fee	[redacted]	[redacted]
Depreciation and amortization	[redacted]	[redacted]
Other	[redacted]	[redacted]
Total operating expenses	[redacted]	[redacted]
Loss from operations	[redacted]	[redacted]
Other expense		
Interest	[redacted]	[redacted]
Other	[redacted]	[redacted]
Total other expense	[redacted]	[redacted]
NET LOSS	[redacted]	[redacted]
Other comprehensive loss		
Foreign currency translation adjustment	[redacted]	[redacted]
Total comprehensive loss	[redacted]	[redacted]

The accompanying notes are an integral part of these statements.

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GC Pivotal, LLC and Subsidiary
CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY
Year ended December 31, 2012, and period from
May 16, 2011 (date of inception) through December 31, 2011

	Class A members' units		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total
	Shares	Amount				
Balance, May 16, 2011 (date of inception)	1	$ -	[redacted]	$ -	$ -	[redacted]
Foreign currency translation adjustment	-	-	-	-	[redacted]	[redacted]
Net loss	-	-	-	[redacted]	-	[redacted]
Balance, December 31, 2011	1	-	[redacted]	[redacted]	[redacted]	[redacted]
Foreign currency translation adjustment	-	-	-	-	[redacted]	[redacted]
Distributions	-	-	[redacted]	-	-	[redacted]
Net loss	-	-	-	[redacted]	-	[redacted]
Balance, December 31, 2012	1	$ -	[redacted]	[redacted]	[redacted]	[redacted]

The accompanying notes are an integral part of these statements.

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GC Pivotal, LLC and Subsidiary
CONSOLIDATED STATEMENTS OF CASH FLOWS
Year ended December 31, 2012, and period from
May 16, 2011 (date of inception) through December 31, 2011

	2012	2011
Cash flows from operating activities		
Net loss	[redacted]	[redacted]
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization	[redacted]	[redacted]
Bad debt (recoveries) expense	[redacted]	[redacted]
Deferred compensation	[redacted]	-
Changes in operating assets and liabilities		
Accounts receivable	[redacted]	[redacted]
Other current assets	[redacted]	[redacted]
Accounts payable	[redacted]	[redacted]
Accrued expenses	[redacted]	[redacted]
Deferred revenue	[redacted]	[redacted]
Deferred revenue - long term	-	[redacted]
Accrued commitments and contingencies	[redacted]	-
Net cash provided by operating activities	[redacted]	[redacted]
Cash flows from investing activities		
Purchase of fixed assets	[redacted]	[redacted]
Purchase of computer software	[redacted]	-
Net cash used in investing activities	[redacted]	[redacted]
Cash flows from financing activities		
Changes in restricted cash	[redacted]	[redacted]
Loan repayments	[redacted]	[redacted]
Distribution to members	[redacted]	-
Net cash used in financing activities	[redacted]	[redacted]
Effect of exchange rate change	[redacted]	[redacted]
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	[redacted]	[redacted]
Cash and cash equivalents, beginning of period	[redacted]	[redacted]
Cash and cash equivalents, end of period	[redacted]	[redacted]
Cash paid during the period for		
Interest	[redacted] [redacted]	[redacted] [redacted]
Taxes	[redacted]	-
Non-cash investing and financing activities		
Purchase of property and equipment through payables	[redacted] -	[redacted] [redacted]
Acquisition of property and equipment through capital leases	[redacted]	-

The accompanying notes are an integral part of these statements.

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NOTE A - BACKGROUND AND BASIS OF PRESENTATION

GC Pivotal, LLC d/b/a Global Capacity, LLC and Subsidiary (together, Global Capacity or the Company) is a telecommunications information and logistics company that improves the efficiency and reduces the cost of obtaining and managing access networks globally. Through its One Marketplace Access Exchange, the Company connects customers and suppliers in an automated exchange platform. Global Capacity delivers its solutions to purpose-built integrators, global carriers, managed service providers and enterprise customers globally.

Global Capacity was formed on May 20, 2010, as a limited liability company (LLC) under the state of Delaware statutes and began operations on May 16, 2011. Under the terms of the LLC operating agreement, the term of the Company shall continue to exist in perpetuity. Global Capacity was formed on May 16, 2011, via a purchase of substantially all of the assets of Capital Growth Systems by Pivotal Global Capacity, LLC. On July 23, 2010, Capital Growth Systems and its subsidiaries (together, the Debtors) filed for protection under Chapter 11 in Delaware bankruptcy court. The subsidiaries included were Global Capacity Group, Inc., 20/20 Technologies, Inc., Capital Growth Systems, Inc., CentrePath, Inc., Global Capacity Direct, LLC f/k/a Vanco Direct USA, LLC, 2020 Technologies I, LLC, NEXVU Technologies, LLC, FNS 2007, Inc. f/k/a Frontrunner Network Systems, Corp., Capital Growth Acquisition, Inc. and Global Capacity Holdco, LLC. On January 26, 2011, the sale of substantially all of the assets of the Debtors to Pivotal Global Capacity, LLC or its subsidiary (GC Pivotal, LLC) was approved by the bankruptcy court.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include all of the accounts of Global Capacity and its wholly owned UK subsidiary, Magenta netLogic, Ltd. (Magenta). All intercompany accounts and transactions have been eliminated in consolidation. Assets and liabilities of the Company's foreign subsidiary are translated at year-end exchange rates. Amounts in the consolidated statements of comprehensive loss are translated using average monthly exchange rates during the year. Gains and losses resulting from translating foreign currency financial statements are recorded in the accompanying consolidated balance sheets within accumulated other comprehensive loss. The consolidated financial statements and notes have been prepared in accordance with accounting standards generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. These estimates also affect the disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant Risks and Uncertainties

The Company's operations are subject to certain risks and uncertainties, including those associated with fluctuations in operating results, funding expansion, strategic alliances, managing rapid growth and expansion,

REDACTED

relationships with suppliers, regulatory issues, competition, the economy, technology trends and evolving industry standards.

Cash and Cash Equivalents

The Company considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. The Company continually monitors its positions with, and the credit quality of, the financial institutions with which cash and cash equivalents are on deposit. The Company maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At December 31, 2012 and 2011, the Company had [redacted] and [redacted] respectively, in excess of FDIC insured limits. The Company has not experienced any losses in such accounts.

Restricted Cash

Certain cash amounts are restricted as to use and are classified outside of cash and cash equivalents. As of December 31, 2012, restricted cash of [redacted] includes [redacted] in cash on deposit in reserve accounts related to securing a credit limit on the Company's corporate credit cards. The remaining restricted cash is composed of [redacted] relating to cash on deposit in reserve for letters of credit. As of December 31, 2011, restricted cash of [redacted] includes [redacted] in cash held in an escrow account for a constructive trust litigation case (see note K) and [redacted] in cash on deposit in reserve accounts related to securing a credit limit on the Company's corporate credit cards. The remaining restricted cash comprises [redacted] relating to cash on deposit in reserve for letters of credit.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist principally of cash and cash equivalents and accounts receivable. All cash and cash equivalents are with creditworthy financial institutions.

The Company performs ongoing credit evaluations, but generally does not require collateral to support accounts receivable. For the year ended December 31, 2012, one customer accounted for [redacted] of the Company's total revenues. For the period from May 16, 2011 (date of inception) through December 31, 2011, one customer accounted for [redacted] of the Company's total revenues. As of December 31 2012, three customers made up [redacted] and [redacted] respectively, of accounts receivable. As of December 31 2011, three customers made up [redacted] and 12%, respectively, of accounts receivable.

Property and Equipment and Depreciation

Property and equipment, including leasehold improvements, as of December 31, 2012, are stated at their fair value at the date of acquisition less accumulated depreciation and amortization. Depreciation and amortization of property and equipment are computed principally using the straight-line method over the estimated useful lives for owned assets, which are as follows:

Asset description	Life
Computer hardware	2 - 4 years
Leasehold improvements	Shorter of life of lease or estimated useful life
Machinery and equipment	2 - 5 years
Office equipment	3 years

Property, plant and equipment include gross assets acquired under capital leases of [redacted] and [redacted] at December 31, 2012 and 2011, respectively. Related amortization included in accumulated depreciation and amortization was [redacted] and [redacted] at December 31, 2012 and 2011, respectively. Capital leases are included as a component of machinery and equipment and expire within the next 12 months. Amortization of these assets under capital leases is included in depreciation expense.

Improvements to leased property are amortized over the shorter of the useful life of the improvement or the term of the related lease. Repairs and maintenance costs are expensed as incurred.

Fair Value of Financial Instruments

The Company's financial instruments include cash and cash equivalents, accounts receivable, accounts payable and notes payable. The carrying values of cash and cash equivalents, accounts receivable and accounts payable approximate their estimated fair values based on the attributes of the instruments or their quoted prices, unless stated, because of the short-term maturity of these instruments. The fair values of the Company's borrowings under its variable-rate agreements approximate their fair values unless otherwise stated. The fair values of the notes payable reflect the market values for similar obligations considering their maturities, credit quality and market interest rates.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The Financial Accounting Standards Board has established a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value, and also establishes the following three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted market prices in markets that are not active; or model-derived valuations or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Goodwill and Intangible Assets

Goodwill represents the excess of purchase price paid over net assets acquired in a business combination. Goodwill is not amortized. Intangible assets with finite useful lives are generally amortized on a straight-line basis over the periods benefited. Goodwill is tested annually for impairment and whenever events or

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circumstances change, such as a significant adverse change in business climate or the decision to sell a business, that would make it more likely than not that an impairment may have occurred. If the carrying values of goodwill exceed their fair values, an impairment loss is recognized. The evaluation of impairment involves comparing the estimated fair value of the Company to the recorded value of goodwill. There was no impairment of goodwill during the year ended December 31, 2012, or the period from May 16, 2011 (date of inception) through December 31, 2011.

The Company recognizes an acquired intangible asset apart from goodwill whenever the intangible asset arises from contractual or other legal rights, or when it can be separated or divided from the acquired entity and sold, transferred, licensed, rented or exchanged, either individually or in combination, with a related contract, asset or liability. The intangible assets are amortized over their expected lives as follows:

Asset description	Life
Trademark/trade name	20 years
Software	3 years
CLM technology	12 years
Database	8 years
Customer relationships	12 years

Impairment losses are recognized if the carrying amount of an intangible subject to amortization is not recoverable from expected future cash flows and its carrying amount exceeds its fair value. No such losses were recognized in the year ended December 31, 2012, or the period from May 16, 2011 (date of inception) through December 31, 2011.

Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. The criteria for determining impairment for such long-lived assets to be held and used is determined by comparing the carrying value of these long-lived assets to be held and used to management's best estimate of future undiscounted cash flows expected to result from the use of these assets. If the assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. The estimated fair value of the assets is measured by estimating the present value of the future discounted cash flows to be generated. There was no impairment of long-lived assets during the year ended December 31, 2012.

Revenue Recognition

The Company recognizes revenue for provisioning and reselling of telecommunication circuits and from supporting and monitoring of its customers' network. The Company recognizes the revenue when persuasive evidence of an arrangement exists, delivery or upon performance of the service to customers has occurred, the price is fixed or determinable, and collectibility is reasonably assured. Deferred revenue represents cash received from clients or billings for which services have not yet been rendered or earned.

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The Company also provides engineering services to design and implement private transport networks. The Company uses the input proportional performance method, which approximates the ratio of total input efforts completed to date to the total estimated input effort, to recognize the revenue. The Company bills the engineering services as the services are completed on a monthly basis. As such, there are no billings in excess of revenues or revenues in excess of billings as of December 31, 2012 and 2011.

Accounts Receivable, Net

Accounts receivable balances are stated at amounts due from the customer net of an allowance for doubtful accounts. Credit extended is based on an evaluation of the customer's financial condition and is granted to qualified customers on an unsecured basis.

The Company's standard terms require payment within 30 days of the date of the invoice. The Company treats invoices as past due when they remain unpaid, in whole or in part, beyond the payment time set forth in the applicable service contract.

The Company determines its allowance for doubtful accounts by considering a number of factors, including the length of time trade receivables are past due, the customer's current ability to pay its obligation to the Company, and the condition of the general economy and the industry as a whole. Specific reserves are also established on a case-by-case basis by management. The Company writes off accounts after a determination by management that the amounts at issue are no longer likely to be collected, following the exercise of reasonable collection efforts, and upon management's determination that the costs of pursuing collection outweigh the likelihood of recovery. Payments subsequently received on such receivables are credited to the allowance for doubtful accounts. As of December 31, 2012 and 2011, the total allowance for doubtful accounts was [redacted] and [redacted] respectively.

	Balance, January 1, 2012	Net additions charged to cost and expenses	Accounts written off recovered	Balance, December 31, 2012
Accounts receivable allowances	[redacted]	[redacted]	[redacted]	[redacted]
	Balance, May 16, 2011	**Net additions charged to cost and expenses**	**Accounts written off recovered**	**Balance, December 31, 2012**
Accounts receivable allowances	$ -	[redacted]	[redacted]	[redacted]

Deferred Revenue

The Company earns sales revenue from providing its customers ongoing access to data services and the installation of those services. Advance billings are recorded as deferred revenue in the month prior to delivery. Deferred revenue is generally short-term in nature.

Research and Development Costs

Expenditures made for research and development are charged to expense as incurred. Research and development costs in the amount of [redacted] are included in compensation in the accompanying consolidated statement of operations for the year ended December 31, 2012. Approximately [redacted] of

REDACTED

research and development costs are included in compensation in the accompanying consolidated statement of operations for the period from May 16, 2011 (date of inception) through December 31, 2011.

Income Taxes

The Company is an LLC taxed as a partnership under the U.S. Internal Revenue Code and similar provisions of state income tax rules. Under these provisions, the members of the Company are taxed on their proportionate share of the Company's taxable income. Income or loss generated by the Company flows through to the members' income tax returns. Accordingly, no provision for federal or state income taxes has been included in these consolidated financial statements.

The Company recognizes the benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. Interest and penalties, if incurred, are recognized in the statement of operations. The Company had no liabilities related to uncertain tax positions at December 31, 2012 and 2011.

Accrued Carrier Expenses

The Company accrues estimated charges owed to its suppliers for services, which are included in accrued expenses in the accompanying consolidated balance sheets. The Company bases this accrual on the supplier contract, the individual service order executed with the supplier for that service, and the length of time of the service.

Other Comprehensive Loss

In addition to net loss, comprehensive loss includes charges or credits to equity occurring other than as a result of transactions with members. For the Company, this consists of foreign currency translation adjustments.

Reclassifications

Certain reclassifications were made to the 2011 financial statements to conform to the 2012 financial statement presentation.

NOTE C - FORMATION OF BUSINESS

[redacted]

[redacted]

REDACTED

[redacted]

NOTE D - RELATED-PARTY TRANSACTIONS

In the ordinary course of business, the Company enters into transactions with Pivotal Group, Inc. Accrued payables in the accompanying consolidated balance sheets include amounts owed to this entity of [redacted] and [redacted] at December 31, 2012 and 2011, respectively. Expenses related to management fees and legal expenses totaled [redacted] and [redacted] for the year ended December 31, 2012, and the period from May 16, 2011 (date of inception) through December 31, 2011, respectively. The management fee of [redacted] is charged monthly. In addition, in 2012, the Company paid [redacted] to a related agent for commissions earned during the year ended December 31, 2012.

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NOTE E - COMPOSITION OF CERTAIN BALANCE SHEET ACCOUNTS

Accounts receivable as of December 31, 2012 and 2011, consist of the following:

	2012	2011
Accounts receivable - trade	[redacted]	[redacted]
Unbilled receivables	[redacted]	[redacted]
Vendor receivable	[redacted]	[redacted]
Less allowance for doubtful accounts	[redacted]	[redacted]
Accounts receivable, net	[redacted]	[redacted]

Property and equipment as of December 31, 2012 and 2011, consist of the following:

	2012	2011
Computer hardware	[redacted]	[redacted]
Leasehold improvements	[redacted]	[redacted]
Machinery and equipment	[redacted]	[redacted]
Office equipment	[redacted]	[redacted]
Less accumulated depreciation and amortization (expense)	[redacted]	[redacted]
Property and equipment, net	[redacted]	[redacted]

Depreciation and amortization expense for property and equipment for the year ended December 31, 2012, was [redacted] and for the period from May 16, 2011 (date of inception) through December 31, 2011, was [redacted].

Accrued expenses as of December 31, 2012 and 2011, consist of the following:

	2012	2011
Accrued carrier payable	[redacted]	[redacted]
Accrued sales and regulatory tax	[redacted]	[redacted]
Accrued employee salary and benefits	[redacted]	[redacted]
Accrued other	[redacted]	[redacted]
Total accrued expenses	[redacted]	[redacted]

NOTE F - INTANGIBLE ASSETS

The Company's intangible assets have useful lives that vary generally over three to twenty years.

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The Company's intangible assets subject to amortization as of December 31, 2012 and 2011, comprise the following:

	Remaining years of economic life	2012	2011
CLM technology	10.4 years	[redacted]	[redacted]
Database	6.4 years	[redacted]	[redacted]
Customer relationships	10.4 years	[redacted]	[redacted]
Trade name	18.4 years	[redacted]	[redacted]
Computer software	1.4 years	[redacted]	[redacted]
		[redacted]	[redacted]
Less accumulated amortization		[redacted]	[redacted]
Intangible assets, net		[redacted]	[redacted]

Amortization expense for intangible assets for the year ended December 31, 2012, was [redacted] and for the period from May 16, 2011 (date of inception) through December 31, 2011, was $[redacted]

The estimated future amortization expense is as follows:

Years ending December 31,

2013	[redacted]
2014	[redacted]
2015	[redacted]
2016	[redacted]
2017	[redacted]
Thereafter	[redacted]

NOTE G - FOREIGN OPERATIONS

Total assets relating to foreign operations included in the consolidated financial statements as of December 31, 2012 and 2011, were [redacted] and [redacted] respectively.

Total revenue related to foreign operations included in the consolidated financial statements as of December 31, 2012 and 2011, were $[redacted] and [redacted], respectively.

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GC Pivotal, LLC and Subsidiary
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
December 31, 2012 and 2011

NOTE H - BORROWINGS AND OTHER LIABILITIES

Letter of Credit

As of December 31, 2011 and 2012, the Company maintains a [redacted] letter of credit for the benefit of the landlord for office space in Illinois in lieu of a security deposit. As of December 31, 2011, the Company had an additional [redacted] letter of credit for the benefit of the Tennessee Regulatory Authority.

NOTE I - EMPLOYEE BENEFIT PLANS

401(k) Plan

Under the Company's 401(k) plan, all employees who are eligible to participate in the 401(k) plan are entitled to make tax-deferred contributions, subject to IRS limitations. The Company currently does not match the employee's contributions made.

Long-Term Incentive Plan

On January 1, 2012 (the Effective Date), the Company established a long-term incentive plan. Under the plan, Pivotal Group, Inc. (the manager) may grant an incentive unit to a participant under the plan for a period of 10 years after the Effective Date. The unit will be deemed to be the equivalent of a [redacted] profit interest in the Company whereby [redacted] units shall represent the equivalent of a [redacted] profits interest in the Company. A total of [redacted] units will ultimately be granted to participants under the plan during the years 2012 through 2014. As of December 31, 2012, [redacted] units [redacted] were issued to the participants.

The liability was established by taking the amount of the percentage of outstanding units multiplied by the difference between the fair market value of the Company as of December 31, 2012, less the member preference (unpaid priority returns and unreturned capital contributions of the members). The fair market value of [redacted] was based on a third-party valuation. Member preference as of December 31, 2012, was [redacted]. The difference between the fair market value and the member preference was [redacted] (the Distributions Waterfall). The Distributions Waterfall multiplied by the [redacted]% units issued was recorded as a deferred compensation liability and expense in the amount of [redacted].

NOTE J - NOTES PAYABLE

The Company has two loans outstanding with directors of the Company as of December 31, 2011. The loans were paid off during 2012.

Current portion of notes payable	$[redacted]
Long-term portion of notes payable	
	[redacted]

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NOTE K - COMMITMENTS AND CONTINGENCIES

Leases

The Company has non-cancelable capital and operating lease agreements relating to equipment and certain facilities expiring through July 2018. Assets under capital leases are reflected on the consolidated balance sheets as owned, while assets under non-cancelable operating leases are not recorded on the Company's consolidated balance sheets. Rent expense on operating leases for the year ended December 31, 2012, was [redacted]. Rent expense on operating leases for the period from May 16, 2011 (date of inception) through December 31, 2011, was [redacted]

Future minimum lease payments under capital and non-cancelable operating leases as of December 31, 2012, until July 1, 2018, are as follows:

	Capital leases	Operating leases
Years ending December 31,		
2013	[redacted]	$ [redacted]
2014	-	
2015	-	
2016	-	
2017	-	
Thereafter	-	
Total	[redacted]	[redacted]
Less amount representing interest	[redacted]	
Present value of net minimum lease payments	[redacted]	

Contractual Commitments

Subsequent to December 31, 2011, the Company entered into a supplier agreement on March 20, 2012, with purchase obligations of [redacted] in year one, [redacted] in year two, and [redacted] in year three associated with the telecommunications services that the Company has contracted to purchase from its vendors. If the Company does not purchase the minimum obligated amount, the supplier will charge the Company the difference between the minimum annual obligated amount and the amounts paid in telecommunications services to the supplier for the commitment period.

The Company entered into a second supplier agreement on November 29, 2012, with purchase obligations of [redacted] in year one [redacted] in year two, and [redacted] in year three associated with the telecommunications services that the Company has contracted to purchase from its vendors. If the Company does not purchase the minimum obligated amount, the supplier will charge the Company the difference between the minimum annual obligated amount and the amounts paid in telecommunications services to the supplier for the commitment period.

The Company entered into a third supplier agreement on December 1, 2012, with purchase obligations of [redacted] per month from December 1, 2012 through December 1, 2013. The total amount of obligations over one year is [redacted] If the Company does not purchase the minimum obligated amount, the supplier will charge the Company the difference between the minimum annual obligated amount and the amounts paid in telecommunications services to the supplier for the commitment period.

Contingencies - Legal Proceedings

The Company is subject to legal proceedings arising in the ordinary course of business. In the opinion of management, the ultimate disposition of those matters will not have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity. No material reserves have been established for any pending legal proceeding, either because a loss is not probable or the amount of a loss, if any, cannot be reasonably estimated.

NOTE L - SUBSEQUENT EVENTS

The Company evaluated its December 31, 2012, financial statements for subsequent events through May 1, 2013, the date the financial statements were available to be issued. There were no other subsequent events besides the ones disclosed in the notes above that require recognition or additional disclosure in the financial statements.

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Consolidated Financial Statements and Report of Independent Certified Public Accountants

GC Pivotal, LLC and Subsidiary

December 31, 2013 and 2012

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Members
GC Pivotal, LLC

We have audited the accompanying consolidated financial statements of GC Pivotal, LLC (a Delaware limited liability company) and Subsidiary (together, the Company), which comprise the consolidated balance sheets as of December 31, 2013 and 2012, and the related consolidated statements of comprehensive loss, changes in member's equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of GC Pivotal, LLC and Subsidiary as of December 31, 2013 and 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Chicago, Illinois
June 2, 2014

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GC Pivotal, LLC and Subsidiary
CONSOLIDATED BALANCE SHEETS
December 31,

ASSETS	2013	2012
CURRENT ASSETS		
Cash and cash equivalents	$ [redacted]	$ [redacted]
Restricted cash	[redacted]	[redacted]
Accounts receivable, net of allowances of [redacted] and [redacted] at December 31, 2013 and 2012, respectively	[redacted]	[redacted]
Prepaid expenses and other current assets	[redacted]	[redacted]
Total current assets	[redacted]	[redacted]
PROPERTY AND EQUIPMENT, NET	[redacted]	[redacted]
INTANGIBLE ASSETS, NET	[redacted]	[redacted]
GOODWILL	[redacted]	[redacted]
TOTAL ASSETS	[redacted]	[redacted]

LIABILITIES AND MEMBER'S EQUITY	2013	2012
CURRENT LIABILITIES		
Current portion of capital lease obligations	$ [redacted]	$ -
Accounts payable	[redacted]	[redacted]
Accrued expenses	[redacted]	[redacted]
Deferred revenue	[redacted]	[redacted]
Total current liabilities	[redacted]	[redacted]
LONG-TERM LIABILITIES		
Deferred rent	[redacted]	-
Capital lease obligations	[redacted]	-
Total long-term liabilities	[redacted]	-
DEFERRED COMPENSATION	[redacted]	[redacted]
Total liabilities	[redacted]	[redacted]
MEMBER'S EQUITY		
Class A member's units, par value [redacted]; 1 unit issued, authorized and outstanding at December 31, 2013 and 2012	-	-
Additional paid-in capital	[redacted]	[redacted]
Accumulated other comprehensive loss	[redacted]	[redacted]
Accumulated deficit	[redacted]	[redacted]
Total member's equity	[redacted]	[redacted]
TOTAL LIABILITIES AND MEMBER'S EQUITY	[redacted]	[redacted]

The accompanying notes are an integral part of these statements.

GC Pivotal, LLC and Subsidiary
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
Years ended December 31,

	2013	2012
Revenues	$ [redacted]	[redacted]
Cost of goods and services sold	[redacted]	[redacted]
Gross profit	[redacted]	[redacted]
Operating expenses		
Compensation	[redacted]	[redacted]
Compensation - long-term incentive plan	[redacted]	[redacted]
Travel and entertainment	[redacted]	[redacted]
Facility-related costs	[redacted]	[redacted]
Marketing	[redacted]	[redacted]
Outside services	[redacted]	[redacted]
Insurance	[redacted]	[redacted]
Bad debt expense (recovery)	[redacted]	[redacted]
Asset management fee	[redacted]	[redacted]
Depreciation and amortization	[redacted]	[redacted]
Other	[redacted]	[redacted]
Total operating expenses	[redacted]	[redacted]
Loss from operations	[redacted]	[redacted]
Other expense		
Interest	[redacted]	[redacted]
Other	[redacted]	[redacted]
Total other expense	[redacted]	[redacted]
NET LOSS	[redacted]	[redacted]
Other comprehensive loss		
Foreign currency translation adjustment	[redacted]	[redacted]
Total comprehensive loss	[redacted]	[redacted]

The accompanying notes are an integral part of these statements.

REDACTED

GC Pivotal, LLC and Subsidiary
CONSOLIDATED STATEMENTS OF CHANGES IN MEMBER'S EQUITY
Two years ended December 31, 2013

	Class A member's units		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total
	Shares	Amount				
Balance, January 1, 2012	1	$ -	[redacted]	[redacted]	[redacted]	[redacted]
Foreign currency translation adjustment	-	-	-	-	[redacted]	[redacted]
Distributions	-	-	[redacted]	-	-	[redacted]
Net loss	-	-	-	[redacted]	-	[redacted]
Balance, December 31, 2012	1	-	[redacted]	[redacted]	[redacted]	[redacted]
Foreign currency translation adjustment	-	-	-	-	[redacted]	[redacted]
Net loss	-	-	-	[redacted]	-	[redacted]
Balance, December 31, 2013	1	$ -	[redacted]	[redacted]	[redacted]	[redacted]

The accompanying notes are an integral part of these statements.

REDACTED

GC Pivotal, LLC and Subsidiary
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31,

	2013	2012
Cash flows from operating activities		
Net loss	[redacted]	[redacted]
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Depreciation and amortization	[redacted]	[redacted]
Bad debt expense (recovery)	[redacted]	[redacted]
Deferred compensation	[redacted]	[redacted]
Changes in operating assets and liabilities		
Accounts receivable	[redacted]	[redacted]
Other current assets	[redacted]	[redacted]
Accounts payable	[redacted]	[redacted]
Accrued expenses	[redacted]	[redacted]
Deferred revenue	[redacted]	[redacted]
Deferred revenue - long term	[redacted]	-
Accrued commitments and contingencies	-	[redacted]
Net cash provided by (used in) operating activities	[redacted]	[redacted]
Cash flows from investing activities		
Purchase of fixed assets	[redacted]	[redacted]
Purchase of computer software	[redacted]	[redacted]
Net cash used in investing activities	[redacted]	[redacted]
Cash flows from financing activities		
Changes in restricted cash	[redacted]	[redacted]
Loan repayments	-	[redacted]
Capital lease obligation	[redacted]	-
Distribution to member	-	[redacted]
Net cash provided by financing activities	[redacted]	[redacted]
Effect of exchange rate change	[redacted]	[redacted]
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	[redacted]	[redacted]
Cash and cash equivalents, beginning of year	[redacted]	[redacted]
Cash and cash equivalents, end of year	[redacted]	[redacted]
Cash paid during the year for		
Interest	$ [redacted]	$ [redacted]
Taxes		
Non-cash investing and financing activities		
Acquisition of property and equipment through capital leases	[redacted]	[redacted]

The accompanying notes are an integral part of these statements.

REDACTED

GC Pivotal, LLC and Subsidiary
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE A - BACKGROUND AND BASIS OF PRESENTATION

GC Pivotal, LLC, d/b/a Global Capacity, LLC and Subsidiary (together, Global Capacity or the Company), is a telecommunications information and logistics company that improves the efficiency and reduces the cost of obtaining and managing access networks globally. Through its One Marketplace Access Exchange, the Company connects customers and suppliers in an automated exchange platform. Global Capacity delivers its solutions to purpose-built integrators, global carriers, managed service providers and enterprise customers globally.

Global Capacity was formed on May 20, 2010, as a limited liability company (LLC) under the state of Delaware statutes and began operations on May 16, 2011. Under the terms of the LLC operating agreement, the term of the Company shall continue to exist in perpetuity. Global Capacity was formed on May 16, 2011, in connection with the purchase of substantially all of the assets of Capital Growth Systems.

NOTE B - LIQUIDITY

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP), which contemplate the continuation of the Company as a going concern. For the year ended December 31, 2013, the Company recorded a net [redacted] of [redacted] For the year ended December 31, 2012, the Company recorded a net [redacted] of [redacted]. The Company's current liabilities exceed its current assets by [redacted] and [redacted] at December 31, 2013 and 2012, respectively.

The Company's One Marketplace platform contributed largely to the success of the Company through 2013. The One Marketplace platform leverages an aggregated, interconnected, physical network with a cloud application that automates the design, pricing, ordering, delivery and maintenance of network services. This success continued with the Company's ability to provide transparency into network pricing and visibility into available capacity across multiple access networks and technologies. In 2012, the Company furthered its growth with a new network design and implementation for one of its largest customers. The Company also announced the addition of an Ethernet Access services product to the award-winning One Marketplace platform. For 2013, the Company concentrated on adding new interconnected network providers and five new network Points of Presence to the One Marketplace network platform, increasing reach and price competitiveness of service.

Management believes the Company has sufficient cash on hand at December 31, 2013, to sustain operations at its current level through December 31, 2014. However, if the Company's plans are not achieved and/or if significant unanticipated events occur, the Company may have to modify its business plan and/or seek additional funding, which may not be available on desired terms or at all.

REDACTED

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include all of the accounts of Global Capacity and its wholly owned UK subsidiary, Magenta netLogic, Ltd. (Magenta). All intercompany accounts and transactions have been eliminated in consolidation. Assets and liabilities of the Company's foreign subsidiary are translated at year-end exchange rates. Amounts in the consolidated statements of comprehensive loss are translated using average monthly exchange rates during the year. Gains and losses resulting from translating foreign currency financial statements are recorded in the accompanying consolidated balance sheets within accumulated other comprehensive loss. The consolidated financial statements and notes have been prepared in accordance with US. GAAP.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. These estimates also affect the disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant Risks and Uncertainties

The Company's operations are subject to certain risks and uncertainties, including those associated with fluctuations in operating results, funding expansion, strategic alliances, managing rapid growth and expansion, relationships with suppliers, regulatory issues, competition, the economy, technology trends and evolving industry standards.

Cash and Cash Equivalents

The Company considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. The Company continually monitors its positions with, and the credit quality of, the financial institutions with which cash and cash equivalents are on deposit. The Company maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At December 31, 2013 and 2012, the Company had [redacted] and [redacted], respectively, in excess of FDIC insured limits. The Company has not experienced any losses in such accounts.

Restricted Cash

Certain cash amounts are restricted as to use and are classified outside of cash and cash equivalents. As of December 31, 2013, restricted cash [redacted] was related to cash on deposit in reserve for letters of credit. As of December 31, 2012, restricted cash of [redacted] includes [redacted] in cash on deposit in reserve accounts related to securing a credit limit on the Company's corporate credit cards. The remaining restricted cash at December 31, 2012, was [redacted] relating to cash on deposit in reserve for letters of credit.

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Concentrations of Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist principally of cash and cash equivalents and accounts receivable. All cash and cash equivalents are with creditworthy financial institutions.

The Company performs ongoing credit evaluations, but generally does not require collateral to support accounts receivable. For the years ended December 31, 2013 and 2012, one customer accounted for [redacted] and [redacted], respectively, of the Company's total revenues. As of December 31, 2013, three customers made up [redacted], [redacted] and [redacted], respectively, of accounts receivable. As of December 31, 2012, three customers made up [redacted], [redacted] and [redacted]%, respectively, of accounts receivable.

Property and Equipment and Depreciation

Property and equipment, including leasehold improvements, as of December 31, 2013 and 2012, are stated at their fair value at the date of acquisition less accumulated depreciation and amortization. Depreciation and amortization of property and equipment are computed using the straight-line method over the estimated useful lives for owned assets, which are as follows:

Asset description	Life
Computer hardware	2 - 5 years
Machinery and equipment	2 - 5 years
Office equipment	3 years
Leasehold improvements	Shorter of life of lease or estimated useful life

Property and equipment include gross assets acquired under capital leases of [redacted] and [redacted] at December 31, 2013 and 2012, respectively. Related amortization included in accumulated depreciation and amortization was [redacted] and [redacted] at December 31, 2013 and 2012, respectively. Capital leases are included as a component of machinery and equipment. Amortization of these assets under capital leases is included in depreciation expense.

Improvements to leased property are amortized over the shorter of the useful life of the improvement or the term of the related lease. Repairs and maintenance costs are expensed as incurred.

Fair Value of Financial Instruments

The Company's financial instruments include cash and cash equivalents, accounts receivable, accounts payable and capital lease payables. The carrying values of cash and cash equivalents, accounts receivable and accounts payable approximate their estimated fair values based on the attributes of the instruments or their quoted prices, unless stated, because of the short-term maturity of these instruments. The fair values of the Company's borrowings under its capital lease agreements approximate their fair values unless otherwise stated.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The Financial Accounting Standards Board has established a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable

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inputs when measuring fair value, and also establishes the following three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted market prices in markets that are not active; or model-derived valuations or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Goodwill and Intangible Assets

Goodwill represents the excess of purchase price paid over net assets acquired in a business combination. Goodwill is not amortized. Intangible assets with finite useful lives are generally amortized on a straight-line basis over the periods benefited. Goodwill is tested annually for impairment and whenever events or circumstances change, such as a significant adverse change in business climate or the decision to sell a business, that would make it more likely than not that an impairment may have occurred. If the carrying values of goodwill exceed their fair values, an impairment loss is recognized. The evaluation of impairment involves comparing the estimated fair value of the Company to the recorded value of goodwill. There was no impairment of goodwill during the year ended December 31, 2013 or 2012.

The Company recognizes an acquired intangible asset apart from goodwill whenever the intangible asset arises from contractual or other legal rights, or when it can be separated or divided from the acquired entity and sold, transferred, licensed, rented or exchanged, either individually or in combination, with a related contract, asset or liability. The intangible assets are amortized over their expected lives as follows:

Asset description	Life
Trademark/trade name	20 years
Software	3 years
CLM technology	12 years
Database	8 years
Customer relationships	12 years

The weighted-average amortization period for the above intangible assets consists of the following:

Asset description	Life
Trademark/trade name	17.4 years
Software	0.4 years
CLM technology	9.4 years
Database	5.4 years
Customer relationships	9.4 years

REDACTED

Impairment losses are recognized if the carrying amount of an intangible subject to amortization is not recoverable from expected future cash flows and its carrying amount exceeds its fair value. No such losses were recognized in the years ended December 31, 2013 or 2012.

Long-lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. The criteria for determining impairment for such long-lived assets to be held and used is determined by comparing the carrying value of these long-lived assets to be held and used to management's best estimate of future undiscounted cash flows expected to result from the use of these assets. If the assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. The estimated fair value of the assets is measured by estimating the present value of the future discounted cash flows to be generated. There was no impairment of long-lived assets during the years ended December 31, 2013 and 2012.

Revenue Recognition

The Company recognizes revenue for provisioning and reselling of telecommunication circuits and from supporting and monitoring of its customers' network. The Company recognizes the revenue when persuasive evidence of an arrangement exists, delivery or upon performance of the service to customers has occurred, the price is fixed or determinable, and collectibility is reasonably assured. Deferred revenue represents cash received from clients or billings for which services have not yet been rendered or earned.

The Company also provides engineering services to design and implement private transport networks. The Company recognizes revenue for the engineering services as the services are performed. As such, there are no billings in excess of revenues or revenues in excess of billings as of December 31, 2013 and 2012.

Accounts Receivable, Net

Accounts receivable balances are stated at amounts due from the customer net of an allowance for doubtful accounts. Credit extended is based on an evaluation of the customer's financial condition and is granted to qualified customers on an unsecured basis.

The Company's standard terms require payment within 30 days of the date of the invoice. The Company treats invoices as past due when they remain unpaid, in whole or in part, beyond the payment time set forth in the applicable service contract.

The Company determines its allowance for doubtful accounts by considering a number of factors, including the length of time trade receivables are past due, the customer's current ability to pay its obligation to the Company, and the condition of the general economy and the industry as a whole. Specific reserves are also established on a case-by-case basis by management. The Company writes off accounts after a determination by management that the amounts at issue are no longer likely to be collected, following the exercise of reasonable collection efforts, and upon management's determination that the costs of pursuing collection outweigh the likelihood of recovery. Payments subsequently received on such receivables are credited to the allowance for doubtful accounts. As of December 31, 2013 and 2012, the total allowance for doubtful accounts was [redacted] and [redacted] respectively.

REDACTED

	Balance, January 1, 2013	Net accounts written off (recovered)	Balance, December 31, 2013
Accounts receivable allowances	[redacted]	[redacted]	[redacted]
	Balance, January 1, 2012	Net accounts written off (recovered)	Balance, December 31, 2012
Accounts receivable allowances	[redacted]	$[redacted]	[redacted]

Deferred Revenue

The Company earns sales revenue from providing its customers ongoing access to data services and the installation of those services. Advance billings are recorded as deferred revenue in the month prior to delivery. Deferred revenue is generally short-term in nature.

Research and Development Costs

Expenditures made for research and development are charged to expense as incurred. Research and development costs in the amount of [redacted] and $[redacted] are included in compensation in the accompanying consolidated statements of comprehensive loss for the years ended December 31, 2013 and 2012, respectively.

Income Taxes

The Company is an LLC taxed as a partnership under the U.S. Internal Revenue Code and similar provisions of state income tax rules. Under these provisions, the members of the Company are taxed on their proportionate share of the Company's taxable income. Income or loss generated by the Company flows through to the member's income tax returns. Accordingly, no provision for federal or state income taxes has been included in these consolidated financial statements.

The Company recognizes the benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. Interest and penalties, if incurred, are recognized in the consolidated statements of comprehensive loss. The Company had no liabilities related to uncertain tax positions at December 31, 2013 and 2012.

Accrued Carrier Expenses

The Company accrues estimated charges owed to its suppliers for services, which are included in accrued expenses in the accompanying consolidated balance sheets. The Company bases this accrual on the supplier contract, the individual service order executed with the supplier for that service and the length of time of the service.

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GC Pivotal, LLC and Subsidiary
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
December 31, 2013 and 2012

Other Comprehensive Loss

In addition to net loss, comprehensive loss includes charges or credits to equity occurring other than as a result of transactions with members. For the Company, this consists of foreign currency translation adjustments.

NOTE D - FORMATION OF BUSINESS

[redacted]

[redacted]

[redacted]

[redacted]

[redacted] [redacted]

[redacted] [redacted]

[redacted] [redacted]

[redacted] [redacted]

[redacted]

[redacted]

[redacted]

REDACTED

NOTE E - RELATED-PARTY TRANSACTIONS

In accordance with the terms of the Company's operating agreement, an affiliate of the member, Pivotal Group, Inc., receives a monthly asset management fee of [redacted] The asset management fee paid and incurred during the year totaled [redacted] for each of the years ended December 31, 2013 and 2012. In addition, the Company paid [redacted] and [redacted] to a related agent for commissions earned in December 31, 2013 and 2012, respectively, which are included within compensation in the accompanying consolidated statements of comprehensive loss. Accrued payables to the related agent for commissions in the accompanying consolidated balance sheets include amounts owed to this entity of [redacted] and [redacted] at December 31, 2013 and 2012, respectively.

NOTE F - COMPOSITION OF CERTAIN BALANCE SHEET ACCOUNTS

Accounts receivable as of December 31, 2013 and 2012, consist of the following:

	2013	2012
Accounts receivable - trade	[redacted]	[redacted]
Unbilled receivables		
Vendor receivable		
Less allowance for doubtful accounts		
Accounts receivable, net	[redacted]	[redacted]

Property and equipment as of December 31, 2013 and 2012, consist of the following:

	2013	2012
Computer hardware	[redacted]	[redacted]
Leasehold improvements		
Machinery and equipment		
Office equipment		
Less accumulated depreciation and amortization expense		
Property and equipment, net	[redacted]	[redacted]

Depreciation and amortization expense for property and equipment for the years ended December 31, 2013 and 2012, was [redacted] and $[redacted] respectively.

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Accrued expenses as of December 31, 2013 and 2012, consist of the following:

	2013	2012
Accrued carrier payable	[redacted]	[redacted]
Accrued sales and regulatory tax		
Accrued employee salary and benefits		
Accrued other		
Total accrued expenses	[redacted]	[redacted]

NOTE G - INTANGIBLE ASSETS

The Company's intangible assets have useful lives that vary generally over three to 20 years.

The Company's intangible assets subject to amortization as of December 31, 2013 and 2012, comprise the following:

	Remaining years of economic life	2013	2012
CLM technology	9.4 years	$[redacted]	[redacted]
Database	5.4 years		
Customer relationships	9.4 years		
Trade name	17.4 years		
Computer software	0.4 years		
		[redacted]	[redacted]
Less accumulated amortization		[redacted]	[redacted]
Intangible assets, net		[redacted]	[redacted]

Amortization expense for intangible assets for the years ended December 31, 2013 and 2012, was [redacted] and [redacted] respectively.

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The estimated future amortization expense is as follows:

Years ending December 31,	
2014	$[redacted]
2015	[redacted]
2016	[redacted]
2017	[redacted]
2018	[redacted]
Thereafter	[redacted]

NOTE H - FOREIGN OPERATIONS

Total assets relating to foreign operations included in the consolidated financial statements as of December 31, 2013 and 2012, were [redacted] and [redacted], respectively.

Total revenue related to foreign operations included in the consolidated financial statements as of December 31, 2013 and 2012, were [redacted] and [redacted] respectively.

NOTE I - BORROWINGS AND OTHER LIABILITIES

Letter of Credit

As of December 31, 2013 and 2012, the Company maintains a [redacted] and [redacted] letter of credit, respectfully, for the benefit of the landlord for office space in Illinois in lieu of a security deposit.

NOTE J - EMPLOYEE BENEFIT PLANS

401(k) Plan

Under the Company's 401(k) plan, all employees who are eligible to participate in the 401(k) plan are entitled to make tax-deferred contributions, subject to Internal Revenue Service limitations. The Company currently does not match the employees' contributions made.

Long-term Incentive Plan

On January 1, 2012 (the Effective Date), the Company established a long-term incentive plan (the Plan). Under the Plan, Pivotal Group, Inc. (the manager) may grant an incentive unit to a participant for a period of 10 years after the Effective Date. The unit will be deemed to be the equivalent of a [redacted]% profit interest in the Company whereby [redacted] units shall represent the equivalent of [redacted]% profits interest in the Company. Subject to the discretion of the manager, the Plan contemplates that a total of [redacted] units will ultimately be granted to participants under the Plan during the years 2012 through 2014. As of December 31, 2013, [redacted] units [redacted]%) were issued and outstanding to the participants. As of December 31, 2012, [redacted] units [redacted]%) were issued to the participants. The units are subject to certain vesting and other requirements as outlined in the Plan and related unit agreements.

The liability was established by assuming that the issued and outstanding units were fully vested, then taking the amount of the percentage of outstanding units multiplied by the difference between the fair market value of the Company as of December 31, 2103 and 2012, less the member preference (unpaid priority returns and unreturned capital contributions of the member). As of December 31, 2013 and 2012, the fair market value of [redacted] and [redacted], respectively, was based on a third-party valuation. Member preference as of December 31, 2013 and 2012, was [redacted] and [redacted], respectively. The difference between the fair market value and the member preference was [redacted] and [redacted] (the Distributions Waterfall) on December 31, 2013 and 2012, respectively. The Distributions Waterfall multiplied by the [redacted]% units outstanding was recorded as the deferred compensation liability as of December 31, 2013. The Distributions Waterfall multiplied by the [redacted]% units issued was recorded as a deferred compensation liability and expense in the amount of [redacted] as of December 31, 2012. The year-over-year change in the deferred compensation liability account of [redacted] was expensed in 2013.

NOTE K - COMMITMENTS AND CONTINGENCIES

Leases

The Company has non-cancelable capital and operating lease agreements relating to equipment and certain facilities expiring through July 2019. Assets under capital leases are reflected on the consolidated balance sheets as owned, while assets under non-cancelable operating leases are not recorded on the Company's consolidated balance sheets. Rent expense on operating leases for the years ended December 31, 2013 and 2012, was [redacted] and [redacted] respectively.

Future minimum lease payments under capital and non-cancelable operating leases as of December 31, 2013, until July 1, 2018, are as follows:

	Capital leases	Operating leases
Years ending December 31,		
2014	[redacted]	[redacted]
2015	[redacted]	[redacted]
2016	[redacted]	[redacted]
2017	[redacted]	[redacted]
Thereafter	[redacted]	[redacted]
Total	[redacted]	[redacted]
Less amount representing interest	[redacted]	
Present value of net minimum lease payments	[redacted]	

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Contractual Commitments with Various Suppliers

The Company has entered into various supplier agreements that require the Company to purchase certain minimum telecommunication services. In the event that such minimums are not met, the Company is required to pay the shortfall. As of December 31, 2013, all contractual commitments have been met. Future minimum purchase commitments under executed supplier agreements are as follows:

<u>Years ending December 31,</u>

2014	$ [redacted]
2015	
2016	

Contingencies - Legal Proceedings

The Company is subject to legal proceedings arising in the ordinary course of business. In the opinion of management, the ultimate disposition of those matters will not have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity. No material reserves have been established for any pending legal proceeding, either because a loss is not probable or the amount of a loss, if any, cannot be reasonably estimated.

NOTE L - SUBSEQUENT EVENTS

The Company evaluated its December 31, 2013, consolidated financial statements for subsequent events through June 2, 2014, the date the consolidated financial statements were available to be issued. There were no other subsequent events besides the ones disclosed in the notes above that require recognition or additional disclosure in the consolidated financial statements.