

**BEFORE THE
NEW YORK PUBLIC SERVICE COMMISSION**

Petition of

Network Billing Systems, L.L.C.

for Approval to Participate in Additional Financing
Arrangements of Fusion NBS Acquisition Corp.

Case No.

JOINT PETITION

Network Billing Systems, L.L.C. (“NBS” or “Petitioner”), pursuant to New York Public Service Law § 101 and the rules of the Commission, respectfully requests Commission approval, to the extent required, to participate in additional financing arrangements of its parent company, Fusion NBS Acquisition Corp. (“FNAC”).

In support of this filing, Petitioner provides the following information:

I. DESCRIPTION OF THE PETITIONER

NBS is a New Jersey limited liability company with a principal office located at 155 Willowbrook Boulevard, Wayne, New Jersey 07470. NBS is a wholly owned subsidiary of FNAC, a Delaware corporation. FNAC is a direct wholly owned subsidiary of Fusion Telecommunications International, Inc. (“Fusion” and together with each of its subsidiaries, collectively hereinafter referred to as the “Company”), a publicly-held Delaware corporation (NASDAQ: FSNN) with principal offices located at 420 Lexington Avenue, Suite 1718, New York, New York 10170. The Company provides digital voice and data communications services to businesses primarily in the United States and also digital voice services to carriers worldwide. Its business service offerings include Hosted Voice over Internet Protocol (“VoIP”) and Session Initiated Protocol (“SIP”) Trunking, and other enhanced communications services and features.

In New York, NBS is authorized to provide (1) interexchange telecommunications services pursuant to a Certificate of Public Convenience and Necessity (“CPCN”) granted in Case No. 98-C-1333 and (2) resold and facilities-based local exchange services, pursuant to CPCN granted in Case No. 98-C-1333 and expanded in Case No. 08-C-0674. NBS is also authorized by the Federal Communications Commission to provide interstate and international telecommunications services. Additional information concerning NBS’s legal, technical, managerial and financial qualifications has been submitted to the Commission in connection with NBS’s certification application and prior transactions and is therefore already a matter of public record.¹ NBS requests that the Commission take official notice of these existing descriptions of its qualifications and incorporate them by reference herein. In support of its financial qualifications, the Company’s most recent Forms 10-Q and 10-K filed with the Securities and Exchange Commission (“SEC”) are available at <http://ir.fusionconnect.com/all-sec-filings>.

II. CONTACTS

Questions or any correspondence, orders, or other materials pertaining to this filing should be directed to the following:

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¹ See Matter/Case Nos. 14-00910 (BroadvoxGo! Transaction), 14-00147 (additional financing) and 12-01158/12-C-0263 (acquisition of NBS and financing) and Case Nos. 98-C-1333 (NBS certification) and 08-C-0674 (NBS certification).

III. DESCRIPTION OF THE ADDITIONAL FINANCING ARRANGEMENTS

Consistent with the Petition filed in Matter/Case No. 12-01158/12-C-0263, FNAC issued notes in the amount of \$16.5 million (the “Original Notes”) in order to fund its acquisition of NBS. Upon closing of that transaction, NBS provided a guaranty and related pledge of assets as security for the Original Notes. Consistent with the Petition filed in Matter No. 14-00147, NBS provided a guaranty and related pledge of assets as security for additional notes in the aggregate amount of \$25.5 million to fund the acquisition of certain assets and customers from Cypress Communications and BroadvoxGo!² (the “Additional Notes” and together with the Original Notes, the “Existing Notes”).

By this Petition, NBS seeks authority to participate in additional financing arrangements undertaken by FNAC in connection with the acquisition of PingTone Communications, Inc. (the “PingTone Acquisition”).³ Specifically, on October 31, 2014, FNAC issued new notes in the aggregate amount of \$5 million (the “New Notes” and together with the Existing Notes, the “Notes”) in order to fund a portion of the consideration for the Pingtone Acquisition. The Notes will mature on October 31, 2019⁴ and have an interest rate of 11.15%. The Notes are secured with a first priority lien on substantially all of the assets of FNAC and its subsidiaries and a second lien on certain assets of Fusion. Additionally, Fusion and the subsidiaries of FNAC also provided a guaranty as security for the Notes; *however*, the guaranty by NBS for the New Notes will not be effective until receipt of the necessary regulatory approvals including approval from the Commission.

² See Matter No. 14-00910.

³ PingTone Communications, Inc. is an interconnected Voice over Internet Protocol provider that does not provide or hold authorization to provide intrastate telecommunications services in any state, including New York. The PingTone Acquisition was completed on October 31, 2014.

⁴ The maturity date of the Existing Notes was extended to October 31, 2019 in conjunction with the New Notes.

In order to maintain adequate flexibility to respond to market conditions and requirements, NBS requests approval to participate as a borrower or guarantor for financing arrangements that are consistent with the parameters outlined below, which approval would permit the Company, to the extent market conditions may warrant, to modify the specific structure of the current financing in a manner most favorable to the Company, including NBS:

Amount: Up to an aggregate amount of \$47 million (which amount includes the \$42 million previously authorized by the Commission).

Debt Instruments: Notes or debentures (including notes convertible into equity and private notes that may be exchanged for public notes); conventional credit facilities, such as revolving credit facilities and term loans; letters of credit; and bridge loans; or a combination thereof.

Maturity: Up to eight (8) years after issuance or amendment depending on the type of facility.

Interest: Interest rates will be the market rate for similar financings and will not be determined until the financing arrangement(s) is finalized. The indebtedness may accrue interest at a rate(s) that may be fixed (typically set at signing or closing based on then current market conditions) or floating (consisting of a base rate, which will float with a rate index such as LIBOR or Federal Funds Rate, plus an applicable margin), or a combination of fixed rates and floating rates.

Security: Some or all of the financing arrangements may be secured by a grant of a security interest in some or all of the assets the Company, including NBS. Additionally, Fusion and its current and future subsidiaries, including NBS, may provide a guaranty as security for all or part of the full amount in financing arrangements to the extent such entity is not a borrower.

Purpose: The financing arrangements may be used for acquisitions, working capital requirements and general corporate purposes of the company.

In the event the Commission cannot grant such flexibility, NBS requests that the Commission at a minimum grant approval for NBS to provide a guaranty as security for the New Notes.

IV. PUBLIC INTEREST CONSIDERATIONS

Petitioner submits that the financing arrangements described herein will serve the public interest. The financing arrangements provided the Company with access to the financial

resources necessary to complete the Pingtone Acquisition, which will allow the Company to become a more effective competitor to larger incumbent telecommunications providers. The financing arrangements are necessary and appropriate, are consistent with the performance by NBS of its services to the public, will not impair NBS's ability to perform such services, and will promote the corporate purposes of the Company. The financings are transparent to NBS's customers and will not disrupt service or cause customer confusion or inconvenience.

V. CONCLUSION

WHEREFORE, for the reasons set forth above, Petitioner submits that the public interest, convenience, and necessity would be furthered by grant of this Petition, authorizing NBS to participate in the financing arrangements as described herein.

Respectfully submitted,



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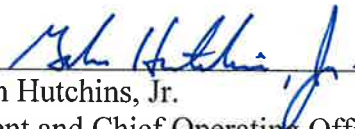
Counsel for Network Billing Systems, L.L.C.

Dated: November 10, 2014

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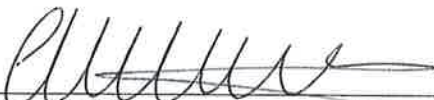
VERIFICATION

I, Gordon Hutchins, Jr., state that I am President and Chief Operating Officer of Fusion Telecommunications International, Inc. and a corporate officer of its subsidiaries (collectively, the “Company”), including Network Billing Systems, L.L.C.; that I am authorized to make this verification on behalf of the Company; that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to the Company are true and correct to the best of my knowledge, information, and belief.



Gordon Hutchins, Jr.
President and Chief Operating Officer
Fusion Telecommunications International, Inc.

Sworn and subscribed before me this 5 day of November, 2014.



Notary Public

My commission expires 02/27/2016

LAURA V NADAL UCEDA
NOTARY PUBLIC-STATE OF NEW YORK
No. 01NA6256571
My Commission Expires 02/27/2016