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September 24, 2002

VIA FEDERAL EXPRESS

Mr. Thomas M. Dorman
Executive Director
Commonwealth of Kentucky
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

RECEIVED

SEP 27 2002

PUBLIC SERVICE
COMMISSION

Re: Notification Regarding the Addition of Broadview NP Acquisition Corp. d/b/a Broadview Net Plus to Become a Borrower And Provide Security in Connection with an Existing Credit Facility for its Parent, Broadview Networks Holdings, Inc.

Dear Mr. Dorman:

Broadview NP Acquisition Corp. d/b/a Broadview Net Plus ("BVNPAC"), by its attorneys, hereby respectfully notifies the Kentucky Public Service Commission ("Commission") of the addition BVNPAC of as a Borrower under the existing amended Loan and Security Agreement ("Loan Agreement") in place among BVNPAC's parent corporation, Broadview Networks Holdings, Inc. ("BNHI"), certain other subsidiaries of the parent corporation, and various Lenders. BVNPAC believes that no approval by this Commission is required in connection with this transaction. In support of this notification, BVNPAC provides the following information:

The Company

BVNPAC is a privately held corporation formed under the laws of Delaware. BVNPAC is a wholly owned subsidiary of its parent holding company, BNHI, a Guarantor under the Loan Agreement. BNHI and its subsidiaries are located at 59 Maiden Lane, 27th Floor, New York, New York, 10038. Certain other subsidiaries of BNHI, including BVNPAC's affiliate, Broadview Networks, Inc. ("BNI"), are Borrowers under the Loan Agreement. Both BNHI and BNI granted a security interest in their assets as security for payment of the loans. The purpose of this notification is to give the Commission notice of the addition of BVNPAC as a Borrower

under the Loan Agreement, and of BVNPAC's grant of a security interest in its assets as security for payment of the loans.

BVNPAC's affiliate, BNI, is authorized to provide and provides either local exchange services, interexchange services, or a combination of both, in approximately 20 states to small and medium sized business customers. BVNPAC has just recently been authorized to provide local exchange and interexchange services in approximately 29 states in connection with its acquisition of certain of the assets and associated customers of Network Plus, Inc. In Kentucky, BVNPAC was authorized to provide resold interexchange telecommunications services.¹

The Loan Agreement

On October 10, 2000, BNHI, certain subsidiaries of BNHI, and various Lenders entered into the Loan Agreement that consists of: (1) a revolving credit facility pursuant to which a maximum of \$15 million may be borrowed; and (2) a term loan facility pursuant to which a maximum of \$80 million may be borrowed, both that must be repaid by December 31, 2008. The parties to the Loan Agreement at that time obtained the necessary regulatory approvals, and the Loan Agreement, as amended, currently is in effect. The terms of the Loan Agreement are as follows:

Lenders: Individually and collectively, NTFC Capital Corporation, First Union Bank and CIT Lending Services Corporation; and any other entity subsequently added or substituted as a Lender.

Amount: The aggregate amount of the revolving credit facility is \$15 million, and the aggregate amount of the term loan facility is \$80 million.

Maturity: Both the revolving credit facility and the term loan facility will be repaid on quarterly installments beginning March 31, 2003 and March 31, 2006, respectively, and must be repaid by December 31, 2008.

Interest: The interest rate, as is typical in such transactions, has two components, a base rate and a margin rate. The base rate is the higher of (a) the rate publicly quoted by the Wall Street Journal as the "base rate on corporate loans at large U.S. money center commercial banks" or (b) the federal funds rate plus 50 basis points or (2) LIBOR. The margin rate varies with the base rate used and the consolidated financial performance of the Loan Parties and is between 2% and 5%.

Security: The loans will be secured by BVNPAC's grant of a security interest in its assets. The security documents contain appropriate provisions indicating that

¹ Interexchange tariff registration recorded on May 24, 2002.

the exercise of certain rights thereunder may be subject to obtaining prior regulatory approval.

Use of Proceeds: The proceeds of both the revolving credit facility and the term loan facility may be used for: (a) capital expenditures; (ii) working capital and general corporate purposes; (iii) the prepayment of existing indebtedness owed to NTFC Capital Corporation (a Lender); and (iv) transaction costs. The funds are being provided to finance the build-out and expansion by BVNPAC and the existing Borrowers of a telecommunications network in several markets located primarily in the Northeast.

Public Interest Considerations

The addition of BVNPAC as a Borrower under the Loan Agreement will serve the public interest by enhancing the ability of BVNPAC to grow and compete in the highly competitive markets for telecommunications services in Kentucky and nationwide. This financing arrangement will provide BVNPAC with the financial resources needed to produce new products and services and respond to the highly competitive telecommunications environment.²

BVNPAC intends to compete both in Kentucky and other markets with numerous other interexchange carriers and enhanced service providers as well as the incumbent local exchange carriers and other competitive local exchange carriers. Because BVNPAC is a non-dominant carrier, it is not subject to rate of return regulation and its capital structure should not be a matter of concern to the Commission. In addition, because of the highly competitive environment in which the company will operate, the rates charged customers are subject to market discipline and the services offered are duplicated by other carriers. As a result, the source of funds and capital structure of BVNPAC would have little effect on customers in Kentucky or elsewhere. In the unlikely event that its capital structure becomes too costly and rates rise, its customers may simply migrate to other carriers with preferred rates. Thus, any adverse consequences from the BVNPAC's financing decisions impact on shareholders, not on its customers, and any favorable consequences benefit both shareholders and consumers through higher profits, lower rates and better services.

² As borrowings occur there will be a corresponding increase in cash and long-term debt reflected in BVNPAC's balance sheet. There will be no change in the capital structure and any positive or negative impacts on income are too speculative to project. BVNPAC will benefit greatly from additional resources in order to grow and expand its service offerings in Kentucky and nationwide.

Thomas M. Dorman
September 24, 2002
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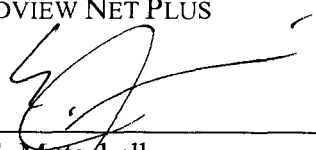
KELLEY DRYE & WARREN LLP

Enclosed please find ten (10) copies and a duplicate copy of this filing. Please date-stamp the duplicate upon receipt and return it in the envelope provided. Should you have any questions regarding this filing or believe that further action is required, please do not hesitate to contact Eric Jenkins at 202-887-1254.

Respectfully submitted,

BROADVIEW NP ACQUISITION CORP. D/B/A
BROADVIEW NET PLUS

By: _____


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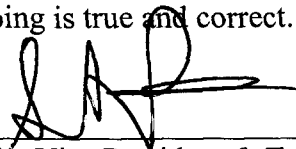
Its Attorneys

Dated: September 24, 2002

VERIFICATION


I, Stephan Fromme, am Vice President and Treasurer of Broadview Networks Holdings, Inc. and am authorized to represent it and its subsidiaries, and to make this verification on their behalf. The statements in the foregoing document relating to this company and its affiliates, except as otherwise specifically attributed, are true and correct to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct.



Title: Vice President & Treasurer

Subscribed and sworn to before me this 17th day of September, 2002.


Notary Public

My Commission expires: _____

JOHN W. SULLIVAN III, ESQ.
Notary Public, State of New York
No. 02SU6047725
Qualified in Suffolk County
Commission Expires September 11, 2006