



Making Connections That Make a Difference.

800 Westchester Avenue  
Suite N501  
Rye Brook, NY 10573

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2009 NOV 13 AM 10: 23  
IDAHO PUBLIC  
UTILITIES COMMISSION

November 12, 2009

**VIA OVERNIGHT COURIER**

Ms. Jean D. Jewell, Secretary  
Idaho Public Utilities Commission  
472 West Washington Street  
Boise, ID 83702

BUNT-09-01

Re: Broadview Networks, Inc.  
Application for Certificate of Public Convenience and Necessity

Dear Ms. Jewell:

On behalf of Broadview Networks, Inc. ("Broadview"), transmitted herewith are an original and three (3) copies of Broadview's Application for a Certificate of Public Convenience and Necessity to Provide Local Exchange Services within the State of Idaho. The Company has no local exchange customers at this time in the State of Idaho; this is a new filing.

An additional copy of this transmittal letter is also enclosed, to be date-stamped and returned in the postage prepaid envelope provided.

To the extent you have any questions concerning this filing, please contact the undersigned at (240) 461-0412 or [channan@broadviewtel.com](mailto:channan@broadviewtel.com).

Respectfully submitted,

A handwritten signature in cursive script that reads "Catherine M. Hannan".

Catherine M. Hannan  
Regulatory Counsel

Enclosures

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION RECEIVED

IN THE MATTER OF THE )  
APPLICATION OF )  
Broadview Networks, Inc. )  
For a Certificate of Public )  
Convenience and Necessity to )  
Provide Local Exchange )  
Telecommunications Services )  
Within the State of Idaho )

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IDAHO PUBLIC UTILITIES COMMISSION

BVN-T-09-01

APPLICATION

Pursuant to Title 62 of the Idaho Code and IAPA 31.01.111, Broadview Networks, Inc. ("Broadview" or "Applicant") hereby respectfully requests that the Idaho Public Utilities Commission ("Commission") grant Broadview a Certificate of Public Convenience and necessity to provide local exchange telecommunications services within the State of Idaho. In support of this Application, Broadview submits the followin:

**I. PROPOSED SERVICES.**

Broadview Networks, Inc., is presently authorized by the Federal Communications Commission to provide interstate domestic and international telecommunications services pursuant to Section 214 of the Communications Act of 1934, as amended. Broadview is also certified, or otherwise authorized to provide interexchange long distance telecommunications services throughout the contiguous United States. In Idaho, Broadview's intrexchange services price list was allowed to take effect on December 26, 2008.

Additionally, Broadview has authority to provide local exchange telecommunications services in California, Connecticut, the District of Columbia, Delaware, Florida, Georgia, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, Nevada, New York, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia and Washington.

Through this Application, Broadview requests authority to allow the company to offer its customers facilities-based and resold competitive local exchange telecommunications and interexchange telecommunications services throughout the entire state of Idaho, or to the extent the facilities of its underlying carriers permit. Applicant seeks authority to provide facilities-based and resold local exchange and interexchange services to the extent the network and transmission facilities of its facilities-based competitive suppliers permit. Applicant does not anticipate installing physical plant at this time. Petitioner may, however, to collocate switching, signaling systems and other equipment of ILEC and non-ILEC collocation facilities such as carrier hotels, and may lease capacity on fiber circuits from other carriers. The location of Applicant's facilities will depend upon the service requests of Applicant's customers and therefore such locations have not been fully finalized. No physical construction of fiber optic or copper cables is anticipated, now or in the future.

## **II. FORM OF BUSINESS.**

### **1. Name, Address and Form of Business:**

Broadview Networks, Inc.  
800 Westchester Avenue, Suite N-501  
Rye Brook, NY 10573  
Telephone: (914) 922-7000  
Facsimile: (914) 922-7001  
Internet: [www.broadviewnet.com](http://www.broadviewnet.com)

The Commission should direct all inquiries and correspondence with respect to this

Application to:

Catherine M. Hannan, Regulatory Counsel  
Broadview Networks, Inc.  
800 Westchester Avenue, Suite N-501  
Rye Brook, NY 10573  
Telephone: (240) 461-0412  
Facsimile: (347) 287-0223  
E-mail: [channan@broadviewtel.com](mailto:channan@broadviewtel.com)

Broadview is a corporation organized pursuant to the laws of the State of New York. Applicant is authorized to conduct business in Idaho as a foreign corporation. Applicant currently has no principal business address within the State of Idaho. Applicant's registered agent for service of process in Idaho is

CT Corporation System  
1111 W. Jefferson, Suite 530  
Boise, ID 83702

A certified copy of Applicant's Articles of Incorporation and Foreign Corporation Certification are attached as Exhibit 1 hereto.

2. Applicant is a wholly-owned subsidiary of Broadview Networks Holdings, Inc. For the Commission's convenience, beneficial ownership interests of certain stockholders and officers/directors of Applicant are more fully set forth in Exhibit 2 hereto.

3. Names and addresses of the officers and directors of Applicant:

Please see Exhibit 2 hereto.

4. Names and addresses of organizations holding 5% or greater ownership or management interests in Applicant:

As noted above, Applicant is 100% owned by Broadview Networks Holdings, Inc. No management agreements exist with respect to Applicant.

5. Names and addresses of subsidiaries owned or controlled by Applicant:

Applicant's parent corporation, Broadview Networks Holdings, Inc., is also the direct or indirect corporate parent of several entities which are authorized by the Federal Communications Commission and various state public utility commissions to provide interstate, international, local and/or long distance telecommunications services. The names and addresses of these entities are set forth in Exhibit 3 hereto.

### **III. TELECOMMUNICATIONS SERVICE.**

1. The date on which applicant proposes to begin construction or anticipates it will begin to provide service:

As noted above, Applicant does not anticipate installing physical plant at this time. Applicant anticipates it will begin to provide service upon grant of authority and the effectiveness of one or more interconnection agreements with certificated carriers in Idaho.

2. Description of Customer Classes and Customer Services that Applicant proposes to offer to the public:

Although Broadview's service offering will be focused upon the provision of service to small- to medium-sized business customers, the Company's services will also be available to residential customers. Upon grant of authority by the Commission, and approval of interconnection/resale agreements, Broadview proposes to initially offer basic two-way local residential and business service, supplemented by a variety of customer calling services (*i.e.*, three-way calling, call forwarding, call waiting, distinctive ringing, and speed calling) and CLASS features (*i.e.*, caller I.E., automatic redial/recall, and customer-originated trace). The Company will later expand these initial basic service offerings to include advanced telecommunications services, data services and private line services throughout the service area of the incumbent provider(s).

#### **IV. SERVICE TERRITORY.**

Applicant seeks authority to provide interexchange and local exchange services throughout the State of Idaho. As noted above, Applicant may provide these services on either a resold or facilities basis. At present, Applicant neither owns nor controls property in the State of Idaho. It is likely that Applicant's service offering will compete with such entities as Qwest North, Qwest South and Verizon Northwest.

#### **V. FINANCIAL INFORMATION.**

With more than 15 years' experience in the provision of telecommunications services, initially in the long distance arena and now in the local exchange telecommunications services area as well, the free flow of cash generated from the Company's operations and the availability of credit resources if needed, Broadview is well-poised to expand its telecommunications services offering in Idaho to include the provision of local exchange telecommunications services.

In demonstration of Applicant's financial qualifications, attached hereto as Exhibit 4 is the Company's most recently-filed Securities and Exchange Commission Form 10-Q (November 6, 2009), which contains all relevant financial information for the Company.

**VI. "ILLUSTRATIVE TARIFF FILINGS.**

Applicant's initial local exchange services tariff is attached hereto as Exhibit 5.

**VII. CUSTOMER CONTACTS.**

1. Contact Information for Applicant:

For consumer inquiries and complaints from the public:

Art Gairo, Senior Vice President  
Broadview Networks, Inc.  
2100 Renaissance Boulevard  
King of Prussia, PA 19406  
Tel: (610) 755-4182  
Fax: (267) 537-0074  
E-Mail: [agairo@broadviewnet.com](mailto:agairo@broadviewnet.com)

Toll-free number for customer inquiries and complaints:

(800) 276-2384

For resolving complaints, inquiries and matters concerning rates and price lists or tariffs:

Steven J. Bogdan, Director of Regulatory  
Broadview Networks, Inc.  
2100 Renaissance Boulevard  
King of Prussia, PA 19406  
Tel: (610) 755-4877  
Fax: (267) 537-0074  
E-mail: [sbogdan@broadviewnet.com](mailto:sbogdan@broadviewnet.com)

### **VIII. MANAGEMENT/TECHNICAL QUALIFICATIONS.**

The Company has assembled a highly skilled management team, which brings a wealth of experience and expertise to the Company's telecommunications services venture. Together, the Company's executives provide it with the depth and breadth of management, operational and technical capabilities necessary to facilitate its provision of high quality, affordable telecommunications services. Brief summaries of the experience of key members of the Company's executive team are attached hereto as Exhibit 6.

### **IX. CUSTOMER SERVICE.**

Broadview Customer Care Representatives and 24-hour automated customer assistance will be available to all Idaho customers, however, allowing customers to bring service, billing and repair questions or complaints to the Company's attention 24 hours a day, 7 days a week, facilitating the quick and efficient resolution of Customer concerns. Customers may access Broadview Customer Care toll-free at (800) 276-2384 to initiate service complaints or to receive updates on reported problems or pending customer service complaints; customers may also contact Broadview Customer Care 24 hours a day via the company's website, [www.broadviewnet.com](http://www.broadviewnet.com). Inquiries regarding service or billing may also be made in writing.

The Company's tariff will advise customers that they have the right to contact the Idaho Public Utilities Commission for resolution of customer service and billing issues and provides the address and toll-free telephone number for the Commission.

**X. INTERCONNECTION AGREEMENTS.**

Applicant has not yet initiated interconnection or commercial agreement negotiations with incumbent providers in Idaho.

**XI. COMPLIANCE WITH COMMISSION RULES.**

Attached hereto, as Exhibit 7, is Applicant's written statement affirming that it has reviewed all of the Commission rules and agrees to comply with them.

**XII. ESCROW ACCOUNT OR SECURITY BOND.**

Applicant does not anticipate requiring advance deposits by its customers at this time.

**XIII. PUBLIC INTEREST STATEMENT.**

Grant of Broadview's Application to provide facilities and non-facilities-based local exchange services as described above in Idaho is in the public interest and will serve the public convenience and necessity. Broadview's proposed services will increase the competitive choices available to Idaho consumers. Enhanced competition in telecommunications services, in turn, will further stimulate economic development with the service area. Furthermore, increased competition has been shown to create incentives for all carriers, including incumbent providers, to offer lower prices, to introduce new and innovative services and to provide more responsive customer service.

#### **XIV. WAIVERS AND REGULATORY COMPLIANCE.**

Applicant has reviewed all of the Commission's rules applicable to competitive local exchange telecommunications service providers and agrees to comply with those rules except to the extent that any such rules are explicitly waived generically for carriers in the same class.

#### **CONCLUSION**

Through this Application, Broadview Networks, Inc., demonstrates that it possesses the financial, technical and managerial resources to provide local exchange telecommunications services in Idaho, and that the provision of service by Applicant will promote the public interest.

WHEREFORE, Applicant respectfully requests that the Commission grant Applicant authority to operate as a provider of facilities and non-facilities based local exchange telecommunications services in the State of Idaho; grant the waivers requested in this Application; and grant such other relief as it deems necessary and appropriate.

Respectfully submitted, this 12<sup>th</sup> day of November, 2009.

#### **BROADVIEW NETWORKS, INC.**

By: 

Charles C. Hunter  
Executive Vice President, Secretary and  
General Counsel  
Broadview Networks, Inc.  
800 Westchester Avenue, Suite N-501  
Rye Brook, NY 10573  
Telephone: (914) 922-7000  
Facsimile: (914) 922-7001  
E-mail: chunter@broadviewnet.com

**EXHIBIT 1**

**Articles of Incorporation  
And  
Foreign Corporation Certificate**

**Of**

**Broadview Networks, Inc.**

**STATE OF NEW YORK**  
**DEPARTMENT OF STATE**

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the Department of State, at the City of Albany, on August 24, 2007.

*Paul LaPointe*

Paul LaPointe  
Special Deputy Secretary of State

F910605000194

INFO.

CERTIFICATE OF INCORPORATION

OF

BRIAR JOY DEVELOPMENT CORPORATION

Under Section 402 of the Business Corporation Law

IT IS HEREBY CERTIFIED THAT:

(1) The name of the Corporation is:

BRIAR JOY DEVELOPMENT CORPORATION

(2) The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized pursuant to the Business Corporation Law of the State of New York. The Corporation is not to engage in any act or activity requiring any consents or approvals by law without such consent or approval first being obtained.

For the accomplishment of the aforesaid purposes, and in furtherance thereof, the Corporation shall have, and may exercise, all of the powers conferred by the Business Corporation Law upon corporations formed thereunder, subject to any limitations contained in Article 2 of said law or in accordance with the provisions of any other statute of the State of New York.

(3) The number of shares which the Corporation shall have the authority to issue is 200 at no par value.

(4) The principal office of the corporation is to be located in the County of St. Lawrence, State of New York.

(5) The Secretary of State is designated as agent of the Corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the Corporation served upon him is:

c/o Thomas J. Lynch, Esq.  
4514 Wilderness Way  
Syracuse, NY 13215

The undersigned incorporator is of the age of eighteen years or older.

IN WITNESS WHEREOF, this certificate has been subscribed this 4th day of June, 1991 by the undersigned who certifies that the statements made herein are true under the penalties of perjury.

JOAN TERRY  
Joan Terry, Incorporator

500 Central Avenue, Albany, NY 12206  
Address

F 910605000 INFO

CERTIFICATE OF INCORPORATION

BRIAR JOY DEVELOPMENT CORPORATION

STATE OF NEW YORK  
DEPARTMENT OF STATE

FEB JUN 05 1991

TAX \$ 10

BY: *DC*

*St. Lawrence*

FILED:  
THOMAS J. LYNCH, Esq.  
4514 Wilderness Way  
Syracuse, NY 13215

*SC310*

REFERENCE # 1219-02806

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***STATE OF NEW YORK***  
***DEPARTMENT OF STATE***

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the Department of State, at the City of Albany, on August 24, 2007.

*Paul LaPointe*

Paul LaPointe  
Special Deputy Secretary of State

VANGUARD-52

**CERTIFICATE OF AMENDMENT  
OF THE CERTIFICATE OF INCORPORATION  
OF BRIAR JOY DEVELOPMENT CORPORATION** 95063000023  
Under Section 805 of the Business Corporation Law

Pursuant to the provisions of Section 805 of the Business Corporation Law, the undersigned, being the President and Secretary of Briar Joy Development Corporation (the "Corporation"), do hereby certify and set forth:

**FIRST:** The name of the Corporation is Briar Joy Development Corporation.

**SECOND:** The Certificate of Incorporation of the Corporation was filed with the Department of State on June 5, 1981.

**THIRD:** (a) Paragraph 3 of the Certificate of Incorporation relating to the authorization of shares is hereby changed to read as follows:

The number of common shares which the Corporation shall have the authority to issue is 2,500,000 at par value of \$ .50 per share.

(b) There are presently 200 shares of no par value common stock authorized, of which 110 shares are issued and outstanding and 90 shares are unissued. The amendment to the Certificate of Incorporation is intended to increase the 110 shares of authorized and issued stock at the rate of 1 to 1 to 110 shares of authorized and issued common stock at \$ .50 par value, and to change the 90 shares of authorized and unissued stock at the rate of 1 to 1 to 90 shares of common stock at \$ .50 par value; and (2) increase the authorized shares of common stock from 200 to 2,500,000 common stock. As a result of this change, there will be 110 shares of common stock issued and outstanding at \$ .50 par value, and 2,499,890 shares authorized and unissued, at \$ .50 par value per share.

**FOURTH:** Paragraph 5 of the Certificate of Incorporation relating to the service of process is hereby changed to read as follows:

The Secretary of State is designated as agent of the Corporation upon whom process against it may served. The post office address to which the Secretary of State shall mail a copy of any process against the corporation served upon it is as follows:

Briar Joy Development Corporation  
109 East Washington Street  
Syracuse, New York 13202

**FIFTH:** The following paragraph shall be added to the Certificate of Incorporation as Paragraph 8, as follows:

The directors of the Corporation shall not be personally liable to the Corporation or its shareholders for damages for any breach of duty in such capacity occurring after the adoption of the provisions authorized in this Certificate of Incorporation, provided, however, that the provisions contained herein shall not eliminate or limit such directors' liability if a judgment or other final adjudication adverse to the director establishes that the director's acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of the law, or that the director personally gained in fact a financial profit or other advantage to which the director was not legally entitled, or that the director's acts violated the provisions of Section 719 of the New York Business Corporation Law.

SIXTH: The following paragraph shall be added to the Certificate of Incorporation

as Paragraph 7, as follows:

The Corporation shall, to the fullest extent permitted by Article 7 of the Business Corporation Law of the State of New York, as the same may be amended and supplemented, indemnify any and all persons whom it shall have power to indemnify under said Article from and against any and all of the expenses, liabilities, or other matters referred to in or covered by said Article, and the indemnification provided for herein shall not be deemed exclusive of any other rights to which any person may be entitled under any By-Law, resolution of shareholders, resolution of directors, agreement, or otherwise, as permitted by said Article, as to action in any capacity in which he served at the request of the Corporation.

SEVENTH: The foregoing amendment was authorized by unanimous vote of the Board of Directors of the Corporation, followed by a vote of the holders of a majority of all the outstanding shares entitled to vote at a meeting of the shareholders, which was held on May 3, 1995.

IN WITNESS WHEREOF, this Certificate of Amendment of the Certificate of Incorporation has been subscribed this 27th day of June, 1995, by the undersigned who affirm that the statements made herein are true under the penalties of perjury.

*Frank S. Caruso, Jr.*  
 Frank S. Caruso, Jr., President

*Frank S. Caruso, Sr.*  
 Frank S. Caruso, Sr., Secretary

650830000263

... THAT THE WITHIN IS A  
... COPY OF  
... THE OFFICE OF THE  
... NEW YORK

I, THE UNDERSIGNED, AN ATTORNEY ADMITTED TO PRACTICE  
IN THE COURTS OF NEW YORK STATE, HEREBY CERTIFY THAT  
THE ANNEXED  
HAS BEEN COMPARED BY ME WITH THE ORIGINAL AND IS A  
TRUE AND COMPLETE COPY THEREOF.

ATTORNEY

ATTORNEY

Return Filing Receipt to:  
Bilkan, Frankel, Greenman & Kilian  
5199 Midway Park Parkway  
Post Office Box 450  
Dewitt, New York 13214-0450

CERTIFICATE OF ADEQUACY OF THE  
CERTIFICATE OF INCORPORATION BY  
EMMA JOY DEWANEYMENT CORPORATION

JUN 27 10 45 AM '98

STATE OF NEW YORK  
DEPARTMENT OF STATE

FILED JUN 27 1998  
TAX \$ 615.00  
BY J. H. [Signature]  
S. H. [Signature]

615.00  
JAY

BILLED

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***STATE OF NEW YORK***  
***DEPARTMENT OF STATE***

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the Department of State, at the City of Albany, on August 24, 2007.

*Paul LaPointe*

Paul LaPointe  
Special Deputy Secretary of State

F970820000896

**CERTIFICATE OF AMENDMENT OF THE  
CERTIFICATE OF INCORPORATION OF  
BRIAR JOY DEVELOPMENT CORPORATION**

VANGUARD-52

Under Section 805 of the Business Corporation Law

Pursuant to the provisions of Section 805 of the Business Corporation Law, the undersigned, being the President and Secretary of Briar-Joy Development Corporation (the "Corporation"), do hereby certify and set forth:

**FIRST:** The name of the Corporation is Briar Joy Development Corporation.

**SECOND:** The Certificate of Incorporation of the Corporation was filed with the Department of State on June 5, 1991

**THIRD:** Paragraph 3 of the Certificate of Incorporation, relating to the authorization of shares is hereby changed to read as follows:

The number of common shares which the Corporation shall have the authority to issue is 2,500,000 at \$0.10 par value per share.

**FOURTH:** There are presently 2,500,000 shares of stock at \$0.50 par value common stock authorized, of which 1,429,856 shares have been issued and outstanding and 1,070,144 shares remain unissued. The Amendment to the Certificate of Incorporation is intended to provide 1,429,856 shares issued and outstanding at \$0.50 par value per share to be changed into 1,429,856 shares issued and outstanding at \$0.10 par value per share at the rate of 1:1, and there will be 1,070,144 shares unissued at \$0.50 par value per share that will be changed into 1,070,144 shares unissued at \$0.10 par value per share at the rate of 1:1.

**FIFTH:** The above and foregoing amendment to the Certificate of Incorporation was authorized by unanimous vote of the Board of Directors of the Corporation, followed by a majority vote of the holders of a majority of all the outstanding shares entitled to vote therein at a meeting of the shareholders held on the 13<sup>th</sup> day of August, 1997

IN WITNESS WHEREOF, this Certificate of Change of the Certificate of Incorporation has been subscribed this 19 day of August, 1987, by the undersigned who affirm that the statements made herein are true under the penalties of perjury.

Frank S. Caruso, Jr.  
Frank S. Caruso, Jr., President

Andrea Osborne  
Andrea Osborne, Secretary

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970820000296

CERTIFICATE OF AMENDMENT OF THE  
CERTIFICATE OF INCORPORATION OF  
BRIAR JOY DEVELOPMENT CORPORATION

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STATE OF NEW YORK  
DEPARTMENT OF STATE

VANGUARD-52

FILED AUG 20 1997

TAX \$

BY: JAH

*J. Dowdell*

BILLED

Filer: Rifken, Frankel & Greenman, P.C.  
5789 Widewaters Parkway  
DeWitt, New York 13214-2811  
Telephone: (315) 449-0737

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970820000302

**STATE OF NEW YORK**  
**DEPARTMENT OF STATE**

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the  
Department of State, at the City of Albany, on  
August 24, 2007.

*Paul LaPointe*

Paul LaPointe  
Special Deputy Secretary of State

F 971002000358  
CERTIFICATE OF MERGER

OF  
SCC TELECOMMUNICATIONS, INC.  
INTO  
BRIAR JOY DEVELOPMENT CORPORATION

VANGUARD-52

**UNDER SECTION 904 OF THE BUSINESS CORPORATION LAW**

The undersigned, being the President and the Secretary, respectively, of SCC Telecommunications, Inc., and being the President and the Secretary of Briar Joy Development Corporation, both corporations being domestic corporations organized and existing under and by virtue of the laws of the State of New York, and a plan of merger having been adopted by the Board of Directors of each constituent corporation, do hereby certify:

(1) The name of each constituent corporation is as follows:

SCC Telecommunications, Inc.  
Briar Joy Development Corporation

(2) The surviving corporation is Briar Joy Development Corporation, which shall as of the effective date of the merger change its corporate name to "SCC Telecommunications, Inc."

(3) The designation, number, and voting rights of the outstanding shares of each constituent corporation are as follows:

- a) SCC Telecommunications, Inc. has 1,000 shares of capital stock outstanding all of which is common stock and fully entitled to vote.
- b) Briar Joy Development Corporation has 1,839,856 shares of capital stock outstanding all of which is common stock and fully entitled to vote.

(4) The date when the Certificate of Incorporation of SCC Telecommunications, Inc. was filed by the Department of State is the 26<sup>th</sup> day of August, 1997.

The date when the Certificate of Incorporation of Briar Joy Development Corporation was filed by the Department of State is the 5<sup>th</sup> day of June, 1991.

(5) The merger of SCC Telecommunications, Inc. and Briar Joy Development Corporation was authorized in respect to SCC Telecommunications, Inc., a constituent corporation, by the vote of the sole holder of its capital stock on September 18, 1997.

The merger of SCC Telecommunications, Inc. and Briar Joy Development Corporation was authorized in respect to Briar Joy Development Corporation, a constituent corporation, by resolution of the Board of Directors of Briar Joy Development Corporation on September 18, 1997 and by a vote of holders of at least two-thirds of the outstanding shares of capital stock of Briar Joy Development Corporation present and voting at a special meeting of shareholders duly called, noticed, and held in accordance with §903 of the Business Corporation Law, on September 29, 1997, where the affirmative votes were cast with respect to shares which constituted not less than a quorum.

IN WITNESS WHEREOF, the undersigned have executed and signed this Certificate on this 30th day of September, 1997 and affirm that the statements made herein are true under the penalties of perjury.

**BRIAR JOY DEVELOPMENT CORPORATION**

By: *Frank S. Caruso, Jr.*  
Frank S. Caruso, Jr., President

By: *Andrea Osborne*  
Andrea Osborne, Secretary

**SCC TELECOMMUNICATIONS, INC.**

By: *Vern M. Kennedy*  
Vern M. Kennedy, President

By: *Terrance J. Anderson*  
Terrance J. Anderson, Secretary

97100200035

CERTIFICATE OF MERGER OF  
SCC TELECOMMUNICATIONS, INC.

INTO

BRIAR JOY DEVELOPMENT CORPORATION

UNDER SECTION 904 OF THE BUSINESS CORPORATION LAW

STATE OF NEW YORK  
DEPARTMENT OF STATE

FILED OCT 02 1997

TAX \$ 0

BY: JW

ST. LAWRENCE

File: Rifken, Frankel & Greenman, P.C.  
5789 Widewaters Parkway  
DeWitt, New York 13214-2811  
Telephone: (315) 449-0737

VANGUARD-52

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**STATE OF NEW YORK**  
**DEPARTMENT OF STATE**

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the  
Department of State, at the City of Albany, on  
August 24, 2007.

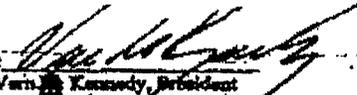
*Paul LaPointe*

Paul LaPointe  
Special Deputy Secretary of State

Shore & Tipton LP 212 687 2835

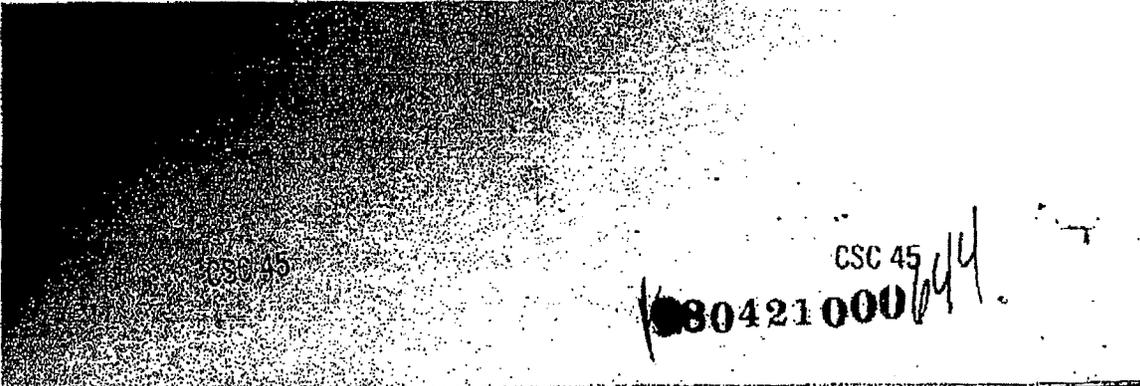
04/20 '98 10:35 NO. 032 03/03

IN WITNESS WHEREOF, the undersigned have hereunto signed their names and do verify and affirm, under penalty of perjury, that the statements contained herein are true and correct and that this Certificate of Amendment is the act and deed of the Corporation as of this 16<sup>th</sup> day of April, 1998.

By:   
Warren B. Kennedy, President

By:   
Terrence J. Anderson, Secretary

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CSC 45

1080421000

CERTIFICATE OF AMENDMENT OF THE CERTIFICATE OF INCORPORATION  
OF  
SCC TELECOMMUNICATIONS, INC.

APR 21 3 14 PM '98

FILED

Under Section 805 of the Business Corporation Law

*W*  
STATE OF NEW YORK  
DEPARTMENT OF STATE  
FILED APR 21 1998  
TAXS  
BY: *Greg St. Louis*

APR 21 2 11 PM '98

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DUQUETTE & TIPTON LLP  
405 Lexington Avenue  
New York, NY 10174

787715 mil

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BILLED

1080421000

**STATE OF NEW YORK**  
**DEPARTMENT OF STATE**

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the Department of State, at the City of Albany, on August 24, 2007.

*Paul LaPointe*

Paul LaPointe  
Special Deputy Secretary of State

CT-07

991006000688

CERTIFICATE OF AMENDMENT  
OF THE  
CERTIFICATE OF INCORPORATION  
OF  
COMMUNITY NETWORKS, INC.

Under Section 805 of the New York Business Corporation Law

The undersigned, Van M. Kennedy, President, and Terrence J. Anderson,  
Secretary, of COMMUNITY NETWORKS, INC., a New York corporation (the "Corporation"),  
hereby certify as follows:

1. The name of the Corporation is Community Networks, Inc. The name  
under which the Corporation was formed is Briar Jay Development Corporation.

2. The Certificate of Incorporation of the Corporation (the "Certificate of  
Incorporation") was originally filed in the Office of the Secretary of State of the State of New  
York on June 5, 1991.

3. The Certificate of Incorporation is hereby amended to change the name of  
the Corporation to Broadview Networks, Inc. by deleting Article FIRST in its entirety and  
replacing it with the following:

FIRST: The name of the Corporation is Broadview Networks, Inc.

4. The foregoing amendment was duly authorized pursuant to Sections 615,  
708 and 803(a) of the New York Business Corporation Law, to wit, by a unanimous written  
consent of the directors of the corporation, followed by the written consent of the sole  
shareholder of the Corporation.

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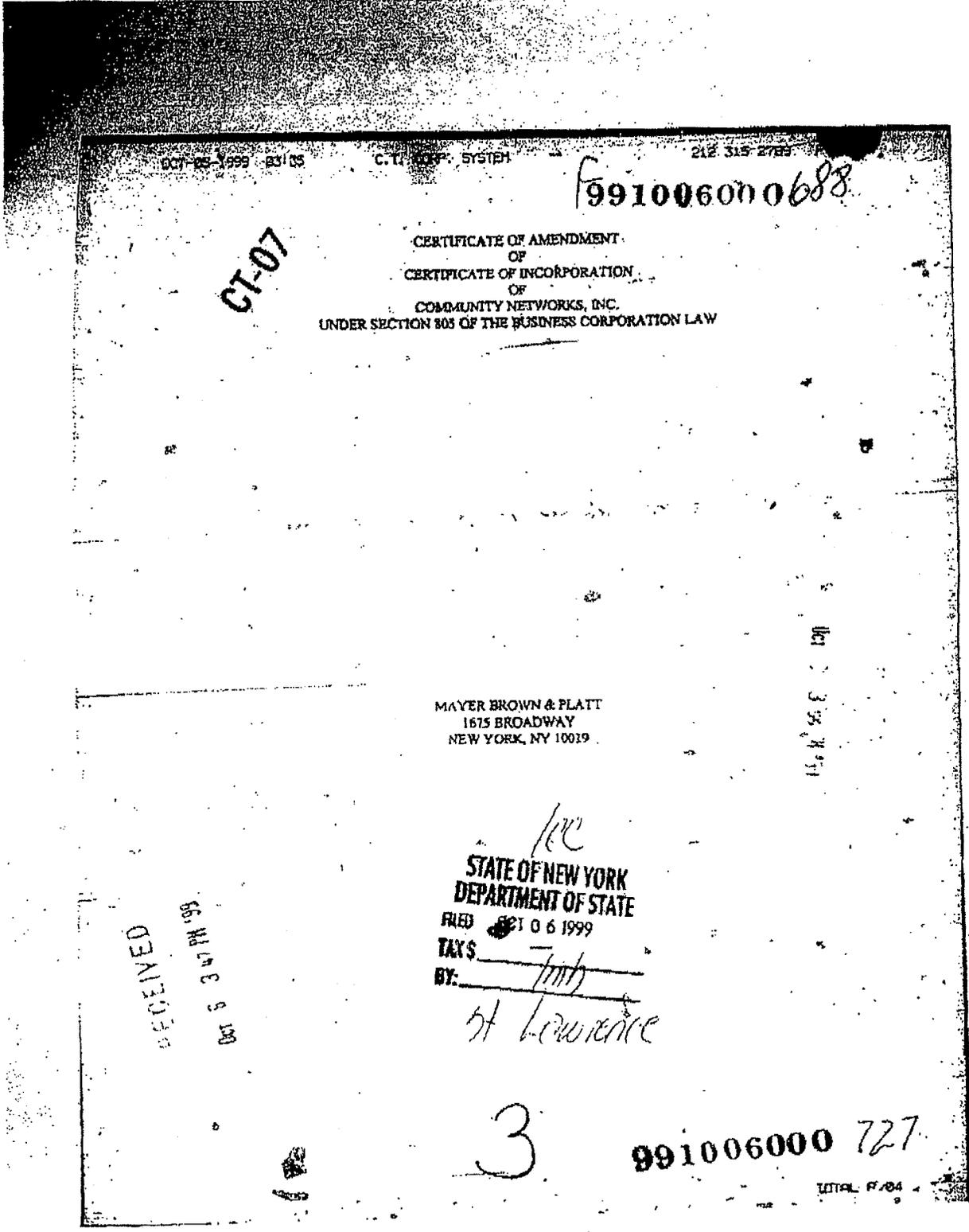
212 315 2789 P. 03/94

IN WITNESS WHEREOF, the undersigned have hereupon signed their names and do verify and affirm, under penalty of perjury, that the statements contained herein are true and correct and that this Certificate of Amendment is the act and deed of the Corporation as of this 5th day of October, 1999.

By: /s/ Vern M. Kennedy  
Name: Vern M. Kennedy  
Title: President

By: /s/ Terrence J. Anderson  
Name: Terrence J. Anderson  
Title: Secretary

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CT-07

CERTIFICATE OF AMENDMENT  
OF  
CERTIFICATE OF INCORPORATION  
OF  
COMMUNITY NETWORKS, INC.  
UNDER SECTION 805 OF THE BUSINESS CORPORATION LAW

MAYER BROWN & PLATT  
1675 BROADWAY  
NEW YORK, NY 10019

101 3 35 PM '99

STATE OF NEW YORK  
DEPARTMENT OF STATE

FILED OCT 6 1999

TAXS

BY: Tmb

H Lawrence

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OCT 6 3 30 PM '99

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***STATE OF NEW YORK***  
***DEPARTMENT OF STATE***

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the  
Department of State, at the City of Albany, on  
August 24, 2007.

*Paul LaPointe*

Paul LaPointe  
Special Deputy Secretary of State

CT-07

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246

CERTIFICATE OF AMENDMENT  
OF THE  
CERTIFICATE OF INCORPORATION  
OF  
BROADVIEW NETWORKS, INC.

Under Section 805 of the Business Corporation Law

The undersigned, Vern M. Kennedy, President and Terence J. Anderson, Secretary of BROADVIEW NETWORKS, INC., a New York corporation (the "Corporation"), hereby certifies as follows:

FIRST: The name of the corporation (the "Corporation") is BROADVIEW NETWORKS, INC. The name under which the Corporation was formed is Briar Joy Development Corporation.

SECOND: The Certificate of Incorporation of the Corporation (the "Certificate of Incorporation") was originally filed in the Office of the Secretary of State of the State of New York on June 5, 1991.

THIRD: Paragraph 2 of the Certificate of Incorporation relating to purpose for which the Corporation is organized is changed to read as follows:

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the business corporation law of the State of New York. The Corporation is not formed to engage in any act or activity requiring the consent or approval of any state official, department, board, agency, or other body without such consent or approval first being obtained.

FOURTH: Paragraph 3 of the Certificate of Incorporation is hereby amended to decrease the current 2,500,000 shares of common stock of par value of \$0.10 of which 1,839,855 shares are presently issued and outstanding and 560,144 shares are unissued to 1,000 shares of common stock at a par value of \$0.01 of which 1,000 are issued. There will be no unissued shares of common stock.

The rate of change of the issued is 1:1,839,855

FIFTH: (a) The aggregate number of shares which the Corporation shall have authority to issue is One thousand (1,000), all of which are of a par value of \$0.01 each, and all of which are of the same class.

FIFTH: Paragraph 4 of the Certificate of Incorporation relating to the principal office of the corporation is hereby changed to read as follows:

The office of the Corporation is to be located in New York County, State of New York.

SIXTH: Paragraph 5 of the Certificate of Incorporation relating to designation of an agent for the service of process is hereby changed to read as follows:

The Secretary of State is designated as the agent of the Corporation upon whom process against it may be served. The post office address to which the secretary of state shall send a copy of any process against it served upon him is Broadview Networks Holdings, Inc., 45-48 Court Square, Ste 502, Long Island City, New York, 11101. Attn: President

SEVENTH: Paragraph 6 of the Certificate of Incorporation relating to director liability is hereby changed to read as follows:

No director shall be personally liable to the Corporation or its shareholders in his capacity as director to any person or entity (including the Corporation) for damages for any breach of any duty, except that this provision shall not eliminate or limit the liability of any director if a judgment or other final adjudication adverse to such director establishes that (i) such director's acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, (ii) such director personally gained in fact a financial profit or other advantage to which such director was not legally entitled, or (iii) that such director's act violated Section 719 of the BCL, or (iv) the acts or omissions complained of occurred prior to the date of filing of this Certificate of Incorporation. If the BCL is amended, changed or modified to authorize corporate action further eliminating or limiting the personal liability of directors to the Corporation, its shareholders or third parties, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the BCL, as so amended, changed or modified. Any repeal, amendment or modification of the provisions of this paragraph by the shareholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation relating to claims arising in connection with events which took place prior to the date of such repeal, amendment or modification.

EIGHTH: Paragraph 7 relating to indemnification permitted by Article 7 of the BCL is hereby deleted and replaced with:

The Corporation is to have perpetual existence

NINTH: The following amendments were authorized by a unanimous vote of the Board of Directors of the Corporation, followed by the vote of the sole holder of its capital stock.

IN WITNESS WHEREOF, the undersigned have hereunto signed their names and do verify and affirm, under penalty of perjury, that the statements contained herein are true and correct and that this Certificate of Amendment is the act and deed of the Corporation as of the 3rd day of May, 2000.

By: Vern M. Kennedy  
Name: Vern M. Kennedy  
Title: President

By: Terence J. Anderson  
Name: Terence J. Anderson  
Title: Secretary

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CT-07

CERTIFICATE OF AMENDMENT AND RESTATEMENT  
OF THE  
CERTIFICATE OF INCORPORATION  
OF  
BROADVIEW NETWORKS, INC.  
UNDER SECTION 805 OF THE BUSINESS CORPORATION LAW

MAY 3 11 02 AM '00

Mayer Brown & Platt  
1675 Broadway  
New York, NY 10019

100  
STATE OF NEW YORK  
DEPARTMENT OF STATE  
MAY 01 2000

FILED  
TAXES: NET AX  
BY: MMR

St Lawrence

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NY

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INFO

CERTIFICATE OF INCORPORATION

BEZAR JOY DEVELOPMENT CORPORATION  
Under Section 402 of the Business Corporation Law  
IT IS HEREBY CERTIFIED THAT:

- (1) The name of the corporation is:  
BEZAR JOY DEVELOPMENT CORPORATION
- (2) The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized according to the Business Corporation Law of the State of New York. The corporation is not to engage in any activity requiring any license or approval by law without such license or approval first being obtained.  
For the accomplishment of the aforesaid purposes, and in furtherance thereof, the Corporation shall have, and may exercise, all of the powers, immunities, and franchises conferred by law upon corporations formed thereunder, subject to any limitations contained in Article 2 of said law or in accordance with the provisions of any other statute of the State of New York.
- (3) The number of shares which the corporation shall have the authority to issue is 200 at no par value.
- (4) The principal office of the corporation is to be located in the County of St. Lawrence, State of New York.
- (5) The Secretary of State is designated as agent of the corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the corporation is set forth upon this law.

c/o Thomas F. Kavanagh, Inc.  
4514 Wildwood Way  
Syracuse, NY 13218

The undersigned incorporator is of the age of \_\_\_\_\_ years on this day.

IN WITNESS WHEREOF, this Certificate has been signed and attested this 6th day of June, 1981 by the undersigned.

JOHN TERRY, Incorporated

910605000 **INFO**

DEPARTMENT OF INSURANCE

METAL JOY DEVELOPMENT CORPORATION

---

STATE OF NEW YORK  
DEPARTMENT OF STATE

NOV 10 2007

BY: *[Signature]*  
/s/ St. Lawrence

NOTARY PUBLIC  
THOMAS M. LAWRENCE, Notary  
4014 Washington Way  
Hyattsville, NY 11434  
EXPIRES 12/31/2008

*SC310*

**INFO. DIL**

**CERTIFICATE OF AMENDMENT**  
**OF THE CERTIFICATE OF INCORPORATION**  
**OF HENRY JOY DEVELOPMENT CORPORATION**  
 Under Article 10 of the Business Corporation Law

Pursuant to the provisions of Section 905 of the Business Corporation Law, the undersigned, being the President and Secretary of Henry Joy Development Corporation ("Corporation"), do hereby certify and set forth:

**FIRST:** The name of the Corporation is Henry Joy Development Corporation.

**SECOND:** The Certificate of Incorporation of the Corporation was filed with the Department of State on June 8, 1991.

**THIRD:** (a) Paragraph 3 of the Certificate of Incorporation relating to the authorization of shares is hereby changed to read as follows:

The number of common shares which the Corporation shall have the authority to issue is 2,500,000 of par value of \$1.00 per share.

(b) There are presently 200 shares of no par value common stock authorized, of which 110 shares are issued and outstanding and 90 shares are authorized and unissued. The Corporation has authorized and issued stock at the rate of 1 for 1 to 110 shares of no par value common stock at \$1.00 per share and through the use of stock splits and issued stock at the rate of 1 to 1.15 50 shares of common stock at \$1.00 per share and through the use of stock splits the authorized shares of common stock from 200 to 2,500,000 common shares. As a result of the change, there will be 1,100,000 common shares authorized, of which 1,100,000 shares are issued and outstanding, and 1,400,000 shares are authorized and unissued, at \$1.00 per value per share.

**FOURTH:** Paragraph 8 of the Certificate of Incorporation relating to the service of process is hereby changed to read as follows:

The Secretary of State is designated as agent of the Corporation upon whom process against it may served. The post office address to which the Secretary of State shall send a copy of any process against the corporation is as follows:

Henry Joy Development Corporation  
 100 East Washington Street  
 Syracuse, New York 13202

**FIFTH:** The following paragraph shall be added to the Certificate of Incorporation as Paragraph 9, as follows:

VANGUARD-52

The directors of the Corporation shall not be personally liable to the Corporation or its shareholders for damages for any breach of duty in such capacity occurring after the adoption of the provisions authorized in this Certificate of Incorporation, provided, however, that the provisions contained herein shall not operate to limit such liability in any case in which a director shall have acted in bad faith or involved intentional misconduct or a knowing violation of the law, or that the director personally gained in fact a financial profit or other advantage to which the director was not legally entitled, or that the director's acts violated the provisions of Section 719 of the New York Business Corporation Law.

SIXTH: The following paragraph shall be added to the Certificate of Incorporation as Paragraph 7, as follows:

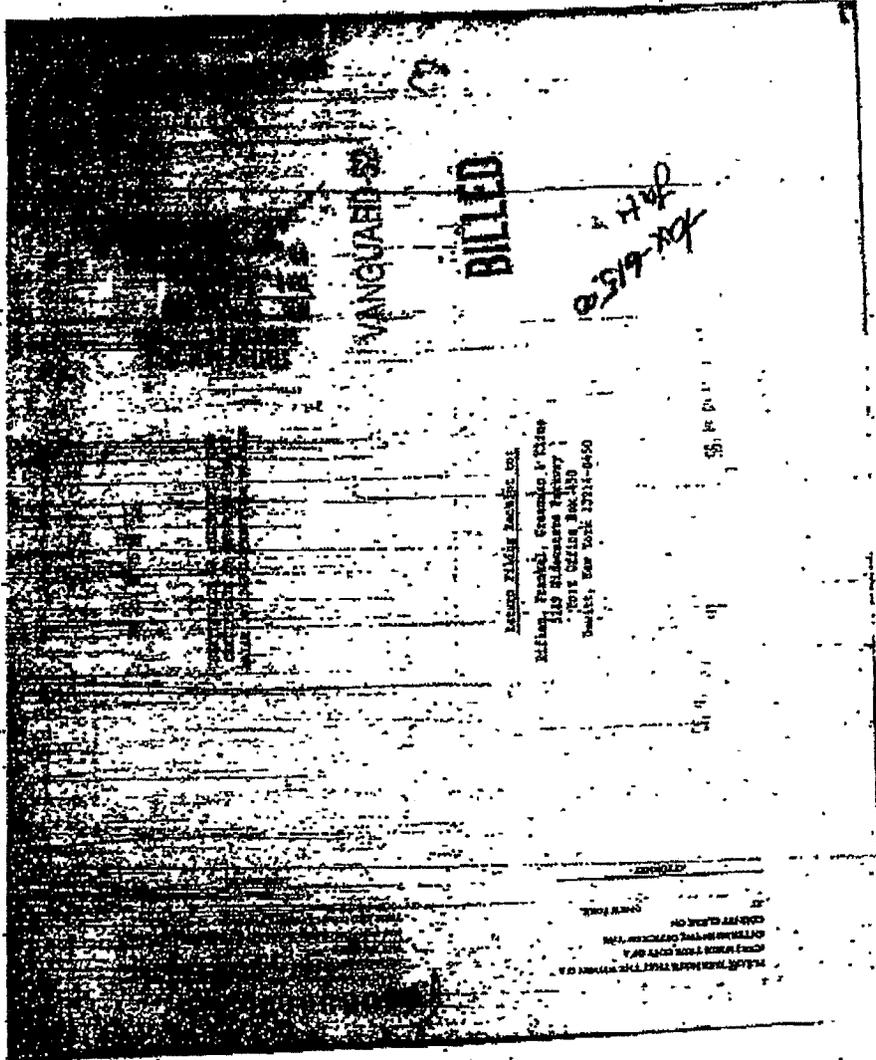
The Corporation shall, to the fullest extent permitted by Article 2 of the Business Corporation Law of the State of New York, as the same may be amended and supplemented, indemnify and reimburse any and all persons who shall have power to indemnify under said Article from and against any and all of the expenses, liabilities, or other matters referred to in or covered by said Article, and the indemnification provided for herein shall not be deemed exclusive of any other rights to which any person may be entitled under any by-law, resolution of shareholders, resolution of directors, agreement, or otherwise, in permitted by said Article, or to action in any capacity in which he served at the request of the Corporation.

SEVENTH: The foregoing amendment was authorized by unanimous vote of the Board of Directors of the Corporation, followed by a vote of the holders of a majority of all the outstanding shares entitled to vote at a meeting of the shareholders, which was held on May 3, 1995.

IN WITNESS WHEREOF, this Certificate of Amendment of the Certificate of Incorporation has been subscribed this 17th day of June, 1995, by the undersigned who affirm that the statements made herein are true under the penalties of perjury.

1s/ Frank S. Caruso, Jr. *Frank S. Caruso, Jr.*  
 Frank S. Caruso, Jr., President

1s/ Frank S. Caruso, Sr. *Frank S. Caruso, Sr.*  
 Frank S. Caruso, Sr., Secretary



~~FORM 2000-0296~~

**CERTIFICATE OF AMENDMENT OF THE  
CERTIFICATE OF INCORPORATION OF  
BRIAR JOY DEVELOPMENT CORPORATION**

Under Section 905 of the Business Corporation Law

Pursuant to the provisions of Section 905 of the Business Corporation Law, the undersigned, being the PRESIDENT and Secretary of Briar Joy Development Corporation (the "Corporation"), do hereby certify and set forth:

**FIRST:** The name of the Corporation is Briar Joy Development Corporation.

**SECOND:** The Certificate of Incorporation of the Corporation was filed with the Department of State on June 8, 1991.

**THIRD:** Paragraph 3 of the Certificate of Incorporation, relating to the authorization of shares is hereby changed to read as follows:

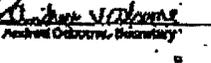
The number of common shares which the Corporation shall have the authority to issue is 2,500,000 at \$0.10 par value per share.

**FOURTH:** There are presently 2,500,000 shares of stock at \$0.50 par value common stock authorized, of which 1,429,856 shares have been issued and outstanding and 1,070,144 shares remain unissued. The Amendment to the Certificate of Incorporation is intended to provide 1,429,856 shares issued and outstanding at \$0.50 par value for shares to be changed into 1,429,856 shares issued and outstanding at \$0.10 par value per share at the rate of 1:1; and there will be 1,070,144 shares unissued at \$0.50 par value per share that will be changed into 1,070,144 shares unissued at \$0.10 par value per share at the rate of 1:1.

**FIFTH:** The above and foregoing amendment to the Certificate of Incorporation was authorized by unanimous vote of the Board of Directors of the Corporation, followed by a majority vote of the holders of a majority of all the outstanding shares entitled to vote therein at a meeting of the shareholders held on the 15<sup>th</sup> day of AUGUST, 1997.

IN WITNESS WHEREOF, this Certificate of Change of the Certificate of Incorporation has  
been authorized on the 11th day of August, 2007, by the undersigned who state that the  
statements made herein are true under the penalties of perjury.

1st Francis S. Caruso, Jr.   
Francis S. Caruso, Jr., President

1st Andrew V. Osborne   
Andrew Osborne, Secretary

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CERTIFICATE OF AMENDMENT OF THE  
CERTIFICATE OF INCORPORATION OF  
BRIAR JOY DEVELOPMENT CORPORATION

RECEIVED  
AUG 20 1997

STATE OF NEW YORK  
DEPARTMENT OF STATE  
FILED AUG 20 1997  
TAX \$  
BY: *[Signature]*

VANGUARD-52

*[Signature]*  
/s/ St. Lawrence

BILLED

Filer: *[Signature]*  
Hiron, Franck & Greenen, P.C.  
6789 Widewaters Parkway  
DeWitt, New York 13224-2011  
Telephone: (315) 448-0757

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Duquette & Tipton, LP 212 687 2835

04/20 '98 10:33 NO:032/02/03

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CERTIFICATE OF AMENDMENT OF THE  
CERTIFICATE OF INCORPORATION  
OF  
SCC TELECOMMUNICATIONS, INC.

Under Section 605 of the Business Corporation Law

The undersigned, Vern M. Kennedy, President, and Terrence J. Anderson, Secretary, of SCC Telecommunications, Inc., a corporation organized and existing under the laws of the State of New York (the "Corporation"), do hereby certify as follows:

FIRST: The name of the Corporation is SCC Telecommunications, Inc. The name under which the Corporation was formed is Blair Joy Development Corporation.

SECOND: The Certificate of Incorporation of the Corporation (the "Certificate") was originally filed in the Office of the Secretary of State of the State of New York on June 5, 1991.

THIRD: The amendment of the Certificate provided by this certificate is as follows: to change the name of the Corporation.

FOURTH: To accomplish the foregoing amendment, Article FIRST of the Certificate relating to the name of the Corporation is hereby amended to read as follows:

*"The name of the Corporation is Community Networks, Inc."*

FIFTH: This Certificate of Amendment was duly adopted in accordance with the provisions of Sections 613, 708 and 805 of the Business Corporation Law of the State of New York, to wit, by a unanimous written consent of the directors of the Corporation, followed by the written consent of the sole shareholder of the Corporation.

Duquette & Tipton LLP 212 687 2835

04/20/98-10135 NO.032 03/03

IN WITNESS WHEREOF, the undersigned have hereunto signed their names  
and do hereby and affirm under penalty of perjury that the statements contained herein are  
true and correct and that this Certificate of Amendment is the act and deed of the Corporation  
as of this 16<sup>th</sup> day of April, 1998.

By:   
Vern M. Kennedy, President

By:   
Terrence J. Anderson, Secretary

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CERTIFICATE OF AMENDMENT  
OF THE  
CERTIFICATE OF INCORPORATION  
OF  
COMMUNITY NETWORKS, INC.

Under Section 905 of the New York Business Corporation Law

The undersigned, Vern M. Kennedy, President, and Terence J. Anderson, Secretary, of COMMUNITY NETWORKS, INC., a New York corporation (the "Corporation"), hereby certify as follows:

1. The name of the Corporation is Community Networks, Inc. The name under which the Corporation was formed is Briar Jay Development Corporation.

2. The Certificate of Incorporation of the Corporation (the "Certificate of Incorporation") was originally filed in the Office of the Secretary of State of the State of New York on June 5, 1991.

3. The Certificate of Incorporation is hereby amended to change the name of the Corporation to Broadview Networks, Inc. by deleting Article FIRST in its entirety and replacing it with the following:

FIRST: The name of the Corporation is Broadview Networks, Inc.

4. The foregoing amendment was duly authorized pursuant to Sections 615, 708 and 803(a) of the New York Business Corporation Law, to wit, by a unanimous written consent of the directors of the corporation, followed by the written consent of the sole shareholder of the Corporation.

IN WITNESS WHEREOF, the undersigned have hereunto signed their names and do verify and affirm, under penalty of perjury, that the statements contained herein are true and correct and that this Certificate of Amendment is the act and deed of the Corporation as of this 5th day of October, 1999.

By: /s/ Vern M. Kennedy  
Name: Vern M. Kennedy  
Title: President

By: /s/ Thomas J. Anderson  
Name: Thomas J. Anderson  
Title: Secretary

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980-503-900

BROADVIEW NETWORKS, INC.

Articles of Incorporation

Broadview Networks, Inc.

Under the laws of the State of New York

The undersigned, with full power and authority, do hereby certify that the following is a true and correct copy of the Articles of Incorporation of Broadview Networks, Inc. as amended:

**FIRST:** The name of the corporation (the "Corporation") is BROADVIEW NETWORKS, INC. and the name shall not be changed without the approval of the Board of Directors of the Corporation.

**SECOND:** The Certificate of Incorporation of the Corporation (the "Certificate of Incorporation") was originally filed in the Office of the Secretary of State of the State of New York on July 2, 1991.

**THIRD:** Paragraph 1 of the Certificate of Incorporation relating to the purpose for which the Corporation is organized is changed to read as follows:

The purpose of the Corporation is to engage in any lawful activity for which corporations may be organized under the laws of the State of New York. The Corporation shall not be subject to any state or federal tax in the absence of approval from the Internal Revenue Service, Board of Taxation, or other body whose duty is to administer the tax laws of the United States.

**FOURTH:** Paragraph 3 of the Certificate of Incorporation is hereby amended to decrease the number of shares of common stock from 1,000,000 to 1,000,000, of which 1,000,000 shares are presently issued and outstanding and 0 shares are reserved to 1,000 shares of common stock at a par value of \$0.01 of which 1,000 are issued. There will be no unissued shares of common stock.

The new number of the total is 1,000,000.

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**FIFTH:** Paragraph 4 of the Certificate of Incorporation relating to the principal office of the corporation is hereby changed to read as follows:

The office of the Corporation is to be located in New York County, State of New York.

**SIXTH:** Paragraph 5 of the Certificate of Incorporation relating to designation of an agent for the service of process is hereby changed to read as follows:

The Secretary of State is designated as the agent of the Corporation upon whom process against it may be served. The post office address to which the secretary of state shall send a copy of any process against it served upon him is Broadview Networks Holdings, Inc. 45-12 Court Square, Ste. 302, Long Island City, New York, 11101, Attn: President.





**STATE OF NEW YORK**  
**DEPARTMENT OF STATE**

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the  
Department of State, at the City of Albany, on  
August 24, 2007.

*Paul LaPointe*

Paul LaPointe  
Special Deputy Secretary of State

State of New York  
Department of State } ss:

I hereby certify, that the Certificate of Incorporation of BROADVIEW NETWORKS, INC. was filed on 06/05/1991, under the name of BRIAR JOY DEVELOPMENT CORPORATION, with perpetual duration, and that a diligent examination has been made of the Corporate index for documents filed with this Department for a certificate, order, or record of a dissolution, and upon such examination, no such certificate, order or record has been found, and that so far as indicated by the records of this Department, such corporation is an existing corporation.

A Certificate of Amendment BRIAR JOY DEVELOPMENT CORPORATION, changing its name to SCC TELECOMMUNICATIONS, INC., was filed 10/02/1997.

A Certificate of Amendment SCC TELECOMMUNICATIONS, INC., changing its name to COMMUNITY NETWORKS, INC. , was filed 04/21/1998.

A Certificate of Amendment COMMUNITY NETWORKS, INC. , changing its name to BROADVIEW NETWORKS, INC., was filed 10/06/1999.

\*\*\*

*WITNESS my hand and the official seal  
of the Department of State at the City of  
Albany, this 23rd day of August two  
thousand and seven.*

Special Deputy Secretary of State

# *State of Idaho*

Office of the Secretary of State

**CERTIFICATE OF EXISTENCE**

OF

**BROADVIEW NETWORKS, INC.**

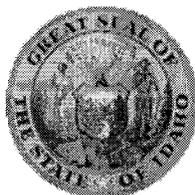
File Number C-174749

I, BEN YSURSA, Secretary of State of the State of Idaho, hereby certify that I am the custodian of the corporation records of this State.

I FURTHER CERTIFY That the records of this office show that the above-named corporation was incorporated under the laws of NEW YORK and filed to transact business in Idaho on 8/28/2007.

I FURTHER CERTIFY That the corporation is in goodstanding on the records of this office.

Dated: 11/06/2009 3:33 PM



*Ben Yursa*

SECRETARY OF STATE

Authentic Access Idaho Document ( <http://www.accessidaho.org/public/portal/authenticate.html> )  
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**EXHIBIT 2**  
**Officers and Directors**  
**Of**  
**Broadview Networks, Inc.**

## **Officers and Directors**

### **Officers:**

Michael K. Robinson	Chief Executive Officer and President
Brian Crotty	Chief Operating Officer
Corey Rinker	Chief Financial Officer and Assistant Secretary
Charles C. Hunter	Executive Vice President, Secretary And General Counsel
Terence J. Anderson	Executive Vice President – Corporate Development

### **Directors:**

Michael K. Robinson  
Brian J. Mitchell  
Steven F. Tunney, Sr.  
Samuel G. Rubenstein  
John S. Patton, Jr.  
David C. Ruberg  
Robert Manning  
Peter J. Barris

All officers and directors of Broadview Networks, Inc., may be contacted at:

800 Westchester Avenue, Suite N-501  
Rye Brook, NY 10573

**Beneficial Ownership Interests of  
Applicant's Largest Stockholders/Directors**

Line No.	Name of Stockholder/ Director	Address	Term Began*	Term Expires	Shares of Common Stock/ No. of Votes
(a)	(b)	(c)	(d)	(e)	(e)
1	Brian J. Mitchell**	800 Westchester Avenue Suite N-501 Rye Brook, NY 10573	January, 2009	January, 2010	4,725,000
2	Steven F. Tunney**	800 Westchester Avenue Suite N-501 Rye Brook, NY 10573	January, 2009	January, 2010	4,725,000
3	Samuel G. Rubenstein**	800 Westchester Avenue Suite N-501 Rye Brook, NY 10573	January, 2009	January, 2010	4,725,000
4	John S. Patton, Jr.**	800 Westchester Avenue Suite N-501 Rye Brook, NY 10573	January, 2009	January, 2010	4,725,000
5	David C. Ruberg***	800 Westchester Avenue Suite N-501 Rye Brook, NY 10573	January, 2009	January, 2010	1,514,467
6	Robert Manning***	800 Westchester Avenue Suite N-501 Rye Brook, NY 10573	January, 2009	January, 2010	1,514,467
7	Peter J. Barris****	800 Westchester Avenue Suite N-501 Rye Brook, NY 10573	January, 2009	January, 2010	824,585
8	Michael K. Robinson	800 Westchester Avenue Suite N-501 Rye Brook, NY 10573	January, 2009	January, 2010	18,750

Please see SEC Form 10-K for Par or Stated Value information.

\* Current term began January, 2009. All director terms expire annually.

\*\* Each of Mr. Mitchell, Mr. Tunney, Mr. Rubenstein and Mr. Patton are officers of MCG Capital Corporation. By virtue of such relationship, each of Mr. Mitchell, Mr. Tunney, Mr. Rubenstein and Mr. Patton may be deemed to beneficially own the shares listed as beneficially owned by MCG. Each of Mr. Mitchell, Mr. Tunney, Mr. Rubenstein and Mr. Patton disclaims beneficial ownership of such shares.

\*\*\* Each of Mr. Ruberg and Mr. Manning are managers of the general partners of Baker Communications Fund, L.P. and Baker Communications Fund II (QP) L.P. By virtue of such relationship, each of Mr. Ruberg and Mr. Manning may be deemed to beneficially own the shares listed as beneficially owned by Baker. Each of Mr. Ruberg and Mr. Manning disclaims beneficial ownership of such shares.

\*\*\*\* Mr. Barris is the managing general partner of New Enterprise Associates VII, L.P., New Enterprise Associates 9, L.P., New Enterprise Associates 10, L.P. and NEA Presidents Fund. By virtue of such relationship, Mr. Barris may be deemed to beneficially own the shares listed as beneficially owned by NEA. Mr. Barris disclaims beneficial ownership of such shares.

**Exhibit 3**  
**Affiliates**  
**Of**  
**Broadview Networks, Inc.**

Broadview Networks Holdings, Inc., Applicant's corporate parent, also holds a 100% ownership interest (indirect or direct) in the following entities, each of which is authorized by the Federal Communications Commission and various state public utility commissions to provide interstate, international, local and/or long distance telecommunications services:

A.R.C. Networks, Inc.  
ATX Licensing, Inc.  
BridgeCom International, Inc.  
Broadview NP Acquisition Corp.  
Eureka Telecom, Inc.  
TruCom Corporation

The business address of each of the above-listed entities is:

800 Westchester Avenue, Suite N-501  
Rye Brook, NY 10573

**Exhibit 4**  
**Financial Documentation**  
**Of**  
**Broadview Networks, Inc.**

10-Q 1 c92197e10vq.htm FORM 10-Q

Table of Contents

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

Mark One

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**For The Quarterly Period Ended September 30, 2009**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**For the Transition Period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission File Number 333-142946**

**Broadview Networks Holdings, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**11-3310798**

(IRS Employer Identification Number)

**800 Westchester Avenue,  
Suite N501 Rye Brook, NY 10573**  
(Address of principal executive offices)

**10573**  
(Zip code)

**(914) 922-7000**

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date,

Class	Outstanding at November 6, 2009
Class A Common Stock, \$.01 par value per share	9,342,880
Class B Common Stock, \$.01 par value per share	360,050



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**Table of Contents****SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This quarterly report contains both historical and “forward-looking statements.” All statements other than statements of historical fact included in this report that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements including, in particular, the statements about our plans, objectives, strategies and prospects regarding, among other things, our financial condition, results of operations and business. We have identified some of these forward-looking statements with words like “believe,” “may,” “will,” “should,” “expect,” “intend,” “plan,” “predict,” “anticipate,” “estimate” or “continue” and other words and terms of similar meaning. These forward-looking statements may be contained throughout this report, including but not limited to statements under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” These forward-looking statements are based on current expectations about future events affecting us and are subject to uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control and could cause our actual results to differ materially from those matters expressed or implied by forward-looking statements. Many factors mentioned in our discussion in this report will be important in determining future results. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Forward-looking statements (including oral representations) are only predications or statements of current plans, which we review continuously. They can be affected by inaccurate assumptions we might make or by known or unknown risks and uncertainties, including, among other things, risks associated with:

- servicing our substantial indebtedness;
- our history of operating losses;
- the elimination or relaxation of certain regulatory rights and protections;
- billing and other disputes with vendors;
- failure to maintain interconnection and service agreements with incumbent local exchange and other carriers;
- the loss of customers in an adverse economic environment;
- regulatory uncertainties in the communications industry;
- system disruptions or the failure of our information systems to perform as expected;
- the failure to anticipate and keep up with technological changes;
- inability to provide services and systems at competitive prices;
- difficulties associated with collecting payment from incumbent local exchange carriers, interexchange carriers and wholesale customers;
- the highly competitive nature of the communications market in which we operate including competition from incumbents, cable operators and other new market entrants, and declining prices for communications services;
- continued industry consolidation;
- restrictions in connection with our indenture governing the notes and credit agreement governing the credit facility;
- government regulation;
- increased regulation of Internet-protocol-based service providers;
- vendor bills related to past periods;
- the ability to maintain certain real estate leases and agreements;

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- interruptions in the business operations of third party service providers;
- limits on our ability to seek indemnification for losses from individuals and entities from whom we have acquired assets and operations;
- disruption and instability in the financial markets;
- solvency and liquidity of the administrative agent and primary creditor under our revolving credit facility;
- the financial difficulties by others in our industry;
- the failure to retain and attract management and key personnel;
- the failure to manage and expand operations effectively;
- the failure to successfully engage in future acquisitions;
- misappropriation of our intellectual property and proprietary rights;
- the possibility of incurring liability for information disseminated through our network;
- service network disruptions due to software or hardware bugs of the network equipment; and
- fraudulent usage of our network and services.

Because our actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements, we cannot give any assurance that any of the events anticipated by these forward-looking statements will occur or, if any of them do, what impact they will have on our business, results of operations and financial condition. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. We do not undertake any obligation to update these forward-looking statements to reflect new information, future events or otherwise, except as may be required under federal securities laws.

Table of Contents**PART I — FINANCIAL INFORMATION****Item 1. Financial Statements**

**Broadview Networks Holdings, Inc.**  
**Condensed Consolidated Balance Sheets**  
**(in thousands, except share amounts)**

	<b>December 31, 2008</b>	<b>September 30, 2009</b>
		<b>(Unaudited)</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 24,070	\$ 12,980
Investment securities	23,533	23,549
Accounts receivable, less allowance for doubtful accounts of \$11,934 and \$15,056	53,486	46,319
Other current assets	12,614	10,098
Total current assets	113,703	92,946
Property and equipment, net	85,248	85,308
Goodwill	98,111	98,238
Intangible assets, net of accumulated amortization of \$150,556 and \$164,107	45,220	31,669
Other assets	16,746	16,344
Total assets	\$ 359,028	\$ 324,505
<b>LIABILITIES AND STOCKHOLDERS' DEFICIENCY</b>		
Current liabilities:		
Accounts payable	\$ 17,044	\$ 27,464
Accrued expenses and other current liabilities	42,699	11,897
Taxes payable	10,680	12,196
Deferred revenues	11,967	10,663
Current portion of capital lease obligations and equipment notes	4,142	3,909
Total current liabilities	86,532	66,129
Long-term debt	327,424	326,748
Deferred rent payable	2,400	2,200
Capital lease obligations and equipment notes, net of current portion	5,212	2,735
Deferred income taxes payable	2,071	2,798
Other	655	706
Total liabilities	424,294	401,316
Stockholders' deficiency:		
Common stock A — \$.01 par value; authorized 80,000,000, issued and outstanding 9,342,880 shares	107	107
Common stock B — \$.01 par value; authorized 10,000,000, issued and outstanding 360,050 shares	4	4
Series A Preferred stock — \$.01 par value; authorized 89,526 shares, designated, issued and outstanding 87,254 shares entitled in liquidation to \$139,428 and \$152,357	1	1
Series A-1 Preferred stock — \$.01 par value; authorized 105,000 shares, designated, issued and outstanding 100,702 shares, entitled in liquidation to \$160,917 and \$175,839	1	1
Series B Preferred stock — \$.01 par value; authorized 93,180 shares, designated, issued and outstanding 91,202 shares entitled in liquidation to \$145,737 and \$159,250	1	1
Series B-1 Preferred stock — \$.01 par value; authorized 86,000 shares, designated, issued and outstanding 64,986 shares entitled in liquidation to \$103,845 and \$113,474	1	1
Series C Preferred stock — \$.01 par value; authorized 52,332 shares, designated, issued and outstanding 14,402 shares entitled in liquidation to \$15,577 and \$17,711	—	—
Additional paid-in capital	140,563	140,737
Accumulated deficit	(205,966)	(217,665)
Accumulated other comprehensive income	22	2
Total stockholders' deficiency	(65,266)	(76,811)
Total liabilities and stockholders' deficiency	\$ 359,028	\$ 324,505

*See notes to unaudited condensed consolidated financial statements.*



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**Broadview Networks Holdings, Inc.**  
**Unaudited Condensed Consolidated Statements of Operations**  
**(in thousands, except share amounts)**

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>
Revenues	\$ 125,535	\$ 112,718	\$ 377,391	\$ 352,243
Operating expenses:				
Cost of revenues (exclusive of depreciation and amortization)	65,026	54,844	196,474	173,972
Selling, general and administrative (includes share-based compensation of \$63, \$59, \$242 and \$174)	41,467	37,841	127,150	119,677
Software development	414	487	1,229	1,418
Depreciation and amortization	17,828	12,111	54,525	37,913
Total operating expenses	<u>124,735</u>	<u>105,283</u>	<u>379,378</u>	<u>332,980</u>
Income (loss) from operations	800	7,435	(1,987)	19,263
Interest expense	(10,019)	(10,043)	(29,474)	(30,143)
Interest income	167	10	598	104
Other income (expense)	<u>(3)</u>	<u>—</u>	<u>(10)</u>	<u>16</u>
Loss before provision for income taxes	(9,055)	(2,598)	(30,873)	(10,760)
Provision for income taxes	<u>(118)</u>	<u>(240)</u>	<u>(913)</u>	<u>(939)</u>
Net loss	(9,173)	(2,838)	(31,786)	(11,699)
Dividends on preferred stock	<u>(16,202)</u>	<u>(18,235)</u>	<u>(47,203)</u>	<u>(53,127)</u>
Loss available to common shareholders	<u>\$ (25,375)</u>	<u>\$ (21,073)</u>	<u>\$ (78,989)</u>	<u>\$ (64,826)</u>
Loss available per common share — basic and diluted	<u>\$ (2.62)</u>	<u>\$ (2.17)</u>	<u>\$ (8.16)</u>	<u>\$ (6.69)</u>
Weighted average common shares outstanding — basic and diluted	<u>9,679,455</u>	<u>9,691,230</u>	<u>9,674,728</u>	<u>9,686,529</u>

*See notes to unaudited condensed consolidated financial statements.*

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**Broadview Networks Holdings, Inc.**  
**Unaudited Condensed Consolidated Statements of Cash Flows**  
(in thousands)

	<b>Nine Months Ended September 30,</b>	
	<b>2008</b>	<b>2009</b>
<b>Cash flows from operating activities</b>		
Net loss	\$ (31,786)	\$ (11,699)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	23,430	24,311
Amortization of deferred financing costs	1,983	1,969
Amortization of intangible assets	31,045	13,551
Amortization of bond premium	(603)	(676)
Provision for doubtful accounts	4,205	5,256
Share-based compensation	242	174
Deferred income taxes	685	727
Other	50	51
Changes in operating assets and liabilities:		
Accounts receivable	(3,429)	1,911
Other current assets	(1,898)	2,516
Other assets	(933)	(1,567)
Accounts payable	679	10,420
Accrued expenses and other current liabilities	(15,339)	(30,802)
Taxes payable	(2,526)	1,516
Deferred revenues	1,729	(1,304)
Deferred rent payable	(299)	(200)
Net cash provided by operating activities	<u>7,235</u>	<u>16,154</u>
<b>Cash flows from investing activities</b>		
Acquisition, net of cash acquired	(4,953)	(127)
Purchases of property and equipment	(31,452)	(24,371)
Purchases of investment securities	—	(98,664)
Sales of investment securities	—	98,628
Other	(379)	—
Net cash used in investing activities	<u>(36,784)</u>	<u>(24,534)</u>
<b>Cash flows from financing activities</b>		
Drawdowns on revolving credit facility	10,123	1,964
Repayments of revolving credit facility	(123)	(1,964)
Proceeds from capital lease financing and equipment notes	3,192	373
Payments on capital lease obligations and equipment notes	(2,700)	(3,083)
Other	(63)	—
Net cash provided by (used in) financing activities	<u>10,429</u>	<u>(2,710)</u>
Net decrease in cash and cash equivalents	(19,120)	(11,090)
Cash and cash equivalents at beginning of period	41,998	24,070
Cash and cash equivalents at end of period	<u>\$ 22,878</u>	<u>\$ 12,980</u>

*See notes to unaudited condensed consolidated financial statements.*

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**Broadview Networks Holdings, Inc.**  
**Notes to Unaudited Condensed Consolidated Financial Statements**  
**(in thousands, except share information)**

**1. Organization and Description of Business*****Basis of Presentation***

The accompanying unaudited condensed consolidated financial statements have been prepared based upon Securities and Exchange Commission ("SEC") rules that permit reduced disclosure for interim periods. These financial statements reflect all adjustments necessary for a fair presentation of the results of operations and financial condition for the interim periods shown, including normal recurring accruals and other items. The results for interim periods are not necessarily indicative of results for the full year. For a more complete discussion of significant accounting policies and certain other information, the Company's interim unaudited financial statements should be read in conjunction with its audited financial statements as of and for the year ended December 31, 2008 included in the Company's Form 10-K. The condensed consolidated interim financial statements include both the Company's accounts and the accounts of its wholly-owned subsidiaries. All significant intercompany transactions have been eliminated in consolidation. The Company has evaluated the impact of subsequent events through November 6, 2009, which is the date the condensed consolidated financial statements were issued and filed with the SEC.

The preparation of the condensed consolidated financial statements in conformity with U.S. Generally Accepted Accounting Principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Management periodically reviews such estimates and assumptions as circumstances dictate. Actual results could differ from those estimates.

The Company is an integrated communications company whose primary interests consist of wholly-owned subsidiaries Broadview Networks, Inc. ("BNI"), Bridgecom Holdings, Inc. ("BH"), Corecomm-ATX, Inc. ("ATX") and Eureka Broadband Corporation ("Eureka", "InfoHighway" or "IH"). The Company also provides phone systems and other customer service offerings through its subsidiary, Bridgecom Solutions Group, Inc. ("BSG"). The Company was founded in 1996 to take advantage of the deregulation of the U.S. telecommunications market following the Telecommunications Act of 1996. The Company has one reportable segment providing domestic wireline telecommunications services consisting of local and long distance voice services, Internet, and data services to commercial and residential customers in the northeast United States.

**2. Investment Securities**

Investment securities represent the Company's investment in short-term U.S. Treasury notes. The Company's primary objectives for purchasing these investment securities are liquidity and safety of principal. The Company considers these investment securities to be available-for-sale. Accordingly, these investments are recorded at their fair value of \$23,549 as of September 30, 2009. The fair value of these investment securities are based on publicly quoted market prices, which are Level 1 inputs. All of the Company's investment securities mature in less than one year. The cost of these investment securities is \$23,547. During the nine months ended September 30, 2009, the Company purchased \$98,664 and sold \$98,628 of U.S. Treasury notes. During the nine months ended September 30, 2009, the Company realized a gain of \$36 upon the sale of its investment securities, which is included in interest income. All unrealized and realized gains are determined by specific identification.

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**Broadview Networks Holdings, Inc.**  
**Notes to Unaudited Condensed Consolidated Financial Statements (continued)**  
**(in thousands, except share information)**

**3. Comprehensive Loss**

Comprehensive loss represents the change in net assets of a business enterprise during a period from non-ownership sources. The Company's other comprehensive income is comprised exclusively of unrealized gains on the Company's investments in U.S. Treasury notes. The comprehensive loss for the three and nine months ended September 30, 2008 and 2009 is as follows:

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>
Net loss	\$ (9,173)	\$ (2,838)	\$ (31,786)	\$ (11,699)
Unrealized gains on investment securities	—	2	—	2
Reclassification adjustments for realized gains included in net income	—	—	—	(22)
Comprehensive loss	<u>\$ (9,173)</u>	<u>\$ (2,836)</u>	<u>\$ (31,786)</u>	<u>\$ (11,719)</u>

**4. Recent Accounting Pronouncements**

In June 2009, the Financial Accounting Standards Board ("FASB") issued SFAS No. 168, the *Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles* (as codified in the FASB Accounting Standards Codification ("ASC") under subtopic 105-10-05), which names the ASC as the source of authoritative accounting and reporting standards in the United States, in addition to guidance issued by the SEC. The ASC is a restructuring of accounting and reporting standards designed to simplify user access to all authoritative GAAP by providing the authoritative literature in a topically organized structure. The ASC reduces the GAAP hierarchy to two levels, one that is authoritative and one that is not. The ASC is not intended to change GAAP or any requirements of the SEC. The ASC became authoritative upon its release on July 1, 2009 and is effective for interim and annual periods ending after September 15, 2009.

In April 2009, the FASB issued FSP FAS No. 107-1 and APB 28-1, *Interim Disclosures about Fair Value of Financial Instruments* (as codified in the ASC under subtopic 825-10-65-1), which requires an entity to provide interim disclosures about the fair value of financial instruments and to include disclosures related to the methods and significant assumptions used in estimating those instruments. This guidance is effective for all interim and annual reporting periods ending after June 15, 2009 and shall be applied prospectively. The Company has included additional disclosures in Notes 2 and 6, as a result of adopting this guidance.

In May 2009, the FASB issued SFAS 165, *Subsequent Events* (as codified in the ASC under topic 855). This guidance establishes general standards of accounting for disclosures of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. Although there is new terminology, the standard is based on the same principles as those that currently exist in the auditing standards. The guidance, which includes a new required disclosure of the date through which an entity has evaluated subsequent events, is effective for interim or annual periods ending after June 15, 2009. The adoption of this guidance has not had a significant impact on the Company's financial position or results of operations. The Company has included additional disclosures in Note 1 as a result of adopting this guidance.

**5. InfoHighway Acquisition**

In connection with the acquisition of InfoHighway in 2007, the Company issued warrants to acquire 16,976 units, with each such unit comprised of 1 share of Series B-1 Preferred Stock and 25 shares of Class A Common Stock, which are generally exercisable for a period of up to five years, with the exercise price of each warrant unit determined based on the cash flow generated from a certain customer of the legacy InfoHighway entity during the two year period following closing of the acquisition. As certain cash flow parameters are met as calculated and agreed upon for the twelve months ended May 31, 2008 and the twelve months ended May 31, 2009, the exercise price on the warrants may decrease from \$883.58 per unit to an exercise price of \$0.01 per unit.

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**Broadview Networks Holdings, Inc.**  
**Notes to Unaudited Condensed Consolidated Financial Statements (continued)**  
**(in thousands, except share information)**

**5. InfoHighway Acquisition (continued)**

As of November 6, 2009, the exercise price on the warrants have not been determined. Negotiations are occurring between the Company and the warrant holders as to how certain carrier disputes relating specifically to InfoHighway that were in existence at the acquisition date and arising subsequent to that date will be handled in the cash flow calculation. The Company will not adjust the value of the warrants until an exercise price has been determined. When the exercise price for the warrants are resolved, the Company will utilize a Black-Scholes model to determine the aggregate value of the warrants. If the Company determines that the value of the warrants has increased, the Company will record additional merger consideration and related goodwill at such point of determination. The Company has determined that once the exercise price is resolved, the warrants will be classified as equity.

**6. Fair Values of Financial Instruments**

The Company's financial instruments include cash and cash equivalents, investments in U.S. Treasury notes, trade accounts receivable, accounts payable, and long-term debt. The Company's available cash balances are invested on a short-term basis (generally overnight) and, accordingly, are not subject to significant risks associated with changes in interest rates. All of the Company's cash flows are derived from operations within the United States and are not subject to market risk associated with changes in foreign exchanges rates. The carrying amounts of the Company's cash and cash equivalents, trade accounts receivable and accounts payable reported in the consolidated balance sheets as of December 31, 2008 and September 30, 2009 are deemed to approximate fair value because of their liquidity and short-term nature. The carrying amounts of the Company's investments in U.S. Treasury notes are recorded at their fair value of \$23,533 and \$23,549 which are based on the publicly quoted market price as of December 31, 2008 and September 30, 2009, respectively.

The fair value of the long-term debt outstanding under the Company's revolving credit facility approximates its carrying value of \$23,500 due to its variable market-based interest rate. The fair value of our 11 3/8% senior secured notes due 2012 at September 30, 2009 was \$274,875, which was based on the publicly quoted closing price of the notes at that date. The publicly quoted closing price used to value the Company's senior secured notes is considered to be a Level 1 input.

**7. Commitments and Contingencies**

The Company has, in the ordinary course of its business, disputed certain billings from carriers and has recorded the estimated settlement amount of the disputed balances. The settlement estimate is based on various factors, including historical results of prior dispute settlements. The amount of such disputes at September 30, 2009 was \$20,002. The Company believes that the ultimate settlement of these disputes will be at amounts less than the amount disputed and has accrued the estimated settlement in accounts payable and accrued expenses and other current liabilities at September 30, 2009. It is possible that actual settlement of such disputes may differ from these estimates and the Company may settle at amounts greater than the estimates.

The Company has entered into commercial agreements with vendors under which it purchases certain services that it had previously leased under the unbundled network platform provisions of the Telecommunications Act of 1996 as well as special access services. For the nine months ended September 30, 2009, the Company met the minimum purchase obligations. The agreements, which expire in 2010 and 2011, require certain minimum purchase obligations and contain fixed but escalating pricing over their term.

The Company is involved in claims and legal actions arising in the ordinary course of business. Management is of the opinion that the ultimate outcome of these matters will not have a material adverse impact on the Company's condensed consolidated financial position, results of operations, or cash flows. For more information, see our Form 10-K for the year ended December 31, 2008.

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**Broadview Networks Holdings, Inc.**  
**Notes to Unaudited Condensed Consolidated Financial Statements (continued)**  
**(in thousands, except share information)**

**8. Long-term Debt Guarantees**

The Company's senior secured notes are fully, unconditionally and irrevocably guaranteed on a senior secured basis, jointly and severally, by each of the Company's existing and future domestic restricted subsidiaries. The notes and the guarantees rank senior in right of payment to all existing and future subordinated indebtedness of the Company and its subsidiary guarantors, as applicable, and equal in right of payment with all existing and future senior indebtedness of the Company and of such subsidiaries.

The notes and the guarantees are secured by a lien on substantially all of the Company's assets, provided, however, that pursuant to the terms of an intercreditor agreement, the security interest in those assets consisting of receivables, inventory, deposit accounts, securities accounts and certain other assets that secure the notes and the guarantees are contractually subordinated to a lien thereon that secures the Company's revolving credit facility with an aggregate principal amount of \$25,000 and certain other permitted indebtedness.

**9. Income Taxes**

At September 30, 2009, the Company had net operating loss ("NOL") carryforwards available totaling \$139,198, which expire in various years through 2029. The utilization of NOL carryforwards, resulting from previous mergers, is subject to restrictions pursuant to Section 382 of the Internal Revenue Code. As such, it was determined that certain NOLs recorded by the Company as deferred tax assets were limited. The Company has provided a full valuation allowance against the net deferred tax asset as of September 30, 2009 because management does not believe it is more likely than not that this asset will be realized. If the Company achieves profitability, the net deferred tax assets may be available to offset future income tax liabilities.

**10. Earnings Per Share**

The following is a reconciliation of the numerators and denominators of the basic and diluted net loss per share computations for the three and nine months ended September 30, 2008 and 2009:

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>
Loss available to common shareholders (Numerator):				
Net loss	\$ (9,173)	\$ (2,838)	\$ (31,786)	\$ (11,699)
Dividends on preferred stock	<u>(16,202)</u>	<u>(18,235)</u>	<u>(47,203)</u>	<u>(53,127)</u>
Loss available to common shareholders	<u>\$ (25,375)</u>	<u>\$ (21,073)</u>	<u>\$ (78,989)</u>	<u>\$ (64,826)</u>
Shares (Denominator):				
Weighted average common shares outstanding:				
Class A common stock	9,342,880	9,342,880	9,342,880	9,342,880
Class B common stock	<u>336,575</u>	<u>348,350</u>	<u>331,848</u>	<u>343,649</u>
Total weighted average common shares outstanding — basic and diluted	<u>9,679,455</u>	<u>9,691,230</u>	<u>9,674,728</u>	<u>9,686,529</u>
Loss available per common share — basic and diluted	<u>\$ (2.62)</u>	<u>\$ (2.17)</u>	<u>\$ (8.16)</u>	<u>\$ (6.69)</u>

As of September 30, 2009, the Company had outstanding options, warrants, restricted stock units and preferred stock, which were convertible into or exercisable for common shares of 13,866,840 that were not included in the calculation of diluted loss per common share because the effect would have been anti-dilutive.

Dividends accumulate on the Company's Preferred Stock. The loss available to common shareholders must be computed by adding any dividends accumulated for the period to net losses. The Company has not declared any dividends.



**Table of Contents****Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the Unaudited Condensed Consolidated Financial Statements and Notes to the Unaudited Condensed Consolidated Financial Statements included elsewhere in this quarterly report and our Form 10-K for the year ended December 31, 2008 filed with the Securities and Exchange Commission (the "SEC"). Certain information contained in the discussion and analysis set forth below and elsewhere in this quarterly report, including information with respect to our plans and strategies for our business and related financing, includes forward-looking statements that involve risk and uncertainties. In evaluating such statements, prospective investors should specifically consider the various factors identified in this quarterly report that could cause results to differ materially from those expressed in such forward-looking statements, including matters set forth in our Form 10-K for the year ended December 31, 2008 filed with the SEC.*

**Overview**

We are a leading competitive communications provider, in terms of revenue, offering voice and data communications and managed network solutions to small and medium sized business customers in 20 markets across 10 states throughout the Northeast and Mid-Atlantic United States, including major metropolitan markets such as New York, Philadelphia, Baltimore, Washington, D.C. and Boston. To meet the demands of communications-intensive business customers, we offer dedicated local and long distance voice, high-speed data and integrated services, as well as value-added products and services such as managed services. Our network architecture pairs the strength of a traditional infrastructure with an IP platform, built into our core and extending to the edge, to support dynamic growth of Voice Over Internet Protocol ("VoIP"), Multiprotocol Label Switching ("MPLS") and other next generation technologies. In addition, our network topology incorporates metro Ethernet access in key markets, enabling us to provide T-1 equivalent and high-speed Ethernet access services via unbundled network element loops to customers served from selected major metropolitan collocations, significantly increasing our margins while also enhancing capacity and speed of certain service offerings.

We recorded operating losses of \$17.2 million, \$32.1 million, \$3.0 million for the years ended December 31, 2006, 2007 and 2008, respectively. For the nine months ended September 30, 2009, we recorded operating income of \$19.3 million. For the years ended December 31, 2006, 2007 and 2008 and for the nine months ended September 30, 2009, we recorded net losses of \$41.5 million, \$65.5 million, \$42.9 million and \$11.7 million, respectively. Although we expect to continue to have net losses for the foreseeable future, the synergies we have effectuated through our acquisitions offer some areas of increasing operating efficiencies that could lead to potentially more profitable net results.

Our business is subject to several macro trends, some of which negatively affect our operating performance. Among these negative trends are lower usage per customer, which translates into less usage-based revenue and lower unit pricing for certain services. In addition, we continue to face other industry wide trends including rapid technology changes and overall increases in competition from existing large competitors such as Verizon and established cable operators, other competitive local exchange carriers and new entrants such as VoIP, wireless and other service providers. These factors are partially mitigated by several positive trends. These include a more stable customer base, increasing revenue per customer due to the trend of customers to buy more products from us as we deploy new technology and expand our offerings, a focus on larger customers and an overall increase in demand for data, managed and enhanced services.

As of September 30, 2009, we have approximately 250 sales, sales management and sales support employees, including approximately 190 quota-bearing sales representatives, who target small and medium sized business or enterprise customers located within the footprint of our switching centers and approximately 260 collocations. We focus our sales efforts on communications intensive business customers who purchase multiple products that can be cost-effectively delivered on our network. These customers generally purchase high margin services in multi-year contracts and result in high retention rates. We believe that a lack of focus on the small and medium sized business segment from the Regional Bell Operating Companies has created an increased demand for alternatives in the small and medium sized business communications market. Consequently, we view this market as a sustainable growth opportunity and have focused our strategies on providing small and medium sized businesses with a competitive communications solution.

We focus our business strategy on providing services based on our T-1-based products, which we believe offer greater value to customers, increase customer retention and provide revenue growth opportunities for us. Historically, the Company's revenue was dominated by off-net, voice revenue from smaller customers. We have transitioned a large percentage of our revenue base to T-1 based products. As a result our combined revenue from T-1-based products and managed services grew by approximately 13% from 2007 to 2008. Revenue from the sale of T-1-based products and managed services grew by approximately 0.9% from the first nine months of 2008 to the first nine months of 2009, and currently represents approximately 43.9% of our total revenue and approximately 50.0% of our retail revenue stream, with typical incremental gross profit margins in excess of 60%.



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Our facilities-based network encompasses approximately 3,000 route miles of metro and long-haul fiber, approximately 260 collocations and approximately 500 lit buildings. Our network has the ability to deliver traditional services, such as Plain Old Telephone Service ("POTS") and T-1 lines, as well as DSL, or Digital Subscriber Line, and next generation services, such as dynamic VoIP integrated T-1s, Ethernet in the first mile, hosted VoIP solutions, and MPLS Virtual Private Networks. We provide services to our customers primarily through our network of owned telecommunications switches, data routers and related equipment and owned and leased communications lines and transport facilities using a variety of access methods, including unbundled network element loops, special access circuits and digital T-1 transmission lines for our on-net customers. We have deployed an IP-based platform that facilitates the development of next generation services and the migration of our traffic and customer base to a more cost-effective and efficient IP-based infrastructure, which enhances the performance of our network. As of September 30, 2009, approximately three-fourths of our total lines were provisioned on-net.

**Results of Operations**

The following table sets forth, for the periods indicated, certain financial data as a percentage of total revenues.

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>
Revenues:				
Voice and data services	86.4%	87.6%	86.9%	87.0%
Wholesale	3.9%	4.1%	3.7%	4.1%
Access	5.7%	5.0%	5.7%	5.3%
Total network services	96.0%	96.7%	96.3%	96.4%
Other	4.0%	3.3%	3.7%	3.6%
Total revenues	100.0%	100.0%	100.0%	100.0%
Operating expenses:				
Network services	50.0%	47.2%	50.2%	47.7%
Other cost of revenues	1.8%	1.5%	1.8%	1.7%
Selling, general and administrative	33.0%	33.6%	33.7%	33.9%
Software development	0.3%	0.4%	0.3%	0.4%
Depreciation and amortization	14.2%	10.7%	14.4%	10.8%
Total operating expenses	99.3%	93.4%	100.4%	94.5%
Income (loss) from operations	0.7%	6.6%	(0.4%)	5.5%
Interest expense	(7.9%)	(8.9%)	(7.8%)	(8.5%)
Interest income	0.1%	0.0%	0.2%	0.0%
Other income (expense)	0.0%	0.0%	0.0%	0.0%
Loss before provision for income taxes	(7.1%)	(2.3%)	(8.0%)	(3.0%)
Provision for income taxes	(0.1%)	(0.2%)	(0.2%)	(0.3%)
Net loss	(7.2%)	(2.5%)	(8.2%)	(3.3%)

**Table of Contents****Key Components of Results of Operations*****Revenues***

Our revenues, as detailed in the table above, consist primarily of network services revenues, which consists primarily of voice and data managed and hosted services, wholesale services and access services. Voice and data services consist of local dial tone, long distance and data services, as well as managed and hosted services. Wholesale services consist of voice and data services, data collocation services and transport services. Access services includes carrier access and reciprocal compensation revenue, which consists primarily of usage charges that we bill to other carriers to originate and terminate their calls from and to our customers. Network services revenues represents a predominantly recurring revenue stream linked to our retail and wholesale customers.

We generate approximately 87% of our revenues from retail end customer voice and data products and services. Revenue from end customer data includes T-1/T-3, integrated T-1 data and other managed services trending to an increasing percentage of our overall revenue even as voice revenues, predominately POTS and long distance services, remain the core of our revenue base. Data cabling, service installation and wiring and phone systems sales and installation also form a small but growing portion of our overall business. We continue to focus on data, managed and hosted services as growth opportunities as we expect the industry to trend toward lower usage components of legacy products such as long distance and local usage. This lower usage is primarily driven by trends toward customers using more online and wireless communications.

***Cost of Revenues (exclusive of depreciation and amortization)***

Our network services cost of revenues consist primarily of the cost of operating our network facilities. Determining our cost of revenues requires significant estimates. The network components for our facilities-based business include the cost of:

- leasing local loops and digital T-1 lines which connect our customers to our network;
- leasing high capacity digital lines that connect our switching equipment to our collocations;
- leasing high capacity digital lines that interconnect our network with the incumbent local exchange carriers;
- leasing space, power and terminal connections in the incumbent local exchange carrier central offices for collocating our equipment;
- signaling system network connectivity; and
- Internet transit and peering, which is the cost of delivering Internet traffic from our customers to the public Internet.

The costs to obtain local loops, digital T-1 lines and high capacity digital interoffice transport facilities from the incumbent local exchange carriers vary by carrier and by state and are regulated under federal and state laws. We do not anticipate any significant changes in Verizon local loop, digital T-1 line or high capacity digital interoffice transport facility rates in the near future. Except for our lit buildings, in virtually all areas, we obtain local loops, T-1 lines and interoffice transport capacity from the incumbent local exchange carriers. We obtain interoffice facilities from carriers other than the incumbent local exchange carriers, where possible, in order to lower costs and improve network redundancy; however, in most cases, the incumbent local exchange carriers are our only source for local loops and T-1 lines.

Our off-net network services cost of revenues consists of amounts we pay to Verizon and AT&T pursuant to our commercial agreements with them. Rates for such services are prescribed in the commercial agreements and available for the term of the agreements. Rates were subject to a surcharge that increased by a predetermined amount on each of the first, second and third anniversaries of the agreements' terms and is now fixed for the duration of the agreements' terms. The commercial agreements, which expire in 2010 and 2011, require certain minimum purchase obligations, which we have met in all of the years we were under the commercial agreements.

Our network services cost of revenues also includes the fees we pay for long distance, data and other services. We have entered into long-term wholesale purchasing agreements for these services. Some of the agreements contain significant termination penalties and/or minimum usage volume commitments. In the event we fail to meet minimum volume commitments, we may be obligated to pay underutilization charges. We do not anticipate having to pay any underutilization charges in the foreseeable future.

Table of Contents**Gross Profit (exclusive of depreciation and amortization)**

Gross profit (exclusive of depreciation and amortization), as presented in this Management's Discussion and Analysis of Financial Condition and Results of Operations, represents income (loss) from operations, before depreciation and amortization, software development expenses and selling, general and administrative expenses ("SG&A"). Gross profit (exclusive of depreciation and amortization), is a non-GAAP financial measure used by our management, together with financial measures prepared in accordance with GAAP such as revenue and cost of revenue, to assess our historical and prospective operating performance.

The following table sets forth, for the periods indicated, a reconciliation of gross profit (exclusive of depreciation and amortization), to income (loss) from operations as income (loss) from operations is calculated in accordance with GAAP:

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>
Income (loss) from operations	\$ 800	\$ 7,435	\$ (1,987)	\$ 19,263
Depreciation and amortization	17,828	12,111	54,525	37,913
Software development	414	487	1,229	1,418
Selling, general and administrative	41,467	37,841	127,150	119,677
Gross profit (exclusive of depreciation and amortization)	<u>\$ 60,509</u>	<u>\$ 57,874</u>	<u>\$ 180,917</u>	<u>\$ 178,271</u>
Gross profit, as a percentage of revenue	<u>48.2%</u>	<u>51.3%</u>	<u>48.0%</u>	<u>50.6%</u>

Gross profit is a measure of the general efficiency of our network costs in comparison to our revenue. As we expense the current cost of our network against current period revenue, we use this measure as a tool to monitor our progress with regards to network optimization and other operating metrics.

Our management also uses gross profit to evaluate performance relative to that of our competitors. This financial measure permits a comparative assessment of operating performance, relative to our performance based on our GAAP results, while isolating the effects of certain items that vary from period to period without any correlation to core operating performance or that vary widely among similar companies. Our management believes that gross profit is a particularly useful comparative measure within our industry.

We provide information relating to our gross profit so that analysts, investors and other interested persons have the same data that management uses to assess our operating performance, which permits them to obtain a better understanding of our operating performance and to evaluate the efficacy of the methodology and information used by our management to evaluate and measure such performance on a standalone and a comparative basis.

Our gross profit may not be directly comparable to similarly titled measures reported by other companies due to differences in accounting policies and items excluded or included in the adjustments, which limits its usefulness as a comparative measure. In addition, gross profit has other limitations as an analytical financial measure. These limitations include the following:

- gross profit does not reflect our capital expenditures, future requirements for capital expenditures or contractual commitments to purchase capital equipment;
- gross profit does not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, associated with our indebtedness;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will likely have to be replaced in the future, and gross profit does not reflect any cash requirements for such replacements; and
- gross profit does not reflect the SG&A expenses necessary to run our ongoing operations.

Our management compensates for these limitations by relying primarily on our GAAP results to evaluate its operating performance and by considering independently the economic effects of the foregoing items that are or are not reflected in gross profit. As a result of these limitations, gross profit should not be considered as an alternative to income (loss) from operations, as calculated in accordance with GAAP, as a measure of operating performance.



**Table of Contents*****Selling, General and Administrative***

SG&A is comprised primarily of salaries and related expenses, non-cash compensation, occupancy costs, sales and marketing expenses, commission expenses, bad debt expense, billing expenses, professional services expenses and insurance expenses.

Determining our allowance for doubtful accounts receivable requires significant estimates. In determining the proper level for the allowance we consider factors such as historical collections experience, the aging of the accounts receivable portfolio and economic conditions. We perform a credit review process on each new customer that involves reviewing the customer's current service provider bill and payment history, matching customers with national databases for delinquent customers and, in some cases, requesting credit reviews through Dun & Bradstreet Corporation.

***Depreciation and Amortization***

Our depreciation and amortization expense currently includes depreciation for network-related voice and data equipment, fiber, back-office systems, third-party conversion costs, internally developed software, furniture, fixtures, leasehold improvements, office equipment and computers and amortization of intangibles associated with mergers, acquisitions and software development costs.

**Three Months Ended September 30, 2008 Compared to Three Months Ended September 30, 2009**

Set forth below is a discussion and analysis of our results of operations for the three months ended September 30, 2008 and 2009.

The following table provides a comparison of components of our gross profit (exclusive of depreciation and amortization) for the three months ended September 30, 2008 and 2009:

	<b>Three Months Ended September 30,</b>				<b>% Change</b>
	<b>2008</b>		<b>2009</b>		
	<b>Amount</b>	<b>% of Total Revenues</b>	<b>Amount</b>	<b>% of Total Revenues</b>	
Revenues:					
Network services	\$ 120,570	96.0%	\$ 109,053	96.7%	(9.6%)
Other	4,965	4.0%	3,665	3.3%	(26.2%)
Total revenues	<u>125,535</u>	<u>100.0%</u>	<u>112,718</u>	<u>100.0%</u>	<u>(10.2%)</u>
Cost of revenues:					
Network services	62,742	50.0%	53,162	47.2%	(15.3%)
Other	2,284	1.8%	1,682	1.5%	(26.4%)
Total cost of revenues	<u>65,026</u>	<u>51.8%</u>	<u>54,844</u>	<u>48.7%</u>	<u>(15.7%)</u>
Gross profit:					
Network services	57,828	46.1%	55,891	49.5%	(3.3%)
Other	2,681	2.1%	1,983	1.9%	(26.0%)
Total gross profit	<u>\$ 60,509</u>	<u>48.2%</u>	<u>\$ 57,874</u>	<u>51.3%</u>	<u>(4.4%)</u>

**Table of Contents****Revenues**

Revenues for the three months ended September 30, 2008 and 2009 were as follows:

	<b>Three Months Ended September 30,</b>				<b>% Change</b>
	<b>2008</b>		<b>2009</b>		
	<b>Amount</b>	<b>% of Total Revenues</b>	<b>Amount</b>	<b>% of Total Revenues</b>	
Revenues:					
Voice and data services	\$ 108,446	86.4%	\$ 98,814	87.6%	(8.9%)
Wholesale	4,926	3.9%	4,637	4.1%	(5.9%)
Access	7,198	5.7%	5,602	5.0%	(22.2%)
Total network services	120,570	96.0%	109,053	96.7%	(9.6%)
Other	4,965	4.0%	3,665	3.3%	(26.2%)
Total revenues	<u>\$ 125,535</u>	<u>100.0%</u>	<u>\$ 112,718</u>	<u>100.0%</u>	<u>(10.2%)</u>

Overall our revenues have declined 10.2% when comparing the three months ended September 30, 2008 with the same period in 2009. Our overall revenue decline primarily stems from declines in voice services revenues, which have decreased \$10.7 million or 13.2% between 2008 and 2009. This decrease is due to increased line churn, lower usage revenue per customer, lower prices per unit for certain services and a lower number of lines and customers. Part of the decrease was also attributable to our decision to discontinue the use of telemarketing as a sales channel for new sales. The voice service revenue decrease experienced during the current quarter has moderately accelerated over decreases experienced in previous quarters, which we attribute to the current economic conditions. Historically, our data services revenues have increased on a quarter over quarter basis and have partially mitigated our declines in voice services, however, data services revenues were unchanged when comparing the three months ended September 30, 2008 with the same period in 2009. Our carrier access revenues have decreased primarily due to decreasing revenue from voice services, which reduces our revenues from access originations and terminations and reciprocal compensation. In terms of absolute dollars, our wholesale revenues from our T-1 and data products as well as from voice terminations showed only modest declines. Our other revenues, which include data cabling, service installation and wiring and phone systems sales and installation, have declined due to current economic conditions.

**Cost of Revenues (exclusive of depreciation and amortization)**

Cost of revenues were \$54.8 million for the three months ended September 30, 2009, a decrease of 15.7% from \$65 million for the same period in 2008. As part of our continual improvement efforts, we were able to improve the efficiency of our network and improve our margins. Our costs consist primarily of those incurred from other providers and those incurred from the cost of our network. Costs where we purchased services or products from third party providers comprised \$51.5 million, or 79.2% of our total cost of revenues for the three months ended September 30, 2008 and \$44.2 million, or 80.5% in the three months ended September 30, 2009. The most significant components of our costs purchased from third party providers consist of costs related to our Verizon wholesale advantage contract (formerly UNE-P), UNE-L and T-1 costs, which totaled \$13.3 million, \$6.8 million and \$13.5 million, respectively, for the three months ended September 30, 2008. These costs totaled \$11.2 million, \$6.0 million and \$13.3 million, respectively, for the three months ended September 30, 2009. Combined these costs decreased by 9.2% between 2008 and 2009. We have experienced a decrease in costs where we purchased services or products from third parties primarily due to our effective migration of lines to lower cost platforms.

**Gross Profit (exclusive of depreciation and amortization)**

Gross profit was \$57.9 million for the three months ended September 30, 2009, a decrease of 4.4% from \$60.5 million for the same period in 2008. As a percentage of revenues gross profit increased to 51.3% in 2009 from 48.2% in 2008. The increase in gross profit as a percentage of revenues is primarily due to lower costs resulting from provisioning more lines from resale and unbundled network platform to on-net. We are focusing sales initiatives towards increasing the amount of data and integrated T-1 lines sold, as we believe that these initiatives will produce incrementally higher margins than those currently reported from POTS services. In addition, as we continue to drive additional cost saving initiatives, including provisioning customers to our on-net facilities, identifying additional inaccuracies in billing from existing carriers, renegotiating existing agreements and executing new agreements with additional interexchange carriers, we believe that our gross profit will improve.

**Table of Contents*****Selling, General and Administrative***

SG&A expenses were \$37.8 million, 33.6% of revenues, for the three months ended September 30, 2009, a decrease of 8.9% from \$41.5 million, 33.0% of revenues, for the same period in 2008. This decrease is primarily due to decreased employee costs of \$2.3 million, which reflects cost savings achieved through reduced headcount, and decreased commission expenses of \$1.2 million due to declining revenues. We continue to look for additional cost savings in various categories throughout the organization.

***Depreciation and Amortization***

Depreciation and amortization costs were \$12.1 million for the three months ended September 30, 2009, a decrease of 32.0% from \$17.8 million for the same period in 2008. This decrease in depreciation and amortization expense was due to fully amortizing some of our acquired customer base intangible assets during 2008. Amortization expense included in our results of operations for customer base intangible assets for the three months ended September 30, 2009 was \$3.7 million, a decrease of \$5.6 million, from \$9.3 million included in our results of operations during the same period in 2008.

***Interest***

Interest expense was \$10.0 million for the three months ended September 30, 2009 and was unchanged from the same period in 2008. Our effective annual interest rates for the three months ended September 30, 2008 and 2009 is as follows:

	<b><u>Three Months Ended September 30,</u></b>	
	<b><u>2008</u></b>	<b><u>2009</u></b>
Interest expense	\$ 10,019	\$ 10,043
Weighted average debt outstanding	\$ 310,882	\$ 330,105
Effective annual interest rate	12.89%	12.17%

Table of Contents**Nine Months Ended September 30, 2008 Compared to Nine Months Ended September 30, 2009**

Set forth below is a discussion and analysis of our results of operations for the nine months ended September 30, 2008 and 2009.

The following table provides a comparison of components of our gross profit (exclusive of depreciation and amortization) for the nine months ended September 30, 2008 and 2009:

	<u>Nine Months Ended September 30,</u>		<u>2008</u>		<u>2009</u>		<u>% Change</u>
	<u>Amount</u>	<u>% of Total Revenues</u>	<u>Amount</u>	<u>% of Total Revenues</u>	<u>Amount</u>	<u>% of Total Revenues</u>	
Revenues:							
Network services	\$ 363,458	96.3%	\$ 339,653	96.4%			(6.5%)
Other	13,933	3.7%	12,590	3.6%			(9.6%)
Total revenues	<u>377,391</u>	<u>100.0%</u>	<u>352,243</u>	<u>100.0%</u>			<u>(6.7%)</u>
Cost of revenues:							
Network services	189,307	50.2%	167,883	47.7%			(11.3%)
Other	7,167	1.8%	6,089	1.7%			(15.0%)
Total cost of revenues	<u>196,474</u>	<u>52.0%</u>	<u>173,972</u>	<u>49.4%</u>			<u>(11.5%)</u>
Gross profit:							
Network services	174,151	46.1%	171,770	48.8%			(1.4%)
Other	6,766	1.9%	6,501	1.8%			(3.9%)
Total gross profit	<u>\$ 180,917</u>	<u>48.0%</u>	<u>\$ 178,271</u>	<u>50.6%</u>			<u>(1.5%)</u>

**Revenues**

Revenues for the nine months ended September 30, 2008 and 2009 were as follows:

	<u>Nine Months Ended September 30,</u>		<u>2008</u>		<u>2009</u>		<u>% Change</u>
	<u>Amount</u>	<u>% of Total Revenues</u>	<u>Amount</u>	<u>% of Total Revenues</u>	<u>Amount</u>	<u>% of Total Revenues</u>	
Revenues:							
Voice and data services	\$ 327,822	86.9%	\$ 306,519	87.0%			(6.5%)
Wholesale	13,944	3.7%	14,519	4.1%			4.1%
Access	21,692	5.7%	18,615	5.3%			(14.2%)
Total network services	363,458	96.3%	339,653	96.4%			(6.5%)
Other	13,933	3.7%	12,590	3.6%			(9.6%)
Total revenues	<u>\$ 377,391</u>	<u>100.0%</u>	<u>\$ 352,243</u>	<u>100.0%</u>			<u>(6.7%)</u>

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Overall, our revenues have declined 6.7% when comparing the nine months ended September 30, 2008 with the same period in 2009. Our overall revenue decline primarily stems from declines in voice services revenues, which have decreased \$25.0 million or 10.1% between 2008 and 2009. This decrease is due to increased line churn, lower usage revenue per customer, lower prices per unit for certain services and a lower number of lines and customers. Part of the decrease was also attributable to our decision to discontinue the use of telemarketing as a sales channel for new sales. The voice services revenues decrease experienced during the current quarter has moderately accelerated over decreases experienced in previous quarters, which we attribute to the current economic conditions. This decrease has been slightly offset by an increased demand for our data, hosted and managed services. Our revenues from data services have increased by \$3.7 million or 4.8% when comparing the nine months ended September 30, 2008 with the same period in 2009. The decrease in our voice services have also been partially offset by higher revenue per customer due to the trend toward multiple products per customer and a focus on larger customers. Our carrier access revenues have decreased primarily due to decreasing revenue from voice services, which reduces our revenues from access originations and terminations and reciprocal compensation. Our wholesale revenue increased primarily as a result of organic growth of our T-1 and data products as well as from voice terminations. Our other revenues, which include data cabling, service installation and wiring and phone systems sales and installation, have declined due to current economic conditions.

***Cost of Revenues (exclusive of depreciation and amortization)***

Cost of revenues was \$174.0 million for the nine months ended September 30, 2009, a decrease of 11.5% from \$196.5 million for the same period in 2008. As part of our continual improvement efforts, we were able to improve the efficiency of our network and improve our margins. Our costs consist primarily of those incurred from other providers and those incurred from the cost of our network. Costs where we purchased services or products from third-party providers comprised \$155.3 million, or 79.0% of our total cost of revenues for the nine months ended September 30, 2008 and \$138.1 million, or 79.4% in the nine months ended September 30, 2009. The most significant components of our costs purchased from third-party providers consist of costs related to our Verizon wholesale advantage contract (formerly UNE-P), UNE-L and T-1 costs, which totaled \$40.1 million, \$19.7 million and \$41.1 million, respectively, for the nine months ended September 30, 2008. These costs totaled \$34.9 million, \$19.0 million and \$40.4 million, respectively, for the nine months ended September 30, 2009. Combined, these costs decreased by 6.5% between 2008 and 2009. We have experienced a decrease in costs where we purchased services or products from third parties primarily due to our effective migration of lines to lower cost platforms.

***Gross Profit (exclusive of depreciation and amortization)***

Gross profit was \$178.3 million for the nine months ended September 30, 2009, a decrease of 1.5% from \$180.9 million for the same period in 2008. As a percentage of revenues gross profit increased to 50.6% in 2009 from 48.0% in 2008. The increase in gross profit as a percentage of revenues is primarily due to lower costs resulting from provisioning more lines from resale and unbundled network platform to on-net. We are focusing sales initiatives towards increasing the amount of data and integrated T-1 lines sold, as we believe that these initiatives will produce incrementally higher margins than those currently reported from POTS services. In addition, as we continue to drive additional cost saving initiatives, including provisioning customers to our on-net facilities, identifying additional inaccuracies in billing from existing carriers, renegotiating existing agreements and executing new agreements with additional interexchange carriers, we believe that our gross profit will improve.

***Selling, General and Administrative***

SG&A expenses were \$119.7 million, 33.9% of revenues, for the nine months ended September 30, 2009, a decrease of 5.9% from \$127.2 million, 33.7% of revenues, for the same period in 2008. This decrease is primarily due to decreased employee costs of \$3.7 million due to cost savings achieved through reduced headcount, decreased commission expenses of \$3.5 million due to declining revenues, and decreased professional and consulting fees of \$0.9 million due to the reduced use of outside professional and temporary help. These decreases were partially offset by increased bad debt expenses of \$1.1 million from increased accounts receivable write-offs during the nine months ended September 30, 2009. We continue to look for additional cost savings in various categories throughout the organization.

***Depreciation and Amortization***

Depreciation and amortization costs were \$37.9 million for the nine months ended September 30, 2009, a decrease of 30.5% from \$54.5 million for the same period in 2008. This decrease in depreciation and amortization expense was due to fully amortizing some of our acquired customer base intangible assets during 2008. Amortization expense included in our results of operations for customer base intangible assets for the nine months ended September 30, 2009 was \$12.0 million, a decrease of \$17.3 million from \$29.3 million included in our results of operations during the same period in 2008.

**Table of Contents*****Interest***

Interest expense was \$30.1 million for the nine months ended September 30, 2009, an increase of 2.0% from \$29.5 million for the same period in 2008. The increase was primarily a result of having a higher average outstanding debt balance for the nine months ended September 30, 2009 compared to 2008. The higher average debt balance is due to the outstanding borrowings on our revolving credit facility. Our effective annual interest rates for the nine months ended September 30, 2008 and 2009 are as follows:

	<b><u>Nine Months Ended September 30,</u></b>	
	<b><u>2008</u></b>	<b><u>2009</u></b>
Interest expense	\$ 29,474	\$ 30,143
Weighted average debt outstanding	\$ 310,105	\$ 331,202
Effective annual interest rate	12.67%	12.13%

**Off-Balance Sheet Arrangements**

We have no special purpose or limited purpose entities that provide off-balance sheet financing, liquidity, or market or credit risk support, and we do not currently engage in hedging, research and development services, or other relationships that expose us to any liabilities that are not reflected on the face of our financial statements.

**Liquidity and Capital Resources**

Our principal sources of liquidity are cash from operations, our cash, cash equivalents and investments and access to undrawn portions of our \$25.0 million credit facility and our capital lease line. Our short-term liquidity requirements consist of interest on our notes, capital expenditures and working capital. Our long-term liquidity requirements consist of the principal amount of our notes and our outstanding borrowings under our revolving credit facility. Based on our current level of operations and anticipated growth, we believe that our existing cash, cash equivalents and available borrowings under our credit facility will be sufficient to fund our operations and to service our notes for at least the next 12 months. Further, a significant majority of our planned capital expenditures are "success-based" expenditures, meaning that it is directly linked to new revenue, and if they are made, they will be made only when it is determined that they will directly lead to more profitable revenue. As of September 30, 2009, we have \$6.0 million of capital lease obligations outstanding under our capital lease line. As of September 30, 2009, we had \$23.5 million of outstanding borrowings under our revolving credit facility, all of which we have invested in U.S. Treasury notes. Additionally, we have used our credit facility to collateralize \$1.3 million of outstanding letters of credit as of September 30, 2009. Our cash and cash equivalents are being held in several large financial institutions, although most of our balances exceed the Federal Deposit Insurance Corporation insurance limits.

As of September 30, 2009, we require approximately \$102.4 million in cash to service the interest due on our notes throughout the remaining life of the notes. We may need to refinance all or a portion of our indebtedness, including the notes, at or before maturity. We cannot assure you that we will be able to refinance any of our indebtedness, including the notes and our credit facility, on commercially reasonable terms or at all. However, we continuously evaluate and consider all financing opportunities. Any future acquisitions or other significant unplanned costs or cash requirements may also require that we raise additional funds through the issuance of debt or equity.

For information regarding our revolving credit facility and senior secured notes, see our Form 10-K for the year ended December 31, 2008.

**Table of Contents*****Disputes***

During December 2008, we finalized a settlement with Verizon, which extinguished virtually all outstanding disputes between the parties as of March 31, 2008. The settlement included a comprehensive mutual release of any liability or potential liability between the parties effective as of that date. We nonetheless continue to be involved in a variety of disputes with multiple carrier vendors relating to billings of approximately \$20 million as of September 30, 2009. We believe we have accrued an amount appropriate to settle all remaining disputed charges. However, it is possible that the actual settlement of any remaining disputes may differ from our reserves and that we may settle at amounts greater than the estimates. We have sufficient cash on hand to fund any differences between our expected and actual settlement amounts.

**Nine Months Ended September 30, 2008 Compared to Nine Months Ended September 30, 2009*****Cash Flows from Operating Activities***

Cash provided by operating activities was \$7.2 million for the nine months ended September 30, 2008, compared to cash provided by operating activities of \$16.2 million for 2009. During the nine months ended September 30, 2009 and 2008, we paid \$34.1 million in interest expense on our notes and \$0.9 million in interest expense on our credit facility. The change in cash provided by operations was due to the improvement in our income from operations partially offset by payments made in connection with our settlement with Verizon.

***Cash Flows from Investing Activities***

Cash used in investing activities was \$36.8 million for the nine months ended September 30, 2008, compared to \$24.5 million for 2009. The change in cash flow from investing activities was primarily due to decreased capital expenditures during the nine months ended September 30, 2009. Additionally, we used \$5.0 million during the nine months ended September 30, 2008 to acquire Lightwave.

***Cash Flows from Financing Activities***

Cash flows provided by financing activities were \$10.4 million for the nine months ended September 30, 2008, compared to cash used in financing activities of \$2.7 million for 2009. The change in cash flows from financing activities was primarily due to a reduced amount of borrowing from our capital lease line and revolving line of credit in the nine months ended September 30, 2009 as compared to the same period in 2008.

**New Accounting Standards**

See Note 4 to this Item 1 for accounting standards that were issued since the filing of our Form 10-K for the year ended December 31, 2008. These new accounting standards are not expected to have a material impact on our financial position, results of operations or liquidity.

**Application of Critical Accounting Policies and Estimates**

The preparation of the condensed consolidated financial statements in accordance with GAAP requires us to make judgments, estimates and assumptions regarding uncertainties that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. We use historical experience and all available information to make these judgments and estimates and actual results could differ from those estimates and assumptions that are used to prepare our financial statements at any given time. Despite these inherent limitations, management believes that Management's Discussion and Analysis of Financial Condition and Results of Operations and the accompanying condensed consolidated financial statements and footnotes provide a meaningful and fair perspective of our financial condition and operating results for the current period. For more information, see our Form 10-K for the year ended December 31, 2008.

**Other Matters**

At September 30, 2009, we had NOL carryforwards for federal and state income tax purposes. The amount of such available NOL carryforwards which may be available to offset future taxable income was approximately \$139.2 million. The Company has provided a full valuation allowance against the net deferred tax assets as of September 30, 2009 because management does not believe it is more likely than not that this asset will be realized.

**Table of Contents****Item 3. Quantitative and Qualitative Disclosures About Market Risk**

In the normal course of business, our financial position is subject to a variety of risks, such as the collectability of our accounts receivable and the recoverability of the carrying values of our long-term assets. Our long-term obligations consist primarily of long-term debt with fixed interest rates and our revolving credit facility with a variable interest rate. We are not exposed to market risks from changes in foreign currency exchange rates or commodity prices. We do not hold any derivative financial instruments nor do we hold any securities for trading or speculative purposes.

We continually monitor the collectability of our accounts receivable and although our write-offs have increased during the nine months ended September 30, 2009, we have not noted any significant changes in our collections as a result of the current economic and market conditions. We believe that our allowance for doubtful accounts is adequate as of September 30, 2009. Should the market conditions continue to worsen or should our customers' ability to pay decrease, we may be required to increase our allowance for doubtful accounts, which would result in a charge to our SG&A expenses.

Our available cash balances are invested on a short-term basis (generally overnight) and, accordingly, are not subject to significant risks associated with changes in interest rates. Substantially all of our cash flows are derived from our operations within the United States and we are not subject to market risk associated with changes in foreign exchange rates.

Our investment securities are classified as available for sale, and consequently, are recorded on the balance sheet at fair value with unrealized gains and losses reflected in stockholders' deficiency. Our investment securities are comprised solely of short-term U.S. Treasury notes with original maturity dates of three to nine months. These investment securities, like all fixed income instruments, are subject to interest rate risk and will fall in value if market interest rates increase.

The fair value of our 11 3/8% senior secured notes due 2012 was approximately \$274.9 million at September 30, 2009. Our senior secured notes, like all fixed rate securities are subject to interest rate risk and will fall in value if market interest rates increase.

The fair value of the long-term debt outstanding under our revolving credit facility approximates its carrying value of \$23.5 million due to its variable interest rate. A change in interest rates of 100 basis points would change our interest expense by \$0.2 million on an annual basis.

**Item 4T. Controls and Procedures***Evaluation of Disclosure Controls and Procedures*

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by SEC Rule 15d-15(b), we carried out an evaluation, under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2009. For information regarding the Company's internal control over financial reporting, see our Form 10-K for the year ended December 31, 2008.

*Changes in Internal Control Over Financial Reporting*

There have been no changes in the Company's internal control over financial reporting during the quarter ended September 30, 2009 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

**Table of Contents****PART II — OTHER INFORMATION****Item 1. Legal Proceedings**

We are currently a party to several legal actions. AT&T Communications of New York, Inc. and Teleport Communications Group, Inc. commenced an action against us in the U.S. District Court for the Southern District of New York in March, 2008. Plaintiffs seek monetary relief, including recovery of amounts billed for switched access service. This matter has been referred to the New York Public Service Commission.

We are also a party to certain legal actions and regulatory investigations and enforcement proceedings arising in the ordinary course of business. We are also involved in certain billing and contractual disputes with our vendors. We do not believe that the ultimate outcome of any of the foregoing actions will result in any liability that would have a material adverse effect on our financial condition, results of operations or cash flows.

For more information, see the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our Form 10-K for the year ended December 31, 2008.

**Item 1A. Risk Factors**

CIT Group, Inc. ("CIT"), an affiliate of one of our lenders under our credit facility filed for bankruptcy on November 1, 2009. We do not expect that CIT's bankruptcy filing will have a negative impact on us, but there can be no such assurances. We will continue to monitor the situation.

Other than the risk factor noted above, there have been no material changes in our risk factors from those set forth in our Form 10-K for the year ended December 31, 2008, which should be read in conjunction with this report.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

None.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Submission of Matters to a Vote of Security Holders**

None.

**Item 5. Other Information**

None.

**Table of Contents****Item 6. Exhibits**

The following exhibits are filed herewith:

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>
31.1	Certification of the Company's Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Company's Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Company's Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of the Company's Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Table of Contents**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on November 6, 2009.

**BROADVIEW NETWORKS HOLDINGS, INC.**By: /s/ MICHAEL K. ROBINSON

Name: Michael K. Robinson

Title: Chief Executive Officer,  
President and Assistant TreasurerBy: /s/ COREY RINKER

Name: Corey Rinker

Title: Chief Financial Officer,  
Treasurer and Assistant Secretary

**Table of Contents****EXHIBIT INDEX**

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**Exhibit 6**  
**Management Biographies of**  
**Senior Executives**  
**Of**  
**Broadview Networks, Inc.**

## **BROADVIEW NETWORKS, INC.**

### **TECHNICAL QUALIFICATIONS/MANAGEMENT EXPERIENCE**

The Company has assembled a highly skilled management team, which brings a wealth of experience and expertise to the Company's telecommunications services venture. Together, the Company's executives provide it with the depth and breadth of management, operational and technical capabilities necessary to facilitate its provision of high quality, affordable telecommunications services.

Brief summaries of the experience of key members of the Company's executive team are set forth below:

#### **MICHAEL K. ROBINSON** **President and Chief Executive Officer**

Mr. Robinson joined the Company as Chief Executive Officer in March, 2005. Prior to that time, Mr. Robinson had been with US LEC Corporation, a publicly traded competitive telecommunications provider, holding the position of Executive Vice President and Chief Financial Officer since July, 1998. In this role, Mr. Robinson was responsible for all financial operations for the company, including treasury, general accounting and internal control, investor relations, billing and information systems development, information technology, human resources and real estate. Prior to joining US LEC, Mr. Robinson spent 10 years in various management positions with the telecommunications division of Alcatel, including Vice President and Chief Financial Officer of Alcatel Data Networks and the worldwide financial operations of the Enterprise and Data Networking Division of Alcatel. Prior to these roles, Mr. Robinson was Chief Financial Officer of Alcatel Network Systems. Before joining Alcatel, Mr. Robinson held various management positions with Windward International and Sicom Corp. Mr. Robinson holds a Masters Degree in Business Administration from Wake Forest University.

#### **BRIAN P. CROTTY** **Chief Operating Officer**

Mr. Crotty has over 15 years of senior management experience in the telecommunications industry. In his role with Broadview, Mr. Crotty is responsible for all operational aspects of the Company including sales, marketing, provisioning, billing, network operations, repair, field services and customer service. Mr. Crotty formerly served as the Chief Operating Officer of BridgeCom International, Inc. Prior to joining BridgeCom, Mr. Crotty held a succession of positions with CoreComm Ltd., a publicly traded integrated communications provider with facilities throughout the Northeast and Midwest, most recently serving in the role of Director of Operations. Mr. Crotty joined CoreComm Ltd., through the acquisition of USN Communications Inc., where he held a succession of senior management roles in both sales and operations including Vice President of Operations. Prior to that time, Mr. Crotty was the co-founder and served as Executive Vice President of The Millennium Group, one of the first

competitive local exchange carriers in the state of Wisconsin. In addition, Mr. Crotty has also served in managerial positions with CEI Communications, which he founded, and AT&T Corp. Mr. Crotty obtained a degree in Business Administration from St. Norbert College.

**COREY RINKER**

**Chief Financial Officer, Treasurer and Assistant Secretary**

Mr. Rinker, a Certified Public Accountant and Attorney, joined the Company (originally with BridgeCom International, Inc.) as Chief Financial Officer in January 2001 following seven years of experience serving in similar positions with both privately held and publicly traded corporations including The Intellisource Group, a Safeguard Scientifics, Inc. partnership company. Mr. Rinker also possesses nearly a decade of cumulative experience with predecessors of the Big Four accounting firms of Deloitte & Touche LLP and Ernst & Young LLP, serving in senior managerial positions in the tax and consulting areas. Mr. Rinker has an Accounting Degree, with honors, from the University of Massachusetts at Amherst and a J.D. degree from Yeshiva University's Cardozo School of Law.

**CHARLES C. HUNTER**

**Executive Vice President, Secretary and General Counsel**

Mr. Hunter has served as Executive Vice President, Secretary and General Counsel of Broadview since 2003. Mr. Hunter is responsible for corporate and legal affairs of the Company, including federal and state public policy advocacy. Mr. Hunter is a 30-year veteran of telecommunications law and policy who has represented competitive providers of communications services for well over a decade. Prior to joining Broadview, Mr. Hunter headed the Hunter Communications Law Group, P.C., a District of Columbia based boutique telecommunications law firm with a nationwide clientele. Mr. Hunter began his legal career as a trial attorney with the Federal Maritime Commission and afterwards was a partner specializing in telecommunications matters at the Chicago-based law firm of Gardner, Carton and Douglas and the District of Columbia based law firm of Herron, Burchette, Ruckert and Rothwell. Mr. Hunter received his J.D. from the Duke University School of Law and his undergraduate degree from the University of Michigan at Ann Arbor. Mr. Hunter is a member of the bars of New York, the District of Columbia, the U.S. Supreme Court and numerous Federal Appellate Courts.

**KENNETH A. SHULMAN**  
**Chief Technology Officer and Chief Information Officer**

Mr. Shulman joined Broadview in 1999 as Chief Technology Officer. In this role, he is responsible for the architecture, technology, standards and evolution plans for the Company's integrated communications networks and services. As Chief Information Officer, Mr. Sulman is also responsible for the Company's patented integrated provisioning, billing and CRM systems, software and IT infrastructure. Mr. Shulman has 30 years of leadership experience in communications technology. He previously served as Vice President of local network technology for AT&T, a position he assumed when AT&T acquired Teleport Communications Group ("TGC") in 1998. From 1987 to 1988, Mr. Shulman held officer positions with TGC, including Senior Vice President and Chief Technology Officer. Earlier, Mr. Shulman was Director of Systems Engineering for MCI International. Prior to that time, Mr. Shulman specialized in network planning with Bell Communications Research, Inc. ("BellCore") and Bell Laboratories. Mr. Shulman holds a B.S. in Electrical Engineering from the State University of New York at Stony Brook, an M.S. in Electrical Engineering from the University of Rochester, and an M.B.A. from The Wharton School of Business at the University of Pennsylvania. Mr. Shulman has served on many technical advisory boards and currently serves on advisory board of Baker Capital and Baypackets, Inc.

**TERENCE J. ANDERSON**  
**Executive Vice President – Corporate Development**

Mr. Anderson was the co-founder of Broadview Networks in 1996 and has served as Executive Vice President, Finance since the Company's inception. Mr. Anderson's current role includes corporate development, business planning and financial analysis. He has led efforts to raise start-up capital, offered financial direction and assisted in securing subsequent financing. Previously, as a Vice President in the Media and Telecommunications Finance and Telecommunications Finance Group of Chemical Banking Corp. from 1988 to 1995, Mr. Anderson was responsible for originating and executing transactions and financing for diverse customers, including several large cable operators. Mr. Anderson holds a Bachelor's Degree in Economics from Princeton University and an M.B.A. with honors from Columbia University.

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**Exhibit 7**  
**Rules Compliance Statement**  
**Of**  
**Broadview Networks, Inc.**

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION RECEIVED

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IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE )  
APPLICATION OF )  
Broadview Networks, Inc. )  
For a Certificate of Public )  
Convenience and Necessity to )  
Provide Local Exchange )  
Telecommunications Services )  
Within the State of Idaho )

BUN-t-09-01

State of New York )  
County of Westchester )

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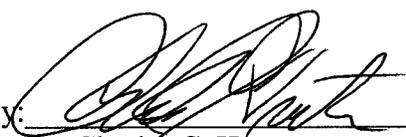
CERTIFICATION

I, Charles C. Hunter, Executive Vice President, Secretary and General Counsel of Applicant Broadview Networks, Inc., being first duly sworn, deposes and says that he has read the foregoing Application and knows the contents thereof; and

That the same are true of his knowledge, except as to matters which are therein stated on information and believe, and as to those matters, he believes them to be true.

Broadview Networks, Inc. has also reviewed all of the Commission's Rules and agrees to comply with them.

BROADVIEW NETWORKS, INC.

By:   
Charles C. Hunter  
Executive Vice President, Secretary and  
General Counsel

Subscribed and sworn to before me this 12th day of NOVEMBER, 2009.

  
NOTARY PUBLIC

My Commission expires:

WILSON RODRIGUEZ JR.  
Notary Public, State of New York  
Registration #01R00116202  
Qualified in Westchester County  
Commission Expires Sept. 20, 2012