

Docket No. 16-0928
Filed September 14, 2016

BEFORE THE
DELAWARE PUBLIC SERVICE COMMISSION

In the Matter of Joint Application of)
CallCatchers, Inc. d/b/a FreedomVoice Systems,)
Transferor,)
And)
GoDaddy Operating Company, LLC,) PSC Docket No. _____
Transferee)
For Approval of Transfer of Control of)
CallCatchers, Inc. d/b/a FreedomVoice Systems)

COVER PAGE FOR JOINT APPLICATION FOR APPROVAL OF TRANSFER OF
CONTROL PURSUANT TO 26 DEL. CODE § 215

Transferor:

CallCatchers, Inc. d/b/a
FreedomVoice Systems

Representative For Transferor:

Eric Thomas
President, Chief Executive Officer
CallCatchers, Inc. d/b/a FreedomVoice
Systems
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Counsel for Transferor:

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Transferee:

GoDaddy Operating Company, LLC

Representative For Transferee:

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Vice President, Deputy General Counsel
GoDaddy, Inc.
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Counsel for Transferee:

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kgay@connollygallagher.com

BEFORE THE
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PSC Docket No. _____

JOINT APPLICATION FOR APPROVAL OF TRANSFER OF CONTROL
PURSUANT TO 26 DEL. CODE § 215

Pursuant to 26 Del. Code § 215, CallCatchers Inc. d/b/a FreedomVoice Systems (“FreedomVoice,” or “Transferor”) and GoDaddy Operating Company, LLC (“GoDaddy Operating,” or “Transferee”) (collectively, the “Applicants”), by undersigned counsel, hereby request Commission approval to transfer control of FreedomVoice to GoDaddy Operating, as well as a subsequent *pro forma* transaction in which FreedomVoice’s authorization to provide telecommunications will be assigned to GoDaddy.com, LLC (“GD LLC”), an affiliate of GoDaddy Operating. The Applicants seek to consummate the proposed transaction as soon as possible after receipt of required regulatory approvals.

The Proposed Transaction raises no public-interest concerns that would warrant an extended review or transaction-specific conditions for consent. Therefore, Applicants request expedited treatment of this Joint Application.

I. DESCRIPTION OF THE APPLICANTS

A. CallCatchers Inc. d/b/a FreedomVoice Systems¹

FreedomVoice, founded in 1996, is a Delaware corporation and headquartered in Encinitas, California. FreedomVoice is an industry-leading provider of cloud-based communications systems for small to mid-sized businesses nationwide. Its solutions include toll free numbers, vanity numbers, and local number virtual phone systems, as well as interconnected Voice over Internet Protocol (“VoIP”), resold interexchange services, and cloud-based conference bridging. Please see Exhibit A attached hereto for a description of FreedomVoice’s corporate structure prior to the Proposed Transaction.

On September 6, 2016, the Commission granted FreedomVoice a Certificate of Public Convenience and Necessity (“CPCN”) to provide intrastate long distance telecommunications services in the State of Delaware by Order No. 8936 in PSC Docket No. 16-0745.² A copy of the Order is attached hereto as Exhibit B.

FreedomVoice is also authorized to provide interexchange long distance telecommunications services pursuant to registration, commission order or on a deregulated basis in the states of: Alaska, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Maine, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, New Jersey, North Carolina, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Utah, Virginia, Washington, Wisconsin, and Wyoming. Furthermore, FreedomVoice is currently registered to provide interconnected VoIP services in the following jurisdictions: California, Connecticut,

¹ The Representative for Transferor is Eric Thomas, President, Chief Executive Officer, CallCatchers, Inc. d/b/a Freedom Voice Systems, 169 Saxony Road, Encinitas, CA 92024, telephone: 800-477-1477 x86, email: ethomas@freedomvoice.com.

² See generally *In the Matter of the Application of CallCatchers, Inc. d/b/a FreedomVoice Systems for a Certificate of Public Convenience and Necessity to Provide Telecommunications Services within the State of Delaware* (Filed Aug. 11, 2016), PSC Docket No. 16-0745, Order 8936 (Sept. 6, 2016).

Illinois, Indiana, Iowa, Michigan, Missouri, Nebraska, Wisconsin, and Wyoming and Puerto Rico.³

B. GoDaddy Entities⁴

GoDaddy Inc. (“GoDaddy”), through its affiliates including GoDaddy Operating and GD LLC, is an Internet domain registrar and web hosting company. It is the world’s largest technology provider dedicated to small businesses. GoDaddy powers the world’s largest cloud platform dedicated to small, independent ventures. With more than 14 million customers worldwide and more than 63 million domain names under management, GoDaddy is the place people come to name their idea, build a professional website, attract customers and manage their work. Its mission is to give its customers the tools, insights and the people to transform their ideas and personal initiative into success. Please see Exhibit A attached hereto for a description of the corporate structure for the GoDaddy entities prior to the Proposed Transaction.

On August 22, 2016, GD LLC filed an application for a CPCN to provide resold interexchange services in the State of Delaware in PSC Docket No. 16-0881.

II. DESCRIPTION OF THE TRANSACTION

GoDaddy Operating, its indirect, wholly-owned subsidiary San Fernando Merger Sub Inc. (“Merger Sub”), FreedomVoice, and certain FreedomVoice shareholders entered into an Agreement and Plan of Merger dated as of May 17, 2016 (the “Agreement”). Pursuant to the Agreement, Merger Sub will be merged with and into FreedomVoice, with FreedomVoice being the surviving entity. All equity securities of FreedomVoice will be canceled and its shareholders will be entitled to receive consideration for those securities. FreedomVoice will thus become an

³ FreedomVoice also is in the process of registering or obtaining authorization to provide interexchange and interconnected VoIP services in all other states.

⁴ The Representative for Transferee is Matthew A. Forkner, Vice President, Deputy General Counsel, GoDaddy, Inc., 14455 N. Hayden Road, Scottsdale, AZ 85260, telephone: 480-505-8800, email: mforkner@godaddy.com.

indirect, wholly-owned subsidiary of GoDaddy Operating. Please see Exhibit C attached hereto for a complete description of FreedomVoice's corporate structure following consummation of this transfer of control.

The Applicants also anticipate that after closing the vast majority of FreedomVoice's operations and assets, customer accounts and contracts, may be assigned from FreedomVoice to GD LLC through a *pro forma* intracompany transfer. GD LLC is a direct, wholly-owned subsidiary of GoDaddy Operating.⁵ The Applicants will notify the Commission when each step of the transaction – *i.e.*, the transfer of control of FreedomVoice, then the *pro forma* intracompany assignment of FreedomVoice's authorization to GD LLC – is complete. Please see Exhibit A attached hereto for a complete description of the corporate structure of GD LLC.

III. PUBLIC INTEREST STATEMENT

The Applicants respectfully submit that the Proposed Transaction described herein will serve the public interest. The Proposed Transaction promotes competition among telecommunications carriers by providing FreedomVoice with the opportunity to strengthen its competitive position through the additional experience, perspectives, and resources of GoDaddy Operating in order to accelerate the growth of the business. The Proposed Transaction will help create a stronger competitor by bring together each organization's respective strengths. Applicants anticipate that the Proposed Transaction will enable them to deliver greater value and variety of services to **their** customers.

Following the Proposed Transaction, GoDaddy Operating plans to retain most of FreedomVoice's ~~current management~~ responsible for the day-to-day operations of the business. (As noted above, FreedomVoice's operations may subsequently be moved to GD LLC through a

⁵ As noted, GD LLC has filed an application for a CPCN to provide the same types of services FreedomVoice is currently authorized to provide.

pro forma intracompany transfer.) The Proposed Transaction will be virtually transparent to customers and will not result in the discontinuance, reduction, loss, or impairment of service to customers. Rather, as noted, it will enable the Applicants to make available a greater variety of high-quality, innovative services to their customers. The Applicants also anticipate that service for any customer accounts that are transferred on a *pro forma* basis to GD LLC will continue to be provided under the brand name FreedomVoice, and the terms and conditions of their service will not change.

The public interest will also be served by expeditious consideration and approval of the transaction. For various important business reasons, Applicants require that the transaction be closed as quickly as possible. Delay in the regulatory approval process – and thus in the ability of Applicants to move forward promptly with the integration process – risks creating uncertainty and competitive harm. In particular, the competitive telecommunications marketplace continues to be a very challenging business environment. The Proposed Transaction is aimed at strengthening the competitive position of the companies, and therefore any delay in the regulatory approval process prevents the parties from realizing the economic benefits of integration or offering expanded product and service portfolios to customers as quickly as the parties otherwise could.

The Applicants hereby assert that, pursuant to 26 Del. Code § 215(d), the Application is “in accordance with law, for a proper purpose and is consistent with the public interest.” As proposed in the Application, the transfer of control is in accordance with Section 215(d) as it: (1) is subject to regulatory approval, including the approval of the Federal Communications Commission; (2) will provide for the continued provision of competitive telecommunications

services in Delaware; and (3) will benefit Delaware customers through increased efficiencies and Applicants' ability to provide greater value and variety of high quality, innovative services.

For the reasons stated above, the Applicants respectfully submit that the Commission's grant of the Application would be in accordance with law, for a proper purpose, and consistent with the public interest.

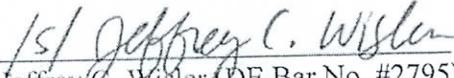
IV. CONCLUSION

For the reasons stated above, the Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Joint Application as described herein.

Dated: September 14, 2016

Respectfully submitted,

CONNOLLY GALLAGHER LLP


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*Counsel for CallCatchers, Inc. d/b/a
FreedomVoice Systems*

*Counsel for GoDaddy Operating Company,
LLC*

List of Exhibits

Exhibit A – Pre-Transaction Ownership Structure

Exhibit B – CallCatchers, Inc. d/b/a FreedomVoice Systems' Certificate of Public Convenience and Necessity

Exhibit C – Post-Transaction Ownership Structure

EXHIBIT A

Pre-Transaction Ownership Charts

CallCatchers Inc. d/b/a FreedomVoice Systems

FreedomVoice is currently owned by the following individuals:

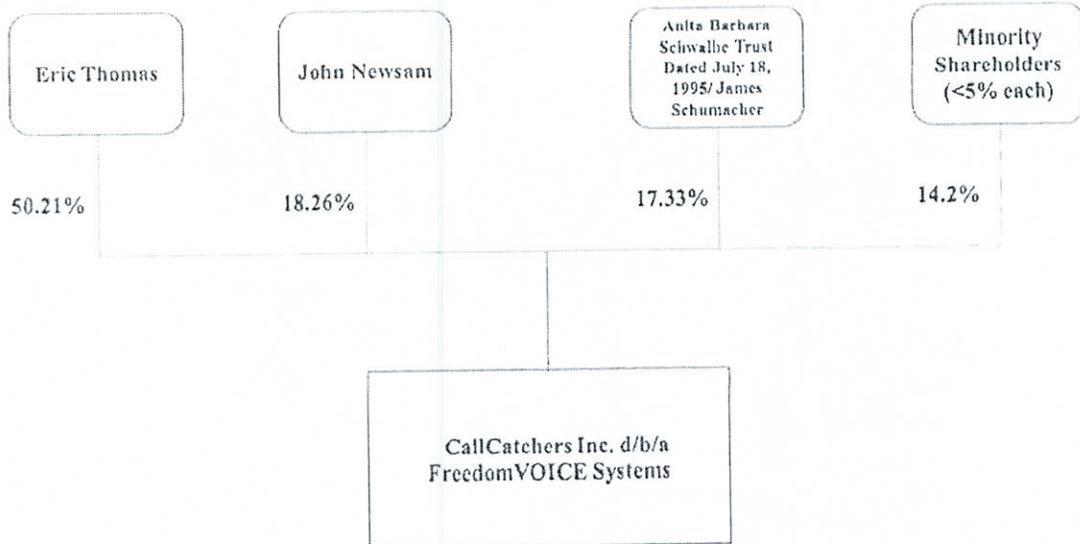
Name: Eric Thomas
Address: 6319 Via Naranjal
Rancho Santa Fe, CA 92067
Ownership Interest: 50.21%

Name: John Newsam
Address: 525 Westbourne Street
La Jolla, CA 92037
Ownership Interest: 18.26%

Name: Anita Barbara Schwalbe Trust Dated July 18,
1995/ James Schumacher
Address: 1596 Hodgson Road
Whitefish, Montana 59937
Ownership Interest: 17.33%

The remaining 14.2% of stock is owned by various entities or individuals of which each hold less than a 5% ownership share in FreedomVoice.

A chart depicting FreedomVoice's current ownership structure is provided on the next page.



GoDaddy Operating Company, LLC

A chart depicting GoDaddy Operating's current ownership structure is provided on the next page.

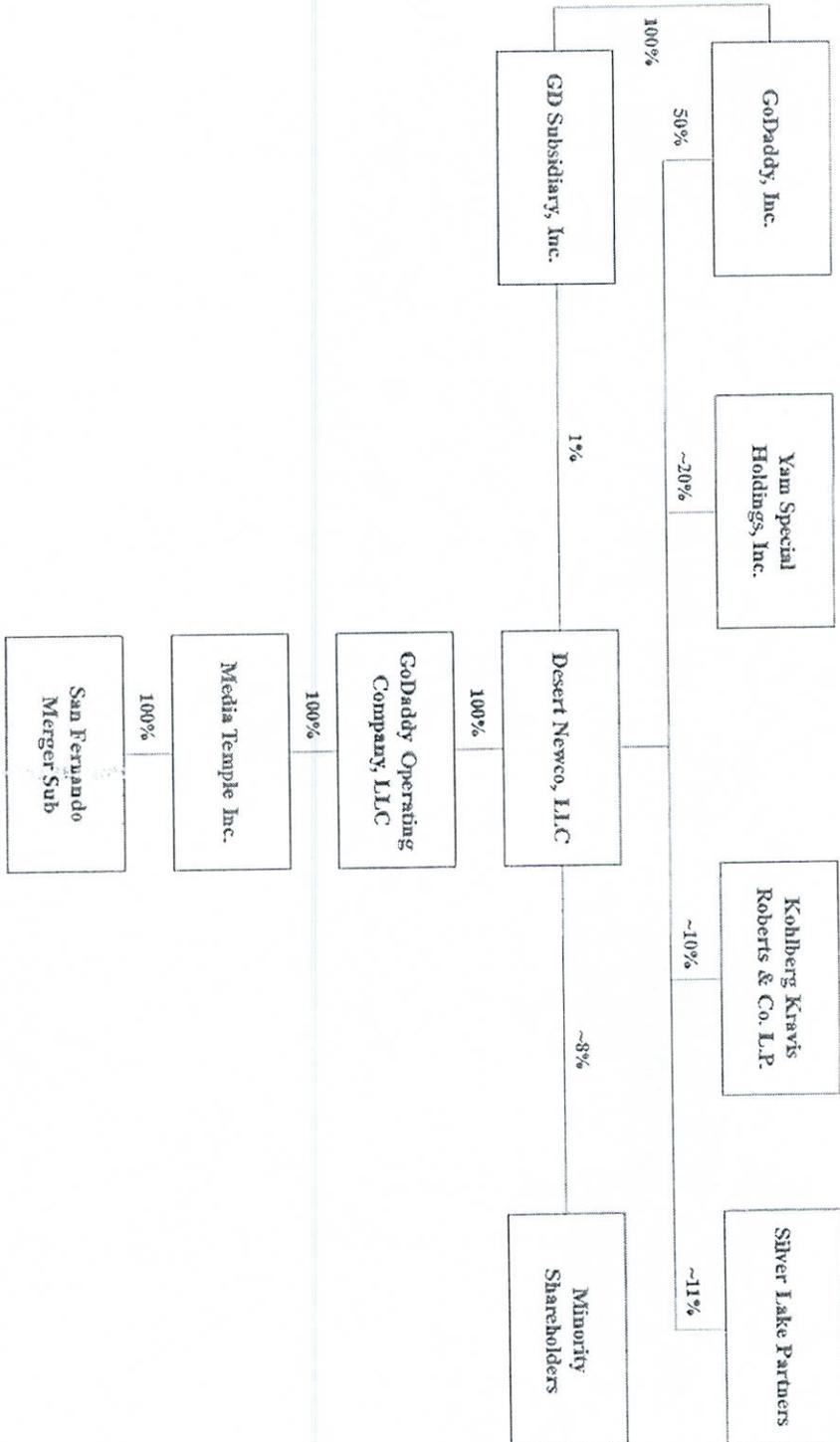


EXHIBIT B

CallCatchers Inc. d/b/a FreedomVoice Systems'
Certificate of Public Convenience and Necessity

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION)
OF CALLCATCHERS, INC. D/B/A)
FREEDOMVOICE SYSTEMS FOR A)
CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECCESSITY TO)
PROVIDE TELECOMMUNICATION)
SERVICES WITHIN THE STATE)
OF DELAWARE)
(SUBMITTED JUNE 26, 2016;)
FILED AUGUST 11, 2016))

PSC DOCKET NO. 16-0745

ORDER NO. 8936

AND NOW, this 6th day of September, 2016, the Delaware Public Service Commission (the "Commission") determines and orders the following:

WHEREAS, on August 11, 2016, CallCatchers, Inc. d/b/a FreedomVoice Systems ("FreedomVoice" or the "Company") filed a completed application (the "Application") with the Commission seeking a Certificate of Public Convenience and Necessity ("CPCN") to allow it to provide intrastate long distance telecommunications services within the State of Delaware; and

WHEREAS, FreedomVoice has requested a waiver of the requirements of 26 Del. C. §208(b) requiring the Company to keep its books and records in an office within this State; and

WHEREAS, FreedomVoice provided the appropriate affidavit of publication of notice of the Application in the Delaware State News. The Commission Staff ("Staff") reports that it received no formal comments or objections regarding the Application within the required 20-day notice period; and

WHEREAS, Staff reports that FreedomVoice has provided sufficient information evidencing that it has the financial, technical, and operational capabilities required for a CPCN as set forth in the Section 203A of Title 26 of the Delaware Code and the Commission's "Rules for the Provision of Telecommunications Services," 26 Del. Admin. C. §4001 (the "Rules"); and

WHEREAS, the Commission determines that a CPCN should be granted to FreedomVoice to authorize it, as a public utility, to offer intrastate long distance telecommunications services under the provisions of 26 Del. C. §203A and the Rules subject to the conditions set forth below;

NOW THEREFORE, IT IS ORDERED BY THE AFFIRMATIVE VOTE OF
NOT FEWER THAN THREE COMMISSIONERS:

1. That pursuant to 26 Del. C. §203A and Subchapter VII-A, Chapter 1 of Title 26 of the Delaware Code and the Rules, the Commission grants to CallCatchers, Inc. d/b/a FreedomVoice Systems a CPCN to operate as a public utility and provide intrastate long distance telecommunications services in the State of Delaware as described in the Application.
2. That FreedomVoice shall provide intrastate long distance telecommunications services in the manner required by the Rules and at all times shall comply with all applicable provisions of the Delaware Code, the Commission's Rules and Regulations, and all other applicable laws, rules, regulations, and orders.
3. That the provisions of 26 Del. C. §208(b) are waived, and FreedomVoice is authorized to maintain its books and records relating to its Delaware operations outside of the State of Delaware; provided,

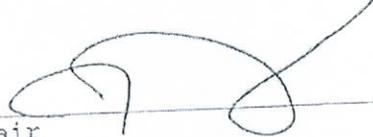
PSC Docket No. 16-0745, Order No. 8936 Cont'd

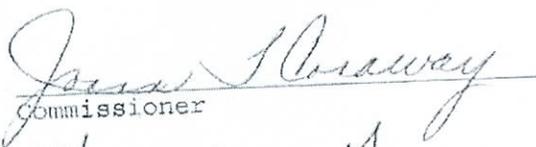
however, and upon the condition that, FreedomVoice shall provide to the Commission at its Dover, Delaware office, in a timely manner and upon the written request of the Commission's Executive Director, all such books and records relating to FreedomVoice's Delaware operations as the Commission may deem reasonably necessary from time to time for review and copying. If the Commission must review the Delaware-related books and records of FreedomVoice at a location other than at the Commission's Dover, Delaware office, FreedomVoice shall pay for the expenses of such review.

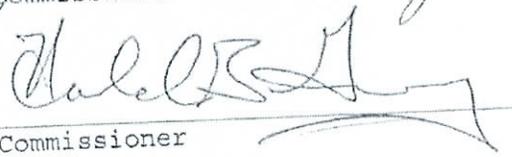
4. That a violation of this Order, the Commission's Rules and Regulations, or other applicable law, rule, regulation, or order may result in suspension or revocation of the CPCN.

5. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:


Chair


Commissioner


Commissioner


Commissioner

PSC Docket No. 16-0745, Order No. 8936 Cont'd

Commissioner

ATTEST:

Donna Dickerson

Secretary



EXHIBIT C

Post-Transaction Ownership Charts

Following the closing of the Proposed Transaction, FreedomVoice will be a wholly-owned subsidiary of the following entity:

Name: Media Temple Inc. (DE)
Address: 14455 N. Hayden Road
Scottsdale, AZ 85260

Media Temple Inc. will be a wholly-owned subsidiary of the following entity:

Name: GoDaddy Operating Company, LLC (DE)
Address: 14455 N. Hayden Road
Scottsdale, AZ 85260

GoDaddy Operating Company, LLC will be a wholly-owned subsidiary of the following entity:

Name: Desert Newco, LLC (DE)
Address: 14455 N. Hayden Road
Scottsdale, AZ 85260

Desert Newco, LLC will be owned by the following entities:

Name: GoDaddy Inc. (DE)
Address: 14455 N. Hayden Road
Scottsdale, AZ 85260
Ownership Interest: 50% of Desert Newco, LLC⁶

Name: Yam Special Holdings, Inc. (AZ)
Address: 15475 N. 84th Street
Scottsdale, AZ 85260
Ownership Interest: ~20% of Desert Newco, LLC

Name: Kohlberg Kravis Roberts & Co. L.P. (DE)
Address: 9 West 57th Street, Suite 4200,
New York, NY 10019

⁶ GoDaddy, Inc. also is the sole managing member and controls the management of Desert Newco, LLC. GD Subsidiary Inc., a wholly-owned subsidiary of GoDaddy, holds an approximate 1% ownership interest in Desert Newco. GD Subsidiary Inc. is a Delaware corporation, and its address is 14455 N. Hayden Road, Scottsdale, AZ 85260.

Ownership Interest:

~10% of Desert Newco, LLC

Name:

Silver Lake Partners (DE)

Address:

2775 Sand Hill Road, Suite 100

Menlo Park, CA 94025

Ownership Interest:

~11% of Desert Newco, LLC

To the best of Applicants' knowledge, no other entity or individual will directly or indirectly hold a 10% or greater ownership interest in FreedomVoice following the closing of the Proposed Transaction. A chart depicting FreedomVoice's ownership structure following the closing of the Proposed Transaction is provided on the next page.

GoDaddy.com LLC is a wholly-owned direct subsidiary of the following entity:

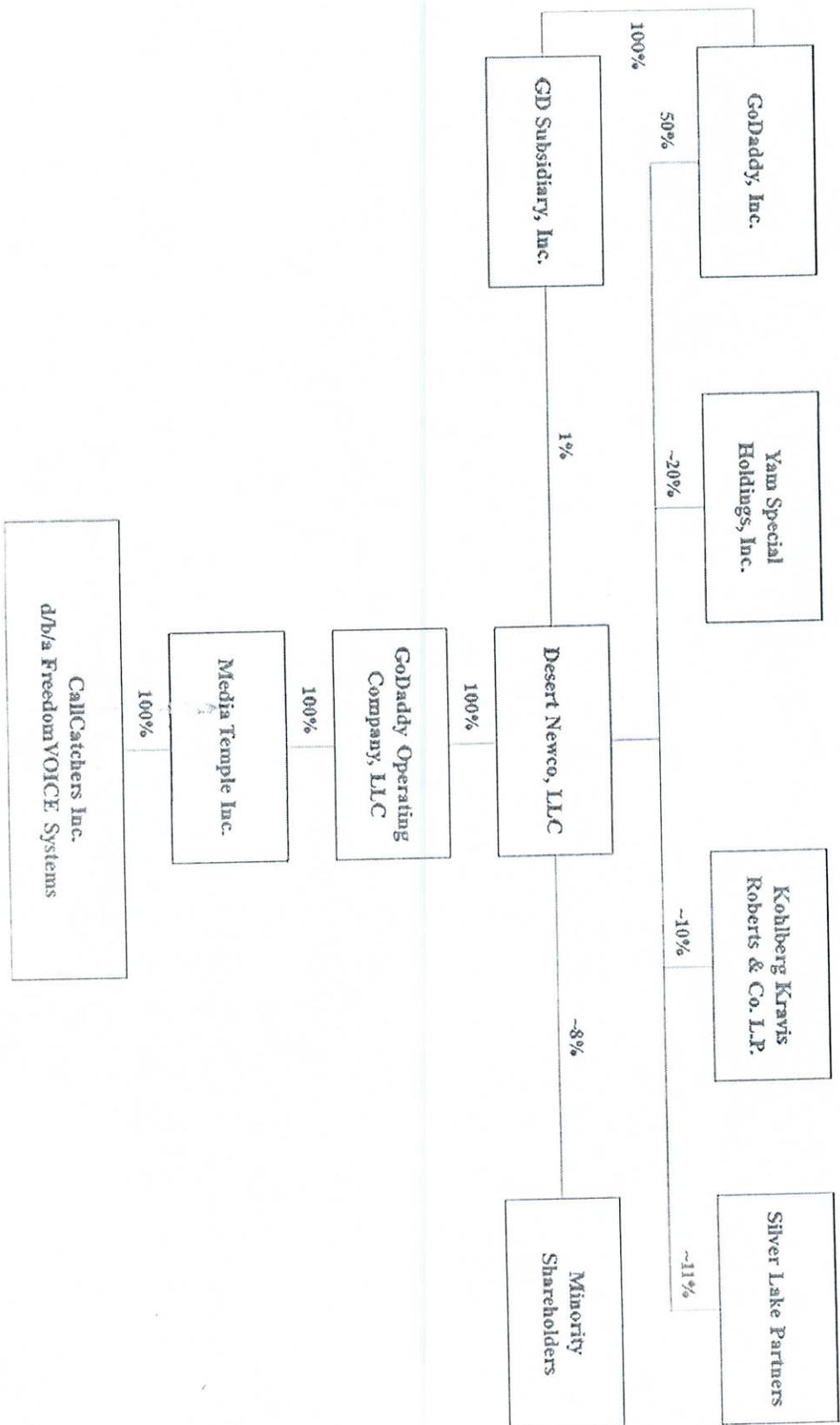
Name:

GoDaddy Operating Company, LLC (DE)

Address:

14455 N. Hayden Road

Scottsdale, AZ 85260

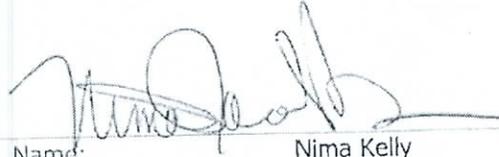


Verifications

VERIFICATION

I, Nima Kelly, hereby certify that I am the General Counsel of GoDaddy Operating Company, LLC ("GoDaddy"), and am authorized to make this certification on behalf of GoDaddy; that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to GoDaddy are true and correct to the best of my knowledge, information and belief.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this ___ day of September, 2016.



Name: Nima Kelly
Title: General Counsel
GoDaddy Operating Company, LLC

VERIFICATION

I, Eric Thomas, hereby certify that I am the President and Chief Executive Officer of CallCatchers, Inc. d/b/a FreedomVoice Systems ("FreedomVoice"); that I am authorized to make this certification on behalf of FreedomVoice; that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to FreedomVoice are true and correct to the best of my knowledge, information and belief.

I declare under penalty of perjury under the law of the United States of America that the foregoing is true and correct. Executed this 9 day of ~~September~~, 2016.



Name: Eric Thomas
Title: President/CEO
CallCatchers, Inc. d/b/a FreedomVoice Systems

CERTIFICATE OF SERVICE

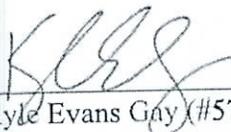
I, the undersigned, hereby certify that on the 14th day of September, 2016, I caused a copy of the foregoing **Joint Application for Approval of Transfer of Control Pursuant to 26 Del. Code § 215** to be served as indicated on the party listed below.

VIA HAND DELIVERY

Department of State
Division of the Public Advocate
820 N. French Street, 4th Floor
Wilmington, DE 19801

VIA FEDERAL EXPRESS

Executive Secretary
Delaware Public Service Commission
Suite 100, Cannon Building
861 Silver Lake Blvd.
Dover, DE 19904



Kyle Evans Gay (#5752)

Docket Details:

Docket #:16-0928 Utility Type:Telecom
Filed By #:Jeffrey Wisler Field On Behalf Of:GoDaddy Operating Company, LLC
Filing Date:09/14/2016 Docket Type:215 Filing
Case Manager: Status:Unassigned

Docket Caption:IN THE MATTER OF JOINT APPLICATION OF CALLCATCHERS, INC. D/B/A FREEDOMVOICE SYSTEMS, TRANSFEROR, AND GODADDY OPERATING COMPANY, LLC, TRANSFEREE FOR APPROVAL OF TRANSFER OF CONTROL OF CALLCATCHERS, INC. D/B/A FREEDOMVOICE SYSTEMS

Service Users List:

Last Name	First Name	Company	Address	City	State	Zip Code	Email	Phone
Wisler	Jeffrey	GoDaddy Operating Company, LLC	1000 West Street, Suite 1400	Wilmington	DE	19801	jwisler@connollygallagher.com	302-757-7300