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Missouri Public Service Commission

The CommLaw Group

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November 9, 2007

Dale Hardy Roberts
Secretary of the Commission
Missouri Public Service Commission
200 Madison Street
Jefferson City, Missouri 65101

Re: ***Broadview Networks, Inc.***
Application for Certificate of Service Authority

Dear Mr. Roberts:

On behalf of Broadview Networks, Inc. ("Broadview"), enclosed please find an original and fourteen (14) copies of Broadview's Application for Certificate of Service Authority. A copy of Broadview's application, including all Exhibits thereto, has today also been served upon the Office of Public Counsel.

Should there be any questions regarding this matter, kindly contact the undersigned.

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

Should there be any questions regarding this matter, kindly contact the undersigned.

Respectfully submitted,

Charles H. Helein

Enclosures

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of	)	
Broadview Networks, Inc.	)	
Certificate of Service Authority to	)	
Provide Switched Interexchange	)	**Case No.** ____________
And Non-Switched Local Exchange	)	
Service in the State of Missouri	)	
and to Classify Said Services and the Company	)	
as Competitive	)	

<u>APPLICATION FOR CERTIFICATE OF SERVICE AUTHORITY AND FOR COMPETITIVE CLASSIFICATION</u>

COMES NOW, Broadview Networks, Inc. ("Broadview" or "Applicant"), by and through its attorneys, and hereby applies pursuant to Sections 392.361, 392.420, and 392.430 RSMo 1994, 392.410 and 392.450 RSMo Supp. 1996, the federal Telecommunications Act of 1996, and 4 CSR 240-2.060, for authority to provide switched interexchange and non-switched local exchange telecommunications service, on a resold basis, in the State of Missouri, and to classify said services and company as competitive.

In support of its Application for a Certificate of Authority to provide resold interexchange and non-switched local exchange telecommunications services in the State of Missouri, as set forth more specifically herein, Applicant provides the following information:

1. Applicant is a corporation duly organized and existing under and by virtue of the laws of the State of New York. Applicant's Articles of Incorporation, and amendments thereto, are attached hereto as **Exhibit A**. Applicant is authorized to transact business in Missouri. Applicant's Certificate of Authority to transact business in Missouri is attached hereto as **Exhibit B.**

2. The legal name of the Applicant, street and mailing address of the Applicant's principal place of business, and telephone number are as follows:

Broadview Networks, Inc.
800 Westchester Avenue, Suite N-501
Rye Brook, NY 10573
Tel: (914) 922-7000
Fax: (914) 922-7001
Web Address: www.broadviewnet.com

3. All inquiries, correspondence, communications, pleadings, notices, orders, decisions relating to this application should be addressed to:

Charles C. Hunter
Executive Vice President, Secretary and General Counsel
Broadview Networks, Inc.
800 Westchester Avenue, Suite N-501
Rye Brook, NY 10573
Tel: (914) 922-7589
Fax: (347) 287-0223
E-mail: chunter@broadviewnet.com

Catherine M. Hannan
Helein & Marashlian, LLC
The *Comm*Law Group
1483 Chain Bridge Road, Suite 301
McLean, VA 22101
Tel.: (703) 714-1326
Fax: (703) 714-1330
E-mail: cmh@commlawgroup.com

4. Applicant proposes to provide switched interexchange and non-switched local exchange telecommunications services on a resold basis throughout the State of Missouri.

5. Applicant possesses the technical and managerial expertise and experience necessary to provide the services it proposes. A narrative description of the backgrounds of Applicant's management, as well as management resumes, which together demonstrate the extensive experience and expertise of Applicant's management team, are attached hereto as **Exhibit C**. Applicant also possesses the necessary financial resources to conduct the proposed telecommunications operations in Missouri. Attached hereto as **Exhibit D** are Applicant's most recently available financial statements. Applicant seeks classification of itself as a

competitive telecommunications service provider and its services as competitive telecommunications services.

7. Applicant will offer switched interexchange telecommunications service as a separate and distinct service in accordance with applicable law. Applicant will give consideration to equitable access for all Missourians, regardless of where they might reside or their income, to affordable telecommunications services in Applicant's proposed service areas in accordance with applicable law.

8. Applicant will comply with all applicable Commission rules and will meet all relevant service standards, including, but not limited to, billing, quality of service, and tariff filing and maintenance. Consistent with the Commission's treatment of other certificated competitive switched interexchange telecommunications companies, Applicant requests that the following statutes and regulations be waived for Applicant and its competitive service offerings:

Statutes	Missouri Public Service Commission Rules
392.210.2	4 CSR 240-10.020
392.240(1)	4 CSR 240-30.010(2)(C)
392.270	4 CSR 240-30.040
392.280	4 CSR 240-33.030
392.290	4 CSR 240-35
392.300.2	
392.310	
392.320	
392.330	
392.340	

9. In compliance with Commission Rule 4 CSR 240-2.060(1)(K), Broadview hereby certifies that it does not have any pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates, which action, judgment or decision has occurred within three (3) years of the date on which this Application was filed with the Commission.

10. In compliance with Commission Rule 4 CSR 240-2.060(1)(L), Broadview hereby certifies the following statement to be true: No annual report or assessment fees are overdue.

11. A copy of Applicant's proposed tariff is attached hereto as **Exhibit E**.

12. Applicant submits that the public interest will be served by Commission approval of this application because Applicant's proposed services will create and enhance competition and expand customer service options consistent with the legislative goals set forth in the federal Telecommunications Act of 1996, and Chapter 392 RSMo. Prompt approval of this application also will expand the availability of innovative, high quality, and reliable telecommunications services within the State of Missouri.

WHEREFORE, applicant Broadview Networks, Inc., respectfully requests that the Commission grant it a certificate of service authority to provide switched interexchange and non-switched local exchange telecommunications services as herein requested, classify Applicant and its proposed services as competitive, and grant a waiver of the aforesaid statutes and regulations.

Respectfully submitted,
BROADVIEW NETWORKS, INC.

Charles H. Helein
Missouri Bar No. 18227
Helein & Marashlian, LLC
The *Comm*Law Group
1483 Chain Bridge Road, Suite 301
McLean, VA 22101

Dated this 9th day of November, 2007.

CERTIFICATE OF SERVICE

The Undersigned hereby certifies that the foregoing Application and accompanying testimony and exhibits were served upon the following entities in accordance with the Rules of the Missouri Public Service Commission:

An original and 14 copies to:

Mr. Dale Hardy Roberts, Chief Regulatory Law Judge
Missouri Public Service Commission
301 W. High Street, Room 530
Jefferson City, MO 65102

One copy to:

Office of Public Counsel
301 W. High Street, Room 250
Jefferson City, MO 65102

on this the 9th day of November 2007

Charles H. Helein
Helein & Marashlian, LLC
The *Comm*Law Group
1483 Chain Bridge Road, Suite 301
McLean, Virginia 22101
Tel: (703) 714-1300
Fax: (703) 714-1330

Attorney for Applicant

EXHIBIT A

APPLICANT'S ARTICLES OF INCORPORATION

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
Special Deputy Secretary of State

Rev. 06/07

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 affirms that the statements made herein are true under the penalties of perjury.

Joan Terry	500 Central Avenue, Albany, NY 12206
Joan Terry, Incorporator	Address

F 910605000 INFO.

CERTIFICATE OF INCORPORATION

OF

BRIAR JOY DEVELOPMENT CORPORATION

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED JUN 05 1991
TAX $ 10
BY: Sac
St. Lawrence

FILER:
Thomas J. Lynch, Esq.
4516 Wilderness Way
Syracuse, NY 13215

SC 3/10

~~REFERENCE # L5192-828066~~

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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
Special Deputy Secretary of State

Rev. 06/07

VANGUARD-52

CERTIFICATE OF AMENDMENT
OF THE CERTIFICATE OF INCORPORATION
OF BRIAR JOY DEVELOPMENT CORPORATION F950630000*23
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: (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: (1) change 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
> 108 East Washington Street
> Syracuse, New York 13202

FIFTH: The following paragraph shall be added to the Certificate of Incorporation as Paragraph 6, 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., President

Frank S. Caruso, Sr., Secretary

F950630000263

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

... THAT THE WITHIN IS A ... TRUE COPY OF A ... ENTERED IN THE OFFICE OF THE COUNTY CLERK ON ... NEW YORK

ATTORNEY

FILED JUN 01 1995

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

Return Filing Receipt to:

Rifken, Frankel, Greenman & Kline
5789 Widewaters Parkway
Post Office Box 450
Dewitt, New York 13214-0450

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED JUN 01 1995
TAX $ 615.00
BY: JDI

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
Special Deputy Secretary of State

Rev. 06/07

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VANGUARD-52

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

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 13th day of August, 1997

IN WITNESS WHEREOF, this Certificate of Change of the Certificate of Incorporation has been subscribed this 19 day of August, 1997, by the undersigned who affirm that the statements made herein are true under the penalties of perjury.

Frank S. Caruso, Jr., President

Andrea Osborne, Secretary

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CERTIFICATE OF AMENDMENT OF THE

CERTIFICATE OF INCORPORATION OF

BRIAR JOY DEVELOPMENT CORPORATION

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STATE OF NEW YORK
DEPARTMENT OF STATE
FILED AUG 20 1997
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BY: JAH

St. Lawrence

VANGUARD-52

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
Special Deputy Secretary of State

Rev. 06/07

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CERTIFICATE OF MERGER

OF

SCC TELECOMMUNICATIONS, INC.

INTO

BRIAR JOY DEVELOPMENT CORPORATION

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 28th 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 5th 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., President

By: ______________________
Andrea Osborne, Secretary

SCC TELECOMMUNICATIONS, INC.

By: ______________________
Vern M. Kennedy, President

By: ______________________
Terrance J. Anderson, Secretary

F 971002000358

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
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BY: JW
ST LAWRENCE

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FILED OCT 2 1997

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

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971002000387

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
Special Deputy Secretary of State

Rev. 06/07

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 15th day of April, 1998.

By:
Vern [illegible] Kennedy, President

By:
Terrence J. Anderson, Secretary

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CSC 45

CSC 45

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CERTIFICATE OF AMENDMENT OF THE CERTIFICATE OF INCORPORATION

OF

SCC TELECOMMUNICATIONS, INC.

Under Section 805 of the Business Corporation Law

FILED APR 21 3 PM '98

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED APR 21 1998
TAX $
BY:

St. Law.

APR 21 RECEIVED

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

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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

Rev. 06/07

CT-07

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

Under Section 805 of the New York Business Corporation Law

The undersigned, Vern 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 Joy 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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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/ Terrence J. Anderson
Name: Terrence J. Anderson
Title: Secretary

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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

fcc

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED OCT 06 1999
TAX $ —
BY: tmb

St Lawrence

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TOTAL P.04

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
Special Deputy Secretary of State

Rev. 06/07

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CT-07

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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 Terrence 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 at par value of $0.10 of which 1,839,856 shares are presently issued and outstanding and 660,144 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 1:1,839.856

~~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 $.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 mail a copy of any process against it served upon him is Broadview Networks Holdings, Inc., 45-18 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 a 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 with 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: /s/ Vern M. Kennedy
Name: Vern M. Kennedy
Title: President

By: /s/ 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

FILED MAY 3 11 02 AM '00

Mayer Brown & Platt
1675 Broadway
New York, NY 10019

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STATE OF NEW YORK
DEPARTMENT OF STATE
MAY 03 2000
FILED
TAX $ NO TAX
BY: [illegible]

St Lawrence

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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. [illegible], 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 affirms that the statements made herein are true under the penalties of perjury.

Joan Terry
Joan Terry, Incorporator

[illegible]

F 910605000 INFO.

CERTIFICATE OF INCORPORATION

OF

[illegible] JOY DEVELOPMENT CORPORATION

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED JUN 05 1991
TAX $ 10
BY: [illegible]

/s/ St. Lawrence

FILER:
Thomas J. Lynch, Esq.
4514 [illegible] Way
Syracuse, NY 13215

SC 3/10

REFERENCE # [illegible]

INFO. [illegible]

VANGUARD-52

CERTIFICATE OF AMENDMENT
OF THE CERTIFICATE OF INCORPORATION
OF BRIAR JOY DEVELOPMENT CORPORATION
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: (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. [illegible] amendment to the Certificate of Incorporation [illegible] authorized and issued stock at the rate of 1 to 1 to 110 shares of [illegible] 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 [illegible] 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 6 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
> 106 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.

/s/ Frank S. Caruso, Jr.

Frank S. Caruso, Jr., President

/s/ Frank S. Caruso, Sr.

Frank S. Caruso, Sr., Secretary

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VANGUARD-32

BILLED

Return Filing Receipt to:

[illegible], Frankel, [illegible] & Kline
5789 Widewaters Parkway
Post Office Box 450
Dewitt, New York 13214-0450

F970829000096

VANGUARD-52

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

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 thereon at a meeting of the shareholders held on the 13th 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.

/s/ Frank S. Caruso, Jr.

Frank S. Caruso, Jr., President

/s/ Andrew V. Osborne

Andrew Osborne, Secretary

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CERTIFICATE OF AMENDMENT OF THE

CERTIFICATE OF INCORPORATION OF

BRIAR JOY DEVELOPMENT CORPORATION

RECEIVED

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED AUG 20 1997
TAX $ 0
BY: JBH

/s/ St. Lawrence

VANGUARD-52

BILLED

Filer: Rifkin, Frankel & Greenman, P.C.
6789 Widewaters Parkway
DeWitt, New York 13214-2811
Telephone: (315) 446-0797

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Duquette & Tipton LLP 212 687 2835 04/20/98 10:33 NO:032 02/03

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CSC 45

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

Under Section 805 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 Briar 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 effected 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 615, 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.

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 16th day of April, 1998.

By: ____________________
Vern M. Kennedy, President

By: ____________________
Terrence J. Anderson, Secretary

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CT-07

991006000

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

Under Section 805 of the New York Business Corporation Law

The undersigned, Vern 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 Joy 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/ Verri M. Kennedy
Name: Verri M. Kennedy
Title: President

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

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CT-07 [illegible] 000503000 [illegible]

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

Under Section 805 of the Business Corporation Law

The undersigned, [illegible], President and [illegible], Secretary of BROADVIEW NETWORKS, INC., a New York corporation (the "Corporation"), hereby certify as follows:

FIRST: The name of the corporation (the "Corporation") is BROADVIEW NETWORKS, INC. The name under which the Corporation was formed is [illegible] 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 purposes 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 present 2,500,000 shares of common stock at par value of $0.10 of which 1,839,356 shares are presently issued and outstanding and 660,144 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 1:1,839,356.

3. (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 $.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 mail a copy of any process against it served upon him is Broadview Networks Holdings, Inc. 45-18 Court Square, Ste. 302, Long Island City, New York, 11101, Attn. President

[illegible]

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 or [illegible] for damages for [illegible] of a director in any action or [illegible] (including the Corporation) for damages for [illegible] 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) such director's acts violated Section [illegible] of the [illegible] [illegible] or omissions occurred or admitted 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 or [illegible] prior to the date of such repeal, amendment or modification.

EIGHTH: Paragraph 7 relating to [illegible] 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 the Certificate of Amendment is the act and deed of the Corporation as of the 3rd day of May, 2000.

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

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

Mayer Brown & Platt
1675 Broadway
New York, NY 10019

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STATE OF NEW YORK
DEPARTMENT OF STATE
FILED MAY 03 2000
TAX $ NOTRY
BY: [illegible]

1st St. Lawrence

~~St Lawrence~~

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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

Rev. 06/07

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

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EXHIBIT B

APPLICANT'S CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS IN MISSOURI

STATE OF MISSOURI

Robin Carnahan
Secretary of State

CERTIFICATE OF AUTHORITY

WHEREAS,

BROADVIEW NETWORKS, INC.
F00841910

using in Missouri the name

BROADVIEW NETWORKS, INC.

has complied with the General and Business Corporation Law which governs Foreign Corporations; by filing in the office of the Secretary of State of Missouri authenticated evidence of its incorporation and good standing under the Laws of the State of New York.

NOW, THEREFORE, I, ROBIN CARNAHAN, Secretary of State of the State of Missouri, do hereby certify that said corporation is from this date duly authorized to transact business in this State, and is entitled to all rights and privileges granted to Foreign Corporations under the General and Business Corporation Law of Missouri.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this 28th day of August, 2007.

Robin Carnahan
Secretary of State

EXHIBIT C

NARRATIVE AND
RESUMES OF APPLICANT'S MANAGEMENT PERSONNEL

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 Siecor Corp. Mr. Robinson holds a Masters Degree in Business Administration from Wake Forest University.

BRIAN P. CROTTY
Chief Operating Officer

Mr. Crotty has over 14 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, biling, 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 Millenium 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, ant 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 corporation 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 responsible for corporate and legal affairs of the Company, including federal and state public policy advocacy. Mr. Hunter is a 25-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 nearly 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
<u>Executive Vice President – Corporate Development</u>

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 fo 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.

EXHIBIT D

APPLICANT'S FINANCIALS

Consolidated Financial Statements

Broadview Networks Holdings, Inc. and Subsidiaries

Years ended December 31, 2006 and 2005, ten months ended December 31, 2004
and two months ended February 29, 2004
with Report of Independent Registered Public Accounting Firm

Broadview Networks Holdings, Inc. and Subsidiaries

Consolidated Financial Statements

Years ended December 31, 2006 and 2005, ten months ended December 31, 2004
and two months ended February 29, 2004

Contents

ERNST & YOUNG

Ernst & Young LLP
5 Times Square
New York, New York 10036-6530

Phone: (212) 773-3000
www.ey.com

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
Broadview Networks Holdings, Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheets of Broadview Networks Holdings, Inc. and Subsidiaries (the "Company") as of December 31, 2006 and 2005 (Successor Company) and the related consolidated statements of operations, stockholders' equity (deficiency) and cash flows for the years ended December 31, 2006 and 2005, for the period from March 1, 2004 to December 31, 2004 (Successor Company) and for the period from January 1, 2004 to February 29, 2004 (Predecessor Company). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Broadview Networks Holdings, Inc. and Subsidiaries at December 31, 2006 and 2005 (Successor Company) and the consolidated results of its operations and its cash flows for the years ended December 31, 2006 and 2005, for the period from March 1, 2004 to December 31, 2004 (Successor Company) and for the period from January 1, 2004 to February 29, 2004 (Predecessor Company), in conformity with U.S. generally accepted accounting principles.

As discussed in Note 2 to the consolidated financial statements, the Company changed its method of accounting for stock-based compensation effective January 1, 2006.

Ernst + Young LLP

March 29, 2007

Broadview Networks Holdings, Inc. and Subsidiaries

Consolidated Balance Sheets

	Successor December 31 2006	2005
	(In thousands, except share amounts)	
Assets		
Current assets:		
Cash and cash equivalents	$ 43,952	$ 16,753
Restricted cash	460	–
Accounts receivable, less allowance for doubtful accounts of $7,971 in 2006 and $6,695 in 2005	41,313	24,495
Other current assets	8,308	3,162
Total current assets	94,033	44,410
Property and equipment, net	61,395	39,547
Goodwill	69,632	27,964
Intangible assets, net of accumulated amortization of $65,128 in 2006 and $34,672 in 2005	79,848	80,986
Other assets	13,417	4,206
Total assets	$ 318,325	$ 197,113
Liabilities and stockholders' equity (deficiency)		
Current liabilities:		
Accounts payable	$ 12,684	$ 26,069
Accrued expenses and other current liabilities	47,506	20,015
Taxes payable	8,604	8,238
Deferred revenues	8,019	5,748
Current portion of capital lease obligations	3,084	2,095
Current portion of long-term debt	–	10,000
Total current liabilities	79,897	72,165
Long-term debt	210,000	74,000
Senior unsecured subordinated debt	–	59,862
Deferred rent payable	2,747	2,411
Capital lease obligations, net of current portion	4,685	1,247
Other	526	–
Total liabilities	297,855	209,685
Stockholders' equity (deficiency):		
Common stock—$.01 par value; authorized 90,000,000, issued and outstanding 8,871,427 shares and 6,605,872 shares at December 31, 2006 and 2005, respectively	102	66
Series A Preferred stock—$.01 par value; authorized 89,526 shares, designated, issued and outstanding 89,521 shares at December 31, 2006 and 2005	1	1
Series A-1 Preferred stock—$.01 par value; authorized 105,000 shares at December 31, 2006, designated, issued and outstanding 100,702 shares at December 31, 2006	1	–
Series B Preferred stock—$.01 par value; authorized 93,180 shares, designated, issued and outstanding 92,832 shares at December 31, 2006 and 2005	1	1
Series B-1 Preferred stock—$.01 par value; authorized 46,000 shares at December 31, 2006, designated, issued and outstanding 42,231 shares at December 31, 2006	–	–
Additional paid-in capital	117,689	44,254
Accumulated deficit	(97,324)	(55,811)
Deferred compensation	–	(1,083)
Total stockholders' equity (deficiency)	20,470	(12,572)
Total liabilities and stockholders' equity (deficiency)	$ 318,325	$ 197,113

See notes to consolidated financial statements.

Broadview Networks Holdings, Inc. and Subsidiaries

Consolidated Statements of Operations

	Successor			Predecessor
	Year ended December 31, 2006	**Year ended December 31, 2005**	**Ten months ended December 31, 2004**	**Two months ended February 29, 2004**
	(In thousands)			
Revenues	**$272,653**	$240,396	$ 72,826	$13,631
Operating expenses:				
Cost of revenues (exclusive of depreciation and amortization)	**130,841**	115,214	36,105	7,081
Selling, general and administrative	**105,232**	93,465	30,215	5,363
Deferred compensation	**754**	673	308	–
Software development	**1,819**	2,301	–	–
Depreciation and amortization	**49,781**	45,756	8,554	284
Merger integration costs	**1,430**	4,531	2,834	10
Total operating expenses	**289,857**	261,940	78,016	12,738
(Loss) income from operations	**(17,204)**	(21,544)	(5,190)	893
Other income (expense)	**21**	–	(4,523)	(1,001)
Interest expense	**(25,463)**	(17,842)	(3,399)	(704)
Interest income	**1,395**	458	31	29
Loss before provision for income taxes	**(41,251)**	(38,928)	(13,081)	(783)
Provision for income taxes	**(262)**	–	(3,802)	(2)
Net loss	**$ (41,513)**	$ (38,928)	$(16,883)	$ (785)

See notes to consolidated financial statements.

Broadview Networks Holdings, Inc. and Subsidiaries

Consolidated Statements of Stockholders' Equity (Deficiency)

	Successor Company						Predecessor Company	
	Year ended December 31				Ten months ended December 31, 2004		Two months ended February 29, 2004	
	2006		2005					
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
	(In thousands, except share amounts)							
Common stock								
Balance at beginning of year	6,605,872	$ 66	336	$ –	–	$ –	756,256	$ 8
Common stock issued	–	–	–	–	–	–	–	–
Issuance of shares pursuant to the plan of merger	–	–	–	–	336	–	–	–
Net effect of merger recapitalization	–	–	6,605,536	66	–	–	–	–
Repurchase of lender shares	(1,307,770)	–	–	–	–	–	–	–
Issuance of shares pursuant to conversion of senior unsecured subordinated notes	3,573,325	36	–	–	–	–	–	–
Balance at end of year	8,871,427	102	6,605,872	66	336	–	756,256	8
Series A Preferred stock								
Balance at beginning of year	89,521	1	36,444	–	–	–	–	–
Issuance of shares pursuant to the plan of merger	–	–	–	–	36,000	–	–	–
Issuance of new shares in cancellation of note payable	–	–	–	–	444	–	–	–
Net effect of merger recapitalization	–	–	53,077	1	–	–	–	–
Balance at end of year	89,521	1	89,521	1	36,444	–	–	–
Series A-1 Preferred Stock								
Balance at beginning of year	–	–	–	–	–	–	–	–
Issuance of shares pursuant to conversion of senior unsecured subordinated notes	100,702	1	–	–	–	–	–	–
Balance at end of year	100,702	1	–	–	–	–	–	–
Series B Preferred Stock								
Balance at beginning of year	92,832	1	–	–	–	–	–	–
Net effect of merger recapitalization	–	–	92,832	1	–	–	–	–
Balance at end of year	92,832	1	92,832	1	–	–	–	–
Series B-1 Preferred Stock								
Balance at beginning of year	–	–	–	–	–		–	–
Issuance of shares pursuant to conversion of senior unsecured subordinated notes	42,231	–	–	–	–	–	–	–
Balance at end of year	42,231	–	–	–		–	–	–

See notes to consolidated financial statements.

Broadview Networks Holdings, Inc. and Subsidiaries

Consolidated Statements of Stockholders' Equity (Deficiency) (continued)

	Successor Company						Predecessor Company	
	Year ended December 31				Ten months ended December 31, 2004		Two months ended February 29, 2004	
	2006		2005					
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
				(In thousands, except share amounts)				
Additional paid-in capital								
Balance at beginning of year	–	$ 44,254	–	$ 37,391	–	$ –	–	$ 207
Issuance of shares pursuant to the plan of merger	–	–	–	–	–	35,838	–	–
Issuance of new shares in cancellation of note payable	–	–	–	–	–	444	–	–
Net effect of merger recapitalization	–	–	–	5,908	–	–	–	–
Deferred compensation	–	754	–	955	–	1,109	–	–
Adoption of SFAS No. 123R	–	(1,083)	–	–	–	–	–	–
Issuance of shares pursuant to conversion of senior unsecured subordinated notes	–	73,764	–	–	–	–	–	–
Balance at end of year	–	117,689	–	44,254	–	37,391	–	207
Note receivable stockholders								
Balance at beginning of year	–	–	–	–	–	–	–	(1,351)
Payment of stock receivable	–	–	–	–	–	–	–	789
Balance at end of year	–	–	–	–	–	–	–	(562)
Accumulated deficit								
Balance at beginning of year	–	(55,811)	–	(16,883)	–	–	–	3,861
Net Loss	–	(41,513)	–	(38,928)	–	(16,883)	–	(785)
Balance at end of year	–	(97,324)	–	(55,811)	–	(16,883)	–	3,076
Deferred compensation								
Balance at beginning of year	–	(1,083)	–	(801)	–	–	–	–
Deferred compensation	–	–	–	(282)	–	(801)	–	–
Adoption of SFAS No. 123R	–	1,083	–	–	–	–	–	–
Balance at end of year	–	–	–	(1,083)	–	(801)	–	–
Total stockholders' equity (deficiency)	–	$ 20,470	–	$ (12,572)	–	$ 19,707	–	$ 2,729

See notes to consolidated financial statements.

Broadview Networks Holdings, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

	Successor			Predecessor
	Year ended December 31, 2006	Year ended December 31, 2005	Ten months ended December 31, 2004	Two months ended February 29, 2004
	(In thousands)			
Cash flows from operating activities				
Net loss	$ (41,513)	$ (38,928)	$(16,883)	$ (785)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:				
Depreciation	19,302	17,679	1,959	284
Amortization and write-off of deferred financing costs	2,383	1,030	809	162
Amortization of intangible assets	30,479	28,077	6,595	–
Provision for doubtful accounts	4,115	3,823	1,332	169
Noncash subordinated debt interest	4,920	5,991	–	–
Amortization of deferred compensation	754	673	308	–
Increase in fair value of derivatives	–	(762)	–	–
Deferred income taxes	–	–	3,790	–
Other	(18)	(65)	–	–
Changes in operating assets and liabilities:				
Restricted cash	(460)	–	–	–
Accounts receivable	(1,492)	(3,243)	(765)	(1,537)
Prepaid expenses and other current assets	(1,328)	1,180	1,078	(494)
Deferred acquisition costs	–	–	(6,578)	–
Other assets	(208)	(1,307)	39	–
Accounts payable	(15,598)	(6,007)	120	1,365
Accrued and other current liabilities	11,349	(378)	6,280	21
Deferred revenue	260	(359)	193	163
Deferred rent	336	747	(12)	–
Other liabilities	15	–	–	–
Net cash provided by (used in) operating activities	13,296	8,151	(1,735)	(652)
Cash flows from investing activities				
Proceeds from disposal of property and equipment	–	223	–	–
Cash acquired in merger	–	7,991	–	–
Acquisition, net of cash and restricted cash acquired	(88,787)	–	–	–
Merger acquisition costs	(3,635)	(10,030)	–	–
Purchase of property and equipment	(23,146)	(18,915)	(4,763)	(1,038)
Purchase of predecessor shares, net of cash received from shareholders	–	–	(35,573)	–
Net cash used in investing activities	(115,568)	(20,731)	(40,336)	(1,038)

See notes to consolidated financial statements.

Broadview Networks Holdings, Inc. and Subsidiaries

Consolidated Statements of Cash Flows (continued)

	Successor			Predecessor
	Year ended December 31, 2006	**Year ended December 31, 2005**	**Ten months ended December 31, 2004**	**Two months ended February 29, 2004**
		(In thousands)		
Cash flows from financing activities				
Proceeds from capital lease financing	$ 7,794	$ 372	$ –	$ –
Proceeds from issuance of long-term debt	210,000	–	–	–
Repayments of long-term debt	(84,000)	(3,000)	–	–
Proceeds from issuance of subordinated debt	10,000	30,000	–	–
Repayment of subordinated debt	(972)	–	–	–
Subordinated debt conversion fees	(1,531)	–	–	–
Payment of deferred financing fees	(8,453)	–	–	–
Capital contribution	–	–	36,282	–
Repayments of note payable—stockholder	–	–	562	789
Payments on capital lease obligations	(3,367)	(2,080)	(190)	(5)
Other	–	115	–	–
Net cash provided by financing activities	129,471	25,407	36,654	784
Net increase (decrease) in cash and cash equivalents	27,199	12,827	(5,417)	(906)
Cash and cash equivalents at beginning of period	16,753	3,926	9,343	10,249
Cash and cash equivalents at end of period	$ 43,952	$ 16,753	$ 3,926	$ 9,343
Supplemental disclosure of cash flow information				
Cash paid during the year for interest	$ 7,123	$ 10,584	$ 3,133	$ 542

See notes to consolidated financial statements.

Broadview Networks Holdings, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2006
(In thousands, except share information)

1. Organization and Description of Business

Broadview Networks Holdings, Inc. (the "Company,"), formerly Bridgecom Holdings, Inc., is an integrated communications company whose primary interests consist of its wholly-owned subsidiaries, Broadview Networks, Inc. ("BNI"), Bridgecom Holdings, Inc. ("BH"), and Corecomm-ATX Inc., competitive local exchange carriers. 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, which provides 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.

Change of Ownership

In November 2003, BH ("Predecessor Company") entered into a merger agreement with MCG Capital Corp. ("MCG"), Telecomm North Corp. (a wholly-owned subsidiary of MCG) and certain stockholders of BH. The transaction closed in March 2004. Under the terms of the agreement, Telecomm North Corp. acquired 100% of BH's shares, buying out all other stockholders. The surviving company continued to carry the name Bridgecom Holdings, Inc. ("Successor Company") until the January 2005 merger with BNI became effective at which time the Company began doing business under the name Broadview Networks Holdings, Inc.

In October 2004, the Company entered into a merger agreement with BNI and subsidiaries, the principal stockholders of BNI and MCG, 100% owners of BH, which closed and became effective in January 2005. As a result of the merger and certain related transactions, MCG became the owner of 60% of the voting power of the Company's capital stock and approximately 40% of the Company's capital stock on a fully diluted basis, excluding options reserved but not issued under the Company's employee stock incentive plan as of January 14, 2005. BH was considered to be the acquirer for accounting purposes.

In June 2006, the Company entered into a merger agreement with ATX Communications, Inc. ("ATX") and its shareholders and Leucadia National Corporation which closed and became effective in September 2006. The Company was considered to be the acquirer for accounting purposes.

2. Significant Accounting Policies

Basis of Presentation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany transactions have been eliminated in consolidation. As a result of the mergers effective September 29, 2006, January 14, 2005 and March 3, 2004, the consolidated financial statements of the Company reflect the acquisitions under the purchase method of accounting in accordance with the Financial Accounting Standards Board ("FASB") Statement of Financial Accounting Standards ("SFAS") No. 141, *Business Combinations* ("SFAS 141"). For periods following the March 3, 2004 acquisition, the consolidated statements of the Company are presented as "Successor." For periods preceding the March 3, 2004 acquisition, the consolidated financial statements are presented as "Predecessor."

Revenue Recognition

The Company's revenue is derived primarily from subscriber usage and fixed monthly recurring fees. Such revenue is recognized in the month the actual services and other charges are provided and costs are incurred, with deferral of revenue and prepayment of those monthly charges that are billed in advance. Services rendered for which the customer has not been billed are recorded as unbilled revenues until the period such billings are provided. Cable and wiring revenues are recognized when the Company provides the services.

Unbilled revenue included in accounts receivable represents revenue for earned services, which was billed in the succeeding month and totaled $5,306 and $3,681 as of December 31, 2006 and 2005, respectively.

Revenue from carrier interconnection and access amounting to $15,028 and $14,843 in the years ended December 31, 2006 and 2005, $4,706 for the ten months ended December 31, 2004 and $990 for the two months ended February 29, 2004, respectively, is recognized in the month in which service is provided.

2. Significant Accounting Policies (continued)

Costs of Revenue

Costs of revenue include direct costs of sales and network costs. Direct costs of sales include the costs incurred with telecommunication carriers to render services to customers. Network costs include the costs of fiber and access, points of presence, repairs and maintenance, rent and utilities of the telephone, internet data network, as well as salaries and related expenses of network personnel. Network costs are recognized during the month in which the service is utilized. The Company accrues for network costs incurred but not billed by the carrier.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. A significant portion of cash balances are maintained with several high credit quality financial institutions, which are members of the FDIC.

Restricted Cash

Restricted cash represents the balance of cash that ATX was required to set aside for the purpose of paying certain claims and administrative expenses.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are reported at their outstanding unpaid principal balances reduced by an allowance for doubtful accounts. The Company estimates doubtful accounts based on historical bad debts, factors related to the specific customers' ability to pay, percentages of aged receivables and current economic trends. Allowances for doubtful accounts are recorded as selling, general and administrative expenses. The Company writes off accounts deemed uncollectible after efforts to collect such accounts are not successful.

(In thousands, except share information)

2. Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful life is three years for computer equipment, five years for furniture and fixtures, and seven years for network equipment. Leasehold improvements are amortized on a straight-line basis over the shorter of their estimated useful lives or the related lease term. Capitalized software costs are amortized on a straight-line basis over the estimated useful life, typically two years. Construction in progress includes amounts incurred in the Company's expansion of its network. The amounts include switching and co-location equipment, switching and co-location facilities design and co-location fees. The Company has not capitalized interest to date since the construction period has been short in duration and the related imputed interest expense incurred during that period was insignificant. When construction of each switch or co-location facility is completed, the balance of the assets is transferred to network equipment and depreciated in accordance with the Company's policy. Maintenance and repairs are expensed as incurred.

Impairment of Long-lived Assets

The Company accounts for the impairment of long-lived assets in accordance with the provisions of SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* ("SFAS 144"). SFAS 144 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company compares the carrying amount of the asset to the estimated undiscounted future cash flows expected to result from the use of the asset. If the carrying amount of the asset exceeds estimated expected undiscounted future cash flows, the Company records an impairment charge for the difference between the carrying amount of the asset and its fair value.

Goodwill and Other Intangible Assets

The Company accounts for goodwill and other intangible assets in accordance with SFAS No. 142, *Goodwill and Other Intangible Assets* ("SFAS 142"), whereby goodwill is not subject to amortization over its estimated useful life. Rather, goodwill is subject to at least an annual assessment for impairment by applying a fair-value-based test.

(In thousands, except share information)

2. Significant Accounting Policies (continued)

Additionally, an acquired intangible asset should be separately recognized if the benefit of the intangible asset is obtained through contractual or other legal rights, or if the intangible asset can be sold, transferred, licensed, rented or exchanged, regardless of the acquirer's intent to do so.

Third Party Conversion Costs

The Company currently capitalizes third party conversion costs incurred to provision customers to its network. These costs include external vendor charges, but exclude costs incurred internally. At January 1, 2006, the Company changed the third party conversion costs amortization period from two to four years. The Company believes that an amortization period of four years more properly reflects the expected life of its current customer base. The effect of changing this estimate in useful life was a reduction in depreciation expense of $2,951 for the year ended December 31, 2006.

Debt Issuance Costs

The costs related to the issuance of long-term debt are deferred and amortized into interest expense over the life of each debt issuance.

Significant Vendor

The Company purchases approximately 79% of its telecommunication services from one vendor. Accounts payable and accrued expenses in the accompanying consolidated balance sheets include $28,244 and $29,053 as of December 31, 2006 and 2005, respectively, due to this vendor.

2. Significant Accounting Policies (continued)

Income Taxes

The Company recognizes deferred income taxes using the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred income taxes are recognized for differences between the financial reporting and tax bases of assets and liabilities at enacted statutory tax rates in effect for the years in which the differences are expected to reverse. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date. In addition, valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized.

Stock-Based Compensation

Effective January 1, 2006, the Company began recording compensation expense associated with stock options and other forms of equity compensation in accordance with SFAS No. 123R, *Share-Based Payment* ("SFAS 123R"), using the prospective method (as permitted under SFAS No. 148, *Accounting for Stock-Based Compensation–Transition and Disclosure)* to all new awards granted, modified or settled after January 1, 2003. SFAS 123R eliminates the ability to account for stock-based compensation transactions using the intrinsic value method under Accounting Principles Board Opinion No. 25 ("APB 25"), *Accounting for Stock Issued to Employees*, and instead generally requires that such transactions be accounted for using a fair value based method.

As permitted under SFAS 123R, the Company uses the Black-Scholes-Merton ("BSM") option-pricing model to determine the fair value of stock-based awards. The BSM model is consistent with the option-pricing model the Company used to value stock-based awards granted prior to January 1, 2006.

Software Development Costs

The Company capitalizes the cost of internal use software in accordance with Statement of Position 98-1, *Accounting for the Cost of Computer Software Developed or Obtained for Internal Use* ("SOP 98-1"). SOP 98-1 provides guidance for the accounting for computer software developed or acquired for internal use, including the requirement to capitalize certain costs and amortization of these costs. Costs for preliminary stage projects are expensed as incurred while application stage projects are capitalized.

2. Significant Accounting Policies (continued)

The latter costs are typically internal payroll costs of employees associated with the development of internal use computer software. The Company commences amortization of the software on a straight-line basis over the estimated useful life, typically two years, when it is ready for intended use.

During the years ended December 31, 2006 and 2005, the Company capitalized approximately $2,184 and $1,759 of software development costs, respectively, which are included in property and equipment. Amortization expense related to these assets was approximately $2,768 and $3,712 for the years ended December 31, 2006 and 2005, respectively. No software development costs were capitalized for the ten months ended December 31, 2004 and the two months ended February 29, 2004.

Advertising

The Company expenses advertising costs in the period incurred and these amounts are included in selling, general and administrative expenses. Advertising expenses approximated $536 and $584 for the years ended December 31, 2006 and 2005, $54 for the ten months ended December 31, 2004 and $3 for the two months ended February 29, 2004, respectively.

Disputes

The Company accounts for disputed billings from carriers based on the estimated settlement amount of disputed balances. The estimate is based on a number of factors including historical results of prior dispute settlements with the carriers and is periodically reviewed by management to reassess the likelihood of success. Actual settlements may differ from estimated amounts (see Note 15).

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and

2. Significant Accounting Policies (continued)

liabilities at the date of the 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.

Comprehensive Income

Comprehensive income represents the change in net assets of a business enterprise during a period from non-owner sources. For the years ended December 31, 2006 and 2005, the ten months ended December 31, 2004 and the two months ended February 29, 2004, the Company's net loss was the only item of other comprehensive income.

Accounting for Derivatives and Hedging Activities

The Company had interest rate swap derivatives for a period in 2005 and 2006. These derivatives were not designated as a hedge for accounting purposes. As a result, the change in the fair value of the derivatives totaling $762 for the year ended December 31, 2005 was recorded in expense. There was no liability on the consolidated balance sheet at December 31, 2005 and the derivates expired during the year ended December 31, 2006 with no effect on the consolidated statement of operations. The Company has no outstanding derivative transactions at December 31, 2006.

3. Recent Accounting Pronouncements

Uncertainty in Income Taxes

In July 2006, the FASB issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* ("FIN 48"). FIN 48 requires the use of a two-step approach for recognizing and measuring tax benefits taken or expected to be taken in a tax return and disclosures regarding uncertainties in income tax positions. The Company is required to adopt FIN 48 effective January 1, 2007. The cumulative effect of initially adopting FIN 48 will be recorded as an adjustment to opening retained earnings in the year of adoption and will be presented separately. Only tax positions that meet the more likely than not recognition threshold at the effective date may be recognized upon adoption of FIN 48. The Company is currently evaluating the impact of FIN 48 and does not expect the adoption as of January 1, 2007 to have a material impact on its consolidated financial position or results of operations.

(In thousands, except share information)

3. Recent Accounting Pronouncements (continued)

Fair Value Measurements

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, *Fair Value Measurement* ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value in accounting principles generally accepted in the United States and establishes a hierarchy that categorizes and prioritizes the sources to be used to estimate fair value and expands disclosure about fair value measurements. The Company is required to adopt SFAS 157 effective January 1, 2008 on a prospective basis. The Company is currently evaluating the impact this new standard will have on its consolidated financial position and results of operations.

4. Acquisitions and Merger Agreements

2006 Acquisition

On June 26, 2006, the Company entered into a stock purchase agreement with ATX and its shareholders in a transaction that closed on September 29, 2006 (the "2006 Merger"). Accordingly, the results of ATX are included in these consolidated financial statements beginning September 30, 2006. ATX is a facilities-based competitive communications provider operating in the mid-Atlantic Region states including Pennsylvania, New Jersey, Delaware, Maryland and the District of Columbia.

The Company purchased all of the outstanding capital stock of ATX for net aggregate cash consideration of approximately $88,787. The total purchase consideration has been allocated to the assets acquired and liabilities assumed based on their respective fair value as of September 30, 2006. The liabilities included in the acquisition cost allocation for exit activities included severance costs for terminated ATX executives and employees affected by the merger. These liabilities were accounted for in accordance with Emerging Issues Task Force ("EITF") 95-3, *Recognition of Liabilities in Connection with a Purchase Business Combination* ("EITF 95-3"). The balance of such liabilities was approximately $1,810 as of December 31, 2006 and is expected to be paid in 2007.

(In thousands, except share information)

4. Acquisitions and Merger Agreements (continued)

The purchase price of the transaction as determined with the assistance of a third party appraisal was allocated as follows:

Assets acquired:	
Cash and cash equivalents	$ 10,646
Restricted cash	1,508
Accounts receivable	19,441
Other current assets	3,817
Property and equipment	17,607
Goodwill	38,033
Customer-based intangibles	21,412
Other intangibles	7,909
Other non-current assets	1,811
Total assets acquired	122,184
Liabilities assumed:	
Current liabilities	20,732
Other liabilities	511
Total liabilities assumed	21,243
Net assets acquired	$ 100,941

The following unaudited pro forma financial information was prepared in accordance with SFAS 141 and assumes the acquisition had occurred at the beginning of the periods presented. The unaudited pro forma information is provided for informational purposes only. These pro forma results are based upon the respective historical financial statements of the respective companies, and do not incorporate, nor do they assume, any benefits from cost savings or synergies of operations of the combined company. The pro forma results of operations do not necessarily reflect the results that would have occurred had the acquisition occurred at the beginning of the periods presented or the results that may occur in the future.

(In thousands, except share information)

4. Acquisitions and Merger Agreements (continued)

The pro forma combined results are as follows:

	Year ended December 31, 2006	Year ended December 31, 2005
Revenues	**$ 391,640**	$ 402,403
Net loss	**(48,347)**	(44,446)

Included in the consolidated statements of operations for the year ended December 31, 2006 are merger integration costs of approximately $862 of severance costs and consulting fees for Broadview employees.

2005 Merger

In October 2004, BH entered into a merger agreement with BNI that became effective January 14, 2005 (the "2005 Merger") and, accordingly, the results of BNI are included in these consolidated financial statements beginning January 14, 2005. The 2005 merger was effectuated by way of a stock for stock exchange whereby holders of the capital stock of BH and BNI each exchanged their capital stock for certain newly issued common and preferred shares of the Company. BH was considered the acquirer for accounting purposes. The total purchase consideration has been allocated to the assets acquired and liabilities assumed based on their respective fair value as of January 1, 2005. There is no resulting goodwill that is expected to be deductible for tax purposes. The liabilities included in the acquisition cost allocation for exit activities included severance costs for terminated BNI executives and employees affected by the merger and certain lease termination costs related to leases terminated due to the merger. These liabilities were accounted for in accordance with EITF 95-3. The balance of such liabilities was $802 and $1,795 as of December 31, 2006 and 2005, respectively, and primarily consists of lease termination costs to be paid through 2010.

(In thousands, except share information)

4. Acquisitions and Merger Agreements (continued)

The purchase price of the transaction as determined with the assistance of a third party appraisal was allocated as follows:

Assets acquired:	
Cash and cash equivalents	$ 7,991
Accounts receivable	14,915
Other current assets	3,335
Property and equipment	29,225
Customer-based intangibles	84,000
Goodwill	19,842
Other	985
Total assets acquired	160,293
Liabilities assumed:	
Current liabilities	56,893
Long-term debt	87,870
Other long term liabilities	3,745
Total liabilities assumed	148,508
Net assets acquired	$ 11,785

The following unaudited pro forma financial information was prepared in accordance with SFAS 141 and assumes the acquisition had occurred at the beginning of the periods presented. The unaudited pro forma information is provided for informational purposes only. These pro forma results are based upon the respective historical financial statements of the respective companies, and do not incorporate, nor do they assume, any benefits from cost savings or synergies of operations of the combined company. The pro forma results of operations do not necessarily reflect the results that would have occurred had the acquisition occurred at the beginning of the periods presented or the results that may occur in the future.

(In thousands, except share information)

4. Acquisitions and Merger Agreements (continued)

The pro forma combined results are as follows:

	Year ended December 31, 2005	Ten months ended December 31, 2004	Two months ended February 29, 2004
Revenues	$ 245,771	$ 202,967	$ 40,425
Net loss	(45,588)	(42,717)	(3,401)

Included in the consolidated statements of operations for the year ended December 31, 2005 are merger integration costs of approximately $2,601 of network shutdown costs incurred to shut down components of the Bridgecom network and to migrate customers to BNI's network and approximately $1,265 of severance costs and consulting fees related to Bridgecom employees.

2004 Merger

In November 2003, BH entered into a merger agreement with MCG, Telecomm North Corp. (a wholly-owned subsidiary of MCG) and certain stockholders of BH in a transaction that closed in March 2004 (the "2004 Merger"). Under the terms of the agreement, Telecomm North Corp. acquired 100% of BH's shares. The total purchase consideration has been allocated to the assets acquired and liabilities assumed based on their respective fair values as of February 29, 2004. Such allocation resulted in intangible assets of $39,697, including goodwill of $8,379. The current assets as of February 29, 2004 approximated $21,567, the current liabilities $13,518 and the fixed assets $6,280.

Historically, MCG was the Predecessor Company's primary lender and continued to be so after the merger. MCG charged the Company advisory fees and certain closing costs in conjunction with this transaction and certain management fees subsequent to it. Amounts expensed related to these and other ongoing services and transactions with MCG amounted to approximately $325 for the ten months ended December 31, 2004 and $10 for the two months ended February 29, 2004, respectively, and are included in merger integration costs in the consolidated statements of operations. Also included in merger integration costs for the ten months ended December 31, 2004 are $2,509 of employee related bonus payments incurred in connection with the merger paid to certain key employees of the Company.

Broadview Networks Holdings, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(In thousands, except share information)

5. Other Assets

Other current assets consist of the following at December 31:

	2006	2005
Deferred carrier charges	$ 3,021	$ 1,355
Prepaid expenses	2,729	1,068
Other	2,558	739
Total other current assets	$ 8,308	$ 3,162

Other non-current assets consist of the following at December 31:

	2006	2005
Deferred financing costs	$ 9,648	$ 2,119
Lease security and carrier deposits	2,017	2,075
Other	1,752	12
Total other non-current assets	$ 13,417	$ 4,206

Amortization of deferred financing costs amounted to approximately $1,173 and $1,030 for the years ended December 31, 2006 and 2005, $809 for the ten months ended December 31, 2004 and $162 for the two months ended February 29, 2004, respectively.

6. Property and Equipment

Property and equipment, at cost, consists of the following at December 31:

	2006	2005
Network equipment	$ 65,018	$ 33,116
Computer and office equipment	16,794	14,297
Capitalized software costs	8,639	6,456
Furniture and fixtures and other	8,084	5,589
Leasehold improvements	4,661	2,577
	103,196	62,035
Less accumulated depreciation and amortization	(41,801)	(22,488)
	$ 61,395	$ 39,547

6. Property and Equipment (continued)

Property and equipment includes amounts acquired under capital leases of approximately $9,655 and $2,684, respectively, net of accumulated depreciation and amortization of approximately $1,429 and $1,808, respectively, at December 31, 2006 and 2005.

7. Identifiable Intangible Assets and Goodwill

The Company accounts for intangible assets under SFAS 142. The Company's intangible assets, consisting primarily of its customer base and trademark, were valued as follows:

Customer Relationships: The Company's customer base is composed of subscribers to the Company's various telecommunications services. The multi-period excess earnings method, a variant of the income approach, was utilized to value the customer base intangibles.

The customer relationship intangible is amortized over the average expected life of the customer relationship of four years based on the Company's historical disconnect statistics. The unamortized balances are evaluated for potential impairment based on future estimated cash flows when an impairment indicator is present.

Trademark: The Company's trademark was valued using a variant of the income approach, referred to as the relief from royalty method.

The Company has assumed the trademark intangible will generate cash flows for the Company for an indefinite period of time. Accordingly, no amortization expense has been recorded for this intangible. This intangible will be evaluated periodically to determine whether events and circumstances continue to support an indefinite useful life and will be tested at least annually for impairment

Amortization of intangible assets for the years ended December 31, 2006 and 2005, the ten months ended December 31, 2004 and the two months ended February 29, 2004 amounted to $30,479, $28,077, $6,595 and $0, respectively.

(In thousands, except share information)

7. Identifiable Intangible Assets and Goodwill (continued)

Future projected amortization expense is as follows:

Year ending December 31:	
2007	$ 34,949
2008	27,657
2009	6,227
2010	4,015
	$ 72,848

The components of intangible assets at December 31 are as follows:

	2006	2005
Customer base	$ 137,067	$ 115,658
Trademarks	7,000	–
Other	909	–
Less accumulated amortization	(65,128)	(34,672)
Net intangible assets	$ 79,848	$ 80,986

Changes in the carrying amount of goodwill are as follows:

Balance at December 31, 2004	$ 8,379
Effects of 2005 merger	19,585
Balance at December 31, 2005	27,964
Effects of 2006 acquisition	41,668
Balance at December 31, 2006	$ 69,632

(In thousands, except share information)

8. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following at December 31:

	2006	2005
Recurring network costs and other operating accruals	**$ 14,211**	$ 4,630
Unbilled carrier and disputed charges	**15,186**	8,659
Accrued interest	**8,615**	26
Merger transaction fees	**2,999**	2,761
Payroll related liabilities	**6,320**	3,813
Other	**175**	126
Total accrued expenses and other current liabilities	**$ 47,506**	$ 20,015

Recurring network costs and other operating accruals are primarily costs of revenue amounts that have been incurred in a current service period but for which the Company has not yet been billed. Unbilled carrier and disputed charges are amounts that the Company has accrued for either estimated settlements of disputed charges or anticipated charges that have not been billed for various reasons.

Accrued interest for the year ended December 31, 2006 represents amounts due on the Company's Senior Secured $210,000 Notes (see Note 10). Payroll related liabilities include amounts accrued in the normal course of business at month-end for payroll incurred but not yet paid plus any payroll actions accrued at management's discretion.

9. Obligations Under Capital and Operating Leases

Capital Leases

In March 2006, the Company entered into a capital lease facility, as amended in October 2006, with a third party that allows the Company to finance the acquisition of up to $12,500, or as otherwise limited by our indenture (see Note 10), of network related equipment through December 31, 2007. The Company is obligated to repay the borrowings in thirteen quarterly installments. At the end of the final installment period, the Company has the option of renewing, returning or purchasing the equipment at a mutually agreed fair value which is not to exceed 18% of original equipment cost. The company had borrowings of $6,226 outstanding on this facility at December 31, 2006.

(In thousands, except share information)

9. Obligations Under Capital and Operating Leases (continued)

The future minimum lease payments under all capital leases at December 31, 2006 are as follows:

Year ending December 31:	
2007	$ 4,099
2008	2,795
2009	2,542
2010	841
	10,277
Less amounts representing interest	(2,508)
	7,769
Less current portion	(3,084)
Capital lease obligations, net of current portion	$ 4,685

Amortization of capital leases is included in depreciation and amortization expense in the consolidated statements of operations.

Operating Leases

The Company rents office space and equipment under various operating leases. The future minimum lease payments under operating leases at December 31, 2006 are as follows:

Year ending December 31:	
2007	$ 10,096
2008	8,781
2009	8,320
2010	7,851
2011	4,355
Thereafter	8,158
Total minimum lease payments	$ 47,561

(In thousands, except share information)

9. Obligations Under Capital and Operating Leases (continued)

Future minimum lease payments are net of sublease rentals as follows:

Year ending December 31:	
2007	$ 671
2008	679
2009	688
2010	602
2011	27
Total sublease rentals	$ 2,667

Total rent expenses under these operating leases, including escalation charges for real estate taxes and other expenses, amounted to approximately $7,703 and $7,094 for the years ended December 31, 2006 and 2005, $1,588 for the ten months ended December 31, 2004 and $366 for the two months ended February 29, 2004, net of approximately $284, $438, $4 and $8 of sublease rental income, respectively. Rent expense is charged to operations ratably over the terms of the leases, which results in deferred rent payable.

10. Debt

Senior Secured $210,000 Notes

On August 23, 2006, the Company issued $210,000 principal amount of 11 3/8% Senior Secured Notes due 2012 (the "Senior Secured Notes"). The net proceeds from the Senior Secured Notes were used to fund the ATX acquisition, repay indebtedness under the Company's senior secured credit facility and senior unsecured subordinated notes due 2009, and for general corporate purposes. The Company is required to pay cash interest on the principal amount of the notes at a rate of 11 3/8% per annum, which is due semi-annually on March 1 and September 1 of each year, commencing on March 1, 2007. The Senior Secured Notes mature on September 1, 2012. The 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.

10. Debt (continued)

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 five-year senior revolving credit facility with an aggregate principal amount of $25,000 (the "Revolving Credit Facility") and certain other permitted indebtedness.

On or after September 1, 2009, the Company may redeem some or all of the notes at the following redemption prices, expressed as percentages of the aggregate principal amount thereof, plus accrued and unpaid interest to the date of redemption. Prior to September 1, 2009, (i) the Company may redeem up to 35% of the aggregate principal amount of the notes with the net proceeds of certain equity offerings at 111.375% of the aggregate principal amount thereof, plus accrued and unpaid interest to the date of redemption provided that, following the redemption, at least 65% of the aggregate principal amount of the notes originally issued under the indenture remains outstanding and (ii) the Company may redeem the notes, in whole or in part, at a make-whole redemption price set forth herein, plus accrued and unpaid interest to the date of redemption. In addition, the Company may, at its option upon a change of control, redeem all, but not less than all, of the notes at any time prior to September 1, 2009, at 111.375% of their principal amount, plus accrued and unpaid interest to the redemption date.

If the Company experiences a change of control, the holders of the notes will have the right to require the Company to purchase their notes at 101% of the aggregate principal amount thereof, plus accrued and unpaid interest to the date of repurchase.

The Indenture contains covenants limiting the Company's ability to, among other things: incur or guarantee additional indebtedness or issue certain preferred stock; pay dividends; redeem or purchase equity interests; redeem or purchase subordinated debt; make certain acquisitions or investments; create liens; enter into transactions with affiliates; merge or consolidate; make certain restricted payments; and transfer or sell assets, including equity interests of existing and future restricted subsidiaries. The Company was in compliance with all covenants at December 31, 2006.

10. Debt (continued)

Revolving $25,000 Senior Credit Facility

On August 23, 2006, the Company entered into a five year, Revolving $25,000 Senior Credit Facility ("Revolving Credit Facility"). Any outstanding amounts under this facility are subject to a borrowing base limitation based on an advance rate of 85% of the amount of eligible receivables, as defined. The loans bear interest on a base rate method or LIBOR method, in each case plus an applicable margin percentage, at the option of the Company. Interest on the LIBOR loans is paid on a monthly or quarterly basis, and interest on the base rate loans is paid on a quarterly basis. The Company did not have any borrowings outstanding on the Revolving Credit Facility at December 31, 2006.

The Revolving Credit Facility also has a sublimit of $9,000 for the issuance of letters of credit. On the consummation of the ATX acquisition in August 2006, $7,802 of letters of credit were issued in lieu of vendor security deposits. Such amount was outstanding at December 31, 2006.

Indebtedness under the Revolving Credit Facility is guaranteed by all of the Company's direct and indirect subsidiaries that are not borrowers thereunder and is secured by a security interest in all of the Company's and its subsidiaries' tangible and intangible assets.

The Revolving Credit Facility contains negative covenants and restrictions on the Company's assets and the Company's subsidiaries' actions, including, without limitation, incurrence of additional indebtedness, restrictions on dividends and other restricted payments, prepayments of debt, liens, sale-leaseback transactions, loans and investments, hedging arrangements, mergers, transactions with affiliates, changes in business and restrictions on the Company's ability to amend the indenture and terms of the Company's subordinated debt.

The fair value of the Senior Secured Notes and the Revolving Credit Facility approximates their carrying value. Certain of the Company's assets have been pledged to the above creditors pursuant to the debt agreements. Each of the Company's subsidiaries has guaranteed the outstanding debt. The parent company of these subsidiaries has no independent assets or operations and the guarantees are full and unconditional and joint and several.

10. Debt (continued)

Senior Credit Facility

Upon the closing of the 2005 Merger effective January 14, 2005, the Company amended and restated its Loan and Security Agreement, dated as of October 10, 2000, among the Company, its subsidiaries, NTFC Capital Corporation as Administrative Agent, Wachovia Bank, National Association as Syndication Agent and Communication Ventures Corporation (the "Senior Credit Facility").

The Company was required to pay interest in arrears, with varying interest rates on amounts of indebtedness, on each applicable interest payment date. The Senior Credit Facility contained financial and non-financial covenants.

On August 23, 2006, upon the completion of the Company's offering of the Senior Secured Notes, the Company repaid in full the then outstanding balance of $79,000 on the Senior Credit Facility.

Senior Subordinated Debt

In connection with the 2005 Merger, the Company entered into a note purchase agreement with MCG and the other existing equity holders whereby the Company issued senior unsecured subordinated notes ("Subordinated Debt") due 2009. In June 2005, the Company issued additional subordinated notes to those equity holders on terms identical to the existing senior subordinated debt. In general, the terms of the senior subordinated debt include an interest rate of 12% until December 31, 2008 at which point it increases to 15% until the stated maturity date of December 31, 2009.

In July 2006, the Company amended the note purchase agreement and issued an additional aggregate principal amount of $10,000 of senior unsecured subordinated notes due 2009 to three existing equity holders. These notes were issued on substantially the same terms as the senior unsecured subordinated notes due December 31, 2009.

10. Debt (continued)

In August 2006, in connection with the issuance of the Senior Secured Notes, the Company extinguished all outstanding Subordinated Debt, plus accrued interest. The Company converted $73,764 into common stock and series A-1 and B-1 preferred stock, and repaid the remaining balance of $972. The Company paid a conversion fee to all debt holders who converted to equity. This fee amounted to $1,531 and was recorded in interest expense.

Interest expense on all borrowings amounted to approximately $19,625 and $15,461 for the years ended December 31, 2006 and 2005, $2,385 for the ten months ended December 31, 2004 and $433 for the two months ended February 29, 2004, respectively.

11. Shareholders' Equity (Deficiency)

Equity

In July 2006, in anticipation of the acquisition of ATX and the refinancing of the existing senior unsecured subordinated notes, the Company authorized two new series of preferred stock, Series A-1 Preferred Stock, and Series B-1 Preferred Stock. At the refinancing, holders of the senior unsecured subordinated notes were offered the option to convert their existing notes into shares of either Series A-1 Preferred Stock and Class A Common Stock or Series B-1 Preferred Stock and Class A Common Stock at a conversion price per preferred share of $516.35. Each converting note holder would also receive a number of shares of Class A Common Stock equal to twenty-five times the number of shares of preferred stock purchased. The two new series of preferred stock are pari passu with the existing Series A and Series B of preferred stock.

As of December 31, 2006, there were 100,702 shares of Series A-1 Preferred Stock outstanding. Each Share of Series A-1 Preferred Stock carries a liquidation preference identical to the Series A Preferred Stock of $1,000.00 per share that increases at an annual rate of 12%, compounded quarterly. In order to realize a liquidation preference, the holder must simultaneously surrender 25 shares of common stock for each share of preferred stock liquidated. Each share of Series A-1 Preferred Stock is convertible at the option of the holder into that number of common shares equal to the liquidation preference at the date of conversion divided by fifty dollars.

(In thousands, except share information)

11. Shareholders' Equity (Deficiency) (continued)

As of December 31, 2006, there were 42,231 shares of Series B-1 Preferred Stock outstanding. Each Share of Series B-1 Preferred Stock carries a liquidation preference identical to the Series B Preferred Stock of $1,000.00 per share that increases at an annual rate of 12%, compounded quarterly. In order to realize a liquidation preference, the holder must simultaneously surrender 25 shares of common stock for each share of preferred stock liquidated. Each share of Series B-1 Preferred Stock is convertible at the option of the holder into that number of common shares equal to the liquidation preference at the date of conversion divided by fifty dollars.

As of December 31, 2006, there were 89,521 shares of Series A Preferred Stock outstanding. Each share of Series A Preferred Stock carries an initial liquidation preference of $1,000 per share that increases at an annual rate of 12%, compounded quarterly. To realize a liquidation preference, the holder must simultaneously surrender 25 shares of common stock for each share of preferred stock liquidated. Each share of Series A Preferred Stock is convertible at the option of the holder into that number of common shares equal to the liquidation preference at the date of conversion divided by fifty dollars.

As of December 31, 2006, there were 92,832 shares of Series B Preferred Stock outstanding. Each share of Series B Preferred Stock carries an initial liquidation preference of $1,000 per share that increases at an annual rate of 12%, compounded quarterly. To realize a liquidation preference, the holder must simultaneously surrender 25 shares of common stock for each share of preferred stock liquidated. Each share of Series B Preferred Stock is convertible at the option of the holder into that number of common shares equal to the liquidation preference at the date of conversion divided by fifty dollars.

As of December 31, 2006, there were 8,871,427 shares of common stock outstanding. During 2006, 1,307,770 shares of common stock held by the Company's previous senior lenders were repurchased for nominal consideration, which approximated fair value, after the repayment of the Company's senior credit facility.

(In thousands, except share information)

11. Shareholders' Equity (Deficiency) (continued)

As a result of the 2005 Merger effective January 14, 2005 and related transactions, MCG, the indirect controlling stockholder of BH, effectively became the owner of stock representing (1) 60% of the voting power of the Company's capital stock and (2) approximately 40% of the Company's capital stock on a fully diluted basis, excluding options reserved but not issued under the Company's employee stock incentive plan as of January 14, 2005. Pursuant to the 2005 Merger, MCG exchanged its 100% interest in BH's corporate parent for Series A preferred stock and Class A common stock of the Company.

Immediately prior to the 2005 Merger, all existing series of capital stock of BNI were reclassified into Series B Preferred Stock and Class A common stock.

During 2005, the Company repurchased 61 shares of Series B preferred stock and 1,522 shares of Class A common stock from certain shareholders for a nominal amount.

Effective with the 2004 Merger, 336 shares of Telecomm North Corp. common stock were converted into 336 shares of BH common stock with a par value of $0.01. Additionally, 36,000 shares of Telecomm North Corp. preferred stock were converted into 36,000 shares of BH preferred stock with a par value of $0.01.

Stock options to acquire 206 shares of Series B Preferred Stock and 5,232 shares of Common Stock are outstanding under the Company's 1997 and 2000 Stock Option Plans.

A warrant to acquire 46 shares of Series B Preferred Stock and 1,151 shares of Common Stock is outstanding as of December 31, 2006.

(In thousands, except share information)

12. Stock Based Compensation

Restricted Stock Awards

In conjunction with the 2005 Merger, the Company issued restricted stock awards that vest over three years at a percentage rate of 40/30/30. The awards consist of 1,900 shares of Series A preferred stock and 47,500 shares of Class A common stock. In 2006, an additional grant with the same vesting terms was provided to one of the Company's executives of 368 shares of Series A preferred stock, 383 shares of Series B preferred stock and 18,750 shares of Class A common stock. Under FASB Interpretation No. 44, *Accounting for Certain Transactions Involving Stock Compensation,* if a company cancels or settles a fixed stock option and replaces that award with stock, a new measurement date would be required and additional compensation expense is recognized over the remaining vesting period. All of the awards were valued at fair market value using public company comparables, recent comparable transactions and discounted cash flow valuation methodologies. Total compensation expense associated with these awards for the years ended December 31, 2006 and December 31, 2005 was $754 and $673, respectively. At December 31, 2006, the total compensation cost related to nonvested awards not yet recognized is $705, of which $652 will be recognized in the year ended December 31, 2007 and $53 will be recognized in the year ended December 31, 2008. If prior to the time the restricted stock has vested, a participants' employment or services, as applicable, terminates for any reason all vesting with respect to restricted stock shall cease and unvested shares of restricted stock shall be forfeited to the Company for no consideration as of the date of such termination provided, however, in the event such participant's employment is terminated by the employer without cause or by the participant for good reason, as defined, all shares of restricted stock not previously vested shall immediately vest.

Stock Options

On March 3, 2004, BH adopted a stock option plan that allows the Board of Directors to grant incentives to employees and directors in the form of incentive stock options and nonqualified stock options. As of December 31, 2004, BH had reserved 105,320 shares of common stock to be issued under the Plan.

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

STATE OF NEW YORK)
) **ss:**
COUNTY OF WESTCHESTER)

CERTIFICATION

I, Corey Rinker, Chief Financial Officer of Broadview Networks, Inc. ("Broadview"), am authorized to make this certification on behalf of Broadview. The statements concerning Broadview, made in the foregoing Financial Statements of Broadview, are true, complete, and accurate to the best of my knowledge and are made in good faith.

Broadview Networks, Inc.

By: ______________________
Corey Rinker,
Chief Financial Officer

Subscribed and sworn to before me, in and for the State and County named above this 6th day of NOVEMBER, 2007.

____
Notary Public

My Commission Expires: 9/20/2008

WILSON ROCAFUERTE JR.
NOTARY PUBLIC-STATE OF NEW YORK
No. 01R06116202
Qualified In Westchester County
Commission Expires September 20, 2008

EXHIBIT E

APPLICANT'S PROPOSED TARIFF

VERIFICATION

STATE OF NEW YORK)

) ss

COUNTY OF WESTCHESTER)

I, Charles C. Hunter, being duly sworn, depose and state that I am the Executive Vice President, Secretary and General Counsel of Broadview Networks, Inc., and that the contents set forth in this Application for Certificate of Authority to provide Competitive Telecommunications Services in the State of Missouri has been prepared under my direction, from the original books, papers and records of said company, that I have examined same, and declare same to be true, accurate and correct to the best of my knowledge and belief.

Charles C. Hunter
Executive Vice President, Secretary and
General Counsel
Broadview Networks, Inc.

Subscribed and sworn to before me, this 6 day of Nov, 2007.

My commission expires: 9/21, 2009

Notary Public
(seal)

COREY RINKER
NOTARY PUBLIC, STATE OF NEW YORK
No. 02RI6013491
QUALIFIED IN WESTCHESTER COUNTY
MY COMMISSION EXPIRES 9/21/2009