MegaPath

Company Overview

August 2011

1-877-MEGAPATH

MegaPath™

Agenda

- MegaPath Overview
- Our Unique Advantages
- MegaPath Customer Base
- Next Generation IP/MPLS Network
- Our Products
- Site-to-Site MPLS VPN
- Cloud and Premise Security
- Industry Leading SLAs
- Installation and Support
- Channel Neutrality
- Premier Support
- Promotions & SPIFFs
- Summary

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Company Overview

MegaPath Solution
- MegaPath is the leading provider of managed IP communications services in North America.

Snapshot
- Headquarters: San Jose, CA
- Sales and operational coverage throughout North America
- MegaPath is a CLEC in 48 states

Product Portfolio
- Connectivity Services
- Managed Security Services
- Mobility Services
- Voice Services

Customers
- Supporting over 75,000 customers & 400,000 end-points
- Includes retail, restaurant, hospitality, healthcare, manufacturing, technology and financial services and insurance

Mission Statement
- To be a world class provider of IP communications and managed services to businesses and partners nationwide

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Why MegaPath

- **A financially conservative, stable company**
  - Backed by leading investors :
  - Platinum Equity, Volition Capital, Best Buy, Columbia Capital, RHO, Boston Millennia
  - Serving business customers for over 16 years
  - Flexible and easy to do business with

- **Steady growth and superior customer support**
  - Repeat member of the Inc 500/5000 and Deloitte Fast 500 list of America's fastest growing companies
  - Industry-leading customer support available 24x7x365

- **Largest business class broadband reach of any network in North America (4400+ CO's)**
  - DSL, Cable, Wireless, Satellite, T1, Ethernet, DS3, and OCn

- **End to end nationwide owned and operated fiber-optic MPLS core network**
  - Delivering customer MPLS VPNs for over 10 years
  - Fully PCI Compliant

- **Industry leading products**
  - Recipient of multiple and repeat Product of the Year Awards

- **Certifications**
  - A+, ACP, JNCIS-SSL, CCDA, CCNA, CCIE, CCENT, MCP, MSCE, CPA, IBM XML, PMP
  - Cisco Master Managed Services Provider

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Our Unique Advantages

- As one business, the new MegaPath is better positioned to meet the needs of their customers
  - Diversified Product Set
    - Network Options (VPN, MPLS, IPSec)
    - Access Flexibility (xDSL, Cable, Satellite, Wireless, Frac T-1, T1, DS3, Ethernet)
    - Voice/Integrated Voice (SIP, PRI, Hosted Solutions)
    - Robust Security Suite (Firewall, Anti-Virus)
  - Flexible Solutions and Easy to Do Business With
    - Custom Designed Solutions
    - Extensive Access Options and Flexible Designs
    - CPE Options/Managed/Unmanaged Options
    - Customer Portal with Real Time Visibility
  - Superior Customer Service
    - Life-Cycle Management
    - Dedicated Project Manager, Sales Engineer and Strategic Account Manager
    - Enterprise Service and Support Group (Stateside)
    - 24x7x365 Network Operating Center

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Diversified Customer Base

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Financial Services/ Insurance — M&T Bank (Understanding what's important), sydion FINANCIAL, AMERICAN EXPRESS, unum, WJB W.J. BRADLEY, BB&T, WELLS FARGO, EAST WEST BANK, ZURICH, Check'n Go, checkintocash

Manufacturing — Hormel Foods, Sara Lee, KRAFT, GRAFTech, United Technologies, pepsi, PACE, Dreyer's, KOHLER, DU PONT, GM, FASTENAL COMPANY

Healthcare — DENTAL CARE ALLIANCE, HERITAGE, OFFICE ALLY, HUMANA, Cleveland Clinic Health System, CERNER, ReCept, gentle dental, OCS

Retail/ QSR — RadioShack, BURGER KING, BevMo! BEVERAGES & MORE, ZALES, SUBWAY, FAMILY DOLLAR, SWAROVSKI, GameStop, Abercrombie & Fitch, Strategic, U-HAUL, National, Tires LES SCHWAB, PAPA JOHNS Better Ingredients Better Pizza, Pier1 it's your thing, WENDY'S ARBY'S GROUP, Shell

Publishing / Consulting — the ONION America's Finest News Source, the Stranger, NATIONAL GEOGRAPHIC, Deloitte., IBM, SEATTLE, PRICEWATERHOUSECOOPERS, ERNST & YOUNG

Technology — craigslist, NAVTEQ, flowplay, ANALOG DEVICES, VARIAN, basell Polyolefins, SHARP be sharp, facebook, KANA

AmeriGas America's Propane Company, UPS, vf VF Corporation, Hancock Fabrics DISCOVER THE DESIGNER IN YOU, FlowersFoods, FedEx, FAMILY DOLLAR

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MegaPath ™

Next Generation IP/MPLS Network

- **MPLS Enabled Tier 1 Optical Network**

- **100% Nationwide Coverage**

- **4,400+ Central Offices Reaching over 11 Million Businesses**

- **Facilities Presence in 45 States and 240 Major Metro Market**

- **Access Technology Agnostic via 40+ Access Partners**

  DSL • Cable • Wireless T1 • DS3 • Satellite Ethernet • Optical

- **Access up to OC192**

- **Industry Leading SLAs**

LEGEND

☀ Gigabit Ethernet Access Hub	— Optical Network		
⬤ Local Access Market	★ Security Policy Gateway		
🔴 IP POP	Satellite Earth Station		

CISCO PARTNER
Master Managed Services

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Products

MegaPath Products

VOIP	Hosted Voice Integrated Voice	•A full range of affordable voice and broadband options saving 50% over traditional phone service •Hosted solution for companies that do not want to manage a phone system. •Integrated solution for premise-based systems with analog lines, PRI and SIP Trunks
ACCESS	Business Ethernet T1 and Bonded T1 Business DSL Services	•Secure, affordable broadband options for your business, up to 20 Mbps •SLA Guarantees: 99.99% •Premium T1: Proactive monitoring plus your choice of managed security options such as firewall, intrusion protection, anti-virus and spam tracker
PRIVATE NETWORK & SECURITY	MPLS/IP Sec VPN Managed SSL VPN Managed Security	•Combines the best VPN and security technologies with unmatched design, deployment, monitoring, management, reporting and support capabilities.

Site-to-Site MPLS VPN

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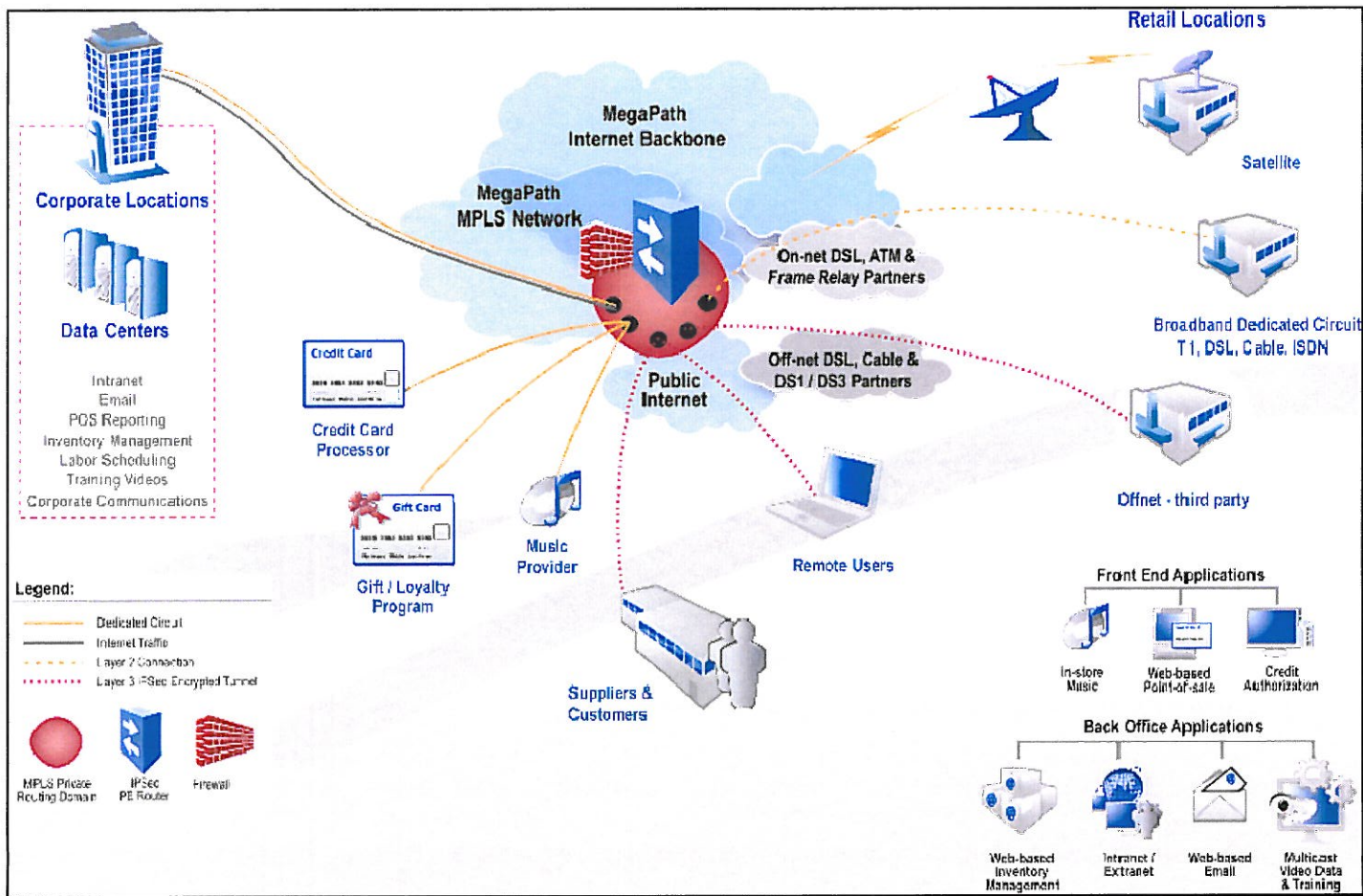
Cloud and Premise Security Services

A Unified Threat Management Solution (UTM)

- Security Operations Centers

- Compliance & reporting

- Threat Response Team expertise to protect information

- 24x7x365 proactive support

Managed Security Services

- A network-based solution that helps safeguard their information assets

- Provides security professionals and businesses meet today's and tomorrow's security challenges

- Managed Security Services includes:

  * Attack Mitigation
  * Anti-Malware
  * Web Filtering
  * VPN (Site-to-Site, Remote Access)

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Premise Security Bundles

Premise Based SaaS Offerings

Managed PCI
- Advanced Firewall w/ IPS
- Anti-Virus / Anti-Spam
- Rogue Wireless Detection
- PCI Compliant Log Mgt
- URL Filtering & Application Control
- Data Leak Prevention
- File Integrity Management
- Security Portal w/ Hosted SIM
- 24x7 NOC/SOCs (3)

Managed PCI LS (includes Managed PCI)
- PCI Compliant Site Logging (up to 5 devices)
- Quarterly PCI Vulnerability Scanning (one external IP)

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PCI Compliance (Recertified every year)

- **Compliance Officer on PCI Security Standards Council**
  - Works closely with other Council members on the evolving PCI data security standard
  - Bring early awareness of security issues & potential standards changes to our customers
  - Act as a resource for customers responding to evolving standards and new security processes

- **Physical Security** – Telco-grade facilities w/ building access cards
- **Personnel Security** –Background checks, management policies
- **Systems Security** – User-specific passwords, redundant architecture
- **Network Security** – MPLS, IPSec, SSL
  - All customer's information is logically separated
  - CE has no knowledge of MPLS VRF definition
  - IPSec for Layer 3 off-net sites
  - SSL for remote users (two-factor authentication)
  - Route Spoofing protected on PE Router
  - Packet Spoofing protected on PE Router
- **Application Security** – Network or Personal Firewall/IPS
  - Strong Authentication, Anti-Virus / Anti-Spam
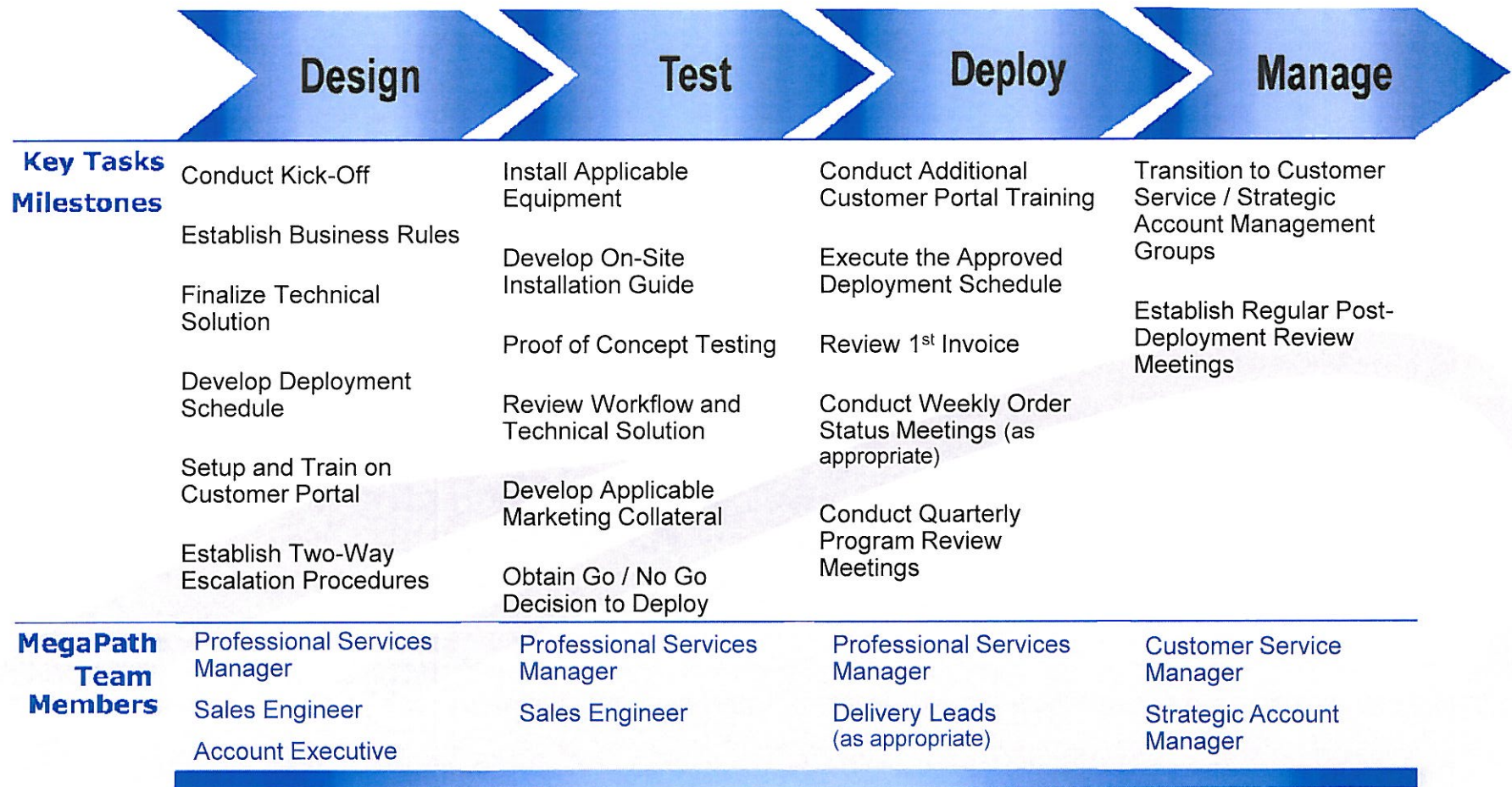 - Syslog Monitoring & Reporting, Rogue Wireless Detection

PCI Security Standards Council™
PARTICIPATING ORGANIZATION

Trustwave®
Information Security & Compliance

CREDIT CARD SECURE

Industry Leading SLAs

	DS0/DS1/DS3	IDSL & SDSL	ADSL & CABLE
Availability	99.999%	99.9%	99.5%
Availability with Failover	99.999%	99.99%	99.99%
MTTR	4 hours	16 hours	24 hours
Roundup Latency	110ms	160ms	160ms
Packet Delivery	99.9%	99.5%	99.5%
Automated Outage Notice	15 minutes	15 minutes	15 minutes
Chronic Outage	3 outages	3 outages	3 outages
Access Circuit Installation Interval	DSO, DS1 Core Service Area: 30 days DSO, DS1 Expected Service Area: 40 days DS3: 55 days	35 days	35 days
VAS Installation Interval	14 days	14 days	14 days
Circuit Speed (usable rate)	As rated	90%	Within range

- Only SLAs that extend all the way to customer premise equipment (w/ Managed CPE+)
- Guaranteed availability and performance across numerous access providers
- Customer solutions engineered to exceed SLA thresholds

13

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Solution Delivery Method

Design	Test	Deploy	Manage

Key Tasks Milestones

Design	Test	Deploy	Manage
Conduct Kick-Off	Install Applicable Equipment	Conduct Additional Customer Portal Training	Transition to Customer Service / Strategic Account Management Groups
Establish Business Rules	Develop On-Site Installation Guide	Execute the Approved Deployment Schedule	Establish Regular Post-Deployment Review Meetings
Finalize Technical Solution	Proof of Concept Testing	Review 1st Invoice	
Develop Deployment Schedule	Review Workflow and Technical Solution	Conduct Weekly Order Status Meetings (as appropriate)	
Setup and Train on Customer Portal	Develop Applicable Marketing Collateral	Conduct Quarterly Program Review Meetings	
Establish Two-Way Escalation Procedures	Obtain Go / No Go Decision to Deploy		

MegaPath Team Members

Design	Test	Deploy	Manage
Professional Services Manager	Professional Services Manager	Professional Services Manager	Customer Service Manager
Sales Engineer	Sales Engineer	Delivery Leads (as appropriate)	Strategic Account Manager
Account Executive			

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Integrated Service Portal

MegaNet Monitoring System

Our MegaNet monitoring system is a very powerful tool that visually depicts geographic areas of potential concern. This tool allows us to quickly detect and isolate both On and Off-net carriers and individual customer network impacting events.

Fri Aug 13 2010 12:00:16 PM   full screen   x: 0   y: 410

STL SSL
WA 1
MN 3
NH 4   MA 5

OR 1
ID 2
WI 2
MI 3
NY 12   VT 1

SJO
IA 1
CHI
NYP

PAO   SJC
DEN
NE 1
OH 7
PA 13
NYC

PLE
UT 1
CO 2
IL 2   IN 8
MO 1
KS 3
ASH

NV 4
KYDCH 2
DCP
IAD
NJ 6

CA 26
AZ 6
OK 2
AR 2
TN 1
NC 6
MD 3   DE 2

LAW
NM 3
TX 22
DAL
ATP
SC 4
WV 1   VA 3

LVH   LAX
SNA
MS 1
AL 2   GA 6
ATV
AllStates 189   AllEvents 194

HI 2
LA 4

AUS
FL 8

HST

Top 5 Customers		Top 5 Providers	
Cust	#Down	Provider	#Down
FAMI	26	Covad	40
SUBW	14	customer	27
SEPH	11	BellSouth	9
PAPA	10	AT&T	8
PUBL	8	Verizon Eas	8

■ Up   ■ No Answer

Customer Networks Site Map

- Real Time Visibility
- Ability to see all installed & active sites by state.
  - Drill down capability on individual sites
  - Drill down to the ticketing level and most current notes from the NOC engineers.
  - Easily spot troubled areas or potential outages (color-coded).

Summary		
Status	#	%
UP	5213	98%
BACKUP	18	0%
DOWN	35	1%
DOWN-ANT	19	0%
NO INFO	15	0%
TOTAL	5300	100%
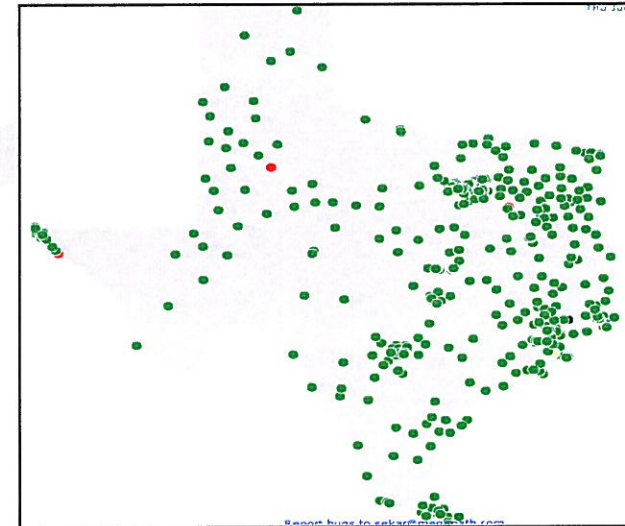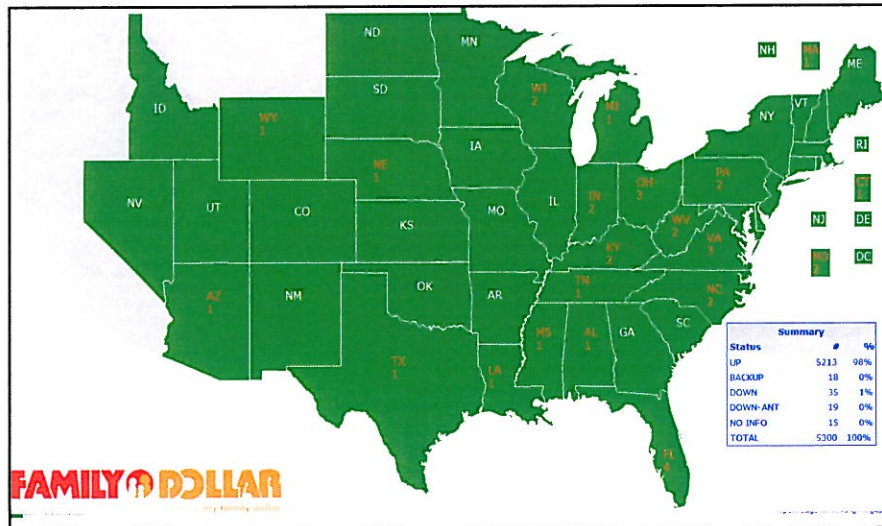
Channel Neutrality

- MegaPath has multiple resources available to assist you on opportunities

  o Senior Channel Manager
    o Responsible for managing relationship with CMS & Sales Partners
  o Quote Team resources
    o Team of quote specialists to assist on single site Access & Integrated opportunities
    o Transactional quotes only
  o Dedicated SMB Sales Team (1 to 50 location Multi-Site)
    o 9 Sales Professionals in Pleasanton, CA
    o Extremely capable of working on all products MegaPath offers
    o Highly incented and motivated to work with CMS Sales Partners
  o Enterprise Engagement (50+ location opportunities)
    o Sales Professionals located across U.S.
    o Have proven track record of closing very large opportunities
    o Highly incented and motivated to work with CMS Sales Partners
  o Sales Engineering
    o Located all across U.S. to match technical expertise on SMB & Enterprise Opportunities

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Engagement Model for Pre-Sales (SMB)

- MegaPath has multiple resources available to assist you on opportunities

  - Step 1:
    - PSR Team to send quote requests to CMSquotes@megapath.com
  - Step 2:
    - Request will be picked up by member of MegaPath Team and response back to PSR in 2 hours
  - Step 3:
    - MP Sales Representative will reach out to Sales Partner within 2 hours of receiving request
  - Step 4:
    - MP Rep will commit to get quote in hand of Sales Partner within 4 hours of receiving
      - * Quote will go out if deal determined to be fit for MegaPath
  - Step 5:
    - MP Rep will continue to follow up with Sales Partner and assist in selling the opportunity
  - How we track opportunities:
    - MP uses Salesforce.com and a spread sheet to track all opportunities
    - George and Lewis review funnel weekly to ensure Sales Partner is happy and deal progresses

Engagement Model for Pre-Sales (Enterprise)

- MegaPath has multiple resources available to assist you on opportunities

  - Step 1:
    - PSR Team to send quote requests to CMSquotes@megapath.com
  - Step 2:
    - Request will be picked up by Lewis Hill– Sr. Channel Manager
  - Step 3:
    - Lewis will determine if opportunity is a good fit for MegaPath
  - Step 4:
    - Lewis will engage an Enterprise Regional Account Manager on opportunity
  - Step 5:
    - Introduction call with Lewis, Sales Partner, Regional Account Manager
  - How we track opportunities:
    - CMS manager will be copied on all correspondence and will be invited to conference
    Sub agent and Regional Account Manager.

MegaPath™ Channel Account Management

Lewis Hill – Sr. Channel Manager
Phone: 310 683-2640 (d)   310-930-3342 (c)
Lewis.Hill@megapath.com

Eric Beller– Vice President, Channel Sales
Phone: 206-902-5325 (d)   206-992-4380 (c)
Eric.beller@megapath.com

Chris Gellos– Senior Vice President, Sales
Phone: 206-902-5308 (d)
Chris.gellos@megapath.com

Dan Foster – President Business Market
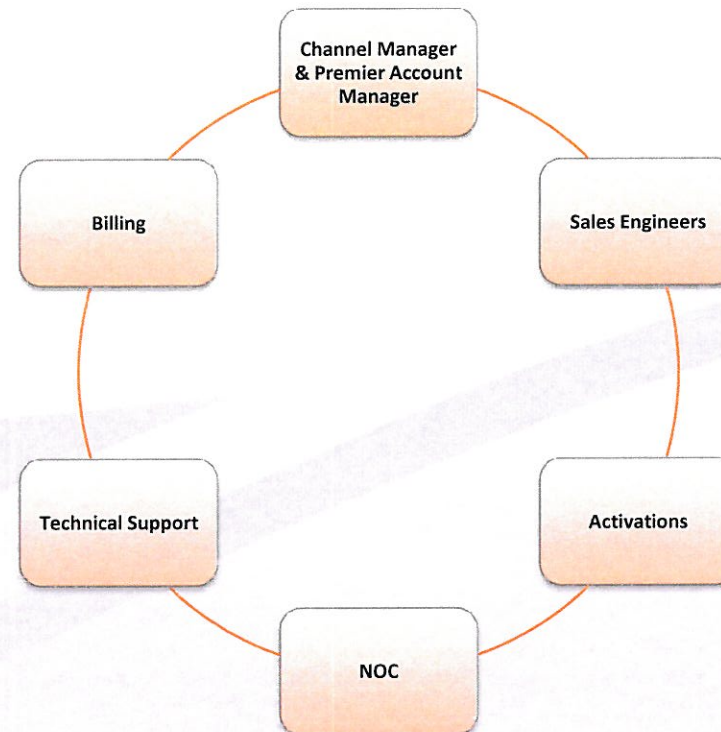Phone: -925-201-2699 (d)
Dan.Foster@megapath.com

Premier Master Agent Support

Master Agent

Channel Manager

- Overall Responsibility for Master Agent Relationship

- Primary Point for all Sales activities

- Driving Revenue

- Managing Opportunities and ensure proper support

- Sales Scorecard

- Training to the Agent base

- Introducing new MegaPath products and services.

- Facilitating Resource alignment between Megapath and Agents

Premier Account Manager

- Overall Responsibility for Post Sales Support

- Managing, Inputting and Tracking Orders to completion

- Conducting regular updates, status calls on In Process Orders, support tickets and any open issues

- Providing regular on demand reports

- Auditing Daily NOC support tickets

- Managing Escalations.

- Auditing Monthly Bills for Accuracy

- Provide monthly SLA reports.

Circular diagram (clockwise): Channel Manager & Premier Account Manager → Sales Engineers → Activations → NOC → Technical Support → Billing

"Cradle-to-Grave" Responsibility

MegaPath™   Premier Accounts Team

Aimee Baum - Premier Accounts Manager

Phone: 925-201-2532

Aimee.baum@megapath.com

Karim Ali – Director, Premier Accounts

Phone: 1-714-327-2240

Cell: 1-949-373-6304

Karim.Ali@megapath.com

Greg Carver – SVP, Customer Operations

Phone: 1-925-201-2520

Greg.Carver@megapath.com

Agent New Order Support Email with 2 hour turnaround time on Business Days

premierleads@megapath.com

877-882-2359 option 4 (you can also contact your Premier Account Manager directly)

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Promotion Name	Offer Overview
T1 No Risk Offer Product Category: T1, Voice	**Get T1 Service for $269/mo. Lowest Price Guaranteed.** ▪ Service as low as $269/mo. with purchase of 5 voice lines, $299/mo. w/o voice ▪ Free month of data service ▪ Free Managed Security, free installation and free use of equipment ▪ Bonded T1 service as low as $568/mo. with purchase of 5 voice lines, $598/mo. w/o voice
Free Month with Ethernet 2 x 2 and 3 x 3 Product Category: Ethernet, Voice	**Get 2 Mbps Ethernet Service for $229/mo., 3 Mbps for $329/mo.** ▪ 2 x 2 Ethernet service as low as $229/mo. with purchase of 5 voice lines, $259/mo. w/o voice ▪ 3 x 3 Ethernet service as low as $329/mo. with purchase of 5 voice lines, $359/mo. w/o voice ▪ Free month of data service ▪ Free installation and free activation
Hosted Voice: No Upfront Costs Product Category: Hosted Voice	**No Upfront Costs and Get a FREE Cisco SPA 303G IP Phone** ▪ Free installation, free activation and free use of equipment ▪ Free Cisco SPA 303G VoIP handset ▪ Free month of data service ▪ Minimum purchase of 5 Hosted Voice seats required
Special Pricing on Integrated Voice Product Category: T1, Voice	**T1 Voice + Data Starting at $349/mo.** ▪ Low Integrated Voice prices for 8 and 16 voice lines/trunks ▪ Free installation ▪ Quality of Service to guarantee voice quality
MPLS: Zero Start Up and Free Month Product Category: MPLS	**Zero Start-up costs on MPLS VPNs and Free Month of Service** ▪ Order MPLS VPN service and get all non-recurring start up charges (NRCs) waived! ▪ Free month of data, MPLS VPN fee, QoS, and Managed Security service

Full Details can be found on the Partner Portal Pricing and Promotions page

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Promotion Name	Offer Overview
Better Bandwidth for Business Product Category: Business Ethernet	**Save up to 20% off the Cost of MegaPath Business Ethernet Service and Get FREE Installation and FREE Activation** ▪ 20% savings on 5 x 5 Mbps ▪ 10% savings on 10 x 10 Mbps ▪ Free installation and free activation
More Speed for Less Product Category: Dedicated ADSL	**Get FREE Install & Use of Equipment on Dedicated ADSL Service 8 Mbps up to 15 Mbps** ▪ Free installation on 2 or 3 year terms ▪ Free use of equipment on 2 or 3 year terms (Core Service Area only)
Double Shot Product Category: Select DSL	**Get a FREE Month of Service and FREE Use of Equipment** ▪ Get your first month of select DSL service for free ▪ Free use of equipment on 2 or 3 year terms
DSL/T1 Free Installation and Equipment Product Category: Lineshare ADSL, Dedicated ADSL, IDSL, SDSL, T1/Bonded T1	**Get FREE Install & Use of Equipment on DSL and T1 Service** ▪ Free installation on 2 or 3 year terms ▪ Free use of equipment on 2 or 3 year terms (DSL Core Service Area, DSL Expanded Service Area 11, 1.5 T1/Bonded T1 Expanded Service Area 3, 4, 5, 7, 8, and 10 only)
Voice Free Use of Equipment Product Category: Voice	**Get FREE Use of Equipment on Voice Service** ▪ Free use of equipment on 2 or 3 year terms – Edgemarc (Hosted Voice), Linksys (ATA), or Adtran (IAD)
Free Managed Security Product Category: T1, Ethernet	**Get FREE Managed Security on T1 and EoC Service** ▪ Free Anti-Virus **and** Basic Firewall on all terms (Core Service Area 1.5T1/Bonded T1, Expanded Service Area 10 T1, Core Service Area Ethernet over Copper)

Q3 2011 SPIFFs

MegaPath Partners can now earn SPIFFs on the below products that close and install at a **3 year contract term**:

Service	Eligible Service Area(s)	SPIFF per Circuit
Access-only Full 1.5 Mbps T1	• Core Service Area	$300
Access-only Bonded 3.0 – 6.0 Mbps T1	• Core Service Area	$600
Access-only Ethernet (all available speeds)	• Core Service Area • Expanded Service Area	1 x Monthly Recurring Charge of each circuit
Voice: Any **Integrated** (Analog, PRI, or SIP Trunking) or **Hosted** service	n/a	1 x Monthly Recurring Charge of each line/seat*
MPLS	n/a	1 x Monthly Recurring Charge of the MPLS VPN Fee for a *total SPIFF of up to $10,000** on each MPLS sale*

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In Summary

- High availability designs with MPLS Class-of-Service and End-to-End SLAs

- PCI Compliant network with optional LAN security services

- Largest independent end-to-end service provider offering a full range of IP voice, security, VPN and Internet services

- National facilities-based and extended network footprint

- Experienced sales and support team

- Single source for all communication needs

"With over **250 sites nationwide** and more than **50,000 temporary employees** to keep track of and manage, MegaPath has removed all of our connectivity issues and allows us to focus on supporting our offices and growing our business. **This dedication to our success has made MegaPath one of our most important partners.**"

Ashkan Abtahi, Director of IT Operations & Infrastructure at Select Staffing