

Hearing Date and Time: August 13, 2019 at 10:00 a.m. (Eastern Time)
Objection Date and Time: August 6, 2019 at 4:00 p.m. (Eastern Time)

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Gary T. Holtzer
Sunny Singh

*Proposed Attorneys for Debtors
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
In re	: Chapter 11
FUSION CONNECT, INC., <i>et al.</i> ,	: Case No. 19-11811 (SMB)
Debtors. ¹	: (Jointly Administered)
-----X	

**NOTICE OF HEARING ON MOTION OF DEBTORS
FOR ENTRY OF AN ORDER (I) APPROVING DISCLOSURE
STATEMENT AND NOTICE OF DISCLOSURE STATEMENT
HEARING, (II) ESTABLISHING SOLICITATION AND VOTING
PROCEDURES, (III) SCHEDULING CONFIRMATION HEARING,
(IV) APPROVING CONFIRMATION OBJECTION PROCEDURES AND
NOTICE OF CONFIRMATION HEARING, AND (V) GRANTING RELATED RELIEF**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: Fusion Connect, Inc. (2021); Fusion BCHI Acquisition LLC (7402); Fusion NBS Acquisition Corp. (4332); Fusion LLC (0994); Fusion MPHC Holding Corporation (3066); Fusion MPHC Group, Inc. (1529); Fusion Cloud Company LLC (5568); Fusion Cloud Services, LLC (3012); Fusion CB Holdings, Inc. (6526); Fusion Communications, LLC (8337); Fusion Telecom, LLC (0894); Fusion Texas Holdings, Inc. (2636); Fusion Telecom of Kansas, LLC (0075); Fusion Telecom of Oklahoma, LLC (3260); Fusion Telecom of Missouri, LLC (5329); Fusion Telecom of Texas Ltd., L.L.P. (8531); Bircan Holdings, LLC (2819); Fusion Management Services LLC (5597); and Fusion PM Holdings, Inc. (2478). The Debtors' principal offices are located at 210 Interstate North Parkway, Suite 300, Atlanta, Georgia 30339.

PLEASE TAKE NOTICE that a hearing on the annexed motion (the “**Motion**”) of Fusion Connect, Inc. and its debtor subsidiaries, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), for entry of an order pursuant to sections 105, 502, 1125, 1126, and 1128 of chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rules 2002, 3003, 3016, 3017, 3018, 3020, and 9006 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rules 2002-1, 3017-1, 3018-1, 3020-1, and 9006-1 of the Local Bankruptcy Rules for the Southern District of New York (the “**Local Rules**”) (a) approving the Disclosure Statement as containing adequate information pursuant to section 1125 of the Bankruptcy Code; (b) approving the form and manner of the Disclosure Statement Notice; (c) scheduling the Confirmation Hearing to consider confirmation of the Plan and, if applicable, approval of the Sale Transaction; (d) approving objection procedures to the confirmation of the Debtors’ Plan, and the form and manner of the Confirmation Hearing Notice; (e) approving certain solicitation and voting procedures in connection with the Plan, including the forms of Ballots, all as more fully set forth in the Motion, will be held before the Honorable Stuart M. Bernstein, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Southern District of New York, Courtroom 723, One Bowling Green, New York, New York 10004 (the “**Bankruptcy Court**”) on **August 13, 2019 at 10:00 a.m. (Eastern Time)** (the “**Hearing**”), or as soon thereafter as counsel may be heard.

PLEASE TAKE FURTHER NOTICE that any responses or objections (the “**Objections**”) to the Motion shall be in writing, shall conform to the Bankruptcy Rules and the Local Rules, shall be filed with the Bankruptcy Court (i) by attorneys practicing in the Bankruptcy Court, including attorneys admitted *pro hac vice*, electronically in accordance with General Order M-399 (which can be found at www.nysb.uscourts.gov) and (ii) by all other parties

in interest, on a CD-ROM, in text-searchable portable document format (PDF) (with a hard copy delivered directly to Chambers), in accordance with the customary practices of the Bankruptcy Court and General Order M-399, to the extent applicable, and shall be served in accordance with the procedures set forth in the *Order Implementing Certain Notice and Case Management Procedures* (ECF No. 120) (the “**Case Management Order**”) so as to be filed and received no later than **August 6, 2019 at 4:00 p.m. (Eastern Time)** (the “**Objection Deadline**”).

PLEASE TAKE FURTHER NOTICE that if no Objections are timely filed and served with respect to the Motion, the Debtors may, on or after the Objection Deadline, submit to the Bankruptcy Court an order substantially in the form of the proposed order annexed to the Motion, which order may be entered without further notice or opportunity to be heard.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

PLEASE TAKE FURTHER NOTICE that any objecting parties are required to attend the Hearing, and failure to appear may result in relief being granted upon default.

Dated: July 1, 2019
New York, New York

/s/ Sunny Singh
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Gary T. Holtzer
Sunny Singh

*Proposed Attorneys for Debtors
and Debtors in Possession*

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Gary T. Holtzer
Sunny Singh

*Proposed Attorneys for Debtors
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
In re	: Chapter 11
FUSION CONNECT, INC., et al.,	: Case No. 19-11811 (SMB)
Debtors.¹	: (Jointly Administered)
-----X	

**MOTION OF DEBTORS FOR ENTRY OF AN ORDER
(I) APPROVING DISCLOSURE STATEMENT AND NOTICE OF DISCLOSURE
STATEMENT HEARING, (II) ESTABLISHING SOLICITATION AND
VOTING PROCEDURES, (III) SCHEDULING CONFIRMATION HEARING,
(IV) APPROVING CONFIRMATION OBJECTION PROCEDURES AND
NOTICE OF CONFIRMATION HEARING, AND (V) GRANTING RELATED RELIEF**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: Fusion Connect, Inc. (2021); Fusion BCHI Acquisition LLC (7402); Fusion NBS Acquisition Corp. (4332); Fusion LLC (0994); Fusion MPHC Holding Corporation (3066); Fusion MPHC Group, Inc. (1529); Fusion Cloud Company LLC (5568); Fusion Cloud Services, LLC (3012); Fusion CB Holdings, Inc. (6526); Fusion Communications, LLC (8337); Fusion Telecom, LLC (0894); Fusion Texas Holdings, Inc. (2636); Fusion Telecom of Kansas, LLC (0075); Fusion Telecom of Oklahoma, LLC (3260); Fusion Telecom of Missouri, LLC (5329); Fusion Telecom of Texas Ltd., L.L.P. (8531); Bircan Holdings, LLC (2819); Fusion Management Services LLC (5597); and Fusion PM Holdings, Inc. (2478). The Debtors' principal offices are located at 210 Interstate North Parkway, Suite 300, Atlanta, Georgia 30339.

TO THE HONORABLE STUART M. BERNSTEIN,
UNITED STATES BANKRUPTCY JUDGE:

Fusion Connect, Inc. and its debtor subsidiaries, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), respectfully represent as follows in support of this motion (the “**Motion**”):

Preliminary Statement²

1. On June 3, 2019 (the “**Commencement Date**”), the Debtors commenced these chapter 11 cases on a prearranged basis with the support of over 66 ²/₃% of their prepetition first lien lenders, who have committed to effectuate a restructuring on the terms set forth in that certain Restructuring Support Agreement, dated as of June 3, 2019 (as amended, restated, supplemented or otherwise modified from time to time, the “**RSA**” and the parties thereto, the “**RSA Parties**”).

2. Consistent with the Debtors’ obligations under the RSA, contemporaneously herewith, the Debtors filed the *Joint Chapter 11 Plan of Fusion Connect, Inc., and its Subsidiary Debtors* (as may be amended, modified, or supplemented, the “**Plan**”), which contemplates (a) a debt-to-equity recapitalization transaction, whereby the holders of First Lien Claims will receive 100% of the New Equity Interests of Reorganized FCI (the “**Reorganization Transaction**”) and (b) a simultaneous marketing process in which the Debtors will solicit bids for the sale of their business. In the event that the Debtors receive a bid for their business that such bid represents a higher or better value than the Reorganization Transaction (such transaction, a “**Sale Transaction**”), the Plan permits the Debtors to toggle to a Sale Transaction in lieu of the Reorganization Transaction.

² Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the First Day Declaration, the Disclosure Statement, or the Plan, each as defined herein, as applicable.

3. Given the exigencies of the Debtors' business operations and financial condition, as well as the fact that the Debtors' business is heavily regulated by the Federal Communications Commission (the "FCC") and various state public utility commissions or public service commissions, it is vital that the Debtors exit chapter 11 in an efficient and timely manner. Accordingly, by this Motion, the Debtors seek to conduct the sale process and the confirmation process in parallel, and request approval of their Disclosure Statement and related documents and procedures to facilitate either a Reorganization Transaction or Sale Transaction, as applicable, in an expeditious manner.

Background

4. On the Commencement Date, each Debtor commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**"). The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

5. On June 18, 2019, the United States Trustee for Region 2 (the "**U.S. Trustee**") appointed an official committee of unsecured creditors (the "**Creditors' Committee**"). No trustee or examiner has been appointed in these chapter 11 cases.

6. The Debtors' chapter 11 cases are being jointly administered for procedural purposes only pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**").

7. Additional information regarding the Debtors' business, capital structure, and the circumstances leading to the commencement of these chapter 11 cases is set forth in the Declaration of Keith Soldan Pursuant to Rule 1007-2 of the Local Bankruptcy Rules for the Southern District of New York (ECF No. 2) (the "**First Day Declaration**"), sworn to and filed on the Commencement Date, and the *Disclosure Statement for Joint Chapter 11 Plan of Fusion*

Connect, Inc., and its Subsidiary Debtors, filed contemporaneously herewith (as may be amended, modified, or supplemented, the “**Disclosure Statement**”), which are each incorporated herein by reference.

Jurisdiction

8. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334, and the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.). This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Relief Requested

9. By this Motion, pursuant to sections 105, 502, 1125, 1126, and 1128 of the Bankruptcy Code, Bankruptcy Rules 2002, 3003, 3016, 3017, 3018, 3020, and 9006, Rules 2002-1, 3017-1, 3018-1, 3020-1, and 9006-1 of the Local Bankruptcy Rules for the Southern District of New York (the “**Local Rules**”), the Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A** (the “**Proposed Order**”), granting the following relief:

- (a) approving the Disclosure Statement as containing adequate information pursuant to section 1125 of the Bankruptcy Code;
- (b) approving the form and manner of notice of the hearing to consider approval of the Disclosure Statement, substantially in the form attached as **Schedule 1** to the Proposed Order;
- (c) scheduling a hearing (the “**Confirmation Hearing**”) to consider confirmation of the Plan and, if applicable, approval of the Sale Transaction;
- (d) approving objection procedures to the confirmation of the Debtors’ Plan and the form and manner of the Confirmation Hearing Notice (as defined herein), substantially in the form attached to the Proposed Order as **Schedule 2**; and
- (e) approving solicitation and voting procedures in connection with the Plan, including the forms of ballots, substantially in the forms

attached as **Schedule 3A**, **Schedule 3B**, and **Schedule 3C** to the Proposed Order (the “**Ballots**”).

10. The following tables provide certain proposed dates related to relief requested in this Motion (subject to the Court’s calendar), which comply with the milestones contained in the RSA. As demonstrated herein, the proposed timing and notices related to the approval of the Disclosure Statement, the confirmation of the Plan, and the approval of the Sale Transaction (if applicable) are fair and reasonable under the circumstances and should be approved.

A. Disclosure Statement, Solicitation and Voting Dates, and Plan Confirmation Timeline

Key Event	Proposed Date³
Disclosure Statement Objection Deadline	August 6, 2019 at 4:00 p.m.
Deadline to Reply to Disclosure Statement Objection(s)	August 12, at 12:00 p.m.
Lenders Voting Record Date	August 13, 2019
Disclosure Statement Hearing	August 13, 2019 at 10:00 a.m.
Solicitation Date	4 Business Days after entry of the Order Approving the Disclosure Statement (expected to be August 20, 2019) or as soon as reasonably practicable thereafter ⁴
GUC Voting Record Date	August 27, 2019
Rule 3018(a) Motion Deadline	September 13, 2019 at 4:00 p.m.
Plan Supplement Filing	September 16, 2019
Voting Deadline	September 23, 2019 at 4:00 p.m.
Plan Confirmation Objection Deadline (same as Sale Objection Deadline)	September 23, 2019 at 4:00 p.m.

³ Unless otherwise stated, all times referenced in this Motion are to prevailing Eastern Time.

⁴ The Debtors and Prime Clerk intend to make reasonable efforts to commence solicitation of Claims entitled to vote to accept or reject the Plan which appears on the Debtors’ schedules and statements immediately upon the entry of the Order. To the extent the holders of General Unsecured Claims file proofs of Claims after the Debtors have commenced solicitation, the Debtors will provide ballots and solicitation materials on a rolling basis.

Voting Certification Deadline	September 24, 2019 at 4:00 p.m.
Deadline to File (a) Reply to Plan Objection(s), (b) Brief in Support of Plan Confirmation, and (c) Declarations in Support of Confirmation	September 27, 2019 at 12:00 p.m.
Confirmation Hearing	October 1, 2019 at 10:00 a.m.

B. Various Attachments and Exhibits Cited Throughout Motion

Document	Exhibits and Schedules
Proposed Order	<u>Exhibit A</u> to this Motion
Disclosure Statement	Filed Contemporaneously Herewith
Plan	Filed Contemporaneously Herewith
Form of Disclosure Statement Notice	<u>Schedule 1</u> to the Proposed Order
Form of Confirmation Hearing Notice	<u>Schedule 2</u> to the Proposed Order
Form of First Lien Ballot	<u>Schedule 3A</u> to the Proposed Order
Form of Second Lien Ballot	<u>Schedule 3B</u> to the Proposed Order
Form of General Unsecured Ballot	<u>Schedule 3C</u> to the Proposed Order

DISCLOSURE STATEMENT

11. Pursuant to section 1125 of the Bankruptcy Code and Bankruptcy Rule 3016(b), the Debtors prepared and filed the Disclosure Statement to provide parties adequate information and disclosure regarding the terms of the Plan. The Debtors intend to provide parties with the Disclosure Statement, once approved, in connection with the Debtors’ solicitation of votes to accept or reject the Plan.

I. Approval of Disclosure Statement

12. Pursuant to section 1125 of the Bankruptcy Code, a plan proponent must provide holders of impaired claims and equity interests with “adequate information” regarding a proposed chapter 11 plan. In that regard, section 1125(a)(1) of the Bankruptcy Code provides:

“[A]dequate information” means information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor’s books and records, including a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case, that would enable such a hypothetical investor of the relevant class to make an informed judgment about the plan

11 U.S.C. § 1125(a)(1). Thus, a disclosure statement must, as a whole, provide information that is reasonably practicable to permit an informed judgment by impaired creditors or equity interest holders entitled to vote on a plan of reorganization. *See In re Momentum Mfg. Corp.*, 25 F.3d 1132, 1136 (2d Cir. 1994); *In re PC Liquidation Corp.*, 383 B.R. 856, 866 (E.D.N.Y. 2008) (holding that a disclosure statement was adequate when it “enable[d] a reasonable creditor to make an informed judgment about the [p]lan”); *see also In re Adelpia Commc’ns Corp.*, 352 B.R. 592, 600 (Bankr. S.D.N.Y. 2006) (explaining that “an adequate disclosure determination requires a bankruptcy court to find not just that there is enough information there, but also that what is said is not misleading”); *In re Copy Crafters Quickprint, Inc.*, 92 B.R. 973, 979 (Bankr. N.D.N.Y. 1988) (adequacy of disclosure statement “is to be determined on a case-specific basis under a flexible standard that can promote the policy of Chapter 11 towards fair settlement through a negotiation process between informed interested parties”).

13. The bottom-line requirement is that a disclosure statement must clearly and succinctly inform the “average unsecured creditor ‘what it is going to get, when it is going to get it, and what contingencies there are to getting its distribution.’” *See In re Radco Props., Inc.*, 402 B.R. 666, 683 (Bankr. E.D.N.C. 2009) (quoting *In re Joseph A. Ferretti*, 128 B.R. 16, 19 (Bankr. D.N.H. 1991)). In examining the adequacy of the information contained in a disclosure statement, bankruptcy courts have broad discretion. *See In re A.H. Robins Co., Inc.*, 880 F.2d 694, 696 (4th

Cir. 1989); *In re Tex. Extrusion Corp.*, 844 F.2d 1142, 1157 (5th Cir. 1988); *see also In re Oxford Homes, Inc.*, 204 B.R. 264, 269 (Bankr. D. Me. 1997) (noting that Congress intentionally drew vague contours of what constitutes adequate information so that bankruptcy courts may exercise discretion to tailor them to each case’s particular circumstances); *In re Dakota Rail, Inc.*, 104 B.R. 138, 143 (Bankr. D. Minn. 1989) (bankruptcy court has “wide discretion to determine . . . whether a disclosure statement contains adequate information, without burdensome, unnecessary, and cumbersome detail”). This grant of discretion was intended to facilitate an effective reorganization of a debtor in the broad range of businesses in which chapter 11 debtors engage and the broad range of circumstances that accompany chapter 11 cases. *See* H.R. Rep. No. 95-595, at 408–09 (1977). “In reorganization cases, there is frequently great uncertainty. Therefore the need for flexibility is greatest.” *Id.* at 409. Accordingly, the determination of whether a disclosure statement contains adequate information is to be made on a case-by-case basis, focusing on the unique facts and circumstances of each case. *See In re PC Liquidation Corp.*, 383 B.R. at 865; *In re Phoenix Petroleum Co.*, 278 B.R. 385, 393 (Bankr. E.D. Pa. 2001).

14. The Debtors submit that the Disclosure Statement contains adequate information necessary to enable all parties in interest to make an informed judgment with respect to the Plan as required by the Bankruptcy Code and the Bankruptcy Rules, including, but not limited to, a discussion of:

- (a) an overview of the Plan (§ V);
- (b) key events leading to the commencement of the Debtors’ chapter 11 cases (§ III);
- (c) the operation of the Debtors’ business (§ II.A.);
- (d) the indebtedness of the Debtors and information regarding pending claims (§ II.E.);
- (e) risk factors affecting the Debtors (§ X);

- (f) the relationship of the Debtors with their affiliates (§ II.B.);
- (g) requirements for confirmation of the Plan (§ XII.C.);
- (h) tax consequences of the Plan (§ IX); and
- (i) regulatory matters (§ VIII).

15. In addition to the type of information that courts typically look for in a disclosure statement, the Disclosure Statement provides an analysis of the alternatives to confirmation and consummation of the Plan (§ XIII).

16. The Disclosure Statement does not include the liquidation analysis or financial projections at this time. Given that the Debtors are engaged in the Marketing Process, which process will establish the Debtors' value, the Debtors submit it is appropriate that they abstain from filing any financial projections or liquidation analysis that could undercut such process. Similarly, the Disclosure Statement does not include a valuation analysis. The Debtors believe that the Marketing Process is the best method of valuing their business as it allows the market to speak as to the Debtors' value. The Marketing Process is a comprehensive and arm's length process with the goal of identifying counterparties for a potential transaction. Accordingly, to ensure that the integrity of the Marketing Process is preserved and value is maximized, the expected recoveries for holders of impaired claims are not, at this time, being disclosed herein and the Debtors are not filing a valuation analysis. *See* 11 U.S.C. § 1125(b) ("The court may approve a disclosure statement without a valuation of the debtor or an appraisal of the debtor's assets."); *In re Ditech Holding Corp.*, Case No. 19-10412 (JLG) (Bankr. S.D.N.Y. May 10, 2019) (ECF No. 544) (order authorizing delayed filing of valuation, liquidation, and recovery analysis until after the auction); *In re LBI Media, Inc.*, Case No. 18-12655 (CSS) (Bankr. D. Del. Jan. 22, 2019) (ECF No. 360) (same) (order approving disclosure statement without a valuation analysis and approving the filing of a valuation analysis at a later date, if necessary); *In re Gastar Exploration Inc.*, Case

No. 18-36057 (MI) (Bankr. S.D. Tex. Dec. 21, 2018) (ECF No. 282) (order approving disclosure statement that conducted valuation analysis through a comprehensive marketing process).

17. Accordingly, the Debtors request authority from the Court to file the liquidation analysis, financial projections, and valuation analysis no later than one (1) business day following the conclusion of the Debtors' auction to protect the integrity of their sale process. Upon filing the financial projections, liquidation analysis, and valuation analysis, the Debtors will serve notice thereof on holders of Claims in the Voting Classes as promptly as practicable upon filing. Additionally, copies of the financial projections and liquidation analysis will be available on the Voting Agent's website upon its filing.

18. Accordingly, the Debtors respectfully request that the Court approve the Disclosure Statement.

II. Disclosure Statement Provides Adequate Notice of Release, Exculpation, and Injunction Provisions in Plan

19. Pursuant to Bankruptcy Rule 3016(c), "[i]f a plan provides for an injunction against conduct not otherwise enjoined under the Code, the plan and disclosure statement shall describe in specific and conspicuous language (bold, italic, or underlined text) all acts to be enjoined and identify the entities that would be subject to the injunction." Fed. R. Bankr. P. 3016(c).

20. The Plan includes injunctions, releases, and exculpations highlighted in bold in Article X. The Disclosure Statement in Section V.I.6 describes in detail the releases provided under the Plan, the entities providing such releases, the entities being released, and the Claims and Causes of Action so released. Additionally, Section V.I.7 of the Disclosure Statement sets forth the terms of the exculpation provision under the Plan, and Section V.I.5 sets forth the injunction related to the release and exculpation provisions in the Plan. Each of the foregoing

sections is set forth in conspicuous, bold print. Accordingly, the Debtors respectfully submit that the Disclosure Statement complies with Bankruptcy Rule 3016(c).

III. Approval of Notice of Disclosure Statement Hearing

21. Bankruptcy Rule 3017(a) provides as follows:

[A]fter a disclosure statement is filed in accordance with Rule 3016(b), the court shall hold a hearing on at least 28 days' notice to the debtor, creditors, equity security holders and other parties in interest as provided in Rule 2002 to consider the disclosure statement and any objections or modifications thereto. The plan and the disclosure statement shall be mailed with the notice of the hearing only to the debtor, any trustee or committee appointed under the Code, the Securities and Exchange Commission and any party in interest who requests in writing a copy of the statement or plan.

Fed. R. Bankr. P. 3017(a).

22. Bankruptcy Rules 2002(b) and (d) require notice to all creditors, indenture trustees, and shareholders of the time set for filing objections to, and the hearing to consider the approval of, a disclosure statement. In connection with the filing of this Motion, the Debtors will serve a notice of the hearing to consider approval of the Disclosure Statement (the “**Disclosure Statement Notice**”), in the form attached to the Proposed Order as **Schedule 1**, by electronic transmission, and/or by first class mail upon all parties required to be noticed pursuant to Bankruptcy Rules 2002 and 3017(a) and Local Rule 3017-1.

23. In addition, consistent with Bankruptcy Rule 3017(a), the Debtors will provide, at their expense, by electronic and/or first class mail, copies of the Disclosure Statement and the Plan with the Disclosure Statement Notice to: (a) the U.S. Trustee; (b) the Creditors' Committee; (c) the Securities and Exchange Commission; and (d) all parties who have specifically requested such documents in the manner specified in the Disclosure Statement Notice. Copies of

the Disclosure Statement and the Plan will be on file with the Office of the Clerk of the Bankruptcy Court for review during normal business hours (a fee may be charged) and are also available free-of-charge on the Debtors' claims agent's website (<https://cases.primeclerk.com/Fusion>).

24. The Debtors submit that the foregoing procedures provide adequate notice of the Disclosure Statement Hearing for all purposes and, accordingly, request that the Court approve such procedures as adequate.

IV. Approval of Procedures for Filing Objections to Disclosure Statement

25. The Debtors propose that parties that object or respond to the approval of the Disclosure Statement shall object or respond in accordance with the customary practices of the Bankruptcy Court and General Order M-399, to the extent applicable, and shall be filed and served in accordance with the procedures set forth in the *Order Implementing Certain Notice and Case Management Procedures* (ECF No. 120) (the "**Case Management Order**") so as to be filed and received no later than **August 6, 2019 at 4:00 p.m. (prevailing Eastern Time)** (the "**Disclosure Statement Objection Deadline**").

26. The Debtors submit that, if there are objections to the Disclosure Statement, it will assist the Court, and may streamline the Disclosure Statement Hearing, if the Debtors reply to any such objections. Accordingly, the Debtors request that they be authorized to file and serve replies, including an omnibus reply, to any such objections and that the Court set **August 12, 2019 at 4:00 p.m. (prevailing Eastern Time)** as the deadline for filing and service of such replies or omnibus reply to any objections to approval of the Disclosure Statement.

27. The proposed deadlines are in line with the Case Management Order entered by the Court. Requiring objections and responses to the Disclosure Statement to be filed and served in accordance with the Case Management Order will afford the Court, the Debtors, and other parties in interest sufficient time before the Disclosure Statement Hearing to consider and

potentially resolve any objections and/or responses to the Disclosure Statement. Based upon the foregoing, the Debtors respectfully request that the Court find that the Disclosure Statement Objection Deadline and procedures comply with the requirements of Bankruptcy Rules 3017(a) and Local Rule 3017-1.

Solicitation and Voting Procedures

28. In connection with solicitation of the Plan, the Debtors propose to implement the solicitation and balloting procedures described below. The Debtors have retained Prime Clerk as their claims and noticing agent and administrative agent under section 327(a) of the Bankruptcy Code to, among other things, implement the solicitation and balloting procedures described below.

I. Parties Entitled to Vote

29. The Debtors intend to file an application for entry of an order (the “**Bar Date Order**”) establishing, among other things, (a) a deadline for any parties in interest other than Governmental Units (as defined by section 101(27) of the Bankruptcy Code) to file proofs of claim against the Debtors on or about August 27, 2019 (the “**Bar Date**”) and (b) a deadline for Governmental Units to file proofs of claim against the Debtors on or about December 2, 2019 (the “**Governmental Bar Date**”).

30. The Debtors submit that only Class 3 (First Lien Claims), Class 4 (Second Lien Claims), and Class 5 (General Unsecured Claims) (each, a “**Voting Class**” and, collectively, the “**Voting Classes**”) may vote to accept or reject the Plan, subject to certain exceptions discussed below.

31. To the extent that any of the following is true, a creditor who holds a Claim in a Voting Class is nonetheless **not** entitled to receive a Ballot or to vote on the Plan:

- (a) as of the Voting Record Dates (as defined herein), the outstanding amount of such creditor's Claim is zero (\$0.00);
- (b) as of the Voting Record Dates, such creditor's Claim has been disallowed, expunged, disqualified or suspended;
- (c) a creditor is not scheduled in the Debtors' Schedules, or a creditor's Claim is scheduled as contingent, unliquidated, or disputed, and such creditor has not timely filed a proof of claim in accordance with the Bar Date Order; or
- (d) such creditor's Claim is subject to an objection or request for estimation as of ten (10) days before the Voting Deadline (as defined below), subject to the procedures set forth herein.

32. Section 1126(f) of the Bankruptcy Code provides that, for the purposes of soliciting votes on confirmation of a plan of reorganization, "a class that is not impaired under a plan, and each holder of a claim or interest of such class, are conclusively presumed to have accepted the plan, and solicitation of acceptances with respect to such class from the holders of claims or interests of such class is not required." 11 U.S.C. § 1126(f). Conversely, section 1126(g) of the Bankruptcy Code provides that "a class is deemed not to have accepted a plan if such plan provides that the claims or interests of such class do not entitle the holders of such claims or interests to receive or retain any property under the plan on account of such claims or interests." *Id.* § 1126(g).

33. The Plan does not impair certain Claims and Interests. Pursuant to section 1126 of the Bankruptcy Code, the holders of such Claims and Interests are unimpaired and, therefore presumed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code. Further, the Plan provides that certain Claims and Interests are not entitled to receive or retain any property under the Plan on account of such Claims and Interests. Pursuant to section 1126(g) of the Bankruptcy Code, the holders of such Claims and Interests are conclusively deemed to have not

accepted the Plan and, accordingly, are likewise not entitled to vote (together with the non-voting unimpaired Claim and Interest holders, the “**Non-Voting Claim and Interest Holders**”).

34. Holders of Claims and/or Interests in the following classes (collectively, the “**Non-Voting Classes**”) constitute Non-Voting Claim and Interest Holders who are not entitled to vote:

Class	Description	Impairment	Acceptance / Rejection
Class 1	Priority Non-Tax Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)
Class 2	Other Secured Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)
Class 6	Intercompany Claims	Unimpaired	Not Entitled to Vote (Presumed to Accept)
Class 7	Intercompany Interests	Unimpaired	Not Entitled to Vote (Presumed to Accept)
Class 8	Parent Equity Interests	Impaired	Not Entitled to Vote (Deemed to Reject)
Class 9	Subordinated Securities Claims	Impaired	Not Entitled to Vote (Deemed to Reject)

35. The Debtors propose that holders of Claims or Interests in Non-Voting Classes receive only the Confirmation Hearing Notice (as defined herein). The Debtors submit that such notice satisfies the requirements of Bankruptcy Rule 3017(d). If any holder of a Claim or Interest in a Non-Voting Class requests a copy of the Plan or Disclosure Statement, the Debtors will provide the same to such party at the Debtors’ cost.

II. Voting Record Dates

36. Bankruptcy Rule 3017(d) provides, in relevant part, that, for the purposes of soliciting votes in connection with the confirmation of a plan of reorganization, “creditors and equity security holders [must] include holders of stock, bonds, debentures, notes and other

securities of record on the date the order approving the disclosure statement is entered or another date fixed by the court, for cause, after notice and a hearing.” Fed. R. Bankr. P. 3017(d). Bankruptcy Rule 3018(a) provides, in relevant part, that: “A plan may be accepted or rejected in accordance with § 1126 of the Code within the time fixed by the Court pursuant to Rule 3017.” Fed. R. Bankr. P. 3018(a).

37. The Debtors request that the Court set **August 13, 2019** as the date for determining which Claims in Class 3 (First Lien Claims) and Claims in Class 4 (Second Lien Claims) are entitled to vote on the Plan (the “**Lenders Voting Record Date**”).

38. Furthermore, the Debtors request that the Court establish the Bar Date as the record date to determine which Claims in Class 5 (General Unsecured Claims) are entitled to vote on the Plan (the “**GUC Voting Record Date**” and together with the Lenders Voting Record Date, the “**Voting Record Dates**”). To the extent the holders of Claims and Interests in Class 5 (General Unsecured Claims) file proofs of such Claims after the Debtors have commenced solicitation, the Debtors shall provide such creditor with the appropriate ballots and solicitation materials to such Claim holders on a rolling basis.

39. With respect to any transferred Claim, if the transferor of such Claim is entitled to vote with respect to the Plan, the Debtors propose that the transferee will be entitled to receive a Solicitation Package (as defined herein) and vote to accept or reject the Plan on account of the transferred Claim only if: (a) all actions necessary to effect the transfer of the Claim pursuant to Bankruptcy Rule 3001(e) have been completed by the Voting Record Dates; or (b) the transferee files, no later than the Voting Record Dates, (i) the documentation required by Bankruptcy Rule 3001(e) to evidence the transfer, and (ii) a sworn statement of the transferor supporting the validity of the transfer. In the event a Claim is transferred after the transferor has

completed a Ballot, the transferee of such Claim shall be bound by any vote (and the consequences thereof) made on the Ballot by the holder as of the Voting Record Dates of such transferred Claim.

III. Approval of Solicitation Packages and Procedures for Distribution Thereof

40. Bankruptcy Rule 3017(d) lists the materials that must be provided to holders of Claims and Interests for the purpose of soliciting votes on a chapter 11 plan and providing adequate notice of the hearing to consider confirmation thereof. Specifically, Bankruptcy Rule 3017(d) provides, in relevant part, that:

[u]pon approval of a disclosure statement, — except to the extent that the court orders otherwise with respect to one or more unimpaired classes of creditors or equity security holders — the debtor in possession, trustee, proponent of the plan, or clerk as the court orders shall mail to all creditors and equity security holders, and in a chapter 11 reorganization case shall transmit to the United States trustee,

- (a) the plan or a court-approved summary of the plan;
- (b) the disclosure statement approved by the court;
- (c) notice of the time within which acceptances and rejections of the plan may be filed; and
- (d) any other information as the court may direct, including any court opinion approving the disclosure statement or a court-approved summary of the opinion.

Fed. R. Bankr. P. 3017(d).

41. The Debtors propose to mail or cause to be mailed solicitation packages (the “**Solicitation Packages**”) containing the information described above no later than four (4) business days following entry of an order approving the Disclosure Statement as containing adequate information pursuant to section 1125 of the Bankruptcy Code (expected to be by August

20, 2019) or as soon as reasonably practicable thereafter (the “**Solicitation Date**”), to the U.S. Trustee and the holders of Claims in the Voting Classes, as required by Bankruptcy Rule 3017(d).

42. In accordance with Bankruptcy Rule 3017(d), Solicitation Packages shall contain copies of:

- (a) the Order, as entered by the Court and without attachments;
- (b) the *Notice of (I) Approval of Disclosure Statement (II) Establishment of Voting Record Dates, (III) Confirmation Hearing, (IV) Confirmation Objection Procedures, and (V) Procedures and Deadline for Voting on the Plan*, in substantially the form of **Schedule 2** to the Proposed Order (the “**Confirmation Hearing Notice**”);
- (c) a link to the Debtors’ website page containing the Plan and Disclosure Statement; and
- (d) if the recipient is entitled to vote on the Plan (as set forth herein), a Ballot (as defined herein) customized for such holder (if applicable) and conforming to Official Bankruptcy Form No. B 314, in the form described below, and a postage-prepaid return envelope.⁵

43. The Plan and Disclosure Statement will be available at no charge on the Debtors’ claims agent’s website (<https://cases.primeclerk.com/Fusion>). In addition, any party entitled to receive a copy of the Plan and the Disclosure Statement may request either an electronic copy on a USB flash drive or a paper copy by contacting Prime Clerk (a) in writing at Fusion Connect, Inc., Ballot Processing, c/o Prime Clerk LLC, One Grand Central Place, 60 East 42nd Street, Suite 1440, New York, New York 10165, or (b) by email at fusionconnectballots@Primeclerk.com, with a reference to “Fusion Connect, Inc.” in the subject line. Upon receipt of such request, the Debtors will promptly provide such parties with a copy of the Plan and the Disclosure Statement at no cost to them.

⁵ Official Bankruptcy Form No. B 314 can be found at <http://www.uscourts.gov/forms/bankruptcy-forms>, the official website for the United States Bankruptcy Courts.

44. The Debtors will not mail Solicitation Packages to holders of Claims that have already been paid in full; provided, however, that if any such Claim holder would be entitled to receive a Solicitation Package for any other reason, the Debtors will send such Claim holder a Solicitation Package in accordance with the procedures set forth herein.

45. The Debtors anticipate that the United States Postal Service may return some Solicitation Packages as undeliverable. The Debtors submit that it is costly and wasteful to mail Solicitation Packages to the same addresses from which mail previously was returned as undeliverable. Therefore, the Debtors request the Court waive the strict notice rule and excuse the Debtors from mailing Solicitation Packages to addresses from which the Debtors have received mailings returned as undeliverable, unless the Debtors are provided with a new mailing address sufficiently in advance of the Voting Deadline.

46. Further, the Debtors request authority to make non-substantive changes to the Disclosure Statement, the Plan, the Ballots, and related documents without further order of the Court, including ministerial changes to correct typographical and grammatical errors, and to make conforming changes among the Disclosure Statement, the Plan, the Ballots, and any other materials in the Solicitation Packages.

47. The Debtors submit that they have shown good cause for implementing the proposed notice and service procedures and request the Court's approval thereof.

IV. Approval of Form of Ballots

48. Bankruptcy Rule 3017(d) requires the Debtors to mail a form of ballot, which substantially conforms to Official Bankruptcy Form No. B 314, to "creditors and equity security holders entitled to vote on the plan." Fed. R. Bankr. P. 3017(d). The Debtors propose to distribute to holders of Claims in the Voting Classes – Class 3 (First Lien Claims), Class 4 (Second Lien Claims), and Class 5 (General Unsecured Claims) – that are otherwise eligible to vote, a

ballots substantially in the form attached to the Proposed Order as Schedule 3A, Schedule 3B, and Schedule 3C which are incorporated herein by reference. Class 3 (First Lien Claims), Class 4 (Second Lien Claims), and Class 5 (General Unsecured Claims) are the only Classes entitled to vote to accept or reject the Plan. Although the Ballots are based on Official Bankruptcy Form No. B 314, they have been modified to address the specific circumstances of these chapter 11 cases and to include certain additional information that the Debtors believe is relevant and appropriate for the Voting Classes.

V. Voting Deadline

49. Bankruptcy Rule 3017(c) provides that, “[o]n or before approval of [a] disclosure statement, the court shall fix a time within which the holders of claims and interests may accept or reject [a] plan” Fed. R. Bankr. P. 3017(c). The Debtors anticipate completing substantially all mailing of the Solicitation Packages by the Solicitation Date. Based on such schedule, the Debtors propose that, to be counted as a vote to accept or reject the Plan, each Ballot must be properly executed, completed, and delivered to Prime Clerk: (a) by first-class mail (whether in the return envelope provided with each Ballot or otherwise); (b) by overnight courier; (c) by hand delivery; or (d) via Prime Clerk’s E-Ballot Portal (as defined herein) so that it is actually received by Prime Clerk no later than **September 23, 2019** at 4:00 p.m. (ET) (the “**Voting Deadline**”), unless extended by the Debtors either (i) for any holder of a Claim in the Voting Classes by written (including by email) notice to such holder or (ii) for the entire Voting Class by notice filed by the Debtors in these chapter 11 cases. The Debtors submit that the proposed solicitation period, which provides at least twenty-one (21) days for creditors to vote to accept or reject the Plan, is a sufficient period within which creditors can make an informed decision whether to accept or reject the Plan.

50. In addition to accepting hard copy Ballots via first class mail, overnight courier, and hand delivery, the Debtors request authorization to accept Ballots via electronic, online transmissions, solely through a customized online balloting portal on the Debtors' case website to be maintained by Prime Clerk (the "**E-Ballot Portal**"). Parties entitled to vote may cast an electronic Ballot and electronically sign and submit the Ballot instantly by utilizing the E-Ballot Portal (which allows a holder to submit an electronic signature). Instructions for electronic, online transmission of Ballots will be set forth on the forms of Ballots. The encrypted ballot data and audit trail created by such electronic submission shall become part of the record of any Ballot submitted in these chapter 11 cases and the creditor's electronic signature will be deemed to be immediately legally valid and effective. Ballots submitted by email, facsimile, or any other means of electronic submission not specifically authorized by these solicitation procedures shall not be counted.

VI. Tabulation Procedures

51. Section 1126(c) of the Bankruptcy Code provides:

A class of claims has accepted a plan if such plan has been accepted by creditors, other than any entity designated under subsection (e) of this section, that hold at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors, other than any entity designated under subsection (e) of this section, that have accepted or rejected such plan.

11 U.S.C. § 1126(c).

52. Furthermore, Bankruptcy Rule 3018(a) provides that the "court after notice and hearing may temporarily allow the claim or interest in an amount which the court deems proper for the purpose of accepting or rejecting a plan." Fed. R. Bankr. P. 3018(a).

53. With respect to First Lien Claims and Second Lien Claims, solely for purposes of voting to accept or reject the Plan, the Debtors shall be entitled to rely on the amounts of such Claims as set out in the register of the Prepetition First Lien Agent and Prepetition Second Lien Successor Agent, respectively, as of the Voting Record Dates, and such Agents will provide the Debtors or Prime Clerk with the applicable records in electronic Microsoft Excel format no later than one (1) business days following the Voting Record Dates.

54. If applicable, solely for purposes of voting to accept or reject the Plan and not for the purpose of the allowance of, or distribution on account of, a Claim, and without prejudice to the rights of the Debtors in any other context, the Debtors propose that each Claim within the Voting Classes be temporarily allowed in an amount equal to the amount of such Claim as set forth in a timely filed proof of Claim, or, if no proof of Claim was filed, the liquidated, noncontingent, undisputed amount of such Claim as set out, as of the applicable Voting Record Dates, in the register of the Prepetition First Lien Agent, the Prepetition Second Lien Successor Agent, and as forth in the applicable Debtor's schedule of assets and liabilities (collectively, as may be amended from time to time, the "**Schedules**").

55. The foregoing general procedures will be subject to the following exceptions:

- (a) if a Claim is deemed Allowed, pursuant to the Plan or by order of this Court (entered prior to the Voting Deadline), such Claim shall be Allowed for voting purposes in the deemed Allowed amount set forth in the Plan or such order;
- (b) if a Claim, for which a proof of Claim has been timely filed, is contingent, unliquidated, or disputed (based on the face of the Claim or a reasonable review of the Claim and its supporting documentation), such Claim shall be allowed for voting purposes in the amount set forth on such proof of claim, unless such Claim is disputed in the manner set forth in subparagraph (h) below;

- (c) if a Claim has been estimated for voting purposes or otherwise allowed for voting purposes by order of the Court, such Claim is temporarily Allowed for voting purposes in the amount so estimated or Allowed in such order;
- (d) if a Claim is listed in the Schedules as contingent, unliquidated, or disputed and a proof of claim has not yet been timely filed as of the Bar Date, such Claim is disallowed for voting purposes;
- (e) if a proof of claim was timely filed by the Bar Date in an amount that is contingent or unliquidated, such Claim is accorded one vote and temporarily Allowed for voting purposes in the amount of one dollar (\$1.00), unless such Claim is disputed, or otherwise is disputed as set forth in subparagraph (h) below;
- (f) if a Claim is filed in the amount of \$0.00, the holder of such Claim shall not be entitled to vote on account of such Claim;
- (g) if a Claim is listed in the Schedules or on a proof of claim timely filed by the Bar Date as contingent, unliquidated, or disputed in part, such Claim is temporarily Allowed for voting purposes in the amount that is liquidated, non-contingent, and undisputed;
- (h) if the Debtors serve an objection to, or request for estimation of, a Claim at least ten (10) days before the Voting Deadline, such Claim is temporarily disallowed for voting purposes, except as may be ordered by the Court before the Voting Deadline; provided, however, that if the Debtors' objection seeks only to reclassify or reduce the Allowed amount of such Claim, then such Claim is temporarily Allowed for voting purposes in the proposed reduced amount and/or as proposed to be reclassified (as applicable), except as may be ordered by this Court before the Voting Deadline;
- (i) for purposes of the numerosity requirement of section 1126(c) of the Bankruptcy Code, separate Claims held by a single creditor in a particular Class shall be aggregated as if such creditor held one Claim against the Debtor(s) in such Class, and the votes related to such Claims shall be treated as a single vote to accept or reject the Plan;
- (j) notwithstanding anything contained herein to the contrary, the Debtors, in their reasonable discretion, may waive any defects in a Ballot, or enter into a stipulation to settle or resolve any dispute in relation thereto, with a holder of a Claim that has completed a Ballot;
- (k) notwithstanding anything contained herein to the contrary, Prime Clerk, in its discretion, may contact entities entitled to vote to cure any defects in the Ballot;

- (l) there shall be a rebuttable presumption that in the case where more than one timely, properly completed Ballot voting the same Claim is received, only the last properly completed Ballot will be counted unless the holder of the Claim receives Court approval otherwise;
- (m) notwithstanding anything to the contrary contained herein, any Claim holder who has filed or purchased duplicate Claims within the same Class shall be provided with only one Solicitation Package and one Ballot for voting a single Claim in such Class, regardless of whether the Debtors have objected to such duplicate Claims;
- (n) if a proof of claim has been amended by a later proof of claim that is filed on or prior to the Voting Record Dates, the later filed amending Claim shall be entitled to vote in a manner consistent with these tabulation rules, and the earlier filed Claim shall be disallowed for voting purposes, regardless of whether the Debtors have objected to such amended Claim. Except as otherwise ordered by the Court, any amendments to proofs of claim after the Voting Record Dates shall not be considered for purposes of these tabulation rules; and
- (o) holders of paid or otherwise satisfied claims are not entitled to vote.

56. The Debtors believe that the foregoing proposed procedures provide for a fair and equitable voting process. If the holder of any Claim seeks to challenge the allowance of its Claim for voting purposes, the Debtors propose that such Claim holder file with the Court a motion for an order pursuant to Bankruptcy Rule 3018(a) temporarily allowing such Claim for voting purposes in a different amount (a “**Rule 3018(a) Motion**”). The Debtors request that the Court (a) fix **September 13, 2019 at 4:00 p.m. (ET)** (the “**Rule 3018(a) Motion Deadline**”) as the deadline for the filing and serving a Rule 3018(a) Motion and (b) require that such Rule 3018(a) Motions be filed with the Court and served on undersigned counsel and the other Objection Notice Parties so as to be actually received not later than the Rule 3018(a) Motion Deadline. The Debtors propose that the Court consider only those Rule 3018(a) Motions that have been timely filed and served in accordance with the provisions of this paragraph. Upon the filing of any such motion, such creditor’s Ballot shall be counted in accordance with the above designated guidelines, unless

temporarily allowed in a different amount by an order of the Court entered prior to or concurrent with entry of an order confirming the Plan.⁶

57. The Debtors also request that (a) creditors must vote all of their Claim(s) within the Voting Class, either to accept or reject the Plan and may not split their vote(s), and (b) a Ballot that partially rejects and partially accepts the Plan not be counted.

58. The Debtors further propose that the following Ballots not be counted or considered for any purpose in determining whether the Plan has been accepted or rejected: (a) any Ballot received after the Voting Deadline, unless the Debtors have granted in writing an extension of the Voting Deadline with respect to such Ballot; (b) any Ballot that is illegible or contains insufficient information to permit the identification of the Claim holder; (c) any Ballot cast by a person or entity that does not hold a Claim in a Class that is entitled to vote to accept or reject the Plan; (d) any Ballot that is unsigned or without an original signature; provided, however, for the avoidance of doubt, a Ballot submitted via Prime Clerk's E-Ballot Portal shall be deemed to contain an original signature; and (e) any Ballot transmitted to Prime Clerk by facsimile, electronic transmission, or other electronic means (other than via Prime Clerk's E-Ballot Portal). Ballots that are properly completed, executed, and timely returned to Prime Clerk, but (i) do not indicate an acceptance or rejection of the Plan, (ii) partially accept and partially reject the Plan (as discussed above), or (iii) indicate both an acceptance and rejection of the Plan, will not be counted.

VII. Voting Certification

59. Local Rule 3018-1(a) requires that, at least seven (7) days prior to the Confirmation Hearing, subject to the Bankruptcy Court's discretion to shorten such period under

⁶ For purposes of the official tabulation in the Voting Certification, such creditor's Ballot shall be counted in accordance with the above designated guidelines, unless temporarily allowed in a different amount by a Court order entered prior to the Voting Deadline.

Bankruptcy Rule 9006(c)(1), the voting agent certify in writing (the “**Voting Certification**”) the amount and number (as applicable) of Allowed Claims in the Voting Classes that voted to accept or reject the Plan, and the Debtors serve the Voting Certification upon, among others, (a) the Court; (b) counsel to the Debtors; (c) the U.S. Trustee; (d) counsel to the Creditors’ Committee; (e) counsel to the First Lien Lender Group; (f) counsel to Wilmington Trust, N.A., as DIP Agent, Prepetition Bridge Agent, and Prepetition First Lien Agent; and (g) counsel to the Prepetition Second Lien Successor Agent. The Debtors will file the Voting Certification no later than **September 24, 2019** at 4:00 p.m. (ET) (the “**Voting Certification Deadline**”). The Voting Certification Deadline proposed herein is seven (7) days prior to the Confirmation Hearing, which the Debtors submit provides adequate notice under the circumstances.

PROCEDURES FOR CONSIDERATION OF CONFIRMATION OF PLAN

I. Confirmation Hearing

60. Bankruptcy Rule 3017(c) provides that, “[o]n or before approval of the disclosure statement, the court shall fix a time within which the holders of claims and interests may accept or reject the plan and may fix a date for the hearing on confirmation” of a chapter 11 plan. Fed. R. Bankr. P. 3017(c). Pursuant to Bankruptcy Rule 2002(b), creditors must receive at least twenty-eight (28) days’ notice of a confirmation hearing. In accordance with these rules, and in view of the Debtors’ proposed solicitation schedule outlined herein, the Debtors request that a hearing on confirmation of the Plan (the “**Confirmation Hearing**”) be scheduled for **October 1, 2019 at 10:00 a.m. (ET)**, or on such date and time as is convenient to the Court. The Confirmation Hearing may be adjourned or continued from time to time by the Court or the Debtors without further notice other than adjournments announced in open Court or as indicated in any notice of agenda of matters scheduled for hearing filed with the Court. The Debtors request that the Court

find that the proposed date for the Confirmation Hearing is in compliance with the Bankruptcy Rules and the Local Rules.

II. Confirmation Hearing Notice

61. Pursuant to Bankruptcy Rule 3017(d), notice of a plan confirmation objection deadline and hearing must be provided to all claim and equity security holders in accordance with Bankruptcy Rule 2002. Bankruptcy Rules 2002(b) and (d) require notice to all creditors, indenture trustees, and equity security holders, as of the time set for filing objections to, and the hearing set to consider, confirmation of a plan.

62. In accordance with the foregoing, **no later than the Solicitation Date or as soon as reasonably practicable thereafter**, the Debtors propose to provide, by electronic and/or first class mail, all parties required to receive notice pursuant to Bankruptcy Rules 2002 and 3017(d) with a copy of the Confirmation Hearing Notice, which notice will set forth, among other things, (a) the Voting Deadline; (b) the Plan Objection Deadline (as defined herein) and procedures for filing objections and responses to confirmation of the Plan; and (c) the time, date, and place for the Confirmation Hearing.

63. The Debtors submit that the foregoing notice procedures comply with all notice requirements under Bankruptcy Rules 3017(d) and 2002(b) and (d). Accordingly, the Debtors request that the Court find that such notice is due and proper and that no further notice is necessary. Moreover, since Bankruptcy Rule 2002(l) permits the Court to “order notice by publication if it finds that notice by mail is impracticable or that it is desirable to supplement the notice,” Fed. R. Bankr. P. 2002(l), the Debtors propose to publish the Confirmation Hearing Notice, with such modifications as the Debtors may deem appropriate for purposes of publication (the “**Publication Notice**”), in the national editions of *The New York Times*, *USA Today*, and, in the Debtors’ discretion, such other publications of general circulation that the Debtors determine,

no later than the Solicitation Date. The Debtors believe that publication of this notice will give sufficient notice of the Confirmation Hearing to persons who do not otherwise receive notice by electronic or first class mail.

III. Objection Procedures

64. Pursuant to Bankruptcy Rule 3020(b)(1), objections to confirmation of a plan must be filed and served “within a time fixed by the court.” Local Rule 3020-1 requires that objections to confirmation of a plan be filed no later than seven (7) days before the Confirmation Hearing. Bankruptcy Rule 2002(b) provides that parties must receive at least twenty-eight (28) days’ notice of the deadline for filing objections to confirmation. Accordingly, the Debtors propose **September 23, 2019** at 4:00 p.m. (ET) as the deadline to object or respond to confirmation of the Plan (the “**Plan Objection Deadline**”). The Debtors request that the Court direct that any objections to confirmation of the Plan comply with the procedures for filing objections set forth in the Confirmation Hearing Notice. Pursuant to Bankruptcy Rule 3020(b), “[i]f no objection is timely filed, the [C]ourt may determine that the plan has been proposed in good faith and not by any means forbidden by law without receiving evidence on such issues.” Fed. R. Bankr. P. 3020(b)(2).

65. The Debtors request that objections and responses, if any, to confirmation of the Plan: (a) be in writing; (b) state the name and address of the objecting party and the amount and nature of the Claim or Interest of such party; (c) state with particularity the basis and nature of any objection, and provide proposed language that, if accepted and incorporated by the Debtors, would obviate such objection; (d) conform to the Bankruptcy Rules and the Local Rules; (e) be filed with the Court (i) by registered users of the Court’s case filing system, electronically in accordance with General Order M-399 (which can be found at <http://www.nysb.uscourts.gov>) and (ii) by all other parties in interest, on a CD-ROM, in text-searchable portable document format

(PDF) (with a hard copy delivered directly to Chambers), in accordance with the customary practices of the Court and General Order M-399, as applicable; and (f) be served in accordance with General Order M-399 **no later than the Plan Objection Deadline**, and served upon the Objection Notice Parties.

66. The Debtors submit that, if there are objections to confirmation, it will assist the Court and may streamline the Confirmation Hearing if the Debtors file a reply to any such objections. Accordingly, the Debtors request that they be authorized to file and serve an omnibus reply to any such objections and that the Court set **September 27, 2019** (the “**Reply Deadline**”) as the deadline for filing and service of replies or an omnibus reply to any objections to confirmation of the Plan.

67. The Debtors also request that the Court establish the Reply Deadline as the deadline for the Debtors to file their brief and any affidavits or declarations in support of confirmation of the Plan. In addition, the Debtors request that any party in interest be permitted to file and serve a statement in support of confirmation of the Plan and/or reply to any objection to confirmation of the Plan by the Reply Deadline.

68. The Debtors respectfully request that the Court approve the procedures for filing objections to the Plan and replies thereto and find that such procedures comply with Bankruptcy Rules 2002, 3017, and 3020 and Local Rule 3020-1.

Notice

69. Notice of this Motion will be provided in accordance with the procedures set forth in the *Order Implementing Certain Notice and Case Management Procedures*, entered on June 26, 2019 (ECF No. 120) (the “**Case Management Order**”). The Debtors respectfully submit that no further notice is required.

70. No previous request for the relief sought herein has been made by the Debtors to this or any other Court.

WHEREFORE the Debtors respectfully request that the Court grant the relief requested herein and such other and further relief as it deems just and proper.

Dated: July 1, 2019
New York, New York

/s/ Sunny Singh
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Gary T. Holtzer
Sunny Singh

*Proposed Attorneys for Debtors
and Debtors in Possession*

Exhibit A

Proposed Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
: **Chapter 11**
: **Case No. 19-11811 (SMB)**
: **(Jointly Administered)**
: **Debtors.¹**
-----X

**ORDER (I) APPROVING DISCLOSURE STATEMENT
AND NOTICE OF DISCLOSURE STATEMENT HEARING,
(II) ESTABLISHING SOLICITATION AND VOTING PROCEDURES,
(III) SCHEDULING CONFIRMATION HEARING, (IV) APPROVING
CONFIRMATION OBJECTION PROCEDURES AND NOTICE OF
CONFIRMATION HEARING, AND (V) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”),² of Fusion Connect, Inc. and its debtor subsidiaries, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), pursuant to sections 105, 502, 1125, 1126, and 1128 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rules 2002, 3003, 3016, 3017, 3018, 3020, and 9006 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rules 2002-1, 3017-1, 3018-1, 3020-1, and 9006-1 of the Local Bankruptcy Rules for the Southern District of New York (the “**Local Rules**”) for entry of order (a) approving the Disclosure Statement as containing adequate information pursuant to section 1125 of the Bankruptcy Code; (b) approving

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Fusion Connect, Inc. (2021); Fusion BCHI Acquisition LLC (7402); Fusion NBS Acquisition Corp. (4332); Fusion LLC (0994); Fusion MPHC Holding Corporation (3066); Fusion MPHC Group, Inc. (1529); Fusion Cloud Company LLC (5568); Fusion Cloud Services, LLC (3012); Fusion CB Holdings, Inc. (6526); Fusion Communications, LLC (8337); Fusion Telecom, LLC (0894); Fusion Texas Holdings, Inc. (2636); Fusion Telecom of Kansas, LLC (0075); Fusion Telecom of Oklahoma, LLC (3260); Fusion Telecom of Missouri, LLC (5329); Fusion Telecom of Texas Ltd., L.L.P. (8531); Bircan Holdings, LLC (2819); Fusion Management Services LLC (5597); and Fusion PM Holdings, Inc. (2478). The Debtors’ principal offices are located at 210 Interstate North Parkway, Suite 300, Atlanta, Georgia 30339.

² Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Motion, the First Day Declaration, the Disclosure Statement, or the Plan, as applicable.

the form and manner of the Disclosure Statement Notice attached hereto as **Schedule 1**;
(c) scheduling the Confirmation Hearing to consider confirmation of the Plan; (d) approving
objection procedures to the confirmation of the Debtors' Plan, and the form and manner of the
Confirmation Hearing Notice, substantially in the form attached hereto as **Schedule 2**;
and (e) approving certain solicitation and voting procedures in connection with the Plan, including,
among other things, the forms of Ballots, substantially in the form attached hereto as **Schedule 3A**,
Schedule 3B, and **Schedule 3C**, all as more fully set forth in the Motion; and this Court having
jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C.
§§ 157 and 1334 and the Amended Standing Order of Reference M-431, dated January 31, 2012
(Preska, C.J.); and the Court having jurisdiction to consider the Motion and the relief requested
therein pursuant to 28 U.S.C. §§ 157 and 1334, and the Amended Standing Order of Reference M-
431, dated January 31, 2012 (Preska, C.J.); and consideration of the Motion and the requested
relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before the
Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having
been provided to the parties listed therein as set forth in the affidavit of service filed with respect
thereto (ECF No. [__]); and such notice having been adequate and appropriate under the
circumstances, and it appearing that no other or further notice need be provided; and the Court
having reviewed the Motion; and the Court having held a hearing to consider the relief requested
in the Motion on August 13, 2019 (the "**Hearing**"); and upon the record of the Hearing; and the
Court having determined that the legal and factual bases set forth in the Motion establish just cause
for the relief granted herein; and it appearing that the relief requested in the Motion is in the best
interests of the Debtors, their Estates, creditors, and all parties in interest; and upon all of the

proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY FOUND AND DETERMINED THAT:³

A. Notice of the Disclosure Statement Hearing and Disclosure Statement Objection Deadline. The notice of hearing for the Disclosure Statement filed by the Debtors and served upon parties in interest in these chapter 11 cases on [___], 2019, and the deadline for filing objections to the Disclosure Statement and the publication of notice of the Disclosure Statement Hearing in the national editions of *The New York Times* and *USA Today*, together with the Motion itself and the record of these chapter 11 cases, constitutes adequate and sufficient notice of the hearing to consider approval of the Disclosure Statement, the manner in which a copy of the Disclosure Statement (and exhibits thereto, including the Plan) could be obtained, and the time fixed for filing objections thereto, in satisfaction of the requirements of the applicable provisions of the Bankruptcy Code and the Bankruptcy Rules. No further notice is required.

B. The Disclosure Statement. The Disclosure Statement contains adequate information within the meaning of section 1125 of the Bankruptcy Code.

C. Balloting and Voting Procedures. The procedures set forth herein and in the Ballots (as defined herein) for the solicitation and tabulation of votes to accept or reject the Plan provide for a fair and equitable voting process and are consistent with section 1126 of the Bankruptcy Code.

D. Ballots. The ballots substantially in the form annexed hereto as **Schedule 3A, Schedule 3B, and Schedule 3C** (the “**Ballots**”), including all voting instructions provided

³ The findings and conclusions set forth herein constitute the Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

therein, is consistent with Official Bankruptcy Form No. B 314, addresses the particular needs of these chapter 11 cases and provides adequate information and instructions for each individual entitled to vote to accept or reject the Plan. No further information or instructions are necessary with respect to the Ballots.

E. Parties Entitled to Vote. Pursuant to the Plan, holders of Claims in Class 3 (First Lien Claims), Class 4 (Second Lien Claims), and Class 5 (General Unsecured Claims) are entitled to vote on account of such Claims.

F. Parties Not Entitled to Vote. The Debtors intend that holders of Claims in Class 1 (Priority Non-Tax Claims), Class 2 (Other Secured Claims), Class 6 (Intercompany Claims), and Class 7 (Intercompany Interests) are Unimpaired and, accordingly, pursuant to section 1126(f) of the Bankruptcy Code, are conclusively presumed to accept the Plan and are not entitled to vote on account of such Claims. Further, the Debtors contend and no party in interest has contested that holders of Class 8 (Parent Equity Interests) and Class 9 (Subordinated Securities Claims) are Impaired and are conclusively deemed to have rejected the Plan, and accordingly, pursuant to section 1126(g) of the Bankruptcy Code such holders are not entitled to vote on account of such Interests and Claims.

G. Solicitation Packages and Distribution Procedures. The proposed distribution and contents of the Solicitation Packages comply with section 1126 of the Bankruptcy Code and Bankruptcy Rules 2002 and 3017 and constitute sufficient notice to all interested parties of the Voting Record Dates, Voting Deadline, Plan Objection Deadline, Confirmation Hearing, and other related matters.

H. Solicitation Period. The period during which the Debtors may solicit votes to accept or reject the Plan established herein is a reasonable and sufficient period of time for the

Voting Classes to make an informed decision regarding whether to accept or reject the Plan and timely return Ballots evidencing such decision.

I. Notice of Confirmation Hearing and Plan Objection Deadline. The procedures set forth in the Motion regarding notice to all parties of the time, date, and place of the hearing to consider confirmation of the Plan (the “**Confirmation Hearing**”) and for filing objections or responses to the Plan, provide due, proper, and adequate notice, comport with due process and comply with Bankruptcy Rules 2002 and 3017. No further notice is required.

J. Notice. All other notices to be provided pursuant to the procedures set forth in the Motion are good and sufficient notice to all parties in interest of all matters pertinent hereto and of all matters pertinent to the Confirmation Hearing. No further notice is required.

K. Relief is Warranted. The legal and factual bases set forth in the Motion establish just and sufficient cause to grant the relief requested therein.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is granted as set forth herein.
2. All objections to the relief granted herein that have not been withdrawn with prejudice, waived, or settled, and all reservations of rights included in such objections, hereby are overruled and denied on the merits with prejudice.

Disclosure Statement

3. The Disclosure Statement contains adequate information in accordance with section 1125 of the Bankruptcy Code and is **APPROVED**.

4. The form and manner of the notice of the hearing on the Disclosure Statement complied with all applicable Bankruptcy Rules and Local Rules.

5. The Disclosure Statement (including all applicable exhibits thereto) provides sufficient notice of the injunction, exculpation, and release provisions contained in Article X of the Plan, in accordance with Bankruptcy Rule 3016(c).

6. The Debtors are authorized to not include the recoveries to creditors under the Plan or a liquidation analysis in the Disclosure Statement; provided that, the Debtors shall file, no later than one (1) business day after the conclusion of the Auction, (a) the expected recoveries to creditors under the Plan, (b) a liquidation analysis, and (c) if necessary, a valuation analysis, each of which shall be served on holders of Claims in the Voting Classes as promptly as practicable upon filing.

Solicitation and Voting Procedures

The Voting Record Dates

7. The Lenders Voting Record Dates shall be **August 13, 2019**, and the GUC Voting Record Dates shall be **August 27, 2019**. Only holders of Claims as of the Voting Record Dates, as applicable, shall be entitled to vote to accept or reject the Plan.

8. With respect to any transferred Claim, if the transferor of such Claim is entitled to vote with respect to the Plan, the transferee shall be entitled to receive a Solicitation Package and vote to accept or reject the Plan on account of the transferred Claim only if: (a) all actions necessary to effect the transfer of the Claim pursuant to Bankruptcy Rule 3001(e) have been completed by the Voting Record Dates or (b) the transferee files, no later than the Voting Record Dates, (i) the documentation required by Bankruptcy Rule 3001(e) to evidence the transfer and (ii) a sworn statement of the transferor supporting the validity of the transfer. In the event a Claim is transferred after the transferor has completed a Ballot, the transferee of such Claim shall

be bound by any vote (and the consequences thereof) made on the Ballot by the holder as of the Voting Record Dates of such transferred Claim.

Solicitation Packages

9. The Solicitation Packages are **APPROVED**.

10. The Debtors shall mail the Solicitation Packages no later than four (4) business days following the date of entry of the Disclosure Statement Order or as soon as reasonably practicable thereafter (the “**Solicitation Date**”), to the U.S. Trustee and the holders of Claims in the Voting Classes as of the Voting Record Dates, as required by Bankruptcy Rule 3017(d).

11. Solicitation Packages shall contain a copy of:

- (a) this Order (without any attachments);
- (b) the Confirmation Hearing Notice;
- (c) a Ballot for those creditors entitled to vote on the Plan and an appropriate return envelope with prepaid postage; and
- (d) a link to the Debtors’ website page containing the Plan and Disclosure Statement.

12. Any party entitled to receive a copy of the Plan and Disclosure Statement may request an additional copy of the Disclosure Statement Order, Disclosure Statement, and Plan either in electronic format on a USB flash drive or paper format by contacting Prime Clerk at (844) 230-7218 (Domestic) or (347) 859-8784 (International) and requesting to speak with a member of the solicitation team, or by e-mailing Fusionconnectballots@Primeclerk.com with a reference to “Fusion Connect, Inc.” in the subject line.

13. The Debtors shall not be required to send Solicitation Packages to holders of Claims that have already been paid in full; provided, however, that if any such Claim holder

would be entitled to receive a Solicitation Package for any other reason, the Debtors shall send such Claim holder a Solicitation Package in accordance with the procedures set forth in the Motion.

14. With respect to addresses from which the Debtors have received mailings returned as undeliverable by the United States Postal Service, the Debtors are excused from mailing Solicitation Packages or any other materials related to voting or confirmation of the Plan to those entities listed at such addresses unless the Debtors are provided with accurate addresses for such entities before the Voting Deadline, and failure to mail Solicitation Packages or any other materials related to voting or confirmation of the Plan to such entities will not constitute inadequate notice of the Confirmation Hearing or the Voting Deadline and shall not constitute a violation of Bankruptcy Rule 3017.

Ballots

15. The Ballots, substantially in the form attached hereto as **Schedule 3A**, **Schedule 3B**, and **Schedule 3C** are **APPROVED**.

16. The Debtors are authorized to make non-substantive changes to the Ballots and related documents without further order of the Court, including ministerial changes to correct typographical and grammatical errors, and to make conforming changes among the Ballots and any other materials in the Solicitation Packages prior to mailing.

17. The Voting Deadline shall be **September 23, 2019 at 4:00 p.m. (prevailing Eastern Time)** unless extended by the Debtors either (a) for any holder of a Claim in the Voting Classes by written (including by email) notice to such holder or (b) for the entire Voting Class by notice filed by the Debtors in these chapter 11 cases.

18. All Ballots must be properly executed, completed, and delivered to Prime Clerk by first-class mail, overnight courier, or hand delivery so that they are **actually received** by

Prime Clerk no later than the Voting Deadline. In addition to accepting hard copy Ballots via first class mail, overnight courier, and hand delivery, the Debtors are authorized to accept Ballots via electronic, online transmissions, solely through a customized online balloting portal on the Debtors' case website to be maintained by Prime Clerk (the "**E- Ballot Portal**"). Parties entitled to vote may cast an electronic Ballot and electronically sign and submit the Ballot instantly by utilizing the E-Ballot Portal (which allows a holder to submit an electronic signature). The encrypted ballot data and audit trail created by such electronic submission shall become part of the record of any Ballot submitted in this manner and the creditor's electronic signature will be deemed to be immediately legally valid and effective. For the avoidance of doubt, holders may only cast Ballots electronically via the E-Ballot Portal. Ballots submitted by email, facsimile, or any other means of electronic submission not specifically authorized by the solicitation procedures shall not be counted.

Tabulation Procedures

19. The following tabulation procedures are **APPROVED**.

20. If applicable, solely for purposes of voting to accept or reject the Plan and not for the purpose of the allowance of, or distribution on account of, a Claim, and without prejudice to the rights of the Debtors in any other context, the Debtors propose that each Claim within the Voting Classes be temporarily allowed in an amount equal to the amount of such Claim as set out forth in a timely filed proof of Claim, or, if no proof of Claim was filed, the liquidated, noncontingent, undisputed amount of such Claim as set out, as of the applicable Voting Record Dates, in the register of the Prepetition First Lien Agent, the Prepetition Second Lien Successor Agent, and as set forth in the applicable Debtor's schedule of assets and liabilities (collectively, as may be amended from time to time, the "**Schedules**").

21. The foregoing general procedures will be subject to the following exceptions:

- (a) if a Claim is deemed Allowed, pursuant to the Plan or by order of this Court (entered prior to the Voting Deadline), such Claim shall be Allowed for voting purposes in the deemed Allowed amount set forth in the Plan or such order;
- (b) if a Claim, for which a proof of Claim has been timely filed, is contingent, unliquidated, or disputed (based on the face of the Claim or a reasonable review of the Claim and its supporting documentation), such Claim shall be allowed for voting purposes in the amount set forth on such proof of claim, unless such Claim is disputed in the manner set forth in subparagraph (h) below;
- (c) if a Claim has been estimated for voting purposes or otherwise allowed for voting purposes by order of the Court, such Claim is temporarily Allowed for voting purposes in the amount so estimated or Allowed in such order;
- (d) if a Claim is listed in the Schedules as contingent, unliquidated, or disputed and a proof of claim has not yet been timely filed as of the Bar Date, such Claim is disallowed for voting purposes;
- (e) if a proof of claim was timely filed by the Bar Date in an amount that is contingent or unliquidated, such Claim is accorded one vote and temporarily Allowed for voting purposes in the amount of one dollar (\$1.00), unless such Claim is disputed, or otherwise is disputed as set forth in subparagraph (h) below;
- (f) if a Claim is filed in the amount of \$0.00, the holder of such Claim shall not be entitled to vote on account of such Claim;
- (g) if a Claim is listed in the Schedules or on a proof of claim timely filed by the Bar Date as contingent, unliquidated, or disputed in part, such Claim is temporarily Allowed for voting purposes in the amount that is liquidated, non-contingent, and undisputed;
- (h) if the Debtors serve an objection to, or request for estimation of, a Claim at least ten (10) days before the Voting Deadline, such Claim is temporarily disallowed for voting purposes, except as may be ordered by the Court before the Voting Deadline; provided, however, that if the Debtors' objection seeks only to reclassify or reduce the Allowed amount of such Claim, then such Claim is temporarily Allowed for voting purposes in the proposed reduced

amount and/or as proposed to be reclassified (as applicable), except as may be ordered by this Court before the Voting Deadline;

- (i) for purposes of the numerosity requirement of section 1126(c) of the Bankruptcy Code, separate Claims held by a single creditor in a particular Class shall be aggregated as if such creditor held one Claim against the Debtor(s) in such Class, and the votes related to such Claims shall be treated as a single vote to accept or reject the Plan;
- (j) notwithstanding anything contained herein to the contrary, the Debtors, in their reasonable discretion, may waive any defects in a Ballot, or enter into a stipulation to settle or resolve any dispute in relation thereto, with a holder of a Claim that has completed a Ballot;
- (k) notwithstanding anything contained herein to the contrary, Prime Clerk, in its discretion, may contact entities entitled to vote to cure any defects in the Ballot;
- (l) there shall be a rebuttable presumption that in the case where more than one timely, properly completed Ballot voting the same Claim is received, only the last properly completed Ballot will be counted unless the holder of the Claim receives Court approval otherwise;
- (m) notwithstanding anything to the contrary contained herein, any Claim holder who has filed or purchased duplicate Claims within the same Class shall be provided with only one Solicitation Package and one Ballot for voting a single Claim in such Class, regardless of whether the Debtors have objected to such duplicate Claims;
- (n) if a proof of claim has been amended by a later proof of claim that is filed on or prior to the Voting Record Dates, the later filed amending Claim shall be entitled to vote in a manner consistent with these tabulation rules, and the earlier filed Claim shall be disallowed for voting purposes, regardless of whether the Debtors have objected to such amended Claim. Except as otherwise ordered by the Court, any amendments to proofs of claim after the Voting Record Dates shall not be considered for purposes of these tabulation rules; and
- (o) holders of paid or otherwise satisfied claims are not entitled to vote.

22. Solely for purposes of voting to accept or reject the Plan, and not for purposes of allowance or distribution, the Debtors shall be entitled to rely on the amounts of Claims as set out in the register of the Prepetition First Lien Agent and Prepetition Second Lien Successor Agent, respectively, as of the Voting Record Dates, and such Agents will provide the Debtors or

Prime Clerk with the applicable records in electronic Microsoft Excel format no later than one (1) business days following the Voting Record Dates, as applicable.

23. Any Ballot that is properly completed, executed, and timely returned to Prime Clerk but does not indicate an acceptance or rejection of the Plan, or indicates both an acceptance and a rejection of the Plan, shall not be counted.

24. Creditors must vote all of their Claim(s) within the Voting Classes, either to accept or reject the Plan, and may not split their vote(s).

25. A Ballot that partially rejects and partially accepts the Plan shall not be counted.

26. The following Ballots shall not be counted or considered for any purpose in determining whether the Plan has been accepted or rejected: (a) any Ballot received after the Voting Deadline unless the Debtors have granted in writing an extension of the Voting Deadline with respect to such Ballot; (b) any Ballot that is illegible or contains insufficient information to permit the identification of the Claim holder; (c) any Ballot cast by a person or entity that does not hold a Claim in a Class that is entitled to vote to accept or reject the Plan; (d) any Ballot that is unsigned or without an original signature; provided, however, for the avoidance of doubt, a Ballot submitted via Prime Clerk's E-Ballot Portal shall be deemed to contain an original signature; and (e) any Ballot transmitted to Prime Clerk by facsimile, electronic transmission, or other electronic means (other than via Prime Clerk's E-Ballot Portal).

27. **September 13, 2019 at 4:00 p.m. (prevailing Eastern Time)** (the "**Rule 3018(a) Motion Deadline**") shall be the deadline for the filing and serving of any motion requesting temporary allowance of a Claim for purposes of voting pursuant to Bankruptcy Rule 3018(a) (the "**Rule 3018(a) Motion(s)**"). Rule 3018(a) Motions must be filed with the Court and

served upon the following parties and such other parties as the Court may order (collectively, the “**Objection Notice Parties**”), so as to be **actually received** not later than the Rule 3018(a)

Motion Deadline:

Debtors and Debtors in Possession

Fusion Connect Inc., et al.
210 Interstate North Parkway
Suite 300
Atlanta, Georgia 30339
Attn: James P. Prenetta Jr.
Executive Vice President and
General Counsel

Office of the U.S. Trustee

William K. Harrington, U.S. Department of
Justice, Office of the U.S. Trustee
201 Varick Street, Room 1006
New York, New York 10014
Attn: Richard Morrissey
Susan Arbeit

***Proposed Counsel to the Debtors and
Debtors in Possession***

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attn: Gary T. Holtzer
Sunny Singh

Counsel to the First Lien Lenders

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
Attn: Damian S. Schaible
Adam L. Shpeen

***Counsel to Wilmington Trust, N.A., as
DIP Agent, Prepetition Bridge Agent,
and Prepetition First Lien Agent***

Arnold & Porter Kaye Scholer LLP
70 West Madison Street, Suite 4200
Chicago, Illinois 60602
Attn: Michael D. Messersmith
Sarah Gryll

***Proposed Counsel to the Creditors’
Committee***

Cooley LLP
55 Hudson Yards
New York, New York 10001
Attn: Cathy Hershcopf
Seth Van Aalten

28. Nothing in this Order shall affect or limit any party’s rights to object to any proof of claim or Rule 3018(a) Motion.

29. In accordance with Local Rule 3018-1(a), Prime Clerk shall certify in writing the amount and number (as applicable) of Allowed Claims in the Voting Classes that voted to accept or reject the Plan, and such Voting Certification shall be filed by no later than **September 24, 2019** at 4:00 p.m. (prevailing Eastern Time) (the “**Voting Certification Deadline**”). The Voting Certification shall include a list of any Ballots that are not counted and set forth the reason for such treatment. The Debtors shall serve the Voting Certification upon, among others, (a) the

Court; (b) counsel to the Debtors; (c) the U.S. Trustee; (d) counsel to the Creditors' Committee; (e) counsel to the First Lien Lender Group; (f) counsel to Wilmington Trust, N.A., as DIP Agent, Prepetition Bridge Agent, and the Prepetition First Lien Agent; and (g) counsel to the Prepetition Second Lien Successor Agent.

Confirmation

Confirmation Hearing

30. The Confirmation Hearing shall be held on **October 1, 2019 at 10:00 a.m. (prevailing Eastern Time)**; provided, however, that the Confirmation Hearing may be adjourned or continued from time to time by the Court or the Debtors without further notice, including adjournments announced in open Court or as indicated in any notice of agenda of matters scheduled for hearing filed by the Debtors with the Court.

Plan Supplement

31. The Debtors are authorized to file and serve a supplement to the Plan on or before seven (7) calendar days prior to the Plan Objection Deadline, and to further supplement such plan supplement as necessary thereafter.

32. As soon as reasonably practicable after filing the Plan Supplement, the Debtors shall file and serve a notice of filing of the Plan Supplement on all holders of Claims and Interests.

Notice of Confirmation Hearing

33. The Confirmation Hearing Notice substantially in the form attached hereto as **Schedule 1** is **APPROVED**.

34. The Confirmation Hearing Notice provides due, proper, and adequate notice, comports with due process and complies with Bankruptcy Rules 2002 and 3017 and Local Rule 6004-1.

35. All parties in interest shall receive or be deemed to have received good and sufficient notice of (a) the Motion and (b) the Confirmation Hearing, and no further notice of the foregoing shall be required, if, as soon as reasonably practicable, but no later than the Solicitation Date, the Debtors shall cause the Confirmation Hearing Notice to be filed with the Court and served by email, mail, facsimile, or overnight delivery upon all parties required to be noticed pursuant to Bankruptcy Rules 2002 and 3017.

36. The Debtors shall publish the Publication Notice in the national editions of *The New York Times* and *USA Today* and shall be authorized (but not required) to publish the Publication Notice in such other publications of general circulation as the Debtors shall determine, **no later than the Solicitation Date.**

37. With respect to Class 6 (Intercompany Claims) and Class 7 (Intercompany Interests), the Debtors are not required to serve any type of notice in connection with the solicitation of the Plan, including the Confirmation Hearing Notice.

Objections to Confirmation

38. Objections and responses, if any, to confirmation of the Plan, must: (a) be in writing; (b) state the name and address of the objecting party and the amount and nature of the Claim or Interest of such party; (c) state with particularity the basis and nature of any objection, and provide proposed language that, if accepted and incorporated by the Debtors, would obviate such objection; (d) conform to the Bankruptcy Rules and the Local Rules; (e) be filed with the Court (i) by registered users of the Court's case filing system, electronically in accordance with General Order M-399 (which can be found at <http://www.nysb.uscourts.gov>) and (ii) by all other parties in interest, on a CD-ROM, in text-searchable portable document format (PDF) (with a hard copy delivered directly to Chambers), in accordance with the customary practices of the Court and General Order M-399, as applicable; and (f) be served in accordance with General Order M-399.

In addition to being filed with the Court, any such responses or objections must be served on the Objection Notice Parties, in addition to any such other parties as the Court may order, so as to be received by **September 23, 2019 at 4:00 p.m. (prevailing Eastern Time)**. Pursuant to Bankruptcy Rule 3020(b), if no objection is timely filed, this Court may determine that the plan has been proposed in good faith and not by any means forbidden by law without receiving evidence on such issues.

39. Objections to confirmation of the Plan that are not timely filed, served, and actually received in the manner set forth above shall not be considered unless otherwise agreed by the Debtors or determined by the Court.

40. The Debtors are authorized to file and serve replies or an omnibus reply to any such objections along with their brief in support of confirmation of the Plan either separately or by a single, consolidated reply, as well as any affidavits or declarations in support of confirmation of the Plan on or before **September 27, 2019 at 12:00 p.m. (prevailing Eastern Time)** (the “**Reply Deadline**”). In addition, any party in interest may file and serve a statement in support of confirmation of the Plan and/or a reply to any objections to confirmation of the Plan by the Reply Deadline.

General Provisions

41. The Debtors are authorized to make non-substantive changes to the Disclosure Statement, the Plan, the Ballots, the Confirmation Hearing Notice, and any related documents without further order of the Court, including, without limitation, changes to correct typographical and grammatical errors and to make conforming non-substantive changes to reflect any such changes made to the Disclosure Statement and the Plan prior to mailing.

42. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 6006(d), 7062, and 9014, or any applicable provisions of the Local Rules or otherwise, the terms

and conditions of this Order shall be immediately effective and enforceable upon its entry, and no automatic stay of execution shall apply to this Order.

43. The Debtors are authorized to take all reasonable steps necessary or appropriate to carry out this Order.

44. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Dated: _____, 2019
New York, New York

THE HONORABLE STUART M. BERNSTEIN
UNITED STATES BANKRUPTCY JUDGE

SCHEDULE 1

Form of Disclosure Statement Notice

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
: **Chapter 11**
: **Case No. 19-11811 (SMB)**
: **(Jointly Administered)**
: **Debtors.¹**
-----X

**NOTICE OF HEARING TO CONSIDER
APPROVAL OF DISCLOSURE STATEMENT FOR JOINT
CHAPTER 11 PLAN OF FUSION CONNECT, INC., AND ITS SUBSIDIARY DEBTORS**

TO ALL PARTIES IN INTEREST:

PLEASE TAKE NOTICE THAT on July 1, 2019, Fusion Connect, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), filed the *Joint Chapter 11 Plan of Fusion Connect, Inc., and its Subsidiary Debtors* (as may be amended, modified, or supplemented, the “**Plan**”) and the *Disclosure Statement for Joint Chapter 11 Plan of Fusion Connect, Inc., and its Subsidiary Debtors*, each dated July 1, 2019 (as may be amended, modified, or supplemented, the “**Disclosure Statement**”).²

PLEASE TAKE FURTHER NOTICE THAT:

1. A hearing (the “**Hearing**”) will be held before the Honorable Stuart M. Bernstein, United States Bankruptcy Judge, in Room 723 of the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”), One Bowling Green, New York, New York 10004, on **August 13, 2019 at 10:00 a.m. (prevailing Eastern Time)**, to consider entry of an order determining, among other things, that the Disclosure Statement contains “adequate information” within the meaning ascribed to such term in section 1125 of the Bankruptcy Code and approving the Disclosure Statement.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Fusion Connect, Inc. (2021); Fusion BCHI Acquisition LLC (7402); Fusion NBS Acquisition Corp. (4332); Fusion LLC (0994); Fusion MPHC Holding Corporation (3066); Fusion MPHC Group, Inc. (1529); Fusion Cloud Company LLC (5568); Fusion Cloud Services, LLC (3012); Fusion CB Holdings, Inc. (6526); Fusion Communications, LLC (8337); Fusion Telecom, LLC (0894); Fusion Texas Holdings, Inc. (2636); Fusion Telecom of Kansas, LLC (0075); Fusion Telecom of Oklahoma, LLC (3260); Fusion Telecom of Missouri, LLC (5329); Fusion Telecom of Texas Ltd., L.L.P. (8531); Bircan Holdings, LLC (2819); Fusion Management Services LLC (5597); and Fusion PM Holdings, Inc. (2478). The Debtors’ principal offices are located at 210 Interstate North Parkway, Suite 300, Atlanta, Georgia 30339.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Disclosure Statement or the Plan, as applicable, or as the context otherwise requires.

2. Any party in interest wishing to obtain a copy of the Disclosure Statement or the Plan should contact Prime Clerk, the Debtors' solicitation agent, in writing at Fusion Connect, Inc., Ballot Processing, c/o Prime Clerk LLC, One Grand Central Place, 60 East 42nd Street, Suite 1440, New York, New York 10165 or by email at fusionconnectballots@Primeclerk.com with a reference to "Fusion Connect, Inc." in the subject line. Interested parties may also review the Disclosure Statement and the Plan free of charge on the internet (<https://cases.primeclerk.com/Fusion/>). In addition, the Disclosure Statement and the Plan are on file with the Bankruptcy Court and may be reviewed by accessing the Bankruptcy Court's website: www.nysb.uscourts.gov. Note that a PACER password and login are needed to access documents on the Bankruptcy Court's website. A PACER password can be obtained at: www.pacer.psc.uscourts.gov. Copies of the Disclosure Statement and the Plan may also be examined by interested parties during normal business hours at the office of the Clerk of the Bankruptcy Court.

3. Objections, if any, to approval of the Disclosure Statement or any of the other relief sought by the Debtors in connection with the Disclosure Statement must be filed and served in accordance with the procedures set forth in the *Order Implementing Certain Notice and Case Management Procedures* (ECF No. 120) (the "**Case Management Order**") so as to be filed and received no later than **August 6, 2019 at 4:00 p.m. (prevailing Eastern Time)**.

4. IF AN OBJECTION TO THE DISCLOSURE STATEMENT OR ANY OF THE OTHER RELIEF SOUGHT BY THE DEBTORS IN CONNECTION WITH THE DISCLOSURE STATEMENT IS NOT FILED AND SERVED AS PRESCRIBED HEREIN, THE OBJECTING PARTY MAY BE BARRED FROM OBJECTING TO THE DISCLOSURE STATEMENT, THE ADEQUACY THEREOF, OR THE OTHER RELIEF SOUGHT BY THE DEBTORS IN CONNECTION WITH THE DISCLOSURE STATEMENT AND MAY NOT BE HEARD AT THE HEARING.

5. IF CONFIRMED, THE PLAN SHALL BIND ALL HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE DEBTORS TO THE MAXIMUM EXTENT PERMITTED BY LAW AND CONTEMPLATED UNDER THE PLAN, WHETHER OR NOT SUCH HOLDER WILL RECEIVE OR RETAIN ANY PROPERTY OR INTEREST IN PROPERTY UNDER THE PLAN, HAS FILED A PROOF OF CLAIM IN THESE CHAPTER 11 CASES, OR FAILED TO VOTE TO ACCEPT OR REJECT THE PLAN, OR VOTED TO REJECT THE PLAN.

6. RELEASES AND INJUNCTIONS. ARTICLE X OF THE PLAN CONTAINS RELEASE, EXCULPATION, AND INJUNCTION PROVISIONS, INCLUDING THIRD PARTY RELEASES. YOU ARE ADVISED TO REVIEW AND CONSIDER THE PLAN CAREFULLY BECAUSE YOUR RIGHTS MAY BE AFFECTED THEREUNDER.

7. The Hearing may be adjourned from time to time without further notice to parties in interest other than by an announcement in Bankruptcy Court of such adjournment on the date scheduled for the Hearing or as indicated in any notice of agenda of matters scheduled for

hearing filed by the Debtors with the Bankruptcy Court. The Debtors may modify the Disclosure Statement, as well as any of the other related documents prior to, during, or as a result of the Hearing without further notice.

Dated: July [__], 2019
New York, New York

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Gary T. Holtzer
Sunny Singh

*Proposed Attorneys for Debtors
and Debtors in Possession*

SCHEDULE 2

Form of Confirmation Hearing Notice

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
: **Chapter 11**
: **Case No. 19-11811 (SMB)**
: **(Jointly Administered)**
: **Debtors.¹**
-----X

**NOTICE OF (I) APPROVAL OF
DISCLOSURE STATEMENT, (II) ESTABLISHMENT OF
VOTING RECORD DATES, (III) CONFIRMATION HEARING,
(IV) CONFIRMATION OBJECTION PROCEDURES, AND
(V) PROCEDURES AND DEADLINE FOR VOTING ON THE PLAN**

TO ALL PARTIES IN INTEREST:

PLEASE TAKE NOTICE THAT:

1. **Approval of Disclosure Statement.** On [___], 2019, the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”) held a hearing (the “**Disclosure Statement Hearing**”) at which it approved the *Disclosure Statement for Joint Chapter 11 Plan of Fusion Connect, Inc., and its Subsidiary Debtors*, filed on July 1, 2019 (ECF No. [___]) (as may be amended, modified, or supplemented, the “**Disclosure Statement**”)² in Fusion Connect, Inc. and its debtor affiliates’ chapter 11 cases (collectively, the “**Debtors**”), and thereafter entered an order (the “**Disclosure Statement Order**”) with respect thereto. The Disclosure Statement Order, among other things, authorizes the Debtors to solicit votes to accept or reject the *Joint Chapter 11 Plan of Fusion Connect, Inc., and its Subsidiary Debtors*, filed on July 1, 2019 (ECF No. [___]) (as may be amended, modified, or supplemented, the “**Plan**”).

2. **Confirmation Hearing.** A hearing to consider confirmation of the Plan (the “**Confirmation Hearing**”) has been scheduled before the Honorable Stuart M. Bernstein, United States Bankruptcy Judge, in Room 723 of the United States Bankruptcy Court for the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Fusion Connect, Inc. (2021); Fusion BCHI Acquisition LLC (7402); Fusion NBS Acquisition Corp. (4332); Fusion LLC (0994); Fusion MPHC Holding Corporation (3066); Fusion MPHC Group, Inc. (1529); Fusion Cloud Company LLC (5568); Fusion Cloud Services, LLC (3012); Fusion CB Holdings, Inc. (6526); Fusion Communications, LLC (8337); Fusion Telecom, LLC (0894); Fusion Texas Holdings, Inc. (2636); Fusion Telecom of Kansas, LLC (0075); Fusion Telecom of Oklahoma, LLC (3260); Fusion Telecom of Missouri, LLC (5329); Fusion Telecom of Texas Ltd., L.L.P. (8531); Bircan Holdings, LLC (2819); Fusion Management Services LLC (5597); and Fusion PM Holdings, Inc. (2478). The Debtors’ principal offices are located at 210 Interstate North Parkway, Suite 300, Atlanta, Georgia 30339.

² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such term in the Disclosure Statement or the Plan (each as defined herein), as applicable, or as the context otherwise requires.

Southern District of New York (the “**Bankruptcy Court**”), One Bowling Green, New York, New York 10004, on [____]. To the extent the Debtors pursue a Sale Transaction, the approval of any such transaction will be heard at the Confirmation Hearing. The Confirmation Hearing may be adjourned or continued from time to time by the Bankruptcy Court or the Debtors without further notice other than adjournments announced in open court or as indicated in any notice of agenda of matters scheduled for hearing filed by the Debtors with the Bankruptcy Court. The Plan may be modified, if necessary, prior to, during, or as a result of the Confirmation Hearing.

3. **Voting Record for Holders of First Lien or Second Lien Claims.** Holders of First Lien Claims (Class 3) and Second Lien Claims (Class 4) against the Debtors as of [____], 2019 (the “**Lenders Voting Record Date**”) are entitled to vote on the Plan.

4. **Voting Record Date for General Unsecured Creditors.** To accommodate the Bar Date, the Court has established [____], 2019, as the record date to determine which Claims in Class 5 (General Unsecured Claims) against the Debtors are entitled to vote on the Plan (the “**GUC Voting Record Date**” and together with the Lenders Voting Record Date, the “**Voting Record Dates**”). The Debtors’ voting and tabulation agent, Prime Clerk LLC (“**Prime Clerk**”), shall provide such creditor with the appropriate Solicitation Package, including a Ballot if applicable, on a rolling basis. If Prime Clerk previously provided such creditor with a Ballot on account of a scheduled claim or previous Proof of Claim, Prime Clerk shall update the creditor’s voting amount but shall not be obligated to send a new Ballot.

5. **Voting Deadline.** All votes to accept or reject the Plan must be **actually received** by Prime Clerk, by no later than [____], 2019 (the “**Voting Deadline**”). Any failure to follow the voting instructions included with your Ballot may disqualify your Ballot and your vote.

6. **Parties in Interest Not Entitled to Vote.** The following table designates the Classes of Claims against and Interests in the Debtors and specifies which of those Classes are (a) Impaired or Unimpaired by the Plan; (b) entitled to vote to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code; and (c) deemed to accept or reject the Plan. Only holders of First Lien Claims (Class 3), Second Lien Claims (Class 4), and General Unsecured Claims (Class 5) are entitled to vote on the Plan and will receive a Ballot. Holders of Unimpaired Claims and/or Interests in classes deemed to accept the Plan are not entitled to vote and will not receive a Ballot. In addition, holders of Impaired Claims in classes deemed to reject the Plan are not entitled to vote and will not receive a Ballot.

Class	Designation	Treatment	Entitled to Vote
1	Priority Non-Tax Claims	Unimpaired	No (Presumed to accept)
2	Other Secured Claims	Unimpaired	No (Presumed to accept)
3	First Lien Claims	Impaired	Yes
4	Second Lien Claims	Impaired	Yes
5	General Unsecured Claims	Impaired	Yes
6	Intercompany Claims	Unimpaired	No (Presumed to accept)
7	Intercompany Interests	Unimpaired	No (Presumed to accept)
8	Parent Equity Interests	Impaired	No (Deemed to reject)
9	Subordinated Securities Claims	Impaired	No (Deemed to reject)

UNDER THE TERMS OF THE PLAN, IF YOU ARE THE HOLDER OF A CLAIM OTHER THAN A FIRST LIEN CLAIM (CLASS 3), SECOND LIEN CLAIM (CLASS 4), OR GENERAL UNSECURED CLAIM (CLASS 5), YOUR CLAIM IS EITHER UNIMPAIRED OR IMPAIRED, AND THEREFORE, PURSUANT TO SECTION 1126(F) OR 1126(G) OF TITLE 11 OF THE UNITED STATES CODE, RESPECTIVELY, YOU ARE (A) PRESUMED TO ACCEPT OR DEEMED TO REJECT THE PLAN, RESPECTIVELY AND (B) NOT ENTITLED TO VOTE ON THE PLAN.

If you disagree with the amount or classification of your Claim and believe that you should be entitled to vote on the Plan or vote in a different amount, then you must serve on the parties identified in paragraph 8 below and file with the Bankruptcy Court a motion (a “**Rule 3018(a) Motion**”) for an order pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) temporarily allowing your Claim in a different amount or in a different class for purposes of voting to accept or reject the Plan. All Rule 3018(a) Motions must be filed on or before [___], 2019. Rule 3018(a) Motions that are not timely filed and served in the manner set forth above shall not be considered. As to any Claim holder filing a Rule 3018(a) Motion, such Claim holder’s Ballot will be counted as provided in the Disclosure Statement Order except as may be otherwise ordered by the Bankruptcy Court. Claim holders may contact Prime Clerk in writing at Fusion Connect, Inc., Ballot Processing, c/o Prime Clerk LLC, One Grand Central Place, 60 East 42nd Street, Suite 1440, New York, New York 10165, by email to fusionconnectballots@PrimeClerk.com with a reference to “Fusion Connect, Inc.” in the subject line, or by telephone at (844) 230-7218 (Domestic) or (347) 859-8784 (International) to receive an appropriate Ballot for any Claim for which a Proof of Claim has been timely filed and a Rule 3018(a) Motion has been granted.

7. **Objections to Confirmation.** Responses and objections, if any, to confirmation of the Plan must:

- (a) be in writing;
- (b) state the name and address of the objecting party and the amount and nature of the Claim or Interest of such party;
- (c) state with particularity the basis and nature of any objection, and, if applicable, provide proposed language that, if accepted and incorporated by the Debtors, would obviate such objection;
- (d) conform to the Bankruptcy Rules and the Local Rules;
- (e) be filed with the Court together with proof of service either (i) electronically or (ii) conventionally, as noted below:
 - (i) *Electronic Filing*: the filer must be an attorney in possession of passwords and logins to both PACER and the Bankruptcy Court’s Electronic Case Filing System; electronic filing must be in accordance with General Order M-399 (which can be found at <http://nysb.uscourts.gov>); or
 - (ii) *Conventional Filing*: the filer must send the response or objection by mail, courier, or messenger to the Bankruptcy Court’s clerk at the

following address: United States Bankruptcy Court, One Bowling Green, New York, NY 10004; the hard copy of the response or objection should be accompanied by a CD-ROM containing the response or objection in text-searchable portable document format (PDF); and

(iii) *All filers*: those filing electronically as well as those filing conventionally must provide Chambers with two separate, single-sided hard copies of the response or objection; any proposed order should be accompanied by a CD-ROM containing the response or objection in text-searchable portable document format (PDF); and

(f) be served upon the following parties in accordance with General Order M-399 so as to be received no later than [___], 2019 at 4:00 p.m. (prevailing Eastern Time) (the “Confirmation Objection Deadline”):

Debtors and Debtors in Possession

Fusion Connect Inc., et al.
210 Interstate North Parkway
Suite 300
Atlanta, Georgia 30339
Attn: James P. Prenetta Jr.
Executive Vice President and
General Counsel

Office of the U.S. Trustee

William K. Harrington, U.S. Department of
Justice, Office of the U.S. Trustee
201 Varick Street, Room 1006
New York, New York 10014
Attn: Richard Morrissey
Susan Arbeit

***Proposed Counsel to the Debtors and
Debtors in Possession***

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attn: Gary T. Holtzer
Sunny Singh

Counsel to the First Lien Lenders

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
Attn: Damian S. Schaible
Adam L. Shpeen

***Counsel to Wilmington Trust, N.A., as
DIP Agent, Prepetition Bridge Agent,
and Prepetition First Lien Agent***

Arnold & Porter Kaye Scholer LLP
70 West Madison Street, Suite 4200
Chicago, Illinois 60602
Attn: Michael D. Messersmith
Sarah Gryll

***Proposed Counsel to the Creditors’
Committee***

Cooley LLP
55 Hudson Yards
New York, New York 10001
Attn: Cathy Hershcopf
Seth Van Aalten

THE FAILURE OF ANY PERSON OR ENTITY TO FILE AND SERVE AN OBJECTION TO CONFIRMATION OF THE PLAN BY THE CONFIRMATION OBJECTION DEADLINE SHALL BE BARRED FROM ASSERTING, AT THE CONFIRMATION HEARING OR THEREAFTER, ANY OBJECTION TO CONFIRMATION OF THE PLAN.

8. ***Additional Information.*** Any party in interest wishing to obtain information about the solicitation procedures or copies of the Disclosure Statement or the Plan should contact the Debtors' voting and tabulation agent, Prime Clerk, by telephone at (844) 230-7218 (Domestic) or (347) 859-8784 (International), or in writing: Fusion Connect, Inc., Ballot Processing, c/o Prime Clerk LLC, One Grand Central Place, 60 East 42nd Street, Suite 1440, New York, New York 10165, or by email at fusionconnectballots@Primeclerk.com with a reference to "Fusion Connect, Inc." in the subject line. Interested parties may also review the Disclosure Statement and the Plan free of charge on the internet (<http://cases.primeclerk.com/Fusion/>). In addition, the Disclosure Statement and the Plan are on file with the Bankruptcy Court and may be reviewed for a fee by accessing the Bankruptcy Court's website: www.nysb.uscourts.gov. Note that a PACER password and login are needed to access documents on the Bankruptcy Court's website. A PACER password can be obtained at: www.pacer.psc.uscourts.gov. Copies of the Disclosure Statement and the Plan may also be examined by interested parties during normal business hours at the office of the Clerk of the Bankruptcy Court. **PRIME CLERK IS NOT AUTHORIZED TO, AND WILL NOT PROVIDE, LEGAL ADVICE.**

9. ***DISCHARGE, INJUNCTIONS, RELEASES, AND EXCULPATION.*** PLEASE BE ADVISED THAT ARTICLE X OF THE PLAN PROVIDES FOR DISCHARGE, INJUNCTIONS, RELEASES, AND EXCULPATION OF CERTAIN CONDUCT. COPIES OF THE PLAN MAY BE OBTAINED IN ACCORDANCE WITH THE PROCEDURES DESCRIBED ABOVE IN PARAGRAPH 9. INFORMATION ON DISCHARGE, INJUNCTIONS, RELEASES, AND EXCULPATION MAY BE FOUND IN SECTIONS 10.3 THROUGH 10.7 OF THE PLAN.

10. The Plan also contains other related provisions that may affect your rights against the Debtors.

YOU ARE ADVISED TO CAREFULLY REVIEW AND CONSIDER THE PLAN, INCLUDING THE DISCHARGE, INJUNCTION, RELEASE, AND EXCULPATION PROVISIONS, AS YOUR RIGHTS MAY BE AFFECTED.

Dated: _____, 2019
New York, New York

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Gary T. Holtzer
Sunny Singh

*Proposed Attorneys for Debtors
and Debtors in Possession*

SCHEDULE 3A

Form of First Lien Ballot

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
: **Chapter 11**
: **Case No. 19-11811 (SMB)**
: **(Jointly Administered)**
: **Debtors.¹**
-----X

**BALLOT FOR ACCEPTING OR REJECTING JOINT CHAPTER 11
PLAN OF FUSION CONNECT, INC., AND ITS SUBSIDIARY DEBTORS**

BALLOT FOR: CLASS 3 – First Lien Claims

**THE VOTING DEADLINE TO ACCEPT OR REJECT
THE PLAN IS 4:00 P.M., PREVAILING EASTERN
TIME, ON [___], 2019 (THE “VOTING DEADLINE”),
UNLESS EXTENDED BY THE DEBTORS.**

This ballot (the “**Ballot**”) is provided to you to solicit your vote to accept or reject the *Joint Chapter 11 Plan of Fusion Connect, Inc., and its Subsidiary Debtors* under chapter 11 of the Bankruptcy Code, dated July 1, 2019 (as it may be amended or modified, the “**Plan**”). The Plan is attached as **Exhibit A** to the *Disclosure Statement for the Joint Chapter 11 Plan of Fusion Connect, Inc., and its Subsidiary Debtors*, dated July 1, 2019 (as it may be amended or modified, the “**Disclosure Statement**”).

Copies of the Disclosure Statement and the Plan will be on file with the Office of the Clerk of the Bankruptcy Court for review during normal business hours (a fee may be charged) and are also available free of charge on the Debtors’ claims agent’s website (<https://cases.primeclerk.com/Fusion/>).

All capitalized terms used but not defined herein or in the enclosed voting instructions have the meanings ascribed to such terms in the Plan. The Disclosure Statement provides information to assist you in deciding how to vote on the Plan. You should review the Disclosure Statement and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Fusion Connect, Inc. (2021); Fusion BCHI Acquisition LLC (7402); Fusion NBS Acquisition Corp. (4332); Fusion LLC (0994); Fusion MPHC Holding Corporation (3066); Fusion MPHC Group, Inc. (1529); Fusion Cloud Company LLC (5568); Fusion Cloud Services, LLC (3012); Fusion CB Holdings, Inc. (6526); Fusion Communications, LLC (8337); Fusion Telecom, LLC (0894); Fusion Texas Holdings, Inc. (2636); Fusion Telecom of Kansas, LLC (0075); Fusion Telecom of Oklahoma, LLC (3260); Fusion Telecom of Missouri, LLC (5329); Fusion Telecom of Texas Ltd., L.L.P. (8531); Bircan Holdings, LLC (2819); Fusion Management Services LLC (5597); and Fusion PM Holdings, Inc. (2478). The Debtors’ principal offices are located at 210 Interstate North Parkway, Suite 300, Atlanta, Georgia 30339.

the Plan in their entirety before you vote. You may wish to seek independent legal advice concerning the Plan and your classification and treatment under the Plan.

The Debtors commenced voluntary cases under chapter 11 of the Bankruptcy Code. The Plan can thereafter be confirmed by the Bankruptcy Court and thereby made binding on you if it is accepted by the holders of at least two-thirds in amount and more than one-half in number of the Claims voted in each Impaired Class, and if the Plan otherwise satisfies the applicable requirements of section 1129(a) under the Bankruptcy Code. If the requisite acceptances are not obtained, the Bankruptcy Court may nonetheless confirm the Plan if it finds that the Plan (a) provides fair and equitable treatment to, and does not unfairly discriminate against, the Class or Classes rejecting the Plan, and (b) otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code. If the Plan is confirmed by the Bankruptcy Court, it will be binding on you whether or not you vote or if you vote to reject the Plan.

Please use this Ballot to cast your vote to accept or reject the Plan if you are, as of [___], 2019 (the “**Lenders Voting Record Date**”), a holder of a Claim against the Debtors arising under that certain First Lien Credit and Guaranty Agreement, dated as of May 4, 2018, by and among FCI, as borrower, certain subsidiaries of FCI, as guarantor subsidiaries, Wilmington Trust, as administrative agent and collateral agent, and the other lenders party thereto, as amended, restated, supplemented or otherwise modified from time to time prior to the Commencement Date (the “**Prepetition First Lien Credit Agreement**” and such claims against the Debtors arising under the Prepetition First Lien Credit Agreement, collectively, the “**First Lien Claims**”).

If you have any questions on how to properly complete this Ballot, please call Prime Clerk LLC (the “**Voting Agent**”) at (844) 230-7218 (Domestic) or (347) 859-8784 (International) and request to speak with a member of the solicitation team, or email fusionconnectballots@PrimeClerk.com with a reference to “Fusion Connect, Inc.” in the subject line. **THE VOTING AGENT IS NOT AUTHORIZED TO, AND WILL NOT, PROVIDE LEGAL ADVICE.**

This Ballot is to be used for voting by holders of First Lien Claims (Class 3). In order for your vote to be counted, this Ballot must be properly completed, signed, and returned to the Voting Agent so that it is actually received no later than 4:00 p.m. (Prevailing Eastern Time) on [___], 2019 (the “Voting Deadline**”), unless such time is extended by the Debtors.**

This Ballot is solely for purposes of voting to accept or reject the Plan and not for the purpose of allowance or disallowance of, or distribution on account of, Class 3 Claims (First Lien Claims).

INSTRUCTIONS FOR COMPLETING THE BALLOT

This Ballot is submitted to you to solicit your vote to accept or reject the Plan. The terms of the Plan are described in the Disclosure Statement, including all exhibits thereto. **PLEASE READ THE PLAN AND THE DISCLOSURE STATEMENT CAREFULLY BEFORE COMPLETING THIS BALLOT.**

To have your vote counted, you must complete, sign, and return this Ballot so that it its received by the Voting Agent no later than the Voting Deadline, unless such time is extended by the Debtors. Ballots must be delivered to the Voting Agent (i) at an

appropriate address listed below or (ii) via the Voting Agent's E-Ballot platform by visiting <http://cases.primeclerk.com/Fusion/>, clicking on the "E-Ballot" link and following the instructions set forth on the website. Holders are encouraged to submit their Ballots via the E-Ballot platform. If you choose to submit your Ballot via the E-Ballot platform, you should NOT submit your hard copy Ballot as well. Please choose only one method of return for your Ballot.

**If by U.S. Postal Service mail, overnight delivery
or personal delivery by hand:**

Fusion Connect, Inc. Ballot Processing
c/o Prime Clerk LLC
One Grand Central Place
60 East 42nd Street, Suite 1140
New York, New York 10165

If by electronic submission:

Visit <http://cases.primeclerk.com/Fusion/>. Click on the "E-Ballot" section of the Debtors' website and follow the directions to submit your E-Ballot. If you choose to submit your Ballot via Prime Clerk's E-Ballot system, you should not also return a hard copy of your Ballot.

IMPORTANT NOTE: You will need the following information to retrieve and submit your customized E-Ballot:

Unique E-Ballot ID#:

**"E-Balloting" is the sole manner in which
Ballots will be accepted via electronic
transmission.**

Ballots will not be accepted by telecopy, facsimile, or other electronic means of transmission (except via the Voting Agent's E-Ballot platform).

The following Ballots will not be counted in determining the acceptance or rejection of the Plan: (i) any Ballot that is illegible or contains insufficient information to permit the identification of the holder, (ii) any ballot cast by a Person that does not hold a Claim in a Class entitled to vote on the Plan, (iii) any unsigned Ballot, (iv) any ballot that does not contain an original signature (for the avoidance of doubt, a Ballot submitted by the E-Ballot platform shall be deemed to bear an original signature); and (v) any Ballot transmitted to the Voting Agent by facsimile, or electronic transmission, or other electronic

means (other than Ballots entitled to be submitted via the Voting Agent's online balloting portal). An otherwise properly completed, executed, and timely returned Ballot failing to indicate either acceptance or rejection of the Plan or indicating both acceptance and rejection of the Plan will not be counted.

To properly complete the Ballot, you must follow the procedures described below:

- a. Make sure that the information contained in Item 1 is correct;
- b. If you have a Class 3 – First Lien Claim, cast one vote to accept or reject the Plan by checking the appropriate box in Item 2;
- c. **Make sure to read the information regarding the Releases in Item 3. Holders of Claims who accept the Plan are automatically deemed to have consented to the release provisions in Section 10.6(b) of the Plan.**
- d. If you are completing this Ballot on behalf of another entity, indicate your relationship with such entity and the capacity in which you are signing on the appropriate line in Item 3. By submitting the Ballot you are certifying that you have authority to so act and agree to provide documents evidencing such authority upon request (e.g., a power of attorney or a certified copy of board resolutions authorizing you to so act);
- e. If you hold other First Lien Claims (Class 3), you may receive more than one Ballot. Your vote will be counted in determining acceptance or rejection of the Plan by a particular Class of Claims only if you complete, sign, and return the Ballot labeled for such Class of Claims in accordance with the instructions on that Ballot. Each Ballot votes only your Claims indicated on that Ballot. Please complete and return each Ballot you receive;
- f. You must vote all your Claims within a single Class under the Plan either to accept or reject the Plan;
- g. If more than one timely, properly completed Ballot is received, only the last properly completed Ballot received by the Voting Agent will be counted, unless the holder of the Claim receives Bankruptcy Court approval otherwise;
- h. If you believe that you have received the wrong Ballot, please contact the Voting Agent immediately;
- i. Provide your name, mailing address, and any remaining information requested;
- j. Sign and date your Ballot; and
- k. Return your Ballot with an original signature to the Voting Agent. For the avoidance of doubt, a Ballot submitted by the E-Ballot platform shall be deemed to bear an original signature.

No Ballot shall constitute or be deemed a proof of Claim or an assertion of Claim.

In the event that (i) the Debtors revoke or withdraw the Plan or (ii) the Confirmation Order is not entered or consummation of the Plan does not occur, this Ballot shall automatically be null and void and deemed withdrawn without any requirement of affirmative action by or notice to you.

IF YOU (A) HAVE ANY QUESTIONS REGARDING THIS BALLOT, (B) DID NOT RECEIVE A RETURN ENVELOPE WITH YOUR BALLOT, (C) DID NOT RECEIVE A LINK TO THE DEBTORS' WEBSITE PAGE CONTAINING THE DISCLOSURE STATEMENT AND PLAN, OR (D) NEED ADDITIONAL COPIES OF THE BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE VOTING AGENT AT (844) 230-7218 (DOMESTIC) OR (347) 859-8784 (INTERNATIONAL) AND REQUEST TO SPEAK WITH A MEMBER OF THE SOLICITATION TEAM, OR BY E-MAILING FUSIONCONNECTBALLOTS@PRIMECLERK.COM WITH A REFERENCE TO "FUSION CONNECT, INC." IN THE SUBJECT LINE. PLEASE DO NOT DIRECT ANY INQUIRIES TO THE BANKRUPTCY COURT. THE VOTING AGENT IS NOT AUTHORIZED TO, AND WILL NOT, PROVIDE LEGAL ADVICE.

**IMPORTANT INFORMATION REGARDING THE
INJUNCTION, RELEASES, AND EXCULPATION PROVISIONS IN THE PLAN²**

Select Defined Terms

“**Claim**” has the meaning set forth in section 101(5) of the Bankruptcy Code, as against any Debtor.

“**Confirmation Order**” means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

“**Definitive Documents**” means the documents (including any related orders, agreements, instruments, schedules or exhibits) that are necessary or desirable to implement, or otherwise relate to the Reorganization Transaction or the Sale Transaction, including, but not limited to: (a) the Plan; (b) the Bidding Procedures Order; (c) the Disclosure Statement; (d) the Disclosure Statement Motion, (e) the Disclosure Statement Order; (f) each of the documents comprising the Plan Supplement; (g) the Confirmation Order; and (h) any purchase and sale agreement in connection with the Sale Transaction.

“**Exculpated Parties**” means collectively, each solely in their capacities as such, the (a) Debtors; (b) Reorganized Debtors; (c) Wind Down Co (if applicable); (d) Consenting First Lien Lenders; (e) Prepetition First Lien Administrative Agent; (f) DIP Agent, (g) DIP Lenders; (h) the New First Lien Lenders; (i) the New First Lien Agent; (j) the New Exit Facility Lenders; (k) the New Exit Facility Agent; (l) the Creditors’ Committee; and (m) Related Parties for each of the foregoing; provided, that, notwithstanding anything herein to the contrary, any person or Entity identified on the Non-Released Parties Schedule shall not be an “Exculpated Party” under the Plan.

“**Interests**” means any equity security (as defined in section 101(16) of the Bankruptcy Code) of a Debtor, including all shares, common stock, preferred stock, units, membership interest, partnership interest, or other instrument evidencing any fixed or contingent ownership interest in any Debtor, whether or not transferable, and any option, warrant, or other right, contractual or otherwise, to acquire any such interest in the Debtors, whether fully vested or vesting in the future, including, without limitation, equity or equity-based incentives, grants, or other instruments issued, granted or promised to be granted to current or former employees, directors, officers, or contractors of the Debtors, to acquire any such interests in the Debtors that existed immediately before the Effective Date.

“**Related Parties**” means with respect to any Exculpated Party or any Released Party, such Entities’ predecessors, successors and assigns, subsidiaries, Affiliates, managed accounts or funds, and all of their respective current and former officers, directors, managers, limited partners, principals, stockholders (and any fund managers, fiduciaries or other agents of stockholders with any involvement related to the Debtors), members, partners, managers, employees, subcontractors agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, investment managers, investment advisors, consultants, representatives, management companies, fund advisors and other professionals, and such persons’ respective heirs, executors, estates,

² Capitalized terms used in this section but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Plan.

servants and nominees; provided that, notwithstanding anything to the contrary herein, any person or Entity identified on the Non-Released Parties Schedule shall not be a “Related Party” under the Plan.

“**Released Parties**” means collectively the: (a) Debtors; (b) Reorganized Debtors; (c) Wind Down Co (if applicable); (d) Consenting First Lien Lenders; (e) Prepetition First Lien Administrative Agent; (f) DIP Agent; (g) DIP Lenders; and (h) Related Parties for each of the foregoing; provided that, notwithstanding anything to the contrary herein, any person or Entity identified on the Non-Released Parties Schedule shall not be a “Released Party” under the Plan.

“**Reorganization Transaction**” means, collectively, (a) issuance of the New Equity Interests; (b) entry into the New First Lien Credit Documents; (c) entry into the New Exit Facility Documents; (d) entry into the Special Warrant Agreement; (e) execution of the Amended Organizational Documents; (f) vesting of the Debtors’ assets in the Reorganized Debtors, in each case, in accordance with the Plan; and (g) the other transactions that the Debtors and the Requisite First Lien Lenders reasonably determine are necessary or appropriate to implement the foregoing, in each case, in accordance with the Plan and the RSA.

“**Reorganized Debtors**” means, the Debtors, as reorganized pursuant to and under the Plan on and after the Effective Date.

“**Sale Transaction**” means the sale of all or substantially all of the Debtors’ assets or Interests in the Debtors owning all or substantially all of the Debtors’ assets, contemplated by the Successful Bid.

“**Wind Down Co**” means an Entity that, in the discretion of Debtors, with the consent of the Requisite First Lien Lenders, which consent shall not be unreasonably withheld, may be established on the Effective Date for the benefit of holders of Claims against the Debtors (which Entity may be a liquidating trust) in connection with the distribution of proceeds from the Sale Transaction and any other assets of the Debtors (as determined by the Debtors or in accordance with the Successful Bid).

Select Provisions of the Plan

Section 10.5 of the Plan: Injunction

(a) **Upon entry of the Confirmation Order, all holders of Claims and Interests and other parties in interest, along with their respective present or former employees, agents, officers, directors, principals, and affiliates, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan in relation to any Claim or Interest extinguished, discharged, or released pursuant to the Plan.**

(b) **Except as expressly provided in the Plan, the Confirmation Order, or a separate order of the Bankruptcy Court or as agreed to by the Debtors and a holder of a Claim against or Interest in the Debtors, all Entities who have held, hold, or may hold Claims against or Interests in the Debtors (whether proof of such Claims or Interests has been filed or not and whether or not such Entities vote in favor of, against or abstain from voting on the Plan or are presumed to have accepted or deemed to have rejected the Plan) and other**

parties in interest, along with their respective present or former employees, agents, officers, directors, principals, and affiliates are permanently enjoined, on and after the Effective Date, solely with respect to any Claims, Interests, and Causes of Action that will be or are extinguished, discharged, or released pursuant to the Plan from (i) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against or affecting the Debtors, the Reorganized Debtors, or the Wind Down Co, or the property of any of the Debtors, the Reorganized Debtors, or the Wind Down Co; (ii) enforcing, levying, attaching (including, without limitation, any prejudgment attachment), collecting, or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree, or order against the Debtors, the Reorganized Debtors, or the Wind Down Co; (iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Debtors, the Reorganized Debtors, or the Wind Down Co, or the property of any of the Debtors, the Reorganized Debtors, or the Wind Down Co; (iv) asserting any right of setoff, directly or indirectly, against any obligation due from the Debtors, the Reorganized Debtors, or the Wind Down Co, or against property or interests in property of any of the Debtors, the Reorganized Debtors, or the Wind Down Co, except as contemplated or Allowed by the Plan; and (v) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan.

(c) Each holder of an Allowed Claim or Interest extinguished, discharged, or released pursuant to the Plan will be deemed to have affirmatively and specifically consented to be bound by the Plan, including, without limitation, the injunctions set forth in Section 10.5 of the Plan.

(d) The injunctions in Section 10.5 of the Plan shall extend to any successors of the Debtors, the Reorganized Debtors and the Wind Down Co, and their respective property and interests in property.

Section 10.6 of the Plan: Releases

(a) **Estate Releases.**

As of the Effective Date, except for the rights that remain in effect from and after the Effective Date to enforce the Plan and the Definitive Documents, for good and valuable consideration, the adequacy of which is hereby confirmed, including, without limitation, the service of the Released Parties to facilitate the reorganization of the Debtors and the implementation of the restructuring, and except as otherwise provided in the Plan or in the Confirmation Order, the Released Parties will be deemed expressly, conclusively, absolutely, unconditionally, irrevocably and forever released and discharged, to the maximum extent permitted by law, by the Debtors, the Wind Down Co, the Reorganized Debtors, and their Estates from any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, remedies, losses, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtors, the Wind Down Co or Reorganized Debtors (as the case may be), or the Estates, or their respective

successors, predecessors, assigns, and representatives and any and all other Persons or Entities that may purport to assert any Cause of Action derivatively, by or through the foregoing, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, contract, tort, by statute, violations of federal or state securities law, or otherwise, that the Debtors, the Wind Down Co or Reorganized Debtors (as the case may be), or the Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other Person, based on or relating to, or in any manner arising prior to the Effective Date from, in whole or in part, the Debtors, the Chapter 11 Cases, the pre- and postpetition marketing and sale process, the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the Prepetition First Lien Credit Documents, the Prepetition Super Senior Credit Documents, the Forbearance Agreement (as defined in the RSA), the DIP Documents, the business or contractual arrangements between any of the Debtors and any Released Party, the restructuring, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, the Disclosure Statement, the RSA, and the Plan and related agreements, instruments, and other documents (including the Definitive Documents), and the negotiation, formulation, or preparation of any documents or transactions in connection with any of the foregoing, the solicitation of votes with respect to the Plan, or any other act or omission, in all cases based upon any act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date; provided, that nothing in Section 10.6(a) of the Plan shall be construed to release the Released Parties from gross negligence, willful misconduct, or fraud as determined by a Final Order; provided, further, that nothing in Section 10.6(a) of the Plan shall be construed to release the obligations of Vector SPV (as defined in the Prepetition First Lien Credit Agreement) arising under the Vector Subordinated Note (as defined in the Prepetition First Lien Credit Agreement). The Debtors, the Reorganized Debtors and their Estates, and the Wind Down Co shall be permanently enjoined from prosecuting any of the foregoing Claims or Causes of Action released under this Section 10.6(a) against each of the Released Parties.

(b) Consensual Releases by Holders of Impaired Claims.

As of the Effective Date, except (i) for the right to enforce the Plan or any right or obligation arising under the Definitive Documents that remains in effect or becomes effective after the Effective Date or (ii) as otherwise expressly provided in the Plan or in the Confirmation Order, in exchange for good and valuable consideration, the adequacy of which is hereby confirmed, including the obligations of the Debtors under the Plan and the contributions of the Released Parties to facilitate and implement the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, the Released Parties shall be deemed expressly, conclusively, absolutely, unconditionally, irrevocably and forever, released, and discharged by:

- (i) the holders of Impaired Claims who voted to accept the Plan;
- (ii) the Consenting First Lien Lenders; and

(iii) with respect to any Entity in the foregoing clauses (i) and (ii), such Entity's (x) predecessors, successors and assigns, (y) subsidiaries, affiliates, managed accounts or funds, managed or controlled by such Entity and (z) all Persons entitled to assert Claims through or on behalf of such Entities with respect to the matters for which the releasing entities are providing releases.

in each case, from any and all Claims, Interests, or Causes of Action whatsoever, including any derivative Claims asserted on behalf of a Debtor, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, contract, tort, by statute, violation of federal or state securities law, or otherwise, that such Entity would have been legally entitled to assert (whether individually or collectively), based on, relating to, or arising prior to the Effective Date from, in whole or in part, the Debtors, the restructuring, the Chapter 11 Cases, the pre- and postpetition marketing and sale process, the purchase, sale or rescission of the purchase or sale of any security of the Debtors or Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the Prepetition First Lien Credit Documents, the Prepetition Super Senior Credit Documents, the Forbearance Agreement (as defined in the RSA), the DIP Documents, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims and Interests before or during the Chapter 11 Cases, the negotiation, formulation, preparation, or consummation of the Plan (including the Plan Supplement), the RSA, the Definitive Documents, or any related agreements, instruments, or other documents, the solicitation of votes with respect to the Plan, in all cases based upon any act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date; provided, that nothing in Section 10.6(b) of the Plan shall be construed to release the Released Parties from gross negligence, willful misconduct, or fraud as determined by a Final Order. The Persons and Entities in (i) through (iii) of Section 10.6(b) of the Plan shall be permanently enjoined from prosecuting any of the foregoing Claims or Causes of Action released under Section 10.6(b) of the Plan against each of the Released Parties.

Section 10.7 of the Plan: Exculpation

To the maximum extent permitted by applicable law, no Exculpated Party will have or incur, and each Exculpated Party is hereby released and exculpated from, any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, remedy, loss, and liability for any claim in connection with or arising out of the administration of the Chapter 11 Cases, the postpetition marketing and sale process, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors; the negotiation and pursuit of the Disclosure Statement, the RSA, the Reorganization Transaction or the Sale Transaction, as applicable, the Plan, or the solicitation of votes for, or confirmation of, the Plan; the funding or consummation of the Plan; the occurrence of the Effective Date; the administration of the Plan or the property to be distributed under the Plan; the issuance of Securities under or in connection with the Plan; or the transactions in furtherance of any of the foregoing; provided, that nothing in this Section 10.7 shall be construed to release or exculpate an Exculpated Party from gross negligence, willful misconduct, or fraud as determined by a Final Order; provided, further, that nothing in Section 10.7 of the Plan shall be construed to

release the obligations of Vector SPV (as defined in the Prepetition First Lien Credit Agreement) arising under the Vector Subordinated Note (as defined in the Prepetition First Lien Credit Agreement).

PLEASE COMPLETE THE FOLLOWING:

Item 1. Amount of Class 3 Claim (First Lien Claims). For purposes of voting to accept or reject the Plan, the undersigned certifies that as of [_____], the undersigned holds a Class 3 Claim (First Lien Claims) against the Debtors in the amount set forth below.

Amount: \$[_____]

Item 2. Vote on the Plan. The undersigned holder of a Class 3 Claim (First Lien Claims) in the amount set forth in Item 1 above hereby votes to:

- Check one box only:**
- Accept the Plan
- Reject the Plan

Your vote on the Plan will be applied to each applicable Debtor in the same manner and in the same amount as indicated in Item 1 and Item 2 above.

PLEASE TAKE NOTE THAT IF YOU SUBMIT THIS BALLOT TO THE VOTING AGENT AND EITHER: (A) FAIL TO INDICATE WHETHER YOU ARE ACCEPTING OR REJECTING THE PLAN OR (B) CHECK BOTH BOXES INDICATING THAT YOU ARE BOTH ACCEPTING AND REJECTING THE PLAN, YOUR BALLOT WILL NOT BE COUNTED IN DETERMINING THE ACCEPTANCE OR REJECTION OF THE PLAN.

<p>IMPORTANT INFORMATION REGARDING CERTAIN RELEASES BY HOLDERS OF CLAIMS:</p>
--

<p>IF YOU RETURN A BALLOT AND VOTE TO ACCEPT THE PLAN, YOU ARE AUTOMATICALLY DEEMED TO HAVE CONSENTED TO THE RELEASE PROVISIONS IN SECTION 10.6(b) OF THE PLAN.</p>
--

Item 3. Acknowledgements and Ownership Certification. By signing this Ballot, the undersigned acknowledges receipt of a Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein. The undersigned certifies that as of the Lender Voting Record Date (a) it is the Holder of the Class 3 Claim (First Lien Claims) identified in Item 1 above or (b) the undersigned is an authorized signatory and has full power and authority to vote to accept or reject the Plan on behalf of the Holder.

Print or Type Name of Holder: _____

Signature: _____

Name of Signatory (if different than Holder)¹: _____

If by Authorized Agent, Title of Agent: _____

Street Address: _____

City, State, Zip Code: _____

Telephone Number: _____

E-mail Address: _____

Date Completed: _____

¹ If you are completing this Ballot on behalf of another person or entity, indicate your relationship with such person or entity and the capacity in which you are signing. You may be required to provide additional information or documentation with respect to such relationship.

SCHEDULE 3B

Form of Second Lien Ballot

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
: **Chapter 11**
: **Case No. 19-11811 (SMB)**
: **(Jointly Administered)**
: **Debtors.¹**
-----X

**BALLOT FOR ACCEPTING OR REJECTING JOINT CHAPTER 11
PLAN OF FUSION CONNECT, INC., AND ITS SUBSIDIARY DEBTORS**

BALLOT FOR: CLASS 4 – Second Lien Claims

**THE VOTING DEADLINE TO ACCEPT OR REJECT
THE PLAN IS 4:00 P.M., PREVAILING EASTERN
TIME, ON [___], 2019 (THE “VOTING DEADLINE”),
UNLESS EXTENDED BY THE DEBTORS.**

This ballot (the “**Ballot**”) is provided to you to solicit your vote to accept or reject the *Joint Chapter 11 Plan of Fusion Connect, Inc., and its Subsidiary Debtors* under chapter 11 of the Bankruptcy Code, dated July 1, 2019 (as it may be amended or modified, the “**Plan**”). The Plan is attached as **Exhibit A** to the *Disclosure Statement for the Joint Chapter 11 Plan of Fusion Connect, Inc., and its Subsidiary Debtors*, dated July 1, 2019 (as it may be amended or modified, the “**Disclosure Statement**”).

Copies of the Disclosure Statement and the Plan will be on file with the Office of the Clerk of the Bankruptcy Court for review during normal business hours (a fee may be charged) and are also available free of charge on the Debtors’ claims agent’s website (<https://cases.primeclerk.com/Fusion/>).

All capitalized terms used but not defined herein or in the enclosed voting instructions have the meanings ascribed to such terms in the Plan. The Disclosure Statement provides information to assist you in deciding how to vote on the Plan. You should review the Disclosure Statement and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Fusion Connect, Inc. (2021); Fusion BCHI Acquisition LLC (7402); Fusion NBS Acquisition Corp. (4332); Fusion LLC (0994); Fusion MPHC Holding Corporation (3066); Fusion MPHC Group, Inc. (1529); Fusion Cloud Company LLC (5568); Fusion Cloud Services, LLC (3012); Fusion CB Holdings, Inc. (6526); Fusion Communications, LLC (8337); Fusion Telecom, LLC (0894); Fusion Texas Holdings, Inc. (2636); Fusion Telecom of Kansas, LLC (0075); Fusion Telecom of Oklahoma, LLC (3260); Fusion Telecom of Missouri, LLC (5329); Fusion Telecom of Texas Ltd., L.L.P. (8531); Bircan Holdings, LLC (2819); Fusion Management Services LLC (5597); and Fusion PM Holdings, Inc. (2478). The Debtors’ principal offices are located at 210 Interstate North Parkway, Suite 300, Atlanta, Georgia 30339.

the Plan in their entirety before you vote. You may wish to seek independent legal advice concerning the Plan and your classification and treatment under the Plan.

The Debtors commenced voluntary cases under chapter 11 of the Bankruptcy Code. The Plan can thereafter be confirmed by the Bankruptcy Court and thereby made binding on you if it is accepted by the holders of at least two-thirds in amount and more than one-half in number of the Claims voted in each Impaired Class, and if the Plan otherwise satisfies the applicable requirements of section 1129(a) under the Bankruptcy Code. If the requisite acceptances are not obtained, the Bankruptcy Court may nonetheless confirm the Plan if it finds that the Plan (a) provides fair and equitable treatment to, and does not unfairly discriminate against, the Class or Classes rejecting the Plan, and (b) otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code. If the Plan is confirmed by the Bankruptcy Court, it will be binding on you whether or not you vote or if you vote to reject the Plan.

Please use this Ballot to cast your vote to accept or reject the Plan if you are, as of [___], 2019 (the “**Lender Voting Record Date**”), a holder of a Claim against the Debtors arising under that certain Second Lien Credit and Guaranty Agreement, dated as of May 4, 2018, by and among FCI, as borrower, certain subsidiaries of FCI, as guarantor subsidiaries, GLAS Americas LLC (as successor to Wilmington Trust), as administrative agent and collateral agent, and the Prepetition Second Lien Lenders, as amended, restated, modified or supplemented from time to time prior to the Commencement Date (the “**Prepetition Second Lien Credit Agreement**” and such claims against the Debtors arising under the Prepetition Second Lien Credit Agreement, collectively, the “**Second Lien Claims**”).

If you have any questions on how to properly complete this Ballot, please call Prime Clerk LLC (the “**Voting Agent**”) at (844) 230-7218 (Domestic) or (347) 859-8784 (International) and request to speak with a member of the solicitation team, or email fusionconnectballots@Primeclerk.com with a reference to “Fusion Connect, Inc.” in the subject line. **THE VOTING AGENT IS NOT AUTHORIZED TO, AND WILL NOT, PROVIDE LEGAL ADVICE.**

This Ballot is to be used for voting by holders of Second Lien Claims (Class 4). In order for your vote to be counted, this Ballot must be properly completed, signed, and returned to the Voting Agent so that it is actually received no later than 4:00 p.m. (Prevailing Eastern Time) on [___], 2019 (the “Voting Deadline**”), unless such time is extended by the Debtors.**

This Ballot is solely for purposes of voting to accept or reject the Plan and not for the purpose of allowance or disallowance of, or distribution on account of, Class 4 Claims (Second Lien Claims).

INSTRUCTIONS FOR COMPLETING THE BALLOT

This Ballot is submitted to you to solicit your vote to accept or reject the Plan. The terms of the Plan are described in the Disclosure Statement, including all exhibits thereto. **PLEASE READ THE PLAN AND THE DISCLOSURE STATEMENT CAREFULLY BEFORE COMPLETING THIS BALLOT.**

To have your vote counted, you must complete, sign, and return this Ballot so that it is received by the Voting Agent no later than the Voting Deadline, unless such time is extended by the Debtors. Ballots must be delivered to the Voting Agent (i) at an appropriate address listed below or (ii) via the Voting Agent's E-Ballot platform by visiting <http://cases.primeclerk.com/Fusion/>, clicking on the "E-Ballot" link and following the instructions set forth on the website. Holders are encouraged to submit their Ballots via the E-Ballot platform. If you choose to submit your Ballot via the E-Ballot platform, you should NOT submit your hard copy Ballot as well. Please choose only one method of return for your Ballot.

If by U.S. Postal Service mail, overnight delivery or personal delivery by hand:

Fusion Connect, Inc. Ballot Processing
c/o Prime Clerk LLC
One Grand Central Place
60 East 42nd Street, Suite 1140
New York, New York 10165

If by electronic submission:

Visit <http://cases.primeclerk.com/Fusion/>. Click on the "E-Ballot" section of the Debtors' website and follow the directions to submit your E-Ballot. If you choose to submit your Ballot via Prime Clerk's E-Ballot system, you should not also return a hard copy of your Ballot.

IMPORTANT NOTE: You will need the following information to retrieve and submit your customized E-Ballot:

Unique E-Ballot ID#:

"E-Balloting" is the sole manner in which Ballots will be accepted via electronic transmission.

Ballots will not be accepted by telecopy, facsimile, or other electronic means of transmission (except via the Voting Agent's E-Ballot platform).

The following Ballots will not be counted in determining the acceptance or rejection of the Plan: (i) any Ballot that is illegible or contains insufficient information to permit the identification of the holder, (ii) any ballot cast by a Person that does not hold a Claim in a Class entitled to vote on the Plan, (iii) any unsigned Ballot, (iv) any ballot that

does not contain an original signature (for the avoidance of doubt, a Ballot submitted by the E-Ballot platform shall be deemed to bear an original signature); and (v) any Ballot transmitted to the Voting Agent by facsimile, or electronic transmission, or other electronic means (other than Ballots entitled to be submitted via the Voting Agent's online balloting portal). An otherwise properly completed, executed, and timely returned Ballot failing to indicate either acceptance or rejection of the Plan or indicating both acceptance and rejection of the Plan will not be counted.

To properly complete the Ballot, you must follow the procedures described below:

- a. Make sure that the information contained in Item 1 is correct;
- b. If you have a Class 4 – Second Lien Claim, cast one vote to accept or reject the Plan by checking the appropriate box in Item 2;
- c. **Make sure to read the information regarding the Releases in Item 3. Holders of Claims who accept the Plan are automatically deemed to have consented to the release provisions in Section 10.6(b) of the Plan.**
- d. If you are completing this Ballot on behalf of another entity, indicate your relationship with such entity and the capacity in which you are signing on the appropriate line in Item 3. By submitting the Ballot you are certifying that you have authority to so act and agree to provide documents evidencing such authority upon request (e.g., a power of attorney or a certified copy of board resolutions authorizing you to so act);
- e. If you hold other Second Lien Claims (Class 4), you may receive more than one Ballot. Your vote will be counted in determining acceptance or rejection of the Plan by a particular Class of Claims only if you complete, sign, and return the Ballot labeled for such Class of Claims in accordance with the instructions on that Ballot. Each Ballot votes only your Claims indicated on that Ballot. Please complete and return each Ballot you receive;
- f. You must vote all your Claims within a single Class under the Plan either to accept or reject the Plan;
- g. If more than one timely, properly completed Ballot is received, only the last properly completed Ballot received by the Voting Agent will be counted, unless the holder of the Claim receives Bankruptcy Court approval otherwise;
- h. If you believe that you have received the wrong Ballot, please contact the Voting Agent immediately;
- i. Provide your name, mailing address, and any remaining information requested;
- j. Sign and date your Ballot; and

- k. Return your Ballot with an original signature to the Voting Agent. For the avoidance of doubt, a Ballot submitted by the E-Ballot platform shall be deemed to bear an original signature.

No Ballot shall constitute or be deemed a proof of Claim or an assertion of Claim.

In the event that (i) the Debtors revoke or withdraw the Plan or (ii) the Confirmation Order is not entered or consummation of the Plan does not occur, this Ballot shall automatically be null and void and deemed withdrawn without any requirement of affirmative action by or notice to you.

IF YOU (A) HAVE ANY QUESTIONS REGARDING THIS BALLOT, (B) DID NOT RECEIVE A RETURN ENVELOPE WITH YOUR BALLOT, (C) DID NOT RECEIVE A LINK TO THE DEBTORS' WEBSITE PAGE CONTAINING THE DISCLOSURE STATEMENT AND PLAN, OR (D) NEED ADDITIONAL COPIES OF THE BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE VOTING AGENT AT (844) 230-7218 (DOMESTIC) OR (347) 859-8784 (INTERNATIONAL) AND REQUEST TO SPEAK WITH A MEMBER OF THE SOLICITATION TEAM, OR BY E-MAILING FUSIONCONNECTBALLOTS@PRIMECLERK.COM WITH A REFERENCE TO "FUSION CONNECT, INC." IN THE SUBJECT LINE. PLEASE DO NOT DIRECT ANY INQUIRIES TO THE BANKRUPTCY COURT. THE VOTING AGENT IS NOT AUTHORIZED TO, AND WILL NOT, PROVIDE LEGAL ADVICE.

**IMPORTANT INFORMATION REGARDING THE
INJUNCTION, RELEASES, AND EXCULPATION PROVISIONS IN THE PLAN**

Select Defined Terms

“**Claim**” has the meaning set forth in section 101(5) of the Bankruptcy Code, as against any Debtor.

“**Confirmation Order**” means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

“**Definitive Documents**” means the documents (including any related orders, agreements, instruments, schedules or exhibits) that are necessary or desirable to implement, or otherwise relate to the Reorganization Transaction or the Sale Transaction, including, but not limited to: (a) the Plan; (b) the Bidding Procedures Order; (c) the Disclosure Statement; (d) the Disclosure Statement Motion, (e) the Disclosure Statement Order; (f) each of the documents comprising the Plan Supplement; (g) the Confirmation Order; and (h) any purchase and sale agreement in connection with the Sale Transaction.

“**Exculpated Parties**” means collectively, each solely in their capacities as such, the (a) Debtors; (b) Reorganized Debtors; (c) Wind Down Co (if applicable); (d) Consenting First Lien Lenders; (e) Prepetition First Lien Administrative Agent; (f) DIP Agent, (g) DIP Lenders; (h) the New First Lien Lenders; (i) the New First Lien Agent; (j) the New Exit Facility Lenders; (k) the New Exit Facility Agent; (l) the Creditors’ Committee; and (m) Related Parties for each of the foregoing; provided, that, notwithstanding anything herein to the contrary, any person or Entity identified on the Non-Released Parties Schedule shall not be an “Exculpated Party” under the Plan.

“**Interests**” means any equity security (as defined in section 101(16) of the Bankruptcy Code) of a Debtor, including all shares, common stock, preferred stock, units, membership interest, partnership interest, or other instrument evidencing any fixed or contingent ownership interest in any Debtor, whether or not transferable, and any option, warrant, or other right, contractual or otherwise, to acquire any such interest in the Debtors, whether fully vested or vesting in the future, including, without limitation, equity or equity-based incentives, grants, or other instruments issued, granted or promised to be granted to current or former employees, directors, officers, or contractors of the Debtors, to acquire any such interests in the Debtors that existed immediately before the Effective Date.

“**Related Parties**” means with respect to any Exculpated Party or any Released Party, such Entities’ predecessors, successors and assigns, subsidiaries, Affiliates, managed accounts or funds, and all of their respective current and former officers, directors, managers, limited partners, principals, stockholders (and any fund managers, fiduciaries or other agents of stockholders with any involvement related to the Debtors), members, partners, managers, employees, subcontractors agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, investment managers, investment advisors, consultants, representatives, management companies, fund advisors and other professionals, and such persons’ respective heirs, executors, estates, servants and nominees; provided that, notwithstanding anything to the contrary herein, any person or Entity identified on the Non-Released Parties Schedule shall not be a “Related Party” under the Plan.

“Released Parties” means collectively the: (a) Debtors; (b) Reorganized Debtors; (c) Wind Down Co (if applicable); (d) Consenting First Lien Lenders; (e) Prepetition First Lien Administrative Agent; (f) DIP Agent; (g) DIP Lenders; and (h) Related Parties for each of the foregoing; provided that, notwithstanding anything to the contrary herein, any person or Entity identified on the Non-Released Parties Schedule shall not be a “Released Party” under the Plan.

“Reorganization Transaction” means, collectively, (a) issuance of the New Equity Interests; (b) entry into the New First Lien Credit Documents; (c) entry into the New Exit Facility Documents; (d) entry into the Special Warrant Agreement; (e) execution of the Amended Organizational Documents; (f) vesting of the Debtors’ assets in the Reorganized Debtors, in each case, in accordance with the Plan; and (g) the other transactions that the Debtors and the Requisite First Lien Lenders reasonably determine are necessary or appropriate to implement the foregoing, in each case, in accordance with the Plan and the RSA.

“Reorganized Debtors” means, the Debtors, as reorganized pursuant to and under the Plan on and after the Effective Date.

“Sale Transaction” means the sale of all or substantially all of the Debtors’ assets or Interests in the Debtors owning all or substantially all of the Debtors’ assets, contemplated by the Successful Bid.

“Wind Down Co” means an Entity that, in the discretion of Debtors, with the consent of the Requisite First Lien Lenders, which consent shall not be unreasonably withheld, may be established on the Effective Date for the benefit of holders of Claims against the Debtors (which Entity may be a liquidating trust) in connection with the distribution of proceeds from the Sale Transaction and any other assets of the Debtors (as determined by the Debtors or in accordance with the Successful Bid).

Select Provisions of the Plan

Section 10.5 of the Plan: Injunction

(c) Upon entry of the Confirmation Order, all holders of Claims and Interests and other parties in interest, along with their respective present or former employees, agents, officers, directors, principals, and affiliates, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan in relation to any Claim or Interest extinguished, discharged, or released pursuant to the Plan.

(d) Except as expressly provided in the Plan, the Confirmation Order, or a separate order of the Bankruptcy Court or as agreed to by the Debtors and a holder of a Claim against or Interest in the Debtors, all Entities who have held, hold, or may hold Claims against or Interests in the Debtors (whether proof of such Claims or Interests has been filed or not and whether or not such Entities vote in favor of, against or abstain from voting on the Plan or are presumed to have accepted or deemed to have rejected the Plan) and other parties in interest, along with their respective present or former employees, agents, officers, directors, principals, and affiliates are permanently enjoined, on and after the Effective Date, solely with respect to any Claims, Interests, and Causes of Action that will be or are extinguished, discharged, or released pursuant to the Plan from (i) commencing, conducting,

or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against or affecting the Debtors, the Reorganized Debtors, or the Wind Down Co, or the property of any of the Debtors, the Reorganized Debtors, or the Wind Down Co; (ii) enforcing, levying, attaching (including, without limitation, any prejudgment attachment), collecting, or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree, or order against the Debtors, the Reorganized Debtors, or the Wind Down Co, or the property of any of the Debtors, the Reorganized Debtors, or the Wind Down Co; (iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Debtors, the Reorganized Debtors, or the Wind Down Co, or the property of any of the Debtors, the Reorganized Debtors, or the Wind Down Co; (iv) asserting any right of setoff, directly or indirectly, against any obligation due from the Debtors, the Reorganized Debtors, or the Wind Down Co, or against property or interests in property of any of the Debtors, the Reorganized Debtors, or the Wind Down Co, except as contemplated or Allowed by the Plan; and (v) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan.

(e) Each holder of an Allowed Claim or Interest extinguished, discharged, or released pursuant to the Plan will be deemed to have affirmatively and specifically consented to be bound by the Plan, including, without limitation, the injunctions set forth in Section 10.5 of the Plan.

(f) The injunctions in Section 10.5 of the Plan shall extend to any successors of the Debtors, the Reorganized Debtors and the Wind Down Co, and their respective property and interests in property.

Section 10.6 of the Plan: Releases

(g) **Estate Releases.**

As of the Effective Date, except for the rights that remain in effect from and after the Effective Date to enforce the Plan and the Definitive Documents, for good and valuable consideration, the adequacy of which is hereby confirmed, including, without limitation, the service of the Released Parties to facilitate the reorganization of the Debtors and the implementation of the restructuring, and except as otherwise provided in the Plan or in the Confirmation Order, the Released Parties will be deemed expressly, conclusively, absolutely, unconditionally, irrevocably and forever released and discharged, to the maximum extent permitted by law, by the Debtors, the Wind Down Co, the Reorganized Debtors, and their Estates from any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, remedies, losses, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtors, the Wind Down Co or Reorganized Debtors (as the case may be), or the Estates, or their respective successors, predecessors, assigns, and representatives and any and all other Persons or Entities that may purport to assert any Cause of Action derivatively, by or through the foregoing, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity,

contract, tort, by statute, violations of federal or state securities law, or otherwise, that the Debtors, the Wind Down Co or Reorganized Debtors (as the case may be), or the Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other Person, based on or relating to, or in any manner arising prior to the Effective Date from, in whole or in part, the Debtors, the Chapter 11 Cases, the pre- and postpetition marketing and sale process, the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the Prepetition First Lien Credit Documents, the Prepetition Super Senior Credit Documents, the Forbearance Agreement (as defined in the RSA), the DIP Documents, the business or contractual arrangements between any of the Debtors and any Released Party, the restructuring, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, the Disclosure Statement, the RSA, and the Plan and related agreements, instruments, and other documents (including the Definitive Documents), and the negotiation, formulation, or preparation of any documents or transactions in connection with any of the foregoing, the solicitation of votes with respect to the Plan, or any other act or omission, in all cases based upon any act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date; provided, that nothing in Section 10.6(a) of the Plan shall be construed to release the Released Parties from gross negligence, willful misconduct, or fraud as determined by a Final Order; provided, further, that nothing in Section 10.6(a) of the Plan shall be construed to release the obligations of Vector SPV (as defined in the Prepetition First Lien Credit Agreement) arising under the Vector Subordinated Note (as defined in the Prepetition First Lien Credit Agreement). The Debtors, the Reorganized Debtors and their Estates, and the Wind Down Co shall be permanently enjoined from prosecuting any of the foregoing Claims or Causes of Action released under this Section 10.6(a) against each of the Released Parties.

(h) **Consensual Releases by Holders of Impaired Claims.**

As of the Effective Date, except (i) for the right to enforce the Plan or any right or obligation arising under the Definitive Documents that remains in effect or becomes effective after the Effective Date or (ii) as otherwise expressly provided in the Plan or in the Confirmation Order, in exchange for good and valuable consideration, the adequacy of which is hereby confirmed, including the obligations of the Debtors under the Plan and the contributions of the Released Parties to facilitate and implement the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, the Released Parties shall be deemed expressly, conclusively, absolutely, unconditionally, irrevocably and forever, released, and discharged by:

- (i) the holders of Impaired Claims who voted to accept the Plan;
- (ii) the Consenting First Lien Lenders; and
- (iii) with respect to any Entity in the foregoing clauses (i) and (ii), such Entity's (x) predecessors, successors and assigns, (y) subsidiaries, affiliates, managed accounts or funds, managed or controlled by such Entity and (z) all Persons entitled to assert Claims through or on behalf of such

Entities with respect to the matters for which the releasing entities are providing releases.

in each case, from any and all Claims, Interests, or Causes of Action whatsoever, including any derivative Claims asserted on behalf of a Debtor, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, contract, tort, by statute, violation of federal or state securities law, or otherwise, that such Entity would have been legally entitled to assert (whether individually or collectively), based on, relating to, or arising prior to the Effective Date from, in whole or in part, the Debtors, the restructuring, the Chapter 11 Cases, the pre- and postpetition marketing and sale process, the purchase, sale or rescission of the purchase or sale of any security of the Debtors or Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the Prepetition First Lien Credit Documents, the Prepetition Super Senior Credit Documents, the Forbearance Agreement (as defined in the RSA), the DIP Documents, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims and Interests before or during the Chapter 11 Cases, the negotiation, formulation, preparation, or consummation of the Plan (including the Plan Supplement), the RSA, the Definitive Documents, or any related agreements, instruments, or other documents, the solicitation of votes with respect to the Plan, in all cases based upon any act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date; provided, that nothing in Section 10.6(b) of the Plan shall be construed to release the Released Parties from gross negligence, willful misconduct, or fraud as determined by a Final Order. The Persons and Entities in (i) through (iii) of Section 10.6(b) of the Plan shall be permanently enjoined from prosecuting any of the foregoing Claims or Causes of Action released under Section 10.6(b) of the Plan against each of the Released Parties.

Section 10.7 of the Plan: Exculpation

To the maximum extent permitted by applicable law, no Exculpated Party will have or incur, and each Exculpated Party is hereby released and exculpated from, any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, remedy, loss, and liability for any claim in connection with or arising out of the administration of the Chapter 11 Cases, the postpetition marketing and sale process, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors; the negotiation and pursuit of the Disclosure Statement, the RSA, the Reorganization Transaction or the Sale Transaction, as applicable, the Plan, or the solicitation of votes for, or confirmation of, the Plan; the funding or consummation of the Plan; the occurrence of the Effective Date; the administration of the Plan or the property to be distributed under the Plan; the issuance of Securities under or in connection with the Plan; or the transactions in furtherance of any of the foregoing; provided, that nothing in this Section 10.7 shall be construed to release or exculpate an Exculpated Party from gross negligence, willful misconduct, or fraud as determined by a Final Order; provided, further, that nothing in Section 10.7 of the Plan shall be construed to release the obligations of Vector SPV (as defined in the Prepetition First Lien Credit Agreement) arising under the Vector Subordinated Note (as defined in the Prepetition First Lien Credit Agreement).

PLEASE COMPLETE THE FOLLOWING:

Item 1. Amount of Class 4 Claim (Second Lien Claims). For purposes of voting to accept or reject the Plan, the undersigned certifies that as of [_____], the undersigned holds a Class 4 Claim (Second Lien Claims) against the Debtors in the amount set forth below.

Amount: \$[_____]

Item 2. Vote on the Plan. The undersigned holder of a Class 4 Claim (Second Lien Claims) in the amount set forth in Item 1 above hereby votes to:

- Check one box only:**
- Accept the Plan
- Reject the Plan

Your vote on the Plan will be applied to each applicable Debtor in the same manner and in the same amount as indicated in Item 1 and Item 2 above.

PLEASE TAKE NOTE THAT IF YOU SUBMIT THIS BALLOT TO THE VOTING AGENT AND EITHER: (A) FAIL TO INDICATE WHETHER YOU ARE ACCEPTING OR REJECTING THE PLAN OR (B) CHECK BOTH BOXES INDICATING THAT YOU ARE BOTH ACCEPTING AND REJECTING THE PLAN, YOUR BALLOT WILL NOT BE COUNTED IN DETERMINING THE ACCEPTANCE OR REJECTION OF THE PLAN.

IMPORTANT INFORMATION REGARDING CERTAIN RELEASES BY HOLDERS OF CLAIMS:

IF YOU RETURN A BALLOT AND VOTE TO ACCEPT THE PLAN, YOU ARE AUTOMATICALLY DEEMED TO HAVE CONSENTED TO THE RELEASE PROVISIONS IN SECTION 10.6(b) OF THE PLAN.

Item 3. Acknowledgements and Ownership Certification. By signing this Ballot, the undersigned acknowledges receipt of a Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein. The undersigned certifies that as of the Lender Voting Record Date (a) it is the Holder of the Class 4 Claim (Second Lien Claims) identified in Item 1 above or (b) the undersigned is an authorized signatory and has full power and authority to vote to accept or reject the Plan on behalf of the Holder.

Print or Type Name of Holder: _____

Signature: _____

Name of Signatory (if different than Holder)²: _____

If by Authorized Agent, Title of Agent: _____

Street Address: _____

City, State, Zip Code: _____

Telephone Number: _____

E-mail Address: _____

Date Completed: _____

² If you are completing this Ballot on behalf of another person or entity, indicate your relationship with such person or entity and the capacity in which you are signing. You may be required to provide additional information or documentation with respect to such relationship.

SCHEDULE 3C

Form of General Unsecured Ballot

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	:	
	:	
In re	:	Chapter 11
	:	
FUSION CONNECT, INC., et al.,	:	Case No. 19-11811 (SMB)
	:	
Debtors.¹	:	(Jointly Administered)
	:	
-----X		

**BALLOT FOR ACCEPTING OR REJECTING JOINT CHAPTER 11
PLAN OF FUSION CONNECT, INC., AND ITS SUBSIDIARY DEBTORS**

BALLOT FOR: CLASS 5 – General Unsecured Claims

**THE VOTING DEADLINE TO ACCEPT OR REJECT
THE PLAN IS 4:00 P.M., PREVAILING EASTERN
TIME, ON [___], 2019 (THE “VOTING DEADLINE”),
UNLESS EXTENDED BY THE DEBTORS.**

This ballot (the “**Ballot**”) is provided to you to solicit your vote to accept or reject the *Joint Chapter 11 Plan of Fusion Connect, Inc., and its Subsidiary Debtors* under chapter 11 of the Bankruptcy Code, dated July 1, 2019 (as it may be amended or modified, the “**Plan**”). The Plan is attached as **Exhibit A** to the *Disclosure Statement for the Joint Chapter 11 Plan of Fusion Connect, Inc., and its Subsidiary Debtors*, dated July 1, 2019 (as it may be amended or modified, the “**Disclosure Statement**”).

Copies of the Disclosure Statement and the Plan will be on file with the Office of the Clerk of the Bankruptcy Court for review during normal business hours (a fee may be charged) and are also available free of charge on the Debtors’ claims agent’s website (<https://cases.primeclerk.com/Fusion/>).

All capitalized terms used but not defined herein or in the enclosed voting instructions have the meanings ascribed to such terms in the Plan. The Disclosure Statement provides information to assist you in deciding how to vote on the Plan. You should review the Disclosure Statement and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Fusion Connect, Inc. (2021); Fusion BCHI Acquisition LLC (7402); Fusion NBS Acquisition Corp. (4332); Fusion LLC (0994); Fusion MPHC Holding Corporation (3066); Fusion MPHC Group, Inc. (1529); Fusion Cloud Company LLC (5568); Fusion Cloud Services, LLC (3012); Fusion CB Holdings, Inc. (6526); Fusion Communications, LLC (8337); Fusion Telecom, LLC (0894); Fusion Texas Holdings, Inc. (2636); Fusion Telecom of Kansas, LLC (0075); Fusion Telecom of Oklahoma, LLC (3260); Fusion Telecom of Missouri, LLC (5329); Fusion Telecom of Texas Ltd., L.L.P. (8531); Bircan Holdings, LLC (2819); Fusion Management Services LLC (5597); and Fusion PM Holdings, Inc. (2478). The Debtors’ principal offices are located at 210 Interstate North Parkway, Suite 300, Atlanta, Georgia 30339.

the Plan in their entirety before you vote. You may wish to seek independent legal advice concerning the Plan and your classification and treatment under the Plan.

The Debtors commenced voluntary cases under chapter 11 of the Bankruptcy Code. The Plan can thereafter be confirmed by the Bankruptcy Court and thereby made binding on you if it is accepted by the holders of at least two-thirds in amount and more than one-half in number of the Claims voted in each Impaired Class, and if the Plan otherwise satisfies the applicable requirements of section 1129(a) under the Bankruptcy Code. If the requisite acceptances are not obtained, the Bankruptcy Court may nonetheless confirm the Plan if it finds that the Plan (a) provides fair and equitable treatment to, and does not unfairly discriminate against, the Class or Classes rejecting the Plan, and (b) otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code. If the Plan is confirmed by the Bankruptcy Court, it will be binding on you whether or not you vote or if you vote to reject the Plan.

Please use this Ballot to cast your vote to accept or reject the Plan if you are, as of [____], 2019 (the “**GUC Voting Record Date**”), a holder of a General Unsecured Claim against the Debtors.

If you have any questions on how to properly complete this Ballot, please call Prime Clerk LLC (the “**Voting Agent**”) at (844) 230-7218 (Domestic) or (347) 859-8784 (International) and request to speak with a member of the solicitation team, or email fusionconnectballots@Primeclerk.com with a reference to “Fusion Connect, Inc.” in the subject line. **THE VOTING AGENT IS NOT AUTHORIZED TO, AND WILL NOT, PROVIDE LEGAL ADVICE.**

This Ballot is to be used for voting by holders of General Unsecured Claims (Class 5). In order for your vote to be counted, this Ballot must be properly completed, signed, and returned to the Voting Agent so that it is actually received no later than 4:00 p.m. (Prevailing Eastern Time) on [____], 2019 (the “Voting Deadline**”), unless such time is extended by the Debtors.**

This Ballot is solely for purposes of voting to accept or reject the Plan and not for the purpose of allowance or disallowance of, or distribution on account of, Class 5 Claims (General Unsecured Claims).

INSTRUCTIONS FOR COMPLETING THE BALLOT

This Ballot is submitted to you to solicit your vote to accept or reject the Plan. The terms of the Plan are described in the Disclosure Statement, including all exhibits thereto. **PLEASE READ THE PLAN AND THE DISCLOSURE STATEMENT CAREFULLY BEFORE COMPLETING THIS BALLOT.**

To have your vote counted, you must complete, sign, and return this Ballot so that it is received by the Voting Agent no later than the Voting Deadline, unless such time is extended by the Debtors. Ballots must be delivered to the Voting Agent (i) at an appropriate address listed below or (ii) via the Voting Agent’s E-Ballot platform by visiting <http://cases.primeclerk.com/Fusion/>, clicking on the “E-Ballot” link and following the instructions set forth on the website. Holders are encouraged to submit their Ballots via the E-Ballot platform. If you choose to submit your Ballot via the E-Ballot platform, you should

NOT submit your hard copy Ballot as well. Please choose only one method of return for your Ballot.

If by U.S. Postal Service mail, overnight delivery or personal delivery by hand:

Fusion Connect, Inc. Ballot Processing
c/o Prime Clerk LLC
One Grand Central Place
60 East 42nd Street, Suite 1140
New York, New York 10165

If by electronic submission:

Visit <http://cases.primeclerk.com/Fusion/>. Click on the “E-Ballot” section of the Debtors’ website and follow the directions to submit your E-Ballot. If you choose to submit your Ballot via Prime Clerk’s E-Ballot system, you should not also return a hard copy of your Ballot.

IMPORTANT NOTE: You will need the following information to retrieve and submit your customized E-Ballot:

Unique E-Ballot ID#:

“E-Balloting” is the sole manner in which Ballots will be accepted via electronic transmission.

Ballots will not be accepted by telecopy, facsimile, or other electronic means of transmission (except via the Voting Agent’s E-Ballot platform).

The following Ballots will not be counted in determining the acceptance or rejection of the Plan: (i) any Ballot that is illegible or contains insufficient information to permit the identification of the holder, (ii) any ballot cast by a Person that does not hold a Claim in a Class entitled to vote on the Plan, (iii) any unsigned Ballot, (iv) any ballot that does not contain an original signature (for the avoidance of doubt, a Ballot submitted by the E-Ballot platform shall be deemed to bear an original signature); and (v) any Ballot transmitted to the Voting Agent by facsimile, or electronic transmission, or other electronic means (other than Ballots entitled to be submitted via the Voting Agent’s online balloting portal). An otherwise properly completed, executed, and timely returned Ballot failing to indicate either acceptance or rejection of the Plan or indicating both acceptance and rejection of the Plan will not be counted.

To properly complete the Ballot, you must follow the procedures described below:

- a. Make sure that the information contained in Item 1 is correct;
- b. If you have a Class 5 – General Unsecured Claim, cast one vote to accept or reject the Plan by checking the appropriate box in Item 2;
- c. **Make sure to read the information regarding the Releases in Item 3. Holders of Claims who accept the Plan are automatically deemed to have consented to the release provisions in Section 10.6(b) of the Plan.**
- d. If you are completing this Ballot on behalf of another entity, indicate your relationship with such entity and the capacity in which you are signing on the appropriate line in Item 3. By submitting the Ballot you are certifying that you have authority to so act and agree to provide documents evidencing such authority upon request (*e.g.*, a power of attorney or a certified copy of board resolutions authorizing you to so act);
- e. If you hold other General Unsecured Claims (Class 5), you may receive more than one Ballot. Your vote will be counted in determining acceptance or rejection of the Plan by a particular Class of Claims only if you complete, sign, and return the Ballot labeled for such Class of Claims in accordance with the instructions on that Ballot. Each Ballot votes only your Claims indicated on that Ballot. Please complete and return each Ballot you receive;
- f. You must vote all your Claims within a single Class under the Plan either to accept or reject the Plan;
- g. If more than one timely, properly completed Ballot is received, only the last properly completed Ballot received by the Voting Agent will be counted, unless the holder of the Claim receives Bankruptcy Court approval otherwise;
- h. If you believe that you have received the wrong Ballot, please contact the Voting Agent immediately;
- i. Provide your name, mailing address, and any remaining information requested;
- j. Sign and date your Ballot; and
- k. Return your Ballot with an original signature to the Voting Agent. For the avoidance of doubt, a Ballot submitted by the E-Ballot platform shall be deemed to bear an original signature.

No Ballot shall constitute or be deemed a proof of Claim or an assertion of Claim.

In the event that (i) the Debtors revoke or withdraw the Plan or (ii) the Confirmation Order is not entered or consummation of the Plan does not occur, this Ballot shall automatically

be null and void and deemed withdrawn without any requirement of affirmative action by or notice to you.

IF YOU (A) HAVE ANY QUESTIONS REGARDING THIS BALLOT, (B) DID NOT RECEIVE A RETURN ENVELOPE WITH YOUR BALLOT, (C) DID NOT RECEIVE A LINK TO THE DEBTORS' WEBSITE PAGE CONTAINING THE DISCLOSURE STATEMENT AND PLAN, OR (D) NEED ADDITIONAL COPIES OF THE BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE VOTING AGENT AT (844) 230-7218 (DOMESTIC) OR (347) 859-8784 (INTERNATIONAL) AND REQUEST TO SPEAK WITH A MEMBER OF THE SOLICITATION TEAM, OR BY E-MAILING FUSIONCONNECTBALLOTS@PRIMECLERK.COM WITH A REFERENCE TO "FUSION CONNECT, INC." IN THE SUBJECT LINE. PLEASE DO NOT DIRECT ANY INQUIRIES TO THE BANKRUPTCY COURT. THE VOTING AGENT IS NOT AUTHORIZED TO, AND WILL NOT, PROVIDE LEGAL ADVICE.

**IMPORTANT INFORMATION REGARDING THE
INJUNCTION, RELEASES, AND EXCULPATION PROVISIONS IN THE PLAN²**

Select Defined Terms

“**Claim**” has the meaning set forth in section 101(5) of the Bankruptcy Code, as against any Debtor.

“**Confirmation Order**” means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

“**Definitive Documents**” means the documents (including any related orders, agreements, instruments, schedules or exhibits) that are necessary or desirable to implement, or otherwise relate to the Reorganization Transaction or the Sale Transaction, including, but not limited to: (a) the Plan; (b) the Bidding Procedures Order; (c) the Disclosure Statement; (d) the Disclosure Statement Motion, (e) the Disclosure Statement Order; (f) each of the documents comprising the Plan Supplement; (g) the Confirmation Order; and (h) any purchase and sale agreement in connection with the Sale Transaction.

“**Exculpated Parties**” means collectively, each solely in their capacities as such, the (a) Debtors; (b) Reorganized Debtors; (c) Wind Down Co (if applicable); (d) Consenting First Lien Lenders; (e) Prepetition First Lien Administrative Agent; (f) DIP Agent, (g) DIP Lenders; (h) the New First Lien Lenders; (i) the New First Lien Agent; (j) the New Exit Facility Lenders; (k) the New Exit Facility Agent; (l) the Creditors’ Committee; and (m) Related Parties for each of the foregoing; provided, that, notwithstanding anything herein to the contrary, any person or Entity identified on the Non-Released Parties Schedule shall not be an “Exculpated Party” under the Plan.

“**Interests**” means any equity security (as defined in section 101(16) of the Bankruptcy Code) of a Debtor, including all shares, common stock, preferred stock, units, membership interest, partnership interest, or other instrument evidencing any fixed or contingent ownership interest in any Debtor, whether or not transferable, and any option, warrant, or other right, contractual or otherwise, to acquire any such interest in the Debtors, whether fully vested or vesting in the future, including, without limitation, equity or equity-based incentives, grants, or other instruments issued, granted or promised to be granted to current or former employees, directors, officers, or contractors of the Debtors, to acquire any such interests in the Debtors that existed immediately before the Effective Date.

“**Related Parties**” means with respect to any Exculpated Party or any Released Party, such Entities’ predecessors, successors and assigns, subsidiaries, Affiliates, managed accounts or funds, and all of their respective current and former officers, directors, managers, limited partners, principals, stockholders (and any fund managers, fiduciaries or other agents of stockholders with any involvement related to the Debtors), members, partners, managers, employees, subcontractors agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, investment managers, investment advisors, consultants, representatives, management companies, fund advisors and other professionals, and such persons’ respective heirs, executors, estates,

² Capitalized terms used in this section but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Plan.

servants and nominees; provided that, notwithstanding anything to the contrary herein, any person or Entity identified on the Non-Released Parties Schedule shall not be a “Related Party” under the Plan.

“**Released Parties**” means collectively the: (a) Debtors; (b) Reorganized Debtors; (c) Wind Down Co (if applicable); (d) Consenting First Lien Lenders; (e) Prepetition First Lien Administrative Agent; (f) DIP Agent; (g) DIP Lenders; and (h) Related Parties for each of the foregoing; provided that, notwithstanding anything to the contrary herein, any person or Entity identified on the Non-Released Parties Schedule shall not be a “Released Party” under the Plan.

“**Reorganization Transaction**” means, collectively, (a) issuance of the New Equity Interests; (b) entry into the New First Lien Credit Documents; (c) entry into the New Exit Facility Documents; (d) entry into the Special Warrant Agreement; (e) execution of the Amended Organizational Documents; (f) vesting of the Debtors’ assets in the Reorganized Debtors, in each case, in accordance with the Plan; and (g) the other transactions that the Debtors and the Requisite First Lien Lenders reasonably determine are necessary or appropriate to implement the foregoing, in each case, in accordance with the Plan and the RSA.

“**Reorganized Debtors**” means, the Debtors, as reorganized pursuant to and under the Plan on and after the Effective Date.

“**Sale Transaction**” means the sale of all or substantially all of the Debtors’ assets or Interests in the Debtors owning all or substantially all of the Debtors’ assets, contemplated by the Successful Bid.

“**Wind Down Co**” means an Entity that, in the discretion of Debtors, with the consent of the Requisite First Lien Lenders, which consent shall not be unreasonably withheld, may be established on the Effective Date for the benefit of holders of Claims against the Debtors (which Entity may be a liquidating trust) in connection with the distribution of proceeds from the Sale Transaction and any other assets of the Debtors (as determined by the Debtors or in accordance with the Successful Bid).

Select Provisions of the Plan

Section 10.5 of the Plan: Injunction

(i) **Upon entry of the Confirmation Order, all holders of Claims and Interests and other parties in interest, along with their respective present or former employees, agents, officers, directors, principals, and affiliates, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan in relation to any Claim or Interest extinguished, discharged, or released pursuant to the Plan.**

(j) **Except as expressly provided in the Plan, the Confirmation Order, or a separate order of the Bankruptcy Court or as agreed to by the Debtors and a holder of a Claim against or Interest in the Debtors, all Entities who have held, hold, or may hold Claims against or Interests in the Debtors (whether proof of such Claims or Interests has been filed or not and whether or not such Entities vote in favor of, against or abstain from voting on the Plan or are presumed to have accepted or deemed to have rejected the Plan) and other**

parties in interest, along with their respective present or former employees, agents, officers, directors, principals, and affiliates are permanently enjoined, on and after the Effective Date, solely with respect to any Claims, Interests, and Causes of Action that will be or are extinguished, discharged, or released pursuant to the Plan from (i) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against or affecting the Debtors, the Reorganized Debtors, or the Wind Down Co, or the property of any of the Debtors, the Reorganized Debtors, or the Wind Down Co; (ii) enforcing, levying, attaching (including, without limitation, any prejudgment attachment), collecting, or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree, or order against the Debtors, the Reorganized Debtors, or the Wind Down Co; (iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Debtors, the Reorganized Debtors, or the Wind Down Co, or the property of any of the Debtors, the Reorganized Debtors, or the Wind Down Co; (iv) asserting any right of setoff, directly or indirectly, against any obligation due from the Debtors, the Reorganized Debtors, or the Wind Down Co, or against property or interests in property of any of the Debtors, the Reorganized Debtors, or the Wind Down Co, except as contemplated or Allowed by the Plan; and (v) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan.

(k) Each holder of an Allowed Claim or Interest extinguished, discharged, or released pursuant to the Plan will be deemed to have affirmatively and specifically consented to be bound by the Plan, including, without limitation, the injunctions set forth in Section 10.5 of the Plan.

(l) The injunctions in Section 10.5 of the Plan shall extend to any successors of the Debtors, the Reorganized Debtors and the Wind Down Co, and their respective property and interests in property.

Section 10.6 of the Plan: Releases

(m) **Estate Releases.**

As of the Effective Date, except for the rights that remain in effect from and after the Effective Date to enforce the Plan and the Definitive Documents, for good and valuable consideration, the adequacy of which is hereby confirmed, including, without limitation, the service of the Released Parties to facilitate the reorganization of the Debtors and the implementation of the restructuring, and except as otherwise provided in the Plan or in the Confirmation Order, the Released Parties will be deemed expressly, conclusively, absolutely, unconditionally, irrevocably and forever released and discharged, to the maximum extent permitted by law, by the Debtors, the Wind Down Co, the Reorganized Debtors, and their Estates from any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, remedies, losses, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtors, the Wind Down Co or Reorganized Debtors (as the case may be), or the Estates, or their respective

successors, predecessors, assigns, and representatives and any and all other Persons or Entities that may purport to assert any Cause of Action derivatively, by or through the foregoing, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, contract, tort, by statute, violations of federal or state securities law, or otherwise, that the Debtors, the Wind Down Co or Reorganized Debtors (as the case may be), or the Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other Person, based on or relating to, or in any manner arising prior to the Effective Date from, in whole or in part, the Debtors, the Chapter 11 Cases, the pre- and postpetition marketing and sale process, the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the Prepetition First Lien Credit Documents, the Prepetition Super Senior Credit Documents, the Forbearance Agreement (as defined in the RSA), the DIP Documents, the business or contractual arrangements between any of the Debtors and any Released Party, the restructuring, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, the Disclosure Statement, the RSA, and the Plan and related agreements, instruments, and other documents (including the Definitive Documents), and the negotiation, formulation, or preparation of any documents or transactions in connection with any of the foregoing, the solicitation of votes with respect to the Plan, or any other act or omission, in all cases based upon any act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date; provided, that nothing in Section 10.6(a) of the Plan shall be construed to release the Released Parties from gross negligence, willful misconduct, or fraud as determined by a Final Order; provided, further, that nothing in Section 10.6(a) of the Plan shall be construed to release the obligations of Vector SPV (as defined in the Prepetition First Lien Credit Agreement) arising under the Vector Subordinated Note (as defined in the Prepetition First Lien Credit Agreement). The Debtors, the Reorganized Debtors and their Estates, and the Wind Down Co shall be permanently enjoined from prosecuting any of the foregoing Claims or Causes of Action released under this Section 10.6(a) against each of the Released Parties.

(n) **Consensual Releases by Holders of Impaired Claims.**

As of the Effective Date, except (i) for the right to enforce the Plan or any right or obligation arising under the Definitive Documents that remains in effect or becomes effective after the Effective Date or (ii) as otherwise expressly provided in the Plan or in the Confirmation Order, in exchange for good and valuable consideration, the adequacy of which is hereby confirmed, including the obligations of the Debtors under the Plan and the contributions of the Released Parties to facilitate and implement the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, the Released Parties shall be deemed expressly, conclusively, absolutely, unconditionally, irrevocably and forever, released, and discharged by:

- (i) the holders of Impaired Claims who voted to accept the Plan;
- (ii) the Consenting First Lien Lenders; and

(iii) with respect to any Entity in the foregoing clauses (i) and (ii), such Entity's (x) predecessors, successors and assigns, (y) subsidiaries, affiliates, managed accounts or funds, managed or controlled by such Entity and (z) all Persons entitled to assert Claims through or on behalf of such Entities with respect to the matters for which the releasing entities are providing releases.

in each case, from any and all Claims, Interests, or Causes of Action whatsoever, including any derivative Claims asserted on behalf of a Debtor, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, contract, tort, by statute, violation of federal or state securities law, or otherwise, that such Entity would have been legally entitled to assert (whether individually or collectively), based on, relating to, or arising prior to the Effective Date from, in whole or in part, the Debtors, the restructuring, the Chapter 11 Cases, the pre- and postpetition marketing and sale process, the purchase, sale or rescission of the purchase or sale of any security of the Debtors or Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the Prepetition First Lien Credit Documents, the Prepetition Super Senior Credit Documents, the Forbearance Agreement (as defined in the RSA), the DIP Documents, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims and Interests before or during the Chapter 11 Cases, the negotiation, formulation, preparation, or consummation of the Plan (including the Plan Supplement), the RSA, the Definitive Documents, or any related agreements, instruments, or other documents, the solicitation of votes with respect to the Plan, in all cases based upon any act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date; provided, that nothing in Section 10.6(b) of the Plan shall be construed to release the Released Parties from gross negligence, willful misconduct, or fraud as determined by a Final Order. The Persons and Entities in (i) through (iii) of Section 10.6(b) of the Plan shall be permanently enjoined from prosecuting any of the foregoing Claims or Causes of Action released under Section 10.6(b) of the Plan against each of the Released Parties.

Section 10.7 of the Plan: Exculpation

To the maximum extent permitted by applicable law, no Exculpated Party will have or incur, and each Exculpated Party is hereby released and exculpated from, any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, remedy, loss, and liability for any claim in connection with or arising out of the administration of the Chapter 11 Cases, the postpetition marketing and sale process, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors; the negotiation and pursuit of the Disclosure Statement, the RSA, the Reorganization Transaction or the Sale Transaction, as applicable, the Plan, or the solicitation of votes for, or confirmation of, the Plan; the funding or consummation of the Plan; the occurrence of the Effective Date; the administration of the Plan or the property to be distributed under the Plan; the issuance of Securities under or in connection with the Plan; or the transactions in furtherance of any of the foregoing; provided, that nothing in this Section 10.7 shall be construed to release or exculpate an Exculpated Party from gross negligence, willful misconduct, or fraud as determined by a Final Order; provided, further, that nothing in Section 10.7 of the Plan shall be construed to

release the obligations of Vector SPV (as defined in the Prepetition First Lien Credit Agreement) arising under the Vector Subordinated Note (as defined in the Prepetition First Lien Credit Agreement).

PLEASE COMPLETE THE FOLLOWING:

Item 1. Amount of Class 5 Claim (General Unsecured Claims). For purposes of voting to accept or reject the Plan, the undersigned certifies that as of [____], the undersigned holds a Class 5 Claim (General Unsecured Claims) against the Debtors in the amount set forth below.

Amount: \$[_____]

Item 2. Vote on the Plan. The undersigned holder of a Class 5 Claim (General Unsecured Claims) in the amount set forth in Item 1 above hereby votes to:

- Check one box only:**
- Accept the Plan
- Reject the Plan

Your vote on the Plan will be applied to each applicable Debtor in the same manner and in the same amount as indicated in Item 1 and Item 2 above.

PLEASE TAKE NOTE THAT IF YOU SUBMIT THIS BALLOT TO THE VOTING AGENT AND EITHER: (A) FAIL TO INDICATE WHETHER YOU ARE ACCEPTING OR REJECTING THE PLAN OR (B) CHECK BOTH BOXES INDICATING THAT YOU ARE BOTH ACCEPTING AND REJECTING THE PLAN, YOUR BALLOT WILL NOT BE COUNTED IN DETERMINING THE ACCEPTANCE OR REJECTION OF THE PLAN.

<p>IMPORTANT INFORMATION REGARDING CERTAIN RELEASES BY HOLDERS OF CLAIMS:</p>
--

<p>IF YOU RETURN A BALLOT AND VOTE TO ACCEPT THE PLAN, YOU ARE AUTOMATICALLY DEEMED TO HAVE CONSENTED TO THE RELEASE PROVISIONS IN SECTION 10.6(b) OF THE PLAN.</p>
--

Item 3. Acknowledgements and Ownership Certification. By signing this Ballot, the undersigned acknowledges receipt of a Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein. The undersigned certifies that as of the GUC Voting Record Date (a) it is the Holder of the Class 5 Claim (General Unsecured Claims) identified in Item 1 above or (b) the undersigned is an authorized signatory and has full power and authority to vote to accept or reject the Plan on behalf of the Holder.

Print or Type Name of Holder: _____

Signature: _____

Name of Signatory (if different than Holder)³: _____

If by Authorized Agent, Title of Agent: _____

Street Address: _____

City, State, Zip Code: _____

Telephone Number: _____

E-mail Address: _____

Date Completed: _____

³ If you are completing this Ballot on behalf of another person or entity, indicate your relationship with such person or entity and the capacity in which you are signing. You may be required to provide additional information or documentation with respect to such relationship.