

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

THE WASHINGTON HARBOUR
3000 K STREET, NW, SUITE 300
WASHINGTON, DC 20007-5116
TELEPHONE (202) 424-7500
FACSIMILE (202) 424-7645
WWW.SWIDLAW.COM

NEW YORK OFFICE
THE CHRYSLER BUILDING
405 LEXINGTON AVENUE
NEW YORK, NY 10174
TELEPHONE (212) 973-0111
FACSIMILE (212) 891-9598

December 18, 2003

VIA OVERNIGHT DELIVERY

Blanca S. Bayo
Commission Clerk and Administrator Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: MCG Capital Corporation and BridgeCom International, Inc.

Dear Ms. Bayo:

MCG Capital Corporation ("MCG") and BridgeCom International, Inc. ("BridgeCom," with MCG, the "Parties"), hereby advise the Florida Public Service Commission (the "Commission"), of a series of transactions whereby MCG will acquire indirect control of BridgeCom. In particular, MCG has entered into an agreement with BridgeCom Holdings, Inc. ("Holdings"), the parent company of BridgeCom, through which Holdings will become a subsidiary of MCG. As a result of this transaction, BridgeCom will become an indirect subsidiary of MCG. Because the proposed transactions will all be completed at the holding company level and will not affect the rates, terms or conditions under which BridgeCom provides service, the proposed transactions will be entirely transparent to end user customers in terms of the services they receive.

Although the proposed transactions will not change the services provided to BridgeCom's customers, the Parties expect that the proposed transactions will improve their business operations. Specifically, MCG is financially qualified to take control of BridgeCom. In addition, although most of the existing management of BridgeCom is expected to continue to oversee on-going operations, following the proposed transactions, BridgeCom will also have access to MCG's well-qualified management team. Indeed, as described below, MCG has already been found qualified to own, control and oversee the operations of other regulated telecommunications carriers. As a result, the Parties submit that the proposed transactions will provide BridgeCom access to significant additional resources which will inure to the benefit of its customers.

The Parties are seeking to close the proposed transactions as soon as possible. Based on a review of Florida law, the Parties believe that Commission approval is not required to complete

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the transaction described herein. As a result, this letter is submitted to the Commission as a courtesy to ensure the continuing accuracy of the Commission's files. To the extent that the Commission disagrees with that conclusion, the Parties respectfully request that the Commission contact the undersigned as soon as possible.

An original and twelve (12) copies of this letter are enclosed. Please date stamp and return the extra copy of this letter in the attached self-addressed stamped envelope as soon as possible.

The Parties further provide the following additional information:

I. DESCRIPTION OF THE PARTIES

A. BridgeCom International, Inc.

BridgeCom International, Inc. ("BridgeCom") is a Delaware corporation with offices located at 115 Stevens Avenue, Third Floor, Valhalla, New York 10595. BridgeCom is a wholly owned subsidiary of BridgeCom Holdings, Inc. ("Holdings"), a private Delaware corporation.

BridgeCom provides competitive local exchange services primarily in the mid-Atlantic and Northeast regions along with interexchange services in approximately twenty states. BridgeCom is also authorized to provide interstate and international services pursuant to authority granted by the Federal Communications Commission ("FCC"). In Florida, BridgeCom is authorized to provide interexchange services pursuant to authority granted by the Commission in Docket No. 010655-TI. Further information regarding BridgeCom and the services it provides have been previously submitted to the Commission, are therefore a matter of public record, and are incorporated herein by reference.

B. MCG Capital Corporation

MCG Capital Corporation ("MCG") is a corporation formed under the laws of the State of Delaware with principal offices located at 1100 Wilson Boulevard, Suite 3000, Arlington, Virginia 22209. MCG is a publicly held financial services company (traded on the NASDAQ under the MCGC symbol) that provides financing and advisory services to a variety of small to mid-sized communications, information services, media and technology companies throughout the United States.

MCG is well-qualified managerially, technically and financially to own and control BridgeCom. MCG possesses the managerial qualifications necessary to oversee the operations of BridgeCom. In particular, MCG already holds or has held interests in a number of telecommunications companies, including Essex Acquisition Corp., Inc., Biznessonline.com, Inc., Manhattan Telecommunications Corporation, and nii communications, Inc. MCG's continuing involvement in overseeing the regulated ownership of these companies has provided MCG's management team with extensive management experience. Further information regarding MCG's management team will be provided upon request.

Moreover, MCG has access to extensive financial resources. As of year end 2002, MCG had total assets of more than \$744 million, including financial investments of more than \$676 million, with total liabilities of approximately \$384 million. MCG has positive shareholders' equity of more than \$360 million and had net income in 2002 of \$3.2 million, including operating income of more than \$76 million. Further information regarding MCG's financing and results of operations can be found in MCG's 2002 Annual Report and Securities and Exchange Commission filings available on line at: <http://investor.mcgcapiatal.com/> and is incorporated herein by reference.

II. CONTACTS

Questions or any correspondence, orders, or other materials pertaining to this letter should be directed to:

Catherine Wang
Edward S. Quill, Jr.
Swidler Berlin Shereff Friedman, LLP
3000 K Street NW
Suite 300
Washington, DC 20007
(202) 424-7500 (Tel)
(202) 424-7645 (Fax)
CWang@Swidlaw.com (E-Mail)
ESQuill@Swidlaw.com (E-Mail)

With copies to:

Charles Hunter
BridgeCom International, Inc.
115 Stevens Avenue, Third Floor
Valhalla, New York 10595
(914) 742-5589 (Tel)
(914) 742-5818 (Fax)
chunter@bridgecom.com (E-Mail)

III. DESCRIPTION OF TRANSACTIONS

MCG and Holdings have proposed to complete a series of transactions ("Transactions") whereby Holdings will become a subsidiary of MCG and, as a result, BridgeCom will become an indirect subsidiary of MCG. In particular, the Parties have proposed that a recently established merger subsidiary that will be indirectly owned by a subsidiary of MCG, MCG Intermediate Holding, will be merged with and into Holdings. In connection with that proposed merger, each share of stock of Holdings will be converted into the right to receive a portion of the purchase price. Following the Transactions, MCG will own all of the stock of the merged company except

for certain minority interests that are expected to be acquired by and/or granted to management and certain other employees of Holdings.¹

In order to complete the proposed Transactions, MCG, which currently holds certain equity and senior debt investments in Holdings, and Holdings have entered into an Agreement and Plan of Merger dated as of November 26, 2003 ("Agreement"), which provides that the aggregate purchase price to be paid by MCG to BridgeCom's shareholders is approximately \$37 million, subject to certain adjustments. An illustrative chart of the proposed transactions is provided in Exhibit A.

Because the proposed Transactions will be completed as a stock transaction at the holding company level, the Parties expect that the proposed Transactions will be virtually transparent to BridgeCom and entirely transparent to its customers in terms of the services that those customers receive. Following the proposed Transactions, BridgeCom will remain a wholly owned subsidiary of Holdings. Given that the direct ownership of BridgeCom will remain unchanged and that no change in the assets, operations or rates, terms or conditions of service of BridgeCom, the proposed Transactions are not expected to create any change in the day-to-day operations of BridgeCom or directly affect any end user customers or the services they receive.

IV. PUBLIC INTEREST CONSIDERATIONS

MCG's indirect acquisition of BridgeCom through MCG's acquisition of Holdings, serves the public interest in promoting competition among telecommunications providers in Florida by providing BridgeCom access to the financial and operational resources required to strengthen its position in the telecommunications marketplace in Florida. The proposed transactions will ensure that BridgeCom will continue to have access to the financial resources they need to expand and implement its business strategies while continuing to provide high quality services to existing customers. Moreover, the proposed transactions will allow the Parties to combine their complementary management teams to create a company better equipped to accelerate its growth as a competitive telecommunications service provider. In sum, the proposed transactions are expected to enhance the ability of BridgeCom to provide high quality telecommunications services which should invigorate competition in Florida and thereby benefit consumers of telecommunications services in Florida.

¹ None of the minority ownership interests acquired by such employees are expected to exceed ten percent (10%) of the merged company.

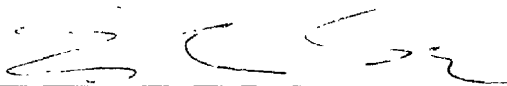
V. CONCLUSION

For the foregoing reasons, the Parties respectfully submit that the public interest, convenience, and necessity will be furthered by completion of the proposed Transaction.

Respectfully submitted,

Charles Hunter
BridgeCom International, Inc.
115 Stevens Avenue, Third Floor
Valhalla, New York 10595
(914) 742-5589 (Tel)
(914) 742-5818 (Fax)
chunter@bridgecom.com (E-Mail)

Counsel for BridgeCom International, Inc.

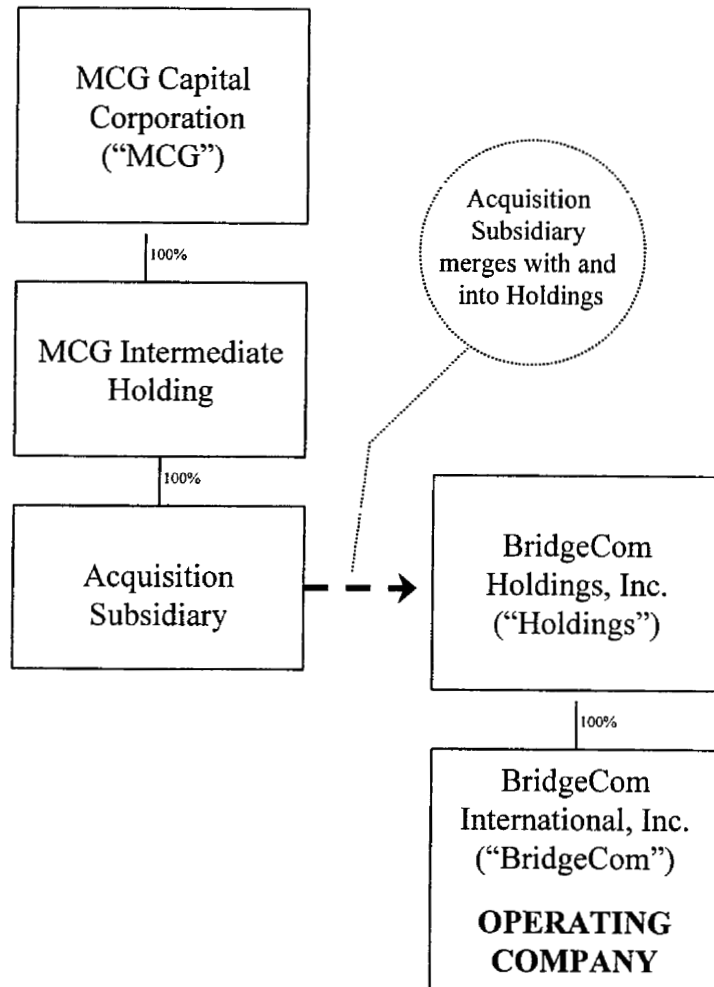


Catherine Wang
Edward S. Quill, Jr.
Swidler Berlin Shereff Friedman, LLP
3000 K Street, Suite 300
Washington, DC 20007
(202) 424-7500 (Tel)
(202) 424-7645 (Fax)
CWang@swidlaw.com (E-Mail)
ESQuill@swidlaw.com (E-Mail)

Counsel for MCG Capital Corporation

Illustrative Chart

Pre-Transaction



Post-Transaction

