

REQUEST TO ESTABLISH DOCKET  
(PLEASE TYPE)

Date May 18, 2001

Docket No. 010765-TP

- 1. Division Name/Staff Name Competitive Services/Isler
- 2. OPR Competitive Services/Isler
- 3. OCR Legal Services

4. Suggested Docket Title Cancellation by Florida Public Service Commission of Interexchange

Telecommunications Certificate No. 7203 and Alternative Local Exchange Telecommunications Certificate No. ~~5165~~ 7204

AT&T NETWORKS, INC.  
Issued to U.S. Tele, Inc. for Violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees;

Telecommunications Companies

5. Suggested Docket Mailing List (attach separate sheet if necessary)

- A. Provide NAMES ONLY for regulated companies or ACRONYMS ONLY regulated industries, as shown in Rule 25-22.104, F.A.C.
- B. Provide COMPLETE name and address for all others. (Match representatives to clients.)

1. Parties and their representatives (if any)

Alexander Good, Chairman and CEO

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2. Interested Persons and their representatives (if any)

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6. Check one:

- Documentation is attached.
- Documentation will be provided with recommendation.



May 9, 2001

FLORIDA PUBLIC SERVICE COMMISSION DIVISION OF TELECOMMUNICATIONS  
2540 SHUMARD OAK BLVD  
TALLAHASSEE, FL 32399

RE: @Link Networks, Inc. f/k/a Dakota Services, Ltd.

Dear Sir or Madam:

By letter dated May 7, 2001 ("First Letter"), @Link Holdings, Inc. and @Link Networks, Inc. ("@Link"), successor to Dakota Services, Ltd., advised you about @Link's discontinuance of service in your area.

The purpose of this letter is to supplement the First Letter by advising you that @Link Holdings, Inc. and @Link Networks, Inc. have been unable to raise additional financing or align themselves with a strategic partner. As such, both corporations have ceased doing business and their respective assets have been or will be liquidated in the near-term. Accordingly, we respectfully request that you take the following actions:

1. Please withdraw any tariffs applicable to @Link or its predecessor, Dakota Services, Ltd. ("Dakota"), or alternatively, change @Link's tariffs status to inactive.
2. Please terminate the operating authority you previously granted @Link or Dakota.

If there is any other information I can provide, please call me at 303-542-1400.

Very truly yours,

Alexander Good  
Chairman and CEO



2001 MAY 14 11:10:52  
COMMUNICATIONS  
COMPETITIVE SERVICES

May 7, 2001

FLORIDA PUBLIC SERVICE COMMISSION DIVISION OF TELECOMMUNICATIONS  
2540 SHUMARD OAK BLVD  
TALLAHASSEE, FL 32399

RE: @Link Networks, Inc. f/k/a Dakota Services, Ltd.

Dear Sir or Madam:

As you may be aware, on April 25, 2001, @Link Holdings, Inc. and @Link Networks, Inc. (“@Link”) filed in Delaware for federal bankruptcy protection under Chapter 11 of the Federal Bankruptcy Code. The case number for @Link Holdings is #01-1540 and for @Link Networks, Inc. is #01-1541. Those bankruptcy proceeding were dismissed on May 3, 2001.

@Link was compelled to file for bankruptcy protection due to certain events, including the following:

- o On April 17, 2001, Winstar Communications, Inc., from which @Link was expecting a \$40 million dollar payment on June 1, 2001, filed for bankruptcy protection;
- o On April 18, 2001, Nortel Networks, Inc., @Link’s primary secured lender accelerated its debt and demanded payment in full.
- o @Link’s potential bridge financing anticipated to close during the week of April 16, 2001, did not fund.
- o On April 25, 2001, Norlight Communications, Inc., a creditor of @Link, shut down virtually all of @Link’s backbone network. This has since been temporarily restored.

After the above mentioned bankruptcy proceedings were dismissed, Nortel Networks, Inc. obtained a Temporary Restraining Order from the District Court, Boulder County, Colorado, which provides in pertinent part as follows:

“ORDERED that a Temporary Restraining Order is hereby issued prohibiting [ @ Link Holdings, Inc. and @Link Networks, Inc.], together with their employees, officers, directors, agents, servants and attorneys, and all of those acting in concert or participation with them, from using the Collateral for any purpose other than to repay the obligations due Nortel under the Loan Documents....”

For the last few months, @Link has worked diligently to seek new sources of financing, or a strategic partner, that would allow @Link to continue with its current footprint. However, in light of the events mentioned above and the current capital market constrictions, @Link has determined that it needs to discontinue service in all states.

We are aware that many states have statutory and regulatory requirements regarding suspension or discontinuation of service. However, due to circumstances beyond @Link’s control, @Link’s network is now being disconnected and operations discontinued in all areas. We therefore respectfully request that you take the following actions:

1. Please withdraw any tariffs applicable to @Link or its predecessor, Dakota Services, Ltd. ("Dakota"), or alternatively, change @Link's tariffs status to inactive.
2. Please maintain the operating authority you previously granted @Link or Dakota. @Link desires to maintain its operating flexibility while is it undergoing these changes so that it may either emerge from with all of its certifications intact, or be positioned to sell the company's assets, including transferring its certifications, should that option be necessary.
3. To the extent that any approvals or consents are required to maintain operating authority while not currently providing service in your state, please consider this letter a request for approval and waiver of all applicable laws, rules and/or regulations (i.e. *nunc pro tunc* approval of all actions) related to this or any other actions @Link must take in accordance with or as a result of any future federal or state court orders.

In considering @Link's request, please consider the following factors:

- While @Link is certificated as a Competitive Local Exchange Carrier (CLEC) or its equivalent in many locations, @Link does not provide dial tone service to consumers. Its business is high speed data service previously determined by the Federal Communications Commission to be an interstate special access service.
- @Link has no customers of any type in many states receiving this letter.
- Upon filing its bankruptcy petition, @Link began making a good faith effort to notify its customers by phone that their service was being terminated, and @Link has provided them with information concerning alternative service providers. Additionally, @Link has posted information on its website containing information regarding a notification letter to customers and web- links to alternate service providers.
- @Link is making every possible effort to keep its network up in order to migrate its existing subscribers to alternate service providers as soon as possible.

If there is any other information I can provide, please call me at 303-542-1400.

Very truly yours,



Alexander Good  
Chairman and CEO

**Paula Isler**

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**From:** Paula Isler  
**Sent:** Wednesday, May 09, 2001 9:10 AM  
**To:** Nonnye Grant  
**Subject:** Bankruptcy Notice

Hi again. RE: @link Networks, Inc. You marked the correct companies. No others found.



# Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

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**DATE:** May 8, 2001  
**TO:** Paula Isler, Division of Competitive Services  
**FROM:** Nonnye Grant, Division of Records and Reporting *nbg*  
**RE:** Bankruptcy Notice

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Forwarding copy of the following bankruptcy notice I received for your information, review and verification:

1. @link Networks, Inc. - TJ269 and TX329

I found the above companies listed in MCD and have marked it as being in "Bankruptcy" status.

Could not find anything listed for @link Holdings, Inc. listed in MCD.

Please advise if this is correct and if you find any other company that should be marked accordingly.

Thanks for your help.

/nbg  
Attachment (1)

2001 MAY -8 P11 3:42  
DIVISION OF  
COMPETITIVE SERVICES

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: TJ 269  
TX 329

@LINK HOLDINGS, INC. and  
@LINK NETWORKS, INC.,

Debtors.

) Chapter 11  
)  
) Case No. 01-1540 (JJF)  
) (Jointly Administered)  
)  
)

Hearing Date: May 3, 2001 at 4:00 p.m.

**NOTICE OF MOTION AND HEARING**

**TO:** Office of the United States Trustee; counsel to Nortel Networks, Inc.; counsel to Norlight Telecommunications; the Debtors' top twenty unsecured creditors; and all other creditors.

The debtors in the above-captioned chapter 11 cases (collectively, the "Debtors"), have filed the attached "*Emergency Motion to Dismiss Cases*" (the "Motion") by which the Debtors seek entry of an order dismissing their chapter 11 cases.

**HEARING ON THE MOTION WILL BE HELD ON MAY 3, 2001 AT 4:00**

**P.M. EASTERN TIME before The Honorable Joseph J. Farnan, Jr., United States District Court Judge, at the United States District Court located at 844 King Street, Sixth Floor, Wilmington, Delaware.**

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FRSC-RECORDS/REPORTING

Date: May 1, 2001

PACHULSKI, STANG, ZIEHL, YOUNG & JONES P.C.

*Mary Caloway*

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Laura Davis Jones (Bar No. 2436)  
Brad R. Godshall (CA Bar No. 105438)  
Mary F. Caloway (Bar No. 3059)  
Christopher J. Lhulier (Bar No. 3850)  
919 North Market Street, 16th Floor  
P.O. Box 8705  
Wilmington, Delaware 19899-8705 (Courier 19801)  
Telephone: (302) 652-4100  
Facsimile: (302) 652-4400

-and-

CROCKER KUNO, LLC  
Cynthia A. Kuno, Esquire  
Shelly Crocker, Esquire  
Thomas St. Germain, Esquire  
1325 Fourth Avenue, Suite 940  
Seattle, WA 98101-2509  
Telephone: (206) 621-5839  
Facsimile: (206) 624-8598

[Proposed] Co-Counsel for the Debtors and Debtors in Possession

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
@LINK HOLDINGS, INC. and	)	Case No. 01-1540 (JJF)
@LINK NETWORKS, INC.,	)	(Jointly Administered)
Debtors.	)	

**DEBTORS' EMERGENCY MOTION TO DISMISS CASES**

The above-captioned debtors and debtors in possession (the "Debtors" or "@Link") hereby move this Court (the "Motion") pursuant to Bankruptcy Code Section 112(b) for entry of an order dismissing the Debtors' chapter 11 cases (the "Cases"). In support of this Motion, the Debtors respectfully represent as follows:

**Preliminary Statement**

As described below, by this Motion, the Debtors seek dismissal of the Cases because they lack the ability to fund on-going administrative expenses. Unless the Cases are quickly dismissed, the Debtors will incur administrative obligations that they have no ability to pay.

**Background**

**A. The Chapter 11 Filings**

1. On April 25, 2001 (the "Petition Date"), the Debtors each filed a voluntary petition in this Court for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as amended (the "Bankruptcy Code"). The debtors continue to manage and

operate their businesses as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

2. No trustee or examiner has been appointed in the Debtors' chapter 11 cases, and no committees have been appointed or designated.

3. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157 (b) (2).

4. The statutory predicate for the relief requested herein is 11 U.S.C. § 1112(b).

**B. The Debtors' Businesses**

5. @Link Networks, Inc. ("Networks") is a facilities-based data Competitive Local Exchange Carrier ("CLEC"), offering broadband internet access and virtual private network services to over 3000 customers.

6. @Link Holdings, Inc. is the holding company that owns 100% of the stock in Networks. Various shareholders, in turn, hold stakes in @Link Holdings.

7. @Link provides services to small and medium-sized businesses as well as enterprise-level customers. Prior to filing, @Link served customers in Minnesota, Wisconsin, Illinois, Indiana, Ohio, and Michigan, and has served as many as 12 states.

8. As of the Petition Date, the Debtors' principal liabilities included: (a) approximately \$40 million of senior secured debt to Nortel Networks, Inc. ("Nortel"), secured by some of the Debtors' assets; (b) approximately \$9 million to secured equipment lenders (c)

unsecured notes issued by Networks with a face amount of \$5 million; and (d) approximately \$200 million in trade debt obligations.

C. Events Leading to the Filing

9. Networks was originally founded in 1997 as Dakota Services, Ltd. Its business plan was to operate as a data CLEC centered around the Midwest. As a facilities-based CLEC, @Link has equipment located in the Incumbent Local Exchange Carrier's ("ILEC")<sup>1</sup> central offices. @Link completes the backbone-interconnection of all of its central offices by leasing transport circuits from Interexchange Carriers ("IXCs"), such as Norlight Telecommunications, Inc. ("Norlight"). These transport circuits allow @Link to deliver internet access and virtual private network services to its customers.

10. As with most telecommunications companies, the Debtors' business plan required a large initial outlay of resources to develop, construct, expand and operate their local networks. @Link raised approximately \$165 million in equity capital to fund the build out of its network. @Link anticipated that its network would generate a sufficient revenue stream to offset the initial outlays and to service its debt obligations.

11. By October 2000, @Link had achieved its goal of building 1000 central office locations. The company had 290 of these locations on its network and was selling services out of a total of 470 locations. Given sufficient time and capital, @Link could have finished its network and generated substantial profits. Unfortunately, because of the dramatic decline in the

<sup>1</sup> ILECs are the companies that own most of the "wires in the ground" and consist primarily of the pieces of the former Bell Telephone CATOT before it was broken up. These "Baby bells" are companies such as Pacific Bell, Bell South, the former U.S. West, and so forth. AT&T and MCI Worldcom are also ILECs.

capital market, the market for debt and equity financing for data CLECs collapsed. As a result, @Link was unable to obtain funding to complete its build out and connected 1,000 locations to its network. Before the filing, it was only selling services out of 470 central offices and only had 290 locations actually running on its network.

12. On April 24, 2001, @Link announced a reduction of its operating footprint to only two states, Wisconsin and Illinois. As a consequence, the company also announced that it was laying off 205 employees. @Link is retaining 165 employees to service its existing customers.

13. On the Petition Date, Norlight disconnected 278 circuits, nearly all of the transport circuits which @Link uses to service its customers. As a result of the disconnection of the circuit between Milwaukee and Chicago, almost all of @Link's 3000 customers were without service because of the way the transportation of data traffic is structured.

**D. Request for Dismissal of Cases**

14. By this Motion, the Debtors seek entry of an order dismissing the Cases.

15. Bankruptcy Code Section 1112(b) provides in relevant part that:

[O]n request of a party in interest or the United States Trustee ..., and after notice and a hearing, the court may ... dismiss a case under this chapter ... for cause, including -

(1) continuing loss to or diminution of the estate and absence of a reasonable likelihood of rehabilitation;

(2) inability to effectuate a plan[.].

11 U.S.C. § 1112(b).

16. The dismissal of the Cases is within the sound discretion of the Court.

See, e.g., Lumber Exchange Bldg., Ltd. Partnership v. Mutual Life Ins. Co. of New York (In re Lumber Exchange Bldg., Ltd. Partnership), 958 F.2d 647, 648 (8<sup>th</sup> Cir. 1992) ("The Bankruptcy Court has broad discretion in deciding whether to dismiss or convert a Chapter 11 case.").

17. When the Debtors filed the Cases, they believed that they had the ability to fund administrative expenses associated with the Cases through the use of unencumbered cash. The Debtors believed, based on the results of a UCC lien search conducted prior to the Petition Date that Nortel had failed to perfect its security interest in certain of the Debtors' depository and investment accounts. Shortly after the Petition Date, the Debtors learned that Nortel had in fact perfected its security interests but that the financing statement had been mis-indexed by the Colorado Secretary of State's office. As a result, the Debtors believe they do not have the right to use cash collateral absent Nortel's consent.

18. Nortel has indicated to the Debtors that it will not consent to the use of its cash collateral. The Debtors do not believe they have the ability to provide adequate protection to Nortel, as required by sections 361 and 363 of the Bankruptcy Code. The Debtors have no unencumbered assets on which to grant Nortel replacement liens; nor do the Debtors have any cash which is not subject to Nortel's liens. Accordingly, the Debtors have no ability to fund ongoing administrative expenses and it is unlikely that the Debtors could successfully reorganize. In light of these facts, the Debtors' Board of Directors authorized the Debtors to seek dismissal of the Cases. A copy of the resolutions adopted by the Board of Directors is

attached hereto as Exhibit "A". As such, the Debtors request an expedited dismissal of the Cases.

**Notice**

19. Notice of this Motion has been given via facsimile to : (i) the U.S. Trustee; (ii) Nortel; (iii) Norlight ; and (iv) the Debtors' top twenty unsecured creditors, and by first class mail upon all creditors. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is required.

**No Prior Requests**

20. No previous application for the relief requested herein has been made by the Debtors to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court enter an order (i) dismissing these chapter 11 cases and (ii) granting such other and further relief as is just and proper.

May 1, 2001

PACHULSKI, STANG, ZIEHL, YOUNG & JONES P.C.

*Mary Caloway*

Laura Davis Jones (Bar No. 2436)  
Brad R. Godshall (CA Bar No. 105438)  
Mary F. Caloway (Bar No. 3059)  
Christopher J. Lhulier (Bar No. 3850)  
919 North Market Street, 16th Floor  
P.O. Box 8705  
Wilmington, Delaware 19899-8705 (Courier 19801)  
Telephone: 302-652-4100  
Facsimile: 302-652-4400

-and-

CROCKER KUNO, LLC  
Cynthia A. Kuno, Esquire  
Shelly Crocker, Esquire  
Thomas St. Germain, Esquire  
1325 Fourth Avenue, Suite 940  
Seattle, WA 98101-2509  
Telephone: 206-621-5839  
Facsimile: 206-624-8598

[Proposed] Co-Counsel for the Debtors and Debtors in Possession

@Link Networks, Inc.

**CERTIFICATE OF ADOPTION  
OF CORPORATE RESOLUTIONS**

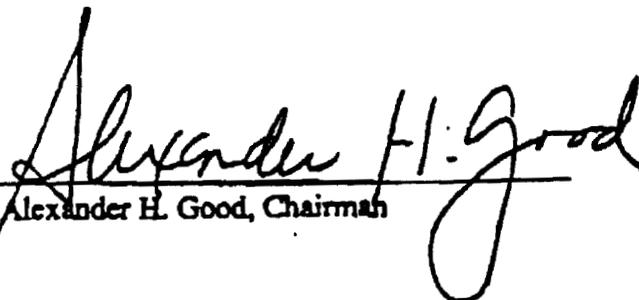
I, Alexander H. Good, declare under penalty of perjury that I am the Chairman of the Board of Directors of @Link Networks, Inc., a Wisconsin corporation, and that at a meeting held on May 1, 2001, the following resolutions were duly adopted by the Board of Directors of this corporation.

**RESOLVED**, that the appropriate officer, officers or designated employee or employees of this Corporation are authorized and directed, in the name and on behalf of the Corporation to do and perform all acts and deeds and to execute and deliver all necessary documents on behalf of the Corporation to seek dismissal of the Chapter 11 voluntary bankruptcy case previously filed on behalf of the Corporation in Delaware;

**FURTHER RESOLVED**, that the intent of this dismissal is to maximize the cash available to creditors, including employees whom the Board believes have priority claims against the Corporation under Colorado law; and

**FURTHER RESOLVED**, that the officers and employees of the Corporation are directed to work expeditiously to accomplish a voluntary surrender of all of the Corporation's secured assets to Nortel Networks, Inc. ("Nortel") for the benefit of Nortel or to such other creditors with prior perfected liens.

DATED THIS 1st day of May, 2001.

  
Alexander H. Good, Chairman

@Link Holdings, Inc.

**CERTIFICATE OF ADOPTION  
OF CORPORATE RESOLUTIONS**

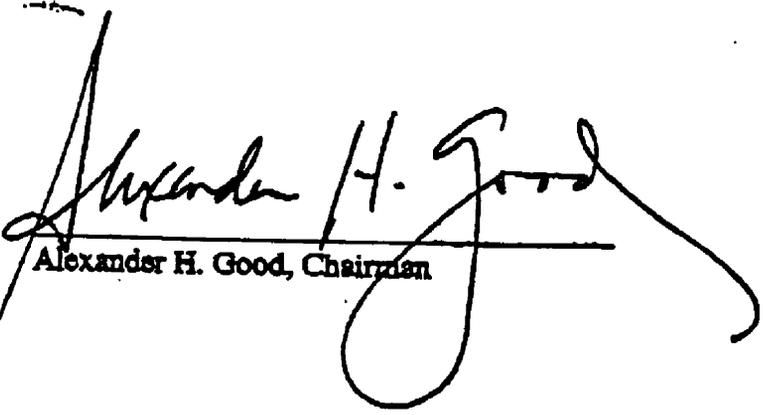
I, Alexander H. Good, declare under penalty of perjury that I am the Chairman of the Board of Directors of @Link Holdings, Inc., a Delaware corporation, and that at a meeting held on May 1, 2001, the following resolutions were duly adopted by the Board of Directors of this corporation.

**RESOLVED**, that the appropriate officer, officers or designated employee or employees of this Corporation are authorized and directed, in the name and on behalf of the Corporation to do and perform all acts and deeds and to execute and deliver all necessary documents on behalf of the Corporation to seek dismissal of the Chapter 11 voluntary bankruptcy case previously filed on behalf of the Corporation in Delaware;

**FURTHER RESOLVED**, that the intent of this dismissal is to maximize the cash available to creditors, including employees whom the Board believes have priority claims against the Corporation under Colorado law; and

**FURTHER RESOLVED**, that the officers and employees of the Corporation are directed to work expeditiously to accomplish a voluntary surrender of all of the Corporation's secured assets to Nortel Networks, Inc. ("Nortel") for the benefit of Nortel or to such other creditors with prior perfected liens.

DATED THIS 1st day of May, 2001.

  
\_\_\_\_\_  
Alexander H. Good, Chairman