Pivotal Group Completes Deal to Acquire MegaPath's Network Services Business Unit to Create a $300 Million Data Connectivity Company

MegaPath Assets to Merge with Global Capacity, a Wholly Owned Pivotal Portfolio Company

Phoenix, AZ (September 8, 2014) - Pivotal Group, a diversified investment company focused on private equity and real estate, today announced an agreement to acquire the network services business unit of Pleasanton, CA-based MegaPath Corporation. In combination with the purchase, Pivotal Group plans to merge the acquired MegaPath assets with its wholly owned portfolio company, Global Capacity, the Chicago-based leading connectivity as a service company. The transaction will combine the complementary capabilities of Global Capacity's One Marketplace platform and cloud application with MegaPath's robust network infrastructure and intelligent delivery systems. The acquisition will create a $300 million company focused on making it simpler, more cost-effective and more efficient for customers to buy network connectivity in today's increasingly complex $318 billion global data connectivity market.

As a result of the acquisition, Global Capacity will gain infrastructure and human resources that allow it to more effectively compete on a global scale. The acquisition will provide it with a significant expansion of business and wholesale customers as well as the United States' largest aggregated central office-based network, serving 50 markets, reaching over 14 million businesses and adding more than 300 experienced employees.

"We are pleased to announce the acquisition of these strategic assets from MegaPath," said F. Francis Najafi, Founder and CEO of Pivotal Group. "The disruptive nature of the One Marketplace platform has become increasingly self-evident in the market, and the ability to accelerate the scale and competitiveness of the service capabilities and reach of the platform through the addition of these network assets is very exciting."

The network business being acquired is directly aligned with Global Capacity's initiatives for growth. Key drivers include continued build-out of ubiquitous network reach; enhancements to Global Capacity's cloud application that enables real-time design, price and ordering of connectivity; and improved real-time network management tools to meet telecommunication carriers, managed service providers, system integrators, and enterprise customers increasingly application centric bandwidth requirements.

"Our acquisition of MegaPaths' Network Services business furthers our strategy to simplify network connectivity by creating one of the most innovative connectivity as a service companies in the industry," said Jack Lodge, President of Global Capacity. "By expanding our product portfolio, and our network's reach and depth, we can now deliver access to over 98%

of the U.S. market, offering our customers more options to connect to even more choice locations while improving our price performance, and building on the double digit growth we enjoyed this past year."

With the sale of its Network Services business unit, MegaPath will continue to operate its managed voice, data, security and cloud services businesses, and this transaction enables MegaPath to focus on these high growth segments. At closing, MegaPath will become Global Capacity's largest wholesale customer.

"This transaction provides great benefit to our Network Services customers, while enabling MegaPath to focus on investing in the growth of our core value added services," adds Craig Young CEO MegaPath. "Customers will benefit from the expanded portfolio of connectivity solutions provided by One Marketplace."

Prior to the close of this transaction, the companies will continue to be led by their respective management teams. Upon closing, Jack Lodge, current President of Global Capacity, will lead the combined company. Throughout the closing process, there will be no impact to customer service or support, and a detailed planning process is underway to ensure a seamless transition at closing. The deal is expected to close in December, 2014, following customary regulatory approvals. Global Capacity remains a privately held company owned by Pivotal Group. Terms of the deal were not disclosed.

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About Pivotal Group
Pivotal Group is a diversified investment company focused on private equity and real estate, headquartered in Phoenix, AZ. Pivotal Group invests in companies across a diverse range of industries, including telecommunications, technology, media, aerospace, and business services, among others. Pivotal Group focuses on companies that lead in their market segments, show growth potential, and exhibit attractive margins. Their most important investment criterion is an outstanding management team. They seek companies with market values between $50 million and $500 million. Additional information can be found at www.pivotalgroup.com.

About One Marketplace
Global Capacity's One Marketplace eliminates the complexity and inefficiency of buying network connectivity by combining interconnected, aggregated network with a Cloud application that automates the procurement of network services. One Marketplace streamlines service delivery and ensures the best client experience by providing customers with a single interface through which to design, price and fulfill multi-network, multi-geography requirements, as well as a single SLA, contract and point of contact.

About Global Capacity

Global Capacity is a connectivity as a service company that improves the efficiency and reduces the cost of buying access networks globally. Through its One Marketplace, the company brings together customers and suppliers in an automated platform that provides ubiquitous access network solutions that deliver on its brand promise – Connectivity Made Simple. Global Capacity delivers its innovative solutions to telecommunication carriers, managed service providers, system integrators, and large enterprise customers globally. Additional information can be found at www.globalcapacity.com or by following Global Capacity on Twitter and LinkedIn.

About MegaPath

MegaPath Corporation provides a full range of data, voice, security and hosted IT services for small, medium and enterprise businesses nationwide. Its leading services empower businesses to easily and securely communicate between their headquarters, employees and business partners, which lowers costs, increases security and enhances employee productivity. To learn more about MegaPath's managed IP data, voice, security and hosted IT services, please visit www.megapath.com

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