

Joint Application of Fusion Connect, Inc. Debtor-in-Possession and Telecom Holdings LLC for Authority for Telecom Holdings LLC to Acquire Indirect Control of Fusion Connect, Inc. Debtor-in-Possession f/k/a Network Billing Systems LLC (U-6067-C) and Chorus Communications, LLC Debtor-in-Possession (U-6446-C)



FILED

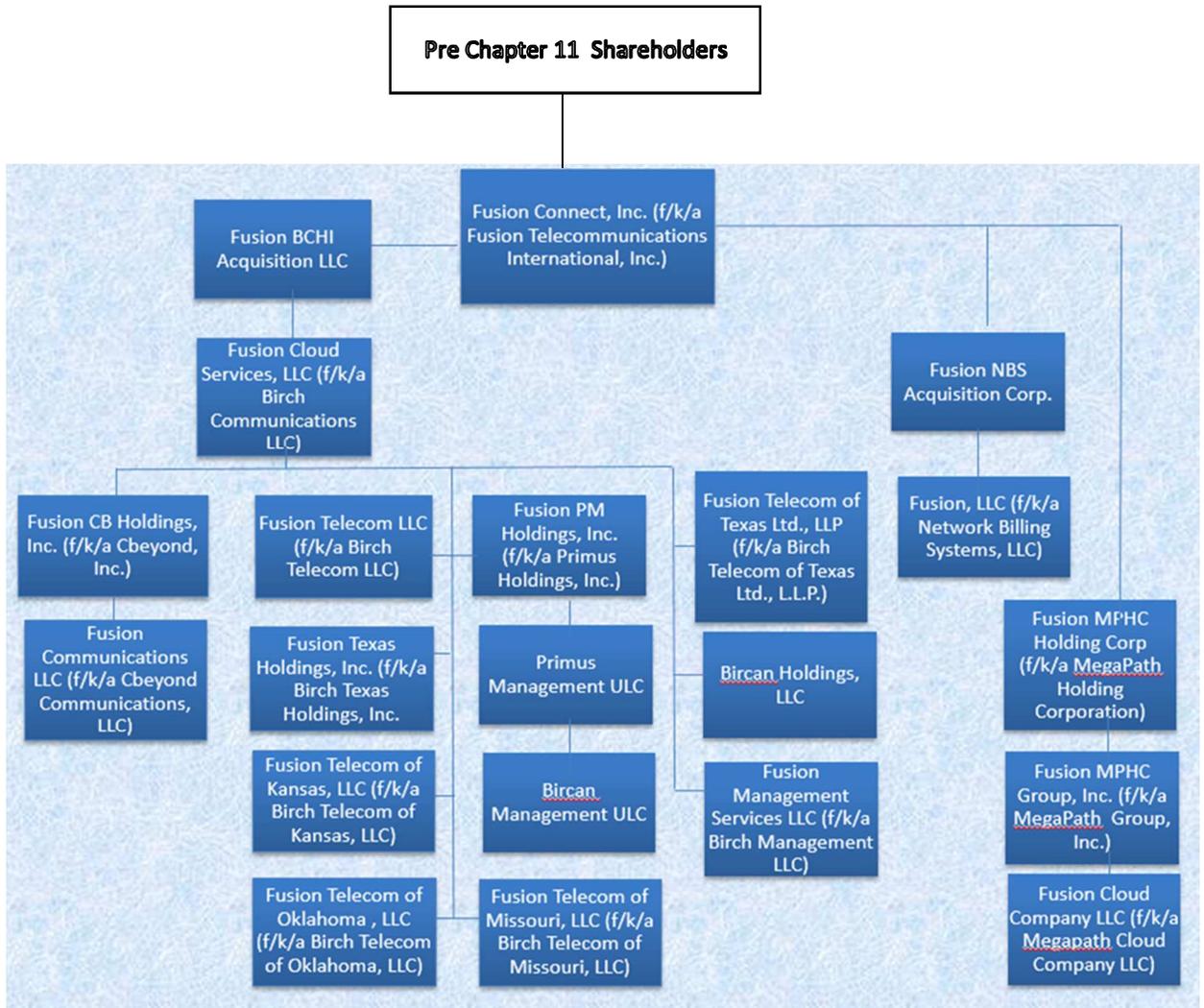
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EXHIBIT F

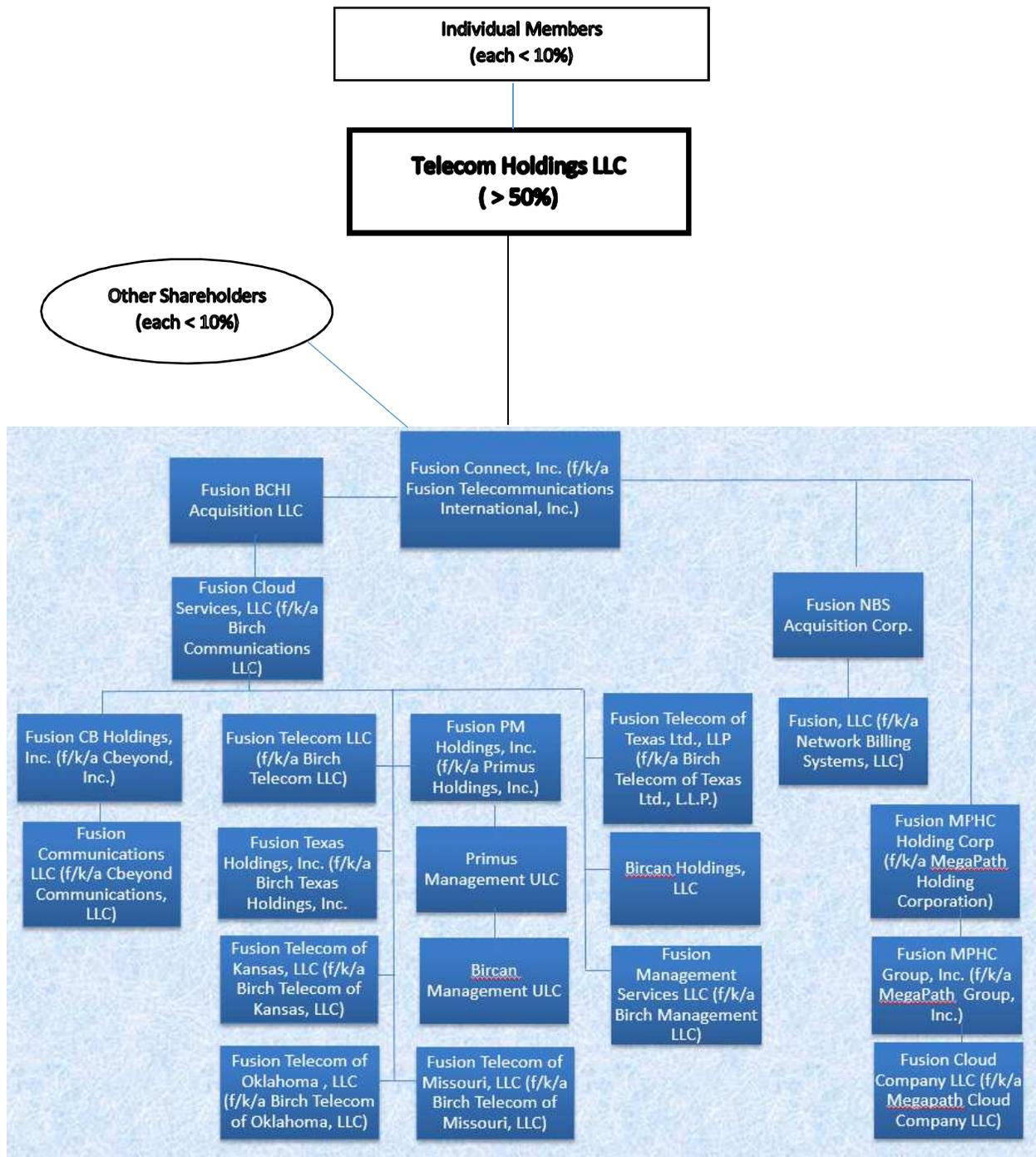
**Pre- and Post-Closing Organizational Diagrams of
the Fusion Companies**

Pre-Transaction Organizational Chart for the Fusion Companies



Note: All of the companies identified in this chart, except Primus Management ULC and Bircan Management ULC, filed for chapter 11 protection on June 3, 2019 and currently are in debtor-in-possession status.

Post-Transaction Organizational Chart for the Fusion Companies



**Joint Application of Fusion Connect, Inc. Debtor-in-Possession and Telecom Holdings LLC
for Authority for Telecom Holdings LLC to Acquire Indirect Control of Fusion LLC
Debtor-in-Possession f/k/a Network Billing Systems LLC (U-6067-C) and Cbeyond
Communications, LLC Debtor-in-Possession (U-6446-C)**

EXHIBIT G

Management Information

Management Information is provided for the current Fusion Connect management team. In the course of the chapter 11 process and with the emergence of the Fusion Companies from chapter 11, it is expected that certain current members of the management team will leave Fusion Connect. At the same time, Fusion Connect expects to add depth to its management team with the addition of new seasoned industry professionals.

Management Team

INVESTORS

COMPANY INFO

Matthew D. Rosen

Chairman and Chief Executive Officer

Prior to leading Fusion, Matt held various executive leadership positions, including President of the Northwest and New England Operations for Expanets, an integrated network communications service provider that grew from \$150 million to \$1.3 billion during his tenure. Prior to that, he was Corporate Director of Operations for Oxford Health Plans, a \$4 billion health care company, where he worked on developing and executing turnaround strategies. Prior to his role as Corporate Director of Operations, Matt held an executive position in a start-up healthcare technology subsidiary of Oxford where he played an integral role in developing strategy and building its sales, finance and operations departments. Before Oxford, Matt was an investment banker in Merrill Lynch's corporate finance department, where he worked on debt equity and M&A transactions.

Russell P. Markman

President and Chief Operating Officer

Russell has more than 35 years of executive leadership experience in the management, control and oversight of all operations, systems, engineering, infrastructure, IT, distribution and business development functions for both public and privately held technology companies. Russell came to Fusion from the RCN Corporation, a communications company with more than 3,500 employees, where he established an alternate channel distribution program for commercial sales. As an entrepreneur, Russell founded, owned and operated National Calling Plan, Inc. and Associated Telephone Design, two independent technology companies that introduced leading edge communications solutions to enterprise. Previously, as EVP of Galaxy Communications, a manufacturer and distributor of commercial communications systems, Russell managed all operations, distribution and development for the company. Russell received his J.D. from Pace University School of Law and is admitted to the New York State Bar.

Jon Kaufman

Chief Strategy Officer

Jon founded the NBS family of companies in 1984 with the idea of providing high tech telephone system solutions as an alternative to the then lackluster offerings of the incumbent phone companies. Placing an emphasis on providing first class customer care and applications support proved to be what customers wanted and was missing in the industry. Phone system sales, installation, and service, was shortly followed by the introduction of programs allowing customers the ability to place low cost long distance telephone calls - a novel idea in the mid-eighties.

Jon has continuously shaped the Business Services Division as a vehicle to present clients with the most advanced, yet reliable and cost-effective communications solutions, migrating them securely and effectively to IP-based technology and the cloud. An Honors Economics graduate of Stony Brook University, Jon has constantly monitored all facets of the business, delivering customers cutting edge technology while ensuring the company's profitability and stability, year after year.

Dan Foster

Chief Revenue Officer

Dan has over twenty years of experience in technology, driving revenue, go-to-market strategies, and building strategic business partnerships. Prior to joining Fusion, Dan served as MegaPath's President and Chief Operating Officer. Dan has a strong background in growing successful companies and channel organizations. Before joining MegaPath, he was the CEO and President at Phoenix Networks. He also served as Vice President of Consumer Markets at Rhythms Net Connections. Dan received dual engineering and liberal arts degrees from Tufts University and graduated from Harvard Business School's executive PMD program.

Keith Soldan

Chief Financial Officer

Mr. Soldan joined the Company in May 2018 as Vice President, Finance through the acquisition of Birch where he served as Vice President, Corporate Finance and Accounting since March 2017. Prior to joining Birch Communications in March 2017, Mr. Soldan served as Vice President, Corporate Controller for Internap from March 2016 to March 2017 and as its Vice President Corporate Finance from March 2014 to March 2016. Prior to joining Internap in March 2014, Mr. Soldan worked at EarthLink from July 2005 through April 2014 where he held various positions including Senior Director/Divisional Chief Financial Officer. Mr. Soldan is a Certified Public Accountant.

Brian George

Chief Technology Officer

Brian is responsible for Fusion's multi-disciplinary teams in Technology, Engineering, IT and Development, Network and Infrastructure. Brian has been in the communications industry for over 14 years and has spent the last five with Fusion. Brian leads Fusion's engineering and development teams to evolve and manage the company's Cloud Services platforms and infrastructure. Brian sets the course for Fusion's technology advancements, anticipating dynamically changing opportunities to enhance, expand and optimize Fusion's integrated cloud solutions platform. Prior to joining Fusion, Brian held leadership positions in engineering and operations for several New York metro area ISPs, AT&T Wireless, and Unilever.

James Prenetta

Executive Vice President and General Counsel

Prior to joining Fusion, Jim served as General Counsel and Secretary at Hibernia Networks, a provider of global capacity solutions recently acquired by GTT Communications. At Hibernia Networks he was responsible for its legal and regulatory matters, including mergers and acquisitions, intellectual property and litigation. Prior to joining Hibernia Networks, Jim served as Executive Vice President, General Counsel and Secretary at One Communications Corp., a communications services company created in June 2006 from the combination of CTC Communications Corp., Choice One Communications and Conversent Communications. Prior to joining CTC Communications in 2003, Jim served as Senior Vice President and General Counsel of Viatel Holding (Bermuda) Limited (and its predecessor Viatel, Inc.). Earlier in his career, Jim was a partner in the securities practice group at Kelley Drye & Warren LLP, New York, New York.

Jan Sarro

Executive Vice President - Corporate Communications

Jan is responsible for brand management and corporate communications. Before joining Fusion, Jan was the President of the Americas for Viatel, Inc., a global, facilities-based communications carrier, where she was responsible for a P&L of over \$400 million. At Viatel, Jan increased revenues by \$280 million in under two years, and built a \$140 million direct international sales organization to market Internet access, corporate networks and international voice services to multinational corporations in the United States and Latin America. Jan has over 30 years of experience in developing telecommunications solutions for international businesses and carriers worldwide. Jan has also held senior executive marketing and sales management positions at Argo Communications, the international record carriers FTC Communications and TRT Communications, and WorldCom.

Kevin Brand

Senior Vice President - Customer Experience

Kevin leads the multi-departmental team ensuring an exception experience for Fusion customers. Prior to joining Fusion, Kevin led the Customer Experience team for Birch Communications. Kevin has more than 30 years of experience in the communications industry. His experience spans a diverse set of skills including leadership roles in customer support, service delivery, network engineering/operations and product management. Key positions he has held include EVP of Customer Support/Service Delivery for EarthLink Business, EVP and GM of the EarthLink Consumer Internet Business, and Division Manager of Operations for Internet Services at AT&T.

Joseph Haines

Senior Vice President - Operations

Joe leads Service Delivery, Field Operations and Sales Support for the company. Prior to joining Fusion, Joe was responsible for Field Operations, the Network Operations Center, and Advanced Services Activation and Support for Birch Communications. Joe has over thirty years' experience as a communications executive, and has developed strong expertise in building and managing networks and support organizations. Prior to joining the Birch team, Joe held several progressive leadership positions in rapidly expanding communications companies. Joe served most recently as Vice President of Forerunner Technologies, and as Vice President of Field Operations and Network Operations for Deltacom, which is now Windstream.

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James Murray

Chief Financial Officer, CPA



Jim is the Chief Financial Officer and joined Vector in 2014. Previously, Jim served as the Chief Financial Officer and Chief Administrative Officer at Blum Capital, a San Francisco-based private equity firm focusing on small cap and middle-market companies. Prior to his 14 years at Blum Capital, Jim worked at California Federal Bank, Coopers & Lybrand, and Kenneth Leventhal & Company where he specialized in tax matters. Jim holds a B.A from San Francisco State University, a Masters of Taxation from Golden Gate University, and is a Certified Public Accountant.

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Communications, LLC Debtor-in-Possession (U-6446-C)**

EXHIBIT H

Fusion Connect Financial Statements

Fusion Connect, Inc. debtor-in-possession

2018 Unaudited Financial Statements

The accompanying consolidated financial statements for Fusion Connect, Inc. are unaudited and are subject to change pending completion of that audit. The accompanying financial statements have been prepared in accordance with U.S. generally accepted auditing principals ("US GAAP"). However, these financial statements do not include all of the information and notes required by US GAAP for annual financial statements.

FUSION CONNECT, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except par value)
(unaudited)

	December 31,	
	2018	2017
Current assets:		
Cash and cash equivalents	\$ 14,940	\$ 5,757
Accounts receivable, net of allowance for doubtful accounts of \$1,342 and \$2,652, respectively	50,117	25,372
Accounts receivable - stockholders/employees	3	920
Prepaid expenses	10,572	6,290
Inventory, net	1,814	1,142
Other assets	2,570	2,505
Current assets of discontinued operations	-	40,038
Total current assets	80,016	82,024
Long-term assets:		
Property and equipment, net	122,558	98,042
Goodwill	219,641	89,806
Intangible assets, net	168,426	68,834
Other non-current assets	33,060	621
Total long-term assets	543,685	257,303
Total assets	\$ 623,701	\$ 339,327
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 81,064	\$ 40,315
Accrued telecommunications costs	12,759	13,562
Deferred customer revenue	15,918	10,226
Other accrued liabilities	47,994	23,949
Current portion of capital leases	5,227	3,003
Current portion of long-term debt	23,954	26,500
Current liabilities from discontinued operations	-	34,864
Total current liabilities	186,916	152,419
Long-term liabilities:		
Non-current portion of long-term debt	604,675	410,736
Non-current portion of long-term capital lease	7,006	3,823
Deferred tax liability	1,949	2,677
Other non-current liabilities	4,978	9,913
Total non-current liabilities	618,608	427,149
Total Liabilities	805,524	579,568
Stockholders' deficit:		
Preferred stock, \$0.01 par value, 10,000 shares authorized, 15 and 0 shares issued and outstanding, respectively	-	-
Common stock, \$0.01 par value; 150,000 shares authorized, 84,526 and 25,161 shares issued and outstanding	845	252
Additional paid-in capital	145,977	5,824
Accumulated deficit	(326,645)	(247,406)
Accumulated other comprehensive (loss) income	(2,000)	1,089
Total stockholders' deficit	(181,823)	(240,241)
Total liabilities and stockholders' deficit	\$ 623,701	\$ 339,327

FUSION CONNECT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands)
(unaudited)

	For the Years Ended December 31,	
	2018	2017
Revenue	\$ 507,366	\$ 449,516
Cost of revenue (exclusive of depreciation and amortization, shown below)	277,928	246,216
Gross Profit	229,438	203,300
Operating expenses:		
Selling, general and administrative	159,867	109,550
Depreciation and amortization	66,471	62,547
Impairment losses on property, plant and equipment	-	6,003
Impairment losses on intangible assets	2,314	46,780
Foreign currency loss (gain)	382	(393)
Total operating expenses	229,034	224,487
Operating income (loss)	404	(21,187)
Other (expense) income:		
Interest expense, net	(72,608)	(44,917)
Loss on debt extinguishment	(14,414)	-
Other income	271	1,265
Total other expense	(86,751)	(43,652)
Loss before income taxes	(86,347)	(64,839)
Income tax expense	(2,335)	(2,543)
Net loss from continuing operations	(88,682)	(67,382)
Net income (loss) from discontinued operations	6,218	(19,281)
Net loss	(82,464)	(86,663)
Other comprehensive income (loss):		
Cumulative translation adjustment	(3,089)	1,287
Comprehensive loss	\$ (85,553)	\$ (85,376)

FUSION CONNECT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT

(in thousands)

(unaudited)

	Preferred Stock		Common stock		Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Total
	Shares	Par value	Shares	Par value				
Balance as of December 31, 2016	-	\$ -	25,161	\$ 252	\$ 5,824	\$ (198)	\$ (150,866)	(144,988)
Cumulative translation adjustment						1,387		1,387
Net loss							(85,611)	(85,611)
Balance as of December 31, 2017, as previously reported	-	-	25,161	252	5,824	1,189	(236,477)	(229,212)
Corrections (Note X)						(100)	(10,929)	(11,029)
Cumulative effect of change in accounting principle							3,725	3,725
Balance at January 1, 2018	-	-	25,161	252	5,824	1,089	(243,681)	(236,516)
Preferred Series D issued (Note 16)	15				15,000			15,000
Payment of Preferred Series D dividend							(500)	(500)
Distribution of the Birch Consumer Segment (Note 3)					(22,853)			(22,853)
Common stock issued in Birch reverse acquisition (Note 4)			49,896	499	131,468			131,967
Common stock issued in MegaPath acquisition (Note 4)			1,679	17	6,431			6,448
Common stock issued in a previous acquisition by the legacy Fusion company (Note 16)			129	1	499			500
Proceeds from the sale of common stock, net of costs (Note 16)			1,524	15	7,493			7,508
Net loss							(82,464)	(82,464)
Cumulative translation adjustment						(3,089)		(3,089)
Proceeds from exercise of stock options			92	1	203			204
Exercise of common stock purchase warrants			28	0	35			35
Issuance of restricted shares			6,367	64	(64)			(0)
Repurchase and cancellation of common stock			(350)	(4)	(921)			(925)
Stock compensation expense					2,862			2,862
Balance as of December 31, 2018	<u>15</u>	<u>\$ -</u>	<u>84,526</u>	<u>\$ 845</u>	<u>\$ 145,977</u>	<u>\$ (2,000)</u>	<u>\$ (326,645)</u>	<u>\$ (181,823)</u>

FUSION CONNECT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	For The Years Ended December 31,	
	2018	2017
Cash Flows from Operating Activities:		
Net loss from continuing operations	\$ (88,682)	\$ (67,382)
Net loss from discontinued operations	6,218	(19,281)
Net loss	(82,464)	(86,663)
Adjustments to reconcile net loss to net cash		
provided by operating activities		
Depreciation and amortization	66,471	62,547
Deferred financing cost amortization	4,266	4,479
OID Interest	5,557	1,822
Deferred taxes	(2,318)	338
Gain on disposal of fixed assets	(443)	233
Loss on impairment of property, plant and equipment	-	6,003
Loss on impairment of intangible assets	2,314	46,780
Loss on extinguishment of debt	14,414	-
Non-cash share-based compensation	2,862	-
Changes in operating assets and liabilities:		
Accounts receivable	(13,984)	6,194
Inventory, net	(414)	(133)
Prepaid expenses and other current assets	3,171	(343)
Other assets	(4,976)	820
Accounts payable	31,373	11,635
Other liabilities	(22)	(15,412)
Net cash provided by operating activities - continuing operations	19,589	57,581
Net cash used in operating activities - discontinued operations	(11,011)	(5,030)
Net cash provided by operating activities	8,578	52,551
Cash Flows from Investing Activities:		
Acquisitions	(20,565)	-
Purchases of property and equipment	(35,808)	(26,663)
Proceeds from disposal of fixed assets	529	76
Net cash used in investing activities - continuing operations	(55,844)	(26,587)
Net cash used in investing activities - discontinued operations	(1,432)	(11,467)
Net cash used in investing activities	(57,276)	(38,054)
Cash Flows from Financing Activities:		
Proceeds from notes payable and long-term debt	689,000	15,000
Repayment of debt obligation	(572,307)	(22,875)
Payment of capital lease obligations	(4,580)	(4,494)
Deferred financing costs and discounts	(50,383)	(4,675)
Issuance of note receivable	(25,000)	-
Issuance of preferred stock	14,500	-
Proceeds from the sale of common stock	7,508	-
Proceeds from stock options and warrants	239	-
Repurchase of restricted shares	(925)	-
Net cash provided by (used in) financing activities - continuing operations	58,052	(17,044)
Net cash provided by (used in) financing activities - discontinued operations	-	-
Net cash provided by (used in) financing activities	58,052	(17,044)
Net increase in cash and cash equivalents - continuing operations	21,797	13,950
Net decrease in cash and cash equivalents - discontinued operations	(12,443)	(16,497)
Net increase (decrease) in cash and cash equivalents	9,354	(2,547)
Cash and cash equivalents at beginning of period	5,757	8,208
Foreign currency translation effect on cash	(171)	95
Cash and cash equivalents at end of period	\$ 14,940	\$ 5,756
Supplemental Disclosure of Cash Flow Information:		
Interest paid	\$ 58,848	\$ 38,531
Income tax paid	\$ -	\$ 3,293
Non-cash purchases of property and equipment	\$ 8,635	\$ 1,479
Non-cash issuance of stock for acquisition	\$ 138,915	\$ -
Non-cash dividend	\$ 500	\$ -

Fusion Connect, Inc. debtor-in-possession

Debtor's Monthly Operating Report

Submitted July 22, 2019

In re: Fusion Connect, Inc. et al.
 Debtors

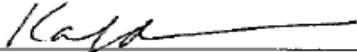
Case No. 19-11811 (SMB) (Jointly Administered)
 Judge: Hon. Stuart M. Bernstein
 For the Period from: June 3, 2019 to June 30, 2019

Federal Tax I.D. # 58-2342021

DEBTORS' MONTHLY OPERATING REPORT SUMMARY

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached	Affidavit/Supplement Attached
Schedule of Cash Receipts and Disbursements	MOR-1	X		
Bank Summary & Reconciliation (or copies of debtors' bank reconciliations)	MOR-1a	X		
Bank Account Activity	MOR-1b	X		
Copies of bank statements				
Cash disbursements journals				
Income Statement	MOR-2	X		
Balance Sheet	MOR-3	X		
Status of Post-petition Taxes	MOR-4	X		
Copies of IRS Form 6123 or payment receipt				
Copies of tax returns filed during reporting period				
Summary of Unpaid Post-Petition Debts	MOR-4	X		
Monthly Accounts Receivable Reconciliation and Aging	MOR-5	X		
Summary of Officer & Insider Compensation, Personnel And Insurance	MOR-6	X		
Schedule of Estate Professionals	MOR-7	X		
Calculation of U.S. Trustee Quarterly Fee	MOR-8	X		
Debtors Questionnaire	MOR-9	X		

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.


 Keith Soldan, Chief Financial Officer

07/22/19
 Date

210 Interstate North Parkway, Suite 300, Atlanta, GA 30339
 Debtors' Address

07/22/19
 Date

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

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

**GLOBAL NOTES AND STATEMENTS OF LIMITATIONS AND DISCLAIMERS
REGARDING THE DEBTORS' MONTHLY OPERATING REPORTS**

On June 3, 2019 (the “**Commencement Date**”), Fusion Connect, Inc. and its U.S. subsidiaries, as debtors and debtors in possession (collectively, the “**Debtors**” or the “**Company**”), each commenced a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On June 3, 2019, the Bankruptcy Court entered an order authorizing the joint administration of these cases pursuant to Bankruptcy Rule 1015(b) (ECF No. 21). On June 18, 2019, the United States Trustee for the Southern District of New York (the “**U.S. Trustee**”) appointed an official committee of unsecured creditors pursuant to section 1102(a)(1) of the Bankruptcy Code (the “**Creditors’ Committee**”) (ECF No. 98).

The Debtors are filing this consolidated monthly operating report (the “**MOR**”) solely for purposes of complying with the monthly operating requirements applicable in the Debtors’ chapter 11 cases. The MOR should not be relied upon by any persons for information relating to current or future financial conditions, events, or performance of any of the Debtors or their affiliates.

The following notes, statements, and limitations should be referred to, and referenced in connection with, any review of the MOR.

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 MPHIC Holding Corporation (3066); Fusion MPHIC 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 principal executive office of the Debtors is located at 210 Interstate North Parkway, Suite 300, Atlanta, Georgia 30339.

1. **Basis of Presentation.** For financial reporting purposes, the Debtors generally prepare consolidated financial statements, which include financial information for the Debtors and certain non-debtor affiliates. The financial statements and information contained herein are unaudited and reflect the Debtors' reasonable efforts to report certain financial information of each Debtor on a stand-alone, unconsolidated basis. The Debtors are maintaining their books and records in accordance with generally accepted accounting principles in the United States ("GAAP") and the information furnished in this MOR uses the Debtors' normal accrual method of accounting. In preparing the MOR, the Debtors relied on financial data derived from their books and records that was available at the time of preparation. Subsequent information or discovery may result in material changes to the MOR and errors or omissions may exist. Notwithstanding any such discovery, new information, or errors or omissions, the Debtors do not undertake any obligation or commitment to update the MOR.
2. **Reporting Period.** Unless otherwise noted herein, the MOR generally reflects the Debtors' books and records and financial activity occurring during the applicable reporting period. Except as otherwise noted, no adjustments have been made for activity occurring after the close of the reporting period.
3. **Consolidated Entity Accounts Payable and Disbursement Systems.** As described in the Cash Management Motion,² the Debtors utilize an integrated, centralized cash management system in the ordinary course of business to collect, concentrate, and disburse funds generated by their operations (the "**Cash Management System**"). The Debtors maintain a consolidated accounts payable and disbursements system to pay operating and administrative expenses through various disbursement accounts.

In the ordinary course of business, the Debtors and certain non-debtor affiliates engage in intercompany transactions (the "**Intercompany Transactions**"), which result in intercompany receivables and payables (the "**Intercompany Claims**"). As set forth more fully in the Cash Management Motion, the primary Intercompany Transactions giving rise to Intercompany Claims are in connection with certain shared services, interest expense allocation, and operational support. Historically, Intercompany Claims are not settled by actual transfers of cash among the Debtors. Instead, the Debtors track all Intercompany Transactions in their accounting system, which concurrently are recorded on the applicable Debtor's balance sheets. Because the Debtors generally track and report their financial information on a consolidated basis some errors may exist and adjustments in future reporting may be necessary.

4. **Accuracy.** Although the Debtors have made good faith reasonable efforts to file a

² The "**Cash Management Motion**" means the *Motion of Debtors for (I) Authorization to (A) Continue Using Existing Cash Management System, Bank Accounts, and Business Forms, (B) Implement Changes to the Cash Management System in the Ordinary Course of Business, (C) Continue Intercompany Transactions, (D) Provide Administrative Expense Priority for Postpetition Intercompany Claims, (E) Extend Time to Comply with, or Seek Waiver of, 11 U.S.C. § 345(b), and (II) Related Relief* (ECF No. 4).

complete and accurate MOR, inadvertent errors or omissions may exist. The Debtors reserve all rights to amend and/or supplement the Schedules and Statements as is necessary or appropriate. The financial information disclosed herein was not prepared in accordance with federal or state securities laws or other applicable non-bankruptcy law or in lieu of complying with any periodic reporting requirements thereunder. Persons and entities trading in or otherwise purchasing, selling, or transferring the claims against or equity interests in the Debtors should evaluate this financial information in light of the purposes for which it was prepared. The Debtors are not liable for and undertake no responsibility to indicate variations from securities laws or for any evaluations of the Debtors based on this financial information or any other information.

5. **Payment of Prepetition Claims Pursuant to First Day Orders.** Following the Commencement Date, the Bankruptcy Court entered various orders (collectively, the “**First Day Orders**”) authorizing the Debtors to, among other things, pay certain prepetition: (a) service fees and charges assessed by the Debtors’ banks and debit and credit card companies; (b) insurance and surety bond obligations; (c) obligations to critical vendors; (d) customer program obligations; (e) employee wages, salaries, and related items (including, but not limited to, employee benefit programs and independent contractor obligations); and (f) taxes and assessments. To the extent any adjustments are necessary for any payments made on account of such claims following the commencement of these chapter 11 cases pursuant to the authority granted to the Debtors by the Bankruptcy Court under the First Day Orders, such adjustments have been included in the MOR unless otherwise noted.
6. **Debtor in Possession Financing.** Pursuant to the *Final Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, (B) Use Cash Collateral, (II) Granting Liens and Providing Superpriority Administrative Expense Status, (III) Granting Adequate Protection to the Prepetition Secured Parties, (IV) Modifying the Automatic Stay, and (V) Granting Related Relief* (ECF No. 160) (the “**Final DIP Order**”), all principal amounts outstanding under the Debtors’ Prepetition Super Senior Credit Facility (as defined in the Final DIP Order) were refinanced dollar-for-dollar and discharged by the DIP Roll-Up Loans (as defined in the Final DIP Order), subject to customary challenge periods.
7. **Liabilities Subject to Compromise.** The Debtors have not finalized their analysis of liabilities that may be subject to compromise, and hereby expressly reserve all rights to reclassify, estimate, and/or change any amounts to denote such amounts as liabilities subject to compromise in the future.
8. **Debtors’ Reservation of Rights.** The Debtors reserve all rights to amend or supplement the MOR in all respects, as may be necessary or appropriate. Nothing contained in this MOR shall constitute a waiver of any of the Debtors’ rights or an admission with respect to their chapter 11 cases.

MOR-1 – Schedule of Cash Receipts and Disbursements

Schedule of Receipts and Disbursements Debtor Entity (\$USD Actual) ⁽¹⁾	19-11811		19-11814		19-11815		19-11828		19-11830					
	Fusion Connect, Inc.		Fusion Cloud Services, LLC		Fusion Communications, LLC		Fusion LLC		Fusion Cloud Company LLC					
									Current Period	Case-to-Date				
Cash – Beginning of Month ⁽²⁾	\$	2,750,881	\$	15,536	\$	15,661	\$	360,471	\$	192,948	\$	3,335,496	\$	3,335,496
Sales Receipts		19,383		22,693,692		69,195		8,638,997		5,130,964		36,552,230		36,552,230
Other Receipts		11,983		-		-		-		-		11,983		11,983
Total Receipts		31,366		22,693,692		69,195		8,638,997		5,130,964		36,564,213		36,564,213
Total Funds Available for Operations	\$	2,782,247	\$	22,709,227	\$	84,856	\$	8,999,468	\$	5,323,912	\$	39,899,710	\$	39,899,710
Payroll & Labor Related		(4,991,810)		-		-		-		-		(4,991,810)		(4,991,810)
Payroll Taxes		(1,434,446)		-		-		-		-		(1,434,446)		(1,434,446)
Sales, Use & Other Taxes		(837,177)		-		-		-		-		(837,177)		(837,177)
Telco		(348,385)		-		-		-		-		(348,385)		(348,385)
OTM		(2,648,456)		-		-		-		-		(2,648,456)		(2,648,456)
Rent		(482,435)		-		-		-		-		(482,435)		(482,435)
Capital Lease		(205,990)		(66,412)		-		-		-		(272,402)		(272,402)
Information Technology		(261,418)		-		-		-		-		(261,418)		(261,418)
CC Payments & Fees		(178,259)		-		-		(24,267)		-		(202,526)		(202,526)
Ordinary Course Professionals		(89,233)		-		-		-		-		(89,233)		(89,233)
General & Administrative		(35,336)		(60,183)		(4,043)		(301)		(3,790)		(103,654)		(103,654)
Total Operating Disbursements		(11,512,943)		(126,595)		(4,043)		(24,569)		(3,790)		(11,671,941)		(11,671,941)
Total Operating Change		(8,730,697)		22,582,632		80,813		8,974,899		5,320,121		28,227,769		28,227,769
Restructuring Professional Fees		(45,023)		-		-		-		-		(45,023)		(45,023)
Interest and Fees		(378,780)		-		-		-		-		(378,780)		(378,780)
DIP Fees		(1,975,000)		-		-		-		-		(1,975,000)		(1,975,000)
Critical Vendor / 503(b)(9)		-		-		-		-		-		-		-
Total Non-Operating & Restructuring Disbursements		(2,398,804)		-		-		-		-		(2,398,804)		(2,398,804)
Total Disbursements	\$	(13,911,747)	\$	(126,595)	\$	(4,043)	\$	(24,569)	\$	(3,790)	\$	(14,070,744)	\$	(14,070,744)
Intercompany		27,163,673		(22,319,221)		(0)		(1,483,909)		(3,360,543)		-		-
Revolver Borrowing/(Repayment)		20,000,000		-		-		-		-		20,000,000		20,000,000
Customer Deposits Returned		-		(115,159)		-		(13,487)		(13,158)		(141,805)		(141,805)
Total Other Disbursements/Adjustments		47,163,673		(22,434,380)		(0)		(1,497,397)		(3,373,701)		19,858,195		19,858,195
Ending Balance	\$	36,034,172	\$	148,253	\$	80,813	\$	7,477,502	\$	1,946,420	\$	45,687,161	\$	45,687,161

⁽¹⁾ Debtor entities not included in the above schedule do not maintain bank accounts

⁽²⁾ Schedule of receipts and disbursements includes Debtor entities and does not include cash or activity related to the Debtor's Canadian subsidiaries

MOR-1a – Bank Summary & Reconciliation

Monthly Bank Summary							
Company	Case #	Bank	Account #	Purpose of Account	Beginning Balance	Ending Balance	Change in Cash
Fusion Connect, Inc.	19-11811	East West Bank	8715	Not in use	\$ -	\$ -	\$ -
Fusion Connect, Inc.	19-11811	East West Bank	5634	Collections	22,918	21,409	(1,509)
Fusion Connect, Inc.	19-11811	Union Bank	0333	Concentration	2,727,963	17,987,763	15,259,801
Fusion Connect, Inc.	19-11811	Union Bank	0317	Disbursement	-	-	-
Fusion Connect, Inc.	19-11811	Union Bank	0325	Disbursement	-	-	-
Fusion Connect, Inc.	19-11811	Union Bank	0218	DDA	-	-	-
Fusion Connect, Inc.	19-11811	Union Bank	0655	DIP Account	-	18,025,000	18,025,000
Fusion Cloud Services, LLC	19-11814	Bank of America	2842	Collections	475	148,253	147,778
Fusion Cloud Services, LLC	19-11814	PNC	1332	Collections	15,061	-	(15,061) ⁽¹⁾
Fusion Cloud Services, LLC	19-11814	Union Bank	0309	Collections	-	-	-
Fusion Communications, LLC	19-11815	Bank of America	5370	Collections	-	-	-
Fusion Communications, LLC	19-11815	Bank of America	1912	Collections	552	68,212	67,660
Fusion Communications, LLC	19-11815	Bank of America	0808	Not in use	-	-	-
Fusion Communications, LLC	19-11815	Bank of America	2846	Collections	9,464	5,000	(4,464)
Fusion Communications, LLC	19-11815	Bank of America	3257	Not in use	5,000	5,000	-
Fusion Communications, LLC	19-11815	US Bank	8587	Disbursement	35	215	180
Fusion Communications, LLC	19-11815	US Bank	6283	Collections	611	2,386	1,775
Fusion LLC	19-11828	East West Bank	5824	Disbursement	360,471	7,477,502	7,117,032
Fusion LLC	19-11828	Union Bank	0761	Collections	-	-	-
Fusion Cloud Company LLC	19-11830	East West Bank	1353	Concentration	138,579	1,892,051	1,753,472
Fusion Cloud Company LLC	19-11830	East West Bank	8201	Disbursement	52,308	54,369	2,062
Fusion Cloud Company LLC	19-11830	East West Bank	8277	Collections	-	-	-
Fusion Cloud Company LLC	19-11830	East West Bank	3995	Not in use	2,062	-	(2,062)
Fusion Cloud Company LLC	19-11830	Union Bank	0663	Collections	-	-	-
Total					\$ 3,335,496	\$ 45,687,161	\$ 42,351,664

⁽¹⁾ PNC account closed 07/09/19

MOR-1a – Bank Summary & Reconciliation

Monthly Book to Bank Reconciliation									
Company	Case #	Bank	Account #	Purpose of Account	Bank Balance	Book Balance	Variance ⁽¹⁾	Reconciled	
Fusion Connect, Inc.	19-11811	East West Bank	8715	Not in use	\$ -	\$ -	\$ -	Yes	
Fusion Connect, Inc.	19-11811	East West Bank	5634	Collections	21,409	21,370	(39)	Yes	
Fusion Connect, Inc.	19-11811	Union Bank	0333	Concentration	17,987,763	17,987,763	-	Yes	
Fusion Connect, Inc.	19-11811	Union Bank	0317	Disbursement	-	-	-	Yes	
Fusion Connect, Inc.	19-11811	Union Bank	0325	Disbursement	-	(380,880)	(380,880)	Yes	
Fusion Connect, Inc.	19-11811	Union Bank	0218	DDA	-	-	-	Yes	
Fusion Connect, Inc.	19-11811	Union Bank	0655	DIP Account	18,025,000	18,025,000	-	Yes	
Fusion Cloud Services, LLC	19-11814	Bank of America	2842	Collections	148,253	148,253	-	Yes	
Fusion Cloud Services, LLC	19-11814	PNC	1332	Collections	-	-	-	Yes	
Fusion Cloud Services, LLC	19-11814	Union Bank	0309	Collections	-	-	-	Yes	
Fusion Communications, LLC	19-11815	Bank of America	5370	Collections	-	-	-	Yes	
Fusion Communications, LLC	19-11815	Bank of America	1912	Collections	68,212	68,212	-	Yes	
Fusion Communications, LLC	19-11815	Bank of America	0808	Not in use	-	-	-	Yes	
Fusion Communications, LLC	19-11815	Bank of America	2846	Collections	5,000	5,000	-	Yes	
Fusion Communications, LLC	19-11815	Bank of America	3257	Not in use	5,000	5,000	-	Yes	
Fusion Communications, LLC	19-11815	US Bank	8587	Disbursement	215	215	-	Yes	
Fusion Communications, LLC	19-11815	US Bank	6283	Collections	2,386	2,386	-	Yes	
Fusion LLC	19-11828	East West Bank	5824	Disbursement	7,477,502	7,315,904	(161,599)	Yes	
Fusion LLC	19-11828	Union Bank	0761	Collections	-	(71,730)	(71,730)	Yes	
Fusion Cloud Company LLC	19-11830	East West Bank	1353	Concentration	1,892,051	1,845,824	(46,227)	Yes	
Fusion Cloud Company LLC	19-11830	East West Bank	8201	Disbursement	54,369	46,927	(7,442)	Yes	
Fusion Cloud Company LLC	19-11830	East West Bank	8277	Collections	-	-	-	Yes	
Fusion Cloud Company LLC	19-11830	East West Bank	3995	Not in use	-	-	-	Yes	
Fusion Cloud Company LLC	19-11830	Union Bank	0663	Collections	-	84,916	84,916	Yes	
Total					\$ 45,687,161	\$ 45,104,159	\$ (583,002)		

⁽¹⁾ Differences between bank balances and ledger balances are due to activity such as (i) outstanding checks not yet funded as of period-end, and (ii) ledger deposits-in-transit as of period-end

MOR-1b – Bank Account Activity

	19-11811	19-11811	19-11811	19-11811	19-11811	19-11811	19-11811
Account #	8715	5634	0333	0317	0325	0218	0655
Bank	East West Bank	East West Bank	Union Bank	Union Bank	Union Bank	Union Bank	Union Bank
Debtor Entity (\$USD Actual) ⁽¹⁾	Fusion Connect, Inc.	Fusion Connect, Inc.	Fusion Connect, Inc.	Fusion Connect, Inc.	Fusion Connect, Inc.	Fusion Connect, Inc.	Fusion Connect, Inc.
Cash – Beginning of Month ⁽²⁾	\$ -	\$ 22,918	\$ 2,727,963	\$ -	\$ -	\$ -	\$ -
Sales Receipts	-	10,333	-	10	9,040	-	-
Other Receipts	-	-	-	-	11,983	-	-
Total Receipts	-	10,333	-	10	21,023	-	-
Total Funds Available for Operations	\$ -	\$ 33,251	\$ 2,727,963	\$ 10	\$ 21,023	\$ -	\$ -
Payroll & Labor Related	-	-	-	(3,263,257)	(1,728,553)	-	-
Payroll Taxes	-	-	-	(1,434,446)	-	-	-
Sales, Use & Other Taxes	-	-	-	-	(837,177)	-	-
Telco	-	-	-	-	(348,385)	-	-
OTM	-	-	-	-	(2,648,456)	-	-
Rent	-	-	-	-	(482,435)	-	-
Capital Lease	-	-	-	-	(205,990)	-	-
Information Technology	-	-	-	-	(261,418)	-	-
CC Payments & Fees	-	-	-	-	(178,259)	-	-
Ordinary Course Professionals	-	-	-	-	(89,233)	-	-
General & Administrative	-	(11,842)	-	-	(23,494)	-	-
Total Operating Disbursements	-	(11,842)	-	(4,697,703)	(6,803,398)	-	-
Total Operating Change	-	21,409	2,727,963	(4,697,693)	(6,782,375)	-	-
Restructuring Professional Fees	-	-	-	-	(45,023)	-	-
Interest and Fees	-	-	-	-	(378,780)	-	-
DIP Fees	-	-	(1,975,000)	-	-	-	-
Critical Vendor / 503(b)(9)	-	-	-	-	-	-	-
Total Non-Operating & Restructuring Disbursements	-	-	(1,975,000)	-	(423,804)	-	-
Total Disbursements	\$ -	\$ (11,842)	\$ (1,975,000)	\$ (4,697,703)	\$ (7,227,202)	\$ -	\$ -
Intercompany	-	-	(2,765,199)	4,697,693	7,206,179	-	18,025,000
Revolver Borrowing/(Repayment)	-	-	20,000,000	-	-	-	-
Customer Deposits Returned	-	-	-	-	-	-	-
Total Other Disbursements/Adjustments	-	-	17,234,801	4,697,693	7,206,179	-	18,025,000
Ending Balance	\$ -	\$ 21,409	\$ 17,987,763	\$ -	\$ -	\$ -	\$ 18,025,000

(1) Debtor entities not included in the above do not maintain bank accounts

(2) Schedule of receipts and disbursements includes Debtor entities and does not include cash or activity related to the Debtor's Canadian subsidiaries

MOR-1b – Bank Account Activity

	19-11814	19-11814	19-11814	19-11815	19-11815	19-11815	19-11815
Account #	2842	1332	0309	5370	1912	0808	2846
Bank	Bank of America	PNC	Union Bank	Bank of America Fusion	Bank of America Fusion	Bank of America Fusion	Bank of America Fusion
Debtor Entity (\$USD Actual) ⁽¹⁾	Fusion Cloud Services, LLC	Fusion Cloud Services, LLC	Fusion Cloud Services, LLC	Communications, LLC	Communications, LLC	Communications, LLC	Communications, LLC
Cash – Beginning of Month ⁽²⁾	\$ 475	\$ 15,061	\$ -	\$ -	\$ 552	\$ -	\$ 9,464
Sales Receipts	148,532	117,513	22,427,647	220	1,332	-	63,491
Other Receipts	-	-	-	-	-	-	-
Total Receipts	148,532	117,513	22,427,647	220	1,332	-	63,491
Total Funds Available for Operations	\$ 149,007	\$ 132,574	\$ 22,427,647	\$ 220	\$ 1,884	\$ -	\$ 72,955
Payroll & Labor Related	-	-	-	-	-	-	-
Payroll Taxes	-	-	-	-	-	-	-
Sales, Use & Other Taxes	-	-	-	-	-	-	-
Telco	-	-	-	-	-	-	-
OTM	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-
Capital Lease	-	-	(66,412)	-	-	-	-
Information Technology	-	-	-	-	-	-	-
CC Payments & Fees	-	-	-	-	-	-	-
Ordinary Course Professionals	-	-	-	-	-	-	-
General & Administrative	(754)	(958)	(58,471)	-	(1,762)	(85)	-
Total Operating Disbursements	(754)	(958)	(124,883)	-	(1,762)	(85)	-
Total Operating Change	148,253	131,616	22,302,764	220	123	(85)	72,955
Restructuring Professional Fees	-	-	-	-	-	-	-
Interest and Fees	-	-	-	-	-	-	-
DIP Fees	-	-	-	-	-	-	-
Critical Vendor / 503(b)(9)	-	-	-	-	-	-	-
Total Non-Operating & Restructuring Disbursements	-	-	-	-	-	-	-
Total Disbursements	\$ (754)	\$ (958)	\$ (124,883)	\$ -	\$ (1,762)	\$ (85)	\$ -
Intercompany	-	(131,616)	(22,187,605)	(220)	68,090	85	(67,955)
Revolver Borrowing/(Repayment)	-	-	-	-	-	-	-
Customer Deposits Returned	-	-	(115,159)	-	-	-	-
Total Other Disbursements/Adjustments	-	(131,616)	(22,302,764)	(220)	68,090	85	(67,955)
Ending Balance	\$ 148,253	\$ -	\$ -	\$ -	\$ 68,212	\$ -	\$ 5,000

(1) Debtor entities not included in the above do not maintain bank accounts

(2) Schedule of receipts and disbursements includes Debtor entities and does not include cash or activity related to the Debtor's Canadian subsidiaries

In re: Fusion Connect, Inc. et al.

Case No.: 19-11811 (SMB) (Jointly Administered)

Period from: June 3, 2019 to June 30, 2019

MOR-1b – Bank Account Activity

Account #	19-11815	19-11815	19-11815	19-11828	19-11828	19-11830	19-11830
Bank	3257 Bank of America Fusion Communications, LLC	8587 US Bank Fusion Communications, LLC	6283 US Bank Fusion Communications, LLC	5824 East West Bank Fusion LLC	0761 Union Bank Fusion LLC	1353 East West Bank Fusion Cloud Company LLC	8201 East West Bank Fusion Cloud Company LLC
Debtor Entity (\$USD Actual) ⁽¹⁾							
Cash – Beginning of Month ⁽²⁾	\$ 5,000	\$ 35	\$ 611	\$ 360,471	\$ -	\$ 138,579	\$ 52,308
Sales Receipts	(0)	-	4,151	7,150,527	1,488,470	-	-
Other Receipts	-	-	-	-	-	-	-
Total Receipts	(0)	-	4,151	7,150,527	1,488,470	-	-
Total Funds Available for Operations	\$ 5,000	\$ 35	\$ 4,762	\$ 7,510,998	\$ 1,488,470	\$ 138,579	\$ 52,308
Payroll & Labor Related	-	-	-	-	-	-	-
Payroll Taxes	-	-	-	-	-	-	-
Sales, Use & Other Taxes	-	-	-	-	-	-	-
Telco	-	-	-	-	-	-	-
OTM	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-
Capital Lease	-	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-	-
CC Payments & Fees	-	-	-	(24,267)	-	-	-
Ordinary Course Professionals	-	-	-	-	-	-	-
General & Administrative	-	(820)	(1,376)	(301)	-	(2,213)	-
Total Operating Disbursements	-	(820)	(1,376)	(24,569)	-	(2,213)	-
Total Operating Change	5,000	(785)	3,386	7,486,429	1,488,470	136,365	52,308
Restructuring Professional Fees	-	-	-	-	-	-	-
Interest and Fees	-	-	-	-	-	-	-
DIP Fees	-	-	-	-	-	-	-
Critical Vendor / 503(b)(9)	-	-	-	-	-	-	-
Total Non-Operating & Restructuring Disbursements	-	-	-	-	-	-	-
Total Disbursements	\$ -	\$ (820)	\$ (1,376)	\$ (24,569)	\$ -	\$ (2,213)	\$ -
Intercompany	0	1,000	(1,000)	-	(1,483,909)	1,755,686	2,062
Revolver Borrowing/(Repayment)	-	-	-	-	-	-	-
Customer Deposits Returned	-	-	-	(8,927)	(4,560)	-	-
Total Other Disbursements/Adjustments	0	1,000	(1,000)	(8,927)	(1,488,470)	1,755,686	2,062
Ending Balance	\$ 5,000	\$ 215	\$ 2,386	\$ 7,477,502	\$ -	\$ 1,892,051	\$ 54,369

(1) Debtor entities not included in the above do not maintain bank accounts

(2) Schedule of receipts and disbursements includes Debtor entities and does not include cash or activity related to the Debtor's Canadian subsidiaries

In re: Fusion Connect, Inc. et al.

Case No.: 19-11811 (SMB) (Jointly Administered)

Period from: June 3, 2019 to June 30, 2019

MOR-1b – Bank Account Activity

Account # Bank	19-11830		19-11830		19-11830	
	8277		3995		0663	
	East West Bank		East West Bank		Union Bank	
Debtor Entity (\$USD Actual) ⁽¹⁾	Fusion Cloud Company LLC	Fusion Cloud Company LLC	Fusion Cloud Company LLC	Fusion Cloud Company LLC	Current Period	Case-to-Date
Cash – Beginning of Month ⁽²⁾	\$ -	\$ 2,062	\$ -	\$ -	\$ 3,335,496	\$ 3,335,496
Sales Receipts	1,765,535	-	-	3,365,429	36,552,230	36,552,230
Other Receipts	-	-	-	-	11,983	11,983
Total Receipts	1,765,535	-	-	3,365,429	36,564,213	36,564,213
Total Funds Available for Operations	\$ 1,765,535	\$ 2,062	\$ 3,365,429	\$ -	\$ 39,899,710	\$ 39,899,710
Payroll & Labor Related	-	-	-	-	(4,991,810)	(4,991,810)
Payroll Taxes	-	-	-	-	(1,434,446)	(1,434,446)
Sales, Use & Other Taxes	-	-	-	-	(837,177)	(837,177)
Telco	-	-	-	-	(348,385)	(348,385)
OTM	-	-	-	-	(2,648,456)	(2,648,456)
Rent	-	-	-	-	(482,435)	(482,435)
Capital Lease	-	-	-	-	(272,402)	(272,402)
Information Technology	-	-	-	-	(261,418)	(261,418)
CC Payments & Fees	-	-	-	-	(202,526)	(202,526)
Ordinary Course Professionals	-	-	-	-	(89,233)	(89,233)
General & Administrative	(1,577)	-	-	-	(103,654)	(103,654)
Total Operating Disbursements	(1,577)	-	-	-	(11,671,941)	(11,671,941)
Total Operating Change	1,763,958	2,062	3,365,429	-	28,227,769	28,227,769
Restructuring Professional Fees	-	-	-	-	(45,023)	(45,023)
Interest and Fees	-	-	-	-	(378,780)	(378,780)
DIP Fees	-	-	-	-	(1,975,000)	(1,975,000)
Critical Vendor / 503(b)(9)	-	-	-	-	-	-
Total Non-Operating & Restructuring Disbursements	-	-	-	-	(2,398,804)	(2,398,804)
Total Disbursements	\$ (1,577)	\$ -	\$ -	\$ -	\$ (14,070,744)	\$ (14,070,744)
Intercompany	(1,755,686)	(2,062)	(3,360,543)	-	-	-
Revolver Borrowing/(Repayment)	-	-	-	-	20,000,000	20,000,000
Customer Deposits Returned	(8,273)	-	(4,886)	-	(141,805)	(141,805)
Total Other Disbursements/Adjustments	(1,763,958)	(2,062)	(3,365,429)	-	19,858,195	19,858,195
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ 45,687,161	\$ 45,687,161

(1) Debtor entities not included in the above do not maintain bank accounts

(2) Schedule of receipts and disbursements includes Debtor entities and does not include cash or activity related to the Debtor's Canadian subsidiaries

MOR-2 – Income Statement

Income Statement ⁽¹⁾	
\$USD Actual	Current Period
Revenue	\$ 37,222,639
Cost of Revenue	20,305,088
Gross Profit	16,917,550
<i>Gross Margin</i>	45.4%
Operating costs:	
Selling, General and Administrative	10,057,849
Share-based compensation expense	545,178
Non-recurring expense	6,383,655
Depreciation & amortization	4,509,197
Foreign currency (gain) loss	–
Total operating expenses	21,495,879
Operating income (loss)	(4,578,329)
Interest expense	(7,999,076)
Other income (expense)	10,287
Total other expense	(7,988,789)
Income (loss) before income taxes	(12,567,118)
Income tax benefit (expense)	(12,500)
Net income (loss) from continuing operations	(12,579,618)
Net Income (loss) from discontinued operations	–
Net income (loss)	\$ (12,579,618)

⁽¹⁾ Financial Statement has been prepared on a GAAP basis and is reflective of the full month of June 2019

MOR-3 – Balance Sheet

Balance Sheet	
\$USD Actual	Current Period
Current Assets	
Cash	\$ 45,104,159
Other Cash & Equivalents	3,663,455
Accounts Receivable, Trade	40,010,250
Accounts Receivable, Other, Net of Allowance for Doubtful Accounts	7,251,331
Prepaid Expenses	12,254,953
Inventory, Net	2,940,794
Other Assets	5,315,433
Total Current Assets	116,540,374
NON-CURRENT ASSETS	
Fixed Assets, Net	92,527,774
Goodwill	218,396,702
Intangible Assets, Net	153,188,635
Other Non-Current Other Assets	32,882,802
Total Non-Current Assets	496,995,913
Total Assets	\$ 613,536,287
LIABILITIES AND STOCKHOLDERS EQUITY	
Current Liabilities	
Accounts Payable	\$ 75,788,205
Accrued Telecommunications Costs	22,323,697
Deferred Customer Revenue	13,549,879
Other Accrued Liabilities	13,833,371
Current Portion of Operating Leases	3,360,215
Current Portion of Capital Leases	5,657,365
Current Portion of Long-Term Debt	699,744,953
Total Current Liabilities	834,257,685
Non-Current Liabilities	
Non-Current Portion of Long-Term Debt	9,815,743
Non-Current Portion of Operating Leases	11,554,627
Non-Current Portion of Long-Term Capital Lease	9,380,602
Other Non-Current Liabilities	4,316,184
Total Non-Current Liabilities	35,067,155
Stockholders' Equity	
Common Stock	846,403
Additional Paid-In Capital	148,650,156
Accumulated Distributions and Dividends	(129,370,069)
Accumulated Other Comprehensive Income	(426,015)
Accumulated Earnings	(275,489,028)
Total Stockholders' Equity	(255,788,553)
Total Liabilities and Stockholders' Equity	\$ 613,536,287

MOR-4 – Monthly Tax Report & Post-Petition Obligations

§USD Actual						
Post-Petition Taxes	Beginning Tax ⁽¹⁾	Amount Withheld and/or Accrued	Amount Paid	Date Paid	Check # or EFT	Ending Tax
Federal Withholding & FICA	\$ -	\$ 1,168,477	\$ (1,168,477)	Weekly		\$ -
Unemployment	-	304	(304)	Quarterly		-
Total Federal Taxes	-	1,168,781	(1,168,781)			-
Withholding	-	213,889	(213,889)	Various		-
Sales & Use ⁽²⁾	-	1,887,212	-	Monthly		1,887,212
Unemployment	-	-	-	Quarterly		-
Real Property	-	98,802	-	Various		98,802
Total State and Local	-	2,199,903	(213,889)			1,986,014
Total Taxes	\$ -	\$ 3,368,684	\$ (1,382,670)			\$ 1,986,014

Post-Petition Debts ⁽³⁾	Current	0-30	31-60	61-90	Over 91	Total
Accounts Payable ⁽⁴⁾	\$ 16,223,630	\$ -	\$ -	\$ -	\$ -	\$ 16,223,630
Wages Payable	1,264,404	-	-	-	-	1,264,404
Taxes Payable ⁽⁵⁾	1,887,212	-	-	-	-	1,887,212
Rent/Leases-Building ⁽⁶⁾	322,179	-	-	-	-	322,179
Rent/Leases-Equipment ^{(6), (7)}	586,002	-	-	-	-	586,002
Professional Fees	10,206,896	-	-	-	-	10,206,896
Total Post-Petition Debts	\$ 30,490,322	\$ -	\$ -	\$ -	\$ -	\$ 30,490,322

Note - schedules above include only post-petition balances and activity

⁽¹⁾ The Company does not book accruals related to recurring payroll taxes

⁽²⁾ Sales & Use taxes paid during the reporting period relate to pre-petition obligations

⁽³⁾ Schedule of Post-Petition Debts includes obligations incurred in the post-petition period and is subject to ongoing review and analysis

⁽⁴⁾ Does not include unprocessed invoices

⁽⁵⁾ Represents sales & use tax accrued in the post-petition period and payable on a monthly and/or quarterly basis

⁽⁶⁾ Represents current portion (accrued and payable within 30 days) of long term operating and capital leases

⁽⁷⁾ Reflects capital leases for equipment

MOR-5 – Monthly AR Reconciliation and Aging

Accounts Receivable Reconciliation

	Accounts Receivable	Comments
Beginning of Month Balance	\$ 38,879,227	
PLUS: Current New Billings	34,708,253	Current New Billings reflects only post-petition activity
MINUS: Collections During the Month	(33,577,230)	Trade AR Collections do not include amounts received from Lingo of \$3.0mm in the reporting period
PLUS/MINUS: Adjustments or Write-offs	–	
End of Month Balance	\$ 40,010,250	

Accounts Receivable Aging Detail

	0-30 Days	31-60 days	61-90 days	Over 90 Days ⁽³⁾	Total
Accounts Receivable, Trade	\$ 22,069,750	\$ 6,545,577	\$ 1,813,542	\$ 9,581,381	\$ 40,010,250
Trade related Allowance for doubtful accounts ^{(1), (2)}	–	–	(231,220)	(8,113,347)	(8,344,567)
Net Accounts Receivable, Trade	\$ 22,069,750	\$ 6,545,577	\$ 1,582,322	\$ 1,468,034	\$ 31,665,683

⁽¹⁾ Portion of the total Allowance for doubtful accounts related to Accounts Receivable, Trade. Included on the balance sheet in "Accounts Receivable, Other, Net of Allowance for Doubtful Accounts"

⁽²⁾ Included as a memo to present Net Accounts Receivable, Trade and the reserve of Over 90 Days

⁽³⁾ Represents over 65,000 mostly inactive customers. Customer portion of billing has been fully reserved while related taxes have not been reserved

MOR-6 – Summary of Officer & Insider Compensation, Personnel and Insurance

Summary of Officer or Insider Compensation⁽¹⁾⁽²⁾

Type of Payment	Amount Paid	Case-to-Date
Payroll and Benefits	\$ 124,255	\$ 124,255

⁽¹⁾ Represents payments made by the debtors to persons considered to be "insiders" under the Bankruptcy Code during the reporting period. The total is shown on a cash basis, reflecting the actual amounts received, net of any applicable taxes, withholdings or other deductions. The total includes regular payroll, fees and expense reimbursements.

⁽²⁾ Persons included as "insiders" have been included for informational purposes only. The Debtors do not concede or take any position with respect to (a) such person's influence over the control of the Debtors; (b) the management responsibilities or functions of such individual; (c) the decision-making or corporate authority of such individual; or (d) whether such individual could successfully argue that he or she is not an "insider" under applicable law, including, without limitation, the federal securities laws or with respect to any theories of liability or for any other purpose. Further, the inclusion of a party as an "insider" is not an acknowledgment or concession that such party is an "insider" under applicable bankruptcy law.

MOR-6 – Summary of Officer & Insider Compensation, Personnel and Insurance

Confirmation of Insurance

List all policies of insurance in effect, including but not limited to workers' compensation, liability, fire, theft, comprehensive, vehicle, health and life.

For the first report, attach a copy of the declaration sheet for each type of insurance.

For subsequent reports, attach a certificate of insurance for any policy in which a change occurs during the month (new carrier, increased policy limits, renewal, etc.).

Agent and/or Carrier	Policy Number	Coverage Type	Expiration Date	Comments
Argonaut Insurance Company	ML4209073-0	Primary D&O	06/30/20	
RSUI Indemnity Company	NHS676653	D&O- 1st excess	06/30/20	
Canopus Insurance Services	EXN CUA10047-00	D&O- 2nd excess	06/30/20	
Nationwide Mutual Insurance Company	XMF1803504	D&O- 3rd excess	06/30/20	
AmTrust International Underwriters	EUC1001828 00	D&O- Side A DIC only	06/30/20	
Hiscox, Inc.	UC22276639.18	Crime	06/30/20	
Argonaut Insurance Company	ML 4209155-0	Fiduciary - Primary	06/30/20	
Travelers Insurance	106936570	Fiduciary - Excess	06/30/20	
Argonaut Insurance Company	ML 4209154-0	Employment Practices Liability	06/30/20	
Chubb Group of Insurance Companies	8250-1110	Kidnap & Ransom	06/30/20	
C.N.A. Insurance	6072940718	Property	06/30/20	
Lloyd's of London	B0507XEQ3429018	Terrorism-Property	06/30/20	
C.N.A. Insurance	6072590734	General Liability	06/30/20	
C.N.A. Insurance	6072590748	Automobile	06/30/20	
C.N.A. Insurance	WC 6 71914816	Workers Compensation (CA)	06/30/20	
C.N.A. Insurance	WC 6 71960288	Workers Compensation (all other states)	06/30/20	
C.N.A. Insurance	6072590779	Umbrella	06/30/20	
C.N.A. Insurance	623428880	Foreign Policy	06/30/20	
Axis Insurance Company	P00100003574701	Digital Risk	06/30/20	
AIG / National Union Fire Insurance	GTP 9152007	Business Travel Accident	08/25/19	

The following lapse in insurance coverage occurred this month:

Policy Type	Date Lapsed	Date reinstated	Reason for Lapse
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No policies lapsed in the reporting period

MOR-7 – Payments to Estate Professionals

Name	Date of Court Order Authorizing Payment	Current Period		Case-to-Date
		Amount Authorized ⁽¹⁾	Amount Paid	Total Paid
Weil, Gotshal & Manges LLP	n/a	\$ -	\$ -	\$ -
PJT Partners	n/a	-	-	-
FTI Consulting	n/a	-	-	-
Prime Clerk	6/6/2019	34,102	34,102	34,102
Osler, Hoskin & Harcourt	n/a	-	-	-
PWC	n/a	-	-	-
Morgan Lewis	n/a	-	-	-
Troutman Sanders	n/a	-	-	-
Kelley Drye	n/a	-	-	-
Total		\$ 34,102	\$ 34,102	\$ 34,102

⁽¹⁾ "Amount Authorized" represents the amounts approved for payment pursuant to the order establishing procedures for interim compensation and reimbursement.

In re: Fusion Connect, Inc. et al.

Case No.: 19-11811 (SMB) (Jointly Administered)
Period from: June 3, 2019 to June 30, 2019

MOR-8 – Calculation of U.S. Trustee Quarterly Fee

Debtor Name	Case Number	Current Period		US Trustee Fees Incurred		
		Total Disbursements ⁽¹⁾		Current Period	Quarter-to-Date	Case-to-Date
Fusion Connect, Inc.	19-11811	\$ 13,911,747	\$	139,117	\$ 139,117	\$ 139,117
Fusion Telecom of Texas Ltd., L.L.P.	19-11812	–		325	325	325
Fusion Communications, LLC	19-11815	4,043		325	325	325
Fusion PM Holdings, Inc.	19-11816	–		325	325	325
Fusion Management Services LLC	19-11817	–		325	325	325
Bircan Holdings, LLC	19-11818	–		325	325	325
Fusion Telecom of Missouri, LLC	19-11819	–		325	325	325
Fusion Telecom of Oklahoma, LLC	19-11820	–		325	325	325
Fusion Telecom of Kansas, LLC	19-11822	–		325	325	325
Fusion Texas Holdings, Inc.	19-11813	–		325	325	325
Fusion Telecom, LLC	19-11824	–		325	325	325
Fusion CB Holdings, Inc.	19-11825	–		325	325	325
Fusion Cloud Services, LLC	19-11814	126,595		975	975	975
Fusion BCHI Acquisition LLC	19-11827	–		325	325	325
Fusion LLC	19-11828	24,569		650	650	650
Fusion NBS Acquisition Corp.	19-11829	–		325	325	325
Fusion Cloud Company LLC	19-11830	3,790		325	325	325
Fusion MPHIC Group, Inc.	19-11831	–		325	325	325
Fusion MPHIC Holding Corporation	19-11832	–		325	325	325
Total		\$ 14,070,744	\$	145,942	\$ 145,942	\$ 145,942

⁽¹⁾ "Total Disbursements" as defined on MOR-1

MOR-9 – Significant Developments During Reporting Period

Information to be provided on this page, includes, but is not limited to: (1) financial transactions that are not reported on this report, such as the sale of real estate; (2) non-financial transactions, such as the substitution of assets or collateral; (3) modifications to loan agreements; (4) change in senior management, etc. Attach any relevant documents.

Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.		Yes	No
1.	Have any assets been sold or transferred outside the normal course of business this reporting period?		X
2.	Have any funds been disbursed from any account other than a debtor in possession account this reporting period?		X
3.	Is the Debtor delinquent in the timely filing of any postpetition tax returns?		X
4.	Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies?		X
5.	Is the Debtor delinquent in paying any insurance premium payment?		X
6.	Have any payments been made on prepetition liabilities this reporting period?	X ⁽¹⁾	
7.	Are any postpetition receivables (accounts, notes or loans) due from related parties or affiliates?	X ⁽²⁾	
8.	Are any postpetition payroll taxes past due?		X
9.	Are any postpetition State or Federal income taxes past due?		X
10.	Are any postpetition real estate taxes past due?		X
11.	Are any other postpetition taxes past due?		X
12.	Have any prepetition taxes been paid during this reporting period?	X ⁽¹⁾	
13.	Are any amounts owed to postpetition creditors delinquent?	X ⁽³⁾	
14.	Are any wage payments past due?		X
15.	Have any postpetition loans been received by the Debtor from any party?	X ⁽⁴⁾	
16.	Is the Debtor delinquent in paying any U.S. Trustee fees?		X
17.	Is the Debtor delinquent with any court ordered payments to attorneys or other professionals?		X
18.	Have the owners or shareholders received any compensation outside of the normal course of business?		X

(1) All disbursements related to pre-petition obligations have been allowable per the approved orders

(2) The Company has postpetition receivables due from its non-controlled affiliate, Lingo

(3) Payment of some post-petition liabilities has been delayed due to system issues. The Company is working with its accounting software provider to bifurcate pre/post petition liabilities

(4) On 06/07/19, the Company entered into the Superpriority Secured Debtor-In-Possession Credit and Guaranty Agreement, which provides for a superpriority debtor-in-possession term loan credit facility consisting of (i) new money term loans in an aggregate principal amount of \$39.5 million ("New Money Loans") and (ii) roll-up term loans in an aggregate principal amount of up to \$20.0 million representing the roll-up, on a dollar-for-dollar basis, of the aggregate outstanding principal amount of loans under the Super Senior Secured Credit Agreement, dated as of 05/09/19. Twenty million dollars of the New Money Loans were funded on 06/07/19, with the remaining \$19.5 million funded on or about 07/11/19

**Joint Application of Fusion Connect, Inc. Debtor-in-Possession and Telecom Holdings LLC
for Authority for Telecom Holdings LLC to Acquire Indirect Control of Fusion LLC
Debtor-in-Possession f/k/a Network Billing Systems LLC (U-6067-C) and Cbeyond
Communications, LLC Debtor-in-Possession (U-6446-C)**

EXHIBIT I

Telecom Holdings LLC's Financial Responsibility Showing

[To be submitted separately, with an accompanying Motion for Leave to File Under Seal]

**Joint Application of Fusion Connect, Inc. Debtor-in-Possession and Telecom Holdings LLC
for Authority for Telecom Holdings LLC to Acquire Indirect Control of Fusion LLC
Debtor-in-Possession f/k/a Network Billing Systems LLC (U-6067-C) and Cbeyond
Communications, LLC Debtor-in-Possession (U-6446-C)**

EXHIBIT J

Regulatory and Financial History

[To be submitted separately]