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November 25, 2008

VIA records@wutc.wa.gov ONLY

Ms. Carole Washburn, Secretary
State of Washington
Utilities and Transportation Commission
1300 S. Evergreen Park Dr., SW
Olympia, WA 98504

Re: Vanco Direct USA, LLC
Change of Control & Issuance of Debt and related financing transactions

Dear Ms. Washburn:

Please be advised that Vanco Direct USA, LLC ("Vanco") will be undergoing a change of control to Capital Growth Acquisition, Inc. and will be participating in the issuance of debt and related financing transactions as described herein, which financing transactions also affect Global Capacity Group, Inc. In connection therewith, we provide the following information:

I. The Parties

Vanco Direct USA, LLC is a Delaware limited liability company whose principal offices are located at 200 South Wacker Drive, 16th Floor, Chicago, Illinois 60606. Vanco is a wholly owned subsidiary of Vanco plc, a company incorporated under the laws of England and Wales. Vanco plc is currently in administration in the United Kingdom. "Administration" is the United Kingdom equivalent of an insolvency proceeding, similar to a bankruptcy filing in the United States. The Commission granted Vanco registration as a competitive telecommunications company on August 28, 2005 in Docket No. UT-050951.

Vanco is authorized to provide telecommunications services in Alabama, Arkansas, California, Connecticut, Delaware, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Mississippi, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Vermont, Virginia, Washington and Wisconsin, and also has authority to provide domestic interstate and international services pursuant to FCC rules and regulations.

Vanco is a leading U.S.-based virtual network operator (VNO) that offers carrier- and technology-neutral telecommunications services through strategic relationships with hundreds of carriers and proprietary information resources. Vanco is a single source for analysis, design, planning and provisioning of customized carrier-neutral Layer 1 connections in the U.S. for telecom service providers and cable operators. Customers such as Bell Canada, Asia Netcom, AT&T, Verizon and Time Warner Cable use the Company's services to expand their networks and reach customers outside their embedded footprint.

Vanco has gathered significant network information from multiple transport suppliers and market resources. The Company's Universal Information Exchange (UIX) database contains proprietary information on the demand, pricing, geography and process requirements related to provisioning network components throughout the U.S. Data is collected on a daily basis (much of the information on a real-time basis through electronic data exchange) from hundreds of internal and external sources. This extensive database permits Vanco to develop customized transport solutions for customers through a variety of technologies and carriers, and is the foundation for the various information products and software tools the Company provides.

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Capital Growth Acquisition, Inc. is a Delaware corporation, which is a wholly owned subsidiary of Capital Growth Systems, Inc. d/b/a Global Capacity (“CGSI”), whose principal offices are located at 500 West Madison Street, Suite 2060, Chicago, Illinois 60661. CGSI is a publicly-traded corporation that delivers telecom logistics solutions to a global client set consisting of systems integrators, telecommunications companies, and enterprise customers. The Company helps customers improve efficiency, reduce cost, and simplify operations of complex global networks, with a particular focus on access networks – often referred to in the industry as the “last mile.”

CGSI’s subsidiary, Global Capacity, Inc., is authorized to provide resold and facilities-based local exchange and interexchange service in Alabama, Arkansas, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Massachusetts, Michigan, Mississippi, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Oregon, Pennsylvania, Rhode Island, South Dakota, Vermont, Washington, West Virginia, Wisconsin and Wyoming, and is authorized to provide interexchange service in Colorado and Utah. GCG also has authority to provide domestic interstate and international services pursuant to FCC rules and regulations.

The Commission granted Global Capacity Group, Inc. registration as a Competitive Telecommunications Company on September 13, 2008 in Docket No. UT-081502.

II. Description of Transfer of Control

The parties have entered into an Interest Purchase Agreement under which CGSI's wholly owned subsidiary, Capital Growth Acquisition, Inc. ("CGA"), which was created for this purpose, will purchase 100% of the limited liability units of Vanco. At the conclusion of the transaction, Vanco will be the wholly owned direct subsidiary of CGA.

The proposed transaction will provide Vanco Direct USA, LLC with greater operating flexibility to pursue operating purposes, including, without limitation, (a) expansion of its telecommunications infrastructure; (b) improvement of customer service, billing, financial reporting and other management information systems; and (c) possible acquisitions, future investments or strategic alliances.

III. Description of Issuance of Debt and Related Financing

CGSI will enter into a new senior secured financing term credit agreement with an institutional lender as agent for itself and possibly additional participants (collectively, the "Senior Secured Lender") calling for the funding of \$8,500,000 at closing, subject to increase by up to \$2,000,000 upon approval of the lender and CGSI. The Senior Secured Lender will also acquire a 5 year warrant to purchase up to 12,000,000 shares of the capital stock of CGSI in consideration for providing the line of credit. The line of credit will be further secured by the collateral pledge of the assets of CGSI's other subsidiaries, as well as of the non telecom assets of Vanco. These other subsidiaries, including Global Capacity Group, Inc. will be named as co-borrowers on the note. The senior secured credit proceeds and subordinated debt proceeds are anticipated to fund the full purchase price for the beneficial ownership of Vanco, as well as leave approximately \$3,000,000 of available working capital for CGSI and its subsidiaries (including Vanco).

In order to fund transaction costs associated with the proposed transaction described herein, as well as to provide additional working capital to CGSI, CGSI will also borrow approximately: (i) \$9,025,000 from a consortium of institutional and high net worth lenders, to be secured by a junior lien on the assets of CGSI's subsidiaries and all of the non telecom assets of Vanco (the "Junior Secured Debt"); and (ii) \$3,000,000 from the seller in the form of an unsecured note, subject to increase by up to \$1,000,000 (the "Seller Note"). The Junior Secured Debt will be convertible into common stock of CGSI, and accompanied by additional warrants to purchase common stock of CGSI. The Seller Note will be an unsecured note for an initial term of 364 days, to be extended to 30 months upon the closing of the proposed transaction, and shall bear no interest. Payment of the Seller Note will be subordinated to payment of the Junior Secured Notes, provided that if at maturity no event of default exists on the Junior Secured Note and CGSI has achieved certain cumulative cash flow levels, then the Seller Note can be paid. In addition, by its terms the Seller Note is also subordinated in payment to the Secured Senior Lender's note.

As part of the subordinated debt financing, Vanco's existing secured notes (original principal amount of \$19,000,000, which has been reduced by about \$541,000 due to prior conversions of debt to equity) will be exchanged for a two new tranches of promissory notes (the "Amended and Restated March Debentures"), to be payable and secured on a pari passu basis with the Junior Secured Lenders. The subsidiaries of CGSI, including Global Capacity Group, Inc. will be co-obligors on the subordinated financing and will pledge their non telecom assets to secure the same and shall continue in force for the remaining terms of the loans in question.

IV. DESIGNATED CONTACT

The designated contact for questions concerning this Notice is:

Lance J.M. Steinhart
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(770) 232-9200 (Telephone)
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V. PUBLIC INTEREST

The proposed transfer of control and financing transactions are in the public interest. The following factors demonstrate that the transfer of control and the financing transactions will not harm rates, employees, or the provision of services at just and reasonable rates, and will result in positive benefits to customers.

The only change to Vanco will be to its ultimate ownership and control and the transfer of control of Vanco will be transparent to customers and will not have any adverse impact to them. Upon consummation of the transfer of control contemplated by the Agreement, and the financing transactions, Vanco will continue to operate under the same operating authority as at present. The proposed transfer of control of Vanco involves no disruption, impairment, or other changes in the entity providing service to customers, the facilities used to provide such services, or the rates, terms and conditions of such service. CGA does intend to change the Vanco name and will make any necessary submissions to the Commission, and provide necessary customer notices, once the new name is determined.

The proposed financing transactions will not affect the day-to-day management or the services that Vanco or GCG provides. Because the financing transactions are financial in nature and will not affect the rates, terms and conditions under which Vanco or GCG operates, the financing transactions will be entirely transparent to customers of Vanco and GCG in terms of the services those customers receive.

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Finally, all existing customer service numbers/operations, contacts and procedures of Vanco and GCG will also remain in place after the transfer of control, and the financing transactions, including procedures relating to billing and repair complaints.

I have also enclosed an extra copy of this letter to be date-stamped and returned to me in the enclosed preaddressed, postage prepaid envelope.

If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me.

Respectfully submitted,



Lance J.M. Steinhart
Attorney for Capital Growth Acquisition, Inc.

cc: Jonathan Wynne-Evans