

ARBITRATOR AWARDS KCST USA AND AXIA NETMEDIA CORP. \$12.2 MILLION AND REJECTS MASSACHUSETTS TECHNOLOGY PARK CORPORATION'S \$30 MILLION CLAIM IN DISPUTE OVER THE MASSACHUSETTS MIDDLE MILE BROADBAND NETWORK

(Boston) October 3, 2018 – An arbitrator has rejected a \$30 million claim by the Massachusetts Technology Park Corp. (MTC), and awarded [KCST USA](#), f/k/a Axia NGNetworks USA, Inc., and [Axia NetMedia Corp.](#) \$12.2 million from MTC, a Commonwealth of Massachusetts state agency, in the dispute over the operation of the MassBroadband 123 Network. The decision comes after months of testimony where more than one million pages of documents were produced in the three months preceding and during the hearing. The arbitrator's decision also reformed the network operating agreement in a manner consistent with KCST USA's interpretation of the contract, and it voids Axia NetMedia Corp's Guaranty of KCST's performance.

"We are extremely gratified by the arbitrator's decision. He gave all parties a full and fair opportunity to present such evidence as they deemed necessary to resolve this matter. The arbitrator's 30-page decision is the product of his careful review and analysis of the voluminous evidence presented," said [Daniel J. Lyne](#), attorney at Murphy & King, P.C., who represented KCST USA in the arbitration. Murphy & King also represents KCST in its ongoing Ch. 11 proceedings in U.S. Bankruptcy Court.

"KCST USA has consistently endeavored to serve the people of western and north central Massachusetts by providing high quality network operating services, notwithstanding MTC's repeated failure to meet its contractual obligations. Now that these claims have been resolved, KCST intends to move forward to complete its Chapter 11 reorganization in an orderly way as a result of the arbitrator's decision, which not only awarded KCST \$7.47 million, but just as importantly, reformed the contract going forward in a manner consistent with KCST's request," said Attorney Lyne.

Attorneys Brian Voke, Adam Larson and Jessica Jeffrey of Campbell, Campbell, Edwards & Conroy, P.C. represented Axia NetMedia Corp. in the hearings and represented KCST USA Inc. prior to the Chapter 11 filing.

"We are pleased that the arbitrator's well-reasoned decision fully vindicates Axia NetMedia Corp. and KCST USA Inc. after years of litigation. The arbitrator found that MTC unlawfully failed to build and deliver the network it contracted to provide, and that as a result Axia NetMedia Corp. had no legal obligation to guarantee the performance of its former subsidiary KCST USA Inc. or the continued operation of the middle mile network. We are thankful that, after all of these years of litigation, justice prevailed and that this decision provides appropriate grounds for the dissolution of the prior injunctions issued in the state and federal courts," said Attorney Voke.

[Harold B. Murphy](#) and [Andrew G. Lizotte](#) of Murphy and King, P.C. represent KCST in the pending bankruptcy. [Daniel J. Lyne](#), co-leader of the firm's litigation department, and [Aaron D. Rosenberg](#) represented KCST in the arbitration.

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