

September 21, 2021

*Via Electronic Submission and U.S. Mail*

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Ms. Amanda Reiss, Staff Attorney  
South Dakota Public Utilities Commission  
Capitol Building, 1st Floor  
500 E. Capitol Avenue  
Pierre, South Dakota 57501-5070

Re: Notification of the Transfer of Control of Magna 5 LLC from Magna 5 Holdings,  
LLC to International Telcom, LLC

Dear Ms. Reiss,

Magna5 Holdings, LLC (“Transferor”), on behalf of Magna5 LLC (“Licensee”), with International Telcom, LLC (“Transferee”) (collectively with the Transferor and the Licensee the “Parties”) through undersigned counsel, notify the Commission of the transfer of control of Licensee from Transferor to Transferee (“Transaction”). This Transaction entails the purchase of the ownership interests of Licensee, and consequently does not involve the assignment of customers, any interruption or changes in the Licensee’s rates, terms, or conditions of service, or any appreciable change in operation or customer service in South Dakota. Instead, consummation of this Transaction will permit the Transferee to strengthen the operations of the Licensee and invest in its network, enabling the continued provision of high-quality public utility telecommunications services to better serve its customers. It is the Parties’ understanding that Commission approval is not required to complete the transaction described herein. Accordingly, the Parties submit this letter of notice for informational purposes.

## **I. DESCRIPTION OF THE PARTIES**

Magna5 Holdings, LLC, the parent company of the Licensee, is a Delaware limited liability company headquartered at 3001 Dallas Parkway, Suite 610, Frisco, Texas 75034. The Transferor is a holding company that does not itself hold any communications licenses or provide any communications services. Nationwide, its subsidiary, Licensee, has fewer than 100 residential customers, all of whom are located either in New York or Massachusetts. The Licensee also holds authority to provide interstate and international telecommunications services from the Federal

Communications Commission through the Licensee. In South Dakota, the Licensee provides long distance<sup>1</sup> and VoIP services.

International Telcom, LLC, a Delaware limited liability company, is headquartered at 14 Industrial Avenue, Suite 4, Mahwah, New Jersey 07430. The Transferee offers local exchange, long distance, and international telecommunications services in thirty-seven states (it does not provide any services in South Dakota). The Transferee is also authorized by the Federal Communications Commission to provide interstate and international telecommunications services.

## **II. DESCRIPTION OF THE TRANSACTION**

Pursuant to a Unit Purchase Agreement dated July 8, 2021, Transferee will acquire all the ownership units of Licensee. Consequently, upon closing the ultimate control of Licensee will be held by Transferee. As noted above, immediately following closing, Licensee will continue to operate as before; none of its service, prices, or billing systems will be changed. As a result, the transaction will be entirely transparent to Licensee's end users. Any changes in service offerings, prices, etc. will occur over time, in the normal course of business.

A full description of the Transaction, which was recently approved by the Federal Communications Commission, is set forth in the Joint Application for Consent to Transfer of Control ("FCC Application") filed on July 27, 2021,<sup>2</sup> and incorporated herein by reference. The Transaction is expected to close on or before October 22, 2021, contingent upon obtaining all necessary regulatory approvals and the satisfaction or waiver of other customary closing conditions.<sup>3</sup>

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<sup>1</sup> Licensee's prior name was X5 OpCo LLC. *See* South Dakota Public Service Commission Order Granting Certificate of Authority, TC15-070 (Jan. 20, 2016).

<sup>2</sup> Joint Application for Consent to Transfer of Control of Domestic and International Authorizations Pursuant to Section 214 of the Communications Act of 1934, As Amended, Held by Magna5 LLC; <https://www.fcc.gov/ecfs/filing/> in WC Docket No. 21-311. The FCC Application was approved in FCC Public Notices DA 21-116 (Sept. 7, 2021) and DA 21-1088 (Sept. 2, 2021).

<sup>3</sup> In addition to providing notice to the Commission, the Parties are in the process of obtaining the necessary regulatory approvals of the Transaction from state utilities regulators in all states where such approval is required. The Parties will also provide notice to other regulatory bodies in those states that require such notice.

### **III. PUBLIC INTEREST STATEMENT**

Although notifications do not require Commission approval, the Transaction is demonstrably in the public interest. The transaction will generate substantial benefits in South Dakota and result in no countervailing harms.

Primarily, consummation of the Transaction will allow the Transferee to leverage its decades of experience in the telecommunications industry to invest in the Licensee's operations and consolidate its systems with Transferee's systems. This will result in an enhanced service experience for consumers. Transferee intends to provide a more robust customer service experience and an enhanced billing platform to its customers following the closing of the Transaction. In addition, after the transaction has closed, the overall increased number of customers will permit Transferee to more economically deploy newer technologies that would not be as economically viable with its smaller, existing customer base.

In addition, the transfer of control will increase competition, as the Transaction will enable investment by the Transferee in the Licensee's operations, renewing their ability to offer new and advanced services to consumers and provide a competitive alternative to other providers' services.

Finally, the Transaction also ensures continuity of operations for Licensee to the ultimate benefit of customers who will continue to receive uninterrupted access to telecommunications and information services. The Transaction will only alter the ownership of Licensee and will not affect any of Licensee's operations—except to the extent it enhances those operations as described above. Licensee's customers will continue to receive the same services and the same rates, terms, and conditions of service post-closing. There will be no disruption to any customer-facing operations such as ordering, service installation, customer service, and billing, which will continue to be provided as before. Any future changes affecting customers will result from the normal course of business operations, as was the case prior to the Transaction. No assignment of licenses, assets, or customers by Licensee will occur as a consequence of the Transaction. Accordingly, this Transaction will be, for all practical purposes, imperceptible to Licensee's customers.

### **IV. CONTACT INFORMATION**

Questions, correspondence, orders, or other materials concerning this letter should be directed to the following:

Robert Farina  
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*Counsel to Licensee and Transferor*

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*Counsel to Transferee*

**V. CONCLUSION**

The Parties respectfully advise the Commission of their participation in the planned transaction described above. If there are any questions regarding this notice, please do not hesitate to contact the undersigned directly.

Respectfully submitted,



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