

May 20, 2024

Via E-Filing

Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
Capitol Building, First Floor
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

Re: Notification Regarding the Transfer of Indirect Control of CBTS Technology Solutions LLC from Cincinnati Bell Inc. to CBTS Borrower, LLC

Dear Ms. Van Gerpen:

CBTS Borrower, LLC ("CBTS Borrower"), Cincinnati Bell Inc. ("Cincinnati Bell"), and CBTS Technology Solutions LLC ("CBTS-TS," and collectively with CBTS Borrower and Cincinnati Bell, the "Parties"), by undersigned representatives hereby notify the South Dakota Public Utilities Commission (the "Commission") of the transfer of indirect control of CBTS-TS from Cincinnati Bell to CBTS Borrower (the "Transaction"). Commission approval is not required for the Transaction,¹ and accordingly, the Parties submit this letter for informational purposes.

In support of this filing, the Parties provide the following information:

Description of the Parties

A. CBTS Borrower, LLC ("CBTS Borrower")

CBTS Borrower is a Delaware limited liability company, located in care of TowerBrook Capital Partners L.P. ("TowerBrook"), Park Avenue Tower, 65 East 55th Street, 19th Floor, New York, New York 10022, that was recently formed for the purpose of the Transaction. CBTS Borrower is an indirect subsidiary of TowerBrook's Fund VI fund family and is ultimately controlled by TowerBrook Investors, Ltd.

TowerBrook, formed on February 4, 2005 and a registered investment advisor with the U.S. Securities and Exchange Commission, is a Delaware limited partnership with headquarters in London and New York City and offices in Madrid and Paris. Having raised more than \$23.2 billion to date for investments in private equity, structured opportunities and impact opportunities through its family of funds, TowerBrook has active investments in a variety of sectors including consumer products, financial services, healthcare, industrial, technology, and media. More information about TowerBrook can be found on its website at www.towerbrook.com.

¹ South Dakota Codified Laws § 49-31-20 provides that "[a]ny telecommunications company that holds a certificate of authority to operate in this state shall notify the commission of any consolidation or merger or transfer of stock or other ownership interests that will result in a different person then owning more than fifty percent of the company's stock or ownership interests."

B. Cincinnati Bell, Inc. ("Cincinnati Bell")

Cincinnati Bell, the indirect parent of CBTS-TS, is an Ohio corporation headquartered at 221 East Fourth Street, Cincinnati, OH 45202. Cincinnati Bell (doing business as "altafiber" in Ohio, Indiana and Kentucky), through its subsidiaries, delivers integrated communications solutions to residential and business customers over its fiber-optic network including high-speed internet, video, voice and data. Cincinnati Bell also provides service in Hawaii under the brand Hawaiian Telcom. More detail about Cincinnati Bell can be found at www.cincinnatiBell.com.

Cincinnati Bell is wholly owned by Red Fiber Parent LLC, a Delaware limited liability company. Red Fiber Parent LLC is majority owned indirectly by MIP V (FCC) AIV, L.P., a Delaware limited partnership, a fund managed by a member of Macquarie Infrastructure and Real Assets Inc. Red Fiber Parent LLC is also minority owned indirectly by certain alternative investment vehicles ("AIVs") managed by (i) the Private Equity Group of Ares Management Corporation and (ii) REST US Infrastructure No. 2 Trust.

C. CBTS Technology Solutions LLC ("CBTS-TS")

CBTS-TS, an indirect subsidiary of Cincinnati Bell, is a Delaware limited liability company headquartered at 25 Merchant St., Cincinnati, OH 45246. In South Dakota, CBTS-TS is authorized to provide local exchange services pursuant to Certificate of Authority granted in TC 94-430 on December 30, 2003.²

Designated Contacts

Questions, correspondence, or other communications concerning this filing should be directed to:

For Cincinnati Bell and CBTS-TS:

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Joshua M. Bobeck
Danielle Burt
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For CBTS Borrower:

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² The authorization was originally granted to Cincinnati Bell Any Distance, Inc. ("CBAD"). On November 16, 2017, CBAD notified the Commission of its name change to CBTS Technology Solutions LLC.

Patricia Van Gerpen, Executive Director
May 20, 2024

*With a copy for Cincinnati Bell and CBTS-TS With a copy for CBTS Borrower to:
to:*

Heather Cameron
Vice President & General Counsel
CBTS Technology Solutions LLC
25 Merchant Street
Cincinnati, OH 45246
Tel: 513-397-9900
heather.cameron@cbts.com

CBTS Borrower, LLC
c/o TowerBrook Capital Partners L.P.
Park Avenue Tower
65 East 55th Street
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Tel: 212-699-2218
glenn.miller@towerbrook.com

Description of the Transaction

Pursuant to the Equity Purchase Agreement (the "Agreement"), dated February 2, 2024, by and among CBTS Borrower, Cincinnati Bell, and CBTS LLC (a Delaware limited liability company and a direct subsidiary of Cincinnati Bell and the direct parent of CBTS-TS), Cincinnati Bell will sell to CBTS Borrower, and CBTS Borrower will purchase from Cincinnati Bell, all of the issued and outstanding limited liability company interests of CBTS LLC. Thus, as a result of the Transaction, CBTS LLC and CBTS-TS will no longer be wholly owned subsidiaries of Cincinnati Bell, and instead will become wholly owned subsidiaries of CBTS Borrower. For the Commission's reference, diagrams depicting the current and post-Transaction corporate ownership structures are provided in **Exhibit A**.

Public Interest Considerations

The Parties submit that the Transaction is in the public interest. The Transaction facilitates CBTS-TS's growth into a stand-alone IT services company focused on supporting enterprise business customers with solutions and services including Application Modernization, Cybersecurity, IT Consulting, Cloud, Unified Communications, and Infrastructure Solutions. CBTS Borrower and its owners are managerially, technically, and financially well-qualified to complete the Transaction and assume indirect ownership and control of CBTS-TS and accelerate its growth prospects as a stand-alone IT services company. The Transaction is also expected to provide CBTS-TS access to new markets and expand its portfolio of products and services.

CBTS Borrower will be able to call on TowerBrook's expertise as it acquires ownership of CBTS-TS. As explained above, TowerBrook has raised more than \$23.2 billion to date for investments in private equity, structured opportunities and impact opportunities through its family of funds; it has active investments in a variety of sectors including consumer products, financial services, healthcare, industrial, technology, and media. Thus, TowerBrook possesses substantial and valuable experience and will bring to bear its full managerial expertise and extensive industry relationships in directing the operations of CBTS-TS.

CBTS Borrower's acquisition of CBTS-TS will not diminish competition because the Transaction will not eliminate any telecommunications service provider in any geographic area, including South Dakota. CBTS-TS will continue to provide services to existing customers without interruption or changes to the rates, terms and conditions of service, and will continue to face vigorous competition in each of the markets it serves. Thus, the Transaction promotes the public interest by providing significant benefits to South Dakota customers.

Patricia Van Gerpen, Executive Director
May 20, 2024

Conclusion

For the foregoing reasons, the Parties submit that the public interest, convenience, and necessity will be furthered by the Transaction. We would appreciate acknowledgment of receipt and acceptance of this filing, which is being submitted electronically. Please do not hesitate to contact us if you have any questions regarding this submission.

Respectfully submitted,

/s/ Danielle Burt

Andrew D. Lipman
Joshua M. Bobeck
Danielle Burt
Leetal Weiss
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Counsel to Cincinnati Bell and CBTS-TS

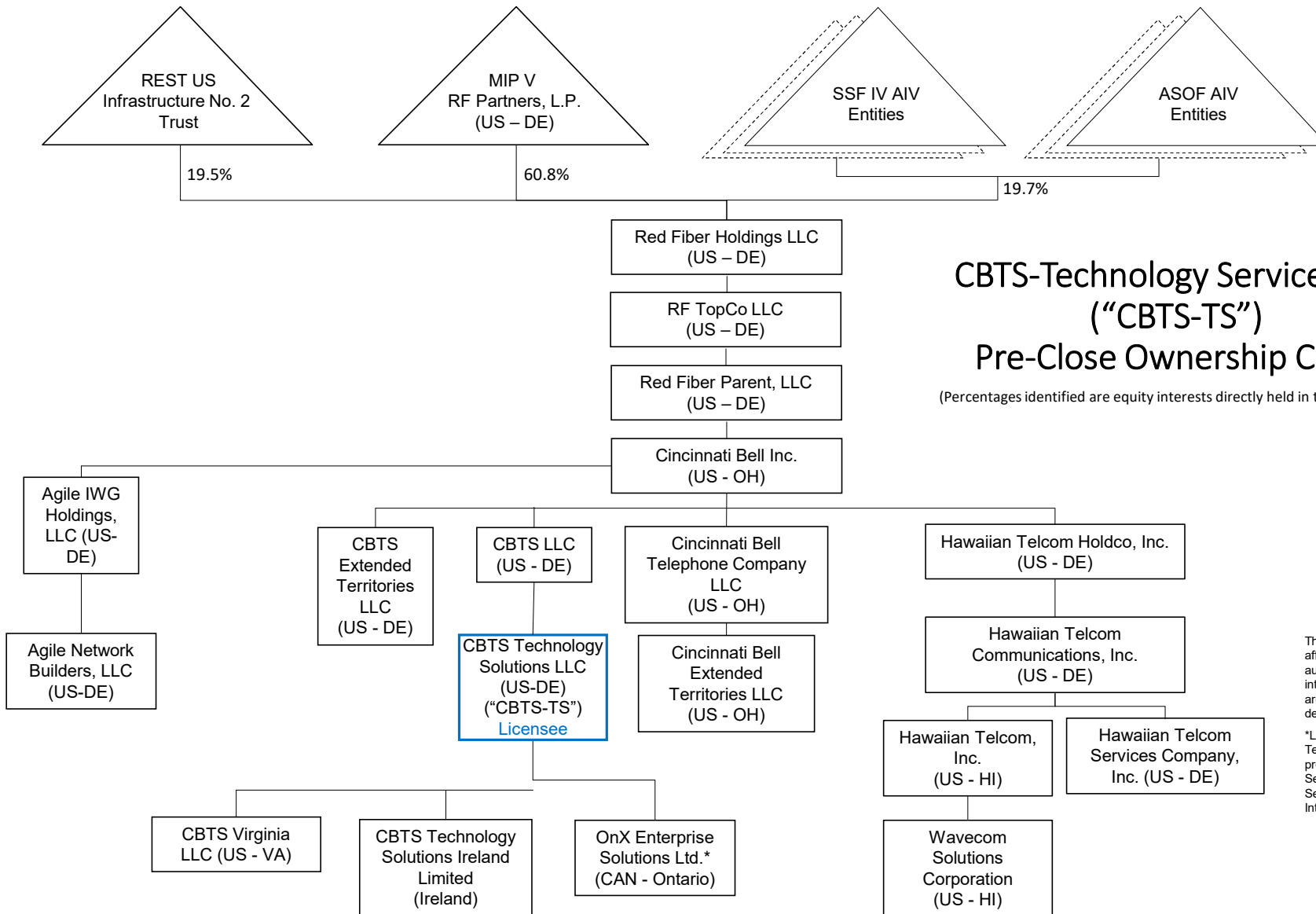
/s/ Marc A. Korman

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Counsel to CBTS Borrower

EXHIBIT A

Current and Post-Transaction Corporate Ownership Structures

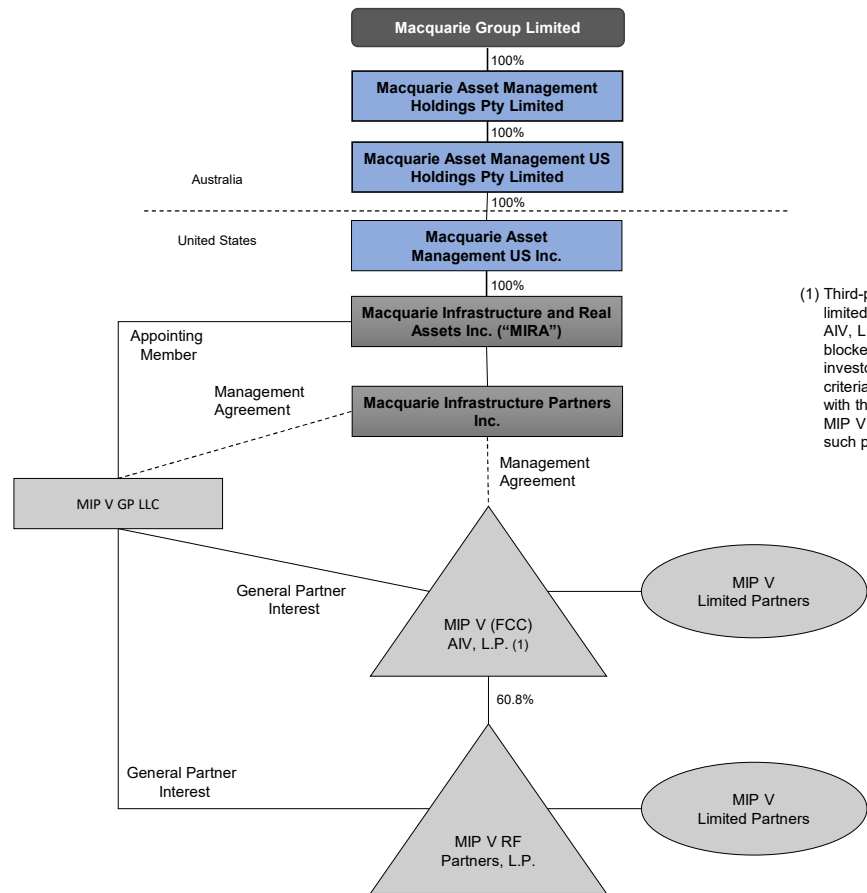


CBTS-Technology Services LLC ("CBTS-TS") Pre-Close Ownership Chart

(Percentages identified are equity interests directly held in the entity below.)

The entities listed herein only include those affiliates of Cincinnati Bell that (1) hold authorization to provide intrastate, interstate or international telecommunications services, or (2) are in the chain of ownership of those entities described in (1).

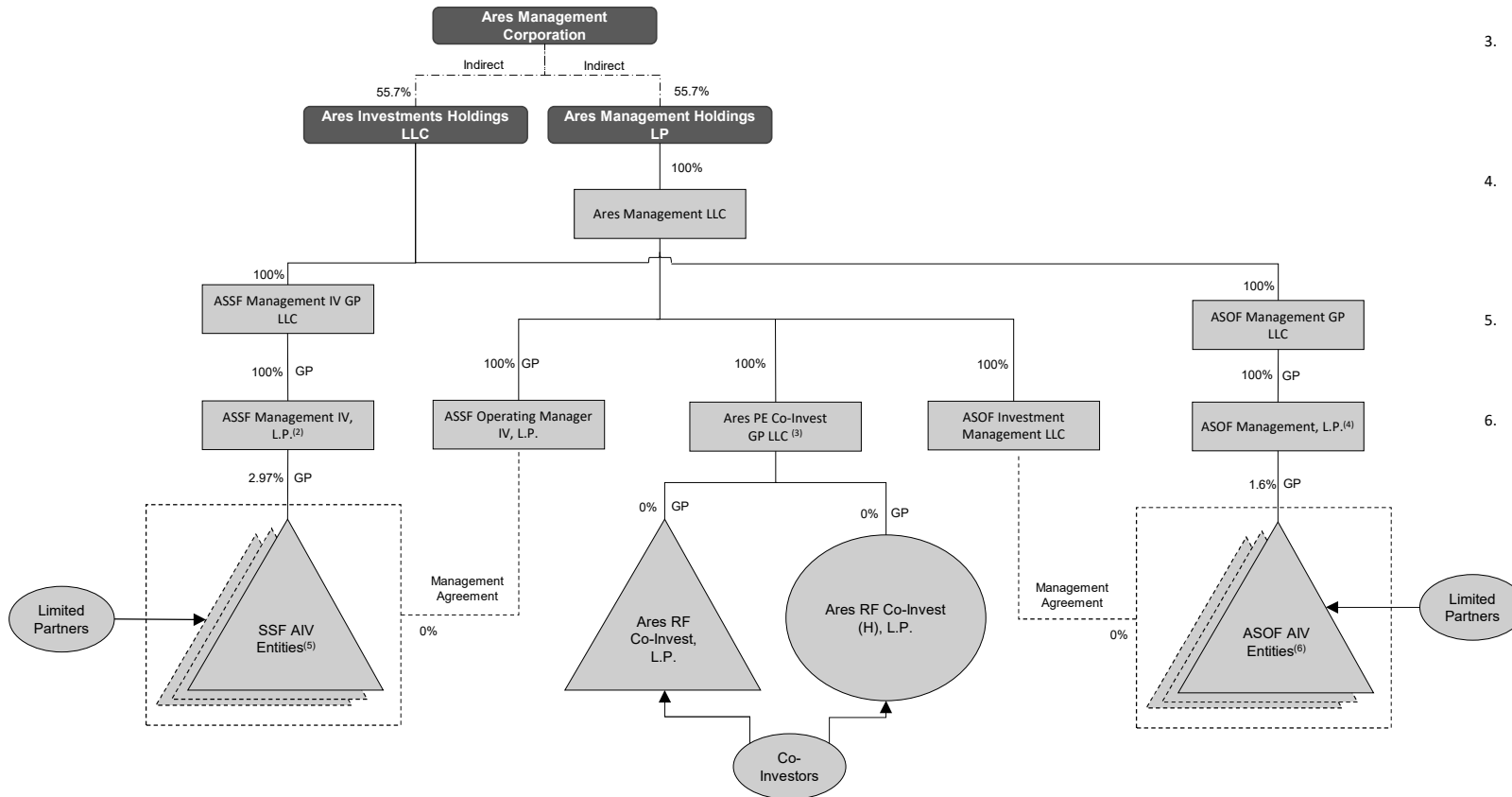
*Licensed by the Canadian Radio-television and Telecommunications Commission (CRTC) to provide Basic International Telecommunications Services, as a Reseller of Telecommunications Services, and as a Reseller of High Speed Retail Internet Service.



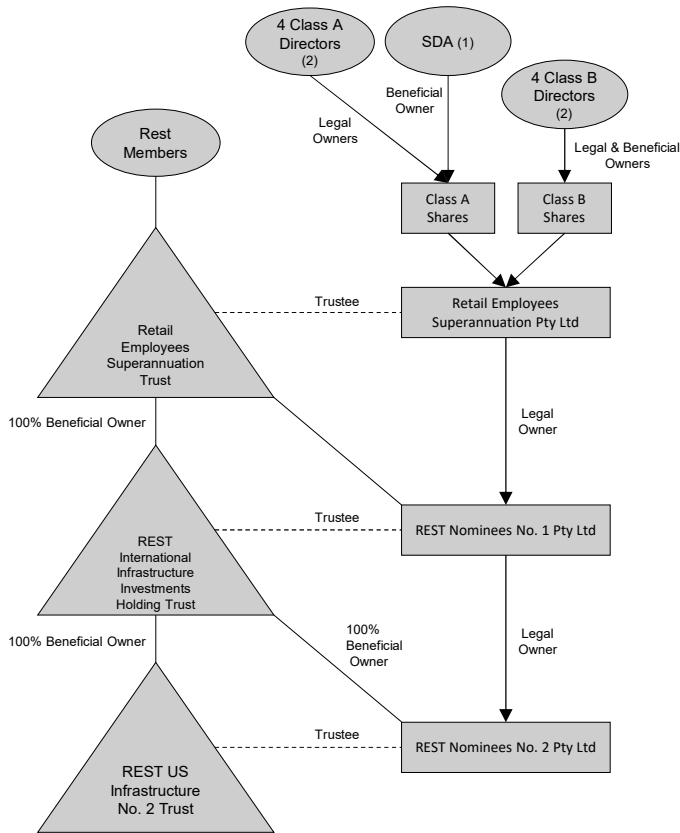
(1) Third-party limited partners hold insulated limited partnership interests in MIP V (FCC) AIV, L.P. indirectly through aggregator or blocker entities. These limited partners have investor protections consistent with insulation criteria in Section 1.5003 of the FCC's rules, with the Macquarie-owned general partner of MIP V (FCC) AIV, L.P. retaining control of such partnership.

Ares Corporate Structure

(Percentages identified are equity interests directly held in the entity below. Interests are approximate and subject to change based on additional passive investment.)

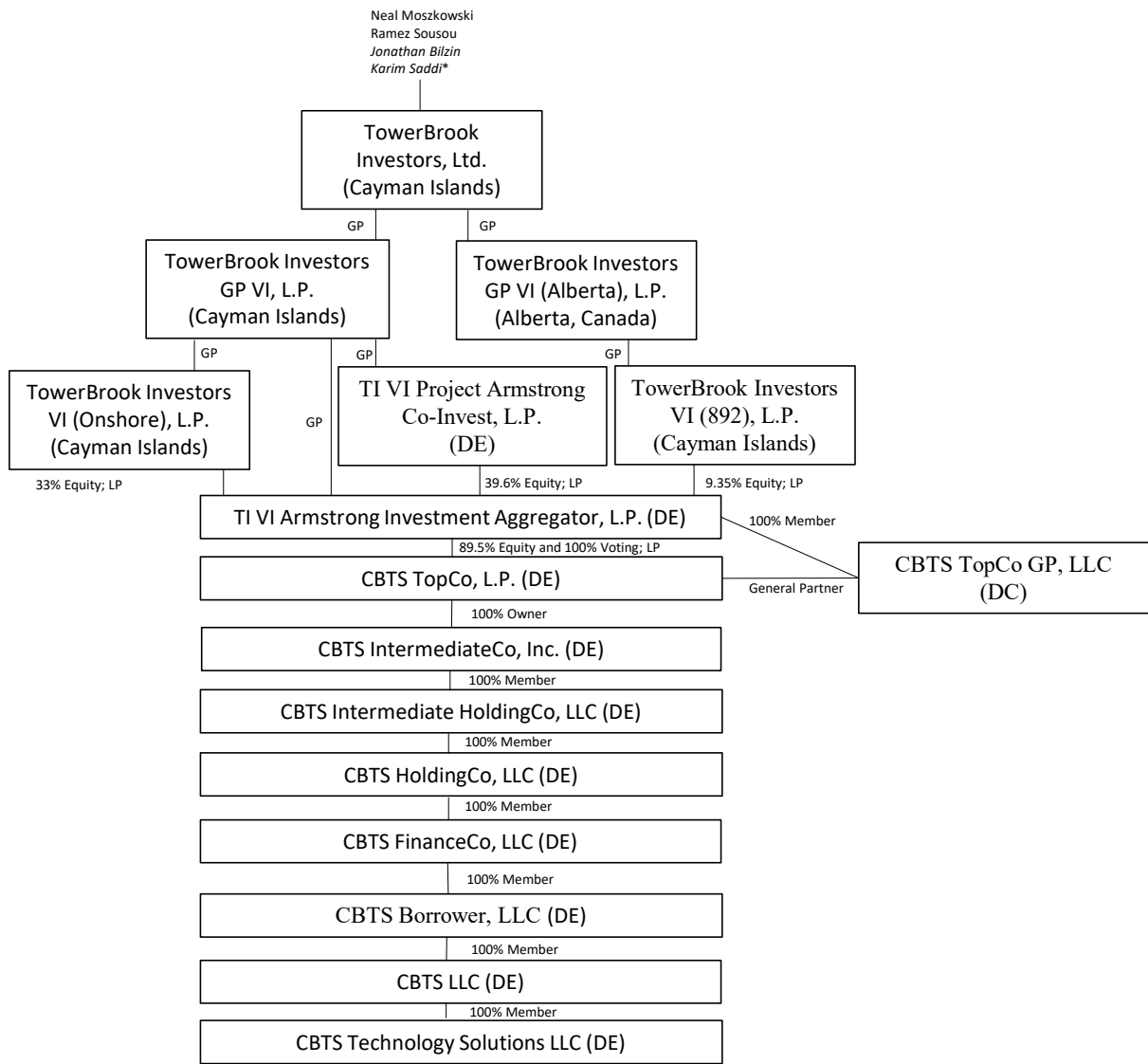


- Note that for all entities shown, except for the SSF AIV Entities and ASOF AIV Entities, the place of incorporation/formation is Delaware and principal place of business is California.
- ASSF Management IV, L.P. formed or caused to be formed multiple alternative investment vehicles (the "SSF AIV Entities") to hold interests in Red Fiber Holdings LLC. The management of the SSF AIVs is delegated to ASSF Operating Manager IV, L.P., whose general partner is Ares Management LLC.
- Ares PE Co-Invest GP LLC formed or caused to be formed Ares RF Co-Invest, L.P. and Ares RF Co-Invest (H), L.P. to hold interests in Red Fiber Holdings LLC. The general partner of each of Ares RF Co-Invest, L.P. and Ares RF Co-Invest (H), L.P., is Ares PE Co-Invest GP LLC, whose sole member is Ares Management LLC.
- ASOF Management, L.P. formed or caused to be formed multiple alternative investment vehicles (the "ASOF AIV Entities") to hold interests in Red Fiber Holdings LLC. The management of the ASOF AIVs is delegated to ASOF Investment Management LLC, whose sole member is Ares Management LLC.
- The SSF AIV Entities are: ASSF IV RF AIV 1, L.P. (Delaware); ASSF IV RF AIV B1, L.P. (Delaware); ASSF IV RF Cayman Feeder 1, L.P. (Cayman Islands). The principal place of business of the SSF AIV Entities is California.
- The ASOF AIV Entities are: ASOF RF AIV 1, L.P. (Delaware); ASOF RF AIV 2, L.P. (Delaware); ASOF RF AIV B1, L.P. (Delaware); ASOF RF Cayman Feeder 1, L.P. (Cayman Islands); ASOF RF Cayman Feeder 2, L.P. (Cayman Islands). The principal place of business of the ASOF AIV Entities is California.



(1) SDA is the Shop, Distributive and Allied Employees' Association
 (2) Refer to list of Rest Board of Directors for Class A and Class B Directors identified in the Application in response to 47 C.F.R. § 63.18(h)

(Percentages identified are equity interests directly held in the entity below.)



The entities listed include only the holder of certificates and those entities in their chain of ownership. This chart excludes all other subsidiaries and affiliates.

The ownership percentages held indirectly by the individual investors in TI VI Armstrong Investment Aggregator, L.P. may change prior to closing but additional disclosures will be made as necessary.

*These are the current and planned 10% or greater interest holders. The names in italics are expected to acquire their ownership during the pendency of the application.

VERIFICATIONS

VERIFICATION

I, Mary Talbott, state that I am Chief Legal Officer of Cincinnati Bell Inc. and its subsidiary CBTS Technology Solutions LLC (the "Company"); that I am authorized to make this Verification on behalf of the Company; that the foregoing filing was prepared under my direction and supervision; and that the contents thereof and the certifications contained therein with respect to the Company are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 14th day of May, 2024.



Mary Talbott
Chief Legal Officer
Cincinnati Bell Inc.
CBTS Technology Solutions LLC

VERIFICATION

I, Glenn Miller, state that I am Vice President and Secretary of CBTS Finance Co, LLC, the Managing Member of CBTS Borrower, LLC; that I am authorized to make this Verification on behalf of CBTS Borrower, LLC; that the foregoing filing was prepared under my direction and supervision; and that the contents thereof and the certifications contained therein with respect to CBTS Borrower, LLC are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this
14th day of May, 2024.



Glenn Miller
Vice President and Secretary of CBTS
Finance Co, LLC, the Managing Member of
CBTS Borrower, LLC