

Morgan Lewis

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August 18, 2025

Via E-Filing

Leah Mohr, Executive Director
South Dakota Public Utilities Commission
Capitol Building, First Floor
500 East Capital Avenue
Pierre, South Dakota 57501-5070

Re: Notification Regarding Corporate Restructuring of SQF, LLC

Dear Director Mohr:

By this letter, SQF, LLC ("SQF"), by its undersigned counsel, notifies the Commission of transactions that will introduce new intermediate parents in the chain of SQF's ownership, without changing its ultimate ownership and control. The transactions will (1) insert one or more intermediate holding companies as direct and indirect owners of SQF and (2) interpose a new intermediate ownership structure between the ultimate controlling parties in SDC DIOF I GP, LLC ("SDC Fund I GP"), the general partner of SDC Digital Infrastructure Opportunity Fund I, LP ("SDC Fund I"), the investment fund that indirectly holds the equity interests in SQF, and SDC Fund I GP (the "Restructuring"). The Restructuring, as described below, is an entirely parent level event that will not result in any change to ultimate ownership and control of SQF, or any change to the entity providing service in South Dakota. SQF emphasizes that the Restructuring will not result in changes to rates or terms of service, or otherwise involve or effect its customers.

SQF understands that Commission approval is not required for the Restructuring. Rather, SQF submits this notification pursuant to S.D.C.L. § 49-31-20, which requires notification to the Commission for "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."

In support of this filing, SQF states the following:

Description of SQF and its Ownership

SQF is a Delaware limited liability company with its principal office at 16 Middle Street, 4th Floor, Portland, Maine 04101. In South Dakota, SQF holds a Certificate of Authority to provide local exchange telecommunications services, granted in Docket No. TC18-014 on July 2, 2018.

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SQF is majority (70%) owned by SDC Tilson Investor, LLC ("SDC Tilson"). SDC Tilson is a Delaware limited liability company with a principal office at 817 Broadway, 10th Floor, New York, New York 10003. SDC Tilson is wholly owned by SDC Fund I, a fund managed by SDC Capital Partners, LLC ("SDC Capital"), a New York City-based private investment firm focused on information technology and communications infrastructure.

The general partner of SDC Fund I is SDC Fund I GP, a Delaware limited liability company with a principal office located at 817 Broadway, 10th Floor, New York, New York 10003. The manager of SDC Fund I GP is SDC GP Manager, LLC ("SDC GP Manager"). Todd Aaron, a U.S. Citizen and founding partner of SDC Capital ("Mr. Aaron"), holds 100% of the membership interests in SDC GP Manager.

SDC Capital Partners GP Holdings, LP ("GP Holdings") is a Delaware limited partnership with a principal office located at 817 Broadway, 10th Floor, New York, New York 10003. GP Holdings does not, and will not, provide telecommunications services, but is rather a holding company that was formed for the purpose of the proposed Restructuring.

SDC Capital Partners GP Holdings Parent, LP ("GP Holdings Parent") is a Delaware limited partnership with a principal office located at 817 Broadway, 10th Floor, New York, New York 10003. GP Holdings Parent does not, and will not, provide telecommunications services, but is also a holding company that was formed for the purpose of the proposed Restructuring.

Mr. Aaron and Douglas Kaden, also a US citizen and managing partner of SDC Capital ("Mr. Kaden"), own GP Holdings Parent through a series of personal and family holding entities. GP Holdings Parent is controlled by SDC Capital Partners GP, LLC ("SDC GP"), its sole general partner.

SDC GP is a Delaware limited liability company with a principal office located at 817 Broadway, 10th Floor, New York, New York 10003. SDC GP does not, and will not, provide telecommunications services. Mr. Aaron holds 51% of the voting interests in SDC GP; Mr. Kaden, holds the remaining 49% of the voting interests in SDC GP.

Contact Information

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

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With copies to:

Vlada Rebeiz
SDC Capital Partners, LLC
817 Broadway, 10th Floor
New York, New York 10003
vrebeiz@sdccapitalpartners.com

and:

Joshua Broder, CEO
Lauren Ramirez, General Counsel
SQF, LLC
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Portland, Maine 04101
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Description of the Restructuring

SDC Capital is undertaking an internal restructuring for tax and business efficiency purposes that will establish a new intermediate ownership structure between Todd Aaron, Douglas Kaden, and SDC Fund I GP, the general partner of SDC Fund I that controls the investment fund that has majority ownership of SQF.

As explained above, SQF is currently owned and controlled by SDC Fund I. The general partner of SDC Fund I is SDC Fund I GP, which in turn is controlled by SDC GP Manager. Mr. Aaron wholly owns SDC GP Manager. Mr. Aaron will no longer hold direct interests in SDC Fund I GP or SDC GP Manager, but instead such interests will be indirectly transferred to GP Holdings which will be the sole member of SDC GP Manager and a member of SDC Fund I GP. SDC GP Manager will remain the managing member of SDC Fund I GP. Mr. Kaden and Mr. Aaron's interests (held through their personal holding entities) will be held in GP Holdings Parent and in SDC GP, the sole general partner of both GP Holdings and GP Holdings Parent. Mr. Aaron will hold a 51% voting interest in SDC GP, and Mr. Kaden will hold a 49% voting interest in SDC GP, thus acquiring an indirect minority interest in both SDC GP Manager and SDC Fund I GP.

In addition, the Restructuring is expected to involve the insertion of one or more Delaware limited liability companies into SQF's ownership structure. The anticipated new holding companies will directly and indirectly own 100% of the ownership interests in SQF and will be owned by the current owners of SQF.

A chart illustrating the pre- and post-Restructuring ownership structure of SQF is included as **Exhibit A**. As noted, the Restructuring will not result in any changes to the ultimate ownership or control of SQF. Following the Restructuring, SQF will continue to conduct its operations and provide its services as it does currently.

Public Interest Considerations

The Restructuring involves only the insertion of new intermediate holding entities in the ownership chain of SQF and the general partner of the investment fund that holds a majority of the ownership of SQF. Accordingly, the Restructuring will not result in any change in SQF's management, services or its operations. The Restructuring will not change day to day working control of SQF, which will continue to be overseen by its existing management team. The telecommunications services provided by SQF and the rates, terms and conditions of those services will not change as a result of the Restructuring, and SQF's South Dakota customers will

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not be affected in any way by the Restructuring. SQF will continue to have the same requisite managerial, technical and financial capabilities to provide quality communications services. SQF's South Dakota customers will receive the same full range of products and services that they received prior to the Restructuring at the same prices and under the same terms and conditions. All the above facts demonstrate that the Restructuring is in the public interest.

* * * *

Please acknowledge receipt and acceptance of this filing. Should you have any questions concerning this filing, please do not hesitate to contact the undersigned.

Respectfully submitted,

/s/ Joshua M. Bobeck

Joshua M. Bobeck

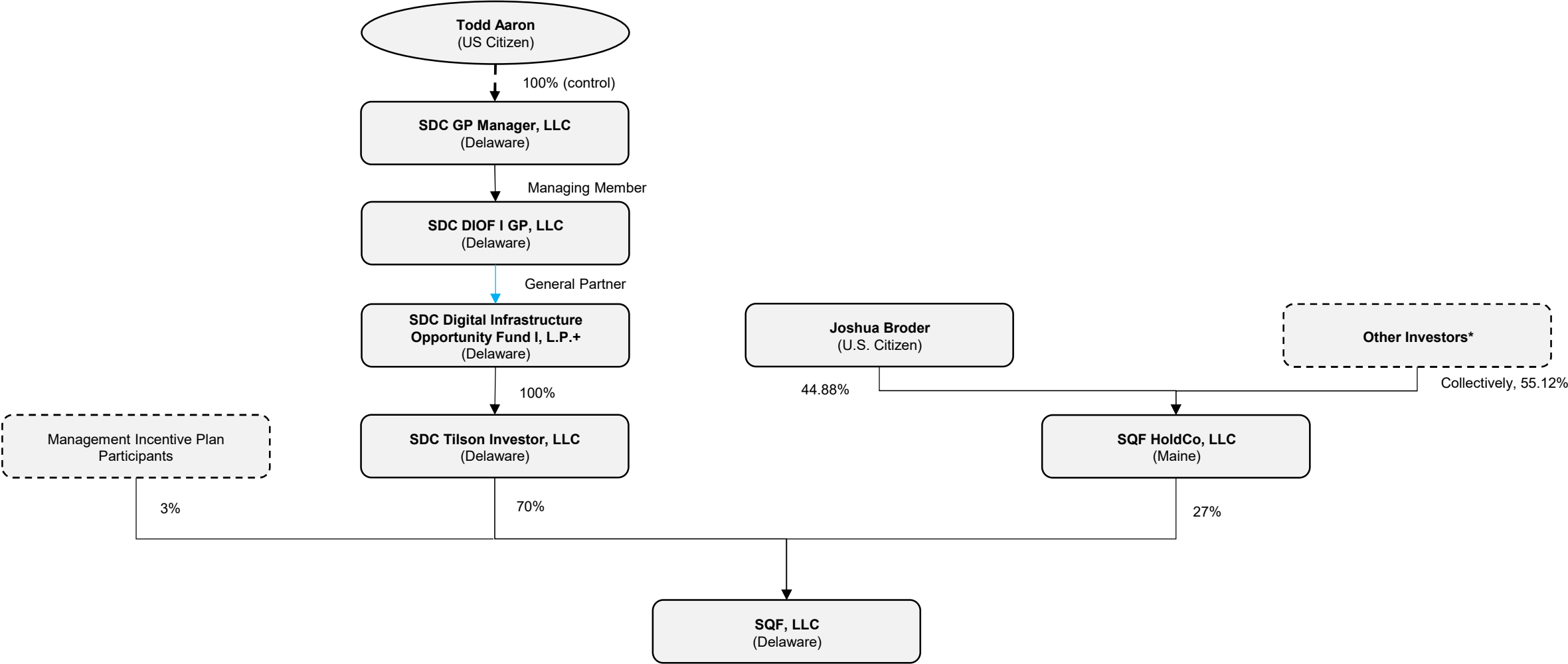
Patricia Cave

Counsel for SQF, LLC

Exhibit A

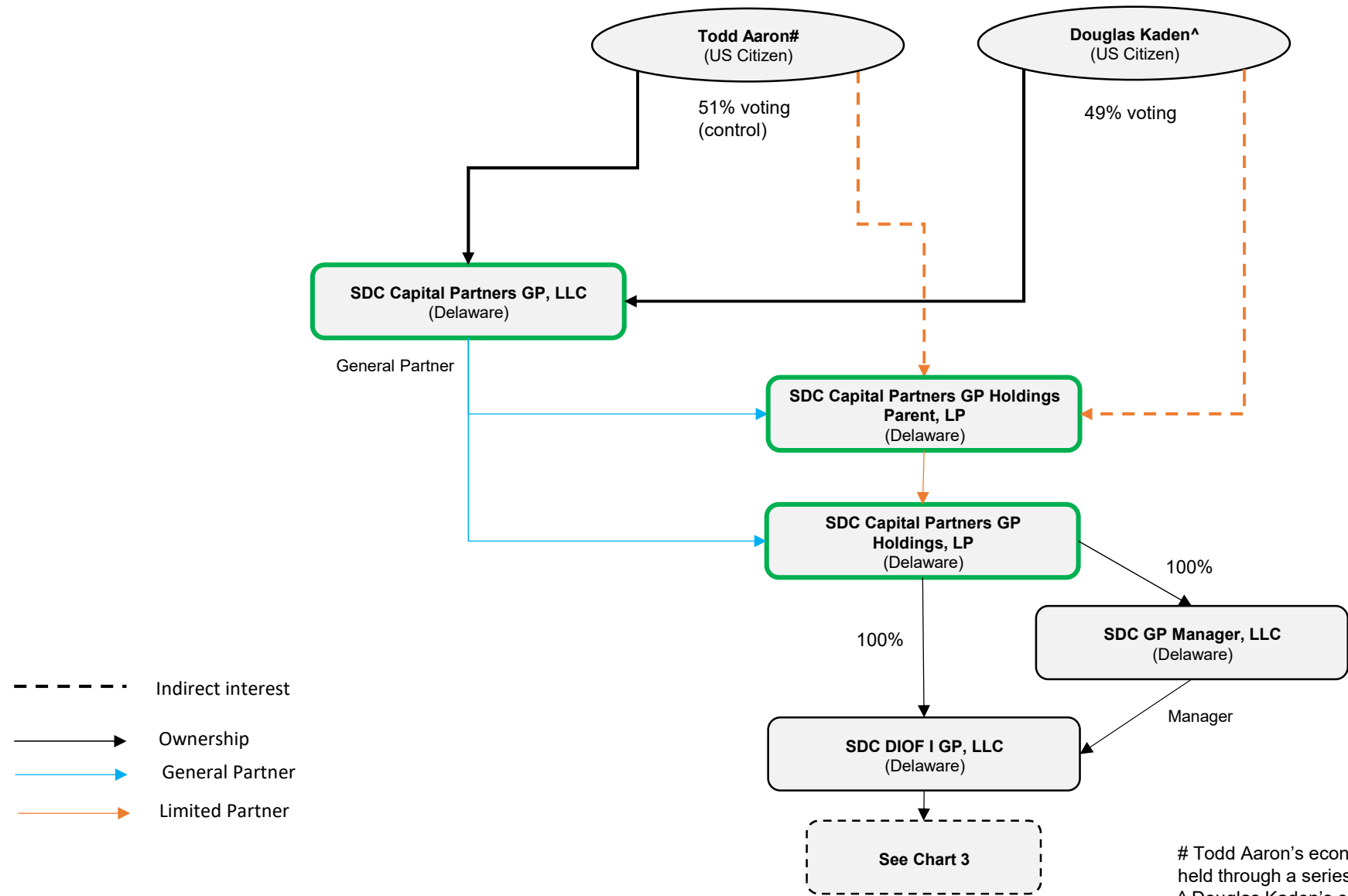
Current and Post-Restructuring Ownership Structure Charts

Chart 1: Current Ownership Structure of SQF, LLC



* No other investors in SQF HoldCo hold an interest that amounts to an indirect interest in SQF, LLC of 10% or greater.
+ No limited partners in SDC Digital Infrastructure Opportunity Fund I, L.P. hold an interest that amounts to an indirect interest in SQF, LLC of 10% or greater.

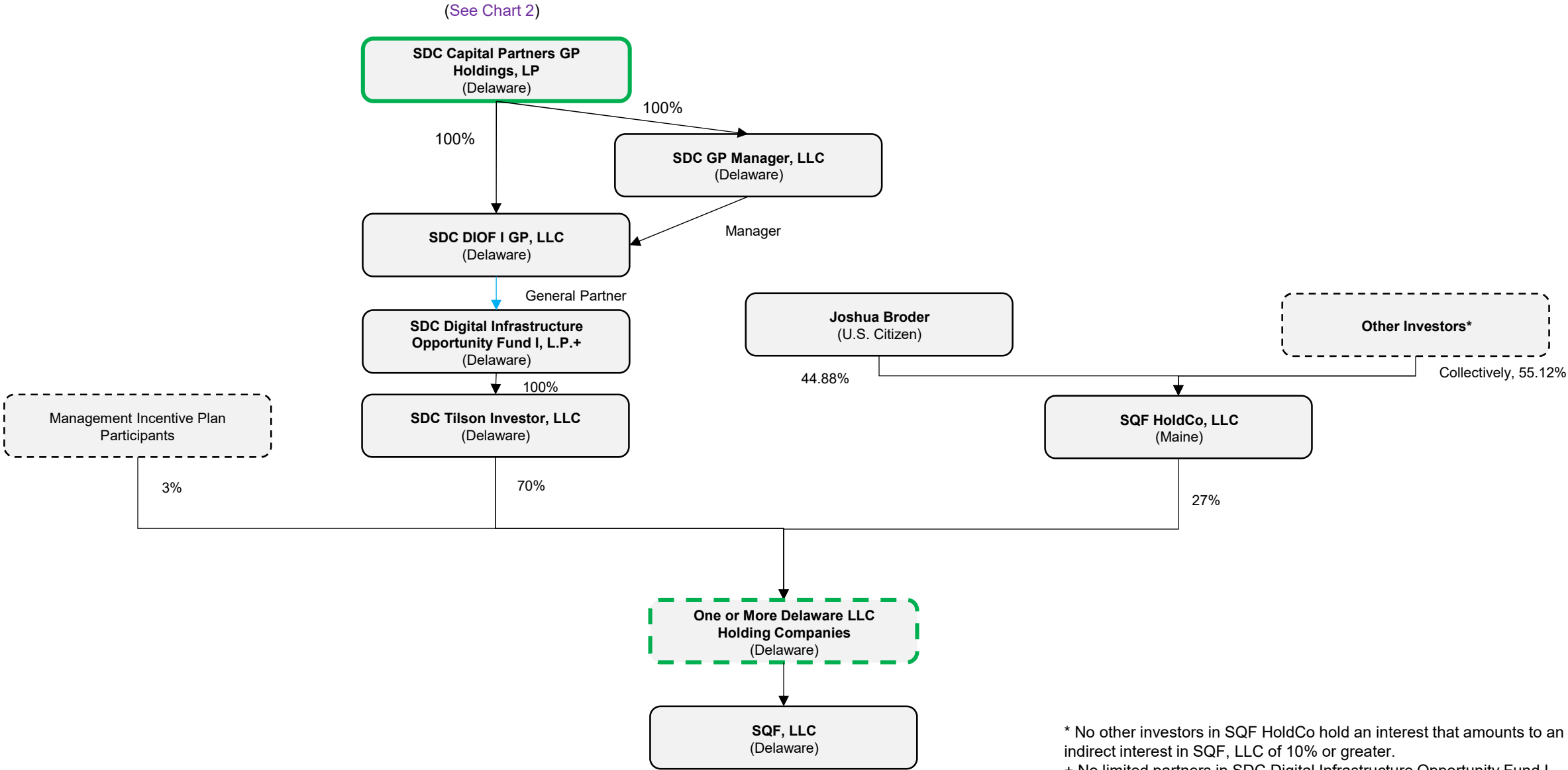
Chart 2: Post-Restructuring Ownership Structure of SDC DIOF I GP, LLC



Entities inserted into the ownership structure are outlined in green.

Todd Aaron's economic interests in SDC Capital Partners GP Holdings Parent, LP are held through a series of personal and family investment vehicles controlled by Mr. Aaron.
^ Douglas Kaden's economic interests in SDC Capital Partners GP Holdings Parent, LP are held through a series of personal and family investment vehicles controlled by Mr. Kaden.

Chart 3: Post-Restructuring Ownership Structure of SQF, LLC



* No other investors in SQF HoldCo hold an interest that amounts to an indirect interest in SQF, LLC of 10% or greater.
+ No limited partners in SDC Digital Infrastructure Opportunity Fund I, L.P. hold an interest that amounts to an indirect interest in SQF, LLC of 10% or greater.

VERIFICATION

VERIFICATION

I, Lauren Ramirez, state that I am General Counsel of SQF, 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 with respect to the Company and its affiliates 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: August 6, 2025

Signed by:



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Lauren Ramirez
General Counsel
SQF, LLC