

**BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

In the Matter of the Application of)
SQF, LLC)
for a Certificate of Authority to Provide) Docket No.
Local Exchange Telecommunications)
Services in the State of South Dakota)

PETITION FOR CONFIDENTIAL TREATMENT

Pursuant to S.D. Admin. R. 20:10:01:41, SQF, LLC (“SQF,” or “Petitioner”) hereby requests confidential treatment of the financial statements of Petitioner’s parent company, Tilson Technology Management, Inc. (“Tilson”), which are submitted separately and marked “**Confidential.**” The financial statements are intended to supplement **Exhibit E** of SQF’s Application for a Certificate of Authority to Provide Local Exchange Telecommunications Services in the State of South Dakota (“Application”) filed contemporaneously with the South Dakota Public Utilities Commission (“Commission”).

In support of this Petition, SQF hereby states as follows:

I. IDENTIFICATION OF THE SUBJECT MATTER

The Application requirements call for financial statements for the most recent 12 month period of the Applicant, consisting of audited balance sheets, income statements, and cash flow statements. In compliance with this requirement, SQF is submitting evidence of its financial capability by submitting documentation of the financial resources of its parent company, Tilson, which will be responsible for the financing of SQF’s operations in the State of South Dakota. *See* S.D. Admin. R. 20:10:24:02(9), 20:10:32:03(12). Pursuant to this requirement, SQF is submitting a copy of Tilson’s most recent audited financial statements, for the year ended, 2017. This

document contains highly confidential and strictly proprietary information, the public disclosure of which would result in material damage to both Petitioner and Tilson's financial and competitive position in South Dakota, and in other states in which Tilson and SQF are currently doing business.

II. LENGTH OF TIME FOR WHICH CONFIDENTIALITY IS REQUESTED

SQF requests that Tilson's financial statements be maintained as confidential indefinitely.

III. CONTACT INFORMATION

All correspondence, notices, inquiries, and other communications regarding this Petitioner should be addressed to:

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IV. STATUTORY AND ADMINISTRATIVE GROUNDS FOR CONFIDENTIAL TREATMENT

Petitioner requests confidentiality pursuant to S.D. Codified Laws § 37-29-1(4), which defines the term "trade secret," and S.D. Admin. R. 20:10:01:41 and 20:10:01:39(4).¹

¹ A "trade secret" is defined as "information, including a formula, pattern, compilation, program device, method, technique or process that (i) Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy." S.D. CODIFIED LAWS § 37-29-1(4).

V. FACTUAL BASIS FOR CONFIDENTIAL TREATMENT

The attached financial statements of SQF's parent company Tilson fit within the above-referenced definition of "trade secret." SQF asserts that the information for which this petition is made is not information that is contained in materials which are routinely available to the general public, but instead is contained in private company-reviewed financial statements. As privately-held companies, SQF and its parent company, Tilson Technology Management, Inc.'s ("Tilson") take precautions to maintain and protect the confidentiality of this information, both externally and internally.

If the above-referenced confidential information were disclosed to the public, SQF and Tilson would suffer significant and substantial harm and be at a competitive disadvantage in South Dakota, as well as in other states in which SQF and Tilson are already or are intending to do business. The public disclosure of the financial information for which SQF asserts this motion for protective order would provide SQF's competitors with insight into SQF's and Tilson's ability to expand into additional markets and, with it, insight into SQF's forward-looking marketing strategies.

The non-disclosure of the financial information submitted in support of SQF's Application will not impair the Commission's purposes as the Commission will have full access to the information in order to fulfill its application review obligations. Furthermore, the public disclosure of the information for which this request for confidentiality is being asserted would not serve any purpose.

SQF will submit its financial statements in a sealed envelope for review by the Commission upon grant of this Motion for Protective Treatment.

Both SQF and Tilson take considerable efforts to maintain the secrecy of the information contained in the financial statements. Financial information of this type is not publicly disseminated, and both SQF and Tilson take reasonable steps to guard this information internally as well. Its disclosure is limited to SQF and Tilson senior officers, its counsel, and employees of the companies who are directly involved with their financial operations. Furthermore, when required to submit financial information to public authorities, all such information is clearly stamped "Confidential," is accompanied by formal requests to maintain the confidentiality of the information, and is withheld from public disclosure.

CONCLUSION

For the foregoing reasons, SQF, LLC respectfully requests that the Commission deem the attached financial statements of its parent company Tilson as confidential and protected from public disclosure under the provisions set forth in S.D. Admin. R. 20:10:01:40, and 20:10:01:43.

Respectfully submitted,



Nicholas Bournakel
Administrator – SQF, LLC

Dated: May 16, 2018