

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

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BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application    ) Application No. C-5052  
of SQF, LLC, Portland, Maine,        )  
seeking approval of a Transfer        )  
of Control of SQF, LLC to SDC         ) GRANTED  
Tilson Investor, LLC, New York,       )  
New York.                                )  
  ) Entered: June 25, 2019

BY THE COMMISSION:

On May 9, 2019, an application was filed by SQF, LLC (SQF) of Portland, Maine seeking approval of a Transfer of Control of SQF, LLC to SDC Tilson Investor, LLC (SDC) of New York, New York. Notice of the application was published in The Daily Record, Omaha, Nebraska, on May 15, 2019. No protests were filed; therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

O P I N I O N   A N D   F I N D I N G S

**Description of the Applicants:**

SQF is a Delaware limited liability company with its principal office located in Portland, Maine. SQF is currently a direct, wholly-owned subsidiary of SQF Holdco. SQF is authorized to provide local exchange telecommunications services in Nebraska pursuant to the authority granted by the Commission in Docket No. C-4986 on July 10, 2018.

SDC Tilson Investor, LLC is a Delaware limited liability company with its principal office located in New York, New York. SDC is wholly owned by funds managed by SCD Capital Partners, LLC a New York City-based private investment firm focused on information technology and communications infrastructure.

**Description of the Transaction:**

Pursuant to the terms of the Investment Agreement between SDC and SQF dated February 27, 2019, after obtaining the necessary regulatory approvals, SDC will make a series of cash investments in exchange for shares in SQF. Once these investments are complete, SDC will own a majority of SQF with the remainder held in SQF's current owner, SQF HoldCo. As this transaction will result in the increase and issuance of SQF's capital stock, Commission approval is sought pursuant to Neb. Rev. Stat. §§ 75-146 and 75-148.

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Applicant states approval of this transaction is in the public interest. The technical and managerial resources available to SQF if the transaction is approved will be the same or improved. Applicant will continue to be managed and operated by the officers and personnel of Tilson, now supplemented by the management of SDC and its parent. SQF will also have access to additional financial resources through its relationship with SDC, allowing it to better meet the needs of its customers and compete in the telecommunications market.

Applicant further states that approval will serve the public interest by supporting deployment of new infrastructure, through increased competition, and greater reliability in existing networks. Applicant states the transaction will have no adverse impact on SQF's customers. SQF will continue to provide services at the same rates and on the same terms and conditions as are currently in effect. The change of control will have no impact on rates. SQF has no retail customers which will be affected.

Based on the evidence, we find the application to be fair and reasonable and in the public interest. The application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-5052, be, and it is hereby, granted.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 25<sup>th</sup> day of June, 2019.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

*Cynthia L. Linder*

Chair

*Mary F. Fick*

*Paul H. Hesse*

ATTEST:

*Michael B. H. H.*

Executive Director

*Tim Schram*