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October 10, 2023

VIA ELECTRONIC FILING

Sallie Tanner
Executive Secretary
Georgia Public Service Commission
244 Washington Street, SW
Atlanta, Georgia 30334

Re: *Asset Black, LLC and DCT Telecom Group, LLC - Notice of Issuance of Certain Long-Term Debt Financing*

Dear Ms. Tanner:

This notification letter is submitted by undersigned counsel on behalf of Asset Black, LLC, a Delaware limited liability company ("Asset Black"), and DCT Telecom Group, LLC, an Ohio limited liability company ("DCT") pursuant to Section 46-2-28(g) of the Official Code of Georgia and the Financing Authority Requirements and Procedures revised by the Georgia Public Service Commission ("Commission") on July 28, 2021, to notify the Commission that Asset Black and DCT are participating in additional debt financing of their ultimate corporate parent, MBS Holdings, Inc., a Delaware corporation ("MBS Holdings").

Asset Black is a privately-held Delaware limited liability company that provides Voice Over Internet Protocol and internet access solutions on a resale basis to enterprise customers in Georgia; DCT is a privately-held Ohio limited liability company that provides wholesale hosted VoIP, unified communications services, and internet access solutions to enterprise customers in Georgia.[1]

As background, Asset Black and DCT were parties to a Joint Application filed with the Commission on July 10, 2023 seeking consent to transfer control of Asset Black to MBS

[1] Asset Black holds a Certificate of Authority to Resell Interexchange Telecommunications Services in Georgia. *See*, Docket No. 44437, Certificate No. R-7884 (Feb. 1, 2023). DCT holds a Certificate of Authority to Resell Interexchange Telecommunications Services in Georgia. *See*, Docket No. 17656, Certificate No. R-0949 (Mar. 15, 2005).

Intermediate Holdings ("MBS Intermediate"), a corporate parent of DCT, and for Asset Black and DCT to participate as guarantors, asset pledgors and for their equity to be pledged in support of a $19 million senior secured first lien incremental term loan ("First Incremental Loan") to be issued under the terms of MBS Holdings' existing credit facilities which consisted of (i) a $270 million senior secured first lien term loan, and (ii) a $25 million senior secured first lien revolving credit facility, plus all interest, fees, expenses, reimbursements, and indemnities due to the lenders thereunder (collectively, with the First Incremental Loan, the "Existing Credit Facilities").

On August 2, 2023, the Commission issued a letter indicating that based on representations in the Joint Application, the proposed debt financing was exempt from Commission review under Section 46-2-28(g) of the Official Code of Georgia and the Commission's Financing Authority Requirements and Procedures, and that no further Commission action was required.[2]

MBS Holdings intends to obtain additional senior secured first lien incremental term loans under the Existing Credit Facilities with an aggregate borrowing amount of $71 million ("Additional Incremental Loans").[3] Under the terms of the Existing Credit Facilities, Asset Black and DCT are required to participate as guarantors, asset pledgors and for their equity to be pledged in support of these Additional Incremental Loans. The proceeds of the Additional Incremental Loans will be used to, among other purposes, fund complimentary acquisitions, which will in turn make MBS Holdings, Asset Black and DCT stronger and more competitive in the marketplace.[4]

As with the Existing Credit Facilities, the Additional Incremental Loans are expected to mature on April 16, 2027. The interest rates for the Additional Incremental Loans like Existing Credit Facilities reflect the market rates available for similar financings at the time of issuance and will vary over the term of the loan depending on the financial performance of MBS Holdings and its subsidiaries. The interest rates for the Additional Incremental Loans will consist of a benchmark rate which will float with a rate index selected by MBS Holdings such as the Term Secured Overnight Financing Rate (SOFR), Prime Rate or Federal Fund Rate, plus an applicable margin.

Asset Black's and DCT's participation as guarantors and pledgors in the Additional Incremental Loans of MBS Holdings will not result in a change of the management or day-to-day operations of Asset Black or DCT in the State of Georgia, nor will the financing arrangements

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[2] *See* Letter from Leon E. Bowles, Director of Communications, Georgia Public Service Commission, to Paige Fronabarger, Counsel on Aug. 2, 2023. Docket Nos. 17656 and 44437; Document Number 205333.

[3] The aggregate borrowing amount under the Existing Credit Facilities after issuance of the Additional Incremental Loans will be $385 million dollars, plus all interest, fees, expenses, reimbursements, and indemnities due to the lenders thereunder.

[4] MB Holdings will seek Commission approval in the future (to the extent required by law) if proceeds from any of the Additional Incremental Loans are used to acquire any company which holds authorizations regulated by the Commission.

adversely affect Asset Black's or DCT's current or proposed operations in Georgia. Accordingly, like the $19M First Incremental Loan, the $71M in Additional Incremental Loans will be, for all practical purposes, largely imperceptible to customers of DCT and Asset Black.

DCT and Asset Black believe that, like the Existing Credit Facilities, the Additional Incremental Loans are exempt from approval by the Commission pursuant to Section 46-2-28(g). Specifically, (i) both Asset Black and DCT are wholly-owned indirect subsidiaries of MBS Holdings, an indirect parent company domiciled in the State of Delaware; (ii) the financing is by and between such indirect parent company as the primary obligor, and a national bank or other lending or financial institution licensed or authorized to enter into such transactions financing arrangements by a state or federal agency; and (iii) Asset Black and DCT are providing the guaranty and related pledge of assets and equity as collateral or other security to the lenders in order to accommodate the debt transaction of their ultimate corporate parent, MBS Holdings.

Please place a copy of this notification in the Commission's official records and contact the undersigned with any questions.

Very truly yours,

/s/ Paige Fronabarger

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Counsel for Asset Black, LLC and
DCT Telecom Group, LLC

STATE OF GEORGIA)

)

COUNTY OF COBB COUNTY)

I, Robert F. Hagan, hereby declare that:

(1) I am Executive Vice President and Chief Financial Officer of MBS Holdings, Inc., a Delaware corporation, DCT Telecom Group, LLC, an Ohio limited liability company and Asset Black, LLC, a Delaware limited liability company;

(2) I am authorized to make this declaration on behalf of MBS Holdings, Inc., DCT Telecom Group, LLC and Asset Black, LLC; and

(3) The statements in the foregoing notification relating to MBS Intermediate Holdings, LLC, DCT Telecom Group, LLC and Asset Black, LLC are true and correct to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 9th day of October, 2023.

Robert F. Hagan
Executive Vice President and Chief Financial Officer of MBS Holdings, Inc., DCT Telecom Group, LLC and Asset Black, LLC

SWORN TO AND SUBSCRIBED before me on the 9th day of October, 2023.

DEBRA SWEIGART NOTARY EXPIRES GEORGIA SEP 30, 2026 PUBLIC COBB COUNTY

Notary Public

My commission expires: September 30, 2026

GA