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JAN 29 2024

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Sallie Turner
Executive Secretary
Georgia Public Service Commission
244 Washington Street, SW
Atlanta, GA 30303

EXECUTIVE SECRETARY
G.P.S.C.

RE: Consolidated Communications Holdings, Inc., Consolidated Communications of Florida Company, Consolidated Communications Enterprise Services, Inc., and St. Joe Communications, Inc., and Condor Holdings LLC Docket Numbers: 1912, 4515,7960, 41558
Notice of Consolidated Communications Holdings, Inc., Consolidated Communications of Florida Company, Consolidated Communications Enterprise Services, Inc., and St. Joe Communications, Inc., and Condor Holdings LLC, of Indirect Transfer of Control

Dear Sallie:

We have enclosed for filing on behalf of Consolidated Communications Holdings, Inc., Consolidated Communications of Florida Company, Consolidated Communications Enterprise Services, Inc., and St. Joe Communications, Inc., and Condor Holdings LLC an original and two (2) copies, plus two extra copies to be stamped 'Filed' and returned to us, of *Notice of Consolidated Communications Holdings, Inc., Consolidated Communications of Florida Company, Consolidated Communications Enterprise Services, Inc., and St. Joe Communications, Inc., and Condor Holdings LLC, of Indirect Transfer of Control* in Docket Numbers: 1912, 4515,7960, 41558

Please return to us the extra copy showing the date of filing. If you have any questions concerning this filing, please feel free to contact us.

Sincerely,

William Bradley Carver, Sr.
Counsel for Parties

ATLANTA, GA

ALABAMA | ARKANSAS | COLORADO | FLORIDA | GEORGIA | MONTANA | NEW JERSEY | NEW YORK
NORTH CAROLINA | OKLAHOMA | SOUTH CAROLINA | TENNESSEE

Before the
GEORGIA PUBLIC SERVICE COMMISSION
Atlanta, GA 30334

FILED
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EXECUTIVE SECRETARY
G.P.S.C.

Notice of)
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)
Consolidated Communications Holdings,)
Inc.,)
Transferor) **DOCKET NOS: 1912, 4515, 7960, 41558**
)
Consolidated Communications of Florida)
Company, Consolidated Communications)
Enterprise Services, Inc., and St. Joe)
Communications, Inc.,)
Licensees)
)
and)
)
Condor Holdings LLC,)
Transferee)
)
Of Indirect Transfer of Control)

NOTICE OF INDIRECT TRANSFER OF CONTROL

I. INTRODUCTION

Consolidated Communications Holdings, Inc. (“CCHI” or “Transferor”); Consolidated Communications of Florida Company (“Consolidated-Florida”); Consolidated Communications Enterprise Services, Inc. (“CCES”); St. Joe Communications, Inc. (“St. Joe”) (Consolidated-Florida, CCES, and St. Joe, collectively, the “Licensees”); and Condor Holdings LLC (“Condor” or “Transferee,” and collectively with CCHI and Licensees, the “Parties”), by their undersigned representatives, hereby provide notice of the proposed indirect transfer of control of the Licensees to Condor (the “Transaction”).

Pursuant to the Georgia Public Service Commission's ("Commission") guidance on the approval requirements set forth in O.C.G.A. § 46-2-28, the Parties respectfully submit that Commission approval is not required for the Transaction described herein.¹

The Parties provide the following information in support of this Notice:

II. DESCRIPTION OF THE PARTIES

A. Transferor – Consolidated Communications Holdings, Inc. ("CCHI")

CCHI is a major broadband and business communications provider serving consumers, enterprise customers, and wireless and wireline carriers across rural and urban communities in a twenty-two-state service area. Leveraging an advanced fiber network spanning approximately 59,000 fiber route miles, CCHI offers a wide range of communications solutions, including: high-speed Internet access service, voice service, security services, managed services, cloud-based services, and wholesale carrier solutions. Since its founding approximately 125 years ago, CCHI has been dedicated to turning technology into solutions, connecting people and enriching how they work and live, including in rural areas of the Nation. CCHI is the ultimate parent of the Licensees.

¹ See Georgia Public Service Commission Telecommunications Unit Financing Authority Requirements and Procedures (Rev. July 28, 2021) ("The following transactions do not require formal approval by the Commission under O.C.G.A. § 46-2-28: Mergers, acquisitions, or transfers of control that do not involve the issuance of stocks, bonds, notes, or other evidences of debt payable more than 12 months after the date of issuance."). In a letter dated November 9, 2020, the Commission acknowledged Consolidated-Florida's and CCES's' pledge of utility assets as security (the "Asset Pledge") and guarantees (the "Guarantees") related to CCHI's comprehensive debt refinancing. See *Application of Consolidated Communications of Florida Company, Consolidated Communications Enterprises Services, Inc., and Consolidated Communications Holdings, Inc. (the "Applicants") for Approval of Finance Transaction*, Letter of Authorization, Docket Nos. 1912, 7960, and 41558 (November 9, 2020). Pursuant to O.C.G.A. § 46-2-28(g), the Commission noted in its letter that its approval was not required because the financing arrangements were part of an interstate debt transaction. Because the Transaction described in this notice involves an indirect transfer of control that does not involve the issuance of stocks, bonds, notes, or other evidences of debt payable more than 12 months after the date of issuance, the Parties respectfully submit that Commission approval is not required. In the alternative, the Parties respectfully request approval, to the extent required, of the indirect transfer of control pursuant to O.C.G.A. § 46-5-41.

B. Licensees

1. Consolidated Communications of Florida Company (“Consolidated-Florida”)

Consolidated-Florida, an indirect wholly owned subsidiary of CCHI, is a Florida corporation with a principal place of business at 2116 South 17th Street, Mattoon, IL 61938. In Georgia, Consolidated-Florida holds certificates issued in Docket No. 1912 to operate as an incumbent local exchange carrier (Certificate Number #IL-014), competitive local exchange carrier (Certificate Number #L-069),² and eligible telecommunications carrier (Certificate Number #7787). Consolidated-Florida operates in a small portion of Southwest Decatur County and services a rural territory and a rural customer base.

2. Consolidated Communications Enterprise Services (“CCES”)

CCES, an indirect wholly owned subsidiary of CCHI, is a Delaware corporation with a principal place of business at 2116 South 17th Street, Mattoon, IL 61938. CCES provides local exchange service, long distance, video, internet, directory, and transport services in 21 states. In Georgia, CCES holds a certificate from the Commission issued in Docket No. 41558 to provide interexchange reseller telecommunications services (Certificate Number #R-1140).³

3. St. Joe Communications, Inc. (“St. Joe”)

St. Joe, an indirect wholly owned subsidiary of CCHI, is a Florida corporation with a principal place of business at 2116 South 17th Street, Mattoon, IL 61938. In Georgia, St. Joe holds a

² In 1997, St. Joseph Telephone & Telegraph Company petitioned the Commission to change its name to GTC, Inc. *See Name Change for Certificate of Authority for Public Convenience and Necessity*, Docket No. 1912 (November 10, 1997). Subsequently, the Commission approved the name change of GTC, Inc. to Consolidated Communications of Florida Company on February 19, 2019. *See Order for Amendment to Interim Certificate*, Docket No. 1912 (February 19, 2019).

³ *See Order for Interim Certificate of Authority R-1140*, Docket No. 41558 (January 23, 2018).

certificate from the Commission issued in Docket No. 4515 to provide interexchange reseller telecommunications services (Certificate Number #R-0165).⁴ St. Joe operates in a small portion of South Decatur County and services a rural territory and a rural customer base.

C. Transferee – Condor Holdings LLC (“Condor”)

Condor, a Delaware limited liability company, is a wholly owned subsidiary of Searchlight III CVL, L.P. (“Searchlight III CVL”) that was recently formed for the purpose of the Transaction. Following the closing of the Transaction, and as described in greater detail below, investment funds affiliated with Searchlight Capital Partners, L.P. (“Searchlight”) will hold a majority equity interest in Searchlight III CVL, and investment vehicles affiliated with British Columbia Investment Management Corporation (“BCI”), a corporation incorporated pursuant to the Public Sector Pension Plans Act (British Columbia), will hold an indirect, non-controlling minority equity interest in CCHI.

Searchlight, a Delaware limited partnership and registered investment adviser with the United States Securities and Exchange Commission, is a global private equity investment company whose funds invest in companies across various sectors, including communications, media, consumer, and business services. Searchlight has nearly \$12 billion in assets under management and has significant experience working with portfolio companies executing strategies that involve deploying broadband infrastructure, along with a proven track record of partnering with strong management teams to drive long-term value and shareholder returns. Investment funds affiliated with Searchlight (including funds in which BCI is a limited partner) currently hold voting and equity

⁴ See *Application for Certificate to Resale Interexchange Telecommunications Services and Tariff with Service Area Origination Points to Provide Long Distance Service in Chattahoochee, Georgia*, Docket No. 4515 (May 10, 1993).

interests in CCHI of approximately 33.8 percent and 67.8 percent, respectively.⁵ These interests are held through Searchlight III CVL, which owns approximately 33.8 percent of CCHI's common stock (which is voting stock) and 100 percent of CCHI's Series A preferred stock (which is non-voting stock).

BCI is one of the largest institutional investors in Canada, with approximately C\$233 billion in gross assets under management as of March 31, 2023. Based in Victoria, British Columbia, with offices in Vancouver, New York, and London, BCI manages a portfolio of diversified public and private market investments on behalf of 32 British Columbia public sector clients, including publicly administered pension and trust funds, the Province of British Columbia, and provincial government bodies. BCI and its affiliated funds and entities have a principal place of business at 750 Pandora Avenue, Victoria, BC, V8W 0E4, Canada. BCI currently holds no voting interest in CCHI, and its passive limited partnership interest in Searchlight III CVL currently represents a proportionate indirect equity interest in CCHI of approximately 16.7 percent.

III. DESCRIPTION OF THE TRANSACTION

In close proximity to consummation of the Transaction, Searchlight III CVL will be converted to a limited liability company and will contribute its common stock in CCHI to Condor, and Condor will assign all of the issued and outstanding stock of Condor Merger Sub Inc., a Delaware corporation and wholly owned subsidiary of Condor ("Merger Sub"), to CCHI. Pursuant to the Agreement and Plan of Merger (the "Agreement"), dated as of October 15, 2023, by and among Condor, Merger Sub, and CCHI, Merger Sub will merge with and into CCHI, with CCHI

⁵ All equity and voting interests set forth herein are approximate. The Searchlight-affiliated funds' current equity interest referred to above is based on the price of CCHI's common stock and the liquidation preference of the preferred stock as of November 13, 2023. For the avoidance of doubt, references to "voting" and "equity" interests refer to such interests as calculated through successive multiplication, and not beneficial ownership as defined in SEC rules.

continuing as the surviving corporation, and all issued and outstanding common stock of CCHI (other than (i) common stock held by Condor, which will remain outstanding, (ii) treasury stock and common stock held by Merger Sub (if any), which will be cancelled and cease to exist, and (iii) common stock held by any direct or indirect wholly owned subsidiary of CCHI or Condor (other than Merger Sub) (if any), which will be converted into a number of shares of common stock of CCHI such that immediately following the Transaction, the ownership percentage of any such subsidiary in CCHI will equal the ownership percentage of any such subsidiary in CCHI immediately prior to the Transaction) will be converted into the right to receive consideration for the merger at the price of \$4.70 per share in cash. As a result, Condor, which will remain a wholly owned subsidiary of Searchlight III CVL, will own all of CCHI's issued and outstanding common stock, and Searchlight III CVL will continue to hold 100 percent of CCHI's Series A preferred stock. Condor will thus become the direct holder of all of the common stock of CCHI and the indirect parent of the Licensees, and CCHI, which is currently a publicly traded company (NASDAQ: CNSL), will become privately held.

A Delaware limited partnership affiliated with Searchlight that will be formed in close proximity to the closing ("SCP Aggregator") will hold an equity interest in Searchlight III CVL of approximately 76.8 percent, and IMCPE 2020 Inc., which is controlled by BCI, will hold an equity interest in Searchlight III CVL of approximately 23.2 percent.⁶ As noted above, Searchlight III

⁶ The precise percentage interests to be acquired at closing may differ in immaterial respects from those set forth herein due to accrual of dividends on the preferred stock over time and the amount funded by the Searchlight Funds (as defined below), co-investors, and BCI and its affiliates. The "Searchlight Funds" are: (1) Searchlight Capital III OPT, L.P.; (2) Searchlight Capital III OPT PV A, L.P.; (3) Searchlight Capital III OPT PV B, L.P.; (4) Searchlight Capital III CVL Co-Invest Partners, L.P.; (5) Searchlight Capital III CVL Co-Invest Partners II, L.P.; and (6) an additional fund that will be formed as a Delaware limited partnership prior to closing.

CVL will also be converted from a Delaware limited partnership into a Delaware limited liability company prior to and in connection with the closing.

Diagrams depicting the current and post-Transaction corporate ownership structure are provided as Exhibit A.

IV. PUBLIC INTEREST CONSIDERATIONS

As demonstrated below, the Transaction will further the Commission's relevant public interest objectives by facilitating infrastructure investment, technological development, and economic expansion. Indeed, the Transaction will allow CCHI to continue its multi-pronged fiber expansion strategy and position itself to become a leading fiber provider across the United States. And as a result of its fiber expansion policy, CCHI will continue to bring broadband services to underserved and unserved communities across portions of its Georgia market, further bridging the digital divide. For example, CCHI plans to expand 1 Gbps (gigabit-per-second) broadband coverage in its current network topography and improve operational efficiency across its approximately 59,000 fiber route miles and two million fiber strand miles. Consolidated-Florida's broadband offerings are DSL today, but it will use internal funding sources and participation in Federal and State broadband grant programs to facilitate fiber deployment. Moreover, CCHI intends to expand its commercial services and carrier solutions by leveraging consumer fiber buildouts to further expand its network. This expansion will ultimately result in the delivery of higher broadband speeds and more advanced services to new and existing customers, including customers in areas that are underserved by high-speed broadband today.

In addition, the Transaction is structured as a change of ownership at the holding company level and will not affect any of the operations or legal identities of the Licensees. The Transaction will not result in the creation of any new debt obligations. The Transaction will not result in a change of carrier for any customers or assignment of any existing Commission authorization.

Further, Condor has no plans to change Licensees' current rates or terms and conditions of services in connection with the Transaction. Licensees' existing tariffs will not be affected by the Transaction and will remain in effect (subject to change in the ordinary course of business). Therefore, the Transaction will be seamless to customers, as they will not experience any immediate changes in services or rates, terms, and conditions of service.

The Transaction will also give CCHI additional flexibility to overcome the unique economic headwinds facing the telecommunications sector in Georgia and other regions served by CCHI as it transforms from legacy copper-based TDM networks to fiber-based IP networks. The sector-wide conversion to fiber has resulted in many dynamic competitive pressures. These competitive pressures, in turn, created economic conditions that delayed CCHI's fiber buildout completion date until beyond 2026. This Transaction, however, will give CCHI the near-term financial and operational flexibility it needs to execute its fiber transformation while effectively navigating these dynamic competitive pressures.

CCHI will also be able to call on Searchlight's expertise as it pursues its fiber buildout. As explained in Section 2.C. above, Searchlight possesses substantial and valuable experience and expertise in the infrastructure and telecommunications sectors. Indeed, the Transaction will allow Searchlight to expand its role with respect to CCHI's business by bringing to bear its full managerial expertise and extensive industry relationships in implementing a strategic plan for CCHI's fiber expansion.

Moreover, Condor's acquisition of CCHI will not diminish competition. The Transaction will not eliminate any telecommunications service provider in any geographic area. Finally, the Licensees face vigorous competition in each of the markets they serve. Therefore, the proposed Transaction promotes the public interest by providing significant benefits to Georgia customers.

V. DESIGNATED CONTACTS

Notice and communications regarding this Notice should be addressed to:

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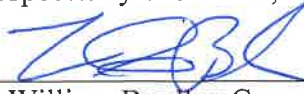
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VI. CONCLUSION

For the foregoing reasons, the Parties submit that the public interest, convenience, and necessity would be furthered by the Transaction and the associated changes in ownership and control of CCHI and the Licensees.

Respectfully submitted,



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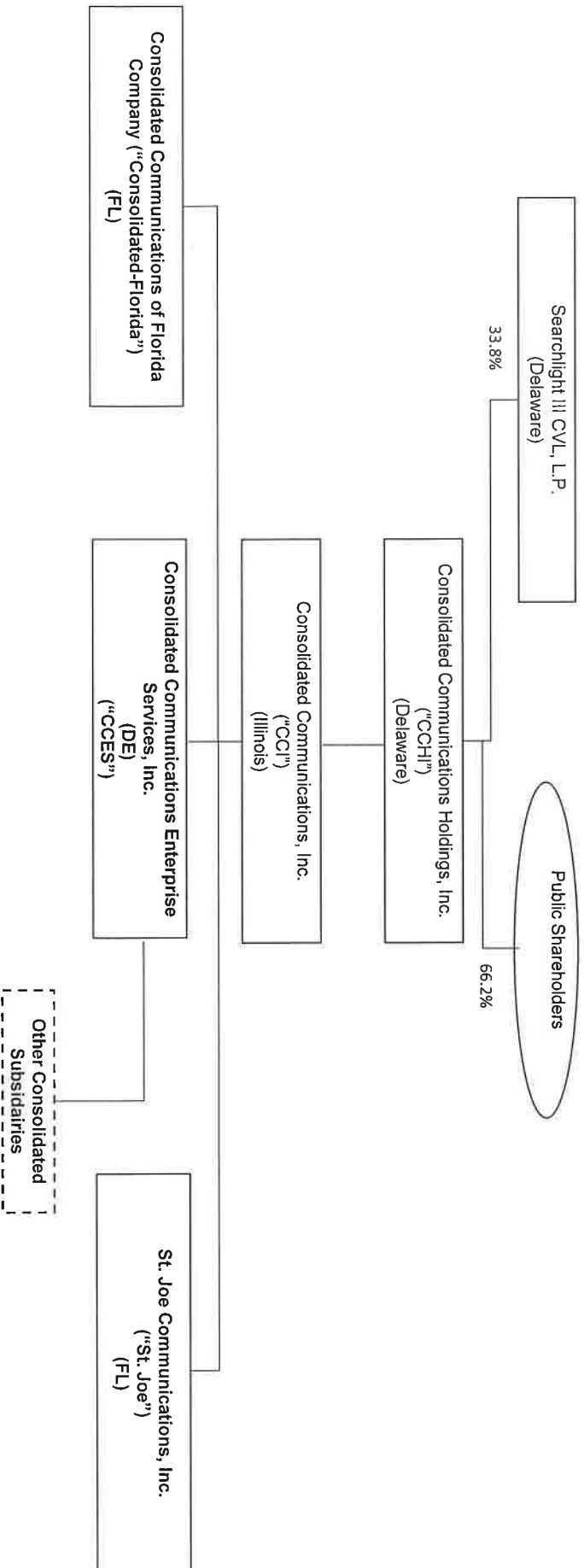
Counsel for Parties

Dated: 29 January 2024

EXHIBIT A

Diagrams of the Current and Post-Transaction Ownership Structures

**Consolidated Communications Holdings, Inc.
(Pre-Closing – Georgia – specific)**

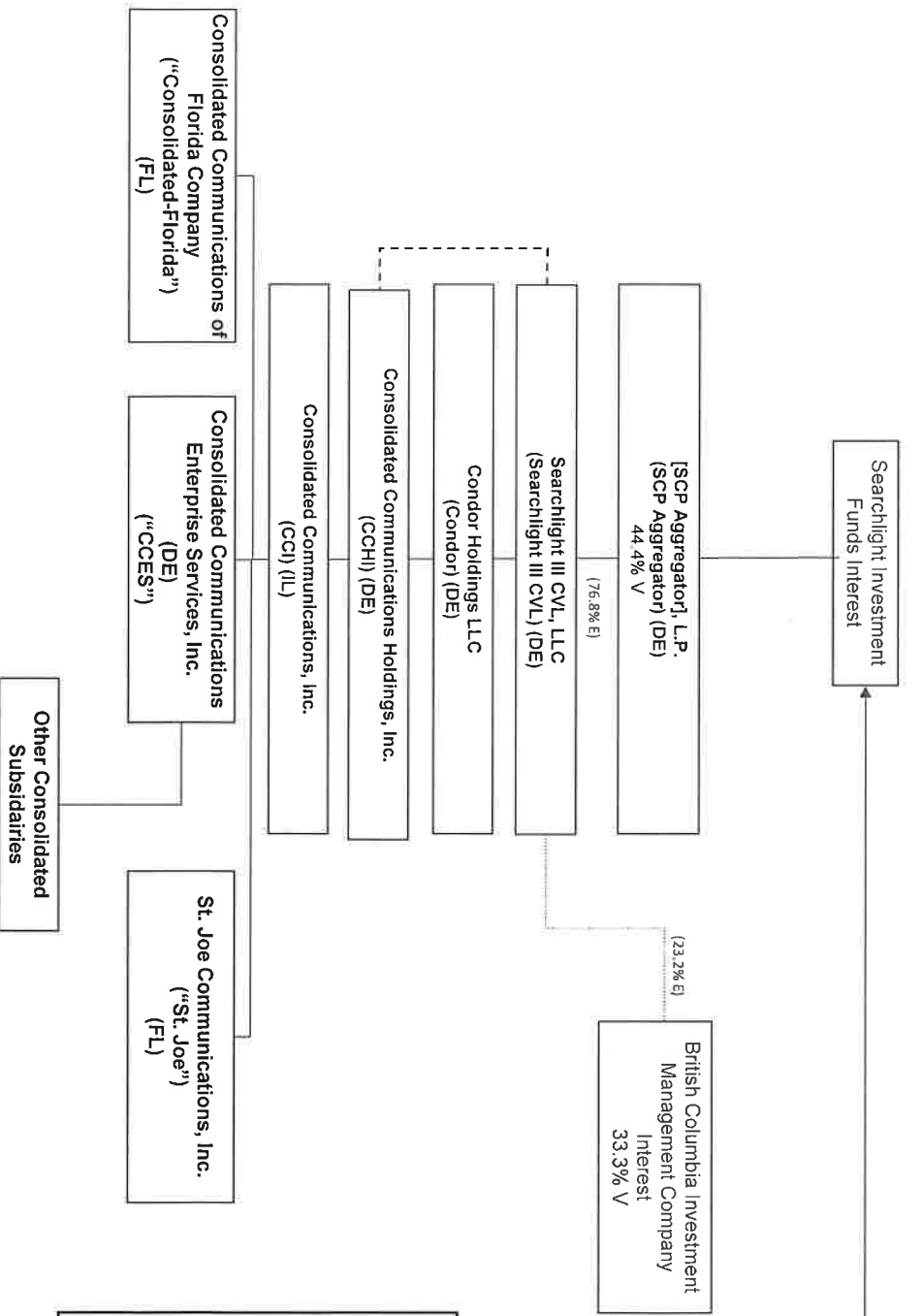


KEY

100% ownership interest, unless otherwise noted

References to "ownership," "equity," and "voting" interests throughout these charts refer to such interests as determined in accordance with FCC rules, and not beneficial ownership as defined in Securities and Exchange Commission rules.

Consolidated Communications Holdings, Inc. (Post-Closing – Georgia – specific)



KEY

- Ownership interest, 100% unless otherwise noted
- - - Indirect interest
- Management services, no ownership interest
- Preferred Shares

E=approximate equity percentage
 V=approximate voting percentage, based upon rights to designate members of the Searchlight III CVL, LLC Board of managers
 References to "ownership," "equity," and "voting" interests refer to such interests as determined through successive multiplication, and not beneficial ownership as defined in Securities and Exchange Commission rules.