

March 18, 2024

***Via Electronic Filing and Overnight Courier***

Sallie Tanner, Executive Secretary  
Georgia Public Service Commission  
244 Washington Street, S.W.  
Atlanta, GA 30334-9052

**Re: In the Matter of Joint Application of CBTS Borrower, LLC, Cincinnati Bell Inc., and CBTS Technology Solutions LLC, for Approval (1) to Transfer Indirect Control of CBTS Technology Solutions LLC to CBTS Borrower, LLC and (2) for CBTS Technology Solutions LLC to Participate in Certain Financing Arrangements Upon Completion of the Transfer of Indirect Control**

Dear Executive Secretary Tanner:

Attached for filing with the Commission is the above-referenced Joint Application. 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/ Danielle Burt

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*Counsel for CBTS Borrower, LLC*

**BEFORE THE  
GEORGIA PUBLIC SERVICE COMMISSION**

Joint Application of

**CBTS Borrower, LLC, *Transferee***  
**Cincinnati Bell Inc., *Transferor***

and

**CBTS Technology Solutions LLC, *Licensee***

for Approval (1) to Transfer Indirect Control of CBTS Technology Solutions LLC to CBTS Borrower, LLC and (2) for CBTS Technology Solutions LLC to Participate in Certain Financing Arrangements Upon Completion of the Transfer of Indirect Control

Docket No. \_\_\_\_\_

**JOINT APPLICATION**

CBTS Borrower, LLC (“CBTS Borrower”), Cincinnati Bell Inc. (“Cincinnati Bell”), and CBTS Technology Solutions LLC (“CBTS-TS,” and collectively with CBTS Borrower and Cincinnati Bell, the “Applicants”), by their undersigned representatives and pursuant to O.C.G.A. § 46-5-41 & 46-2-28 and the rules and regulations of the Georgia Public Service Commission (“Commission”), hereby request Commission approval, to the extent required: (1) to transfer indirect control of CBTS-TS to CBTS Borrower (the “Transaction”) and (2) for CBTS-TS to participate in the Financing Arrangements (as defined below) upon completion of the Transaction.<sup>1</sup>

In support of this Application, Applicants provide the following information:

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<sup>1</sup> Applicants submit that the financing arrangements described herein qualifies for the exemption from the approval requirements of O.C.G.A. § 46-2-28 provided by O.C.G.A. § 46-2-28(g) because the debt transaction is an interstate transaction as evidenced by the following: (i) CBTS - TS is a competitive local exchange carrier that is headquartered and domiciled outside of Georgia, (ii) the financing arrangements are expected to be between CBTS Borrower as the primary obligor and a national bank or other lending or financial institution licensed or authorized to entire into such financing arrangements by a state or federal agency and (iii) CBTS-TS will provide a guarantee and pledge of assets as collateral or other security to the lenders in order to accommodate the financing arrangements of the primary obligor. Should the Commission determine that the

## **I. DESCRIPTION OF THE APPLICANTS**

### **A. CBTS Borrower, LLC (“CBTS Borrower”)**

CBTS Borrower is a Delaware limited liability company, located in care of TowerBrook Capital Partners L.P. (“TowerBrook”), Park Avenue Tower, 65 East 55th Street, 19th Floor, New York, New York 10022, that was recently formed for the purpose of the Transaction. CBTS Borrower is an indirect subsidiary of TowerBrook's Fund VI fund family and is ultimately controlled by TowerBrook Investors, Ltd.<sup>2</sup>

TowerBrook, formed on February 4, 2005 and a registered investment advisor with the U.S. Securities and Exchange Commission, is a Delaware limited partnership with headquarters in London and New York City and offices in Madrid and Paris. Having raised more than \$23.2 billion to date for investments in private equity, structured opportunities and impact opportunities through its family of funds, TowerBrook has active investments in a variety of sectors including consumer products, financial services, healthcare, industrial, technology, and media. More information about TowerBrook can be found on its website at [www.towerbrook.com](http://www.towerbrook.com).

### **B. Cincinnati Bell Inc. (“Cincinnati Bell”)**

Cincinnati Bell, the indirect parent of CBTS-TS, is an Ohio corporation headquartered at 221 East Fourth Street, Cincinnati, OH 45202. Cincinnati Bell (doing business as “altafiber” in Ohio, Indiana and Kentucky), through its subsidiaries, delivers integrated communications solutions to residential and business customers over its fiber-optic network including high-speed

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exemption does apply to CBTS-TS, Applicants request that the Commission issue a Letter of Acknowledgement to this effect.

<sup>2</sup> TowerBrook Investors, Ltd. currently has two owners with 49.9% of the vote each: Neal Moszkowski (a United States citizen) and Ramez Sousou (a United Kingdom citizen). However, planned future Ownership changes during the pendency of this application will have additional reportable owners. These are Jonathan Bilzin (a United States Citizen) and Karim Saddi (a France Citizen).

internet, video, voice and data. Cincinnati Bell also provides service in Hawaii under the brand Hawaiian Telcom. Cincinnati Bell subsidiaries that provide telecommunication services that are not subject to this Transaction include Cincinnati Bell Telephone Company LLC; Cincinnati Bell Extended Territories LLC; Hawaiian Telcom, Inc.; Hawaiian Telcom Services Company, Inc.; and Wavecom Solutions Corporation. More detail about Cincinnati Bell can be found at [www.cincinnati-bell.com](http://www.cincinnati-bell.com).

Cincinnati Bell is wholly owned by Red Fiber Parent LLC, a Delaware limited liability company. Red Fiber Parent LLC is majority owned indirectly by MIP V (FCC) AIV, L.P., a Delaware limited partnership, a fund managed by a member of Macquarie Infrastructure and Real Assets Inc. Red Fiber Parent LLC is also minority owned indirectly by certain alternative investment vehicles (“AIVs”) managed by (i) the Private Equity Group of Ares Management Corporation and (ii) REST US Infrastructure No. 2 Trust.

### **C. CBTS Technology Solutions LLC (“CBTS-TS”)**

CBTS-TS, an indirect subsidiary of Cincinnati Bell, is a Delaware limited liability company headquartered at 25 Merchant St., Cincinnati, OH 45246. In Georgia, CBTS-TS, formerly known as Cincinnati Bell Any Distance, Inc., is authorized by the Commission to provide resold interexchange telecommunications services pursuant Certificate No. R-0217 in Docket No. 8732-U, interexchange alternate operator services pursuant to Certificate No. A-056 in Docket No. 4331-U, and resold competitive local exchange services pursuant to Certificate No. L-0479 in Docket No. 30108.<sup>3</sup>

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<sup>3</sup> The certificates were originally issued to Cincinnati Bell Any Distance Inc. (“CBAD”). On October 13, 2017, CBAD notified the Commission of its name change to CBTS Technology Solutions LLC, and on November 14, 2017, the Commission approved the name change.

## II. DESIGNATED CONTACTS

*For Cincinnati Bell and CBTS-TS:*

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*With a copy for CBTS Borrower to:*

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## III. DESCRIPTION OF THE TRANSACTION

Pursuant to the Equity Purchase Agreement (the “Agreement”), dated February 2, 2024, by and among CBTS Borrower, Cincinnati Bell, and CBTS LLC (a Delaware limited liability company and a direct subsidiary of Cincinnati Bell and the direct parent of CBTS-TS), Cincinnati Bell will sell to CBTS Borrower, and CBTS Borrower will purchase from Cincinnati Bell, all of the issued and outstanding limited liability company interests of CBTS LLC. Thus, as a result of the Transaction, CBTS LLC and CBTS-TS will no longer be wholly owned subsidiaries of Cincinnati Bell, and instead will become wholly owned subsidiaries of CBTS Borrower. For the

Commission's reference, diagrams depicting the current and post-Transaction corporate ownership structures are provided in **Exhibit A**.

#### **IV. DESCRIPTION OF THE FINANCING ARRANGEMENTS**

CBTS-TS seeks Commission approval to participate in new, amended or restated term loan financing arrangements in an aggregate amount of up to \$250 million (the “TL Financing Arrangements”) and accounts receivable financing arrangements in an aggregate amount of up to \$225 million (the “A/R Financing Arrangements,” and collectively with the TL Financing Arrangements, the “Financing Arrangements”). In order to respond to market conditions and requirements, and to respond to future acquisition, financing and other business opportunities,<sup>4</sup> CBTS-TS seeks approval to enter into, or otherwise participate in, Financing Arrangements that are substantially consistent with the terms outlined below, which would permit, to the extent market conditions may warrant, modifications to the specific structure of the financing in a manner most favorable to CBTS-TS:

**Aggregate Amount:** Up to \$475 million (the “Aggregate Amount”).

**Borrower:** CBTS Borrower will be the borrower under the TL Financing Arrangements and CBTS Borrower’s indirect wholly owned subsidiaries, Cincinnati Bell Funding Canada Ltd. and CBTS Funding LLC, will be the borrowers under the A/R Financing Arrangements.<sup>5</sup>

**Guarantors:** CBTS Borrower’s direct parent company and CBTS Borrower’s current and future subsidiaries, including CBTS-TS, may provide a guaranty of the obligations owing under the Financing Arrangements, including, without limitation, the payment of the Aggregate Amount to the extent borrowed.

**Debt Instruments:** The Financing Arrangements may include one or more of the following forms of debt instruments: notes or debentures (including notes convertible into equity and private notes that may be exchanged for public notes); conventional credit facilities, such as revolving credit facilities, term loans and delayed draw term loans;

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<sup>4</sup> Should any future acquisition opportunities include entities certificated in Georgia, appropriate authority will be separately applied for to acquire such entities.

<sup>5</sup> CBTS Borrower is the only contemplated borrower under the TL facility. Cincinnati Bell Funding Canada Ltd. and CBTS Funding LLC will be the only borrowers under the A/R facility.

accounts receivable securitization facilities; letters of credit; bridge loans; or a combination thereof.

**Security:** The Financing Arrangements may be a combination of both unsecured and secured facilities. Secured facilities may include a grant of a security interest in the assets of CBTS Borrower, CBTS Borrower's direct parent company and their current and future subsidiaries, including CBTS-TS. The equity of CBTS Borrower and its current and future subsidiaries, including CBTS-TS, may be pledged as additional security.

**Purpose:** The Financing Arrangements may be used to (i) finance, in part, the Transaction, (ii) refinance existing debt, (iii) pay the fees, costs, and expenses related to the Transaction and Financing Arrangements, (iv) for future acquisitions and other expansion activities, and (v) for general corporate purposes.

**Other Provisions:** The rates, terms and conditions, maturity dates, dates of issuance, security, and type of debt instrument(s) will be determined by market conditions and lenders' requirements at the time of each issuance.

Accordingly, and to the extent necessary, CBTS-TS requests Commission authorization for CBTS-TS to incur debt as a borrower and/or guarantor and to pledge its assets as security for the Financing Arrangements up to the Aggregate Amount consistent with the parameters outlined above.

## V. PUBLIC INTEREST CONSIDERATIONS

Applicants submit that the Transaction and Financing Arrangements are in the public interest. The Transaction facilitates CBTS-TS' growth into a stand-alone IT services company focused on supporting enterprise business customers with solutions and services including Application Modernization, Cybersecurity, IT Consulting, Cloud, Unified Communications, and Infrastructure Solutions. CBTS Borrower and its owners are managerially, technically, and financially well-qualified to complete the Transaction and assume indirect ownership and control of CBTS-TS and accelerate its growth prospects as a stand-alone IT services company. The Transaction is also expected to provide CBTS-TS access to new markets and expand its portfolio of products and services.

CBTS Borrower will be able to call on TowerBrook's expertise as it acquires ownership

of CBTS-TS. As explained in Section I(A) above, TowerBrook has raised more than \$23.2 billion to date for investments in private equity, structured opportunities and impact opportunities through its family of funds; it has active investments in a variety of sectors including consumer products, financial services, healthcare, industrial, technology, and media. Thus, TowerBrook possesses substantial and valuable experience and will bring to bear its full managerial expertise and extensive industry relationships in directing the operations of CBTS-TS.

CBTS Borrower's acquisition of CBTS-TS will not diminish competition because the Transaction will not eliminate any telecommunications service provider in any geographic area, including Georgia. CBTS-TS will continue to provide services to existing customers without interruption or changes to the rates, terms and conditions of service, and will continue to face vigorous competition in each of the markets it serves.

Approval of the Financing Arrangements will serve the public interest in promoting competition among telecommunications carriers by providing CBTS-TS with access to greater financial resources that will allow it to become a more effective competitor. The Financing Arrangements will be used to provide financing for the Transaction, and will provide sufficient operational and financial flexibility to enable CBTS-TS to respond to market conditions and requirements, and to respond to future acquisition and other business opportunities. The Financing Arrangements are necessary and appropriate, are consistent with the performance by CBTS-TS of its services to the public, will not impair its ability to perform such services, and will promote its corporate purposes. The Financing Arrangements will have no adverse impact on the customers of CBTS-TS and will not disrupt service or cause customer confusion or inconvenience.

Thus, based on the foregoing, grant of the Application and approval of the Transaction and Financing Arrangements is in the public interest and should therefore be approved by the Commission.

## VI. CONCLUSION

For the foregoing reasons, Applicants submit that the public interest, convenience and necessity would be furthered by the Commission issuing a Letter of Acknowledgement permitting the Transaction and CBTS-TS' participation in the Financing Arrangements described above.

Respectfully submitted,

*/s/ Danielle Burt*

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*/s/ Marc A. Korman*

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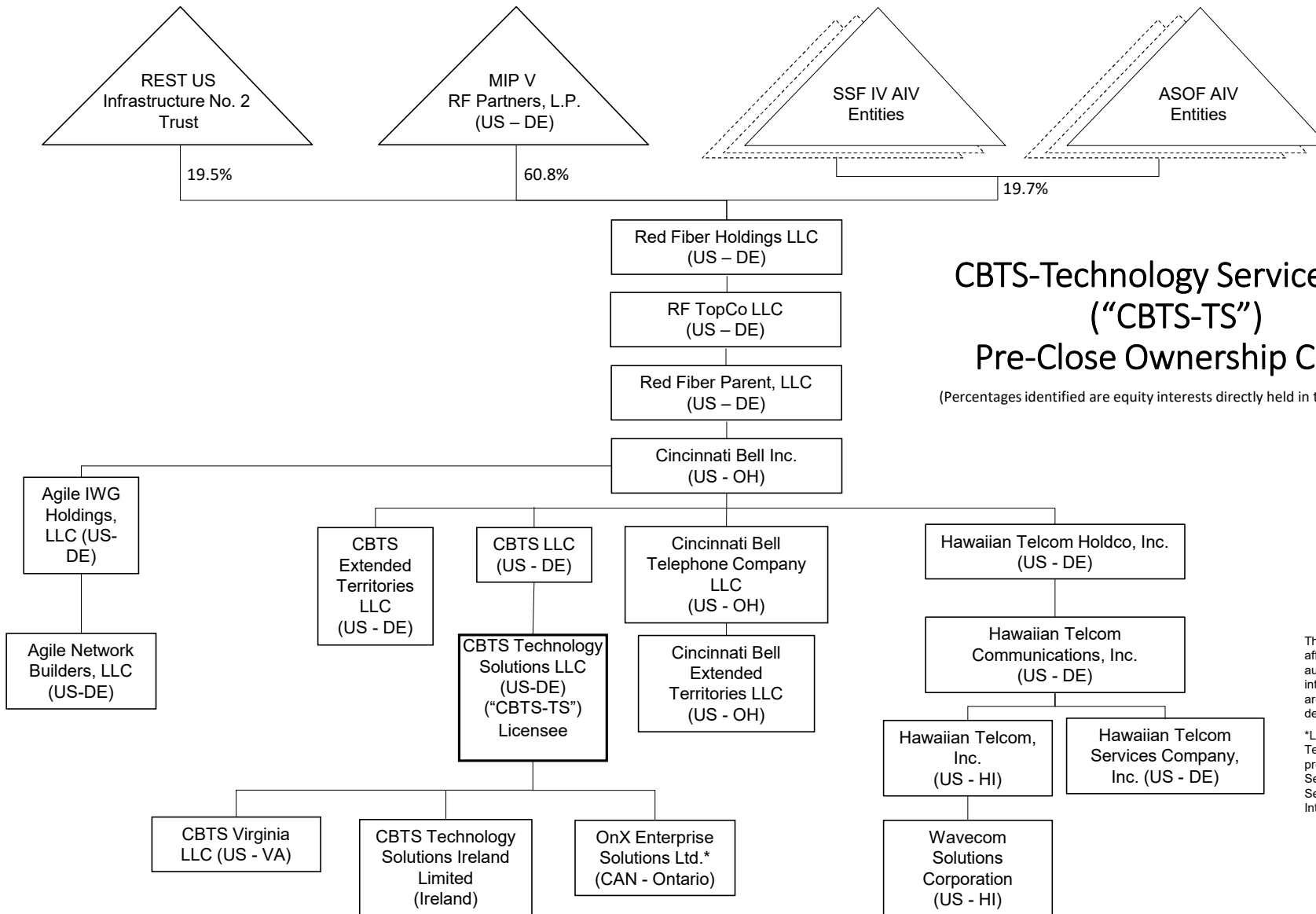
*Counsel for Cincinnati Bell and CBTS-TS*

*Counsel for CBTS Borrower*

Dated: March 18, 2024

**EXHIBIT A**

**Current and Post-Transaction Corporate Ownership Structure Charts**



## CBTS-Technology Services LLC ("CBTS-TS") Pre-Close Ownership Chart

(Percentages identified are equity interests directly held in the entity below.)

The entities listed herein only include those affiliates of Cincinnati Bell that (1) hold authorization to provide intrastate, interstate or international telecommunications services, or (2) are in the chain of ownership of those entities described in (1).

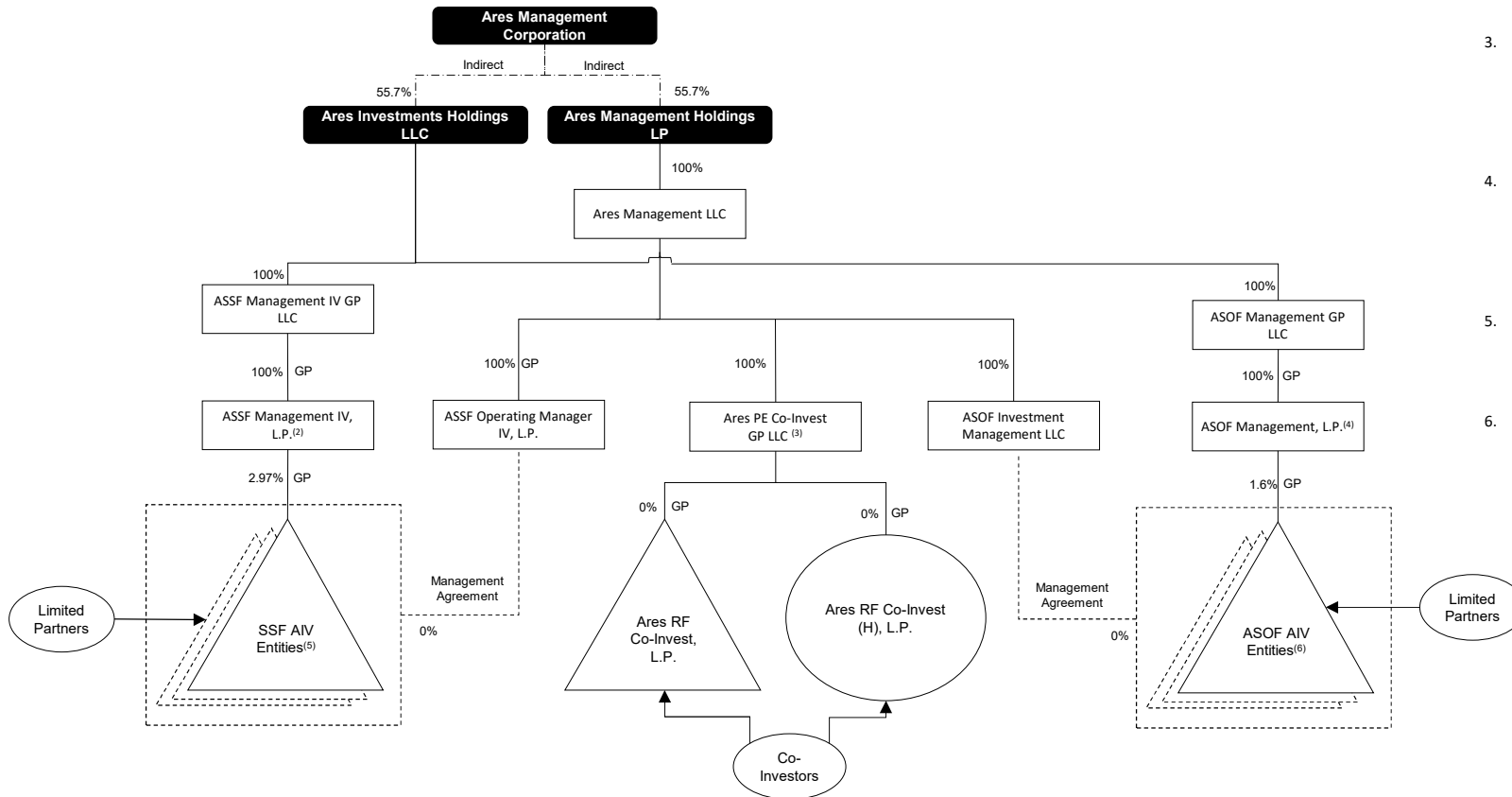
\*Licensed by the Canadian Radio-television and Telecommunications Commission (CRTC) to provide Basic International Telecommunications Services, as a Reseller of Telecommunications Services, and as a Reseller of High Speed Retail Internet Service.



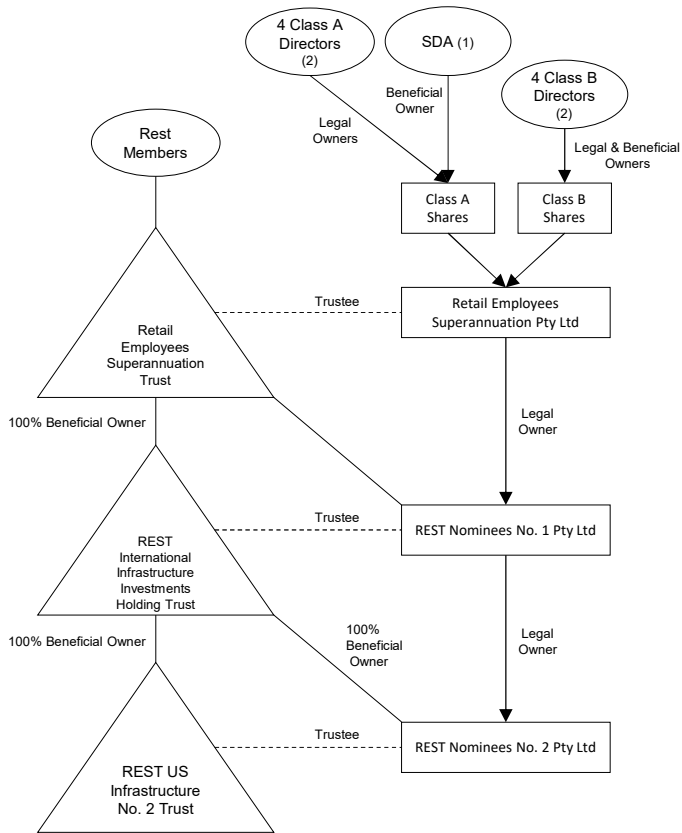


# Ares Corporate Structure

(Percentages identified are equity interests directly held in the entity below. Interests are approximate and subject to change based on additional passive investment.)

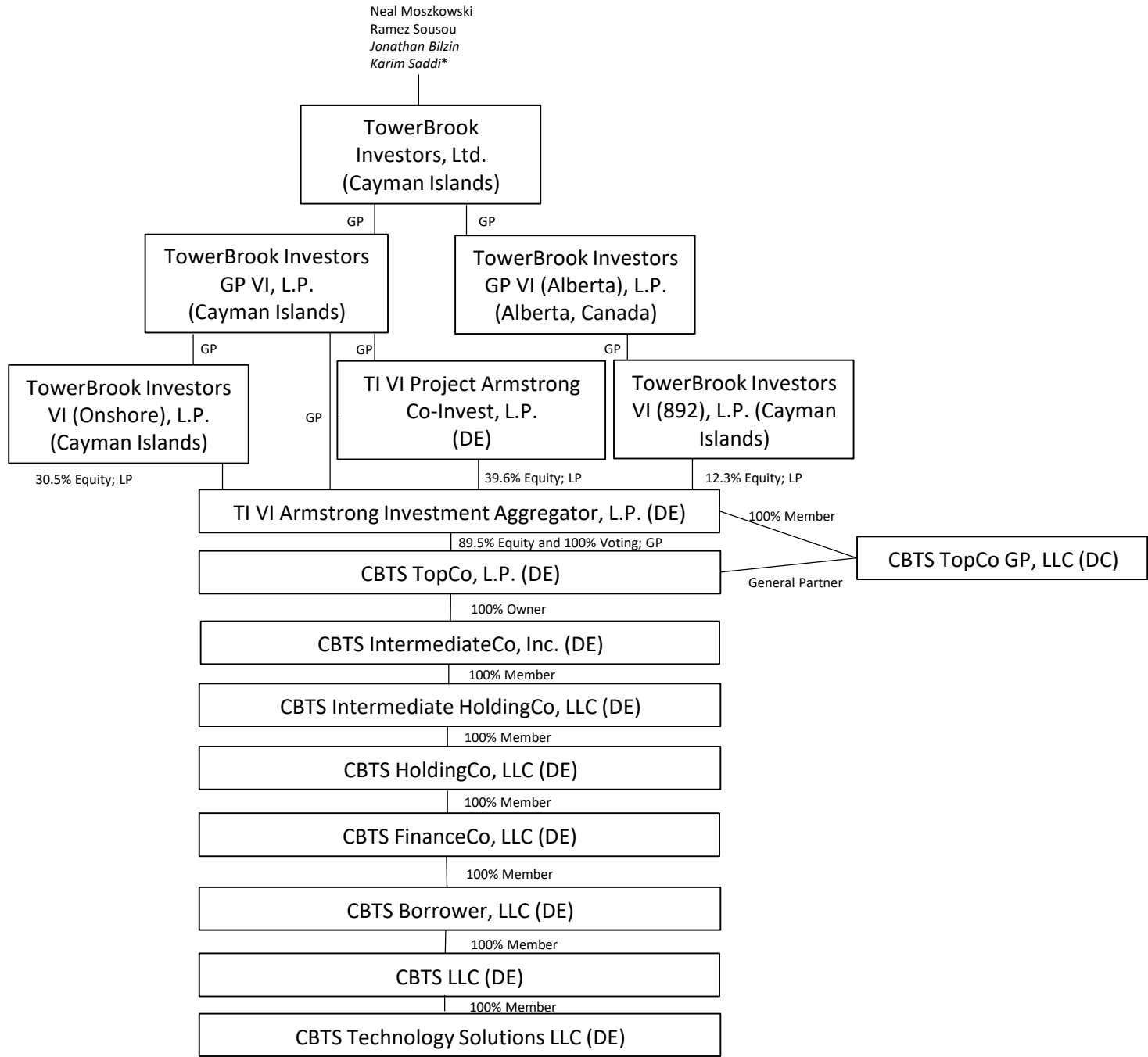


- Note that for all entities shown, except for the SSF AIV Entities and ASOF AIV Entities, the place of incorporation/formation is Delaware and principal place of business is California.
- ASSF Management IV, L.P. formed or caused to be formed multiple alternative investment vehicles (the "SSF AIV Entities") to hold interests in Red Fiber Holdings LLC. The management of the SSF AIVs is delegated to ASSF Operating Manager IV, L.P., whose general partner is Ares Management LLC.
- Ares PE Co-Invest GP LLC formed or caused to be formed Ares RF Co-Invest, L.P. and Ares RF Co-Invest (H), L.P. to hold interests in Red Fiber Holdings LLC. The general partner of each of Ares RF Co-Invest, L.P. and Ares RF Co-Invest (H), L.P., is Ares PE Co-Invest GP LLC, whose sole member is Ares Management LLC.
- ASOF Management, L.P. formed or caused to be formed multiple alternative investment vehicles (the "ASOF AIV Entities") to hold interests in Red Fiber Holdings LLC. The management of the ASOF AIVs is delegated to ASOF Investment Management LLC, whose sole member is Ares Management LLC.
- The SSF AIV Entities are: ASSF IV RF AIV 1, L.P. (Delaware); ASSF IV RF AIV B1, L.P. (Delaware); ASSF IV RF Cayman Feeder 1, L.P. (Cayman Islands). The principal place of business of the SSF AIV Entities is California.
- The ASOF AIV Entities are: ASOF RF AIV 1, L.P. (Delaware); ASOF RF AIV 2, L.P. (Delaware); ASOF RF AIV B1, L.P. (Delaware); ASOF RF Cayman Feeder 1, L.P. (Cayman Islands); ASOF RF Cayman Feeder 2, L.P. (Cayman Islands). The principal place of business of the ASOF AIV Entities is California.



(1) SDA is the Shop, Distributive and Allied Employees' Association  
 (2) Refer to list of Rest Board of Directors for Class A and Class B Directors identified in the Application in response to 47 C.F.R. § 63.18(h)

(Percentages identified are equity interests directly held in the entity below.)



The entities listed include only the holder of certificates and those entities in their chain of ownership. This chart excludes all other subsidiaries and affiliates.

The ownership percentages held indirectly by the individual investors in TI VI Armstrong Investment Aggregator, L.P. may change prior to closing but additional disclosures will be made as necessary.

\*These are the current and planned 10% or greater interest holders. The names in italics are expected to acquire their ownership during the pendency of the application.

VERIFICATION

STATE OF OHIO

§

COUNTY OF HAMILTON

§

§

I, Mary Talbott, state that I am Chief Legal Officer of Cincinnati Bell Inc. and its subsidiary CBTS Technology Solutions 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 are true and correct to the best of my knowledge, information and belief.

*Mary Talbott*

Mary Talbott  
Chief Legal Officer  
Cincinnati Bell Inc.  
CBTS Technology Solutions

SWORN TO AND SUBSCRIBED before me on the 1<sup>st</sup> day of March 2024.

*Jouett K. Brenzel*  
Notary Public

My commission expires: NA

Jouett K. Brenzel  
Attorney at Law  
Notary Public, State of Ohio  
My Commission Has No Expiration Date  
Sec 147.03 RC

**VERIFICATION**

STATE OF NEW YORK

§  
§  
§

COUNTY OF NEW YORK

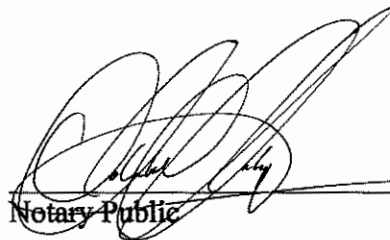
I, Glenn Miller, state that I am Vice President and Secretary of CBTS Finance Co, LLC, the Managing Member of CBTS Borrower, LLC; that I am authorized to make this Verification on behalf of CBTS Borrower, LLC; that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to the CBTS Borrower, LLC are true and correct to the best of my knowledge, information and belief.



Glenn Miller  
Vice President and Secretary of CBTS  
Finance Co, LLC  
Managing Member of CBTS Borrower, LLC

SWORN TO AND SUBSCRIBED before me on the 14th day of March, 2024.

**Ololade Oladapo**  
NOTARY PUBLIC, STATE OF NEW YORK  
Registration No. 020L6439559  
Qualified in New York County  
Commission Expires 8/29/2026

  
Notary Public

My commission expires: 8/29/2026