Morgan Lewis

Joshua M. Bobeck
Nicholas D. Paniagua
joshua.bobeck@morganlewis.com
nicholas.paniagua@morganlewis.com

February 27, 2025

Via E-Filing and Overnight Courier

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

Re: Application of SQF, LLC for Approval to Participate in Certain Financing Arrangements

Dear Secretary Tanner:

On behalf of SQF, LLC ("SQF"), enclosed for filing with the Commission is the above-referenced Application. Pursuant to Commission Rule 515-3-1-.11, SQF respectfully requests trade secret treatment of (1) the Aggregate Amount of the Financing Arrangements for which SQF seeks Commission approval and (2) **TRADE SECRET Exhibit A**, which contains SQF's financial statements (the "Trade Secret Information"). The Trade Secret Information consists of business and financial information that is trade secret, confidential, sensitive, and proprietary in nature. Therefore, SQF respectfully requests that the Commission afford trade secret treatment to the Trade Secret Information and not release it to the public without SQF's express consent (except as provided for under Commission Rule 515-3-1-.11). In support of its request for trade secret treatment, SQF submits a Request for Trade Secret Treatment accompanied by an affidavit signed by an officer of SQF.

SQF is electronically submitting as public disclosure attachments (1) the public version of the Application, with the Trade Secret Information redacted and (2) SQF's Request for Trade Secret Treatment. SQF is electronically submitting as a trade secret attachment the trade secret version of the Application with the Trade Secret Information unredacted. Additionally, SQF is submitting one copy of each of the public version of the Application, Request for Trade Secret Treatment, and the trade secret version of the Application via overnight courier. Please date stamp the enclosed extra copy of this letter and return it in the envelope provided.

We would appreciate acknowledgement of receipt and acceptance of this filing. Should you have any questions concerning this submission, please do not hesitate to contact the undersigned.

Respectfully submitted,

/s/ Joshua M. Bobeck
Joshua M. Bobeck
Nicholas D. Paniagua

Counsel for SQF, LLC

Morgan, Lewis & Bockius LLP

1111 Pennsylvania Avenue, NW
Washington, DC 20004
United States

T +1.202.739.3000
F +1.202.739.3001

BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION

Application of **SQF, LLC** for Approval to Participate in Certain Financing Arrangements	Docket No. _____

APPLICATION

SQF, LLC ("SQF"), by undersigned counsel and pursuant to O.C.G.A. § 46-2-28 and the rules and regulations of the Georgia Public Service Commission ("Commission"), hereby requests Commission approval, to the extent required, to participate in certain Financing Arrangements (as defined below). In support of this Application, SQF provides the following information:

I. DESCRIPTION OF THE APPLICANT

SQF is a Delaware limited liability company with its principal office at 16 Middle Street, 4th Floor, Portland, Maine 04101. In Georgia, SQF is authorized by the Commission under Certificate No. L-0551 to provide competitive local exchange telecommunications services granted in Docket No. 39976 on February 18, 2016. SQF provides wholesale intrastate radio frequency ("RF") transport and backhaul services to other carriers as well as data transport transmission service for its wholesale carrier customers. SQF provides its services using a system of fiber optic cables and small antennas and conversion equipment attached to poles and other structures.

SQF is majority owned by SDC Tilson Investor, LLC ("SDC Tilson") pursuant to a transaction approved by the Commission in Docket No. 39976 on April 18, 2019. SDC Tilson is a Delaware limited liability company with a principal office at 817 Broadway, 10th Floor, New

York, New York 10003. SDC Tilson is wholly owned by funds managed by SDC Capital Partners, LLC, a New York City-based private investment firm focused on information technology and communications infrastructure.

The proposed Financing Arrangements do not involve any changes to ownership of SQF nor will the financing change SQF's management or day-to-day operations, and SQF will continue to have the requisite technical, managerial, and financial resources consistent with its Commission-issued certificate to provide telecommunications services in the State of Georgia. Information regarding the current financial condition of SQF can be found in its financial statements for the years ending December 31, 2022, December 31, 2023, and December 31, 2024, which are attached hereto as **TRADE SECRET Exhibit A**.

II. DESIGNATED CONTACTS

Questions, correspondence, or other communications concerning this filing should be directed to:

Joshua M. Bobeck
Nicholas D. Paniagua
MORGAN, LEWIS & BOCKIUS LLP
1111 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
202-739-3000 (tel)
202-739-3001 (fax)
joshua.bobeck@morganlewis.com
nicholas.paniagua@morganlewis.com

With copies to:

Joshua Broder, CEO
Lauren Ramirez, General Counsel
SQF, LLC
16 Middle Street, 4th Floor
Portland, Maine 04101
jbroder@tilsontech.com
lramirez@tilsontech.com

III. DESCRIPTION OF THE FINANCING ARRANGEMENTS

SQF seeks Commission approval to incur secured debt as borrower and to provide a guaranty of such debt, or pledge its assets as security for existing, new, amended or restated financing arrangements up to an aggregate amount of **[BEGIN TRADE SECRET]** [redacted] **[END TRADE SECRET]** (the "Financing Arrangements"). Subject to receipt of required

regulatory approvals, SQF expects to commence participation in the Financing Arrangements in the first half of 2025. To maintain adequate flexibility to respond to market conditions and requirements and to respond to future expansion, financing and other business opportunities, authority is sought for SQF to participate in Financing Arrangements (including future refinancings thereof) that are generally 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 SQF:

Aggregate Principal Amount: [BEGIN TRADE SECRET] [redacted] **[END TRADE SECRET]** (the "Aggregate Amount").

Borrower: It is currently expected that SQF will be the borrower under the Financing Arrangements.

Debt Instrument: SQF expects that the Financing Arrangements may include one or more of the following debt instruments: notes or debentures (including notes convertible into equity upon receipt of any necessary regulatory approvals, and private notes that may be exchanged for public notes); conventional credit facilities, such as revolving credit facilities and term loans; letters of credit; and bridge loans; or a combination thereof.

Maturity: Up to five years after issuance, amendment or restatement depending on the type of facility.

Interest: Interest rates will be the market rate for similar financings and will not be determined until the financing arrangement(s) is(are) finalized. Depending on the type of debt securities, facility(ies) or other arrangements, indebtedness will accrue interest at a rate(s) that may be fixed (typically set at signing or closing based on then-current market conditions) or floating (consisting of a base rate, which will float with a rate index such as LIBOR, SOFR or Federal Funds Rate, plus an applicable margin), or a combination of fixed rates and floating rates.

Security: Some or all the Financing Arrangements may be secured facilities, which may include a grant of a security interest in the assets of SQF. A portion of the Financing Arrangements may be unsecured facilities. For the secured facilities, the equity of SQF may be pledged as additional security. Additionally, SQF may provide a guaranty as security for the full Aggregate Amount of the Financing Arrangements.

Purpose: The Financing Arrangements may be used for (i) refinancing then-existing debt, (ii) funding capital to support capital investments, (iii) providing working capital to fund general corporate purposes, and (iv) acquisitions.

Accordingly, SQF requests Commission authorization to participate in Financing Arrangements up to the Aggregate Amount and thereby incur debt as a borrower and pledge its assets used to provide telecommunications service in Georgia as security with terms materially consistent with those outlined above.

IV. PUBLIC INTEREST CONSIDERATIONS

The Financing Arrangements will serve the public interest in promoting deployment of upgraded network facilities and competition among telecommunications carriers by providing SQF with access to financial resources that will allow it to expand its infrastructure and become a more effective competitor. The Financing Arrangements are necessary and appropriate, are consistent with the performance by SQF of its services, 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 SQF and will not disrupt service or cause customer confusion or inconvenience. SQF will continue to provide customers service at the same rates and on the same terms and conditions (subject to future changes in the ordinary course of business pursuant to applicable law and contract provisions).

V. CONCLUSION

For the foregoing reasons, SQF submits that the public interest, convenience and necessity would be furthered by the Commission issuing a Letter of Acknowledgement permitting SQF's participation in the Financing Arrangements described above.

Respectfully submitted,

/s/ Joshua M. Bobeck

Joshua M. Bobeck
Nicholas D. Paniagua
MORGAN, LEWIS & BOCKIUS LLP
1111 Pennsylvania Avenue, N.W.
Washington, DC 20004
Tel: 202-739-3000
Fax: 202-739-3001
joshua.bobeck@morganlewis.com
nicholas.paniagua@morganlewis.com

Counsel for SQF, LLC

PUBLIC VERSION - CONFIDENTIAL INFORMATION EXTRACTED

TRADE SECRET Exhibit A

Financial Statements

[TRADE SECRET – NOT FOR PUBLIC DISCLOSURE]

PUBLIC VERSION - CONFIDENTIAL INFORMATION EXTRACTED

VERIFICATION

STATE OF MAINE §
§
COUNTY OF CUMBERLAND §

I, Lauren Ramirez, state that I am General Counsel of SQF, 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.

Lauren Ramirez
General Counsel
SQF, LLC

SWORN TO AND SUBSCRIBED before me on the 21st day of February, 2025.

Notary Public

My commission expires: 8-22-2031

SANDRA L. KNAKAL
Notary Public, State Of Maine
My Commission Expires August 22, 2031

BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION

Application of **SQF, LLC** for Approval to Participate in Certain Financing Arrangements	Docket No. _____

REQUEST FOR TRADE SECRET TREATMENT

Pursuant to Rule 515-3-1-.11 of the Georgia Public Service Commission (the "Commission"), SQF, LLC ("SQF") respectfully requests that the Commission grant protection from public disclosure, and afford trade secret treatment to, the redacted portions of its Application in the above-captioned proceeding (the "Trade Secret Information"). SQF requests that the Commission afford the highest level of protective treatment to the Trade Secret Information and asks that it be made available only to the Commission.

SQF requests trade secret treatment of the Trade Secret Information because it contains information that is trade secret, confidential, and proprietary in nature. The Trade Secret Information consists of (1) the Aggregate Amount of the Financing Arrangements for which SQF seeks Commission approval and (2) **TRADE SECRET Exhibit A**, which contains SQF's financial statements. SQF is not a publicly held company and derives economic value from this information because it is not known to others. If released, the Trade Secret Information could be used by competitors of SQF to cause commercial harm. The Trade Secret Information thus constitutes trade secrets within the meaning of O.C.G.A. § 10-1-761(4).

SQF competes for customers with other telecommunications companies and entities operating within the State of Georgia. SQF is a privately held company, and the Trade Secret

Information is highly confidential and not publicly available. Further, SQF operates in a highly competitive market segment. Release of the information would provide competitors with valuable market information relating to SQF and could disadvantage SQF by giving competitors insight into its ability to compete. Further, release of the Trade Secret Information would substantially harm SQF's ability to negotiate with lenders, vendors, incumbent local exchange carriers, and other local and interexchange carriers for services and equipment. The release of this information would also harm SQF's relationship with investors.

SQF maintains the secrecy of the Trade Secret Information by retaining possession and control of the information, and by not disclosing such information to others not subject to confidentiality restrictions.

Protection of the Trade Secret Information does not affect the public interest and does not restrict interested parties from participating in the administrative process. Furthermore, the harm that would result from disclosure of this information far outweighs the public interest in accessing this information.

SQF is submitting an unredacted version of the Application to the Commission under protective seal with the designation "TRADE SECRET" prominently displayed on each page. Accordingly, and for the foregoing reasons, SQF respectfully requests that the Commission afford trade secret protection to the Trade Secret Information.

In the event that this request is denied, please provide the undersigned with notice of that determination prior to making the Trade Secret Information available to the public. SQF further requests that the Commission stay the release of the Trade Secret Information until such time as an application for review of the determination is resolved. Disclosure without affording SQF an

opportunity to contest a finding against trade secret treatment would prejudice SQF and render moot any successful appeal.

Respectfully submitted,

/s/ Joshua M. Bobeck

Joshua M. Bobeck
Nicholas D. Paniagua
MORGAN, LEWIS & BOCKIUS LLP
1111 Pennsylvania Avenue, N.W.
Washington, DC 20004
Tel: 202-739-3000
Fax: 202-739-3001
joshua.bobeck@morganlewis.com
nicholas.paniagua@morganlewis.com

Counsel for SQF, LLC

BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION

Application of **SQF, LLC** for Approval to Participate in Certain Financing Arrangements	Docket No. _____

AFFIDAVIT

STATE OF MAINE §
§
COUNTY OF CUMBERLAND §

I, Lauren Ramirez, being of full age and duly sworn according to law, states as follows:

1. I am General Counsel of SQF, LLC ("SQF"), the applicant in the above-captioned matter.

2. I make this affidavit in support of the Request for Trade Secret Treatment ("Request") in accordance with Georgia Public Service Commission Utility Rule 515-3-1-.11.

3. In support of the Application, SQF is providing (1) the Aggregate Amount of the Financing Arrangements for which it seeks Commission approval and (2) **TRADE SECRET Exhibit A**, containing SQF's financial statements ("Trade Secret Information"), which is confidential, proprietary, non-public information that SQF designates as trade secret information, as defined in O.C.G.A. § 10-1-761(4).

4. The Trade Secret Information is protected by SQF by making it available only to the senior management of, and the outside accounting and legal professionals retained by SQF.

5. To the extent this information has been or may be disclosed to others, SQF has done so or will do so by way of a confidentiality agreement, whereby it is agreed by the parties thereto that the Trade Secret Information: (i) shall be used solely for purposes relating to the matter specified therein, and (ii) shall be maintained in secure files, separate from public information. Such agreements provide that no other disclosure shall be made to any person or entity, except with the express written consent of SQF or its legal counsel.

6. The Trade Secret Information is not contained in materials that are routinely available to the general public, including but not limited to, Board Orders, press releases, copies of speeches, or promotional or educational materials.

7. The Trade Secret Information contains financial and business information that is critical, commercially sensitive, and competitively significant. Because of the competitive nature of the telecommunications industry, SQF believes that disclosure of this information would place it at a significant competitive disadvantage, impede full and fair competition, and undermine its business plans. Unrestricted availability of this information would provide competitors or potential competitors with information regarding SQF's operations and financial condition, upon which competitors or potential competitors could evaluate SQF's business strategies to its detriment. Such availability would disclose the nature and details of SQF's financial resources and arrangements and would ultimately result in a competitive disadvantage to SQF. In contrast, trade secret treatment will not adversely affect any interested party. Trade secret treatment of the Trade Secret Information is therefore required to avoid commercial and competitive injury.

8. I further verify that the factual statements made in the Request are true and correct to the best of my knowledge, information and belief.

Lauren Ramirez
General Counsel
SQF, LLC

SWORN TO AND SUBSCRIBED before me on the 27th day of February, 2025.

Notary Public

My commission expires: 8-22-2031

SANDRA L. KNAKAL
Notary Public, State Of Maine
My Commission Expires August 22, 2031