

Morgan Lewis

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August 13, 2025

Via E-Filing

Matthew Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

**Re: Joint Application of SDC GP Manager, LLC, SDC Capital Partners GP LLC,
and SQF, LLC for Approval of a General Rule Transaction Involving a
Corporate Restructuring**

Dear Secretary Homsher:

On behalf of SDC GP Manager, LLC, SDC Capital Partners GP LLC, and SQF, LLC (the "Applicants"), please find enclosed an Application in connection with the above-captioned matter, which is being submitted via e-filing. The requisite filing fee of \$350.00 is being paid online via credit card.

We would appreciate acknowledgment of receipt and acceptance of this filing. Should you have any questions concerning this submission, please contact Joshua Bobeck at joshua.bobeck@morganlewis.com.

Respectfully submitted,

/s/ Catherine G. Vasudevan

Catherine G. Vasudevan
PA I.D. No. 210254

Counsel to the Applicants

Morgan, Lewis & Bockius LLP

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Application of

SDC GP MANAGER, LLC, *Transferor,*

**SDC CAPITAL PARTNERS GP LLC,
*Transferee,***

Docket No. _____

AND

SQF, LLC, *Licensee*

for Approval of a General Rule Transaction
Involving a Corporate Restructuring

**JOINT APPLICATION FOR APPROVAL
OF A GENERAL RULE TRANSACTION INVOLVING A
CORPORATE RESTRUCTURING**

TO THE HONORABLE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

I. INTRODUCTION

THIS APPLICATION (“Application”) is filed as a General Rule Transaction, pursuant to 52 Pa. Code § 63.324, by SDC GP Manager, LLC (“SDC GP Manager”), SDC Capital Partners GP LLC (“Manager GP”) and SQF, LLC (“SQF”) (collectively, the “Applicants”). Pursuant to Section 1102(a) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1102(a), the Pennsylvania Public Utility Commission’s (“Commission”) Policy Statement on Utility Stock Transfers at 52 Pa. Code § 69.901, and the Commission’s regulations on Abbreviated Procedures for Review and Approval of Transfer of Control for Telecommunications Public Utilities at 52 Pa. Code §§ 63.321-63.325, the Applicants seek Commission approval of transactions that will introduce new intermediate parents in the chain of SQF’s ownership, without changing its ultimate ownership and control. The transactions will (1) insert multiple intermediate holding companies as direct and indirect owners of SQF and (2) interpose a new intermediate ownership structure between the

ultimate controlling parties in SDC DIOF I GP, LLC (“SDC Fund I GP”), the general partner of SDC Digital Infrastructure Opportunity Fund I, LP (“SDC Fund I”), the investment fund that indirectly holds the equity interests in SQF, and SDC Fund I GP (the “Restructuring”). The Restructuring, as described below, is an entirely parent level event that will not result in any change to ultimate ownership and control of SQF, or any change to the entity providing service in Pennsylvania. SQF emphasizes that the Restructuring will not result in changes to rates or terms of service or otherwise involve or effect its customers.

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

II. DESCRIPTION OF THE APPLICANTS

SQF is a Delaware limited liability company with its principal office at 16 Middle Street, 4th Floor, Portland, Maine 04101. In Pennsylvania, SQF is authorized to provide telecommunications as a Competitive Access Provider pursuant to a Certificate of Public Convenience issued in Docket No. A-2015-2490501 on December 30, 2015.

SQF is majority (70%) owned by SDC Tilson Investor, LLC (“SDC Tilson”), as approved by the Commission in Docket No. A-2019-3009186 on July 22, 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 SDC Fund I, a fund managed by SDC Capital Partners, LLC (“SDC Capital”), a New York City-based private investment firm focused on information technology and communications infrastructure.

The general partner of SDC Fund I is SDC Fund I GP, a Delaware limited liability company with a principal office located at 817 Broadway, 10th Floor, New York, New York 10003. The manager of SDC Fund I GP is SDC GP Manager, LLC (“SDC GP Manager”), Todd Aaron, a U.S. Citizen and founding partner of SDC Capital (“Mr. Aaron”) holds 100% of the membership interests in SDC GP Manager.

SDC Capital Partners GP Holdings, LP (“GP Holdings”) is a Delaware limited partnership with a principal office located at 817 Broadway, 10th Floor, New York, New York 10003. GP Holdings does not, and will not, provide telecommunications services, but is rather a holding company that was formed for the purpose of the proposed Restructuring.

SDC Capital Partners GP Holdings Parent, LP (“GP Holdings Parent”) is a Delaware limited partnership with a principal office located at 817 Broadway, 10th Floor, New York, New York 10003. GP Holdings Parent does not, and will not, provide telecommunications services, but is also a holding company that was formed for the purpose of the proposed Restructuring.

Mr. Aaron and Douglas Kaden, also a U.S. citizen and managing partner of SDC Capital (“Mr. Kaden”) own GP Holdings Parent through a series of personal and family holding entities. GP Holdings Parent is controlled by SDC Capital Partners GP, LLC (“SDC GP”), its sole general partner.

SDC GP is a Delaware limited liability company with a principal office located at 817 Broadway, 10th Floor, New York, New York 10003. SDC GP does not, and will not, provide telecommunications services. Mr. Aaron holds 51% of the voting interests in SDC GP; Mr. Kaden, holds the remaining 49% of the voting interests in SDC GP.

III. DESCRIPTION OF THE RESTRUCTURING

SDC Capital is undertaking an internal restructuring for tax and business efficiency purposes that will establish a new intermediate ownership structure between Todd Aaron, Douglas Kaden, and SDC Fund I GP, the general partner of SDC Fund I that controls the investment fund that has majority ownership of SQF.

As explained above, SQF is currently owned and controlled by SDC Fund I. The general partner of SDC Fund I is SDC Fund I GP, which in turn is controlled by SDC GP Manager. Mr. Aaron wholly owns SDC GP Manager. Mr. Aaron will no longer hold direct interests in SDC Fund I GP or SDC GP Manager, but instead such interests will be indirectly transferred to GP Holdings which will be the sole member of SDC GP Manager and a member of SDC Fund I GP. SDC GP

Manager will remain the managing member of SDC Fund I GP. Mr. Kaden and Mr. Aaron's interests (held through their personal holding entities) will be held in GP Holdings Parent and in SDC GP, the sole general partner of both GP Holdings and GP Holdings Parent. Mr. Aaron will hold a 51% voting interest in SDC GP, and Mr. Kaden will hold a 49% voting interest in SDC GP, thus acquiring an indirect minority interest in both SDC GP Manager and SDC Fund I GP.

In addition, the Restructuring is expected to involve the insertion of multiple Delaware limited liability companies into SQF's ownership structure. The anticipated new holding companies will directly and indirectly own 100% of the ownership interests in SQF and will be owned by the current owners of SQF.

A chart illustrating the pre- and post-Restructuring ownership structure of SQF is included as **Exhibit A**. As noted, the Restructuring will not result in any changes to the ultimate ownership or control of SQF. Following the Restructuring, SQF will continue to conduct its operations and provide its services as it does currently.

IV. PUBLIC INTEREST CONSIDERATIONS

Applicants submit that the Restructuring is in the public interest. The Restructuring involves only the insertion of new intermediate holding entities in the ownership chain of SQF and the general partner of the investment fund that holds a majority of the ownership of SQF. Accordingly, the Restructuring will not result in any change in SQF's management, services or its operations. The Restructuring will not change day to day working control of SQF, which will continue to be overseen by its existing management team. The telecommunications services provided by SQF and the rates, terms and conditions of those services will not change as a result of the Restructuring, and SQF's Pennsylvania customers will not be affected in any way by the Restructuring. SQF will continue to have the same requisite managerial, technical and financial

capabilities to provide quality communications services. SQF's Pennsylvania customers will receive the same full range of products and services that they received prior to the Restructuring at the same prices and under the same terms and conditions.

Further, the transactions will provide SQF with additional operational flexibility and make its operations more efficient which will benefit its customers through the services SQF provides. All the above facts demonstrate that the Restructuring is in the public interest.

V. REQUIRED INFORMATION PURSUANT TO 52 PA. § CODE 63.324(D)

This Application is filed as a General Rule Transaction pursuant to 52 Pa. Code § 63.324.

In accordance with 52 Pa. Code § 63.324(d), Applicants provide the following:

A. Name, address and telephone number of each party or applicant to the transaction:

SDC GP Manager, LLC ("SDC GP Manager")
817 Broadway, 10th Floor
New York, New York 10003
Tel: 212-813-6700

SDC Capital Partners GP LLC ("SDC GP")
817 Broadway, 10th Floor
New York, New York 10003
Tel: 212-813-6700

SQF, LLC ("SQF")
16 Middle Street, 4th Floor
Portland, Maine 04101
Tel: 207-591-6427

B. Government, state or territory under the laws of which each corporate or partnership applicant to the transaction is organized:

SDC GP Manager, SDC GP, and SQF are each a Delaware limited liability company.

C. The name, title, post office address and telephone number of the officer or contact point, including legal counsel in this Commonwealth, to whom correspondence concerning the transaction is to be addressed:

Catherine G. Vasudevan
PA I.D. No. 210254
MORGAN, LEWIS & BOCKIUS LLP
2222 Market Street
Philadelphia, PA 19103-3007
Tel: 215-963-5000
Fax: 215-963-5001
catherine.vasudevan@morganlewis.com

With copies to:

Joshua M. Bobeck
Patricia Cave
MORGAN, LEWIS & BOCKIUS LLP
1111 Pennsylvania Ave., N.W.
Washington, D.C. 20004-2541
Tel: 202-739-3000
Fax: 202-739-3001
joshua.bobek@morganlewis.com
patricia.cave@morganlewis.com

and:

Vlada Rebeiz
SDC Capital Partners
817 Broadway, 10th Floor
New York, New York 10003
vrebeiz@sdccapitalpartners.com

and:

Joshua Broder, Chief Executive Officer
Lauren Ramirez, General Counsel
SQF, LLC
16 Middle Street, 4th Floor
Portland, Maine 04101
jbroder@vertawireless.com
qramirez@vertawireless.com

D. The name, address, citizenship and principal place of business of any person, party or entity that directly or indirectly owns more than 20% of the equity of the applicant, and the percentage of equity owned by each of those entities (to the nearest 1%):

For details regarding the post-Restructuring corporate ownership structure of SQF, including the entities that will directly or indirectly own 20 percent or more of SQF upon completion of the Restructuring, please see **Exhibit A** and **Exhibit B**. Applicants note that the Restructuring will not change the ultimate ownership or control of SQF.

E. A summary description of the transaction:

Please see Section III of this Application for a summary description of the Restructuring.

F. A summary of the services and the service territories in this Commonwealth that will be affected by the transaction:

No service territories will be affected by the Restructuring. SQF will continue to provide the same services in the same locations.

G. A verified statement as to how the transaction fits into one or more of the categories subject to the general rule for notification:

The Applicants verify that the Restructuring falls into the general rule transaction category under 52 Pa. Code § 63.324(a)(2) because even though there will be no change to the ultimate control and ownership of SQF, it involves the transfer of 20% or more of the direct or indirect control of SQF.

H. Identification of other transactions related to the transaction.

There are no jurisdictional transactions other than the Restructuring described in this Application.

I. A verified statement whether the transaction warrants special consideration because either party to the transaction is facing imminent business failure:

Applicants verify that they are not facing imminent business failure and therefore are not requesting special consideration.

J. Identification of a separately filed waiver request sought in conjunction with the transaction:

No waiver request is being made with respect to the Restructuring.

K. A verified statement containing facts and allegations establishing:

- i. For a merger or similar transaction, how the transaction will affirmatively promote the service, accommodation, convenience, or safety of the public in some substantial way as required by State law.**
- ii. Findings that approval for a transaction subject to 66 Pa. C.S. § 1103(a) (relating to procedure to obtain certificates of public convenience) is necessary or proper for the service, accommodation, convenience, or safety of the public.**
- iii. The impact of the transaction on competition.**

Applicants verify the facts and allegations set forth in Section IV above, demonstrating how the Restructuring will affirmatively promote the service, accommodation, convenience, or

safety of the public in a substantial way, that approval of the proposed Restructuring is necessary or proper for the service, accommodation, convenience, or safety of the public, and the impact of the Restructuring on the promotion of service, competition, and the public interest.

Section 1103(a) of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1103(a), authorizes the Commission to issue a Certificate of Public Convenience upon a finding that “the granting the such certificate is necessary or proper for the service, accommodation, convenience or safety of the public.” In issuing the Certificate, the Commission must determine that the transaction will “affirmatively promote the service, accommodation, convenience, or safety of the public in some substantial way.” *City of York v. Pa. Pub. Util. Comm’n*, 449 Pa. 136, 151, 295A.2d 825, 828 (1972). This standard is satisfied by a simple preponderance of the evidence of benefits, and such burden can be met by showing a likelihood or probability of public benefits that need not be quantified or guaranteed. *Popowsky v. Pa. Pub. Util. Comm’n*, 594 Pa. 583, 611, 937A.2d 1040, 1057 (2007). As explained above, the Restructuring will affirmatively promote the service, accommodation and convenience of the public in a substantial way. The Commission should therefore issue a Certificate of Public Convenience pursuant to Section 1103.

L. A verified statement affirming that the applicant is in compliance with Commission obligations and filings and a listing of all State and Federal proceedings when:

- i. Within the 3-year period prior to filing the application, the applicant was found to have violated either State or Federal requirements.**
- ii. Within the 3-year period prior to filing the application, the applicant is alleged to have violated either State or Federal requirements.**

Applicants verify that, to their knowledge, they are in compliance with all Commission obligations and filings; that, to their knowledge, Applicants have not been found to have violated either State or Federal requirements over the last three years; and that, to their knowledge, they

have not been alleged by any state or Federal regulatory agency to have materially violated either State or Federal requirements over the last three years.

M. A verified statement affirming that customers received prior notice. Notice shall be accomplished using a notice approved by the Commission's Bureau of Consumer Services (BCS). Any disagreement between the applicant and BCS shall be addressed by an appeal from an action of staff mirroring the process in 5.44 (relating to petitions for appeal from actions of the staff) of the Commission's rules of practice and procedure.

The Restructuring will not result in any changes to the services received by customers, including rates, terms and conditions of service. Therefore, Applicants do not intend to provide customers notice of the Restructuring.

N. A verified statement containing a copy of any Commonwealth utility certificates held by the applicant:

Please see Section II in which the Applicants verify the authority held by SQF in Pennsylvania. Neither SDC GP Manager nor SDC GP hold certificates or authorizations to provide telecommunications in any state.

O. A verified statement on the effect of the transaction on existing Commonwealth tariffs. If applicable or in response to a request from staff, an applicant shall provide a red-line document identifying changes in existing Commonwealth tariffs before and after the transaction for which the applicant seeks approval from the Commission:

Applicants verify that the Restructuring will have no effect on SQF's Pennsylvania tariffs.

P. A verified statement on the transaction's effect on the existing affiliate interest agreements of the applicant:

Applicants verify that the Restructuring will have no effect on SQF's existing affiliated interest agreements, if any.

Q. A verified statement establishing that no State or Federal regulatory agency is expected to undertake an informal or formal investigation, complaint or proceeding relating to the transaction:

Applicants verify that the Restructuring will not require informal or formal investigations, complaints, or proceedings except for regulatory review processes typically required for such transactions.

R. Organizational charts showing the effect on the applicant's organization before and after the transaction:

Charts depicting the Restructuring are provided in Exhibit A.

S. A copy of the application filed at the FCC or a notice filed with the US DOJ, if any, including the electronic location on the agency's website:

No application has been filed with the U.S. DOJ or FCC with respect to the change of indirect control of SQF.

T. A verified statement setting forth the expected public effect of the transaction on the capital structure of the applicant over the next 5 years:

Please see Section IV above in which the Applicants verify and provide a description of the public benefits of the Restructuring. The Applicants further verify that the Restructuring is not expected to have a negative impact on Applicants' capital structure over the next five years.

U. For an applicant subject to a broadband deployment commitment under Federal or State law, a verified statement affirming that the applicant is in compliance with that commitment:

Applicants verify that SQF is under no Federal or State broadband deployment obligations in Pennsylvania.

V. For an applicant with eligible telecommunications carrier status under Federal and State law, a verified statement affirming that the applicant is in compliance with the law and that the applicant will continue to be in compliance with the law:

Applicants verify that SQF is not an eligible telecommunications carrier in Pennsylvania.

W. A verified statement affirming that the transaction complies with the prohibition against cross-subsidization imposed under Federal and State law:

Applicants verify that the Restructuring does not violate Federal or State cross-subsidization rules.

VI. OTHER APPROVALS, CERTIFICATES, AND/OR RELIEF

In addition to the issuance of the Certificate of Public Convenience for the general rule transaction, Applicants also request all such other approvals, certificates, registrations, and relief, if any, as may be necessary under the Public Utility Code for the Restructuring described in this Application.

VII. CONCLUSION

For the reasons stated above, Applicants respectfully request that the Pennsylvania Public Utility Commission approve this Application and:

- A. Grant all authority necessary for Applicants to complete the general rule transaction pursuant to 66 Pa.C.S. §§ 1102(a) and 1103 and 52 Pa. Code § 63.324 and issue a Certificate of Public Convenience authorizing the Restructuring; and
- B. Issue such other approvals, certificates, registrations, and relief under the Public Utility Code that may be required with respect to the Restructuring described above.

Respectfully submitted on behalf of Applicants,

/s/ Catherine G. Vasudevan

Catherine G. Vasudevan

PA I.D. No. 210254

MORGAN, LEWIS & BOCKIUS LLP

2222 Market Street

Philadelphia, PA 19103-3007

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catherine.vasudevan@morganlewis.com

Dated: August 13, 2025

LIST OF EXHIBITS

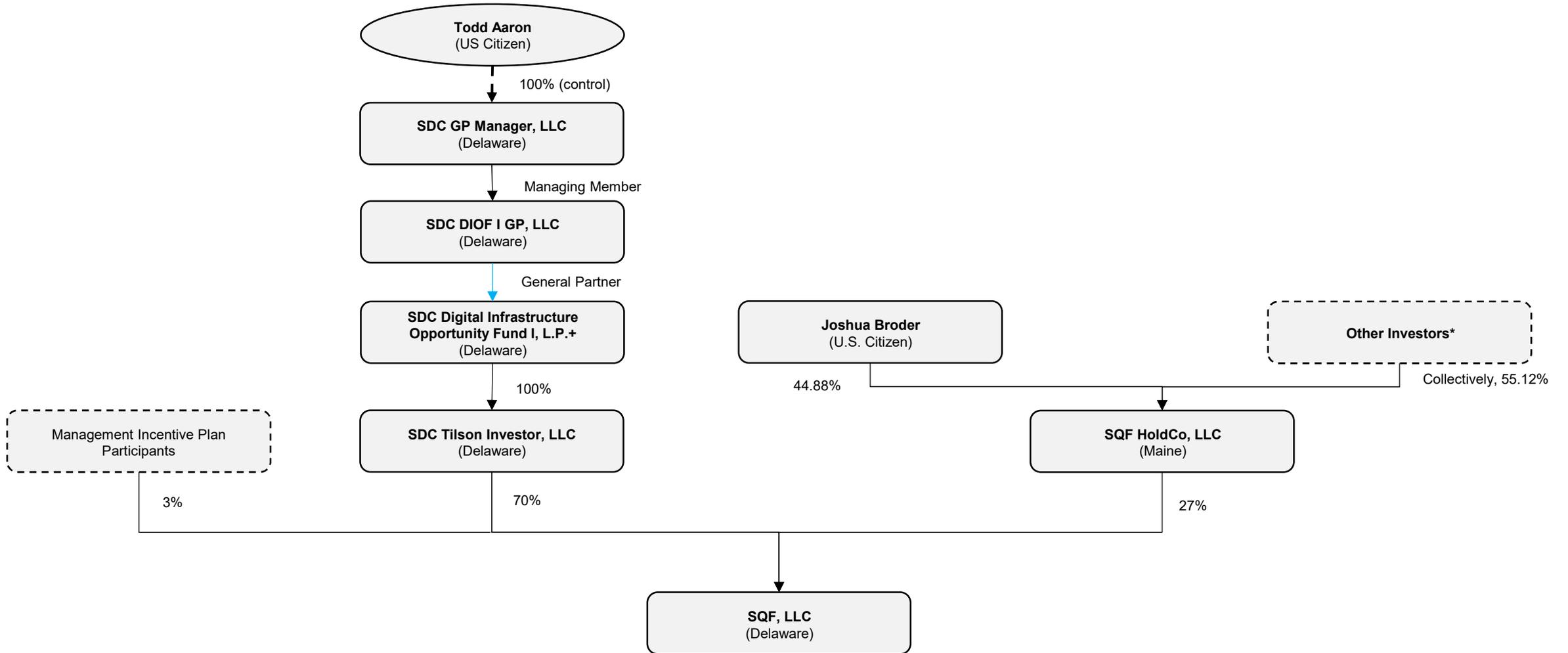
Exhibit A **Current and Post-Restructuring Ownership Structure Charts**

Exhibit B **Post-Transaction Ownership of SQF, LLC**

EXHIBIT A

Current and Post- Restructuring Ownership Structure Charts

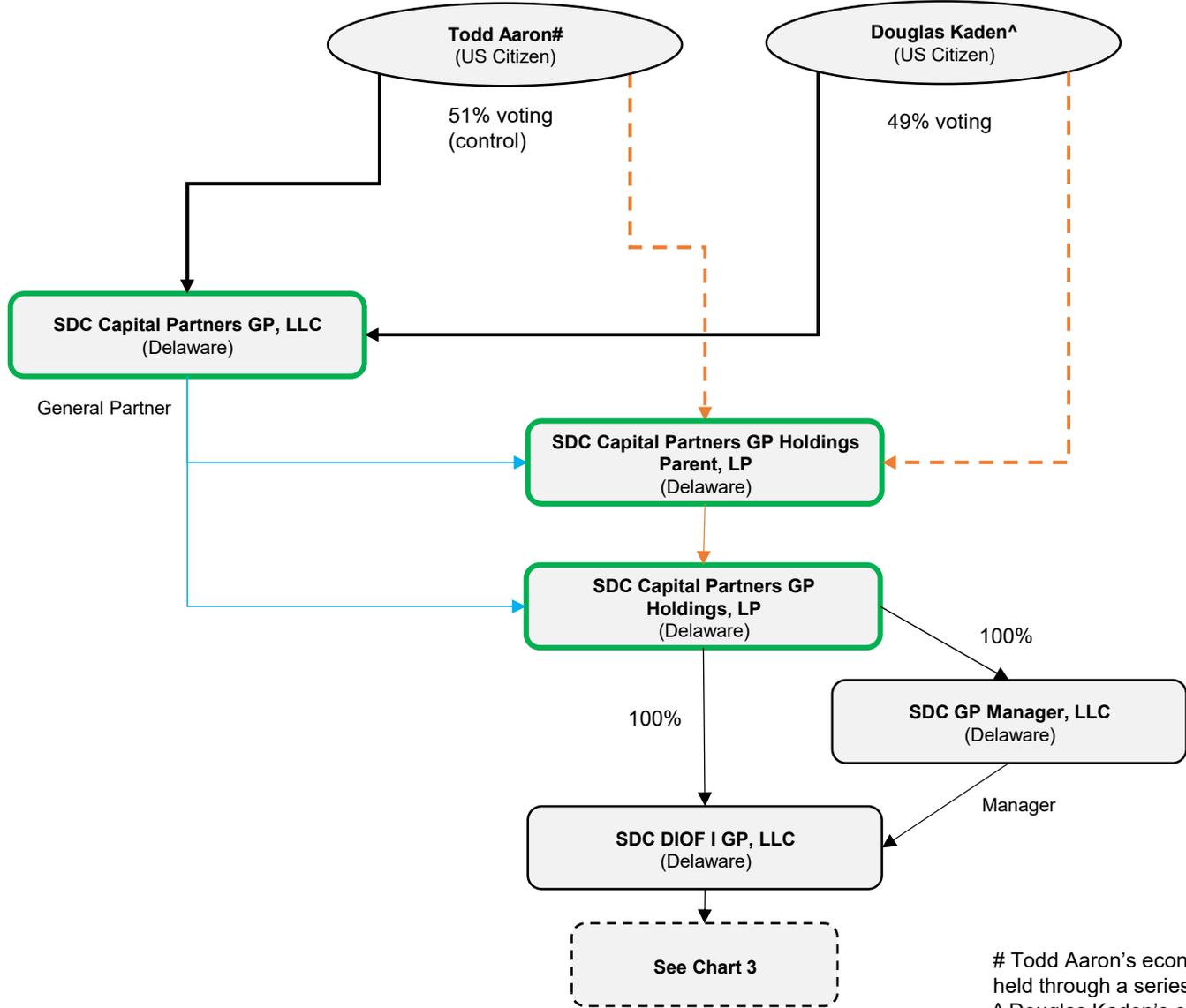
Chart 1: Current Ownership Structure of SQF, LLC



* No other investors in SQF HoldCo hold an interest that amounts to an indirect interest in SQF, LLC of 10% or greater.

+ No limited partners in SDC Digital Infrastructure Opportunity Fund I, L.P. hold an interest that amounts to an indirect interest in SQF, LLC of 10% or greater.

Chart 2: Post-Restructuring Ownership Structure of SDC DIOF I GP, LLC

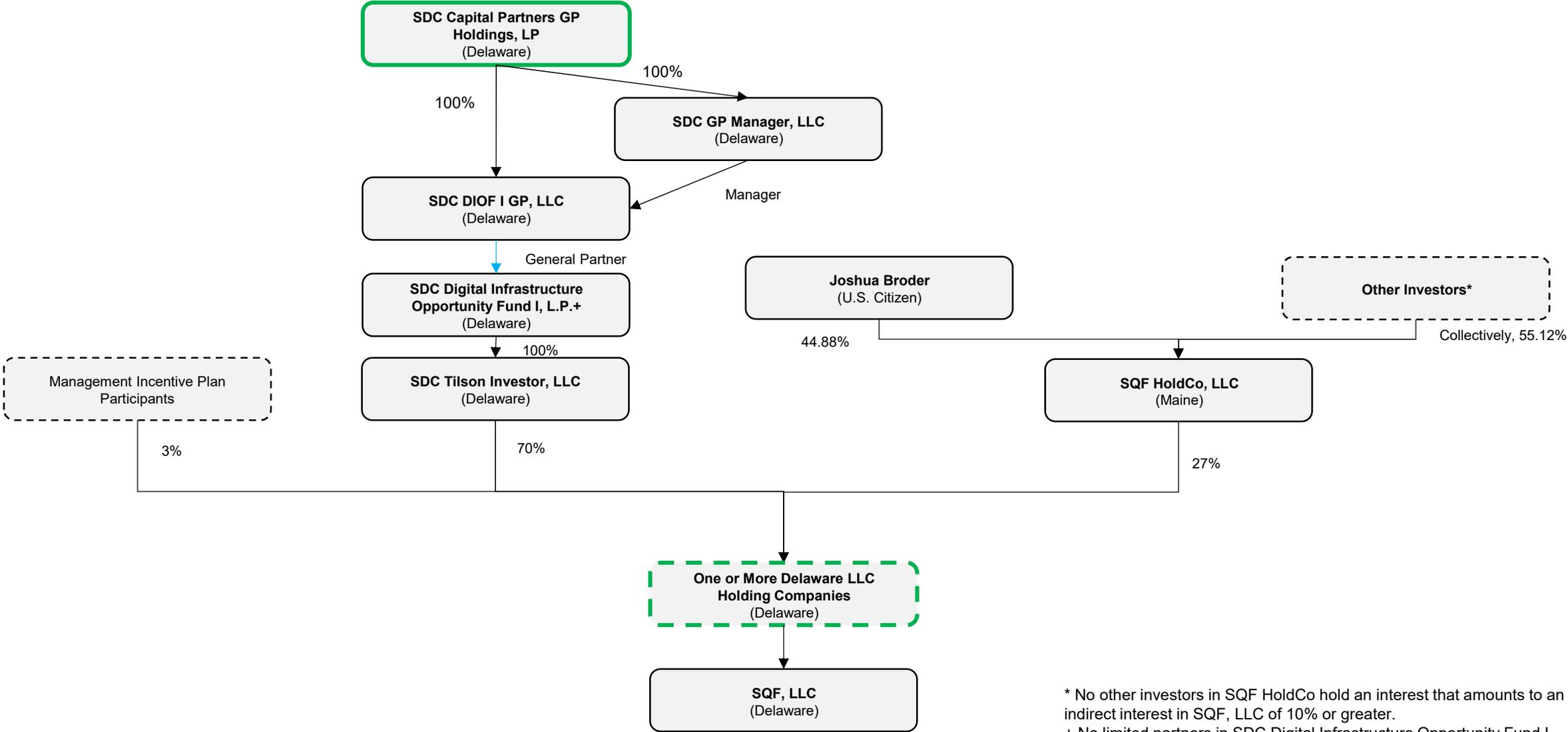


- Indirect interest
- > Ownership
- > General Partner
- > Limited Partner

Todd Aaron's economic interests in SDC Capital Partners GP Holdings Parent, LP are held through a series of personal and family investment vehicles controlled by Mr. Aaron.
 ^ Douglas Kaden's economic interests in SDC Capital Partners GP Holdings Parent, LP are held through a series of personal and family investment vehicles controlled by Mr. Kaden.

Chart 3: Post-Restructuring Ownership Structure of SQF, LLC

(See Chart 2)



* No other investors in SQF HoldCo hold an interest that amounts to an indirect interest in SQF, LLC of 10% or greater.
 + No limited partners in SDC Digital Infrastructure Opportunity Fund I, L.P. hold an interest that amounts to an indirect interest in SQF, LLC of 10% or greater.

EXHIBIT B

Post-Restructuring Ownership of SQF, LLC

The following entities are expected to hold 20 percent or greater equity interests of SQF, LLC upon completion of the Restructuring:

Name: Multiple Delaware limited liability holding companies (each an “Intermediate Holding Company”)¹

Jurisdiction of Formation: USA (Delaware)

Address: 16 Middle Street, 4th Floor, Portland, Maine 04101

Principal Business: Holding Company

Interest Held: 100% (directly as sole member of SQF, LLC or indirectly as sole member of an Intermediate Holding Company)

Name: SDC Tilson Investor, LLC

Jurisdiction of Formation: USA (Delaware)

Address: 817 Broadway, 10th Floor, New York, New York 10003

Principal Business: Holding Company

Interest Held: 70% (as a 70% member of an Intermediate Holding Company)

Name: SQF HoldCo, LLC

Jurisdiction of Formation: USA (Delaware)

Address: 16 Middle Street, 4th Floor, Portland, Maine 04101

Principal Business: Holding Company

Interest Held: 27% (as a 27% member of an Intermediate Holding Company)

No member of SQF HoldCo, LLC holds a 20% or greater equity interest in SQF, LLC.

Name: SDC Digital Infrastructure Opportunity Fund I, L.P.

Jurisdiction of Formation: USA (Delaware)

Address: 817 Broadway, 10th Floor, New York, New York 10003

Principal Business: Holding Company

Interest Held: 70% (as sole member of SDC Tilson Investor, LLC)

No limited partner of SDC Digital Infrastructure Opportunity Fund I, L.P. holds a 20% or greater equity interest in SQF, LLC.

No other person or entity is expected to hold 20 percent or greater equity interests of SQF, LLC upon completion of the Restructuring.

¹ These entities have not yet been formed.

VERIFICATION

I, Lauren Ramirez, hereby declare 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 and its affiliates are true and correct to the best of my knowledge, information, and belief; and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to un-sworn falsification to authorities).

Executed: August 6, 2025

Signed by:

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Lauren Ramirez
General Counsel
SQF, LLC

CERTIFICATE OF SERVICE

I, Nicholas D. Paniagua, hereby certify that on this 13th day of August 2025, a copy of the foregoing Application was served by first class, prepaid postage mail delivery upon the following:

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923

Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101

Office of Attorney General
Bureau of Consumer Protection
15th Floor, Strawberry Square
Harrisburg, PA 17120

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

/s/Nicholas D. Paniagua
Nicholas D. Paniagua