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**RECEIVED**

**AUG 07 2015**

**PUBLIC SERVICE  
COMMISSION**

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August 6, 2015

*Via Overnight Courier*

Jeff Derouen, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40601

**Re: Notification Regarding the Transfer of Indirect Control of ExteNet Systems, Inc. to  
Odyssey Acquisition, LLC**

Dear Mr. Derouen:

Odyssey Acquisition, LLC (“Buyer”) and ExteNet Systems, Inc. (“ESI”) (together, the “Parties”) notify the Commission of the transfer of indirect control of ESI to Buyer (the “ExteNet Transaction”). Since Commission approval is not required to complete the ExteNet Transaction,<sup>1</sup> the Parties submit this letter for informational purposes.

### **Description of the Parties**

#### **A. Odyssey Acquisition, LLC**

Buyer is a Delaware limited liability company with executive offices at 750 Park of Commerce Drive, Suite 200, Boca Raton, Florida 33487. Buyer is a wholly owned direct subsidiary of Odyssey Intermediate Holdings, Inc. (“Holdco”), a Delaware corporation and itself a wholly owned direct subsidiary of Mount Royal Holdings, LLC (“Parent”), a Delaware limited liability company. The following entities are the primary owners of Parent:

Digital Bridge Small Cell Holdings, LLC (“Digital Bridge”): Digital Bridge currently owns approximately 44 percent of Parent. Digital Bridge will be owned by Digital Bridge Holdings, LLC (“DB-Holdings”), affiliates of DB-Holdings, and other institutional investors. DB-Holdings is expected to control Digital Bridge. DB-Holdings is a communications infrastructure investment platform based in Boca Raton, Florida. It was

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<sup>1</sup> See the Orders issued in Admin. Case No. 359 on June 21, 1996 and No. 370 on January 8, 1998, and 807 KAR 5:011, Section 11,

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formed in 2013 by a team of successful investors including Ben Jenkins (former Senior Managing Director at Blackstone and Head of Blackstone's Hong Kong Office) and Marc Ganzi (former founder and CEO of Global Tower Partners) and owns interests in a broad range of communications infrastructure companies including Vertical Bridge and Mexico Tower Partners.

Stonepeak Communication Holdings LLC ("Stonepeak"): Stonepeak currently owns approximately 44 percent of Parent. Stonepeak will be owned by (i) Stonepeak Infrastructure Fund (Odyssey AIV) LP, which will be owned by existing limited partners of other Stonepeak funds, and (ii) Stonepeak Communication Holding LP, which will be owned by existing limited partners and other co-investors that seek a larger interest in Parent.<sup>2</sup> Stonepeak is managed by Stonepeak Infrastructure Partners, a North America focused private equity firm focused on infrastructure investing. Stonepeak Infrastructure Partners invests primarily in businesses comprised of hard assets with leading market positions primarily in the following sectors: Energy, Power and Renewables, Transportation, Utilities, Water and Communications. Stonepeak manages approximately \$1.7 billion of capital.

Delta-v Capital MRH LP ("Delta-v"): Delta-v currently owns approximately 12 percent of Parent. Delta-v is an investment fund of Delta-v Capital, which is a private equity firm that invests in technology companies.

Buyer was formed to acquire, own, construct and/or operate distributed network systems and other communications infrastructure assets. The ExteNet Transaction is part of this strategy. Buyer is managed by the Executive Team of DB-Holdings, which has more than 100 years of combined investing and operating experience in the communications infrastructure space. Their biographies can be found at <http://www.digitalbridgellc.com/overview/executive-team>. Through the equity investments by Digital Bridge and Stonepeak, Buyer will have the financial qualifications to own and control ESI.

#### **B. ExteNet Systems, Inc.**

ESI is a privately-held, Delaware corporation and a wholly owned direct subsidiary of ExteNet Holdings, Inc. ("ExteNet Holdings"), a Delaware corporation. The executive office of ESI and ExteNet Holdings is at 3030 Warrenville Rd., Suite 340, Lisle, Illinois 60532.

ESI designs, builds, owns and operates distributed networks for use by national and regional wireless service providers ("WSPs") in key strategic markets in North America. Using

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<sup>2</sup> Upon closing of the ExteNet Transaction, the following existing limited partners of the Stonepeak funds may have a 10 percent or greater ownership in Parent through Stonepeak: (i) TIAA-CREF and its affiliated funds, (ii) the Teacher Retirement System of Texas and (iii) Virginia Retirement System ("VRS"), which 10 percent ownership includes the interest VRS will hold through Digital Bridge.

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distributed antenna systems (DAS), small cells, Wi-Fi and other technologies, ESI and its subsidiaries (collectively, "ExteNet") deploy distributed networks to enhance coverage and capacity and enable superior wireless service in both outdoor and indoor environments. Primary markets addressed by ExteNet include outdoor distributed networks in a variety of densely occupied or heavily traveled settings, and venues used for sports and entertainment events, the hospitality industry, commercial buildings, and healthcare facilities.

ESI is a "carrier's carrier" providing point-to-point telecommunications services to its WSP customers, and does not provide services directly to retail consumers. Its distributed networks facilitate the WSPs' delivery of high-bandwidth mobile data and voice service utilizing the customer's FCC licensed spectrum across all technologies including 3G and 4G/LTE. ESI's networks are architected to easily and cost-effectively integrate future technologies and enable more efficient use of shared infrastructure and FCC licensed spectrum.

Founded in 2002, ESI is authorized in Kentucky to provide competitive local exchange telecommunications services pursuant its registration (Utility ID 5056960). ExteNet is authorized in 34 states and operates distributed networks in Alabama, Arizona, California, Connecticut District of Columbia, Florida, Georgia, Illinois, Indiana, Kansas, Louisiana, Massachusetts, Michigan, Nevada, New York, Pennsylvania, Rhode Island, Texas, Virginia and Wisconsin.

### **Contacts**

For the purposes of this filing, contacts are as follows:

For Buyer:

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Brett P. Ferenchak  
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For ExteNet:

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With copies for Buyer to:

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With copies for ExteNet to:

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### **Description of the Transaction**

Pursuant to the terms of the Agreement and Plan of Merger (the "Agreement") dated as of July 17, 2015, by and among Buyer, Odyssey Merger Sub, Inc. ("Merger Sub"),<sup>3</sup> ExteNet Holdings, and EHI Seller Rep, LLC as representative of the equity holders of ExteNet Holdings, Merger Sub will merge with and into ExteNet Holdings, whereupon the separate existence of Merger Sub will cease and ExteNet Holdings will be the surviving entity. Upon closing of the ExteNet Transaction, ExteNet Holdings will be a direct wholly owned subsidiary of Buyer. Because ESI will remain a direct wholly owned subsidiary of ExteNet Holdings, ESI will become an indirect wholly owned subsidiary of Buyer.

Immediately prior to the closing of the ExteNet Transaction, certain members of the existing management of ExteNet, including its CEO, Ross W. Manire, will exchange a portion of their equity interests in ExteNet Holdings for equity interests in Parent. The aggregate amount of equity interests of Parent issued to members of the ESI executive management team will constitute less than 10 percent of the outstanding equity interests of Parent. In addition, Delta-v Capital MRH LP (with its affiliates) is expected to directly own up to 15 percent of Parent at closing. Upon closing of the ExteNet Transaction, therefore, no person or entity will own or control a majority of the equity interests of Parent.

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<sup>3</sup> Merger Sub, a Delaware corporation, is a direct wholly owned subsidiary of Buyer created for the purposes of the ExteNet Transaction.

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For the Commission's reference, Exhibit A depicts the current and post-closing entity ownership structure of Parties.

The ExteNet Transaction is in the public interest. The financial and managerial resources that Buyer will bring to ExteNet will enhance the ability of ExteNet to compete in the telecommunications marketplace. Immediately following the ExteNet Transaction, ExteNet will provide services at the same rates and on the same terms and conditions that are in effect. The ExteNet Transaction will have no impact on consumers because the only change upon closing of the ExteNet Transaction will be that Buyer will become the new indirect owner of ESI.

\* \* \* \*

An original and four (4) copies of this letter are enclosed for filing. Please date-stamp the extra copy and return it in the envelope provided. Should you have any questions, please do not hesitate to contact us.

Respectfully submitted,



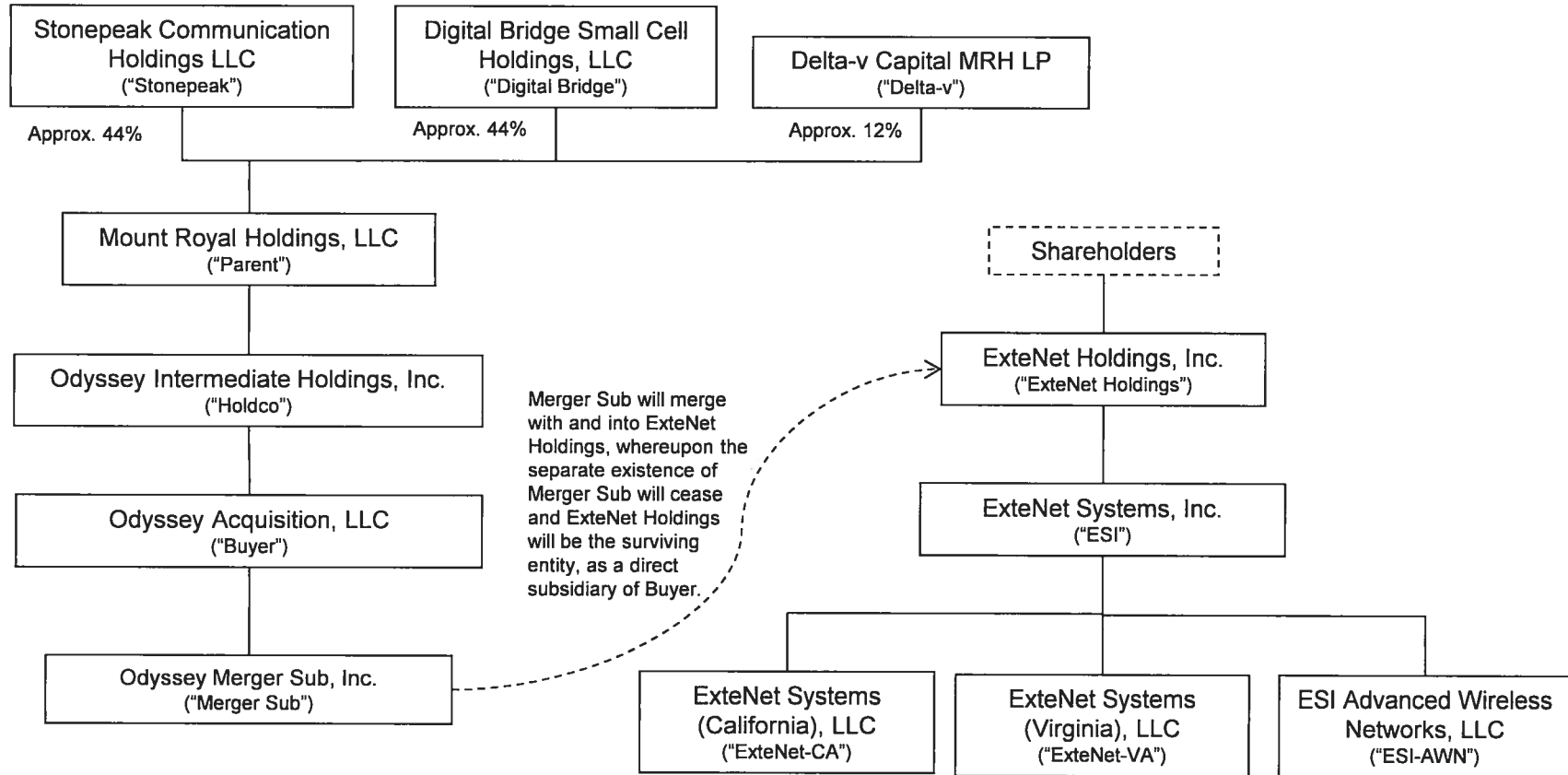
Russell M. Blau  
Brett P. Ferenchak

Counsel for Odyssey Acquisition, LLC

**EXHIBIT A**

Current and Post-Closing Entity Structure

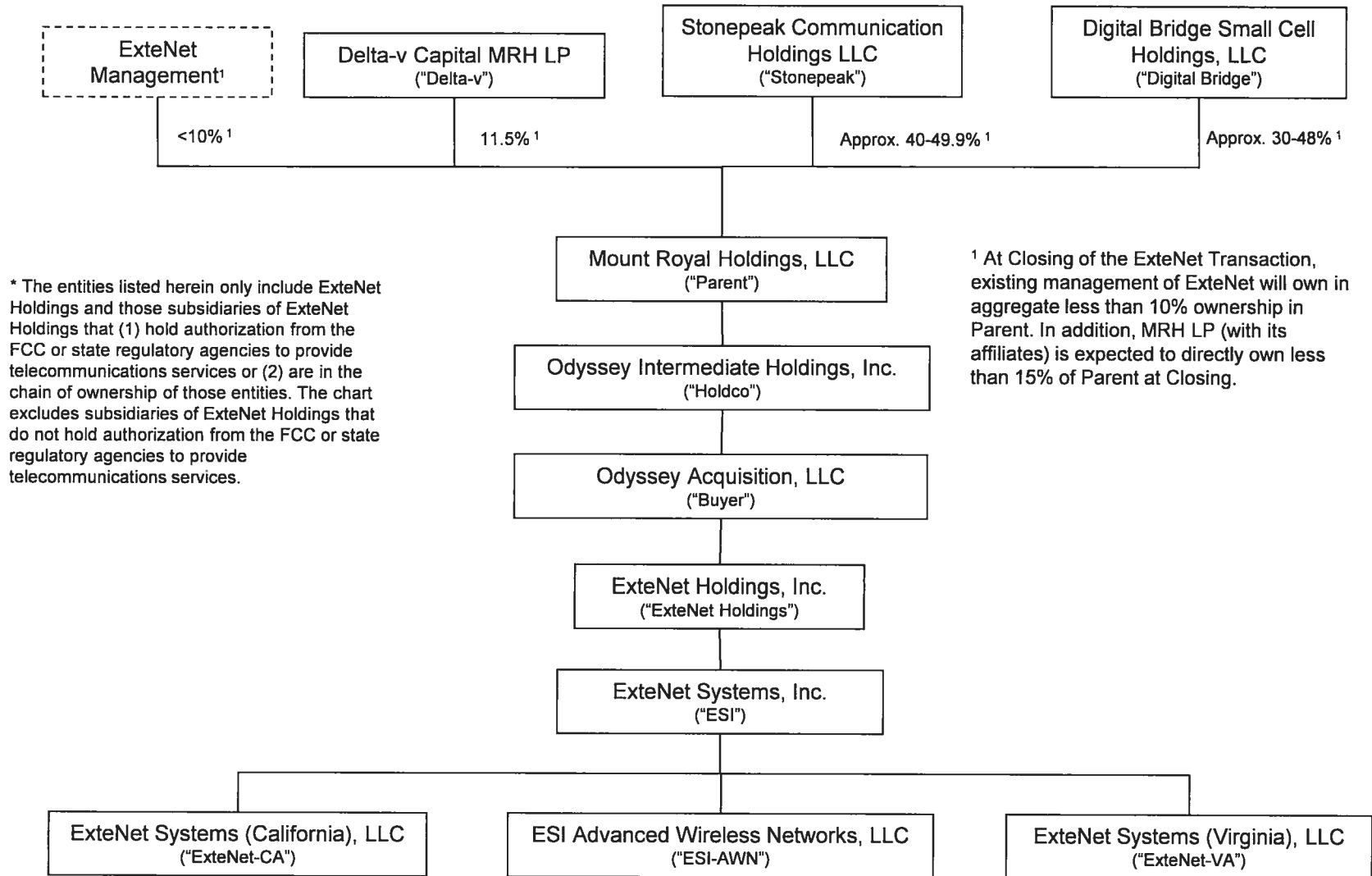
## Current Entity Structure of Buyer and ExteNet\*



Unless other indicated, all ownership percentages are 100%.

\* The entities listed herein only include ExteNet Holdings and those subsidiaries of ExteNet Holdings that (1) hold authorization from the FCC or state regulatory agencies to provide telecommunications services or (2) are in the chain of ownership of those entities. The chart excludes subsidiaries of ExteNet Holdings that do not hold authorization from the FCC or state regulatory agencies to provide telecommunications services.

## Post-Closing Entity Structure of Buyer and ExteNet\*



Unless otherwise indicated, all ownership percentages are 100%.



## VERIFICATION

I, Marc Ganzi, state that I am the President and Treasurer of Odyssey Acquisition, 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.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 22<sup>nd</sup> day of July 2015.



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Marc Ganzi  
President and Treasurer  
Odyssey Acquisition, LLC

## VERIFICATION

I, George A. Vinyard, state that I am Vice President, General Counsel and Secretary of ExteNet Holdings, Inc. (“Holdings”) and ExteNet Systems, Inc. (“ESI”), Vice President and Secretary of ExteNet Systems (California), LLC (“ExteNet-CA”), and Vice President of ESI Advanced Wireless Networks LLC (“ESI-AWN”) and ExteNet Systems (Virginia), LLC (“ExteNet-VA”) (Holdings, ESI, ExteNet-CA, ESI-AWN and ExteNet-VA collectively, 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 are true and correct to my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 31<sup>st</sup> day of July 2015.



George A. Vinyard  
Vice President, General Counsel and Secretary of  
ExteNet Holdings, Inc.  
ExteNet Systems, Inc.  
Vice President and Secretary of  
ExteNet Systems (California), LLC  
Vice President of  
ESI Advanced Wireless Networks LLC  
ExteNet Systems (Virginia), LLC