

FCC 394

**APPLICATION FOR FRANCHISE AUTHORITY  
CONSENT TO ASSIGNMENT OR TRANSFER OF CONTROL  
OF CABLE TELEVISION FRANCHISE**

FOR FRANCHISE AUTHORITY USE ONLY

**SECTION I. GENERAL INFORMATION**

DATE: 10/04/2017	1. Community Unit Identification Number: RI0010/RI0011/RI0012
------------------	---

2. Application for:  Assignment of Franchise  Transfer of Control

3. Franchising authority: <b>State of Rhode Island, Division of Public Utilities and Carriers</b>	
4. Identify community where the system/franchise that is the subject of the assignment or transfer of control is located: <b>Towns of Barrington, Bristol and Warren, Rhode Island, and surrounding Areas (Rhode Island "Service Area 5")</b>	
5. Date system was acquired or (for system's constructed by the transferor/assignor) the date on which service was provided to the first subscriber in the franchise area:	<b>2/1/1983</b>
6. Proposed effective date of closing of the transaction assigning or transferring ownership of the system to transferee/assignee:	<b>As soon as closing conditions are satisfied</b>

7. Attach as an Exhibit a schedule of any and all additional information or material filed with this application that is identified in the franchise as required to be provided to the franchising authority when requesting its approval of the type of transaction that is the subject of this application.

Exhibit No. N/A
--------------------

**PART I - TRANSFEROR/ASSIGNOR**

1. Indicate the name, mailing address, and telephone number of the transferor/assignor.

Legal name of Transferor/Assignor (if individual, list last name first)			
Full Channel, Inc.			
Assumed name used for doing business (if any)			
Full Channel			
Mailing street address or P.O. Box			
57 Everett Street			
City	State	ZIP Code	Telephone No. (include area code)
Warren	RI	02885	401-247-1250

2. (a) Attach as an Exhibit a copy of the contract or agreement that provides for the assignment or transfer of control (including any exhibits or schedules thereto necessary in order to understand the terms thereof). If there is only an oral agreement, reduce the terms to writing and attach. (Confidential trade, business, pricing, or marketing information, or other information not otherwise publicly available, may be redacted.)

Exhibit No. 1 (redacted)
-----------------------------

(b) Does the contract submitted in response to (a) above embody the full and complete agreement between the transferor/assignor and transferee/assignee?

Yes  No

If No, explain in an Exhibit

Exhibit No. N/A
--------------------

RECEIVED  
 2017 OCT -4 AM 11:57  
 FEDERAL COMMUNICATIONS COMMISSION

**PART II - TRANSFEREE/ASSIGNEE**

1.(a) Indicate the name, mailing address, and telephone number of the transferee/assignee.

Legal name of Transferee/Assignee (if individual, list last name first)			
Service Area 5 Cable, LLC			
Assumed name used for doing business (if any)			
Will operate using Assignor names following closing of transaction.			
Mailing street address or P.O. Box			
602 High Point Lane			
City	State	ZIP Code	Telephone No. (include area code)
East Peoria	IL	61611	(309) 670-0557

(b) Indicate the name, mailing address, and telephone number of the person to contact, if other than the transferee/assignee.

Name of contact person (list last name first)			
Raclin, Grier			
Firm or company name (if any)			
Service Area 5 Cable, LLC			
Mailing street address or P.O. Box			
602 High Point Lane			
City	State	ZIP Code	Telephone No. (include area code)
East Peoria	IL	61611	(309) 670-0557

(c) Attach as an Exhibit the name, mailing address, and telephone number of each additional person who should be contacted, if any.

Exhibit No. N/A
--------------------

(d) Indicate the address where the system's records will be maintained.

Street address		
57 Everett Street		
City	State	ZIP Code
Warren	RI	02885

2. Indicate on an attached Exhibit any plans to change the current terms and conditions of service and operations of the system as a consequence of the transaction for which approval is sought.

Exhibit No. 2
------------------

**SECTION II. TRANSFEREE'S/ASSIGNEE'S LEGAL QUALIFICATIONS**

1. Transferee/Assignee is:

<input checked="" type="checkbox"/> Corporation (Limited Liability Company)	a. Jurisdiction of incorporation: <b>Delaware</b>	d. Name and address of registered agent in jurisdiction:  <b>The Corporation Trust Company Corporation Trust Center 1209 Orange Street Wilmington, DE, 19801</b>
	b. Date of incorporation: <b>July 20, 2017</b>	
	c. For profit or non-for-profit: <b>For profit</b>	

<input type="checkbox"/> Limited Partnership	a. Jurisdiction in which formed:	c. Name and address of registered agent in jurisdiction:
	b. Date of formation:	

<input type="checkbox"/> General Partnership	a. Jurisdiction whose laws govern formation:	b. Date of formation:
--	--	-----------------------

Individual

Other - Describe in an exhibit

Exhibit No. N/A
--------------------

2. List the transferee/assignee, and, if the transferee/assignee is not a natural person, each of its officers, directors, stockholders beneficially holding more than 5% of the outstanding voting shares, general partners, and limited partners holding an equity interest of more than 5%. Use only one column for each individual or entity. Attach additional pages if necessary. (Read carefully - the lettered items below refer to corresponding lines in the following table.)

- (a) Name, residence, occupation or principal business, and principal place of business. (If other than an individual, also show name, address and citizenship of natural person authorized to vote the voting securities of the applicant that it holds.) List the applicant first, officers next, then directors and, thereafter, remaining stockholders and/or partners.
- (b) Citizenship.
- (c) Relationship to the transferee/assignee (e.g., officer, director, etc.)
- (d) Number of shares or nature of partnership interest.
- (e) Number of votes.
- (f) Percentage of votes.

(a)	See Exhibit 3 (redacted)		
(b)			
(c)			
(d)			
(e)			
(f)			

3. If the applicant is a corporation or a limited partnership, is the transferee/assignee formed under the laws of, or duly qualified to transact business in, the State or other jurisdiction in which the system operates?

If the answer is No, explain in an Exhibit.

Yes  No

Exhibit No.  
N/A

4. Has the transferee/assignee had any interest in or in connection with an application which has been dismissed or denied by any franchise authority?

If the answer is Yes, describe circumstances in an Exhibit.

Yes  No

Exhibit No.  
N/A

5. Has an adverse finding been made or an adverse final action been taken by any court or administrative body with respect to the transferee/assignee in a civil, criminal or administrative proceeding, brought under the provisions of any law or regulation related to the following: any felony; revocation, suspension or involuntary transfer of any authority (including cable franchises) to provide video programming services; mass media related antitrust or unfair competition; fraudulent statements to another governmental unit; or employment discrimination?

If the answer is Yes, attach as an Exhibit a full description of the persons and matter(s) involved, including an identification of any court or administrative body and any proceeding (by dates and file numbers, if applicable), and the disposition of such proceeding.

Yes  No

Exhibit No.  
N/A

6. Are there any documents, instruments, contracts or understandings relating to ownership or future ownership rights with respect to any attributable interest as described in Question 2 (including, but not limited to, non-voting stock interests, beneficial stock ownership interests, options, warrants, debentures)?

If Yes, provide particulars in an Exhibit.

Yes  No

Exhibit No.  
4 (redacted)

7. Do documents, instruments, agreements or understandings for the pledge of stock of the transferee/assignee, as security for loans or contractual performance, provide that: (a) voting rights will remain with the applicant, even in the event of default on the obligation; (b) in the event of default, there will be either a private or public sale of the stock; and (c) prior to the exercise of any ownership rights by a purchaser at a sale described in (b), any prior consent of the FCC and/or of the franchising authority, if required pursuant to federal, state or local law or pursuant to the terms of the franchise agreement will be obtained?

If No, attach as an Exhibit a full explanation.

Yes  No

Exhibit No.  
5 (redacted)

### SECTION III - TRANSFEREE'S/ASSIGNEE'S FINANCIAL QUALIFICATIONS

1. The transferee/assignee certifies that it has sufficient net liquid assets on hand or available from committed resources to consummate the transaction and operate the facilities for three months.

Yes  No

2. Attach as an Exhibit the most recent financial statements, prepared in accordance with generally accepted accounting principles, including a balance sheet and income statement for at least one full year, for the transferee/assignee or parent entity that has been prepared in the ordinary course of business, if any such financial statements are routinely prepared. Such statements, if not otherwise publicly available, may be marked CONFIDENTIAL and will be maintained as confidential by the franchise authority and its agents to the extent permissible under local law.

Exhibit No.  
6 (redacted)

### SECTION IV - TRANSFEREE'S/ASSIGNEE'S TECHNICAL QUALIFICATIONS

Set forth in an Exhibit a narrative account of the transferee's/assignee's technical qualifications, experience and expertise regarding cable television systems, including, but not limited to, summary information about appropriate management personnel that will be involved in the system's management and operations. The transferee/assignee may, but need not, list a representative sample of cable systems currently or formerly owned or operated.

Exhibit No.  
7

**SECTION V - CERTIFICATIONS**

**PART 1 - Transferor/Assignor**

All the statements made in the application and attached Exhibits are considered material representations, and all the Exhibits are a material part hereof and are incorporated herein as if set out in full in the application.

I CERTIFY that the statements in this application are true, complete and correct to the best of my knowledge and belief and are made in good faith.	Signature <i>Linda Jane Maaia, President</i>
WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT. U.S. CODE, TITLE 18, SECTION 1001.	Date October 4, 2017
	Print full name Linda Jane Maaia
Check appropriate classification: <input type="checkbox"/> Individual <input type="checkbox"/> General Partner <input checked="" type="checkbox"/> Corporate Officer (President and CEO) <input type="checkbox"/> Other. Explain:	

**PART II - Transferee/Assignee**

All the statements made in the application and attached Exhibits are considered material representations, and all the Exhibits are a material part hereof and are incorporated herein as if set out in full in the application.

The transferee/assignee certified that he/she:

- (a) Has a current copy of the FCC's Rules governing cable television systems.
- (b) Has a current copy of the franchise that is the subject of this application, and of any applicable state laws or local ordinances and related regulations.
- (c) Will use its best efforts to comply with the terms of the franchise and applicable state laws or local ordinances and related regulations, and to effect changes, as promptly as practicable, in the operation of the system, if any changes are necessary to cure any violations thereof or defaults thereunder presently in effect or ongoing.

I CERTIFY that the statements in this application are true, complete and correct to the best of my knowledge and belief and are made in good faith.	Signature
WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT. U.S. CODE, TITLE 18, SECTION 1001.	Date October 4, 2017
	Grier C. Raclin
Check appropriate classification: <input type="checkbox"/> Individual <input type="checkbox"/> General Partner <input checked="" type="checkbox"/> Corporate Officer (President & CEO) <input type="checkbox"/> Other. Explain:	

**SECTION V - CERTIFICATIONS**

**PART 1 - Transferor/Assignor**

All the statements made in the application and attached Exhibits are considered material representations, and all the Exhibits are a material part hereof and are incorporated herein as if set out in full in the application.

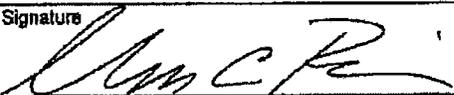
I CERTIFY that the statements in this application are true, complete and correct to the best of my knowledge and belief and are made in good faith.	Signature
WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT. U.S. CODE, TITLE 18, SECTION 1001.	Date October 4, 2017
	Print full name Linda Jane Masia
Check appropriate classification: <input type="checkbox"/> Individual <input type="checkbox"/> General Partner <input checked="" type="checkbox"/> Corporate Officer (President and CEO) <input type="checkbox"/> Other. Explain:	

**PART II - Transferee/Assignee**

All the statements made in the application and attached Exhibits are considered material representations, and all the Exhibits are a material part hereof and are incorporated herein as if set out in full in the application.

The transferee/assignee certified that he/she:

- (a) Has a current copy of the FCC's Rules governing cable television systems.
- (b) Has a current copy of the franchise that is the subject of this application, and of any applicable state laws or local ordinances and related regulations.
- (c) Will use its best efforts to comply with the terms of the franchise and applicable state laws or local ordinances and related regulations, and to effect changes, as promptly as practicable, in the operation of the system, if any changes are necessary to cure any violations thereof or defaults thereunder presently in effect or ongoing.

I CERTIFY that the statements in this application are true, complete and correct to the best of my knowledge and belief and are made in good faith.	Signature 
WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT. U.S. CODE, TITLE 18, SECTION 1001.	Date October 4, 2017
	Grier C. Raclin
Check appropriate classification: <input type="checkbox"/> Individual <input type="checkbox"/> General Partner <input checked="" type="checkbox"/> Corporate Officer (President & CEO) <input type="checkbox"/> Other. Explain:	

## EXHIBIT 1

Under the terms of the proposed transaction, Service Area 5 Cable, LLC ("Assignee") will acquire and assume from Full Channel, Inc. ("Assignor") substantially all of the assets and business of Assignor. The terms of the transaction are set forth in an Asset Purchase Agreement and an Intellectual Property Asset Purchase Agreement (the "Kinition Agreement"), which are confidential and proprietary documents. Assignee is providing redacted copies of the Asset Purchase Agreement and Kinition Agreement to the local franchising authority herewith, and will provide unredacted copies, provided the local franchising authority agrees and confirms that the redacted sections of the document will be kept confidential and treated as proprietary under Rhode Island's Freedom of Information Act, R.I. GEN. LAWS § 38-2-1 et seq. A request for protective treatment is filed herewith.

## **EXHIBIT 2**

Assignee has no current plans to change the terms and conditions of service or operations of the system as a consequence of the transaction for which approval is sought. The cable system will be operated pursuant to the terms of the franchise certificate and/or applicable law after the consummation of the proposed transaction. Assignee reserves the right to make service and operational changes in accordance with the terms of the current franchise agreement and applicable law.

### **EXHIBIT 3**

**Assignee:**

Service Area 5 Cable, LLC  
602 High Point Lane  
East Peoria, IL 61611  
Country of Citizenship: United States

**Owners of 5% or Greater Ownership Interest of Assignee:**

- (1) Seaport/CWB Service Area 5 Holdings, LLC  
40 Fulton St, 27th floor  
New York, NY 10038  
Percentage of Equity Interest Held: [redacted, subject to protective order]  
Country of Citizenship: United States  
Principal Business: Holding Company

**Assignee's Officers:**

See Exhibit 6.

#### EXHIBIT 4

The lender of the funds Assignee will be relying on in part to undertake the acquisition described herein has been issued a Purchase Warrant for Equity Securities by its borrower and Assignee's affiliate, iTV-3, LLC ("iTV-3"). Pursuant to that Purchase Warrant, the lender has been given the right to purchase a certain percentage of iTV-3's ownership units under certain circumstances described in the Warrant. Assignee will make available to the local franchising authority a copy of the Purchase Warrant on request, provided the local franchising authority agrees and confirms that the document will be kept confidential and treated as proprietary under Rhode Island's Freedom of Information Act, R.I. GEN. LAWS § 38-2-1 et seq. A motion for protective order is filed herewith.

## EXHIBIT 5

Assignee's affiliate, iTV-3, LLC (iTV-3), has executed a Credit and Guaranty Agreement (the "CGA") with its lender. iTV-3 plans, and its lender has executed a letter committing, to amend the CGA to fund, in part, Assignee's purchase of the system assets identified in this application. iTV-3 similarly has executed a letter committing to loan those funds to Assignee, to enable it to undertake the acquisition described herein. Assignee will make available a copy of the CGA, and copies of iTV-3's and its lender's commitment letters, to local franchising authority officials or representatives on request, provided the local franchising authority agrees and confirms that the document will be kept confidential and treated as proprietary under Rhode Island's Freedom of Information Act, R.I. GEN. LAWS § 38-2-1 et seq. A motion for protective order is filed herewith.

## EXHIBIT 6

Assignee does not have any financial statements, as it is a newly-formed entity that will not be capitalized until the closing of its acquisition of Assignor's assets. To demonstrate its financial qualifications, Assignee will make available to local franchising authority officials or representatives a copy of the equity and debt financing commitment letters relating to this transaction on request, provided the local franchising authority agrees and confirms that the documents will be kept confidential and treated as proprietary under Rhode Island's Freedom of Information Act, R.I. GEN. LAWS § 38-2-1 et seq. A motion for protective order is filed herewith.

## EXHIBIT 7

The Assignee was recently formed by experienced fiber optic and cable industry executives for the specific purpose of acquiring and operating the Full Channel network and employing the Full Channel employees in Barrington, Bristol, Warren and other communities. As it is newly formed specifically to acquire and operate the Full Channel assets, Assignee itself does not have a track record of operating other systems. However, Assignee's parent company, Seaport/CWB Holdings, LLC, through corporate affiliates of Assignee, Seaport/CWB iTV-3, LLC and iTV-3, LLC, currently and successfully operates and is growing the *i3* Broadband fiber-to-the-home system serving substantial portions of Peoria, Champaign, Urbana and other communities in central Illinois.

The individuals listed below will constitute Assignee's management team. As can be seen from the biographical summaries set forth below, these individuals have extensive experience building, operating, expanding, marketing and successfully developing fiber optic, hybrid fiber/coax and similar consumer communications systems, including the *i3* Broadband cable systems serving the Illinois communities described above.

Specifically:

- **Grier Raclin**, Assignee's President and CEO, currently is and will continue to be, after the closing of the proposed transaction, President and CEO of *i3* Broadband, which is successfully growing and operating a fiber-to-the-home system serving areas in and around Peoria, Champaign, Urbana and other communities in central Illinois. Grier is also President and CEO of CountryWide Broadband, an indirect parent company of Assignee. Prior to joining *i3* Broadband, Grier was one of the most senior officers in very large, domestic cable television and trans-national fiber optic systems. Grier formerly was General Counsel and Chief Administrative Officer of Charter Communication, the country's second largest cable television system operator which, at the time Grier was employed by Charter, owned and operated more than 6,000 hybrid fiber/coax cable television franchises and systems throughout the United States. At Charter, Grier managed major areas of the company's operations, including legal and regulatory compliance, programming acquisition, procurement and business development. Before Charter, Grier was General Counsel and Chief Administrative Officer of Global TeleSystems in London, England, which, among other things, built and operated the first trans-national fiber optic network in Western Europe, operated the "Flag" trans-oceanic fiber optic system that provided fiber optic connectivity literally around the World, and owned and operated the "GTS" fixed and mobile telecommunications systems in Central Europe. At GTS, Grier managed the company's Asian operations as well as key corporate departments, including Human Resources, legal and regulatory compliance, procurement and facilities. Grier also was General Counsel and Chief Administrative Officer of SAVVIS, Inc. (now CenturyLink Technology Solutions), the worldwide data center operator, where he managed the acquisition and integration of major businesses, such as Cable and Wireless America and the Intel data centers, as well as corporate areas such as Legal, Regulatory, Procurement and Facilities (including the company's data centers).

- **Dan Kennedy**, Assignee's COO and CTO, and a U.S. Army Veteran, has had an extensive career developing, managing and marketing complex telecommunications networks throughout the United States, as a corporate executive, entrepreneur and consultant. Dan's skills include business modeling, product development, market development, network architecture, and design of data, voice and video networks. At Fidelity Communications, Dan served for 6 years as the Vice President of Sales and Business Development, where he led teams implementing and deploying complex triple play solutions for RBOC, MSO, Municipal, Utility, independent CATV and Developer customers. Corporate and community leaders in Memphis TN then hired Dan to serve as the Vice President of Engineering and Product Development at Memphis Networkx, where Dan developed the strategy to build out a municipality-owned, 250 route-mile fiber network in the metropolitan area, and developed all service offerings and brought the first Ethernet-based services to the community. Dan began his telecommunications career in the U.S. Army where he served as an essential member of the Army communications maintenance team, supervising and performing field and sustainment level maintenance on radio receivers, transmitters and communication security (COMSEC) equipment. During his deployment in the Middle East, he performed complex repairs of defective components, sub-assemblies, and related cabling, ensuring that National Security Agency-approved components were used in communication security/controlled cryptographic equipment, and was awarded the Bronze Star for distinguishing and meritorious service assistance to subordinates. Dan currently serves as Vice-President and COO of CountryWide Broadband and of *i3* Broadband.
- **Sam Valencia**, Assignee's Chief Financial Officer has over 30 years of experience with PricewaterhouseCoopers LLP (the world's largest accounting firm) where he was an Assurance Partner. Sam served clients in multiple industries, nearly all of which were middle-market sized businesses. One of his practice specialties was assisting clients with M&A transactions. This will provide significant value to the Buyer in the completion of the Service Area 5 Cable transaction and in preparing the company for the future. Sam's experience will also serve to guide us in the establishment of a secure internal control environment and accurate and complete financial reporting system. Sam currently serves as Vice-President and CFO of CountryWide Broadband and of *i3* Broadband.
- **Mike Whitaker**, who will serve as Assignee's General Manager in Service Area 5, currently is head of sales and marketing for *i3* Broadband, and before that was the Vice President of Strategic Alliances for Williams Communications, Inc. While at Williams, Mike was part of a team that was responsible for the building out of a national network consisting of 43,000 miles of fiber optic cable with OC-192 capabilities. Mike also served as Vice President and General Manager of Broadband Services for Core Express, where he managed a team of professionals that provided managed services on a nationwide OC-192 fiber network; and as Chief Operations Officer at Memphis Networkx, where his team designed, built and helped lead a

collaborative public and private effort with the City of Memphis to build a 110-mile metropolitan communications OC-48 fiber network, connecting 12 Bell South central offices. The team developed a comprehensive Operation support system that allowed for efficient provisioning, ordering, customer inventories, and billing. The network sold dark fiber IRU's to wholesale customers. Mike presently serves as Executive Vice President of Operations at CountryWide Broadband. After closing of the proposed acquisition of the Full Channel assets, Mike will reside in R.I. Service Area 5 in order to serve as full-time General Manager of Assignee.

- In addition, **Seaport Capital**, the Assignee's Equity Sponsor, has substantial experience in cable and communications systems. Seaport Capital is a private equity investment partnership based in New York that has invested approximately \$700 million of committed equity capital across five investment funds since 1997. Seaport Capital is focused exclusively on making investments in communications services, business and information services, and media industries, having invested in the sectors since 1997. Its current portfolio includes iTV-3, LLC, the operator of the *i3* Broadband fiber optic broadband system serving Peoria, Champaign and Urbana, Illinois. Previously, Seaport Capital's portfolio included Everest, a Kansas City area broadband and cable television provider which was purchased from a publicly-traded utility, Aquila, Inc.; Marianas Cablevision, which provides triple-play broadband services on the island of Guam; and MetroCast Cablevision, which provides triple-play broadband services in Maine, Maryland, New Hampshire, Pennsylvania and Virginia.