

November 17, 2021

VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
45 L Street NE
Washington, DC 20554

Re: **SUPPLEMENT**

ISP-PDR-20210105-00001 - Petition for Declaratory Ruling Under Section 310(b)(4) of the Communications Act of 1934, as amended, by Consolidated Communications Holdings, Inc. and Searchlight III CVL, L.P.

ULS File Nos. 000900415 (Lead), 0009400421, 0009408193, 0009396563 – Form 603
Transfer of Control Applications

Dear Secretary Dortch:

Through undersigned counsel, Consolidated Communications Holdings, Inc. (“Consolidated”) and Searchlight III CVL, L.P. (“Searchlight Aggregator”, and together with Consolidated, the “Parties”) submit this letter to supplement the above-referenced Petition for Declaratory Ruling (the “Petition”) and above-referenced transfer of control applications (the “Form 603 Applications”) to provide updated voting and equity calculations reflecting current information that was unavailable when the Petition and Form 603 Applications were filed.

In the Petition and Form 603 Applications, as amended, the Parties described a two-stage transaction pursuant to an Investment Agreement dated September 14, 2020 (the “Investment Agreement”), with Searchlight Aggregator expected to hold upon completion of the second stage of the Transaction approximately 35% of Consolidated’s common voting stock and approximately 62.4% of its equity (including voting common shares and non-voting preferred shares). As explained in footnote 7 of the Petition, the equity percentage was calculated, at that time, based on the face value of the Note at issuance, the amount of interest that was expected to have accrued on the date the Note was expected to convert to non-voting preferred shares (which assumed conversion would occur 9 months after closing the first stage of the Transaction), Consolidated’s share price of \$5.13 per share as of the close of the market on October 22, 2020, and the expected market cap of Consolidated’s common stock at the second closing based on all of these factors.

At this time, the Parties advise that Searchlight Aggregator is expected to hold approximately 34.55% of Consolidated’s common voting stock upon completion of the second stage of the Transaction. Also, Searchlight Aggregator is expected to hold approximately 49.21% of Consolidated’s equity, including voting common shares and non-voting preferred shares, upon completion of the second stage of the Transaction. The equity percentage is calculated based on

Consolidated's shares trading at \$8.67 as of the close of the market on November 16, 2021.¹ It is also calculated based on the conversion of the Note to non-voting preferred shares on November 30, 2021 at their net book value in accordance with Generally Accepted Accounting Principles (GAAP).² Accordingly, using Consolidated's stock price as of November 16, 2021, Searchlight Aggregator's equity percentage in Consolidated for the non-voting preferred shares (following conversion of the Note) and the voting common shares will be approximately 49.21% at the second closing.

The completion of the second stage of the Transaction will not cause a substantial transfer of control of Consolidated. Searchlight Aggregator will not hold a 50% or greater controlling interest in Consolidated at closing. Rather, as set forth herein, Searchlight Aggregator will hold an approximate 34.55% voting common share interest and an approximate total equity interest of approximately 49.21% (including voting common shares and non-voting preferred shares).

Upon completion of the second stage of the Transaction, Consolidated's issuance of voting common shares to Searchlight Aggregator is also expected to dilute the percentage of common shares held by BlackRock, Inc. (as well as other shareholders). Based upon BlackRock, Inc.'s most recent Form 13F filing submitted to the Securities and Exchange Commission, its percentage of Consolidated's voting common shares is expected to be approximately 9.34% and its total equity interest is expected to be approximately 7.26%. For the avoidance of doubt, no other entity is expected to hold a voting or equity interest in Consolidated of 10% or more following the second closing.

For the Commission's convenience, attached is an updated Second Closing Structure Chart reflecting the updated voting and equity percentages set forth in this supplement.

Should you have any questions concerning this filing, please do not hesitate to contact the undersigned.

¹ The parties believe that it is unlikely that between now and closing of the Transaction Consolidated's share price would fall to a level that would result in Searchlight Aggregator holding 50% or more of Consolidated's total equity as the average closing price of Consolidated's shares between May 17, 2021 to Nov. 16, 2021, as reported at Yahoo Finance, is \$8.81.

² The Parties used a gross book value in the original calculation because completion and timing of the second stage of the Transaction was not assured. Further, the final valuation of the investment was not completed at the time and use of gross book value provided the most conservative presentation. For GAAP purposes, Consolidated is required to present the preferred shares as "mezzanine equity" because the underlying characteristics of the Note have both debt and equity like features.

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Respectfully submitted,

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Searchlight Investment in Consolidated Communications Holdings, Inc. –
Second Closing Structure Chart

