## **K&L GATES LLP**

1601 K STREET, N.W.
WASHINGTON, DC 20006
T +1 202 778 9000 F +1 202 778 9100 klgates.com

## VIA ECFS AND IBFS

Marlene H. Dortch, Secretary Federal Communications Commission 445 12th Street, S.W. Washington, D.C. 20554 Martin L. Stern marty.stern@klgates.com

T+1 202 661 3700

August 1, 2014

Re: Joint Domestic and International Application of Kite Parent Corp., et al. and Clarity Telecom, LLC, WC Docket No. 14-103; Clarity Telecom, LLC, IBFS File Nos. ITC-ASG-20140710-00207, ITC-ASG-20140710-00208

Dear Ms. Dortch:

Clarity Telecom, LLC ("Clarity"), by its undersigned counsel, hereby files this letter to supplement the above-referenced applications (the "Applications") with respect to the interest holders in Clarity upon closing of the transaction between Kite Parent Corp. and the WOW! South Dakota companies on the one hand, and Clarity on the other (the "Transaction").

- 1. Upon closing of the Transaction, the Board of Trustees of the Leland Stanford Junior University ("Stanford University" or "Stanford"), will hold an approximately 11.5% direct ownership interest in Clarity's immediate parent, Clarity Telecom Holdings, LLC ("Clarity Holdings"). In addition, Stanford University holds an approximately 9.2% limited partnership interest in Pamlico Capital III, LP, which, upon closing, will hold between 63% and 68% of the ownership interest in Clarity Holdings.
- 2. Stanford University is a trust with corporate powers under the laws of the State of California. Its address and principal place of business is 635 Knight Way, Stanford, California 94305. The citizenship of Stanford University is the United States.
- 3. The only U.S. telecommunications provider in which Stanford has a direct ownership interest is LTS Group Holdings, LLC, in which Stanford has a less than 5% direct equity ownership interest. Together with additional indirect interests held through limited partnership investments in which Stanford is an insulated limited partner with no material involvement, directly or indirectly, in the management or operation of such limited partnerships, Stanford estimates that it has in the aggregate a less than 5% direct and indirect ownership interest in LTS Group Holdings, LLC. As reflected in the Applicants' joint supplemental letter

filed in WC Docket No. 14-103 on July 18, 2014, LTS Group Holdings, LLC does not provide competitive local exchange service in the service area of transferor, Knology Community Telephone, Inc., a South Dakota incumbent local exchange carrier.

- 4. Upon closing of the Transaction, management will be issued Class B incentive units representing approximately 12% of the ownership interests in Clarity Holdings, with no holder of these units having a 10% or greater interest in Clarity Holdings.
- 5. A revised Exhibit C-2 to the Applications (*Clarity Corporate Organization Chart Post-Transaction*), is attached.
- 6. Nothing in the foregoing appears either relevant or material to the Commission's consideration of the Applications or their eligibility for streamlined processing.
- 7. Other than the information contained in this letter, revised Exhibit C-2, and the Applicants' joint letter of July 18, 2014, the Applications remain unchanged.

We very much appreciate your consideration of this matter. Should you have any questions regarding the foregoing, please contact the undersigned.

Respectfully submitted,

By: Martin L. Stern
Martin L. Stern
Jennifer E. Paul
K&L Gates LLP
1601 K Street, N.W.
Washington, DC 20006
(202) 778-9000
Attorneys for Clarity Telecom LLC

cc: Howard Liberman

Attorney for Kite Parent Corp. and WOW! South Dakota companies

## EXHIBIT C-2 CLARITY CORPORATE ORGANIZATION CHART POST-TRANSACTION (Revised)

(ownership percentages are approximate)

