

Attachment 1: Description of Transaction and Public Interest Statement

Answer to Question 10

63.18(c) - Correspondence concerning this Application should be sent to the following:

If to: BFI Licenses, LLC (Licensee) or BFI Investors, LLC (Transferor):

William Tillson
President
BFI Licenses, LLC
3030 Andrita Street
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(323) 344-4610

and

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If to CSC Encompass Holdings, LLC (Transferee):

Christopher Bloise
Vice President and Secretary
CSC Encompass Holdings, LLC
c/o Court Square Capital Partners
Park Avenue Plaza, 34th Floor
55 East 52nd Street
New York, New York 10055
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and

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(202) 783-4141

63.18(d) – Through the proposed transfer of control, the Licensee and its parent company, Encompass Digital Media, Inc. ("Encompass"), will continue to have the opportunity to provide international digital transmission services pursuant to the Section 214 authorization.

In 2010, funds managed and controlled by the investment professionals at Court Square Capital Partners ("Court Square"), including Court Square Capital Partners II, L.P., ("CSC Fund II") and its general partner, Court Square Capital GP, LLC, acquired control of Fibertech Networks, LLC and its subsidiary, Fiber Technologies Networks, LLC (collectively "Fibertech"). Fiber Technologies Networks, L.L.C. is an FCC Regulated Business that holds a domestic 214 authorization. Fibertech is a leading broadband provider and operates one of the largest, independently owned metro-area fiber optic footprints in the United States.

Answer to Questions 11 and 13 – Description of the Applicants and Transaction

By this application, BFI Licenses, LLC, a Delaware limited liability company ("BFI"), seeks Commission authority for the transfer of control of BFI, and the international Section 214 authorization for provision of facilities-based and resale services that it holds, from its current shareholder group, of which the majority stake is owned by BFI Investors, LLC, a Delaware limited liability company ("BFI Investors"), to CSC Encompass Holdings, LLC, a Delaware limited liability company ("CSC Holdings").¹

BFI is and will remain a wholly-owned subsidiary of Encompass Digital Media, Inc. ("Encompass"), a Delaware corporation, which is in turn wholly owned by Encompass Digital Media Group, Inc., a Delaware corporation and holding company ("EDMG"). BFI Investors currently holds approximately 62.1 percent of the equity and voting interests in EDMG.² Simon Bax ("Bax") and William Tillson ("Tillson"), both

¹ Applications to transfer control of BFI's earth station authorizations and wireless licenses have been filed separately.

² The Wasserstein Family Trust LLC, a Delaware limited liability company and investment vehicle, currently holds approximately 77.0 percent of the equity and voting interests in BFI Investors, and Ellis Jones, a citizen of the United States, holds approximately 15.2 percent of the equity and voting interests of BFI Investors. The Wasserstein Family Trust LLC is wholly owned by The 2001 Wasserstein Family Trust, a family trust organized under the laws of New York. Ellis Jones acts as the Managing Trustee of The 2001 Wasserstein Family Trust. Each of the trust beneficiaries is a citizen of the United States. The remaining equity and voting interests in BFI Investors are held by four individuals, each a U.S. citizen, who together hold less than eight percent of the company.

U.S. citizens, each currently hold approximately 13.1 percent of the equity and voting interests in EDMG. Tennenbaum Capital Partners, LLC (“TCP”), a manager of investment funds, currently holds approximately 10.7 percent of the equity and voting interest in EDMG indirectly through four investment funds. *See* Attachment A, “BFI Licenses, LLC – Current Ownership Structure.”

Through the proposed transaction, all of the interests in EDMG currently held by BFI Investors and TCP, as well as approximately half of the shares owned by Bax and Tillson will be sold to CSC Holdings. Following consummation, CSC Holdings will hold approximately 88.7% of the total equity and voting interests in EDMG. No other individual or entity will hold a share of EDMG greater than or equal to ten percent (10%). The remaining 11.3% equity of EDMG will be held by EDMG employees, including Bax and Tillson who will continue to manage and operate EDMG and BFI, and who will each continue to hold approximately five percent (5%) of the common stock of the company.³ The proposed ownership structure is depicted in Attachment B, “BFI Licenses, LLC– Proposed Ownership Structure.”

CSC Holdings is a Delaware limited liability company formed on December 9, 2011 for the purpose of consummating this transaction and ultimately acquiring control of EDMG. CSC Holdings is a holding company for two investment funds (each a Delaware limited partnership) (“Court Square Funds”) managed by the investment professionals at Court Square.⁴ The Court Square Funds will collectively hold an 88.7% indirect interest in BFI through their interest in CSC Holdings. CSC Fund II will hold 98.13% of the LLC interests in CSC Holdings, and in turn, will indirectly hold an approximately 87% indirect interest in EDMG. No other investor (through its ownership in CSC Holdings or in combination with any other interest) will have a 10% or greater direct or indirect ownership in EDMG, Encompass or BFI.

CSC Fund II is owned by numerous limited partners who include pension funds, high net worth individuals, and other institutional investors. No limited partner in CSC

³ Members of EDMG management may acquire in the aggregate up to an additional 8.6% of the equity of EDMG upon consummation of the pending transaction. If management acquires all of this equity, management will collectively own 19.88% of EDMG, though no individual member of management (including Tillson or Bax) will own 10% or more of the outstanding equity of EDMG. If management acquires all of the available equity, CSC Holdings will hold 80.1% of the total equity in EDMG. If requested, applicants will notify the Commission of the respective ownership percentages collectively held by EDMG management and CSC Holdings as of the closing in the event such options are exercised at closing.

⁴ All of the Court Square entities and funds identified in this application have the same mailing address and contact information provided for CSC Holdings in response to Question 10.

Fund II will hold a 10% or greater direct or indirect interest in CSC Holdings, EDMG, Encompass or BFI.

CSC Fund II is managed and controlled by its general partner, Court Square Capital GP, LLC, a Delaware limited liability company (the "GP"). The GP is owned by the investment professionals at Court Square, each of whom is a United States citizen. No member of the GP (through its ownership in the GP or in combination with any other interest) will hold a 10% or greater interest in EDMG or BFI.

The GP is managed and controlled by a Board of Managers ("Board") comprised of the following members of the GP, all of whom are U.S. citizens: William Comfort, David Thomas, Michael Delaney, Joseph Silvestri, Ian Highet and John Weber, each of whom was appointed in the limited liability company agreement of the GP and each of whom will continue to serve on the Board so long as they remain investment professionals at Court Square. Decisions of the Board, including designation of replacement members, are made by the approval of a majority of the Board members.

Pursuant to the terms of an investment management agreement, certain of CSC Fund II's investment decisions have been delegated to an investment committee comprised of the board members of the GP named above and Thomas McWilliams, also a citizen of the United States.

CSC Holdings is well-qualified to obtain control of EDMG and BFI, and its management team is comprised of experienced investors in communications service providers. Court Square is one of the most experienced private equity firms in the industry and its management team has extensive experience in investing in the telecommunications industry. In 2010, Court Square acquired control of Fibertech Networks, a leading broadband provider which operates one of the nation's largest, independently owned metro-area fiber optic footprints in the United States. No member of the GP is affiliated with a telecommunications carrier other than Fibertech Networks.

Court Square previously held a controlling interest in NTELOS (a diversified, regional communications provider offering wireless and wireline services in Virginia and West Virginia which recently completed a spinoff of its wireline operations to form Lumos Networks Corp). Court Square also held a minority interest in Valor Telecommunications (an incumbent local exchange carrier that provided telecommunications services in rural communities throughout the southwestern United States which was acquired by Windstream in 2005.).

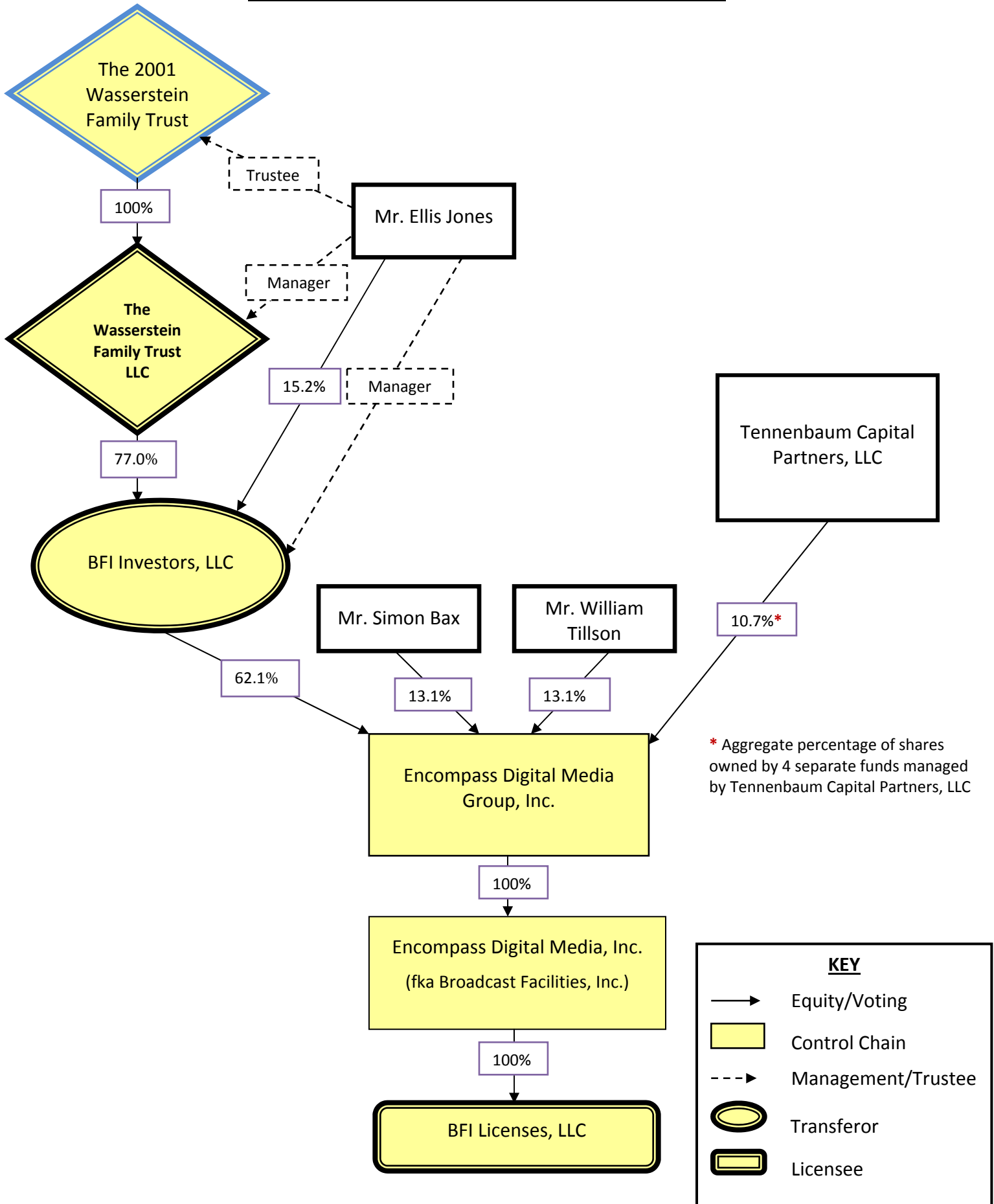
The proposed transfer of control of BFI and the international Section 214 authorization it holds from BFI Investors to CSC Holdings will serve the public interest, convenience and necessity. Following consummation of the proposed transaction, the current management of Encompass will continue to operate the company, with the addition of CSC Holdings as the new controlling investor. BFI and Encompass, with

their new infusion of capital and management expertise from CSC Holdings, intend to expand their existing network origination, transmission and production services businesses to offer sophisticated digital transmission services directly to customers across the country, and generally to enhance the scope and efficiency of their overall business. Accordingly, the parties respectfully submit that the instant transaction will serve the public interest, convenience and necessity, and thus should be approved as expeditiously as possible.

Answer to Question 20 – Streamlined Processing Requested

This application is eligible for streamlined processing pursuant to Section 63.12(a) and (b) because: (1) neither of the applicants nor any of their affiliated companies is affiliated with a foreign carrier in any destination market; and (2) neither of the applicants nor any of their affiliated companies is affiliated with any dominant U.S. carrier whose services applicants seek authority to resell.

BFI Licenses, LLC – Current Ownership Structure



BFI Licenses, LLC – Proposed Ownership Structure

