

## DESCRIPTION OF THE TRANSACTION

On November 1, 2020, funds affiliated with Stonepeak Infrastructure Partners (“Stonepeak”) announced that they had reached an agreement to acquire leading regional cable providers RCN, Grande, Wave, and enTouch from their current ultimate owners (the “Proposed Transaction”).<sup>1</sup> The Agreement and Plan of Merger (the “Agreement”) involves Transferor Radiate Holdings, L.P. (“Radiate Holdings”), a Delaware limited partnership, certain affiliates of Transferor, and certain affiliates of Transferee/Applicant Stonepeak Associates IV LLC (“Stonepeak Associates”), a Delaware limited liability company.<sup>2</sup>

The Proposed Transaction will result in a transfer of indirect control over a number of Authority Holders<sup>3</sup> that collectively form the sixth largest cable operator in the United States while also operating as telecommunications service providers in ten states and the District of Columbia. The Authority Holders offer intrastate, interstate, and international telecommunications and other services to over one million customers, which services include industry-leading high-speed

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<sup>1</sup> See Press Release, “Stonepeak Announces Agreement to Acquire Astound Broadband from TPG for \$8.1 Billion,” BUSINESS WIRE (Nov. 1, 2020), *available at* <https://www.businesswire.com/news/home/20201101005048/en/Stonepeak-Announces-Agreement-to-Acquire-Astound-Broadband-from-TPG-for-8.1-Billion>. For certain strategic reasons, the press release refers to the Radiate Operating Companies as the Astound Broadband Companies.

<sup>2</sup> The Transferee-affiliated parties to the Agreement are: Stonepeak Tiger Holdings I LLC, Stonepeak Tiger Holdings II Sub LLC, Stonepeak Tiger Blocker I LLC, Stonepeak Tiger Blocker II LLC, Stonepeak Tiger Blocker III LLC, Stonepeak Tiger Blocker IV LLC, Stonepeak Tiger GP Merger Sub LLC, and Stonepeak Tiger Partnership Merger Sub LP.

The Transferor-affiliated parties are: Radiate Holdings GP, LLC, TPG VII Radiate BL, LLC; TPG Wakeboard BL, LLC; Radiate GF II Blocker, LLC; Radiate OF II Blocker, LLC, and TPG VII Radiate Holdings I, L.P.

<sup>3</sup> The Authority Holders are: RCN Telecom Services (Lehigh) LLC; RCN Telecom Services of Philadelphia, LLC; RCN Telecom Services of New York, LP; RCN Telecom Services of Massachusetts, LLC; RCN Telecom Services of Illinois, LLC; Starpower Communications, LLC; Grande Communications Networks, LLC; Astound Broadband LLC; Astound Phone Service, LLC; ETS Telephone Company, Inc.; and ETS Cablevision, Inc.

internet, cable services, broadband products, digital TV, phone services, and fiber optic solutions. RCN Telecom Services (Lehigh) LLC (“RCN Lehigh”), a wholly owned indirect subsidiary of Radiate Holdings, holds a license for a single transmit/receive earth station. All of the Authority Holders, including RCN Lehigh, will remain intact and will continue to hold their respective operating tangible and intangible assets following consummation of the Proposed Transaction.

At present, the general partner of Radiate Holdings is Radiate Holdings GP, LLC, (“Radiate GP”) and the sole member of Radiate GP is TPG Advisors VII, Inc. (“TPG Advisors”), a Delaware investment fund holding company that is directly owned and controlled jointly by the principals of TPG Global, LLC (“TPG”) – David Bonderman and James G. Coulter. Radiate GP is managed by its board of directors (the “GP Board”), a majority of which directors are appointed by TPG Advisors. Decisions of the GP Board are made by a simple majority. Accordingly, TPG Advisors, through its appointees on the GP Board, controls Radiate GP and in turn the Authority Holders.<sup>4</sup>

Stonepeak Associates is affiliated with private equity funds managed by Stonepeak, a specialized private equity firm that invests in strategically important infrastructure assets within the communications, energy, power, water, renewables, and transportation sectors. Stonepeak has considerable experience in the digital infrastructure sector and select investments across residential broadband, data centers, enterprise fiber, towers, and small cells that give it visibility and expertise across the broader communications sector. This experience positions Stonepeak as an ideal partner to the Authority Holders as they continue to grow and strengthen their service offerings. Stonepeak

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<sup>4</sup> The majority of the limited partnership (equity) interests in Radiate Holdings are directly or indirectly held by certain investment funds or managed vehicles that are also ultimately controlled by David Bonderman and James G. Coulter.

itself is ultimately controlled by Michael Dorrell, who is a citizen of, and who resides in, the United States.<sup>5</sup> Stonepeak Associates and the Stonepeak funds and managed vehicles that will indirectly own a majority of the limited partnership interests in Radiate Holdings are controlled by Mr. Dorrell.

The Proposed Transaction will be affected through a set of substantially simultaneous mergers, as a result of which:

- Control of the Authority Holders will continue to be exercised indirectly through Radiate GP, the general partner of Radiate Holdings. However, upon consummation of the Proposed Transaction (x) the sole member of Radiate GP will change from TPG Advisors to Transferee and (y) Transferee and not TPG Advisors will have the right to appoint a majority of the directors of the GP Board and accordingly control Radiate GP and in turn the Authority Holders.
- The current direct and indirect equity holders of Radiate Holdings will transfer their indirect holdings in the authority Holders – namely, their limited partnership interests in Radiate Holdings – to two Stonepeak-affiliated entities: Stonepeak Tiger Holdings I LLC, a Delaware limited liability company (“Tiger Holdings I”) and Stonepeak Tiger Holdings II Sub LLC, a Delaware limited liability company (“Tiger Holdings II”), which, together with Transferee, will be under the common indirect control of Mr. Dorrell.

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<sup>5</sup> Mr. Dorrell also holds Australian citizenship.

Transferee advises the Commission that Stonepeak is exploring syndicating a portion of its equity interest in Radiate Holdings:<sup>6</sup>

- For a period of up to 75 days after the signing of the Agreement, TPG has the right (the “TPG Investment Right”) under a letter agreement by and among TPG, Tiger Holdings I and Stonepeak Tiger Holdings II LP (the parent entity of Tiger Holdings II) to elect to make, at the consummation of the Proposed Transaction, an investment in Tiger Holdings I and Stonepeak Tiger Holdings II LP of up to \$750 million through one or more investment funds controlled by TPG (collectively, the “TPG Fund”). As of the date of this application, TPG has not exercised the TPG Investment Right. Even if TPG exercises the TPG Investment Right and an investment is made through the TPG Fund up to the limit, *the controlling entity of Radiate GP and the ownership structure of Transferee as each is described herein will not change*. However, the ownership percentages of the reportable interest holders provided in this application may be reduced or otherwise change, potentially materially, as a result of such investment by the TPG Fund. The TPG Fund will be ultimately controlled by the principals of TPG. The principals of TPG are David Bonderman and James G. Coulter, each of whom is a United States citizen. It is not currently expected that

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<sup>6</sup> The co-investors may be granted customary minority protections commensurate with their indirect interests in Radiate Holdings, e.g., consent/veto rights over the following matters: (i) amendment or repeal of organizational documents that would disproportionately affect the investor’s rights in a material and adverse manner; (ii) variation of class rights that would disproportionately affect the investor’s rights in a material and adverse manner; (iii) issuance of securities other than in accordance with the pre-emptive regime and other customary exceptions; (iv) changes to the capital structure that would disproportionately affect the investor’s rights in a material and adverse manner; (v) declaration of any dividends/distributions other than on a pro-rata basis; (vi) liquidation, insolvency or winding up; (vii) cessation or material alteration to the nature of the business; (viii) entry into material affiliate transactions, other than on arm’s length terms; and (ix) change in any tax classification that would disproportionately affect the investor in a material and adverse manner.

TPG's exercise of the TPG Investment Right and the investment in Tiger Holdings I and Stonepeak Tiger Holdings II LP by the TPG Fund will result in any entity (other than the TPG Fund) holding a 10-percent-or-greater equity interest in Radiate Holdings. Applicants will, in a timely fashion, notify the Commission if, as a result of the exercise of the TPG Investment Right, (x) there will be changes in the ownership percentages for reportable interest holders provided in this application or (y) any new entity (other than the TPG Fund) will hold a 10-percent-or-greater equity interest in Radiate Holdings.

- Stonepeak is also exploring further syndicating a portion of its equity interest in Radiate Holdings to other co-investors. The structure of any such co-investment, and identity of the co-investors, is yet to be finalized. Excluding the potential investment of the TPG Fund described immediately above, the organizational charts provided in Attachment 2 and listed in Attachment 3 reflect the co-invest vehicles that could potentially hold a 10-percent-or-greater equity interest in Radiate Holdings (although it is also possible that no such vehicle would hold such an interest). While Transferee is unable to currently specify with sufficient accuracy the equity interest to be held by any such co-invest vehicle, the Transferee advises that each such co-invest vehicle will be under the common indirect control of Mr. Dorrell. In addition, and most importantly, *no such co-investment will change the proposed controlling entity of Radiate GP or affect the ownership structure of Transferee as each is described herein*. However, the ownership percentages of the reportable interest holders provided in this application may be reduced or otherwise change, potentially materially, as a result of such co-investment. Applicants will, in a timely fashion,

notify the Commission if, as a result of such co-investment, (x) there will be changes in the ownership percentages for reportable interest holders provided in this application or (y) any new vehicles (other than those reflected in the organizational charts provided in Attachment 2 and listed in Attachment 3) will hold a 10-percent-or-greater equity interest in Radiate Holdings and the percentage interest held by them.

Exhibit E to this application provides organizational charts depicting the ownership structure both before and after the Proposed Transaction.