

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of the Joint Application of)	
)	
SMART CITY HOLDINGS, LLC,)	WC Docket No. 18-_____
<i>Transferor,</i>)	
)	ITC-T/C-2018_____
and)	
)	
SAPPHIRE INTERMEDIATE HOLDINGS, LLC)	
<i>Transferee,</i>)	
)	
For Grant of Authority Pursuant to Section 214)	
of the Communications Act of 1934, as Amended, and)	
Section 63.04 and 63.24 of the Commission’s Rules)	
to Complete a Transfer of Control of)	
Smart City Telecommunications LLC, Smart City)	
Solutions, LLC, Smart City Networks, Limited)	
Partnership, Smart City of Washington D.C., LLC and)	
Convention Communications Provisioners, Inc.)	
)	

**JOINT DOMESTIC AND INTERNATIONAL TRANSFER OF CONTROL
APPLICATION**

Smart City Holdings, LLC (“Smart City” or “Transferor”) and Sapphire Intermediate Holdings, LLC (“Sapphire Intermediate Holdings” or “Transferee”) (and jointly, the “Applicants”), pursuant to Section 214 of the Communications Act of 1934, as amended (the “Act”), 47 U.S.C. § 214, and Sections 63.04 and 63.24 of the Commission’s Rules, 47 C.F.R. §§ 63.04, 63.24(e), respectfully request authority for Smart City to transfer indirect control of Smart City Telecommunications LLC (“SCT”); Smart City Solutions, LLC (“SCS”); Smart City Networks, Limited Partnership (“SCN”); Smart City of Washington D.C., LLC (“SDC”); and Convention Communications Provisioners, Inc. (“CCP”) (collectively “Licensees”) to

Transferee. Pursuant to Section 63.04(b) of the Commission's Rules, 47 C.F.R. § 63.04(b), the Applicants are filing this combined domestic and international application for the proposed transfer of control of the Licensees.¹ The Applicants provide below the information required by Sections 63.24(e)(2) and 63.04(a)(6) through (a)(12) of the Commission's Rules, 47 C.F.R. §§ 63.24(e)(2), 63.04(a)(6-12). The proposed transaction also contemplates a *pro forma* reorganization for one of the Licensees as more fully described below.

Request for Streamlined Processing

The Applicants respectfully request streamlined treatment for this Application, pursuant to Sections 63.03 and 63.12 of the Commission's Rules, 47 C.F.R. §§ 63.03, 63.12. SCT, one of the Licensees, serves as an incumbent local exchange carrier ("ILEC") in Florida, and SCS and SCN are competitive local exchange carriers in Florida. Buyer does not provide telecommunications services, but as described in Section I.B. below, certain of Buyer's upstream owners indirectly own and/or control other telecommunications providers.

This Application is eligible for streamlined processing pursuant to Section 63.03 because (i) the transaction will not result in Transferee and its affiliates, including Licensees, holding a ten (10) percent share of the interstate interexchange market; (ii) the transaction will not result in Transferee and its affiliates, including Licensees, serving two (2) percent of nationwide U.S. subscriber lines; and (iii) Transferee does not provide telecommunications services and its affiliates do not provide telecommunications services in Florida that overlap with or are adjacent

¹ Applicants are concurrently filing an application for Commission consent to transfer control of a wireless license (Call Sign WQLY883) held by Smart City Networks, Limited Partnership (FRN 0019854603) to Transferee.

to SCT's ILEC service areas in Florida, as set forth more fully in Section I.B.² See 47 C.F.R. § 63.03(b)(2). Alternatively, for the reasons set forth above, Applicants request streamlined treatment on a case-by-case approach, and for the Commission to process this Application using similar timeframes for comments and approvals as would be used for an Application granted streamlined processing.³

The Application also qualifies for streamlined processing pursuant to Section 63.12 because none of the Applicants is a foreign carrier, or is affiliated with any foreign carrier, and thus, none of the scenarios outlined in Section 63.12(c) of the Commission's Rules applies.⁴

In support of this Application, Applicants provide the following information:

I. DESCRIPTION OF THE APPLICANTS

A. Smart City Holdings, LLC

Smart City is a limited liability company organized under the laws of Delaware. The principal place of business for Smart City and Licensees is at 3100 Bonnet Creek Road, Lake Buena Vista, FL 32830-2555. Smart City is the sole member of several subsidiaries including Smart City Finance, LLC, SCN-GP, LLC, and SCN-LP LLC, which in turn hold the membership interests in or stock of the Licensees (individually, "Company", collectively, "Companies").

² As described in more detail below, Momentum Telecom, Inc. is authorized to provide Alternative Local Exchange Telecommunications Services in Florida and Conterra Ultra Broadband, LLC is authorized to provide Alternative Access Vendor Services in Florida, but neither company currently provides telecommunications services in areas that overlap with or are adjacent to SCT's ILEC service areas in Florida.

³ See *Implementation of Further Streamlining Measures for Domestic 214 Authorizations*, Report and Order, 17 FCC Rcd. 5517, ¶ 34 (2002).

⁴ 47 C.F.R. § 63.12(c) (excluding from streamlined processing applications where the applicant is affiliated with a foreign carrier unless certain exceptions apply or where the applicant has an affiliation with a dominant U.S. carrier whose international switched or private line services the applicant seeks authority to resell).

SCT is a limited liability company organized under the laws of Delaware. SCT provides local exchange, interexchange and high-speed data services to residential and business customers in Celebration, Lake Buena Vista, Little Lake Bryan, and Bay Lake, Florida. SCT provides domestic interstate services pursuant to blanket domestic Section 214 authority and holds an international Section 214 authorization to provide international resale services pursuant to File No. ITC-214-19940830-00265, which was originally granted to Vista-United Telecommunications.⁵

SCS is a limited liability company organized under the laws of Florida. SCS provides competitive domestic interstate services pursuant to blanket domestic Section 214 authority and provides intrastate services in Florida.

SCN is a limited partnership organized under the laws of Florida. SCN, along with its subsidiaries SDC and CCP, is the leading communications provider for convention centers and meeting facilities. It manages the technology services for more than 3,000 events annually, including Fortune 500 company events, major tradeshows, and national political party conventions. SCN provides competitive domestic interstate services pursuant to blanket domestic Section 214 authority. It is also authorized to provide intrastate telecommunications services in Florida, North Carolina and Nevada and operates as an interconnected Voice Over Internet Protocol (“VoIP”) provider in the following states: Arizona, California, Florida, Kentucky, Minnesota, Missouri, Nevada, North Carolina, Ohio, Texas, Virginia and Washington.

⁵ Pursuant to a transfer of control application, the FCC granted a transfer from Vista-United Telecommunications to SCT on November 29, 2000. *See* File No. ITC-T/C-20001025-00656.

SDC is a limited liability company organized under the laws of the District of Columbia. SDC provides competitive domestic interstate services pursuant to blanket domestic Section 214 authority and operates in Washington, D.C.

CCP is a corporation organized under the laws of Washington. CCP provides competitive domestic interstate services pursuant to blanket domestic Section 214 authority and operates in the state of Washington.

B. Transferee

Sapphire Intermediate Holdings, LLC, the Transferee, is a Delaware limited liability company formed on August 16, 2018 for the purpose of consummating this transaction and ultimately acquiring indirect control of the Licensees. Transferee is the sole stockholder (with 100% equity and voting interest) of two subsidiaries —Sapphire Telecom, Inc. and Sapphire Convention, Inc., each a Delaware corporation—which upon closing will hold the interests of Smart City Finance, LLC, SCN-GP, LLC, and SCN-LP LLC, which in turn hold the membership interests in the Licensees.

Sapphire Acquisition Holdings, LLC (“Sapphire Parent”) is a Delaware limited liability company formed on August 16, 2018 to hold the collective investments made by Smart City’s (and Licensees’) management and investment funds (“Funds”) managed by the professionals at Court Square Capital Partners (“Court Square”), a leading private equity firm. CSC Sapphire Holdings, L.P. (“CSC Sapphire Aggregator”) is a Delaware limited partnership and holding company formed by Court Square on August 20, 2018 to hold the Funds’ aggregate equity investments in Sapphire Parent. At closing, the Funds will collectively own 100% of the limited

partnership interests in CSC Sapphire Aggregator and will indirectly own between 93% and 95.1% of the equity of the Licensees (through Sapphire Parent and Transferee).⁶

Each Fund and CSC Sapphire Aggregator are controlled and managed by their sole general partner, Court Square Capital GP III, LLC (“GP”).⁷ The Fund making the largest investment in CSC Sapphire Aggregator is Court Square Capital Partners III, L.P., a Delaware limited partnership (“CSC Fund III”). CSC Fund III will hold 96.82% of the membership interests in CSC Sapphire Aggregator, and in turn, will indirectly hold between 90.04% and 92% of the equity in Sapphire Parent and, thereby, the Licensees.⁸

Each Fund is owned by numerous “insulated” limited partners who include pension funds, high net worth individuals, and other institutional investors. The Funds do not have any uninsulated limited partners within the meaning of Section 1.992(b)(2)(ii)(A) of the Commission’s rules, 47 C.F.R. § 1.992(b)(2)(ii)(A).

No limited partner in any Fund (including CSC Fund III) will hold a 10% or greater direct or indirect interest in CSC Sapphire Aggregator, Sapphire Parent, Sapphire Intermediate

⁶ Members of Transferor’s (and Licensees’) management are expected to collectively acquire, as personal investments or through their respective family investment companies or family trusts, between 4.9% and 7% of the aggregate ownership interests in Sapphire Parent at closing, however, the exact amount of management’s investment will not be known until closing. In no event, however, will any individual management investor have a ten (10) percent or greater aggregate direct and/or indirect interest in the Transferee, Sapphire Parent or any of the Licensees.

⁷ All of the Court Square entities and Funds identified in this Application have the same mailing address and contact information provided for Sapphire Intermediate Holdings in Section IV(a).

⁸ This figure assumes members of Transferor’s (and Licensees’) management will acquire 4.9% of the ownership interests in Sapphire Parent at closing. As noted, in footnote 6, management may acquire additional interests in Sapphire Parent thereby diluting CSC Sapphire Aggregator’s interests in Sapphire Parent and thereby Transferee and Licensees.

Holdings (Transferee), or the Licensees. Except for CSC Fund III, CSC Sapphire Aggregator and Sapphire Parent, no other investor (through its ownership in any of the Funds, CSC Sapphire Aggregator, Sapphire Parent or in combination with any other interest) will individually or in the aggregate hold greater than 10% direct or indirect equity or voting interest in Sapphire Intermediate Holdings (Transferee).⁹

As discussed above, CSC Sapphire Aggregator, CSC Fund III and each of the other Funds are managed and controlled by the GP.¹⁰ No member of the GP (through its ownership in the GP or in combination with any other interest) will hold a 10% or greater direct or indirect interest in CSC Sapphire Aggregator, Sapphire Parent, Sapphire Intermediate Holdings. Pursuant to the terms of an investment management agreement, certain of the Funds' investment decisions have been delegated to an investment committee comprising the board members of the GP.

The GP is well-qualified to obtain control of the Licensees. Court Square is one of the most experienced private equity firms in the industry and its management team has extensive experience investing in the telecommunications industry.

⁹ As described above, Transferee, will hold 100% equity and voting interests in Sapphire Telecom, Inc. and Sapphire Convention, Inc.; and Sapphire Telecom, Inc. and Sapphire Convention, Inc. will hold 100% equity and voting interest in Smart City Finance, LLC, SCN GP LLC, and SCN LP LLC, which in turn hold the membership interests in the Licensees. Dynamic Concepts, Inc. currently holds, and upon closing will continue to hold, a 10 percent stake in one Licensee, SDC.

¹⁰ The GP is owned by the investment professionals at Court Square, each of whom is a United States citizen. The GP is managed and controlled by a Board of Managers ("Board") composed of the following members of the GP, all of whom are U.S. citizens: William Comfort, David Thomas, Michael Delaney, Joseph Silvestri, Ian Highet, John Weber, Christopher D. Bloise, Thomas McWilliams and John Civantos, 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.

Court Square currently controls Conterra Ultra Broadband Holdings, Inc. (“Conterra Holdings”) and Conterra Holdings’ regulated subsidiaries Broadplex LLC (“Broadplex”), Conterra Ultra Broadband, LLC (“Conterra”), Detel Wireless, LLC (“Detel”), Network USA, LLC (“Network USA”), Sun America Communications, LLC (“Sun America”) and Tim Ron Enterprises, LLC d/b/a Network Communications Telecom (“NCT”).

- Broadplex provides local exchange and interexchange services on a private contract basis to customers located in North Carolina and South Carolina.
- Conterra provides backhaul and fronthaul transport for wireless carriers and access and broadband networks for K-12, healthcare, and government entities in the following states: Alabama, Arizona, Arkansas, Colorado, Florida, Georgia, Illinois, Iowa, Kansas, Mississippi, Montana, Nevada, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and Washington. Conterra holds a domestic Section 214 authorization as well as wireless licenses issued by the Commission.
 - Conterra owns 100% of Conterra Wireless Broadband LLC, which provides services in California.
- Detel provides competitive local exchange and interexchange telecommunications services in Mississippi and Louisiana. Detel also holds a domestic Section 214 authorization as well as wireless licenses issued by the Commission.
- Network USA and Sun America provide access and transport services to enterprise customers in Arkansas, Louisiana, Mississippi, and Texas.

- NCT provides competitive telecommunications services primarily to small, mid-sized, and enterprise customers in northeastern Texas and Louisiana.

Court Square also recently acquired MBS Holdings, Inc. (“MBS Holdings”) and MBS Holdings’ subsidiaries, Alteva of Warwick, LLC (“Alteva of Warwick”) and Momentum Telecom, Inc. (“Momentum”).

- Alteva of Warwick operates as the ILEC in certain towns in New Jersey and New York. Alteva of Warwick also operates as a competitive local exchange carrier (“CLEC”) in portions of both states. Alteva of Warwick is also licensed to provide domestic interstate and intrastate interexchange and international telecommunications services and holds international Section 214 authority. *See* FCC File No. ITC-214-1993102200192.
- Momentum is a leading provider of wholesale hosted VoIP and unified communications services and serves as the wholesale “CLEC partner” and broadband system manager to Tier II and Tier III cable providers. Momentum is authorized to operate as an IXC or CLEC in the following states: Alabama, California, Florida, Georgia, Kentucky, Louisiana, New Jersey, North Carolina, Pennsylvania, South Carolina, Tennessee, and the U.S. Virgin Islands. Momentum also holds international Section 214 authority. *See* FCC File No. ITC-214-20081400480.

Court Square also controls Encompass Digital Media Group (“Encompass”), including its regulated subsidiary BFI Licenses, LLC (“BFI”). BFI provides a variety of digital media services and holds wireless authorizations, satellite earth station authorizations and an international Section 214 authorization. *See* FCC File No. ITC-214-19940411-00382. Except

for the interests in Conterra Holdings, MBS Holdings, and Encompass (and their respective subsidiaries) described above, Court Square, its affiliates (including CSC Sapphire Aggregator, Sapphire Parent, and Sapphire Intermediate Holdings), and the members of the Board of the GP do not currently offer any regulated telecommunications services and are not affiliated with any other telecommunications carrier.¹¹

II. DESCRIPTION OF THE TRANSACTION (ANSWER TO QUESTION 13)

Pursuant to the terms of a Purchase Agreement (“Agreement”) dated August 22, 2018, Smart City will transfer all of its limited liability company membership interests in each of Smart City Finance, LLC; SCN-GP, LLC; SCN-LP LLC; and AppBurst LLC to Transferee. After the acquisition, Transferee will indirectly own and control the Licensees. For the Commission’s convenience, pre- and post-transaction corporate organizational charts are provided as **Exhibit A**.

As part of the proposed transaction, two *pro forma* transactions are planned to be completed before and contemporaneously with closing. First, prior to closing, the 90% equity interest in SCS currently held by Smart City Finance, LLC will be transferred to SCN or a subsidiary thereof (or extinguished), and then certain SCS assets, excluding assets related to, and customer contracts for, its convention center business in Florida, will be transferred to a newly

¹¹ Court Square previously owned a controlling interest in Fibertech Networks, LLC (a broadband provider that operates one of the largest independently owned metro-area fiber optic footprints in the United States), co-owned a controlling interest in NTELOS (a diversified, regional communications provider offering wireless and wireline services in Virginia and West Virginia) and held a minority interest in ILEC provider Valor Telecommunications. Court Square no longer holds any interest in these companies.

formed subsidiary Smart City Solutions II, LLC (“SCS II”).¹² Second, contemporaneously with closing, Transferee will insert two newly formed sister holding companies (Sapphire Telecom, Inc. and Sapphire Convention, Inc.) into the corporate ownership structure. At closing, Transferee will directly hold 100% equity and voting interests in Sapphire Telecom, Inc. and Sapphire Convention, Inc. Sapphire Telecom, Inc. will directly hold 100% of the equity and voting interest in Smart City Finance, LLC and indirectly hold 100% equity and voting interest SCT and SCS II. Sapphire Convention, Inc. will hold 100% equity and voting interest in SCN-GP, LLC, and SCN-LP LLC, which in turn hold the membership interests in SCN and indirectly hold the membership interests in SCS, SDC and CCP. These *pro forma* transactions are being conducted to streamline operations of Smart City into separate telecom and convention business segments and are expected to be completed in two steps with one occurring prior to the transfer of control to Transferee and the other occurring contemporaneously with the transfer of control to Transferee.

After consummation of the transfer of control of the Licensees to Transferee, the Licensees will continue to exist and operate under the same names, providing service pursuant to then-existing rates, terms and conditions for the near term. Any future changes to the rates, terms, and conditions of service will be undertaken pursuant to customers’ contracts, tariffs and applicable law. Other than the *pro forma* transactions described above, no carrier changes will result from this transaction and no customer service or billing contact information will change as a result of this transaction.

¹² Upon completion of this *pro forma* transaction, SCS II will begin providing telecommunications and will hold a domestic section 214 authorization. After closing, SCS II is expected to change its name to Smart City Solutions, LLC, and the former Smart City Solutions, LLC is expected to change its name to Smart City Networks of Orange County, LLC.

III. PUBLIC INTEREST STATEMENT

Applicants respectfully submit that the transaction described herein will serve the public interest. Applicants expect that the proposed acquisition will enable the Licensees to continue to offer innovative products and to further strengthen their marketplace positions to the benefit of consumers and the national telecommunications marketplace. The Licensees will also enjoy access to financial and managerial resources of Transferee.

Further, the transaction will be conducted in a manner that will be virtually seamless to customers of the Licensees. The transfer of control of the Licensees will not result in a change of carrier for end user customers. Following consummation of the proposed transaction, the Licensees will continue to provide high-quality communications services to their customers without interruption and without immediate changes in tariffs, rates, terms or conditions. The Applicants intend that the Licensees' existing management team and personnel will remain in place, ensuring that their managerial, technical and operational standards will be maintained. Other than the *pro forma* transactions described above, the only change resulting from the transaction will be that the Licensees will ultimately be owned by Transferee. Following closing, the Licensees will enjoy access to the financial resources of Transferee, which is financially well-qualified to become the new ultimate owner of the Licensees.

The transaction also poses no threat to competition in particular states, the national U.S. market, or abroad. Transferee is a holding company and neither it nor its affiliates provide telecommunications services in Florida that overlap with or are adjacent to SCT's ILEC service areas in Florida. Thus, there will be no concentration of resources or elimination of competitors. The communications market sectors in Florida will remain highly competitive.

Given the increasingly competitive nature of the interstate and international telecommunications markets, Applicants are seeking to complete the proposed transaction as soon as possible in order to ensure that Applicants can rapidly obtain the benefits of the proposed transaction. Accordingly, Applicants respectfully request that the Commission process, consider and approve this Application as expeditiously as possible.

IV. INFORMATION REQUIRED BY SECTION 63.24(e)

Pursuant to Section 63.24(e)(2) of the Commission's Rules, the Applicants submit the following information requested in Section 63.18(a) through (d), and (h) through (p) for both Transferor and Transferee.

(a) Name, address and telephone number of each Applicant:

Transferor:

Smart City Holdings, LLC **FRN: 0024681223**
P.O. Box 22555
3100 Bonnet Creek Road
Lake Buena Vista, FL 328330-2555
Tel: 407-827-2000

Licenses:

Smart City Telecommunications LLC **FRN: 0004381505**
Smart City Solutions, LLC **FRN: 0008209074**
Smart City Networks, Limited Partnership **FRN: 0007805401**
Smart City of Washington D.C., LLC **FRN: 0025414327**
Convention Communications Provisioners, Inc. **FRN: 0025414236**
P.O. Box 22555
3100 Bonnet Creek Road
Lake Buena Vista, FL 32830-2555
Tel: 407-828-6600

Transferee:

Sapphire Intermediate Holdings, LLC **FRN: 0027818798**
c/o Court Square Capital Partners
55 East 52nd Street, 34th Floor

New York, NY10055
Tel: 212-752-6110

(b) Jurisdiction of Organizations:

Transferor:

Smart City Holdings, LLC is a limited liability company organized under the laws of Delaware.

Transferee:

Sapphire Intermediate Holdings, LLC is a limited liability company formed under the laws of Delaware.

(c) (Answer to Question 10) Correspondence concerning this Application should be sent to:

For Transferor and Licensees:

Russell Blau
Danielle Burt
Morgan, Lewis & Bockius LLP
1111 Pennsylvania Ave., NW
Washington, DC 20004
Tel: (202) 739-3000
Fax: (202) 739-3001
Email: russell.blau@morganlewis.com
danielle.burt@morganlewis.com

with a copy to:

Martin A. Rubin
President and CEO
Smart City Holdings, LLC
P.O. Box 22555
3100 Bonnet Creek Road
Lake Buena Vista, FL 32830-2555
Tel: 407-828-6650
mrubin@smartcity.com

For Transferee:

Paige K. Fronabarger
Wilkinson Barker Knauer, LLP
1800 M Street, N.W., Suite 800N
Washington, DC 20036
Tel: (202) 783-4141
Fax: (202) 783-5851
Email: pfronabarger@wbklaw.com

with a copy to:

Christopher D. Bloise
Vice President and Treasurer
Sapphire Intermediate Holdings, LLC
c/o Court Square Capital Partners
55 East 52nd Street, 34th Floor
New York, NY10055
(212) 752-6781
Email: cbloise@courtsquare.com

(d) Smart City does not directly hold any international Section 214 authorization. SCT is authorized to provide international resale services pursuant to ITC-214-19940830-00265.

Transferee does not directly hold any international Section 214 authorization. Alteva of Warwick holds international Section 214 authorization, *see* FCC File No. ITC-214-1993102200192. Momentum holds international Section 214 authorization. *See* FCC File No. ITC-214-20081400480. BFI holds international Section 214 authorization. *See* FCC File No. ITC-214-19940411-00382.

- (h) ***(Answer to Questions 11 & 12)*** The following persons or entities hold or will hold, directly or indirectly, a 10% or greater interest in Licensees as calculated pursuant to the Commission's ownership attribution rules for wireline and international telecommunications carriers:¹³

Transferor:

Ownership of Smart City Telecommunications LLC

The following entity owns a 10% or greater direct interest:

Name: Smart City Finance, LLC
Address: P.O. Box 22555
3100 Bonnet Creek Road
Lake Buena Vista, FL 32830-2555
Ownership: Sole member
Citizenship: Delaware
Principal Business: Holding Company

Ownership of Smart City Solutions, LLC

The following entity owns a 10% or greater direct interest:

Name: Smart City Finance, LLC
Address: P.O. Box 22555
3100 Bonnet Creek Road
Lake Buena Vista, FL 32830-2555
Ownership: 90%
Citizenship: Delaware
Principal Business: Holding Company

Name: Smart City Networks, Limited Partnership
Address: P.O. Box 22555
3100 Bonnet Creek Road
Lake Buena Vista, FL 32830-2555
Ownership: 10%

¹³ While the Commission's rules for combined domestic and international applications requires this information only for the Transferee, *see* 47 C.F.R. §§ 63.04(b), 63.24(e)(2), Applicants are providing ownership information for all parties.

Citizenship: Florida
Principal Business: VoIP provider

Ownership of Smart City Networks, Limited Partnership

The following entity owns a 10% or greater direct interest:

Name: SCN-GP, LLC
Address: P.O. Box 22555
3100 Bonnet Creek Road
Lake Buena Vista, FL 32830-2555
Ownership: 72.5%
Citizenship: Delaware
Principal Business: Holding Company

Name: SCN-LP LLC
Address: P.O. Box 22555
3100 Bonnet Creek Road
Lake Buena Vista, FL 32830-2555
Ownership: 27.5%
Citizenship: Delaware
Principal Business: Holding Company

Ownership of Smart City of Washington D.C., LLC

The following entity owns a 10% or greater direct interest:

Name: Smart City Networks, Limited Partnership
Address: P.O. Box 22555
3100 Bonnet Creek Road
Lake Buena Vista, FL 32830-2555
Ownership: 90%
Citizenship: Florida
Principal Business: VoIP provider

Name: Dynamic Concepts, Inc.
Address: 1730 17th Street NE
Washington, D.C. 20002
Ownership: 10%
Citizenship: Delaware
Principal Business: Holding Company

Ownership of Convention Communications Provisioners, Inc.

The following entity owns a 10% or greater direct interest:

Name: Smart City Networks, Limited Partnership
Address: P.O. Box 22555
3100 Bonnet Creek Road
Lake Buena Vista, FL 32830-2555
Ownership: Sole member
Citizenship: Florida
Principal Business: VoIP provider

Ownership of Smart City Finance, LLC

The following entity owns a 10% or greater direct interest:

Name: Smart City Holdings, LLC
Address: P.O. Box 22555
3100 Bonnet Creek Road
Lake Buena Vista, FL 32830-2555
Ownership: Sole member
Citizenship: Delaware
Principal Business: Holding Company

At closing, the following entity will own a 10% or greater direct interest:

Name: Sapphire Telecom, Inc.
Address: c/o Court Square Capital Partners
55 East 52nd Street, 34th Floor
New York, NY 10055
Ownership: Sole member (100% equity and voting)
Citizenship: U.S. (Delaware)
Principal Business: Holding Company

Ownership of SCN-GP, LLC

The following entity owns a 10% or greater direct interest:

Name: Smart City Holdings, LLC
Address: P.O. Box 22555
3100 Bonnet Creek Road
Lake Buena Vista, FL 32830-2555
Ownership: Sole member
Citizenship: Delaware
Principal Business: Holding Company

At closing, the following entity will own a 10% or greater direct interest:

Name: Sapphire Convention, Inc.
Address: c/o Court Square Capital Partners

55 East 52nd Street, 34th Floor
New York, NY 10055
Ownership: Sole member (100% equity and voting)
Citizenship: U.S. (Delaware)
Principal Business: Holding Company

Ownership of SCN-LP LLC

The following entity owns a 10% or greater direct interest:

Name: Smart City Holdings, LLC
Address: P.O. Box 22555
3100 Bonnet Creek Road
Lake Buena Vista, FL 32830-2555
Ownership: Sole member
Citizenship: Delaware
Principal Business: Holding Company

At closing, the following entity will own a 10% or greater direct interest:

Name: Sapphire Convention, Inc.
Address: c/o Court Square Capital Partners
55 East 52nd Street, 34th Floor
New York, NY 10055
Ownership: Sole member (100% equity and voting)
Citizenship: U.S. (Delaware)
Principal Business: Holding Company

Ownership of Smart City Holdings, LLC

The following entities own a 10% or greater direct interest:

Name: US Convention Corp.
Address: P.O. Box 22555
3100 Bonnet Creek Road
Lake Buena Vista, FL 32830-2555
Ownership: 51.17%
Citizenship: Delaware
Principal Business: Investment

Name: Convention Communications Corp.
Address: c/o Smart City
P.O. Box 22555
3100 Bonnet Creek Road
Lake Buena Vista, FL 32830-2555
Ownership: 15.82%

Citizenship: Delaware
Principal Business: Investment

Name: The SEM 2015 Living Trust
Address: c/o Stephen E. Myers, Myers Auto Group
915 South Dixie Highway
West Palm Beach, FL 33401

Ownership: 13.081% directly
35.109% indirectly (through US Convention Corp.)

Citizenship: Florida
Principal Business: Trust
Trustee: Stephen E. Myers
c/o Myers Auto Group
915 South Dixie Highway
West Palm Beach, FL 33401

Name: The Northfield 2015 Trust
Address: c/o Mr. Brandon Cintula
Peak Trust Company (f/k/a Alaska Trust Company)
3000 A Street, Suite 200
Anchorage, Alaska 99503

Ownership: 4.493% directly,
39.89% indirectly (through US Convention Corp.)

Citizenship: Alaska
Principal Business: Family Trust
Trustee: Peak Trust Company (f/k/a Alaska Trust Company)
3000 A Street, Suite 200
Anchorage, AK 99503

Ownership of US Convention Corp.

The following entities own a 10% or greater direct interest:

Name: The Northfield 2015 Trust
Address: c/o Mr. Brandon Cintula
Peak Trust Company (f/k/a Alaska Trust Company)
3000 A Street, Suite 200
Anchorage, Alaska 99503

Ownership: 39.89%

Citizenship: Alaska
Principal Business: Family Trust
Trustee: Peak Trust Company (f/k/a Alaska Trust Company)
3000 A Street, Suite 200
Anchorage, AK 99503

Name: The SEM 2015 Living Trust
Address: c/o Stephen E. Myers, Myers Auto Group
915 South Dixie Highway
West Palm Beach, FL 33401
Ownership: 35.109%
Citizenship: Florida
Principal Business: Trust
Trustee: Stephen E. Myers
c/o Myers Auto Group
915 South Dixie Highway
West Palm Beach, FL 33401

Ownership of Convention Communications Corp.

The following entities own a 10% or greater direct interest:

Name: Martin A. Rubin 2000 Alaska Smart City Trust
Address: c/o Mr. Brandon Cintula
Peak Trust Company (f/k/a Alaska Trust Company)
3000 A Street, Suite 200
Anchorage, AK 99503
Ownership: 35%
Citizenship: Alaska
Principal Business: Family Trust
Trustee: Peak Trust Company (f/k/a Alaska Trust Company)
3000 A Street, Suite 200
Anchorage, AK 99503

Name: Maria M. Rubin 2000 Alaska Smart City Trust
Address: c/o Philip Brown
Alliance Trust Co. of Nevada
100 West Liberty Street, Suite 100
Reno, NV 89501
Ownership: 35%
Citizenship: Nevada
Principal Business: Family Trust
Trustee: Alliance Trust Co. of Nevada 100 West Liberty
Street, Suite 100
Reno, NV 89501

Name: Martin A. Rubin 2000 Alaska Securities Trust¹⁴

¹⁴ Prior to closing, Martin A. Rubin will exercise an option to acquire all of the 15.1% interest in Convention Communications Corp. The mailing address for Mr. Rubin, a U.S. citizen, is: P.O. Box 22555, 3100 Bonnet Creek Road, Lake Buena Vista, FL 32830-2555.

Address: Peak Trust Company (f/k/a Alaska Trust Company)
3000 A Street, Suite 200
Anchorage, AK 99503

Ownership: 15.1%
Citizenship: Florida
Principal Business: Family Trust
Trustee: Peak Trust Company (f/k/a Alaska Trust Company)
3000 A Street, Suite 200
Anchorage, AK 99503

Name: Maria Rubin
Address: c/o Smart City
3100 Bonnet Creek Road
Lake Buena Vista, FL 32830-2555

Ownership: 14.9%
Citizenship: Florida
Principal Business: Individual

No other persons or entities has a 10% or greater voting interest in Licensees or Transferor.

Transferee:

Ownership of Sapphire Telecom, Inc.

At closing, the following entity will own a 10% or greater direct interest:

Name: Sapphire Intermediate Holdings, LLC
Address: c/o Court Square Capital Partners
55 East 52nd Street, 34th Floor
New York, NY 10055

Ownership: Sole member (100% equity and voting)
Citizenship: U.S. (Delaware)
Principal Business: Holding Company

Ownership of Sapphire Convention, Inc.

At closing, the following entity will own a 10% or greater direct interest:

Name: Sapphire Intermediate Holdings, LLC
Address: c/o Court Square Capital Partners
55 East 52nd Street, 34th Floor
New York, NY 10055

Ownership: Sole member (100% equity and voting)
Citizenship: U.S. (Delaware)
Principal Business: Holding Company

Ownership of Sapphire Intermediate Holdings, LLC (Transferee)

At closing, the following entity will own a 10% or greater direct interest:

Name: Sapphire Acquisition Holdings, LLC
Address: c/o Court Square Capital Partners
55 East 52nd Street, 34th Floor
New York, NY 10055
Ownership: Sole member (100% equity and voting)
Citizenship: U.S. (Delaware)
Principal Business: Finance /Investment Holding Company

Ownership of Sapphire Acquisition Holdings, LLC

At closing, the following entities will own or control a 10% or greater direct interest:

Name: CSC Sapphire Holdings, LP
Address: c/o Court Square Capital Partners
55 East 52nd Street, 34th Floor
New York, NY 10055
Ownership: 93% - 95.1% equity and voting
Citizenship: U.S. (Delaware)
Principal Business: Finance /Investment Holding Company

Ownership of CSC Sapphire Holdings, LP

At closing, the following entities will own or control a 10% or greater direct interest:

Name: Court Square Capital Partners III, LP
Address: c/o Court Square Capital Partners
55 East 52nd Street, 34th Floor
New York, NY 10055
Ownership: 96.82% equity and 0% voting
Citizenship: U.S. (Delaware)
Principal Business: Finance / Investment Fund

Name: Court Square Capital GP III, LP
Address: c/o Court Square Capital Partners
55 East 52nd Street, 34th Floor
New York, NY 10055
Ownership: 0% voting and 100% voting
Citizenship: U.S. (Delaware)
Principal Business: Finance / Investment Manager

Except as provided above, no other persons or entities own or control a 10% or greater direct or indirect interest in Transferee. Applicants do not have any interlocking directors.

- (i) ***(Answer to Question 14)*** Applicants certify that neither Transferor nor Transferee is a foreign carrier or affiliated with a foreign carrier.
- (j) ***(Answer to Question 15)*** Applicants certify that they do not seek to provide international telecommunications services to any destination country where:
 - (1) An Applicant is a foreign carrier in that country; or
 - (2) An Applicant controls a foreign carrier in that country; or
 - (3) Any entity that owns more than 25 percent of Applicants, or that controls Applicants, controls a foreign carrier in that country; or
 - (4) Two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate more than 25 percent of Applicants and are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing of international basic telecommunications services in the United States.
- (k) Not applicable.
- (l) Not applicable.
- (m) Not applicable.
- (n) As evidenced by the signatures of Applicants' representatives to this Application, Applicants certify that they have not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.
- (o) As evidenced by the signatures of Applicants' representatives to this Application, Applicants certify that that, pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules, they are not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.
- (p) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission's rules, 47 C.F.R. §63.12(a)-(b). In particular, Section 63.12(c)(1) is inapplicable because none of the Applicants is or is affiliated with any foreign carriers and none of the scenarios outlined in Section 62.12(c) of the Commission's Rules, 47 C.F.R. § 63.12(c), applies.

V. INFORMATION REQUIRED BY SECTION 63.04

In lieu of an attachment, pursuant to Commission Rule 63.04(b), 47 C.F.R. § 63.04(b), Applicants submit the following information in support of their request for domestic Section 214 authority to address the requirements set forth in Commission Rule 63.04(a)(6)-(12):

- (a)(6)** A description of the proposed transaction is set forth in **Section II.** above.
- (a)(7)** A description of the geographic service areas and services provided in each area is included in **Section I.** above.
- (a)(8)** Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Sections 63.03 of the Commission’s Rules, 47 C.F.R. § 63.03, or in the alternative, should be considered by the Commission with timeframes similar to that provided for streamlined applications. With respect to domestic authority, this Application is eligible for streamlined processing because, immediately following the transaction,
- Applicants (and their affiliates) will have a market share in the interstate, interexchange market of less than 10 percent.
 - Applicants (and their affiliates) serve fewer than two (2) percent of U.S. subscriber lines nationwide.
 - Transferee does not provide telecommunications services and its affiliates do not provide telecommunications services in Florida that overlap with or are adjacent to SCT’s ILEC service areas in Florida. Thus, there is no risk of anticompetitive concentration in the Florida telecommunications market.
- (a)(9)** Through this Application, Applicants seek authority with respect to both international and domestic Section 214 authorizations (this Application is being separately and concurrently filed with respect to both types of authorities in compliance with Commission Rule 63.04(b), 47 C.F.R. § 63.04(b)). Applicants are filing contemporaneously with the Wireless Telecommunications Bureau a Form 603 application seeking consent for the transfer of control of one wireless radio license.
- (a)(10)** No party is requesting special consideration because it is facing imminent business failure.
- (a)(11)** Not applicable.

- (a)(12) A statement showing how grant of the application will serve the public interest, convenience and necessity is provided in **Section III.** above.

VI. CONCLUSION

For the reasons stated above, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Application. Applicants respectfully request streamlined treatment to permit Applicants to consummate the proposed transaction as soon as possible, or in the alternative, that the Commission consider this Application on a non-streamlined basis but using similar timeframes for comments and approval as would be used for an Application with streamlined processing.

Respectfully submitted,

/s/ Paige K. Fronabarger

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Counsel for Sapphire Intermediate Holdings, LLC

/s/ Danielle Burt

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Fax: (202) 739-3001
Email: russell.blau@morganlewis.com
danielle.burt@morganlewis.com

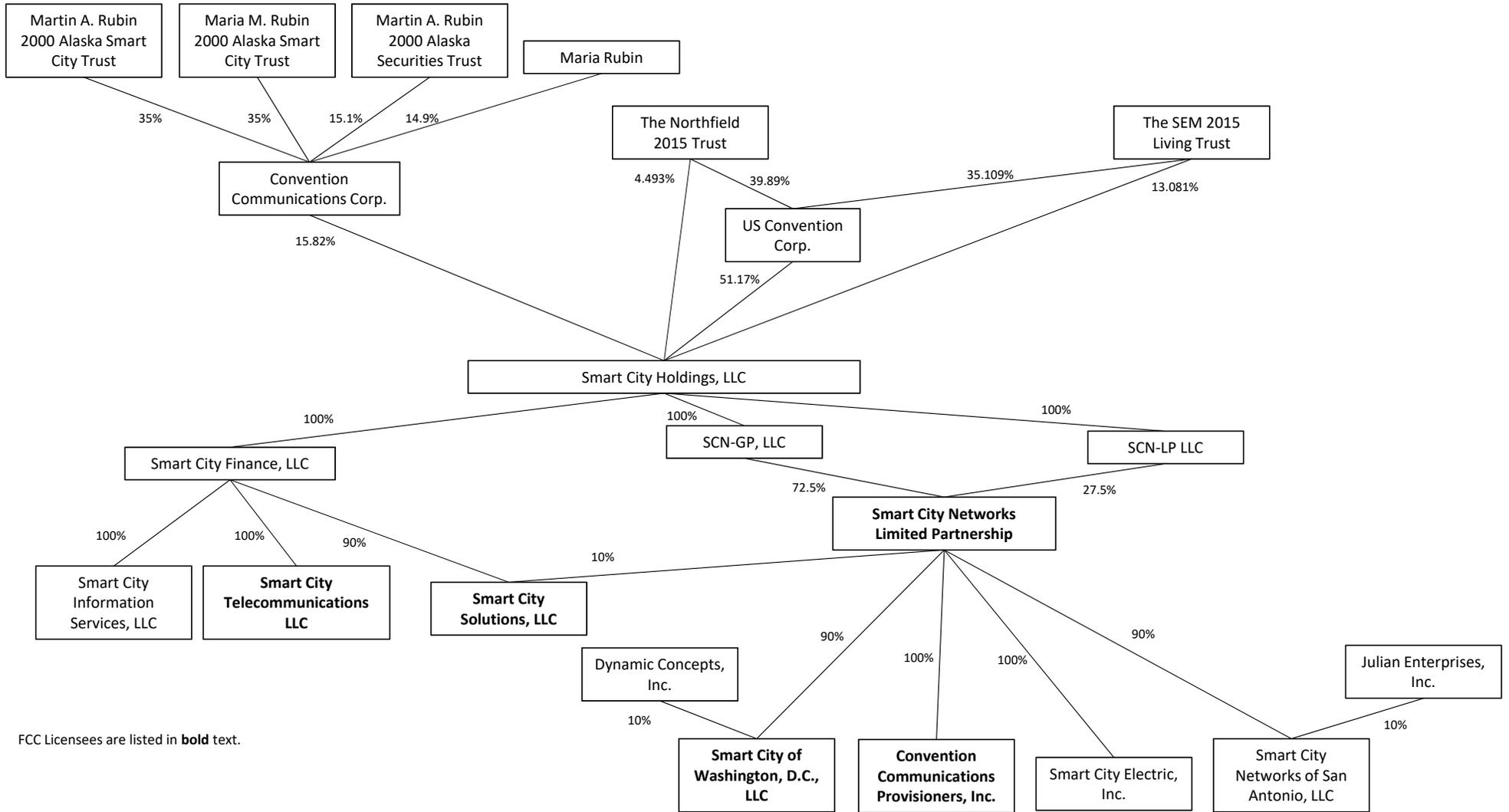
Counsel for Smart City Holdings, LLC

Dated: September 5, 2018

EXHIBIT A

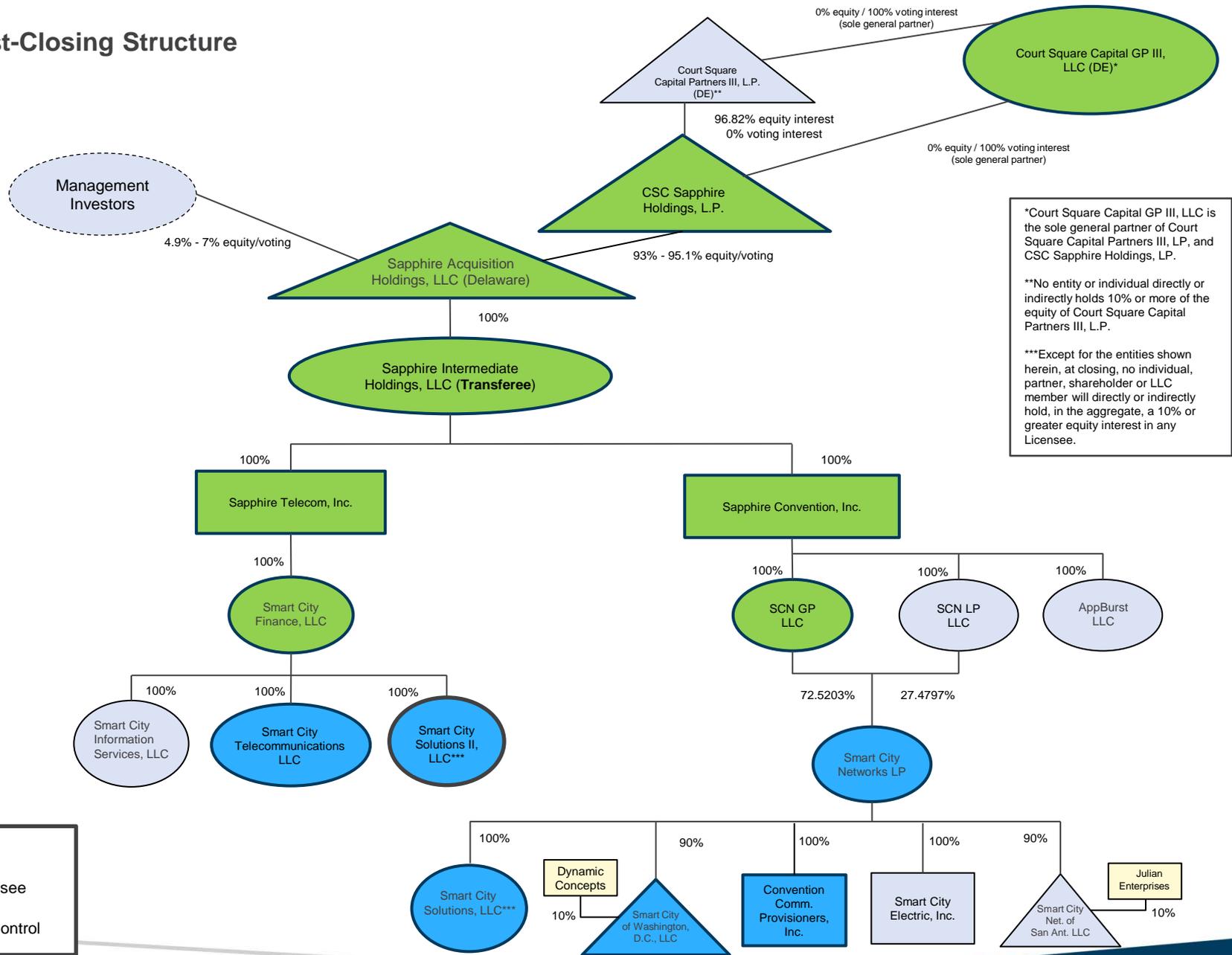
Pre- and Post-Transaction Organizational Charts

Pre-Transaction Structure



FCC Licensees are listed in **bold** text.

Post-Closing Structure



*Court Square Capital GP III, LLC is the sole general partner of Court Square Capital Partners III, LP, and CSC Sapphire Holdings, LP.

**No entity or individual directly or indirectly holds 10% or more of the equity of Court Square Capital Partners III, L.P.

***Except for the entities shown herein, at closing, no individual, partner, shareholder or LLC member will directly or indirectly hold, in the aggregate, a 10% or greater equity interest in any Licensee.

Key

- FCC Licensee
- Chain of Control

*** After closing, Smart City Solutions II, LLC is expected to change its name to Smart City Solutions, LLC, and the former Smart City Solutions, LLC is expected to change its name to Smart City Networks of Orange County, LLC.

VERIFICATION

I, Martin Rubin, hereby declare that:

(1) I am President and CEO of Smart City Holdings, LLC and its subsidiaries;

(2) I am authorized to make this declaration on behalf of Smart City Holdings, LLC and its subsidiaries; and

(3) The statements in the foregoing Application relating to Smart City Holdings, LLC and its subsidiaries are true and correct to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 30 day of AUGUST 2018.



Martin Rubin
President and CEO
Smart City Holdings, LLC

VERIFICATION

I, Christopher D. Bloise, hereby declare that:

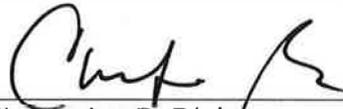
(1) I am Vice President and Treasurer of Sapphire Intermediate Holdings, LLC;

(2) I am authorized to make this declaration on behalf of Sapphire Intermediate Holdings, LLC and its affiliates; and

(3) The statements in the foregoing Application relating to Sapphire Intermediate Holdings, LLC and its affiliates are true and correct to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 5 day of September 2018.



Christopher D. Bloise
Vice President and Treasurer
Sapphire Intermediate Holdings, LLC