

March 7, 2025

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**VIA E-MAIL**

Gary Widerburg, Commission Administrator  
Utah Public Service Commission  
Heber M. Wells Building  
160 East 300 South, 4th Floor  
Salt Lake City, UT 84111  
psc@utah.gov

**Re: Notice Regarding the Proposed Intra-Company Reorganization Transactions of Windstream Holdings II, LLC and its Utah Affiliates**

Dear Mr. Widerburg:

Windstream Holdings II, LLC (“Windstream Holdings”), on behalf of its subsidiary New Windstream, LLC (“New Windstream”) and its subsidiaries holding Utah certificates (“Windstream Licensees”)<sup>1</sup> (collectively, “Windstream”) hereby notifies the Utah Public Service Commission (“Commission”) of certain planned intra-company and reorganization transactions (the “Reorganization”).

The Reorganization, which will take place entirely at the parent holding company level, will result in New Windstream becoming the ultimate parent of the Windstream Licensees and certain intermediate holding company changes. It will not cause any change in operations or customer service in Utah. While the Reorganization will result in changes in relative ownership among Windstream’s minority equity holders, it will not result in any investor acquiring a majority or controlling interest in Windstream; indeed, it will not impact control of the Windstream Licensees at all, as Windstream’s governance will remain unchanged. Windstream expects to complete the Reorganization in April of this year.

Windstream understands that formal Commission approval of the Reorganization is not required.<sup>2</sup> Windstream, therefore, submits this letter for information purposes to ensure the continuing accuracy of the Commission’s records.

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<sup>1</sup> “Windstream Licensees” refers to Broadview Networks, Inc.; DeltaCom, LLC; McLeodUSA Telecommunications Services, LLC; PAETEC Communications, LLC; Windstream Communications, LLC; Windstream New Edge, LLC; and Windstream NuVox, LLC.

<sup>2</sup> The Windstream Licensees are competitive local exchange and interexchange carriers that do not receive high-cost support from the Utah Universal Public Telecommunications Support Fund. These carriers are not required to seek the Commission’s prior approval of mergers and other transactions, and need only provide prior notice to the Commission of such transactions. *See* Utah Code Ann. § 54-8b-3.4(1).

## I. DESCRIPTION OF THE REORGANIZATION

### A. Addition of New Parent Company

Windstream Holdings, the current ultimate parent of the Windstream Licensees, will conduct a *pro forma* reorganization, which it currently anticipates completing in April 2025. Windstream Holdings is currently the immediate parent of New Windstream. It will form several new subsidiaries under New Windstream, including New Windstream Holdings II, LLC, which will be an indirect subsidiary (via additional newly formed intermediate holding companies) of New Windstream, LLC. Windstream Holdings will then merge into New Windstream Holdings II, LLC, with New Windstream Holdings II, LLC surviving. As New Windstream will be the ultimate parent of New Windstream Holdings II, LLC, New Windstream will become the ultimate parent of the Windstream Licensees. Pre- and post-Reorganization charts are attached to this Notice as **Attachments A and B**.

Windstream Holdings' equity holders immediately prior to the Reorganization will receive equivalent ownership interests in New Windstream, so this *pro forma* reorganization will not impact ultimate ownership or control of Windstream in any way.

Further, the Reorganization will allow Windstream Licensees to better compete in the robust telecommunications marketplace and will not affect any of the operations of Windstream Licensees. Customers will continue to have the same service providers and will continue to receive substantially the same services under the same rates, terms, and conditions of service. Once the Reorganization is completed, the Windstream Licensees will continue to have the managerial, technical, financial, and customer care qualifications to provide high-quality telecommunications services in Utah.

### B. Non-Substantial Changes in Ownership

Shortly before this *pro forma* reorganization, Windstream Holdings will undergo changes in the relative ownership shares held by its existing minority equity holders, none of which will result in a change of majority ownership or control of the Windstream Licensees. Specifically, Windstream Holdings in the second half of 2024 offered its existing equity holders the right to purchase warrants exchangeable for common units in Windstream Holdings. Windstream Holdings will use the proceeds from this rights offering to repurchase equity from existing investors who wish to sell their common units. Since this repurchase of equity will reduce the total number of outstanding common units, Windstream Holdings' investors who do not sell their units will end up holding larger relative shares in the company. However, no investor or group of investors will reach or exceed 50 percent as a result.

Specifically, Windstream Holdings' three largest current equity holders today are (1) funds managed by Elliott Investment Management L.P. and its advisory affiliates (the "Elliott Funds"); (2) certain funds and accounts managed, advised, and sub-advised by Pacific Investment Management Company LLC ("PIMCO") (such funds and accounts, the "PIMCO Funds"); and (3)

Oaktree Capital Group.<sup>3</sup> At closing of the Reorganization, the Elliott Funds will hold approximately 49.9 percent of Windstream Holdings' equity (similar to their pre-closing share),<sup>4</sup> the PIMCO Funds' equity ownership will increase from roughly 21 percent to roughly 29 percent, and Oaktree will exit its investment. The remainder of Windstream Holdings' equity will be held by other existing investors, each of which will hold less than 10 percent of Windstream's units.

**C. Governance of Reorganized Company Unchanged**

New Windstream will operate pursuant to the identical limited liability company agreement as Windstream Holdings does today. Under this agreement, neither Elliott, the Elliott Funds, PIMCO, nor the PIMCO Funds have or will have the ability to appoint a majority of the Board or manage day-to-day operations of the company. Therefore, although the PIMCO Funds' ownership of Windstream's equity will increase from approximately 21 percent to approximately 29 percent as a result of Windstream repurchasing other minority investors' equity, the increase in its relative equity share will not grant PIMCO or the PIMCO Funds any practical ability to exercise control over the company.

**D. Reorganization is Separate from and Independent of Merger of Windstream with Uniti Group**

The Reorganization is separate from, and independent of, a proposed future transaction between Windstream and Uniti Group Inc., which the parties jointly announced on May 3, 2024.<sup>5</sup> Windstream and Uniti will submit a separate notice to the Commission in connection with that transaction, which is expected to close later in the year.

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<sup>3</sup> "Oaktree" means Oaktree AIF Investments, L.P., Oaktree Capital Management, L.P., Oaktree Fund GP II, L.P., Oaktree Strategic Income SPV, LLC, and their respective managed funds and accounts.

<sup>4</sup> Elliott has agreed to ensure that funds managed by Elliott will collectively hold less than 50 percent of the outstanding units after the rights offering concludes by committing to exchange any common units in the company for warrants as needed to keep each of (1) the Elliott Funds' ownership; and (2) the PIMCO Funds' ownership below 50 percent after reduction in the number of outstanding units.

<sup>5</sup> See Press Release, Windstream, *Uniti to Merge with Windstream Creating Premier Insurgent Fiber Provider* (May 3, 2024), <https://news.windstream.com/news/news-details/2024/Uniti-to-Merge-with-Windstream-Creating-Premier-Insurgent-Fiber-Provider/default.aspx>.

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## II. CONCLUSION

Windstream respectfully advises the Commission of the planned Reorganization as set forth above. If there are any questions concerning this submission, please do not hesitate to contact the undersigned directly.

Respectfully submitted on March 7, 2025.

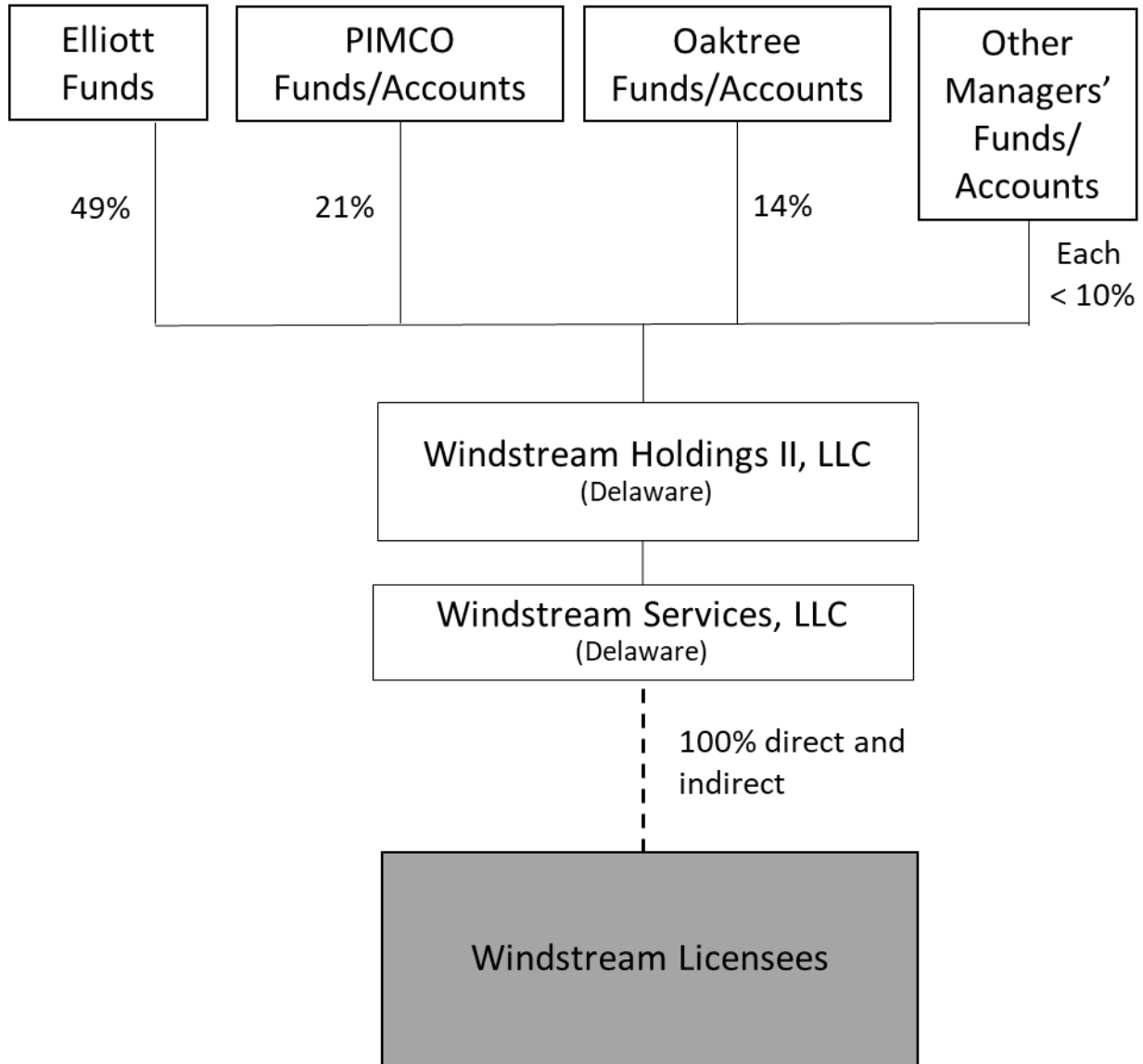
A handwritten signature in blue ink, reading "Luke Platzer", is positioned above a solid horizontal line.

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*Counsel for Windstream*

ATTACHMENT A

CURRENT WINDSTREAM CORPORATE ORGANIZATIONAL CHART



\* All ownership shown as of Apr. 24, 2024.

**ATTACHMENT B**

**POST-REORGANIZATION WINDSTREAM CORPORATE ORGANIZATIONAL CHART**

