

# Morgan Lewis

**Joshua M. Bobeck**  
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February 15, 2022

## **VIA E-FILING**

Public Utility Commission of Oregon  
201 High Street SE, Suite 100  
Salem, Oregon 97301-3398  
Attention: Filing Center

### **RE: Notification Regarding the Transfer of Control of Clear Rate Communications, Inc. to Clear Rate Holdings, Inc. and Resulting Name Change**

Dear Sir or Madam:

Clear Rate Holdings, Inc. ("Transferee" or "Holdings") and Clear Rate Communications, Inc. ("Licensee" or "Clear Rate") (collectively, the "Parties"), by undersigned counsel, notify the Commission of the transfer of control of Licensee to Holdings (the "Transaction") was completed on September 30, 2021. As a result, Clear Rate was converted from a Michigan corporation to a Delaware limited liability company Clear Rate Communications, LLC which is now a wholly owned subsidiary of Holdings. A copy of the certificate of conversion is attached as **Attachment A**.

It is the Parties' understanding that Commission approval and prior notice was not required for the Transaction. Accordingly, this letter is submitted for informational purposes.

### **Description of the Parties**

#### **A. Clear Rate Holdings ("Transferee" or "Holdings")**

Holdings is a Delaware corporation and a holding company established as an acquisition vehicle solely for purposes of this Transaction. L Four, LLC will be the manager of the co-investment vehicle L4-CR Co-Invest, LLC that will hold a majority of the stock of Clear Rate Holdings, Inc. L Four, LLC is owned 50/50 by Barbara Henagan and Giny Mullins. Mrs. Mullins and Mrs. Henagan have worked together for approximately 15 years at Linx Partners, a private equity investment firm, and through L Four, LLC, will be the managers of L4-CR Co-Invest, LLC. Mrs. Henagan has been investing in privately held businesses for over 40 years. Most recently, Mrs. Henagan founded Linx Partners where she has worked as a Managing Director and Founder for over 20 years. Mrs. Mullins has been investing in privately held businesses for approximately 15 years during her time at Linx Partners. At Linx, Mrs. Henagan & Mrs. Mullins have invested through Linx funds and co-investment vehicles in 19 platforms, as well as a number of add-on acquisitions and financial recapitalizations. Mrs. Mullins and Mrs. Henagan have primarily invested in US-based industrial distribution, business services and manufacturing businesses in the lower middle market. Currently, across the investment funds managed by Mrs. Henagan and Mrs. Mullins,

#### **Morgan, Lewis & Bockius LLP**

1111 Pennsylvania Avenue, NW  
Washington, DC 20004-2541  
United States

**T** +1.202.739.3000  
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assets under management are approximately \$200 million, and there are approximately 1,175 employees at existing portfolio companies. To date, they have made one investment that focuses on the telecommunications, cable/MSO and enterprise end markets which is Sagent, Inc. Sagent is an equipment distributor and repair services provider to those industries.

**B. Clear Rate Communications, Inc. (“Licensee” or “Clear Rate”)**

Clear Rate is a Michigan corporation. Clear Rate is a Competitive Local Exchange Carrier (“CLEC”) with its corporate headquarters located in Troy, Michigan. Clear Rate, in operation for two decades, provides a full suite of telecommunication services for both consumers and businesses including Voice, Internet, wireless, colocation and IT Managed Services. Currently, Clear Rate has approximately 26,000 customers in 24 different states. Clear Rate’s business and government customers include customers in the higher and secondary education, financial, automotive, manufacturing, and hospitality sectors.

Clear Rate is currently owned by six private investors: Thane Namy (35%), Sam Namy (12%), Robert Fantin (20%), Linda Kallabat (14%), Joseph Morelli (9.5%) and Kenneth Morelli (9.5%). Clear Rate’s management team includes Thane Namy as the CEO and Sam Namy as the CFO. Both Thane and Sam Namy have been with Clear Rate since inception of the business.

Clear Rate is licensed as a CLEC in the following states in addition to Oregon: California, Colorado, Florida, Idaho, Illinois, Indiana, Iowa, Massachusetts, Michigan, Minnesota, Nebraska, New Mexico, New York, Ohio, Pennsylvania, South Carolina, South Dakota, Texas, Utah, Washington, and West Virginia. Clear Rate’s wholly owned subsidiary Clear Rate Telecom, LLC is licensed as a CLEC in Arizona and Virginia.

Clear Rate is authorized by the Commission to provide telecommunications service, pursuant to a Certificate of Public Convenience and Necessity (“CPCN”) granted by the Commission in Docket No. CP 1575. Clear Rate is also authorized by the Federal Communications Commission (“FCC”) to provide interstate and international telecommunications services and applications for authorization to transfer control of Clear Rate’s FCC licenses to Holdings were filed on January 21, 2021 and granted on February 26, 2021 per a March 4, 2021 Public Notice (International, DA-21-262) and on March 5, 2021 (Domestic, DA-21-274).

**Designated Contacts**

Questions, correspondence or other communications concerning this filing should be directed to:

For Clear Rate Holdings:

Joshua M. Bobeck  
JiaZhen (Ivon) Guo  
Morgan, Lewis & Bockius LLP  
1111 Pennsylvania Ave., N.W.  
Washington, DC 20004-2541  
Tel: 202-739-3000  
joshua.bobek@morganlewis.com  
ivon.guo@morganlewis.com

with copies to:

Giny Mullins  
C/o L Four, LLC  
3330 Cumberland Boulevard  
Suite 500  
Atlanta, GA 30339  
Tel: 404-788-4005  
gmullins@linxpartners.com

For Clear Rate Communications:

Roderick S. Coy  
CLARK HILL PLC  
212 East Cesar Chavez Avenue  
Lansing, Michigan 48906  
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rcoy@clarkhill.com

Steven R. Pacynski  
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Detroit, Michigan 48226  
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Omar Bustami  
CLARK HILL PLC  
1001 Pennsylvania Ave.  
Suite 1300 South  
Washington, D.C 20004  
Tel: 202-640-6656  
obustami@clarkhill.com

with copies to:

Sam H. Namy  
Chief Financial Officer  
Clear Rate Communications, Inc.  
2600 W. Big Beaver Road  
Suite 450  
Troy, MI 48084  
Tel: 248.556.4525  
snamy@clearrate.com

### **Description of the Transaction**

On September 30, 2021 and pursuant to a Membership Interest Purchase Agreement (the "Purchase Agreement") dated December 30, 2020, by and among Holdings, Clear Rate, the stockholders of Clear Rate (the "Stockholders") and Sam Namy, in his capacity as the Stockholders Representative, the Stockholders and Clear Rate completed a restructuring transaction (the "*Pro Forma* Restructuring") pursuant to which (i) the Stockholders incorporated a new holding company, NNFKMM Holdings, Inc., a Michigan corporation (the "Seller"), (ii) the Stockholders contributed all of the outstanding equity interests of Clear Rate to the Seller, and (iii) following such contribution, the Seller converted Clear Rate from a Michigan corporation to Clear Rate Communications LLC, a Delaware limited liability company ("CR LLC").

Following completion of the *Pro Forma* Restructuring, the Seller sold 100% of the outstanding equity interests in CR LLC (as the successor to Clear Rate) to Holdings, thus resulting in the

indirect transfer of control of Clear Rate to Holdings. For the Commission's reference, diagrams depicting the pre- and post-Transaction ownership structures are provided in **Attachment B**.

The Transaction described above has been seamless to customers and will not affect any of the operations or Clear Rate's legal identity. After the transfer of control to Holdings, Clear Rate continues to provide high-quality communications services under the Clear Rate brand name on reasonable terms and conditions to customers, and there has been no interruption of service. Clear Rate continues to provide service at the same rates, terms, and conditions, as governed by existing tariffs and contracts, which are subject to change in the ordinary course of business. Future changes, if any, in rates, terms and conditions of service will be made in accordance with applicable rules and notice requirements.

In short, the only change immediately following the closing from a customer's perspective was the new ownership of Clear Rate. Holdings and its owners further expect that existing management will continue to oversee Clear Rate on a day-to-day basis.

\* \* \* \* \*

If there are any questions concerning this filing, please feel free to contact the undersigned. This letter is being submitted electronically. Confirmation of receipt and acceptance of this letter would be appreciated.

Respectfully submitted,

*/s/ Joshua M. Bobeck*

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JiaZhen (Ivon) Guo  
Morgan Lewis & Bockius LLP  
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Washington, DC 20004  
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[joshua.bobeck@morganlewis.com](mailto:joshua.bobeck@morganlewis.com)  
[ivon.guo@morganlewis.com](mailto:ivon.guo@morganlewis.com)

Counsel for Clear Rate Holdings, Inc.

Attachments

cc: Roderick S. Coy  
Steven R. Pacynski  
Omar Bustami

**Attachment A**

**Certificate of Conversion**



Secretary of State  
Corporation Division  
255 Capitol Street NE, Suite 151  
Salem, OR 97310-1327

Phone: (503) 986-2200  
FAX: (503) 378-4381  
sos.oregon.gov/business

**REGISTRY NUMBER: 188655394**  
**TYPE: FOREIGN LIMITED LIABILITY COMPANY**

**Next Renewal Date: 10/27/2022**

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CLEAR RATE COMMUNICATIONS, LLC  
2600 W BIG BEAVER RD SUITE 450  
TROY, MI 48084

### Acknowledgment Letter

The document you submitted was recorded as shown below. Please review and verify the information listed for accuracy.

<b>DOCUMENT</b>	<b>FILED ON</b>	<b>STATUS</b>
APPLICATION FOR AUTHORITY	10/27/2021	ACTIVE

**NAME**  
CLEAR RATE COMMUNICATIONS, LLC

**JURISDICTION**  
DELAWARE

**PRINCIPAL PLACE OF BUSINESS**  
2600 W BIG BEAVER RD  
SUITE 450  
TROY, MI 48084

**REGISTERED AGENT**  
CORPORATION SERVICE COMPANY  
1127 BROADWAY ST NE SUITE 310  
SALEM, OR 97301

**MAILING ADDRESS**  
2600 W BIG BEAVER RD SUITE 450  
TROY, MI 48084

EVAJUA  
ACK - NEW AUT  
10/27/2021



Application for Authority to Transact Business - Foreign Limited Liability Company

Secretary of State - Corporation Division - 255 Capitol St. NE, Suite 151 - Salem, OR 97310-1327 - sos.oregon.gov/business - Phone: (503) 986-2200

FILED: OCT 27, 2021
OREGON SECRETARY OF STATE



188655394-22702538

CLEAR RATE COMMUNICATIONS,...

NEWAUT

For office use only

REGISTRY NUMBER:

188655394

For office use only

In accordance with Oregon Revised Statute 192.410-192.490, the information on this application We must release this information to all parties upon request and it will be posted on our website.

Please Type or Print Legibly in Black Ink. Attach Additional Sheet if Necessary.

1) NAME: Clear Rate Communications, LLC

NOTE: (Must contain the words "Limited Liability Company" or the abbreviations "LLC" or "L.L.C.") Must be identical to the name of record in home jurisdiction.

2) REGISTRY NUMBER IN HOME JURISDICTION 6268361

OR: CERTIFICATE OF EXISTENCE (ATTACHED)

(Please provide a web-verifiable registry number from the entity's home jurisdiction. Certain states, such as Delaware and New Jersey, do not provide status information online. Entities from such places must instead attach an official certificate of existence, current within 60 days of delivery to this office.)

7) REGISTERED AGENT'S PUBLICLY AVAILABLE ADDRESS:

(Must be an Oregon Street Address, which is identical to the registered agent's business office.)

1127 Broadway Street NE, Suite 310

Salem, OR 97301

3) DATE OF ORGANIZATION: 09/29/2021 DURATION, IF NOT PERPETUAL:

8) ADDRESS OF PRINCIPAL OFFICE OF THE BUSINESS:

2600 W Big Beaver Rd, Suite 450, Troy, MI 48084

4) STATE OR COUNTRY OF ORGANIZATION:

Delaware

9) ADDRESS WHERE THE DIVISION MAY MAIL NOTICES:

2600 W Big Beaver Rd, Suite 450, Troy, MI 48084

5) THIS FOREIGN LIMITED LIABILITY COMPANY SATISFIES THE REQUIREMENTS OF ORS 63.714(3).

10) HOW WILL THIS LIMITED LIABILITY COMPANY BE MANAGED?

6) NAME OF OREGON REGISTERED AGENT:

Corporation Service Company

- This LLC will be member-managed by one or more members.
This LLC will be manager-managed by one or more managers.

11) EXECUTION: (At least one member or manager must sign.)

I declare as an authorized signer, under penalty of perjury, that this document does not fraudulently conceal, fraudulently obscure, fraudulently alter or otherwise misrepresent the identity of the person or any members, managers, employees or agents of the limited liability company. This filing has been examined by me and is, to the best of my knowledge and belief true, correct, and complete. Making false statements in this document is against the law and may be penalized by fines, imprisonment or both.

Signature

[Handwritten Signature]

Printed Name:

Giny Mullins

Title:

Secretary

CONTACT NAME: (To resolve questions with this filing.)

PHONE NUMBER: (Include area code.)

FEES

Required Processing Fee \$275

Processing Fees are nonrefundable. Please make check payable to "Corporation Division."

Free copies are available at sos.oregon.gov/business, using the Business Name Search program.



Secretary of State  
Corporation Division  
255 Capitol Street NE, Suite 151  
Salem, OR 97310-1327

Phone: (503) 986-2200  
FAX: (503) 378-4381  
sos.oregon.gov/business

**REGISTRY NUMBER: 109305896**  
**TYPE: FOREIGN BUSINESS CORPORATION**

CLEAR RATE COMMUNICATIONS, INC.  
2600 W BIG BEAVER STE 450  
TROY, MI 48084

### Acknowledgment Letter

The document you submitted was recorded as shown below. Please review and verify the information listed for accuracy.

<b>DOCUMENT</b>	<b>FILED ON</b>	<b>STATUS</b>
WITHDRAWAL OF AUTHORITY	10/27/2021	INACTIVE

**NAME**  
CLEAR RATE COMMUNICATIONS, INC.

**JURISDICTION**  
MICHIGAN

**PRINCIPAL PLACE OF BUSINESS**  
2600 W BIG BEAVER RD STE 450  
TROY, MI 48084

**REGISTERED AGENT**  
CORPORATION SERVICE COMPANY  
1127 BROADWAY STREET NE STE 310  
SALEM, OR 97301

**MAILING ADDRESS**  
2600 W BIG BEAVER STE 450  
TROY, MI 48084

**PRESIDENT**  
THANE NAMY  
2600 W BIG BEAVER RD STE 450  
TROY, MI 48084

**SECRETARY**  
SAM NAMY  
2600 W BIG BEAVER RD STE 450  
TROY, MI 48084





Application for Amendment/Withdrawal - Foreign Business/Professional

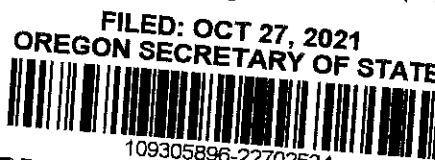
Secretary of State - Corporation Division - 255 Capitol St. NE, Suite 1

www.sos.oregon.gov/business - Phone: (503) 986-2200

Check the appropriate box below:

AMENDMENT TO APPLICATION FOR AUTHORITY (Complete only 1, 2, 8)

WITHDRAWAL OF AUTHORITY TO TRANSACT (Complete only 3, 4, 5, 6, 7, 8)



CLEAR RATE COMMUNICATIONS,...

VWD

REGISTRY NUMBER: 1093058-96

In accordance with Oregon Revised Statute 192.410-192.490, the information on this application is public record. We must release this information to all parties upon request and it will be posted on our website.

For office use only

Please Type or Print Legibly in Black Ink. Attach Additional Sheet if Necessary.

AMENDMENT TO APPLICATION ONLY

1) ENTITY NAME:

2) AMENDMENT: (The amendment is as follows.)

WITHDRAWAL OF AUTHORITY TO TRANSACT BUSINESS ONLY

3) NAME: Clear Rate Communications, Inc.

4) STATE OR COUNTRY OF INCORPORATION: Delaware

5) THIS CORPORATION IS NOT TRANSACTING BUSINESS IN OREGON, AND SURRENDERS ITS AUTHORITY TO TRANSACT BUSINESS IN OREGON.

6) THIS CORPORATION REVOKES THE AUTHORITY OF ITS REGISTERED AGENT TO ACCEPT SERVICE ON ITS BEHALF AND APPOINTS THE SECRETARY OF STATE AS ITS AGENT FOR SERVICE OF PROCESS IN ANY PROCEEDING BASED ON A CAUSE OF ACTION ARISING DURING THE TIME IT WAS AUTHORIZED TO TRANSACT BUSINESS IN OREGON.

7) MAILING ADDRESS: (The address to which the person initiating any proceeding may mail to this Corporation a copy of any process served on the Secretary of State. The Corporation will notify the Corporation Division, Business Registry of any change in this mailing address for a period of five years from the date of this withdrawal.) 2600 W Big Beaver Rd, Suite 450, Troy, MI 48084

8) EXECUTION: (Must be signed by at least one officer or director.)

I declare as an authorized signer, under penalty of perjury, that this document does not fraudulently conceal, fraudulently obscure, fraudulently alter or otherwise misrepresent the identity of the person or any officers, directors, employees or agents of the corporation. This filing has been examined by me and is, to the best of my knowledge and belief true, correct, and complete. Making false statements in this document is against the law and may be penalized by fines, imprisonment or both.

Signature: [Handwritten Signature]

Printed Name: Giny Mullins

Title: Secretary

CONTACT NAME: (To resolve questions with this filing.)

PHONE NUMBER: (Include area code.)

FEES

Required Processing Fee \$275

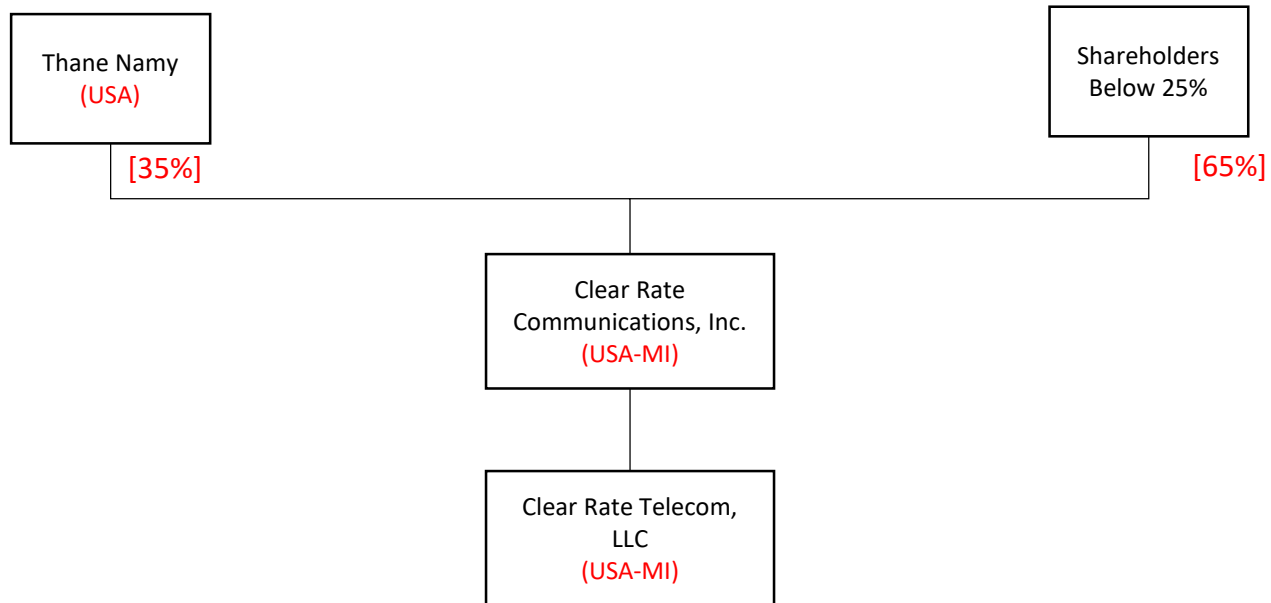
Processing Fees are nonrefundable. Please make check payable to "Corporation Division."

Free copies are available at sos.oregon.gov/business, using the Business Name Search program.

**Attachment B**

**Pre-Transaction and Current Corporate Ownership Structure Chart**

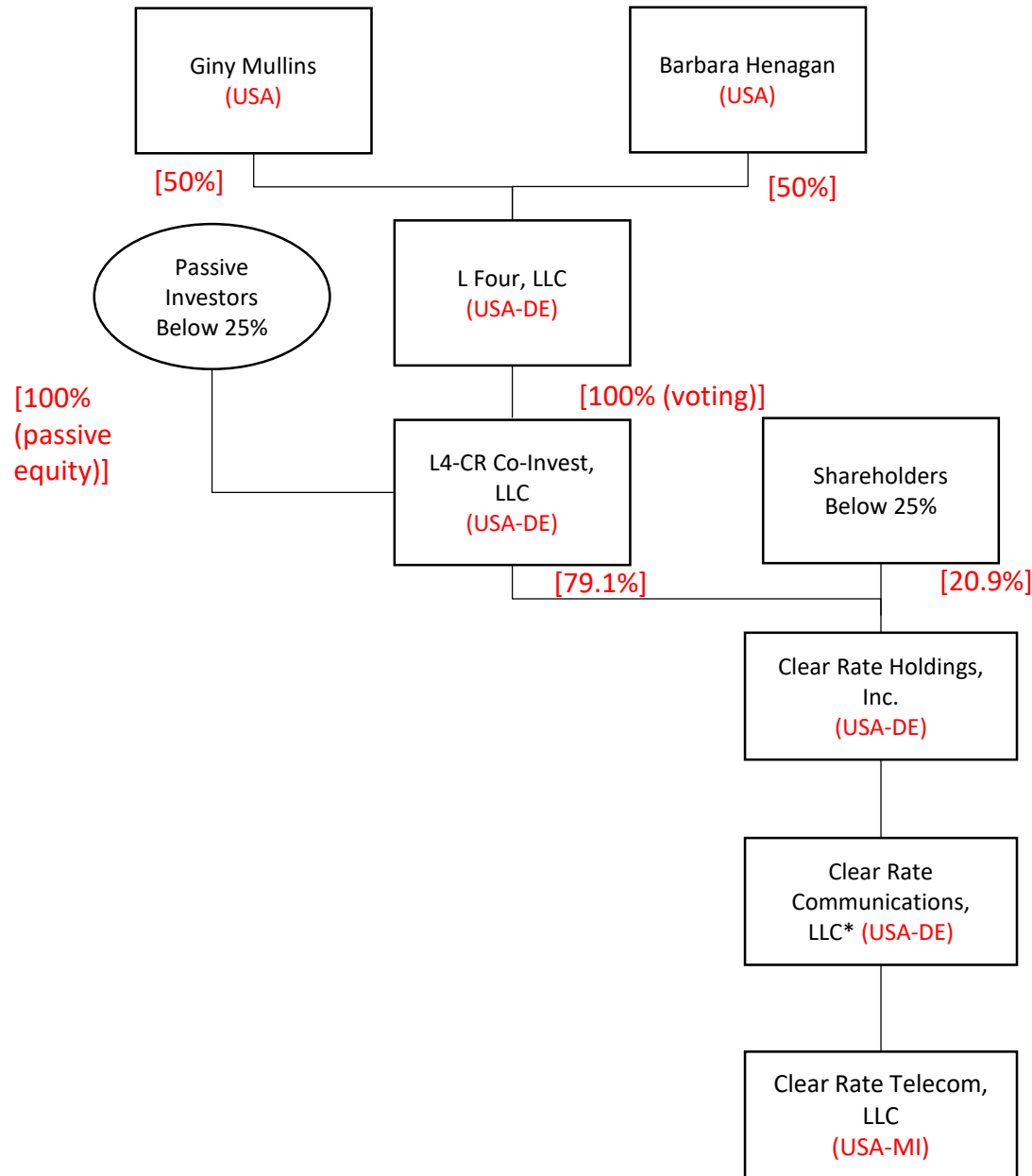
# Pre-Transaction Corporate Structure of Clear Rate Communications, Inc. and Clear Rate Telecom LLC



All ownership is 100% unless stated otherwise

The entities/persons depicted here are only those with a 20% or greater equity or voting interest, direct or indirect in authorization holders.

# Post-Transaction Corporate Structure of Clear Rate Communications, LLC and Clear Rate Telecom, LLC\*



All ownership is 100% and reflects equity/voting unless stated otherwise

The entities/persons depicted here are only those with a 20% or greater equity or voting interest, direct or indirect in authorization holders.

\*Reflects conversion from Michigan corporation to Delaware LLC prior to closing under the *Pro Forma* Restructuring