



STATE OF NEW JERSEY
44 South Clinton Avenue, 1st Floor
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Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED PETITION OF) ORDER APPROVING
SPECTROTEL ULTIMATE HOLDINGS, LLC,) FINANCING
SPECTROTEL OF NEW JERSEY, LLC, AIRESPRING,) ARRANGEMENTS
INC., AND SPECTRUM AGGREGATOR, LP FOR)
APPROVAL FOR SPECTROTEL OF NEW JERSEY, LLC)
AND AIRESPRING, INC. TO PARTICIPATE IN CERTAIN)
FINANCING ARRANGEMENTS) DOCKET NO. TF26050216

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Michael A. Gruin, Esq., Stevens & Lee, on behalf of Petitioners

BY THE BOARD:

On May 13, 2026, Spectrotel Ultimate Holdings, LLC ("Spectrotel Ultimate"), Spectrotel of New Jersey, LLC ("Spectrotel NJ"), AireSpring, Inc. ("AireSpring"), Spectrum Aggregator, LP ("Spectrum Aggregator") (collectively, "Petitioners"), filed a petition with the New Jersey Board of Public Utilities ("Board") pursuant to N.J.S.A. 48:3-7, 48:3-9 and the regulations of the Board ("Petition"). By the Petition, the Petitioners requested approval, to the extent necessary, for Spectrotel NJ and AireSpring to participate in certain financing arrangements (as defined below) concurrently with a transaction for (1) the transfer of control of Spectrotel NJ from an entity affiliated with Grain Management, LLC ("Grain Management") to an entity affiliated with Charlesbank Capital Partners, LLC ("Charlesbank") through Spectrum Aggregator's direct acquisition of the majority of the equity interests of Spectrotel Ultimate, of which Spectrotel NJ currently is a subsidiary; and (2) the transfer of control of AireSpring from its current ownership group to Charlesbank through Spectrotel Ultimate's concurrent indirect acquisition of all of the equity interests of AireSpring (both requests jointly referred to as the "Transaction"). By this Order, the Board considers the requests in the Petition.¹

¹ The Petitioners filed a separate petition to seek approval for the Transfer of Control Transactions. See In re the Verified Petition of Spectrotel Ultimate Holdings, LLC, Spectrotel of New Jersey, LLC Airespring, Inc., and Spectrum Aggregator, LP for Approval of a Change of Control of Spectrotel of New Jersey, LLC and Airespring, Inc., BPU Docket No. TM26050215.

BACKGROUND AND PROCEDURAL HISTORY

Spectrotel NJ, a Delaware limited liability company, is an indirect, wholly owned subsidiary of Spectrotel Services, LLC. Spectrotel Services, LLC provides, including through Spectrotel NJ and various other subsidiaries, resold voice and business data services to small and medium-sized business (“SMB”) and enterprise customers across the United States. Spectrotel NJ holds authority from the Board to provide facilities-based and resold local and interexchange telecommunications services in New Jersey.² Spectrotel Ultimate, of which Spectrotel NJ is an indirect, wholly owned subsidiary, is managed by Grain Management.

AireSpring is a Delaware corporation that provides resold voice and business data services to SMB and enterprise customers across the United States and Canada. AireSpring holds authority from the Board to provide facilities-based and resold local exchange telecommunications services in New Jersey.³

Spectrum Aggregator, LP, a Delaware limited partnership that is managed by Charlesbank.

PETITION

In the Petition, the Petitioners provided that pursuant to a Contribution and Purchase Agreement dated April 22, 2026, Spectrotel Intermediate Holdings, LLC, a direct, wholly owned subsidiary of Spectrotel Ultimate, will acquire all of the outstanding equity and voting interests in AireSpring. Accordingly, AireSpring will become an affiliate of Spectrotel NJ. Pursuant to a Purchase Agreement dated April 22, 2026, Spectrum Aggregator concurrently would acquire a majority of the outstanding equity and voting interests in Spectrotel Ultimate, of which Spectrotel NJ currently is a subsidiary.

As a result of the Transaction, which will be financed through a combination of equity contributions and third-party debt financing, Spectrotel NJ and AireSpring will be majority owned and controlled indirectly by Spectrum Aggregator, subject to the ultimate control of Charlesbank, with GCOF IV Spectrotel Holdings, L.P. (“GCOF IV Spectrotel”), an affiliate of Grain Management, holding a minority interest directly in Spectrotel Ultimate and, in turn, indirectly in Spectrotel NJ and AireSpring. Certain other existing owners of Spectrotel NJ and AireSpring will retain a minority interest in the combined company through a rollover investment in Spectrotel Ultimate at closing.

Petitioners stated that in connection with the Transaction, a wholly owned domestic subsidiary of Spectrotel Ultimate (such wholly owned domestic subsidiary, the “Borrower”) is expected to obtain up to \$600 million in debt financing, consisting of a senior secured initial term loan facility, a senior secured delayed draw term loan facility, and a senior secured revolving credit facility (collectively, “Financing Arrangements”), to be provided by a group of lenders.

Petitioners stated that the Financing Arrangements are expected to be guaranteed by a group of affiliates of the Borrower, including the Borrower’s immediate parent company and certain of the Borrower’s subsidiaries, including Spectrotel NJ. Immediately after the consummation of the

² See In re the Petition of Spectrotel of New Jersey for Authority to Provide Local Exchange and Exchange Telecommunications Services in the State of New Jersey, Docket No. TE12100948, Order dated December 19, 2012.

³ See In re the Petition of AireSpring, Inc. for Authority to Provide Local Exchange Telecommunications Services Throughout the State of New Jersey, Docket No. TE04080876, Order dated November 10, 2004.

Transaction, the Borrower is expected to be an indirect parent of AireSpring, and AireSpring is expected to accede to the Financing Arrangements as a guarantor. The Financing Arrangements will constitute senior obligations of the Borrower and the guarantors and will be secured on a first-priority basis by substantially all of their assets.

The Petitioners stated that the proceeds of the Financing Arrangements, together with the equity contributions described below, are expected to be sufficient to finance the Transaction, including refinancing certain existing indebtedness and paying fees, costs, and expenses related to the Transaction. Subject to satisfaction of certain conditions, the delayed draw term loan facility and the revolving credit facility will be available from and after the closing date for the Transaction to finance certain corporate purposes of the Borrower and its subsidiaries, to be set forth in the definitive documentation for the Financing Arrangements.

The Financing Arrangements will consist solely of long-term indebtedness. The initial term loan facility and any drawn delayed draw term loans are expected to mature on the seventh anniversary of the closing date, and the lending commitments under the revolving credit facility are expected to terminate on the seventh anniversary of the closing date. The term loans (including any drawn delayed draw term loans) will amortize in equal quarterly installments, with the balance of the original principal amount payable at maturity.

The interest rate under the Financing Arrangements is expected to be the market rate for similar financings and is contemplated to be a floating rate, consisting of a base rate that will float with a rate index such as the Term Secured Overnight Financing Rate, the prime rate, or the Federal Funds Rate, plus an applicable margin. The applicable margin will be subject to adjustment based on the consolidated leverage ratio of the Borrower and its subsidiaries, as further set forth in the definitive documentation for the Financing Arrangements.

In addition to the Financing Arrangements, new and rollover equity will provide the remainder of the funds required for the acquisition of Spectrotel Services, LLC and its subsidiaries, including Spectrotel NJ, as well as for the acquisition of AireSpring.

According to Petitioners, the Financing Arrangements will provide the Petitioners with cost-effective access to capital to expand and improve their collective broadband networks and operations. Petitioners asserted that participation in the Financing Arrangements is not expected to affect the day-to-day operations of Petitioners; nor will it adversely affect Petitioners' current or planned operations in New Jersey.

Petitioners stated that neither Spectrotel NJ nor AireSpring has any employee pension plans. Further, Petitioners stated that the existing rights of Spectrotel NJ and AireSpring employees in any other retirement benefit plan offered by the companies will not be affected by the Financing Arrangements.

Petitioners stated that the Financing Arrangements will serve the public interest for several reasons.

First, the Petitioners stated that the Transaction, together with the Financing Arrangements, will give Spectrotel NJ and AireSpring access to additional financial resources and generate operational efficiencies. In particular, Spectrum Aggregator's acquisition of a majority interest in Spectrotel NJ and, in turn, AireSpring, will provide them access to additional capital, enabling the combined company to continue to provide high-quality and innovative communications solutions at reasonable rates to customers, none of which will suffer any resulting loss or impairment of

service. In addition, following closing of the Transaction, these additional financial resources available through the Financing Arrangements will facilitate the combined company's ability to deliver enhanced and expanded service offerings to existing and new customers. Moreover, according to the Petitioners, Spectrotel NJ's combination with AireSpring will result in efficiencies owing to the unification of the companies' operations, including by uniting their respective sales and marketing functions, customer care, back office systems, and other capabilities, and improving the combined company's ability to secure reasonable terms from its suppliers, which consist primarily of major, nationwide providers of voice and business data services.

Second, the Petitioners stated that the extensive managerial resources and expertise of Charlesbank will supplement those of Grain Management as well as of Spectrotel NJ's highly experienced and well-qualified management, technical, and operational teams, which will oversee the day-to-day operations of the combined company following closing. According to the Petitioners, the decades of experience of these teams will ensure that customers continue to receive high-quality communications services and excellent customer service following the Transaction.

Third, the Petitioners stated that the Transaction will not adversely affect competition or otherwise result in harm to consumers, and the combination of Spectrotel NJ and AireSpring will enhance competition in the communications marketplace. In particular, as resellers of services provided by carriers such as Verizon and AT&T, the Petitioners asserted that both companies compete with those nationwide carriers, as well as with numerous other resellers and facilities based providers, many of which are significantly larger than Spectrotel NJ and AireSpring. In addition, as resellers, neither Spectrotel NJ nor AireSpring controls the underlying facilities used to provide their services or has the ability to restrict competition, and the same will be true of the combined company. Accordingly, the Petitioners asserted that the Transaction does not pose a threat of competitive harm and will not negatively impact any customers.

Fourth, Petitioners stated that the Transaction will be seamless for the customers of Spectrotel NJ and AireSpring. In particular, the combined company's customers will continue to receive the same high-quality and innovative communications services as they do today. Moreover, there are no plans to discontinue any of AireSpring's services following the companies' combination. Instead, AireSpring's customers will gain access to the wide variety of services that Spectrotel NJ offers.

On August 21, 2026, the New Jersey Division of Rate Counsel ("Rate Counsel") submitted comments on the Petition. Rate Counsel stated that it did not oppose Board approval of the Petition.

DISCUSSION AND FINDINGS

Pursuant to N.J.S.A. 48:3-7, a utility shall not dispose of its property or consolidate its property with that of any other public utility without the approval of the Board. Where the disposition of all, or a substantial portion of, a utility's property is proposed, the Board shall not approve of the proposed transaction if it appears that the public utility or a wholly owned subsidiary thereof may be unable to fulfill its pension obligations to its employees. N.J.S.A. 48:3-7. Petitioners have confirmed that they do not have employees in New Jersey. The Board therefore **FINDS** that Petitioners have satisfied all requirements under N.J.S.A. 48:3-7.

After the Board's careful review of the record in this proceeding, the Board **HEREBY FINDS** that the Petitioner's participation in the Financing Arrangements satisfies the requirements of N.J.S.A.

48:3-7 and 48:3-9 and N.J.A.C. 14:1-5.9, is in accordance with the law, is in the public interest, and will have no negative impact on rates or customers. The Board **HEREBY FINDS** that the Financing Arrangements will have no material impact on the Petitioners' employees, or their pensions. Therefore, after investigation and consideration of the record and information submitted in this proceeding, the Board **HEREBY AUTHORIZES** Petitioners to participate in the Financing Arrangements and for Petitioners to take those actions necessary to effectuate such Financing Arrangements.

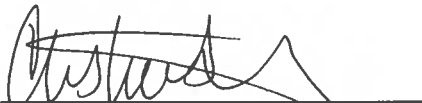
Beginning January 15, 2027 and every twelve (12) months thereafter, Petitioners shall submit to the Board Secretary, and provide a copy to the Chief Economist, a letter report detailing each debt issuance, term loan, and use of revolving credit opened or concluded in the prior twelve (12) months, along with copies of executed indentures associated with the authorization contained in this Order. The reports shall include the name of the issuing entity, issue date, amount of debt issued, the term in years, final maturity date, coupon rate, price to public, underwriters discount, net proceeds after expenses, gross proceeds before expenses, breakdown of estimated issuance costs (including, but not limited to, information such as the underwriting fees, underwriting expenses, legal fees and expenses, recordation taxes and fees, etc.) and any other material provision with respect to the terms and conditions of the new issuance.

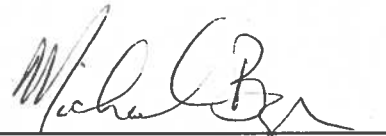
This Order shall be effective on September 30, 2026.

DATED: September 24, 2026

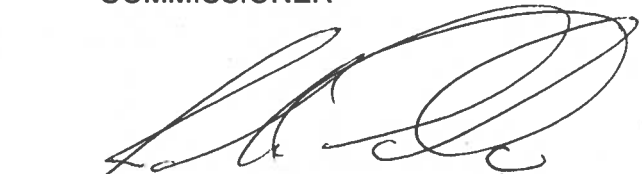
BOARD OF PUBLIC UTILITIES
BY:


BEN HERTZ-SHARGEL
PRESIDENT

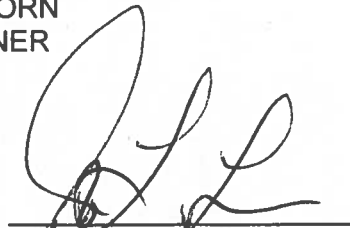

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SHERRI L. LEWIS
BOARD SECRETARY

IN THE MATTER OF THE VERIFIED PETITION OF SPECTROTEL ULTIMATE HOLDINGS, LLC, SPECTROTEL OF NEW JERSEY, LLC, AIRESRING, INC., AND SPECTRUM AGGREGATOR, LP FOR APPROVAL FOR SPECTROTEL OF NEW JERSEY, LLC AND AIRESRING, INC. TO PARTICIPATE IN CERTAIN FINANCING ARRANGEMENTS

DOCKET NO. TF26050216
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