



Agenda Date: 6/18/25  
Agenda Item: IVB

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED ) ORDER  
PETITION OF SQF, LLC FOR APPROVAL TO )  
PARTICIPATE IN CERTAIN FINANCING )  
ARRANGEMENTS ) DOCKET NO. TF25020057

**Parties of Record:**

**Brian O. Lipman, Esq., Director**, New Jersey Division of Rate Counsel  
**Joshua M. Bobeck, Esq., of Morgan, Lewis & Bockius LLP**, on behalf of Petitioner

**BY THE BOARD:**

On February 18, 2025, SQF, LLC ("SQF" or "Petitioner") submitted a Verified Petition to the New Jersey Board of Public Utilities ("Board") pursuant to N.J.S.A. 48:3-9 and the regulations of the Board, requesting: 1) approval of the Board to participate in certain new financing arrangements; and 2) *nunc pro tunc* approval of its participation in prior financing arrangements, as described below ("Petition"). The Board considers the Petition herein.

**BACKGROUND**

SQF is a privately held Delaware limited liability company with its principal office at 16 Middle Street, 4th Floor, Portland, Maine 04101. SQF is majority owned by SDC Tilson Investor, LLC ("SDC Tilson").<sup>1</sup> SDC Tilson is a Delaware limited liability company with a principal office at 817 Broadway, 10th Floor, New York, New York 10003. SDC Tilson is wholly owned by funds managed by SDC Capital Partners, LLC, a New York City-based private investment firm focused on information technology and communications infrastructure.

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<sup>1</sup> The Board previously approved an investment by SDC Tilson into SQF, which resulted in the transfer of control of SQF. In re the Verified Petition of SQF, LLC for Approval of a Change of Control and Management Services Agreement, BPU Docket No. TM19040449, Order dated August 7, 2019.

SQF is authorized to provide local exchange and interexchange telecommunications services in New Jersey pursuant to Board Order dated August 29, 2015.<sup>2</sup> According to the Petition, SQF provides wholesale intrastate radio frequency transport and backhaul services to other carriers as well as data transport transmission service for its wholesale carrier customers. SQF provides its services using a system of fiber optic cables and small antennas and conversion equipment attached to poles and other structures.

By the Petition, SQF sought Board approval to incur debt as a guarantor and to pledge its assets as security for financing arrangements up to the aggregate amount defined in the Petition ("New Financing Arrangements").<sup>3</sup> Some or all the New Financing Arrangements may be secured facilities, which may include a grant of a security interest in the assets of SQF. A portion of the New Financing Arrangements may be unsecured facilities. For the secured facilities, the equity of SQF may be pledged as additional security. Additionally, SQF may provide a guaranty as security for the full aggregate amount of the New Financing Arrangements. The New Financing Arrangements may be used for (i) refinancing then-existing debt, (ii) funding capital to support capital investments, (iii) providing working capital to fund general corporate purposes, and (iv) acquisitions.

SQF stated that the New Financing Arrangements would serve the public interest because, among other things, the New Financing Arrangements would provide access to financial resources that will allow it to expand its infrastructure and become a more effective competitor in the communications industry. Petitioner asserted that the New Financing Arrangements are necessary and appropriate, would not impair SQF's ability to provide its services, and would promote its corporate purposes. Petitioner further stated that the New Financing Arrangements would not disrupt service or cause customer confusion or inconvenience.

Petitioner also sought Board approval, *nunc pro tunc*, of SQF's participation in certain financing arrangements which it entered as of January 2024 ("Prior Financing Arrangements"). Petitioner stated the Prior Financing Arrangements included a grant of security in the assets of SQF and are being used for funding capital to support capital investments and providing working capital to fund general corporate purposes. Petitioner asserted that it was not aware at the time of the Prior Financing Arrangements that it was obligated to seek approval of its financing transactions but now understands that prior Board approval was required under N.J.S.A. 48:3-9(a) and N.J.S.A. 48:3-7.

By the Petition, SQF stated that the Prior Financing Arrangements were in the public interest. Petitioner asserted that, similar to the New Financing Arrangements, the Prior Financing Arrangements did not involve any changes to ownership of SQF, did not result in any changes to SQF's management or day-to-day operations, and did not impact SQF's technical, managerial, and financial qualifications to provide telecommunications services in the State of New Jersey. The Prior Financing Arrangements were used to support capital investments that support SQF's

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<sup>2</sup> In re the Verified Petition of SQF, LLC D/B/A Tilson for Authorization to Provide Local Exchange and Interexchange Telecommunications Services Throughout the State of New Jersey, BPU Docket No. TE15060727, Order dated August 19, 2015.

<sup>3</sup> The aggregate amount of the New Financing Arrangements was claimed as confidential by the Petitioner. Consistent with the Board's rules governing claims of confidentiality, the aggregate amount is not identified here. See N.J.A.C. 14:1-12.1 to -12.18.

services. SQF further stated that the Prior Financing Arrangements had no adverse impact on the customers of SQF and did not disrupt service or cause customer confusion or inconvenience.

Petitioner stated that it currently has no employees in New Jersey, however, one of its third-party staffing contractors provides a New Jersey-based employee to SQF. The employee's benefits are provided by the employee's direct employer, not SQF. Petitioner similarly indicated that it had no employees in New Jersey at the time of the Prior Financing Arrangements. Petitioner further stated that neither the New Financing Arrangements nor the Prior Financing Arrangements will have nor have had any impact on the rights SQF employees located in other states have with respect to their employee benefits from SQF.

The New Jersey Division of Rate Counsel ("Rate Counsel") has reviewed this matter and, by letter dated May 28, 2025, stated that it does not object to Board approval of the Petition, including *nunc pro tunc* approval of the Prior Financing Arrangements.

### **DISCUSSION AND FINDINGS**

The Board, after investigation and having considered the Petition, Petitioner's responses to discovery, and the comments of Rate Counsel and Board Staff, **HEREBY FINDS** that SQF's participation in the Prior Financing Arrangements and the New Financing Arrangements is in accordance with law, in the public interest, and will have no negative impact on the company, rates, customers, or New Jersey employees. The Board, pursuant to N.J.A.C. 14:1-5.9A and N.J.S.A. 48:3-9, approving of the purposes of the New Financing Arrangements, **HEREBY AUTHORIZES** SQF to participate in the New Financing Arrangements and for SQF to take those actions necessary to effectuate such New Financing Arrangements.

Further, SQF is **HEREBY AUTHORIZED**, *nunc pro tunc*, to enter into the Prior Financing Arrangements. This includes authorizations for SQF to act as guarantor and to pledge its assets as security to provide necessary guaranties and related pledges of assets as security for the Prior Financing Arrangements and New Financing Arrangements.

This Order is issued subject to the following provisions:

1. This Order shall not affect or in any way limit the exercise of the authority of the Board or the State of New Jersey in any future petition or in any proceeding regarding rates, costs of service, franchises, service, financing, accounting, capitalization, depreciation or any other matters affecting Petitioner.
2. Petitioner shall notify the Board within five (5) business days of any material changes in the proposed financing and shall provide complete details of such transactions, including any anticipated effects upon service in New Jersey.
3. Petitioner shall notify the Board of any material default in the terms of the proposed financing within five (5) business days of such occurrence.
4. Notwithstanding anything to the contrary in the documents executed pursuant to the Prior Financing Arrangements or New Financing Arrangements or other supporting documents, a default or assignment under such agreement does not constitute an automatic transfer of Petitioner's assets located in the State of New Jersey and no party to such Prior

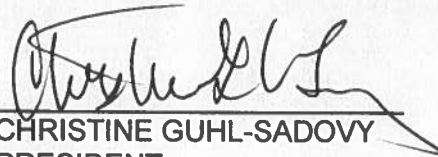
Financing Arrangements or New Financing Arrangements or other supporting document ancillary to the Prior Financing Arrangements or New Financing Arrangements shall exercise any remedies that would constitute a transfer or assignment of any assets of Petitioner located in the State of New Jersey or a change of control of Petitioner prior to obtaining Board approval pursuant to N.J.S.A. 48:1-1 et seq. where applicable. Any such filing would include reference to the docket number in this matter. The Petitioner agrees that it may not transfer or assign any New Jersey assets without Board approval under N.J.S.A. 48:1-1 et seq.

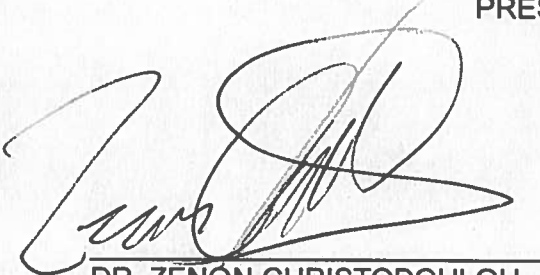
5. This Order shall not be construed as directly or indirectly fixing for any purpose whatsoever any value of tangible or intangible assets now owned or hereafter to be owned by Petitioner.
6. Beginning January 15, 2026, and every six (6) months thereafter, Petitioner shall submit to the Board Secretary, 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 six (6) 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.

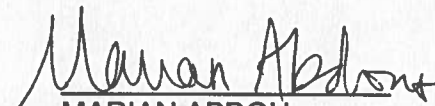
This Order shall become effective on June 25, 2025.

DATED: June 18, 2025

BOARD OF PUBLIC UTILITIES  
BY:

  
CHRISTINE GUHL-SADOVY  
PRESIDENT

  
DR. ZENON CHRISTODOULOU  
COMMISSIONER

  
MARIAN ABDOU  
COMMISSIONER

  
MICHAEL BANGE  
COMMISSIONER

ATTEST:

  
SHERRIL L. LEWIS  
BOARD SECRETARY

I HEREBY CERTIFY that the within  
document is a true copy of the original  
in the files of the Board of Public Utilities.

IN THE MATTER OF THE VERIFIED PETITION OF SQF, LLC FOR APPROVAL TO PARTICIPATE IN CERTAIN  
FINANCING ARRANGEMENTS

DOCKET NO. TF25020057

SERVICE LIST

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