



JACK C. DAVIS PC
JAMES R. NEAL
MICHAEL G. OLIVA
CATHERINE A. JACOBS
MICHAEL H. RHODES
JEFFREY L. GREEN
JEFFREY S. THEUER²
KEVIN J. RORAGEN
RICHARD W. PENNINGS
TED S. ROZEBOOM

MICHAEL F. MATHESON³
SARA L. CUNNINGHAM¹
TRACEY L. LACKMAN
JAMES F. ANDERTON, V⁴
MICHAEL G. STEFANKO⁶
MIEKE V. WEISSERT
LEAH J. BROOKS
WARREN H. KRUEGER, III
ELIZABETH HUSA BRIGGS⁵
DOMINIC R. RIOS

OF COUNSEL:
KARL L. GOTTING PLLC
KENNETH W. BEALL PLLC
MICHAEL A. HOLMES
PAULA K. MANIS PLLC^{1,3,7}
KELLY REED LUCAS⁷

MICHAEL G. OLIVA
Telephone: 517-482-2400
Fax: 517-853-8671
mgoliva@loomislaw.com

REPLY TO DOWNTOWN OFFICE

¹ ALSO LICENSED IN OH
² ALSO LICENSED IN MD
³ ALSO LICENSED IN IL
⁴ ALSO LICENSED IN FL
⁵ ALSO LICENSED IN NY
⁶ ALSO CPA
⁷ EASTWOOD OFFICE

March 22, 2016

Ms. Mary Jo Kunkle
Executive Secretary
Michigan Public Service Commission
4300 W. Saginaw Highway
P.O. Box 30221
Lansing, MI 48909

**RE: Everstream GLC Holding Company LLC
MPSC U-18045**

Dear Ms. Kunkle:

Enclosed for filing on behalf of Everstream GLC Holding Company LLC, in the above-captioned case, is the **Supplemental Direct Testimony of Brett Lindsey on Behalf of Everstream GLC Holding Company LLC**. Exhibits A-5, and A-6 are confidential exhibits and are being filed separately under seal.

Please contact the undersigned if you have any questions.

Very truly yours,

LOOMIS, EWERT, PARSLEY,
DAVIS & GOTTING, P.C.

Michael G. Oliva

MGO:kmc
Enclosures

DOWNTOWN OFFICE:
124 W. ALLEGAN STREET, SUITE 700
LANSING, MI 48933-1784
517-482-2400

EASTWOOD OFFICE:
2400 LAKE LANSING ROAD, SUITE E
LANSING, MI 48912-3674
517-485-0400

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the Application of)
EVERSTREAM GLC HOLDING COMPANY LLC)
for a temporary and permanent license to provide basic)
local exchange service in all the zone and exchange) Case No. U-18045
areas in Michigan presently served by Michigan Bell)
Telephone Company d/b/a AT&T Michigan, Frontier)
North Inc. and Frontier Midstates Inc.)
_____)

SUPPLEMENTAL DIRECT TESTIMONY OF BRETT LINDSEY
ON BEHALF OF EVERSTREAM GLC HOLDING COMPANY LLC

1 **Q. Please state your name, business address and telephone number.**

2

3 A. My name is Brett Lindsey. My business address is 800 W. St. Clair Avenue,
4 Cleveland, Ohio, 44113. My business telephone number is (216) 923-2236.

5 **Q. What is your position with Everstream GLC Holding Company LLC?**

6 A. I am the President and Chief Executive Officer of Everstream GLC Holding
7 Company LLC (“Everstream”), and of its parent, Everstream Solutions, LLC.

8 **Q. What is the purpose of your supplemental testimony in this proceeding?**

9 A. The purpose of my supplemental testimony is to address certain questions
10 submitted to Everstream by the Michigan Public Service Commission Staff
11 following its initial review of Everstream’s Application and Exhibits in this case.

12 **Q. Are you sponsoring any additional exhibits?**

13 A. Yes, I am sponsoring two additional exhibits: Confidential Exhibits A-5 and A-6.

14 **Q. Does Applicant, Everstream GLC Holding Company, LLC have separate
15 financial statements from those of its parent, Everstream Solutions, LLC?**

16 A. No. The Balance Sheet that was filed as Confidential Exhibit A-4 is labeled as a
17 consolidated balance sheet. It includes Everstream GLC Holding Company, LLC.
18 which is the Applicant, its immediate parent Everstream Solutions LLC, and its
19 ultimate parent, Everstream Holding Company, LLC.

20 The Applicant, Everstream GLC Holding Company LLC was formed in January
21 2016 for the specific purpose of the proposed acquisition of the GLC and
22 Comlink assets in their Chapter 11 Reorganization. At this point in time it has no
23 separate financial statements.

1 **Q. Will Everstream GLC Holding Company LLC (Applicant) be significantly**
2 **financially reliant on Everstream Solutions?**

3 A. Yes. Everstream GLC Holding Company LLC is a wholly owned subsidiary of
4 Everstream Solutions, LLC, which will provide financial resources to the
5 Applicant.

6 **Q. How long has Everstream Solutions been in operations?**

7 A. Everstream Solutions has been in operations since 2006. It was originally formed
8 and operated as 1C Network Services, LLC. The name was changed to
9 Everstream Solutions, LLC in January, 2014.

10 **Q. Are updated consolidated financial statements available for the Applicant?**

11 A. Yes. Attached as Confidential Exhibit A-5 are final consolidated financial
12 statements for Everstream Holding Company, LLC and its subsidiaries
13 Everstream Solutions, LLC and Everstream GLC Holding Company, LLC.,
14 including a Balance Sheet and Income Statement for the period ending December
15 31, 2015.

16 **Q. Can you explain the differences in the Balance Sheet submitted as**
17 **Confidential Exhibit A-4 and the Balance Sheet submitted as part of**
18 **Confidential Exhibit A-5?**

19 A. Yes. Confidential Exhibit A-4 was a preliminary balance sheet for the period
20 ending December 31, 2015. The Balance Sheet included in Confidential Exhibit
21 A-5 is a final balance sheet following review by Everstream's auditors. Most of
22 the differences are minor. There is, however, a significant difference in Property,
23 Plant and Equipment, principally with respect to the price of Fiber purchased

1 following a significant investment in the 4th Quarter of 2015. These changes were
2 suggested by Everstream’s auditors, and Confidential Exhibit A-5 conforms to the
3 audit.

4 **Q. If the bankruptcy court does not approve the proposed Asset Purchase**
5 **Agreement between Everstream as purchaser and Great Lakes Comnet, Inc.**
6 **(“GLC”) and Comlink, LLC (“Comlink”), or if another company outbids**
7 **Everstream, does Everstream still intend to provide telecommunication**
8 **services within 1 year in the State of Michigan?**

9 A. Although, as noted above, Everstream GLC Holding Company LLC was formed
10 in January 2016 for the specific purpose of acquiring the GLC and Comlink assets
11 in their Chapter 11 reorganization, if Everstream is not the successful bidder or if
12 its proposed acquisition is not approved by the bankruptcy court, it would still be
13 Everstream’s intent to provide telecommunications services in the State of
14 Michigan within one year of an order granting it a CLEC license.

15 **Q. Please provide a general explanation of how Everstream GLC Holding**
16 **Company will obtain financing to make a purchase of this size, in light of the**
17 **fact that they were just formed in January 2016?**

18 A. Over \$100 million of funding from the FCC, NTIA and other non-profits funded
19 the network build of Everstream Solutions. Everstream’s current investors
20 include a consortium led by M/C Partners, J.P. Morgan Asset Management and
21 Morgan Stanley Alternative Investment Partners, which invested \$50 million in
22 Everstream on October 30, 2015 to fund acquisitions and network expansion.

1 In addition, Everstream has a commitment letter for \$15 million in new equity and
2 \$55 million of new debt to finance the acquisition of the GLC and Comlink assets
3 and to provide telecommunications services in Michigan.

4 **Q. Which Everstream entity is the potential buyer of the GLC and Comlink**
5 **assets in their Chapter 11 Reorganization?**

6 A. The Applicant, Everstream GLC Holding Company LLC is the proposed
7 purchaser.

8 **Q. Has the financing for the potential purchase been approved?**

9 A. As noted above, the financing of the acquisition of the GLC and Comlink assets
10 has been approved. A copy of the Commitment Letter for \$15 million of new
11 equity and \$55 million of debt is attached as Confidential Exhibit A-6.

12 **Q. Please provide a general outline of the relationship of Everstream GLC**
13 **Holding Company and Everstream Solutions LLC and how that relates to**
14 **the purchase of the GLC and Comlink assets.**

15 A. Everstream GLC Holding Company LLC is a wholly owned subsidiary of
16 Everstream Solutions, LLC. I am the CEO of both companies. The two
17 companies share other officers and employees as well, including those listed on
18 Exhibit A-3. Everstream Solutions would provide financial, management and
19 operational resources to Everstream GLC Holding Company to close the purchase
20 of the GLC and Comlink assets, or alternatively to expand operations into
21 Michigan even if the purchase is not approved, and then to provide
22 telecommunications services in Michigan on an ongoing basis.

23 **Q. Does this conclude your supplemental testimony?**

1 A. Yes.

**CONFIDENTIAL EXHIBIT A-5
EVERSTREAM GLC HOLDING COMPANY LLC
MPSC NO. U-18045**

**FINAL CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDING DECEMBER 31, 2015**

**CONFIDENTIAL EXHIBIT A-6
EVERSTREAM GLC HOLDING COMPANY LLC
MPSC NO. U-18045**

COMMITMENT LETTER