

December 14, 2016

Mr. Steven King  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
1300 South Evergreen Park Dr. SW  
Olympia, WA 98504-7250

Re: Notice of Astound Broadband, LLC's Purchase of Assets of Cascade Networks, Inc.

Dear Mr. King,

Astound Broadband, LLC ("Astound") hereby notifies the Washington Utilities and Transportation Commission ("Commission") of a planned transaction in which Astound will purchase certain assets of Cascade Networks, Inc. ("CNI"), relating to data, telephone and television services provided to residential and commercial customers.

Astound is not seeking the Commission's review or approval of this transaction. Because both Astound and CNI are competitively classified companies, no approval by the Commission is necessary. *See* WAC 480-121-063(1)(k) (waiving RCW Chapter 80.12 and WAC Chapter 480-143 for "competitively classified companies"). Accordingly, Astound is providing this notice and the information voluntarily, as a courtesy to the Commission.

## **I. The Parties**

### *Astound Broadband, LLC*

Astound is a U.S. entity formed under the laws of Washington, as a limited liability company, with principal offices at 401 Kirkland Parkplace Center, Suite 500, Kirkland, WA 98033. Astound provides wholesale telecommunications services which are used as inputs to providers of interconnected voice over Internet protocol ("VoIP") services to residential and business customers in Oregon, as well as in Washington, and California. Astound and its affiliates own and operate communications conduit, dark fiber facilities, and provide lit services, in California, Oregon, and Washington. Astound was granted registration as a competitive telecommunications company by the Commission effective February 28, 2009 in Docket UT-090160.

Astound is a wholly owned subsidiary of WaveDivision Holdings, LLC, a U.S. entity formed under the laws of Delaware, as a limited liability company, with principal offices at 401 Kirkland Parkplace Center, Suite 500, Kirkland, WA 98033. WaveDivision Holdings, LLC

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owns and operates a multi-service communications business which provides cable television, broadband Internet access, and VoIP services to residential and commercial subscribers.

*Cascade Networks, Inc.*

CNI is a Washington corporation with its principal offices at 1111 11th Ave., Longview, Washington, 98632. CNI provides data, telephone and television services to residential and commercial customers in Washington and Oregon utilizing an advanced fiber-optic network and other telecommunications facilities under the “Cascade Networks,” “Cascade Fiber” and “CNI” names.

*Brian Magnuson*

Brian Magnuson is the controlling shareholder and principal of CNI, and is a party to the Agreement. He currently serves as President of CNI.

## **II. Description of the Transaction**

Pursuant to an Asset Purchase Agreement dated November 4, 2016 by and among Astound, CNI, and Brian Magnuson (the “Agreement”), Astound is acquiring substantially all of the rights, properties and assets of CNI related to data, telephone and television services that CNI provides to residential and commercial customers. Among these assets are CNI’s fiber network and related telecommunications facilities, along with related rights and interests.<sup>1</sup> Pursuant to a separate purchase agreement, Astound will simultaneously acquire certain improved real property from CNI’s affiliate 1111 LLC, which now serves as CNI’s current corporate offices and, following closing, will serve as Astound’s local office. As set forth in the Agreement, certain assets of CNI’s non-telecommunications business operations, namely, the sale and installation of wireless Internet equipment, vehicle customizations, and sales of security equipment that CNI conducts under the names “Last Mile Gear,” “Cascade Connect” and “Cascade Mobile,” are excluded from the transaction. Upon closing, the CNI corporate entity will change its name and continue to conduct those businesses. Following a transition period to ensure a smooth transition for customers, CNI will no longer provide telecommunication services in Washington.

The transaction is expected to close on December 15, 2016, or shortly thereafter. The closing of the transaction will not result in an interruption or disruption of service to customers. Upon the close of the transaction, CNI customers will continue to receive the same services currently provided by CNI, and those services will continue to be provided using the same facilities, equipment, and personnel that are currently used to provide those services. In due course, Astound will file a notice of consummation with the Commission, confirming that the transaction has closed.

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<sup>1</sup> Astound has obtained all necessary consents, including consent from the Federal Communications Commission related to the assignment of certain authorizations and licenses held by CNI.

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The aforementioned transaction serves the public interest. CNI customers will continue to receive the communications services now provided by CNI following the close of the transaction. Moreover, Astound's acquisition pursuant to the Agreement of telecommunications assets, including CNI's fiber-optic network, will allow Astound to expanding its offerings of high-quality telecommunications services to consumers, making Astound a stronger competitor in the marketplace for telecommunications services, and will therefore ultimately benefit consumers and the public at large.

### **III. Contact Information**

Astound's contact information is:

Astound Broadband, LLC  
401 Kirkland Parkplace Center, Suite 500  
Kirkland, WA 98033  
(425) 576-8200 (Tel.)

CNI's contact information is:

Cascade Networks, Inc.  
1111 11th Ave.  
Longview, WA 98632  
(360) 414-5990 (Tel.)

Contact information for Brian Magnuson is:

Brian Magnuson  
274 Barlow Point Road  
Longview, WA 98632  
(360) 442-4440 (Tel)

Correspondence concerning this Notice should be sent to:

K.C. Halm  
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Suite 800  
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[alangalloway@dwt.com](mailto:alangalloway@dwt.com)

With a copy to:

Jim Penney  
WaveDivision Holdings, LLC  
General Counsel  
401 Kirkland Parkplace Center, Suite 500  
Kirkland, WA 98033  
(425) 576-8300 (Tel)  
[jpenney@wavebroadband.com](mailto:jpenney@wavebroadband.com)

Should the Commission have any questions regarding the transaction, please do not hesitate to contact Astound using the contact information provided herein

Respectfully,

DAVIS WRIGHT TREMAINE LLP



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