



PUBLIC NOTICE

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DA 25-221

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DOMESTIC 214 APPLICATION GRANTED FOR THE TRANSFER OF CONTROL OF SOCKET TELECOM, LLC TO LAST DANCE INTERMEDIATE II, LLC

WC Docket No. 25-7

By this Public Notice, the Wireline Competition Bureau (Bureau) grants an application filed by Socket Holdings Corporation (Socket Holdings) and Last Dance Intermediate II, LLC (Last Dance Intermediate II) (together, Applicants), pursuant to section 214(a) of the Communications Act of 1934, as amended, and sections 63.03-04 of the Commission's rules,¹ requesting Commission consent to transfer indirect control of Socket Telecom, LLC (Socket Telecom), a wholly owned subsidiary of Socket Holdings, to Last Dance Intermediate II.²

On February 4, 2025, the Bureau released a public notice seeking comment on the Application.³ We did not receive comments or petitions in opposition to the Application.

Socket Telecom, a Missouri limited liability company, provides competitive telecommunications services primarily in Missouri⁴ and is wholly owned by Socket Holdings, a Missouri corporation.⁵ Socket Telecom is designated as an Eligible Telecommunications Carrier (ETC) in Missouri and the Commission authorized Socket Telecom to receive \$232,768.80 in Rural Digital Opportunity Fund (RDOF) support in exchange for its commitment to serve 393 locations in Study Area Code (SAC) 429048 in Missouri.⁶

Last Dance Intermediate II, a Delaware limited liability company formed for the purposes of this transaction, is indirectly and wholly owned by Last Dance Holdings, L.P. (Last Dance Holdings), a

¹ See 47 U.S.C. § 214(a); 47 CFR §§ 63.03-04.

² Domestic Section 214 Application for the Transfer of Control of Socket Telecom, LLC to Last Dance Intermediate II, LLC, WC Docket No. 25-7 (filed Jan. 13, 2025) (Application). On January 22, 2025, Applicants filed a supplement to the Application. Letter from Patricia Cave, counsel to Last Dance Intermediate II, LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 25-7 (filed Jan. 22, 2025) (Supplement).

³ *Domestic Section 214 Application Filed for the Transfer of Control of Socket Telecom, LLC to Last Dance Intermediate II, LLC*, WC Docket No. 25-7, Public Notice, DA 25-103 (WCB 2025).

⁴ Application at 3. Applicants note that, although Socket Telecom primarily operates in Missouri, Socket Telecom is also authorized to provide local exchange and interexchange services in Arkansas, Kansas and Oklahoma. *Id.*

⁵ *Id.* Applicants state that, except for Socket Telecom, Socket Holdings does not own or control a 10% or greater, direct or indirect interest in any other domestic telecommunications carrier. *Id.*

⁶ *Id.* at 3; see also *Rural Digital Opportunity Fund Support Authorized for 2,521 Winning Bids*, Public Notice, AU Docket No. 20-34; WC Docket Nos. 19-126 and 10-90, 37 FCC Rcd 171, Attach. A at 41-42 (WCB 2022). Applicants state that Socket Telecom participates in the E-Rate and Rural Health Care programs. *Id.* at 9. Applicants further state that Socket Telecom participates in the Lifeline program in connection with its receipt of RDOF support, and previously participated in the Emergency Broadband Benefit and Affordable Connectivity Program. *Id.*

Delaware limited partnership and investment fund, also created for the purposes of this transaction.⁷ Last Dance Holdings is primarily owned and controlled by funds and entities affiliated with Oak Hill Capital Management (Oak Hill)⁸ and Pamlico Capital Management (Pamlico), which are private equity funds based in the United States.⁹ Applicants state that the equity in the Oak Hill and Pamlico funds is held through passive limited (and insulated) partnership interests held by numerous, primarily U.S.-based investors, including individuals, trusts, institutions and business entities, and that control of these funds ultimately rests in U.S. entities or citizens.¹⁰ Oak Hill is affiliated with several carriers that receive various forms of high cost universal service support, including Connect America Fund (CAF)-Broadband

⁷ *Id.* at 1-2. Applicants note that George A. Pfenenger, a United States citizen, currently holds a 16.05% voting and 7.43 equity interest in Socket Holdings. *Id.* at 2. Applicants further note that, following the consummation of the proposed transaction, George A. Pfenenger will hold a 18.90% equity and voting interest (directly and indirectly) in Last Dance Holdings. *Id.* at Exh. A (Current and Post-Transaction Corporate Ownership Structure Charts) at 2 and Exh. B (Post-Transaction Ownership Structure of the Licensee) at 3.

⁸ *Id.* at 2. Applicants provide information on the following providers of domestic telecommunications services that are affiliates of Oak Hill: (1) Otelco, Inc. (Otelco), which, through its subsidiaries, provides rural incumbent (LEC) services, competitive LEC services, resold and interexchange telecommunications services, or cable television services in various states including Alabama, Maine, Massachusetts, Missouri, New Hampshire, Vermont, and West Virginia; (2) Ontario Telephone Company, Inc. (OTC) and Trumansburg Telephone Company, Inc. (TTC), both providers of rural incumbent LEC services in New York, and Finger Lakes Communications Group Inc. (FLCG), a provider of resold intrastate and interstate international long distance services within the areas served by OTC and TTC with authority to also provide competitive LEC services in New York; (3) Netspeed, LLC (Netspeed), a provider of fiber-optic Internet services in more than 15 communities in Connecticut and Pennsylvania, and Netspeed's subsidiary, Netspeed Management, Inc., authorized provide intrastate telecommunications services in New York; (4) Race Telecommunications, LLC (Race Telecom), a provider of communications services in the Kern, Mono, Nevada County, San Bernardino, San Francisco, Los Angeles, and San Diego counties of California; and (5) Metronet Holdings, LLC (Metronet Holdings), which, through its subsidiaries Metro Fibernet, LLC (MFN), Climax Telephone LLC (Climax), CMN-RUS, LLC (CMN-RUS), Jaguar Communications (Jaguar), and Vexus Fiber, LLC (Vexus) (Metronet Holdings, MFN, Climax, CMN-RUS, Jaguar, and Vexus, collectively, Metronet) provides or is authorized to provide telecommunications services and communications services in certain portions of Arizona, Colorado, Florida, Illinois, Indiana, Iowa, Kentucky, Louisiana, Michigan, Minnesota, Missouri, Nebraska, New Mexico, North Carolina, Ohio, Texas, Virginia, and Wisconsin. *Id.* at 11-12; *see also* Supplement at 1. An application for the transfer of control of Metronet to MetroNet Systems Holdings, LLC is currently pending before the Commission in which, following the consummation of that transaction, Oak Hill will no longer hold a 10% or greater interest in Metronet. *See Domestic Section 214 Application Filed for the Transfer of Control of the Subsidiaries of Metronet Holdings, LLC to Metronet Systems Holdings, LLC*, Public Notice, WC Docket No. 24-244, DA 24-970 (WCB 2024); *see also* Application at n.12, Supplement at 2. Applicants also provide information on entities which are affiliates of Oak Hill that do not provide telecommunications services nor hold FCC licenses. Application at 11.

⁹ Application at 2.

¹⁰ *Id.* Following the consummation of the proposed transaction, the following Delaware entities and U.S. citizen will hold a 10% or greater interest in Last Dance Holdings: (1) OHDOP Last Dance Aggregator, L.P. (OHDOP Last Dance Aggregator) (37.58% equity and voting); (2) Pamlico Last Dance Aggregator, L.P. (Pamlico Last Dance Aggregator) (37.58% equity and voting); and (3) George A. Pfenenger (18.90% equity and voting). *Id.* at Exh. A at 2 and Exh. B at 2-3; *see also supra* n.6. The general partner of Last Dance Holdings will be Last Dance Holdings GP, LLC, in which OHDOP Last Dance Aggregator and Pamlico Last Dance Aggregator will each hold 50% of the voting and equity interest. *Id.* at Exh. A at 2 and Exh. B at 2-3. OHDOP Last Dance Aggregator is ultimately held by Brian Cherry, Steven G. Puccinelli, and Tyler Wolfram, each of whom are U.S. citizens and limited partners of OHDOP Last Dance Aggregator. *Id.* at Exh. A at 4 and Exh. B at 7-8. Pamlico Last Dance Aggregator is ultimately held by Scott B. Perper, L. Watts Hamrick III, Frederick W. Eubank II, Arthur C. Roselle, Scott R. Stevens, Walker C. Simmons, and Eric J. Wilkins, each U.S. citizens. *Id.* at Exh. A at 5 and Exh. B at 9.

Loop Support (CAF-BLS),¹¹ Alternative Connect America Fund support (ACAM),¹² and CAF Phase II Auction support.¹³

Pursuant to the terms of the proposed transaction, Last Dance Intermediate II, LLC will acquire all of the outstanding voting and equity interests in Socket Holdings.¹⁴ As a result, Socket Telecom will become an indirect, wholly owned subsidiary of Last Dance Intermediate II.¹⁵ Last Dance Intermediate II will remain indirectly, wholly owned by Last Dance Holdings, and certain of the current owners of Socket Holdings will receive minority ownership interests in Last Dance Holdings.¹⁶

¹¹ Affiliates of Oak Hill that receive CAF-BLS support, a form of cost-based support, include OTC, TTC, and through Climax (together, Oak Hill Cost-Based Affiliates). Application at 10, 12.

¹² Oak Hill's affiliate OTEL is further affiliated with 11 rural LECs which receive ACAM support. See Application at 10.

¹³ The OTEL subsidiary, CRC, receives CAF Phase II Auction support as does the Metronet affiliate, Jaguar. See Application at 12.

¹⁴ *Id.* at 3.

¹⁵ *Id.* Applicants note that the service area of Socket Telecom is not adjacent to and does not overlap with the service territories of the domestic telecommunications carrier affiliates of Last Dance Intermediate II. *Id.* at 9. Applicants note that Socket Telecom's service area has minimal overlaps in three Missouri cities with the fixed wireless service area of I-Land Internet Services LLC, a competitive provider of fixed wireless internet service, owned by Otelco. *Id.*; see also *id.* at 13-14.

¹⁶ *Id.* at 3; see also *supra* nn.7 and 10. In the *Hargray/ComSouth Order*, the Commission found that "the combination of two companies that receive high-cost universal service support under different mechanisms, one fixed and one cost-based, could result in potential harm to the Commission's goal of ensuring that limited universal service resources are distributed efficiently and effectively" as a result of the companies having an incentive to shift costs from the model-based support company to the cost-based support company. *Joint Application of W. Mansfield Jennings Limited Partnership and Hargray Communications Group, Inc. for Consent to the Transfer of Control of ComSouth Corporation Pursuant to Section 214 of the Communications Act of 1934*, WC Docket No. 18-52, Memorandum Opinion and Order, 33 FCC Rcd 4780, 4784, para. 19 (2018) (*Hargray/ComSouth Order*). Although the 214 authorization holder in this proceeding, Socket Telecom (a model-based support company), will ultimately be owned and controlled by Last Dance Intermediate II (which holds interests in both model-based support and cost-based support companies), we find, based on the assertions of the Applicants and under prior Commission precedent, specifically, the *Dobson Order on Reconsideration*, that Last Dance Intermediate II cannot engage in improper cost shifting between Socket Telecom and its post-transaction Oak Hill Cost-Based Affiliates. Application at 14-15; see also *Domestic Section 214 Application for the Transfer of Control of Lavaca Telephone Company, Inc. to Dobson Technologies Inc.*, WC Docket No. 20-389, Order on Reconsideration, 36 FCC Rcd 8859, 8864, para. 14 (2021) (*Dobson Order on Reconsideration*) (stating that the Bureau should continue to apply the *Hargray/ComSouth* condition to remedy a potential public interest harm caused by a mixed support transaction, including in transactions in which post-merger affiliates have common control, common costs, cost sharing, or consolidation of corporate books but should "exclude specific affiliates in a mixed support transaction from the condition if no potential public interest harm could occur because of the lack of majority control and common costs, cost sharing, and/or consolidation of financial accounts"). In this regard, Applicants affirm that post-transaction, Socket Telecom will not have common control, shared or common costs, or the ability to consolidate corporate books with any of the Oak Hill Cost-Based Affiliates. Application at 15. Specifically, Applicants assert that OTC, TTC, and Climax each have (i) management teams that are entirely separate from management who controls and oversees Licensee's day-to-day operations; (ii) separate personnel from Socket Telecom; (iii) separate telecommunications networks from Socket Telecom, and (iv) separate resources from Socket Telecom. Application at 15. Applicants note that there is not any overlap between the service territories of Socket Telecom, OTC, TTC, or Climax because Socket Telecom does not provide service in New York or Michigan. *Id.* In light of the separate operations of Socket Telecom and the Oak Hill Cost-Based Affiliates, as demonstrated on this record, we do not find a potential public interest harm associated with this mixed support transaction that we need to address, and we therefore exercise our authority to exclude this proposed transaction from the *Hargray/ComSouth* condition, as limited to the relationship between Socket Telecom and the Oak Hill Cost-Based Affiliates. See *Dobson Order on Reconsideration*, 36 FCC Rcd at 8886, para. 14.

(continued....)

Applicants state that, following the consummation of the proposed transaction, Socket Telecom Licensee will have access to the financial resources and broader management expertise of Last Dance Intermediate II and its ultimate owners Oak Hill and Pamlico, which each have substantial experience investing in communications infrastructure assets, including numerous information and telecommunications service providers that are among the current and previous portfolio companies of Oak Hill and Pamlico funds.¹⁷ Applicants state that Last Dance Intermediate II will ensure that Socket Telecom continues to meet its RDOF obligations and that the proposed Transaction will enable Socket Telecom to more efficiently and cost-effectively satisfy its existing RDOF obligations and to expand its network and bring advanced communications services to additional consumers.¹⁸ To this end, Applicants state that there will be no changes to the management, technology, or debt associated with Licensee's RDOF funding as a result of the proposed transaction.¹⁹ Applicants further state that the proposed transaction will have no adverse impact on the customers or operations of Socket Telecom and that Socket Telecom will continue to provide its services at the same rates, terms, and conditions, as governed by existing contracts, as applicable.²⁰ Applicants have acknowledged the continuing applicability of the mixed support condition to certain affiliates of Last Dance Intermediate II, first applied in the *Hargray/ComSouth Order*.²¹ Accordingly, Applicants affirm that the proposed transaction is consistent with the public interest, convenience, and necessity.²²

Grant of Application

We find, upon consideration of the record, that the proposed transfer will serve the public interest, convenience, and necessity.²³

Therefore, pursuant to section 214 of the Act, 47 U.S.C. § 214, and sections 0.91, 0.291, 63.03, and 63.04 of the Commission's rules, 47 CFR §§ 0.91, 0.291, 63.03, and 63.04, the Bureau hereby grants the Application discussed in this Public Notice, subject to Applicants' compliance with all applicable obligations.

Pursuant to section 1.103 of the Commission's rules, 47 C.F.R. § 1.103, the grant is effective upon release of this Public Notice. Petitions for reconsideration under section 1.106 or applications for

Applicants also note that Last Dance Intermediate II has an application pending before the Commission that would result in Oak Hill no longer holding a 10% or greater equity or voting interest in Climax, which upon completion, would render moot any mixed support concerns as to the future affiliation of Socket Telecom and Climax. Application at 15; *see also supra* note 8.

¹⁷ Application at 5.

¹⁸ *Id.* at 5-6.

¹⁹ *Id.* at 6.

²⁰ *Id.*

²¹ *Id.* at 15. Applicants acknowledge that the Oak Hill Cost-Based Affiliates are already subject to the mixed-support condition in connection with funds and entities associated with Oak Hill's indirect ownership and control of OTC and TTC, and Climax. *Id.*; *see also Hargray/ComSouth Order*, 33 FCC Rcd at 4784, para. 19; *Domestic Section 214 Applications Granted subject to Conditions*, Public Notice, WC Docket Nos. 20-275 and 20-355, 36 FCC Rcd 5739, 5742-43 (WCB 2021) (*OTC and TTC Public Notice*) (applying the mixed support condition to OTC and TTC); *Domestic Section 214 Application Filed for the Transfer of Control of Climax Telephone Company to MetroNet Systems Holdings, LLC*, Public Notice, WC Docket No. 21-377, 36 FCC Rcd 16151, n.4 (WCB 2021) (*Climax Public Notice*) (applying the mixed support condition to Climax). We grant the Application subject to the continued application of the *Hargray/ComSouth* condition to and among the Oak Hill Cost-Based Affiliates, as described in these public notices. *See OTC and TTC Public Notice*, 36 FCC Rcd at 5742-43 and *Climax Public Notice*, 36 FCC Rcd 16151, n.4.

²² Application at 4-6.

²³ *See* 47 U.S.C. § 214(a); 47 CFR § 63.03.

review under section 1.115 of the Commission's rules, 47 C.F.R. §§ 1.106, 1.115, may be filed within 30 days of the date of this Public Notice.

For further information, please contact Gregory Kwan, Wireline Competition Bureau, Competition Policy Division, (202) 418-1191; Nissa Laughner, Telecommunications Access Policy Division, (202) 418-1358.

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