

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Chapter 11: MobiTV Files for Voluntary Bankruptcy

MobiTV started off March by filing for voluntary relief under Chapter 11, saying it intends to use the proceeding to implement a restructure that will position the company for long-term sustainability and growth.

It has received a commitment for a \$15.5 million debtor-in-possession financing facility to support the process, which may include a going-concern sale. MobiTV said the new facility, which is subject to court approval, will enable it to continue to operate the business and meet its financial obligations, including the timely payment of employee wages and benefits, continued provision of service to existing platform customers, and payment of other obligations during the chapter 11 cases. The restructuring is expected to be complete in 2Q21.

MobiTV, helped in part by an agreement it forged with NCTC in 2017, has a stable of smaller operators that have licensed its managed IPTV platform. The list includes **Vast Broadband**, **MCTV**, **Windstream** and **EPB** of Chattanooga, TN. Cable One is launching a new IPTV offering this year with MobiTV. *Light Reading*, which first reported MobiTV's financial woes, has reported that **T-Mobile** also uses MobiTV for its TVision service.

MobiTV estimated its liabilities at somewhere between \$50-\$100 million, according to bankruptcy court filing Monday. Its largest creditor is listed as a convertible note tied to managed cloud company **Rackspace** with an unsecured claim of \$4 million. It also lists a PPP loan from **Silicon Valley Bank**, with

the claim surpassing \$3 million. It's next biggest unsecured claim is nearly \$3 million and tied to licensing fees from patent pool licensing firm **MPEG LA**.

Several programmers are listed as creditors for video streaming content, including **ABC Cable** (\$362K), **Fox News** (\$349.8K) and **A+E Networks** (\$89.7K). At one point MobiTV offered short-form, nonlinear content from a host of programmers and was apparently behind on those payments, hence the money owed. Customer **EPB** is also among its creditors, with an unsecured claim for more than \$150K listed as a trade payable.

MobiTV CEO *Charlie Nooney* wrote a letter to customers Monday to reassure them that this action doesn't mean the company is going out of business. "We will continue to provide live and on-demand video solutions to our customers and will continue to review our services through the case proceedings. In connection with the Chapter 11 filing, the Company has secured important bridge funding commitments which will allow MobiTV to continue business as usual operations during the pendency of the proceeding," he wrote.

MobiTV's board unanimously agreed to pursue a restructuring through a formal Chapter 11 process. FTI Consulting, Inc. and FTI Capital Advisors LLC have been retained as the company's financial advisor and investment banker, subject to approval of the Court, to assist in negotiation of strategic options.

ALTICE BUYS MORRIS BROADBAND

Altice USA is back on the acquisition game, announcing its buy of **Morris Broadband** Monday for \$310 million. Morris Broadband

Cablefax

Join Us for Virtual Happy Hour with the Editors



We miss seeing you! On Friday, March 5, let's kick back with your favorite beverage and catch up.

We'll chat about the news of the week, what we're binge watching and anything else on your mind. (casual & off-the-record)

Our virtual happy hour will start at 4pm ET on Friday, March 5. [RSVP here](#)

**Note: We are using Zoom Platform*

is a sector of **Morris Communications**, a privately-held, Georgia-based media company with assets ranging from newspapers to billboards. It sits about 50 miles from Altice's existing **Suddenlink** properties in North Carolina and offers high-speed data, video and voice services to approximately 36,500 residential and business customers in the western portion of the state. As of Dec 31, Morris Broadband passed 89,000 homes with broadband penetration sitting at 35%. "Morris is a perfect fit for Altice as we are accelerating our network expansion with increased investment in edge outs, upgrades of underdeveloped systems and FTTH deployment to drive customer, revenue and cash flow growth," Altice USA CEO **Dexter Goei** said in a statement. Altice plans to close the transaction in 2Q21. The move didn't surprise analysts as Altice leadership has long talked about its desire to drive incremental value through M&A. Altice also sees a huge opportunity to significantly improve the provider's penetration in the area to 140,000 homes passed. "The opportunity to acquire larger assets like **Mediacom** and **Atlantic Broadband** have been hard to come by, but small deals like Morris Broadband certainly help on the margin," New Street said in a note. "This deal is another example of management's ability to create incremental value through M&A, and follows in the footsteps of their acquisition of **Service Electric** last year." Looking at that deal, Altice was able to boost EBITDA margins by 20% within the first six months of closing. New Street said it wouldn't be surprised if Altice was able to achieve similar results with Morris Broadband. The provider generated approximately \$13 million in adjusted EBITDA on an annualized basis for the quarter ending Dec 31. The purchase price represents a multiple of approximately 24.1x before taking

into account estimated run-rate synergies. **MoffettNathanson's** *Craig Moffett* said that the transaction, on its face, is shockingly expensive, and reinforces a number of recent M&A trends in the rural broadband market. "To be sure, this isn't a 'game-changer' transaction. It is too small for that. But, particularly when viewed with **Cable One's** acquisition of **Hargray** at over 17x EBITDA last week (13x after estimated run-rate synergies), it illustrates two things," Moffett said. "First, the appetite for rural broadband assets remains remarkably high. And, second, valuations in the private market remain far, far higher than in the public market."

COALITION CALLS OUT CHARTER IN RDOF AUCTION

A group calling itself "**The Ensuring RDOF Integrity Coalition**" (ERIC) is asking the **FCC** to allow, in certain limited instances, interested stakeholders the opportunity to review Rural Digital Opportunity Fund auction info under a protective order. It's calling out a number of winning bidders and questioning whether they will be able to meet commitments, including **Charter** and **Frontier**. It said the operators funding wins in the \$9.2 billion FCC auction are problematic "due to extremely low bids in areas that extend well beyond their current operations that will be extremely difficult to serve for the amount of funds won for those locations." "Frontier and Charter Fiberlink have bid and won areas, possibly with the intent to protect territory and hold competition at bay, perhaps viewing the payment of default penalties several years from now as a fair price to pay for warding off competition and keeping other providers from gaining access to funding to serve areas in need," the coalition said. Charter was the biggest winner in Phase 1 of the auction, winning 1.1 million locations and qualifying to receive \$1.1 billion in subsidies. Frontier won more than 127K locations with



Who Deserves to Rank Among Cablefax's Annual Top Power Players?

The Cablefax 100 salutes the most influential executives whose leadership continues to take the industry to new heights. We will rank the top professionals in the media, cable & broadband industry and publish the list in the June edition of Cablefax:The Magazine.

It's free to enter - but you must submit your entries by April 9!



Enter at www.Cablefax100.com | Questions: Mary-Lou French at mfrench@accessintel.com

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support of nearly \$371K over 10 years. Charter said it has every intention to fulfill the commitment to build and serve the census block groups it was awarded in the auction. “Charter announced a \$5 billion initiative that will match each RDOF dollar with nearly four dollars of private capital to reach what the FCC estimates to be more than one million American homes and small businesses,” a Charter spokesperson said. “Bringing broadband to unserved areas is not new to Charter; in the past three years, Charter extended its network to reach an additional 2.5 million homes and small business, about a third in rural areas, and we are committed to ensuring the areas in which we won RDOF funding get connected to Charter’s fast and reliable network.” ERIC also cited a group of wireless internet service providers that it’s concerned about: **LTD Broadband**, **AMG Technology Investment Group** dba **Nextlink**, **Resound Networks** and **Connect Everyone**. And it joined a chorus that is dubious of **SpaceX** being able to provide 100/20Mbps broadband in 35 states with unproven satellite broadband. The coalition said it is comprised of rural broadband providers that have a long history of providing service and are members of groups such as **NTCA – The Rural Broadband Association**, **WTA-Advocates of Rural Broadband**, the **Rural Wireless Association** and/or the **Competitive Carrier Association**, as well as rural Americans and local government officials who are concerned that the RDOF proceeding as presently constituted will not result in timely broadband service to rural America.

NEXSTAR READIES NEWSNATION LAUNCH

WGN America’s rebrand to **NewsNation** is finally here, and **Nexstar** is positioning the revamped network as a home for those in Middle America that are tired of being talked down to. “We’ve been through a very turbulent time in our country and we’re in a different time now. Now, more than ever, a wide, deep part of our country wants something different from the news they consume and they’ve only had Coke and Pepsi for the longest time,” NewsNation vp, creative marketing and brand communications *Jonathan Killian* told **CFX**. “We want to be a national news network that has a local impact.” The focus at launch is on helping those folks find NewsNation and making them aware of it while also making incremental improvements to the product. The net will reach 75 million television households at launch, and Nexstar is getting the most out of its footprint by running marketing messages across its owned-and-operated stations. “Our competitors don’t have that luxury, so you can be sure we’re going to take advantage of that,” Killian said. As for the programming itself, four shows will comprise NewsNation’s primetime block. It’ll kick off Monday at 6pm ET with “NewsNation Early Edition with Nichole Berlie” followed by “The Donlon Report” at 7pm ET. “NewsNation Prime with Marni Hughes, Rob Nelson, and Albert Ramon,” which launched in Sept 2019 as “NewsNation,” will air from 8-10pm ET. Closing things out will be “Banfield,” a one-hour news and talk show with journalist *Ashleigh Banfield* that Killian described as being “deeply inspired” by the legacy of *Larry King*. “She’s going to talk to the people that our audience wants to hear from and just have a conversation and let viewers make up their own minds,” he added. The entire newscast will be rebroadcast immediately after from 11pm-2am ET.

CABLE ONE, HARGRAY SEEK FCC OK

Cable One and **Hargray** have asked the **FCC** for streamlined consideration of Cable One’s purchase of the 85% of Hargray that it doesn’t already own, saying it will be seamless to consumers and will not result in any discontinuance or impairment of Hargray’s services. “In short, the transaction will serve the public interest by enhancing Hargray’s strengths without posing any threat of anticompetitive effects or other public interest harms, and it will be entirely transparent to consumers,” the companies said. The deal implies a \$2.2 billion total enterprise value for Hargray, whose subsidiaries include Hargray Telephone Company and Bluffton Telephone Company—both eligible telecommunications carriers in SC and recipients of universal service funds under the FCC’s high-cost and Lifeline programs. Hargray’s other operations include cable operators Hargray of Alabama, Hargray of Georgia and Hargray of Florida. Cable One does plan to undertake a corporate reorg to consolidate the Hargray entities, saying the changes won’t have any effect on Hargray customers and will streamline recordkeeping and reporting. Cable One has identified \$45 million in estimated run-rate synergies that it expects to realize within three years of closing the deal.

ROKU BUYS NIELSEN AVA BIZ

Roku will acquire **Nielsen**’s Advanced Video Advertising business, accelerating Roku’s launch of dynamic ad inserting for TV programmers and marketers. The acquisition, expected to close in 2Q21, includes Nielsen’s video automatic content recognition and dynamic ad insertion technologies. Nielsen and Roku will also enter into a partnership to integrate complementary Nielsen ad and content measurement products into the Roku platform and further advance Nielsen ONE, the company’s cross-media measurement solution. The collaboration will substantially expand the footprint of smart TVs and other devices, nearing 100 million in total, in which Nielsen can enable media sellers and buyers to measure and better monetize addressable advertising.

SAN DIEGO COMIC-CON CANCELED AGAIN

San Diego Comic-Con is going virtual again in 2021. The second edition of the free Comic-Con@Home virtual event will take place July 23-25. “Unfortunately, the challenges of this past year and the multiple postponements of our two largest events have left us with limited financial resources, so this year the online experience will be reduced to a three-day event,” the convention said in a statement on **Twitter**.

NETFLIX LEADS GOLDEN GLOBES

Netflix took home the most awards at the Golden Globes Sunday with 6 wins (10 when films are included). Its biggest draws were “The Crown,” with four awards and “The Queen’s Gambit,” with two. **Pop TV** was next in the TV categories, with 2 wins for “Schitt’s Creek”—Best Musical/Comedy Series and *Catherine O’Hara*’s performance as Best Actress in the category. **Apple TV+** scored one for *Jason Sudeikis*’s performance in “Ted Lasso,” while **HBO** notched one win for “I Know This Much is True.”