

STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

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Petition of Sprint Communications Company L.P. and  
Sprint Corporation Under Section 100 of the Public  
Service Law for Expedited Approval of a Upstream  
Corporate Reorganization

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Case 16-C-\_\_\_\_\_

**PETITION**

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*Attorneys for Sprint Communications  
Company L.P. and Sprint Corporation*

Dated: April 15, 2016

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**PETITION**

Sprint Communications Company L.P. (“Sprint Communications”) and Sprint Corporation (f/k/a Sprint Nextel Corporation) (collectively, the “Petitioners”), hereby request pursuant to Section 100 of the Public Service Law (“PSL”) that the Public Service Commission (the “Commission”) expeditiously approve a transaction in which a new entity will be inserted into the upstream ownership of Petitioners. Through two intermediate holding companies – Starburst I, Inc. (“Starburst”) and Galaxy Investments, Inc. (“Galaxy”) – Sprint Corporation and, in turn, Sprint Communications are ultimately owned by SoftBank Group Corp. (“SoftBank”)<sup>1</sup> (*See Exhibit 1*).<sup>2</sup> As described in greater detail below, under the transaction, a new entity, SoftBank Group International GK, will be inserted between SoftBank and its holding companies Starburst and Galaxy to facilitate, for financial reporting purposes, the separation of SoftBank’s domestic (Japan-based) results of operations from its overseas (global) operations (*See Exhibit 2*). Because this transaction will occur at the holding company level, and operation and ownership of Sprint Communications will not be affected, Petitioners respectfully request expedited approval of the transaction.

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<sup>1</sup> The entity formerly known as SOFTBANK CORP. has changed its name to SoftBank Group Corp.

<sup>2</sup> *See Case 12-C-0532: Joint Petition of Sprint Communications Company L.P. and Starburst II, Inc. for Approval of a Transfer of Indirect Control to Starburst II, Inc. of Sprint Communications Company L.P.*, Staff Recommendation Approved (Jan. 17, 2013) (the “2012 Transaction”).

In support of an expedited approval under PSL § 100, Petitioners provide the following information:

## **I. DESCRIPTION OF THE PARTIES**

### **A. Sprint Communications and Sprint Corporation**

Sprint Communications is a Delaware limited partnership with a principal business office at 6200 Sprint Parkway, Overland Park, Kansas 66251. Sprint Communications is authorized to provide intrastate services in New York, pursuant to CPCNs issued in Case Nos. 88-C-175, 91-C-0590, and 92-C-0525.<sup>3</sup> Sprint Communications is an indirect wholly owned subsidiary of Sprint Corporation.

Sprint Corporation is a publicly traded Delaware corporation and global communications company that, through its subsidiaries, offers a comprehensive range of wireless and wireline voice and data products and services to residential, business, government, and reseller consumers throughout the United States and around the world. Sprint Corporation offers wireless and/or wireline voice and data services in all fifty states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Sprint Corporation is primarily a holding company, with most operations conducted by its subsidiaries, including, but not limited to, Sprint Communications, Virgin Mobile USA, L.P., and Sprint Spectrum L.P.

### **B. Softbank Group Corp.**

SoftBank is a Japanese kabushiki kaisha (corporation) and holding company that is publicly traded on the Tokyo Stock Exchange. SoftBank's subsidiaries and affiliates are engaged in a number of information technology and Internet-related businesses, including mobile communications, broadband infrastructure, fixed-line telecommunications, e-commerce and web

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<sup>3</sup> Various Sprint subsidiaries also hold Federal Communications Commission ("FCC") licenses and authorizations. The Applicants have filed the appropriate applications with the FCC for approval of the indirect transfer of those licenses and authorizations.

portals. In July 2013, following approval by the Commission and other necessary federal and state regulatory authorities, SoftBank, through its subsidiary holding companies Starburst and Galaxy, acquired an approximately 78% indirect interest in the entity that is now Sprint Corporation. As of December 31, 2015, SoftBank held an approximately 83.4% indirect interest in Sprint Corporation. Specifically, SoftBank held a 77.5% interest in Sprint Corp. through Starburst, and a 5.9% interest through Galaxy.

### **C. SoftBank Group International GK**

SoftBank Group International GK<sup>4</sup> is a Japanese godo kaisha (limited liability company). SoftBank Group International GK was previously a dormant investment holding company, and it is a wholly owned direct subsidiary of SoftBank. SoftBank Group International GK is also authorized to conduct other business, including: information provision services; information processing services; acquiring, holding and managing securities; advertising agency services; and any business related to or incidental to the foregoing.

## **II. DESCRIPTION OF THE TRANSACTION AND REQUEST FOR APPROVAL**

On March 7, 2016, SoftBank's Board of Directors resolved to reorganize SoftBank's intermediate and holding companies to create a new corporate structure. As part of this internal restructuring, SoftBank intends to insert a wholly owned subsidiary – SoftBank Group International GK – into the vertical ownership chain between SoftBank and the holding companies in which its Sprint Corporation shares (Starburst and Galaxy) are currently held. Specifically, and subject to all necessary regulatory approvals, Softbank will transfer 100% of Galaxy shares and approximately 70.4% of SoftBank's interest in Starburst to SoftBank Group

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<sup>4</sup> SoftBank Group International GK was previously named BM Holdings GK. On March 31, 2016, it was internally resolved to change BM Holdings GK's name to SoftBank Group International GK. Formal registration of the name change was completed in Japan on April 13, 2016, after Sprint had filed applications associated with the transaction with the FCC. Sprint is in the process of notifying the FCC of the name change in accordance with the FCC's rules.

International GK. Diagrams showing the relevant changes to SoftBank's corporate structure are attached to this application as Exhibits 1 and 2.

The purpose of SoftBank's proposed reorganization is to separate SoftBank's global and domestic operations, which will enable SoftBank to provide greater transparency to its shareholders in reporting the performance of its business operations in Japan and its business operations abroad. This, in turn, will serve the public interest by increasing efficiency in corporate operations and improving SoftBank's value. There will be no changes to SoftBank's stock, or to the ultimate ownership of SoftBank's voting or equity interests in Sprint Corporation, as a result of the proposed transaction. Sprint Corporation's direct owners (Starburst and Galaxy) will remain the same and their ownership percentages of Sprint Corporation will not change. Likewise, the insertion of SoftBank Group International GK into the SoftBank corporate structure will have no immediate impact on Sprint Corporation's operations, certificated entities, ultimate ownership, or ultimate control, and thus will be seamless for Sprint Corporation's customers, who will receive the same services over the same facilities following the reorganization. However, as SoftBank's subsidiary, Sprint Corporation will ultimately benefit from the increased efficiency and improved transparency affected by the restructuring. As a result of reorganizing in a way that improves its value, SoftBank will be better positioned to manage and invest in Sprint Corporation's operations over the long term.

SoftBank Group International GK is 100% owned by SoftBank. In addition, as a result of the anticipated transaction, there will be no change with regard to control of Sprint Corporation or its New York subsidiary (Sprint Communications). Sprint Corporation will remain 77.5% owned and controlled by Starburst with 5.9% owned by Galaxy and the remaining 16.6% of its shares held by public investors. Moreover, Starburst will remain 100% owned by SoftBank,

through its retained 29.6% direct interest and its 70.4% indirect (through SoftBank Group International GK) interest in Starburst.

In sum, the proposed transaction is simply a corporate reorganization that will have no impact on the ownership or operations of Sprint Corporation or Sprint Communications. The transaction will further the public interest and benefit Sprint Communications customers to the extent that there will be greater upstream corporate transparency and increased efficiency in corporate operations thereby improving SoftBank's value.

### **III. CONCLUSION**

For the foregoing reasons, the Applicants submit that the public interest will be furthered by the transaction described herein and respectfully request expeditious approval of the transaction.

Dated: April 15, 2016  
Albany, New York

HARRIS BEACH PLLC

*Attorneys for Sprint Communications  
Company L.P. and Sprint Corporation*

/s/ *Steven D. Wilson*

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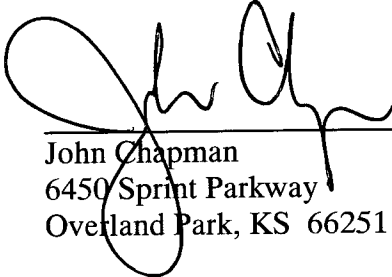
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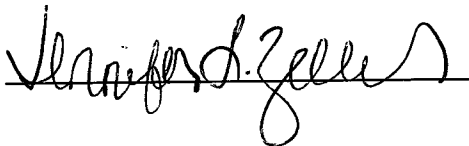
Case No. 16-C-\_\_\_\_\_

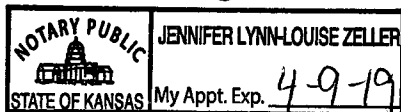
**VERIFICATION**

I, John Chapman, being duly sworn according to law, depose and say that I am the Vice President and Assistant Secretary of Sprint Communications Company L.P.; that I am authorized to and do make this Verification in support of the foregoing Petition; that I have personal knowledge of the facts contained herein; and that the facts set forth in the foregoing Petition are true and correct to the best of my knowledge, information, and belief.

  
\_\_\_\_\_  
John Chapman  
6450 Sprint Parkway  
Overland Park, KS 66251

Sworn and subscribed before me  
this 14 day of April, 2016

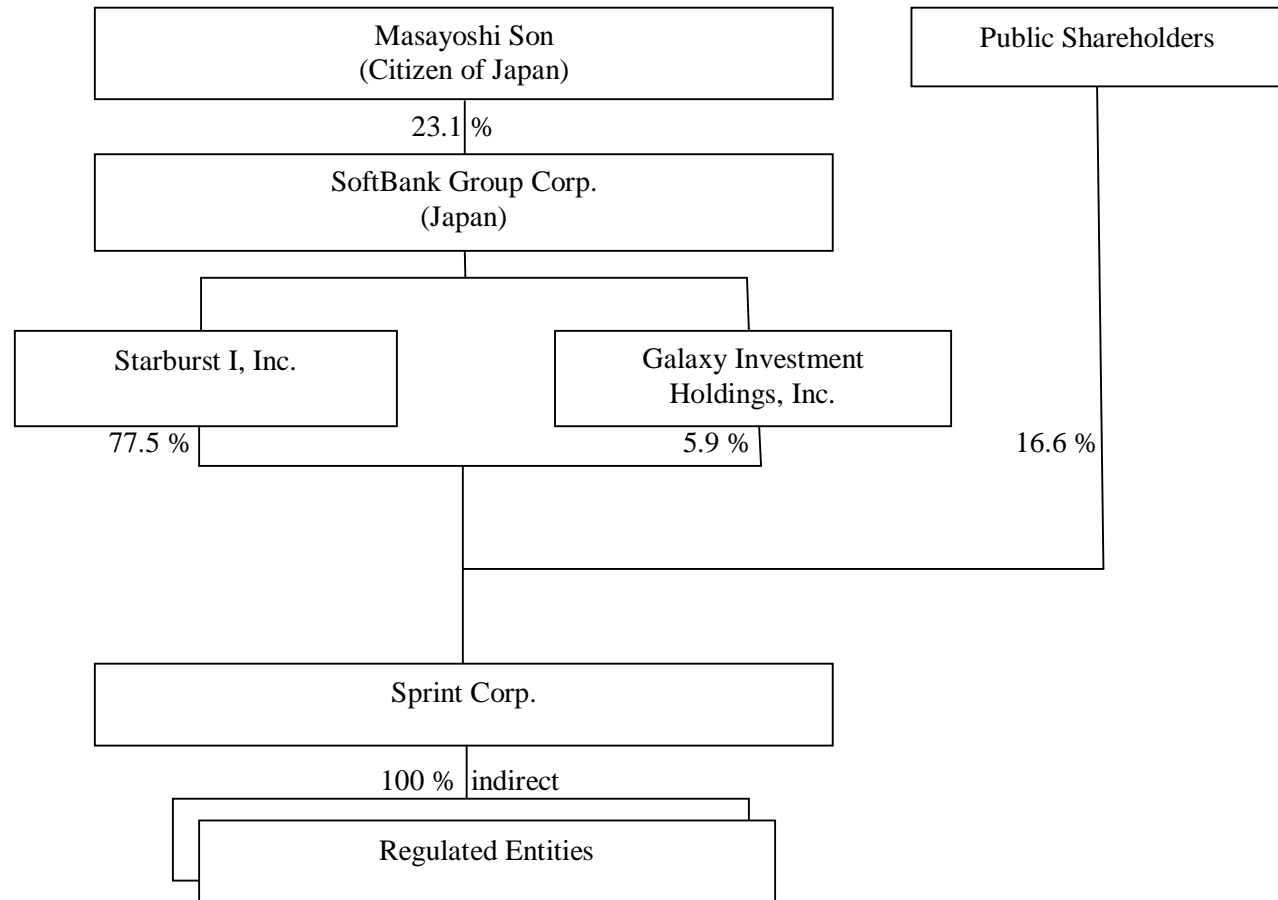
  
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Jennifer Lynn-Louise Zeller



# **EXHIBIT 1**



## Diagram of Organization Structure Prior to Reorganization<sup>1</sup>

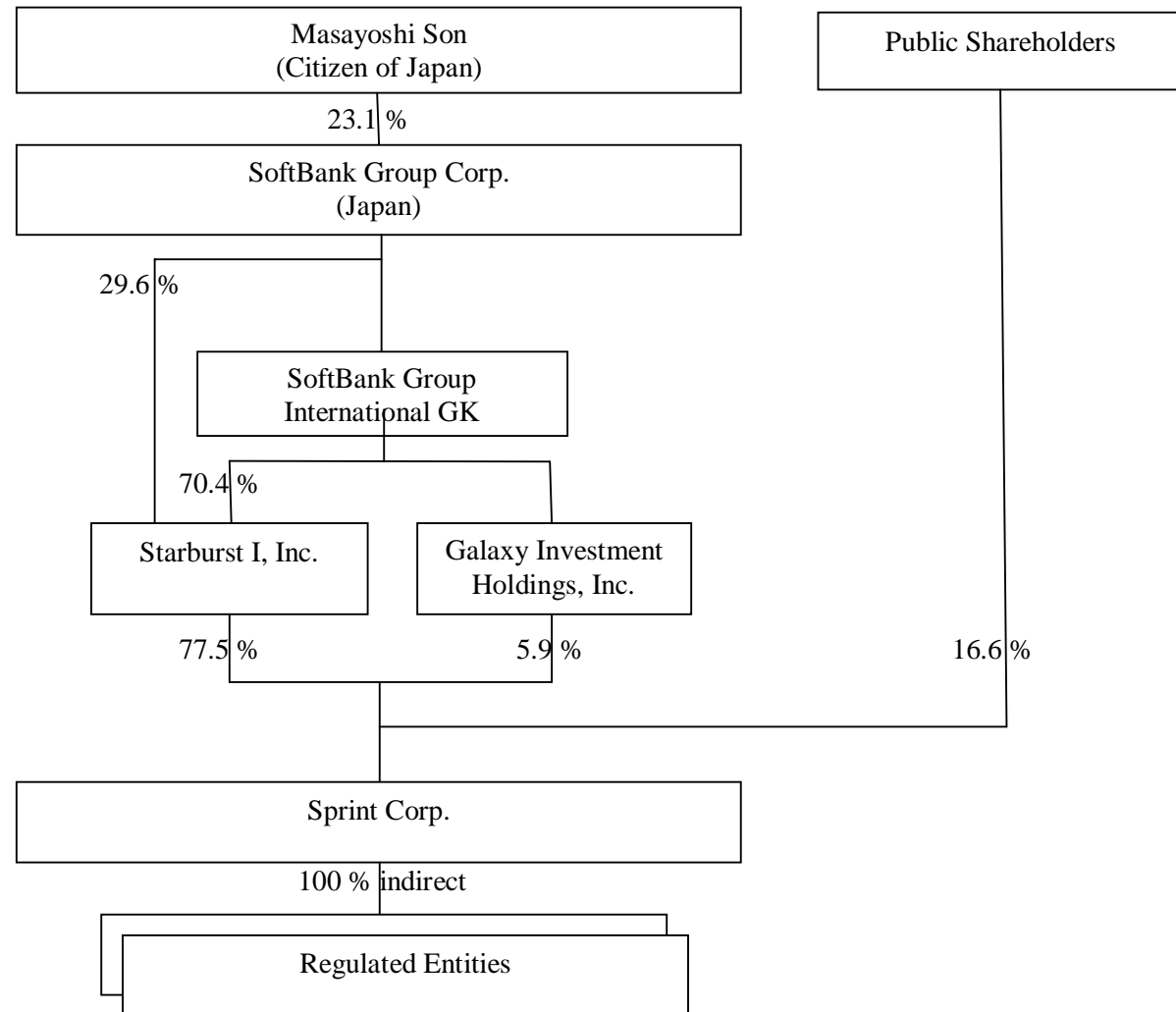


### Key

<sup>1</sup> All ownership 100% direct unless otherwise noted.

## **EXHIBIT 2**

## Diagram of Organization Structure After Reorganization<sup>2</sup>



### Key

<sup>2</sup> All ownership 100% direct unless otherwise noted.