

## **Latham Provides Counsel in the Acquisition of Hargray Communications by Quadrangle Group**

Hargray Communications Group the provider, of local telephone, broadband, cable television, and wireless services for Hilton Head Island and the surrounding areas of South Carolina and Georgia, announced that it has reached a definitive agreement to be acquired by Quadrangle Capital Partners, a private equity fund focused on the media and communications industries. Quadrangle will acquire the companies from their current owners, the Shepard and Harvey families. The transaction is expected to close following customary regulatory approvals. Latham & Watkins LLP is representing Hargray Communications Group in the transaction with a deal team led by Washington, D.C. corporate partner Jim Rogers with associates Michael Koltonyuk and Samuel Logan. Advice was also provided by Washington, D.C. benefits and compensation partner David Della Rocca; Washington, D.C. tax partner Cheryl Coe with associates Keith Ranta and Timothy George; Washington, D.C. communications partner Karen Brinkmann; New York of counsel Matthew Ahrens on environmental issues; New York finance of counsel Betsy Mukamal with associate Ingrid Waldman.

For more information please contact Jim Rogers at (202) 637.2215.

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Hargray Communications Announces Acquisition By Quadrangle Group  
Transaction Strengthens Company's Long-Term Strategic Position and Facilitates the Rollout of New Products and Services

Hilton Head, SC - Hargray Communications Group, a private telecommunications provider serving southeastern South Carolina and northeastern Georgia, announced today that it has reached a definitive agreement to be acquired by Quadrangle Capital Partners ("Quadrangle"). Also included in the transaction is Data Publishing Company, Inc., the directories publishing affiliate of Hargray. Quadrangle, a private equity fund focused on the media and communications industries, will acquire the companies from their current owners, the Shepard and Harvey families. The transaction is expected to close following customary regulatory approvals. Financial terms were not disclosed.

Gloria S. Taggart, President of Hargray, and Leroy E. Harvey, Jr., Executive Vice President of Hargray, said, "Quadrangle is an excellent partner to continue the legacy of innovation and customer service that our father, Leroy Harvey, Sr., began when he founded the company in 1947. We are extremely proud of what we have accomplished over Hargray's dynamic 60 year history, and looking ahead, we are confident that the resources and expertise of Hargray's new owners strongly position the company for the future."

Following the close of the transaction, Quadrangle will appoint G. Thomas Reed as CEO of Hargray. Mr. Reed is a longtime member of the Hilton Head and Low Country communities and is currently CEO of Morningstar Management Inc., a local investment banking advisory firm. Hargray's current COO Bob LaBonte will continue to be an integral member of the senior management team, and the company will remain headquartered in Hilton Head, South Carolina.

"This transaction will directly benefit Hargray's customers and employees by helping to finance future growth as our service areas continue to expand," said Mr. LaBonte. "The Hargray management team is very excited to work with our new partners, who have clearly demonstrated to us that they understand both the nature of our business as well as the communities we serve. Quadrangle has an excellent track record of long-term investments in local cable and telecommunications companies, and its expertise in media and communications will be extremely valuable as we accelerate the rollout of new products and services. I look forward to working with Tom to help lead Hargray into the next chapter of the company's growth and beyond."

Mr. Reed said, "Hargray has a longstanding commitment of excellence to its customers, communities and employees, and today's agreement supports that tradition. On a personal note, being a resident of the Low Country area for 16 years, I am thrilled to have the opportunity to help build on this great legacy. I

look forward to working closely with Bob and the rest of the Hargray team to continue to develop the company into a premier telecommunications provider with superior customer service."

Michael Huber, a Managing Principal of Quadrangle Group, said, "We look forward to investing in Hargray's capabilities and supporting the company's exciting growth strategy. Our investment will further strengthen the company's efforts to deploy industry-leading technologies and to continue to exceed customer expectations."

JSI Capital Advisors advised the Board and shareholders of Hargray Communications Group, Inc. RBC Daniels LP, a subsidiary of RBC Capital Markets, advised Morningstar Management Inc. and Quadrangle.

About Hargray Communications Group - Headquartered in Hilton Head Island, SC, this telecommunications company has been in operation since the 1940s servicing primarily Beaufort and Jasper Counties in South Carolina plus the greater Savannah, Ga. market. The company's operations include traditional telephone carrier services, as well as cable television, wireless telephone, internet services and a telephone directory publishing operation. It has more than 400 employees. For more information, please visit [www.hargray.com](http://www.hargray.com)

About Quadrangle Group LLC - Quadrangle Group LLC is a private investment firm with over \$5 billion in assets under management. Quadrangle invests in media and communications companies through separate private and public investment strategies and in debt securities across all industries through a debt investment program. Quadrangle Capital Partners represent its private equity funds that specialize in the media and communications industries. All investment strategies seek to maximize value by leveraging the investment teams' extensive experience, knowledge and industry relationships. For more information, please visit <http://www.quadranglegroup.com>.