



Codero Hosting Secures New Investment to Fuel Next Phase of Growth

32 regional telecom companies join forces in strategic partnership to acquire Codero and expand on-demand hybrid cloud hosting services to regional markets

AUSTIN, TEXAS JUNE 2, 2015 — [Codero Hosting](#), a leading provider of on-demand hybrid cloud hosting services, announced today that BLM Acquisition Corp. (“BLM”), a consortium of 32 regional telecom and broadband providers, has completed the acquisition of all of the company’s outstanding equity from majority owner Catalyst Investors and all other shareholders. The acquisition includes a significant investment by BLM to fuel Codero’s next phase of growth, which will include the development and launch of new products and services that leverage the company’s existing data center facilities, the expansion of the company’s channel sales effort, and the expansion of the company’s service footprint across the U.S. and the world. Emil Sayegh will remain as president and CEO of Codero, and will become Chairman of the Board of Directors of the new organization. Financial terms of the transaction are not being disclosed.

“We are very excited about the next phase of growth for Codero and our partnership with some of the country’s leading telecommunications providers. This transaction is unique in the hosting space, as it’s not just about equity and capital, but also channel partnerships, technology innovations and transit enablement – the supply chain of IoT,” said Sayegh. “We are grateful for the long-term partnership and commitment of Catalyst Investors, our customers, and our employees who have enabled us to build one of the fastest growing hosting companies with unparalleled technology and superior service. We look forward to extending our reach to new markets and customers with the help of our new investors.”

The partnership between Codero and BLM is strategic on many levels:

- Codero adds 32 new premier partners, significantly expanding the sales channel through which the company’s hosting products and services are distributed.
- Codero gains a network of strategic investors with “boots on the ground” knowledge of the communications and technology needs of their customers.
- Through a network of “edge” data centers located at the facilities of its investors, Codero customers will have enhanced connectivity options and Codero will gain access to the significant network assets of the investors, all facilitating the delivery of latency sensitive applications.

In a joint statement, Bill King, Leo Staurulakis and Manny Staurulakis, founding shareholders of BLM, outlined the drive and vision behind the Codero acquisition: “Over the years, independent telecommunications providers have taken a leadership role in the communities they serve, building robust, high-speed, technically advanced networks. These providers are increasingly asked to provide the cutting-edge IT services and solutions that their customers now demand. The Codero acquisition is an excellent fit with the natural evolution of the independent communications provider service platform and will provide the BLM investors and their customers with critical capabilities to address these rapidly changing needs. The Codero transaction is about marrying the impressive technical and product development capabilities of Codero with the collective resources and established market presence of these telecom investors, creating a scalable vehicle for the development and delivery of cutting edge hosting and IT products and services.”

Webster Bank of Hartford, Conn. provided senior financing to BLM in support of the transaction and Sheehan Phinney Bass + Green PA provided legal counsel. On the sellers' side, DH Capital initiated this transaction and acted as exclusive financial advisor and Lowenstein Sandler LLP provided legal counsel.

About Codero Hosting

Codero Hosting delivers world-class on-demand dedicated, managed, cloud and hybrid hosting infrastructure and solutions. The company's seasoned, highly technical team and its innovative, industry-leading technology and automation platform combine to deliver unparalleled customer service, enabling web-dependent companies of all sizes to confidently outsource hosting needs. Codero serves its global customers from data centers in Dallas-Fort Worth, Phoenix, and Ashburn, Virginia with plans for expansion in Europe. All services and products are backed by SSAE 16 (previously known SAS 70 Type II) secure data centers, live U.S.-based 24/7/365 support, and a seasoned staff. Codero offers the hosting industry's only customer loyalty rewards program as well as valued affiliate, channel, and reseller programs. For more information about Codero Hosting visit www.codero.com or connect with Codero on [Twitter](#) and [Facebook](#).

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