

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

| | | |
|--|---|--------------------------------|
| In the Matter of the Application of NOVA |) | |
| Telephone Company for Approval of the |) | Case No. 15-1064-TP-ACO |
| Transfer of Control from VNC Enterprises, |) | |
| LLC, to KCL Incorporated. |) | |

JOINT APPLICATION OF NOVA TELEPHONE COMPANY AND KCL, INC.

The NOVA Telephone Company (“NOVA” or “Company”), Swag Construction, Incorporated, VNC Enterprises, LLC, and KCL Incorporated (“KCL”), respectfully submit this application for transfer of control (“Application”) of NOVA from Swag Construction, Incorporated and VNC Enterprises, LLC (“VNC”), to KCL, pursuant to Ohio Revised Code 4905.402 and Ohio Administrative Code 4901:1-6-29.

THE JOINT APPLICANTS:

1. NOVA is an Ohio telephone company, and incumbent local exchange carrier, and a public utility subject to the jurisdiction of the Public Utilities Commission of Ohio (“PUCO or “Commission”). NOVA provides local exchange telephone service and other services in and around the village of Nova, Ohio (located within Troy Township in Ashland County). NOVA has provided services to the area from 1912 through the present day.
2. NOVA is a “telephone company” within the meaning of Ohio Revised Code Section 4905.402(A)(4) and a “domestic telephone company” within the meaning of Ohio Revised Code Section 4905.402(B).

3. The authorized capital stock of NOVA consists of five thousand (5000) shares, of which fifty-seven (57) shares are outstanding and four thousand nine hundred forty-three 4,943 shares are held in treasury. NOVA's largest shareholder, Swag Construction, Inc. ("Swag") owns 100% of the issued and outstanding shares of NOVA. Swag is wholly owned by VNC. VNC is owned by Charles D. Mattingly, Jr. Thus, VNC indirectly controls NOVA through its ownership of Swag.¹
4. KCL is a Texas corporation with its principal place of business in Longview, Texas. KCL currently has no operating interests in the State of Ohio. The managing member of KCL is Charles D. Mattingly Jr. Mr. Mattingly owns 90% of KCL and Kimberly Starr owns 10% of KCL. KCL owns Dunnell Telephone Company, which provides telephone service in the Dunnell exchange area in Mankato, Minnesota. KCL owns other affiliates that are not regulated telecommunications providers.
5. As required, a Certificate of Good Standing for NOVA is provided as Attachment A. The Texas equivalent of a good standing certificate for KCL is provided as Attachment B.²

THE PROPOSED TRANSACTION:

6. Upon approval of this Application by the PUCO, KCL will purchase the ownership shares of NOVA held by Swag. Thus, all interests and holdings related to NOVA and currently held by VNC will be transferred to KCL. Upon the closing of this transaction, VNC and Swag will be dissolved and will cease to exist. KCL will be the sole and direct

¹ As described in PUCO Case No. 10-849-TP-ACO, *In the Matter of the Joint Application of Nova Telephone Company and VNC Enterprises, LLC Pursuant to Section 4905.402 of the Revised Code*, Joint Application at pages 2-3, paragraph 5 (June 18, 2010).

² The Texas Comptroller no longer issues "Good Standing certificates, but instead issues "Franchise Tax Account Status" page. Please see the Texas Comptroller's Page at: <http://comptroller.texas.gov/taxinfo/coasintr.html> for more information.

owner of NOVA, and would thereby be deemed to “acquire control” of a “domestic telephone company” within the meaning of Ohio Revised Code Section 4905.02. As such, the transaction is expressly subject to approval by this Commission and the Federal Communications Commission.

7. While the transaction Agreement contains terms and conditions relating to the operations of NOVA, it also contains extensive terms and conditions considered proprietary by the parties. Accordingly, the Agreement is not an exhibit or attachment to the Application.

CONTINUING OPERATIONS:

8. NOVA’s day-to-day operations will remain unaffected by the proposed transaction, and the financial structure of NOVA will not change in any material way.
9. Further, the ultimate acquisition of NOVA’s stock by KCL will not change or relocate, in any respect, by operation of law or otherwise, NOVA’s operations, business locations, or non-management employees.
10. Upon completion of the proposed transaction, NOVA will remain a “domestic telephone company” and will remain subject to the jurisdiction of this Commission. The tariffs, rates, terms and other conditions of service provided by NOVA will be unaffected by the proposed transaction.
11. Because the proposed transaction and Agreement will not affect NOVA’s operations in any material way:
 - NOVA will continue to provide the same excellent quality of service to its customers that it has for over 100 years;
 - NOVA’s local presence and its day-to-day operations will be largely unaffected;

- NOVA's books and records will be retained in Longview, Texas, but will be available for review in Ohio immediately as requested or required by this Commission;
- NOVA's market power will be unaffected.

FUTURE OPERATIONS:

12. KCL will operate NOVA in a manner virtually transparent to its customers, by continuing to provide the same services at the same rates, terms, and conditions. Under KCL, NOVA will continue to provide the same quality telecommunications and customer service that NOVA's customers have come to expect. Mr. Mattingly has operated or assisted in the operation of NOVA through VNC since 2010. Ms. Starr has assisted Mr. Mattingly by performing day-to-day operations and managing NOVA for more than two years. Mr. Mattingly and Ms. Starr will continue to operate NOVA in a manner that will allow it to compete successfully in the rapidly changing telecommunications industry.
13. With Mr. Mattingly and Ms. Starr at the helm, KCL has the financial, technical and managerial resources necessary to ensure that NOVA continues to provide reliable telecommunications service. Thus, the proposed transaction will have no impact on the Company's customers or the service they receive. The only significant impact of the proposed transaction is that NOVA will have a new owner (KCL). The change in control will promote public convenience by allowing NOVA, under new ownership, to continue to provide quality, uninterrupted service to NOVA's customers.

14. No changes in personnel, policy or operation of the Company will take place as a result of the proposed transaction. As required, a list of the names, addresses and phone numbers of officers, directors and partners for KCL is provided as Attachment C.

NOTICE TO CUSTOMERS:

15. As described above, the proposed transaction will not result in any changes in any operations of NOVA, and will therefore be "transparent" to NOVA's customers. Nonetheless, after the transaction is approved as herein requested, the Joint Applicants will provide notice to customers upon closing of the transaction contemplated by the Agreement and will file such notice in this proceeding. The notice will take the form of a bill insert or a mailing to customers, as hereafter determined by the Joint Applicants.

THE JOINT APPLICANTS REQUEST APPROVAL OF THE PROPOSED TRANSACTION:

16. As demonstrated above, the proposed change in control of NOVA will allow Mr. Mattingly and Ms. Starr to continue to oversee and ensure the provision of uninterrupted, high-quality service to the Company's customers. KCL possesses the technical, managerial and financial expertise and capabilities necessary to successfully manage and operate NOVA. KCL will continue the best attributes of NOVA to its customers and continue the provision of resources and expertise that NOVA will require to continue its success in the future.

17. Accordingly, the NOVA Telephone Company and KCL Incorporated, along with VNC Enterprises, LLC, and Swag Construction, Incorporated, now respectfully request that this Application for the transfer of control of NOVA from VNC to KCL be approved.

Respectfully submitted,

/s/ Christopher J. Allwein
Christopher J. Allwein
Kegler Brown Hill & Ritter LPA
Capitol Square, Suite 1800
65 E. State Street
Columbus, OH 43215
Telephone: (614) 462-5496
Facsimile: (614) 464-2634
callwein@keglerbrown.com

Attorney for NOVA Telephone Company

June 10, 2015

The Public Utilities Commission of Ohio
TELECOMMUNICATIONS FILING FORM

(Effective: 01/20/2011)

This form is intended to be used with most types of required filings. It provides check boxes with rule references for the most common types of filings. It does not replace or supersede Commission rules in any way.

In the Matter of the Application of the NOVA Telephone)
 Company for Approval of the Transfer of Control from VNC)
 Enterprises, LLC to KCL Incorporated.)
 _____)

TRF Docket No.

Case No. 15 - 1064 - **TP** - ACO

NOTE: Unless you have reserved a Case #, leave the "Case No" fields BLANK.

Name of Registrant(s) **The Nova Telephone Company**

DBA(s) of Registrant(s) _____

Address of Registrant(s) **255 Township Road 791, Nova, OH 44859-0027**

Company Web Address **N/A**

Regulatory Contact Person(s) **Charles Curtis**

Phone **252-514-2203**

Fax **800-547-3148**

Regulatory Contact Person's Email Address **Charles.curtis@contaegis.com**

Contact Person for Annual Report **Kim Starr**

Phone **903-663-0099**

Address (if different from above) **P.O. Box 733, Judson, TX 75660**

Consumer Contact Information **Kim Starr**

Phone **252-514-2203**

Address (if different from above) _____

Motion for protective order included with filing? Yes No

Motion for waiver(s) filed affecting this case? Yes No [Note: Waivers may toll any automatic timeframe.]

Notes:

Section I and II are Pursuant to Chapter 4901:1-6 OAC.

Section III – Carrier to Carrier is Pursuant to 4901:1-7 OAC, and Wireless is Pursuant to 4901:1-6-24 OAC.

Section IV – Attestation.

(1) Indicate the Carrier Type and the reason for submitting this form by checking the boxes below.

(2) For requirements for various applications, see the identified section of Ohio Administrative Code Section 4901 and/or the supplemental application form noted.

(3) Information regarding the number of copies required by the Commission may be obtained from the Commission's web site at www.puco.ohio.gov under the docketing information system section, by calling the docketing division at 614-466-4095, or by visiting the docketing division at the offices of the Commission.

(4) An Incumbent Local Exchange Carrier (ILEC) offering basic local exchange service (BLES) outside its traditional service area should choose CLEC designation when proposing to offer BLES outside its traditional service area or when proposing to make changes to that service.

All Filings that result in a change to one or more tariff pages require, at a minimum, the following exhibits.

| Exhibit | Description: |
|---------|---|
| A | The tariff pages subject to the proposed change(s) as they exist before the change(s) |
| B | The Tariff pages subject to the proposed change(s), reflecting the change, with the change(s) marked in the right margin. |
| C | A short description of the nature of the change(s), the intent of the change(s), and the customers affected. |
| D | A copy of the notice provided to customers, along with an affidavit that the notice was provided according to the applicable rule(s). |

Section I – Part I - Common Filings

| Carrier Type <input type="checkbox"/> Other (explain below) | <input type="checkbox"/> For Profit ILEC | <input type="checkbox"/> Not For Profit ILEC | <input type="checkbox"/> CLEC |
|--|---|--|---|
| Change terms & conditions of existing BLES | <input type="checkbox"/> ATA <u>1-6-14(H)</u> (Auto 30 days) | <input type="checkbox"/> ATA <u>1-6-14(H)</u> (Auto 30 days) | <input type="checkbox"/> ATA <u>1-6-14(H)</u> (Auto 30 days) |
| Introduce non-recurring charge, surcharge, or fee to BLES | | | <input type="checkbox"/> ATA <u>1-6-14(H)</u> (Auto 30 days) |
| Introduce or Increase Late Payment | <input type="checkbox"/> ATA <u>1-6-14(I)</u> (Auto 30 days) | <input type="checkbox"/> ATA <u>1-6-14(I)</u> (Auto 30 days) | <input type="checkbox"/> ATA <u>1-6-14(I)</u> (Auto 30 days) |
| Revisions to BLES Cap. | <input type="checkbox"/> ZTA <u>1-6-14(F)</u> (0 day Notice) | | |
| Introduce BLES or expand local service area (calling area) | <input type="checkbox"/> ZTA <u>1-6-14(H)</u> (0 day Notice) | <input type="checkbox"/> ZTA <u>1-6-14(H)</u> (0 day Notice) | <input type="checkbox"/> ZTA <u>1-6-14(H)</u> (0 day Notice) |
| Notice of no obligation to construct facilities and provide BLES | <input type="checkbox"/> ZTA <u>1-6-27(C)</u> (0 day Notice) | <input type="checkbox"/> ZTA <u>1-6-27(C)</u> (0 day Notice) | |
| Change BLES Rates | <input type="checkbox"/> TRF <u>1-6-14(F)</u> (0 day Notice) | <input type="checkbox"/> TRF <u>1-6-14(F)(4)</u> (0 day Notice) | <input type="checkbox"/> TRF <u>1-6-14(G)</u> (0 day Notice) |
| To obtain BLES pricing flexibility | <input type="checkbox"/> BLS <u>1-6-14(C)(1)(c)</u> (Auto 30 days) | | |
| Change in boundary | <input type="checkbox"/> ACB <u>1-6-32</u> (Auto 14 days) | <input type="checkbox"/> ACB <u>1-6-32</u> (Auto 14 days) | |
| Expand service operation area | | | <input type="checkbox"/> TRF <u>1-6-08(G)(0 day)</u> |
| BLES withdrawal | | | <input type="checkbox"/> ZTA <u>1-6-25(B)</u> (0 day Notice) |
| Other* (explain) _____ | | | |

Section I – Part II – Customer Notification Offerings Pursuant to Chapter 4901:1-6-7 OAC

| Type of Notice | Direct Mail | Bill Insert | Bill Notation | Electronic Mail |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> 15-day Notice | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> 30-day Notice | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Date Notice Sent: | | | | |

Section I – Part III –IOS Offerings Pursuant to Chapter 4901:1-6-22 OAC

| IOS | Introduce New | Tariff Change | Price Change | Withdraw |
|------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> IOS | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Section II – Part I – Carrier Certification - Pursuant to Chapter 4901:1-6-08, 09 & 10 OAC

| Certification | ILEC (Out of Territory) | CLEC | Telecommunications Service Provider Not Offering Local | CESTC | CETC |
|-------------------------|--|--|--|---|---|
| * See Supplemental form | <input type="checkbox"/> ACE <u>1-6-08</u> * (Auto 30- day) | <input type="checkbox"/> ACE <u>1-6-08</u> *(Auto 30 day) | <input type="checkbox"/> ACE <u>1-6-08</u> *(Auto 30 day) | <input type="checkbox"/> ACE <u>1-6-10</u> (Auto 30 day) | <input type="checkbox"/> UNC <u>1-6-09</u> *(Non-Auto) |

*Supplemental Certification forms can be found on the Commission Web Page.

Section II – Part II – Certificate Status & Procedural

| Certificate Status | ILEC | CLEC | Telecommunications Service Provider Not Offering Local |
|--|--|---|---|
| Abandon all Services | | <input type="checkbox"/> ABN <u>1-6-26</u> (Auto 30 days) | <input type="checkbox"/> ABN <u>1-6-26</u> (Auto 30 days) |
| Change of Official Name * | <input type="checkbox"/> ACN <u>1-6-29(B)</u> (Auto 30 days) | <input type="checkbox"/> ACN <u>1-6-29(B)</u> (Auto 30 days) | <input type="checkbox"/> CIO <u>1-6-29(C)</u> (0 day Notice) |
| Change in Ownership * | <input checked="" type="checkbox"/> ACO <u>1-6-29(E)</u> (Auto 30 days) | <input type="checkbox"/> ACO <u>1-6-29(E)</u> (Auto 30 days) | <input type="checkbox"/> CIO <u>1-6-29(C)</u> (0 day Notice) |
| Merger * | <input type="checkbox"/> AMT <u>1-6-29(E)</u> (Auto 30 days) | <input type="checkbox"/> AMT <u>1-6-29(E)</u> (Auto 30 days) | <input type="checkbox"/> CIO <u>1-6-29(C)</u> (0 day Notice) |
| Transfer a Certificate * | <input type="checkbox"/> ATC <u>1-6-29(B)</u> (Auto 30 days) | <input type="checkbox"/> ATC <u>1-6-29(B)</u> (Auto 30 days) | <input type="checkbox"/> CIO <u>1-6-29(C)</u> (0 day Notice) |
| Transaction for transfer or lease of property, plant or business * | <input type="checkbox"/> ATR <u>1-6-29(B)</u> (Auto 30 days) | <input type="checkbox"/> ATR <u>1-6-29(B)</u> (Auto 30 days) | <input type="checkbox"/> CIO <u>1-6-29(C)</u> (0 day Notice) |

* Other exhibits may be required under the applicable rule(s). ACN, ACO, AMT, ATC, ATR and CIO applications see the 4901:1-6-29 Filing Requirements on the Commission's Web Page for a complete list of exhibits.

Section III – Carrier to Carrier (Pursuant to 4901:1-7), and Wireless (Pursuant to 4901:1-6-24)

| Carrier to Carrier | ILEC | CLEC |
|---|--|--|
| Interconnection agreement, or amendment to an approved agreement | <input type="checkbox"/> NAG <u>1-7-07</u> (Auto 90 day) | <input type="checkbox"/> NAG <u>1-7-07</u> (Auto 90 day) |
| Request for Arbitration | <input type="checkbox"/> ARB <u>1-7-09</u> (Non-Auto) | <input type="checkbox"/> ARB <u>1-7-09</u> (Non-Auto) |
| Introduce or change c-t-c service tariffs, | <input type="checkbox"/> ATA <u>1-7-14</u> (Auto 30 day) | <input type="checkbox"/> ATA <u>1-7-14</u> (Auto 30 day) |
| Request rural carrier exemption, rural carrier suspension or modification | <input type="checkbox"/> UNC <u>1-7-04 or 05</u> (Non-Auto) | |
| Changes in rates, terms & conditions to Pole Attachment, Conduit Occupancy and Rights-of-Way. | <input type="checkbox"/> UNC <u>1-7-23(B)</u> (Non-Auto) | |
| Wireless Providers See <u>4901:1-6-24</u> | <input type="checkbox"/> RCC [Registration & Change in Operations] | <input type="checkbox"/> NAG [Interconnection Agreement or |

Section IV. – Attestation

Registrant hereby attests to its compliance with pertinent entries and orders issued by the Commission.

AFFIDAVIT
Compliance with Commission Rules

I am an officer/agent of the applicant corporation, _____, and am authorized to make this statement on its behalf.

(Name)

Please Check ALL that apply:

I attest that these tariffs comply with all applicable rules for the state of Ohio. I understand that tariff notification filings do not imply Commission approval and that the Commission’s rules as modified and clarified from time to time, supersede any contradictory provisions in our tariff. We will fully comply with the rules of the state of Ohio and understand that noncompliance can result in various penalties, including the suspension of our certificate to operate within the state of Ohio.

I attest that customer notices accompanying this filing form were sent to affected customers, as specified in Section II, in accordance with Rule 4901:1-6-7, Ohio Administrative Code.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on (Date) _____ at (Location) _____

*(Signature and Title) _____ (Date) _____

- *This affidavit is required for every tariff-affecting filing. It may be signed by counsel or an officer of the applicant, or an authorized agent of the applicant.*

VERIFICATION

I, Christopher J. Allwein _____ verify that I have utilized the Telecommunications Filing Form for most proceedings provided by the Commission and that all of the information submitted here, and all additional information submitted in connection with this case, is true and correct to the best of my knowledge.

*(Signature and Title) **/s/Christopher J. Allwein – Attorney for NOVA Telephone Company** (Date) **June 10, 2015**

**Verification is required for every filing. It may be signed by counsel or an officer of the applicant, or an authorized agent of the applicant.*

Send your completed Application Form, including all required attachments as well as the required number of copies, to:

**Public Utilities Commission of Ohio
Attention: Docketing Division
180 East Broad Street, Columbus, OH 43215-3793**

Or

Make such filing electronically as directed in Case No 06-900-AU-WVR

UNITED STATES OF AMERICA
STATE OF OHIO
OFFICE OF THE SECRETARY OF STATE

I, Jon Husted, do hereby certify that I am the duly elected, qualified and present acting Secretary of State for the State of Ohio, and as such have custody of the records of Ohio and Foreign business entities; that said records show THE NOVA TELEPHONE COMPANY, an Ohio corporation, Charter No. 23294, having its principal location in Nova, County of Ashland, was incorporated on March 5, 1907 and is currently in GOOD STANDING upon the records of this office.



Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 3rd day of June, A.D. 2015.

Jon Husted

Ohio Secretary of State

Validation Number: 201515408337

ATTACHMENT B

**Franchise Tax Account Status**

As of: 06/03/2015 10:55:59 AM

This Page is Not Sufficient for Filings with the Secretary of State

KCL ENTERPRISES, INC.

Texas Taxpayer Number 32053960814

Mailing Address PO BOX 728
JUDSON, TX 75660-0728Right to Transact Business in ACTIVE
Texas

State of Formation TX

Effective SOS Registration 12/23/2014
Date

Texas SOS File Number 0802128823

Registered Agent Name CHARLES D MATTINGLY JR

Registered Office Street 224 LULA ST
Address LONGVIEW, TX 75605

**INFORMATION FOR OFFICERS, DIRECTORS AND PARTNERS
FOR
KCL INCORPORATED**

Charles Mattingly, Jr. – Partner (owns 90%)

P O Box 728

Judson, Texas 75660

903-663-0099

903-452-3258

Kimberly Starr – Partner (owns 10%)

P O Box 728

Judson, Texas 75660

903-663-0099

903-353-1625

NOVA TELEPHONE COMPANY

Charles Mattingly, Jr. – President

P O Box 728

Judson, Texas 75660

903-663-0099

903-452-3258

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

6/10/2015 2:04:30 PM

in

Case No(s). 15-1064-TP-ACO

Summary: Application for a Change in Ownership electronically filed by Mr. Christopher J. Allwein on behalf of NOVA Telephone Company