

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of Wauneta )  
Telephone Company for )  
approval of stock transfer )  
and change of control. )

Application No. C-744

GRANTED

October 27, 1987

APPEARANCES: For the Applicant:  
Victor E. Covalt III, Attorney  
Woods, Aitken, Smith, Greer,  
Overcash & Spangler  
1500 American Charter Center  
206 South 13th Street  
Lincoln, Nebraska 68508

OPINION AND FINDINGS

BY THE COMMISSION:

By joint application filed on August 21, 1987 and docketed on August 24, 1987, Wauneta Telephone Company, Willard E. Raile and Randall J. Raile jointly applied for permission and authority to transfer stock and change control over Wauneta Telephone Company. Notice thereof was duly given pursuant to the Rules of the Commission and no protests were received. The matter was then set for administrative processing on October 27, 1987 under the modified proceedings procedure pursuant to Rule 018.03 of the Rules of Commission procedure.

Upon due consideration of the application and the evidence submitted by affidavit, and in accordance with applicable law and the Rules and Regulations of this Commission, the Commission is of the opinion and finds that:

1. Due and proper notice of this application was duly given on or about August 24, 1987 as shown by Exhibit 1 received into evidence, and notice of modified procedure was duly given on or about October 8, 1987 as shown by Exhibit 2 received into evidence. The affidavits of Randall J. Raile and Willard E. Raile were duly received into evidence as Exhibits 3 and 4, respectively, as were Exhibits A through J attached thereto.
2. Wauneta Telephone Company is a Nebraska corporation operating as a local exchange company under a duly issued Certificate of Public Convenience and Necessity providing local exchange service to approximately 800 stations in its territory as shown by boundary maps duly filed with this Commission.

3. Pursuant to Commission Order entered December 5, 1978 in "In the Matter of the Application of Willard E. Raile and Randall J. Raile, etc.," Application No. 32863, Willard E. Raile and his son, Randall J. Raile, were jointly authorized to purchase majority stock ownership and control over Wauneta Telephone Company. Pursuant to said authority, Willard E. Raile and Randall J. Raile acquired joint control over the company so that the total stock ownership prior to May 1, 1987 and this application was as follows:

1. Willard E. Raile and Randall J. Raile as Tenants in Common:
  - a) Under Robert Bradley Agreement 576.2 shs
  - b) Under Lisa Bradley Agreement 85.0 shs
  - c) Under Richard Bradley Agreement 85.0 shs
2. Willard E. Raile, Individually 10.0 shs
3. Randall J. Raile, Individually 10.0 shs
4. R. A. Crosby, Deceased 4.0 shs

TOTAL ISSUED AND OUTSTANDING CAPITAL STOCK 770.2 shs

4. Willard E. Raile and Randall J. Raile have jointly operated Wauneta Telephone Company since 1978. Willard E. Raile has over 39 years experience in owning and operating telephone companies and Randall J. Raile has over 19 years experience in owning and operating telephone companies.
5. By this application, applicants desire to make certain stock transfers and changes in the manner in which the stock in Wauneta Telephone Company is held so that Randall J. Raile shall own, in his own right, majority interest in Wauneta Telephone Company, and to seek approval for change of control of Wauneta Telephone Company from Willard E. Raile and Randall J. Raile, jointly, to Randall J. Raile, individually. Applicants have submitted an Agreement to dissolve this tenancy in common in the majority of the stock of Wauneta Telephone Company subject to this Commission's approval, a copy of which is identified as Exhibit E.
6. Applicants have further submitted a copy of a Stock Purchase Agreement identified as Exhibit D, between Willard E. Raile as Seller and Randall J. Raile as Buyer to transfer ten (10) shares of stock to Randall J. Raile, subject to approval of this Commission, at a price of \$620.23 per share. The stated purpose of this agreement is to transfer sufficient stock to Randall J. Raile to give him majority ownership and control of Wauneta Telephone Company.

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7. In connection with this application, applicants have submitted copies of agreements signed by Richard Bradley, Robert Bradley and Lisa Bradley, as Exhibits F, G and H, to modify the Stock Purchase Agreements to correct the manner in which the stock is held, to cure and clarify voting rights as to the stock held under the Stock Purchase Agreements and to allow the stock now held in tenancy in common to be held individually by Willard E. Raile and Randall J. Raile and to facilitate late and subsequent transfers of stock from Willard E. Raile to Randall J. Raile.
8. Applicants have further submitted a signed Purchase Agreement between Randall J. Raile and the heirs of R. A. Crosby, deceased, wherein Randall J. Raile purchased the four (4) shares of stock previously issued and outstanding in the name of R. A. Crosby, deceased, for a price of \$620.23 per share.
9. The stated purposes of these transactions are to correct and clarify the ownership of stock in Wauneta Telephone Company, to correct and cure problems with the manner in which corporate stock was held, to eliminate the potential for corporate deadlock, to facilitate estate planning for Willard E. Raile and to prevent any problems with management or operation of the corporation upon his death or retirement.
10. Approval of the above-described transactions will not alter or affect the management or policies of the company.
11. The stock transfers contemplated by the application will not affect or alter management of the company, its policies or the services being provided.
12. This application is fair and reasonable, and approval is in the best interest of the public and the customers of Wauneta Telephone Company and should be granted.

ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-744 be and is hereby granted and that Randall J. Raile is hereby authorized to purchase a majority interest in and acquire control of Wauneta Telephone Company and the parties are authorized to complete the transactions contemplated by the exhibits submitted herein.

MADE AND ENTERED at Lincoln, Nebraska, this 27th day of October 1987.

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

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NEBRASKA PUBLIC SERVICE COMMISSION

*Eric Rasmussen*  
Chairman

COMMISSIONERS CONCURRING:

*Duane D. Gay*  
//s//James F. Munnelly  
//s//Eric Rasmussen  
//s//Harold D. Simpson  
//s//Daniel G. Urwiller

ATTEST:

*Cliff*  
Executive Secretary