

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Joint	)	Application No. C-3731
Application of the Curtis	)	
Telephone Company, Curtis,	)	
Consolidated Companies, Inc.,	)	
Lincoln, and Curtis Transitory	)	GRANTED
Sub, Inc., Lincoln, seeking	)	
approval of a change of	)	
controlling interest in the	)	
Curtis Telephone Company.	)	Entered: February 13, 2007

BY THE COMMISSION:

On December 1, 2006, a joint application was filed by Curtis Telephone Company, Curtis, ("Curtis") Consolidated Companies, Inc., Lincoln, ("Consolidated") and Curtis Transitory Sub, Inc., Lincoln, ("Transitory Sub"), seeking approval of a change of controlling interest in the Curtis Telephone Company. Notice of the application was published in The Daily Record, Omaha, Nebraska, on December 5, 2006. A public hearing on the application was held on January 30, 2007.

## O P I N I O N      A N D      F I N D I N G S

Curtis is a corporation organized under the laws of the State of Nebraska, with its principal place of business located in Curtis. Curtis provides general telecommunications services to customers located in the Curtis Exchange. Ed Cole, CEO of Curtis, testified that as of December 31, 2006, Curtis served 789 access lines. Mr. Cole further testified that the outstanding and issues shares of the Curtis Telephone Company are owned by 110 individual shareholders, none of which own more than 6% of the outstanding shares.

Consolidated is a corporation organized under the laws of the State of Nebraska, with its principal place of business located in Lincoln. Consolidated owns three telecommunications companies, Consolidated Telephone Company, Consolidated Telco, Inc. and Consolidated Telecom, which serve approximately 5,700 in western Nebraska. Charles Fast, Vice President of Consolidated, testified that if the application were approved, Consolidated would be the owner of Curtis Telephone Company.

Transitory Sub is a wholly owned subsidiary of Consolidated, organized under the laws of the State of Nebraska. Transitory Sub has been organized for the sole purpose of merging with Curtis, with Curtis to be the surviving corporation under the proposed transaction. Transitory Sub, as the non-

surviving entity will, as a matter of law, cease upon the completion of the merger.

According to testimony by Mr. Cole and Mr. Fast, Consolidated will purchase all of the issued and outstanding stock of Curtis. The purchase will occur through a reverse triangular merger involving Consolidated's wholly owned subsidiary, Curtis Transitory Sub, Inc., which was formed for the purposes of this transaction. Upon completion of the transaction, Transitory Sub will cease to exist, and Curtis will be the surviving corporation in the merger, and become a wholly owned subsidiary of Consolidated. Mr. Fast testified that Curtis will be managed by a team of individuals that would include Mr. Cole.

Immediately following the transaction, Consolidated expects to continue to conduct its operations in substantially the same manner in which those operations are currently conducted, and customers of Consolidated and Curtis will continue to receive services under the same rates, terms and conditions that currently apply to those services.

Based on the evidence, we find the application to be fair and reasonable and in the public interest. The application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-3731, be, and it is hereby, granted.

MADE AND ENTERED at Lincoln, Nebraska, this 13th day of February, 2007.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Deputy Director