

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

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| In the Matter of the |) | Application No. C-4836 |
| Application of Midstates Data |) | |
| Transport LLC, Blair, seeking |) | |
| approval of a Change of |) | GRANTED |
| Controlling Interest in |) | |
| Midstates Data Transport LLC. |) | Entered: June 1, 2016 |

BY THE COMMISSION:

On April 19, 2016, an application was filed by Midstates Data Transport LLC ("Midstates" or "Applicant"), of Blair, Nebraska, seeking approval of a change in controlling interest of Midstates Data Transport LLC. Notice of the application was published in The Daily Record, Omaha, Nebraska, on April 22, 2016. No protests were filed; therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

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

Midstates is a limited liability company, organized under the laws of the State of Nebraska with principal offices located in Blair, Nebraska. Midstates provides non-switched local transport telecommunications services within the State of Nebraska. Applicant is authorized to operate in Nebraska under and by virtue of authority heretofore granted by this Commission.¹

The current members of Midstates Data Transport LLC are Stuart Bauer and Klint Arnold. Messrs. Bauer and Arnold own all the issued and outstanding membership interest in Applicant in equal proportions.

Description of the Transaction:

According to the application, Applicant intends to reorganize Midstates into a holding company structure. To that end, Messrs. Bauer and Arnold, together with David Zima and Michael Storjohann have formed Turnkey Holdings, LLC ("Holdco"), a Nebraska limited liability company with its principal place of business located in Blair, Nebraska. All four owners of Holdco each own an equal proportion.

Messrs. Zima and Storjohann intend to purchase 25% ownership interest in Midstates, resulting in Messrs. Bauer, Arnold, Zima, and Storjohann all owning equal proportions of Midstates. Upon completion of the proposed purchase transactions, each of the four owners of Midstates, will assign all of their ownership interest

¹ See Authority No. C-4769 (August 4, 2015).

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in Midstates to Holdco. As a result, Holdco will own all the outstanding units of Midstates.

The Applicant states that the change of control of Midstates will not cause any change in the operation of Midstates, require the issuance of any additional securities, nor cause Midstates to incur any indebtedness due to the reorganization.

The Applicant state that the reorganization is in the public interest because it will benefit Midstates and its customers by assuring the continuity of management of Midstates, and allow continuation of local ownership devoted to continuing to provide high quality service to Midstates' customers.

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-4836 be, and it is hereby, granted.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 1st day of June, 2016.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:



//s//Frank E. Landis
//s//Tim Schram



Chairman

ATTEST:



Executive Director