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June 8, 2011

Via Hand-Delivery

Chairman Mary W. Freeman
c/o Sharla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

filed electronically in docket office on 06/08/11

**Re: *Joint Application of United Telephone Company, UTC Long Distance, LLC
and United Communications Holdings, LLC Regarding Transfer of Control of
United Telephone Company and UTC Long Distance, LLC***
Docket No. 11-00098

Dear Chairman Freeman:

Enclosed please find an original and five (5) copies of the Joint Application of United Telephone Company, UTC Long Distance, LLC and United Communications Holdings, LLC Regarding Transfers of Control. This document also has been filed by way of email sent today with the Tennessee Regulatory Authority Docket Manager, Sharla Dillon.

I enclose a check for the filing fee in the amount of \$25.00 payable to the Tennessee Regulatory Authority.

Please stamp a copy of this Joint Application as "filed" and return it to me by way of our courier.

Should you have any questions concerning any of the enclosed, please do not hesitate to contact me.

With kindest regards, I remain

Very truly yours,



R. Dale Grimes

RDG:cdk

Enclosures

Chairman Mary Freeman

June 7, 2011

Page 2

cc: Hon. Sara Kyle (*w/o enclosure*)
Hon. Eddie Roberson (*w/o enclosure*)
Hon. Kenneth C. Hill (*w/o enclosure*)
Mr. David Foster, Chief of Utilities Division (*w/o enclosure*)
Richard Collier, Esq. (*w/o enclosure*)
Mr. Jerry Kettles, Chief of Economic Analysis & Policy Division (*w/o enclosure*)
Mr. Terry Wales
Mr. William Bradford
Andy McQueen, Esq.

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**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

| | | |
|--|---|-----------------------------|
| In re: |) | |
| |) | |
| Joint Application of United Telephone |) | |
| Company, UTC Long Distance, LLC |) | Docket No. 11- _____ |
| and United Communications Holdings, |) | |
| LLC Regarding Transfer of Control of |) | |
| United Telephone Company and UTC |) | |
| Long Distance, LLC |) | |

**JOINT APPLICATION OF UNITED TELEPHONE COMPANY,
UTC LONG DISTANCE, LLC AND UNITED COMMUNICATIONS HOLDINGS, LLC
REGARDING TRANSFERS OF CONTROL**

United Telephone Company (“United Tel”) and UTC Long Distance, LLC (“UTC”, and with United Tel, “United”), both certificated to provide telecommunications services in the State of Tennessee, and United Communications Holdings, LLC, a Delaware limited liability company (“Buyer”) (jointly, the “Applicants”) respectfully request that the Tennessee Regulatory Authority (“Authority”), pursuant to Tenn. Code Ann. §§ 65-4-112 and 65-4-113, approve: (i) the merger of a wholly-owned subsidiary of Buyer with and into United Tel; (ii) the merger of a wholly-owned subsidiary of Buyer with and into UTC; and (iii) the corresponding transfer of control of United Tel and UTC from their current equity holders to Buyer (the “Transaction”). The Applicants also seek approval of any other related transactions or other such relief as may be necessary or appropriate to fully consummate the Transaction. Finally, the Applicants respectfully request that the Authority approve this Joint Application in an expedited timeframe, to allow the Applicants to timely consummate the Transaction no later than September 1, 2011. Doing so will help ensure that United will be able to implement its plans to improve the telecommunications services that United offers to its customers.

I. INTRODUCTION

1. United Tel, Buyer and certain related parties entered into an Agreement and Plan of Merger (“United Tel Purchase Agreement”) as of April 28, 2011.¹ United Tel is an independent, privately-owned telecommunications company operating out of Chapel Hill, Tennessee. United Tel provides local telephone and Internet services to rural communities in Middle Tennessee. Under the terms of the United Tel Purchase Agreement, Buyer will acquire 100% of the issued and outstanding equity interests of United Tel by way of a reverse subsidiary merger, in which a wholly-owned subsidiary of Buyer will merge with and into United Tel, with United Tel surviving the merger as a wholly-owned subsidiary of Buyer.

2. UTC, Buyer and certain related parties entered into an Agreement and Plan of Merger (“UTC Purchase Agreement”) as of June 6, 2011.² UTC is an independent, privately-owned telecommunications company providing long-distance service to customers of United Tel who choose UTC as their long-distance provider. Under the terms of the UTC Purchase Agreement, Buyer will acquire 100% of the issued and outstanding equity interests of UTC by way of a reverse subsidiary merger in which a wholly-owned subsidiary of Buyer will merge with and into UTC, with UTC surviving the merger as a wholly-owned subsidiary of Buyer.

3. In connection with the Transaction, the Applicants respectfully request that the Authority approve the acquisitions of United Tel and UTC by Buyer and the related transfer of control of United Tel and UTC to Buyer.

¹ The United Tel Purchase Agreement is provided under seal as Exhibit A to this Joint Application. The United Tel Purchase Agreement constitutes commercially sensitive and competitively significant information that is not otherwise released to the public. Unrestricted availability of this information would provide competitors with knowledge that would be otherwise unavailable and could place Petitioners at a competitive disadvantage. Confidential treatment of the United Tel Purchase Agreement is therefore required to avoid commercial and competitive injury.

² The UTC Purchase Agreement is provided under seal as Exhibit B to this Joint Application. For the reasons stated above, confidential treatment of the UTC Purchase Agreement is also requested.

4. As explained in detail below, the Transaction is in the public interest and is in full compliance with applicable law. Buyer is committed to United's customers, community, and employees. As such, after the close of the Transaction, the operations of United will continue to be conducted out of its office in Chapel Hill, Tennessee. Buyer plans to continue employing United's current experienced and dedicated workforce, all of whom have extensive knowledge of the local operations and markets and all of whom have experience in serving the needs of the local community and customers. Buyer also intends to continue United's investments in broadband and advanced services, which are critical to the economic vitality of the rural communities, businesses, and residents United serves. Immediately upon the completion of the Transaction, end user customers of United will continue to receive the same services at the same rates, terms and conditions as immediately prior to the Transaction; as such, the Transaction will be transparent to the customers. Any subsequent service or price changes will be made in accordance with applicable laws and regulations.

5. The Transaction will provide United with greater financial flexibility, access to capital, and enhanced management expertise that will add long-term value to the company and the communities United serves. As described below, the Transaction also provides United with greater financial flexibility to capitalize on marketplace opportunities, diversify revenues, and expand services and networks that will also add long-term value to the communities United serves.

II. THE PARTIES

6. United Tel is a corporation organized and existing under the laws of the State of Tennessee, with its principal office located at 120 Taylor Street, Chapel Hill, Tennessee 37034-3123. United Tel is a public utility, as defined by Tenn. Code Ann. § 65-4-101, and offers

communications services to residential consumers and businesses, including local telephone service and internet services. United Tel has incumbent local exchange carrier (“ILEC”) operations in Bedford, Coffee, Davidson, Franklin, Marshall, Maury, Rutherford and Williamson counties in Tennessee, with over 12,500 access lines. United Tel serves eight exchanges, all served by digital switches and inter-connected by over 400 miles of fiber optic cables. United Tel has approximately 44 employees who are committed to providing advanced communications products and the highest quality customer service to the communities that United serves. The Transaction will not change how United Tel is regulated by the Authority immediately following the closing.

7. UTC is a limited liability company organized and existing under the laws of the State of Tennessee, with its principal office located at 120 Taylor Street, Chapel Hill, Tennessee 37034-3123. UTC provides long-distance service to United Tel’s customers who select UTC as their long-distance provider.

8. Buyer is a limited liability company organized and existing under the laws of the State of Delaware and is newly formed for the purposes of consummating the Transaction, with its principal office to be located at 120 Taylor Street, Chapel Hill, Tennessee 37043-3123 after the consummation of the Transaction. Buyer was formed by MSouth Equity Partners, LP (“MSouth”), William H. Bradford, and Eugene B. Johnson for purposes of consummating the Transaction. The principals of Buyer include William Bradford (President & Chief Executive Officer), Eugene “Gene” B. Johnson (Chairman), and Mark L. Feidler (Partner with MSouth and board member of Buyer). With the significant financial backing of MSouth and the collective management expertise of the principals as described below, Buyer has the requisite technical, financial and managerial capabilities to ensure a seamless transition in the provision of

telecommunications services.

9. William Bradford is the President and Chief Executive Officer of Buyer. Mr. Bradford is a telecommunications management executive with broad expertise, including direct industry experience acquiring and operating cable television and telephone operations. Mr. Bradford spent seven years at FairPoint Communications, Inc. ("FairPoint"), the 8th largest telephone company in the United States, where he served as the Vice President of Corporate Development, reporting directly to Mr. Gene Johnson. Collectively, Mr. Bradford and Mr. Johnson have experience operating 35 independent telephone and cable companies in 18 states. During this time Mr. Bradford and Mr. Johnson developed successful broadband and video strategies and achieved industry leading broadband penetration rates in rural America.

10. Gene Johnson is the Chairman of Buyer. Mr. Johnson is the retired Chairman and Chief Executive Officer of FairPoint. Mr. Johnson co-founded FairPoint in 1990 and was chief executive officer from January 2002 until his retirement in June, 2009. Previously, he led FairPoint's corporate development efforts as executive vice president. A former captain in the U.S. Army, Mr. Johnson started his career as a certified public accountant. He owned a cable television construction company and later became head of the mergers & acquisitions group of Cable Investments, Inc. Today Mr. Johnson serves as chairman of the board of trustees for the University of North Carolina at Charlotte.

11. Mark Feidler is a member of the Board of Directors of Buyer and a Partner at MSouth. Mr. Feidler began his career by gaining M&A / transactional experience before transitioning into various telecommunications executive-level positions. From 1991 to 2000, Mr. Feidler served as the head of corporate development for BellSouth and as President of various operating subsidiaries. In 2000 when BellSouth and AT&T (formerly SBC) merged their

domestic wireless operations to form Cingular Wireless Mr. Feidler became the COO of Cingular Wireless. In 2003 Mr. Feidler became President and COO of BellSouth Corporation and served the company in that capacity until its merger with AT&T in December 2006. Mr. Feidler joined MSouth in 2007 as a Partner and co-founder.

12. MSouth is a private equity investment firm that provides equity capital and expertise to support management teams in acquisitions and recapitalizations of companies typically valued at \$25 – \$125 million. Based in Atlanta, Georgia, MSouth invests primarily in the South with a consistent focus on management buyouts. Each of MSouth's partners has extensive experience in acquiring and successfully growing businesses. This experience, coupled with the firm's commitment to having its partners actively support each company, contributes to the firm's long and successful investment record. MSouth is the majority owner of Buyer. Accordingly, MSouth will control the board of directors of Buyer. MSouth's lead partner for Buyer initially will be Mark Feidler.

13. Communications and correspondence for the proceeding herein should be sent to the following individuals:

FOR UNITED TEL AND UTC:

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Bass, Berry & Sims PLC
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Terry Wales
General Manager
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Chapel Hill , TN 37034
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FOR BUYER:

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William Bradford
President and Chief Executive Officer
365 Anthony Circle
Charlotte, NC 28211
Telephone: 704-651-4409
wbradford@bradfordadvisory.com

III. STANDARD OF REVIEW

14. Tenn. Code Ann. §§ 65-4-112 and 65-4-113 grant the Authority the ability to approve mergers, consolidation of utility property or franchises, and transfers of authority to provide utility services in Tennessee. In approving the Transaction, the Authority must consider whether Buyer is suitable and financially capable to oversee the utility services being transferred, and whether United will continue to provide such service in an efficient manner to the benefit of the consuming public. Applicants respectfully submit that the Transaction and corresponding transfer of control is in the public interest for the reasons set forth herein.

IV. THE TRANSACTION

15. To effectuate the acquisition of United Tel, a newly created subsidiary of Buyer will merge into United Tel with United Tel surviving such merger. Immediately thereafter, United Tel will continue to exist in its current form as a wholly-owned subsidiary of Buyer.

16. To effectuate the acquisition of UTC, a newly created subsidiary of Buyer will merge into UTC with UTC surviving such merger. Immediately thereafter, UTC will continue to exist in its current form as a wholly-owned subsidiary of Buyer.

17. Immediately following the completion of the Transaction, Buyer will own 100% of both the post-Transaction United Tel and UTC. Customers will experience no disruption of service or apparent change in service as a result of the Transaction.

V. THE PROPOSED TRANSACTION WILL ENSURE THAT THE UTILITY SERVICES BEING TRANSFERRED ARE PROVIDED EFFICIENTLY

18. The acquisition of United Tel by Buyer will serve the public interest. Since its inception on September 12, 1947, United Tel has served the public interest by providing excellent services in the local service areas in Tennessee in which it operates. Currently, United Tel has more than 12,500 access lines in the eight counties in Middle Tennessee which it serves. Buyer's management also has considerable expertise in provisioning high-quality, advanced telecommunications service, and an aggressive plan to broaden and expand services to meet customer needs.

19. Similarly, the acquisition of UTC by Buyer will also serve the public interest. UTC's customers are already customers of United Tel, which has over 50 years of experience servicing customers in Tennessee. After the Transaction, UTC's customers, as well as all of United Tel's customers, will continue to have the option to select any long-distance provider they choose. Further, as noted above, UTC's customers will experience no disruption in service as a result of the Transaction. Accordingly, immediately following the Transaction, United's customers will continue to receive the same dependable and high-quality service from United that they currently receive at the same rates and on the same terms and conditions.

20. The Transaction and the resulting organizational structure will strengthen United's financial position, which will benefit United's customers. Buyer will not be incurring any new debt in connection with the Transaction. In fact, as provided in Section 3.4(b) of the United Tel Purchase Agreement, as part of the Transaction United Tel will prepay approximately \$2,300,000 of existing indebtedness on or prior to the closing of the Transaction. Thus, the Transaction will significantly improve the financial strength and flexibility of United Tel and will facilitate its ability to continue providing outstanding service and enhanced offerings to

customers. These attributes help create the financial stability and access to capital necessary to enable United to continue to provide reliable services in the increasingly competitive telecommunications marketplace.

21. The Transaction and resulting organizational structure will also enhance United's management expertise. Consumers of communications services, including both residential and business consumers, have more choices than ever before in the market for local and long distance calling services, high speed Internet and other data services, video services, and wireless services. Intermodal competition to provide these services is now widespread. The post-Transaction United will be a stronger, more independent wireline communications company with increased resources and expertise to serve its Tennessee customers. The Transaction will also enhance the competitive position of United to facilitate economically attractive deployment of growth products and services, including enhanced broadband offerings.

22. The communications industry has been and is expected in the future to be the subject of rapid and fundamental changes in technology, customer preferences, and the competitive landscape. Rapid changes in technology and customer preferences require equally rapid responses and execution strategies by telecommunications carriers. To respond rapidly and succeed most effectively in this competitive market environment, carriers must have a strategic focus on providing products and services that differentiate them in the market, and they need an adequate financial basis upon which to grow. As explained above, the Transaction will strengthen United's financial position and will enhance its ability to strategically and rapidly respond to customer preferences in providing a full portfolio of quality, advanced communications services that will differentiate the company in the markets it serves.

23. Buyer is committed to United's customers, community, and employees. As such, after the close of the Transaction, the operations of United will continue to be conducted out of its office in Chapel Hill, Tennessee. Further, Buyer plans to continue employing United's current experienced and dedicated workforce, all of whom have extensive knowledge of the local operations and markets and all of whom have experience in serving the needs of the local community and customers. Further, Buyer believes that investing in broadband and advanced services is critical to the economic vitality of the rural communities, businesses, and residents they serve.

24. Ensuring the continuation of high quality service and customer experience pre- and post-Transaction is vitally important. United understands that continuing to meet customer needs is its top priority. Further, the Transaction will not change United's incentives for continuing to do so. Accordingly, immediately following consummation of the Transaction, United will offer the same full range of products and services that it offered immediately prior to the Transaction, at the same prices, and under the same terms and conditions.

25. Upon completion of the Transaction, the Authority will retain the same regulatory authority over United as it now possesses, and United will continue to provide local exchange and long distance service subject to the same rules, regulations and applicable tariffs. United will remain subject to existing rate regulation, service quality obligations, standards and tariffs, as modified pursuant to any future Authority or legislative decisions. The terms and rates for existing wholesale services under United's access tariffs will be unchanged by the Transaction. Moreover, the Transaction will have no impact on the terms of any existing interconnection agreements or United's obligations under state and federal laws regarding interconnection.

WHEREFORE, based on the foregoing, the Applicants respectfully request pursuant to Tenn. Code Ann. §§ 65-4-112 and -113, and any other applicable statutes, that the Authority: (1) approve the merger of Buyer's subsidiary with and into United Tel and the merger of Buyer's subsidiary with and into UTC, as described herein, along with the related transactions as described in the United Tel and UTC Purchase Agreements; (2) approve the transfer of control of United Tel and UTC to Buyer as described herein; (3) grant other such other relief as may be necessary, reasonable and consistent with the foregoing; and (4) grant any approval found to be necessary in an expedited manner.

Respectfully submitted on this 8th day of June, 2011.



R. Dale Grimes (#006223)
C. David Killion (#026412)
BASS, BERRY & SIMS PLC
150 Third Avenue South, Suite 2800
Nashville, TN 37201
(615) 742-6200

*Attorneys for Petitioners
United Telephone Company, UTC Long
Distance LLC, and United Communications
Holdings, LLC*

Exhibit A

United Tel Purchase Agreement

(Filed Under Seal)

Exhibit B

UTC Purchase Agreement

(Filed Under Seal)

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

In re:

**Joint Application of United Telephone
Company, UTC Long Distance, LLC
and United Communications Holdings,
LLC Regarding Transfer of Control of
United Telephone Company and UTC
Long Distance, LLC**

Docket No. 11-_____

VERIFICATION

STATE OF TENNESSEE

COUNTY OF Marshall

Jerry M. Wales, being duly sworn, deposes and says:

1. I am the Chief Executive Officer of UTC Long Distance, LLC ("UTC")

and am authorized to make this Verification on behalf of UTC.

2. I have read the contents of the foregoing Joint Application of United Telephone Company, UTC Long Distance, LLC, and United Communications Holdings, LLC, regarding Transfer of Control and hereby verify that the statements therein contained, insofar as they relate to UTC, are true and accurate to the best of my knowledge, information and belief.

UTC LONG DISTANCE, LLC

Terry M. Wales

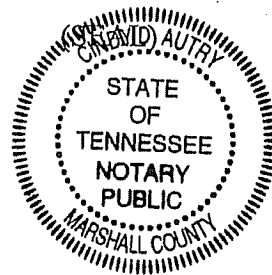
By: Terry M. Wales

Its: Chief Executive Officer

Sworn to and subscribed before me this 17th day of June, 2011.

Cindy D. Autry
Notary Public

My Commission Expires: July 30, 2012



**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

In re:

Joint Application of United Telephone
Company, UTC Long Distance, LLC
and United Communications Holdings,
LLC Regarding Transfer of Control of
United Telephone Company and UTC
Long Distance, LLC

Docket No. 11-_____

VERIFICATION

STATE OF TENNESSEE

COUNTY OF Marshall

Jerry M. Wales, being duly sworn, deposes and says:

1. I am the Chief Executive Officer of United Telephone Company and am authorized to make this Verification on behalf of United Telephone Company.

2. I have read the contents of the foregoing Joint Application of United Telephone Company, UTC Long Distance, LLC and United Communications Holdings, LLC, regarding Transfers of Control and hereby verify that the statements therein contained, insofar as they relate to United Telephone Company are true and accurate to the best of my knowledge, information and belief.

UNITED TELEPHONE COMPANY

Terry M. Wales

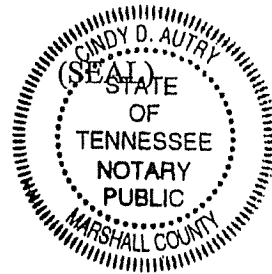
By: Terry M. Wales

Its: Chief Executive Officer

Sworn to and subscribed before me this 7th day of June, 2011.

Cindy D. Autry
Notary Public

My Commission Expires: July 30, 2012



**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

In re:

**Joint Application of United Telephone
Company, UTC Long Distance, LLC
and United Communications Holdings,
LLC Regarding Transfer of Control of
United Telephone Company and UTC
Long Distance, LLC**

Docket No. 11-_____

VERIFICATION

STATE OF North Carolina)
COUNTY OF Mecklenburg)

William H. Bradford, being duly sworn, deposes and says:

1. I am the President of United Communications Holdings, LLC, and am authorized to make this Verification on behalf of United Communications Holdings, LLC.

2. I have read the contents of the foregoing Joint Application of United Telephone Company, UTC Long Distance, LLC and United Communications Holdings, LLC, regarding Transfers of Control and hereby verify that the statements therein contained, insofar as they relate to United Communications Holdings, LLC are true and accurate to the best of my knowledge, information and belief.

UNITED COMMUNICATIONS HOLDINGS,
LLC

William H Bradford

By: William H. Bradford

Its: President & CEO

Sworn to and subscribed before me this 6 day of June, 2011.

Jeremy C. Young
Notary Public

(SEAL)

My Commission Expires: Aug 22, 2015

Jeremy C. Young
Notary Public
Mecklenburg County, North Carolina
My Commission Expires August 22, 2015