

SEP 22 2017

US BANK/FCC

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDINGFEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE
FORM 159Approved by OMB
3060-0589
Page No. 1 of 2

(1) LOCKBOX # 979091		SPECIAL USE ONLY	
		FCC USE ONLY	
SECTION A - PAYER INFORMATION			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) Sunset Digital Communications, Inc.		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$1,155.00	
(4) STREET ADDRESS LINE NO. 1 333 Fraley Avenue			
(5) STREET ADDRESS LINE NO. 2 PO Box 405			
(6) CITY Duffield		(7) STATE VA	(8) ZIP CODE 24244
(9) DAYTIME TELEPHONE NUMBER (include area code) (276) 431-7200		(10) COUNTRY CODE (if not in U.S.A.) U.S.A.	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) 0010678001		(12) FCC USE ONLY	
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME			
(14) STREET ADDRESS LINE NO. 1			
(15) STREET ADDRESS LINE NO. 2			
(16) CITY		(17) STATE	(18) ZIP CODE
(19) DAYTIME TELEPHONE NUMBER (include area code)		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN)		(22) FCC USE ONLY	
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE CDT	(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) \$1,155.00	(27A) TOTAL FEE \$1,155.00	FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2	
SECTION D - CERTIFICATION			
CERTIFICATION STATEMENT I, <u>Robert G. Galtner</u> , certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief. SIGNATURE <u><i>Robert G. Galtner</i></u> DATE <u>9/20/17</u>			
SECTION E - CREDIT CARD PAYMENT INFORMATION			
MASTERCARD _____ VISA _____ AMEX _____ DISCOVER _____ ACCOUNT NUMBER _____ EXPIRATION DATE _____ I hereby authorize the FCC to charge my credit card for the service(s)/authorization herein described. SIGNATURE _____ DATE _____			

FEDERAL COMMUNICATIONS COMMISSION REMITTANCE ADVICE (CONTINUATION SHEET) FORM 159-C Page No 2 of 2			SPECIAL USE FCC USE ONLY
USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT SECTION BB - ADDITIONAL APPLICANT INFORMATION			
(13) APPLICANT NAME			
(14) STREET ADDRESS LINE NO. 1			
(15) STREET ADDRESS LINE NO. 2			
(16) CITY		(17) STATE	(18) ZIP CODE
(19) DAYTIME TELEPHONE NUMBER (include area code)		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN)		(22) FCC USE ONLY	
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY	
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2	
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY	
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY	
(28C) FCC CODE 1		(29C) FCC CODE 2	
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY	
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY	
(28D) FCC CODE 1		(29D) FCC CODE 2	
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY	
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY	
(28E) FCC CODE 1		(29E) FCC CODE 2	
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY	
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY	
(28F) FCC CODE 1		(29F) FCC CODE 2	

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, DC 20554**

**In the Matter of
Sunset Digital Communications, Inc.**

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)
)
) **WC Docket No. 17-_____**
)

**Application for Authorization Pursuant to
Section 214 of the Communications Act of 1934,
as Amended, for Assignment of Assets
and/or Transfer of Control**

APPLICATION FOR TRANSFER OF CONTROL

Sunset Digital Communications, Inc. ("Sunset Digital" or "Applicant"), hereby requests approval from the Federal Communications Commission ("FCC" or "Commission") pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and Section 63.04 of the Commission's rules, 47 C.F.R. §§ 63.04, to transfer of control of Sunset Digital to Sunset Digital Holdings, Inc. ("Sunset Digital Holdings"). For the reasons stated herein, Sunset Digital respectfully submits that this Application is subject to the Commission's "streamlined" processing rules found in Section 63.03(b)(2) and thus prompt approval can be accomplished in a manner that raises no competitive concerns that could delay Commission approval of the transaction.

In support of this request, Applicant provides the following information as required by Section 63.04(a) of the Commission's Rules, 47 C.F.R. § 63.04(a):

1. Name, Address and Telephone Number – 47 C.F.R. § 63.04(a)(1).

Sunset Digital Communications, Inc.
333 Fraley Avenue
Duffield, Virginia 24244
Phone: (276) 431-7200
Fax: (276) 431-7202

2. State of Organization – 47 C.F.R. § 63.04(a)(2).

Sunset Digital is a corporation organized under the laws of the Commonwealth of Virginia with its headquarters in Duffield, Virginia. Sunset Digital Holdings is a corporation organized under the laws of the state of Delaware with its headquarters in Duffield, Virginia.

3. Contact Information — 47 C.F.R. § 63.04(a)(3).

All correspondence, notices and inquiries regarding this Application for both Transferors and Transferees should be addressed to:

Robert J. Gastner, Esq.
ECKERT SEAMANS CHERIN
& MELLOTT, LLC
1717 Pennsylvania Avenue, NW
12th Floor
Washington, D.C. 20006
Tel: 202.659.6600
Fax: 202.659.6699
Email: rgastner@eckertseamans.com

and

Eric M. Page, Esq.
ECKERT SEAMANS CHERIN
& MELLOTT, LLC
919 East Main Street, Suite 1300
Richmond, Virginia 23219
Tel : (804) 788-7771
Fax: (804) 698-2950
Email: epage@eckertseamans.com

and

Jeffery Mitchell, Esq.
The Mitchell Law Firm, a Professional Corporation
1700 Kraft Drive, Suite 2000
Blacksburg, Virginia 24060
Tel: (540) 443-9272
Fax: (540) 301-1666
Email: Jeff@Mitchell-Firm.com

4. Ownership Interest – 47 C.F.R. § 63.04(a)(4).

i. Transferors

As noted above, Sunset Digital is a corporation organized under the laws of the Commonwealth of Virginia. The shareholders that currently own ten percent (10%) or more of the issued and outstanding stock of Applicant are provided below:

Name	Occupation	Citizenship	Ownership Percent ¹
Paul Elswick	Telecommunications	USA	50%
Ryan Elswick	Telecommunications	USA	50%

ii. Transferee

As noted above, Sunset Digital Holdings is a corporation organized under the laws of the state of Delaware. The shareholders that will own ten percent (10%) or more of the issued and outstanding stock of Sunset Digital Holdings, Inc. upon consummation of the transfer of control are provided below:

Name	Occupation	Citizenship	Ownership Percent
Paul Elswick	Telecommunications	USA	15%
Ryan Elswick	Telecommunications	USA	15%
H.I.G. Capital Partners V, L.P. ²	Finance	USA	70%

¹ Paul Elswick's address is 342 Elswick Drive, Jonesville, Virginia 24263. Ryan Elswick's address is 2120 St. Erics Court, Kingsport, Tennessee 37660.

² H.I.G. Capital Partners V, L.P. ("H.I.G.") is a limited partnership organized under the laws of the state of Delaware with its headquarters in Miami, Florida. H.I.G. is an affiliate of H.I.G. Capital, L.L.C. ("H.I.G. Parent"). At this time, neither H.I.G. nor H.I.G. Parent provide telecommunications services or hold any telecommunications licenses, in each case, in its own name. H.I.G. Parent is a global private equity and alternative assets investment firm. H.I.G. Parent operates a family of private equity, growth equity, credit/special situation, primary lending, syndicated credit, and real estate funds, and it specializes in providing both debt and equity capital to small and mid-sized companies. No person has Ten Percent (10%) or greater direct or indirect interest in H.I.G.

Transferee does not have any interlocking directorates with a foreign carrier,³ nor will it have any such directorates or managers after consummation of this transaction.

5. Federal Benefits/Anti-Drug Act of 1988 Certification – 47 C.F.R. § 63.04(a)(5).

As evidenced by the signatures to this Application, Applicant certifies, pursuant to Sections 1.2001 through 1.2003 of the Commission's rules that no party to the Application is subject to a denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. 21 U.S.C. § 862.

6. Description of the Transaction – 47 C.F.R. § 63.04(a)(6).

The subject matter of this application is one of two related transactions. The first transaction was initiated on February 5, 2016, when Sunset Digital and Bristol Virginia Utilities Authority ("BVUA") entered into an Asset Purchase Agreement (the "Agreement") to allow Sunset Digital to acquire BVUA's telecommunications assets (the "OptiNet System"). Under terms of the Agreement, Sunset Digital will pay total consideration of \$50 million for the OptiNet System assets. After the transaction, Sunset Digital will own the OptiNet System assets, and, a separate Virginia entity, Sunset Fiber, LLC ("Sunset Fiber"), will operate the extensive network of facilities that provides broadband Internet, private data, fiber optic television and telephone services to residents, businesses, medical facilities, banks, and other Internet service providers in Virginia and Tennessee. A separate Section 214 application is being filed with respect to Sunset Digital's acquisition of the OptiNet System.

The transferee, Sunset Digital Holdings, Inc., will finance the transaction associated with the Asset Purchase Agreement and will become the parent company of Sunset Digital and the ultimate parent of Sunset Fiber. This is the transaction that is the subject of this Application. For

³ As defined by 47 C.F.R. § 63.09(d).

the Commission's convenience, pre- and post-transaction organizational charts are provided as Exhibit B.

The transaction will result in the same management structure that Applicant has today. Applicant's officers and key personnel will remain the same as before the change in ownership structure. As a result, the same personnel who are currently providing telecommunications services to current customers will continue to provide telecommunications services to the newly acquired OptiNet customers after Sunset Digital Holdings, Inc. completes its acquisition.

7. Description of Geographic Areas in Which Transferor and Transferee Offer Domestic Telecommunications Services – 47 C.F.R. § 63.04(a)(7).

Sunset Digital, is a next-generation fiber-optic company based in Duffield, Virginia providing broadband, private data, fiber-optic television and telephone services to residents, businesses, medical facilities, banks, and other Internet service providers.⁴ The company has branch offices in Kingsport, Tennessee, and Tazewell, Tennessee, with an additional office planned for Danville, Virginia.

8. Request for Streamlined Treatment of Application – 47 C.F.R. § 63.04(a)(8).

The Applicant respectfully requests streamlined treatment of this Application pursuant to Sections 63.03 of the Commission's rules. This Application is eligible for streamlined processing pursuant to Section 63.03(b)(2) of the Commission's rules because: (1) the proposed transaction will result in Transferee having a market share in the interstate interexchange market of less than ten percent (10%); (2) Transferee will provide competitive telephone exchange services exclusively in geographic areas served by a dominant local exchange carrier that is not a party to

⁴ Sunset Digital's FRN is 0010678001.

the transaction; and (3) neither the Transferee nor any of its affiliates are regulated as dominant with respect to any service.

9. Other Pending Commission Applications Concerning the Proposed Transaction – 47 C.F.R. § 63.04(a)(9).

Applicant will file a Joint Application with BVUA contemporaneously seeking approval of the acquisition of the OptiNet System as referenced above in Section 6.

10. Special Consideration – 47 C.F.R. § 63.03(a)(10).

None. Neither transferor nor transferee is facing imminent business failure.

11. 63.04(b)(11): Waiver Requests (If Any) – 47 C.F.R. § 63.03(a)(11).

None.

12. Public Interest Statement – 47 C.F.R. § 63.03(a)(12).

Applicant respectfully submits that the transaction and transfer of control described herein will serve the public interest. The proposed transaction will serve the public interest because the transfer of control will provide Applicant with new sources of investment that will allow it to continue its track record of rapid growth. Additional financing will provide opportunities for the Applicant to expand its current geographic coverage and the range of its current products. Applicant currently offers competitive telecommunications service that offers competitive pricing, high quality services, and responsive customer service. The transaction will permit the Applicant to continue to offer these services to its existing consumers and will allow it to expand these same competitive services to more customers over the next decade.

Applicant's customers will not see any change to their services as a result of this change of control. Customers will receive the same reliable, low-cost service after the transaction closes. Nonetheless, Applicant is providing notice to its customers consistent with the Commission's Rules and applicable state laws. Applicant's customers will have advance notice of the transaction

and will continue to receive the same high quality, low-cost services once the transaction closes, delivered by the same management team. Because the transaction will expand competition and benefit consumers, Applicant submits that the transaction is in the public interest.

CONCLUSION

For the foregoing reasons, Applicant respectfully requests that the Commission promptly grant this Application.

Respectfully Submitted,

SUNSET DIGITAL
COMMUNICATIONS, INC.

By:


Counsel

Robert J. Gastner, Esq.
ECKERT SEAMANS CHERIN
& MELLOTT, LLC
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Email: Jeff@Mitchell-Firm.com


*Attorneys for Sunset Fiber, LLC, Sunset
Digital Holdings, Inc.,
and Sunset Digital Communications, Inc.*

EXHIBIT A

CERTIFICATION

I, Ryan Elswick, Secretary of Sunset Digital Communications, Inc., being first duly sworn, hereby certify under penalty of perjury that I am authorized to make this certification on behalf of the Applicant in the foregoing application. I further certify that the information in the foregoing application as it pertains to the Applicant is true and accurate to the best of my knowledge, and that the Applicant is not subject to a denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 883(a), as amended.

9 I declare under penalty of perjury that the foregoing is true and correct. Executed this day of August, 2017.



Ryan Elswick
Secretary
Sunset Digital Communications, Inc.

STATE OF Virginia)
)
)
CITY/COUNTY OF Scott)

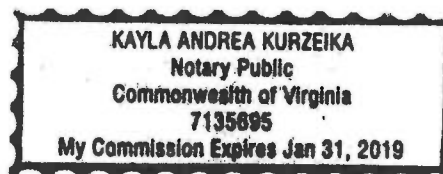
ss:

Subscribed and sworn before me this 9th day of August, 2017. In testimony whereof, I have hereunto set my hand and official seal on the day, month, and year aforesaid.



Notary Public


My commission expires: Jan 31, 2019



CERTIFICATION

I, Paul Elswick, President of Sunset Digital Communications, Inc., being first duly sworn, hereby certify under penalty of perjury that I am authorized to make this certification on behalf of the Applicant in the foregoing application. I further certify that the information in the foregoing application as it pertains to the Applicant is true and accurate to the best of my knowledge, and that the Applicant is not subject to a denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 883(a), as amended.

9 I declare under penalty of perjury that the foregoing is true and correct. Executed this day of August, 2017.


Paul Elswick
President
Sunset Digital Communications, Inc.

STATE OF Virginia)
)
)
CITY/COUNTY OF Scott)

ss:

Subscribed and sworn before me this 9th day of August, 2017. In testimony whereof, I have hereunto set my hand and official seal on the day, month, and year aforesaid.


Notary Public

My commission expires: Jan 31, 2019

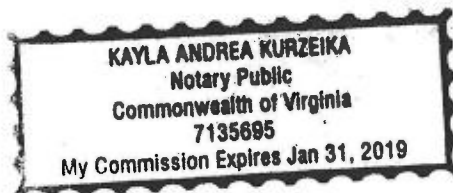
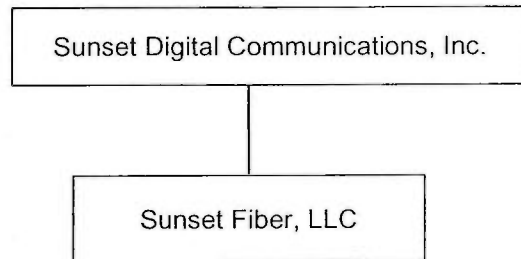


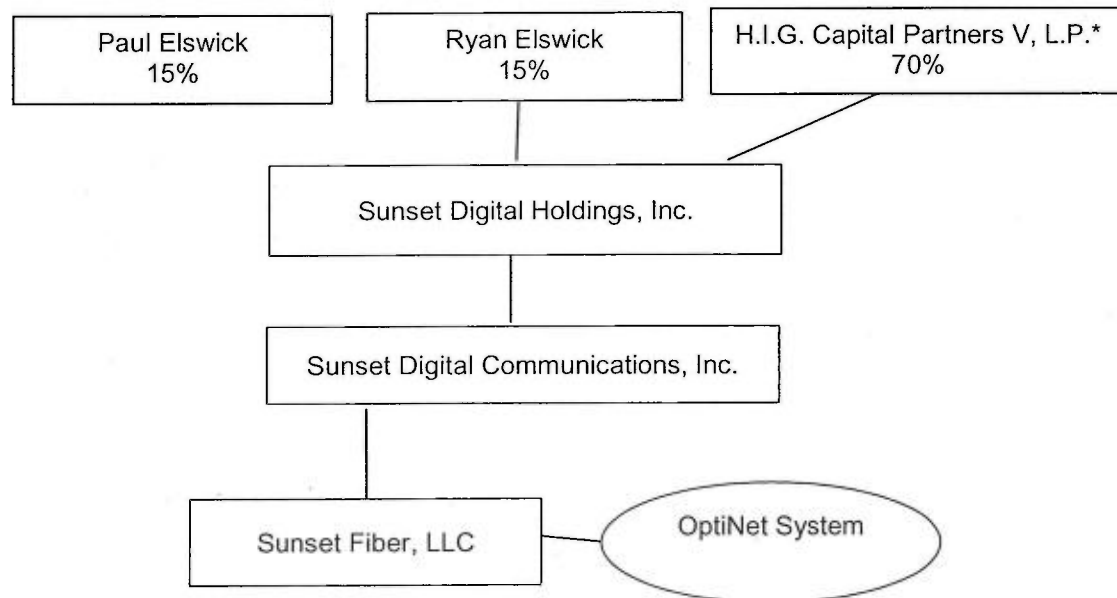
EXHIBIT B

Illustrative Transaction Charts

Pre-Closing Chart:



Post-Closing Chart:



* Ownership may be held indirectly