

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

In the Matter of	)	
	)	
Ligonier Telephone Company, Inc. and	)	
LigTel Communications, Inc.	)	WC Dkt. No. 17-_____
	)	
Application for Authorization Pursuant to	)	
Section 214 of the Communications Act of 1934,	)	
as Amended, for Transfer of Control	)	

**APPLICATION FOR TRANSFER OF CONTROL**

Ligonier Telephone Company, Inc. (“LTC”) and LigTel Communications, Inc. (“LCI”), (collectively the “Companies”) and their current parent company, Heartland Innovations, Inc. (“Heartland”) (collectively with the “Applicants”), by undersigned counsel, and pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214 (the “Act”), and Section 63.04 of the rules of the Federal Communications Commission (the “Commission”), 47 C.F.R. §63.04, hereby request authority to transfer control of the Companies that occurred in January of 2005 prior to the pro-forma transfer of control of the Companies to Heartland (the “Application”). This Application presumptively qualifies for streamlined processing pursuant to Sections 63.03(b)(1)(ii) and 63.03(b)(2)(iii) of the Commission's Rules, 47 C.F.R. §§63.03(b)(1)(ii) and 63.03(b)(2)(iii).

By this Application, the Companies seek to correct their error in failing to seek the Commission’s authorization of a transfer of control upon the death of a shareholder. Specifically, the transfer of LTC occurred on January 15, 2005 when, upon the death of Dr. Robert P. Schloss on January 15, 2005 (who was then a minority shareholder of LTC but

controlled the operations of the Companies), the voting interests of his wife, Meshell L. Schloss exceeded fifty percent (50%).<sup>1</sup>

In support of the requested approval of this Application,

Applicants show the following information required by Section 64.04(a) of the Commission's Rules, 47 C.F.R. §64.04(a):

**1. The name, address and telephone number of each applicant - 47 C.F.R. § 63.04(a)(1).**

Ligonier Telephone Company, Inc.  
LigTel Communications, Inc.  
Meshell L. Schloss  
President  
414 South Cavin Street  
Ligonier, Indiana 46767  
Telephone: (260) 894-7161

Heartland Innovations, Inc.  
Donald E. Johnson  
Secretary  
414 South Cavin Street  
Ligonier, Indiana 46767  
Telephone: (260) 894-7161

**2. The government, state, or territory under the laws of which each corporate or partnership applicant is organized - 47 C.F.R. § 63.04(a)(2).**

Each of the Applicants is organized under the laws of the State of Indiana.

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<sup>1</sup> Ms. Schloss was the executor of Dr. Schloss's estate (the "Estate"). Coupled with her personal holding of LTC stock, the stock that she voted of the Estate exceeded fifty percent (50%). A portion of the stock within the Estate was distributed to Ms. Schloss on January 1, 2007, with the remaining portion of LTC stock being distributed to a Trust which designated Ms. Schloss as the Trustee and sole beneficiary. Accordingly, Ms. Schloss's voting percentages has remained constant since the death of her husband in 2005.

3. **The name, title, post office address, and telephone number of the officer or contact point, such as legal counsel, to whom correspondence concerning the Joint Application is to be addressed - 47 C.F.R. § 63.04(a)(3).**

**For the Companies:**

Meshell L. Schloss  
President  
Ligonier Telephone Company, Inc.  
LigTel Communications, Inc.  
414 South Cavin Street  
Ligonier, Indiana 46767  
Telephone: (260) 894-7161

**For Heartland:**

Donald E. Johnson  
Secretary  
Heartland Innovations, Inc.  
414 South Cavin Street  
Ligonier, Indiana 46767  
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with a copy to:

Thomas J. Moorman  
Woods & Aitken LLP  
5151 Wisconsin Ave., N.W., Suite 310  
Washington, DC 20016  
Telephone: (202) 944-9502  
Email: tmoorman@woodsaitken.com

4. **The name, address, citizenship and principal business of any person or entity that directly or indirectly owns at least ten (10) percent of the equity of the applicant, and the percentage of equity owned by each of those entities (to the nearest one (1) percent) - 47 C.F.R. § 63.04(a)(4).**

The address for each of the individuals or entities below is 414 South Cavin Street,  
Ligonier, Indiana 46767.

**Current ownership of LTC and LCI:**

<u>Name</u>	<u>Percentage Ownership</u>	<u>Principal Business</u>
Heartland Innovations, Inc. (“Heartland”) <sup>2</sup>	100%	Telecommunications

The 10% or greater derivative owners of Heartland are as follows:

<u>Name</u>	<u>Percentage Ownership</u>	<u>Principal Business</u>
Meshell L. Schloss (U.S. Citizen)	Approx. 40.6%	Telecommunications
Robert P. Schloss Family Credit Shelter Trust Organized under laws of the State of Indiana, Meshell L. Schloss, Trustee and Sole Beneficiary	Approx. 10.2%	Investments
Phil Schloss Trust Organized under laws of the State of Indiana, IAB Bank, Trustee (Sherri Chaney)	Approx. 28.8%	Investments

**Prior ownership of LTC:**

At all times prior to January 1, 2017, LCI was a wholly-owned subsidiary of LTC.

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<sup>2</sup> At the time of the transfer of control, LTC was the parent company of LCI and is now, along with LCI, a wholly owned subsidiary of Heartland arising from a January 1, 2017 pro forma transfer of control. As a result of the Companies’ planned corporate reorganization, Heartland was formed and, on January 1, 2017, Heartland established LTC and LCI as separate wholly-owned subsidiaries. The ownership of Heartland, an Indiana corporation formed for the purpose of reorganization, is the same as that previously for LTC. Specifically, the former shareholders of LCI’s parent company, LTC, exchanged their shares of LTC for shares of Heartland. As a result of the reorganization, both LCI and LTC are wholly owned subsidiaries of Heartland, and the shareholders of Heartland, after the reorganization, are identical to the previous shareholders of LTC.

**As of August, 2000 --**

<u>Name</u>	<u>Percentage Ownership</u>	<u>Principal Business</u>
Dr. Robert P. Schloss, U.S. Citizen <sup>3</sup>	Approx. 30%	Telecommunications
Meshell L. Schloss, US Citizen	Approx. 17.8%	Telecommunications
The Phil Schloss Family Trust, Organized under the Laws of State of Indiana (Trustee BankOne)	Approx. 28.8%	Investment
BankOne for the benefit of Robert P. Schloss, held by BankOne with periodic partial redemption rights by Dr. Schloss to purchase such shares	Approx. 12.7%	Investment

**As of January 1, 2007 -- Dr. Robert P. Schloss dies on January 15, 2005 (Meshell L. Schloss is Executor); Transfer of Stock Held by Dr. Robert P. Schloss Estate on January 1, 2007 to Meshell L. Schloss.**

<u>Name</u>	<u>Percentage Ownership</u>	<u>Principal Business</u>
Meshell L. Schloss, US Citizen (Additional 640 shares transferred on January 1, 2007 arising from the January 15, 2005 death of Dr. Robert P. Schloss who, at the time of his death owned 926 shares of LTC or approx. 33%)	Approx. 40.6%	Telecommunications
Robert P. Schloss Family Credit Shelter Trust Organized under laws of the State of Indiana, Meshell L. Schloss, Trustee and Sole Beneficiary. The trust was funded on January 1, 2007	Approx. 10.2%	Investments
The Phil Schloss Family Trust, Organized under the Laws of the State of Indiana (Trustee BankOne)	Approx. 28.8%	Investments

<sup>3</sup> Dr. Robert P. Schloss was President and Chief Executive Office of LTC, and Chairman of the Board. Dr. Schloss controlled the daily operations of LTC and LCI.

With Dr. Robert P. Schloss' death, his wife, Meshell L. Schloss, became President of LTC. Ms. Schloss controlled the daily operations of LTC and LCI.

- 5. Certification pursuant to §§ 1.2001 through 1.2003 of this chapter that no party to the joint application is subject to a denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988. See 21 U.S.C. § 853 - 47 C.F.R. § 63.04(a)(5).**

Applicants certify, pursuant to 47 C.F.R. §§ 1.2001-1.2003, that to the best of their knowledge, information, and belief, no party to the Application is subject to denial of federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862.

- 6. A description of the transaction - 47 C.F.R. § 63.04(a)(6).**

As noted above, on January 15, 2005, upon the death of Dr. Robert P. Schloss on January 15, 2005 (who was then a minority shareholder of LTC but controlled the operations of the Companies), the voting interests of his wife, Meshell L. Schloss, exceeded fifty percent (50%). At the time of the transfer of control, LTC was the parent company of LCI and is now, along with LCI, a wholly owned subsidiary of Heartland arising from a January 1, 2017 pro forma transfer of control. Approval of this transfer pursuant to Section 63.24(g) for LCI's international authority and pursuant to Section 63.04 for the domestic operations of LCI and LTC was also inadvertently overlooked and not sought. In a to-be-filed companion filing to this Application, the Applicants will seek Special Temporary Authority ("STA") for the continued domestic operations of both LCI and LTC, and are awaiting notification of such STA grant.

- 7. A description of the geographic areas in which the Transferor and Transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area - 47 C.F.R. § 63.04(a)(7).**

LTC is and was at all times relevant to this application, an incumbent local exchange carrier operating approximately 999 dial tone lines in the northwest portion of Noble County in Indiana. LCI is a reseller of domestic and international long distance services in an around the

areas served by LTC. Unless otherwise directed by the Commission as a result of the instant application and STA request, the Companies (LCI and LTC) intend to continue existing services.

**8. A statement as to how the Joint Application fits into one or more of the presumptive streamlined categories in this section or why it is otherwise appropriate for streamlined treatment - 47 C.F.R. § 63.04(a)(8).**

Applicants request streamlined treatment of this Application in accordance with Section 63.03(b)(1)(ii) and 63.03(b)(2)(iii). The Transferee, the now-deceased Dr. Robert P. Schloss, and the Transferor, Meshell L. Schloss, were not and are not telecommunications providers. Rather they were, until the time of Dr. Schloss' death, minority shareholders in LTC (although effective operational control of LTC and LCI rested with Dr. Schloss prior to his death and now resides with his widow, Ms. Schloss). In addition, LTC serves fewer than two (2) percent of the nation's subscriber lines installed in the aggregate nationwide,<sup>4</sup> and the transaction will result in no new overlapping or adjacent service areas with another incumbent local exchange carrier.

**9. Identification of all other Commission applications related to the same transaction - 47 C.F.R. § 63.04(a)(9).**

Other than the STAs for domestic and international authority, the application for approval of the international transfer of control arising from Dr. Robert P. Schloss' death, and the international pro form application, no other applications are planned to be filed.

**10. A statement of whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure - 47 C.F.R. §§ 63.04(a)(10).**

Applicants are not facing imminent business failure.

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<sup>4</sup> As of December 31, 2015, the Commission reported that the retail switched access lines were approximately 64,572,000 nationwide. *See Voice Telephone Services: Status as of December 31, 2015* (Industry Analysis and Technology Division, Wireline Competition Bureau, November, 2016), Figure 2 (page 3). LTC's approximate 999 access lines are far less than 2% of the access lines reported by the Commission.

**11. Identification of any separately filed waiver requests being sought in conjunction with the transaction - 47 C.F.R. §§ 63.04(a)(11).**

None.

**12. A statement showing how grant of the Joint Application will serve the public interest, convenience and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets - 47 C.F.R. § 63.04(a)(12).**

Applicants respectfully submit that a grant of this application for the transfer of control of LTC arising from the voting interests of Meshell L. Schloss as of January 15, 2005 (and the resulting transfer of control of LCI as a wholly-owned subsidiary of LTC) is in the public interest. While the request for approval required for this transfer of control arising from Dr. Schloss' death was inadvertently overlooked, the Companies continued and currently do continue to operate in rural areas of northeastern Indiana. Grant of this Application will ensure that LCI will continue to provide uninterrupted resold long distance service and that LTC will continue to provide uninterrupted local exchange and exchange access services.

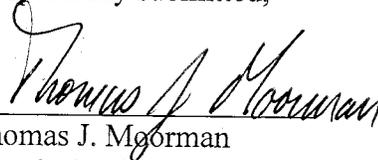
**Conclusion**

For the foregoing reasons, Applicants respectfully request that the Commission promptly grant this Application.

March 17, 2017

Respectfully submitted,

By:



Thomas J. Moorman  
Woods & Aitken LLP  
5151 Wisconsin Ave., N.W., Suite 310  
Washington, D.C. 20016  
Tel. (202) 944-9502  
Email tmoorman@woodsaitken.com

**DECLARATION**

I, Meshell L. Schloss, President of Ligonier Telephone Company, Inc. and LigTel Communications, Inc. (the Companies, do hereby declare under penalties of perjury that I have read the foregoing Application, and the information contained therein regarding the Companies is true and accurate to the best of my knowledge, information, and belief.



Meshell L. Schloss

President

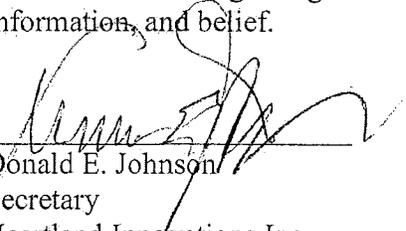
Ligonier Telephone Company, Inc.

LigTel Communications, Inc.

Date: 93-17-17

**DECLARATION**

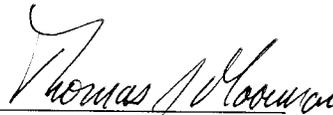
I, Donald E. Johnson, Secretary of Heartland Innovations, Inc. (the Company), do hereby declare under penalties of perjury that I have read the foregoing Application, and the information contained therein regarding the Company is true and accurate to the best of my knowledge, information, and belief.

  
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Donald E. Johnson  
Secretary  
Heartland Innovations, Inc.

Date: 03/17/17

CERTIFICATE OF SERVICE

I, Thomas J. Moorman, of Woods & Aitken LLP, 5151 Wisconsin Avenue, N.W., Suite 310, Washington, DC 20016, do hereby certify that on this 17<sup>th</sup> day of March, 2017, the foregoing "Application for Transfer of Control" was mailed, first class postage prepaid, to the following:

  
Thomas J. Moorman

The Honorable Eric J. Holcomb  
Governor, State of Indiana  
Office of the Governor  
200 W. Washington St., Rm. 206,  
Indianapolis, Indiana 46206

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\*Dennis Johnson  
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Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

\* via email