

COPY

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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of	)	
	)	
<b>Daniel Nelson</b>	)	WC Docket No. _____
<b>Michael Nelson</b>	)	
<b>Patricia Rauhauser</b>	)	
Transferors	)	
	)	
<b>KCL Enterprises, LLC</b>	)	
Transferee	)	
	)	
For the Transfer of Control of Dunnell Telephone Company, Incorporated, which provides interstate interexchange and exchange access services in Minnesota pursuant to a blanket domestic Section 214 authorization	)	

TO: Wireline Competition Bureau

**STREAMLINED APPLICATION FOR TRANSFER OF CONTROL  
OF DOMESTIC BLANKET SECTION 214 AUTHORIZATION**

Daniel Nelson, Michael Nelson and Patricia Rauhauser ("Transferors") and KCL Enterprises, LLC ("KCL" or "Transferee"; FRN: 0023-7558-95) hereby request Commission authorization for the transfer of control of Dunnell Telephone Company, Incorporated ("DTC"; FRN: 0004-3235-56), which provides interstate interexchange and exchange access services as an incumbent local exchange carrier ("ILEC") in the State of Minnesota pursuant to blanket domestic Section 214 authorizations, from Messrs. Nelson and Ms. Rauhauser (the sole shareholders of DTC) to KCL.

DTC is a Minnesota corporation that provides local exchange service and exchange access service as an ILEC, as well as resold long distance toll services, in the Dunnell exchange in Martin County in rural south central Minnesota.

The proposed transaction is a straightforward stock purchase and sale. Daniel Nelson, Michael Nelson and Patricia Rauhauser, who together presently own 100 percent of the issued and outstanding stock of DTC, propose to sell all of their stock to KCL. By acquiring all of the issued and outstanding stock of DTC, KCL and its 100 percent owner Charles D. Mattingly, Jr. will acquire control of DTC's blanket Section 214 authorization.

KCL and its affiliates do not presently have any operations in the areas of Minnesota and Iowa that are adjacent to DTC's local exchange service areas. Therefore, this application qualifies for streamlined processing pursuant to Section 63.03(b)(1)(ii) and/or 63.03(b)(2)(iii) of the Commission's Rules.

In accordance with the requirements of Section 63.04(a) of the Commission's Rules, the applicants submit the following information:

**(1) Name, address and telephone number of each applicant:**

**Transferors:**

Daniel Nelson  
Michael Nelson  
Patricia Rauhauser  
123 North Seeley Avenue (P.O. Box 42)  
Dunnell, Minnesota 56127-0042  
Telephone: (507) 695-2730  
Facsimile: (507) 695-2321

**Transferee :**

KCL Enterprises, LLC  
235 Dennard Street  
Longview, Texas 75605  
Telephone: (903) 663-0099  
Facsimile: (713) 634-2643

**(2) Government, state or territory under the laws of which each corporate or partnership applicant is organized:**

Dunnell Telephone Company, Incorporated is a Minnesota corporation.

KCL Enterprises, LLC is a Texas limited liability.

**(3) Name, title, post office address, and telephone number of the officer or contact person to whom correspondence concerning the application is to be addressed:**

**For Transferors:**

Daniel Nelson, President  
Dunnell Telephone Company, Incorporated  
123 North Seeley Avenue (P.O. Box 42)  
Dunnell, Minnesota 56127-0042  
Telephone: (507) 695-2730  
Facsimile: (507) 695-2321

**For Transferee:**

Charles D. Mattingly, Jr.  
KCL Enterprises, LLC  
235 Dennard Street  
Longview, Texas 75605  
Telephone: (903) 663-0099  
Facsimile: (713) 634-2643

With a copy to Counsel:

Gerard J. Duffy  
Blooston, Mordkofsky, Dickens, Duffy & Prendergast, LLP  
2120 L Street, N.W. (Suite 300)  
Washington, D.C. 20037  
Telephone: (202) 659-0830  
Facsimile: (202) 828-5568

- (4) Name, address, citizenship and principal business of any person or entity that directly owns at least ten (10) percent of the equity of the applicant, and the percentage of equity owned by each of those entities:

**Dunnell Telephone Company, Incorporated (Before Transaction)**

The names, addresses, citizenship and principal businesses of the entities that own at least ten (10) percent of the equity and voting power of Dunnell Telephone Company, Incorporated, before the proposed transaction are:

<u>Name &amp; Address</u>	<u>Voting &amp; Equity</u>	<u>Citizenship</u>	<u>Principal Business</u>
Daniel Nelson 123 Seeley Avenue Dunnell, MN 56127	34.00%	U.S.A	Telecommunications
Michael Nelson 123 Seeley Avenue Dunnell, MN 56127	33.00%	U.S.A	Telecommunications
Patricia Rauhauser 123 Seeley Avenue Dunnell, MN 56127	33.00%	U.S.A	Telecommunications

Daniel Nelson, Michael Nelson and Patricia Rauhauser are brothers and sister.

No other individual or entity owns any of the issued and outstanding stock of DTC prior to the proposed transaction.

**Dunnell Telephone Company, Incorporated (After Transaction)**

The name, address, citizenship and principal business of the only entity that will own at least ten (10) percent of the equity and voting power of Dunnell Telephone Company, Incorporated, after the proposed transaction are:

<u>Name &amp; Address</u>	<u>Voting &amp; Equity</u>	<u>Citizenship</u>	<u>Principal Business</u>
KCL Enterprises, LLC 235 Dennard Street Longview, TX 76503	100.00%	Texas Limited Liability Company	Telecommunications

In turn, the name, address, citizenship and principal business of the only entity that will own at least ten (10) percent of the equity and voting power of KCL Enterprises, LLC both before and after the proposed transaction are:

<u>Name &amp; Address</u>	<u>% Voting &amp; Equity</u>	<u>Citizenship</u>	<u>Principal Business</u>
Charles D. Mattingly, Jr. P.O. Box 733 Judson, TX 75660	100.00%	U.S.A.	Telecommunications

No other individual or entity will directly or indirectly own or control at least ten (10) percent of the equity or voting power of Dunnell Telephone Company, Incorporated after the proposed transaction.

**(5) Certification pursuant to 47 C.F.R. §§1.2001 through 1.2003 that no party to the application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.**

Daniel Nelson, Michael Nelson, Patricia Rauhauser and KCL hereby certify, pursuant to 47 C.F.R. §§1.2001 through 1.2003, that no party to the present application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

**(6) Description of the transaction:**

KCL is purchasing all of DTC's issued and outstanding common stock (DTC's only class of stock) from DTC's existing stockholders (Daniel Nelson, Michael Nelson and Patricia Rauhauser). Purchase of this stock will give KCL control of DTC and its assets, including DTC's blanket domestic Section 214 authorization.

**(7) 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:**

**Areas and Services of Dunnell Telephone Company, Incorporated and Affiliates.**

DTC provides local exchange service and exchange access service as an ILEC in the Dunnell exchange (approximately 175 access lines) in Martin County in rural south central Minnesota. In addition to local telephone service and custom calling features, DTC offers resold long distance toll services, and dial-up and digital subscriber line ("DSL") Internet access services to Dunnell area customers.

DTC has no ownership interests in any other entity that offers domestic telecommunications services.

### **Areas and Services of KCL Enterprises, LLC and Affiliates**

KCL was formed recently as a Texas limited liability company to acquire DTC. KCL has no ownership interests at this time in any other entity that offers domestic telecommunications services.

KCL's sole member, Charles D. Mattingly, Jr., is also the sole member of VNC Enterprises, LLC, a Texas limited liability company that owns Nova Telephone Company, an incumbent local exchange carrier that provides local exchange and exchange services (less than 1,000 access lines) in and around Nova in Ashland County in north central Ohio

KCL has no other affiliates that offer domestic telecommunications services.

**(8) Statement as to how the application fits into one or more of the presumptive streamlined categories in section 63.03 or why it is otherwise appropriate for streamlined treatment:**

This application fits within the presumptive streamlined categories in Section 63.03(b) of the Commission's Rules, and streamlined treatment is requested. First, if KCL is considered alone, the transaction fits within Section 63.03(b)(1)(ii) because the transferee KCL itself is a newly formed limited liability company that is not a telecommunications provider. Second, if Mr. Mattingly's interest in Nova Telephone Company ("Nova") is attributed to KCL, the proposed transaction fits within Section 63.03(b)(2)(iii) because (a) DTC and Nova together have a market share in the interstate, interexchange market of less than 10 percent; (b) DTC and Nova have together less than 1,175 access lines which constitute far fewer than two (2) percent of the nation's subscriber lines installed in the aggregate nationwide; and (c) there are no overlapping or adjacent service areas between DTC's south central Minnesota service area and Nova's north central Ohio service area.

**(9) Identification of all other Commission applications related to the same transaction:**

There will be no other Commission applications related to this transaction.

**(10) Statement of whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure:**

No party to the transaction is facing imminent business failure at this time. Therefore, the applicants are not requesting special consideration because a party to the transaction is facing imminent business failure.

**(11) Identification of any separately filed waiver requests being sought in conjunction with the transaction:**

No separately filed waivers or waiver requests are being sought in conjunction with the proposed transaction.

**(12) Statement showing how grant of the 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:**

The proposed transaction entails the acquisition of DTC by a limited liability company owned and controlled by an individual who already controls a rural telephone company in the state of Ohio. Since 2010, Mr. Mattingly has reorganized and overhauled the management and finances of Nova Telephone Company. Given Mr. Mattingly's proven record of success in operating a rural telephone company and his decision to retain Daniel Nelson as the General Manager of DTC, the proposed transaction will ensure that Dunnell area customers will continue to receive quality and affordable telecommunications services during the foreseeable future.

Conclusion

In light of the foregoing facts and public interest considerations, the Commission is respectfully requested to authorize the transfer of control of the blanket domestic Section 214 authorization of Dunnell Telephone Company, Incorporated from Daniel Nelson, Michael Nelson and Patricia Rauhauser to KCL Enterprises, LLC.

Daniel Nelson, Michael Nelson, Patricia Rauhauser and KCL Enterprises, LLC reiterate that they certify, pursuant to 47 C.F.R. §§1.2001 through 1.2003, that no party to the present application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

Respectfully submitted,

DANIEL NELSON

By: *Daniel C Nelson*  
Daniel Nelson

Date: 26 June 2014

KCL ENTERPRISES, LLC

By: \_\_\_\_\_  
Charles D. Mattingly, Jr., Managing Member

Date: \_\_\_\_\_

MICHAEL NELSON

By: \_\_\_\_\_  
Michael Nelson

Date: \_\_\_\_\_

PATRICIA RAUHAUSER

By: \_\_\_\_\_  
Patricia Rauhauser

Date: \_\_\_\_\_

**Conclusion**

In light of the foregoing facts and public interest considerations, the Commission is respectfully requested to authorize the transfer of control of the blanket domestic Section 214 authorization of Dunnell Telephone Company, Incorporated from Daniel Nelson, Michael Nelson and Patricia Rauhauser to KCL Enterprises, LLC.

Daniel Nelson, Michael Nelson, Patricia Rauhauser and KCL Enterprises, LLC reiterate that they certify, pursuant to 47 C.F.R. §§1.2001 through 1.2003, that no party to the present application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

Respectfully submitted,

**DANIEL NELSON**

**KCL ENTERPRISES, LLC**

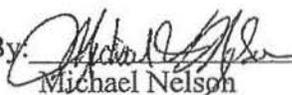
By: \_\_\_\_\_  
Daniel Nelson

By: \_\_\_\_\_  
Charles D. Mattingly, Jr., Managing Member

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**MICHAEL NELSON**

By:  \_\_\_\_\_  
Michael Nelson

Date: 6/26/14 \_\_\_\_\_

**PATRICIA RAUHAUSER**

By: \_\_\_\_\_  
Patricia Rauhauser

Date: \_\_\_\_\_

**Conclusion**

In light of the foregoing facts and public interest considerations, the Commission is respectfully requested to authorize the transfer of control of the blanket domestic Section 214 authorization of Dunnell Telephone Company, Incorporated from Daniel Nelson, Michael Nelson and Patricia Rauhauser to KCL Enterprises, LLC.

Daniel Nelson, Michael Nelson, Patricia Rauhauser and KCL Enterprises, LLC reiterate that they certify, pursuant to 47 C.F.R. §§1.2001 through 1.2003, that no party to the present application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

Respectfully submitted,

**DANIEL NELSON**

**KCL ENTERPRISES, LLC**

By: \_\_\_\_\_  
Daniel Nelson

By: \_\_\_\_\_  
Charles D. Mattingly, Jr., Managing Member

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**MICHAEL NELSON**

By: \_\_\_\_\_  
Michael Nelson

Date: \_\_\_\_\_

**PATRICIA RAUHAUSER**

By: Patricia Rauhauser  
Patricia Rauhauser

Date: 26 June 14

**Conclusion**

In light of the foregoing facts and public interest considerations, the Commission is respectfully requested to authorize the transfer of control of the blanket domestic Section 214 authorization of Dunnell Telephone Company, Incorporated from Daniel Nelson, Michael Nelson and Patricia Rauhauser to KCL Enterprises, LLC.

Daniel Nelson, Michael Nelson, Patricia Rauhauser and KCL Enterprises, LLC reiterate that they certify, pursuant to 47 C.F.R. §§1.2001 through 1.2003, that no party to the present application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

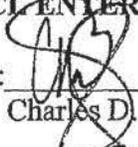
Respectfully submitted,

**DANIEL NELSON**

By: \_\_\_\_\_  
Daniel Nelson

Date: \_\_\_\_\_

**KCL ENTERPRISES, LLC**

By:  \_\_\_\_\_  
Charles D. Mattingly, Jr., Managing Member

Date: 2/26/14

**MICHAEL NELSON**

By: \_\_\_\_\_  
Michael Nelson

Date: \_\_\_\_\_

**PATRICIA RAUHAUSER**

By: \_\_\_\_\_  
Patricia Rauhauser

Date: \_\_\_\_\_

READ INSTRUCTIONS CAREFULLY  
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION  
**REMITTANCE ADVICE**  
FORM 159

Approved by OMB  
3060-0589  
Page **1** of **1**

(1) LOCKBOX # <b>979091</b>		SPECIAL USE ONLY	
		FCC USE ONLY	
<b>SECTION A - PAYER INFORMATION</b>			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) <b>The Nova Telephone Company</b>		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) <b>\$1,050.00</b>	
(4) STREET ADDRESS LINE NO. 1 <b>P.O. Box 733</b>			
(5) STREET ADDRESS LINE NO. 2			
(6) CITY <b>Judson</b>		(7) STATE <b>TX</b>	(8) ZIP CODE <b>75660</b>
(9) DAYTIME TELEPHONE NUMBER (include area code) <b>(903)663-0099</b>		(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) <b>0004324620</b>		(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 <b>KCL Enterprises, LLC</b>			
(14) STREET ADDRESS LINE NO. 1 <b>235 Dennard Street</b>			
(15) STREET ADDRESS LINE NO. 2			
(16) CITY <b>Longview</b>		(17) STATE <b>TX</b>	(18) ZIP CODE <b>75605</b>
(19) DAYTIME TELEPHONE NUMBER (include area code) <b>(903)663-0099</b>		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) <b>0023755895</b>		(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 <b>CDT</b>	(25A) QUANTITY <b>1</b>	
(26A) FEE DUE FOR (PTC) <b>\$1,050.00</b>	(27A) TOTAL FEE <b>\$1,050.00</b>	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	
<b>SECTION D - CERTIFICATION</b>			
CERTIFICATION STATEMENT			
I, _____, 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 _____		DATE _____	
<b>SECTION E - CREDIT CARD PAYMENT INFORMATION</b>			
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 _____	