

STATE OF NEW YORK
BEFORE THE
PUBLIC SERVICE COMMISSION

Joint Petition of 5LOOP, LLC; Atlas Connectivity, LLC; Nicholville Telephone Company, Inc.; SLIC Network Solutions, Inc.; and Keene Valley Video Inc. for Approval of Change of Control of Cable TV System, Franchise, and Certificate

VERIFIED PETITION

TO THE COMMISSION:

5LOOP, LLC (5LOOP); Atlas Connectivity, LLC (Atlas); Nicholville Telephone Company, Inc. (Nicholville); SLIC Network Solutions, Inc. (SLIC); and Keene Valley Video Inc. (KVVI) (collectively, the “Petitioners”) respectfully seek authority pursuant to Section 222 of the Public Service Law, for transfer of control of the franchises, certificates of confirmation, and facilities of KVVI, as described below. In support thereof, it is respectfully shown as follows:

I. Preliminary Statement

KVVI is a small cable TV and internet provider operating in the North Country area of the State. Authority is sought herein to acquire the equity of KVVI to be held within the Atlas corporate structure. This potential acquisition was referred to in connection with the Petition of Nicholville et al for Approval for a Corporate Reorganization, which is pending before the Commission in Case 16-C-0532¹, and, based on the merits of the transaction, is being pursued independent thereof. The closing of the KVVI transaction is subject to prior Commission approval.

¹ The original petition for reorganization was filed on September 14, 2016, and assigned Case No. 16-C-0532. An amendment to that petition was filed on September 15, 2017, and assigned Matter No. 17-01981.

Atlas and its principal owner, 5LOOP, now seek authority to complete the acquisition of KVVI.² The acquisition will be accomplished through purchase of all outstanding stock of KVVI, and may occur in a one-step or two-step process, depending on relevant considerations at the time of closing. Once acquired, KVVI will continue to exist as a separate corporate entity within the Atlas/Nicholville corporate structure, although transfer of its management and activities to SLIC Network Solutions, Inc. (SLIC), which already operates cable TV systems, may be considered in the future if it appears to be more efficient and better for its subscribers.

II. Parties to the Transaction

KVVI is a New York corporation with principal offices in Keene Valley, New York, which is in the Adirondack Mountain area of the State. It currently provides cable TV and Internet services to approximately 600 subscribers in the Town of Keene in Essex County. KVVI currently operates under one cable TV franchise in its service area. The stock of KVVI is currently owned by Timothy Whitney.

Atlas is a holding company created in July 2017 to prospectively hold the ownership interests of Nicholville and SLIC. A full description of Atlas and its ownership is set forth in the Amended Petition filed in Case 16-C-0532.

5LOOP is the principal investor in Atlas. It and its ownership are also described in the Amended Petition in Case 16-C-0532.

² The original Petition for Reorganization, Section IV(B), indicated Nicholville was in negotiations to acquire a “community-based Cable TV service provider in the region.” That reference was to the potential acquisition of KVVI, which is now moving forward.

Nicholville is a rural Incumbent Local Exchange Carrier operating in St. Lawrence County in the North Country of the State. It currently serves approximately 1,000 traditional voice subscribers, plus broadband subscribers, in its franchise territory.

SLIC is a certificated CLEC operating in the North Country of the State, and is currently owned 100% by Nicholville. Under the proposed Atlas/Nicholville reorganization, SLIC will become a wholly-owned subsidiary of Atlas.

III. Proposed Transaction

The parties seek authority for either 5LOOP, Atlas, SLIC, or Nicholville to acquire the stock of KVVI, in a one or two step transaction. Scenario 1 is acquisition by 5LOOP, with a subsequent inter-corporate transfer to Atlas or SLIC. Scenario 2 is a direct acquisition by Atlas which will either hold the stock of KVVI directly or subsequently make an inter-corporate transfer of such interests to its wholly-owned subsidiary, SLIC. The scenario to be employed will depend upon various tax, funding, and inter-corporate considerations at the time of closing. If Scenario 1 is pursued, this Petition seeks approval of two steps: (a) acquisition of the stock of KVVI by 5LOOP, and (b) transfer of said stock from 5LOOP to Atlas or SLIC. If Scenario 2 is pursued, this Petition also seeks approval for two steps: (a) acquisition of the stock of KVVI by Atlas, and (b) the potential transfer of said stock from Atlas to SLIC.

The choice between the two acquisition scenarios following the reorganization, or acquisition by SLIC prior to the reorganization, will have no negative impact on, and would be transparent to, customers of KVVI. Applicable rates and programming choices will not immediately be affected by the pursuit of either scenario. In the longer range, service, quality and options available to KVVI customers will increase due to the incorporation into the

Atlas/Nicholville family with its superior technical, financial, and managerial resources, and its potential ability to acquire programming at advantageous rates.

It is expected the acquisition of KVVI will close following scenario 1 or 2 described above, following implementation of the Nicholville reorganization now pending in Case 16-C-0532 and Matter 17-01981. Nicholville is listed as a petitioner herein in the unlikely event the KVVI closing occurs prior to the reorganization and SLIC is the acquirer, while Nicholville is still the parent of SLIC. Nicholville itself will not be the direct parent of KVVI.

IV. Provision of Required Information

Pursuant to 16 NYCRR § 897.4, the following information is provided:

(a) The applicants are as follows:

Acquirers: 5LOOP, LLC
c/o Michael Nugent
1415 W. 22nd St., Suite 1250
Oak Brook, IL 60523

Atlas Connectivity LLC
c/o Brad Pattelli
3330 State Highway 11B
Nicholville, NY 12965
315-328-9022

Nicholville Telephone Company
c/o Brad Pattelli
3330 State Highway 11B
Nicholville, NY 12965
315-328-9022

SLIC Network Solutions, Inc.
c/o Brad Patelli
3330 State Highway 11B
Nicholville, NY 12965
315-328-9022

Transferee: Keene Valley Video Inc.
1948 NY Route 73
Keene Valley, NY 12943
518-576-4510

- (b) The transaction will be a transfer of all common stock of KVVV from its current holder, Timothy Whitney:
- i. to 5LOOP initially and subsequently to Atlas or SLIC;
 - ii. to Atlas directly and potentially subsequently to SLIC; or
 - iii. to SLIC directly prior to completion of the reorganization.

A list of the affected cable TV franchise is set forth in Exhibit "A".

- (c) The purchase and sale agreement can be provided as a Confidential Document to the Commission if requested.
- (d) Under the terms of the cable TV franchise, the transactions do not require municipal approval.
- (e) Petitioners do not believe they require FCC or municipal approval for the reorganization described herein, and have not prepared an FCC Form 394.

V. Environmental Impact

Pursuant to NYCRR § 897.6(b)(2)(iii), the proposed transfer of control is a Type II action; will not have an impact on the environment; and does not require submission of an Environmental Impact Statement.

VI. Public Benefit

As described in the original Nicholville Petition for Reorganization, and the Amended Petition, approval of the Atlas/Nicholville reorganization, and its related transactions, will greatly strengthen all members of the Atlas/Nicholville family through increased technical, managerial,

and financial resources. KVVV, as a member of that family, will have access to, and will benefit from, those added resources.

In addition, economies of scale and efficiencies of operation (including more favorable purchase of programming) may be available through operation of both the SLIC cable franchises and those of KVVV under the same overall management structure. The expertise of SLIC personnel in cable TV operations will be available, and accrue to, the benefit of KVVV and its subscribers.

SLIC, another member of the Atlas/Nicholville family, is the recipient of federal and state grants for the expansion of broadband availability in underserved and unserved areas of the North Country, and in connection therewith, has developed great expertise in the construction and operation of broadband systems. That expertise will also be available in supporting, expanding, and improving the broadband services which KVVV can offer to its customers.

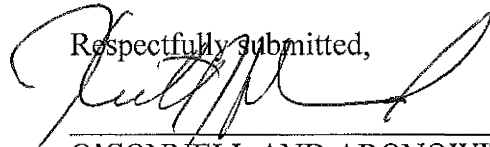
While there are no immediate plans to materially change the terms and conditions of service for KVVV customers, the Petitioners anticipate providing increased broadband throughput for the internet customers of KVVV at similar rates to what customers are currently paying. The cable system will continue to operate pursuant to the terms of its franchise agreement and applicable law after the proposed transaction is effective. Accordingly, as indicated earlier, the transactions will have no impact on, and be transparent to, KVVV's cable TV customers and franchising entities.

WHEREFORE, for reasons set forth in this Petition, and the pending Amended Petition in Case 16-C-0532, and all materials submitted herein and in support of the Original and Amended Petitions in Case 16-C-0532, it is respectfully requested that the Commission consider and act upon this Petition, at its first opportunity, and at such time:

- (a) Approve transfer of control of KVVI's cable TV franchises, Certificates, and systems to 5LOOP and/or Atlas and potentially to SLIC as described herein; and
- (b) Grant such other and further relief, consents, and authorizations as may be needed to effectuate the transactions described herein.

Dated: February 26, 2018

Respectfully submitted,



O'CONNELL AND ARONOWITZ

Keith J. Roland

Office and Post Office Address

54 State Street

Albany, New York 12207-2501

Telephone: (518) 462-5601

Facsimile: (518) 462-2670

kroland@oalaw.com

Attorneys for:

5LOOP, LLC; Atlas Connectivity, LLC; Nicholville

Telephone Company, Inc.; SLIC Network

Solutions, Inc.; and Keene Valley Video Inc.

EXHIBIT A

List of Franchises

Town of Keene