

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

In the Matter of)
)
 Allan J. Block, John R. Block and the Maxine H.)
 Block Marital Trust No. 2)
)
 Transferors,)
 and)
)
 Allan J. Block, John R. Block and Family Trust)
 No. 2)
)
 Transferees.)
)
 Pro Forma Transfer of Control of Domestic and)
 International Authority Pursuant to Section 214)
 of the Communications Act of 1934, as amended)

File No. _____

**NOTIFICATION OF PRO FORMA TRANSFER OF CONTROL OF
INTERNATIONAL AUTHORITY PURSUANT TO SECTION 214 OF THE
COMMUNICATIONS ACT OF 1934, AS AMENDED**

Pursuant to Section 214 of the Communications Act of 1934, as amended (the “Communications Act”), 47 U.S.C. § 214, and Section 63.24 of the Commission’s Rules, 47 C.F.R. § 63.24, Allan J. Block, John R. Block and the Maxine H. Block Marital Trust No. 2 (“Transferors”) and Allan J. Block, John R. Block and Family Trust No. 2 (“Transferees”) hereby notify the Commission of a *pro forma* transfer of control of the domestic and international Section 214 authorizations held by Buckeye TeleSystem, Inc. (“Buckeye”) from Transferors to Transferees.¹

¹ Buckeye holds an international Section 214 authorization for global resale. This authorization was granted initially to Toledo Area Telecommunications Services, Inc. under FCC File No. ITC-214-19981117-00803 and was subject to a *pro forma* transfer of control to Buckeye under FCC File No. ITC-ASG-20040715-00316. See Overseas Common Carrier Section 214 Applications and Section 310(b)(4) Actions Taken, *Public Notice*, Rep. TEL-00052 (rel. Jan. 7, 1999) (granting international Section 214 authorization), International Authorizations Granted, *Public Notice*, Rep. No. TEL-00821 (rel. Aug. 12, 2004) Overseas Common Carrier Section 214 Applications, Actions Taken, *Public Notice*, Rep. No. I-8266 (rel. Oct. 9, 1997) (granting *pro forma* transfer of control). Buckeye also provides domestic common carrier service pursuant to the blanket Section 214

This transfer of control took place in connection with the allocation of stock representing a 25 percent voting interest in Block Communications, Inc. (“BCI”), the ultimate parent of Buckeye, from the Maxine H. Block Marital Trust No. 2 to a new Family Trust No. 2, for the benefit of the family of William Block Sr. and Maxine H. Block.² This reallocation under the terms of the Maxine H. Block Marital Trust No. 2, which provided that upon Ms. Block’s death and the fulfillment of certain other conditions, the BCI stock held by that trust would be transferred to Family Trust No. 2. That transfer occurred on May 21, 2012. The transfer, the impact on the control of Buckeye and Buckeye’s ownership structure are described more fully in Exhibit 1 to this application.

This transfer of control was pro forma in nature because the transaction left the same individuals in control of Buckeye, and will have no effect on the day-to-day operations of the licensed entity.

authorization granted under Section 63.01 of the Commission’s rules, but no authorization is required for a pro forma transfer of control of that authorization. 47 C.F.R. §§ 63.01, 63.03.

² Authorizations for the pro forma transfer of control of licenses held by other entities under common control with Buckeye were granted by the Commission in other services as follows: (1) Television broadcast licenses held by Idaho Independent Television, Inc. (File No. BTCCDT-20100806AAZ), Independence Television Company (File No. BTCCDT-20100806ABA), Lima Communications Corp. (File No. BTCCDT-20100806AAY), WAND(TV) Partnership (File No. BTCCDT-20100806ABC) and West Central Ohio Broadcasting, Inc. (File No. BTCDTA-20100806ABG); (2) Transmit/receive earth station authorizations held by Independence Television Company (File No. SES-T/C-20100812-01031) and WAND(TV) Partnership (File No. SES-T/C-20100812-01030); and (3) Private radio authorizations held by Block Communications, Inc. (File No. 0004339526), Buckeye Cablevision, Inc. (File No. 0004356981), CARS Holding, Inc. (File No. 0004366242), Idaho Independent Television, Inc. (File No. 0004339522), Lima Communications Corp. (File No. 0004339490), WAND(TV) Partnership (File No. 0004339525). Affiliates of Buckeye also filed notifications on May 21, 2012 of the pro forma transfer of control for receive only earth station authorizations held by Buckeye Cablevision, Inc. (File No. SES-T/C-20120521-00462), CARS Holding, Inc. (File No. SES-T/C-20120521-00464), Idaho Independent Television, Inc. (File No. SES-T/C-20120521-00460), Independence Television Company (File No. SES-T/C-20120521-00459) and WAND(TV) Partnership (File No. SES-T/C-20120521-00461).

In compliance with Section 63.24(f), the following information is provided:

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

Transferors:

Allan J. Block
405 Madison Avenue, Suite 2100
Toledo, Ohio 43604
(419) 724-6212

John R. Block
405 Madison Avenue, Suite 2100
Toledo, Ohio 43604
(419) 724-6212

William Block, Jr., Trustee
Maxine H. Block Marital Trust No. 2
405 Madison Avenue, Suite 2100
Toledo, Ohio 43604
(419) 724-6212

Transferees:

Allan J. Block
405 Madison Avenue, Suite 2100
Toledo, Ohio 43604
(419) 724-6212

John R. Block
405 Madison Avenue, Suite 2100
Toledo, Ohio 43604
(419) 724-6212

William Block, Jr., Chairperson of the Trustees
Family Trust No. 2
405 Madison Avenue, Suite 2100
Toledo, Ohio 43604
(419) 724-6212

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

Buckeye is a Ohio corporation.

(3) Name, title, post office address, and telephone number of the officer or contact point of each Applicant to whom correspondence concerning the Joint Application is to be addressed:

For the Transferors and the Transferees:

J.G. Harrington
 Dow Lohnes P.L.L.C.
 1200 New Hampshire Avenue, NW
 Suite 800
 Washington, DC 20036
 Tel. (202) 776-2818
 Fax (202) 776-2222
 Email jharrington@dowlohn.com

(4) Statement as to whether the Applicants have previously received authority under Section 214 of the Act.

Buckeye holds an international Section 214 authorization for global resale, granted under FCC File Nos. FCC File No. ITC-214-19981117-00803 and ITC-ASG-20040715-00316. Buckeye also holds a domestic Section 214 authorization, granted under the blanket authorization provision of Section 63.01 of the Commission’s rules. 47 C.F.R. § 63.01.

(5) Name, address, citizenship and principal business of any person or entity that directly or indirectly owns at least ten percent of the equity of the Transferees:

Buckeye is a wholly-owned subsidiary of Block Communications, Inc., an Ohio corporation. Block Communications is a multimedia holding company.

The following is information concerning the ownership of Block Communications, Inc. prior to and after the *pro forma* transfer of control:

<u>Name and Address</u>	<u>Prior Ownership</u>	<u>Current Ownership</u>	<u>Citizenship</u>	<u>Principal Business</u>
Allan J. Block 405 Madison Avenue Suite 2100 Toledo, Ohio 43604	25%	25%	US	Communications
John R. Block 405 Madison Avenue Suite 2100 Toledo, Ohio 43604	25%	25%	US	Communications
Family Trust No. 2 405 Madison Avenue, Suite 2100 Toledo, Ohio 43604	25%	0%	US	Trust

<u>Name and Address</u>	<u>Prior Ownership</u>	<u>Current Ownership</u>	<u>Citizenship</u>	<u>Principal Business</u>
Maxine H. Block Marital Trust No. 2 405 Madison Avenue, Suite 2100 Toledo, Ohio 43604	0%	25%	US	Trust
William Block Marital Trust No. 1 William Block Marital Trust No. 2 William Block Marital Trust No. 3 405 Madison Avenue, Suite 2100 Toledo, Ohio 43604	25% (collectively)	25% (collectively)	US	Trust

Prior to the date of the *pro forma* transfer of control, Allan J. Block, John R. Block, William Block Marital Trust No. 1, William Block Marital Trust No. 2 and William Block Marital Trust No. 3 all held the same interests they hold today. The 25% interest now held by Family Trust No. 2 was held by and Allan J. Block and John R. Block are individuals.

Family Trust No. 2, William Block Marital Trust No. 1, William Block Marital Trust No. 2 and William Block Marital Trust No. 3 have no individual owners. The William Block Marital Trusts are treated as one entity for purposes of this filing because they are under the control of the same trustee.

The following is information concerning the trustees of Family Trust No. 2:

<u>Name and Address</u>	<u>Title</u>	<u>Citizenship</u>	<u>Principal Business</u>
William Block, Jr. 405 Madison Avenue, Suite 2100 Toledo, Ohio 43604	Chairperson and Trustee	US	Investment
Karen D. Johnese 405 Madison Avenue, Suite 2100 Toledo, Ohio 43604	Trustee	US	Investment
Barbara L. Block 405 Madison Avenue, Suite 2100 Toledo, Ohio 43604	Trustee	US	Investment
Donald G. Block 405 Madison Avenue, Suite 2100 Toledo, Ohio 43604	Trustee	US	Investment
W. Thomas McGough Reed Smith Reed Smith Center	Independent Trustee	US	Investment

225 Fifth Avenue
Pittsburgh, PA 15222

Karen D. Johnese is the Trustee and Voting Trustee of William Block Marital Trust No. 1, William Block Marital Trust No. 2, William Block Marital Trust No. 3. Information concerning Ms. Johnese is provided above.

Other than their interests in Buckeye, none of the entities or individuals listed above holds an attributable interest in any entity that provides interstate telecommunications services.

(6) Certification as to nature of the transaction:

The parties certify that the transfer of control described herein was *pro forma* and that, together with all previous *pro forma* transactions, does not result in a change in the actual controlling party.

(7) Certification by Transferee pursuant to 47 C.F.R. §§ 1.2001-1.2003 that no party to the Joint Application is subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 583

The parties hereby certify, pursuant to 47 C.F.R. §§ 1.2001-1.2003, that to the best of its knowledge, information, and belief, no party to this Application is subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 583.

Conclusion

For the foregoing reasons, the Applicants respectfully submit that grant by the Commission of this the *pro forma* transfer of control of the international Section 214 authorizations now held by Buckeye TeleSystem, Inc. would serve the public interest, convenience and necessity.

Respectfully submitted,

Buckeye TeleSystem, Inc.

By: 

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Date: June 21, 2012

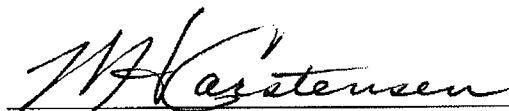
**NOTIFICATION OF PRO FORMA TRANSFER OF CONTROL OF
INTERNATIONAL SECTION 214 AUTHORIZATION**

CERTIFICATIONS

I, W. H. Carstensen, President of Block Communications, Inc., hereby certify the following:

- The transfer of control of the domestic and international authorizations held by Buckeye TeleSystem, Inc. from Allan J. Block, John R. Block and the Maxine H. Block Marital Trust No. 2 to Allan J. Block, John R. Block and Family Trust No. 2 was *pro forma* and that, together with all previous *pro forma* transactions, did not result in a change in the actual controlling party; and
- No party to this application is subject to a denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

Dated: June 21, 2012



W. H. Carstensen
405 Madison Avenue, Suite 2100
Toledo, Ohio 43604

EXHIBIT 1

Description of Transaction and Ownership Structure

Buckeye TeleSystem, Inc. (“Buckeye”) is a wholly-owned subsidiary of Block Communications, Inc. (“BCI”).¹ BCI is a family-controlled corporation controlled by the Block family. BCI operates full-service television stations, low-power television stations, newspapers, and cable television systems. As of the date of this application, and prior to the proposed transaction described below, seventy-five percent (75%) of the voting rights in BCI remain in the hands of persons previously approved by the Commission and no one person or entity has a controlling interest in BCI.

Summary of Proposed Transaction. This application seeks consent of the Commission to the *pro forma* transfer of control

From:

- Allan J. Block (as an individual voting a 25% interest);
- John R. Block (as an individual voting a 25% interest); and
- William Block, Jr. as trustee of the Maxine H. Block Marital Trust No. 2 (with the trust voting a 25% interest);

To:

- Allan J. Block (as an individual voting a 25% interest);
- John R. Block (as an individual voting a 25% interest); and
- William Block Jr., as Chairperson of the Trustees of Family Trust No. 2 and as an individual trustee of Family Trust No. 2 with Karen D. Johnese, Barbara L. Block, and Donald G. Block as additional trustees and with W. Thomas McGough, Jr., as Independent Trustee (with the trust voting a 25% interest).

This *pro forma* transfer could be deemed to result from the allocation of BCI voting stock from the Maxine H. Block Marital Trust No. 2 to a new Family Trust 2 for the benefit of the family of William Block Sr. and Maxine H. Block. The voting stock of BCI in the Maxine H. Block Marital Trust No. 2 is voted by William Block, Jr., and William Block, Jr. will be a trustee of new Family Trust No. 2. The Maxine H. Block Marital Trust No. 2 holds voting

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common stock in BCI amounting to 25% of the voting rights in BCI's issued and outstanding voting common shares.

Basis for *Pro Forma* Treatment. The applicants submit that the ownership change described in this application and in parallel applications submitted previously for other BCI licensee subsidiaries is properly treated as a *pro forma* transfer of control, because of the existence of the Close Corporation Operating Agreement and the continuity of Block family control of the BCI voting common stock. BCI's voting common stock for many years has been voted 25% by each of Allan J. Block, John R. Block, William Block, Jr., and Karen D. Johnese, who vote directly and/or and as trustees for various trusts for the benefit of members of the Block family. At the time the Commission passed on the qualifications of Buckeye's predecessor, Toledo Area Telecommunications Services, Inc., Allan J. Block, John R. Block, and William Block, Jr., in the aggregate, voted 67.35% of the voting rights in BCI directly and/or as trustees of trusts for the benefit of members of the Block family and no one of them voted a 50% or greater interest. Those three individuals now exercise in the aggregate 75% of the voting rights in BCI (directly or as trustee) and, following the consummation of the changes proposed in this application, will continue, in the aggregate, to exercise more than 50% of the voting rights in BCI.

In addition to the rights of Allan J. Block, John R. Block, and William Block, Jr. respecting the voting of BCI's voting common stock, a Close Corporation Operating Agreement, among the shareholders of BCI, entered into in December 1988, and subsequently restated and extended, preserves and maintains the continued day-to-day control of BCI by the previously passed-upon controlling principals Allan J. Block, John R. Block, and William Block, Jr. The Close Corporation Operating Agreement establishes an executive committee that functions as a chief executive officer. Members holding a majority of the vote in the executive committee under the Close Corporation Operating Agreement also have held majority voting power over BCI's voting common stock: Allan J. Block, John R. Block, and William Block, Jr., each exercise one vote out of four (or a 25% vote each) on the executive committee under the Close Corporation Operating Agreement; and Allan J. Block, John R. Block, and William Block, Jr. also each currently exercise 25% of the voting rights in the issued and outstanding BCI voting common stock through their direct voting power and/or voting power over various trusts for members of the Block family. Three of the four votes under the Close Corporation Operating Agreement thus continue to be exercised by persons who previously have been passed upon by the Commission and who, in the aggregate, also control a majority of the voting interests in BCI (Allan J. Block, John R. Block, and William Block Jr.). In particular, William Block, Jr. will continue to exercise one of four votes on the executive committee under the Close Corporation Operating Agreement independent of the proposed changes in the trust arrangements pursuant to which he votes a portion of the voting common stock of BCI.

Description of Transaction. The trust agreement for the Maxine H. Block Marital Trust No. 2 provides that, following the death of the initial beneficiary, Maxine H. Block, the assets of the trust, including the 25% voting interest in BCI held in that trust, will be allocated to a new family trust or trusts in accordance with certain conditions set forth in the trust agreement. Maxine H. Block is now deceased, and the remaining conditions for the reallocation of the trust assets now have been fulfilled. Pursuant to the conditions in the

Maxine H. Block Marital Trust No. 2, the 25% voting interest in BCI has been allocated to a new Family Trust No. 2.

The terms of the new Family Trust No. 2 are prescribed by the trust agreement for the Maxine H. Block Marital Trust No. 2, but differ from those of the Maxine H. Block Marital Trust No. 2, which previously held the 25% voting interest in BCI. William Block, Jr., the sole trustee of the Maxine H. Block Marital Trust No. 2, will serve as Chairperson of the Trustees of Family Trust No. 2 and as an individual trustee of Family Trust No. 2. The other individual trustees of Family Trust No. 2 will be the other three children of William Block, Sr.: Karen D. Johnese, Barbara L. Block, and Donald G. Block. In addition, Family Trust No. 2 will have an Independent Trustee, who is prohibited from having any interest or expectation of any interest in Family Trust No. 2. The Independent Trustee will be W. Thomas McGough, Jr. The 25% voting stock interest held in Family Trust No. 2 will be voted with the consent of the Chairperson of the Trustees (William Block, Jr.) and a majority vote of the trustees (including the Chairperson of the Trustees).

Under the terms of the Family Trust No. 2, the individual trustees (William Block, Jr., Karen D. Johnese, Barbara L. Block, and Donald G. Block) will vote the stock of BCI held in the trust. William Block, Jr. will serve as Chairperson of the Trustees. The Independent Trustee, W. Thomas McGough, will have the authority (1) to direct the establishment of separate trusts (the "Separate Trusts") for the benefit of some or all of the beneficiaries of Family Trust No. 2 (that is, the direct descendants of William Block and Maxine H. Block), and to specify the trustees of any Separate Trusts that may be created; (2) to distribute voting shares of BCI out of trust and to the beneficiaries of any trusts created under the agreements for Family Trust No. 2; and (3) to distribute the income and principal of Family Trust No. 2 and, if any Separate Trust should be created, may give the beneficiary of a Separate Trust a power of appointment over the trust assets (that is, authorize the beneficiary of the Separate Trust to direct the disposition of the Separate Trust assets through his or her will). The Independent Trustee also has the authority to break any deadlock in voting among the trustees. Although W. Thomas McGough, the Independent Trustee, will not vote the shares of BCI held in the Remainder Trusts, the Independent Trustee's exercise of the powers described above could affect which members of the family of William Block, Sr. would have the power to vote stock to be held in Family Trust No. 2 or in any Separate Trusts that may be created for that stock. No stock of BCI, however, may be sold, exchanged, pledged, or otherwise disposed of without the consent of the Chairperson of the Trustees (initially, William Block, Jr.) and a majority of all the trustees, including the Chairperson of the Trustees.

The establishment of Family Trust No. 2 and the allocation to that trust of the 25% voting stock interest previously held in the Maxine H. Block Marital Trust No. 2 altered William Block, Jr.'s voting authority over the 25% interest. Nevertheless, William Block, Jr. will retain substantial voting authority over the shares in Family Trust No. 2. As Chairperson of the Trustees, he has an effective veto over the voting of the stock, because action by the trustees requires both the approval of the Chairperson of the Trustees and the vote of a majority of the trustees (including the Chairperson). As described above, apart from the 25% BCI voting interest to be held in the Family Trust No. 2, Allan J. Block and John R. Block, persons previously approved by the Commission, will continue to vote, in the aggregate, fifty

percent (50%) of the voting rights in BCI's voting stock. Because William Block, Jr., also previously approved, will retain significant (albeit no longer exclusive) voting authority over the 25% of voting shares to be held in Family Trust No. 2, it necessarily follows that more than 50% of voting rights in BCI will continue, after the consummation of the proposed transaction, to be held by persons previously approved in a long-form application.

Furthermore, BCI's Close Corporation Operating Agreement, entered into in December 1988 among the shareholders of BCI and filed with the Commission, preserves and maintains Mr. William Block, Jr.'s continued proportional share in the control of BCI independent of the above-described changes in the trust arrangements through which he participates in the voting of BCI's voting common stock. The Close Corporation Operating Agreement establishes an executive committee that functions as a chief executive officer. Members holding a majority of the vote in the executive committee under the Close Corporation Operating Agreement also have held majority voting power over BCI's voting common stock: Allan J. Block, John R. Block, and William Block, Jr. each exercised one vote out of four (or a 25% vote) on the executive committee under the Close Corporation Operating Agreement; and Allan J. Block, John R. Block, and William Block, Jr. also each exercised 25% of the voting rights of the BCI Common stock through their direct voting power and/or voting power over various trusts for members of the Block family. Three of the four votes under the Close Corporation Operating Agreement thus continue to be exercised by persons who previously have been passed upon by the Commission and who, in the aggregate, also control a majority of the voting interests in BCI (Allan J. Block, John R. Block, and William Block Jr.). The Close Corporation Operating Agreement preserves and maintains William Block, Jr.'s role as exercising one vote out of four in decisions of the executive committee under the Close Corporation Operating Agreement, which manages the day-to-day operation of BCI in a manner analogous to a combination of officers and a board of directors. Even in the absence of the Close Corporation Operating Agreement, however, the applicants submit that, so long as (1) Allan J. Block and John R. Block continue to vote an aggregate fifty percent (50%) interest in BCI and (2) William Block, Jr. votes any interest in BCI, then more than 50% of the interests in BCI will remain in the hands of persons previously approved by the Commission in a long-form application, such that no further transfer application will be required.

Other Voting Rights in BCI: Allan J. Block and John R. Block each vote a 25% interest in BCI. As described above, William Block, Jr. currently votes a 25% interest in BCI as sole trustee of the Maxine H. Block Marital Trust No. 2 and, following the allocation of the interest to the Family Trust No. 2 as proposed in this application, will continue to participate in the voting of the 25% stock interest as Chairperson of the Trustees and as a trustee of the Family Trust No. 2.

The remaining 25% voting interest in BCI is currently voted by Karen D. Johnese as Trustee and Voting Trustee of William Block Marital Trust No.1, William Block Marital Trust No. 2, and William Block Marital Trust No. 3. In that capacity, she currently has sole and exclusive authority to vote the voting shares in BCI held in each of those three trusts. The trust agreement establishing the three trusts provides that, following the death of Maxine H. Block, the initial beneficiary of the three trusts, the assets in the trusts will be divided into two shares, with each share then being divided into four remainder trusts, one for each of the

children of William Block, Sr. and Maxine H. Block, for a total of eight remainder trusts (the "Remainder Trusts"). It is anticipated that assets will not be allocated to the Remainder Trusts until the estate of Maxine H. Block has been closed and the assets to be allocated to each share can be conclusively determined.