

Transfer of Control
Application of Catskills Communications, Inc.
d/b/a MTC Long Distance
ITC 214 Authority – ITC-214-19970255—00116

Attachment 1

Answer to Question 10 (page 1 of 2)

In Attachment 1, please respond to paragraphs (c) and (d) of Section 63.18 with respect to the assignor/transferor and the assignee/transferee.

63.18(c)

Transferor:

Mr. Glen Faulkner
Assistant Secretary/Treasurer and General Manager
Margaretville Telephone Company, Inc.
P.O. Box 260
50 Swart Street
Margaretville, New York 12455
Telephone Number – (845) 586-3311
Email: mtcgf@catskill.net

Transferee:

Mr. Glen Faulkner
Assistant Secretary/Treasurer and General Manager
Margaretville Telephone Company, Inc.
P.O. Box 260
50 Swart Street
Margaretville, New York 12455
Telephone Number – (845) 586-3311
Email: mtcgf@catskill.net

Kjersti Cory
Senior Vice President
GreatBanc Trust Company, Trustee for the
Margaretville Telephone Co., Inc. Employee Stock Ownership Plan
801 Warrentville Road, Suite 500
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with a copy to:

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63.18(d)

Catskills Communications, Inc. d/b/a MTC Long Distance holds an International Telecommunications Certification for global and/or limited global resale service, File No. ITC-214-19970255—00116.

Answer to Question 11

Does any entity, directly or indirectly, own at least ten (10) percent of the equity of the assignee/transferee as determined by successive multiplication in the manner specified in the note to Section 63.18(h) of the rules?

If you answered "Yes" to this question, provide in Attachment 1, the name, address, citizenship, and principal businesses of each person or entity that directly or indirectly owns at least ten (10) percent of the equity of the assignee/transferee, and the percentage of equity owned by each of those persons or entities (to the nearest one percent).

Catskills Communications, Inc. d/b/a MTC Long Distance (“Catskills”) is a wholly-owned subsidiary of Margaretville Telephone Company, Inc. (“MTC”). Upon consummation of the information provided below reflect the proposed ownership changes of MTC’s equity owners with a ten percent or greater (10%) interest:

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Answer to Question 11 (Cont'd)

<u>Name and Address</u>	<u>Total Equity</u>	<u>Principal Business</u>
Margaretville Telephone Co., Inc. Employee Stock Ownership Plan ¹ GreatBanc Trust Company, ² Trustee, Attention: Kjersti Cory, Senior Vice President	63.54%	Qualified Retirement Plan Investments
Larry S. Roadman (U.S. Citizen) P.O. Box 260 50 Swart Street Margaretville, New York 12455	18.27%	Telecommunications
Karen D. Harris (U.S. Citizen) P.O. Box 260 50 Swart Street Margaretville, New York 12455	9.88%	Telecommunications

¹ With the approval of the instant transaction, Douglas G. Hinkley, a retired employee of MTC, holds a generally non-voting attributable interest of 11.2% in MTC based on his shares in Margaretville Telephone Co., Inc. Employee Stock Ownership Plan (the “Plan”). The Plan’s ownership interest is voted by the Trustee and only in a limited number instances (none of which apply here) would any individual within the Plan actually possess voting rights. Specifically, voting rights on shares of MTC stock allocated to participants or beneficiaries could be exercised with respect to any corporate matter which involves the voting of such shares with respect to the approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all assets of a trade or business, or such similar transaction.

² GreatBanc Trust Company (“GBTC”) is wholly-owned by U.S. Fiduciary Services, Inc. (“USFS”), a corporation organized under the laws of the State of Illinois. USFS, in turn, is wholly-owned by the U.S. Fiduciary Services, Inc. Employee Stock Ownership Trust (“USFS-ESOP”), an entity organized under the laws of the State of Illinois. USFS-ESOP’s trustee is Mickey Maier – Professional Fiduciary Services, LLC 1841 North Riverwalk Way, Milwaukee, WI 53212. Mr. Maier is a US Citizen. There are no participants in the USFS-ESOP that are beneficial owners of 10% or more of the issued and outstanding shares of USFS. Neither GBTC, USFS nor USFS-ESOP own a 10% or greater interest in any telecommunications companies other than as trustee of the Margaretville Telephone Co., Inc. Employee Stock Ownership Plan.

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Answer to Question 11 (Cont'd)

<u>Name and Address</u>	<u>Total Equity</u>	<u>Principal Business</u>
Dawn B. Roadman Irrevocable Trust (Trustees: Larry S. Roadman and Karen D. Harris) P.O. Box 260 50 Swart Street Margaretville, New York 12455	8.31%	Investments

The Margaretville Telephone Co., Inc. Employee Stock Ownership Plan remains organized under the laws of the State of New York. The Dawn B. Roadman Irrevocable Trust remains organized under the laws of the State of New York.

Answer to Question 13

Provide in Attachment 1 a narrative of the means by which the proposed assignment or transfer of control will take place. In circumstances of a substantial assignment or transfer of control pursuant to Section 63.24(e), where the assignor seeks authority to assign only a portion of its U.S. international assets and/or customer base, please specify whether the assignor requests authority to continue to operate under any or all of its international Section 214 File Nos. after consummation; and, if so, please specify in Attachment 1 each File No. it seeks to retain in its own name.

Through a series of internal steps based on the timing and actions related to the receipt of the necessary regulatory approvals, the Margaretville Telephone Co., Inc. Employee Stock Ownership Plan will increase its current holdings (approximately thirty percent (30%) to a controlling interest in the Companies by purchasing shares from existing shareholders Dawn B. Roadman Irrevocable Trust, Karen D. Harris, the Karen D. Harris 2005 CR Unitrust II and the Karen D. Harris 2005 CR Unitrust Trust I.

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Answer to Question 20

If the applicant desires streamlined processing pursuant to Section 63.12 of the rules, provide in Attachment 1 a statement of how the application qualifies for streamlined processing. (See Section 63.18(p).) Note that, if the application is being filed in connection with a sale of assets or reorganization of a carrier or its parent pursuant to the U.S. bankruptcy laws, the application may not be eligible for streamlined processing until final bankruptcy court approval of the proposed sale or reorganization.

This application qualifies for streamlined processing under Sections 63.12(a) and (b) of the Commission's Rules.

Neither Catskills Communications, Inc. d/b/a MTC Long Distance ("Catskills") and its one hundred percent (100%) parent company, Margaretville Telephone Company, Inc. ("MTC"), nor any of their affiliated companies is affiliated with any foreign carrier in any destination market.

Neither Catskills nor MTC nor any of their affiliated companies has an affiliation with a dominant U.S. long distance carrier whose international switched or private line services the applicants seek authority to resell.

Rather, MTC proposes only to engage in the proposed transaction referenced in the response to the Answer to Question 13 above. Catskills will continue to operate as a non-dominant carrier that resells the international switched services of one or more U.S. unaffiliated long distance carriers.