

ATTACHMENT 1
APPLICATION TO TRANSFER CONTROL OF HOLDER OF
INTERNATIONAL SECTION 214 AUTHORIZATION

This application seeks Commission consent under Section 214 of the Communications Act of 1934, as amended (the “Act”), and Section 64.24 of the Commission’s rules to transfer control of The Chillicothe Telephone Company (“CTC”), a holder of international Section 214 authorization with file number ITC-214-20180110-00003 and a direct, wholly-owned subsidiary of Horizon Telcom, Inc. (“Horizon” or “Transferor”), to Horizon Acquisition Parent, LLC (“Transferee” or “Parent”). As explained further below, grant of this application serves the public interest. On January 26, 2018, Transferor and Transferee filed an application with the Wireline Competition Bureau, pursuant to Section 63.04 of the Commission’s rules, seeking Commission consent to the transfer of control of domestic Section 214 authorizations held by CTC and Horizon Technology, Inc., also a direct, wholly-owned subsidiary of Horizon (together with CTC, the “Companies”).

Responses to certain questions set forth in the application’s electronic form are as follows:

Answers to Question 10

Contact information for both Transferor and Transferee:

Transferor Contact Information:

William A. McKell, President
Horizon Telcom, Inc.
68 East Main Street
P.O. Box 480
Chillicothe, Ohio 45601-0480
Phone: (740) 772-8200
Fax: (740) 774-3400

With a copy to:

Gerard J. Duffy
Blooston, Mordkofsky, Dickens,
Duffy & Prendergast, LLP
2120 L Street, NW, Suite 300
Washington, DC 20037
Phone: (202) 659-0830
Fax: (202) 828-5568
gjd@bloostonlaw.com

Transferee Contact Information:

Thadeus J. Mocarski
Josiane Turcotte
Horizon Acquisition Parent, LLC
375 Roland-Therrein Blvd., Suite 210
Longueuil, Québec, J4H 4A6, Canada
Phone: (450) 651-5000
Fax: (450) 651-7585

With a copy to:

Sherrese M. Smith
Andrew J. Erber
Paul Hastings LLP
857 15th Street, N.W.
Washington, D.C. 20005
Phone: (202) 551-1700
Fax: (202) 551-1705
sherresmith@paulhastings.com
andrewerber@paulhastings.com

Place of Organization

Horizon Telcom, Inc. and The Chillicothe Telephone Company are each corporations organized under the laws of the State of Ohio. Horizon Acquisition Parent, LLC is a limited liability company organized under the laws of the State of Delaware. Horizon Acquisition Merger Sub, Inc. is a corporation organized under the laws of the state of Ohio.

International Section 214 Authority:

CTC holds an international Section 214 authorization to provide global international resold services under IB File No. ITC-214-20180110-00003. Transferee does not hold any international Section 214 authorizations.

Answer to Question 11

Transferor:

The name, address, citizenship and principal business of the sole entity having a direct or indirect ownership and/or voting interest of ten percent (10.0%) or more in the equity and voting power of The Chillicothe Telephone Company (“CTC”) are:

<u>Name & Address</u>	<u>% Equity/Voting</u>	<u>Citizenship</u>	<u>Principal Business</u>
Horizon Telcom, Inc. 68 East Main Street Chillicothe, OH 45601	100.0%	Ohio Corporation	Telecommunications

In turn, the names, addresses, citizenship and principal businesses of the entities having a direct or indirect ownership and/or voting interest of ten percent (10.0%) or more in the equity and voting power of Horizon Telcom, Inc. (“Horizon”) are:

<u>Name & Address</u>	<u>% Equity/Voting</u>	<u>Citizenship</u>	<u>Principal Business</u>
McKell Family Trust David McKell, Trustee 68 East Main Street Chillicothe, OH 45601	Equity: 11.7% Voting: 10.7%	Ohio Trust	Investments
Joseph S. McKell Revocable Living Trust Mary G. McKell, Trustee 68 East Main Street Chillicothe, OH 45601	Equity: 10.7% Voting: 9.8%	Ohio Trust	Investments

None of the other approximately 283 shareholders of Horizon Telcom, Inc. holds a direct or indirect ownership and/or voting interest of ten percent (10.00%) or more in the equity and voting power of the company.

David McKell is the brother of Joseph S. McKell, who is the husband of Mary G. McKell.

Transferee:

The following entities currently hold, directly or indirectly, a ten percent (10%) or greater equity interest in Transferee:

1. Horizon Acquisition Parent, LLC

Name and Address	Voting Interests	Equity Interests	Place of Incorporation	Principal Business
Novacap TMT V, L.P. 375 Roland-Therrien Blvd., Suite 210 Longueuil, Québec J4H 4A6, Canada	55.49%	55.49%	Québec	Investment
Novacap International TMT V, L.P. ¹	40.20%	40.20%	Québec	Investment
Other shareholders, each of whom holds less than a 10% interest	4.31%	4.31%	--	--

2. Novacap TMT V, L.P.

Name and Address	Voting Interests	Equity Interests	Place of Incorporation	Principal Business
Novacap Management Inc.	100%	0.001 %	Québec	Investment
Limited Partners ²	0%	99.999%	--	--

3. Novacap International TMT V, L.P.

Name and Address	Voting Interests	Equity Interests	Place of Incorporation	Principal Business
Novacap Management Inc.	100%	0.001 %	Québec	Investment
Limited Partners ³	0%	99.999%	--	--

4. Novacap Management Inc.

For purposes of controlling Novacap TMT V, L.P.'s interest in Transferee, the Board of Directors of Novacap Management Inc. has delegated to the TMT Investment Committee all

¹ The address of all Novacap entities is 375 Roland-Therrien Blvd., Suite 210, Longueuil, Québec J4H 4A6, Canada.

² The limited partners of Novacap TMT V, L.P. are passive investors, none of which holds an indirect interest in more than 10% of the equity of Transferee.

³ The limited partners of Novacap International TMT V, L.P. are passive investors, none of which holds an indirect interest in more than 10% of the equity of Transferee.

decision-making authority in connection with its role as the general partner of Novacap TMT V, L.P. in relation to its interest in Transferee. The members of the TMT Investment Committee are included in the following table, and the majority of the members are also shareholders of Novacap Fund Management Inc., the corporate parent of Novacap Management Inc., which holds 100% of the voting interests in Novacap Management Inc. Equity interests are indirectly held by the TMT Investment Committee members, as presented in the following table.

Name and Address	Voting Interests	Equity Interests	Place of Incorporation/ Citizenship	Principal Business / Position
Novacap Fund Management Inc.	100%	0%	Québec	Investment
Pascal Tremblay	0%	21.38%	Canada	Member of TMT Investment Committee
Stéphane Tremblay	0%	17.98%	Canada	Member of TMT Investment Committee
Thadeus MocarSKI	0%	14.61%	US	Member of TMT Investment Committee
François Laflamme	0%	14.61%	Canada	Member of TMT Investment Committee
Étienne Antoine Veilleux	0%	11.72%	Canada	Member of TMT Investment Committee
Other TMT Investment Committee Members, each of whom holds less than a 10% voting interest	0%	3%	--	--
Other non-TMT Investment Committee Members, each of whom holds less than a 10% equity interest	0%	16.7%	--	--

5. Novacap Fund Management Inc.

Voting interests expressed below relate to each individual's voting interest in Novacap Fund Management Inc. as such interest relates to Novacap Management Inc.'s role as the general partner of Novacap TMT V, L.P. in relation to its interest in Transferee:

Name and Address	Voting Interests	Equity Interests	Citizenship	Position
Pascal Tremblay	25%	0%	Canada	Shareholder
Stéphane Tremblay	25%	0%	Canada	Shareholder
Thadeus Mocarski	25%	0%	US	Shareholder
François Laflamme	25%	0%	Canada	Shareholder

Answer to Question 13

Description of Transaction and Public Interest Statement

Horizon is a telecommunications holding company organized under the laws of Ohio that is owned and controlled by various members and associates of the McKell family. CTC, a wholly-owned subsidiary of Horizon which traces its roots back to 1895, is an incumbent local exchange carrier that provides interstate exchange access and interstate interexchange services to customers in ten exchanges within portions of the counties of Ross, Pike, Pickaway, Jackson, Hocking, and Vinton in central Ohio.

Transferee is a limited liability company formed under the laws of Delaware. Transferee is controlled by its majority shareholder, Novacap TMT V, L.P., a limited partnership formed under the laws of the Province of Quebec (“TMT V”), an entity that is ultimately controlled by certain principals of Novacap Management Inc. (“Novacap”). Novacap is a leading North American-based private equity group founded in 1981 and has extensive experience purchasing, owning and operating diverse businesses. Novacap does not currently control any FCC-regulated telecommunications operations.

Pursuant to the Agreement and Plan of Merger by and among Transferor, Transferee, and Horizon Acquisition Merger Sub, Inc., an Ohio corporation (“Merger Sub”), dated as of January 25, 2018 (the “Agreement”), the Applicants propose to transfer control of the Section 214 authorizations held by the Companies through a reverse triangular merger, wherein Merger Sub is formed by Transferee for the purpose of merging with Horizon, which will be the survivor of the merger transaction (the “Transaction”). Specifically, Transferee has formed Merger Sub, which will merge with Horizon in accordance with the corporate law of the State of Ohio. As a result of the proposed Transaction, Transferor will become a direct, wholly-owned subsidiary of Transferee. The Applicants will also make necessary filings with state telecommunications regulators with respect to this Transaction.

After the proposed Transaction, the Companies will continue to operate in the same service territories, and will in the immediate future continue to provide services to their customers under the same rates and on the same terms and conditions following the Transaction as they currently do today. There are no plans in place to transfer any of the Companies’ customers to a new carrier or to change any customer service or billing contact information as a result of the Transaction. Accordingly, the proposed Transaction will be transparent to consumers.

Applicants submit that the proposed Transaction is consistent with the public interest. The proposed ownership structure and investment participation will enable the continued provision of high-quality communications services to the Companies' customers. Consummation of the proposed Transaction should enhance the ability of the Companies to innovate and provide advanced network services to their customers, which will in turn advance the telecommunications and information infrastructure of the states in which the Companies operate and those states' economic health.

Moreover, the Transaction will be conducted in a manner that will be transparent to the Companies' customers. The Transaction will not result in any immediate change of carrier for customers or any assignment of authorizations, and in no event will it result in the discontinuance, reduction, loss, or impairment of service to customers. Following consummation of the Transaction, the Companies will continue to provide high-quality communications services to their customers without interruption and without immediate change in rates, terms or conditions.

Answer to Question 20

This application qualifies for streamlined processing under Section 63.12 of the Commission's rules. In particular, Section 63.12(c)(1) is inapplicable because none of the Applicants is affiliated with any foreign carriers, and none of the scenarios outlined in Section 63.12(c) of the Commission's rules applies.