

**STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION**

LEAF RIVER TELEPHONE COMPANY	}	
	}	
Application for approval of proposed corporate reorganization pursuant to Section 7-204 of the Public Utilities Act and for other appropriate relief.	}	<b>Docket No.</b>

**PETITION**

NOW COMES LEAF RIVER TELEPHONE COMPANY, by their attorney, Gary L. Smith of Loewenstein, Hagen & Smith, P.C., and hereby petitions the Illinois Commerce Commission (“Commission”) for approval of a proposed corporate “reorganization” pursuant to Section 7-204 of the Public Utilities Act, 220 ILCS 5/7-204 (the “Act”). In support of the foregoing, the parties respectfully state as follows:

1. Leaf River Telephone Company, Petitioner, (“LRTC”) is an Illinois corporation, which provides local exchange telecommunications services on a non-competitive basis to fewer than 35,000 subscriber access lines, and is a “telecommunications carrier” within the meaning of Section 13-202 of the Act.

2. ZMP Holding Company is an Illinois corporation and a wholly owned subsidiary of LRTC.

3. Leaf River Merger, Inc., is an Illinois corporation and a wholly owned subsidiary of ZMP Holding Company.

4. The Board of Directors of LRTC have decided, after considering the advice and recommendations of outside counsel and accountants, that a corporate reorganization is necessary to provide the operational flexibility necessary to participate efficiently in the present regulatory environment, and also to segregate the operations and assets of the telephone company from potential business risks associated with other business opportunities.

5. LRTC requests Commission approval of the following actions. LRTC's existing wholly-owned Illinois subsidiary, ZMP Holding Company has created its wholly-owned Illinois subsidiary, Leaf River Merger, Inc. LRTC would then enter into an agreement to merge with Leaf River Merger, Inc. That agreement would provide that LRTC would be the surviving corporation upon completion of the merger and would, by law, retain all assets, rights and liabilities LRTC held prior to the merger. The agreement would also provide that LRTC's shareholders, at the time of the merger, would exchange their LRTC shares for the same number of shares of ZMP Holding Company resulting in the same ownership percentage in ZMP Holding Company as each shareholder had in LRTC.

6. LRTC, as the surviving corporation after the completion of the merger, would continue to own all telephone assets held by LRTC immediately prior to the merger. The transaction described in paragraph 5 above is commonly referred to as a "reverse triangular merger." The effect of the transaction is to have the issued and outstanding shares of the common stock of LRTC owned by ZMP Holding Company. The shareholders of LRTC and their ownership interests in LRTC at the time of the merger would become the shareholders of ZMP Holding Company with the same ownership interests in ZMP Holding Company as a result of the merger. Attached hereto as Exhibit 1 is the Merger Agreement and Plan of Merger between Leaf River Telephone Company and Leaf River Merger, Inc. Attached hereto as Exhibit 2 is the Supplemental Agreement between Leaf River Telephone Company, Leaf River Merger, Inc., and ZMP Holding Company.

7. Although the transaction will not result in a change in ultimate control of LRTC, the above transactions may require Commission approval as a "reorganization" as defined in Section 7-204 of the Act because the actual shareholders of LRTC will change from the present

shareholders to ZMP Holding Company as its sole shareholder of LRTC although the present shareholders will own the stock of ZMP Holding Company.

8. The proposed reorganization will not diminish LRTC's ability to provide adequate, reliable, efficient, safe and least-cost telephone service and it will not involve the transfer of any of LRTC's assets or liabilities.

9. The proposed reorganization will not result in the unjustified subsidization of non-utility activities by LRTC or its customers.

10. The parties do not project that LRTC will achieve any savings or incur any incremental costs to its regulated operations and, therefore, LRTC is not seeking the recovery of costs.

11. LRTC's costs and facilities have always been and under the proposed reorganization all costs and facilities will continue to be fairly and reasonably allocated between utility and non-utility activities in such a manner that the Commission has been and will be able to identify those costs and facilities, which are properly included by LRTC for ratemaking purposes.

12. The proposed reorganization described herein will not change or impair LRTC's ability to raise necessary capital on reasonable terms or to maintain a reasonable capital structure.

13. LRTC will remain subject to all applicable laws, regulations, rules, decisions and policies governing the regulation of Illinois telecommunications carriers and eligible telecommunications carriers.

14. The proposed reorganization will not adversely affect LRTC's service to its customers or its ability to perform any of its duties as a local exchange carrier under the Act.

The customers of LRTC will continue to be served by the same highly qualified employees and management as before the reorganization.

15. The proposed reorganization will not have a significant adverse effect on competition in the markets over which the Commission has jurisdiction.

16. The proposed reorganization will not result in any adverse rate impact on retail customers of local exchange service.

17. The Commission has approved this type of reorganization for numerous other Local Exchange Carriers similar to LRTC.

WHEREFORE, Leaf River Telephone Company prays that the Illinois Commerce Commission enter an Order:

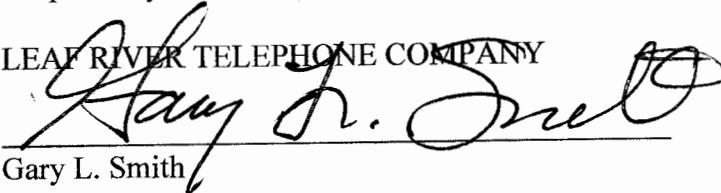
A. Approving the reorganization described herein in accordance with Section 7-204 of the Public Utilities Act and that it authorize LRTC to consummate the proposed reorganization; and

B. Petitioner requests that the Commission enter an order approving the transaction this calendar year so the merger can be completed this tax year; and

C. Granting all other relief as the Commission deems just.

Respectfully submitted,

LEAF RIVER TELEPHONE COMPANY

A handwritten signature in black ink, appearing to read "Gary L. Smith", is written over a horizontal line. The signature is stylized and cursive.

Gary L. Smith

Loewenstein, Hagen & Smith, P.C.  
1204 South Fourth Street  
Springfield, IL 62703  
Phone: 217-789-0500

STATE OF WISCONSIN )  
 )  
COUNTY OF GRANT ) SS

VERIFICATION

Maxine Palmer, being first duly sworn on oath, deposes and states that she is the Secretary and Sole Director of Leaf River Telephone Company, that she has read the above and foregoing Joint Application and knows the contents thereof, and that the same are true to the best of my knowledge, information and belief.

Maxine Palmer  
Maxine Palmer

Subscribed and sworn to before me  
this 7<sup>th</sup> day of SEPTEMBER, 2012.

Thomas C. Sherry  
Notary Public

