

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Rescission of Waiver)
of Commission Rule and Statute by)
Oregon Farmers Mutual Telephone Company)

File No. _____

**NOTICE OF RESCISSION OF WAIVER OF
COMMISSION RULES AND STATUTES**

COMES NOW Oregon Farmers Mutual Telephone Company ("Company") pursuant to Sections 392.420 and 392.461 RSMo. and notifies the Missouri Public Service Commission ("Commission") of its election to rescind its prior waiver of the application and enforcement of certain Commission rules and statutes. Specifically, Company notifies the Commission of its election to rescind its waiver of Section 392.300 RSMo. and 4 CSR 240-3.520 and opt into Commission regulation over any assignment, lease, sale, or transfer of its Missouri-regulated assets.

1. Company is a Missouri corporation duly authorized to conduct business in the state of Missouri, with its principal office located at 118 E. Nodaway, Oregon, MO 64473. A copy of Company's Certificate of Good Standing from the Missouri Secretary of State was filed in Case No. TC-2011-0404, and is incorporated by reference herein. Company is a "local exchange telecommunications company" and a "public utility" and is duly authorized to provide "telecommunications service" within the state of Missouri as each of those terms is defined in Section 386.020 RSMo.

2. All correspondence, communications, decisions, and orders in this matter should be sent to:

W.R. England, III
Brian T. McCartney
BRYDON, SWEARENGEN & ENGLAND P.C.
312 East Capitol Avenue
Jefferson City, MO 65102-0456
trip@brydonlaw.com
bmccartney@brydonlaw.com

3. Company has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court that involve Missouri retail customer service or rates, which action, judgment or decision has occurred within three (3) years of the date of this Notification. No Missouri annual reports or assessment fees are overdue.

4. On March 15, 2012, the Company waived all of the rules and statutes allowed to be waived after the passage of H.B. 1779 in 2008. On March 20, 2012, the Commission issued its *Notice Acknowledging Election of Waivers of Oregon Farmers Mutual Telephone Company* in this File No. TE-2012-0073. The Commission's *Notice* recognized, "Oregon Farmers does not need the permission of the Commission to elect those waivers and the waivers took effect at the time it filed its notice."¹

5. In accordance with Sections 392.420 and 392.461, as amended by HB 338, the Company hereby exercises its statutory right to elect to rescind its waiver of application and enforcement of the following statutes and rules:

392.300 – Transfer of property and ownership of stock

4 CSR 240-3.520 – Applications to sell or transfer assets

¹ *In the Matter of the Waiver of Certain Rules and Statutes to Telecommunications Companies*, File No. TE-201-0073, *Notice Acknowledging Election of Waivers of Oregon Farmers Mutual Telephone Company*, issued March 20, 2014, p. 1.

HISTORICAL BACKGROUND

6. On or about September 17, 2004, Northwest Missouri Holdings, Inc. ("Holdings"), the parent corporation of the Company and its affiliates Oregon Farmers Long Distance, Inc. ("OFM LD") and South Holt Cablevision, Inc. ("South Holt"), entered into a Loan Agreement with Rural Telephone Finance Cooperative (the "RTFC"), repayment of which was guaranteed by the Company, OFM LD, and South Holt (Holdings, the Company, OFM LD, and South Holt are collectively referred to herein as the "Companies"). The repayment obligations were secured by substantially all of the assets of the Companies. The Loan Agreement and all associated documents referred to herein as the "Loan Documents".

7. Holdings was and is unable to make timely payment of the amounts due under the Loan Documents.

8. On or about October 8, 2013, Townes Tele-Communications, Inc. ("Townes Tele-Communications") purchased the Loan Documents from RTFC. On or about March 20, 2014, Townes Tele-Communications assigned its interest in the Loan Documents to Townes Missouri, Inc. ("Townes – MO").

9. On March 21, 2014, Townes – MO caused a Petition to be filed in the Circuit Court of Holt County, Missouri captioned *Townes Missouri, Inc. v. Northwest Missouri Holdings, Inc., et al.*, Case No. 14 HO-CC 00011 seeking foreclosure and a declaration that the Companies are barred from "any right, claim, interest, or title in and to the Borrower Assets."

SALE/TRANSFER OF ASSETS AND CONTROL

10. On March 26, 2014, legal counsel for Townes – MO transmitted a letter demanding that possession of all collateral described in the Loan Documents be delivered into the possession of Townes – MO within 10 days of the date of such letter. Such collateral includes all assets required by the Company and OFM LD to continue to provide essential telecommunications and other services to their customers.

11. On April 1, 2014, the Companies transmitted a response to Townes – MO advising that in accordance with the terms of the Loan Documents, Townes – MO's discretion to act upon an event of default under the Loan Documents is expressly subject to compliance with the rules and regulations of the Federal Communications Commission (FCC) and any state commission having jurisdiction over the parties. Transfer of control of the Company and OFM LD is subject to FCC regulations, including but not limited to 47 C.F.R. § 63.24. Transfer of control of OFM LD is currently subject to Section 392.300 RSMo. and 4 CSR 240-3.520.²

12. On April 8, 2014, Townes – MO filed a First Amended Petition adding Count II seeking an ejectment of the Companies for possession and control of their assets necessary for continuation of services to their customers, including in the instance of the Company the assets necessary to continue to provide emergency 911 service to such customers. Further, Townes – MO added Count III alleging trespass.

² Company's affiliate, Oregon Farmers Mutual Long Distance, Inc. ("OFM LD") is an interexchange carrier with authorization granted by the Commission pursuant to Case No. TA-2000-134. OFM LD has not filed an election of waiver of the statute and rule addressing the Commission's authority and jurisdiction to approve any transfer of the assets or control of OFM LD to a third party as provided in Section 392.300 RSMo. and 4 CSR 240-3.520.

13. To date, Company and its regulated affiliate OFM LD are being operated in the ordinary course of business, and no change in control or possession of assets has occurred or been approved by the appropriate regulatory agencies. There have been no changes in service provided to Missouri customers, and Company continues to invest to maintain existing service levels.

14. Townes Tele-communications, either directly or through subsidiary entities, owns and operates telecommunications companies in Arkansas, Colorado, Florida, Missouri (MoKan Dial Telephone Company and Choctaw Telephone Company), Pennsylvania, and Texas. As such, Townes Tele-Communications is aware the regulatory requirements, both federal and state, that apply to telecommunications companies and their operations. Notwithstanding, Townes Tele-Communications and Townes – MO have ignored the requirements of state and federal statutes and regulations requiring that approvals must be secured prior to transfer of control of the Company and OFM LD. No transition plan has been provided by Townes – MO regarding the retention of current employees, the manner in which customers' service issues will be resolved, the means by which the Company's plant will be serviced and repaired, and notice to customers, to mention only a few matters of key concern. Regulatory oversight and approvals are necessary for the orderly transition of operations and to avoid disruption of services to Company's and OFM LD's customers.

15. Consequently, the Company respectfully submits this Notice to Rescind Election of Waiver of Commission Rule and Statute to ensure Commission oversight and guidance over the orderly transition of operation and control of the Company in a manner that will not be detrimental to or harm the interests of the Company's

customers. Pursuant to this election, Company opts to make clear that the Commission has primary jurisdiction to review and, if appropriate, authorize any assignment, sale, or transfer of the Company's regulated Missouri assets.

WHEREFORE, the Company hereby notifies the Commission of its rescission of its election to waive Section 392.300 RSMo. and 4 CSR 240-3.520, commencing on the date of this filing.

Respectfully submitted,

By: /s/ W.R. England, III

W.R. England, III Mo. #23975

Brian T. McCartney Mo. #47788

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Attorneys for Company

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the above and foregoing document were sent by electronic mail, or hand-delivered, on this 2nd day of May, 2014, to:

General Counsel
Missouri Public Service Commission
Governor Office Building, 8th Floor
P.O. Box 360
Jefferson City, MO 65102
gencounsel@psc.mo.gov

Office of the Public Counsel
Governor Office Building, 6th Floor
P.O. Box 2230
Jefferson City, MO 65102
opcservice@ded.mo.gov

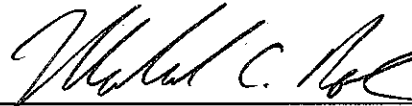
/s/ W.R. England, III

W.R. England, III

VERIFICATION

STATE OF NEW YORK)
)
COUNTY OF New York) ss


I, Malcolm C. Nolen, being duly sworn upon my oath, state that I am over twenty-one, am sound of mind, am the Secretary of Oregon Farmers Mutual Telephone Company, and am authorized to act on behalf of the Company regarding the document to which this Verification is appended. I have read the document and verify that the facts contained in it are true and correct according to the best of my knowledge, information and belief.



Malcolm C. Nolen

Subscribed and sworn to before me this 29th day of April, 2014

LEO R. GUIMOND
Notary Public, State of New York
No. 01GU4965346 - New York County
Term Expires April 16, 20 18



Notary Public

My Commission Expires: 4/16/2018