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APR 11 2013

PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE APPLICATION OF MIDDLETOWN )  
WASTE DISPOSAL, INC. FOR APPROVAL ) CASE NO. 2013-\_\_\_\_\_  
OF THE TRANSFER OF STOCK )

APPLICATION FOR APPROVAL OF TRANSFER

Pursuant to KRS 278.020(5) and (6), Middletown Waste Disposal, Inc. ("MWD"), by counsel, hereby petitions the Commission for approval of the transfer of 42 percent of its stock. In support of its application, MWD respectfully states as follows:

1. Middletown is a for-profit sewer utility that collects and treats sewage. It currently provides sewer service to approximately 201 customers in Jefferson County, Kentucky. Middletown has been owned by two stockholders, Paul Lichtefeld, Sr. and Donald Lorenz, since it began operations in 1981. Each original stockholder owned 50 percent of MWD's outstanding shares, and Mr. Lorenz managed the system on a day-to-day basis and served as its Secretary/Treasurer from his office in Taylorsville, KY.

2. In December 2011, Mr. Lorenz and his spouse moved to Florida because of increasingly significant health issues, and Mr. Lorenz ceased managing the MWD system on a day-to-day basis. In addition, the Taylorsville office was closed, and its office operations were transferred to 13005 Middletown Industrial Blvd. Suite I, Louisville, KY 40223 (e-mail address [jwkaninberg@insightbb.com](mailto:jwkaninberg@insightbb.com)). At that point, Mr. Jack Kaninberg began managing MWD's day to day operations. Mr. Kaninberg is a former employee of the Kentucky Public Service Commission ("Commission"), who

retired from the Commission at the end of 2008 and established Kentucky Small Utility Consulting, LLC. to provide rate case and other consulting assistance to small water and sewer utilities.

3. Since moving to Florida, Mr. Lorenz's health has deteriorated to the point that he is incapacitated, and is no longer capable of managing his business affairs, including his ownership, management and treasury duties associated with MWD.

4. On April 25, 2012, Mr. Lorenz and Mr. Kaninberg executed an agreement for Mr. Lorenz to sell and Mr. Kaninberg to purchase 8 percent of MWD's outstanding stock. KRS 278.020(5) and (6) require Commission approval for a transfer of control of utility stock, and presumes control exists if any individual or entity owns 10 percent or more of the voting securities of the utility. The transfer of 8 percent of MWD's stock fell under the statutory threshold, and as such, did not transfer control. The agreement allowed Mr. Kaninberg to assume responsibility for various MWD functions as an officer, including treasury responsibilities and acting as a signatory on various filings with the Commission and the Kentucky Secretary of State's Office.

5. At this time, Mr. Lorenz's health issues require him to fully divest himself from his remaining 42 percent interest in MWD. Attached as Exhibit A to this application is a Stock Purchase and Sale Agreement for Mr. Lorenz to sell his remaining 42 percent interest in MWD shares to Mr. Kaninberg. Because this transaction will transfer control of more than 10 percent of MWD's outstanding shares, KRS 278.020(5) and (6) require prior Commission approval of the stock transfer.

6. Mr. Kaninberg has been managing the day-to-day operations of MWD since late December 2011. Since April 25, 2012, Mr. Kaninberg has been serving as

MWD's Secretary/Treasurer and has been an 8 percent owner of MWD's stock. In 2012, Mr. Kaninberg was responsible for filing applications with the Commission seeking approval to increase MWD's sewer rates and to enter into a \$35,000 loan agreement with Chase Bank. The Commission issued an Order approving the loan agreement in Case No. 2012-00526 in February 2013, and the rate increase application is awaiting Commission approval. Mr. Kaninberg has 26 years of experience in various capacities with the Commission, as well as more than four years of experience as the Sole Owner of Kentucky Small Utility Consulting, LLC. Mr. Kaninberg has the requisite financial, managerial, and technical ability to assume control of an additional 42 percent of MWD's stock (See Exhibit B).

7. Attached are MWD's Articles of incorporation and all amendments (see Exhibit C) and its Annual Report to the Kentucky Secretary of State (See Exhibit D).

8. The approval of the transfer of MWD's stock will be accomplished in accordance with law, for a proper purpose, and consistent with the public interest. The public interest will be served as the proposed owner of 42 percent of MWD stock manages MWD's day-to-day operations and has the necessary technical, financial, and managerial expertise to operate the system in accordance with the requirements of the Kentucky Public Service Commission and the Kentucky Division of Water.

WHEREFORE, the undersigned Joint Applicants respectfully request that the Public Service Commission of Kentucky issue an Order finding that the proposed transfer of control of Donald Lorenz's remaining 42 percent interest in the stock of

Middletown Waste Disposal, Inc. to Mr. Jack Kaninberg is in accordance with the law, for a proper purpose, and consistent with the public interest.

Respectfully submitted,

MIDDLETOWN WASTE DISPOSAL, INC.

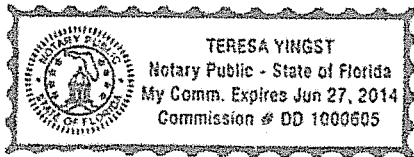
By *Donald Lorenz*  
Donald Lorenz

STATE OF FLORIDA )

COUNTY OF ORANGE )

Signed and sworn to before me by *Donald Lorenz*, this *10* day of *Apr.*, 201*3* <sup>(25)</sup>

My Commission Expires *6/27*, *14*



*Carly*  
Notary Public  
In and for said County and State

By *John W. ("Jack") Kaninberg*  
Jack Kaninberg

STATE OF KENTUCKY )

COUNTY OF JEFFERSON )

Signed and sworn to before me by *John Kaninberg* this *10<sup>th</sup>* day of *April*, 201*3* <sup>(25)</sup>

My Commission Expires *2* *6*, *2016*



*Scott Spence*  
Notary Public  
In and for said County and State

Middletown Waste Disposal, Inc. to Mr. Jack Kaninberg is in accordance with the law, for a proper purpose, and consistent with the public interest.

Respectfully submitted,

MIDDLETOWN WASTE DISPOSAL, INC.

By \_\_\_\_\_  
Donald Lorenz

By \_\_\_\_\_  
Jack Kaninberg

STATE OF KENTUCKY     )  
  )  
COUNTY OF JEFFERSON    )

Signed and sworn to before me by \_\_\_\_\_, this \_\_\_\_ day of \_\_\_\_\_, 2012

My Commission Expires \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
Notary Public  
In and for said County and State

LAW FIRM OR ATTORNEY

By \_\_\_\_\_  
John Singler, Attorney at Law  
108 Republic Plaza Bldg.  
200 South 7<sup>th</sup> Street  
Louisville, Kentucky 40202  
(502) 587-6901 - Phone  
(502) 584-3091 - Fax  
E-mail - singlerj@bellsouth.net



## STOCK PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is made and entered into the \_\_\_\_\_th day of \_\_\_\_\_ 2013, by and between DONALD LORENZ, of P.O. Box 1839, Winter Park, FLA 32790 (First Party), and JACK KANINBERG, of 8105 Parkshire Court, Louisville, KY 40220 (Second Party).

### I. Purpose

1.1 The First Party wishes to sell and the Second Party wishes to purchase shares representing 42% of all the outstanding issued stock (which is 100 shares, 42 shares owned by Don Lorenz, 8 shares owned by Jack Kaninberg and 50 shares owned by Paul A. Lichtefeld), of the Kentucky corporation known as MIDDLETOWN WASTE DISPOSAL, INC., such 42% interest representing 42 shares of stock of the corporation. The First Party hereby agrees to sell to the Second Party 42 shares owned in his individual name, for the consideration stated below, leaving him with no remaining shares.

### II Consideration

2.1 The consideration for this agreement is a cash payment of \$21,000.00 to the First Party.

### III Miscellaneous

3.1 This Agreement is for the purchase of 42% of the total outstanding issued shares of the Corporation and this ownership interest shall not be diluted by the issuance of additional shares to any other party, without the expressed, written consent of the Second Party. The First Party shall cause a resolution of the corporation to be issued confirming said sale of the 42% ownership interest, which resolution shall confirm the agreement of the Corporation and all of its stockholders

that said 42% interest in the corporation shall not be so diluted. Such resolution shall be executed prior to (and as a condition to) the payment of the consideration stated in Section 2.1 above.

3.2 The First and Second parties acknowledge that the shares being purchases hereunder have not been registered by the Corporation with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Act"), nor with the securities regulatory authority of any state under state securities laws, in reliance on an exemption from registration under the Act provided in Section 4(2) and in reliance on an exemption from registration under securities laws.

3.4 This agreement is binding upon the First and Second Parties, their heirs, executors, administrators, successors and assigns.

3.5 This agreement and those documents referenced in this agreement constitute the entire agreement between the parties hereto with respect to the subject matter herein and shall be deemed to wholly cancel, terminate, and superseded any agreement, written or oral, heretofore entered into between the First, Second, and Third Parties thereto.

3.6 This agreement is subject to the approval of the Kentucky Public Service Commission ("PSC"), and is null and void if the PSC denies its approval.

WHEREFORE, WITNESS THE SIGNATURE OF THE PARTIES:

\_\_\_\_\_  
DONALD LORENZ, First Party

\_\_\_\_\_  
JACK KANINBERG, Second Party





Exhibit B - Jack Kaninberg Balance Sheet at March 14, 2013

Assets	Amount	Liabilities	Amount
<b>Liquid Assets</b>		<b>Short-Term Debt</b>	
Checking Accounts	\$10,100	0% Interest Credit Cards	<b>\$19,550</b>
Business Accts. Rec.	\$1,825		
<b>Subtotal</b>	<b>\$11,925</b>		
457 Plan (Avail. penalty-free)	\$17,100		
<b>Total Liquid Assets</b>	<b>\$29,025</b>		
<b>Retirement Accounts</b>			
401k	\$55,200		
Regular IRA	\$6,800		
Roth IRA – (\$36,000 is avail. 1/1/15 tax-free)	\$85,600		
<b>Total Retirement Accounts</b>	<b>\$147,600</b>		
<b>Fixed and Other Assets</b>		<b>Secured Long-Term Debt</b>	
Home (Appraised Value)	\$320,000	Home Mortgage	\$230,870
Autos	\$15,000	Home Equity LOC	\$25,000
8% Interest – MWD Stock (at cost)	\$8,000	Auto Loans	\$21,200
<b>Total Fixed Assets</b>	<b>\$343,000</b>	<b>Total Secured Debt</b>	<b>\$277,070</b>
<b>Total Assets</b>	<b>\$519,625</b>	<b>Total Debt</b>	<b>\$296,620</b>
Total Debt	\$296,620		
<b>Net Worth</b>	<b>\$223,305</b>		



ORIGINAL COPY  
FILED AND RECORDED  
SECRETARY OF STATE OF KENTUCKY  
FRANKFORT, KENTUCKY

JUN 05 1978

*Dwight P. Davis*  
SECRETARY OF STATE

ARTICLES OF INCORPORATION  
OF  
MIDDLETOWN WASTE DISPOSAL, INC.

SECRETARY OF STATE  
**RECEIVED**  
JUN - 5 1978  
*U 25*  
Commonwealth of Kentucky

97775

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned does hereby form a corporation under the provisions of Chapter 271A of the Kentucky Revised Statutes, and does hereby adopt the following as its Articles of Incorporation.

ARTICLE I

The name of the corporation is Middletown Waste Disposal, Inc.

ARTICLE II

The duration of the corporation is perpetual.

ARTICLE III

The purpose for which the corporation is organized is the transaction of any and all lawful business for which corporations may be incorporated under KRS Chapter 271A, including, but not limited to the planning, construction, operation, maintenance, sale and lease of a sewage treatment plant facility and additionally, the ownership of real estate and interests therein, for investment purposes.

ARTICLE IV

The aggregate number of shares which the corporation shall have authority to issue is 1,000 shares, all of which

are common stock without par value, and having voting power to the extent of one vote for each share of stock.

#### ARTICLE V

The address of the initial registered office of the corporation is 989 Logan Street, Louisville, Kentucky, and the name of the initial registered agent is Donald Lorenz, whose address is 989 Logan Street, Louisville, Kentucky.

#### ARTICLE VI

The number of directors constituting the initial Board of Directors is two (2). The names and addresses of the persons who will serve as directors until the first annual meeting of shareholders or until their successors be elected and qualified are, Donald Lorenz and Paul A. Lichtefeld, 989 Logan Street, Louisville, Kentucky.

#### ARTICLE VII

The name and address of the incorporator is Donald Lorenz, 989 Logan Street, Louisville, Kentucky.

#### ARTICLE VIII

The unreserved and unrestricted capital surplus of the corporation may be used by it to purchase, take, receive, or otherwise acquire shares of its own stock without otherwise limiting the rights of the corporation to purchase, take, receive, hold, own, pledge or otherwise deal in its own shares of stock.

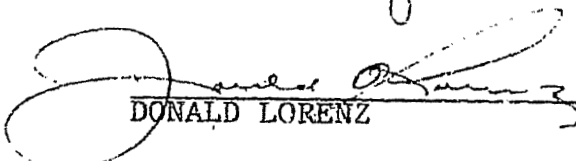
ARTICLE IX

Shareholders shall not have a preemptive right to subscribe to or acquire unissued or treasury shares or securities convertible into such shares of the corporation or carrying a right to subscribe or acquire shares of the corporation.

ARTICLE X

The corporation, acting through its Board of Directors, may from time to time, distribute to its shareholders out of capital surplus of the corporation, a portion of its assets in cash and property subject to the provisions of Kentucky Revised Statutes 271A.230, and the approval of the shareholders shall not be required.

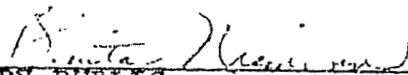
IN TESTIMONY WHEREOF, witness the signature of the Incorporator this the 31<sup>st</sup> day of May, 1978.

  
DONALD LORENZ

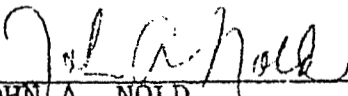
STATE OF KENTUCKY            )  
  )    SS  
COUNTY OF JEFFERSON        )

Acknowledged before me by Donald Lorenz, this the 31<sup>st</sup> day of May, 1978.

My commission expires: September 8, 1980

  
NOTARY PUBLIC  
State at Large, Kentucky

THIS INSTRUMENT PREPARED BY:

  
\_\_\_\_\_  
JOHN A. NOLD  
NOLD, MOSLEY, CLARE, HUBBARD & ROGERS  
Suite 200, Hart Block Building  
730 West Main Street  
Louisville, Kentucky 40202  
Phone: (502) 582-3891





Commonwealth of Kentucky  
Alison Lundergan Grimes, Secretary of State

PARP  
0089652  
Alison Lundergan Grimes  
KY Secretary of State  
Received and Filed  
3/5/2013 8:28:34 AM  
Fee receipt: \$15.00

Alison Lundergan Grimes  
Secretary of State  
P. O. Box 1150  
Frankfort, KY 40602-1150  
(502) 564-3490  
<http://www.sos.ky.gov>

Annual Report  
Online Filing

ARP

**Company:** MIDDLETOWN WASTE DISPOSAL, INC.  
**Company ID:** 0089652  
**State of origin:** Kentucky  
**Formation date:** 6/5/1978 12:00:00 AM  
**Date filed:** 3/5/2013 8:28:34 AM  
**Fee:** \$15.00

**Principal Office**

13005 MIDDLETOWN INDUSTRIAL BLVD., SUITE I  
LOUISVILLE, KY 40223

**Registered Agent Name/Address**

JACK KANINBERG  
13005 MIDDLETOWN INDUSTRIAL BLVD., SUITE I  
LOUISVILLE, KY 40223

**Current Officers**

President	Paul A Lichtefeld	908 S. 8th Street, Suite 102, Louisville, KY 40203
Secretary	Jack W Kaninberg	13005 Middletown Industrial Blvd., Suite I, Louisville, KY 40223
Treasurer	Jack W Kaninberg	13005 Middletown Industrial Blvd., Suite I, Louisville, KY 40223

**Directors**

Director	Paul A Lichtefeld	908 S. 8th Street, Suite 102, Louisville, KY 40203
Director	Donald A Lorenz	P.O. Box 1839, Winter Park, FLA 32790
Director	Jack W Kaninberg	13005 Middletown Industrial Blvd., Suite I, Louisville, KY 40223

**Signatures**

Signature	Jack Kaninberg
Title	Treasurer

**MIDDLETOWN WASTE DISPOSAL, INC.**

**General Information**

**Organization Number** 0089652  
**Name** MIDDLETOWN WASTE DISPOSAL, INC.  
**Profit or Non-Profit** P - Profit  
**Company Type** KCO - Kentucky Corporation  
**Status** A - Active  
**Standing** G - Good  
**State** KY  
**File Date** 6/5/1978  
**Organization Date** 6/5/1978  
**Last Annual Report** 3/5/2013  
**Principal Office** 13005 MIDDLETOWN INDUSTRIAL BLVD., SUITE I  
 LOUISVILLE, KY 40223  
**Registered Agent** JACK KANINBERG  
 13005 MIDDLETOWN INDUSTRIAL BLVD., SUITE I  
 LOUISVILLE, KY 40223  
**Authorized Shares** 1000

**Current Officers**

**President** Jack Kaninberg  
**Secretary** Jack Kaninberg  
**Treasurer** Jack Kaninberg  
**Director** Jack Kaninberg  
**Director** Jack Kaninberg  
**Director** Jack Kaninberg

**Individuals / Entities listed at time of formation**

**Director** Jack Kaninberg  
**Director** Jack Kaninberg  
**Incorporator** Jack Kaninberg

**Images available online**

Documents filed with the Office of the Secretary of State on September 15, 2004 or thereafter are available as scanned images or PDF documents. Documents filed prior to September 15, 2004 will become available as the images are created.

Document Name	Date	Pages	View	Download
Annual Report	3/5/2013	1 page	View	Download
Principal Office Address Change	5/29/2012 9:18:44 AM	1 page	View	Download
Annual Report	5/29/2012 9:14:50 AM	1 page	View	Download
Annual Report	5/29/2012	1 page	View	Download
Annual Report	2/28/2011	1 page	View	Download
Annual Report	3/26/2010	1 page	View	Download
Annual Report	1/20/2009	1 page	View	Download

Annual Report	1/23/2008	1 page	27	27
Annual Report	2/26/2007	1 page	27	27
Annual Report	4/12/2006	1 page	27	27
Annual Report	4/8/2005	1 page	27	27
Annual Report	5/29/2003	1 page	27	27
Annual Report	3/27/2002	1 page	27	27
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Annual Report	7/1/1993	1 page	27	27
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Annual Report	7/1/1991	1 page	27	27
Annual Report	7/1/1990	1 page	27	27

**Assumed Names**

**Activity History**

Filing	File Date	Effective Date	Org. Referenced
Annual report	3/5/2013 8:28:34 AM	3/5/2013 8:28:34 AM	
Annual report	5/29/2012 9:31:20 AM	5/29/2012 9:31:20 AM	
Principal office change	5/29/2012 9:18:44 AM	5/29/2012 9:18:44 AM	
Registered agent address change	5/29/2012 9:14:50 AM	5/29/2012 9:14:50 AM	
Annual report	2/28/2011 8:40:21 AM	2/28/2011	
Annual report	3/26/2010 1:46:41 PM	3/26/2010	
Annual report	1/20/2009 1:11:10 PM	1/20/2009	
Annual report	1/23/2008 8:24:39 AM	1/23/2008	
Annual report	2/26/2007 7:44:26 AM	2/26/2007	
Annual report	4/12/2006 9:14:15 AM	4/12/2006	
Registered agent address change	3/26/2002 1:36:07 PM	3/26/2002	
Principal office change	3/26/2001 10:54:47 AM	3/26/2001	

## Microfilmed Images

Microfilm images are not available online. They can be ordered by faxing a document to the Corporate Records Branch at 502-564-5687.

Annual Report	4/27/2004	1 page
Annual Report	5/29/2003	1 page
Annual Report	3/27/2002	1 page
Statement of Change	3/26/2002	1 page
Annual Report	4/17/2001	1 page
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Annual Report	4/23/1998	1 page
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Annual Report	7/1/1990	1 page
Annual Report	7/1/1989	1 page
Statement of Change	6/16/1987	1 page
Annual Report	7/1/1980	1 page
Articles of Incorporation	6/5/1978	5 pages