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October 24, 2017

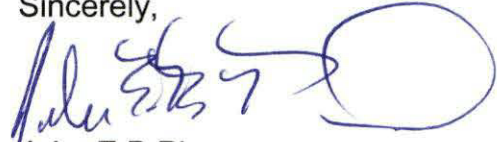
Gwen R. Pinson
Executive Director
Public Service Commission
P.O. Box 625
Frankfort, KY 40602

Re: Case No. 2017-00031
Alleged Failure of Fern Lake Company to File Required Reports

Dear Ms. Pinson:

Enclosed for filing is the Stipulation of Facts and Settlement Agreement entered into between Commission Staff and Fern Lake Company. Please bring this document to the Commission's attention for its review and consideration.

Sincerely,



John E.B. Pinney
Deputy General Counsel

Enclosure

cc: Parties of Record

SETTLEMENT AGREEMENT

This Settlement Agreement is made, entered into, and effective on this 27th day of September, 2017, by and between Fern Lake Company, a Kentucky corporation, 620 North Campbell Street, Suite 2, Knoxville, Tennessee 37934 ("Fern Lake") and the Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601 ("Commission").

RECITALS

WHEREAS, the Commission filed an action with the Franklin Circuit Court, Civil Action No. 2017-CI-00900, on August 23, 2017 against Fern Lake to enforce the provisions of an Order entered by the Commission on May 4, 2017; and

WHEREAS, discussions between Fern Lake and the Commission resulted in an agreement to resolve the issues set forth in said civil action; and

WHEREAS, Fern Lake and the Commission desire to reduce the terms of said agreement to writing;

NOW THEREFORE, in light of the promises and consideration set forth herein, the sufficiency of which is hereby acknowledged, Fern Lake and the Commission do hereby agree as follows:

1. Fern Lake agrees to pay a civil penalty in the amount of \$9,000.00, payable to the Kentucky State Treasurer. Said payment will be tendered to the Executive Director of the Commission on or before October 15, 2017.

2. Upon receipt of the payment set forth above, the Commission will execute an Agreed Order of Dismissal with Prejudice dismissing Case No. 2017-CI-00900 now pending in the Franklin Circuit Court.

3. Performance of the obligations set forth herein will satisfy and resolve any and all claims against Fern Lake for any violation of KRS Chapter 278, or for any penalty under KRS 278.990 arising out of the failure to file required reports as set forth in the Commission's Complaint in Case No. 2017-CI-00900.

4. None of the provisions contained herein shall be binding upon the parties thereto until such time as the Agreement is executed by both parties, nor shall this Agreement be used as an admission by Fern Lake of any liability in any legal proceeding or lawsuit arising out of the facts set forth in the administrative proceeding giving rise to Civil Action No. 2017-CI-00900, or otherwise be used as an admission by either party.

5. This Agreement is for use only in Civil Action No. 2017-CI-00900, and neither party hereto shall be bound by any part of this Agreement in any other proceeding, except that this Agreement may be used in any proceeding by the Commission to enforce the terms of this Agreement. Fern Lake shall not be precluded or estopped from raising any issue, claim, or defense therein by reason of the execution of this Agreement.

6. Each party shall bear its own costs, expenses, and attorney fees with regard to the performance of this Agreement and Fern Lake shall not be liable to the Commission for any costs, expenses, or attorney fees arising from or relating to Case No. 2017-CI-00900.

IN WITNESS WHEREOF, the parties hereto have hereunto affixed their signatures this 21st day of September, 2017.

Fern Lake Company

By: Gary Asher

Title: President

Kentucky Public Service Commission

By: John G. T. [Signature]

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