# CIBL, Inc. and Subsidiaries

# Financial Report to Shareholders

# September 30, 2015

# CIBL, Inc. and Subsidiaries

# Condensed Consolidated Financial Statements

# September 30, 2015

**CIBL, Inc. and Subsidiaries**
Condensed Consolidated Balance Sheets
(In Thousands, Except Common Share Data)

| | Sept. 30, 2015 | Dec. 31, 2014 | Sept. 30, 2014 |
|---|---|---|---|
| **Assets** | | | |
| Current Assets | | | |
| Cash and cash equivalents | $27,164 | $26,783 | $28,181 |
| Accounts receivable, net of allowance of $4 | 387 | 470 | 360 |
| Amounts due from sale of broadcasting interests | 17 | 13 | 13 |
| Amounts due under Stimulus Broadband Program | -- | 481 | 435 |
| Deferred income taxes | 93 | 83 | 70 |
| Prepaid income tax | 395 | 225 | -- |
| Other current assets | 650 | 218 | 121 |
| Total Current Assets | 28,706 | 28,273 | 29,280 |
| Telecommunications, plant and equipment, net | 6,752 | 6,589 | 6,630 |
| Note receivable due from an affiliate | 35 | 145 | 218 |
| Investment in equity method affiliated entity | 1,915 | 1,798 | 1,703 |
| Other investments, at cost | 367 | 346 | 345 |
| Deferred Offering Costs | 65 | - | - |
| Goodwill | 1,772 | 1,772 | 1,772 |
| | $39,612 | $38,923 | $39,948 |
| **Liabilities and Equity** | | | |
| Current Liabilities | | | |
| Accounts payable and accrued expenses | $326 | $197 | $314 |
| Income tax payable | 309 | 87 | 819 |
| Other current liabilities | 344 | 340 | 295 |
| Current maturities of long-term debt | 24 | 18 | 18 |
| Total Current Liabilities | 1,003 | 642 | 1,446 |
| Long-term debt | 2,727 | 2,537 | 2,541 |
| Deferred income taxes | 2,713 | 2,690 | 2,464 |
| Construction deposit | 32 | 32 | 63 |
| Total Liabilities | 6,475 | 5,901 | 6,514 |
| Equity | | | |
| Common stock, par value $.01, 30,000 shares authorized; 25,115 issued; 17,856; 18,105; and 18,105 outstanding | -- | -- | -- |
| Contributed capital | 3,115 | 3,116 | 3,099 |
| Retained earnings | 32,983 | 32,910 | 32,973 |
| Treasury stock, 7,258; 7,010; and 7,010 shares at cost | (8,088) | (7,750) | (7,750) |
| Total CIBL, Inc.'s Stockholders' Equity | 28,010 | 28,276 | 28,322 |
| Non-controlling interests | 5,127 | 4,746 | 5,112 |
| Total Equity | 33,137 | 33,022 | 33,434 |
| | $39,612 | $38,923 | $39,948 |

See notes to condensed consolidated financial statements

**CIBL, Inc. and Subsidiaries**

Condensed Consolidated Statements of Operations

(In Thousands, Except Share and Per Share Data)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| **Revenues** | | | | |
| Broadband data/communications | $905 | $953 | $2,979 | $2,903 |
| Total Revenues | 905 | 953 | 2,979 | 2,903 |
| **Costs and Expenses** | | | | |
| Cost of operating revenue, excluding depreciation | 427 | 457 | 1,373 | 1,363 |
| General and administrative costs of operations | 155 | 132 | 521 | 452 |
| Management fees | 63 | 75 | 188 | 225 |
| Corporate office expense at ICTC | 95 | 37 | 213 | 114 |
| Corporate office expense at CIBL | 62 | 67 | 201 | 223 |
| Depreciation | 228 | 151 | 659 | 463 |
| Total Costs and Expenses | 1,030 | 919 | 3,155 | 2,840 |
| Operating Profit(Loss) | (125) | 34 | (176) | 63 |
| **Other Income (Expense)** | | | | |
| Investment income | 451 | 77 | 607 | 217 |
| Interest expense | (23) | (35) | (90) | (105) |
| Equity in earnings of affiliated entity | 90 | 106 | 278 | 333 |
| Gain on sale of investments | 35 | -- | 35 | -- |
| Total Other Income(Expense), Net | 553 | 148 | 830 | 445 |
| Net income Before Income Taxes | 428 | 182 | 654 | 508 |
| Income tax expense | (63) | (4) | (167) | (143) |
| Net Income | 365 | 178 | 487 | 365 |
| Non-controlling interests | (241) | (122) | (414) | (350) |
| Net income Attributable to CIBL, Inc.'s Stockholders | $124 | $56 | $73 | $15 |
| Basic and diluted weighted average shares outstanding | 17,909 | 18,620 | 17,966 | 19,174 |
| Net income per share | $20.41 | $9.64 | $27.11 | $19.06 |
| Net income per share attributable to CIBL, Inc.'s Shareholders | $6.97 | $3.10 | $4.08 | $0.82 |

See notes to condensed consolidated financial statements.

**CIBL, Inc. and Subsidiaries**
Condensed Consolidated Statements of Changes in Equity
(In Thousands, except common shares data)

| | CIBL, Inc. Stockholders' Equity | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Common Shares Outstanding | Common Stock | Contributed Capital | Retained Earnings | Treasury Shares | Total | Non-Controlling Interests | Total Equity |
| Balance at December 31, 2014 | 18,105 | $-- | $3,116 | $32,910 | ($7,750) | $28,276 | $4,746 | $33,022 |
| Net income | -- | -- | -- | 73 | -- | 73 | 414 | 487 |
| Purchase of ICTC Group Inc. Shares | -- | -- | (1) | -- | -- | (1) | (33) | (34) |
| Purchase of treasury stock | (249) | -- | -- | -- | (338) | (338) | -- | (338) |
| Balance at September 30, 2015 | 17,856 | $-- | $3,115 | $32,983 | ($8,088) | $28,010 | $5,127 | $33,137 |

See notes to condensed consolidated financial statements

**CIBL, Inc. and Subsidiaries**

Condensed Consolidated Statements of Cash Flows

(In Thousands)

| | Nine Months Ended September 30, 2015 | Nine Months Ended September 30, 2014 |
|---|---|---|
| **Cash Flows Provided By (Used in) Operating Activities** | | |
| Net income attributable to CIBL, Inc.'s stockholders | $73 | $15 |
| Non-controlling interests | 414 | 350 |
| Net income | 487 | 365 |
| Adjustments to reconcile net income to net cash from operating activities | | |
| Equity in earnings of affiliated entity | (278) | (333) |
| Distributions from affiliated entity | 161 | 276 |
| Depreciation | 659 | 463 |
| Deferred income taxes | 12 | (3,281) |
| Interest income (in-kind) | (3) | (11) |
| Management fees (in-kind) | 113 | 225 |
| Unrealized (gains) loss on investments | (2) | 1 |
| Gain on sale of investments | (35) | -- |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 83 | (64) |
| Other current assets | (432) | (51) |
| Accounts payable and accrued expenses | 130 | (42) |
| Income tax payable/prepaid income tax | 52 | 885 |
| Other current liabilities | 4 | 41 |
| Net Cash Provided By (Used In) Operating Activities | 951 | (1,526) |
| **Cash Flows Provided By (Used In) Investing Activities** | | |
| Capital spending | (821) | (571) |
| Funds recovered (expended) under BIP grant program | 481 | (224) |
| Proceeds from sale of Capital Communications Inc. | 30 | 8,171 |
| Distributions from Coronet Communications Co. | -- | 2,029 |
| Acquisition of ICTC Group, Inc. Shares | (34) | (12) |
| Other | (20) | - |
| Net Cash Provided By (Used In) Investing Activities | (364) | 9,393 |
| **Cash Flows Used In Financing Activities** | | |
| Purchase of treasury stock | (337) | (4,591) |
| Principal payments on loan term debt | (15) | (13) |
| Advances under BIP Loan | 211 | -- |
| Deferred Offering Costs | (65) | -- |
| Net Cash Used In Financing Activities | (206) | (4,604) |
| Net Change in Cash and Cash Equivalents | 381 | 3,263 |
| **Cash and Cash Equivalents** | | |
| Beginning of year | 26,783 | 24,918 |
| End of year | $27,164 | $28,181 |
| **Supplemental Cash Flow Information** | | |
| Cash paid for income taxes | $90 | $2,529 |
| Cash paid for interest | $103 | $105 |

See notes to condensed consolidated financial statements

## 1. Organization

CIBL, Inc. (the "Company" or "CIBL") currently holds an investment in a broadband data transport/communications company. At September 30, 2015, the Company holds a 42.91% interest in the ICTC Group, Inc. ("ICTC"), a broadband data transport/communications company in North Dakota that is deemed to be under common control with CIBL (see Note 4). Under a Voting Rights Agreement, the Company's voting interest in ICTC is 54.92% and, accordingly, it reports ICTC results on a consolidated basis.

In addition, CIBL and ICTC hold, or have held, investments in affiliates in which they do not have majority voting control but had or have the ability to significantly influence management decisions (either through an ownership of 20% or more structured as a partnership or limited liability company treated as a partnership). These investments are accounted for in accordance with the equity method, and consist of:

- Broadcasting interests - Coronet Communications Company (20% owned) and Capital Communications Company, Inc. (49% owned); as more fully described below, CIBL sold its broadcasting interests in 2013, and additional payments were received in 2014 (see Note 4).

- Broadband data transport - Dakota Carrier Network, LLC ("DCN") is a limited liability company treated as a partnership that is 3.4% owned by ICTC (see Note 5).

On July 21, 2015, CIBL formed Nevada PMV Acquisition Holding Company, LLC ("Nevada PMV") for the purpose of acting as the sponsor for a special purpose acquisition company, or SPAC. On August 7, 2015 PMV Acquisition Corp. ("PMV") was formed by Nevada PMV as a SPAC for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination involving PMV and one or more businesses. As a SPAC, PMV is a shell (blank check) company that has no operations and whose purpose was to go public with the intention of merging with or acquiring a company with the proceeds of the SPAC's initial public offering ("IPO"). At September 30, 2015, CIBL owned 76% of Nevada PMV and Nevada PMV owned 97% of PMV. If PMV completes its IPO to fund the SPAC, the ownership of Nevada PMV and PMV will change. Certain costs and expenses have been deferred at September 30, 2015 associated with CIBL's consideration of the SPAC's IPO.

## 2. Summary of Significant Accounting Policies

### *Principles of Consolidation*

The accompanying financial statements include the operations of the Company and its majority owned or controlled subsidiaries. All inter-company transactions and balances have been eliminated in consolidation.

The non-controlling interests represent the financial results of ICTC that are not owned by CIBL.

### *Interim Financial Statements*

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information. Accordingly, they are not audited and do not include all of the information and footnotes required for complete financial statements. These consolidated financial statements and footnotes should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's annual report for the year ended December 31, 2014. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and nine month period ended September 30, 2015 are not necessarily indicative of the results that may be expected for the year ending December 31, 2015. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### *Regulatory Accounting*

ICTC's public utility activities are regulated by the Federal Communications Commission ("FCC"). The North Dakota Public Service Commission does not regulate Rural Local Exchange Carriers ("RLECs") with fewer than 8,000 access lines, such as Inter-Community Telephone Company, LLC an indirect, wholly-owned subsidiary of ICTC. The Company follows the Federal Communication Commission's (FCC) Uniform System of Accounts, Part 32 of the FCC Rules and Regulations.

Where applicable, this regulated accounting recognizes the economic effects of rate regulation by recording costs and a return on investment; as such, amounts are recovered through rates authorized by regulatory authorities. Developments that could give rise to substantial modifications of regulatory accounting practices include (1) increasing competition restricting ICTC's wireline business' ability to establish prices to recover specific costs, and (2) significant changes in the manner in which rates are set by regulators from cost based regulation to another form of regulation. The Company periodically reviews the applicability of regulatory accounting guidelines based on the developments in its current regulatory and competitive environments.

### *Cash and Cash Equivalents*

The Company considers all highly liquid investments with maturities of three months or less at the date of purchase to be cash equivalents.

### *Short-term Investments*

The Company considers all highly liquid investments with maturities in excess of three months, and not greater than six months at the date of purchase, to be short-term investments.

### *Accounts Receivable*

Trade receivables are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. The receivables are non-interest bearing. Payments on trade receivables are applied to the applicable unpaid invoices. The carrying amount of the trade receivables is reduced by an amount that reflects management's best estimate of the amounts that will not be collected.

### Materials and Supplies

Inventories are stated at the lower of average cost or market.

### *Investments in Affiliated Entities, Equity Basis*

The Company accounts for its investments in affiliates in which it does not have majority voting control, but has the ability to significantly influence financial and operating policies, using with the equity method, based upon information in such equity investees' financial statements. See Note 5 for summarized financial information on the Company's equity method investment.

### *Cost Method Investments*

The Company accounts for certain investments, listed below, using the cost method because the Company does not exercise significant influence over the management.

The Company's 1.36% ownership interest in Solix, Inc. ("Solix") is accounted for using the cost method because the Company does not exercise significant influence over the management of Solix. Solix is an outsourcing firm that provides services such as billing and collection to the telecommunications industry. The carrying value of such investment at September 30, 2015, December 31, 2014 and September 30, 2014 was $100. In 2015 and 2014, CIBL received cash distributions from Solix of $10 in the second quarter of each year.

ICTC has an ownership interest in two North Dakota entities, each of which in turn holds an interest in one of two partnerships that provide cellular telephone service to Rural Service Area ("RSA") 3 and RSA 5 in North Dakota. ICTC's interests in these RSA partnerships amount to of 1.33% and 1.53%, respectively. The combined carrying value of these investments at September 30, 2015, December 31, 2014 and September 30, 2014 was $148. During the three and nine months periods ended September 30, 2015, ICTC received combined distributions from these investments of $449 and $589, respectively, and during the three and nine months ended September 30, 2014, ICTC received combined distributions from these investments of $74 and $145, respectively. Included in the 2015 distributions are $380 of special distributions relating to sale and leaseback arrangements executed by the RSAs

ICTC has an ownership interest in three additional entities that are accounted for on the cost method. The Company has invested $110 in these three companies.

***Goodwill***

Goodwill is tested annually for impairment, or more frequently if deemed necessary. ICTC tests goodwill for impairment using a two-step process. The first step is a screen for potential impairment in which ICTC determines its fair value based on a number of subjective factors, including: (a) appropriate weighting of valuation approaches (income approach, market approach and comparable company approach), (b) estimates of its future cost structure, (c) discount rates for estimated cash flows, (d) selection of peer group companies for its market approach, (e) required level of working capital, (f) assumed terminal value, and (g) time horizon of cash flow forecasts. ICTC estimates the fair value using Level 3 inputs as defined in the fair value hierarchy.

If such tests indicate potential impairment due to the carrying value of the reporting unit exceeding its fair value, then a second step measures the amount of impairment, if any. The Company performed the required annual tests as of December 31, 2014, and determined that there was no impairment at that time. There were no impairment losses recorded during the three and nine month periods ended September 30, 2015 and 2014.

***Telecommunications Plant and Equipment***

Additions to plant and equipment are recorded at cost, which includes contracted work, direct labor and materials, and allocable overheads. When units of plant and equipment are retired, sold, or otherwise disposed of in the ordinary course of business, their average book cost less net salvage is charged to accumulated depreciation. Maintenance and repair costs and the replacement and renewal of items determined to be less than units of plant and equipment are charged to expense.

***Depreciation***

The majority of ICTC's plant and equipment is plant used for the wireline telephone business. Depreciation is based on the composite group remaining life method and straight-line composite rates. This methodology provides for the recognition of the cost of the remaining investment in telephone plant and equipment less anticipated positive net salvage value, over the remaining asset lives. When depreciable telephone plant is replaced or retired, the carrying amount of such plant is deducted from the respective accounts and charged to accumulated depreciation, and no gain or loss is recognized. Use of this methodology requires the periodic revision of depreciation rates. In the evaluation of asset lives, multiple factors are considered, including expected future retirements, technology changes and the adequacy of depreciation reserves.

***Fair Value of Financial Instruments***

The Company follows Accounting Standards Codification (ASC) guidance on fair value measurements, which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets, which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

### *Impairment of Long-Lived Assets*

Long-lived assets, such as telecommunications plant, and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset group to estimated undiscounted future cash flows expected to be generated by the asset group. If the carrying amount of an asset group exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset group exceeds the fair value of the asset group. There were no asset impairments recorded during the three and nine month periods ended September 30, 2015 and 2014.

### *Income Taxes*

Income taxes are provided for the tax effects of transactions reported in the financial statements. Income taxes consist of taxes currently payable and those deferred due to temporary differences between the financial reporting and tax basis of the Company's assets and liabilities, using tax rates in effect in the period in which the temporary differences are expected to reverse. The Company establishes valuation allowances relating to deferred tax assets when management concludes that it is more likely than not that the Company will not realize a benefit from the reversal of such temporary differences. The Company and ICTC file separate tax returns.

### *Accounting for Uncertainty in Income Taxes*

The Company recognizes the effect of income tax positions only when the tax position is more likely than not to be sustained. Management is not aware of any exposure to uncertain tax positions that would require financial statement recognition or disclosure. The Company is no longer subject to federal or state income tax examinations for periods prior to the year ended December 31, 2012.

### *Revenue Recognition*

Telephone service revenue is primarily derived from regulated local, intrastate and interstate access services and recognized as services are provided.

### *Subsequent Events Evaluation by Management*

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is November 11, 2015.

## 3. Acquisition of Interest in ICTC Group, Inc.

Beginning in 2012, CIBL acquired 164,307 shares of Class A Common Stock of ICTC Group, Inc. for a total price of $3,712, or $22.59 per share. As of September 30, 2015, these shares represent 42.91% of ICTC s shares outstanding. The Company's percent ownership was 42.74% at December 31, 2014 and 40.63% at September 30, 2014. Effective April 11, 2013, a Voting Rights Agreement brought the Company's voting interest in ICTC to over 50%, 54.92% at September 30, 2015, and it began reporting ICTC results on a consolidated basis. Due to common ownership of both CIBL and ICTC, the acquired assets and liabilities were accounted for at their net book values and the difference between the acquisition price and the book value of the net assets was charged to contributed capital.

## 4. Sale of Broadcasting Interests

### *Capital Communications, Inc.*

On September 16, 2013, Lynch Entertainment Corporation II ("LENCO II', a wholly-owned subsidiary of CIBL), along with the other shareholders agreed to sell all of its interest in Capital Communications, Inc. ("Capital") for $17,750, subject to adjustment. Capital was the owner and operator of Station WOI-TV in the Des Moines/Ames, Iowa market. At that date, LENCO II owned (a) 10,000 shares of Capital Series B Preferred Stock, which were convertible into 10 shares of Capital's Common Stock, and (b) 490 shares of Capital's Common Stock, representing 49% of Capital's common shares outstanding. The Preferred Shares were converted to Common Shares prior to the closing of the transaction, giving LENCO II a 50% ownership in Capital.

Effective September 16, 2013, the buyer assumed the operations of Station WOI-TV, and under a Time Brokerage Agreement became entitled to all the economic benefits of owning and operating the Station.

In September 2013, the buyer in this transaction funded $10,500 of the Purchase Price, of which $2,027 was contributed to Capital to repay LENCO II's share of Capital's debt outstanding at that time. On March 13, 2014, after approval from the FCC was obtained, the transaction closed and the remainder of the Purchase Price ($7,500) was paid, which included an additional $250 adjustment based on reallocation of proceeds between the sellers of Capital. An additional $28 working capital adjustment was also received.

In addition to the sale proceeds noted above, certain other assets, net of liabilities, of Capital, not included in the transaction were liquidated and distributed to the previous shareholders of Capital, including LENCO II. At December 31, 2013, $1,408 was recorded as an accounts receivable and a total of $1,456 was received in 2014 as a result of this liquidation.

A total of $813 of expenses associated with the sale were paid in 2014. These expenses were included in accounts payable and accrued expenses at December 31, 2013.

Due to the contractual obligations of the buyer to fund the remaining purchase price even without FCC approval, CIBL recorded the gain on the sale of Capital in its financial statements for the year ended December 31, 2013. The pre-tax gain in 2013, was $16,604, net of sale expenses of $870.

During the third quarter of 2015, CIBL received an additional $30 from the sale of Capital which is included in Other Income.

***Coronet Communications Company***

Coronet Communications Company, a partnership in which Lynch Entertainment LLC ("LENCO", a wholly owned subsidiary of CIBL) owned a 20% partnership interest, was the owner and operator of Station WHBF-TV in the Quad Cities of the Iowa/Illinois market. In addition to its 20% ownership, LENCO is entitled to a 5% share of the Capital Proceeds, as defined in the partnership documentation, from the sale of Station WHBF-TV, prior to the allocation of the partnership assets.

On September 16, 2013, Coronet agreed to sell substantially all of the assets, primarily fixed equipment and other physical assets, and the FCC license associated with Station WHBF-TV for $28,700, plus or minus working capital adjustments. On that date, certain tangible personal property assets of Station WHBF-TV were transferred from Coronet to the buyer. Also effective September 16, 2013, the buyer assumed operation of Station WHBF-TV, and under a Time Brokerage Agreement became entitled to all of the economic benefits of owning and operating the Station.

In September 2013, the buyer funded $24,500 of the Purchase Price, of which $7,720 was used to repay Coronet's debt. After the repayment of debt and an additional amount retained to pay the estimated expenses of sale, Coronet distributed $3,016 to LENCO. On March 13, 2014, after approval from the FCC was obtained, the transaction closed and the remainder of the Purchase Price $4,200 was paid, from which $6 for working capital adjustment was deducted.

In addition to the sale proceeds noted above, certain other assets, net of liabilities, of Coronet, not included in the transaction, are being liquidated and distributed to the partners of Coronet, including LENCO. In March 2014, $1,232 was received as a result of this liquidation, which includes LENCO's 5% share of the Capital Proceeds.

Accordingly, in March 2014, CIBL received from Coronet $2,029 representing its share of the proceeds of sale and liquidation of assets, net of Coronet's expense associated with the sale.

Due to the contractual obligations of the buyer to fund the remaining purchase price even without FCC approval, CIBL recorded the gain on the sale of the assets of WHBF-TV in its financial statement for the year ended December 31, 2013. LENCO's allocated share of the gain was $4,674.

(In Thousands)

In addition, after recording this gain, which is included in equity in earnings of affiliates, and recognizing the remaining cash distributions to be received from Coronet, LENCO will have a negative $790 investment in Coronet, when ultimately liquidated. Accordingly, this negative investment was recorded as a gain in the consolidated statement of income for the year ended December 31, 2013.

## 5. Equity Method Investment in DCN

Summarized financial information for the investment in DCN as of and for the three and nine months ended September 30, 2015 and 2014 is as follows:

| | 2015 | 2014 |
|---|---|---|
| Current assets | $7,350 | $5,159 |
| Property, plant and equipment, net | 48,457 | 44,777 |
| Other assets | 627 | 210 |
| Total Assets | $56,434 | $50,146 |
| Current liabilities | $637 | $550 |
| Equity | 55,797 | 49,596 |
| Total liabilities and equity | $56,434 | $50,146 |
| | | |
| Three Months Ended | | |
| Revenues | $10,619 | $11,018 |
| Expenses | $8,227 | $8,105 |
| Net Income | $2,607 | $3,102 |
| | | |
| Nine Months Ended | | |
| Revenues | $32,627 | $33,805 |
| Expenses | $25,001 | 24,692 |
| Net Income | $8,098 | $9,714 |

ICTC recognized equity earnings from DCN of $90 and $106 during the three months ended September 30, 2015 and 2014, respectively, and $278 and $333 for the nine months ended September 30, 2015 and 2014, respectively. ICTC received distributions from DCN of $161 and $270 the nine month periods ended September 30, 2015 and 2014, respectively.

(In Thousands)

## 6. Telecommunications, Plant and Equipment

At September 30, 2015, December 31, 2014 and September 30, 2014, the telecommunications plant and equipment accounts at ICTC consisted of the following:

| | Sep. 30 2015 | Dec. 31 2014 | Sep. 30 2014 | Depreciation Rate |
|---|---|---|---|---|
| Land and support assets | $2,484 | $2,257 | $2,293 | 2.9%-20.0% |
| Central office switching equipment | 6,178 | 4,983 | 6,055 | 6.67%-20.0% |
| Cable and wire facilities | 14,913 | 14,741 | 14,118 | 3.9%-6.67% |
| Internet equipment | 324 | 321 | 319 | 15.0% |
| Total in service | 23,899 | 22,302 | 22,785 | |
| Under construction | 63 | 17 | 865 | |
| | 23,962 | 22,319 | 23,650 | |
| Accumulated depreciation | 17,210 | 15,730 | 17,020 | |
| | $6,752 | $6,589 | $6,630 | |

## 7. Note Receivable

The Company has a promissory note due from Lynch Paging Corporation, a subsidiary of LICT, with an original principal amount of $1,500. The note was obtained in connection with the 2007 spin off of the Company from LICT. The note bears interest at 5% with interest to be paid in-kind. The note will mature in ten years or earlier predicated on the occurrence of certain events. Subsequent to the spin-off, management and other service fees and expenses owed by CIBL to LICT are offset against the note on a periodic basis. As of September 30, 2015, December 31, 2014 and September 30, 2014, there was $35, $145 and $218, respectively, outstanding on the note receivable. During the three and nine month periods ended September 30, 2015 management fees of $38 and $113 were offset against the note by LICT (see Note 11) the amounts for the three and nine months periods ended September 30, 2014 were $75 and $225, respectively. In addition, interest accrued on the note was $1 and $3 in for the three and nine months ended September 30, 2015, respectively, and $3 and $11 for the three and nine months periods ended September 30, 2014, respectively.

## 8. Long-Term Debt

At September 30, 2015, December 31, 2014, and September 30, 2014, ICTC's long-term debt consisted of:

| | Sep. 30 2015 | Dec. 31 2014 | Sep. 30 2014 |
|---|---|---|---|
| RUS Broadband Loan | $679 | $483 | $487 |
| Subordinated notes | 2,072 | 2,072 | 2,072 |
| | 2,751 | 2,555 | 2,559 |
| Less current maturities | (24) | (18) | (18) |
| | $2,727 | $2,537 | $2,541 |

ICTC has subordinated notes with former shareholders of Inter-Community for $2,072 as of September 30, 2015. The average interest rates on the notes is 3.44% and the maturity date is December 31, 2022. Interest on the notes is paid quarterly. The notes may be prepaid at any time without penalty.

ICTC received a loan of $713 on the Broadband Initiatives Program ("BIP") Loan (see Note 9). The loan is due in monthly payments of principal and interest over 23 years at an average interest rate of 3.02%. The BIP loan/grant agreement also includes certain financial and other covenant requirements.

## 9. Broadband Initiatives Program

ICTC was awarded a stimulus loan and grant pursuant to the American Recovery and Reinvestment Act of 2009 to finance the construction of a broadband infrastructure project in rural areas. The $2,339 project was completed during 2014. The project was funded through a broadband loan from the Rural Utilities Service (RUS) of $713 and the remaining amount was funded through a grant.

## 10. Treasury Stock

Since CIBL was spun off by LICT Corporation, on November 19, 2007, under authorizations by the Board of Directors the Company has acquired 2,513 shares of its common stock at an average price of $1,141 per share. During the nine months ended September 30, 2015, CIBL acquired 249 shares at an average price $1,354 per share. At September, 30, 2015, 3,811 shares are remaining under the Board authorized share repurchase program.

In addition to its open-market repurchase programs, the Company has conducted two tender offers for its shares, purchasing a total of 4,746 shares at an average price of $1,100 per share. The most recent of these offers was commenced during December 2013, when CIBL's Board of Directors authorized a modified "Dutch Auction" tender offer to purchase up to 2,200 shares of common stock. Under the offer, the Board had the right to accept additional shares tendered in an amount of up to 2% of its shares outstanding, or 432 additional shares. In January 2014, the Company purchased 2,286 shares from the Dutch auction, at an investment of $1,320 per share.

## 11. Related Party Transactions (Not Disclosed Elsewhere)

LICT Corporation, an affiliate, provides administrative and management services to CIBL based on a contractual agreement. As compensation for these services, LICT received a fee during the three and nine month periods ended September 30, 2015 of $38 and $113, respectively and during the three and nine months periods ended September 30, 2014 were $75 and $225, respectively. Effective January 1, 2015, CIBL's fee is $150 per year and ICTC pays LICT a management fee equal to $100 per year.

At September 30, 2015, December 31, 2014 and September 30, 2014, cash and short-term investments of $25,508, $26,018 and $28,560, respectively, were invested in

United States Treasury money market funds for which affiliates of one of the Company's Directors serve as investment managers.

* * * * *

# CIBL, Inc. and Subsidiaries

# Supplementary Information to Condensed Financial Statements

# September 30, 2015

**CIBL, Inc. and Subsidiaries**
Consolidating Balance Sheets
September 30, 2015
(In Thousands)

| | CIBL Inc. Consolidated | ICTC Group, Inc. Consolidated | Eliminations | Consolidated |
|---|---|---|---|---|
| **Assets** | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | $24,051 | $3,113 | $-- | $27,164 |
| Accounts receivable, net of allowance of $4 | -- | 387 | -- | 387 |
| Amounts due from sale of broadcasting interests | 17 | -- | -- | 17 |
| Prepaid income taxes | 291 | 104 | -- | 395 |
| Deferred income taxes | -- | 93 | -- | 93 |
| Prepaid expenses | -- | 650 | -- | 650 |
| Total Current Assets | 24,359 | 4,347 | -- | 28,706 |
| Telecommunications, plant and equipment, net | 3 | 6,749 | -- | 6,752 |
| Note receivable due from an affiliate | 35 | -- | -- | 35 |
| Investments in equity method affiliated entities | 4,600 | 1,915 | (4,600) | 1,915 |
| Other investments, at cost | 100 | 267 | -- | 367 |
| Deferred Offering Costs | 65 | -- | -- | 65 |
| Goodwill | -- | 1,772 | -- | 1,772 |
| Total Assets | $29,162 | $15,050 | ($4,600) | $39,612 |

**CIBL, Inc. and Subsidiaries**
Consolidating Balance Sheets – Continued
September 30, 2015
(In Thousands)

| | CIBL Inc. Consolidated | ICTC Group, Inc. Consolidated | Eliminations | Consolidated |
|---|---|---|---|---|
| **Liabilities and Equity** | | | | |
| Current Liabilities | | | | |
| Accounts payable and accrued expenses | $77 | $249 | $-- | $326 |
| Income tax payable | -- | 309 | -- | 309 |
| Other current liabilities | -- | 344 | -- | 344 |
| Current maturities of long-term debt | -- | 24 | -- | 24 |
| Total Current Liabilities | 77 | 926 | -- | 1,003 |
| Long-term debt | -- | 2,727 | -- | 2,727 |
| Deferred income taxes | 328 | 2,385 | -- | 2,713 |
| Construction deposit | -- | 32 | -- | 32 |
| Total Liabilities | 405 | 6,070 | -- | 6,475 |
| Equity | | | | |
| Common stock, par value $.01, 30,000 shares authorized; 25,115 issued; and 17,856 outstanding | -- | -- | -- | -- |
| Contributed capital | 3,862 | 1,760 | (2,507) | 3,115 |
| Retained earnings | 32,983 | 7,644 | (7,644) | 32,983 |
| Treasury stock, 7,258 shares at cost | (8,088) | (424) | 424 | (8,088) |
| Total CIBL, Inc.'s Stockholders' Equity | 28,757 | 8,980 | (9,727) | 28,010 |
| Non-controlling interest | -- | -- | 5,127 | 5,127 |
| Total Equity | 28,757 | 8,980 | (4,600) | 33,137 |
| Total Liabilities and Equity | $29,162 | $15,050 | ($4,600) | $39,612 |

**CIBL, Inc. and Subsidiaries**
Consolidating Statement of Operations
Three Months Ended September 30, 2015
(In Thousands)

| | CIBL Inc. Consolidated | ICTC Group, Inc. Consolidated | Eliminations | Consolidated |
|---|---|---|---|---|
| **Revenue** | | | | |
| Broadband data/communications | $-- | $905 | -- | $905 |
| Total Revenue | -- | 905 | -- | 905 |
| **Costs and Expenses** | | | | |
| Cost of operating revenue, excluding depreciation | -- | 427 | -- | 427 |
| General and administrative costs of operations | -- | 155 | -- | 155 |
| Management fee | 38 | 25 | -- | 63 |
| Corporate office expense at ICTC | -- | 95 | -- | 95 |
| Corporate office expense at CIBL | 62 | -- | -- | 62 |
| Depreciation | -- | 228 | -- | 228 |
| Total Operating Expenses | 100 | 930 | -- | 1,030 |
| Operating Income (Loss) | (100) | (25) | - | (125) |
| **Other Income (Expense)** | | | | |
| Investment income | -- | 451 | -- | 451 |
| Interest expense | -- | (23) | -- | (23) |
| Equity in earnings of affiliated entities | 181 | 90 | (181) | 90 |
| Gain on sale of investments | 35 | -- | -- | 35 |
| Total Other Income (Expense) | 216 | 518 | (181) | 553 |
| Net Income (Loss) Before Income Taxes | 116 | 493 | (181) | 428 |
| Income tax benefit (expense) | 8 | (71) | -- | (63) |
| Net Income (Loss) | 124 | 422 | (181) | 365 |
| Non-controlling interests | -- | -- | (241) | (241) |
| Net Income (Loss) Attributable to CIBL, Inc.'s Stockholders | $124 | $422 | ($422) | $124 |

**CIBL, Inc. and Subsidiaries**
Consolidating Statement of Operations
Nine Months Ended September 30, 2015
(In Thousands)

| | CIBL Inc. Consolidated | ICTC Group, Inc. Consolidated | Eliminations | Consolidated |
|---|---|---|---|---|
| **Revenue** | | | | |
| Broadband data/communications | $-- | $2,979 | -- | $2,979 |
| Total Revenue | -- | 2,979 | -- | 2,979 |
| **Costs and Expenses** | | | | |
| Cost of operating revenue, excluding depreciation | -- | 1,373 | -- | 1,373 |
| General and administrative costs of operations | -- | 521 | -- | 521 |
| Management fee | 113 | 75 | -- | 188 |
| Corporate office expense at ICTC | -- | 213 | -- | 213 |
| Corporate office expense at CIBL | 201 | -- | -- | 201 |
| Depreciation | -- | 659 | -- | 659 |
| Total Operating Expenses | 314 | 2,841 | -- | 3,155 |
| Operating Income (Loss) | (314) | 138 | - | (176) |
| **Other Income (Expense)** | | | | |
| Investment income | 13 | 594 | -- | 607 |
| Interest expense | -- | (90) | -- | (90) |
| Equity in earnings of affiliated entities | 310 | 278 | (310) | 278 |
| Gain on sale of investments | 35 | -- | -- | 35 |
| Total Other Income (Expense) | 358 | 782 | (310) | 830 |
| Net Income (Loss) Before Income Taxes | 44 | 920 | (310) | 654 |
| Income tax benefit (expense) | 29 | (196) | -- | (167) |
| Net Income (Loss) | 73 | 724 | (310) | 487 |
| Non-controlling interests | -- | -- | (414) | (414) |
| Net Income (Loss) Attributable to CIBL, Inc.'s Stockholders | $73 | $724 | ($724) | $73 |

**CIBL, Inc. and Subsidiaries**
Consolidating Statements of Cash Flows
Nine Months Ended September 30, 2015
(In Thousands)

| | CIBL Inc. Consolidated | ICTC Group, Inc. Consolidated | Eliminations | Consolidated |
|---|---|---|---|---|
| **Cash Flows Provided By (Used In) Operating Activities** | | | | |
| Net income (loss) attributable to CIBL, Inc.'s stockholders | $73 | $724 | ($724) | $73 |
| Non-controlling interests | -- | -- | 414 | 414 |
| Net income (loss) | 73 | 724 | (310) | 487 |
| Adjustments to reconcile net income to net cash from operating activities: | | | | |
| Equity in earnings of affiliated entities | (310) | (278) | 310 | (278) |
| Distributions from affiliated entities | -- | 161 | -- | 161 |
| Depreciation | -- | 659 | -- | 659 |
| Deferred income taxes | 114 | (102) | -- | 12 |
| Interest income (in-kind) | (3) | -- | -- | (3) |
| Management fees (in-kind) | 113 | -- | -- | 113 |
| Unrealized gains on investments | -- | (2) | -- | (2) |
| Gain from sale of investments | (35) | -- | -- | (35) |
| Changes in operating assets and liabilities: | | | | |
| Accounts receivable | 25 | 83 | (25) | 83 |
| Other current assets | 23 | (455) | -- | (432) |
| Accounts payable and accrued expenses | 29 | 76 | 25 | 130 |
| Income tax payable/prepaid income tax | (241) | 293 | -- | 52 |
| Other liabilities | -- | 4 | -- | 4 |
| Net Cash Provided By (Used In) Operating Activities | (212) | 1,163 | -- | 951 |

**CIBL, Inc. and Subsidiaries**
Consolidating Statements of Cash Flows - Continued
Nine Months Ended September 30, 2015
(In Thousands)

| | CIBL Inc. Consolidated | ICTC Group, Inc. Consolidated | Eliminations | Consolidated |
|---|---|---|---|---|
| **Cash Flows Provided By (Used In) Investing Activities** | | | | |
| Capital spending | (3) | (818) | -- | (821) |
| BIP grant funds received | -- | 481 | -- | 481 |
| Acquisition of shares in ICTC Group, Inc. | -- | -- | (34) | (34) |
| Proceeds from Sale of Coronet Communications Inc. | 30 | | | 30 |
| Other | -- | (20) | -- | (20) |
| Net Cash Provided By (Used In) Investing Activities | 27 | (357) | (34) | (364) |
| **Cash Flows Provided By (Used In) Financing Activities** | | | | |
| Purchase of treasury stock | (337) | (34) | 34 | (337) |
| Advances under BIP Loan | -- | 211 | -- | 211 |
| Principal payments of long-term debt | -- | (15) | -- | (15) |
| Deferred Offering Costs | (65) | | | (65) |
| Net Cash Provided By (Used In) Financing Activities | (402) | 162 | 34 | (206) |
| Net Change in Cash and Cash Equivalents | (587) | 968 | -- | 381 |
| **Cash and Cash Equivalents** | | | | |
| Beginning of year | 24,638 | 2,145 | -- | 26,783 |
| End of year | $24,051 | $3,113 | $-- | $27,164 |
| **Supplemental Cash Flow Information** | | | | |
| Cash paid for income taxes | $98 | $5 | $-- | $103 |
| Cash paid for interest | $-- | $90 | $-- | $90 |

# CIBL, Inc. and Subsidiaries

# Management's Discussion and Analysis of Financial Condition and Results of Operations

## September 30, 2015

## Management's Discussion and Analysis of Financial Condition and Results of Operations

*The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with its audited consolidated financial statements and related notes.*

### RESULTS OF OPERATIONS

### Forward-Looking Statements and Uncertainty of Financial Projections

Forward-looking statements are not based on historical information but relate to future operations, strategies, financial results or other developments. Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject, without limitation, to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control and many of which, with respect to future business decisions, are subject to change. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, the Company.

### Overview

Currently, CIBL, Inc. ("CIBL" or the "Company") has one operating business, through a 42.91% ownership in ICTC Group, Inc. ("ICTC"), a provider of broadband data transport and voice communications in southeastern North Dakota. Under a Voting Rights Agreement, the Company's voting interest in ICTC is 54.92% and, accordingly, it reports ICTC results on a consolidated basis.

In addition, as a result of the sale of certain of its investments over the last couple of years, the majority of the Company's assets are comprised of cash and cash equivalents.

On July 21, 2015, CIBL formed Nevada PMV Acquisition Holding Company, LLC ("Nevada PMV") for the purpose of acting as the sponsor for a special purpose acquisition company, or SPAC. On August 7, 2015 PMV Acquisition Corp. ("PMV") was formed by Nevada PMV as a SPAC for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination involving PMV and one or more businesses. As a SPAC, PMV is a shell (blank check) company that has no operations and whose purpose was to go public with the intention of merging with or acquiring a company with the proceeds of the SPAC's initial public offering ("IPO"). At September 30, 2015, CIBL owned 76% of Nevada PMV and Nevada PMV owned 97% of PMV. If PMV completes its IPO to fund the SPAC, the ownership of Nevada PMV and PMV will change. Certain costs and expenses have been deferred at September 30, 2015 associated with CIBL's consideration of the SPAC's IPO.

### Three Months Ended September 30, 2015 and 2014

The Company recorded $905,000 in consolidated revenues in the third quarter of 2015 as compared to $953,000 in the third quarter of 2014. All consolidated revenues were the result of CIBL's consolidation of ICTC. ICTC revenues decreased due to higher DSL wholesale tariff rates which have the effect of decreasing regulated inter-state revenues.

Consolidated operating costs and expenses of $1,030,000 in the third quarter of 2015 consisted of $100,000 of corporate office expense at CIBL, as compared to $142,000 in 2014, and $930,000 of costs and expenses associated with ICTC. ICTC's costs and expenses increased by $128,000 from the 2014 period of $802,000 and reflect the following significant variances: increased depreciation costs of $62,000 due to a change in depreciation rates in the fourth quarter of 2014, and higher corporate expenses due to certain compensation measures initiated in the second quarter of 2015, but will ultimately reduce costs on an overall basis and beyond. CIBL's costs reduction included a $38,000 decrease in CIBL's management fee to LICT Corporation. A $25,000 management fee, which in 2014 was paid to CIBL from ICTC, and, accordingly was eliminated in consolidation; in 2015 this fee is being paid directly to LICT Corporation.

Accordingly, ICTC incurred an operating loss of $25,000 in the third quarter of 2015 as compared to an operating profit of $151,000 in 2014, and CIBL incurred an operating loss of $100,000, as compared to an operating loss of $117,000 in the 2014 period.

Investment income of $451,000 for the three months ended September 30, 2015 and $77,000 for the three months ended September 30, 2014. Investment income is primarily the cash distributions from ICTC's minority ownership in two wireless telecommunications and data operations in eastern North Dakota (North Dakota RSAs # 3 and # 5). In the third quarter of 2015, these RSA distributions included special distributions of $280,000 relating to a sale and leaseback arrangement executed by the RSAs.

Equity in earnings of affiliates was $90,000 for the three months ended September 30, 2015 and represents ICTC's minority ownership in Dakota Carrier Network, LLC ("DCN"). The amount was $106,000 in 2014.

Interest expense was $23,000 for the three months ended September 30, 2015, and $35,000 for the three months ended September 30, 2014, and represents interest on ICTC's long term debt; the decrease represents a reduction of the interest rate on $1.3 million of subordinated notes from 6% to 2% in July 2015.

The Company's effective tax rates for 2015 and 2014 were 14.6% and 2.2%, respectively. The difference between these rates and the federal statutory rate of 34% is primarily due to the double taxation on ICTC's earnings since they are not included in CIBL's consolidated tax returns and the effect of state income taxes. In addition, the RSA distributions received by ICTC are eligible for 70% dividend received deduction.

Non-controlling interests in 2015 of $24,000 and $122,000 in 2014 represent the share of ICTC's earnings that are attributable to the ICTC shares that are not owned by CIBL.

As a result of the above, CIBL recorded a net profit of $124,000 for the three months ended September 30, 2015 as compared to net loss of $56,000 in the for the three months ended September 30, 2014.

**Nine Months Ended September 30, 2015 and 2014**

The Company recorded $2,979,000 in consolidated revenues in the first nine months of 2015 as compared to $2,903,000 in the first nine months of 2014. Revenues increased due to higher regulated inter-state revenues at ICTC due to increased depreciation expense offset by higher DSL wholesale tariff rates.

Consolidated operating costs and expenses of $3,155,000 in the first nine months of 2015 consisted of $314,000 of corporate office expense at CIBL, as compared to $448,000 in 2014, and $2,841,000 of costs and expenses associated with ICTC. ICTC's costs and expenses increased by $374,000 from the 2014 period of $2,467,000 and reflect the following significant variances: increased depreciation costs of $119,000 due to a change in depreciation rates in the fourth quarter of 2014, and increased network and higher corporate expenses due to certain compensation measures initiated in the second quarter of 2015, but will ultimately reduce costs on an overall basis and beyond. CIBL's cost reductions included an $113,000 decrease in CIBL's management fee to LICT Corporation. A $75,000 management fee, which in 2014 was paid to CIBL from ICTC, and accordingly was eliminated in consolidation in 2015, is being paid directly to LICT Corporation.

Accordingly, ICTC results contributed $138,000 to CIBL's consolidated operating profit in the first three quarters of 2015 as compared to $436,000 in 2014, and CIBL incurred an operating loss of $314,000, as compared to an operating loss of $373,000 in the 2014 period.

Investment income of $607,000 for the nine months ended September 30, 2015 and $217,000 for the nine months ended September 30, 2014 due to increased cash distributions from ICTC's minority ownership in two wireless telecommunications and data operations in eastern North Dakota. In the third quarter of 2015, these RSA distributions included special distributions of $380,000 relating to a sale and leaseback arrangement executed by the RSAs.

Equity in earnings of affiliates was $278,000 for the nine months ended September 30, 2015 from ICTC's minority ownership in DCN as compared to $333,000 in 2014.

Interest expense, on ICTC's long-term debt, was $90,000 for the nine months ended September 30, 2015, and $105,000 for the nine months ended September 30, 2014; the decrease represents a reduction of the interest rate on $1.3 million of subordinated notes from 6% to 2% in July 2015.

The Company's effective tax rates for 2015 and 2014 were 25.5% and 28.1%, respectively. The difference between these rates and the federal statutory rate of 34% is primarily due to the double taxation on ICTC's earnings since they are not included in CIBL's consolidated tax returns and the effect of state income taxes. In addition, the RSA distributions received by ICTC are eligible for 70% dividend received deduction.

Non-controlling interests, in 2015, of $414,000 and $350,000 in 2014. The decrease is due to lower ICTC earnings.

As a result of the above, CIBL recorded a net income of $73,000 for the nine months ended September 30, 2015 as compared to net income of $15,000 in the for the nine months ended September 30, 2014.

## LIQUIDITY AND CAPITAL RESOURCES

### Working Capital

As of September 30, 2015, CIBL, and PMV Acquisition Corp., had $24,051,000 in cash and cash equivalents and ICTC had $3,113,000 in cash and cash equivalents.

CIBL's current assets of $24,359,000 exceed current liabilities, of $77,000, by $24,282,000. ICTC's current assets of $4,347,000 exceed current liabilities, of $926,000, by $3,421,000.

### Debt

ICTC has subordinated notes payable of $2,072,000 outstanding, with an average interest rate of 3.44%, payable quarterly, and a maturity of December 31, 2022. The notes may be prepaid at any time without penalty.

Also, ICTC currently has a loan of $679,000 as part of the Broadband Initiatives Program, and is due in monthly payments of principal and interest over 23 years at an average interest rate of 3.02%. Principal payments over the next five years are approximately $22,000 per year.

### Cash Proceeds from Sale

In September 2013, the Company sold its interests is its two television broadcasting stations. The net cash proceeds from the sale of Station WOI-TV, after repayment of debt, expenses associated with the sale, liquidation of remaining net assets, and associated income tax payments were $11,013,000, of which $5,440,000 was received in 2013 and $5,543,000 was received in 2014 and $30,000 was received in 2015 The net cash proceeds from the sale of Station WHBF-TV, after repayment of debt, expenses associated with the sale, liquidation of remaining net assets, and associated income tax payments were $1,030,000, of which $3,008,000 was received in 2013, $1,330 was received in 2014.

### Investment in ICTC Group Inc.

In November 2012, CIBL acquired 80,000 authorized but previously unissued shares of Class A Common Stock of ICTC, for $22 per share. On December 26, 2012, the Company completed a tender offer to ICTC shareholders in which it acquired an additional 81,552 shares for $22.25 per share. Including related transaction costs, this resulted in a $3,651,000 investment. During 2014 and 2013 and, the Company purchased an additional 555 and 2,200 shares, respectively of ICTC at an average price of $22.14 per share.

In November 2014 the Board of Directors of ICTC authorized the purchase of 25,000 of shares of its Class A Common Stock and in March 2015 it authorized the purchase of an additional 25,000 shares. Through September 30, 2015, 20,290 shares of been repurchased at an average price of $19.46 per share. 260 shares were purchased during the six months ended June 30, 2015 at a price of $19.05 per share.

**Share Repurchases and Distributions**

On July 16, 2013 CIBL's Board of Directors authorized the purchase of up to 2,000 shares of its common stock. Since that time, the Board has increased the authorization by 3,300 shares, including a 2,000 share increase in June 2015. There are 3,811 shares remaining to be purchased under this program.

Since CIBL was spun off by LICT Corporation, on November 19, 2007, the Company has acquired 2,513 shares of its common stock at an average price of $1,141. During the nine months ended September 30, 2015, it acquired 249 shares at an average price of $1,354.

In addition to its repurchase programs, the Company has conducted two tender offers for its shares. In December 2012, it completed a modified “Dutch Auction” tender offer and purchased 2,460 shares at an average investment, including transaction costs, of $896 per share. In January 2014, the Company completed another modified “Dutch Auction” tender offer and purchased 2,286 shares at an investment, including transaction costs, of $1,320 per share.

Since its spin-off from LICT Corporation in 2007, the Company has paid cumulative cash distributions to its shareholders of $4,264,000, or $170 per share and purchased a total of 7,170 of shares back for a total $7,969,000, or 1,111 per share.

**Strategic Options**

As of September 30, 2015, CIBL Company had $24,051,000 of cash and cash equivalents.

On June 16, 2013 the Company announced that its Board of Directors had authorized the creation of a Special Purpose Acquisition Corporation (“SPAC”) by CIBL. To this end, on August 7, 2015, PMV was formed by Nevada PMV as a SPAC for the purpose of effecting a merger, capital stock exchange, assert acquisition, stock purchase, reorganization or similar business combination involving PMV and one or more businesses. It is anticipated that this SPAC would seek an acquisition candidate from a broad range of industries, company sizes and geographies.

In addition, the Board of Directors is considering a number of other possible options with regard to the future activities of the Company, including but not limited to:

- Acquiring a company or business in a related or unrelated industry, including additional shares of ICTC;
- Maximizing short and long term returns on its portfolio of liquid assets through alternative investments;
- Reacquiring CIBL's outstanding common shares, through open market purchases or another “Dutch Auction” tender offer;
- Making a cash distribution to CIBL shareholders; or
- Selling CIBL's remaining assets and liquidating the Company.

Among the factors being considered by the Board of Directors in determining the best way to serve shareholders' interests are:

- The current and future federal and state income tax effects of the various alternatives;
- The timing of the cash flow implications;

- The availability and attractiveness of potential acquisition candidates;
- The value of CIBL's remaining assets; and
- Any other factor that could help to maximize shareholder value.