

RECEIVED-FPSC
10 MAY -7 PM 12:39
COMMISSION CLERK

ATMS
Associated Telecommunications Management Services
6905 N. Wickham Rd. Suite 403
Melbourne, FL 32940
(321) 254-4949

April 27, 2010

VIA OVERNIGHT DELIVERY

REDACTED

Florida Public Service Commission
Robert J. Casey
Public Utilities Supervisor
2540 Shumard Oak Blvd.
Gunter Bldg.
Tallahassee, Florida 32399-0850

100000

Re: American Dial Tone
Certificate No. 5805
Third Lifeline Data Request
CONFIDENTIAL TREATMENT REQUESTED

Dear Mr. Casey

Enclosed please find one original copy of American Dial Tone and ATMS's Financial Statements, the Resume of Justin Nymark, President of American Dial Tone, Exhibit "A" pertaining to question number 45, the organizational chart of ATMS and its subsidiaries, the Management Agreement between ATMS and ADT and Forms 497 filed with USAC.

Pursuant to statutory confidential provisions of Section 364.183, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, American Dial Tone and ATMS hereby request confidential treatment for its financial information, Organizational Chart of Companies, Management Agreement between ATMS and American Dial Tone, Exhibit "A" and the resume of Justin Nymark and Forms 497.

Please return a stamped copy of the extra copy of this letter in the enclosed preaddressed prepaid envelope. If you have any questions please do not hesitate to call me. Thank you for your attention to this matter.

COM _____ Sincerely,
APA _____
ECR _____
GCL 1 *Christina B Sutch*
RAD 1 Christina B. Sutch
SSC _____ In-House Corporate Council, ATMS
ADM _____
OPC _____
CLK 1

This claim of confidentiality was filed by or on behalf of a "telco" for Confidential DN 03849-10. The document is in locked storage pending advise on handling. To access the material, your name must be on the CASR. If undocketed, your division director must provide written permission before you can access it.

DOCUMENT NUMBER-DATE

03848 MAY-7 0

FPSC-COMMISSION CLERK

COMMISSIONERS:
NANCY ARGENZIANO, CHAIRMAN
LISA POLAK EDGAR
NATHAN A. SKOP
DAVID E. KLEMENT
BEN A. "STEVE" STEVENS III

STATE OF FLORIDA



DIVISION OF REGULATORY ANALYSIS
BETH W. SALAK
DIRECTOR
(850) 413-6600

Public Service Commission

April 8, 2010

Mr. Justin Nymark, General Manager
American Dial Tone
2323 Curlew Road, Suite 7C
Dunedin, FL 34683-9332

Re: Certificate No. 5805, American Dial Tone

Dear Mr. Nymark:

Thank you for responding to staff's March 11, 2010 Lifeline Reseller data request. In response to data requests No. 30 and 31, you asked staff to explain the legal basis and relevance for the questions regarding criminal charges and civil litigation. Under Section 214 of the Communications Act of 1934, as amended (the Act),¹ state commissions must determine that an ETC designation is consistent with the public interest, convenience and necessity. Section 254 requires consideration of principles that are necessary and appropriate for the protection of the public interest, convenience and necessity. This is not a one-time requirement, it is an on-going monitoring process to prevent waste, fraud and abuse of the federal Universal Service program. As expressed by the Federal Communications Commission, "Individual state commissions are uniquely qualified to determine what information is necessary to ensure that ETCs are complying with all applicable requirements, including state-specific ETC eligibility requirements."²

By Order PSC-06-0298-PAA-TX, issued April 14, 2006, the Florida Public Service Commission (FPSC) designated American Dial Tone as an Eligible Telecommunications Carrier (ETC). In order to safeguard and protect the integrity of the Universal Service program, this Commission continually monitors all companies it designates as ETCs to insure that each ETC adheres to the commitments it made in its ETC application and complies with the requirements set forth in its FPSC ETC designation order. The FPSC also has an obligation to insure that a company certificated as a competitive local exchange company (CLEC) by the FPSC maintains sufficient technical, financial and managerial capability to provide quality, reasonable, and affordable service to the citizens of Florida.

After reviewing American Dial Tone's responses to the second data request, staff needs additional information and clarification on some of the responses. Please provide a written

¹ See 47 U.S.C. § 254(e). The Communications Act of 1934 was amended by the Telecommunications Act of 1996.

² FCC 05-46, released April 26, 2005, ¶71

Mr. Justin Nymark, General Manager
American Dial Tone
Third Lifeline Data Request
April 8, 2010

response to each of the questions in this third data request, and provide the requested documents on or before Friday, April 23, 2010.

American Dial Tone may avail itself of the statutory confidential provisions of Section 364.183, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, if it believes it is necessary to comply with this data request. If you have questions, please contact Bob Casey at (850) 413-6974. Thank You.

Sincerely yours,

Beth W. Salak
Director

RJC

cc: Division of Regulatory Analysis (Trapp, Casey)

38. In response to data request No. 19, American Dial Tone (ADT) states a Lifeline customer would not be moved to another owned or affiliated company of Associated Telecommunications Management Company (ATMS) "unless the customer elects to be switched." According to the terms on the reverse side of ADT's Lifeline application, it appears that each Lifeline customer, by signing the application, has made that election and provided ADT authority to be switched to another company. Please explain. ***This information has been deleted from the Lifeline form. Please see the attachment.***
39. In response to data request No. 22, ADT states that it will service customers using its leased switch and its own provisioning server and billing mediation server. Staff needs additional detailed information on what physical components of the telecommunications network are being used to serve Lifeline customers. If ADT uses a switch or servers as proof it owns its own facilities, please provide a contract or bill of sale showing proof of ownership of the switch and servers. Also, provide the physical location of the switch and servers along with the days and times a PSC engineer could examine the switch and servers. Please update this spreadsheet by including the same information for January, February, and March 2010. ***321Communications is a CLEC and IXC . We don't have all the details of their network just as we don't have all the details of the Bellsouth network which our customer uses on the local side. However we do know 321Communications uses the Cisco PGW which performs the signaling and call-control tasks (such as digit analysis, routing, circuit selection, and more) within the Public Switched Telephone Network (PSTN) gateway infrastructure. Taking advantage of a vast Signaling System 7 (SS7) protocol library and supporting industry-standard control protocols.***
40. Data request No. 23 requested copies of each Form 497 filed with the Universal Service Administrative Company (USAC) since becoming an ETC in Florida. Staff did not receive these copies. The attachment was blocked due to a security issue regarding the zip file. Please forward hard-copies of all 497 forms filed with the USAC since becoming an ETC in Florida. ***Please see attached.***
41. In response to data request No. 26, ADT provided the following response for the incremental costs of toll limitation service:

Incremental Cost Breakdown - This is calculated by: New Count + Conversion Count is equal to the total new customers. The number is multiplied by a \$1.00 and also by \$2.99. The count of recurring customers is multiplied by \$4.99. The three numbers are added together. The sum of the three numbers is then divided by the count of all the new customers and recurring customers (added together).

Please provide a detailed explanation of what is included in the \$1.00 toll limitation charge and how that amount was calculated: ***The customer service representative at the call center takes approximately 3.5 minutes to explain the toll limitation option to the customer. The \$1.00 cost is based on the customer service representative's hourly rate of the employee at \$15.00. So the cost is 87.5 cents for the explanation and the remainder is for miscellaneous costs including***

without limitation the printing of supporting material and customer service representative training.

42. Data request No. 22 asked for a list of each owner, corporate officer and managing member of Associated Telecommunications Management Services, LLC, Ganoco Acquisition Group, LLC, and American Dial Tone, along with an explanation of each person's responsibilities. ADT was also asked to indicate if any are also owners, corporate officers, or managing members of any other Telecommunications Companies, and if so, list the companies. ADT provided the following response:

American Dial Tone, Inc. is a wholly owned subsidiary of Ganoco Acquisition Group, LLC, a Delaware limited liability company. Ganoco Acquisition Group, LLC is a wholly owned subsidiary of Associated Telecommunications Management Services, LLC.

American Dial Tone, Inc. officers – President – Justin Nymark who manages the day to day operations of the company. Secretary – Christina B. Sutch performs duties regarding meetings and keeping minutes. Director – Thomas E. Biddix – oversees officers.

Ganoco Acquisition Group, LLC – Manager – Thomas E. Biddix who manages day to day operations of the company.

Associated Telecommunications Management Services, LLC. – Managing Member is Thomas E. Biddix who oversees overall operations of the company. Paul T. Watson – Chief Operating Officer who oversees day to day operations of the company. Thomas E. Biddix – Chief Financial Officer who oversees all financial matters.

- a. Are Justin Nymark and Christina Sutch the only officers of ADT? If not, please provide a list of all officers of ADT. ***Yes.***
- b. Is Thomas Biddix the only Director of ADT? If not, please provide a list of all Directors of ADT. ***Yes.***
- c. Is Ganoco Acquisition Group, LLC (GAC) the sole owner of ADT? If not, please provide a list of all other owners. ***Yes that is what a wholly owned subsidiary is, which was stated in the prior response.***
- d. The Florida Department of State, Division of Corporations database shows Stephen Klein as President and Lawrence Wright as Vice President of ADT. A January 13, 2010 filing by ATMS to change the name of the company from Ganoco, Inc. to American Dial Tone, Inc. did not include any change to corporate officers. Please explain. ***Please see recently filed 2010 annual report which can be located at www.sunbiz.org.***

- e. Is Thomas E. Biddix the only managing member of Ganoco Acquisition Group, LLC? If not, please provide a list of all managing members of GAC. ***Thomas E. Biddix is the Manager, not Managing Member (please see response in 2nd Data Request and answer to subsection "c" above). Thomas E. Biddix is the only Manager of Ganoco Acquisition Group, LLC.***
 - f. Please provide a list of all officers of GAC. ***Thomas E. Biddix is the only Manager and hence the only officer of Ganoco Acquisition Group, LLC.***
 - g. Is ATMS the sole owner of GAC? If not, please provide a list of all other owners. ***Yes that is what a wholly owned subsidiary is, which was stated in the prior response.***
 - h. Is Thomas E. Biddix the only managing member of ATMS? If not, please provide a list of all managing members of ATMS. ***Yes.***
 - i. Are Paul T. Watson and Thomas E. Biddix the only officers of ATMS? If not, please provide a list of all officers of ATMS. ***Yes.***
 - j. Please provide a list of all owners of ATMS. ***Thomas E. Biddix***
43. In response to data request No. 28, ADT states that 321 Communications provisions the long distance service to customers of ADT through its own switch. Please describe this switch and advise whether this is a VoIP switch. ***321 Communications is a CLEC and IXC. We don't have all the details of their network just as we don't have all the details of the Bellsouth Network which our customer uses on the local side. However we do know 321 Communications uses the Cisco PGW with performs the signaling and call-control tasks (such as digit analysis, routing, circuit selection, and more) within the Public Switched Telephone Network (PSTN) gateway infrastructure. Taking advantage of a vast Signaling System 7 (SS7) protocol library and supporting industry-standard control protocols.***
44. Data request No. 30 asked if any Associated Telecommunications Management Services, LLC, Ganoco Acquisition Group LLC, or American Dial Tone owners, officers, or managing members been charged or convicted of a criminal offense, and if so, provide details as to who, when, and where the charges or convictions occurred. ADT provided the following response:
- No officers of Associated Telecommunications Management Services, LLC, Ganoco Acquisition Group LLC, or American Dial Tone, Inc., have ever been convicted of or pled no contest to a criminal offense. Please explain the legal basis and relevance for your question regarding criminal charges.***
- The legal basis and relevance for data request No. 30 regarding criminal charges is explained in the cover letter to this third data request. ADT's responses to data request No. 30 were incomplete. Please answer the following:
- a. Has any officer of Associated Telecommunications Management Services, LLC, Ganoco Acquisition Group LLC, or American Dial Tone, Inc., been charged with a criminal offense? If so, please provide details as to who, when, and where the charges or convictions occurred. ***No.***

American Dial Tone
Third Lifeline Data Request
April 7, 2010

- b. Has any owner or managing member of Associated Telecommunications Management Services, LLC, Ganoco Acquisition Group LLC, or American Dial Tone, Inc., been charged or convicted of a criminal offense? If so, please provide details as to who, when, and where the charges or convictions occurred. *No.*

45. Data request No. 31 asked if any Associated Telecommunications Management Services, LLC, Ganoco Acquisition Group LLC, or American Dial Tone owners, officers, or managing members been involved in any civil litigation in which a Associated Telecommunications Management Services, LLC, Ganoco Acquisition Group LLC, or American Dial Tone owner, officer, or managing member has been deposed or has been a plaintiff, a defendant, or a witness, and if so, provide details as to who, when, and where the civil litigation occurred.

ADT requested clarification as to the time frame for information requested and explanation as to the relevance of information requested in this question. The time frame is from April 14, 2006, the date when American Dial Tone received ETC designation in Florida, through April 2010. The relevance for data request No. 30 regarding civil litigation is explained in the cover letter to this third data request.

Although this question is disengineious and over reaching see Attached Exhibit "A".

46. Data request No. 32 asked for the corporate structure for Associated Telecommunications Management Services, LLC listing all owned and affiliated companies. ADT requested staff to *"clarify whether you are requesting partial or full ownership and what the term "affiliate" means in this question."* Staff is asking for both partial and full ownership of all ATMS companies. The word "affiliate" for this question includes any company which provides any of the services required of an ETC on behalf of ATMS. *Please see attached organizational chart.*
47. Data request No. 33 requested the latest financial statements for Associated Telecommunications Management Services, LLC, Ganoco Acquisition Group, LLC, and American Dial Tone including: Profit & Loss Statements, Balance Sheets, and the most recent Federal Tax Returns. Staff did not receive these copies. ADT's attachment in the response was blocked due to a security issue regarding the zip file. Please forward hard-copies of these financial statements. *See attached financial statements. There is no separate financials for the acquisition company as it is rolled into ATMS's consolidated.*
48. Please provide a date as to when ATMS's business plan will be made available as requested in data request No. 34. *Business plan is currently being revised and will be available by May 7, 2010.*
49. Data request No. 35 asked for copies of any agreements consummated between Associated Telecommunications Management Services LLC, Ganoco Acquisition Group LLC, and American Dial Tone. ADT provided a copy of what is apparently a redacted contract between ADT and ATMS. Are there any other contracts between Associated Telecommunications Management Services LLC, Ganoco Acquisition Group LLC, and American Dial Tone? If so, please provide copies of the contracts or agreements. Please provide an unredacted copy of the agreement between ADT and ATMS. *There are no other agreements or contracts. Please see attached unredacted agreement.*

50. Data request No. 36 asked for a list of any companies which American Dial Tone contracts with to provide services to Lifeline customers, and a description of what service each company provides. ADT responded that 321 Communications provides facilities and long distance service. Please describe what type facilities 321 Communications provides and whether those facilities are VoIP. *321 Communications is a CLEC and IXC. We don't have all the details of their network just as we don't have all the details of the Bellsouth network which our customer uses on the local side. However we do know 321 Communications uses the Cisco PGW which performs the signaling and call-control tasks (such as digit analysis, routing, circuit selection, and more) within the Public Switched Telephone Network (PSTN) gateway infrastructure. Taking advantage of a vast Signaling System 7 (SS7) protocol library and supporting industry-standard control protocols.*
51. Data request No. 37 asked for the days and times when the books and records of ADT are available for examination. ADT responded as follows:

What type of books and records do you need access to? And when do you want access to these documents. Please supply us with a couple date option.

If American Dial Tone is chosen for an audit, staff will examine ADT's revenues, expenses, customer billings, carrier billings, regulatory assessment fee filings, USAC and FCC filings, record retention compliance, and any other necessary documents related to ADT's CLEC certificate and ETC status in Florida. The dates and times request was made to determine ADT's office hours for planning purposes. Please provide the office hours for ADT's office at 2323 Curlew Road Suite 7C, Dunedin, FL 34698. If ADT is chosen for an audit, advance notice of the auditor's visit will be provided along with details as to what documents and records should be ready for examination. *Records are available Monday through Friday from 8:00 a.m. – 5:00 p.m., excepting federal and company holidays.*



URGENT:
FILL OUT AND SEND BACK IMMEDIATELY
This form (along with your Proof of Eligibility) must be completely filled out, signed and received by us in order for you to continue receiving your Government Assistance Benefits.

FLORIDA Re-Certification Lifeline / Link-up Application

GANOCO INC DBA AMERICAN DIAL TONE DEPT #1686 P.O. BOX 11407 BIRMINGHAM, AL 35246-1686

1. Verify Your Information



Account Number

Last name First Name Middle Init.

Street Apt. Number

City State Zip Code

FOR OFFICIAL USE ONLY
DO NOT WRITE IN THIS BOX
I have received and verified Proof of Eligibility along with the Re-Certification Lifeline/Link-up form for the above applicant.

Name

Date

Program

- I already receive Lifeline assistance through another telephone company.
- I or another member of my household previously received Link-up assistance at the above address.
(Note: You may not receive Link Up assistance more than once at the same principal residence)

ELIGIBILITY REQUIREMENTS

2. Select Your Box
- I currently participate in or receive benefits from one of the following programs (Check All That Apply):
- Medicaid Food
 - Stamps/Supplemental Security Income (SSI)
 - National School Lunch Free Lunch Program (NSLP)
 - Low-Income Home Energy Assistance Program (LIHEAP)
 - Temporary Assistance to Needy Families Program (TANF)
 - Federal Public Housing Assistance (Section 8)
 - Resident Of Federally Recognized Tribal Land (Additional Eligibility Criteria May Apply. Go to www.lifeline.gov for more info.)

CERTIFICATION SIGNATURE (PLEASE READ AND SIGN BELOW)

3. Read, Sign & Date

I understand that I must meet the above requirements to receive Lifeline or Link-up benefits and will notify my local telephone company when I am no longer participating in any of the above-designated program(s). I understand that I may only receive Link-up benefits for one line at my principal residence. I consent to the release of my personal information as may be required for the administration of the Lifeline or Link-up programs. I designate my local telephone company as my agent for purposes of changing my PIC-LPIC. I understand that any service or billing issues can be resolved by calling customer service. Local service is subject to various federal and local charges. This is a month to month agreement with a minimum of 30 days and payments are non refundable. I understand that I am required to make my first payment 30 days after installation date to continue my next month of service or service will be disconnected. I have read and understand the privacy notice and option election contained on the back side of this form. Long distance usage for 1-411, party lines, chat lines, data transfer including internet or calls outside the contiguous 48 states will result in loss of Long Distance privileges.

I HEREBY CERTIFY UNDER PENALTY OF PERJURY THAT THE INFORMATION CONTAINED IN THIS APPLICATION IS TRUE AND CORRECT

Signature _____

Date _____

Date of Birth (dd/mm/yy) _____

FOR APPLICANT'S AUTHORIZED REPRESENTATIVE USE

I am an Authorized Representative for this applicant and I am submitting this form on behalf of this applicant. I am willing to assist this applicant in seeking telephone service benefits.

Authorized of Representative Name (Please Print) _____

Date _____

THREE EASY WAYS TO SEND US COMPLETED FORM

1 FAX TOLL FREE:
(866) 305-3867

2 EMAIL:
lifeline@adttl.com

3 US MAIL:
GANOCO INC DBA AMERICAN
DIAL TONE DEPT #1686 P.O.
BOX 11407 BIRMINGHAM, AL
35246-1686123

Privacy Notice/Opt-in Election

Please contact Customer Service at the number listed on the front of this form with any questions or comments about this Privacy Notice and Opt-in Election.

Overview: Your Telephone Company respects your privacy. The Privacy Notice below details the measures taken by Your Telephone Company to protect your privacy in connection with your Re-Certification Lifeline/Link-up Application. Your Telephone Company provides this Privacy Notice to help you make an informed decision about whether to use or continue using Your Telephone Company's Services. Your use of Your Telephone Company's Services and any personal information you provide to Your Telephone Company remains subject to the terms of this Privacy Notice and Consent. If you do not agree to the terms of this privacy policy and do not wish to consent to the disclosure of your personally identifiable information ("PII"), please do not provide Your Telephone Company with any information and do not use Your Telephone Company's Services. Your use after the privacy policy has been modified will signify your acceptance of the changes for information gathered after the date of the change. This Privacy Notice discloses our privacy practices including the notification of: (i) PII collected through our Services; (ii) Intended Usage of this PII; (iii) The circumstances under which we disclose PII; (iv) Choices available regarding opt-in/opt-out, data collection, use and distribution of the information; (v) Security measures to protect the loss or misuse of information under Your Telephone Company's control; (vi) How to maintain the accuracy of your information.

Information We Collect

•You provide certain personally identifiable information (such as your name, contact information, other PII and other information volunteered by you) to Your Telephone Company when applying for Lifeline/Link-up benefits. •If you submit personally identifiable information to us through the Your Telephone Company Services, then we use your personal information to operate, maintain, and provide to you the features and functionality of the Your Telephone Company. Your Telephone Company may combine information about you that we have with information we obtain from business associates or otherwise. Without limitation, information collected, including PII, may be used by Your Telephone Company for internal research purposes, marketing, promotions and public relations, subject only to the terms of our privacy policy.

•Your Telephone Company will not disclose, transfer, sell or otherwise communicate your PII to any third party, other than Your Telephone Company's subsidiaries and affiliates, and each of (i) their employees or (ii) vendors and contractors operating under confidentiality agreements and subject to Your Telephone Company's privacy policy, unless you give Your Telephone Company permission to do so, except as set forth in this privacy policy.

When We Disclose Information

•We provide personally identifiable information and non-personally-identifiable information to our subsidiaries, affiliated companies, or other businesses or persons for the purpose of processing such information on our behalf. We require that these parties agree to process such information in compliance with our privacy policy, and we use reasonable efforts to limit their use of such information and to use other appropriate confidentiality and security measures.

•We do not share your personally identifiable information (such as name or email address) with other, third-party companies for their commercial or marketing use without your consent or except as part of a specific program or feature for which you will have the ability to opt-in or opt-out. **By signing this Application you are expressly opting-in (consenting) to permit Your Telephone Company to disclose your PII to companies that perform marketing services for us or to other partners who with which we have joint marketing agreements, such as to offer you additional product or services.** We may make such disclosures about you as a consumer, customer or former customer. Your Telephone Company may consider requests from unrelated third parties to contact you, but we will not give that third party any PII unless Your Telephone Company has obtained your consent. You must notify Your Telephone Company in writing if you wish to withdraw this consent. In addition, your request not to share Third Party Data with our Affiliate(s) does not prohibit us from contacting you about additional products or services.

•We may release personally identifiable information and/or non-personally-identifiable information if required to do so by law, or in the good-faith belief that such action is necessary to comply with state and federal laws (such as U.S. Copyright Law) or respond to a court order, subpoena, or search warrant ("Mandatory Disclosures").

•Your Telephone Company also reserves the right to disclose personally identifiable information and/or non-personally-identifiable information that Your Telephone Company believes, in good faith to take precautions against liability, to investigate and defend itself against any third-party claims or allegations, to assist government enforcement agencies, to protect the security or integrity of our company, and to protect the rights, property, or personal safety of Your Telephone Company, or others ("Mandatory Disclosures").

•As we develop our business, we may buy or sell assets or change our name or form of entity, and, depending upon the transaction, your personal information may be one of the transferred assets; provided, however, we will not sell or transfer PII except subject to the terms of our privacy policy. For instance, in the event that Your Telephone Company is acquired by another company, your PII may be part of the assets transferred to the acquiring party. The collected information may be provided in the aggregate to third parties, including potential business partners and advertisers, but this information is not linked to any PII before it is disclosed unless Your Telephone Company has obtained your consent. In the unlikely event of our bankruptcy, insolvency, reorganization, receivership, or assignment for the benefit of creditors, or the application of laws or equitable principles affecting creditors' rights generally, we may not be able to control how your personal information is treated, transferred, or used.

Changes and Updates to This Privacy Notice: Please understand that our privacy policy may change from time to time and this will be reflected by the "effective date" below. If we decide to make any material changes, we will post these changes on Your Telephone Company. In general, we will use your personal information in the manner described in the Privacy Notice in effect when we received the personal information you provided. Your continued use of the Your Telephone Company Services constitutes your agreement to this Privacy Notice and any future revisions. For revisions to this Privacy Notice that may be materially less restrictive on our use or disclosure of the personal information you have already provided to us, we will attempt to obtain your consent before implementing such revisions with respect to such information.

Effective Date: This privacy policy is effective as of January 1, 2010.

Exhibit "A"

REDACTED COPY

REDACTED

REDACTED COPY

ATMS Group

CONSOLIDATED PRO FORMA - INCOME STATEMENT
YTD FEBRUARY 28, 2010

CONSOLIDATED

OTHER INCOME/EXPENSE

INTEREST EXPENSE

OTHER INCOME/EXPENSE

NET INCOME

NET INCOME

REDACTED COPY

ATMS Group

CONSOLIDATED PRO FORMA - INCOME STATEMENT
YTD FEBRUARY 28, 2010

CONSOLIDATED

REVENUES

SALES
USAC FUNDING
OTHER

TOTAL REVENUES

COGS

CARRIER PAYBACKS

TOTAL COGS

GROSS PROFIT

SALES EXPENSE

LABOR EXPENSE

PROFESSIONAL FEES/CONSULTING

OFFICE EXPENSE

INSURANCE

EQUIPMENT

BANK CHARGES

TRAVEL & ENTERTAINMENT

SAN SALVADOR EXP

MARKETING/ADVERTISING

MISCELLANEOUS

ATMS/TSC Allocations

TOTAL EXPENSES

INCOME FROM OPERATIONS

EBITDA

ATMS Group

CONSOLIDATED PRO FORMA - BALANCE SHEET

AS OF FEBRUARY 28, 2010

CONSOLIDATED

REDACTED COPY

LIABILITIES

CURRENT LIABILITIES

ACCOUNTS PAYABLE

ACCRUED EXPENSES PAYABLE

TAXES PAYABLE

OTHERS PAYABLE

TOTAL CURRENT LIABILITIES

LONG TERM LIABILITIES

N/P STOCKHOLDER

N/P FIRST S BANK

LOAN STOCKHOLDERS

PURCHASE AGREEMENTS

TOTAL LONG TERM LIABILITIES

TOTAL LIABILITIES

EQUITY

COMMON STOCK

RETAINED EARNINGS

NET INCOME

TOTAL EQUITY

TOTAL LIABILITIES AND EQUITY

Check:

ATMS Group

CONSOLIDATED PRO FORMA - BALANCE SHEET

AS OF FEBRUARY 28, 2010

CONSOLIDATED

REDACTED COPY

ASSETS

CURRENT ASSETS

CHECKING/SAVINGS

ACCOUNTS RECEIVABLE

LOAN RECEIVABLES

LOAN RECEIVABLES InterCo.

OTHER CURRENT ASSETS

TOTAL CURRENT ASSETS

FIXED ASSETS

COST

ACCUM. DEPRECIATION

TOTAL FIXED ASSETS

LONG TERM ASSETS

INVESTMENT- Others

INVESTMENT- Total

TOTAL L.T. ASSETS

OTHER ASSETS

DEPOSIT

REAL ESTATE

GOODWILL

ORGANIZATION COSTS - NET

TOTAL OTHER COSTS

TOTAL ASSETS

REDACTED COPY

American Dial Tone

- INCOME STATEMENT

YTD FEBRUARY 28, 2010

ADT

REVENUES

SALES

USAC FUNDING

TOTAL REVENUES

COGS

CARRIER PAYBACKS

TOTAL COGS

GROSS PROFIT

SALES EXPENSE

LABOR EXPENSE

PROFESSIONAL FEES/CONSULTING

OFFICE EXPENSE

INSURANCE

BANK CHARGES

TRAVEL & ENTERTAINMENT

SAN SALVADOR EXP

MARKETING/ADVERTISING

MISCELLANEOUS

ATMS/TSC Allocations

TOTAL EXPENSES

INCOME FROM OPERATIONS

EBITDA

OTHER INCOME/EXPENSE

INTEREST EXPENSE

REDACTED COPY

American Dial Tone
- INCOME STATEMENT
YTD FEBRUARY 28, 2010

ADT

OTHER INCOME/EXPENSE

NET INCOME

NET INCOME

REDACTED COPY

American Dial Tone

- BALANCE SHEET

AS OF FEBRUARY 28, 2010



LIABILITIES

CURRENT LIABILITIES

ACCOUNTS PAYABLE

ACCRUED EXPENSES PAYABLE

TAXES PAYABLE

OTHERS PAYABLE

TOTAL CURRENT LIABILITIES

TOTAL LIABILITIES

EQUITY

COMMON STOCK

RETAINED EARNINGS

NET INCOME

TOTAL EQUITY

TOTAL LIABILITIES AND EQUITY

Check:

REDACTED COPY

American Dial Tone

- BALANCE SHEET

AS OF FEBRUARY 28, 2010

ADT

ASSETS

CURRENT ASSETS

- CHECKING/SAVINGS
- ACCOUNTS RECEIVABLE
- LOAN RECEIVABLES InterCo.
- OTHER CURRENT ASSETS

TOTAL CURRENT ASSETS

OTHER ASSETS

- DEPOSIT
- ORGANIZATION COSTS - NET

TOTAL OTHER COSTS

TOTAL ASSETS

REDACTED COPY

American Dial Tone

- INCOME STATEMENT
YTD FEBRUARY 28, 2010

ADT

REVENUES

SALES

USAC FUNDING

TOTAL REVENUES

COGS

CARRIER PAYBACKS

TOTAL COGS

GROSS PROFIT

SALES EXPENSE

LABOR EXPENSE

PROFESSIONAL FEES/CONSULTING

OFFICE EXPENSE

INSURANCE

BANK CHARGES

TRAVEL & ENTERTAINMENT

SAN SALVADOR EXP

MARKETING/ADVERTISING

MISCELLANEOUS

ATMS/TSC Allocations

TOTAL EXPENSES

INCOME FROM OPERATIONS

EBITDA

OTHER INCOME/EXPENSE

INTEREST EXPENSE

American Dial Tone

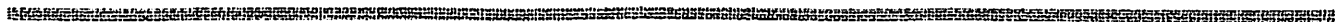
- INCOME STATEMENT
YTD FEBRUARY 28, 2010

OTHER INCOME/EXPENSE	ADT
<u>NET INCOME</u>	

NET INCOME

JUSTIN NYMARK

REDACTED COPY



MANAGEMENT AGREEMENT

This Management Agreement ("Agreement") is dated and effective January 1, 2010, ("Effective Date") regardless of when signed, and is by and between Associated Telecommunications Management Services, LLC, (ATMS) a Delaware limited liability company with its principal place of business at 6905 N. Wickham Road, Suite 403, Melbourne, Florida 32940, and American Dial Tone, Inc., ("ADT") a Florida corporation ("Company"), with its principal place of business at 2323 Curlew Road, Suite 7C, Dunedin, FL 34698.

Recitals

The Company is an authorized independent telecommunications service provider to members of the general public (the "Business"). The Company desires to operate the Business in a manner consistent with the efficient and appropriate utilization of its resources. ATMS has extensive experience in managing similar businesses. Company desires ATMS to oversee and administer the Business and ATMS desires to provide such services to Company pursuant to the terms and conditions set forth in this Agreement.

Agreement

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **RECITALS/SCHEDULES.** The recitals set forth above are true and are hereby incorporated into this Agreement. All exhibits and schedules identified in this Agreement are hereby incorporated herein by this reference.
2. **NATURE OF RELATIONSHIP.**
 - a) Subject to the limitations set forth in this Agreement, ATMS through its employees, shall perform all services described in this Agreement for the account of and as limited agent of Company. Company hereby appoints ATMS its attorney-in-fact with full power on its behalf and in its name, or in the name of the Business, (a) to prosecute or defend any litigation or proceeding before any governmental agency arising out of the operation of the Business, and (b) to enter into contracts relating to the affairs of the Business.
 - b) Notwithstanding any provision to the contrary, the authority of ATMS to manage the business and administrative operations of the Business shall be subject to the ultimate control of Company.
 - c) In performing services hereunder, ATMS shall act as an independent contractor and shall complete the services required hereunder according to its own means and methods of work which shall be in the exclusive charge and control of ATMS and not subject to the control or supervision of Company, except as to the results of the services performed. ATMS shall not represent to anyone that it has the authority to bind or in anyway contract for or on behalf of Company except as otherwise provided in this Agreement. ATMS shall be entirely and solely responsible for its acts and the acts of its agents, employees and sub-contractors while engaged in the performance of services hereunder. ATMS further agrees that the services rendered shall be performed in strict accordance with the provisions of all applicable federal and state laws.

MANAGEMENT AGREEMENT

3. **TAXES.** ATMS acknowledges that it is responsible for its own federal income and employment tax liability and for state employment taxes. Furthermore, ATMS acknowledges liability for any ad valorem taxes with respect to tangible personal property owned by it and used in the performance of services hereunder.
4. **MANAGEMENT SERVICES.**
 - a) ATMS shall have the responsibility to supervise, consult in and oversee the day-to-day business and administrative operations of the Business and, subject to the terms of this Agreement and the general direction and control of Company, maintain the books and records of the Business and prepare any agreed upon reports and tax returns of the Business; human resource oversight, policies and procedures, standards for performance for all employees including managers and officers; employ or retain the services of independent contractors, including attorneys and accountants; purchase such goods and services and execute such instruments, agreements or other contracts as ATMS may deem appropriate to the conduct of the Business, including without limitation contracts relating to marketing, telephone call reception and provisioning, communications and representation with any and all state and federal agencies relating to and/or regulating the Business and other matters agreed upon by the Company and ATMS.
 - b) ATMS shall provide for billings and collections of amounts owed by Customers of the Business and deposit any amount collected into a bank account for the sole benefit of Company. For purposes of this Agreement, "Customers" shall mean and include any individual or entity that receives goods or services from the Business.
 - c) ATMS shall use its best efforts to ensure the successful operation and management of the Business and shall devote such reasonable time and effort to its operation of the Business, as ATMS, in its reasonable discretion, deems necessary to manage and supervise the Business' affairs in an efficient and businesslike manner, subject to the ultimate control of the Company. Company recognizes that ATMS, is an independent contractor and has other businesses that require its attention and therefore, ATMS need not devote its full time efforts to the management of the Business.
5. **RETAINED AUTHORITY.** All Customers shall be deemed to be Customers of the Company and all billings, receivables, records, reports, claims and correspondence relating to ATMS's services to Customers or otherwise arising hereunder shall be the sole property of the Company. Company shall have exclusive and final authority to determine the terms and conditions of all contracts. All fees, compensation or other items of value, charged by Company and/or received or realized as a result of the rendition of the Business's services to Customers by ATMS shall belong to and be paid and delivered to Company. ATMS shall have no authority to enter into any contracts binding upon Company, or to create any obligations on the part of Company, except such as shall be specifically authorized by Company, under the express terms of this Agreement. The Company may engage in its own marketing or other similar activities with the express written consent of ATMS.
6. **TERM.** The initial term of this Agreement shall be for a period of the equal to thirty-six (36) months from the Effective Date ("Initial Term"). From and after the end of the Initial Term, this Agreement will be automatically extended on a one (1) year annual basis unless terminated by either party upon written notice to the other party provided not less than thirty (30) calendar days prior to the end of the Initial Term or any extension thereof.

MANAGEMENT AGREEMENT

7. TERMINATION.

- a) Company shall have the right to immediately terminate ATMS 's services under this Agreement with or without notice if any employee of ATMS: (i) commits or participates in an injurious act of fraud or dishonesty against Company or its Customers; or (ii) commits or participates in an injurious act or omission against Company or its Customers which is committed in a manner which is wanton, willful, reckless, or grossly negligent; or (iii) engages in any conduct of unlawful harassment against any employee or Customer.
- b) Company shall also have the right to terminate ATMS 's services under this Agreement upon not less than thirty (30) calendar days written notice if ATMS fails or refuses to faithfully and diligently perform the provisions of this Agreement or the usual and customary duties of ATMS after notice of such failure from Company and ATMS 's failure or refusal to reasonably correct such conduct within the thirty (30) calendar day period.
- c) ATMS shall have the right to terminate this Agreement upon not less than thirty (30) calendar days written notice if Company fails or refuses to pay ATMS compensation when and as due, after notice of such failure from ATMS and Company's failure or refusal to reasonably correct such conduct within the thirty (30) calendar day period.

8. **BOOKS AND RECORDS.** ATMS shall maintain or cause to be maintained, comprehensive records, books, and accounts in which shall be entered all matters related to the business, including all income, expenditures, assets, and liabilities thereof, in a manner satisfactory to Company. Such records, books and accounts shall be open to inspection by Company.

9. **OBSERVANCE OF LAWS.** ATMS shall take such action as is necessary or appropriate to comply promptly with all present and future laws, ordinances, orders, rules, regulations and requirements of all federal, state and local governments, courts, departments, commissions, boards, and offices, any national or local board of fire underwriters or insurance services offices having jurisdiction over the Business, or any other body exercising functions similar to those of any of the foregoing, or any insurance carriers providing any insurance coverage of the Business. ATMS shall comply with all terms and provisions of any such agreements to which Company is a party and shall not cause Company to be in default of any terms and provisions of any agreement by and between Company and any third party.

10. **REIMBURSEMENT FOR COSTS AND EXPENSES.** ATMS shall be entitled to reimbursement for costs and expenses incurred by and/or relating to the provision of its services hereunder to the Company.

12. **ASSIGNMENT.** No party to this agreement shall assign its rights and/or obligations upon ATMS shall not assign this Agreement or delegate any of its duties or rights without the prior written consent of Company. Company shall have the right to assign this Agreement to its successor in interest.

MANAGEMENT AGREEMENT

13. **NOTICE.** Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been properly made and delivered when mailed by first class, postage prepaid, certified or registered mail, or overnight courier service as follows:

If to ATMS:

Associated Telecommunications Management
Services, LLC
Attn.: Paul T. Watson, COO
6905 N. Wickham Road, Suite 403, Melbourne,
Florida 32940

If to Company:

American Dial Tone, Inc.
Attn.: Justin Nymark
2323 Curlew Road, Suite 7C
Dunedin, FL 34698

or to such other person and address as either party may designate in writing. Except as otherwise provided in this Agreement, each notice shall be effective and shall be deemed delivered on the earlier of: (i) its actual receipt, if delivered personally, by courier service, or, (ii) on the third (3rd) day after the notice is postmarked for mailing by first-class, postage prepaid, certified or registered, United States mail, with return receipt requested (whether or not the return receipt is subsequently received by the sender).

MANAGEMENT AGREEMENT

15. MISCELLANEOUS PROVISIONS.

- a) This Agreement, including all exhibits attached hereto, embodies the complete and entire agreement between the parties regarding this transaction and supersedes all prior negotiations, agreements, and understandings relating thereto which are merged herein. This Agreement may not be varied or modified except by written agreement signed by both parties. Further, the parties waive the right to assert or claim in any action or proceeding that they were induced to enter into this Agreement by any promise, fact, occurrence, representation, warranty (collectively referred to as "Representations") or other matter which is not expressly set forth in this Agreement or any schedule attached hereto, and all such Representations, if any, are merged herein.
- b) The laws of the State of Florida shall govern the performance and interpretation of this Agreement. The exclusive venue for any litigation, arbitration or other proceeding between the parties hereto based upon, or arising out of this Agreement, including without limitation any action for declaratory relief, shall be in Brevard County, Florida. Each party hereby submits to the personal jurisdiction of the courts of the State of Florida including, without limitation, the Eighteenth Judicial Circuit and the county courts of Brevard County, Florida. Employee hereby waives any rights to seek removal to the federal courts and to assert the defenses of improper venue and lack of personal jurisdiction with regard to this Agreement.
- c) The rights and obligations of the parties under this Agreement, including the option contained herein shall inure to the benefit of, and shall be binding upon, the heirs, estate, representatives, successors and assigns of the parties hereto.
- d) This Agreement may be executed simultaneously in two or more counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument. A copy of this Agreement and any signature hereon shall be considered for all purposes as originals.
- e) The undersigned individuals executing this Agreement on behalf of a corporation, limited liability company partnership, trust or other entity, individually represent and warrant to the other party that such individual has the full power and authority to bind such entity to the terms and provisions of this Agreement and has obtained all necessary approvals and consents to sign this Agreement on behalf of such entity.
- f) The provisions of Sections 2, 3, 5, 10, 11, 12, 13 14, and 15 (and all subsections thereof) of this Agreement shall survive the termination and/or expiration of this Agreement.

MANAGEMENT AGREEMENT

IN WITNESS WHEREOF, the parties hereto have affixed or caused to be affixed their respective signatures this 1st day of January, 2010.

Dated this 1st day of January, 2010

ASSOCIATED TELECOMMUNICATIONS
MANAGEMENT SERVICES LLC

AMERICAN DIAL TONE, INC.

BY: _____

Paul T. Watson, COO

BY: _____

Justin Nymark, President

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 7, 2010
TO: Christina Sutch, 6905 N. Wickham Rd. Suite 403 Melbourne FL 32940
FROM: Diamond M. Williams, Office of Commission Clerk
RE: Acknowledgement of Confidential Filing in Docket Number 100000-OT

This will acknowledge receipt of a CONFIDENTIAL DOCUMENT filed in the above-referenced docket.

Document Number 03849-10 has been assigned to this filing, which will be maintained in locked storage.

If you have any questions regarding this document, please contact Kim Peña, Records Management Assistant, at (850) 413-6393.