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2006 JUN 19 AM 11:26
DEPT. OF
COMPETITIVE SERVICES

June 16, 2006

VIA UPS

Florida Public Service Commission
Attention: Toni McCoy
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

Re: *Informational Filing* Regarding a Change in Ownership of Authorized
Telecommunications Providers

Dear Ms. McCoy:

NOS Communications, Inc. ("NOS"), NOSVA Limited Partnership ("NOSVA") and Affinity Network Incorporated ("Affinity") (NOS, NOSVA and Affinity, collectively the "Parties"), by their counsel, hereby respectfully advise the Florida Public Service Commission ("Commission") of a proposed transfer of control of the Parties as a result of the acquisition of the shares of Robert A. Lichtenstein ("Mr. Lichtenstein"), the largest shareholder of the Parties, by another shareholder, Samuel P. Delug ("Mr. Delug"). The Parties are competitive carriers that provide local and long distance telecommunications services to business customers throughout the U.S., including in Florida. As the Parties are not affected by the transaction described herein, the Parties submit that the proposed transfer of control does not require prior Commission approval.¹ Thus, this information is being submitted with the Commission for informational purposes only.

¹ The Parties will not sell or otherwise dispose of their franchise, facilities or system and they do not proposed to merge or consolidate their works and system with those of other carriers in connection with the transaction. The Parties will continue to operate pursuant to their same names, operating authorities and tariffs as at present. There will be no transfer of certificates or customers. *See also* Florida Statute § 364.337(2) which eliminates the application of § 364.33 to competitive local exchange carriers.

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This change in control does not involve a transfer of operating authority, assets or customers, and therefore, will not affect the identity of the utilities authorized to provide telecommunications services in Florida. The Parties will continue to offer the same services at the same rates, terms and conditions as at present. Accordingly, the contemplated transfer of control will be entirely transparent to consumers. The only change will be that the Parties will be majority owned by Mr. Delug, rather than by Mr. Lichtenstein. The authorizations and operations of the companies will not be affected in Florida.

In support of this notification, the Parties provide the following information:

The Parties

NOS. NOS is a corporation organized under the laws of Maryland and headquartered at 4380 Boulder Highway, Las Vegas, NV 89121. NOS provides local and long distance services (including 1+, toll free, international, and calling card services) under the names International Plus, 011 Communications, INETBA, iVANTAGE Network Solutions, and Blueridge Telecom Systems to small and medium business customers throughout the U.S. NOS provides all of its services by utilizing unbundled network elements supplied by or reselling the services of other telecommunications carriers. In Florida, NOS is authorized to provide local exchange and interexchange telecommunications services.² NOS is also authorized to provide both interstate and international telecommunications services by the Federal Communications Commission.

At present, all of the shares of NOS are held by three (3) individuals, all of whom are U.S. citizens: Mr. Delug, Ms. Rosette Delug ("Ms. Delug"), and Mr. Lichtenstein. Mr. Delug and Ms. Delug each hold a 25 percent ownership interest in NOS, while Mr. Lichtenstein holds the remaining 50 percent. The address of Mr. Delug, Ms. Delug, and Mr. Lichtenstein is c/o NOS Communications, Inc., 4380 Boulder Highway, Las Vegas, NV 89121. The principal business of Mr. Delug is telecommunications while the principal business of Ms. Delug and Mr. Lichtenstein is investment.

NOSVA. NOSVA is a limited partnership organized under the laws of Maryland and headquartered at 4380 Boulder Highway, Las Vegas, NV 89121. NOSVA provides local and long distance services (including 1+, toll free, international, and calling card services) to small and medium business customers throughout the U.S. NOSVA provides all of its services by reselling the services of other telecommunications carriers. In Florida, NOSVA is authorized to provide interexchange telecommunications services.³ NOSVA is also authorized to provide both

² See 980816-TX Cert. No. 6049, March 26, 1999; 9107720-TI, Order No. 25281, October 31, 1991.

³ See Docket No. 940011-TI, Order PSC-94-0643, June 16, 1994.

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interstate and international telecommunications services by the Federal Communications Commission.

At present, NOSVA has three (3) limited partners, all of whom are U.S. citizens: Mr. Delug, Ms. Delug, and Mr. Lichtenstein. Mr. Delug and Ms. Delug each hold a 24.75 percent ownership interest in NOSVA, while Mr. Lichtenstein holds a 49.5 percent interest. NOS Communications of Virginia, Inc. ("NOS Virginia") is the general partner of NOSVA and holds a one (1) percent ownership interest. NOS Virginia is a Virginia corporation that is a holding company; its address is c/o NOS Communications, 4380 Boulder Highway, Las Vegas, NV 89121. At present, Mr. Lichtenstein holds a 50 percent ownership interest in NOS Virginia, while Mr. Delug and Ms. Delug each hold a 25 percent ownership interest.

Affinity. Affinity is a corporation organized under the laws of California and headquartered at 3660 Wilshire Blvd., Suite 400, Los Angeles, CA 90010. Affinity provides local and long distance services (including 1+, toll free, international, and calling card services) under the names HorizonOne Communications, QuantumLink Communications, VoiP Communications, Optic Communications, and ANI Networks to small and medium business customers throughout the U.S. Affinity provides all of its services by reselling the services of other telecommunications carriers. In Florida, Affinity is authorized to provide interexchange telecommunications services.⁴ Affinity is also authorized to provide both interstate and international telecommunications services by the Federal Communications Commission.

At present, all of the shares of Affinity are held by Mr. Delug, Ms. Delug, and Mr. Lichtenstein. Mr. Delug and Ms. Delug each hold a 25 percent ownership interest in Affinity, while Mr. Lichtenstein holds the remaining 50 percent.

A diagram showing the current corporate structure of the Parties is provided in *Exhibit A*.

Description of the Transaction

Effective June 1, 2006, Mr. Delug and Mr. Lichtenstein entered into a Purchase Agreement pursuant to which Mr. Delug will purchase all the interest of Mr. Lichtenstein in the

⁴ See Docket No. 900282, Cert. no. TI940, August 6, 1990.

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Applicants in return for a cash payment.⁵ The Purchase Agreement provides that Mr. Delug and Mr. Lichtenstein will close in escrow and that consummation is conditioned upon receipt of all necessary regulatory approvals. Following consummation of the transactions described in the Purchase Agreement, Mr. Delug will hold a 75 percent ownership interest in NOS and a 75 percent ownership interest in Affinity, and over 74 percent of the ownership interest in NOSVA as a limited partner. Ms. Delug will continue to hold a 25 ownership interest in NOS and a 25 percent ownership interest in Affinity, and over 24 percent of the ownership interest in NOSVA as a limited partner. A diagram showing the corporate structure of the Applicants post-close is provided in *Exhibit B*.

The proposed transfer of control will be transparent to customers of the Parties. In particular, because the transaction is a stock transaction, the transfer of control will not result in a change of carrier for any of the Parties' customers. Immediately after consummation of transaction, the Parties will continue to offer the same services at the same rates, terms and conditions as at present, and any future changes will be made consistent with Commission requirements. The transaction is not expected to result in any discontinuance of service for any customer. Indeed, the Parties will continue to be backed by the same financial, managerial and technical qualifications that the Commission has already examined in approving the Parties' authorizations to provide service in Florida. The day-to-day operations of the Parties will not change as a result of this transaction.

Public Interest Considerations

The Parties respectfully submit that the transaction serves the public interest. After consummation of the proposed transfer, the Parties will continue to offer service under their same names and operating authorities as at present. The transaction involves no change in the entities offering service to customers, the facilities used to provide such services or the services, rates, terms and conditions of such service. All existing tariffs will remain in place. The transfer of control will be transparent to consumers and will not have any adverse impact on them; customers of the Parties will continue to use the same number to reach customer service. The only change will be in the majority shareholder of the Parties.

⁵ Mr. Delug will also purchase Mr. Lichtenstein's interest in NOS Virginia pursuant to the Purchase Agreement.

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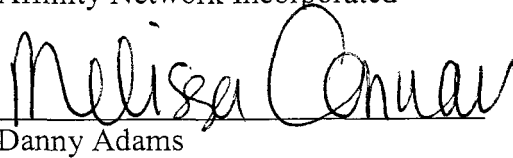
Furthermore, Mr. Lichtenstein has determined that continued participation as an investor in the Parties is no longer consistent with his investment objectives. Mr. Delug's purchase of Mr. Lichtenstein's ownership interests in the Parties will enable them to continue to participate in the highly competitive market for telecommunications services.

Finally, the proposed transaction will not have a negative impact on competition. The Parties are non-dominant carriers that will continue to compete with Verizon, at&t, and other carriers in the local and long distance markets for 1+, toll free, international, and calling card services. No existing or potential competitors will be eliminated as a result of the proposed transaction.

The Parties submit that no prior Commission approval is required for the proposed transfer of control described herein. Should the Commission believe that any action is required, the Parties respectfully request that the Commission notify the undersigned at its earliest convenience. Enclosed please find fifteen (15) copies of this filing, a duplicate copy and a self-addressed, postage-paid envelope. Please date-stamp the envelope upon receipt and return it in the envelope provided. Should the Commission have any questions regarding this matter, please do not hesitate to contact Melissa Conway at (202) 342-8552.

Respectfully submitted,

NOS Communications, Inc.
NOSVA Limited Partnership
Affinity Network Incorporated



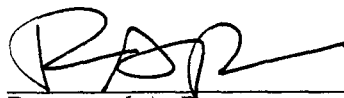
Danny Adams
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Washington, D.C. 20007
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Their Counsel

VERIFICATION


I, Raymond A. Perea, am General Counsel of NOS Communications, Inc. and am authorized to represent it and its affiliates, and to make this verification on their behalf. The statements in the foregoing document relating to NOS Communications, Inc. and its affiliates, except as otherwise specifically attributed, are true and correct to the best of my knowledge and belief.

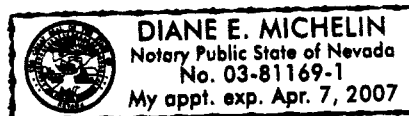
I declare under penalty of perjury that the foregoing is true and correct.



Raymond A. Perea
General Counsel
NOS Communications, Inc.

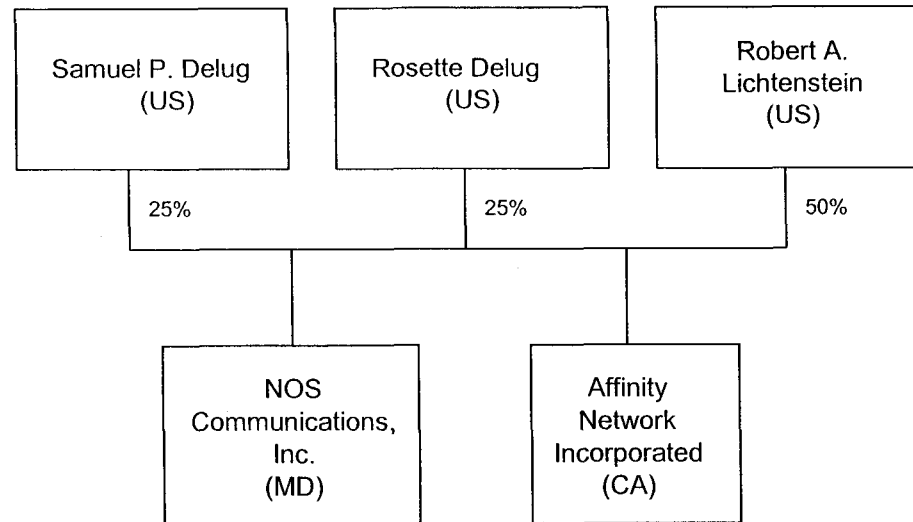
Subscribed and sworn to before me this 6th day of June 2006.


Notary Public

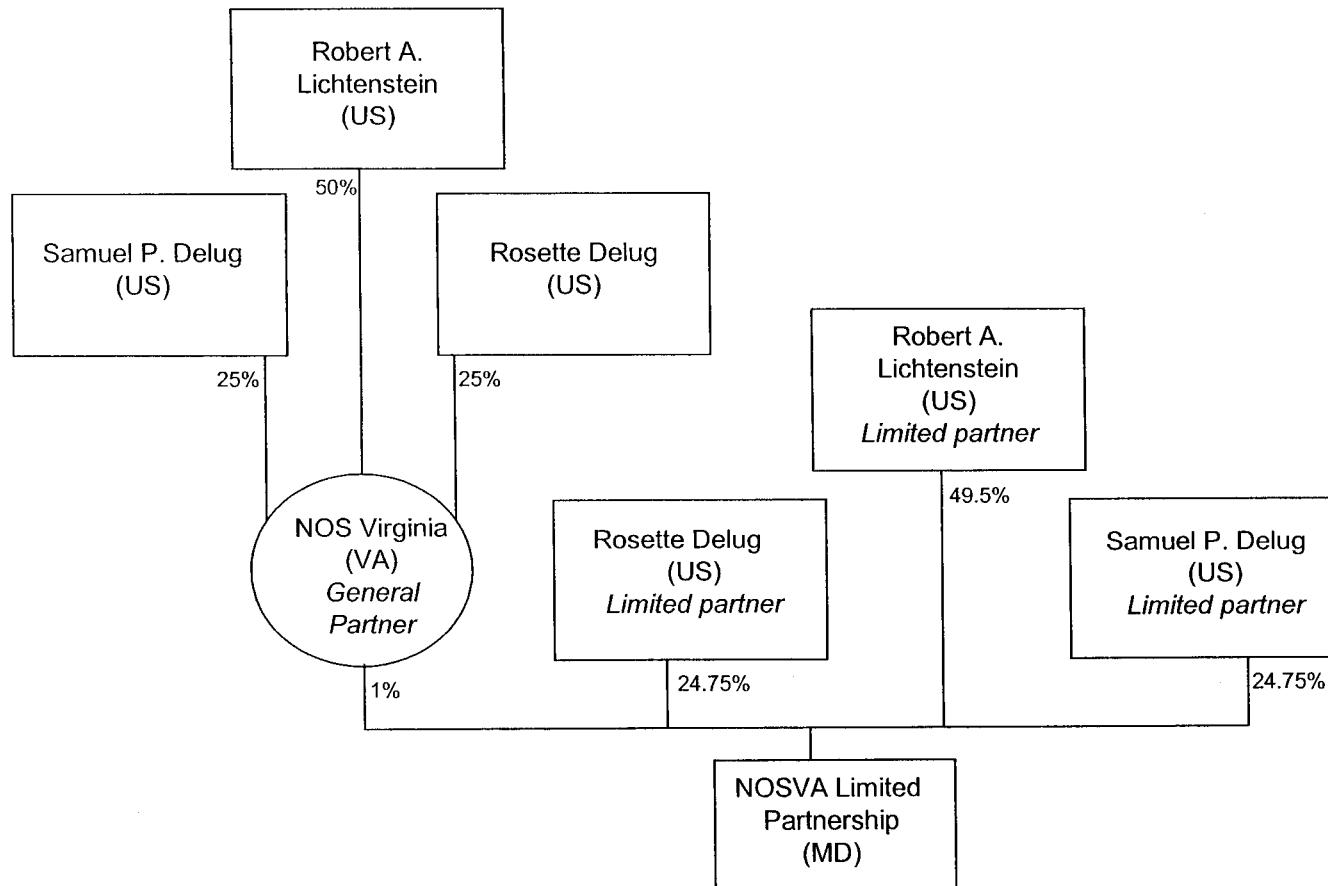


My Commission expires: April 07, 2007

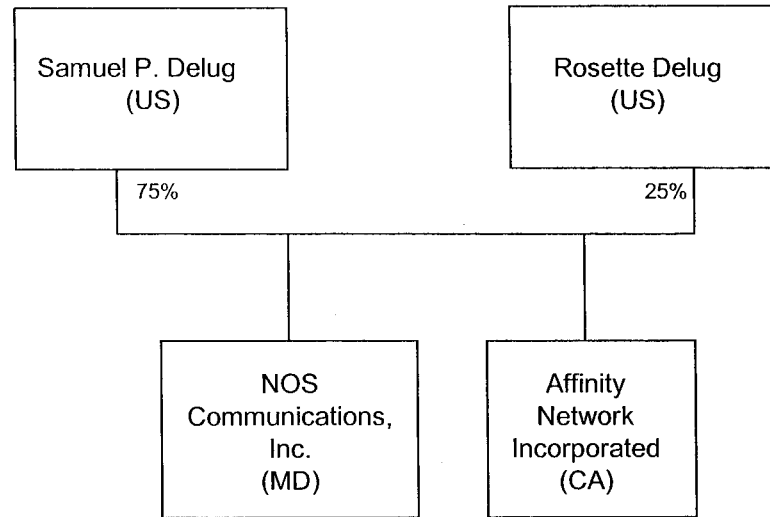
Current Corporate Structure of NOS and Affinity



Current Corporate Structure of NOSVA



Proposed Corporate Structure of NOS and Affinity Post-Close



Proposed Corporate Structure of NOSVA Post-Close

