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March 4, 2010

Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re. Docket No. 100094-WS
Compass Bank v. Service Management Services, Inc.

Dear Ms. Cole:

By this letter, please be advised that Aquarina Community Services Association (hereinafter, the "Association") has retained this firm to oppose any transfer of the stock or assets of Service Management Systems, Inc. to any third party. As the Commission may be aware, the utility system may currently be under a receivership. However, the lawfulness of such receivership may be in question. In addition, I am informed by Association members that Compass Bank ("Compass") has retained the services of a third party to shop the utility to willing buyers. To date, Compass and its peddler have been less than forthcoming with respect to this attempt to peddle the utility system apparently to the highest bidder. Compass' behavior completely ignores the nature of the assets being peddled: a utility system which is responsible for providing safe drinking water to Association members, and safe and sufficient disposal of wastewater generated by Association members in a manner not harmful to our members or the environment in which Association members live.

Through the investigative efforts of Association members to date, it appears that the utility has outstanding debts in excess of \$1 million. These debts appear to include a loan obtained to construct reverse osmosis facilities which have never been constructed, a loan from the State of Florida which may be in default, and other outstanding indebtedness. Clearly, the Commission has been unable to insure that the Association is being served by a competent, financially capable owner/management to date. Not without cause, Association members are gravely concerned that the intended peddling by Compass of the critical water and wastewater facilities serving them will result in a similar type of owner.

The Association is further concerned regarding any attempt by a new owner to recover its purchase price in rates to be charged to Association members. Association members are determined to oppose such recovery and I am requested to inform the Commission that the Association requests written notice of any further attempt by Compass or a third party to obtain

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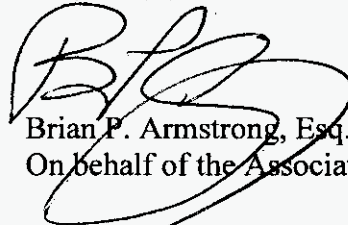
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COMMISSION
CLERK

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Commission approval of a proposed transfer of the utility facilities. The facts known to the Association at this time cry out for an evidentiary hearing to determine the competency of any future purchaser and the Association intends to require such a hearing before Commission action on an application for approval of any such transfer.

To insure safe and reliable service at reasonable rates, the Association may be willing to purchase the water and wastewater facilities serving them. However, Compass and its peddler have engaged in delaying tactics which can only be interpreted as an attempt to circumvent the Association and its good faith attempt to gather data necessary to make such a purchase possible. To conclude, the Association requests notice from the Commission of any attempt by Compass to sell the water and wastewater facilities serving Association members to a third party, and further advises the Commission of the Association's intent to require full evidentiary hearings prior to the issuance of any Commission approval of such a sale. If there are any questions in these regards, please do not hesitate to call me at 850-322-4097. Thank you in advance for your anticipated assistance and cooperation.

Very truly yours,

A handwritten signature in black ink, appearing to read 'B.P. Armstrong', is written over the typed name.

Brian P. Armstrong, Esq.
On behalf of the Association

cc: President, Compass Bank
Bruce May, Esq., Attorney for Compass Bank