

Power Communications. Unleash Productivity.

February 8, 2016

Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850RECEIVED-FPSC
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COMMISSION
CLERK

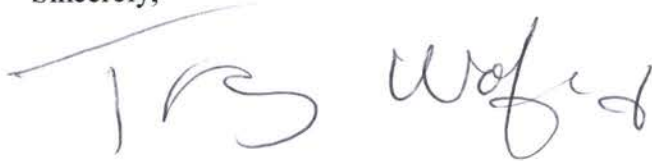

Ladies and Gentlemen:

On behalf of DSCI, LLC ("DSCI"), transmitted herewith is the Florida Public Service Commission Application Form for Authority to Provide telecommunications Company Service within the State of Florida via approval of transfer of existing certificate.

Should there be any questions regarding this filing, kindly contact the undersigned at (781)-861-2266 or via email at twolford@dscicorp.com.

An Additional copy of this transmittal letter is enclosed, to be date-stamped and returned in the postage prepaid envelope provided.

Sincerely,

Tracy Wolford CPA, MSA
DSCI, LLC
VP Regulatory & Compliance
(781) 861-2266
twolford@dscicorp.comCheck received with filing must be turned over
to Fiscal for deposit. Fiscal to forward
deposit information to Records.Initials of person who forwarded checks


9595

 Cambridge Savings Bank

 Check Fraud Protection for Business

DSCI, LLC
303 WYMAN STREET, SUITE 350
WALTHAM, MA 02451

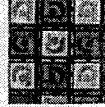
2/9/2016

PAY TO THE ORDER OF Florida Public Service Commission

\$ **500.00

Five Hundred and 00/100***** DOLLARS

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





AUTHORIZED SIGNATURE

MEMO 46-5091304 (Transfer of Existing Certificate)

Security features. Details on back.

DSCI, LLC

9595

Florida Public Service Commission 2/9/2016
7000 · General & Admin.:7101 · Regulator 46-5091304 (Transfer of Existing Certificate)

500.00

Cambridge Savings 46-5091304 (Transfer of Existing Certificate)

500.00

FLORIDA PUBLIC SERVICE COMMISSION
OFFICE OF TELECOMMUNICATIONS

APPLICATION FORM
FOR
AUTHORITY TO PROVIDE TELECOMMUNICATIONS COMPANY SERVICE
WITHIN THE STATE OF FLORIDA

Instructions

- A. This form is used as an application for an original certificate and for approval of transfer of an existing certificate. In the case of a transfer, the information provided shall be for the transferee (See Page 8).
- B. Print or type all responses to each item requested in the application. If an item is not applicable, please explain.
- C. Use a separate sheet for each answer which will not fit the allotted space.
- D. Once completed, submit the original and one copy of this form along with a non-refundable application fee of **\$500.00** to:

Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6770

- E. A filing fee of **\$500.00** is required for the transfer of an existing certificate to another company.
- F. If you have questions about completing the form, contact:

Florida Public Service Commission
Office of Telecommunications
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6600

1. This is an application for (check one):

Original certificate (new company).

Approval of transfer of existing certificate: Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority rather than apply for a new certificate.

2. Name of company: DSCI, LLC

3. Name under which applicant will do business (fictitious name, etc.):

DSCI, LLC

4. Official mailing address:

Street/Post Office Box: 1 Sundial Ave, Suite 414

City: Manchester

State: New Hampshire

Zip: 03103

5. Florida address: No Physical locations within the State of Florida

Registered Agent: Corporation Service Company

Street/Post Office Box: 1201 Hays Street

City: Tallahassee

State: FL

Zip: 32301

6. Structure of organization:

Individual

Foreign Corporation

General Partnership

Other, please specify: Limited Liability Company

Corporation

Foreign Partnership

Limited Partnership

If individual, provide: N/A

Name: _____
Title: _____
Street/Post Office Box: _____
City: _____
State: _____
Zip: _____
Telephone No.: _____
Fax No.: _____
E-Mail Address: _____
Website Address: _____

- 7. **If incorporated in Florida**, provide proof of authority to operate in Florida. The Florida Secretary of State corporate registration number is: Foreign Corporation
- 8. **If foreign corporation**, provide proof of authority to operate in Florida. The Florida Secretary of State corporate registration number is: M14000003791
- 9. **If using fictitious name (d/b/a)**, provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida. The Florida Secretary of State fictitious name registration number is: DSCI of Florida, LLC M14000003791
- 10. **If a limited liability partnership**, please proof of registration to operate in Florida. The Florida Secretary of State registration number is: N/A
- 11. **If a partnership**, provide name, title and address of all partners and a copy of the partnership agreement. N/A

Name: _____
Title: _____
Street/Post Office Box: _____
City: _____
State: _____
Zip: _____
Telephone No.: _____
Fax No.: _____
E-Mail Address: _____
Website Address: _____

- 12. **If a foreign limited partnership**, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable. The Florida registration number is:

13. Provide **F.E.I. Number:** 46-5091304

14. Who will serve as liaison to the Commission in regard to the following?

(a) The application:

Name: Tracy Wolford, CPA
Title: VP of Regulatory and Compliance
Street Name & Number: 1 Sundial Ave, Suite 414
Post Office Box:
City: Manchester
State: New Hampshire
Zip: 03103
Telephone No.: 781-861-2266
Fax No.: 781-861-4646
E-Mail Address: twolford@dscicorp.com
Website Address: www.dscicorp.com

(b) Official point of contact for the ongoing operations of the company:

Name: Timothy Battles
Title: Senior VP of Finance
Street Name & Number: 1 Sundial Ave, Suite 414
Post Office Box:
City: Manchester
State: New Hampshire
Zip: 03103
Telephone No.: 781-861-4606
Fax No.: 781-861-4646
E-Mail Address: tbattles@dscicorp.com
Website Address: www.dscicorp.com

(c) Where will you officially designate as your place of publicly publishing your schedule (a/k/a tariffs or price lists)?

- Florida Public Service Commission
- Website – Website address:
- Other – Please provide address:

15. List the states in which the applicant:

(a) has operated as a telecommunications company.

California, Colorado, Connecticut, Illinois, Maine, New Hampshire, Massachusetts, New Jersey, New York, Rhode Island, Texas, and Virginia

(b) has applications pending to be certificated as a telecommunications company.

Georgia and District of Columbia

(c) is certificated to operate as a telecommunications company.

California, Colorado, Connecticut, Illinois, Maine, New Hampshire, Massachusetts, New Jersey, New York, Rhode Island, Texas, and Virginia

(d) has been denied authority to operate as a telecommunications company and the circumstances involved.

N/A

(e) has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

N/A

(f) has been involved in civil court proceedings with another telecommunications entity, and the circumstances involved.

N/A

16. Have any of the officers, directors, or any of the ten largest stockholders previously been:

(a) adjudged bankrupt, mentally incompetent (and not had his or her competency restored), or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. Yes No

If yes, provide explanation.

(b) granted or denied a certificate in the State of Florida (this includes active and canceled certificates). Yes No

If yes, provide explanation and list the certificate holder and certificate number.

(c) an officer, director, partner or stockholder in any other Florida certificated or registered telephone company. Yes No

If yes, give name of company and relationship. If no longer associated with company, give reason why not. Officers of DSCI, LLC are also the Officers of DSCI Corporation the Company of which DSCI LLC is seeking a transfer of authority from.

17. Submit the following:

(a) **Managerial capability:** resumes of employees/officers of the company that would indicate sufficient managerial experiences of each. Please explain if a resume represents an individual that is not employed with the company and provide proof that the individual authorizes the use of the resume.

(b) **Technical capability:** resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance. Please explain if a resume represents an individual that is not employed with the company and provide proof that the individual authorizes the use of the resume.

(c) **Financial Capability:** applicant's audited financial statements for the most recent three (3) years. If the applicant does not have audited financial statements, it shall so be stated. Unaudited financial statements should be signed by the applicant's chief executive officer and chief financial officer affirming that the financial statements are true and correct and should include:

1. the balance sheet,
2. income statement, and
3. statement of retained earnings.

Note: *It is the applicant's burden to demonstrate that it possesses adequate managerial capability, technical capability, and financial capability. Additional supporting information can be supplied at the discretion of the applicant.*

THIS PAGE MUST BE COMPLETED AND SIGNED

REGULATORY ASSESSMENT FEE: I understand that all telephone companies must pay a regulatory assessment fee. Regardless of the gross operating revenue of a company, a minimum annual assessment fee, as defined by the Commission, is required.

RECEIPT AND UNDERSTANDING OF RULES: I acknowledge receipt and understanding of the Florida Public Service Commission's rules and orders relating to the provisioning of telecommunications company service in Florida.

APPLICANT ACKNOWLEDGEMENT: By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide telecommunications company service in the State of Florida. I have read the foregoing and declare that, to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

Further, I am aware that, pursuant to Chapter 837.06, Florida Statutes, "**Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083.**"

I understand that any false statements can result in being denied a certificate of authority in Florida.

COMPANY OWNER OR OFFICER

Print Name: Timothy Battles
Title: Senior VP of Finance- DSCI LLC
Telephone No.: 781-861-4606
E-Mail Address: tbattles@dscicorp.com

Signature: _____



Date: _____

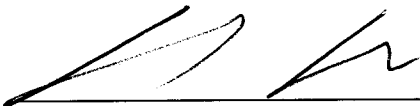
2/9/16

CERTIFICATE TRANSFER

As current holder of Florida Public Service Commission Certificate Number 8739, I have reviewed this application and join in the petitioner's request for a transfer of the certificate.

COMPANY OWNER OR OFFICER

Print Name:	Timothy Battles
Title:	CFO- DSCI Corporation
Street/Post Office Box:	303 Wyman Street, Suite 350
City:	Waltham
State:	Massachusetts
Zip:	02451
Telephone No.:	781-861-4606
Fax No.:	781-861-4646
E-Mail Address:	tbattles@dscicorp.com

Signature:  _____ Date: 2/5/16

State of Florida



Department of State

I certify the attached is a true and correct copy of the application by DSCI, LLC doing business in Florida as DSCI OF FLORIDA, LLC, a Delaware limited liability company, authorized to transact business within the state of Florida on June 2, 2014, as shown by the records of this office.

The document number of this limited liability company is M14000003791.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capital, this the
Third day of June, 2014



CR2EO22 (1-11)

Ken Detzner

Ken Detzner
Secretary of State

DSCI LLC Managerial Capability/ Technical Capability

The Company has assembled a highly skilled management team, which brings a wealth of experience and expertise to the Company's telecommunications services venture. Together, the Company's executives provide it with the depth and breadth of management, operational and technical capabilities necessary to facilitate its provision of high quality, affordable local exchange telecommunications services. Biographies of the Company's Senior Management follow.

President and CEO: As one of the four founders of DSCI, LLC, Sean M. Dandley has worked in the telecommunications field for over twenty-two years, and has established a distinguished executive management track record. He was a founder and majority owner of Digital Signal Communications, Inc., a non-facility based telecommunications provider that provided local, long-distance and data services to the Mid-Tier Business market in New England and New York. Digital Signal Communications, Inc. grew to a business with ten million dollars in annual revenues within fourteen months of commencing operations and was regarded as having one of the best customer retention programs in the country.

Mr. Dandley was also the Senior VP of Sales and Marketing at Digital Broadband Communications, Inc., a northeast broadband service provider, and grew the sales and sales engineering organization from 25 to 185 employees in ten months. During this period, the sales organization exceeded sales objectives including landing multi-million dollar contracts with Putnam, EMC, Lifespan and Mass Community Networks.

Mr. Dandley has held the positions of National Accounts Manager at USTelecenters, Director of Sales for Eastern Telecom and Vice-President of Network Sales for Eastern Telecom.

Vice-President – Tim Battles has worked in the telecommunications industry for twenty-five years. He has created national and regional sales organizations that have provided superior service and garnered high customer loyalty. He has extensive experience managing sales forces that concentrated on high-end technical customer applications such as WANs, VPNs, Remote Access and Internet service. Currently he is the Vice President and one of four co-founders of DSCI, LLC, where he has manages the day to day financial operations of the company.

Previously, Mr. Battles was a VP of Sales at Digital Broadband Communications, Inc., a northeast broadband service provider, and opened nine markets growing the sales force from 0 to 96 employees in ten months.

Prior to Digital Broadband Communications he was part of a group of five people who started Digital Signal Communications, Incorporated. As Vice President of Sales, he was part of the senior management team that drove the growth of Digital Signal Communications' revenue from

\$0.00 in March of 1998 to \$10.0 million in 1999. He had previously held positions including Sales Engineering, National Accounts and Sales Management at USTeleCenters and Sprint.

Vice-President of Sales: James Maloney proven sales management professionals with over fifteen of sales and sales management experience in telecommunications. He has established a successful track record creating and developing high production, high retention sales teams. Currently he is the Vice President of Sales and one of four co-founders of DSCI, LLC. During his tenure here, revenues have grown from \$9M in 2001 to just under \$28M in 2006.

Prior to DSCI, Mr. Maloney was a VP of Sales at Digital Broadband Communications, Inc., a northeast broadband service provider, and opened five markets growing the sales force from 0 to 60 employees in ten months.

Before Digital Broadband Communications he was part of a group of five people who started Digital Signal Communications, Incorporated. His experience is derived from positions at MCI, USTelecenters, and Eastern Telecom.

Vice-President of Engineering: Rick Girardin was brought in to form the engineering team that had the responsibility to design and implement a "greenfield" voice and data network for the purpose of migrating an existing Resold customer base and to deliver new voice and data products to the New England market. This was the third network that he had designed and built from the ground up.

Before joining DSCI, Mr. Girardin was the Vice President of Engineering at Lightship Communications which had acquired his previous company, Net Resource in February of 2000. At Lightship he was responsible for all of the voice, data, and network engineering along with network assurance and operations. His major focus there was to merge the operations and network of Net Resource's primarily data network with Lightship's existing voice infrastructure. The Lightship network was built to serve over 80% of the businesses in Vermont, New Hampshire, Maine, Massachusetts, and Rhode Island.

As previously mentioned, preceding his engagement with Lightship he was founder and President of Net Resource. With Net Resource Mr. Girardin established one of the first commercial ISP's serving New England businesses. Net Resource owned and operated a data network offering ATM, Frame Relay, DSL, and IP service. Net Resource established relationships with area telecom companies to offer wholesale access to its network enabling bundled voice and data offerings.

Exhibit 17-C

Financial Statements

DSCI, LLC was formed as Limited Liability Company in the State of Delaware on 3/4/2014. It is a subsidiary of the Parent/Holding Company DSCI Corporation. Attached are the three most recent audited financial statements of the Parent/Holding Company.

DSCI, LLC

Financial Statements

December 31, 2014

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Independent Auditor's Report

To the Members of
DSCI, LLC
Waltham, Massachusetts

We have audited the accompanying financial statements of DSCI, LLC, a Delaware limited liability company, which comprise the balance sheet as of December 31, 2014, and the related statements of operations, cash flows and member's equity for the period from inception March 28, 2014 to December 31, 2014, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes assessing the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DSCI, LLC as of December 31, 2014, and the results of its operations and its cash flows for the initial period then ended in accordance with accounting principles generally accepted in the United States of America.



Anstiss & Co., P.C.
Lowell, Massachusetts
March 31, 2015

DSCI, LLC
Balance Sheet
December 31, 2014

Assets

Current assets:

Cash and cash equivalents	\$ 789,964
Accounts receivable, net	2,263,245
Inventory	370,942
Other current assets	826,445
Total current assets	<u>4,250,596</u>

Property and equipment, net

3,947,623

Other assets:

Security deposits	143,489
Intangible assets, net	58,353,802
Total other assets	<u>58,497,291</u>
Total assets	<u>\$ 66,695,510</u>

Liabilities and Members' Equity

Current liabilities:

Accounts payable and accrued expenses	\$ 1,644,932
Accrued payroll and commissions	816,939
Sales taxes payable	202,990
Current portion of notes payable	960,685
Acquisition liabilities	707,500
Current portion of LOC	503,297
Other current liabilities	948,882
Total current liabilities	<u>5,785,225</u>

Long term liabilities:

Notes payable	2,233,562
Long-term portion of LOC	646,703
Other long term liabilities	198,952
Total long term liabilities	<u>3,079,217</u>
Total liabilities	<u>8,864,442</u>

Members' equity:

Membership units - Class A	28,509,268
Membership units - Class B	29,280,048
Membership units - Class C	41,752
Total members' equity	<u>57,831,068</u>
Total liabilities and members' equity	<u>\$ 66,695,510</u>

DSCI, LLC
Statement of Operations
For the Nine Months Ended December 31, 2014

Revenue Earned		\$ 32,106,751
Cost of revenue earned		<u>13,949,919</u>
Gross margin on revenue earned		<u>18,156,832</u>
Operation Expenses		
Salaries and commissions		8,940,052
Employee benefits and taxes		1,413,694
Depreciation and amortization		526,443
Repairs and maintenance		613,846
Occupancy		507,585
Bad debts		165,738
Professional fees		614,295
Office expenses		539,242
Telephone and communications		294,310
Advertising		229,890
Travel and entertainment		236,460
Insurance		121,559
Other operating expenses		136,479
Printing and reproduction		<u>34,355</u>
Total operating expenses		<u>14,373,948</u>
Income from operations		<u>3,782,884</u>
Other (Expense) Income		
Interest expense		(75,660)
Loss on disposal of equipment		(94,459)
Other income		<u>63,303</u>
Total other expense		<u>(106,816)</u>
Income before taxes		3,676,068
Provision for income taxes		<u>39,525</u>
Net Income		<u><u>\$ 3,636,543</u></u>

The accompanying notes are an integral part of these financial statements.

DSCI, LLC
Statement of Cash Flows
For the Nine Months Ended December 31, 2014

Cash Flows from Operating Activities	
Net income	\$ 3,636,543
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	526,443
Bad debt expense	165,738
Loss (gain) on sale of equipment	94,459
Changes in assets and liabilities:	
Decrease in accounts receivable	11,277
Decrease in inventory	369,118
Increase in other current assets	(502,225)
Decrease in accounts payable and accrued expenses	(1,410,416)
Increase in accrued payroll and commissions	125,200
Increase in other liabilities	309,223
Net cash provided by operating activities	<u>3,325,360</u>
Cash Flows from Investing Activities	
Purchase of equipment	<u>(1,952,150)</u>
Net cash used in investing activities	<u>(1,952,150)</u>
Cash Flows from Financing Activities	
Proceeds from term note	1,054,732
Payments on notes payable	(1,401,198)
Payments on financed vehicles	(50,318)
Proceeds from line of credit, net	940,544
Distributions to partners	<u>(1,127,006)</u>
Net cash used in financing activities	<u>(583,246)</u>
Net increase in cash and cash equivalents	789,964
Cash and cash equivalents - beginning of the period	<u>-</u>
Cash and cash equivalents - end of the period	<u>\$ 789,964</u>
Supplemental Cash Flow Information	
Income taxes paid	\$ 50,000
Interest paid	\$ 70,560
Noncash auto loans financed	\$ 47,752
Noncash financed acquisition of United Technologies	\$ 2,104,724

The accompanying notes are an integral part of these financial statements.

DSCI, LLC
Statement of Members' Equity
For the Nine Months Ended December 31, 2014

	<u>Number of Units</u>	<u>Class A</u>	<u>Class B</u>	<u>Class C</u>	<u>Accumulated Earnings</u>
Balance at March 31, 2014	1,000,000	\$ 27,500,000	\$ 28,243,494	\$ -	\$ -
Net Income for the nine months ended December 31, 2014	-	1,773,422	1,821,369	41,752	3,636,543
Distributions to Partners	-	(764,154)	(784,815)	-	(1,548,969)
Balance at December 31, 2014	<u>1,000,000</u>	<u>\$ 28,509,268</u>	<u>\$ 29,280,048</u>	<u>\$ 41,752</u>	<u>\$ 2,087,574</u>

The accompanying notes are an integral part of these financial statements.

DSCI Corporation

Financial Statements

December 31, 2013 and 2012

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Independent Auditor's Report

To the Stockholders
DSCI Corporation
Waltham, Massachusetts

We have audited the accompanying financial statements of DSCI Corporation which comprise the balance sheets as of December 31, 2013 and 2012, and the related statements of operations, cash flows and stockholders' equity for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes assessing the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DSCI Corporation as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Anstiss & Co., P.C.

Anstiss & Co., P.C.
Lowell, Massachusetts
March 14, 2014

DSCI Corporation
Balance Sheets
December 31, 2013 and 2012

	Assets	
	<u>2013</u>	<u>2012</u>
Current assets:		
Cash and cash equivalents	\$ 316,797	\$ 438,907
Accounts receivable, net	1,823,784	2,199,304
Vender credit receivables	305,534	-
Inventory	431,444	170,879
Prepaid expenses	514,604	537,131
Other current assets	26,579	20,550
Total current assets	<u>3,418,742</u>	<u>3,366,771</u>
Property and equipment, net	<u>6,625,645</u>	<u>6,339,361</u>
Other assets:		
Security deposits	88,015	95,015
Intangible assets, net	18,000	19,000
Loan costs, net	-	1,517
Total other assets	<u>106,015</u>	<u>115,532</u>
Total assets	<u>\$ 10,150,402</u>	<u>\$ 9,821,664</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,589,783	\$ 2,950,960
Accrued payroll and commissions	677,836	614,100
Sales taxes payable	327,816	293,349
Current portion of notes payable	619,412	840,728
Current installments of capital lease obligations	2,034	8,358
Customer security deposits	209,395	268,530
Deferred Rent	89,315	57,167
Accrued income taxes	55,164	98,072
Total current liabilities	<u>4,570,755</u>	<u>5,131,264</u>
Long term liabilities:		
Equipment credit line	750,000	605,800
Notes payable	877,000	676,907
Total long term liabilities	<u>1,627,000</u>	<u>1,282,707</u>
Total liabilities	<u>6,197,755</u>	<u>6,413,971</u>
Stockholders' equity:		
Common stock, no par value	572,173	572,173
Additional paid-in capital	55,889	55,889
Retained earnings	3,324,585	2,779,631
Total stockholders' equity	<u>3,952,647</u>	<u>3,407,693</u>
Total liabilities and stockholders' equity	<u>\$ 10,150,402</u>	<u>\$ 9,821,664</u>

The accompanying notes are an integral part of these financial statements.

DSCI Corporation
Statements of Operations
For the Years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Revenue earned	\$ 37,586,708	\$ 34,190,901
Cost of revenue earned	<u>16,601,189</u>	<u>16,071,028</u>
Gross margin on revenue earned	<u>20,985,519</u>	<u>18,119,873</u>
Operation expenses:		
Salaries and commissions	10,355,692	9,616,014
Depreciation and amortization	2,393,981	2,126,492
Employee benefits and taxes	1,442,831	1,420,982
Repairs and maintenance	659,714	586,228
Occupancy	594,610	568,595
Bad debts	424,567	279,293
Professional fees	259,235	318,992
Office expenses	500,003	501,284
Telephone and communications	398,557	341,783
Other operating expenses	264,370	299,259
Travel and entertainment	221,563	196,154
Insurance	147,706	132,993
Printing and reproduction	116,098	124,334
Total operating expenses	<u>17,778,927</u>	<u>16,512,403</u>
Income from operations	3,206,592	1,607,470
Other (expense) income:		
Interest expense	(80,568)	(215,660)
Current portion of notes payable	(23,119)	13,097
Other income	140,860	1,252,583
Total other income	<u>37,173</u>	<u>1,050,020</u>
Net income before taxes	3,243,765	2,657,490
Provision for income taxes	<u>(189,513)</u>	<u>(135,991)</u>
Net income	<u>\$ 3,054,252</u>	<u>\$ 2,521,499</u>

The accompanying notes are an integral part of these financial statements.

DSCI Corporation
Statements of Cash Flows
For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Net income	\$ 3,054,252	\$ 2,521,499
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,393,981	2,126,492
Bad debt expense	424,567	279,293
Loss (gain) on sale of equipment	23,119	(13,097)
Changes in assets and liabilities:		
Increase in accounts receivable	(49,047)	(521,469)
Increase in vendor credit receivables	(305,534)	-
Increase in inventory	(260,565)	(78,923)
Decrease in prepaid expenses and other assets	25,015	103,464
(Decrease) Increase in accounts payable and accrued expenses	(361,177)	565,707
Increase in accrued payroll and commissions	63,736	86,074
(Decrease) Increase in other liabilities	(35,428)	714,407
Net cash provided by operating activities	<u>4,972,919</u>	<u>5,783,447</u>
Cash flows from investing activities:		
Purchase of equipment	(2,702,384)	(3,357,901)
Purchase of intangible asset	-	(20,000)
Proceeds from sale of equipment	-	17,484
Net cash used in investing activities	<u>(2,702,384)</u>	<u>(3,360,417)</u>
Cash flows from financing activities:		
Proceeds from term note	1,800,000	-
Payments on notes payable	(1,821,223)	(969,137)
Payments on capital lease obligations	(6,324)	(70,497)
Proceeds from line of credit, net	144,200	535,861
Proceeds from exercise of stock options	-	5,000
Dividend distributions	(2,509,298)	(1,866,421)
Net cash used in financing activities	<u>(2,392,645)</u>	<u>(2,365,194)</u>
Net (Decrease) Increase in cash and cash equivalents	(122,110)	57,836
Cash and cash equivalents - beginning of the year	<u>438,907</u>	<u>381,071</u>
Cash and cash equivalents - end of the year	<u>\$ 316,797</u>	<u>\$ 438,907</u>
Supplemental cash flow information:		
Income taxes paid	\$ 98,479	\$ 34,902
Interest paid	\$ 80,568	\$ 215,660

The accompanying notes are an integral part of these financial statements.

DSCI Corporation
Statements of Stockholders' Equity
For the Years ended December 31, 2013 and 2012

	Number of Shares	Capital Stock	Additional Paid-In Capital	Retained Earnings
Balance at December 31, 2011	2,068,800	\$ 572,173	\$ 50,889	\$ 2,124,553
Net Income for the year ended December 31, 2011	-	-	-	2,521,499
Stock issued to employee exercising options	5,000	-	5,000	-
Dividend distributions				(1,866,421)
Balance at December 31, 2012	<u>2,073,800</u>	<u>572,173</u>	<u>55,889</u>	<u>2,779,631</u>
Net Income for the year ended December 31, 2013				3,054,252
Dividend distributions				(2,509,298)
Balance at December 31, 2013	<u><u>2,073,800</u></u>	<u><u>\$ 572,173</u></u>	<u><u>\$ 55,889</u></u>	<u><u>\$ 3,324,585</u></u>

The accompanying notes are an integral part of these financial statements.

DSCI Corporation

Financial Statements

December 31, 2012 and 2011

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Independent Auditor's Report

To the Stockholders
DSCI Corporation
Waltham, Massachusetts

We have audited the accompanying financial statements of DSCI Corporation which comprise the balance sheets as of December 31, 2012 and 2011, and the related statements of operations, cash flows and stockholders' equity for the years then ended, and the related notes to the financial statements

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes assessing the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DSCI Corporation as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Anstiss & Co. P.C.

Anstiss & Co., P.C.
Lowell, Massachusetts
March 15, 2013

DSCI Corporation
Balance Sheets
December 31, 2012 and 2011

	Assets	
	<u>2012</u>	<u>2011</u>
Current assets:		
Cash and cash equivalents	\$ 438,907	\$ 381,071
Accounts receivable, net	2,199,304	1,957,128
Prepaid expenses	537,131	587,909
Other current assets	191,429	145,573
Total current assets	<u>3,366,771</u>	<u>3,071,681</u>
Property and equipment, net	<u>6,339,361</u>	<u>5,111,339</u>
Other assets:		
Security deposits	95,015	112,612
Intangible assets, net	19,000	-
Loan costs, net	1,517	3,539
Total other assets	<u>115,532</u>	<u>116,151</u>
Total assets	<u>\$ 9,821,664</u>	<u>\$ 8,299,171</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Other current debt	\$ 605,800	\$ 69,939
Accounts payable and accrued expenses	2,518,589	1,952,882
Accrued payroll and commissions	614,100	528,026
Withholding and communication taxes payable	725,720	307,600
Current portion of long term debt	840,728	1,010,891
Current installments of capital lease obligations	8,358	70,283
Customer security deposits	268,530	126,336
Deferred Rent	57,167	-
Accrued income taxes	98,072	1,146
Total current liabilities	<u>5,737,064</u>	<u>4,067,103</u>
Long term liabilities:		
Long term debt	676,907	1,475,881
Capital lease obligations, net of current installments	-	8,572
Total liabilities	<u>6,413,971</u>	<u>5,551,556</u>
Stockholders' equity:		
Common stock, no par value	572,173	572,173
Additional paid-in capital	55,889	50,889
Retained earnings	2,779,631	2,124,553
Total stockholders' equity	<u>3,407,693</u>	<u>2,747,615</u>
Total liabilities and stockholders' equity	<u>\$ 9,821,664</u>	<u>\$ 8,299,171</u>

The accompanying notes are an integral part of these financial statements.

DSCI Corporation
Statements of Operations
For the Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Revenue earned	\$ 33,328,054	\$ 29,669,035
Cost of revenue earned	<u>15,208,964</u>	<u>14,412,297</u>
Gross margin on revenue earned	<u>18,119,090</u>	<u>15,256,738</u>
Operation expenses:		
Salaries	9,615,231	8,730,193
Depreciation and amortization	2,126,492	1,867,352
Employee benefits and taxes	1,420,982	1,428,646
Other operating expenses	885,487	820,656
Occupancy	568,595	480,111
Professional fees	318,992	422,844
Office expenses	501,284	390,700
Telephone and communications	341,783	330,761
Travel and entertainment	196,154	167,779
Insurance	132,993	113,962
Bad debts	279,293	96,158
Printing and reproduction	124,334	126,342
Total operating expenses	<u>16,511,620</u>	<u>14,975,504</u>
Income from operations	1,607,470	281,234
Other (expense) income:		
Interest expense	(215,660)	(113,603)
Sale of equipment	13,097	118,442
Other income	1,252,583	14,976
Total other income	<u>1,050,020</u>	<u>19,815</u>
Net income before taxes	2,657,490	301,049
Provision for income taxes	<u>(135,991)</u>	<u>(52,915)</u>
Net income	<u>\$ 2,521,499</u>	<u>\$ 248,134</u>

The accompanying notes are an integral part of these financial statements.

DSCI Corporation
Statements of Cash Flows
For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Net income	\$ 2,521,499	\$ 248,134
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,126,492	1,867,352
Bad debt expense	279,293	96,158
(Gain) loss on sale of equipment	(13,097)	(118,442)
Changes in assets and liabilities:		
Decrease (Increase) in accounts receivable	(521,469)	175,645
(Increase) Decrease in prepaid expenses and other assets	24,541	(141,739)
(Decrease) Increase in accounts payable and accrued expenses	565,707	(758,773)
(Decrease) Increase in accrued payroll and commissions	86,074	(386,316)
Increase (Decrease) in other liabilities	714,407	71,298
Net cash provided by operating activities	<u>5,783,447</u>	<u>1,053,317</u>
Cash flows from investing activities:		
Purchase of equipment	(3,357,901)	(1,778,398)
Purchase of intangible asset	(20,000)	-
Proceeds from sale of equipment	17,484	118,442
Net cash used in investing activities	<u>(3,360,417)</u>	<u>(1,659,956)</u>
Cash flows from financing activities:		
Proceeds (Payments) on notes payable - net	(969,137)	992,574
Payments on capital lease obligations	(70,497)	(66,813)
(Payments) Proceeds from line of credit, net	535,861	(530,117)
Proceeds from exercise of stock options	5,000	4,000
Dividend distributions	(1,866,421)	-
Net cash provided by (used in) financing activities	<u>(2,365,194)</u>	<u>399,644</u>
Net (Decrease) Increase in cash and cash equivalents	57,836	(206,995)
Cash and cash equivalents - beginning of the year	<u>381,071</u>	<u>588,066</u>
Cash and cash equivalents - end of the year	<u>\$ 438,907</u>	<u>\$ 381,071</u>
Supplemental cash flow information:		
Income taxes paid	\$ 34,902	\$ 46,577
Interest paid	\$ 215,660	\$ 114,178

The accompanying notes are an integral part of these financial statements.

DSCI Corporation
Statements of Stockholders' Equity
For the Years ended December 31, 2012 and 2011

	Number of Shares	Capital Stock	Additional Paid-In Capital	Retained Earnings
Balance at December 31, 2010	2,064,800	\$ 572,173	\$ 46,889	\$ 1,876,419
Net Income for the year ended December 31, 2011	-	-	-	248,134
Stock issued to employee exercising options	4,000	-	4,000	-
Balance at December 31, 2011	<u>2,068,800</u>	<u>572,173</u>	<u>50,889</u>	<u>2,124,553</u>
Net Income for the year ended December 31, 2012				2,521,499
Stock issued to employee exercising options	5,000		5,000	
Dividend distributions				(1,866,421)
Balance at December 31, 2012	<u><u>2,073,800</u></u>	<u><u>\$ 572,173</u></u>	<u><u>\$ 55,889</u></u>	<u><u>\$ 2,779,631</u></u>

The accompanying notes are an integral part of these financial statements.



Power Communications. Unleash Productivity.

March 6, 2014

VIA OVERNIGHT DELIVERY

Florida Public Service Commission
Office of Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

RECEIVED FPSC
14 MAR 10 AM 9:50
COMMISSION
CLERK

Re: DSCI Corporation Notification of *Pro Forma* Transactions

DSCI Corporation ("DSCI" or the "Company"), hereby notifies the Florida Public Service Commission ("Commission") of its participation in a series of proposed *pro forma* transactions whereby DSCI intends to: (1) create a wholly-owned subsidiary, DSCI, LLC ("DSCI, LLC"); (2) assign all of DSCI's assets and certain liabilities to DSCI, LLC; and (3) sell a minority interest in DSCI, LLC to one or more commonly owned and managed private investment funds described more fully below (the "Transactions"). The Transactions are being undertaken to improve DSCI's capitalization structure, and thus its competitive position, while permitting DSCI to take advantage of additional experiences, perspectives and strategies to complement current management's capabilities and accelerate the growth of the Company. DSCI anticipates completing these transactions on or about March 31, 2014.

It is DSCI's understanding that Commission approval is not required to complete the *pro forma* transactions described herein. Accordingly, DSCI submits this Notification for the Commission's information and requests that it be retained by the Commission in the appropriate file. DSCI will file any necessary tariff revisions after the Transactions close.

In support, DSCI further states as follows:

I. Description of DSCI Corp.

DSCI is a privately held corporation organized pursuant to the laws of Massachusetts, with its principal place of business located at 303 Wyman Street, Suite 350, Waltham, Massachusetts 02451. DSCI provides integrated business communications services, including facilities-based and resold local and long distance voice and data services; hosted unified communications and collaboration; network connectivity; Internet and IP-based services; and network integration, monitoring and server backup services. In Florida, DSCI was authorized by the Commission to provide competitive local exchange and interexchange services on 11/18/2008 in DOCKET NO. 080524-TX.

COM _____
AFD _____
APA _____
ECO _____
ENG _____
GCL _____
IDM _____
TEL | _____
CLK _____

In addition to the services provided by DSCI in Florida, DSCI is authorized by the Federal Communications Commission ("FCC") to provide international and domestic interstate telecommunications services. See File No. ITC-214-20040309-00098. DSCI is also authorized to provide interexchange telecommunications services and competitive local exchange services, pursuant to certification, registration or tariff requirements, or on a deregulated basis in California, District of Columbia, Georgia, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont and Virginia.

II. Designated Contacts

Inquiries or copies of any correspondence, orders, or other materials pertaining to this filing should be directed to:

Tim Battles
Vice President
DSCI Corporation
1 Sundial Avenue, Suite 414
Manchester, NH 03103
Tel: 781-861-4676
Fax: 781-861-4646
Email: tbattles@dscicorp.com

Michael P. Donahue
Marashlian & Donahue, LLC
The *CommLaw* Group
1420 Spring Hill Road, Suite 401
McLean, Virginia 22102
Tel: 703-714-1319
Fax: 703-714-1330
E-Mail: mpd@CommLawGroup.com

III. Description of the *Pro Forma* Intra-Corporate Transactions

DSCI intends to complete a series of *pro forma* intra-corporate transactions. First, DSCI will create a wholly-owned limited liability subsidiary, DSCI, LLC. DSCI, LLC will be formed in Delaware. Second, DSCI will transfer 100% of its assets, including its customers and licenses, and certain liabilities into DSCI, LLC in exchange for a 100% ownership interest in DSCI, LLC. As a result, DSCI, LLC will be the operating company. The current shareholders of DSCI will continue to hold 100% of the ownership of DSCI. Finally, DSCI will sell a minority interest in DSCI, LLC to one or more private investment funds or other investment vehicles owned and managed by McCarthy Partners Management, LLC ("McCarthy"). DSCI will continue to hold its majority interest in DSCI, LLC and DSCI's current shareholders will continue to hold the same proportion of ownership interest vis-à-vis one another that they held prior to the Transactions. DSCI anticipates completing the Transactions on or about March 31, 2014.

DSCI's current management will continue to be responsible for the day-to-day operations of the business. McCarthy will have the right to appoint two of the five members to DSCI's Board of Directors and will have limited minority approval rights in connection with certain significant, non-routine corporate activities.

DSCI emphasizes that the proposed Transactions will not affect the ultimate control of DSCI or DSCI, LLC. DSCI's current shareholders will continue to hold 100% of the ownership of DSCI and a majority of the ownership interests of DSCI, LLC. Likewise, the assignment of assets and certain liabilities to DSCI, LLC will be undertaken in a way that is seamless to customers. DSCI and DSCI's current management will continue to operate those assets through DSCI's majority-owned subsidiary, DSCI, LLC. Because the rates, terms and conditions of the services received by DSCI customers will not change as a result of the proposed Transactions, the Transactions will be transparent to DSCI's customers. The ultimate ownership of DSCI and its assets will not change as a result of the Transactions. As such, the proposed Transactions are entirely *pro forma* in nature.

As a result of the proposed Transactions, DSCI will remain well-qualified to provide service to its customers. DSCI's operations will continue to be overseen by the same well-qualified management team with substantial telecommunications experience and technical expertise and DSCI will be able to recapitalize in a manner that minimizes transaction complexity and optimizes the outcome for DSCI and its shareholders.

IV. Public Interest Considerations

Consummation of the proposed Transactions will serve the public interest in promoting competition among telecommunications carriers by providing DSCI with the opportunity to strengthen its competitive position through a revised capitalization structure and to leverage the experience, perspectives, and resources of McCarthy in order to accelerate the growth of the business. Customers will continue to receive uninterrupted services, and the Transactions will not change the ultimate ownership of DSCI or its assets. Customers will continue to be served by a carrier with significant technical, managerial and financial resources. The Transactions are intended solely to provide operational flexibility to DSCI, and to allow the company to better manage its operations.

V. Conclusion

For the reasons stated above, DSCI respectfully submits that the public interest, convenience, and necessity would be furthered by the proposed Transactions. Accordingly, DSCI respectfully advises the Commission of its participation in the Transaction as described above.

An original and additional copy of this filing are enclosed. Please date stamp the enclosed extra copy of this filing and return it in the attached self-addressed envelope. If there are any questions regarding this filing, please do not hesitate to the individuals identified above.

Respectfully submitted,


A handwritten signature in black ink, consisting of a series of fluid, connected strokes, positioned below the text "Respectfully submitted,".

CHART 1

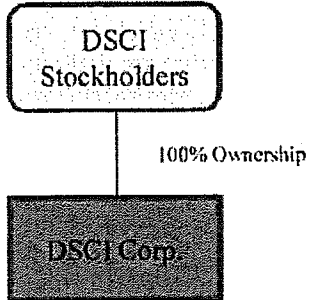


CHART 2

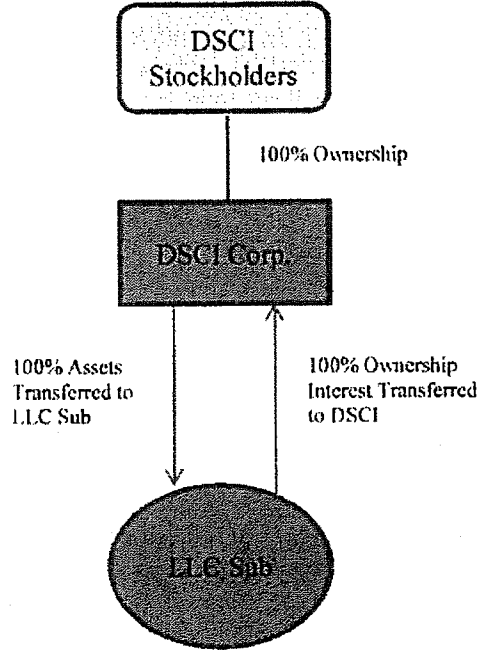
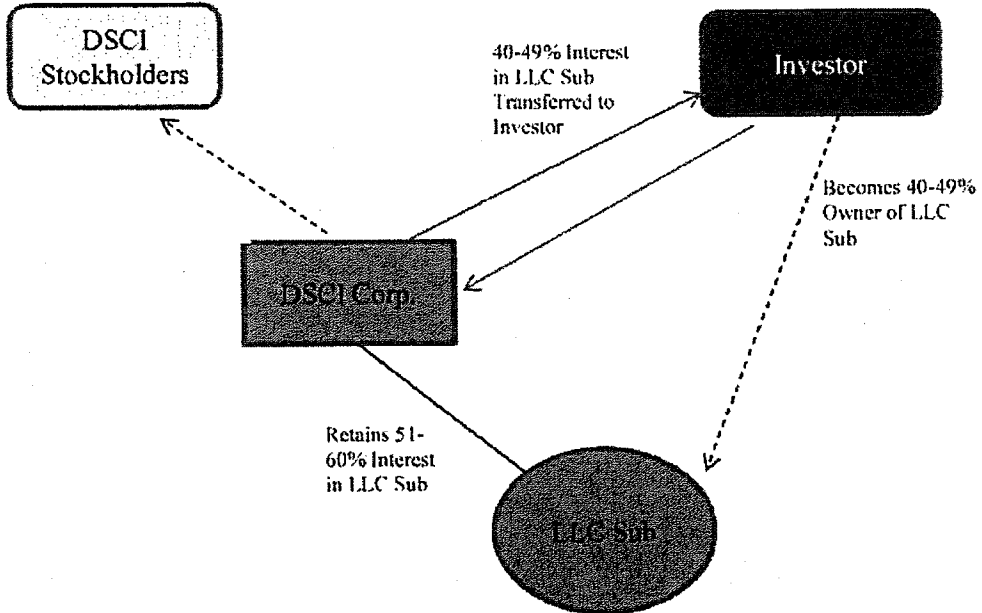



CHART 3



VERIFICATION

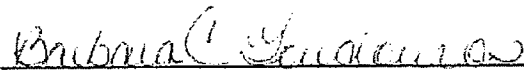
COMMONWEALTH OF MASSACHUSETTS)
)
) ss:

I, Tim Battles, being duly sworn, deposes and say that I am the Vice President of DSCI Corporation; that I am authorized to make this Verification on behalf of DSCI Corporation; that the foregoing document was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information and belief.



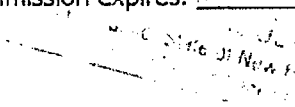
Tim Battles
Vice President
DSCI Corporation

Sworn and subscribed before me this 6th day of March 2014.



Notary Public

My commission expires: _____


BARBARA C. GOUDOUIROS
Notary Public, State of New Hampshire
My Commission Expires December 4, 2018