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110223 -TX

Ms. Ann Cole, Commission Clerk
Division of the Commission Clerk & Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RE: Cypress Communications Operating Company, LLC Application for Certificate of Authority

Dear Ms. Cole:

Enclosed for filing are the original and two (2) copies of an application for Authority to Provide Competitive Local Exchange Telecommunications Company Service within the State of Florida submitted on behalf of Cypress Communications Operating Company, LLC. Also enclosed is a check in the amount of \$400 to cover the filing fee.

Please acknowledge receipt of this filing by returning, filed stamped, the extra copy of this letter in the self-addressed stamped envelope provided for that purpose.

Any questions you may have regarding this application may be addressed to me at 407-740-3002 or via email to cwightman@tminc.com.

Thank you for your assistance.

Sincerely,

Connie Wightman
Consultant

Enclosures

COM	cc:	A. Gertsburg
APA		S. Avdyeyev
ECR	file:	Cypress - FL Local
GCL	tms:	FLL1100
KAD		
SSC		
ADM		
OPC		
CLK		

N.G.

DOCUMENT NUMBER - DATE

04773 JUL 12 =

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DATE DEPOSIT

FLORIDA PUBLIC SERVICE COMMISSION

JUL 12 2011 1 72

DIVISION OF COMPETITIVE MARKETS AND ENFORCEMENT

CK# 49888
\$ 400
7-8-11
RT

APPLICATION FORM
for

AUTHORITY TO PROVIDE COMPETITIVE LOCAL EXCHANGE TELECOMMUNICATIONS
COMPANY SERVICE
WITHIN THE STATE OF FLORIDA

110223-TX

Instructions

- A. This form is used as an application for an original certificate and for approval of sale, assignment or transfer of an existing certificate. In the case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or 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 two (2) copies of this form along with a non-refundable application fee of **\$400.00** to:

Florida Public Service Commission
Division of the Commission Clerk and Administrative Services
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6770

- E. A filing fee of **\$400.00** is required for the sale, assignment or transfer of an existing certificate to another company (Chapter 25-24.815, F.A.C.).
- F. If you have questions about completing the form, contact:

Florida Public Service Commission
Division of Competitive Markets and Enforcement
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6600

COM _____
 APA _____
 ECR _____
 GCL _____
 RAD _____
 SSC _____
 ADM _____
 OPC _____
 CLK N.C.

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FORM PSC/CMP-8(05/08)
 Required by Commission Rule Nos. 25-24.810,
 and 25-24.815

Note: To complete this interactive form
 using your computer, use the tab key
 to navigate between data entry fields.

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.
- Approval of assignment of existing Certificate:** Example, a certificated company purchases an existing company and desires to retain the existing certificate of authority and tariff.

2. Name of company: Cypress Communications Operating Company, LLC

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

Cypress Communications Operating Company, LLC

4. Official mailing address:

Street/Post Office Box: 3565 Piedmont Road NE, Building 4, Suite 600
City: Atlanta
State: GA
Zip: 30305-1527

5. Florida address:

Street/Post Office Box: 3565 Piedmont Road NE, Building 4, Suite 600
City: Atlanta
State: GA
Zip: 30305-1527

6. Structure of organization:

- | | |
|---|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Corporation |
| <input checked="" type="checkbox"/> Foreign Corporation | <input type="checkbox"/> Foreign Partnership |
| <input type="checkbox"/> General Partnership | <input type="checkbox"/> Limited Partnership |
| <input type="checkbox"/> Other | |

7. **If individual**, provide: N/A

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

8. **If incorporated in Florida**, provide proof of authority to operate in Florida. The Florida Secretary of State corporate registration number is: N/A

9. **If foreign corporation**, provide proof of authority to operate in Florida. The Florida Secretary of State corporate registration number is: M05000000427

10. **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: N/A

11. **If a limited liability partnership**, please proof of registration to operate in Florida. The Florida Secretary of State registration number is: N/A

12. **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:

13. **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: N/A

14. Provide **F.E.I. Number**(if applicable): 58-2536853

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

(a) The application:

Name: Connie Wightma
Title: Consultant
Street name & number: 2600 Maitland Center Parkway, Suite 300
Post office box:
City: Maitland
State: FL
Zip: 32751
Telephone No.: 407-740-3002
Fax No.: 407-740-0613
E-Mail Address: cwightman@tminc.com
Website Address: www.tminc.com

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

Name: Frank Grillo
Title: Executive Vice President
Applications, Implementation & Support
Street name & number: 3565 Piedmont Road NE, Building 4, Suite 600
Post office box:
City: Atlanta
State: GA
Zip: 30305-1527
Telephone No.: 404 442 0103
Fax No.:
E-Mail Address: fgrillo@cypresscom.net
Website Address: www.cypresscom.net

(c) Complaints/Inquiries from customers:

Name: Brandon Hamann
Title: Vice President Customer Operations
Street name & number: 3565 Piedmont Road NE, Building 4, Suite 600
Post office box:
City: Atlanta
State: GA
Zip: 30305-1527
Telephone No.: 404 442 0008
Fax No.:
E-Mail Address: bhamann@cypresscom.net
Website Address: www.cypresscom.net

16. List the states in which the applicant:

- (a) has operated as a Competitive Local Exchange Telecommunications Company.**

The company is currently certificated or otherwise authorized to provide Competitive Local Exchange services in 32 states (Alabama, Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Nevada, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, Washington and Wisconsin) and District of Columbia.

- (b) has applications pending to be certificated as a Competitive Local Exchange Telecommunications Company.**

None.

- (c) is certificated to operate as a Competitive Local Exchange Telecommunications Company.**

See Item 16(a) above.

- (d) has been denied authority to operate as a Competitive Local Exchange Telecommunications Company and the circumstances involved.**

The Company has not been denied authority in any state.

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

See Exhibit E.

- (f) has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.**

The Company has not been involved in any civil court proceedings with an interexchange, local exchange or other telecommunications entity.

17. Indicate if any of the officers, directors, or any of the ten largest stockholders have 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. If so, provide explanation.**

No.

- (b) **granted or denied a competitive local exchange certificate in the State of Florida (this includes active and canceled competitive local exchange certificates). If yes, provide explanation and list the certificate holder and certificate number.**

See Exhibit E.

- (c) **an officer, director, partner or stockholder in any other Florida certificated or registered telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.**

Andre Temnorod is a CEO and Eugene Blumin is a COO of Broadvox CLEC, LLC and Infotelecom, LLC that are certificated in Florida.

18. Submit the following:

- (a) **Managerial capability: resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.**

See Exhibit A.

- (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.**

See Exhibit B.

- (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:**

See Exhibit C for:

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

Note: This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.

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.

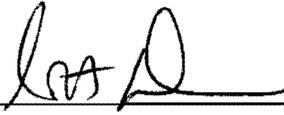
RECEIPT AND UNDERSTANDING OF RULES: I acknowledge receipt and understanding of the Florida Public Service Commission's rules and orders relating to the provisioning of competitive local exchange telecommunications company (CLEC) service in Florida.

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 competitive local exchange 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.**"

Company Owner or Officer

Print Name: Scott Drake
Title: Chief Financial Officer
Telephone No.: 404 442 0234
E-Mail Address: sdrake@cypresscom.net

Signature:  Date: 7/6/2011

CERTIFICATE SALE, TRANSFER,
OR
ASSIGNMENT STATEMENT

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

- sale
- transfer
- assignment

of the certificate.

Company Owner or Officer

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

Signature: _____ Date: _____

Exhibit A

Application of CYPRESS COMMUNICATIONS OPERATING COMPANY, LLC

Managerial Capability

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04773 JUL 12 =
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Cypress Communications Operating Company, LLC

Managerial Profiles

Andre Temnorod

Chairman & Chief Executive Officer

Mr. Andre Temnorod establishes the strategy behind the Cypress Communications vision; to be a leader in the hosted Centrex and Unified Communications industry. The CEO, Mr. Temnorod, excels in business operations and the high tech industry, and has served in executive management positions for over 12 years.

In 2001, prior to acquiring Cypress, Mr. Temnorod founded Broadvox and continues to serve as Chairman and CEO. Before Broadvox, Mr. Temnorod served as the Chief Executive Officer of Nexbell Communications, a leader in VoIP (which was purchased by COUNSEL Communications in 2001). Additionally, Mr. Temnorod was Chief Technology Officer at Unicent Technologies, where he spearheaded the research and deployment testing of early VoIP initiatives.

Mr. Temnorod is among the most respected VoIP technology leaders in the market today. He has been featured in numerous professional forums, in print and video, and has appeared as a guest speaker on a variety of panels.

Eugene Blumin

Chief Operating Officer

Mr. Eugene Blumin drives the Cypress Communications vision and day-to-day operations, with significant involvement in the development and evolution of customer and vendor relationships. As COO, Mr. Blumin provides operational and financial expertise, garnered from his 20 years in senior management, operations and finance-related executive positions, within the field of technology.

Mr. Blumin co-founded Broadvox, in 2001. Before Broadvox, Mr. Blumin co-founded Nexbell Communications, where he served in various executive positions (Nexbell Communications was sold to COUNSEL Communications in 2001). Prior to Nexbell, Mr. Blumin co-founded and served as President and COO of Unicent Technologies, a \$100 million privately-held PC and communications company.

Scott Drake

Chief Financial Officer

Mr. Scott Drake is responsible for the financial strategies that enable the realization of the Cypress Communications vision. As CFO, Mr. Drake plans, executes and reports the objectives, implementations and outcomes of the financial initiatives. Mr. Drake delivers financial expertise and telecom industry knowledge, accrued over more than 20 years.

Over the last 15 years, Mr. Drake's telecommunications experience (in both private and

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public companies) has included CFO roles in six private telecom ventures. Additionally, Mr. Drake has held executive positions at WorldCom and The Breckenridge Group. He also spent five years honing his financial skills in the banking and auditing industry. Mr. Drake holds a BA in Accounting from The University of West Florida.

Frank Grillo

Executive Vice President, Applications, Implementation and Support

Frank M. Grillo is known for his ability to identify growth opportunities and to produce extraordinary results that make a real contribution to the bottom line of an organization. Mr. Grillo joined the Broadvox management team in January of 2011, upon the merging of Broadvox and Cypress Communications, after working as a visionary communications executive in a similar role at Cypress Communications, since 2005.

Previously, he worked as Senior Vice President - Business Services for Z-Tel and as Senior Vice President of Global Business Markets for MCI WorldCom, where he managed over 1,000 marketing professionals and was responsible for global business marketing strategy, including product management, pricing, marketing communications, advertising, sales training, sales support, sales engineering and online and alternate channel distribution. From 1995 to 2000 he was Vice-President of Marketing for LDDS.

Mr. Grillo has also been recognized as the Technology Marketing Executive of the Year by the Technology Association of Georgia (TAG).

Exhibit B

Application of Cypress Communications Operating Company, LLC

Technical Capability

Exhibit A contains the resumes of Key Management employees for Cypress Communications Operating Company, LLC. The company will utilize various underlying carriers, already certificated by the Commission, for the provision of service within Florida. As such, the Company will rely on the technical expertise of these companies for the provision of quality services within the state.

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Exhibit C

Application of Cypress Communications Operating Company, LLC

Financial Capability

It is important to consider our financials in the context of several important changes about Cypress including new ownership, new management and both strategic and tactical plans for growth. Cypress was acquired by Broadvox, Inc. on January 14, 2011. Since the acquisition, an investment was made in VoIP and supporting technology infrastructure to support our growth plans. The basic investment thesis was and is to leverage the core competencies and business base to become the dominant provider of managed hosted communication services to SMB's in the US.

Additionally, we would like to make several comments: one, we have a parent company that is fully committed to our growth objectives; two, our VoIP products and technology are clearly setting the market level expectations for these services; three, we have a solid, experienced management team; and four, we have the infrastructure, cash flow and availability to support our growth objectives. We are clearly positioned today to address a large and growing commercial market for advanced VoIP communications services to the business community.

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FS 2008 PT

CYPRESS COMMUNICATIONS HOLDING CO., INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
 (in thousands, except share amounts)
 December 31, 2008 and 2007

<u>ASSETS</u>	<u>2008</u>	<u>2007</u>
CURRENT ASSETS:		
Cash	\$ [REDACTED]	\$ [REDACTED]
Accounts receivable, net of allowance for doubtful accounts	[REDACTED]	[REDACTED]
Prepaid expenses and other current assets	[REDACTED]	[REDACTED]
Total Current Assets	[REDACTED]	[REDACTED]
PROPERTY AND EQUIPMENT, net	[REDACTED]	[REDACTED]
GOODWILL	[REDACTED]	[REDACTED]
INTANGIBLE ASSETS, net	[REDACTED]	[REDACTED]
OTHER ASSETS	[REDACTED]	[REDACTED]
Total Assets	\$ [REDACTED]	\$ [REDACTED]
<u>LIABILITIES AND STOCKHOLDER'S (DEFICIT) EQUITY</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ [REDACTED]	\$ [REDACTED]
Accrued telecommunications costs	[REDACTED]	[REDACTED]
Other accrued liabilities	[REDACTED]	[REDACTED]
Capital lease obligations, current portion	[REDACTED]	[REDACTED]
Deferred revenue, current portion	[REDACTED]	[REDACTED]
Revolving and term loan debt, current portion	[REDACTED]	[REDACTED]
Total Current Liabilities	[REDACTED]	[REDACTED]
LONG-TERM LIABILITIES:		
Revolving and term loan debt, net of current portion	[REDACTED]	[REDACTED]
Capital lease obligations, net of current portion	[REDACTED]	[REDACTED]
Customer deposits	[REDACTED]	[REDACTED]
Deferred rent, net of current portion	[REDACTED]	[REDACTED]
Other long-term liabilities	[REDACTED]	[REDACTED]
Total Long-Term Liabilities	[REDACTED]	[REDACTED]
Total Liabilities	[REDACTED]	[REDACTED]
COMMITMENTS AND CONTINGENCIES (Note 9)		
STOCKHOLDER'S (DEFICIT) EQUITY:		
Common stock, \$0.001 par value; 1,000,000 shares authorized; 456,247 shares issued and outstanding	[REDACTED]	[REDACTED]
Additional paid-in capital	[REDACTED]	[REDACTED]
Accumulated deficit	[REDACTED]	[REDACTED]
Total Stockholder's (Deficit) Equity	[REDACTED]	[REDACTED]
Total Liabilities and Stockholder's (Deficit) Equity	\$ [REDACTED]	\$ [REDACTED]

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

CYPRESS COMMUNICATIONS HOLDING CO., INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands)

For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
OPERATING REVENUES, net	\$ [REDACTED]	\$ [REDACTED]
OPERATING EXPENSES:		
Cost of service	[REDACTED]	[REDACTED]
General and administrative	[REDACTED]	[REDACTED]
Depreciation and amortization	[REDACTED]	[REDACTED]
Selling and marketing	[REDACTED]	[REDACTED]
Total Operating Expenses	[REDACTED]	[REDACTED]
Operating Loss	[REDACTED]	[REDACTED]
OTHER INCOME (EXPENSE):		
Interest expense and financing costs	[REDACTED]	[REDACTED]
(Loss) gain on disposal of assets, net	[REDACTED]	[REDACTED]
Total Other Expense	[REDACTED]	[REDACTED]
Net Loss Before Income Taxes	[REDACTED]	[REDACTED]
INCOME TAXES	[REDACTED]	[REDACTED]
Net Loss	\$ [REDACTED]	\$ [REDACTED]

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

As 2008 P3

CYPRESS COMMUNICATIONS HOLDING CO., INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDER'S (DEFICIT) EQUITY
(in thousands, except share amounts)
For the Years Ended December 31, 2008 and 2007

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount			
BALANCE, December 31, 2006					
Share-based compensation expense					
Net loss					
BALANCE, December 31, 2007					
Share-based compensation expense					
Net loss					
BALANCE, December 31, 2008					

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

FJ 2009 P7

CYPRESS COMMUNICATIONS
Consolidated Balance Sheet
UNAUDITED

	2008 Dec	2009 Dec
ASSETS		
Current Assets		
Cash and Equivalents		
A/R - Trade and Unbilled		
Allowance for Bad Debts		
Net Customer A/R		
A/R-Other		
Prepayments & Other Current Assets		
Inventory		
Total Current Assets		
Property & Equipment		
Total Property & Equipment		
Total Accumulated Depreciation		
Property and Equipment, Net		
Other Assets		
Non-compete Agreement		
Intangible-Customer Relationship		
Accum Amort-Customer Relations		
Intangible-Trade Name		
Accum Amort-Trade Name		
Goodwill		
Investment in Leapfrog		
Intangible-Leapfrog		
Accum Amort-Leapfrog		
Intangible-Reignmaker		
Accum Amort-Reignmaker		
Investment in Reignmaker		
Deposits		
Deferred Installation Costs		
Total Other Assets		
TOTAL ASSETS		
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable		
Accrued Expenses		
Line of Credit - RBC		
ST - Leases - Data Sales		
ST - Leases - Capx Partners		
ST - Leases - Arcapita		
ST - RBC Term Loan		
RBC - Cash Secured		
Customer Deposits-Billed		
Total Current Liabilities		
Long-Term Debt		
Arcapita Cash Collateral		
LT - Leases - Data Sales		
LT - Leases - CapX Partners		
LT - RBC - Term Loan		
LT- Accrued Restructuring-2000		
Customer Deposits - Collected		
LT-Management Fee Payable		
Due to Lauth		
Due to AIHL		
Deferred Revenue		
Deferred Installation Revenue		
Deferred Revenue-CBTV Sale		
Deferred Rent - LT		
Deferred Office Rent - LT		
Total Long-Term Debt		
Total Liabilities		
Shareholder's Equity		
Common Stock		
Preferred Stock		
Additional Paid in Capital - Common Stock		
Additional Paid in Capital - Arcapita Acquisition		
Accumulated (deficit) equity		
Total Shareholder's Equity		
TOTAL LIABILITIES AND EQUITY		

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CYPRESS COMMUNICATIONS
 Summary P&L 2009 - Cypress Consolidated
 UNAUDITED

FS 2009 P2

	YTD Actual
REVENUE	
Monthly Recurring Revenue	
Pro-rated Revenue	
Usage Revenue	
MAC & Installation Revenue	
Credits	
Sales Promotions	
Surcharges	
Other Revenue	
TOTAL REVENUE	
COST OF GOODS SOLD	
Voice Circuit COGS-Recurring	
Data Circuit COGS-Recurring	
Colocation Fees	
Network Backbone Circuits Cypress	
Access Costs - Non Recurring	
Total Access Costs - Fixed COGS	
VoIP COGS	
Web Services COGS	
CBTV	
Voice Usage	
Install & MAC COGS	
Switchroom Rent	
Owner and Developer Fees	
Surcharges	
Other COGS	
TOTAL COST OF GOODS SOLD	
GROSS PROFIT	
<i>Gross Profit %</i>	
EXPENSES	
Bad Debt Expense	
Marketing & Advertising	
Salary and Labor Expense	
Commission Expense	
Employee Benefits	
Travel & Entertainment	
External Services	
Office and General Expenses	
Other Operating Expenses	
Total SG&A	
<i>SGA% of Revenue</i>	
EBITDA - Cypress	
Depreciation Expense	
Amortization Expense	
Total Depreciation & Amortization	
Interest Income	
Interest Expense	
Finance Charge	
(Gain)/Loss on Disposal	
Loss on Investment	
Management and Board Fees	
Non-recurring Expense	
Miscellaneous	
Non Cash Compensation	
Restructuring Charges	
Total Other Income & Expenses	
NET INCOME (LOSS)	

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FS 2009 B

Consolidated Statements of Stockholder's (Deficit) Equity
(in thousands, except share amounts)
For the Years Ended December 31, 2007, 2008 and 2009
UNAUDITED

	Common Stock		Preferred Stock		APIC	Accumulated	Total
	Shares	\$	Shares	\$	\$	Deficit \$	\$
Opening Balance							
Share-based compensation expense							
Loss							
December 31, 2007							
Opening Balance							
Share-based compensation expense							
Loss							
December 31, 2008							
Opening Balance							
Share-based compensation expense							
Debt to Equity Conversion							
Loss							
December 31, 2009							

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CYPRESS COMMUNICATIONS
 Consolidated Balance Sheet
 UNAUDITED

FS 2010 01

	2009 Dec	2010 Dec
ASSETS		
Current Assets		
Cash and Equivalents		
A/R - Trade and Unbilled		
Allowance for Bad Debts		
Net Customer A/R		
A/R-Other		
Prepayments & Other Current Assets		
Inventory		
Total Current Assets		
Total Property & Equipment		
Total Accumulated Depreciation		
Property and Equipment, Net		
Non-compete Agreement		
Intangible-Customer Relationship		
Accum Amort-Customer Relations		
Intangible-Trade Name		
Accum Amort-Trade Name		
Goodwill		
Investment in Leapfrog		
Intangible-Leapfrog		
Accum Amort-Leapfrog		
Intangible-Reignmaker		
Accum Amort-Reignmaker		
Deposits		
Deferred Installation Costs		
Total Other Assets		
TOTAL ASSETS		
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable		
Accrued Expenses		
Arcapita Cash Secured		
Line of Credit - RBC		
ST - Leases - Data Sales		
ST - Leases - Capx Partners		
ST - Leases - Arcapita		
ST - RBC Term Loan		
RBC - Cash Secured		
ST - Lease Winmark Capital		
Customer Deposits-Billed		
Total Current Liabilities		
Long-Term Debt		
LT - Leases - Data Sales		
LT - Leases - CapX Partners		
LT - Lease Winmark Capital		
Customer Deposits - Collected		
LT-Management Fee Payable		
Due to Lauth		
Due to AIHL		
Deferred Revenue		
Deferred Installation Revenue		
Deferred Rent - L/T		
Deferred Office Rent - L/T		
Total Long-Term Debt		
Total Liabilities		
Shareholder's Equity		
Common Stock		
Preferred Stock		
Additional Paid in Capital - Common Stock		
Additional Paid in Capital - Arcapita Acquisition		
Accumulated (deficit) equity		
Total Shareholder's Equity		
TOTAL LIABILITIES AND EQUITY		

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CYPRESS COMMUNICATIONS
 Summary P&L 2010 - Cypress Consolidated
 UNAUDITED

FS 2010 P2

	YTD Actual
REVENUE	
Monthly Recurring Revenue	
Pro-rated Revenue	
Usage Revenue	
MAC & Installation Revenue	
Credits	
Sales Promotions	
Surcharges	
Other Revenue	
TOTAL REVENUE	
COST OF GOODS SOLD	
Voice Circuit COGS-Recurring	
Data Circuit COGS-Recurring	
Colocation Fees	
Network Backbone Circuits Cypress	
Savings	
Access Costs - Non Recurring	
Total Access Costs - Fixed COGS	
VoIP COGS	
Web Services COGS	
CBTV	
Voice Usage	
Install & MAC COGS	
Switchroom Rent	
Owner and Developer Fees	
Surcharges	
Other COGS	
TOTAL COST OF GOODS SOLD	
GROSS PROFIT	
Gross Profit %	
EXPENSES	
Bad Debt Expense	
Marketing & Advertising	
Salary and Labor Expense	
Commission Expense	
Employee Benefits	
Travel & Entertainment	
External Services	
Office and General Expenses	
Other Operating Expenses	
Total SG&A	
SGA% of Revenue	
EBITDA - Cypress	
Depreciation Expense	
Amortization Expense	
Total Depreciation & Ammortization	
Interest Income	
Interest Expense	
Finance Charge	
(Gain)/Loss on Disposal	
Loss on Investment	
Management and Board Fees	
Non-recurring Expense	
Miscellaneous	
Non Cash Compensation	
Restructuring Charges	
Total Other Income & Expenses	
NET INCOME (LOSS)	

[Handwritten Signature]

FJ 2010 B3

Consolidated Statements of Stockholder's (Deficit) Equity
(in thousands, except share amounts)
For the Years Ended December 31, 2008, 2009 and 2010
UNAUDITED

	Common Stock		Preferred Stock		APIC	Accumulated	Total
	Shares	\$	Shares	\$	\$	Deficit \$	\$
Opening Balance							
Share-based compensation expense							
Loss							
December 31, 2008							
Opening Balance							
Share-based compensation expense							
Debt to Equity Conversion							
Loss							
December 31, 2009							
Opening Balance							
Share-based compensation expense							
Loss							
December 31, 2010							

[Handwritten signature]

Exhibit D

Application of Cypress Communications Operating Company, LLC

Proposed Local Exchange Tariff

Cypress will no longer file a long distance tariff as a result of recent deregulation of long distance in Florida. The company does not currently offer basic local exchange services.

DOCUMENT NUMBER-DATE

04773 JUL 12 =

FPSC-COMMISSION CLERK

Exhibit E

Application of Cypress Communications Operating Company, LLC

Explanation of Compliance Issues

Colorado:

Docket 07C-322T, Decision R08-0515-I. This May 21, 2008 order memorializes a settlement between Cypress and the Colorado PUC regarding services provided by Cypress to customers in Colorado that were not tariffed. As detailed in the complaint, "Cypress attempted to modify or replace its tariff unsuccessfully on five separate occasions since the first tariff became effective" [Jan. 12, 2001]. Filing difficulties and miscommunication resulted in Cypress providing services that had been filed in their tariff in 2003 and which new management believed to have gone into effect. The filing had been rejected by Staff, who subsequently audited the company's services and filed the complaint that resulted in the settlement.

Florida:

Docket 110145-TI and 110111-TX. Cypress was certificated in Florida in 2002 as an ALEC (TX669) and as an IXC (TJ680). On June 8, 2011, the company's ALEC authority was canceled in compliance docket 110111-TX for failure to make timely payment of the Florida Regulatory Assessment Fee (RAF) and failure to respond in a timely manner to the resulting compliance docket.

Concurrent with this filing, the company is submitting the penalty for late filing of the ALEC RAF and is filing a response in the compliance docket 110145-TI, and submitting the penalty fee for first time late filing of the IXC RAF. In both these cases, the notifications from the Florida PSC were received by Cypress, but not by the persons who were responsible for these filings due to recent changes in personnel and assignments. This inadvertent error has been corrected and the company is in the process of designing and implementing new procedures to prevent future late filings and penalties.

Oregon:

Dockets CP-1068, CP-1069. Cypress' authority was revoked May 21, 2008 for nonpayment of 2007 revenue fees. The fees were paid on August 20, 2008 and the company's authority was reinstated.

DOCUMENT NUMBER-DATE

04773 JUL 12 =

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