

LTS OF ROCKY MOUNT, LLC

DATE DEPOSIT
JUL 24 2012 2 56

1803 W. FAIRFIELD DRIVE, UNIT 1
PENSACOLA, FL 32501
850-291-6415 FAX 850-308-1151

CHK#1186
\$ 400.00
7-23-12
RT

July 20, 2012

Ms. Ann Cole, Director
Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Sent via UPS Next Day Air
U5015436375

120201 - TX

RE: APPLICATION FOR AUTHORITY TO PROVIDE COMPETITIVE
LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY SERVICE
FOR LTS OF ROCKY MOUNT, LLC

Dear Ms. Cole:

Enclosed is LTS of Rocky Mount, LLC's (LTS) Application for Authority To Provide Competitive Local Exchange Telecommunications Company Service Within The State Of Florida.

Pursuant to Section 364.183(3), Florida Statutes, and Rule 25-22.006, Florida Administrative Code, LTS hereby makes a claim of confidentiality for data provided in response to item number 18(c), Financial Information, of the Application. Accordingly, please also find attached:

1. a sealed envelope marked "CONFIDENTIAL" containing Attachment B with confidential portions highlighted; and
2. a separate envelope containing two copies, as required by Rule 25-22.006(5), of a redacted version of the information found in Confidential Attachment B.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the copy to me. Thank you for your assistance with this submission and please do not hesitate to contact me if you have any questions.

Sincerely,

Thomas M. Armstrong
President

~~tom.armstrong_sra@gmail.com~~

___ claim of confidentiality
___ notice of intent
___ request for confidentiality
___ filed by OPC

For DN 04945-12 which
is in locked storage. You must be
authorized to view this DN.-CLK

COM	_____
AFD	_____
APA	_____
ECO	_____
ENG	_____
GCL	_____
IDM	_____
TEL	1
CLK	1-ENG/1-MM

RECEIVED-FPSC
12 JUL 24 AM 10: 23
COMMISSION
CLERK

DOCUMENT NUMBER-DATE
04944 JUL 24 12

FPSC-COMMISSION CLERK

FLORIDA PUBLIC SERVICE COMMISSION

DIVISION OF REGULATORY ANALYSIS

APPLICATION FORM

for

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

RECEIVED-FPSC
12 JUL 24 AM 10:24
COMMISSION
CLERK

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 one copy of this form along with a non-refundable application fee of **\$400.00** 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 **\$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 Regulatory Analysis
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.

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: LTS of Rocky Mount, LLC

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

No fictitious names to be used.

4. Official mailing address:

Street/Post Office Box: 1803 W. Fairfield Dr., Unit 1
City: Pensacola
State: FL
Zip: 32501

5. Florida address:

Street/Post Office Box: 1803 W. Fairfield Dr., Unit 1
City: Pensacola
State: FL
Zip: 32501

6. Structure of organization:

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

7. **If individual**, provide:

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:

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

M12000003823

Florida Department of State, Division of Corporations Letter Number 512A00018343, dated July 9, 2012 submitted as Attachment D.

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:

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

12. **If a partnership**, provide name, title and address of all partners and a copy of the partnership agreement.

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:

14. Provide **F.E.I. Number**(if applicable): **562167914**

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

(a) The application:

Name: Thomas M. Armstrong
Title: President
Street name & number: 1803 W. Fairfield Dr., Unit 1
Post office box:
City: Pensacola
State: FL
Zip: 32501
Telephone No.: 850-291-6415
Fax No.: 850-308-1151
E-Mail Address: tom.armstrong.sr@gmail.com
Website Address:

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

Name: Thomas M. Armstrong
Title: President
Street name & number: 1803 W. Fairfield Dr., Unit 1
Post office box:
City: Pensacola
State: FL
Zip: 32501
Telephone No.: 850-291-6415
Fax No.: 850-308-1151
E-Mail Address: tom.armstrong.sr@gmail.com
Website Address:

(c) Complaints/Inquiries from customers:

Name: Thomas M. Armstrong
Title: President
Street/Post Office Box: 1803 W. Fairfield Dr., Unit 1
City: Pensacola
State: FL
Zip: 32501
Telephone No.: 850-291-6415
Fax No.: 850-308-1151
E-Mail Address: tom.armstrong.sr@gmail.com

Website Address:

16. List the states in which the applicant:

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

North Carolina, Virginia

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

No applications pending

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

North Carolina

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

None

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

In Case No. 2011-00050 before the Virginia State Corporation Commission: On August 5, 2011, LTS of Rocky Mount, LLC ("LTS"), Mid-State Ventures, LLC ("Mid-State"), William Kloss, and Thomas Armstrong (collectively, "Applicants") completed an application with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code") for approval of the acquisition of control of LTS by William Kloss and Thomas Armstrong, in their individual capacity ("Application"). The Applicants requested Commission approval of the transfer of control of LTS, which held a certificate of public convenience and necessity in Virginia, from its current direct parent, Mid-State, to William Kloss and Thomas Armstrong ("Proposed Transaction"). Pursuant to a Purchase and Sale Contract dated June 27, 2011, William Kloss and Thomas Armstrong, in their individual capacity, purchased all of the stock of LTS from Mid-State and, therefore, acquired ultimate control of LTS. On October 3, 2011, the Commission issued an Order Granting Approval and Directing Response which granted approval of the acquisition of control of LTS by William Kloss and Thomas Armstrong and directed the Applicants to file a response stating why they should not be fined for proceeding with the transfer prior to receipt of Commission approval. The October 3 Order documented that the Applicants had informed the Commission Staff that the Proposed Transaction was completed on July 1, 2011, prior to

being approved by the Commission. On October 13, 2011, a Response to Order Granting Approval and Directing Response was filed on behalf of the Applicants, reiterating the Applicants' business concerns for consummating the Proposed Transaction on July 1, 2011, and asserted that since filing for approval, the Applicants had provided all information necessary and responded to all requests about the Proposed Transaction so as to allow the Commission to determine in the October 3 Order that approval of the Proposed Transaction would not impair nor jeopardize the provision of adequate service to the public at just and reasonable rates. The Response asserted that none of the Applicants had been cited by the Commission previously for failure to comply with any applicable statute, rule, or regulations in place in the Commonwealth. Finally, the Response stated that LTS, Thomas Armstrong, and William Kloss asserted that they understood and committed to complying with all applicable telecommunications statutes, regulations, and rules. On November 18, 2011, the Commission, having considered the filings herein and the applicable law, found that LTS, William Kloss, and Thomas Armstrong did violate §56-88.1 of the Code and levied a fine \$5,000 pursuant to §12.1-13 of the Code. The Commission further ordered that the fine, assessed jointly and severally upon LTS, William Kloss, and Thomas Armstrong, was suspended on the condition that they, either individually or collectively, did not violate §56-88.1 of the Code in the future. LTS of Rocky Mount, LLC subsequently voluntarily surrendered its CLEC authority in the state of Virginia in February of 2012.

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

None

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.

None

(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.

Express Phone Service, Inc.
Active
Certification number is 5636

Digital Express, Inc.
Active
Certification number is 8597

(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.

Express Phone Service, Inc.
Thomas M. Armstrong, President
William Kloss, Vice President

Digital Express, Inc.
Thomas M. Armstrong, President
William Kloss, Vice President

18. Submit the following:

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

**Resume of Thomas Armstrong, President, submitted as Attachment A.
Resume of William Kloss, Chairman, submitted as Attachment B.**

(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.

Service to end users will be provided on resale basis with technical maintenance being provided by the incumbent local exchange company and at the same level the incumbent local exchange company provides its end users.

(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: 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.

LTS of Rocky Mount, LLC was acquired by Mr. Kloss and Mr. Armstrong on July 1, 2011 from its parent company Mid-State Ventures, LLC in North Carolina. The financial information for LTS as a subsidiary of Mid-State was imbedded within the overall financial information for Mid-State and is not available separately.

The unaudited financial statements submitted as Attachment C are the Balance Sheet and Income Statement for LTS of Rocky Mount, LLC since its acquisition by Mr. Kloss and Mr. Armstrong.

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: Thomas M. Armstrong
Title: President
Telephone No.: 850-291-6415
E-Mail Address: tom.armstrong.sr@gmail.com

Signature: Thomas M. Armstrong

Date: 7/20/2012

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: _____

ATTACHMENT A

RESUME OF THOMAS ARMSTRONG

THOMAS ARMSTRONG

EXPERIENCE

5/99 – Present **EXPRESS PHONE SERVICE, INC.** **Pensacola, FL**

President

- Implemented control processes for accounts receivables and payables
- Created provisioning and billing procedures for 5000+ customers
- Legal and regulatory point of contact for company matters
- Managed transition of company from pre-paid CLEC to Lifeline/Linkup based CLEC

1997 – Present **DIGITAL EXPRESS, INC.** **Pensacola, FL**

Office Manager, CSR, General Manager, Vice-President, President

- Created office standard operating procedures for day to day operational stability
- Executed CLEC start up plans
- Sole CLEC point of contact for customer and ILEC (BellSouth) relationships
- Developed and implemented customer service representative job descriptions
- Legal and regulatory point of contact for company matters

9/78 – 9/98 **UNITED STATES MARINE CORPS** **Worldwide**

Staff Sergeant **United States of America, Japan, Philippines, Panama, Korea**

- Honorable Discharge / Military Retirement after 20 years of service

ASSOCIATIONS

4/06 – Present **NATIONAL ALEC ASSOCIATION (NALA)** **United States**

- Board member - 2007 – present
- Chairman - 2009 – 2011

COMMUNITY SERVICE

05/10 – Present **SPECIAL OLYMPICS OF ESCAMBIA COUNTY FLORIDA**

Pensacola, FL

- Class A Volunteer Chaperone for State Fall Classic Games in Orlando, FL – 2010 & 2011
- Finance Committee Chairman - 2011 – present (Volunteer position)

EDUCATION

St. Augustine High School	1974 – 1978	Diploma
United States Marine Corps	1979	Basic Electricity & Electronics
		Aviation Avionics
		Advanced First Term Avionics
	1986	Instructor Training Course
	1992	Advanced Electronics/Avionics
State Technical Institute of Memphis	1992	Associate of Arts
		Electronic Technology
		Summa cum laude

ATTACHMENT B

RESUME OF WILLIAM KLOSS

William Kloss

Geographically and demographically expanded the operations of telecommunication companies. Coordinated outreach activities to promote Lifeline services to qualifying low income families.

EXPERIENCE

5/99 – Present **EXPRESS PHONE SERVICE, INC.** **Pensacola, FL**

Chairman

- Management of all aspects of advertising campaigns totally \$200,000 annually
- Provides consultative advice to President of the corporation on legal and regulatory matters

2/96 – Present **DIGITAL EXPRESS, INC.** **Pensacola, FL**

President, Chairman

- Coordination of marketing & advertising campaigns, material and contracts
- Established operating procedures upon inception of the corporation
- Provided business administration & management guidance to key personnel

UNITED STATES ARMY RESERVE

Staff Sergeant E-6

Honorable Discharge

EDUCATION

University of Southern Mississippi

1970

**Bachelors of Science
Business Administration**

References available upon request.

ATTACHMENT C

FINANCIAL STATEMENTS

**REDACTED – FILED UNDER SEPARATE
COVER WITH CLAIM OF
CONFIDENTIALITY**

FINANCIAL STATEMENTS AFFIDAVIT

I, Thomas M. Armstrong, President of LTS of Rocky Mount, LLC, do solemnly swear or affirm that the facts stated in the forgoing financial statements attached herein are true and correct.

BY: Thomas M. Armstrong
Applicant's Signature

Thomas M. Armstrong
Applicant's Name

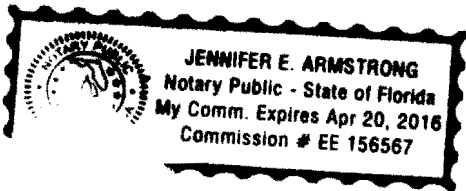
President
Applicant's Title

Subscribed and sworn to before me this 20th day of the month of JULY
in the year of 2012 by THOMAS M. ARMSTRONG who
is personally known to me or produced the following identification:

Type of Identification Produced

Jennifer E. Armstrong
Notary Public's Signature

Print, Type or Stamp Commissioned
Name of Notary Public



ATTACHMENT D

PROOF OF AUTHORITY TO OPERATE IN FLORIDA



FLORIDA DEPARTMENT OF STATE
Division of Corporations

July 9, 2012

THOMAS M. ARMSTRONG
1803 W. FAIRFIELD DRIVE, UNIT 1
PENSACOLA, FL 32501

Qualification documents for LTS OF ROCKY MOUNT, LLC. were filed on July 6, 2012, and assigned document number M12000003823. Please refer to this number whenever corresponding with this office.

Your limited liability company is authorized to transact business in Florida as of the file date.

To maintain "active" status with the Division of Corporations, an annual report must be filed yearly between January 1st and May 1st beginning in the year following the file date or effective date indicated above. If the annual report is not filed by May 1st, a \$400 late fee will be added.

A Federal Employer Identification Number (FEI/EIN) will be required when this report is filed. Contact the IRS at 1-800-829-4933 for an SS-4 form or go to www.irs.gov.

Please notify this office if the limited liability company address changes.

Should you have any questions regarding this matter, please contact this office at the address given below.

Leslie Sellers
Regulatory Specialist II
Registration/Qualification Section
Division of Corporations

Letter Number: 512A00018343

www.sunbiz.org

Division of Corporations - P.O. BOX 6327 -Tallahassee, Florida 32314

LTS OF ROCKY MOUNT, LLC
BALANCE SHEET
AS OF July 1, 2012

REDACTED

ASSETS

Current Assets

Checking/Savings

Total Checking/Savings

Accounts Receivable

Accounts Receivable

Total Accounts Receivable

Total Current Assets

TOTAL ASSETS

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accounts Payable

Total Accounts Payable

Total Current Liabilities

Long Term Liabilities

Due to

Due to

Total Long Term Liabilities

Total Liabilities

Equity

Retained Earnings

Net Income

Total Equity

TOTAL LIABILITIES & EQUITY

- COM _____
- AFD _____
- APA _____
- ECO _____
- ENG _____
- GCL _____
- IDM _____
- TEL 1 _____
- CLK _____

**LTS OF ROCKY MOUNT, LLC
INCOME STATEMENT
July 1, 2011 through July 1, 2012**

Customer Refunds
Independent Agents
Acquisition Agents
Corporate Agents
LTS Main Operations
TOTAL

