

Eric Fryson

From: Caroline Pays [cpays@nbglaw.com]
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Notification by Telrite Corporation and Applewood Communications Corporation of an Asset Purchase Agreement

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September 12, 2012

BY OVERNIGHT DELIVERY

Florida Public Service Commission
Executive Secretary
2540 Shumard Oak Drive
Tallahassee, FL 32399

Re: Notification by Telrite Corporation and Applewood Communications Corporation of an Asset Purchase Agreement

Dear Sir or Madam:

On behalf of Telrite Corporation ("Telrite") and Applewood Communications, Inc. ("Applewood") (together "Applicants"), this letter is to advise the Commission of an Asset Purchase Agreement (the "Agreement"), whereby Telrite will acquire substantially all of the assets of Applewood, including, but not limited to, Applewood's customer accounts in this State (the "Acquisition").

It is our understanding, based upon review of the applicable statutes and regulations, that this transaction does not require prior Commission approval. Accordingly, absent written notice to the contrary within thirty (30) days of the date of this letter, the parties will proceed to consummate the transaction in a timely fashion. **The Parties are also requesting that the Commission waive the verification requirements of Florida Administrative Code Rule 25-4.118.**

Telrite is a Georgia corporation with principal offices located at 4113 Monticello Street, Covington, Georgia 30014. Telrite is a certified long distance telecommunications resale provider and a local exchange facilities-based provider in this State.¹

Applewood is a Delaware corporation with principal offices located at 1057 Bill Tuck Highway, Suite 224, South Boston, VA 24592. Applewood is a certified long

¹Telrite provides resold long distance telecommunications services in this State pursuant to authority granted by certification dated 7/2/03 in Docket No. 030240-TI and CLEC facilities-based authority dated 2/13/06 in Docket No. 050897-TX

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distance telecommunications resale provider in this State.²

The Acquisition contemplates the following:

- a. Telrite will receive ownership, right, title and interest in and to substantially all of Applewood's assets, including its customer accounts, as defined in the Agreement.
- b. Applewood will receive the purchase price set forth in the Agreement, pursuant to an Asset Purchase Agreement.

Telrite proposes the Acquisition to consolidate the business and customer accounts of Applewood with Telrite in order to create a single, larger provider of telecommunications services, facilitating efficiencies to benefit all of Telrite's and Applewood's customers. Service to Applewood's customers will continue uninterrupted.

The customers of Applewood will be given the opportunity to switch their service from Applewood to a different carrier. Telrite anticipates that none of the customers of Applewood will experience any change in rates due to the Acquisition. To the extent that any of Applewood's rates are not presently included in Telrite's tariffs, Telrite will amend its tariffs accordingly to include such rates. As a result, the transaction should not cause any inconvenience or confusion to the pre-existing customers of either Applewood or Telrite. Those customers of Applewood who choose not to switch their service to a different carrier will receive service from Telrite.

The technical, managerial and financial personnel of Applewood will assist with the transition and integration of the acquired Assets after the transaction and the technical, managerial and financial personnel of Telrite will continue to serve the transferred Applewood customers with the same high level of expertise.

Critical to the Acquisition is the need to ensure the continuation of high quality service to all customers currently served by Applewood. The Acquisition will serve the public interest in that it will ensure that current Applewood customers maintain uninterrupted service. The Acquisition will also serve to create a heightened level of operating efficiency which generally will serve to enhance the overall capacity of Telrite to compete in the marketplace and to provide telecommunications services for a greater number of consumers in this State at competitive rates.

² Applewood provides resold long distance telecommunications services in this State pursuant to authority granted by certification dated 1/29/07.

Executive Secretary
Florida Public Service Commission

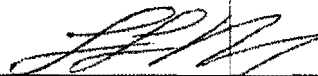
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The parties are forwarding this letter to the Commission for informational purposes, to be included in the appropriate files. Absent receipt of written notification to the contrary within thirty (30) days of the date of this letter, we will proceed under the understanding that no approval or other formal action is required by the Commission prior to consummation of the proposed transaction.

In addition, Applewood requests relinquishment of their certificate of authority and/or tariff pursuant to this Notification.

Enclosed are the original and six (6) copies of this letter. Please return one (1) of the copies file-stamped in the envelope provided. If you need any further information or have any questions regarding the matters discussed herein, please do not hesitate to contact me. Thank you for your assistance in this matter.

Respectfully submitted,



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Counsel for Telrite Corporation and Applewood
Communications Corporation

Customer Notice/Bill Insert

Dear Customer:

Applewood Communications Corporation ("Applewood") has signed a definitive agreement to be acquired by Telrite Corporation ("Telrite"). This transaction requires certain regulatory approvals in order to be complete. The companies expect the transaction to be completed by October 1, 2012.

The change in the ownership of Applewood will not affect or disrupt your current service in any way. You can expect the same outstanding level of service and customer care as well as additional resources that will be leveraged to ensure that you receive the highest levels of customer support. In addition your rates and the terms and conditions of your existing service will remain the same.

You will not incur any carrier-change charges from your local telephone company as a result of this transaction. If Applewood is your long distance provider and such a charge appears on the bill from your local telephone company, please call the customer service department toll-free at (866) 890-4135 and a representative will reimburse you or credit your account accordingly. Telrite Corporation will be responsible for any outstanding Applewood inquiries or complaints following the date the transfer becomes effective.

You have a choice of telecommunications service providers and have the right to choose another provider for your services. If you decide to switch to a different provider and you have not informed Applewood by the date of the transfer, your service will continue with and will be serviced by Telrite.

Telrite welcomes you and appreciates the opportunity to be your telecom provider. The combined Telrite and Applewood teams look forward to continuing to provide your business with world-class customer service and the most reliable, cutting-edge business-grade telecommunication services available today.

Telrite is a premier provider of long distance and local exchange services for residential and business clients across the US. To learn more about Telrite please visit www.telrite.com

If you have any questions, please contact a Telrite customer service representative at 866-890-4135.

Sincerely,

Courtland G. Miller

Chief Executive Officer
Applewood Communications Corporation

Reggie McFarland

Chief Executive Officer
Telrite Corporation