

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT  
NASHVILLE, TENNESSEE**

**October 26, 2006**

<b>IN RE:</b>	)	
	)	
<b>PETITION OF NOS COMMUNICATIONS, INC.,</b>	)	<b>DOCKET NO.</b>
<b>NOSVA LIMITED PARTNERSHIP AND</b>	)	<b>06-00155</b>
<b>AFFINITY NETWORK INCORPORATED FOR</b>	)	
<b>APPROVAL OF A CHANGE IN OWNERSHIP</b>	)	

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**ORDER APPROVING CHANGE IN OWNERSHIP**

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This matter came before Chairman Sara Kyle, Director Pat Miller, and Director Eddie Roberson of the Tennessee Regulatory Authority (the “Authority” or “TRA”), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on August 7, 2006 for consideration of the *Application of NOS Communications, Inc., NOSVA Limited Partnership and Affinity Network Incorporated for Approval of a Change in Ownership of Authorized Telecommunications Providers* (“Application”) filed on June 14, 2006 pursuant to the provisions of Tenn. Code Ann. § 65-4-113 (2004).

**The Application**

NOS Communications, Inc. (“NOS”) is a corporation organized under the laws of Maryland. NOS is headquartered at 4380 Boulder Highway, Las Vegas, NV 89121. NOS provides local and long distance services (including 1+, toll free, international, and calling card services) under the names of International Plus, 011 Communications, INETBA, iVANTAGE Network Solutions, and Blueridge Telecom Systems to small and medium business customers throughout the United States.

NOS services other telecommunication carriers.<sup>1</sup> In Tennessee, NOS has approximately 54 current customers, and was authorized to provide facilities-based local exchange and resold intrastate communications services pursuant to Authority Order in Docket No. 01-00449 on August 29, 2001. NOS is also authorized to provide interstate and international telecommunications services by the Federal Communication Commission ("FCC").

NOSVA Limited Partnership ("NOSVA") is a limited partnership organized under the laws of Maryland. NOSVA is headquartered at 4380 Boulder Highway, Las Vegas, NV 89121. NOSVA provides local and long distance services (including 1+, toll free, international, and calling card services) to small and medium business customers throughout the United States. NOSVA provides all of its services by reselling the service of other telecommunications carriers. In Tennessee, NOSVA has approximately 558 current customers and is authorized to provide interexchange resale telecommunications services granted by the Tennessee Public Service Commission in Docket No. 95-03301 on November 10, 1995. NOSVA is also authorized to provide both interstate and international telecommunications services by the FCC.

Affinity Network Incorporated ("Affinity") is a corporation organized under the laws of California and headquartered at 3660 Wilshire Blvd., Suite 400, Los Angeles, CA 90010. Affinity provides local and long distance services (including 1+, toll free, international, and calling card services) under the names HorizonOne Communications, QuantumLink Communications, VoiP Communications, Optic Communications, and ANI Networks to small and medium business customers throughout the United States. Affinity provides all of its services by reselling the services of other telecommunications carriers. In Tennessee, Affinity is authorized to provide interexchange resale telecommunications services granted by Authority Order in Docket No. 98-00453 on

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<sup>1</sup> NOS has one (1) wholly-owned subsidiary, Optic Communications Canada, Inc. ("Optic Canada") that provides telecommunications services. Optic Canada is a Delaware corporation that provides local and long distance services in Canada by reselling the services of other telecommunications carriers.

September 1, 1998. Affinity is also authorized to provide both interstate and international telecommunications services by the Federal Communications Commission.

On June 14, 2006, NOS, NOSVA, and Affinity (collectively, the “Applicants” or “Parties”) filed an application and requested approval for the transfer of control of the Applicants as a result of the shares being purchased by Mr. Samuel P. Delug from shares owned by Mr. Robert A. Lichtenstein, the largest shareholder of the Parties.<sup>2</sup> On June 1, 2006, Mr. Delug and Mr. Lichtenstein entered into a Purchase Agreement wherein Mr. Delug will purchase all the interest of Mr. Lichtenstein in the Applicants in return for a cash payment.<sup>3</sup> The Purchase Agreement provides that Mr. Delug and Mr. Lichtenstein will close in escrow and that the sale is conditioned upon receipt of all necessary regulatory approvals. Once the transaction is completed, Mr. Delug will hold a 75 percent ownership interest in NOS and a 75 percent ownership interest in Affinity, and over 74 percent of the ownership interest in NOSVA as a limited partner. Ms. Delug will continue to hold a 25 percent ownership interest in NOS and 25 percent ownership interest in Affinity, and over a 24 percent ownership interest in NOSVA as a limited partner.

The proposed transfer of control will be transparent to customers of the Parties. Since the transaction is a stock transaction, the transfer of control will not result in any change of carrier for any of the Parties’ customers. Moreover, the Parties will continue to offer the same services at the same rates, terms, and conditions as currently offered, and any future changes will be in accordance with TRA requirements. The transaction will not result in any discontinuance of services for any customer.

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<sup>2</sup> Mr. Delug, Ms. Delug, and Mr. Lichtenstein hold ownership interests in another telecommunications carrier, Blue Ridge Telecom Systems, LLC (“Blue Ridge”). Blue Ridge is a Delaware corporation that provides local and long distance services in the United Kingdom under the names Blueridge Telecom Systems, Optic Communications, and VoIP Communications; in Ireland, under the names Blueridge Telecom Systems and Optic Communications; and in Australia, under the names Blueridge Telecom Systems. Blue Ridge provides its services by reselling the services of other telecommunications carriers. Mr. Delug and Ms. Delug each hold a 25 percent ownership interest in Blue Ridge, while Mr. Lichtenstein holds the remaining 50 percent interest.

<sup>3</sup> Mr. Delug will also purchase Mr. Lichtenstein’s interest in NOS Virginia and Blue Ridge pursuant to the Purchase Agreement.

The same financial, managerial, and technical qualifications will be continued by the Parties. The day-to-day operations of the Parties will not change.

**August 7, 2006 Authority Conference**

Tenn. Code Ann. § 65-4-113 (2004) requires a public utility to obtain TRA approval to transfer its authority to provide utility services. Tenn. Code Ann. § 65-4-113(a) (2004) reads as follows:

No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) (2004) provides the standards by which the TRA shall consider an application for transfer of authority, in pertinent part, as follows:

Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. The authority shall approve the transfer after consideration of all relevant factors and upon finding that such transfer furthers the public interest.

At the regularly scheduled Authority Conference held on August 7, 2006, the voting panel assigned to this docket considered the transfer of control requested in the *Application*. The panel found that Tenn. Code Ann. § 65-4-113 (2004) applies to this transaction. Thereafter, based upon the evidentiary and administrative record as a whole and relying on the legal standard set forth in Tenn. Code Ann. § 65-4-113 (2004), the panel determined that the transfer furthers the public interest and voted unanimously to grant approval of the *Application*.

**IT IS THEREFORE ORDERED THAT:**

1. The transfer of control of control of NOS Communications, Inc., NOSVA Limited Partnership, and Affinity Network Incorporated as described in the *Application* and discussed herein

is approved.

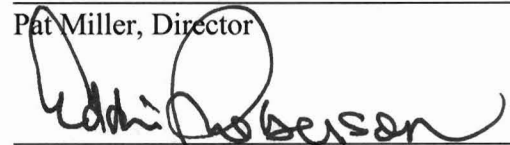
2. Upon completion of this transaction, NOS Communications, Inc., NOSVA Limited Partnership, and Affinity Network Incorporated shall retain their respective CCNs and continue to provide the same services, at the same rates, terms, and conditions, as provided before the completion of this transaction.



Sara Kyle, Chairman



Pat Miller, Director



Eddie Roberson, Director