

NOWALSKY & GOTHARD
A Professional Limited Liability Company
Attorneys at Law

LEON L. NOWALSKY
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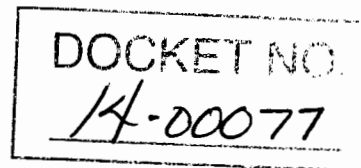
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August 14, 2014

VIA OVERNIGHT DELIVERY

Sharla Dillon, Executive Secretary
Tennessee Regulatory Authority
Andrew Jackson State Office Building
502 Deaderick St., 4th Floor
Nashville, TN 37243



Re: Joint Application by IBFA Acquisition Company, LLC, through its
Receiver, and First Choice Technology, Inc. of a Purchase
Agreement

Dear Sir or Madam:

On behalf of IBFA Acquisition Company, LLC, through its Receiver, and First Choice Technology, Inc., enclosed please find an original and thirteen (13) copies of the referenced Joint Application. Also enclosed is the requisite \$50.00 filing fee.

Please date stamp and return the enclosed extra copy of this letter in the envelope provided.

Please call me should you have any questions concerning this filing. Thank you for your assistance with this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "Leon Nowalsky".

Leon L. Nowalsky /ab

LLN/cdp

BEFORE THE TENNESSEE REGULATORY AUTHORITY

**APPLICATION BY
IBFA ACQUISITION COMPANY, LLC
THROUGH ITS RECEIVER, AND
FIRST CHOICE TECHNOLOGY, INC.
FOR APPROVAL OF A
PURCHASE AGREEMENT**

CASE NO. _____

JOINT APPLICATION

Pursuant to the applicable Status of this State and the Commission's Rules and Regulations currently in effect and/or subsequently enacted, IBFA Acquisition Company, LLC, through Scott Howsare, in his capacity as court appointed Receiver ("IBFA", together with Receiver shall hereinafter collectively be referred to as "Transferors")^{1/} and First Choice Technology, Inc. ("First Choice" or "Transferee"), (collectively, the Applicants") by their attorney, hereby jointly request Commission approval of a transaction whereby, pursuant to an Order of the Circuit Court of Cook County, Illinois, the Receiver was authorized to enter into a Bill of Sale transferring the long distance assets of IBFA to First Choice, such that upon consummation of the transaction, First Choice will acquire substantially all of the long distance customer assets of IBFA, including, but not limited to, IBFA's long distance customer accounts(the "Acquisition"). This transaction does not involve the transfer of any of IBFA's local customers.

Applicants respectfully submit that the expeditious completion of the Acquisition would enhance First Choice's ability to compete effectively in this State. With the Acquisition of IBFA's long distance customer assets, First Choice will be able to continue to provide high-quality,

¹ On July 23, 2014, First Choice was awarded the assets of IBFA in an auction held by Thermo Credit, LLC as secured creditor of IBFA Acquisition Company, LLC. The Court Order and Bill of Sale is attached at Exhibit A.

uninterrupted services to these acquired customers, offer new and expanded product offerings, expand its geographical reach and be able to continue to serve their customers domestic and international communications needs. Day-to-day management of IBFA will remain with the company through a transition period.

Applicants emphasize that the Acquisition will not change the rates, terms and conditions under which IBFA's customers will receive service. The Acquisition will benefit IBFA's customers by enabling them to continue to receive the same high quality services previously rendered to them. In compliance with applicable law, customers of IBFA will be informed of the Acquisition. Accordingly, approval of the Acquisition will not in any way be detrimental to the public interests of this State.

In support of this Application, Applicants submit the following:

I. THE PARTIES

1. First Choice is Delaware corporation with principal offices located at 903 Lake Lily Drive, Suite A-125, Maitland, FL 32751. First Choice is a certified provider of resold long distance telecommunications in this State.²

2. IBFA is a Michigan limited liability company with principal offices located at 353 Sacramento Street, Suite 1500, San Francisco, CA 94111. IBFA provides local and long distance services to residential and business customers in this State.³

² First Choice provides resold long distance telecommunications services in this State pursuant to authority granted in Docket No. 09-00026 dated 2/19/09

³ IBFA provides resold local and long distance telecommunications services in this State pursuant to authority granted in Docket No. 05-00151 dated 1/23/06.

II. DESIGNATED CONTACTS

3. The designated contact for questions concerning this Application is:

Leon Nowalsky
Nowalsky & Gothard
A Professional Limited Liability Company
1420 Veterans Blvd.
Metairie, LA 70005
Telephone: 504-832-1984
Fax: 504-831-0892

4. Copies of such correspondence should also be sent to:

Leon Nowalsky
Nowalsky & Gothard
A Professional Limited Liability Company
1420 Veterans Blvd.
Metairie, LA 70005
Telephone: 504-832-1984
Fax: 504-831-0892

III. REQUEST FOR APPROVAL OF THE ACQUISITION

5. The Acquisition contemplates the following:

- a. First Choice will receive ownership, right, title and interest in and to the long distance telecommunications assets of IBFA as set forth in the Purchase Agreement.
- b. Thermo Credit, LLC, as the secured creditor, will receive the purchase price as set forth in Purchase Agreement.

6. First Choice is well-qualified to consummate the transaction which is the subject of this Application. The technical, managerial and financial personnel of IBFA will assist First Choice with the transition and integration of the acquired business after consummation of the transaction. Information on First Choice's management team is attached hereto as Exhibit "B".

IV. PUBLIC INTEREST CONSIDERATIONS

7. Crucial to the Acquisition is the need to ensure the continuation of high quality, uninterrupted service to all customers currently served by IBFA. The Acquisition will serve the public interest in that it will ensure that current IBFA customers maintain uninterrupted service.

8. The Acquisition will not have any impact on IBFA's customers in terms of the services that they presently receive. In particular, the Acquisition will not cause any change to the rates, terms and conditions of service that IBFA's customers presently receive.

9. The Acquisition will also serve to create an increased level of operating efficiency which generally will serve to enhance the overall capacity of First Choice to compete in the marketplace and to provide telecommunications services for a greater number of consumers in this State at competitive rates.

V. EXPEDITED REVIEW

10. Applicants request expedited review and disposition of the Application to assist in ensuring that the transaction is transparent to the affected customers with no interruption in service.

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VI. CONCLUSION

11. WHEREFORE, for the reasons stated herein, Applicants respectfully request that the Commission approve the Agreement, authorize Applicants to consummate the Acquisition as soon as possible and grant the other relief specifically requested herein.

DATED this 4th day of August, 2014.

Respectfully submitted,

Leon Nowalsky

Leon Nowalsky /*ln*
Nowalsky & Gothard, APLLC
1420 Veterans Blvd.
Metairie, LA 70005
Phone (504) 832-1984
Fax (504) 831-0892
Email: lnowalsky@nbglaw.com

STATE OF LOUISIANA
~~COUNTY OF~~ JEFFERSON
PARISH

VERIFICATION


I, Scott Howsare, am the Receiver of specified assets of IBFA Acquisition Company, LLC, pursuant to the Order of the Circuit Court of Cook County, Illinois in Case No. 14 L 50087 on July 24, 2014, and am authorized to make this verification on its behalf. The statements made in the foregoing Application are true of my own knowledge, except as to those matters which are therein stated on information and belief, and as to those matters I believe them to be true.

By: 

Name: **Scott Howsare**

Title: **In his capacity as Receiver**

Sworn to and subscribed before me, Notary Public, in and for the State and County named above, this 14 day of August, 2014.



Notary Public

My commission expires:

LEON L. NOWALSKI

Notary Public, State of Louisiana

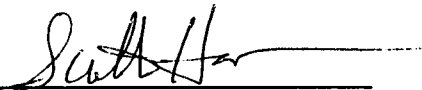
My Commission is issued for my

Notary Number : 43201

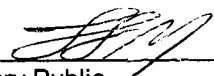
STATE OF LOUISIANA
COUNTY OF JEFFERSON
PARISH

VERIFICATION

I, Scott Howsare, am the President of First Choice Technology, Inc., and am authorized to make this verification on its behalf. The statements made in the foregoing Application are true of my own knowledge, except as to those matters which are therein stated on information and belief, and as to those matters I believe them to be true.

By: 
Name: **Scott Howsare**
Title: **President**

Sworn to and subscribed before me, Notary Public, in and for the State and County named above, this 14 day of August, 2014.


Notary Public

My commission expires:

LEON L. NOWALSKY
Notary Public, State of Louisiana
My Commission is issued for life
Notary Number : 4339

EXHIBIT "A"

COURT ORDER AND PURCHASE AGREEMENT

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, LAW DIVISION

THERMO CREDIT, LLC,

Plaintiff,

v.

IBFA ACQUISITION COMPANY LLC,
d/b/a IBFA ACQUISITIONS, INC.,

Defendant.

Case No. 14 L 50087

ORDER

This matter coming to be heard on Plaintiff's Motion For Approval Of Non-Judicial Sale Pursuant To The Uniform Commercial Code, due notice having been given, the Court and Parties apprised at the premises,

IT IS HEREBY ORDERED THAT:

The Court hereby approves the July 23, 2014 Non-Judicial Sale of IBFA Acquisition Company, LLC's assets to First Choice Technology, Inc. (hereinafter "Buyer") having found that the Sale was conducted and concluded in a commercially reasonable manner pursuant to the Uniform Commercial Code.

Upon payment of purchase price, title to IBFA's assets will be vested in Buyer.

Plaintiff, Thermo Credit LLC as secured creditor is authorized to execute any and all further documents necessary and convenient to effectuate the terms of this Order and the UCC Sale conducted on July 23, 2014.

Scott Howsare, as Receiver, is also authorized to execute any and all further documents necessary to effectuate the terms of this Order and the UCC Sale conducted on July 23, 2014 and to take any and all actions necessary to facilitate the transfer of IBFA's assets and operations to First Choice Technology, Inc.

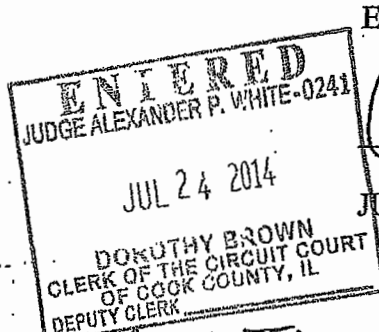
This Court Order for the sale of the Assets of IBFA Acquisition, LLC shall be binding upon and inure to the benefit of Buyer and its respective heirs, successors and assigns. Nothing contained within this Order shall prohibit or in any way interfere with Buyer's rights to assign this Agreement to a third-party or an affiliate of Buyer provided that the Purchase Price for the asset has been paid in accordance with the terms and conditions of this Order.

This Court Order authorizes the Receiver to sign and execute any and all documents on behalf of the Company necessary to facilitate the regulatory approval process required to consummate this transaction.

Pursuant to this court ordered Auction and following proper notice through publication, the expiration of appropriate waiting periods, and Buyer having submitted the superior bid, Buyer shall have the authority to acquire those assets of Debtor as more fully set forth herein.

The Acquisition of Debtor's assets shall be made free and clear of all liens, claims, encumbrances and interests. For purposes of this Order, the term encumbrances shall be defined as any lien, pledge, hypothecation, charge, mortgage, security interest, equity, trust, equitable interest, claim, cure claim, preference, right of possession, lease, tenancy, license, encroachment, covenant, infringement, interference, order, proxy, option, preemptive right, community property, interest, legend, defect, impediment, exception, reservation, limitation, impairment, imperfection of title, condition or restriction of any nature (including any restriction on the transfer of any assets, including, but not limited to, restriction on transfer of any assets by state, municipal or federal regulatory authorities, restriction on the receipt of any income derived from any asset, any restriction on the use of any asset and any restriction on the possession, exercise or transfer of any other attribute of ownership of any asset) and any other right of a third party.

Upon payment of the winning bid price in full, the Sale shall be deemed final and any such inferior or superior claims or encumbrances that may have existed prior to the auction shall be extinguished solely as such claims and encumbrances relate to those assets being sold



ENTER.

JUDGE

(Addendum)

THE JUDGMENT ~~CRIMINAL~~, THERMO CREDIT LLC, SHALL
ISSUE TO IBFA A PARTIAL SATISFACTION OF JUDGMENT BY
CLOSE OF BUSINESS JULY 25, 2014 IN THE FOLLOWING AMOUNTS:
(1) ~~SALE PRICE~~ (SALE PRICE); (2) ~~OPERATING~~ ~~LOCAL~~ ACCOUNT
AT FIRST MERIT BANK; AND (3) ~~APPROXIMATE~~ AMOUNT IN
FIRST MERIT BANK CD (APPROXIMATELY ~~AMOUNT~~)

SECURED CREDITOR'S BILL OF SALE

Dated July 23, 2014

Thermo Credit LLC, a Louisiana limited liability Company, ("Seller") as secured creditor of IBFA Acquisition Company, LLC d/b/a IBFA Acquisitions, Inc., ("Debtor") for and in consideration of [REDACTED] and other valuable consideration the receipt of which is hereby acknowledged, does hereby sell, assign, transfer and set over to First Choice Technology, Inc., ("Buyer") all of Seller's right, title and interest in and to all of Debtor's presently existing and hereinafter acquired property, tangible and intangible including but not limited to leasehold interests, machinery, equipment, furniture, fixtures, inventory, accounts receivable, accounts, notes, securities, chattel paper, contract rights, licenses, permits, leasehold improvements, choses in action, patent applications, patents, trademarks, trade names, confidential information, and customer information, and customer lists together with all products and proceeds thereof or therefrom, including Debtor's website and countryconnect.us domain name; all accounts receivable arising from the provision or sale of telecommunications services (and any services or sales ancillary thereto) by the Debtor including the right to payment of any interest or finance charges and other obligations of such person obligated to make payments in respect of any such receivable with respect thereto and user letters of authorization and all associated customer accounts and receivables arising therefrom but excluding cash and excluding local dial tone customers; all security interest or liens or property subject thereto from time to time purporting to secure payment by an account; all other agreements or arrangements of whatever character from time to time supporting or securing payment of such receivables including but not limited to any billing and collection agreement and any clearinghouse agreement; all collections, records and proceeds with respect to any of the foregoing.

THE PARTIES AGREE THAT THE ASSETS ARE BEING TRANSFERRED "AS IS, WHERE IS" AND WITH NO EXPRESS OR IMPLIED WARRANTIES, STATEMENTS, REPRESENTATIONS OF ANY KIND, EXCEPT AS PROVIDED IN THE PURCHASE AGREEMENT, INCLUDING ANY WARRANTIES OR GUARANTIES, AS TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE AND NO OTHER IMPLIED REPRESENTATIONS OR WARRANTIES WHATSOEVER; THE PARTIES AGREE THAT, TO THE EXTENT REQUIRED BY LAW, THE DISCLAIMERS CONTAINED

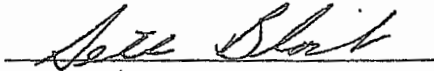
HEREIN ARE "CONSPICUOUS" DISCLAIMERS FOR THE PURPOSE OF ANY LAW, RULE OR ORDER.

Notwithstanding anything contained in this bill of sale, the Seller is not transferring or selling herein to Buyer any leased property, whether real or personal, whether evidenced by a true lease or a capital lease (unless the capital lessor so consents).

IN WITNESS WHEREOF, Seller and Buyer have caused this Bill of Sale to be duly executed and accepted this 23rd day of July, 2014.

SELLER:

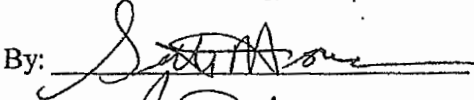
Thermo Credit LLC



Its: Executive Vice President

BUYER:

First Choice Technology, Inc.

By: 

Its: President

EXHIBIT "B"

MANAGERIAL PROFILES

STRATEGIC PLANNING, MARKETING AND OPERATIONS EXECUTIVE

PROFILE

An Entrepreneurial Executive with more than 10 years of experience in strategic planning, business development, product management and operations. Proven ability to translate vision and strategy into executable plans with meaningful measurements of success. A track record of leadership development and organizational improvement in both start up and established cultures.

PROFESSIONAL EXPERIENCE

President, First Choice Technology, Inc. - Maitland, Florida February 2004 - Present

Responsibilities include the overall management of the company on a day-to day basis. Specific areas of responsibility include overseeing billing and financial reporting of company. Primary interface with outside regulatory compliance agency. Oversee staff of four full time and part time employees.

NUI Telecom, Inc. – West Palm Beach, FL

(2001 to Dec 2003)

Served in business management roles with NUI Telecom, Inc., a subsidiary of NUI Corporation. Broad scope of responsibility included sourcing and negotiation of strategic acquisition, product management and sales channel development. Additional responsibility for operations infrastructure as it relates to organizational structure, process improvement and automation.

Vice President Planning and Development (NUI Telecom) / Director of Planning (NUI Corp)
– (dual titles) (2002 – 2003)
Manager of Integration (2001 – 2002)

- Successfully sourced and negotiated purchase of long distance carrier contributing \$15+ million in annual revenues and \$1.8 million in annualized EBITDA
- Planned, positioned and deployed UNEP product sets in key markets increasing overall gross margins by 10%+
- Created and maintained minimum profitability requirements for all product sets while generating more than \$5 million in new revenues and 20% in annual account growth
- Developed and implemented multi-center operations strategy producing significant improvements in key functional categories – 50% reduction in order turn up intervals, 30% reduction in average time-to-repair, 1.5% attrition rate, etc.
- Implemented operational processes / control procedures in support of Sarbanes-Oxley compliance

Network One, Atlanta, GA

(1997 – 2001)

Held various senior management positions with Network One, an *INC. 500* Integrated Communications Provider (ICP) offering bundled local, long distance and data products to small/medium business customers.

Vice President of Product Integration (2000 – 2001)
Assistant Vice President of Strategic Planning (1999)
Director of Business Development (1997 – 1998)
Operations Manager (1997)

- Negotiated seven year / \$500 million dollar management contract with BellSouth senior executives

- Planned and implemented UNEP local services product throughout Verizon and BellSouth territories producing \$10 million in profitable annualized revenue growth
- Implemented long distance network across five states in Verizon territory resulting in a 33% increase in LD gross margins
- Created outbound call center to facilitate telesales of bundled voice products to small business customers - exceeded sales goals first nine months in operation
- Established change control and quality assurance processes related to system development
- Directed cross functional teams during migration of 10,000+ customer base resulting in more than \$2.5 million in annual cost reductions

National Tel, Ft. Lauderdale, FL

(1995 – 1997)

Responsible for call center operations at National Telecommunications, Inc. (National Tel), a South Florida facilities based CLEC.

Customer Service Manager (1996 – 1997)

Customer Service Supervisor (1995)

- Managed inbound / outbound call center supporting provisioning, customer service, repair and retention for \$50 million CLEC
- Maintained attrition rate of less than 2% throughout two year period
- Hired, trained and motivated 30+ staff positions
- Developed business process and procedures as company transitioned from a long distance carrier to a full service CLEC

Homestead Alliance Church, Homestead, FL

(1991 – 1995)

Experienced hurricane Andrew while serving as part of church ministry team in Homestead. Worked with the ministry team to meet short and long term needs within the community.

Assistant Pastor (1991 – 1995)

- Coordinated hurricane relief with senior pastor & volunteer team (soup kitchen, dry goods & clothes distribution, medical unit, housing reconstruction)
- Developed support groups throughout the community (addiction, singles, seniors, family, etc.)

Ryder Truck Rental, Inc., Tampa, FL

(1987 – 1991)

Held management roles with Ryder, Inc., a \$5 billion commercial and consumer rental corporation. Responsible for consumer rental revenue production and profitability at more than 55 independent dealership locations throughout Florida.

Consumer Product Line Manager – West Coast/Central Florida Region (1990 – 1991)

Dealer Manager (1987 – 1990)

- Responsible for \$9 million consumer product line
- Identified target markets and established new dealership relationships throughout Florida
- Teamed with 55 independent dealership locations in the development of revenue goals and marketing strategies
- Hired, trained and motivated telemarketing, administrative and dealer management staff
- Directed the daily utilization of 700+ rental truck fleet

EDUCATION

Bachelor of Science in Bible & Theology, Toccoa Falls College, GA

- Who's Who in American Colleges and Universities

***References Available Upon Request**