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JC Lambert Broadband Consulting
147 State Route 39
New Fairfield, CT 06812
(203) 942-7708

March 31, 2016

Docket No. 16-00034

Docket Office
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: Application of The Nexus Group, Inc. for a Certificate to Provide Competing Local Telecommunications Services

Dear Sir/Madam:

Enclosed for filing are an original and thirteen (13) copies of the Application of The Nexus Group, Inc. for a Certificate to Provide Competing Local Exchange Services.

Please contact the undersigned at (203) 942-7708 or Susan Osborn at (615) 221-4200 if you have questions or need additional information.

Best regards,

Jerold C. Lambert
Representative for The Nexus Group, Inc.

BEFORE THE TENNESSEE REGULATORY AUTHORITY

**IN THE MATTER OF THE APPLICATION OF THE
NEXUS GROUP, INC. FOR A CERTIFICATE TO
PROVIDE COMPETING LOCAL
TELECOMMUNICATION SERVICES**

**APPLICATION FOR CERTIFICATE TO PROVIDE COMPETING LOCAL
TELECOMMUNICATIONS SERVICES**

Pursuant to applicable Tennessee Statutes and the Rules and Regulations of the Tennessee Regulatory Authority and Section 253 of the Federal Telecommunications Act of 1996 ("Act"), The Nexus Group, Inc. ("The Nexus Group" or "Nexus") respectfully requests that the Tennessee Regulatory Authority ("TRA") grant to The Nexus Group authority to provide competing local telecommunications services, including exchange access telecommunications services, within the State of Tennessee. The Nexus Group is willing and able to comply with all applicable rules and regulations in Tennessee pertaining to the provision of competing local telecommunications services. TCA 65-4-201

In support of its Application, NEXUS submits the following:

1. The full name and address of the Applicant is:

The Nexus Group, Inc.
1661 Murfreesboro Pike, Nashville, TN
37217

Telephone: (615) 221-4200

Questions regarding this application should be directed to:

Susan Osborn
Director, Finance
1661 Murfreesboro Pike
Nashville, TN 37217

Contact name and address at the Company is:

Susan Osborn
The Nexus Group, Inc.
1661 Murfreesboro Pike
Nashville, TN 37217
Telephone: (615) 221-4200
Facsimile: (615) 221-0119

2. Organizational Chart of Corporate Structure: Include any pertinent acquisition or merger information.

See **Exhibits A and A-1**

3. Corporate information:

The Nexus Group, Inc. was incorporated in the state of Wyoming on January 4, 1995. A copy of Nexus's Articles of Incorporation and amendments are provided in **Exhibit B**. The names and brief work histories of the principal officers and any other key technical staff are in **Exhibit C**.

4. NEXUS possesses the managerial, technical, and financial ability to provide local telecommunications service in the State of Tennessee as demonstrated below:

Key executives delivering managerial, technical, and financial direction for Nexus

Leonard Higgins - President and CEO

Lenny Higgins has over 30 years' experience in the telecommunications industry, with extensive experience in telephone and cable TV operations as well as the development and execution of innovative product strategies to deliver broadband services to RLEC and MSO's customers. From June 2011 to December 2013, Mr. Higgins was Chief Operations Officer of LICT Corp, a holding Company for 10 RLECs based in Rye, New York. He was responsible for all aspects of operations and planning for the company which has approximately \$100 million in revenue and \$37 million EBITDA. Under Mr. Higgins' leadership, the company increased revenue and EBITDA and launched several new non-regulated businesses including hosted voice, data storage, and home automation. Mr. Higgins also directed the expansion of LICT's broadband capabilities and the breadth of its video, wireless and other offerings, both in LICT's service areas and in new markets. Prior to his role at LICT, Mr. Higgins was Senior Vice President of Product Management & Commercial Sales at Bresnan Communications, a large Cable Television operator in the Mid-West and Western regions of the US. Mr. Higgins directed Bresnan's entry into the telephone and high speed data markets as well as Bresnan's entry into the business telephone and data markets. Previously, Mr. Higgins was Executive Director of Strategic Business Development at Bellcore. He also served as Director of Business Development for Sutton Capital, Inc., a telecommunications investment company with interests in television

systems, cellular operations and alternate access networks. From 1988 to 1993, he was Director of Corporate Development for Teleport Communications Group, where he oversaw the expansion of its regional fiber networks into a number of new markets. Mr. Higgins received a BA in Economics from Syracuse University and an MBA from Monmouth College in New Jersey.

Stephen Baird - EVP, Chief Technology Officer

Stephen has over 20 years of industry and law enforcement expertise in complex technology and risk mitigation leadership. He has delivered integrated functions to organizations encompassing the broad discipline of governance, risk and compliance, with deep expertise in information technology, information security, e-discovery, cyber investigations, computer forensics, business continuity, disaster recovery, incident response, IT audit, records management, and privacy. Most recently, Stephen was the Director of Information Risk Management accountable for information risk management and technology support to the Executive Office of the President of the United States (EOP) serving the White House, Executive Residence, Office of the Vice President and other EOP entities. Previously, Stephen held the position of Vice President and Chief Information Security and Privacy Officer to United Rentals, Inc. (NYSE: URI), the largest equipment rental company in the world. Prior to his involvement in the commercial market, Stephen gained extensive experience in local, state and federal law enforcement, most recently as a Supervisory Special Agent and Division Chief of Computer Crimes for the Department of Defense. Stephen received his M.S. in Information Architecture from Capital College and his B.S. in Economics and Finance from the University of Hartford. Stephen has numerous industry certifications and has served as an Adjunct Professor at the University of New Haven in New Haven, CT in the areas of computer crimes and modern legal issues.

Andy Hayes - Vice President of Sales

As Vice President of Sales, Andy is responsible for generating new business and strategic partnerships for The Nexus Group. Andy has over 15 years' of sales and marketing expertise working with Financial Institutions and corporate clients nationwide focusing on software, payments and transaction processing.

He came to us from MAP where he was VP Sales for the East Coast for the last two years. Prior to that from 2007-2014, he was VP of Sales for OneBridge, a privately held EFT processor based in Indianapolis. As VP of Sales for OneBridge, he was responsible for new sales of ATM/debit and credit card processing to Financial Institutions nationwide. He led sales and marketing efforts to return the company to profitability in 2012 and acquisition in 2014. Andy also established referral partnerships with key vendors to grow and enhance the sales pipeline. He has also worked for Fifth Third Processing Solutions (Vantiv), Goldleaf Technologies, an ACH and remote deposit software provider for financial institutions, and TROY Group, a worldwide provider of secure payment solutions. Andy graduated from Middle Tennessee State University with a Bachelor of Business Administration with a focus in Marketing.

Dr. Andy Bass - Managing Director of Engineering

Andy has extensive experience in secure, high performance enterprise systems and technologies. He is skilled in design, implementation, and management of physical and virtual server infrastructure and data and voice network infrastructure. Dr. Bass has excellent problem solving capabilities and deep technical knowledge and a proven track record of improving operational efficiency and maintaining confidentiality, integrity, and availability of services. Andy thrives in environments that value technical ingenuity. Andy holds a PhD in biomedical engineering from Vanderbilt University.

A. Financial Qualifications:

In support of its financial qualifications, The Nexus Group, Inc. submits the year-end 2014 unaudited financial statements. Nexus is a diversified data center and telecommunications company, serving more than 250 customers throughout Tennessee. Nexus' principal lines of business are Data Center Services – Nexus owns and operates a 5,000 sq. ft. data center in Nashville, TN. Nexus also has redundant data center facilities in Knoxville, TN and Memphis, TN. The primary data center in Nashville is a Secure, SSAE 16 (SAS 70) certified facility with 24/7 video surveillance, N + 1 Power, UPS, and HVAC. The Company offers collocation and disaster recovery services with secured cabinets: Half / Full. The facility is Carrier Neutral – and on net with AT&T, XO, Level 3, Comcast, Charter, CenturyLink, Gibson Electric, Dyersburg Electric.

High Speed Internet / Connectivity Services – Nexus resells other facility-based providers' networks in Tennessee to deliver a seamless, unified solution for the business customer. Nexus uses AT&T, XO, Level 3, and Comcast (with peering to Charter Communications) all connecting through The Nexus Group. Customers are provided one of the largest managed networks in Tennessee. This enables our customers the ability to merge their data and voice infrastructure components for efficiencies (cost savings) and better management and service of their infrastructure – one call for troubleshooting and one bill.

Nexus offers superior and most importantly, reliable dedicated high speed internet access for mission critical applications. Customers always get dedicated access. This means the connection is not shared, so customers are always connected at the subscribed speed. **Exhibit D** summarizes the recent financial performance of Nexus. These include income statements, balance sheets, and statement of cash flows for year-end 2014 and 2015. **Exhibit D-1** is the Accountants' Compilation Report and Financial Statements. Thus, Nexus asserts that it has the financial resources necessary to operate as a competitive local service provider in Tennessee.

Neither NEXUS's financials nor their projected financials reflect any revenues or expenses associated with reciprocal compensation.

Corporate Surety Bond to be provided as requested as **Exhibit E**

B. Managerial Ability:

As shown above and in Exhibit C to this Application, Nexus has the managerial expertise to successfully operate a telecommunications enterprise in Tennessee. As described in the attached biographical information, Nexus's management team has extensive management and business experience in telecommunications.

C. Technical Qualifications:

NEXUS services will satisfy the minimum standards established by the TRA. The company will file and maintain tariffs in the manner prescribed by the TRA and will meet minimum basic local standards, including quality of service and billing standards required of all LEC'S regulated by the TRA. Applicant will not require customers to purchase CPE, which cannot be used with the Incumbent Local Exchange Carrier's systems; however, we will offer customers the opportunity to lease or purchase SIP phones which are designed to work with our Hosted Voice Offering. As noted in the biographies and managerial experience summaries of the principal officers, there are two officers with engineering backgrounds and several years of telecommunications expertise. Thus, Nexus is certainly technically qualified to provide local exchange service in Tennessee.

5. Proposed Service Area:

The applicant proposes to offer its services throughout the State of Tennessee in the Nashville and Knoxville metropolitan areas. These areas are currently being served by AT&T and various CLECS, which are designated open to competition. NEXUS intends to offer this broad range of telecommunications services through the use of its resold facilities.

6. Types of Local Exchange Service to be provided:

Nexus expects to offer a broad variety of local exchange services, primarily to business customers in Tennessee. NEXUS's initial line of local services will be comparable to that currently offered by the incumbent LECS. Initially Nexus plans to offer Hosted Voice service, PRI and SIP trunks for access to a customer's PBX, POTS resale, interstate, intrastate and international long distance, Optional Calling Features, Directory Assistance, Directory Services, as well as all services required under Chapter 1220-4-8-.04 (3) (6) and (2).

7. Repair and Maintenance:

Nexus understands the importance of effective customer service for local service customers. Nexus has made arrangements for its customers to call the company at its toll-free customer service number 1-888-554-4736. In addition, customers may contact the company in writing at the headquarters address, as well as via email at sales@nxs.net. The toll free number will be printed on the customer's monthly billing statements. The Tennessee contact person knowledgeable about providers operations is Susan Osborn - reference (1.) above.

Grant of the Application will further the goals of the Tennessee Legislature and further the public interest by expanding the availability of competitive telecommunications services in the State of Tennessee. In addition,

intrastate offering of these services is in the public interest because the services will provide Tennessee customers increased efficiencies and cost savings. Authorizing Nexus to provide local exchange telecommunications services will enhance materially the telecommunications infrastructure in the State of Tennessee and will facilitate economic development.

In particular, the public will benefit both directly, through the use of the competitive services to be offered by Nexus and indirectly, because Nexus's presence in Tennessee will increase the incentives for other telecommunications providers to operate more efficiently, offer more innovative services, reduce their prices, and improve their quality of service. Grant of this Application will further enhance the service options available to Tennessee citizens for the reasons set forth above.

8. Small and Minority-Owned Telecommunications Business Participation Plan:
(65-5-112): **Exhibit F**

9. Toll Dialing Parity Plan: **Exhibit G**

Applicant has served notice of this application to the eighteen (18) incumbent local exchange telephone companies in Tennessee with a statement regarding the company's intention of operating geographically within the State of Tennessee primarily in the Nashville and Knoxville areas. See **Exhibit I** for Certificate of Service and the list of recipient telephone companies.

10. **Numbering Issues:** Applicant's expected demand for NXXs per NPA within a year of approval of its application is limited. Once a service footprint is established it is estimated not more than two NXXs will likely be sought from NANPA.

11. **Tennessee Specific Operational Issues:** Nexus intends to comply with TCA 65-21-114 in the following manner: Nexus does not bill for calls like traditional circuit-switched carriers. No calls originated and terminated in Tennessee will be subject to toll charges. Unlimited calls within Tennessee are included as part of the monthly fee. Nexus is aware of the AT&T county wide calling database will cooperate with AT&T to ensure its telephone numbers are accurately placed in the Tennessee county wide calling database. Nexus is aware of the local calling areas provided by the Incumbent Local Exchange Carriers in its proposed service areas. Nexus customer's will not be subject to long distance charges within the metro calling area as Nexus does not bill in the manner of the traditional circuit switched carriers. All customer complaints should be directed to Nexus director of finance, Susan Osborn, at the telephone number and address listed above.

12. **Miscellaneous:**

- A. Sworn Pre-filed testimony: **Exhibit H**
- B. Applicant does not require customer deposits
- C. As of now, Nexus has not been subject to complaints in any of the states in which we are doing business.
- D. Tariffs will be filed after this application is granted.
- E. Nexus is not involved in any mergers or acquisitions at this time.

CONCLUSION:

Nexus respectfully requests that the TRA enter an order granting it a certificate of convenience and necessity to provide resale local exchange service in eligible incumbent local exchange carrier areas throughout the State of Tennessee in the service areas of AT&T, Verizon and CenturyLink and any other ILEC that does not enjoy a rural exemption under Section 251(f) of the Telecommunications Act of 1996. For the reasons stated above, Nexus's provision of these services would promote the public interest by providing high-quality service at competitive prices and by creating greater economic incentives for the development and improvement for all competing providers.

Respectfully submitted this 31st, day of March, 2016

Jerold C. Lambert

Susan Osborn

Representative(s) for The Nexus Group, Inc.

___ Exhibit I

BEFORE THE TENNESSEE REGULATORY AUTHORITY

IN THE MATTER OF THE APPLICATION)
OF THE NEXUS GROUP, INC. FOR A CERTIFICATE)
TO PROVIDE COMPETING LOCAL)
TELECOMMUNICATIONS SERVICES)

NOTICE OF FILING

TO: ALL INCUMBENT LOCAL EXCHANGE CARRIERS (ILECS)

PLEASE TAKE NOTICE, that in accordance with the Tennessee Regulatory Authority Rules for the Provision of Competitive Intrastate Telecommunications Services; you are hereby given notice that on or about March 31, 2016 The Nexus Group, Inc. filed an Application for a Certificate of Public Convenience and Necessity to Provide Competing Local Telecommunications Services.

This 31st day of March, 2016.

The Nexus Group, Inc.

BY: s//Leonard Higgins
President and CEO

Delivered by its representative:
JC Lambert Broadband Consulting

Jenks C. Lamb

Jerold C. Lambert
203-942-7708

INCUMBENT LOCAL EXCHANGE CARRIERS (ILECs)

JUNE 30, 2006

Company Name	Address	City-State	Zip	Phone
Ardmore Telephone Company, Inc.	PO Box 549	Ardmore, TN	38449	256-423-2131
AlSouth Telecommunications, Inc.	333 Commerce Street	Nashville, TN	37201	615-214-4066
CenturyTel of Adamsville	PO Box 4065	Monroe, LA	71211	318-362-1583
CenturyTel of Claiborne, Inc.	PO Box 4065	Monroe, LA	71211	318-362-1583
CenturyTel of Ooltewah-Collegedale, Inc.	PO Box 4065	Monroe, LA	71211	318-362-1583
Frontier Communications of Tennessee	300 Bland Street, P.O. Box 770	Bluefield, WV	24701	304-325-1216
Frontier Communications of Tennessee				
Frontier Communications of the Volunteer State	300 Bland Street, P.O. Box 770	Bluefield, WV	24701	304-325-1216
Frontier Communications of the Volunteer State				
Record Telephone Exchange (TDS Telecom)	PO Box 22995	Knoxville, TN	37933	865-671-4753
Rockett Telephone Company, Inc. (TEC)	C/O TSI Processing Center PO Box 24207	Jackson, MS	39225	731-677-8181
St. Joseph's County Telephone Company	PO Box 22995	Knoxville, TN	37933	865-671-4753
St. Loretto Telephone Company, Inc.	PO Box 130	Loretto, TN	38469	931-853-4351
St. Millington Telephone Company, Inc.	4880 Navy Road	Millington, TN	38053	901-872-3311
St. Pyles Telephone Company, Inc. (TEC)	C/O TSI Processing Center PO Box 24207	Jackson, MS	39225	931-289-4221
St. Vrain Communications, Inc.	14111 Capital Blvd.	Wake Forest, NC	27587	512-867-1071
St. Vrain Telephone Company (TDS Telecom)	PO Box 22995	Knoxville, TN	37933	865-671-4753
St. Vrain Telephone Company (TDS Telecom)	PO Box 22995	Knoxville, TN	37933	865-671-4753
St. Vrain Telephone Company	PO Box 38	Chapel Hill, TN	37034	931-364-2289
St. Vrain Tennessee Telephone Company (TEC)	C/O TSI Processing Center PO Box 24207	Jackson, MS	39225	731-742-2211

BEFORE THE
TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

APPLICATION OF THE NEXUS GROUP, INC.
FOR A CERTIFICATE TO PROVIDE
COMPETING LOCAL TELEPHONE
SERVICES

PRE-FILED TESTIMONY OF LEONARD HIGGINS

I, LEONARD HIGGINS, do hereby testify as follows in support of the application of THE NEXUS GROUP, Inc. (THE NEXUS GROUP) for a Certificate of convenience and necessity as a competing telecommunications services provider to provide telecommunication services throughout the State of Tennessee.

Q: Please state your full name, business address, and position.

A: Leonard J. Higgins, President and CEO, The Nexus Group, Inc.

Q: Please briefly describe your duties.

A: Responsible for the overall management and operational success of the business.

Q: Please describe your business experience and educational background.

A: I have more than 3 decades of telecommunications operations management and technical experience.

Q: Are all statements in THE NEXUS GROUP, Inc.'s application true and correct to the best of your knowledge, information and belief?

A: Yes.

Q: Please describe the current corporate structure of THE NEXUS GROUP, Inc.

A: The Nexus Group is a Tennessee corporation authorized to do business in the State of Tennessee

Q: Does THE NEXUS GROUP, Inc. possess the requisite managerial, financial, and technical abilities to provide the services for which it has applied for authority?

A: Yes. The Nexus Group is well positioned managerially, financially and technically to provide the services for which it is applying.

Q: Please describe THE NEXUS GROUP, Inc.'s financial qualifications.

A: The Nexus Group is well positioned financially to maintain its operations in the State of Tennessee. The Company has been in operation for over 10 years and we have a strong financial partner, EverWatch Capital

Q: Please describe THE NEXUS GROUP, Inc.'s managerial and technical qualifications.

A: The Nexus Group enjoys management and technical expertise at the highest levels of the organization. This is evidenced in the attached CVs of its executives and the technical leadership.

Q: What services will THE NEXUS GROUP, Inc. offer?

A: Nexus offers a range of services primarily directed at business customers including data storage, collocation, Hosted Voice/PRI/SIP trunks, Network Services, and Managed Security.

Q: Will THE NEXUS GROUP, Inc. offer service to all consumers within its service area?

A: Service is primarily targeted to business customers. If a customer can be economically served by Nexus, service will be offered to that customer.

Q: Does THE NEXUS GROUP, Inc. plan to offer local exchange telecommunications services in areas served by any incumbent local exchange telephone company with fewer than 100,000 total access lines?

A: No.

Q: Will the granting of a certificate of convenience and necessity to THE NEXUS GROUP, Inc. serve the public interest?

A: Yes. Indeed, the public interest will be served by the granting of a certificate of convenience and necessity to NEXUS. Competitive services, pricing and customer care will be the by-product for businesses within the market where competition is available.

Q: Does THE NEXUS GROUP, Inc. intend to comply with all TRA rules, statues, and orders pertaining to the provision of telecommunications services in Tennessee, including those for disconnection and reconnection of service?

A: Yes.

Q: Has any state ever denied THE NEXUS GROUP, Inc. or one of its affiliates authorization to provide intrastate service?

A: No.

Q: Has any state ever revoked the certification of THE NEXUS GROUP, Inc. or one of its affiliates?

A: No.

Q: Has THE NEXUS GROUP, Inc. or one of its affiliates ever been investigated or sanctioned by any regulatory authority for service or billing irregularities?

A: No.

Q: Who is knowledgeable about THE NEXUS GROUP, Inc.'s operations and will serve as THE NEXUS GROUP, Inc.'s regulatory and customer service contact?

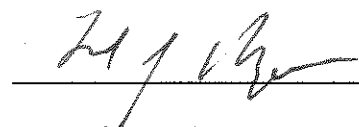
A: Susan Osborn

Q: Please explain in detail THE NEXUS GROUP, Inc.'s proposed procedures for responding to information requests from the TRA and its staff.

A: NEXUS will respond promptly and accurately to all TRA inquiries. Direct contact with the above referenced contact will be available for any such inquiries.

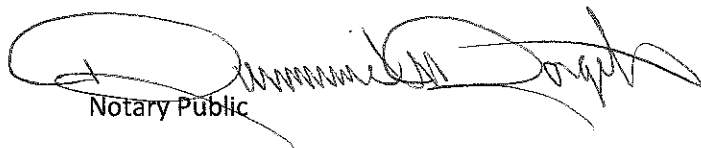
[statement of affirmation and signature on following page]

I swear that the foregoing testimony is true and correct to the best of my knowledge.



Leonard J. Higgins
President and CEO
THE NEXUS GROUP, Inc.

Respectfully submitted this 2nd day of February, 2016.


Notary Public

State of ~~Tennessee~~ Connecticut

County of Fairfield

My commission expires 06/30/2017



The Nexus Group, Inc.
Balance Sheet
December 31, 2015

ASSETS

Current Assets

Cash	56,372	
Accounts Receivable, net of allowance	123,384	
Prepays	42,293	
Deferred Tax	29,300	
Clearing	<u>777</u>	
Total Current Assets		252,126

Fixed Assets

Net Fixed Assets	378,888
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Other Assets

Intangibles, net	4,933,976	
Deferred Income Tax-Non Curren	<u>492,100</u>	
Total Other Assets		<u>5,426,076</u>

Total Assets		<u><u>6,057,090</u></u>
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LIABILITIES AND CAPITAL

Current Liabilities

Accounts Payable	389,925	
Accrued Expenses Payable	<u>103,188</u>	
Total Current Liabilities		493,113

Long-Term Liabilities

Earn out-due to Seller	500,000	
NP Due to Seller	<u>1,017,680</u>	
Total Long-Term Liabilities		<u>1,517,680</u>
Total Liabilities		<u>2,010,793</u>

Capital

Common Stock	1	
Additional Paid-in Capital	4,949,999	
Retained Earnings	<u>(903,703)</u>	
Total Capital		<u>4,046,297</u>

Total Liabilities & Capital		<u><u>6,057,090</u></u>
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The Nexus Group, Inc.

Accountants' Compilation Report and Financial Statements

December 31, 2014 (Successor) and October 14, 2014 (Predecessor)

The Nexus Group, Inc.
December 31, 2014 (Successor) and October 14, 2014 (Predecessor)

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Accountants' Compilation Report

Board of Directors
The Nexus Group, Inc.
Nashville, Tennessee

We have compiled the accompanying balance sheet of The Nexus Group, Inc. (Company) as of December 31, 2014, and the related statements of operations and changes in stockholder's equity for the period from October 15, 2014, through December 31, 2014 (Successor), and for the period from January 1, 2014, through October 14, 2014, (Predecessor). We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures and the statements of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statements of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

BKD, LLP

November 2, 2015

The Nexus Group, Inc. (Successor)

Balance Sheet

December 31, 2014

Assets

Current Assets

Cash and cash equivalents	\$ 160,026
Accounts Receivable, net of allowance of \$190,483	96,928
Prepaid expenses and other assets	46,082
Deferred taxes	<u>29,300</u>

Total current assets	<u>332,336</u>
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Property and Equipment, Net

384,008

Other Assets

Goodwill	4,916,377
Tradename	529,000
Deferred taxes – noncurrent	<u>492,100</u>

Total noncurrent assets	<u>6,321,485</u>
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\$ 6,653,821

Liabilities and Stockholder's Equity

Current Liabilities

Current maturities of long-term debt	\$ 7,951
Accounts payable	380,587
Accrued expenses	<u>119,114</u>

Total current liabilities	<u>507,652</u>
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Long-Term Debt

1,520,025

Stockholder's Equity

Common Stock	1
Additional paid-in capital	4,749,999
Retained deficit	<u>(123,856)</u>

Total stockholder's equity	<u>4,626,144</u>
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Total liabilities and stockholder's equity	<u><u>\$ 6,653,821</u></u>
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The Nexus Group, Inc.

Statements of Operations

Period From October 15, 2014 Through December 31, 2014 (Successor)

Period From January 1, 2014 Through October 14, 2014 (Predecessor)

	Period From October 15, 2014 Through December 31, 2014 (Successor)	Period From January 1, 2014 Through October 14, 2014 (Predecessor)
Net Sales	\$ 783,422	\$ 3,892,586
Cost of Goods Sold	473,966	2,093,338
Gross Profit	309,456	1,799,248
Operating Expenses		
Selling expenses	43,462	198,781
General and administrative expenses	464,041	2,462,716
	507,503	2,661,497
Operating Loss	(198,047)	(862,249)
Other Expense	10,809	9,955
Loss Before Income Taxes	(208,856)	(872,204)
Benefit From Income Taxes	(85,000)	(345,420)
Net Loss	\$ (123,856)	\$ (526,784)

The Nexus Group, Inc.
Statement of Changes in Stockholder's Equity
Period From October 15, 2014 Through December 31, 2014 (Successor)
Period From January 1, 2014 Through October 14, 2014 (Predecessor)

	Common Stock – No Par Value, 11,000 Shares Authorized, 5,918.59 Shares Issued and Outstanding	Treasury Stock	Additional Paid- In Capital	Retained Earnings (Deficit)	Total
Balance, January 1, 2014 (Predecessor)	\$ 1,400	\$ (122,000)	\$ 329,959	\$ 231,091	\$ 440,450
Net loss	-	-	-	(526,784)	(526,784)
Purchase of Treasury Stock	-	(28,000)	-	-	(28,000)
Balance, October 14, 2014 (Predecessor)	<u>\$ 1,400</u>	<u>\$ (150,000)</u>	<u>\$ 329,959</u>	<u>\$ (295,693)</u>	<u>\$ (114,334)</u>
Balance, October 15, 2014 (Successor)	\$ -	\$ -	\$ -	\$ -	\$ -
Purchase of shares	1	-	4,499,999	-	4,500,000
Additional capital contributions	-	-	250,000	-	250,000
Net loss	-	-	-	(123,856)	(123,856)
Balance, December 31, 2014 (Successor)	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 4,749,999</u>	<u>\$ (123,856)</u>	<u>\$ 4,626,144</u>

The Nexus Group, Inc.
Selected Information – Substantially All Disclosures Required
By Accounting Principles Generally Accepted in the
United States of America Are Not Included
December 31, 2014

Note 1: Nature of Operations

On October 14, 2014, all of the outstanding common shares of The Nexus Group, Inc. were acquired by EWC – Nexus Holdings, LLC. The accompanying consolidated financial statements are presented for two periods: Predecessor and Successor, which related to the period preceding and succeeding the transaction, respectively. The Predecessor and Successor financial statements are not comparable as a result of applying a new basis of accounting.

.31014 100813

CHARTER
OF
ISDN-NET, INC.

RECEIVED
CLERK OF STATE

The undersigned person acting as the incorporator of a corporation under the Tennessee Business Corporation Act, adopts the following charter for such corporation:

1. The name of the corporation is

ISDN-Net, Inc.

2. The maximum number of shares which the corporation shall have the authority to issue is one thousand (1,000) shares.

- 3.(a) The complete address of the corporation's initial registered office in Tennessee is , 5115 Maryland Way, Brentwood, county of Williamsor, Tennessee 37027.

- (b) The name of the initial registered agent, to be located at the address listed in 3.(a) is Kenneth Russell.

4. The name and complete address of the incorporator is:

Kenneth Russell
5115 Maryland Way
Brentwood, TN 37027

5. The address of the principal office of the corporation in the State of Tennessee shall be , 5115 Maryland Way, Brentwood, county of Williamson, Tennessee 37027.

6. The corporation is for profit.

DATED this 25th day of April, 1995.

Kenneth E. Russell
Kenneth Russell, Incorporator

310104 10:03:13

RECEIVED
CLERK OF STATE

CHARTER
OF
ISDN-NET, INC.

The undersigned person acting as the incorporator of a corporation under the Tennessee Business Corporation Act, adopts the following charter for such corporation:

1. The name of the corporation is

ISDN-Net, Inc.

2. The maximum number of shares which the corporation shall have the authority to issue is one thousand (1,000) shares.

3.(a) The complete address of the corporation's initial registered office in Tennessee is , 5115 Maryland Way, Brentwood, county of Williamsôn, Tennessee 37027.

(b) The name of the initial registered agent, to be located at the address listed in 3.(a) is Kenneth Russell.

4. The name and complete address of the incorporator is:

Kenneth Russell
5115 Maryland Way
Brentwood, TN 37027

5. The address of the principal office of the corporation in the State of Tennessee shall be , 5115 Maryland Way, Brentwood, county of Williamson, Tennessee 37027.

6. The corporation is for profit.

DATED this 25th day of April, 1995.

Kenneth E. Russell
Kenneth Russell, Incorporator

State of Tennessee



Department of State

Corporate Filings
312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, TN 37243

**ARTICLES OF AMENDMENT
TO THE CHARTER
(For-Profit)**

RECEIVED
2008 MAY 13 AM 9:23
RILEY DARNELL
SECRETARY OF STATE

6314-1229

CORPORATE CONTROL NUMBER (IF KNOWN) 0293949

PURSUANT TO THE PROVISIONS OF SECTION 48-20-106 OF *THE TENNESSEE BUSINESS CORPORATION ACT*, THE UNDERSIGNED CORPORATION ADOPTS THE FOLLOWING ARTICLES OF AMENDMENT TO ITS CHARTER:

1. PLEASE INSERT THE NAME OF THE CORPORATION AS IT APPEARS OF RECORD:
ISDN-NET, INC.

IF CHANGING THE NAME, INSERT THE NEW NAME ON THE LINE BELOW:
THE NEXUS GROUP, INC.

2. PLEASE MARK THE BLOCK THAT APPLIES:

- ☒ AMENDMENT IS TO BE EFFECTIVE WHEN FILED BY THE SECRETARY OF STATE.
☐ AMENDMENT IS TO BE EFFECTIVE, _____ (MONTH, DAY, YEAR)

(NOT TO BE LATER THAN THE 90TH DAY AFTER THE DATE THIS DOCUMENT IS FILED.) IF NEITHER BLOCK IS CHECKED, THE AMENDMENT WILL BE EFFECTIVE AT THE TIME OF FILING.

3. PLEASE INSERT ANY CHANGES THAT APPLY:

- A. PRINCIPAL ADDRESS: _____ STREET ADDRESS

CITY STATE / COUNTY ZIP CODE
- B. REGISTERED AGENT: _____
- C. REGISTERED ADDRESS: _____ STREET ADDRESS

CITY TN STATE ZIP CODE COUNTY
- D. OTHER CHANGES: _____

4. THE CORPORATION IS FOR PROFIT.

5. THE MANNER (IF NOT SET FORTH IN THE AMENDMENT) FOR IMPLEMENTATION OF ANY EXCHANGE, RECLASSIFICATION, OR CANCELLATION OF ISSUED SHARES IS AS FOLLOWS:

6. THE AMENDMENT WAS DULY ADOPTED ON May 2, 2008 (MONTH, DAY, YEAR)
BY (Please mark the block that applies):

- ☐ THE INCORPORATORS WITHOUT SHAREHOLDER ACTION, AS SUCH WAS NOT REQUIRED.
☒ THE BOARD OF DIRECTORS WITHOUT SHAREHOLDER APPROVAL, AS SUCH WAS NOT REQUIRED.
☐ THE SHAREHOLDERS.

President

SIGNER'S CAPACITY

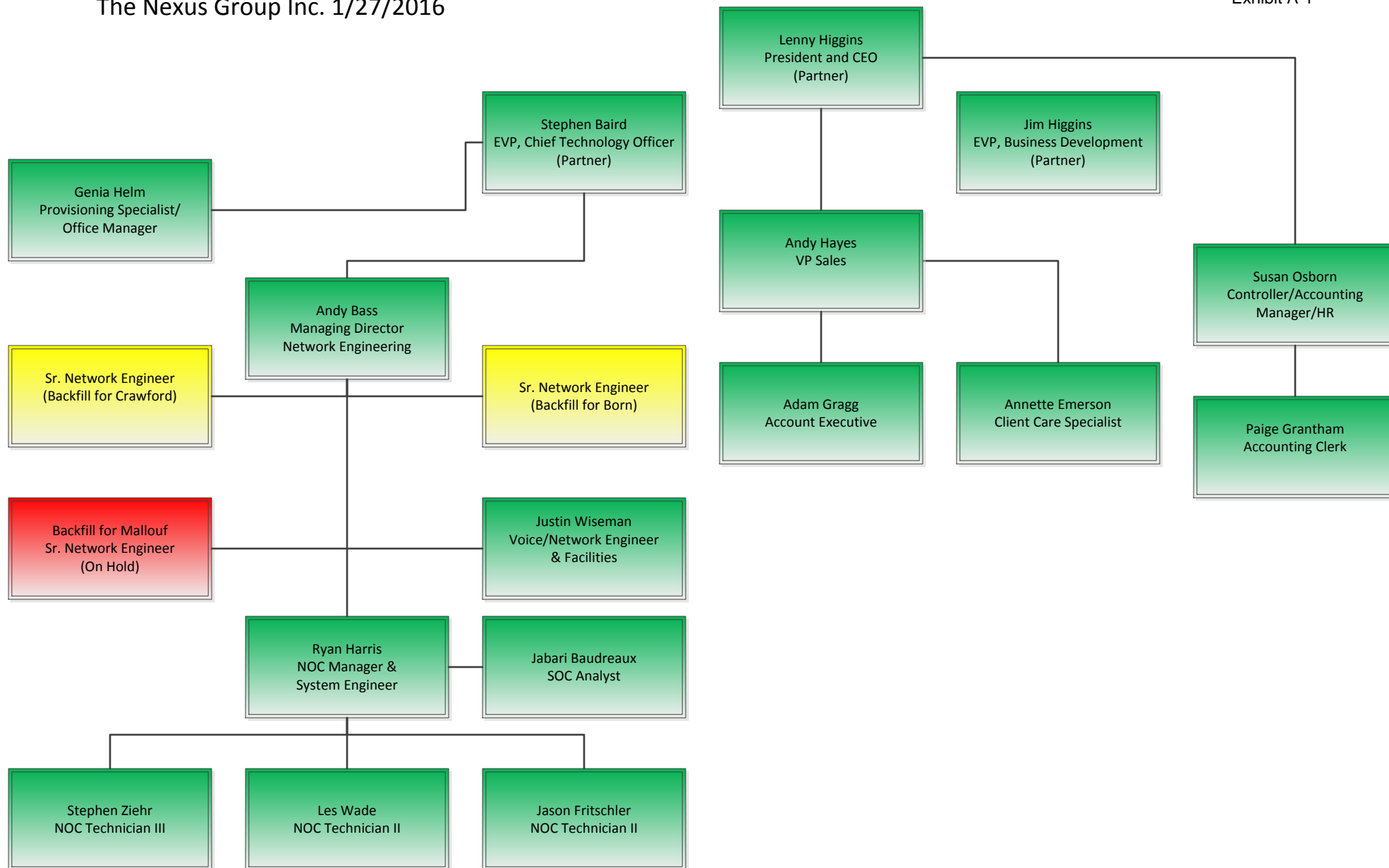
5/2/08

DATE

SIGNATURE

Jerry Dunlap

NAME OF SIGNER (TYPED OR PRINTED)



Leonard Higgins - President and CEO

Lenny Higgins has over 30 years' experience in the telecommunications industry, with extensive experience in telephone and cable TV operations as well as the development and execution of innovative product strategies to deliver broadband services to RLEC and MSO's customers. From June 2011 to December 2013, Mr. Higgins was Chief Operations Officer of LICT Corp, a holding Company for 10 RLECs based in Rye, New York. He was responsible for all aspects of operations and planning for the company which has approximately \$100 million in revenue and \$37 million EBITDA. Under Mr. Higgins' leadership, the company increased revenue and EBITDA and launched several new non-regulated businesses including hosted voice, data storage, and home automation. Mr. Higgins also directed the expansion of LICT's broadband capabilities and the breadth of its video, wireless and other offerings, both in LICT's service areas and in new markets. Prior to his role at LICT, Mr. Higgins was Senior Vice President of Product Management & Commercial Sales at Bresnan Communications, a large Cable Television operator in the Mid-West and Western regions of the US. Mr. Higgins directed Bresnan's entry into the telephone and high speed data markets as well as Bresnan's entry into the business telephone and data markets. Previously, Mr. Higgins was Executive Director of Strategic Business Development at Bellcore. He also served as Director of Business Development for Sutton Capital, Inc., a telecommunications investment company with interests in cable television systems, cellular operations and alternate access networks. From 1988 to 1993, he was Director of Corporate Development for Teleport Communications Group, where he oversaw the expansion of its regional fiber networks into a number of new markets. Mr. Higgins received a BA in Economics from Syracuse University and an MBA from Monmouth College in New Jersey.

Stephen Baird - EVP, Chief Technology Officer

Stephen has over 20 years of industry and law enforcement expertise in complex technology and risk mitigation leadership. He has delivered integrated functions to organizations encompassing the broad discipline of governance, risk and compliance, with deep expertise in information technology, information security, e-discovery, cyber investigations, computer forensics, business continuity, disaster recovery, incident response, IT audit, records management, and privacy. Most recently, Stephen was the Director of Information Risk Management accountable for information risk management and technology support to the Executive Office of the President of the United States (EOP) serving the White House, Executive Residence, Office of the Vice President and other EOP entities. Previously, Stephen held the position of Vice President and Chief Information Security and Privacy Officer to United Rentals, Inc. (NYSE: URI), the largest equipment rental company in the world. Prior to his involvement in the commercial market, Stephen gained extensive experience in local, state and federal law enforcement, most recently as a Supervisory Special Agent and Division Chief of Computer Crimes for the Department of Defense. Stephen received his M.S. in Information Architecture from Capital College and his B.S. in Economics and Finance from the University of Hartford. Stephen has numerous industry certifications and has served as an Adjunct Professor at the University of New Haven in New Haven, CT in the areas of computer crimes and modern legal issues.

James Higgins - EVP, Business Development

Jim has spent over 30 years in the telecommunications, cable, broadband and related businesses in the areas of business development, marketing, sales, product roll out, channel management, operations and capital raising. Mr. Higgins was SVP of Business Development with HDlogix a provider of video enhancement and 3D products to the service provider and programmer categories. Mr. Higgins also served as SVP of Business Development for Gemini Voice Solutions an early provider of VoIP services to service providers and served in the same role with KMC Telecom. Mr. Higgins was also a founding partner of WOW! and The Health Network. Mr. Higgins' career started in marketing and sales roles with MSO's MacLean Hunter Cable and marketing and business development roles with Colony Communications and Greater Media Cable. He was also a founding member of the New York Metro Cable Marketing Co-Op (1-800-OK-CABLE). Jim received a B.A. degree from Boston University.

Leonard Higgins

1661 Murfreesboro Pike; Nashville, TN 37217 615-221-4210

- 10/2015-present
The Nexus Group, Inc.-President.
- 6/2011-12/13
LICT Corporation- CEO. Responsible for all aspects of operations and planning for Rural Local Exchange Carriers
- 1997-2011
Bresnan Communications, Inc-Senior VP, Product Management and Commercial Sales.

James Higgins (EVP, Business Development)

1661 Murfreesboro Pike; Nashville, TN 37217 615-221-0101

- 10/2015-present
The Nexus Group, Inc.-Business Development. Responsible for sales, marketing and strategic planning
- JCH Partners-Founder. *Telecommunications, cable, media advisor for marketing, sales and business planning*
- 2006-2010
HDLogix-Senior VP, Business Development. Responsible for sales, marketing and strategic planning

Stephen Baird (EVP, Chief Technology Officer)

1661 Murfreesboro Pike; Nashville, TN 37217 615-221-4205

- 10/2015-present
The Nexus Group, Inc.-EVP-Chief Technology Officer. Lead all aspects of technological development
- 10/2012-present
Sicur1, LLC-President and Founder. Information technology and security
- 2/2011-10/2012
Executive Office of the President-Director of Information Risk Management. Accountable for risk management, network security, security operations
- 2009-2011
Kroll Ontrack, Inc-Managing Director. Directed client issues relating to large scale information security reviews, data breach incident response, and information technology related matters
- 2004-2009
United Rentals, Inc.-Vice President. Chief Information Security and Privacy Officer. Oversaw enterprise-wide strategic development and implementation of risk mitigation and secure technology initiatives

The Nexus Group, Inc.
Income Statement
For the Twelve Months Ending December 31, 2015

Exhibit D

	<u>Year to Date</u>
Revenue	5,073,219
Cost of Sales	<u>2,878,720</u>
Gross Margin	2,194,499
SG&A	<u>2,233,426</u>
EBITDA	(38,927)

EXHIBIT F

THE NEXUS GROUP, INC. **SMALL AND MINORITY-OWNED TELECOMMUNICATIONS** **BUSINESS PARTICIPATION PLAN**

Pursuant to T.C.A. §65-5-112, as amended, The Nexus Group, Inc. ("The Nexus Group") submits this small and minority-owned Telecommunications business participation plan (the "Plan") along with its Application for a Certificate of Public Convenience and Necessity to provide competing intrastate and local exchange services in Tennessee.

I. PURPOSE

The purpose of §65-5-112 is to provide opportunities for small and minority-owned businesses to provide goods and services to Telecommunications service providers. The Nexus Group is committed to the goals of §65-5-112 and to taking steps to support the participation of small and minority-owned Telecommunications businesses in the Telecommunications industry. The Nexus Group will endeavor to provide opportunities for small and minority-owned Telecommunications businesses to compete for contracts and subcontracts for goods and services.

As part of its procurement process, The Nexus Group will make efforts to identify and inform minority-owned and small businesses that are qualified and capable of providing goods and services to The Nexus Group of such opportunities. The Nexus Group's representatives have already contacted the Department of Economic and Community Development, the administrator of the small and minority-owned Telecommunications assistance program, to obtain a list of qualified vendors. Moreover, The Nexus Group will seek to increase awareness of such opportunities so that companies not otherwise identified will have sufficient information to participate in the procurement process.

II. DEFINITIONS

As defined in §65-5-112.

Minority-Owned Business. Minority-owned business shall mean a business which is solely owned, or at least fifty-one percent (51%) of the assets or outstanding stock of which is owned, by an individual who personally manages and controls daily operations of such business, and who is impeded from normal entry into the economic mainstream because of race, religion, sex or national origin and such business has annual gross receipts of less than four million dollars (\$4,000,000).

Small Business. Small Business shall mean a business with annual gross receipts of less than four million dollars (\$4,000,000).

III. ADMINISTRATION

The Nexus Group 's Plan will be overseen and administered by the individual named below, hereinafter referred to as the Administrator, who will be responsible for carrying out and promoting The Nexus Group 's full efforts to provide equal opportunities for small and minority-owned businesses. The Administrator of the Plan will be:

Susan Osborn
The Nexus Group, Inc.
1661 Murfreesboro Pike, Nashville, TN 37217

The Administrator's responsibilities will include:

- (1) Maintaining an updated Plan in full compliance with §65-5-112 and the rules and orders of the Tennessee Regulatory Authority.
- (2) Establishing and developing policies and procedures necessary for the successful implementation of the Plan.
- (3) Preparing and submitting such forms as may be required by the Tennessee Regulatory Authority, including the filing of required annual updates.
- (4) Serving as the primary liaison to and cooperate with the Tennessee Regulatory Authority, other agencies of the State of Tennessee, and small and minority-owned businesses to locate and use qualified small and minority-owned businesses as defined in §65-5-112.
- (5) Searching for and developing opportunities to use small and minority-owned businesses and encouraging such businesses to participate in and bid on contracts and subcontracts.
- (6) Providing records and reports and cooperating in any authorized surveys as required by the Tennessee Regulatory Authority.
- (7) Establishing a record-keeping system to track qualified small and minority-owned businesses and efforts to use such businesses.
- (8) Providing information and educational activities to persons within The Nexus Group and training such persons to seek out, encourage, and promote the use of small and minority-owned businesses.

In performance of these duties, the Administrator will utilize a number of resources, including: Chambers of Commerce; The Tennessee Department of Economic and Community Development; The United States Department of Commerce Small Business Administration Office of Minority Business; The National Minority Supplier Development Counsel; The National Association of Women Business Owners; The National Association of Minority Contractors; Historically Black Colleges, Universities, and Minority Institutions.

The efforts to promote and ensure equal opportunities for small and minority-owned businesses are primarily spelled out in the Administrator's duties above. Additional efforts to provide opportunities to small and minority-owned businesses will include offering, where appropriate and feasible, small and minority-owned businesses assistance with technical, insurance, bonding, and licensing, production, and deadline requirements.

IV. RECORDS AND COMPLIANCE REPORTS

The Nexus Group will maintain records of qualified small and minority-owned business and efforts to use the goods and services of such businesses. In addition, The Nexus Group will maintain records of educational and training activities conducted or attended and of the internal procurement procedures adopted to support this plan. The Nexus Group will submit records and reports required by the Tennessee Regulatory Authority concerning the Plan. Moreover, THE NEXUS GROUP will cooperate fully with any surveys and studies required by the Tennessee Regulatory Authority.

EXHIBIT A

Org Chart is attached as Exhibit A-1

Organization

Originating in 1994, The Nexus Group has grown to become Tennessee's largest locally owned and managed technology infrastructure management company. Nexus' home is a secure 19,000 square foot building within 5 miles of the Nashville International Airport that includes approximately 5,000 square feet of raised floor, redundant systems data center. The data center has multiple telecommunications fiber carriers that include AT&T, Level 3, XO, Charter, Comcast, CenturyLink, Gibson Electric, and Dyersburg Electric. This provides Nexus customers with a carrier neutral facility and access to one of the largest networks in the state of Tennessee.

On October 14, 2014, all of the outstanding common shares of The Nexus Group, Inc. were acquired by EWC – Nexus Holdings, LLC. An accompanying exhibit shows consolidated financial statements for two periods: Predecessor and Successor, which related to the period preceding and succeeding the transaction, respectively.