

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)
)
Broadsmart Florida, Inc.,) **WC Docket No.** _____
)
and)
) **ITC-** _____
Nexxis Inc.)
)
)
Application for Consent to Acquire Control)
of an Authorized Provider of Domestic Interstate)
and International Telecommunications Services)
Pursuant to Section 214 of the Communications)
Act of 1934, as Amended)

JOINT DOMESTIC AND INTERNATIONAL APPLICATION

Broadsmart Florida, Inc. (“Broadsmart Florida” or the “Company”) and Nexxis Inc. (“Nexxis” and, together with Broadsmart Florida, the “Applicants”) hereby respectfully request authority pursuant to section 214 of the Communications Act of 1934, as amended (the Act),¹ and sections 63.04 and 63.24(c),(e) of the Commission’s rules,² to transfer control of Broadsmart Florida from its current shareholders to Nexxis.

Broadsmart Florida is a competitive provider of telecommunications services, serving customers in the State of Florida. Nexxis is a recently-formed provider of Voice-over-Internet-Protocol (“VoIP”) services.

Pursuant to section 63.04(b) of the Commission’s rules,³ the Applicants are filing a combined application for the proposed transfer of control of Broadsmart Florida. The Applicants

¹ 47 U.S.C. § 214.

² 47 CFR §§ 63.04, 63.24(c),(e).

³ 47 C.F.R. § 63.04(b).

provide below the information required by section 63.24(e)(2) of the Commission's rules.⁴ **Exhibit A** provides the additional information requested in section 63.04(a)(6) through (a)(12) of the Commission's rules.⁵

The Applicants seek streamlined treatment for both the international and domestic portions of this Application. The Applicants request streamlined treatment for the international portion of this Application pursuant to section 63.12(a) of the Commission's rules,⁶ because the exceptions identified in section 63.12(c)⁷ do not apply. Applicants are not affiliated with a foreign carrier and will not become affiliated with any foreign carrier as a result of the proposed transaction. Applicants also are not affiliated with any dominant U.S. carrier whose international switched or private line services Broadsmart Florida or Nexxis seeks authority to resell, nor will Applicants be so affiliated after the Transaction is closed.⁸

The Applicants similarly seek streamlined treatment for the domestic portion of this Application pursuant to section 63.03(b)(2).⁹ Post-close, the Applicants (and their Affiliates) will have a market share in the interstate, interexchange market of less than 10 percent. Applicants (and their Affiliates) will provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction. Finally, no Applicant is dominant with respect to any service.¹⁰

⁴ 47 C.F.R. § 63.24(e)(2).

⁵ 47 C.F.R. § 63.04(a)(6)-(12).

⁶ 47 C.F.R. § 63.12(a).

⁷ 47 C.F.R. § 63.12(c).

⁸ The third scenario provided in section 63.12(c) only applies post-filing.

⁹ 47 C.F.R. § 63.03(b)(2).

¹⁰ See 47 C.F.R. § 63.03(b)(2)(i).

I. DESCRIPTION OF THE APPLICANTS

A. Broadsmart Florida and its Shareholders

Broadsmart Florida (FRN: 0025528258) is a corporation organized under the laws of Florida. Its principal place of business is 305 S. Andrews Avenue, 9th Floor, Fort Lauderdale, FL 33301. Broadsmart Florida holds blanket domestic and international section 214 authority from the Commission.¹¹ The Company holds intrastate authority, insofar as required, to provide local exchange and interexchange telecommunications services in Florida. Broadsmart Florida provides competitive telecommunications services -- primarily “plain old telephone service” -- to Florida-based small business customers.

The ownership interests in Broadsmart Florida are held in equal shares by two U.S. citizens, Todd A. Correll and Thomas J. Tharrington. Neither of these individuals offers domestic or international telecommunications services, except through Broadsmart Florida. The Company has no subsidiaries. Broadsmart Florida is not a foreign carrier and is not affiliated with foreign carriers in any market.

A diagram showing the pre-close corporate structure of Broadsmart Florida is provided in **Exhibit B**.

B. Nexxis and its Shareholders

Nexxis (FRN: 0027172212) is a Nevada corporation with principal offices located at 68 South Service Road, Suite 100, Melville, NY 11747. Nexxis was formed in late 2017 to develop hosted Voice-over-Internet-Protocol (VoIP) and carrier services, including next-generation voice and data services to help companies speed up their communications, increase revenue and reduce

¹¹ See File No. ITC-ASG-20160509-00154 (*pro forma* assignment of international section 214 authorization (File No. ITC-214-20010508-00295) from North America Telecommunications Corporation to its commonly-owned affiliate, Broadsmart Florida, effective May 5, 2016).

costs. Nexxis does not hold Section 214 authority or any state telecommunications services authorizations.

The majority interests in Nexxis (80%) are held by Data Storage Corporation (“DSC”), a Nevada corporation with principal offices at 68 South Service Road, Suite 100, Melville, NY 11747. DSC is a public company (OTCQB: DTST) providing diverse business continuity and disaster recovery protection solutions to customer sectors including healthcare, banking and finance, distribution services, manufacturing, construction, education and government. DSC is not a telecommunications provider and does not hold any telecommunications regulatory authorizations. The majority of the interests in DSC are held by three U.S. citizens: Charles Piluso, Harold J. Schwartz and Thomas C. Kempster (together, the “Majority Shareholders”). No other entity or individual holds a 10 percent or greater ownership interest in DSC. The remaining twenty percent interest in Nexxis is held by John Camello, a U.S. citizen.

Post-close, the ownership interests in Broadsmart Florida will be held directly by Nexxis and indirectly by DSC and Mr. Camello. DSC, the Majority Shareholders and Mr. Camello do not hold any other interests in telecommunications companies. DSC is not a foreign carrier and DSC, the Majority Shareholders and Mr. Camello are not affiliated with any foreign carriers.

Relevant details of the pre-close corporate structure of Nexxis are provided in **Exhibit B**.

II. DESCRIPTION OF THE TRANSACTION

On Oct 19, 2017, the shareholders of Broadsmart Florida and Nexxis reached an agreement for Nexxis to acquire controlling ownership of the Company. At closing, Nexxis will acquire all of the interests in Broadsmart Florida. As a result, the Company will become a direct wholly-owned subsidiary of Nexxis. DSC, through its majority interest in and control of Nexxis, will hold indirectly the majority interests in and control of Broadsmart Florida.

The transaction will have no direct effect upon Broadsmart Florida's customers and, indeed, will be invisible to them. All existing customers of Broadsmart Florida will continue to be served by the Company pursuant to its international and domestic section 214 authorizations. These customers will continue to receive the same services they do today, pursuant to the same rates, terms and conditions.

A diagram of the post-close corporate structure of Broadsmart Florida and Nexxis is provided in **Exhibit B**.

III. PUBLIC INTEREST STATEMENT

Pursuant to section 214 of the Act, control of a competitive carrier may be transferred provided the Commission finds that the public interest, convenience and necessity will be served thereby.¹² As discussed below, the proposed change to Broadsmart Florida's ownership will serve the public interest because it will strengthen the Company to the ultimate benefit of consumers without harming customers or competition in any market.

First, the proposed Transaction ensures continuity of operations for Broadsmart Florida. The Company's current shareholders have determined to refocus their investment commitments in another direction. Thus, the acquisition of Broadsmart Florida by Nexxis will serve the public interest by bringing to the Company new committed financial resources as well as the commercial acumen and managerial strengths of the Nexxis shareholders. These resources will ensure that Broadsmart Florida continues to offer competitive, high-quality wireline service plans to consumers throughout its operating territory. At the same time, the proposed transaction

¹² See 47 U.S.C. § 214.

will have no adverse impact on Broadsmart Florida's current customers, which, as noted, will continue to receive their existing services at the same rates, terms and conditions.¹³

Nexxis' acquisition of Broadsmart Florida will have no adverse effects upon the domestic telecommunications market. The Company has a very limited share of the domestic local exchange and interexchange services market. Moreover, as a reseller, Broadsmart Florida cannot leverage network resources to the detriment of competitors. Finally, the transaction will not eliminate any market participants nor will it, in any respect, reduce the service choices available to consumers.

Similarly, the transaction poses no risk whatsoever of anticompetitive impact on the U.S. international telecommunications marketplace. Broadsmart Florida has, at most, a miniscule share of the international telecommunications market and provides international services only on a resale basis. Further, neither Broadsmart Florida nor Nexxis is a foreign carrier and neither is affiliated with a foreign carrier in any market. Consequently, the Transaction has no potential to adversely affect competition in the international telecommunications market.

IV. INFORMATION REQUIRED BY SECTION 63.24(e) OF THE COMMISSION'S RULES

The Applicants submit the following information pursuant to section 63.24(e) of the Commission's rules, including the information requested in section 63.18:¹⁴

(a) Name, address and telephone number of the Applicants:

Broadsmart Florida, Inc. [FRN: 0025528258]
305 S. Andrews Avenue, 9th Floor
Fort Lauderdale, FL 33301
(954) 449-8000

¹³ Any future changes to the Company's rates, terms and conditions of service will be made consistent with applicable Commission requirements.

¹⁴ 47 C.F.R. § 63.18.

Nexxis Inc. [FRN: 0027172212]
68 South Service Road, Suite 100
Melville, NY 11747
(631) 247-0770

- (b) Broadsmart Florida is a Florida corporation. Nexxis is a Nevada corporation.
- (c) Correspondence concerning this Application should be sent to:

Winafred Brantl
KELLEY DRYE & WARREN LLP
3050 K Street NW, Suite 400
Washington, D.C. 20007
Tel: (202) 945-6649
Fax: (202) 342-8451
Email: wbrantl@kelleydrye.com

with a copy to:

Todd A. Correll
Chief Executive Officer
Broadsmart Florida, Inc.
305 S. Andrews Avenue, 9th Floor
Fort Lauderdale, FL 33301
Email: toddcorrell1@gmail.com

John Camello
President
NEXXIS Inc.
68 South Service Rd, Suite 100
Melville, NY 11747
Email: jcamello@myNexxis.com

- (d) Broadsmart Florida holds domestic section 214 authority by operation of law, pursuant to section 63.01 of the Commission's rules.¹⁵ The Company also holds international section 214 authority, granted in FCC File No. ITC-ASG-20160509-00154, to operate as a global or limited global facilities-based and resale carrier. Nexxis does not hold any Section 214 telecommunications authority.
- (h) Post-close, Broadsmart Florida will be a direct wholly-owned subsidiary of:
Name: Nexxis Inc.
Address: 68 South Service Road, Suite 100, Melville, NY 11747
Citizenship: U.S.
Principal business: Voice & Data Services Provider
Percent Ownership: 100 percent (direct)

¹⁵ 47 C.F.R. § 63.01.

Post-close, the indirect interests in Broadsmart Florida will be held by:

- 1) Name: Data Storage Corporation
Address: 68 South Service Road, Suite 100, Melville, NY 11747
Citizenship: U.S.
Principal business: Cyber Security, Business Continuity, Cloud Services
Percent Ownership Interest in Broadsmart Florida: 80 percent (indirect, through interests in Nexxis) with resulting attributed 100 percent indirect interest.

DSC is a publicly held company. The following individuals or entities hold 10% or more ownership interest in DSC:

Name: Charles Piluso
Address: 68 South Service Road, Suite 100, Melville, NY 11747
Citizenship: U.S.
Principal business: Chairman/CEO
Percent Ownership Interest in DSC: 25.52 percent (indirect, through interests in DSC) with resulting attributed 31.9 percent indirect interest.

Name: Harold J. Schwartz
Address: 68 South Service Road, Suite 100, Melville, NY 11747
Citizenship: U.S.
Principal business: President
Percent Ownership Interest in DSC: 20.22 percent (indirect, through interests in DSC) with resulting attributed 25.27 percent indirect interest.

Name: Thomas C. Kempster
Address: 68 South Service Road, Suite 100, Melville, NY 11747
Citizenship: U.S.
Principal business: President of Service Operations
Percent Ownership Interest in DSC: 20.20 percent (indirect, through interests in DSC) with resulting attributed 25.25 percent indirect interest.

- 2) Name: John Camello
Address: 68 South Service Road, Suite 100, Melville, NY 11747
Citizenship: U.S.
Principal business: President
Percent Ownership: 20% (indirect, through interest in Nexxis)

Post-close, no other persons or entities will hold a 10% or greater equity and/or voting interest in Broadsmart Florida pursuant to the Commission's attribution rules. There will be no interlocking directorates with any foreign carrier following consummation of the proposed transaction.

- (i) As confirmed by the signature of Nexxis' representative to this Application, Nexxis certifies that (a) Nexxis is not a foreign carrier and is not affiliated with a foreign carrier, and (b) Nexxis will not become a foreign carrier or become affiliated with a foreign carrier post-close as a result of the transaction.
- (j) As confirmed by the signature of Nexxis' representative to this Application, Nexxis certifies that it does not seek to provide international telecommunications services to any destination country where (i) Nexxis or Broadsmart Florida is a foreign carrier; (ii) Nexxis or Broadsmart Florida controls a foreign carrier; (iii) any entity that owns more than 25 percent of Nexxis or Broadsmart Florida, or that controls Nexxis or Broadsmart Florida, controls a foreign carrier; or (iv) two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than 25 percent of Nexxis or Broadsmart Florida and are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing of international basic telecommunications services in the United States.
- (k) Not applicable.
- (l) [Reserved]
- (m) Not applicable.
- (n) As confirmed by the signatures of Applicants' representatives to this Application, Applicants certify that they have not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route, and they will not enter into such agreements in the future.
- (o) As confirmed by the signatures of Applicants' representatives to this Application, Applicants certify that, pursuant to sections 1.2001 through 1.2003 of the Commission's rules, they are not subject to a denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.
- (p) Applicants request streamlined processing of the international portion of this Application pursuant to section 63.12 of the Commission's rules, 47 C.F.R. § 63.12. This Application qualifies for streamlined treatment under section 63.12(a) of the Commission's rules because (i) Applicants are not affiliated with a foreign carrier and will not become affiliated with any foreign carrier as a result of the proposed transaction; (ii) Applicants are not affiliated with any dominant U.S. carrier whose international switched or private line services Applicants seek authority to resell, nor will Applicants be so affiliated post-close; and (iii) none of the other scenarios outlined in section 63.12(c) of the Commission's rules, 47 C.F.R. § 63.12, apply.

V. INFORMATION REQUIRED BY SECTION 63.04(b) OF THE COMMISSION'S RULES

In accordance with the requirements of section 63.04(b) of the Commission's rules, the additional information required for the domestic section 214 transfer of control application is provided in **Exhibit A**.

VI. CONCLUSION

Based on the foregoing, the Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by grant of this Application.

Respectfully submitted,

BROADSMART FLORIDA, INC.



Todd A. Correll
Chief Executive Officer
Broadsmart Florida, Inc.
305 S. Andrews Avenue, 9th Floor
Fort Lauderdale, FL 33301

NEXXIS INC.



John Camello
President
NEXXIS Inc.
68 South Service Rd, Suite 100
Melville, NY 11747

LIST OF EXHIBITS

EXHIBIT A – Information Required by 47 C.F.R. § 63.04

EXHIBIT B – Pre- and Post-Close Organizational Charts

EXHIBIT A

INFORMATION REQUIRED BY 47 C.F.R. § 63.04

In accordance with the requirements of section 63.04(b) of the Commission's rules, 47 C.F.R. § 63.04(b), the Applicants provide the following information in support of their request.

63.04(b)(6): Description of the Transactions

The proposed transaction is described in Section II of the Application.

63.04(b)(7): Description of Geographic Service Area and Services in Each Area

A description of the geographic service areas and services provided in each area is included in Section I of the Application.

63.04(b)(8): Presumption of Non-Dominance and Qualification for Streamlining

This Application is eligible for streamlined processing pursuant to section 63.03(b)(2) of the Commission's rules, 47 C.F.R. § 63.03(b)(2) for the reasons explained on page 2 of the Application.

63.04(b)(9): Other Pending Commission Applications Concerning the Proposed Transaction

None.

63.04(b)(10): Special Considerations

None.

63.04(b)(11): Waiver Requests (If Any)

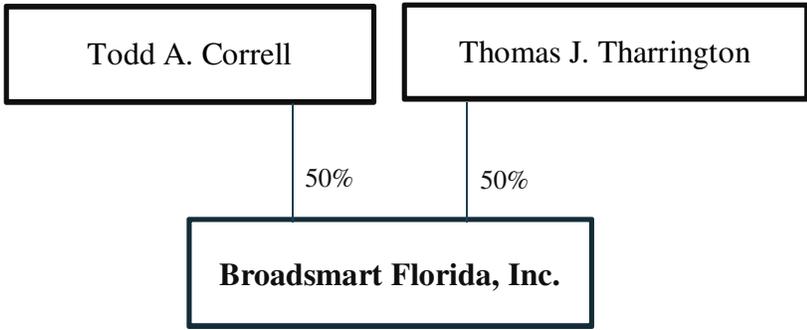
None.

63.04(b)(12): Public Interest Statement

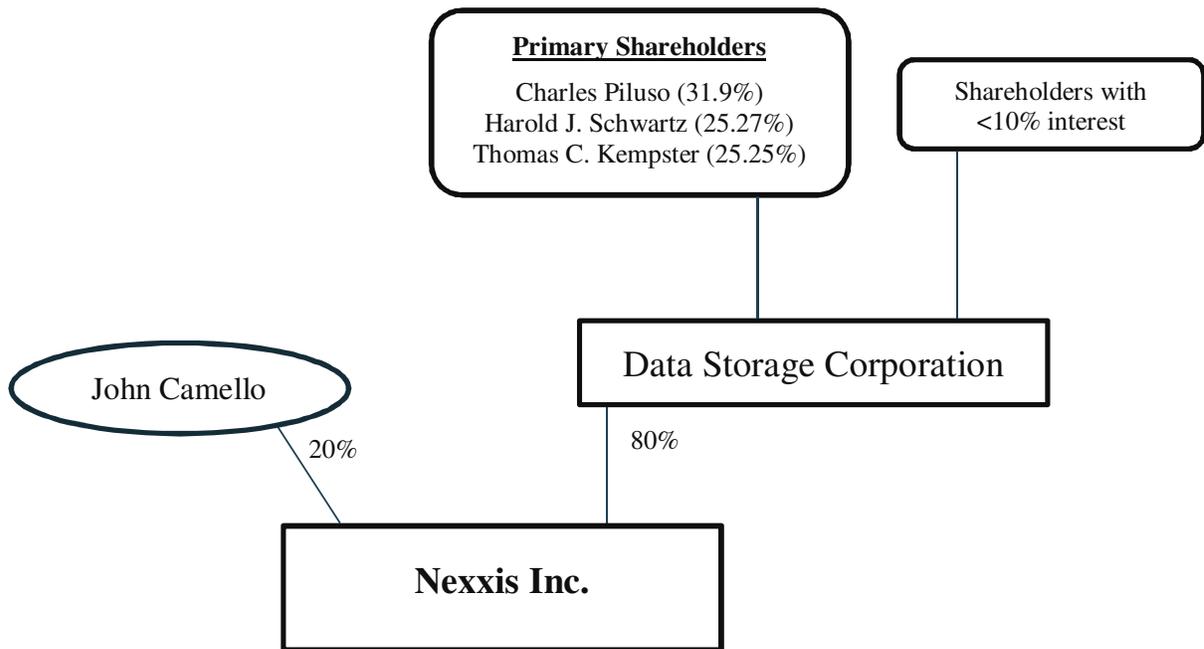
Consummation of the proposed transaction will serve the public interest for the reasons detailed in Section III of the Application.

EXHIBIT B

Pre- and Post-Close Organizational Charts



Broadsmart Florida Pre-Close Corporate Structure



Nexxis Pre-Close Corporate Structure

