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WC Docket # 13-269
1311069091 812 001

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BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE
FORM 159

Approved by OMB
3060-0589
Page No. 1 of 2

(1) LOCKBOX # 979091		SPECIAL USE ONLY	
		FCC USE ONLY	
SECTION A - PAYER INFORMATION			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) Covington & Burling LLP		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$1,050.00	
(4) STREET ADDRESS LINE NO. 1 1201 Pennsylvania Avenue, NW			
(5) STREET ADDRESS LINE NO. 2			
(6) CITY Washington		(7) STATE DC	(8) ZIP CODE 20004
(9) DAYTIME TELEPHONE NUMBER (include area code) 2026625023		(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) 0003738457		(12) FCC USE ONLY	
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME NTS, Inc.			
(14) STREET ADDRESS LINE NO. 1 1220 Broadway			
(15) STREET ADDRESS LINE NO. 2			
(16) CITY Lubbock		(17) STATE TX	(18) ZIP CODE 79401
(19) DAYTIME TELEPHONE NUMBER (include area code) 806-797-0687		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) 0023090277		(22) FCC USE ONLY	
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE CDT	(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) \$1,050.00	(27A) TOTAL FEE \$1,050.00	FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2	
SECTION D - CERTIFICATION			
CERTIFICATION STATEMENT I, <u>Loy Barksdale</u> , certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief. SIGNATURE <u><i>Loy Barksdale</i></u> DATE <u>11/5/2013</u>			

PAID BY CREDIT CARD

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
NTS, Inc., Transferor)	
)	File Nos. ITC-T/C-2013 _____
and)	ITC-T/C-2013 _____
)	
T3 North Intermediate Holdings, LLC, Transferee)	WC Docket No. _____
)	
Consolidated Application for Consent)	
to Transfer Control of NTS, Inc., and Subsidiaries)	
Possessing Blanket Domestic and International)	
Section 214 Authority)	
To: International Bureau		
Wireline Competition Bureau		

**CONSOLIDATED APPLICATION
FOR CONSENT TO TRANSFER OF CONTROL**

Pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214 (the “Act”), and Section 63.03, 63.04 and 63.24(e) of the Commission’s Rules, 47 C.F.R. § 63.03, 63.04 and 63.24(e), NTS, Inc. (“NTS” or “Transferor”), and T3 North Intermediate Holdings, LLC (“T3 Intermediate” or “Transferee” and, together with NTS, the “Applicants”), hereby respectfully request the authority necessary to consummate a transaction (the “Transaction”) whereby T3 Intermediate will acquire direct control of NTS and indirect control of NTS’s subsidiaries. Two NTS subsidiaries — NTS Communications, Inc., and Xfone USA, Inc. — hold international Section 214 authorizations, and these and other subsidiaries (the “Subsidiary Licensees,” and collectively with NTS the “Licensees”) hold domestic Section 214 authorizations as set forth herein. NTS is a holding and managing company providing, through its subsidiaries, integrated communications services, which include voice, video and data, over its Fiber-To-The-Premises (“FTTP”) and other networks.

The Applicants respectfully request streamlined treatment of the Application pursuant to Sections 63.03 and 63.12 of the Rules. This Application is eligible for streamlined processing of domestic transfer of control applications pursuant to Section 63.03(b)(1) of the Rules because Transferee is not a telecommunications provider. This Application also is eligible for streamlined treatment pursuant to Section 63.03(b)(2)(i) of the Rules because (1) following consummation of the proposed Transaction, Transferee and its affiliates (as defined in Section 3(2) of the Act) will have less than a 10 percent share of the interstate, interexchange market and will provide competitive telephone exchange services exclusively in areas served by a dominant local carrier not a party to the Transaction; and (2) none of the Applicants or any of their affiliates are regulated as dominant with respect to any service.

This Application is eligible for streamlined processing pursuant to Section 63.12(c) of the Rules because Transferee is not a foreign carrier itself and is not (and upon consummation of the Transaction would not be) affiliated with any foreign carrier or any dominant U.S. carrier.

I. DESCRIPTION OF THE TRANSACTION

Applicants have entered into an Agreement and Plan of Merger (“Agreement”) dated as of October 20, 2013, pursuant to which T3 Intermediate intends to acquire direct ownership and control of NTS and indirect control of NTS’s subsidiaries. T3 Intermediate is a Nevada limited liability company and a wholly owned subsidiary of T3 North Holdings, LLC (“T3 Holdings”), a Delaware limited liability company. Tower Three Partners Fund II LP (“T3P II”), a Delaware limited partnership, holds all of the direct ownership interests in, and exercises voting control of, T3 Holdings. Prior to closing, T3 Holdings will be converted to a Delaware

corporation wholly owned by T3P II, and T3 Intermediate will be converted to a Nevada corporation wholly owned by T3 Holdings.

The proposed Transaction will be accomplished by the merger of North Merger Sub, Inc. ("Merger Sub"), a Nevada corporation wholly owned by T3 Intermediate, with and into NTS, with NTS surviving the merger as a direct, wholly owned subsidiary of T3 Intermediate. Immediately prior to the effective time of the merger, each share of NTS's common stock (excluding the Rollover Shares described below) will be cancelled, with the holders of such shares being entitled to receive \$2.00 per share. Guy Nissenson, NTS's Chairman, President and Chief Executive Officer, has entered into a separate rollover agreement whereby certain shares of NTS common stock beneficially owned by Mr. Nissenson will be rolled over into shares of T3 Holdings. T3P II will continue to hold greater than 90 percent of the direct ownership and voting interests in T3 Holdings; Mr. Nissenson's interest in T3 Holdings will be well under 10 percent.

The business and affairs of T3 Holdings will be managed by its board of directors, which is expected to consist of William D. Forrest, Daniel Bellissimo, Michael Nold, and Guy Nissenson. Mr. Forrest and Mr. Nold are U.S. citizens. Mr. Bellissimo is a Canadian citizen. Mr. Nissenson is a British, Argentinian, and Israeli citizen. The business and affairs of T3 Intermediate is expected to be managed by its president, Mr. Forrest.

Upon closing, it is likely that there will be outstanding warrants for the purchase of 450,000 shares of NTS, Inc., common stock. These warrants may not be exercised later than May 1, 2014. In the event that the warrants are exercised, T3 Intermediate will effect a short form merger under Nevada law, whereby T3 Intermediate will merge with and into NTS, Inc., with NTS, Inc. then becoming a wholly owned direct subsidiary of T3 North Holdings, Inc. Applicants certify that this post-closing reorganization, should it take place, will not result in any

further change in the actual controlling party of NTS, Inc. Applicants respectfully request that the Commission authorize Applicants to undertake the *pro forma* reorganization described in this paragraph as part of the instant Application, in lieu of requiring Transferee to file a separate *pro forma* transaction notification pursuant to Section 63.24(f) of the Commission's Rules.

II. PUBLIC INTEREST STATEMENT

The Transaction will enhance the ability of the Licensees to compete effectively in the retail markets for local exchange, long distance, broadband, and video services, as well as in the markets for private line and wholesale switched termination services. These markets are subject to significant competitive forces, including participation by incumbent carriers and multi-channel video programming distributors ("MVPDs"). Following the Transaction, the Licensees will continue to provide their customers with the same high-quality services on the same terms and conditions as currently provided, without interruption. In addition, the Licensees will continue to be operated by highly experienced, well-qualified management, operating and technical personnel from NTS. Meanwhile, the Transaction will provide NTS and its subsidiaries with access to additional financial and other resources that will enhance their ability to compete effectively with larger incumbent telecommunications providers and MVPDs. Ultimately, the Transaction will benefit consumers by bolstering NTS's ability to serve as a strong, independent competitor in the telecommunications and video markets.

III. INFORMATION PROVIDED PURSUANT TO SECTION 63.24(e) OF THE COMMISSION'S RULES AND THE IBFS ELECTRONIC FORM

The Applicants submit the following information pursuant to Section 63.24(e) of the Rules, including the information requested in Section 63.18:

(a)-(b) Description of the Applicants and Licensees

(1) Transferor and Subsidiary Licensees:

NTS, Inc.	FRN: 0023090277
NTS Communications, Inc.	FRN: 0004266938
NTS Telephone Company, LLC	FRN: 0017183674
PRIDE Network, Inc.	FRN: 0018804716
Xfone USA, Inc.	FRN: 0013592787

1220 Broadway
Lubbock, Texas 79401
Attention: Niv Krikov
Tel: (806) 797-0687
Email: niv@ntscominc.com

NTS is a publicly held Nevada corporation. NTS Communications, Inc. (“NTSC”) and PRIDE Network, Inc. (“PRIDE”) both are Texas corporations. NTS Telephone Company, LLC, is a Texas limited liability company. Both NTS Telephone Company and PRIDE are wholly owned by NTSC, which in turn is wholly owned by NTS. Xfone USA, Inc. is a Mississippi corporation wholly owned by NTS. NTS, through the Licensees, provides integrated communications services in Texas, Louisiana, Mississippi, and it also serves customers in Arizona, Colorado, Kansas, New Mexico and Oklahoma. NTS’s services include voice, video and data over its FTTP and other networks.

(2) Transferee:

T3 North Intermediate Holdings, LLC	FRN: 0023082548
--	------------------------

c/o Tower Three Partners
Two Sound View Drive
Greenwich, Connecticut 06830
Attention: Michael Nold & Dan Bellissimo
Tel: (203) 485-5800
Facsimile: (203) 485-5885
Email: mnold@tower3partners.com and
dbellissimo@tower3partners.com

T3 North Intermediate Holdings, LLC (“T3 Intermediate”) is a Nevada limited liability company and a direct, wholly owned subsidiary of T3 North Holdings, LLC (“T3

Holdings”), a Delaware limited liability company. Both T3 Holdings and T3 Intermediate were created for the purpose of the Transaction. Tower Three Partners Fund II LP (“T3P II”) currently holds all of the direct ownership interests in, and exercises voting control of, T3 Holdings. T3P II is directly controlled by its general partner, Tower Three Partners Fund II GP LP (“T3P II GP LP”), and it is ultimately controlled by Tower Three Partners Fund II GP LLC (“T3P II GP LLC”). The managing member of T3P II GP LLC is William D. Forrest, a U.S. citizen.

Tower Three Partners Fund II LP is part of a family of funds advised by Tower Three Partners, LLC, an operationally-oriented private equity firm that invests in a concentrated portfolio of U.S.-based middle market companies. With long-term committed capital from major institutional investors, the firm targets equity investments of \$50M to \$150M. Alongside management, Tower Three prioritizes and implements transformative improvements in growth, strategy, operations and/or capital structure to significantly increase business performance.

Answer to Question 10 -- Section 63.18(c)-(d)

(c) Contacts

(1) For NTS and Subsidiary Licensees:

NTS, Inc.
1220 Broadway
Lubbock, Texas 79401
Attention: Niv Krikov
Tel: (806) 797-0687
Email: niv@ntscominc.com

with a copy to:

Olshan Frome Wolosky LP
65 East 55th Street
New York, New York 10022
Attention: Steve Wolosky

Tel: (212) 451-2333
Facsimile: (212) 451-2222
Email: swolosky@olshanlaw.com

Sichenzia Ross Friedman Ference LLP
61 Broadway, 32nd Floor
New York, New York 10006
Attention: Arthur Marcus
Tel: (212) 930-9700
Facsimile: (212) 930-9725
Email: amarcus@srff.com

(2) For T3 Holdings and/or T3 Intermediate:

Matthew S. DeNero
Michael Beder
Covington & Burling LLP
1201 Pennsylvania Avenue N.W.
Washington, DC 20004-2401
Tel: (202) 662-6000
Fax: (202) 662-6291
E-mail: mdelnero@cov.com
mbeder@cov.com

With a copy to:

c/o Tower Three Partners
Two Sound View Drive
Greenwich, Connecticut 06830
Attention: Michael Nold & Dan Bellissimo
Tel: (203) 485-5800
Facsimile: (203) 485-5885
Email: mnold@tower3partners.com
dbellissimo@tower3partners.com

(d) Section 214 Authorizations

NTS and its Subsidiary Licensees hold authorizations under Section 214 of the Act as specified below.

NTS Communications, Inc. holds International Section 214 authority to provide global facilities-based service and global resale service, which authority originally was granted in IB File No. ITC-214-19971024-00657. The Commission approved NTSC's application to transfer control of this authorization to Xfone,

Inc. (now known as NTS, Inc.) in IB File No. ITC-T/C-20071109-00456. NTSC is authorized to provide interstate telecommunications service by virtue of blanket domestic Section 214 authority. 47 C.F.R. § 63.01.

Xfone USA, Inc. (d/b/a/ NTS Communications) holds International Section 214 authority to provide global or limited global resale service pursuant to the authority granted by IB File No. ITC-214-20040706-00251. Xfone USA is authorized to provide interstate telecommunications service by virtue of blanket domestic Section 214 authority. 47 C.F.R. § 63.01.

NTS Telephone Company, LLC (d/b/a NTS of Levelland) is authorized to provide interstate telecommunications service by virtue of blanket domestic Section 214 authority. 47 C.F.R. § 63.01.

PRIDE Network, Inc. (in Texas, d/b/a NTS Communications and in Louisiana, d/b/a NTS of Louisiana) is authorized to provide interstate telecommunications service by virtue of blanket domestic Section 214 authority. 47 C.F.R. § 63.01.

Transferee has not previously received – and does not currently hold – authority under Section 214 of the Communications Act.

(h) Answer to Question 11 -- Name, address, citizenship, and principal business of entities that will own at least 10 percent of the applicants

(1) NTS (Transferor)

NTS, Inc. is a publicly held Nevada corporation. Its principal business is serving as a holding and managing company providing, through its wholly owned Subsidiary Licensees, integrated communications services which include voice, video and data over its FTTP and other networks. The ownership structure and corporate forms of the Subsidiary Licensees, as described in (a)-(b) above, will not change as a result of the Transaction. Upon consummation of the Transaction, NTS will be a direct, wholly owned subsidiary of T3 Intermediate, and the Subsidiary Licensees will remain wholly owned direct or indirect subsidiaries of NTS.

The address of NTS and all its subsidiaries is 1220 Broadway, Lubbock, Texas 79401.

(A) Ownership of NTS: As reflected in NTS, Inc.'s most recent 10-K filing with the Securities and Exchange Commission, as of March 1, 2013, several individuals or entities were deemed to hold beneficial ownership of 10 percent or more of NTS's common stock, based on the holder's ability to exercise sole or shared voting power and/or investment power over the shares. Under the SEC rules, more than one person may be deemed to be a beneficial owner of the same securities, and a person may be deemed to be a beneficial owner of securities as to which he or she may not have any pecuniary beneficial interest. As described above in Section I, immediately prior to the effective time of the merger, each share of NTS's common stock (excluding the Rollover Shares held by Guy Nissenson) will be cancelled, with the holders of such shares being entitled to receive \$2.00 per share.

The following individuals or entities were deemed to hold beneficial ownership of 10 percent or more of NTS's common stock, as of March 1, 2013:

Name: Guy Nissenson
Address: 4711 106th Street, Lubbock, Texas, 79424
Position: Chairman of the Board, President, and Chief Executive Officer, NTS, Inc.
Citizenship: British, Argentinian, and Israeli citizen
Ownership Interest: 16.4%

Name: Alan L. Bazaar
Address: 9 Bedford Road, Katonah, NY 10536
Position: Director, NTS, Inc.
Citizenship: British, Argentinian, and Israeli citizen
Ownership Interest: 12.3%

Name: Hollow Brook Wealth Management LLC
Address: 410 Park Avenue - 17th Floor, New York, NY 10022
Principal Business: Investment adviser
Citizenship: New York limited liability company
Ownership Interest: 12.2%

Name: Richard L. Scott
Position: Beneficial shareholder

Address: 568 9th Street S., Suite 276, Naples, FL 34102
Citizenship: United States citizen
Ownership Interest: 12.2%

Name: Burlingame Asset Management, LLC and Blair E. Sanford
Address: 1 Market Street, Spear Street Tower, Suite 3750,
San Francisco, CA 94105
Principal Business: Investment adviser (Blair E. Sanford, managing member)
Citizenship: Delaware limited liability company
Ownership Interest: 19.9%

(2) T3 Intermediate (Transferee):

Upon consummation of the Transaction, including the conversion of T3 Holdings and T3 Intermediate to corporations as described in Section I, NTS will be a direct, wholly owned subsidiary of T3 North Intermediate Holdings, Inc. ("T3 Intermediate"). T3 Intermediate will be a Nevada corporation created for the purpose of serving as a holding company for NTS. T3 Intermediate's address is c/o Tower Three Partners, Two Sound View Drive, Greenwich, Connecticut 06830.

(A) Ownership of T3 Intermediate: Upon consummation of the Transaction all of the direct ownership and voting interests in T3 Intermediate will be held by T3 North Holdings, Inc. ("T3 Holdings"), a Delaware corporation created for the purpose of serving as a holding company in this transaction.¹

The address of T3 Holdings is c/o Tower Three Partners, Two Sound View Drive, Greenwich, Connecticut 06830.

¹ There are certain additional parties that directly or indirectly hold 10 percent or more of the economic interests in Transferee, but such parties have no material involvement, directly or indirectly, in the management or operation of Transferee, nor will they have any such involvement in Transferor after consummation of the transaction.

(B) Ownership of T3 Holdings: Upon consummation of the Transaction, Tower Three Partners Fund II LP (“T3P II”), a Delaware limited partnership whose principal business is operating as an investment partnership, will hold greater than 90 percent of the direct ownership interests in T3 Holdings. As described in Section I, Guy Nissenson, NTS’s Chairman, President and Chief Executive Officer, will roll over certain shares of NTS common stock beneficially owned by Mr. Nissenson into shares of T3 Holdings. Mr. Nissenson’s interest in T3 Holdings will be well under 10 percent.

T3P II is directly controlled by its general partner, Tower Three Partners Fund II GP LP (“T3P II GP LP”), and it is ultimately controlled by Tower Three Partners Fund II GP LLC (“T3P II GP LLC”). The managing member of T3P II GP LLC is William D. Forrest, a U.S. citizen.

The address for all of the Tower Three entities described above is c/o Tower Three Partners, Two Sound View Drive, Greenwich, Connecticut 06830.

Transferee will not have any interlocking directorates with a foreign carrier.

Charts depicting the pre- and post-closing ownership structure of the Applicants are attached at **Exhibit A**.

(i) Foreign Carrier Affiliation

Transferee certifies that it is not a foreign carrier, that it is not affiliated within the meaning of Section 63.09(e) of the Commission’s rules, 47 C.F.R. § 63.09(e), with any foreign carriers, and that it would not become affiliated with any foreign carriers upon consummation of the Transaction.

(j) Foreign Carrier and Destination Countries

Transferee certifies that, through the Transaction, Transferee does not seek to provide international telecommunications services to any destination country where (1) any entity that owns more than 25 percent of Transferee, or that controls Transferee, controls a foreign carrier in that country; or (2) two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate more than 25 percent of Transferee 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)-(l)

Not applicable.

(m) Non-Dominance

Transferee qualifies for a presumption of non-dominance under Section 63.10(a)(1) of the Commission's rules, 47 C.F.R. § 63.10(a)(1) because it is not a foreign carrier and is not affiliated with any foreign carriers.

(n) Concessions

Applicants certify that they have not agreed to accept any direct or indirect special concessions from a foreign carrier or administration with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.

(o) Federal Benefits

Applicants certify pursuant to Sections 1.2001 through 1.2003 of the Rules that they are not subject to a denial of Federal Benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. *See* 21 U.S.C. § 853a; *see also* 47 C.F.R. §§ 1.2001-1.2003.

(p) Streamlined Processing

Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission's rules, 47 C.F.R. §63.12(a)-(b). Transferee is not a foreign carrier, is not affiliated with any foreign carriers or any dominant U.S. carriers, and will not become affiliated with any such carriers as a result of the Transaction.

IV. INFORMATION REQUESTED BY SECTION 63.04(b) OF THE COMMISSION'S RULES

In accordance with the requirements of Section 63.04(b) of the Rules, the additional information required for the domestic Section 214 transfer of control application is provided in **Exhibit B**.

V. CONCLUSION

For the reasons stated above, Applicants respectfully request that the Commission grant all authority necessary for consummation of the Transaction described herein.

Respectfully submitted,

NTS, Inc.

T3 North Intermediate Holdings, LLC

By: Arthur Marcus / mpb
Arthur Marcus

By: Matthew S. DelNero / Michael Beder
Matthew S. DelNero
Michael Beder

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61 Broadway, 32nd Floor
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Covington & Burling LLP
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Washington, DC 20004-2401
Tel: (202) 662-6000
Fax: (202) 662-6291
E-mail: mdelnero@cov.com
mbeder@cov.com

Its attorneys

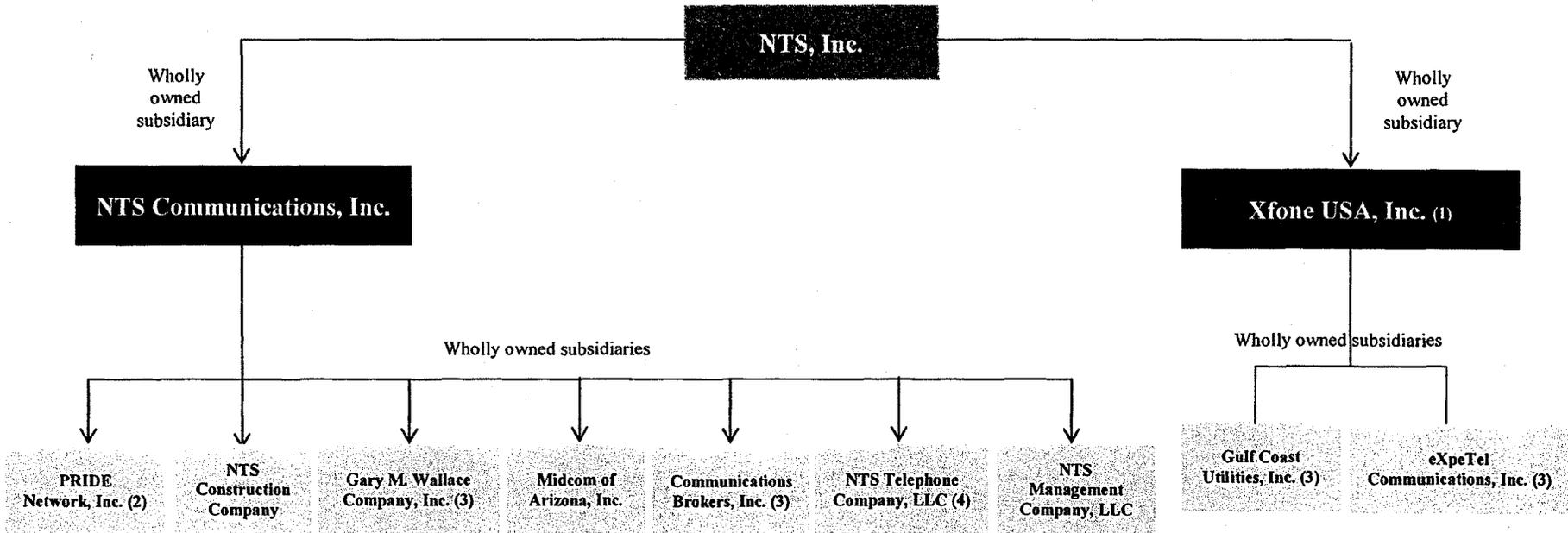
Its attorneys

November 5, 2013

EXHIBIT A

Pre- and Post-closing Organization Charts

Pre-transaction Structure of NTS, Inc.



(1) d/b/a NTS Communications.

(2) In Texas, d/b/a NTS Communications and in Louisiana, d/b/a NTS of Louisiana.

(3) Entity in good legal standing, however no longer conducts business.

(4) d/b/a NTS of Levelland.

NTS, Inc. - A publicly held corporation. Incorporated under the laws of the state of Nevada. Authorized capital of 75,000,000 shares of common stock par value \$0.001.

NTS Communications, Inc. - A business corporation. Incorporated under the laws of the state of Texas. Authorized capital of 11,000,000 shares of stock with no par value. Wholly-owned by NTS, Inc.

PRIDE Network, Inc. - A business corporation. Incorporated under the laws of the state of Texas. Authorized capital of 1,000,000 shares of stock with no par value. Wholly-owned by NTS Communications, Inc.

NTS Construction Company. - A business corporation. Incorporated under the laws of the state of Texas. Authorized capital of 1,000,000 shares of stock with no par value. Wholly-owned by NTS Communications, Inc.

Gary M Wallace Company, Inc. - A business corporation. Incorporated under the laws of the state of Texas. Authorized capital of 1,000,000 shares of stock with no par value. Wholly-owned by NTS Communications, Inc.

Midcom of Arizona, Inc. - A business corporation. Incorporated under the laws of the state of Arizona. Authorized capital of 1,000,000 shares of stock with no par value. Wholly-owned by NTS Communications, Inc.

Communications Brokers, Inc. - A business corporation. Incorporated under the laws of the state of Texas. Authorized capital of 3,300,000 shares of stock with no par value. Wholly-owned by NTS Communications, Inc.

NTS Telephone Company, LLC - A limited liability company formed under the laws of the state of Texas. It has no authorized capital stock. NTS Communications, Inc., is its sole Member. Wholly-owned by NTS Communications, Inc.

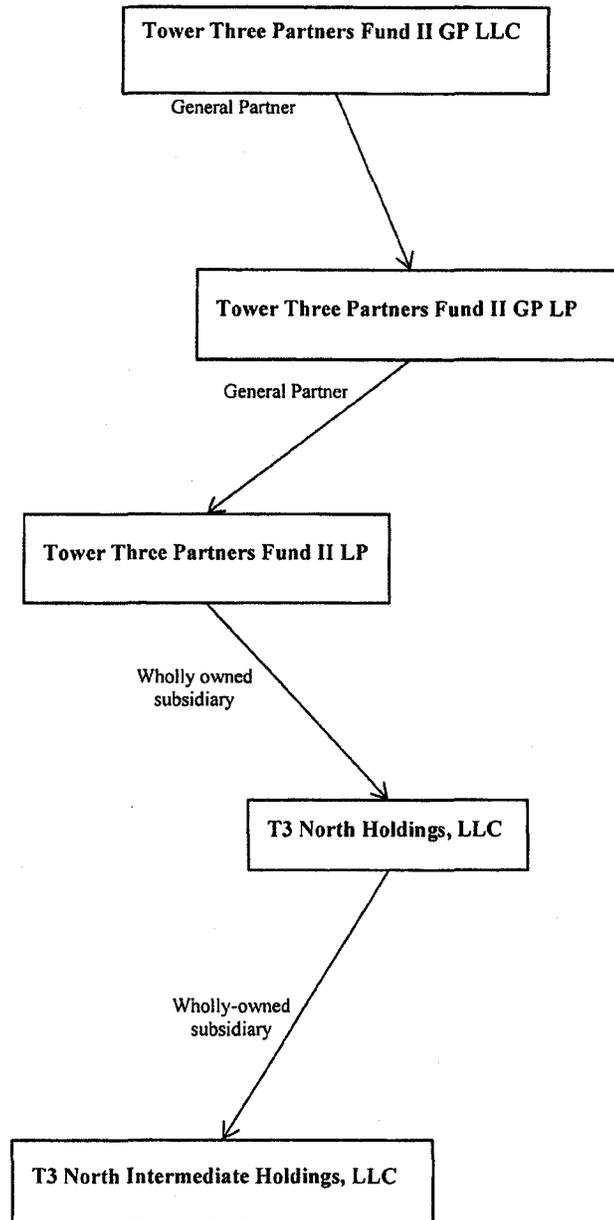
NTS Management Company, LLC. - A limited liability company formed under the laws of the state of Texas. It has no authorized capital stock. NTS Communications, Inc., is its sole Member. Wholly-owned by NTS Communications, Inc.

Xfone USA, Inc. - A business corporation. Incorporated under the laws of the state of Mississippi. Authorized capital of 1,000 shares. Wholly-owned by NTS, Inc.

Gulf Coast Utilities, Inc. - A business corporation. Incorporated under the laws of the state of Mississippi. Authorized capital of 1,000 shares. Wholly-owned by Xfone USA, Inc.

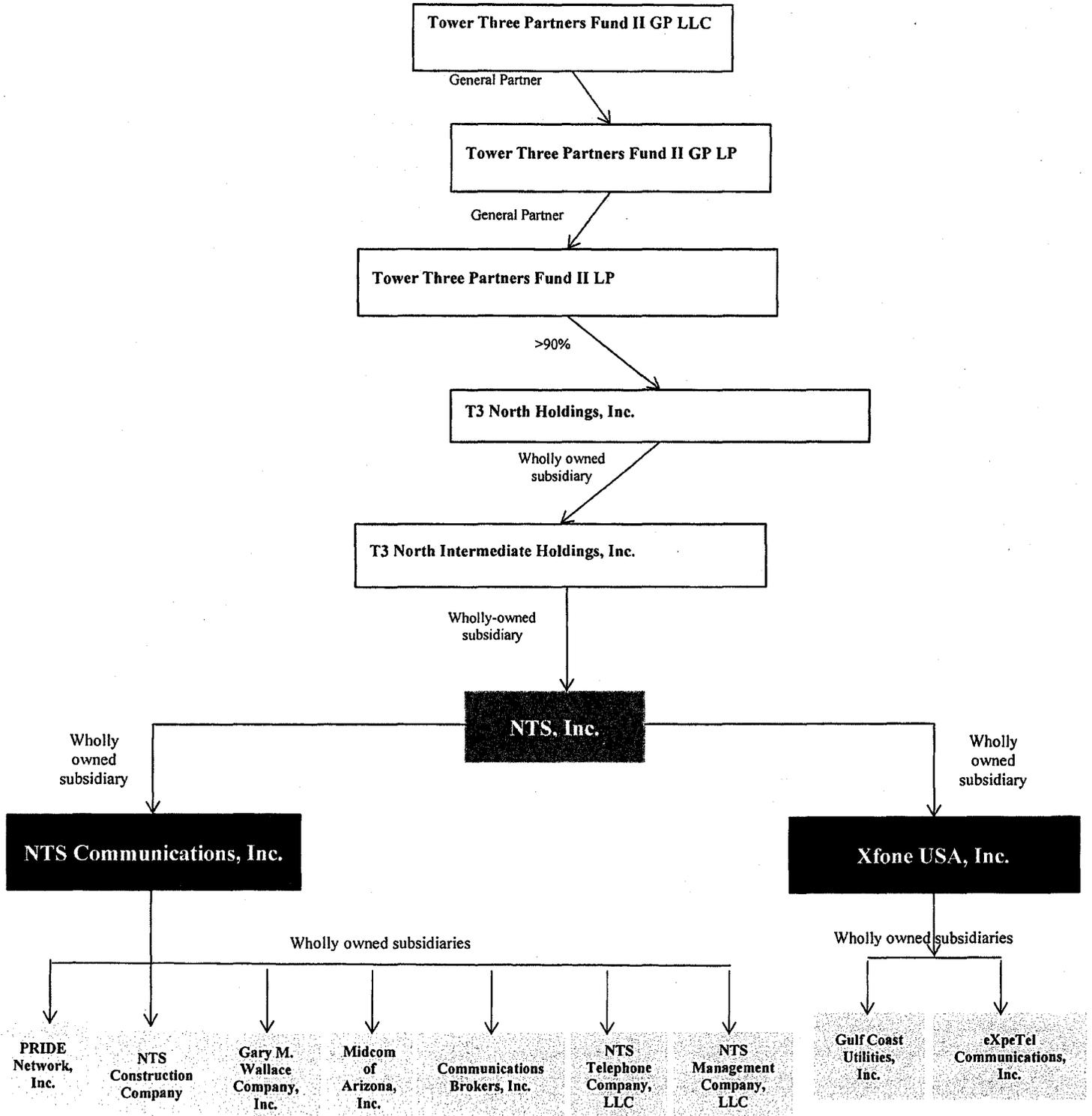
eXpeTel Communications, Inc. - A business corporation. Incorporated under the laws of the state of Mississippi. Authorized capital of 10,000 shares. Wholly-owned by Xfone USA, Inc.

Pre-transaction Structure of Transferee*



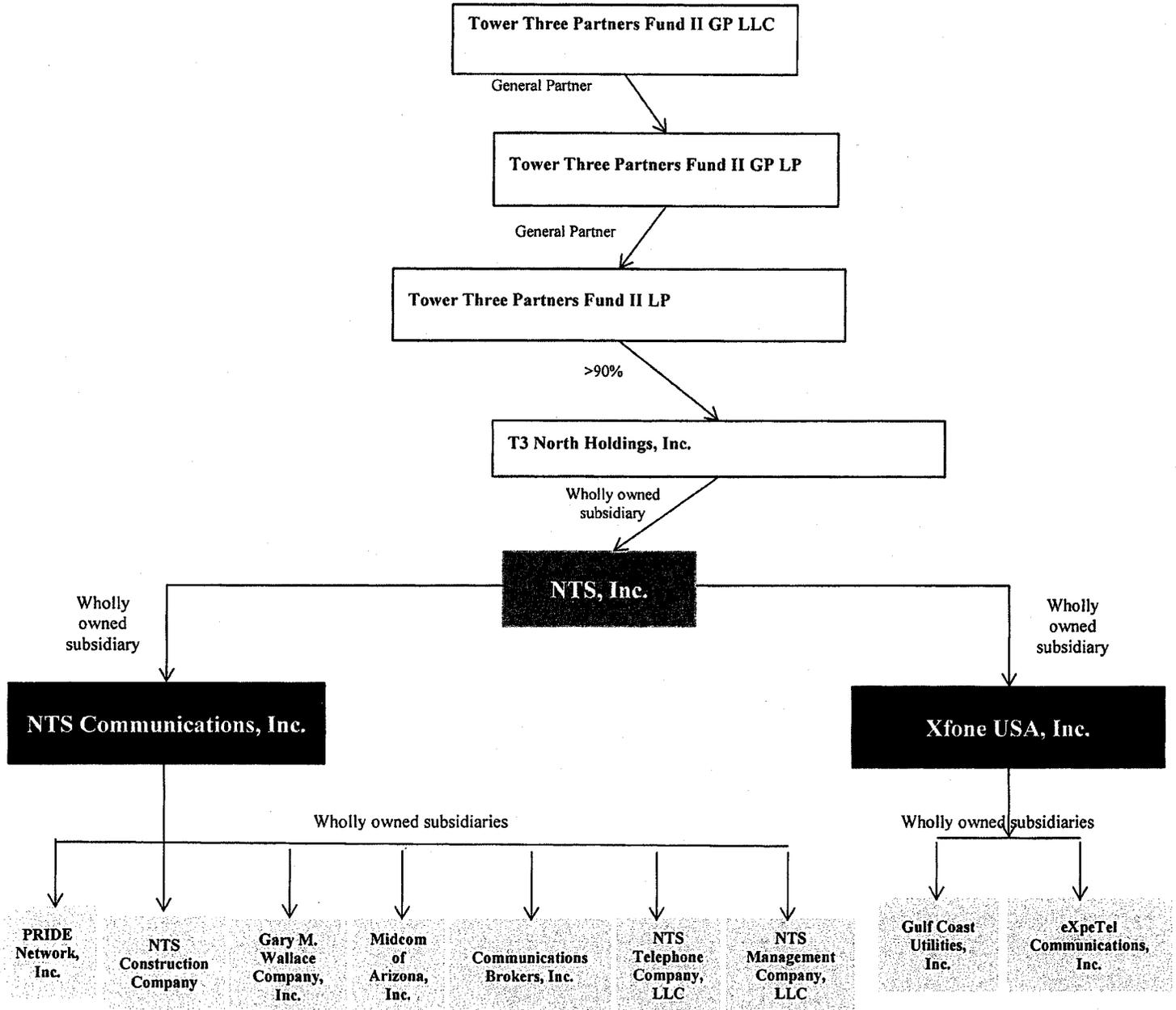
*Does not include certain additional parties that directly or indirectly hold 10 percent or more of the economic interests in Transferee, but that have no material involvement, directly or indirectly, in the management or operation of Transferee. Such parties also will have no such involvement in Transferor after consummation of the transaction.

Post-transaction Structure of Merged Entity*



*Does not include certain additional parties that directly or indirectly hold 10 percent or more of the economic interests in Transferee, but that have no material involvement, directly or indirectly, in the management or operation of Transferee. Such parties also will have no such involvement in Transferor after consummation of the transaction.

Post-transaction Structure of Merged Entity (after contemplated *pro forma* reorganization)*



*Does not include certain additional parties that directly or indirectly hold 10 percent or more of the economic interests in Transferee, but that have no material involvement, directly or indirectly, in the management or operation of Transferee. Such parties also will have no such involvement in Transferor after consummation of the transaction.

EXHIBIT B

Domestic Supplement to Consolidated Application for Consent to Transfer of Control

Pursuant to Section 63.04(b) of the Commission's Rules, 47 C.F.R. § 63.04(b), the Applicants submit the following additional information in support of their application for consent to transfer of control under Section 214 of the Act:

63.04(a)(6): Description of the Transaction

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

63.04(a)(7): Description of Geographic Service Areas

Certain subsidiaries of NTS are authorized by the FCC and state public utility commissions to provide telecommunications services in Arizona, Colorado, Kansas, Louisiana, Mississippi, New Mexico, Oklahoma, and Texas.

Neither Transferee nor its current affiliates provide, or are authorized to provide, telecommunications services.

63.04(a)(8): Eligibility for Streamlined Processing

This Application is eligible for streamlined processing pursuant to Section 63.03(b)(1) because Transferee is not a telecommunications provider. This Application also is eligible for streamlined treatment pursuant to Section 63.03(b)(2)(i) because (1) following the Transaction, Transferee and its affiliates will have less than a 10 percent share of the interstate, interexchange market and will provide competitive telephone exchange services exclusively in areas served by a dominant local carrier not a party to the transaction; and (2) none of the Applicants or any of their affiliates is regulated as dominant with respect to any telecommunications service.

63.04(a)(9): Other Related Applications

This Application is related to Applicants' application for approval to transfer control of two Cable Television Relay Service (CARS) licenses currently held by NTS Communications, Inc., call signs WLY-648 and WHZ-407. There are no other Commission applications related to the Transaction.

63.04(a)(10): Special Considerations

No party requests any special consideration as no party to the transaction is facing imminent business failure.

63.04(a)(11): Separately Filed Waiver Requests

None.

63.04(a)(12): Public Interest Statement

The public interest statement is provided in Section II of the Application.