

Holland & Knight

315 South Calhoun Street, Suite 600 | Tallahassee, FL 32301 | T 850.224.7000 | F 850.224.8832
Holland & Knight LLP | www.nklaw.com

D. Bruce May, Jr.
850.425.5607
bruce.may@hklaw.com

October 29, 2009

VIA HAND DELIVERY

Ms. Ann Cole, Director
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center, Room 110
Tallahassee, FL 32399-0850

Re: Docket No. 090019-WS, Application for transfer of majority organizational control of Service Management Systems, Inc., holder of water Certificate No. 517-W and wastewater Certificate 450-S, in Brevard County, from IRD Osprey, LLC to Oak Lodge Utility, LLC.

Dear Ms. Cole:

Pursuant to the request by FPSC staff, our client, Compass Bank (the "Bank") provides the following brief status report on the foreclosure action that the Bank initiated and is currently pending in the Circuit Court of the Eighteenth Judicial Circuit in and for Brevard County, Florida styled, *Compass Bank v. Service Management Systems, Inc., et al.*, Case No. 05-2008-CA-61639. At the hearing yesterday, a new attorney for Service Management Systems, Inc. ("SMS") filed a notice of appearance. While the court recognized the appearance of counsel, it denied SMS' motion to dismiss the foreclosure action. The court also instructed SMS' new counsel to file a formal response to the Bank's foreclosure complaint within fifteen (15) days after entry of the Order Denying Motion to Dismiss. The Bank has already filed a motion for summary judgment and intends to schedule a summary judgment hearing with the court at the earliest practicable date.

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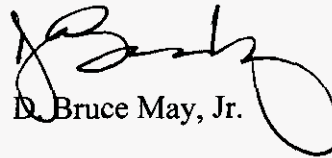
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We will continue to keep the FPSC apprised as things develop in the foreclosure action. Please do not hesitate to give me a call if you have any questions.

Sincerely,

HOLLAND & KNIGHT LLP



D. Bruce May, Jr.

DBM:kjg

cc: Thor Ibsen, Managing Member, Service Management Systems, Inc.
Stephen C. Reilley, Esq., Office of Public Counsel
Patricia Daniel, Florida Public Service Commission
Patrick Patangan, Esq.
C. French Yarbrough, Jr.

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