

EARLY, LENNON, PETERS & CROCKER, P.C.

ATTORNEYS AT LAW
900 COMERICA BUILDING
KALAMAZOO, MICHIGAN 49007-4752
TELEPHONE (616) 381-8844
FAX (616) 349-8525

DEPOSIT TREAS. REC DATE
D469 10000 FEB 27 '97

GEORGE H. LENNON
JOHN T. PETERS, JR.
DAVID G. CROCKER
HAROLD E. FISCHER, JR.
LAWRENCE M. BRENTON
GORDON C. MILLER

BLAKE D. CROCKER
ROBERT M. TAYLOR
PATRICK D. CROCKER
ANDREW J. VORBRICH*
NICOLETTE G. HAJDIN**

OF COUNSEL
VINCENT T. EARLY
JON C.H. MULLEN
THOMPSON BENNETT

JOSEPH J. BURGE
(1928 - 1992)

*Also admitted in Iowa
**Also admitted in California and North Carolina

February 25, 1997

Executive Secretary
State of Florida
Public Service Commission
2400 Shumard Oak Boulevard
Tallahassee, Florida 32399-0688

970251-TX

Re: LDM SYSTEMS INC.

Dear Sir:

Enclosed herewith for filing with the Commission, please find an original and 6 (six) copies of the above captioned corporation's APPLICATION FOR AUTHORITY TO PROVIDE LOCAL TELECOMMUNICATIONS SERVICES STATEWIDE, along with a check in the amount of \$250.00 to cover filing fees relating to same.

Also enclosed is an exact duplicate of this letter. Please stamp the duplicate received and return same in the self-addressed stamped envelope attached thereto.

Please contact me if you have additional questions or concerns.

Very truly yours,

EARLY, LENNON, PETERS & CROCKER, P.C.

Patrick D. Crocker
PDC/ldt

Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward a copy of check to RAR with proof of deposit.

Initials of person who forwarded check:
A.G.

**BEFORE THE
STATE OF FLORIDA
PUBLIC SERVICE COMMISSION**

Application of LDM Systems Inc.)
for Authority to Provide Local)
Telecommunications Service Statewide)

970251-TX

APPLICATION

Patrick D. Crocker
Early, Lennon, Peters & Crocker, P.C.
900 Comerica Building
Kalamazoo, MI 49007
(616) 381-8844

DN 02132-97
2/26/97

**BEFORE THE
STATE OF FLORIDA
PUBLIC SERVICE COMMISSION**

Application of LDM Systems Inc.)
for Authority to Provide Local)
Telecommunications Service Statewide)

APPLICATION

LDM Systems Inc. ("Applicant"), by its attorney, respectfully requests that the Florida Public Service Commission ("Commission") grant it authority to provide local switched and dedicated telecommunications services to the public statewide. Specifically, Applicant requests that the Commission allow it to provide private line, special access and competitive local switched services throughout the State of Florida.

Applicant urges the Commission to continue to move toward full-fledged competition in the market for local telecommunications services in Florida. As the Commission has recognized, competition promotes the public interest by reducing costs, increasing efficiency, stimulating innovation and expanding the variety of products and services offered to consumers.

In support of its Application, Applicant provides the following information:

I. The Applicant

Applicant is incorporated under the laws of the State of New York. Applicant maintains its headquarters at 254 South Main Street, New City, New York 10956. A copy of Applicant's Articles of Incorporation is attached hereto as Exhibit A. Applicant is qualified to do business in Florida as a foreign corporation. A copy of Applicant's Certificate of Qualification is attached hereto as Exhibit B.

II. Designated Contacts

All correspondence, notices and inquires regarding this Application should be addressed

to:

Patrick D. Crocker
Early, Lennon, Peters & Crocker, P.C.
900 Comerica Building
Kalamazoo, MI 49007
(616) 381-8844
(616) 349-8525 - fax

III. Request for Authority to Provide Private Line and Special Access Services

Applicant respectfully requests that the Commission grant it authority to provide private line and special access services within Florida. Applicant proposes to provide point to point high capacity non-switched interconnections, including interconnection between: (1) points-of-presence ("POP") of the same interexchange carrier ("IXC"); (2) POPs of different IXCs; (3) large business and government end-users and their selected IXCs; (4) a POP and a local exchange carrier ("LECL") central office or two LEC central offices; and (5) different locations of business or government customers.

Specifically, Applicant proposes to offer the following dedicated services:

- *Special Access Services* that provide a link between an end-user location and the POP of its IXC, or links between Applicant's POPs.
 - *Switched Transport Services* that are offered to IXCs that have large volumes of long distance traffic aggregated by a LEC switch at a central office where the CAP has collocated its network. Applicant will provide dedicated facilities for transporting these aggregated volumes of long distance traffic from the LEC central office to its POP or between LEC central offices.
 - *Private Line Services* that provide dedicated facilities between two end-user locations in the same metropolitan area (e.g., a central banking facility and a branch office or a manufacturing facility and its remote data procession center).

IV. Request for Authority to Provide Switched IntraLATA Intrastate Telecommunications Services

In addition, Applicant also seeks authority to provide switched intraLATA intrastate telecommunications services to the public on a statewide basis both through the use of their own facilities and by reselling local services obtained from other LECs. Applicant intends to operate as a competitive local exchange carrier ("CLEC") offering a variety of dedicated and switched services. The Applicant seeks authority to provide local switched services such as:

- *"Plain Old Telephone Service"* -- originating and terminating local calls;
- *Switched Access Service* -- originating and terminating traffic between a customer premise and an IXC POP via shared local trunks using a local switch;
- *PBX Trunking* -- carrying switched traffic between the Applicant's switch and the customer's PBX.

V. Description and Fitness of the Applicant

Applicant is well-qualified to provide the services for which authority is requested in this Application. Applicant is a successful long distance company offering 1+, in-WATS, out-WATS, and Calling Card services throughout the United States.

Applicant is managed by a team of well qualified officers and directors who have extensive experience in the telecommunications industry. Applicant's officers and directors are attached hereto as Exhibit C.

Applicant has the financial resources to provide the services herein requested and attaches a copy of Applicant's most recent financial statements is attached hereto as Exhibit D.

V. Network Description

Applicant will operate initially as a non-facilities based carrier of local telecommunications services. Notwithstanding, the Applicant intends to construct a network using self-healing fiber

optic ring topology. High capacity backbone routes will be built connecting the interexchange carriers and high volume telecommunications users in Florida. The network will then extend distribution rings from the backbone to reach end-user buildings not on the initial ring. The fiber network will also be connected to the local telephone company to facilitate interconnection with its networks.

The Applicant's system will provide state-of-the-art fiber optic clarity, speed, diversity of access, and virtually complete reliability of service, with automatic stand-by and rerouting in the event of a system failure. The network will be designed to provide at least two completely diverse routes, offering customers access to telecommunications services in the event of a fiber cable cut. If a system failure occurs, service would be restored automatically within less than 50 milliseconds, without any detectable service interruption to the end-user. The network will also provide backup for customers in the event of a failure or diverse in the local telephone company's system.

The Applicant's prospective network will utilize single mode fiber optic cable. State-of-the-art DDM 2000 SONET ring multiplexers will be deployed at IXC, Bell and end-user customer locations. Hub sites will be built on the network as well. The system will be constantly monitored by sophisticated network management equipment for transmission error or deterioration in service.

VII. Proposed Tariffs

The Applicant intends to provide service in Florida pursuant to the terms and conditions outlined in its proposed illustrative tariff, which is attached hereto as Exhibit E.

VIII. Public Interest

A decision by the Commission granting Applicant authority to provide the local

telecommunications services described herein is in the public interest. Permitting the Applicant to provide the services described in this Application will expand service options and increase competition in Florida without any adverse impact on the Commission's goals of universal service and affordable local service for individual customers. Approval will lead directly to substantial additional private investment in Florida's telecommunications infrastructure and promote consumer choice by expanding the availability of innovative, high quality, reliable and competitively-priced the communications services. Approval also is likely to cause other local telecommunications providers to improve their existing services, become more efficient and introduce service innovations of their own.

WHEREFORE, Applicant respectfully requests that the Commission grant it authority to transact the business of a provider of switched and dedicated local telecommunications services within the State of Florida.


Respectfully submitted,

By: _____

Patrick D. Crocker
Early, Lennon, Peters & Crocker, P.C.
900 Comerica Building
Kalamazoo, MI 49007
(616) 381-8844
(616) 349-8525 - fax

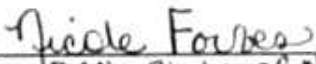
VERIFICATION

Stephen Steiner, Treasurer of LDM Systems Inc., first being duly sworn on oath, deposes and says that he has read the foregoing Application and verifies that the statements made therein are true and correct to the best of his knowledge, information and belief.

BY: 

Stephen Steiner

The foregoing instrument was acknowledged before me this 18th day of February, 1997 by Stephen Steiner.



Notary Public: State of New York
For the County: Rockland
My Commission Expires: August 2, 1997

Nicole Forbes
Notary Public, State of New York
No. 01FO5015992
Qualified in Orange County
Commission Expires August 2, 1997

EXHIBIT A

920611000401

X X L
X X L L
X X L L
XX L L
X X L L
X X L L
X X L L L L L L L L

CERTIFICATE OF AMENDMENT OF THE CERTIFICATE OF INCORPORATION
OF
LDM SYSTEMS INC.



FILED BY: Barr & Rosenbaum, Esqs.
664 South Main Street
Spring Valley, New York 10977.

JUN 10 11 10 A.M. '92

RECEIVED

5-240

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED JUN 11 1992
TAX \$ 240
BY: [Signature]

920611000435

FILED JUN 11 1992

2

State of New York }
Department of State } ss:

I hereby certify that I have compared the annexed copy with the original document filed by the Department of State and that the same is a correct transcript of said original.

Witness my hand and seal of the Department of State on

OCT 25 1994



Secretary of State

F 920611000401

X X L
X X L
X X L
XX L
X X L
X X L
X X L
L L L L L L L L

CERTIFICATE OF AMENDMENT OF THE CERTIFICATE OF INCORPORATION
OF
LDM SYSTEMS INC.



FILED BY: Barr & Rosenbaum, Esqs.
664 South Main Street
Sprigg Valley, New York 10977.

JUN 10 11 10 AM '92

RECEIVED

5-240

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED JUN 11 1992
TAX \$ 240
BY: [Signature]

920611000435 Recd

FILED JUN 11 1992

2

EXHIBIT B

EXHIBIT D

**FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

LDM SYSTEMS, INC.

December 31, 1995

Grant Thornton 

GRANT THORNTON LLP

Accountants and
Management Consultants

The U.S. Member Firm of
Grant Thornton International

**FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

LDM SYSTEMS, INC.

December 31, 1995

CONTENTS

	<u>Page</u>
Report of Independent Certified Public Accountants	3
Financial Statements	
Balance Sheet	4
Statement of Operations and Retained Earnings	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 13

**REPORT OF INDEPENDENT CERTIFIED
PUBLIC ACCOUNTANTS**

Board of Directors and Shareholders
LDM Systems, Inc.

We have audited the accompanying balance sheet of LDM Systems, Inc. as of December 31, 1995. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of LDM Systems, Inc. as of December 31, 1995, in conformity with generally accepted accounting principles.

We did not audit the statements of operations and cash flows and therefore are unable to and do not express an opinion on the results of operations and cash flows for the year ended December 31, 1995.

Grant Thornton LLP

New York, New York
May 31, 1996, except for Notes E and H,
as to which the dates are December 30, 1996
and June 17, 1996, respectively

LDM Systems, Inc.

BALANCE SHEET

December 31, 1995

ASSETS

CURRENT ASSETS

Cash	\$ 402,643
Accounts receivable, net of allowance for doubtful accounts of \$337,530	3,695,171
Salesman's advances and other current assets	20,004
Deferred tax asset	<u>13,000</u>
Total current assets	4,130,818

EQUIPMENT AND FIXTURES, net of accumulated
depreciation of \$98,726

79,109

Loans receivable from shareholders

47,863

Other assets

4,848\$4,262,638

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$3,173,888
Note payable - former shareholder	30,000
Due to National Communications Association, Inc.	<u>610,532</u>
Total current liabilities	3,814,420

LONG-TERM LIABILITY

Due to National Communications Association, Inc.	485,000
--	---------

STOCKHOLDER'S DEFICIENCY

Common stock - no par value; authorized, 5,000 shares; 2,106 shares issued and outstanding	6,180
Retained deficit	(11,183)
Treasury stock	<u>(31,779)</u>
Total stockholder's deficiency	<u>(36,782)</u>

\$4,262,638

The accompanying notes are an integral part of this statement.

LDM Systems, Inc.

STATEMENT OF OPERATIONS AND RETAINED EARNINGS (DEFICIT)

Year ended December 31, 1995
(unaudited)

Sales, net	\$15,290,216
Cost of sales	<u>8,793,964</u>
	6,496,252
Operating expenses	
Salaries	1,296,695
Commissions	2,286,526
Entertainment and promotion	78,476
Bad debts	1,340,538
Rent expense	146,555
Office and administrative expenses	436,909
Professional fees	107,074
Pension expense	47,925
Depreciation	22,420
Franchise and utility taxes	(29,306)
Payroll taxes	89,405
Employee benefits	36,530
Telephone expense	52,766
Repairs and maintenance	(6,622)
Seminars and shows	9,649
Advertising	2,750
Business travel and auto expense	20,347
Insurance	11,309
Sales and use taxes	8,286
Miscellaneous expense	<u>3,596</u>
	<u>5,961,828</u>
Net income from operations	534,424
Other income (expense)	
Other income	211,058
Interest expense, net	(4,687)
Settlement expense - National Communications Association, Inc.	<u>(1,024,398)</u>
Net loss before provision for income taxes	(283,603)
Provision for income and excise taxes	<u>82,000</u>
NET LOSS	(365,603)
Retained earnings at beginning of year	592,997
Shareholder distributions	<u>(238,577)</u>
Retained deficit at end of year	<u>\$ (11,183)</u>

The accompanying notes are an integral part of this statement.

LDM Systems, Inc.

STATEMENT OF CASH FLOWS

Year ended December 31, 1995
(unaudited)

Cash flows from operating activities	
Net loss	\$ (365,603)
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation	22,420
Increase (decrease) in cash from changes in operating assets and liabilities	(1,748,116)
Accounts receivable	
Salesmen's advances and other current assets	50,939
Deferred taxes	(13,000)
Accounts payable and accrued expenses	1,475,422
Due to National Communications Association, Inc.	<u>1,095,537</u>
Net cash provided by operating activities	<u>517,594</u>
Cash flows from investing activities	
Acquisition of fixed assets	<u>(60,228)</u>
Net cash used in investing activities	<u>(60,228)</u>
Cash flows from financing activities	
Loans from shareholders	74,305
Payment of loans payable to former shareholder	(15,000)
Issuance of common stock	3,180
Shareholder distributions	<u>(238,577)</u>
Net cash used in financing activities	<u>(176,092)</u>
NET INCREASE IN CASH	281,274
Cash at beginning of year	<u>121,369</u>
Cash at end of year	<u>\$ 402,643</u>

The accompanying notes are an integral part of this statement.

LDM Systems, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 1995

NOTE A - BUSINESS AND REGULATIONS

1. Business

LDM Systems, Inc. (the "Company") was incorporated on October 25, 1990 in the State of New York. The Company operates as a non-facilities reseller of long-distance telephone service to commercial and residential customers throughout the United States.

2. Regulations

The Company operates under contracts with several telecommunications providers whereby the Company provides long-distance telephone service to its customers using long-distance telephone lines available from the communications providers under the terms of the contracts.

The Federal Communications Commission has regulatory jurisdiction over telecommunications services offered by all common carriers, including the Company. However, prior FCC rate approval is not required since the Company is a nondominant common carrier. The FCC does require certification and tariff requirements for international services and tariff filings for domestic interstate service for common carriers.

Intrastate long-distance services are generally subject to various state laws and regulations, including certification requirements. For intrastate service, the state regulatory authorities regulate access charges between local telephone companies and all long-distance carriers and regulate entry and competition by requiring all carriers to obtain and maintain certificates of public convenience and necessity.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statement follows:

1. Revenue, Collections and Cost Recognition

Revenues are recognized from long-distance service usage by the Company's customers. The Company bills customers and collects remittances either directly or through one of two

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 1995

NOTE B (continued)

agencies that provide billing and collection services on the Company's behalf under the terms of the respective billing service agreements (Note D). Those customers billed directly by the Company remit payments directly to the Company. Customers billed by the service agencies remit payments to the agencies, who in turn remit to the Company after deducting applicable fees. The cost of the long-distance telephone time is recognized based on the monthly network usage billings received from the various telecommunications carriers under the terms of the respective contracts.

2. *Cash Equivalents*

The Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

3. *Fixtures and Equipment*

Fixtures and equipment are stated at cost. Depreciation of fixtures is provided using the straight-line method based upon five-year estimated useful lives. Depreciation on equipment, consisting primarily of computers and related peripherals, is provided using the straight-line method based upon three-year estimated useful lives.

4. *Income Taxes*

The Company has elected to be treated as an S Corporation for Federal and certain state income tax purposes, whereby the earnings or losses of the Company are attributed and taxed to the respective shareholders of the Company. Income tax expense represents certain state and local income taxes for which the Company has not elected S-Corporation status and New York State excise taxes.

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109 ("SFAS No. 109"), "Accounting for Income Taxes." Deferred state and local income tax assets and liabilities result from the use of the cash method of accounting for income tax purposes which gives rise to temporary differences between financial statement and tax return recognition of receivables and payables and depreciation and amortization.

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 1995

NOTE B (continued)

5. *Use of Estimates*

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

6. *Fair Value of Financial Instruments*

The carrying value of financial instruments potentially subject to valuation risk, principally cash and cash equivalents, accounts and loans receivable and accounts payable, approximates fair value.

7. *Investment in Joint Venture*

The Company accounts for its investment in a joint venture by the equity method (Note E).

NOTE C - FURNITURE, FIXTURES AND EQUIPMENT

Fixtures and equipment as of December 31, 1995, consisted of the following:

Furniture and fixtures	\$ 86,195
Equipment	<u>91,640</u>
	177,835
Less accumulated depreciation	<u>(98,726)</u>
	<u>\$ 79,109</u>

LDM Systems, Inc.

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 1995

NOTE D - COMMITMENTS AND CONTINGENCIES

1. *Agreements With Telecommunications Carriers*

The Company has agreements with several long-distance telecommunications carriers that provide long-distance telephone service to the Company's customers. Under the terms of the agreements, the Company purchases the long-distance time incurred by customers at the rates established by the agreements. The agreements also contain provisions that stipulate the Company meet minimum monthly and annual usage amounts in order to maintain its preferred rate structures. In the event that the Company does not meet the minimum amounts, they may be subject to certain rate adjustments. The following summarizes the minimum annual usage amounts to be incurred by the Company's customers with respect to the agreements:

	<u>Amount</u>
Year ending December 31,	
1996	\$ 4,575,000
1997	7,650,000
1998	6,000,000
1999	<u>1,500,000</u>
	<u>\$19,725,000</u>

2. *Services and Marketing - GE/NEWS*

The Company entered into an agreement with GE Capital Communication Services Corporation and New Enterprise Wholesale Services, L.P. ("GE/NEWS") whereby GE/NEWS serves as an intermediary between the Company and AT&T, which, in turn, bills and collects monthly long-distance telephone charges for customers on the Company's behalf, and the Company effectively acts as a sales agent for GE/NEWS in its role as a reseller of AT&T telecommunications products. The agreement provides for commissions to be paid to the Company based on the aggregate revenues collected from customers referred to GE/NEWS, less applicable long-distance usage costs, taxes and other allowances. Additionally, the agreement allows for GE/NEWS to charge back an account after 120 days, thus transferring the responsibility of collection to the Company.

LDM Systems, Inc.

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 1995

NOTE D (continued)

Since August, 1995, there had been no cash remitted from GE/NEWS and GE/NEWS did not render invoices for costs and expenses relating to this agreement. As of December 31, 1995, the Company had an outstanding accounts receivable balance of approximately \$1,226,000 relating to revenues generated by customers since August, 1995 and had accrued expenses related to the costs incurred during the period of approximately \$1,164,000. Subsequent to December 31, 1995, the Company received a settlement report from GE/NEWS which indicated balances that were less than the amounts recorded by the Company as accrued expenses. This difference was reflected as income during 1996.

3. *Billing Services and Collection Agreement - OAN Services, Inc.*

Effective February 1, 1995, the Company entered into an agreement with OAN Services, Inc. ("OAN") whereby OAN bills and collects monthly long-distance telephone charges incurred by customers from local exchange carriers ("LEC"). The LEC in turn bill and collect monthly long-distance telephone charges from the Company's customers. The agreement provides for a service fee to be paid based on the "billable messages" processed monthly by OAN. The agreement has a term of three years, and may be extended in one-year intervals thereafter.

4. *Operating Lease*

The Company leases its premises under a noncancellable operating lease which extends through April, 1997. The minimum rental commitments under the operating lease are as follows:

Year ending December 31,	
1996	\$ 85,100
1997	<u>25,600</u>
	<u>\$110,700</u>

5. *Contingency - Legal Matters*

The Company and its principal shareholders are a defendant in a lawsuit brought by a 26% minority shareholder. The shareholder, in three separate actions, seeks the dissolution of the Company, compensation allegedly owed to a former employee, and an alleged breach of

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 1995

NOTE D (continued)

fiduciary duties and wasting of corporate assets. The Company and its principal shareholders have moved to dismiss the actions on behalf of the Company on several bases including an agreement by the other shareholders to sell their interest in the Company for \$1,500,000. As of the report date, the Company and its legal counsel were unable to ascertain the amount, if any, of any potential settlement related to this matter. Accordingly, no provision for any liability that may result from these matters has been made in the accompanying financial statements.

NOTE E - JOINT VENTURE AND RELATED ACTIVITY

The Company's principal shareholders, together with two other individuals who are associated with National Communications Association Inc. ("NCA"), formed Promark Telecommunications Inc. ("Promark"). One of these individuals is the principal stockholder of NCA.

In August, 1995, the Company and NCA formed a joint venture to conduct telemarketing activities. Under this agreement, Promark provides telemarketing capabilities to the Joint Venture. The Joint Venturers (the Company and NCA) reimburse Promark for expenses incurred in conducting its operations. The customers obtained from Promark's activities belong to the Joint Venture and are billed and managed by the Company.

Disputes arose between the two parties, and on December 30, 1996 the parties agreed to settle their disputes by terminating the joint venture and repaying NCA advances it had made to the joint venture. The total payment made by the Company to NCA in settlement was \$984,500, of which \$479,500 was paid in cash to NCA, \$485,000 was paid to NCA by the Company's promissory note bearing interest at seven percent per annum and \$20,000 was paid to a minority shareholder in the joint venture. In addition, the Company purchased the stock of these two other individuals for a total of \$500. The settlement of the disputes, including amounts previously paid in 1996, net of accruals recorded as of December 31, 1995, has been recorded as settlement expense in the December 31, 1995 financial statements.

In addition, in January 1997, LDM acquired from its principal shareholders their stock in Promark for \$500, the same purchase price paid by the two other individuals.

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 1995

NOTE F - RELATED PARTY TRANSACTIONS

1. Advances to Shareholders

Advances to shareholders at December 31, 1995 represent expenses and other amounts incurred by the Company on the shareholders behalf.

2. Note Payable - Former Shareholder

The note payable to a former shareholder dated June 4, 1992 was issued in connection with the acquisition and retirement of the former shareholder's common stock. The agreement included cash paid to the former shareholder of \$18,900 and a note payable in the amount of \$75,000. The note is noninterest-bearing, and is payable in five installments of \$15,000 through May 1, 1997.

NOTE G - EMPLOYEE BENEFIT PLAN

The Company has established a profit-sharing plan under Section 401(k) of the Internal Revenue Code covering substantially all eligible employees. The plan allows for employees to defer up to the lesser of 25% of their annual earnings or within limitations, as adjusted by Section 415(b)(1)(A) of the Code, on a pretax basis through voluntary contributions to the plan.

The plan provides that the Company can make optional contributions in an amount up to the maximum allowable by Section 404 of the Code. Employees are 20% vested with regard to the employer's contribution following two years of service, and vesting increases 20% per year until an employee is fully vested following six years of service.

NOTE H - SUBSEQUENT EVENT

On June 17, 1996, the Company entered into an agreement to form a limited liability corporation as an 80% shareholder of Claremont Billing Systems, LLC ("Claremont"). Claremont was established to provide certain administrative services related to the customer billing requirements of long-distance carriers and resellers.

EXHIBIT E

OFFICERS AND DIRECTORS

Louis Steiner - President
254 S. Main Street
New City, New York 10956

Stephen Steiner - Treasurer
254 S. Main Street
New City, New York 10956

Thomas McCrosson - Vice President of Sales and Marketing
254 S. Main Street
New City, New York 10956

EXHIBIT C

REGULATIONS AND SCHEDULE OF INTRASTATE CHARGES
APPLYING TO END-USER
COMMUNICATION SERVICES WITHIN
THE STATE OF FLORIDA

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

TABLE OF CONTENTS

	<u>Section</u>	<u>Page</u>
TABLE OF CONTENTS	Preface	2
EXPLANATION OF SYMBOLS, REFERENCE MARKS, AND ABBREVIATIONS OF TECHNICAL TERMS USED IN THIS TARIFF	Preface	5
APPLICATION OF TARIFF	Preface	6
DEFINITIONS	1	
REGULATIONS	2	
2.1 Undertaking of the Company	2	1
2.2 Prohibited Uses	2	13
2.3 Obligations of the Customer	2	14
2.4 Customer Equipment and Channels	2	19
2.5 Payment Arrangements	2	21
2.6 Allowances for Interruptions in Service	2	28
2.7 Use of Customer's Service by Others	2	33
2.8 Cancellation of Service	2	34
2.9 Transfers and Assignments	2	35
2.10 Notices and Communications	2	35
2.11 Operator Services Rules	2	36
APPLICATION OF RATES	3	
3.1 Introduction	3	1
3.2 Charges Based on Duration of Use	3	1
3.3 Rates Based Upon Distance	3	2

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

TABLE OF CONTENTS

	<u>Section</u>	<u>Page</u>
SERVICE AREAS	4	
4.1 Exchange Access Service Areas (EASA)	4	1
4.2 Calling Areas	4	2
EXCHANGE ACCESS SERVICE	5	
5.1 General	5	1
5.2 Basic Line Service	5	2
5.3 Key Line Service	5	3
5.4 Basic Trunk Service	5	4
5.5 DID Trunk Service	5	5
5.6 Digital Trunk Service	5	6
5.7 Centrex Service	5	7
EXCHANGE ACCESS OPTIONAL FEATURES	6	
6.1 Directory Listings	6	1
6.2 Direct Inward Dial (DID) Service	6	2
6.3 Main Number Retention	6	3
6.4 Accounting Codes	6	4
6.5 Authorization Codes	6	5
6.6 Vanity Number Service	6	6
RESOLD LOCAL EXCHANGE SERVICE	7	
7.1 Description	7	1
7.2 Rates	7	1

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

TABLE OF CONTENTS

	<u>Section</u>	<u>Page</u>
LOCAL CALLING SERVICE	8	
8.1 Description	8	1
8.2 Rates	8	2
INTRALATA CALLING SERVICE	9	
9.1 Description	9	1
9.2 Time Periods	9	1
9.3 Rates	9	2
MISCELLANEOUS SERVICES	10	
10.1 Operator Services	10	1
10.2 Busy Line Verify & Line Interrupt Service	10	3
10.3 Directory Assistance	10	5
10.4 Service Implementation	10	9
10.5 Restoration of Service	10	9
SPECIAL ARRANGEMENTS	11	
11.1 Special Construction	11	1
11.2 Individual Case Basis (ICB) Arrangements	11	2
11.3 Temporary Promotional Programs	11	3

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

EXPLANATION OF SYMBOLS, REFERENCE
MARKS, AND ABBREVIATIONS OF TECHNICAL
TERMS USED IN THIS TARIFF

The following symbols shall be used in this tariff for the purpose indicated below:

- C To signify changed regulation.
- D To signify discontinued rate or regulation.
- I To signify increased rate.
- M To signify a move in the location of text.
- N To signify new rate or regulation.
- R To signify reduced rate.
- S To signify reissued matter.
- T To signify a change in text but no change in rate or regulation.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

APPLICATION OF TARIFF

This tariff sets forth the service offerings, rates, terms and conditions applicable to the furnishing of intrastate end-user communications services by Atlas Communications, Ltd., hereinafter referred to as the Company, to customers within the State of Florida.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

DEFINITIONS

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

DEFINITIONS

Certain terms used generally throughout this tariff are defined below.

Account Codes: Permits Centrex Stations and attendants to dial an account code number of up to eight digits. For when placing calls over facilities arranged for Automatic Message Accounting (AMA) recording. The account or project number must be input prior to dialing the called number.

Advance Payment: Part or all of payment required before the start of service.

DID Trunk: A form of local switched access that provides the ability for an outside party to call an internal extension directly without the intervention of the company operator.

Automatic Number Identification (ANI): Allows the automatic transmission of a caller's billing account telephone number to a local exchange company, interexchange carrier or a third party subscriber. The primary purpose of ANI is to allow for billing of toll calls.

Bit: The smallest unit of information in the binary system of notation.

Call Back/Camp on: Permits a station line encountering an all-trunk-busy condition the option of being notified when a trunk becomes idle.

Call Forwarding:

Call Forwarding Station: Allows calls directed to a station line to be routed to a user defined line inside or outside the customer's telephone system.

Call Forwarding System: Permits calls attempting to terminate to a busy station line to be re-directed to a predetermined line inside or outside the customer's telephone system.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

DEFINITIONS

Call Forwarding Remote: This optional feature allows a user to activate/deactivate the Call Forwarding - All calls feature or change the forwarded to telephone number from a remote location.

Call Forwarding Busy: Allows incoming calls to a busy station to be routed to a preselected station line or attendant within the same system or outside the system. Intercom calls can be arranged to be forwarded to a number different from DID calls.

Call Forwarding Don't Answer: Allows incoming calls to be automatically routed to a preselected station line or attendant in the same system or outside the system, when the called station is not answered after a preset number of rings. Intercom calls can be arranged to be forwarded to a number different from DID calls.

Call Forwarding Variable Limited: When this feature is activated by a station line user or the attendant, incoming calls to the activated station line or attendant position will be automatically routed to any other selected station line, within the same Centrex system, or to the attendant position. The attendant may also activate this feature for a station line user.

Call Forwarding Variable Unlimited: The same as Call Forwarding Variable Limited except that incoming calls may be automatically routed to a telephone number outside the Centrex system or to station lines within the same Centrex system. The attendant may not activate this feature to a telephone number outside the Centrex system for a station line user. Calls forwarded outside the Centrex system are subject to the appropriate charges for local and toll messages.

Call Hold: Allows the user to hold one call for any length of time provided that neither party goes on-hook.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

DEFINITIONS

Call Park: Allows a station line to park a call against its own line number. The parked call can be retrieved from any station line by dialing a feature code and the line number against which the call is parked.

Call Pickup: Allows a station line to answer incoming calls to another station line within a defined call pickup group. Call pickup is provided on individual station lines within a customer group.

Call Transfer: Allows a station line user to transfer any established call to another station line inside or outside the customer group without the assistance of the attendant.

Call Waiting: Permits a line in the talking state to be alerted by a tone when another call is attempting to complete the line. Audible ringing is returned to the originating line. The Service also provides a hold feature that is activated by a switchhook flash.

Communication Services: The Company's intrastate toll and local exchange switched telephone services offered for both intraLATA and interLATA use.

Company or LDM: LDM Systems In., the issuer of this tariff.

Customer or Subscriber: The person, firm or corporation that orders service and is responsible for the payment of charges and compliance with the Company's regulations.

Dial Pulse (or "DP"): The pulse type employed by rotary dial station sets.

Direct Inward Dial (or "DID"): A service attribute that routes incoming calls directly to stations, by-passing a central answering point.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

DEFINITIONS

Direct Outward Dial (or "DOD"): A service attribute that allows individual station users to access and dial outside numbers directly.

Do Not Disturb: Permits the attendant to cut off a single station line and selected groups of station lines from receiving incoming and station-to-station calls.

DSX-1 Panel: Distribution equipment used to terminate and administer DSI (1.544 Mbps) circuits.

Dual Tone Multi-Frequency (or "DTMF"): The pulse type employed by tone dial station sets.

Duplex Service: Service that provides for simultaneous transmission in both directions.

Fiber Optic Cable: A thin filament of glass with a protective outer coating through which a light beam carrying communications signals may be transmitted by means of multiple internal reflections to a receiver, which translates the message.

Hunting: Routes a call to an idle station line in a prearranged group when the called station line is busy.

In-Only: A service attribute that restricts outward dial access and routes incoming calls to a designated answer point.

Joint User: A person, firm or corporation that is designated by the Customer as a user of services furnished to the Customer by LDM and to whom a portion of the charges for the service will be billed under a joint user arrangement as specified herein.

Kbps: Kilobits per second, denotes thousands of bits per second.

Last Number Redial: Enables a station line user to redial the last called number by use of an access code rather than dialing the entire number.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

DEFINITIONS

LATA: A Local Access and Transport Area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192; or any other geographic area designated as a LATA in the National Exchange Carrier Association, Inc. Tariff F.C.C. No. 4.

Local Exchange Carrier or ("LEC"): Denotes any individual, partnership, association, joint-stock company, trust or corporation engaged in providing switched communication within an exchange.

Mbps: Megabits, denotes millions of bits per second.

Multi-Frequency or ("MF"): An inter-machine plus-type used for signalling between telephone switches, or between telephone switches and PBX/key systems.

Recurring Charges: The monthly charges to the Customer for services, facilities and equipment, that continue for the agreed upon duration of the service.

Service Commencement Date: The first day following the date on which the Company notifies the Customer that the requested service or facility is available for use, unless extended by the Customer's refusal to accept service that does not conform to standards set forth in the Service Order or this tariff, in which case the Service Commencement Date is the date of the Customer's acceptance. The Company and Customer may mutually agree on a substitute Service Commencement Date.

Service Order: The written request for Network Services executed by the Customer and the Company in the format devised by the Company. The signing of a Service Order by the Customer and acceptance by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this tariff, but the duration of the service is calculated from the Service Commencement Date.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

DEFINITIONS

Shared: A facility or equipment system or subsystem that can be used simultaneously by several Customers.

Speed Calling: Permits a station line user to dial selected numbers by using fewer digits than normally required. This is accomplished through the assignment of abbreviated codes to frequently called numbers. The speed calling list is customer-changeable.

System: Allows shared use of speed calling list. A control station will add, change or delete telephone numbers from the list for the group.

Station: Allows a station line user to add, change or delete telephone numbers from a speed calling list. The list is dedicated to the individual station line user.

Three-Way Calling: Allows a station line user to add a third party to an existing conversation.

Two Way: A service attribute that includes outward dial capabilities for outbound calls and can also be used to carry inbound calls to a central point for further processing.

User or End User: A customer, Joint User, or any other person authorized by a Customer to use service provided under this tariff.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.1 Undertaking of the Company2.1.1 Scope

The Company undertakes to furnish communications service pursuant to the terms of this tariff in connection with one-way and/or two-way information transmission between points within the State of Florida.

Customers and users may use services and facilities provided under this tariff to obtain access to services offered by other service providers. The Company is responsible under this tariff only for the services and facilities provided hereunder, and it assumes no responsibility for any service provided by any other entity that purchases access to the Company network in order to originate or terminate its own services, or to communicate with its own customers.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS

2.1 Undertaking of the Company (Con't)

2.1.2 Shortage of Equipment or Facilities

- (A) The Company reserves the right to limit or allocate the use of existing facilities, or of additional facilities offered by the Company, when necessary because of lack of facilities, or due to some other cause beyond the Company's control.

- (B) The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities as well as facilities the Company may obtain from other carriers to furnish service from time to time as required at the sole discretion of the Company.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.1 Undertaking of the Company (Cont'd)2.1.3 Terms and Conditions

- (A) Service is provided on the basis of a minimum period of at least one month, 24-hours per day. For the purpose of computing charges in this tariff, a month is considered to have 30 days.
- (B) Customers may be required to enter into written service orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this tariff. Customers will also be required to execute any other documents as may be reasonably requested by the Company.
- (C) At the expiration of the initial term specified in each Service Order, or in any extension thereof, service shall continue on a month-to-month basis at the then current rates unless terminated by either party upon 30 days' written notice. Any termination shall not relieve the Customer of its obligation to pay any charges incurred under the service order and this tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the service order shall survive such termination.
- (D) In any action between the parties to enforce any provision of this tariff, the prevailing party shall be entitled to recover its legal fees and court costs from the non-prevailing party in addition to other relief a court may award.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.1 Undertaking of the Company (Cont'd)2.1.3 Terms and Conditions (Cont'd)

- (E) Service may be terminated upon written notice to the Customer if:
- 1) the Customer is using the service in violation of this tariff; or
 - 2) the Customer is using the service in violation of the law.
- (F) This tariff shall be interpreted and governed by the laws of the State of Florida regardless of its choice of laws provision.
- (G) Sprint/Central Telephone of Florida must not interfere with the right of any person or entity to obtain service directly from the Company. No person or entity shall be required to make any payment, incur any penalty, monetary or otherwise, or purchase any services in order to have the right to obtain service directly from the Company.
- (H) To the extent that either the Company or any other telephone company exercises control over available cable pairs, conduit, duct space, raceways, or other facilities needed by the other to reach a person or entity, the party exercising such control shall make them available to the other on terms equivalent to those under which the Company makes similar facilities under its control available to its customers. At the reasonable request of either party, the Company and the other telephone company shall join the attempt to obtain from the owner of the property access for the other party to serve a person or entity.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.1 Undertaking of the Company (Cont'd)2.1.4 Liability of the Company

- (A) The liability of the Company for damages arising out of the furnishing of its Services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these services or arising out of the failure to furnish the service, whether caused by acts or omission, shall be limited to the extension of such allowances for interruption as set forth in 2.6. The extension of such allowances for interruption shall be the sole remedy of the Customer and the sole liability of the Company. The Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to Customer as a result of any Company service, equipment or facilities, or the acts or omissions or negligence of the Company's employees or agents.
- (B) The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government, or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state, or local governments, or of any civil or military authority; national emergencies; insurrections; riots; wars; unavailability of rights-of-way or materials; or strikes, lock-outs, work stoppages, or other labor difficulties.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.1 Undertaking of the Company (Cont'd)2.1.4 Liability of the Company (Cont'd)

- (C) The Company shall not be liable for any act or omission of any entity furnishing to the Company or to the Company's Customers facilities or equipment used for or with the services the Company offers.
- (D) The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer-provided equipment or facilities.
- (E) The Company does not guarantee nor make any warranty with respect to installations it provides for use in an explosive atmosphere. The Customer indemnifies and holds the Company harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location, or use of any installation so provided. The Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this section 2.1.4(E) as a condition precedent to such installations.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.1 Undertaking of the Company (Cont'd)2.1.4 Liability of the Company (Cont'd)

- (F) The Company is not liable for any defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such premises or installation or removal thereof, unless such defacement or damage is caused by negligence or willful misconduct of the Company's agents or employees.
- (G) The Company shall be indemnified, defended and held harmless by the Customer against any claim, loss or damage arising from Customer's use of services, involving claims for libel, slander, invasion of privacy, or infringement of copyright arising from the Customer's own communications.
- (H) The entire liability for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid the Company by the Customer for specific services giving rise to the claim. No action or proceeding against the Company shall be commenced more than one year after the service is rendered.
- (L) **THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.**

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.1 Undertaking of the Company (Cont'd)2.1.5 Notification of Service-Affecting Activities

The Company will provide the Customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventative maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers' services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notification requirements. With some emergency or unplanned service-affecting conditions, such as an outage resulting from cable damage, notification to the Customer may not be possible.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.1 Undertaking of the Company (Cont'd)2.1.6 Provisions of Equipment and Facilities

- (A) The Company shall use reasonable efforts to make available services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with, the regulations contained in this tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.
- (B) The Company shall use reasonable efforts to maintain only the facilities and equipment that it furnishes to the Customer. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.
- (C) The Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the Customer.
- (D) Equipment the Company provides or installs at the Customer Premises for use in connection with the services the Company offers shall not be used for any purpose other than for that which it was provided by the Company.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.1 Undertaking of the Company (Cont'd)2.1.6 Provisions Of Equipment and Facilities (Cont'd)

- (E) The Customer shall be responsible for the payment of service charges as set forth herein for visits by the Company's agents or employees to the Premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any other party than the Company, including but not limited to the Customer.
- (F) The Company shall not be responsible for the installation, operation, or maintenance of any Customer-provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Subject to this responsibility, the Company shall not be responsible for:
- 1) the transmission of signals by Customer-provided equipment or for the quality of, or defects in, such transmission; or
 - 2) the reception of signals by Customer-provided equipment.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.1 Undertaking of the Company (Cont'd)2.1.7 Non-routine Installation

At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in hazardous locations. In such cases, charges based on cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours but, at the Customer's request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.1 Undertaking of the Company (Cont'd)2.1.8 Special Construction

Subject to the agreement of the Company and to all of the regulations contained in this tariff, special construction of facilities may be undertaken on a reasonable efforts basis at the request of the Customer. Special construction is that construction undertaken:

- (A) where facilities are not presently available, and there is no other requirement for the facilities so constructed;
- (B) of a type other than that which the Company would normally utilize in the furnishing of its service;
- (C) over a route other than that which the Company would normally utilize in the furnishing of its services;
- (D) in a quantity greater than which the Company would normally construct;
- (E) on an expedited basis;
- (F) on a temporary basis until permanent facilities are available;
- (G) in advance of its normal construction.

2.1.9 Ownership of Facilities

Title to all facilities provided in accordance with this tariff remains in the Company, its agents or contractors.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.2 Prohibited Uses

- (A) The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.
- (B) The Company may require applicants for service who intend to use the Company's offerings for resale and/or for shared use to file a letter with the Company confirming that their use of the Company's offerings complies with relevant laws and Florida Public Service Commission regulations, policies, orders, and decisions.
- (C) The Company may require a Customer to immediately shut down transmission of signals if said transmission is causing interference to others.
- (D) A customer, joint user, or authorized user may not assign in any manner, the service or any rights associated with the service without the written consent of the Company. The Company will permit a Customer to transfer its existing service to another entity if the existing Customer has paid all charges owed to the Company for regulated communications services. Such a transfer will be treated as a disconnection of existing service and installation of new service, and non-recurring installation charges as stated in this will apply.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.3 Obligations of the Customer2.3.1 General

The Customer shall be responsible for:

- (A) the payment of all applicable charges pursuant to this tariff;
- (B) damage to or loss of the Company's facilities or equipment caused by the acts or omissions of the Customer; or the noncompliance by the Customer, with these regulations; or by fire or theft or other casualty on the Customer Premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company;
- (C) providing at no charge, as specified from time to time by the Company, any needed personnel, equipment space and power to operate Company facilities and equipment installed on the premises of the Customer, and the level of heating and air conditioning necessary to maintain the proper operating environment on such premises;

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.3 Obligations of the Customer (Cont'd)2.3.1 General (Cont'd)

- (D) obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduits necessary for installation of fiber optic cable and associated equipment used to provide Communication Services to the Customer from the cable building entrance or property line to the location of the equipment space described in 2.3.1(C). Any and all costs associated with obtaining and maintaining the rights-of-way described herein, including the costs of altering the structure to permit installation of the Company-provided facilities, shall be born entirely by, or may be charged by the Company to, the Customer. The Company may require the Customer to demonstrate its compliance with this section prior to accepting an order for service;
- (E) providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company's employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material (e.g. friable asbestos) prior to any construction or installation work;

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.3 Obligation of the Customer (Cont'd)2.3.1 General (Cont'd)

- (F) complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of Company facilities and equipment in any Customer premises or rights-of-way for which Customer is responsible under Section 2.3.1 (D); and granting or obtaining permission for Company agents or employees to enter the premises of the Customer at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company;
- (G) not creating, or allowing to be placed, any liens or other encumbrances on the Company's equipment or facilities; and
- (H) making Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer. No allowance will be made for the period in which service is interrupted for such purposes.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.3 Obligation2.3.2 Claim

With respect to any service or facility provided by the Company, Customers shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees for:

- (A) Any loss, destruction or damage to the property of the Company or any third party, or death or injury to persons, including, but not limited to, employees invitees of either party, to the extent caused by or resulting from negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees; or
- (B) any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from the act or omission by the Customer, including, without limitation, use of the Company's services and facilities in a manner not contemplated by the agreement between the Customer and the Company.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.4 Customer Equipment and Channels2.4.1 General

A User may transmit or receive information or signals via the facilities of the Company. The Company's services are designed primarily for the transmission of voice-grade telephonic signals, except as otherwise stated in this tariff. A User may transmit any form of signal that is compatible with the Company's equipment, but the Company does not guarantee that its services will be suitable for purposes other than voice-grade telephonic communication except as specifically stated in this tariff.

2.4.2 Station Equipment

- (A) Terminal equipment on the User's premises and the electric power consumed by such equipment shall be provided by and maintained at the expense of the User. The User is responsible for the provision of wiring or cable to connect its terminal equipment to the Company Point of Connection.
- (B) The Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.4 Customer Equipment and Channels (Cont'd)2.4.3 Interconnection of Facilities

- (A) Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing Communication Services and the Channels, facilities, or equipment of others shall be provided at the Customer's expense.
- (B) Communication Services may be connected to the services or facilities of other communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communications carriers that are applicable to such connections.
- (C) Facilities furnished under this tariff may be connected to Customer-provided terminal equipment in accordance with the provisions of this tariff. All such terminal equipment shall be registered by the Federal Communications Commission Pursuant to Part 68 of Title 47, Code of Federal Regulations; and all User-provided wiring shall be installed and maintained in compliance with those regulations.
- (D) Users may interconnect communications facilities that are used in whole or in part for interstate communication to services provided under this tariff only to the extent that the user is an "End User" as defined in Section 69.2(m), Title 47, Code of Federal Regulations (1992 edition).

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.4 Customer Equipment and Channels (Cont'd)2.4.4 Inspections

- (A) Upon suitable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with requirements set forth in Section 2.4.2(B) for the installation, operation, maintenance of Customer-provided facilities, equipment, and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment.
- (B) If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice, the Customer must take corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.5 Payment Arrangements2.5.1 Payment for Service

The Customer is responsible for the payment of all charges for facilities and services furnished by the Company to the Customer and to all Users authorized by the Customer, regardless of whether those services are used by the Customer itself or are resold to or shared with other persons.

(A) Taxes

The Customer is responsible for payment of all sales, use, gross receipts, excise, access or local, state and federal taxes, charges or surcharges (however designated) (excluding taxes on Company's net income) imposed on or based upon the provision, sale or use of Network Services.

2.5.2 Billing and Collection of Charges

- (A) Non-recurring charges are due and payable from the customer within 30 days after the invoice date, unless otherwise agreed to in advance.
- (B) The Company shall present invoices for Recurring Charges monthly to the Customer, in advance of the month in which service is provided, and Recurring Charges shall be due and payable within 30 days after the invoice date. When billing is based on customer usage, charges will be billed monthly for the preceding billing periods.
- (C) When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have 30 days.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.5 Payment Arrangements (Cont'd)2.5.2 Billing and Collection of Charges (Cont'd)

- (D) Billing of the Customer by the Company will begin on the Service Commencement Date, which is the first day following the date on which the Company notifies the Customer that the service or facility is available for use, except that the Service Commencement Date may be postponed by mutual agreement of the parties, or if the service or facility does not conform to standards set forth in this tariff or the Service Order. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.
- (E) If any portion of the payment is received by the Company after the due date, or if any portion of the payment is received by the Company in funds that are not immediately available, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the due date, multiplied by the lesser of the highest percentage allowable by the Pennsylvania Public Utilities Commission or a late factor of 1.5% per month.
- (F) The Customer will be assessed a charge of twenty-five dollars (\$25.00) for each check submitted by the Customer to the Company that a financial institution refused to honor.
- (G) Customers have up to 90 days (commencing 5 days after remittance of the bill) to initiate a dispute over charges or to receive credit.
- (H) If service is disconnected by the Company in accordance with section 2.5.5 following and later restored, restoration of service will be subject to all applicable installation charges.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.5 Payment Arrangements (Cont'd)2.5.3 Advance Payment

To safeguard its interests, the Company may require a Customer to make an advance payment before services and facilities are furnished. The advance payment will not exceed an amount equal to the non-recurring charge(s) and one month's charges for the service or facility. In addition, where special construction is involved, the advance payment may also include an amount equal to the estimated non-recurring charges for the special construction and recurring charges (if any) for a period to be set between the Company and the Customer. The advance payment will be credited to the Customer's initial bill. An advance payment may be required in addition to a deposit.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.5 Payment Arrangements (Cont'd)2.5.4 Deposits

- (A) To safeguard its interests, the Company may require a Customer to make a deposit to be held as a guarantee for the payment of charges. A deposit does not relieve the Customer of the responsibility for the prompt payment of bills on presentation. The deposit will not exceed an amount equal to:
- 1) two month's charges for a service or facility that has a minimum payment period of one month; or
 - 2) the charges that would apply for the minimum payment period for a service or facility that has a minimum payment period of more than one month; except that the deposit may include an additional amount in the event that a termination charge is applicable.
- (B) A deposit may be required in addition to an advance payment.
- (C) When service or facility is discontinued, the amount of a deposit, if any, will be applied to the Customer's account and any credit balance remaining will be refunded. Before the service or facility is discontinued, the Company may, at its option, return the deposit or credit it to the Customer's account.
- (D) Deposits held will accrue interest at a rate determined by the Company without deductions for any taxes on such deposits. Interest will not accrue on any deposit after the date on which reasonable effort has been made to return it to the Customer.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.5 Payment Arrangements (Cont'd)2.5.5 Discontinuance of Service

- (A) Upon nonpayment of any amounts owing to the Company, the Company may, be giving 24 hours prior written notice to the Customer, discontinue or suspend service without liability.
- (B) Upon violation of any of the other material terms or conditions for furnishing service, the Company may, by giving 30 days' prior notice in writing to the Customer, discontinue or suspend service without incurring liability if such violation continues during that period.
- (C) Upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.5 Payment Arrangements (Cont'd)2.5.5 Discontinuance of Service (Cont'd)

- (D) Upon the Customer's insolvency, assignment for the benefit of creditors, filing for bankruptcy or reorganization, or failing to discharge an involuntary petition within the time permitted by law, the Company may immediately discontinue or suspend service without incurring any liability.
- (E) Upon any governmental prohibition or required alteration of the services to be provided or any violation of an applicable law or regulation, the Company may immediately discontinue service without incurring any liability.
- (F) In the event of fraudulent use of the Company's network, the Company will discontinue service without notice and/or seek legal recourse to recover all costs involved in enforcement of this provision.
- (G) Upon the Company's discontinuance of service to the Customer under Section 2.5.5(A) or 2.5.5(B), the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff, may declare all future monthly and other charges that would have been payable by the Customer during the remainder of the term for which such service would have otherwise been provided to the Customer to be immediately due and payable (discounted to present value at six percent).

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.5 Payment Arrangements (Cont'd)2.5.6 Cancellation of Application for Service

- (A) Applications for service cannot be canceled without the Company's agreement. Where the Company permits a Customer to cancel an application for service prior to the start of service or prior to any special construction, no charges will be imposed except for those specified below.
- (B) Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs incurred by the Company, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of services ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service commenced (all discounted to present value at six percent).
- (C) Where the Company incurs any expense in connection with special construction, or where special arrangements of facilities or equipment have begun, before the Company receives a cancellation notice, a charge equal to the costs incurred by the Company, less net salvage, applies. In such cases, the charge will be based on such elements as the cost of the equipment, facilities, and material, the cost of installation, engineering, labor, and supervision, general, and administrative expense, other disbursements, depreciation, maintenance, taxes, provision for return on investment, and any other costs associated with the special construction or arrangements.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.5 Payment Arrangements (Cont'd)2.5.6 Cancellation of Application for Service (Cont'd)

(D) The special charges described in 2.5.6(A) through 2.5.6(C) will be calculated and applied on a case-by-case basis.

2.5.7 Changes in Service Requested

If the Customer makes or requests material changes in circuit engineering, equipment specifications, service parameters, premises locations, or otherwise materially modifies any provision of the application for service, the Customer's installation fee shall be adjusted accordingly.

2.6 Allowance for Interruption in Service

Interruption in service that is not due to the negligence of, or noncompliance with the provisions of this tariff by, the Customer, will be credited to the Customer as set forth in 2.6.1 for the part of the service that the interruption affects.

2.6.1 Credit for Interruptions

(A) A credit allowance will be made when an interruption occurs because of a failure of any component furnished by the Company under this tariff. An interruption period begins when the Customer reports a service, facility or circuit to be interrupted and releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.6 Allowances for Interruption of Service (Cont'd)2.6.1 Credit for Interruptions (Cont'd)

- (B) For calculating credit allowances, every month is considered to have 30 days. A credit allowance for fixed recurring fees only is applied on a pro rata basis against the rates specified hereunder and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive credit.
- (C) A credit allowance will be given for interruption of 30 minutes or more. Credit allowances shall be calculated as follows:

Interruptions of 24 Hours or Less

<u>Length of Interruption</u>	<u>Interruption Period To Be Credited</u>
Less than 30 Minutes	None
30 minutes up to but not including 3 hours	1/10 Day
3 hours up to but not including 6 hours	1/5 Day
6 hours up to but not including 9 hours	2/5 Day
9 hours up to but not including 12 hours	3/5 Day
12 hours up to but not including 15 hours	4/5 Day.
15 hours up to but not including 24 hours	One Day

Two or more interruptions of 15 minutes or more during any one 24-hour period shall be considered as one interruption.

 Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.6 Allowance for Interruption in Service (Cont'd)2.6.1 Credit for Interruptions (Cont'd)C) (Cont'd)

Two or more interruptions of 15 minutes or more during any one 24-hour period shall be considered as one interruption.

Over 24 Hours Less Than 72 Hours. Interruptions over 24 hours and less than 72 hours will be credited 1/5 day for each 3-hour period or fraction thereof. No more than one full day's credit will be allowed for any period of 24 hours.

Interruptions Over 72 Hours. Interruptions over 72 hours will be credited 2 days for each full 24-hour period. No more than 30 days' credit will be allowed for any one month period.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.6 Allowance for Interruption in Service (Cont'd)2.6.2 Limitation on Allowances

No credit will be made for:

- (A) interruption due to the negligence of, or noncompliance with the provisions of this tariff by, the Customer, authorized user, joint user, or other common carrier providing service connected to the service of the Company;
- (B) interruption due to the negligence of any person other than the Company, including but not limited to the Customer or other common carriers connected to the Company's facilities;
- (C) interruptions due to the failure or malfunction of non-Company equipment;
- (D) interruptions of service during any period in which the Company is not given full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions;
- (E) interruptions of service during a period in which the Customer continues to use the service on an impaired basis;
- (F) interruptions of service during any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements; and
- (G) interruption of service due to circumstances or causes beyond the control of the Company.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.6 Allowances for Interruptions in Service (Cont'd)2.6.3 Cancellation For Service Interruption

Cancellation or termination for service interruption is permitted only if any circuit experiences a single continuous outage of 8 hours or more or cumulative service credits equaling 16 hours in a continuous 12-month period. The right to cancel service under this provision applies only to the single credit that has been subject to the outage or cumulative service credits.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.7 Use of Customer's Service by Others2.7.1 Resale and Sharing

Any service provided under this tariff may be resold to or shared with other persons at the option of the Customer, subject to compliance with any applicable laws or Florida Public Service Commission regulations governing such resale or sharing. The Customer remains solely responsible for all use of service ordered by it or billed to its telephone number(s) pursuant to this tariff, for determining who is authorized to use its services, and for notifying the Company of any unauthorized use.

2.7.2 Joint Use Arrangements

Joint use arrangements will be permitted for all services provided under this tariff. From each joint use arrangement, one member will be designated as the Customer responsible for the manner in which the joint use of the service will be allocated. The Company will accept orders to start, rearrange, relocate, or discontinue service only from the designated Customer. Without affecting the Customer's ultimate responsibility for payment of all charges for the service, each joint user shall be responsible for the payment of the charges billed to it.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.8 Cancellation of Service

If a Customer cancels a Service Order or terminates service before the completion of the term for any reason whatsoever other than a service interruption (as defined in Section 2.6.1 above), the Customer agrees to pay to the Company termination liability charges, as defined below. These charges shall become due and owing as of the effective date of the cancellation or termination and be payable within the period, set forth in Section 2.5.2.

The Customer's termination liability for cancellation of service shall be equal to:

- (A) all unpaid Non-recurring charges reasonably expended by the Company to establish service to the Customer; plus
- (B) any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by the Company on behalf of the Customer; plus
- (C) all Recurring Charges specified in the applicable Service Order Tariff for the balance of the then current term discounted at the prime rate announced in the Wall Street Journal on the third business day following the date of cancellations; minus
- (D) a reasonable allowance for costs avoided by the Company as a direct result of the Customer's cancellation.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.9 Transfers and Assignments

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company without the written consent of the other party, except that the Company may assign its rights and duties:

- (A) to any subsidiary, parent company or affiliate of the Company; or
- (B) pursuant to any sale or transfer of substantially all the assets of the Company; or
- (C) pursuant to any financing, merger or reorganization of the Company.

2.10 Notices and Communications

- (A) The Customer shall designate on the Service Order an address to which the Company shall mail or deliver all notices and other communications, except that the Customer may also designate a separate address to which the Company's bills for service shall be mailed.
- (B) The Company shall designate on the Service Order an address to which the Customer shall mail or deliver all notices and other communications, except that Company may designate a separate address on each bill for service to which the Customer shall mail payment on that bill.
- (C) All notices or other communications required to be given pursuant to this tariff will be in writing. Notices and other Communications of either party, and all bills mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following placement of the notice, communication or bill with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.10 Notices and Communications (Cont'd)

- (D) The Company or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by the following procedures for giving notice set forth herein.

2.11 Operator Services Rules

- (A) The Company will enforce the following operator service rules.

A provider of intrastate operator assisted communications services must:

- 1) identify itself at the time the end-user accesses its services;
 - 2) upon request, quote all rates and charges for its services to the end-user accessing its system;
 - 3) arrange to have posted in plain view at each telephone location which automatically accesses the operator service provider's network and where its services are made available to the public or transient end-users:
 - (a) the operator service provider's name and address;
 - (b) bill and service dispute calling information including the operator service provider's dispute resolution phone number.
 - (c) clear and specific instructions informing the end-user how to access a local exchange telephone company operator as an alternative available to the end-user; and
 - (d) notice concerning any and all amounts to be billed by the operator services provider on behalf of any host location or third party that will appear on the operator service provider's bill for services rendered.
-

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

REGULATIONS2.11 Operator Services Rules (Cont'd)(A) (Cont'd)

- 4) in instances when the provider is unable to complete the call and it requires transfer to another telephone corporation that may affect the rates and charges applicable to the telephone bill, inform the caller of the transfer and its possible effect on the applicable rates and charges, before any charges are incurred; and
- 5) in the case of such transfer, the telephone corporation or provider to which the call is transferred shall identify itself and inform the caller of the transfer's effect on the applicable rates and charges, before any charges are incurred.

(B) The Company will comply with the following provisions:

- 1) Providers of intrastate operator assisted communications services shall not take any, action or enter into any arrangement that restricts end-user selection among competing interexchange telephone corporations or end-users access to competing providers of intrastate operator assisted communications services, or pay any commissions or other compensation to any entity engaged in such action or arrangement.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

APPLICATION OF RATES

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

APPLICATION OF RATES3.1 Introduction

The regulations set forth in this section govern the application of rates for services contained in other sections of this tariff.

3.2 Charges Based on Duration of Use

Where charges for a service are specified based on the duration of use, such as the duration of a telephone call, the following rules apply:

- (A) Calls are measured in durational increments identified for each service. All calls that are fractions of a measurement increment are rounded-up next to the whole unit.
- (B) Timing on completed calls begins when the call is answered by the called party. Answering is determined by hardware answer supervision in all cases where this signaling is provided by the terminating local carrier and any intermediate carrier(s). Timing for operator service person-to-person calls start with completion of the connection to the person called or an acceptable substitute, or to the PBX station called.
- (C) Timing terminates on all calls when the calling party hangs up or the Company's network receives an off-hook signal from the terminating carrier.
- (D) Calls originating in one time period and terminating in another will be billed in proportion to the rates in effect during different segments of the call.
- (E) All times refer to local time.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

APPLICATION OF RATES3.2 Rates Based Upon Distance

Where charges for service are based upon distance, the following rules:

- (A) Distance between two points is measured as airline distance between the rate centers of the originating and terminating telephone lines. The rate center is a set of geographic coordinates, as referenced in the Local Exchange Routing Guide issued by Bellcore, associated with each NPA-NXX combination (where NPA is the area code and NXX is the first three digits of a seven-digit telephone number). Where there is no telephone number associated with an access line on the Company's network (such as a dedicated 800 or WATS access line), the Company will apply the rate center of the Customer's main billing telephone number.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

APPLICATION OF RATES3.3 Rates Based Upon Distance (Cont'd)

(B) The airline distance between any two rate centers is determined as follows:

- 1) Obtain the "V" (vertical) and "H" (horizontal) coordinates for each rate center from the Bellcore Local Exchange Routing guide referenced in Section 3.3(A).
- 2) Compute the difference between the "V" coordinates of the two rate centers; and the difference between the two "H" coordinates.
- 3) Square each difference obtained in step (2) above.
- 4) Add the square of the "V" difference and the square of the "H" difference obtained in the step (3) above.
- 5) Divide the sum of the squares by 10. Round to the next higher whole number if any fraction is obtained.
- 6) Obtain the square root of the whole number result obtained above. Round to the next higher whole number if any fraction is obtained. This is the airline mileage.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

SERVICE AREAS

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

SERVICE AREAS4.1 Exchange Access Service Areas

Exchange Access Service Areas (EASA) are provided (pursuant to Section 5.1) in limited geographic areas. Exchange Access Services bearing the following NPA-NXX designations are provided in the following areas:

<u>NPA-NXX</u>	<u>Geographic Areas In Which Full Service is Available</u>
----------------	--

Exchange Access NPA-NXXs and Boundaries Are To Be Determined.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

EXCHANGE ACCESS SERVICE

Issued :

Effective:

Issued By:

Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

EXCHANGE ACCESS SERVICE5.1 General

Exchange Access Service provides a Customer with a telephonic connection to, and a unique telephone number address on the public switched telecommunications network. Each Exchange Access Service enables users to:

- (A) receive calls from other stations on the public switched telecommunications network;
- (B) access other services offered by the Company as set forth in this tariff;
- (C) access certain interstate and international calling services provided by the Company;
- (D) access (at no additional charge) the Company's operators and business office for service related assistance;
- (E) access (at no additional charge) emergency services by dialing 0- or 9-1-1; and
- (F) access services provided by other common carriers that purchase the Company's Switched Access services as provided under the Company's Federal and State tariffs, or that maintain other types of traffic exchange arrangements with the Company.

Each Exchange Access Service is available on a "full" service basis, whereby service is delivered to a demarcation/connection block at the customer's premises.

The following Exchange Access Services are offered:

Basic Line Service
Key Line Service
Basic Trunk Service
DID Trunk Service
Digital Trunk Service
Centrex Service

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

EXCHANGE ACCESS SERVICE5.2 Basic Line Service

Basic Line Service provides a Customer with a single, voice-grade telephonic communications channel that can be used to place or receive one call at a time. Basic Lines are provided for connection of Customer-provided single station sets or facsimile machines to the public switched telecommunications network. Each Basic Line may be configured into a hunt group with other Company-provided Basic Lines. Each Basic Line is provided with the following standard features which can be deleted at the Customer's option:

Touch Tone
Call Waiting
Call Forwarding
Three-Way Conference Calling

Non-recurring and monthly recurring rates per Basic Line apply as follows:

	<u>Non-Recurring</u>	<u>Monthly Recurring</u>
Basic Local Exchange Service -Each Line	\$X.XX	\$X.XX
Expanded Local Exchange Service -Each Line	\$X.XX	\$X.XX

 Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

EXCHANGE ACCESS SERVICE5.3 Key Line Service

Key Line Service provides a Customer with a single, voice-grade telephonic communications channel that can be used to place one call at a time. Key Lines are provided for connection of the Customer-provided key systems to the public switched telecommunications network. Each Key Line is provided with the following features which can be deleted at the Customer's option:

Touch Tone
Call Waiting
Call Forwarding
Three-Way Conference Calling
Extension Dialing
Call Hunting

Non-recurring and monthly recurring rates per Key Line apply as follows:

	<u>Non-Recurring</u>	<u>Monthly Recurring</u>
Basic Local Exchange Service -Each Line	\$X.XX	\$X.XX
Expanded Local Exchange Service -Each Line	\$X.XX	\$X.XX

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

EXCHANGE ACCESS SERVICE

5.4 Basic Trunk Service

Basic Trunk Service provides a Customer with a single, voice-grade telephonic communications channel that can be used to place or receive one call at a time. Basic Trunks are provided for the connection of Customer provided private branch exchanges (PBX) to the public switched telecommunications network. Each Basic Trunk is provided with touch tone signalling and may be configured into a hunt group with other Company-provided Basic Trunks.

Basic Trunks may be equipped with Analog Direct Dial (DID) capability and DID number blocks for additional charges, as set forth in Section 5.5 and 5.6.

	<u>Non-Recurring</u>	<u>Monthly Recurring</u>
Basic Local Exchange Service -Per Trunk	\$X.XX	\$X.XX
Expanded Local Exchange Service -Per Trunk	\$X.XX	\$X.XX

 Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

EXCHANGE ACCESS SERVICE5.5 DID Trunk Service

DID Trunk Service provides a Customer with a single, voice-grade telephonic communications channel that can be used to receive incoming calls one call at a time. DID Trunk Service transmits the dialed digits for all incoming calls allowing the Customer's PBX to route incoming calls directly to individual stations corresponding to each individual DID number. Charges for DID blocks apply in addition to the DID Trunk charges listed below.

Non-recurring and monthly recurring rates per DID Trunk, apply as follows:

	<u>Non-Recurring</u>	<u>Monthly Recurring</u>
Basic Local Exchange Service -Each Line	\$X.XX	\$X.XX
Expanded Local Exchange Service -Each Line	\$X.XX	\$X.XX

 Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

EXCHANGE ACCESS SERVICE5.6 Digital Trunk Service

Digital Trunk Service provides a Customer with a digital connection at 1.544 Mbps that is time division multiplexed into 24 individual voice-grade telephonic communications channels, each of which can be used to place or receive one call at a time. Digital Trunks are provided for connection of compatible Customer-provided private branch exchanges (PBX) to the public switched telecommunications network. Each Digital Trunk is provided with dual tone multi-frequency (DTMF) or multi-frequency (MF) signalling, as specified by the Customer. Digital Trunks may be configured into hunt groups with other Company-provided Digital Trunks. The terminal interface for each Digital Trunk Service is a DSX-1 panel.

Non-recurring and monthly recurring rates per Digital Trunk per point, apply as follows:

	<u>Non-Recurring</u>	<u>Monthly Recurring</u>
Per Trunk	\$X.XX	\$X.XX

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

EXCHANGE ACCESS SERVICE5.7 Centrex Service

Centrex Service provides the Customer with multiple individual voice-grade telephone communications channels, each of which can be used to place or receive one call at a time. Centrex Station Lines are provided for connection of Centrex-compatible Customer-provided station sets to the public switched telecommunications network. Centrex Service standard and optional features are described in Section 1 of this tariff. Centrex Service is provided with a minimum of five Centrex Station Lines. Each Centrex Station Line is provided in combination with other Company-provided services. Centrex Services are offered as Centrex Basic and Centrex Select.

5.7.1 Centrex Basic

The standard features are as follows:

Touch Tone
Call Transfer
Call Hold
Three-Way Conference Calling

*Some features may not be available in all locations.

5.7.2 Centrex Select

The standard features are as follows

Touch Tone	Call Forward/Variable
Call Transfer	System Speed Dial
Call Hold	Call Pick-up
Three-Way Conferencing	Call Hunting
Call Forwarding/Busy	Call Waiting
Call Forward/Don't Answer	

*Some features may not be available in all locations. Additional non-recurring and monthly recurring Centrex Service charges are listed in Section 5.7.5.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

EXCHANGE ACCESS SERVICE5.7 Centrex Service (Cont'd)5.7.3 Station Line Charges

The Centrex Station Lines are charged on a monthly recurring and non-recurring basis.

	<u>Non-Recurring</u>	<u>Monthly Recurring</u>
Centrex Basic		
-Per Station Line	\$X.XX	\$X.XX
Centrex Select		
-Per Station Line	\$X.XX	\$X.XX

5.7.4 Usage Charges(A) Local Service Rates

Refer to the Rate Schedule located in Section 8.

(B) IntraLATA Rates

Refer to the Rate Schedule located in Section 9.3.

 Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

EXCHANGE ACCESS SERVICE5.7 Centrex Service (Cont'd)5.7.5 Rate Elements

The following Rate Elements are in addition to the standard features located in Section 5.7.1 and 5.7.2. These rates are applied on a non-recurring and monthly recurring basis.

	<u>Rate</u>
Number Retention	
- Per Number	
Recurring	\$X.XX
Non-Recurring	\$X.XX
Order Processing Charge	
- Per Order	
Non-Recurring	\$X.XX
Additional Directory	
- Per Listing	
Recurring	\$X.XX
Remote Call Forwarding	
- Per Path	
Recurring	\$X.XX
Account Codes	
- Per Line	
Recurring	\$X.XX

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

EXCHANGE ACCESS SERVICE5.7 Centrex Service (Cont'd)5.7.5 Rate Elements (Cont'd)

	<u>Rate</u>
Service Establishment Charge	
-Per Order	
Non-Recurring	\$X.XX
Vanity Number	
-Per Number	
Recurring	\$X.XX
Vanity Number Retention	
-Per Number	
Recurring	\$X.XX
Non-Recurring	\$X.XX

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

EXCHANGE ACCESS OPTIONAL FEATURES

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

EXCHANGE ACCESS OPTIONAL FEATURES6.1 Directory Listings

For each Customer of Company-provided Exchange Access Service(s), the Company shall arrange for the listing of the Customer's main billing telephone number² in the directory(ies) published by the dominant Local Exchange Carrier in the area at no additional charge. At a Customer's option, the Company will arrange for additional listings at the following rates:

	<u>Non-Recurring</u>	<u>Monthly Recurring</u>
Each Additional Listing:	N/A	\$X.XX

² For Customers with multiple premises served by the Company, the Company will arrange for a listing of the main billing telephone number at each premise.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

EXCHANGE ACCESS OPTIONAL FEATURES6.2 Direct Inward Dial (DID) Service

DID service is an option feature which can be purchased in conjunction with Company-provided Basic Trunks or Digital Trunks. DID service transmits the dialed digits for all incoming calls allowing the Customer's PBX to route incoming calls directly to individual stations corresponding to each individual DID number. Charges for DID capability and DID number blocks apply in addition to charges specified for Basic Trunks or Digital Trunks in Sections 5.2, 5.4 and 5.6, respectively.

One DID Additive charge applies for each DID-equipped Basic Trunk or DID-equipped channel on a Digital Trunk. The Customer is required to purchase at least one DID number block for each DID-equipped trunk or trunk group, or DID-equipped channel or channel group.³

	<u>Non-Recurring</u>	<u>Monthly Recurring</u>
DID Additive	\$X.XX	\$X.XX
Block of 20 DID numbers	\$X.XX	\$X.XX

³ A "group" is a set of Basic Trunks or Digital Trunk channels which have been configured into a hunt group.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

EXCHANGE ACCESS OPTIONAL FEATURES6.3 Main Number Retention6.3.1 Description

Main Number Retention is an optional feature by which a new Customer, who was formally a customer of another certified local exchange carrier at the same premises location, may retain its main telephone numbers and main fax numbers for use with the Company-provided Exchange Access Services. Main Number Retention service is only available in areas where the Company maintains some form of number retention arrangement with the Customer's former local exchange carrier.

Monthly recurring and non-recurring charges apply per retained number. Rates for retained numbers may vary from area to area.

6.3.2 Rates

	<u>Non-Recurring</u>	<u>Monthly Recurring</u>
Per retained number	\$X.XX	\$X.XX
Per retained vanity number	\$X.XX	\$X.XX

 Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

EXCHANGE ACCESS OPTIONAL FEATURES6.4 Accounting Codes

Accounting Codes provide customers with a means of restricting calls or itemizing calls, according to specific digits that must be dialed at the end of a long distance telephone number. The length of Accounting Codes may vary from 2 to 6 digits, however, the length must be consistent for each customer location.

Offered are packages of codes that are verified against a specific list of valid numbers, for call restriction, or unverified packages of 2-6 digits in length for cataloging by code the calls made.

<u>Charge Per</u> <u>Customer Location</u>	<u>Monthly</u> <u>Recurring</u>	<u>Non-</u> <u>Recurring</u>
Verified Packages	\$XX.XX	\$XX.XX
Unverified Packages	\$X.XX	\$XX.XX

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

EXCHANGE ACCESS OPTIONAL FEATURES6.5 Authorization Codes

This option restricts calls from being made unless the correct accounting code is entered. Only customer specified codes will be accepted. The customer then may use these codes to track calling for cost analysis and bill-back purposes.

<u>Non-Recurring</u>	<u>Monthly Recurring</u>
\$X.XX	\$X.XX

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

EXCHANGE ACCESS OPTIONAL FEATURES6.6 Vanity Number Service6.6.1 Description

Vanity Number Service is an optional feature by which a new Customer may request a specific or unique telephone and fax number for use with the Company provided Exchange Access Services. This service provides for the assignment of a customer requested telephone number other than the next available number from the assignment control list.

Vanity Number Service is furnished subject to the availability of facilities and the requirements of Exchange Access Service as defined by the Company. The Company reserves all rights to the Vanity Numbers assigned to the Customers and may, therefore, change them if required.

Monthly recurring charges apply per Vanity number

6.6.2 Rates

	<u>Non-Recurring</u>	<u>Monthly Recurring</u>
Per Vanity Number	\$X.XX	\$X.XX

 Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

RESOLD LOCAL EXCHANGE SERVICE

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

RESOLD LOCAL EXCHANGE SERVICE7.1 Description

Resold Local Exchange Service is composed of the resale of exchange access lines and local calling provided by other certified Local Exchange Carriers, in combination with Company-provided usage services, miscellaneous services or interstate/international services.

7.2 Rates

The following rates apply for Resold Local Exchange Services:

	<u>Non-Recurring</u>	<u>Monthly Recurring</u>
Resold Basic Lines	\$X.XX	\$X.XX
Resold Basic Trunks	\$X.XX	\$X.XX
Resold Local Usage		
first 3 minutes	\$X.XX	\$X.XX
ea. add'l min.	\$X.XX	\$X.XX
Retained Numbers	\$X.XX	\$X.XX

Resold features associated with resold local exchange service will be priced according to the rates established for such features in the underlying carrier's effective intrastate tariffs.

 Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

LOCAL CALLING SERVICE

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

LOCAL CALLING SERVICE8.1 Description

Local Calling Service provides a Customer with the ability to originate calls from a Company-provided access line to all other stations on the public switched telephone network⁴ bearing the designation of any central office exchanges, areas, and zones included in the Customer's local calling area.

8.1.1. Basic Local Exchange Service- This calling service allows the Customer unlimited access to all other stations on the public switched telephone network within the customer's Basic Local Calling Area but within the same state and LATA will be charged the IntraLATA rates as specified in Section 9.3 following.

8.1.2. Expanded Local Exchange Service- This calling service allows the Customer limited access to all other stations on the public switched telephone network within the Customer's Basic Local Calling Area. Additional calls to the Basic Local Calling Area will be charged as specified in Section 8.2.1(A) following. All calls to the Expanded Local Calling Area will be charged a per call setup and per minute access charge as specified in Section 8.2.1(B) following. All Calls to destinations outside the Expanded Local Calling Area but within the same state and LATA will be charged the IntraLATA rates as specified in Section 9.3 following.

⁴ Except calls to other telephone companies' caller paid information services (e.g. NPA 900, NXX 976, etc.). Calls to those numbers and other numbers used for caller-paid information services will be blocked by the Company's centralized switching facility.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

LOCAL CALLING SERVICE8.2 Rates

The rates set forth in this section apply to all direct dialed local calls. For operator-assisted local calls, the operator charges listed in Section 12.1.2 apply in addition to the charges listed below.

- 8.2.1. Usage Charges - Per minute charges apply for each call. Timing is in whole minute increments, with a minimum charge of one minute per call.

(A) Monthly Message Allowance

<u>Type of Service</u>	<u>Basic Calling Area</u>	<u>Extended Calling Area</u>
Basic Local Exchange Service	TBD	TBD ⁵
Expanded Local Exchange Service	TBD	TBD

*Additional message charge of \$0.12 for each message over monthly allowance.

- (B) Expanded Calling Area - The following usage charges apply to points in the Customer's Expanded Calling Area.

<u>MILEAGE</u>	<u>SETUP PER CALL</u>	<u>PEAK</u>	<u>OFF-PEAK</u>
0 - 10	\$X.XX	\$X.XX	\$X.XX
11 - 22	\$X.XX	\$X.XX	\$X.XX
23 - 40	\$X.XX	\$X.XX	\$X.XX
41 +	\$X.XX	\$X.XX	\$X.XX

⁵ Customers of Basic Local Exchange Service are billed IntraLATA rates for calls to destinations within the state and LATA but outside the Basic Local Calling Area.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

INTRALATA CALLING SERVICE

Issued :

Effective:

Issued By:

Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

INTRALATA CALLING SERVICE9.1 Description

IntraLATA calling service provides a Customer with the ability to originate calls from a Company-provided access line to all other stations on the public switched telephone network⁶ bearing the designation of any central office exchanges, areas, and zones outside of the Customer's Basic Calling Area but within the same state and LATA.

9.2 Time Periods

Day, Evening and Night/Weekend rate periods are shown below. On holidays, Evening rates will apply unless a lower rate will normally apply.

<u>Rates</u>	<u>From</u>	<u>To But Not Including</u>	<u>Days Applicable</u>	<u>Discount Applicable</u>
Day	8:00 A.M.	12:00 P.M.	Mon.-Fri.	0%
	1:00 P.M.	5:00 P.M.	Mon.-Fri.	0%
Evening	5:00 P.M.	11:00 P.M.	Mon.-Fri.	25%
Night/Weekend		All other times		50%

Holidays include New Year's Day (January 1), Independence Day (July 4), Labor Day (the first Monday in September), Thanksgiving Day (the fourth Thursday in November), and Christmas Day (December 25).

⁶ Except calls to other telephone companies' caller paid information services (e.g. NPA 900, NXX 976, etc.). Calls to those numbers and other numbers used for caller-paid information services will be blocked by the Company's centralized switching facility.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

INTRALATA CALLING SERVICE9.3 Rates

<u>MILEAGE</u>	<u>FIRST MINUTE</u>	<u>ADDITIONAL MINUTE</u>
0-10	\$X.XX	\$X.XX
11-16	\$X.XX	\$X.XX
17-22	\$X.XX	\$X.XX
23-30	\$X.XX	\$X.XX
31-40	\$X.XX	\$X.XX
41-55	\$X.XX	\$X.XX
56-70	\$X.XX	\$X.XX
71+	\$X.XX	\$X.XX

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

MISCELLANEOUS SERVICES

Issued :

Effective:

Issued By:

Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

MISCELLANEOUS SERVICES10.1 Operator Services10.1.1 Description

Operator Handled Calling Services are provided to Customers and Users of Company-provided Exchange Access Services, and to Customers and Users of exchange access lines. .

10.1.2 Definitions

Person-to-Person: Calls completed with the assistance of a Company operator to a particular person, station, department, or PBX extension specified by the calling party. Charges may be billed to the Customer's commercial credit card/and or LEC calling card, calling station, called station, or a designated third-party station. Calls may be dialed with or without the assistance of a Company operator.

Station-to-Station: Refers to calls other than person-to-person calls billed to either the end user's commercial credit card and/or nonproprietary calling card. Calls may be dialed with or without the assistance of a Company operator. Collect calls to coin telephones and transfers of charges to third telephones which are coin telephones will not be accepted.

Operator Dialed Charge: The end user places the call without dialing the destination number, although the capability to do it himself exists. The end user will dial "0" for local calls and "00" for long distance calls and then request the operator to dial the called station.

Billed to Non-proprietary Calling Card: Refers to calls that are dialed by the customer in accordance with standard dialing instructions and billed to a non-proprietary calling card issued by another carrier.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

MISCELLANEOUS SERVICES10.1 Operator Services (Cont'd)10.1.3 Rates

Local exchange and IntraLATA calls may be placed on an Operator Assisted basis. Usage charges for Operator Assisted Calls are the same as those set forth in Section 8 and 9, preceding. For Operator Assisted calls to Busy Line Verification and Interrupt, or Directory Assistance, the surcharges specified in Section 11.2.3 and Section 11.1.3 will apply in addition to any applicable Operator charges.

In addition to the usage charges identified above, the following operator-assisted charges will apply:

<u>Per Call Charges</u>	<u>IntraLATA</u>	<u>InterLATA</u>
Person-to-Person (Customer Dialed)	\$X.XX	\$X.XX
Station-to-Station (Customer Dialed)	\$X.XX	\$X.XX
Operator Dialed Charge (applies in addition to other operator charges)	\$X.XX	\$X.XX
Billed to Non-Proprietary Calling Card (additional surcharge)	\$X.XX	\$X.XX
Directory Assistance	\$X.XX	\$X.XX

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

MISCELLANEOUS SERVICES10.2 Busy Line Verify and Line Interrupt Service10.2.1 Description

Upon request of a calling party the Company will verify a busy condition on a called line.

- (A) The operator will determine if the line is clear or in use and report to the calling party.
- (B) The operator will interrupt the call on the called line only if the calling party indicates an emergency and requests interruption.

10.2.2 Regulations

(A) A charge will apply when:

- 1) The operator verifies that the line is busy with a call in progress.
- 2) The operator verifies that the line is available for incoming calls.
- 3) The operator verifies that the called number is busy with a call in progress and the customer requests interruption. The operator will then interrupt the call, advising the called party the name of the calling party. One charge will apply for both verification and interruption.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

MISCELLANEOUS SERVICES10.2 Busy Line and Line Verification Interrupt Service (Cont'd)10.2.2 Regulations (Cont'd)

(B) No charge will apply:

- 1) When the calling party advises that the call is to or from an official public emergency agency.
- 2) Under conditions other than those specified in 11.2.2(A) preceding

(C) Busy Line Verification and Interrupt Service is furnished where and to the extent that facilities permit.

(D) The Customer shall identify and hold the Company harmless against all claims that may arise from either party to the interrupted call or person.

10.2.3 Rates

Busy Line Verify Service (each request)	\$).XX
Busy Line Verify and Busy Line Interrupt Service (each request)	\$X.XX

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

MISCELLANEOUS SERVICES10.5 Service Implementation10.5.1 Description

Absent a promotional offering, service implementation charges will apply to new service orders or to orders to change existing service.

10.5.2 RatesNon-Recurring

per service order \$X.XX

10.6 Restoration of Service10.6.1 Description

A restoration charge applies to the re-establishment of service and facilities suspended because of non-payment of bills and is payable at the time that the re-establishment of the service and facilities suspended is arranged for. The restoration charge does not apply when, after disconnection of service, service is later re-established.

10.6.2 RatesNon-Recurring

per occasion \$X.XX

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

SPECIAL ARRANGEMENTS

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

SPECIAL ARRANGEMENTS11.1 Special Construction11.1.1 Basis For Charges

Where the Company furnishes a facility or service for which a rate or charge is not specified in the Company's tariffs, charges will be based on the costs incurred by the Company.

11.1.2 Termination Liability

To the extent that there is no other requirement for use by the Company, a termination liability may apply for facilities specially constructed at the request of the customer.

- (A) The termination liability period is the estimated service life of the facilities provided.
- (B) The amount of the maximum termination liability is equal to the estimated amounts for:
 - 1) Cost installed of the facilities provided including estimated costs for rearrangements of existing facilities and/or construction of new facilities as appropriate, less net salvage. Cost installed includes the cost of:
 - (a) equipment and materials provided or used,
 - (b) engineering, labor and supervision,
 - (c) transportation, and
 - (d) rights-of-way;
 - 2) license preparation, processing, and related fees;

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

SPECIAL ARRANGEMENTS11.1 Special Construction (Cont'd)11.1.2 Termination Liability (Cont'd)(B) (Cont'd)

- 3) tariff preparation, processing, and related fees;
- 4) cost of removal and restoration, where appropriate; and
- 5) any other identifiable costs related to the specially constructed or rearranged facilities.

- (C) The applicable termination liability method for calculating the unpaid balance of a term obligation. The amount of such charge is obtained by multiplying the sum of the amounts determined as set forth in Section 13.1.3(B) preceding by a factor related to the unexpired period of liability and the discount rate for return and contingencies. The amount determined in section 13.1.3(B) preceding shall be adjusted to reflect the redetermined estimate net salvage, including any reuse of the facilities provided. This product is adjusted to reflect applicable taxes.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

SPECIAL ARRANGEMENTS11.2 Individual Case Basis (ICB) Arrangements

Arrangements will be developed on a case-by-case basis in response to a bona fide request from a Customer or prospective Customer to develop a competitive bid for a service offered under this tariff. Rates quoted in response to such competitive requests may be different than those specified for such services in this tariff. ICB rates will be offered to the Customer in writing and on a nondiscriminatory basis.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956

SPECIAL ARRANGEMENTS11.3 Temporary Promotional Programs

The Company may establish temporary promotional programs wherein it may waive or reduce non-recurring or recurring charges, to introduce present or potential Customers to a service not previously received by the Customers.

Issued :

Effective:

Issued By: Stephen Steiner
Treasurer
LDM Systems Inc.
254 South Main Street
New City, New York 10956