DEPOSIT

DATE

** FLORIDA PUBLIC SERVICE COMMISES 44 -

JUN 0 9 1997

DIVISION OF COMMUNICATIONS
BUREAU OF SERVICE EVALUATION
101 E. Gaines Street
Fletcher Building
Tallahassee, Florida 32399-0866

910692-TE

APPLICATION FORM

for

AUTHORITY TO PROVIDE INTEREXHANGE TELECOMMUNICATIONS SERVICE
WITHIN THE STATE OF FLORIDA

Instructions

- A. This form is used for an original application for a certificate and for approval of sale, assignment or transfer of an existing certificate. In case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or transferee (See Appendix A).
- B. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.
- C. Use a separate sheet for each answer which will not fit the allotted space.
- D. If you have questions about completing the form, contact:

Florida Public Service Commission Division of Communications Bureau of Service Evaluation 101 East Gaines Street Tallahassee, Florida 32399-0866 (904) 488-1280

E. Once completed, submit the original and twelve (12) copies of this form along with a non-refundable application fee of \$ 250.00 to:

> Florida Public Service Commission Division of Administration, Room G-50 101 East Gaines Street Tallahassee, Florida 32399-0850 (904) 488-4733

This is an application for (check one):

(X) Original Authority (New company)

Approval of Transfer (To another certificated company)
 Approval of Assignment of existing certificate (To a noncertificated company)

() Approval for transfer of control (To another certificate company)

- Select what type of business your company will be conducting (check all that apply):
 - (X) Facilities based carrier company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.
 - (X) Operator Service Provider company provides or plans to provide alternative operator services for IXC's; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.
 - (X) Reseller company has or plans to have one or more switches but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.
 - (X) Switchless rebiller company has no switch or transmission facilities but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carrier. Rebills end users at a rate above its discount but generally below the rate end users would pay for unaggregated traffic.
 - () Multi-Location Discount Aggregator company contracts with unaffiliated entities to obtain bulk/volume discounts under multilocation discount plans from certain underlying carriers. Then offers the resold service by enrolling unaffiliated customers.

FORM PSC/CMU 31 (11/91)

-2-

Name of corporation, partnership, cooperative, joint venture or sole 3. proprietorship: Communications Network Exchange, Inc. Name under which the applicant will do business (fictitious, etc.): 4. COMNEX National address (including street name & number, post office box, city, 5. state and zip code): 4731 W. Atlantic Ave. Suite 1 Delray Beach, Florida 33445 Florida address (including street name & number, post office box, city. 6. state and zip code): 4731 W. Atlantic Ave. Suite 1 Delray Beach, Florida 33445 Structure of organization: 7. (X) Corporation individual () Foreign Corporation () Foreign Partnership () Limited Partnership () General Partnership () Other. If appli ant is an individual or partnership, please give name, title 8. and address of sole proprietor or partners. Provide proof of compliance with the foreign limited partnership statute (Chapter 620.169 FS), if applicable.

- (b) Indicate if the individual or any of the partners have previous been:
 - (1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings.
 - (2) officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

- If Incorporated, please give:
 - (a) Proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

Corporate charter number: (See Exhibit A)

(b) Name and address of the company's Florida registered agent.

Stanley Grandis 4731 W. Atlantic Ave. Suite 1 Delray Beach. Florida 33445

(c) Provide proof of compliance with the fictitious name statue (Chapter 865.09 FS), if applicable.

This will not apply to the applicant

- (d) Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:
 - (1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings.

None of the officers, directors, or any stockholders have any hand any of the above situations apply to them individually.

(2) officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of the company and relationship. If no longer associated with company, give reason why not.

No officer..director. partner is a stockholder in any other Florida certificated telephone company.

- 10. Who will serve as liaison with the Commission in regard to (please give name, title, address and telephone number):
 - (a) The application:

Mark J. Angell Consultant Angell & Associates 1075 Rosewood Drive Grapevine, Texas 76051 PH. (817) 868-7188 FAX (817) 868-7185

(Continued)

(d) Has been denied authority to operate as an interexchange carrier and the circumstances involved.

The applicant has not been denied authority.

(e) Has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

No regulatory penalties have been imposed

(f) Has been involved in civil court proceedings with an interexchange carrier, local exchange company or othe telecommunications entity, and the circumstances involved.

The applicant has not been involved in any civil court proceedings with any of the above mentioned entities

12. What services will the applicant offer to other certificated telephone companies:

(X)	Facilities.	()	Operators.
	Billing and Collection	(X)	Sales.
	Maintenance.	()	Other:

13. Do you have a marketing program?

COMNEX utilizes independent sales agents, groups to remarket its services and direct sales.

14. Will your marketing program:

(X) Pay commissions?() Offer sales franchises?() Offer multi-level sales incentives?() Offer other sales incentives?

 Explain any of the offers checked in question 14 (To whom, what amount, type of franchise, etc.)

COMNEX will pay commission to its independent agents based on collected revenue and/or pay its direct sales people a base salary plus commission. The commissions paid are based on the volume of business that is collected each month. The amount off commission paid is as follows:

\$0 - \$25.000 per month 3% \$25.001 - \$50.000/mo.5% \$50.001 - \$100.000 per month 7% \$100.001+ per month 9%

Hospitality clients and sites from operator service revenue is based on a percentage of gross revenue and total customer volume. The commission paid ranges from 10% to 40%.

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16.		ceive the bills for your service (Check all that apply)?
	(X) (X) (X)	Residential customers (X) Business customers PATS providers () PATS station end users Hotels & motels () Hotel & motel guest Universities () University residents (X) Other: (specify) Other IXC's
17.	Please prov	vide the following (if applicable):
	(a)	Will the name of your company appear on the bill for your services, and if not who will the billed party contact to ask questions about the bill (provide name and phone number) and how is this information provided?
		COMNEX will bill all its business customers and its name will appear on the bill. The customer service number will be 407-499-1550.
	(b)	Name and address of the firm who will bill for your services
		ZPDI or other certifiied companies will bill COMNEX's residential and operator services customers.
		ZPDI 9311 San Pedro San Antonio. Texas 78216
oper	Please subration. Use i	nit the proposed tariff under which the company plans to begin the format required by Commission Rule 25-24.485. (example
		The IXC Tariff is attached
19.	The applications	ant will provide the following services interexchange carrier neck all that apply):
	Method Method	with distance sensitive per minute rates od of access is FGA od of access is FGB od of access is FGD od of access is 800
	Metho Metho Metho	with route specific rates per minute od of access is FGA od of access is FGB od of access is FGD od of access is 800

19. (continued)

X	MTS with statewide flat rates per minute (i.e. not distance
Sensi X X	Method of access is FGA Method of access is FGB Method of access is FGD Method of access is 800
χ	MTS for pay telephone service providers
X etc.)	Block-of-time calling plan (Reach out Florida, Ring America,
X	800 Service (Toll free)
<u>χ</u>	WATS type service (Bulk or volume discount) Method of access is via dedicated facilities Method of access is via switched facilities
	Private Line services (Channel Services) (For ex.1.544 mbs., DS-3, etc.)
<u>X</u>	Method of access is 950
	900 service
X X X	Operator Services Available to presubscribed customers Available to non presubscribed customers (for example to patrons of hotels, students in universities, patrons in hospitals). Available to inmates
Serv	ices included are:
X X X X	Person to Person assistance

20. What does the end user dial for each of the alternative local exchange carrier services that were checked in services included (above).

The end user dial 00 or 0- to obtain the services above.

21. Financial:

See Exhibit B - Motion for Finiancial Statement Disclosure also attached

22. Managerial Capabilities:

See Exhibit C

23. Technical:

The applicant will utilize the technical capabilities (network) of the underlying carrier(s), i.e MCI. WilTel, etc. The technical capabilities that the applicant will utilize for its own switching will be those of the switch technicians employed by COMNEX who will or are trained to operate the switch or switches. At this time there will not be a switch located within the State of Florida. The technical capabilities needed to generate the commission statements to the independent agents has been in place for over two (2) years.

** APPLICANT ACKNOWLEDGE STATEMENT **

- REGULATORY ASSESSMENT FEE: I understand that all telephone companies 1. must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$ 50.00 is required.
- GROSS RECEIPTS TAX: I understand that all telephone companies must pay a 2. gross receipts tax of two and one-half percent on all intra and interstate business.
- SALES TAX: I understand that a seven percent sales tax must be paid on 3. intrastate revenues.
- APPLICATION FEE: A non-refundable application fee of \$ 250.00 must be submitted with the application.
- LEC BYPASS RESTRICTIONS: I acknowledge the Commission's policy that 5. interexchange carriers shall not construct facilities to bypass the LECs without first demonstrating to the Commission that the LEC cannot offer the needed facilities at a competitive price and in a timely manner.
- RECEIPT AND UNDERSTANDING OF RULES: I acknowledge receipt and 6. understanding of the Florida Public Service Commission's Rules and Orders relating to my provision of interexchange telephone service in Florida. I also understand that it is my responsibility to comply with all current and future Commission requirements regarding interexchange teleplone service.
- ACCURACY OF APPLICATION: By my signature below. I attest to the accuracy 7. of the information contained in this application and associated attachments.

Stanley Grandis -

Typed name and signature of owner

or chief officer.

ATTACHMENTS:

A - CERTIFICATE TRANSFER STATEMENT

B - CUSTOMER DEPOSIT AND ADVANCE PAYMENTS

D - FLORIDA TELEPHONE EXCHANGES AND EAS ROUTES

E - GLOSSARY

** APPENDIX A **

CERTIFICATE TRANSFER STATEMENT

 current holder of certificate number . have reviewed this application and join in the petitioner's request.

Signature of owner or chief officer of the certificate holder

Title

THIS APPENDIX DOES NOT APPLY TO APPLICANT

** APPENDIX B **

CUSTOMER DEPOSIT AND ADVANCE PAYMENTS

A statement of how the Commission can be assured of the security of the customer's depositr and advance payments may be responded to in one of the following ways (applicant please check one):

- (X) The applicant will not collect deposits nor will it collect payments for service more than one month in advance.
- () The applicant will file with the Commission and maintain a surety bond in an amount equal to the current balance of deposits and advance payments in excess of one month. (Bond must accompany application.)

Stanley Grandis
Typed name and signature of Owner
or Chief officer

CEO

Date

** APPENDIX C **

INTRASTATE NETWORK

- POP: Address where located, and indicate if owned or leased.
 - 1) 100 N. Biscayne Blvd 2) Suite 400 Miami Beach, FL 33132 Leased

3) Beased 4)

- SWITCHES: Address where located, by type of switch, and indicate if owned or leased.
 - 1) 100 N. Biscayne Blvd. 2)
 Suite 400
 Miami Beach, FL 33132
 Leased
 3)
- TRANSMISSION FACILITIES: Pop-to-Pop facilities by type of facilities (microwave, fiber, copper, satellite, etc>) and indicate if owned or leased.

POP-to-POP TYPE OWNERSHIP

2)

- ORIGINATION SERVICE: Please provide a list of exchanges where you are proposing to provide originating service within thirty (30) days after the effective date of the certificate (Appendix D).
- TRAFFIC RESTRICTIONS: Please explain how the applicant will comply with the EAEA requirements contained in Commission Rule 25-24.471 (4) (a) (copy enclosed)

The underlying carrier(s) will comply with the EAEA requirements and COMNEX will also comply with the EAEA requirements by only processing NPA/NXX coordinates that the Commission allows.

** APPENDIX C (CONT'D) **

INTRASTATE NETWORK (CONT'D)

- 6. CURRENT FLORIDA INTRASTATE SERVICES: Applicant has () or has not (X) previously provided intrastate telecommunications in Florida. If the answer is has, fully describe the following:
 - a) What services have been provided and when did these services begin?

N/A

b) If the services are not currently offered, when were they discontinued?

N/A

Typed name and signature of Owner or Chief Officer.

CEO Title

Date

** APPENDIX D **

FLORIDA TELEPHONE EXCHANGES

AND

EAS ROUTES

Describe the service area in which you hold yourself out to provide service by telephone company exchange. If all services listed in your tariff are not offered at all locations, so indicate.

In an effort to assist you, attached is a list of major exchanges with which each has extended are service (EAS).

The applicant will provide service in all EAS exchanges.

Stanley Grandis
Typed name and algnatupe
Chief officer

CEO

Date

EXHIBIT A



Bepartment of State

I certify from the records of this office that COMNEX is a Fictitious Name registered with the Department of State on April 4, 1995.

The Registration Number of this Fictitious Name is G95094000132.

I further certify that said Fictitious Name Registration is active.

I further certify that this office began filing Fictitious Name Registrations on January 1, 1991, pursuant to Section 865.09, Florida Statutes.

Given under mp hand and the Great Seal of the State of Florida, at Tallahassee, the Capital, this the Fifth day of April, 1995

CR2FO22 (1-95)

Sandia B. Mortham)

Sandra B. Mortham

65-0508514



July 22, 1994

GERRY BAUER 125 SO. CONGRESS AVENUE DELRAY BEACH, FL 33445

The Articles of Incorporation for COMMUNICATIONS NETWORK EXCHANGE, INC. were filed on July 21, 1994, and assigned document number P94000054422. Please refer to this number whenever corresponding with this office.

Enclosed is the certification requested.

A corporation annual report will be due this office between January 1 and May 1 of the year following the calendar year of the file date year. A Federal Employer Identification (FEI) number will be required before this report can be filed. Please apply NOW with the Internal Revenue Service by calling 1-800-829-3676 and requesting form SS-4.

Please be aware if the corporate address changes, it is the responsibility of the corporation to notify this office.

Should you have questions regarding corporations, please contact this office at the address given below.

Terri Buckley Corporate Specialist New Filings Section Division of Corporations

Letter Number: 094A00033933



Bepartment of State

I certify the attached is a true and correct copy of the Articles of Incorporation of COMMUNICATIONS NETWORK EXCHANGE, INC., a Florida corporation, filed on July 21, 1994, as shown by the records of this office.

The document number of this corporation is P94000054422.

Given under my hand and the Great Seal of the State of Florida, at Callahassee, the Capital, this the Twenty-second day of July, 1994

CR2EO22 (2-91)

Ji Smith

Jim Smith Secretary of State

ARTICLES OF INCORPORATION

OF

COMMUNICATIONS NETWORK EXCHANGE, INC.

The undersigned incorporator(s), for the purpose of forming a corporation under the Florida Business Corporation Act, hereby adopt(s) the following Articles of Incorporation.

ARTICLE I NAME

The name of the corporation shall be:

COMMUNICATIONS NETWORK EXCHANGE, INC.

ARTICLE II PRINCIPAL OFFICE

The principal place of business and mailing address of this corporation shall be:

125 CONGRESS AVENUE DELRAY BEACH, FL 33445

ARTICLE III SHARES

The number of shares of stock that this corporation is authorized to have outstanding at any one time is:

1,000 SHARES "npv"

ARTICLE IV INITIAL REGISTERED AGENT AND STREET ADDRESS

The name and address of the initial registered agent is:

GERRY BAUER 125 SOUTH CONGRESS AVENUE DELRAY BEACH, FL 33445

ARTICLE V INCORPORATOR(S)

The name(s) and street address(es) of the incorporator(s) to these Articles of Incorporation is(are):

GERRY BAUER 125 SOUTH CONGRESS AVENUE DELRAY BEACH, FL 33445

	day ofIIII	Υ	1994
C	G -		
Gen	y Bauer	Signature	
-		Signature	

Articles of Incorporation Filing Fee - \$35

CERTIFICATE OF DESIGNATION OF REGISTERED AGENT/REGISTERED OFFICE

PURSUANT TO THE PROVISIONS OF SECTION 607.0501 or 617.0501, STATUTES, THE UNDERSIGNED CORPORATION, ORGANIZED UNDER OF THE STATE OF FLORIDA, SUBMITS THE FOLLOWING STATEMEN NATING THE REGISTERED OFFICE/REGISTERED AGENT, IN THE STAFLORIDA.	THE LAWS
The name of the corporation is: COMMUNICATIONS NETWORK EXCH.	21 PHE
1. The name of the corporation is	NON TE 81
2. The name and address of the registered agent and office is:	
GERRY BAUER	
(Name)	
125 SOUTH CONGRESS AVENUE	
(P.O. Box not acceptable)	
DELRAY BEACH, FL 33445	
(City/State/Zip)	

Having been named as registered agent and to accept service of process for the above stated corporation at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

Gerry Barrer

EXHIBIT B

COMMUNICATIONS NOWORK EXCHANGE, INC. (CMNEX)

BALANCE SHEET - DECEMBER 31, 1995 AND 1996

	1995	1996
ASSETS		
CURRENT ASSETS:	5820 (83852)	
Cash	33,436	293,622
Accounts Receivable	31,657	106,214
Prepayment of Services		310,580
Total Current Assets	65,093	710,416
OTHER ASSETS		
Utility Deposits	2,550	2,550
PROPERTY AND EQUIPMENT, NET	19,455	39,801
TOTAL ASSETS	87,098	752,767
LIABILITIES AND EQUITY		
LIABILITIES:		
CURRENT LIABILITIES:		
Due to Affiliates		
Accounts Payable and Accrued Expenses	17,547	154,693
Accrued Payroll Taxes and withholding	5,544	3,200
Customer prepayments		455,000
Total Current Liabilities	23,091	612,893
OTHER LIABILITIES		
Deferred Income	16,913	5,115
Loan Payable - Officers	3,399	
Loan Payable - other	13,286	13,286
Total Other Liabilities	33,598	18,407
TOTAL LIABILITIES	56,689	631,294
STOCKHOLDERS EQUITY		
Common Stock	300	500
Additional Paid in Capital	50,000	50,000
Retained Earnings	(19,891)	70,973
Total Stockholders Equity	30,409	121,473
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	87,098	752,767

COMMUNICATIONS NETWORK CHANGE, INC. (COMNEX)

STATEMENT OF INCOME AND EXPENSES
For the years Ended December 31, 1995 and 1996

	1995 AMOUNT	1996 AMOUNT
SALES	574,228	1,620,133
COST OF SALES	253,640	1,193,096
GROSS PROFIT	320,588	427,037
SELLING EXPENSES		
Salaries and commissions	98,277	105,000
Site Commissions	69,716	58,500
Marketing Leads	5,581	
Total Selling Expenses	173,574	163,500
INCOME FROM OPERATIONS	147,014	263,537
OPERATING EXPENSES	ATT	
Advertising	2,634	1,91
Auto expenses	197	759
Bank Charges	1,381	1,695
Computer Software	918	1,290
Copier Maintenance and supplies	702	1,100
Depreciation	1,759	1,759
Dues and subscriptions	308	150
Equipment leasing	4,465	8,415
Insurance	3,847	4,087
Insurance - health and comp	9,032	8,500
Interest expense	30u	300
Licenses	1,091	1,291
Moving Expense	871	150
Office supplies and expense	5,690	4,900
Payroll taxes	10,291	11,250
Postage and overnight	3,043	3,104
Printing expenses	1,167	67
Professional	5,517	5,73
Rent and electricity	10,659	13,500
Repairs and Maintenance	139	27
Security System	1,066	890
Taxes - other	1,035	970
Telephone	29,873	24,500
Travel and Lodging	13,917	19,881
Total Operating Expenses	109,902	139,673
NET INCOME BEFORE TAXES	37,112	123,864
INCOME TAXES	603	33,000
NET INCOME	36,309	90,864

EXHIBIT C

RESUMES OF KEY PERSONNEL

STANLEY GRANDIS - Chief Executive Officer

Mr. Grandis, an inventor and professional designer provides over 40 years of entrepreneurial experience in the jewelry manufacturing industry in addition to over 30 years as a real estate executive. He currently has commercial holdings in the real-estate industry, fashion manufacturing industry, environmental products and services industry, After much research, approximately four years ago became involved in the telecommunications industry.

STEPHEN CAMPOS - Director of Operations

Mr. Campos a executive with over 25 years experience as a CPA and Financial and Operations Manager. Mr. Campos has extensive knowledge of accounting and auditing with specialized operational experience in manufacturing, retailing, real estate and development, automotive, marine trades, utilities and communications industry. Mr. Campos became employed by Mr. Grandis various operations in 1993.

PAUL HOROWITZ - Director of Marketing

Mr. Horowitz a executive with over 25 years experience in the computer and financial services industry joined the company in 1994. Mr. Horowitz has extensive product and marketing knowledge of the communications industry, and is directly responsible for marketing and new product development.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of the Application of)		
Communications Network Exchange, Inc.)		
for Motion of Financial Statement)	Docket No.	
Disclosure)		

MOTION OF COMMUNICATIONS NETWORK EXCHANGE, INC. FOR FINANCIAL STATEMENT DISCLOSURE

Communications Network Exchange, Inc. hereby request that The Financial Statements Disclosed within the Application for Authority to Provide Interexchange Telecommunications Service Within the State of Florida (Form PSC/CMU 31 (11/91) Required by Commission Rule Nos. 25-24.471, 25-24.473 & 25-24.480(2) be held privately and not be part of the Public Record.

Signed:

Stephen Campos
Director of Operations

Dated:

DATE

** FLORIDA PUBLIC SERVICE COMMISSION 44 -

JUN 0 9 1997

DIVISION OF COMMUNICATIONS
BUREAU OF SERVICE EVALUATION

101 E. Gaines Street
Fletcher Building
Tallahassee, Florida 32399.0866

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- D. If you have questions about completing the form, contact:

Florida Public Service Commission Division of Communications Bureau of Service Evaluation 101 East Gaines Street Tallahassee, Florida 32399-0866 (904) 488-1280

E. Once completed, submit the original and twelve (12) copies of this form along with a non-refundable application fee of \$ 250.00 to:

C.O.M.N.E.X. COMMUNICATIONS NETWORK EXCHANGE, INC. 3333 S. CONGRESS AVE.	2041
DELRAY BEACH, FL 33445 DATE OTHE RDER OF FLORIDA PUNCE SALVICE Commission DATE	6/1/97
GREAT WESTERN BANK W	DOLLARS DE
OR OD OF FLOW	