AMREG

4701 North Federal Highway ◆ Suite 315, Box A-7
Lighthouse Point, Florida 33064

August 15, 1997

Florida Public Service Commission
Division of Administration
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0866

971062-TI

Re: American MetroComm Long Distance Corp.

Dear Sir or Madam:

On behalf of our client American MetroComm Long Distance Corp. and attached hereto please find an original and twelve (12) copies of an Application and Tariff to Provide Interexchange Telecommunications Services in the State of Florida.

Also enclosed is check in the amount of $250.00 for the required filing fee.

Please direct questions, comments, notices or correspondence regarding the above referenced filing to:

Michael Koslen, Director of Regulatory Affairs
American Regulatory Services Corp.
4701 North Federal Highway, Suite 315, Box A-7
Lighthouse Point, Florida 33064
(954) 941-7592.

For purposes of verification of receipt, I have provided an additional copy of this cover letter. Please date stamp and return to me in the stamped self addressed envelope provided.

Sincerely yours,

Michael Koslen
Director of Regulatory Affairs

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:

MSK/va

Enclosures

DOCUMENT NUMBER-DATE
08291 AUG 18 &
FPSC-RECORDS/REPORTING

Telephone Number (954) 941-7592 ◆ Facsimile Number (954) 941-6758

★★ Florida Public Service Commission ★★

Division of Communications
Bureau of Service Evaluation
101 E. Gaines Street
Fletcher Building
Tallahassee, Florida 32399-0866

Application Form
for
Authority to provide interexchange telecommunications service Within the State of Florida

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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 32399-2866
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, Fletcher Building
Tallahassee, Florida 32399-0850
904/488-4733

FORM PSC/CMU 31 (11/91)
Required by Commission Rule Nos. 25-24.471, 25-24.473 & 25-24.480(2)

DOCUMENT NUMBER-DATE
08291 AUG 18 G
FPSC-RECORDS/REPORTING

1. This is an application for (check one):

(✔) 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 certificated company).

2. Select what type of business your company will be conducting (check all that apply):

( ) **Facilities based carrier** - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.

( ) **Operator Service Provider** - company provides or plans to provide alternative operator services for IXCs; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.

(✔) **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.

( ) **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 multi-location discount plans from certain underlying carriers. Then offers the resold service by enrolling unaffiliated customers.

3. Name of corporation, partnership, cooperative, joint venture or sole proprietorship:
American MetroComm Long Distance Corp.

4. Name under which the applicant will do business (fictitious name, etc.):
American MetroComm Long Distance Corp.

5. National address (including street name & number, post office box, city, state and zip code).
1615 Poydras Street, Suite 1050, New Orleans, Louisiana 70112

6. Florida address (including street name & number, post office box, city, state and zip code).
The Florida address is the same as the national address.

7. Structure of organization;

( ) Individual	(✔) Corporation
( ) Foreign Corporation	( ) Foreign Partnership
( ) General Partnership	( ) Limited Partnership

( ) Other, ______________________

8. If applicant is an individual or partnership, please give name, title and address of sole proprietor or partners.

   (a) 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 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.

   (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.

9. If incorporated, please give:

   (a) Proof from the Florida Secretary of State that the applicant has authority to operate in Florida. ***Please see Applicant's qualification as a foreign corporation, attached to this application as Exhibit A.***

   Corporate charter number: F97000003970

(b) Name and address of the company's Florida registered agent.
Michael Koslen c/o American Regulatory Services Corp.
4701 North Federal Highway, Suite 315
Lighthouse Point, Florida 33064.

(c) Provide proof of compliance with the fictitious name statute (Chapter 865.09 FS), if applicable.
Not applicable.

Fictitious name registration number: ____________________

(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.
No.

(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. *No.*

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

(a) The application;
American Regulatory Services Corp.
Michael Koslen, Director of Regulatory Affairs
4701 North Federal Highway, Suite 315, Box A-7
Lighthouse Point, Florida 33064
954/941-7592.

(b) Official point of contact for the ongoing operations of the company;
American MetroComm Long Distance Corp.
Gary George, President
1015 Poydras Street. Suite 1050
New Orleans, Louisiana 70112
(504) 598-9000

(a) Tariff;
American Regulatory Services Corp.
Michael Koslen, Director of Regulatory Affairs
4701 North Federal Highway, Suite 315, Box A-7
Lighthouse Point, Florida 33064
954/941-7592.

(b) complaints/Inquiries from customers;

American MetroComm Long Distance Corp.
Gary George, President
1015 Poydras Street. Suite 1050
New Orleans, Louisiana 70112
(504) 598-9000

11. List the states in which the applicant:

(a) Has operated as an interexchange carrier. *None.*

(b) Has applications pending to be certificated as an interexchange carrier. *Alabama, Louisiana, Texas; Mississippi*

(c) Is certificated to operate as an interexchange carrier. *None.*

(d) Has been denied authority to operate as an interexchange carrier and the circumstances involved. *None.*

(e) Has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved. *None.*

(f) Has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved. *None.*

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

( ) Facilities. ( ) Operators.
( ) Billing and Collection. ( ) Sales.
( ) Maintenance.
( ) Other: *None.*

13. Do you have a marketing program? *Yes.*

14. Will your marketing program:

( ) Pay commissions? *No.*
( ) Offer sales franchises? *No.*
( ) Offer multi-level sales incentives? *No.*
( ) Offer other sales incentives? *No.*

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

16. Who will receive the bills for your service (Check all that apply)?

(✔) Residential customers.
( ) PATS providers.
( ) Hotels & motels.
( ) Universities.
(✔) Business Customers.
( ) PATS station end-users.
( ) Hotel & motel guests.
( ) Universities dormitory residents.
( ) Other: (specify) ______________________.

17. Please provide the following (if applicable):

(a) Will the name of your company appear on the bill for your services, and if not who will be the billed party contact to ask questions about the bill (provide name and phone number) and how is this information provided?
American MetroComm's name will appear on the bill for its services. The name of the billing company will not appear at all. American MetroComm's toll free customer service number is 888/357-3783. This number will printed on the bill.

(b) Name and address of the firm who will bill for your service.
American MetroComm Corporation 1615 Poydras Street, *New Orleans, LA 70112*

18. Please submit the proposed tariff under which the company plans to begin operations. Use the format required by Commission Rule 25-24.485 (example enclosed).
Please see applicant's tariff attached.

19. The applicant will provide the following interexchange carrier services (Check all that apply):

_____ **MTS with distance sensitive per minute rates**
_____ Method of access is FGA
_____ Method of access is FGB
_____ Method of access is FGD
_____ Method of access is 800

_____ **MTS with route specific rates per minute**
_____ Method of access is FGA
_____ Method of access is FGB
_____ Method of access is FGD
_____ Method of access is 800

__✔__ **MTS with statewide flat rates per minute (i.e. not distance sensitive)**
_____ Method of access is FGA
_____ Method of access is FGB
__✔__ Method of access is FGD

_____ Method of access is 800

_____ **MTS for pay telephone service providers**

_____ **Block-of-time calling plan (Reach out Florida, Ring America, etc.).**

_✔_ **800 Service (Toll free)**

_____ **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.)

_✔_ **Travel Service**
_____ Method of access is 950
_✔_ Method of access is 800

_____ **900 Service**

_____ **Operator Services**
_____ Available to presubscribed customers
_____ Available to non presubscribed customers (for example to patrons of hotels, students in universities, patients in hospitals
_____ Available to inmates

Services included are:
_____ Station assistance
_____ Person to Person assistance
_____ Directory assistance
_____ Operator verify and interrupt
_____ Conference Calling

20. What does the end user dial for each of the interexchange carrier services that were checked in services included (above).
1 + Area Code + Number
1 + 800 + Number.

21. _✔_ Other: ***Please see Applicant's Management Information attached to this application as Exhibit B and Applicant's Financial Statement annexed as Exhibit C.***

★★ APPLICANT ACKNOWLEDGMENT STATEMENT ★★

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies 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 is required.

2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.

3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.

4. **APPLICATION FEE:** A non-refundable application fee of $250.00 must be submitted with the application.

5. **LEC BYPASS RESTRICTIONS:** I acknowledge the Commission's policy that 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.

6. **RECEIPT AND UNDERSTANDING OF RULES:** I acknowledge receipt and 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 telephone service.

7. **ACCURACY OF APPLICATION:** By my signature below, I attest to the accuracy of the information contained in this application and associated attachments.

American Regulatory Services Corp.

By: Michael Koslen

Michael Koslen, Director of Regulatory Affairs

August 15 , 1997
Date

ATTACHMENTS:

A - CERTIFICATE TRANSFER STATEMENT
B - CUSTOMER DEPOSITS AND ADVANCE PAYMENTS
C - INTRASTATE NETWORK
D - FLORIDA TELEPHONE EXCHANGES AND EAS ROUTES
E - GLOSSARY

★★ APPENDIX A ★★

CERTIFICATE TRANSFER STATEMENT

NOT APPLICABLE

I, (TYPED NAME) ________________________________, 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

____
Date

★★ APPENDIX B ★★

CUSTOMER DEPOSITS AND ADVANCE PAYMENTS

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

(✔) 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.)

American Regulatory Services Corp.

Michael Koslen

Director of Regulatory Affairs
Title

August 15 , 1997
Date

★★ APPENDIX C ★★

INTRASTATE NETWORK

1. **POP:** Addresses where located, and indicate if owned or leased.

   1) ***Not Applicable.*** 2)

   3) 4)

2. **SWITCHES:** Address where located, by type of switch, and indicate if owned or leased.

   1) ***Not Applicable.*** 2)

   3) 4)

3. **TRANSMISSION FACILITIES:** Pop-to-Pop facilities by type of facilities (microwave, fiber, copper, satellite, etc.) and indicate if owned or leased.

   1) POP-to-POP TYPE OWNERSHIP

   2) ***Not Applicable.***

4. **ORIGINATING SERVICE:** Please provide the list of exchanges where you are proposing to provide originating service within thirty (30) days after the effective date of the certificate (Appendix D).

   From all points within the State of Florida.

5. **TRAFFIC RESTRICTIONS:** Please explain how the applicant will comply with the EAEA requirements contained in Commission Rule 25-24.471 (4) (a) (copy enclosed).

6. **CURRENT FLORIDA INTRASTATE SERVICES:** Applicant has ( ) or has not (✔) previously provided intrastate telecommunications in Florida. If the answer is <u>has</u>, fully describe the following:

a) What services have been provided and when did these services begin?

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

American Regulatory Services Corp.

Michael Koslen

Director of Regulatory Affairs
Title

August 15 , 1997
Date

6. **CURRENT FLORIDA INTRASTATE SERVICES:** Applicant has ( ) or has not (✔) previously provided intrastate telecommunications in Florida. If the answer is <u>has</u>, fully describe the following:

a) What services have been provided and when did these services begin?

No service has been offered.

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

American Regulatory Services Corp.

Michael Koslen

Director of Regulatory Affairs
Title

August 15 , 1997
Date

★★ APPENDIX D ★★

FLORIDA TELEPHONE EXCHANGES

AND

EAS ROUTES

NOT APPLICABLE

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 in Florida showing the small exchanges with which each has extended area service (EAS).

____

Typed name and signature of owner or chief officer

____

Title

____

Date

Exhibit A

Certificate of Authority

State of Florida

Department of State

I certify from the records of this office that AMERICAN METROCOMM LONG DISTANCE CORPORATION, is a corporation organized under the laws of Louisiana, authorized to transact business in the State of Florida, qualified on July 28, 1997.

The document number of this corporation is F97000003970.

I further certify that said corporation has paid all fees and penalties due this office through December 31, 1997, and its status is active.

I further certify that said corporation has not filed a Certificate of Withdrawal.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capitol, this the
Twenty-ninth day of July, 1997

GREAT SEAL OF THE STATE OF FLORIDA
IN GOD WE TRUST

Sandra B. Mortham

Sandra B. Mortham
Secretary of State

[illegible] 022 (2-95)

Exhibit B

Management Information

American MetroComm

Company Management

ALBERT J. DONOVAN, Executive Vice President Municipal Affairs and Treasurer

Mr. Donovan joins American MetroComm Corporation after serving as the Executive Counsel to Governor Edwin Edwards. As Executive Counsel, Mr. Donovan was responsible for the legislative interface for the Governor's Office. Mr. Donovan was also the Governor's representative on the Louisiana Bond Commission, which approved all state and municipal capital construction debt, averaging $1.5 to $2 billion annually. Prior to joining the Governor's staff, Mr. Donovan was an Assistant District Attorney and a private practice attorney. Mr. Donovan holds a Juris Doctor from Loyola University Law School and a Bachelor of Arts degree from the University of New Orleans.

OLIN L. KROPOG, Senior Vice President - Sales and Marketing

Mr. Kropog brings more than a decade of IXC and RBOC telecommunications management to the Company. Prior to joining the Company, Mr. Kropog was New Orleans Branch Sales Manager for MCI telecommunications, responsible for all sales, promotions and administrative activities for South Louisiana. Mr. Kropog was responsible for hiring, training and motivating the MCI sales force selling and maintaining voice and data networks within South Louisiana. Prior to joining MCI, he was Director of Sales for BellSouth's Federal Division Group for BellSouth's nine state region, where he was responsible for sales, support and strategic activities for large complex customers. Prior to joining BellSouth, Mr. Kropog was Sales Manager for AT&T Information Systems, responsible for sales and support functions for South Louisiana. Mr. Kropog received an M.B.A. from Loyola University and a Bachelor of Science degree from Southeastern Louisiana University.

American MetroComm

Company Management

RAY POWERS, Senior Vice President - Network Operations and Technology Management

Mr. Powers brings nearly thirty years of telecommunications and technology management experience to the Company. Prior to joining the Company, Mr. Powers was Vice President - Technology Management of Dade International, Inc., a $1 billion dollar supplier of high technology healthcare products, where he was responsible for developing, integrating and implementing corporate-wide project management and product development processes and disciplines. Prior to that position, Mr. Powers was employed throughout his career in technical and technology management positions by U.S. West and AT&T. Mr. Powers was Manager of Network Services for U.S. West where he was responsible for switching control center operations, administration and maintenance covering nearly 1,000,000 Central Office stations and several hundred employees. From this position, Mr. Powers was promoted by U.S. West to Director of Technology Management, where he was responsible for managing development, marketing, deployment and sales support of new products. He then was promoted to Senior Director - Corporate Project Management, where he was responsible for supervising cross-functional management of all U.S. West new products, corporate strategic initiatives and major capital projects. Mr. Powers has had extensive involvement with professional project management associations and academic institutions in connection with technology management in the telecommunications field. He holds graduate level certifications in Project Management from the Project Management Institute and the University of Phoenix.

American MetroComm

Company Management

<u>STEPHEN E. QUINN, Director - Operations</u>

Mr. Quinn has spent the last thirty-three years in telecommunications and brings diverse experiences in all facets of telecommunications, specializing in Network Operations. While working for US West, Mr. Quinn was responsible for an array of operating duties including managing maintenance operations for 125 Central Offices (2,700,000 customers); coordinating management team efforts to maintain outstanding switch performance levels and a reduction in repair intervals for subscribers and carrier. In addition, while in the capacity of Manager -Memory Administration Center, Mr. Quinn managed line translation activity for Arizona (300,000 transactions per month). Mr. Quinn has formal training in the engineering, administration and maintenance of Central Office Technologies.

<u>PENYA MOSES FIELDS, Associate Counsel Regulatory and Municipal Affairs</u>

Mrs. Fields brings to American MetroComm Corporation a background in corporate accounting, tax and law which was gained prior to her joining the Company. Mrs. Fields served as an accountant for Thom Company, Inc., specializing in commercial construction accounting. Later, Mrs. Fields was engaged by the Supreme Court of Louisiana to assist in the implementation of Trial Court Performance Standards and Measurement System in the State of Louisiana. Mrs. Fields also worked for the Internal Revenue Service assisting in trial preparation in United States Tax Court. Mrs. Fields holds a Bachelor of Science degree in Accounting from Grambling State University, a Juris Doctor from Loyola University Law School in New Orleans, Louisiana and a Master of Laws in Taxation from Villanova Law School, which is minutes away from Philadelphia, Pennsylvania.

American MetroComm

Company Management

JEANETTE C. SAVAGE, Manager - Business Office

Ms. Savage joins American MetroComm Corporation after spending the last 17 years in the telecommunications industry's billing departments. While employed with Bell South Telecommunications, she worked in the Information Systems and Bill Mailing Departments; most recently she was Assistant Manager in the Payment Remittance Department responsible for processing 5.5 million payments each month and daily deposits of $10 to $25 million. She has extensive production management experience, expertise in supervision, scheduling, training and labor relations. As a representative of Bell South, Ms. Savage served for 7 years as an Executive Board Member on the New Orleans Postal Customer Council. Ms. Savage holds a Bachelor of Science degree in Professional Management from Nova University in Ft. Lauderdale and Certifications in Data Processing and Professional Secretaries International.

M. GREG CHIASSON, Regional Sales Manager

Mr. Chiasson has spent the last ten years in telecommunications as both sales and general manager. While working for LDS, a regional long distance carrier, he was responsible for all aspects of operations, sales, marketing, customer service, and technical support. He was also involved in the wireless industry with PageNet where he served as regional sales manager for Louisiana and Mississippi. Mr. Chiasson attended Louisiana State University and is a certified teacher by Learning International of the Professional Selling Skills program.

Exhibit C

Financial Statement

KPMG

The Global Leader

AMERICAN METROCOMM CORPORATION
AND SUBSIDIARIES
(A Development Stage Company)

Consolidated Financial Statements

December 31, 1995 and 1996

With Independent Auditors' Report Thereon

KPMG Peat Marwick LLP

Suite 3800 One Shell Square
New Orleans, LA 70139-3599

Independent Auditors' Report

The Board of Directors
American MetroComm Corporation:

We have audited the accompanying consolidated balance sheets of American MetroComm Corporation and subsidiaries (a development stage company) as of December 31, 1995 and 1996, and the related consolidated statements of operations, shareholders' equity (deficit), and cash flows for the period June 14, 1994 (inception) to December 31, 1994 and the years ended December 31, 1995 and 1996. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits 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 statements. 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 audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of American MetroComm Corporation and subsidiaries as of December 31, 1995 and 1996, and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in note 3 to the consolidated financial statements, the Company has accumulated losses during the development stage and has a working capital deficiency that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in note 3. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

KPMG Peat Marwick LLP

April 4, 1997

AMERICAN METROCOMM CORPORATION
AND SUBSIDIARIES
(A Development Stage Company)

Consolidated Balance Sheets

	December 31, 1995	1996
Assets		
Current assets:		
Cash and cash equivalents	$ 1,660	28,722
Prepaid expenses	9,003	30,991
Total current assets	10,663	59,713
Property, plant and equipment, net	65,945	2,321,913
Franchise licenses, net	107,737	148,954
Other assets	100,887	100,887
Total assets	$ 285,232	2,631,467
Liabilities and Shareholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	20,317	131,856
Accrued expenses and other liabilities	617,522	1,292,742
Notes payable to shareholders	594,500	1,032,697
Total current liabilities	1,232,339	2,457,295
Minority interest	-	15,076
Shareholders' equity (deficit):		
Preferred stock, authorized 25,000,000 shares, no par value; issued and outstanding, 235,000 Series A shares in 1996	-	235,000
Common stock, authorized 60,000,000 shares, no par value, issued and outstanding, 16,700,720 and 19,884,249 shares at December 31, 1995 and 1996, respectively	128,165	1,944,682
Deficit accumulated during development stage	(1,075,272)	(1,997,561)
Preferred dividends accrued	-	(23,025)
Total shareholders' equity (deficit)	(947,107)	159,096
Commitments and contingencies		
Total liabilities and shareholders' equity (deficit)	$ 285,232	2,631,467

See accompanying notes to consolidated financial statements.

AMERICAN METROCOMM CORPORATION
AND SUBSIDIARIES
(A Development Stage Company)

Consolidated Statements of Operations

	For the period June 14, 1994 (inception) to December 31, 1994	For the years ended December 31, 1995	1996	For the period June 14, 1994 (inception) to December 31, 1996
Operating expenses:				
General and administrative	$ 428,011	562,004	769,635	1,759,650
Sales and marketing	443	-	445	888
Depreciation and amortization	39	3,140	10,892	14,071
	428,493	565,144	780,972	1,774,609
Operating loss	(428,493)	(565,144)	(780,972)	(1,774,609)
Other income (expense):				
Interest expense	(45,409)	(107,802)	(176,532)	(329,743)
Other	149	(6,574)	(4,748)	(11,173)
Total other income (expense)	(45,260)	(114,376)	(181,280)	(340,916)
Net loss before minority interest	(473,753)	(679,520)	(962,252)	(2,115,525)
Minority interest in net loss of subsidiaries	838	77,163	39,963	117,964
Net loss	(472,915)	(602,357)	(922,289)	(1,997,561)
Preferred stock dividends	-	-	(23,025)	(23,025)
Net loss applicable to common stock	$ (472,915)	(602,357)	(945,314)	(2,020,586)

See accompanying notes to consolidated financial statements.

AMERICAN METROCOMM CORPORATION
AND SUBSIDIARIES
(A Development Stage Company)

Consolidated Statements of Shareholders' Equity (Deficit)

The period June 14, 1994 (inception) to December 31, 1994, and the years ended December 31, 1995 and 1996

	1995 Series A Preferred stock	Common stock	Treasury stock	Deficit accumulated during development stage	Total
Balance at June 14, 1994 (inception)	$ -	-	-	-	-
Issuance of 2,860,260 shares of common stock	-	2,246	-	-	2,246
Net loss	-	-	-	(472,915)	(472,915)
Balance at December 31, 1994	-	2,246	-	(472,915)	(470,669)
Issuance of 13,840,460 shares of common stock	-	125,919	-	-	125,919
Purchase of 2,763,095 shares into treasury	-	-	(323,500)	-	(323,500)
Sale of 2,763,095 shares from treasury	-	-	323,500	-	323,500
Net loss	-	-	-	(602,357)	(602,357)
Balance at December 31, 1995	-	128,165	-	(1,075,272)	(947,107)
Issuance of 235,000 shares of 1995 Series A preferred stock	235,000	-	-	-	235,000
Issuance of 3,183,529 shares of common stock	-	1,916,517	-	-	1,916,517
Subscriptions receivable	-	(100,000)	-	-	(100,000)
Preferred stock dividends	-	-	-	(23,025)	(23,025)
Net loss	-	-	-	(922,289)	(922,289)
Balance at December 31, 1996	$ 235,000	1,944,682	-	(2,020,586)	159,096

See accompanying notes to consolidated financial statements.

AMERICAN METROCOMM CORPORATION
AND SUBSIDIARIES
(A Development Stage Company)

Consolidated Statements of Cash Flows

	For the period June 14, 1994 (inception) to December 31, 1994	For the years ended December 31. 1995	1996	For the period June 14, 1994 (inception) to December 31, 1996
Cash flows from operating activities:				
Net loss	$(472,915)	(602,357)	(922,289)	(1,997,561)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:				
Depreciation and amortization	39	3,140	10,892	14,071
Common stock issued as compensation	3,084	16,107	5,055	24,246
Minority interest	(838)	(77,163)	(39,963)	(117,964)
Changes in operating assets and liabilities:				
Prepaid expenses	(26,250)	17,247	(21,988)	(30,991)
Accounts payable	35,000	(14,683)	111,539	131,856
Accrued expenses and other liabilities	62,937	554,585	652,195	1,269,717
Net cash used in operating activities	(398,943)	(103,124)	(204,559)	(706,626)
Cash flows from investing activities:				
Purchases of property, plant and equipment	(1,303)	(65,058)	(2,258,076)	(2,324,437)
Acquisition of franchise license	-	(110,500)	(50,000)	(160,500)
Deposit paid	(687)	(100,200)	-	(100,887)
Net cash used in investing activities	(1,990)	(275,758)	(2,308,076)	(2,585,824)
Cash flows from financing activities:				
Proceeds from sale of common stock	-	114,654	1,811,462	1,926,116
Proceeds from minority interest contribution	-	72,321	55,038	127,359
Purchase of treasury stock	-	(323,500)	-	(323,500)
Sale of treasury stock	-	323,500	-	323,500
Proceeds from sale of preferred stock	-	-	235,000	235,000
Proceeds from notes payable to shareholders, net of discount	495,372	99,128	438,197	1,032,697
Net cash provided by financing activities	495,372	286,103	2,539,697	3,321,172

(Continued)

AMERICAN METROCOMM CORPORATION
AND SUBSIDIARIES
(A Development Stage Company)

Consolidated Statements of Cash Flows

	For the period June 14, 1994 (inception) to December 31, 1994	For the year ended December 31, 1995	1996	For the period June 14, 1994 (inception) to December 31, 1996
Net increase (decrease) in cash	$ 94,439	(92,779)	27,062	28,722
Cash at beginning of period	-	94,439	1,660	-
Cash at end of period	$ 94,439	1,660	28,722	28,722

See accompanying notes to consolidated financial statements.

AMERICAN METROCOMM CORPORATION
AND SUBSIDIARIES
(A Development Stage Company)

Notes to Consolidated Financial Statements

December 31, 1995 and 1996

(1) Description of Business and Summary Of Significant Accounting Policies

(a) Description of Organization

American MetroComm Corporation (the Company) has been organized to provide enhanced voice and data services through operating companies across the Gulf South. The Company is a licensed contractor specializing in the telecommunications industry and currently owns telecommunications franchises in New Orleans and Kenner, Louisiana through two of its majority-owned subsidiaries. The Company is in the process of building its telecommunications network and is considered a development stage enterprise.

(b) Principles of Consolidation

The consolidated financial statements include the accounts of American MetroComm Corporation and its majority-owned subsidiaries: American MetroComm/New Orleans, Inc. (AMC/NO) - (formerly Crescent City Networks), LeveeComm of Louisiana, L.L.C. (LeveeComm), Infohighway Management of Southeast Louisiana, Inc. (IMSEL) and Mississippi Fiber Group, Inc. (MFG). All significant intercompany balances and transactions are eliminated in consolidation.

In April 1996, the Company obtained a 61.31% interest in AMC/NO, a 77.07% interest in LeveeComm, a 64% interest in IMSEL, and a 63.23% interest in MFG by exchanging 16,812,139 of its shares of common stock for all of the common stock or membership units owned by five shareholders of the acquired companies plus the transfer of certain receivables held by those shareholders that are due from AMC/NO. This transaction is considered a combination of entities under common control and has been accounted for at historical cost in a manner similar to the pooling-of-interest method of accounting. Accordingly, the results of operations of the acquired companies have been consolidated as if the combinations occurred at the beginning of the earliest date presented. Therefore, the consolidated financial statements include the results of operations from the subsidiaries, as follows: (1) LeveeComm from its inception, June 14, 1994; (2) AMC/NO from its inception, April 5, 1995; (3) IMSEL from its inception, October 12, 1994, and (4) MFG from its inception, December 28, 1995.

(c) Cash and Cash Equivalents

For purposes of the statements of cash flows, the Company considers all highly-liquid investments purchased with remaining maturities of three months or less to be cash equivalents.

(Continued)

(d) Property and Equipment

Property and equipment is stated at cost and is or will be depreciated on a straight-line basis over the estimated useful lives of the assets as follows:

	Years
Telecommunications plant in service	10
Office equipment	5 to 7
Furniture and fixtures	7

Routine maintenance and repairs are charged to operating expense while costs of betterments and renewals are capitalized.

(e) Franchise Licenses

Franchise licenses consist primarily of costs incurred in connection with the Company's acquisition of local service telecommunications franchise rights. These assets are recorded at cost and amortized using the straight-line method over the term of the franchise rights which range from 15 to 25 years.

(f) Revenue Recognition

The Company will recognize revenue in the month access and usage of its fiber optic network will be provided.

(g) Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

(h) Income Taxes

The Company accounts for income taxes using the asset and liability method, under which deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those

(Continued)

AMERICAN METROCOMM CORPORATION
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(A Development Stage Company)

Notes to Consolidated Financial Statements

temporary differences are expected to be recovered or settled. The effect on the deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

(2) Development Stage Operations

The Company was originally incorporated in March 1996 under the name MetroComm Corporation which was formally changed to American MetroComm Corporation in June 1996. The Company was formed as a holding company to own the outstanding common stock of various operating companies intended to provide telecommunications services in the Gulf South area. Since inception, the operations of the Company and its subsidiaries have been devoted primarily to raising capital, obtaining financing, constructing its telecommunications facility and administrative functions.

(3) Liquidity and Going Concern Issues

As shown in the accompanying consolidated financial statements, the Company has accumulated losses during the development stage and has a working capital deficiency at December 31, 1996 of $2,397,582 which raise substantial doubt about its ability to continue as a going concern. The Company believes that sufficient funds can be raised through public and private equity and debt financings that will enable the Company to expand its networks in accordance with its business plan. However, there can be no assurance that the proceeds from future financings will be sufficient to support the working capital needs of the Company or that its business plan will be successful. The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

The Company is currently contemplating privately placing up to $15 million of its securities or equity-linked securities. To this end, the Company has retained an investment banking firm to act as exclusive financial advisor and sole placement agent in connection with the structuring, issuance and sale of these securities. As compensation for providing this service, the investment banking firm will receive the greater of seven percent of the gross proceeds received by the Company in the proposed private placement or seven percent of the aggregate amount committed to be invested into the Company. In addition, the investment banking firm will be allowed to purchase for a nominal sum, warrants equal to five percent of the fully-diluted common stock of the Company. The warrants will have anti-dilution rights.

The Company has also retained another investment banking firm to act as an agent to introduce certain identified prospective purchasers in connection with the proposed private placement of debt and equity securities of the Company. As compensation for successfully performing these services, the investment banking firm is to receive 2 units of the 120 units offered through the private offering mentioned above and 5% of the aggregate amount of securities sold plus reimbursement of out-of-pocket expenses.

(Continued)

AMERICAN METROCOMM CORPORATION
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(A Development Stage Company)

Notes to Consolidated Financial Statements

(4) Property, Plant and Equipment

Property, plant and equipment consists principally of a telecommunications fiber optic network. The following is a summary of the Company's investment in property, plant and equipment:

	December 31, 1995	December 31, 1996
Telecommunications plant under construction	$ 61,438	2,310,198
Office equipment	3,940	9,670
Furniture and fixtures	983	4,569
	66,361	2,324,437
Less accumulated depreciation	(416)	(2,524)
	$ 65,945	2,321,913

(5) Franchise Licenses

AMC/NO

The City of New Orleans granted a fifteen-year franchise to AMC/NO which allows it to construct a telecommunications system for a municipal area network in the City of New Orleans. AMC/NO accepted the franchise on August 16, 1995. In accordance with the agreement, AMC/NO deposited $100,000 with the City of New Orleans, to be held for the entire fifteen-year term of the franchise. The $100,000 deposit has been reflected in the consolidated financial statements as other assets.

Also under this agreement, AMC/NO paid the City Council of the City of New Orleans a nonrefundable $100,000 community contribution payment. The community contribution payment submitted upon acceptance of the franchise has been recorded in the consolidated financial statements as franchise fees and is being amortized over the fifteen-year term of the franchise.

The franchise agreement originally provided for an annual franchise fee to be paid to the City of New Orleans in the amount equal to the greater of 5% of gross revenue or $1,500 per calendar quarter, beginning in the second year of the franchise. The franchise fee was subsequently superseded effective June 18, 1996 to provide for the following on an annualized basis: (1) In the first year of the franchise, AMC/NO will pay $2.60 per linear foot for its approved system route; (2) In the second, third and fourth years of the franchise, AMC/NO will pay five percent of its gross annual revenue plus $2.60 per linear foot for any additional approved system route in excess of its original approved system route; and (3) Thereafter, the greater of five percent of its gross annual revenue or $2.60 per linear foot for its approved system route.

(Continued)

AMERICAN METROCOMM CORPORATION
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(A Development Stage Company)

Notes to Consolidated Financial Statements

AMC/NO's franchise agreement also provides for AMC/NO to establish a scholarship program for graduating high school students residing in Orleans Parish beginning in the second year of operations. The amount to be funded is equal to ten percent of the franchise fee paid for the prior year with a minimum payment of $25,000 and a maximum payment of $75,000. In addition, AMC/NO is required to establish an on-the-job training course for its employees, beginning in the second year of operations. The amount to be funded for this program is equal to ten percent of the franchise fee paid for the prior year. No amounts have been paid for these programs because operations have not yet commenced. Additionally, the agreement provides for AMC/NO to include six dark fibers in the cable of the telecommunications system for noncommercial City and public primary and secondary educational use only and *not for resale*. In lieu of providing the six dark fibers, the City may accept other services, facilities, funds or other financial arrangements similar in value to providing the six dark fibers.

IMSEL

A franchise was granted to IMSEL by the City of Kenner to construct, operate and maintain an advanced telecommunications system within its city limits for a term of twenty-five years. Under this franchise agreement, IMSEL has the right to provide video programming services, as well as telecommunications services. IMSEL accepted this franchise on April 12, 1996. The franchise agreement provides that IMSEL will offer service to all potential subscribers within the City of Kenner in accordance with an approved rate schedule, however, upon request, IMSEL is to provide service free of charge to public facilities such as schools, city hall, fire and police, which are adjacent to its network. The franchise agreement provides for IMSEL to make an initial payment of $25,000 upon execution of the agreement and an additional $25,000 within 120 days of execution of the agreement. The $50,000 initial franchise fee has been reflected in the consolidated financial statements as franchise licenses and will be amortized over the twenty-five year term of the franchise.

In addition, IMSEL is to pay an annual franchise fee amounting to five percent of the "Annual Over System Revenue," as defined in the agreement. However, this percentage may increase to the same rate paid by IMSEL to another Louisiana municipality or parish of comparable size and characteristics, if higher.

LEVEECOMM

In July 1994, the Orleans Levee District (OLD) and a public benefit corporation (PBC) formed by the OLD entered into an agreement with LeveeComm whereby PBC would grant LeveeComm the right to use certain property owned or controlled by the OLD to construct and install a fiber optic communications system. The agreement called for LeveeComm to pay advanced rent of $35,000 for a twenty-four month period. In addition, LeveeComm was to have the system completed within a two-year period at which time the PBC was to share in the net operating profits of the system as payment of rent. The agreement further provided that

(Continued)

commencing with the twenty-fifth month of the agreement, the PBC was to receive a minimum monthly rental of $1,458 which was to be applied as a credit against the amount owed to the PBC for its share of the net operating profits. The term of this agreement is for fifty years. LeveeComm expensed the initial $35,000 rent ratably over the twenty-four month period, July 1994 through June 1996. In addition, the agreement with PBC requires that LeveeComm make available to the OLD approximately $300,000 of computer and telecommunications equipment of its specifications.

In connection with the right of use granted to LeveeComm by the PBC, the City of New Orleans approved a franchise to LeveeComm with provisions similar to those in AMC/NO's franchise agreement. LeveeComm has not accepted the franchise pending the negotiation of a new agreement with the OLD and the PBC.

In February 1997, the Company surrendered its interest in LeveeComm without remuneration. The Company has no plans to pursue any further development of the agreement with the OLD, or the franchise with the City of New Orleans. The Company intends to assume LeveeComm's obligation payable to its members in the amount of $394,500 plus accrued interest of approximately $209,000, both of which are reflected in the accompanying consolidated balance sheet at December 31, 1996.

MFG

In November 1995, the City of Jackson, Mississippi approved a ten-year franchise to MFG to construct fiber optic telecommunications networks within its public ways. The franchise agreement provides for the City of Jackson to receive an initial fee of $5,000 upon acceptance by MFG, an acceptance fee of $15,000 within fifteen days of acceptance, and an annual fee equal to the greater of five percent of the annual gross revenue received from the Jackson network or $25,000. MFG will also be required to purchase a performance bond of $250,000 during the construction of the network. MFG has not yet accepted this franchise.

On February 4, 1997, the Public Service Commission of the state of Mississippi approved the application for a Certificate of Public Convenience and Necessity for a newly formed wholly-owned subsidiary of the Company, American MetroComm/Mississippi, Inc. (AMC/MS). The certificate allows AMC/MS to provide competitive local exchange telecommunications services in certain cities in Mississippi.

Capitalized franchise licenses consists of the following:

	December 31, 1995	December 31, 1996
City of New Orleans franchise license	$ 110,500	110,500
City of Kenner franchise license	-	50,000
	110,500	160,500
Less accumulated amortization	(2,763)	(11,546)
	$ 107,737	148,954

(Continued)

AMERICAN METROCOMM CORPORATION
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(A Development Stage Company)

Notes to Consolidated Financial Statements

Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities consist of the following:

	December 31, 1995	December 31, 1996
Accrued consulting fees to management	$ 40,000	247,500
Accrued interest	121,633	229,778
Due to officers and other related parties	126,925	127,850
Due to shareholders	319,875	-
Amount due on contract	9,089	589,806
Preferred dividends payable	-	23,025
Deferred revenue	-	30,000
Other accrued expenses	-	44,783
	$ 617,522	1,292,742

Obligations to Shareholders

LevecComm is indebted to certain of its members in the principal amounts of $594,500 at December 31, 1995 and 1996. The obligations provide for an interest rate of 15% and are due on demand. LevecComm accrued interest on these notes in the amounts of $32,017, $87,960 and $89,175 for the period June 14, 1994 (inception) through December 31, 1994 and for the years ended December 31, 1995 and 1996, respectively. LevecComm has not made any interest payments with respect to these obligations.

The Company is indebted to certain shareholders in the amount of $438,197, net of unamortized discount, at December 31, 1996. This indebtedness was issued in conjunction with a negotiated private offering to several investors dated September 27, 1996, whereby each investor would loan the Company funds at an interest rate of ten percent, secured by a first priority security interest in a 4.34 mile initial telecommunications facility owned by AMC/NO. These loans would become due at the earliest date of: (1) the closing of the first sale of a cumulative total of more than $10,000,000 in equity or equity-linked securities of the Company; or (2) October 4, 1997. In addition, the Company agreed to issue one share of common stock for each one dollar loaned (valued at $.50 per share), and a warrant to purchase common stock for each dollar loaned exercisable at $.65 per share through October 4, 1999 (hereinafter referred to as Series B Warrants).

(Continued)

AMERICAN METROCOMM CORPORATION
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(A Development Stage Company)

Notes to Consolidated Financial Statements

Obligations payable to shareholders consist of the following:

	December 31, 1995	December 31, 1996
Obligations payable to LeveeComm members	$ 594,500	594,500
Notes payable to shareholders	-	740,000
Less unamortized discount	-	(301,803)
	$ 594,500	1,032,697

(8) Income Taxes

The Company has not recorded a provision for income taxes as a result of operating losses incurred from inception. The Company will file separate tax returns for each of the companies in the consolidated group. Following is a summary of estimated net operating loss carryforwards at December 31, 1996:

AMC	$ 180,000
AMC/NO	526,000
IMSEL	7,500
MFG	6,000

The full amount of all deferred tax assets was offset by a valuation allowance based on the Company's historical taxable income record.

LeveeComm is organized as a Limited Liability Company and is treated as a partnership for federal and state income tax purposes. Losses of LeveeComm are attributed directly to its members.

(9) Shareholders' Equity

The Company is authorized by its Articles of Incorporation to issue 25,000,000 shares of Series A, no par value preferred stock. The board of directors is authorized to fix the dividend terms, conversion right, redemption rights and other privileges and restrictions applicable to the stock.

The first series of preferred stock was designated the 1995 Series A Preferred Stock and will consist of no more than 500,000 shares. The number of authorized shares will be set by the board of directors. The 1995 Series A Preferred stock is entitled to receive dividends cumulatively at 14% per annum on a principal basis of $1 per preferred share, is non-voting except with respect to certain matters affecting the rights of preferred shareholders, is

(Continued)

convertible to 2 common shares for each preferred share converted on or prior to June 30, 1999 and is redeemable by the Company anytime after June 30, 1999 on the basis of $3 per preferred share plus accrued dividends. At December 31, 1996, the Company accrued $23,025 of dividends on the Series A Preferred Stock.

The Company is authorized by its Articles of Incorporation to issue 60,000,000 shares of common stock. No dividends are to be paid with respect to the common shares until all cumulative preferred dividends have been paid or funds have been set aside for such purpose.

The board of directors authorized the sale of up to 5,700,000 shares of the Company's common stock at a price of $.50 per share in conjunction with a Private Offering Memorandum (POM) dated August 20, 1996. As of the closing of this POM on December 13, 1996, the Company had sold 2,140,000 shares of common stock pursuant to this offering raising an aggregate of $1,070,000. The Company also issued to the purchasers of the shares under the POM, for no consideration, warrants to purchase an additional 2,140,000 shares, exercisable at $.65 per share through October 4, 1999 (hereinafter referred to as Series A Warrants).

(10) Commitments and Contingencies

AMC/NO has contracted with a major telecommunications company to construct a cable system within a specified geographic area which includes the central business district of New Orleans, Louisiana. The cable system is expected to cost approximately $2,000,000. Costs incurred under this contract amounted to $1,552,870 during the year ended December 31, 1996. In addition, the major telecommunications company has agreed to purchase certain special access services from the Company for a three-year period for a minimum monthly cost of $15,000.

The Company has entered into a thirty-six month agreement to purchase approximately $3,000,000 of network electronics equipment and related software and services from a major supplier. The Company intends to fund these purchases with the proceeds from the contemplated offering discussed in note 3.

In July 1996, the Company entered into a two-year interconnection agreement with a major telecommunications company to purchase at discounted rates significant existing and future services for resale. The terms, conditions, and prices of the interconnection agreement are to be determined by negotiations which must commence no later than July 9, 1997. In addition, the agreement provides for each party to access each other's telecommunications facility, including poles and conduits. Each party will receive compensation from the other for allowing such access as is set forth in the agreement.

The Company has entered into an agreement with a group of subsidiaries of a major utility holding company under which the Company and its subsidiaries have been granted a license to

(Continued)

have access to pole and conduit facilities within the four-state region served by the utility companies. The Company and its subsidiaries will pay fees for this access based upon usage as defined in the agreement.

The Company leases its office space on a month-to-month basis for a monthly rental of $1,100. Total rental expense incurred for the period June 14, 1994 (inception) through December 31, 1994 and for the years ended December 31, 1995 and 1996 amounted to $15,161, $26,467 and $12,637, respectively.

Beginning in February 1997, the Company began subleasing its office space from a major corporation in New Orleans under a five-year lease agreement. The lease agreement provides for a monthly rental of approximately $4,100 through June 1997 when it will increase to $8,400 per month, as additional space becomes available.

Beginning in February 1997, the Company began subleasing its network operating center from the same major corporation mentioned above. In lieu of a rental payment, the Company is to provide the sublessor on-net telecommunication services valued at $2,000 per month. The services provided in excess of $2,000 per month will be charged to the sublessor based upon specific rates. In addition, the Company is to pay the sublessor the incremental costs of providing electricity, air conditioning and maintenance on generator and air conditioning capacity. These incremental costs may be offset against amounts due the Company for telecommunication services provided.

In December 1996, the Company engaged a large telecommunications company to provide broadband systems integration consulting services for up to six months in the areas of network architecture and operations planning for a total of $360,000.

(11) Related Party Transactions

The management of the Company is primarily conducted by three shareholders who collectively own a controlling interest in the Company. The Company has paid these shareholders consulting and management fees amounting to $156,000, $193,000 and $142,500 for the period June 14, 1994 (inception) through December 31, 1994 and for the years ended December 31, 1995 and 1996, respectively. In addition, the Company had accrued consulting and management fees at December 31, 1995 and 1996 in the amounts of $40,000 and $247,000, respectively. The Company also paid one of these shareholders approximately $21,000, $22,000 and $14,000 in legal fees for the period June 14, 1994 (inception) through December 31, 1994 and for the years ended December 31, 1995 and 1996, respectively.

The Company is indebted to a previous shareholder and manager in the amount of $4,000 for the purchase of this stock in AMC/NO and membership units in LeveeComm and $121,000 for consulting and management fees due him at December 31, 1995. This previous manager and shareholder was paid $64,000 and $34,000 for the period June 14, 1994 (inception) through December 31, 1994 and the year ended December 31, 1995, respectively.

(Continued)

AMERICAN METROCOMM CORPORATION
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Notes to Consolidated Financial Statements

The Company was also indebted to an individual related to a shareholder for advances made by him and past consulting fees due him in the amount of $32,500 plus interest at ten percent per annum, through August 17, 1996, at which time the related party transferred his rights to that obligation to other shareholders. Total consulting fees paid to this related party for the period June 14, 1994 (inception) through December 31, 1994 and for the years ended December 31, 1995 and 1996 amounted to $78,000, $20,500 and $14,000, respectively.

In August and September 1995, five shareholders of AMC/NO sold 241,200 and 141,180 shares, respectively, of their common stock, back to AMC/NO on an installment basis. The stock was recorded as treasury stock and was subsequently resold to other investors. The shareholders received installment obligations from AMC/NO in the amounts of $202,500 and $117,000. These obligations were to be paid to the shareholders in twelve equal monthly installments beginning one year from the date the shares were purchased by AMC/NO, provided that there were funds available. In April 1996, these shareholders transferred their rights to receive payment of the obligations to the Company in connection with their acquisition of the common stock of the Company - see note 3. As of December 31, 1996, AMC/NO has made no payments against this obligation.

Telecommunications Tariff

Title Sheet

FLORIDA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services provided by American MetroComm Long Distance Corp., hereinafter in the text of this tariff referred to as "American MetroComm" with principal offices at 1615 Poydras Street, Suite 1050, New Orleans, Louisiana 70112. This tariff applies to services furnished within the State of Florida. This tariff is on file with the Florida Public Service Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business.

Issued by:

Gary George, President
American MetroComm Long Distance Corp.
1615 Poydras Street, Suite 1050
New Orleans, Louisiana 70112

Check Sheet

Sheets 1 through 19 inclusive of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

SHEET	REVISION
1	Original
2	Original
3	Original
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5	Original
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20	Original

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Issued by:

Gary George, President
American MetroComm Long Distance Corp.
1615 Poydras Street, Suite 1050
New Orleans, Louisiana 70112

Symbols

The following are the only symbols used for the purposes indicated below:

D - Delete or Discontinue.

I - Change Resulting In An Increase to A Customer's Bill.

M - Moved From Another Tariff Location.

N - New.

R - Change Resulting In A Reduction to A Customer's Bill.

T - Change In Text or Regulation But No Change In Rate or Charge.

Tariff Format

A. Sheet Numbering - Sheet numbers appear in the upper right corner of the sheet. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.

B. Sheet Revision Numbers - Revision numbers also appear in the upper right corner of each sheet. These numbers are used to determine the most current sheet version on file with the FPSC. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc. the FPSC follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff page in effect. Consult the Check Sheet for the sheet currently in effect.

C. Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

2.
2.1.
2.1.1.
2.1.1.A.
2.1.1.A.1.
2.1.1.A.1.(a).
2.1.1.A.1.(a).I.
2.1.1.A.1.(a).I.(i).
2.1.1.A.1.(a).I.(i).(1).

Tariff Format (continued)

D. Check Sheets - When a tariff filing is made with the FPSC, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the FPSC.

Section 1 - Technical Terms and Abbreviations

Access Line - An arrangement which connects the Customer's location to an Avis Rent A Car service.

Authorization Code - A numerical code available to a Customer to access the carrier, and which is used by the carrier to prevent unauthorized access to its facilities and for billing purposes.

Company or Carrier - American MetroComm Long Distance Corp., or "American MetroComm".

Customer - The person, firm, corporation or other entity which orders service and is responsible for payment of charges due and compliance with the Company's tariff regulations.

Day - From 8:00 AM up to but not including 5:00 PM local time Monday through Friday.

Evening - From 5:00 PM up to but not including 11:00 PM local time Sunday through Friday.

Holidays -American MetroComm's recognized holidays are New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day and Christmas Day.

Night/Weekend - From 11:00 PM up to but not including 8:00 AM Sunday through Friday, and 8:00 AM Saturday up to but not including 5:00 PM Sunday.

Section 2 - Rules and Regulations

2.1 Applications of Tariff

2.1.1 This tariff contains the regulations and rates applicable to intrastate one plus long distance service.

2.1.2 The rates and regulations contained in this tariff apply only to the interexchange telecommunications services furnished by American MetroComm Long Distance Corp. and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carrier for use in accessing the services of American MetroComm Long Distance Corp.

2.1.3 The services of American MetroComm Long Distance Corp. are furnished to both business and residential Customers.

2.1.4 The Company may require a Customer to sign an application form and establish creditworthiness as a condition precedent to the initial establishment of service.

2.1.5 Any member of the general public (including any natural person or legally organized entity such as a corporation, partnership, or governmental body) is entitled to obtain service under this tariff, provided that the Company reserves the right to deny service: (a) to any Customer that, in the Company's discretion, presents an undue risk of nonpayment and refuses to comply with this tariff; (b) in circumstances where the Company has reason to believe that the use of such service would violate the provisions of this tariff, or if any applicable law or regulation restricts or prohibits provision of the service; or (c) if insufficient facilities are available to provide the service.

Section 2 - Rules and Regulations (continued)

2.2 Use of Services

2.2.1 American MetroComm Long Distance Corp.'s services may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of services.

2.2.2 The use of American MetroComm Long Distance Corp.'s services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another or in such a way as to unreasonably interfere with use by others is prohibited.

2.2.3 American MetroComm Long Distance Corp.'s services are available for use twenty-four hours per day, seven days per week.

2.2.4 American MetroComm Long Distance Corp. does not transmit messages pursuant to this tariff, but its services may be used for that purpose.

2.3 Limitations

2.3.1 Service is offered subject to the availability of facilities and the provisions of this tariff.

2.3.2 American MetroComm reserves the right to discontinue furnishing service, or limit the use of service necessitated by conditions beyond its control or when the Customer is using service in violation of the law or the provisions of this tariff.

2.3.3 All facilities provided under this tariff are directly controlled by American MetroComm and the Customer may not transfer or assign the use of service or facilities, except with the express written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service or facilities.

Section 2 - Rules and Regulations (continued)

2.3 Limitations (continued)

2.3.4 Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions for service.

2.4 Liability of American MetroComm Long Distance Corp.

2.4.1 The Company's liability, if any, for its willful misconduct is not limited by this tariff. With respect to any other claim or suit by a Customer or any other person including any traffic aggregator, for damages associated in any way with the installation, provision, termination, maintenance, repair, restoration or use of services governed by this tariff, including any and all equipment and facilities incidental to or associated with such services, the Company's liability, if any, shall not exceed an amount equal to the charge applicable under this tariff to the period during which services were affected. This liability for damages shall be in addition to provisions of this tariff, if any, as a credit allowance. However, any mistakes, omissions, interruptions, delays, errors, or defects associated in any way with the installation, provision, termination, maintenance, repair, restoration or use of services, which are caused by or contributed to by the negligence or willful act of the Customer, or which arise from facilities or equipment used by the Customer, shall not result in the imposition of any liability whatsoever upon the Company.

2.4.2 The Company is not liable for any damages caused in whole or in part by, or associated with, any service (including but not limited to channels, maintenance, repair, restoration, or local exchange services) or equipment which it did not furnish. The Company is not liable for the quality of service provided by any local exchange carrier.

2.4.3 In no event shall the Company be liable for special, punitive consequential or incidental damages. The Company disclaims any express or implied warranties with respect to its services or equipment including without limitation, any implied warranties of merchantability and fitness for a particular purpose.

Section 2 - Rules and Regulations (continued)

2.4 Liability of American MetroComm Long Distance Corp. (continued)

2.4.4 In the event the Company is subjected to any liability or damages for its acts or omissions, other than willful misconduct, notwithstanding the provisions of the two preceding sections, the Company shall be indemnified, defended and held harmless by the Customer or traffic aggregator against all claims, losses, or damages arising in whole or in part from, or in any way associated with, the installation, provision, termination, maintenance, repair, restoration or use of services governed by this tariff, including any and all equipment and facilities incidental to or associated with such services. In addition, the Company shall be indemnified and saved harmless by the Customer from and against all loss, liability, damage and expense, including reasonable counsel fees, due to claims for libel, slander, or infringement or copyright in connection with the material transmitted over the Company's facilities; and any other claim relating to the use of the Company's facilities.

2.4.5 The Company's failure to provide, maintain or restore service under this tariff shall be excused by labor difficulties, governmental orders, civil disturbances, acts of God, fire, flood and other catastrophes and other circumstances beyond the Company's reasonable control, subject to the Credit Allowances in this tariff, if any, applicable to interruption in service.

Section 2 - Rules and Regulations (continued)

2.5 Interruption of Service

2.5.1 Credit allowance for the interruption of service which is not due to the Company's testing or adjusting, negligence of the Customer, or to the failure of channels or equipment provided by the Customer, are subject to the general liability provisions set forth in 2.4 herein. It shall be the obligation of the Customer to notify the Company immediately of any interruption in service for which a credit allowance is desired. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission by the Customer within his control, or is not in wiring or equipment, if any, furnished by the Customer and connected to the Company's facilities. The Company's service and facilities are provided on a monthly basis, unless ordered on a longer basis and are provided 24 hours per day, 7 days per week.

2.5.2 For purposes of credit computation, every month shall be considered to have 720 hours.

2.5.3 No credit shall be allowed for an interruption of a continuous duration of less than two hours.

2.5.4 The Customer shall be credited for an interruption of two hours or more at the rate of 1/720th of the monthly charge for the facilities affected for each hour or major fraction thereof that the interruption continues.

Credit Formula: $\text{Credit} = \frac{A \times B}{720}$

"A" - outage time in hours.
"B" - total monthly charge for affected facility.

Section 2 - Rules and Regulations (continued)

2.6 Restoration of Service

The use and restoration of service in emergencies shall be in accordance with the priority system specified in Part 64, Subpart D of the Rules and Regulations of the Federal Communications Commission's Rules and Regulations, which specifies the priority system for such activities.

2.7 Returned Checks

If the Company receives a check from a Customer in payment for service rendered or for any other reason of indebtedness and which is returned from the bank due to insufficient or uncollected funds, a closed account, apparent tampering, a missing signature or endorsement, or for any other reason, the Company shall apply a service charge of $10.00.

The charge shall be applied to Customer's monthly billing in additional to any other charges which may apply under this tariff. Payment rendered by check, which is subsequently dishonored shall not constitute payment until such time as repayment is made by valid means.

2.8 Deposits

The Company does not require a deposit from the Customer.

2.9 Taxes

All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

Section 2 - Rules and Regulations (continued)

2.10 Billing Entity Conditions

When billing functions on behalf of American MetroComm Long Distance Corp. are performed by local exchange telephone companies or others, the payment conditions and regulations of such companies may apply, including any applicable interest and/or late payment charge conditions, provided these conditions fall within the guidelines set forth by the Rules and Regulations of the Florida Public Service Commission.

2.10.1 American MetroComm will bill Customers based upon their usage. Service begins on the date that billing becomes effective and is provided on the basis of minimum period of one month, twenty-four (24) hours a day. For the purposes of this tariff, a month is considered to have thirty (30) days.

2.10.2 This billing will be transmitted to the Customer monthly. Payment will be due within 30 days of the date on which the bill is mailed. In the event the Customer fails to remit payment when due, the Customer shall be liable for an additional fee of 1.5% of any unpaid charges due for more than 30 days.

2.10.3 In the event the Company incurs fees or expenses, including attorney's fees, in collecting or attempting to collect any charges due the Company, the Customer will be liable to the Company for the payment of all such fees and expenses reasonably incurred.

2.10.4 Disputes with respect to charges must be presented to the Company in writing within three months from the date the invoice is rendered. After that date, and absent such written notice to the Company of a dispute, such invoice will be deemed to be correct and binding on the Customer.

Section 2 - Rules and Regulations (continued)

2.11 Termination of Service

The Company shall have the right to terminate service on the grounds of late payment for invoices past thirty (30) days of due date. Customer will receive an eight (8) day written notice of cancellation after the 30th day following the invoice date.

2.12 Responsibilities of the Customer

The Customer is responsible for providing American MetroComm with current and ongoing accurate information as related to American MetroComm's service. The Customer is responsible to pay any and all charges by American MetroComm according to any agreement between American MetroComm and the Customer. The Customer must advise American MetroComm of cancellation of service or any penalties applied according to any agreement between American MetroComm and the Customer. The Customer is responsible for any damage that occurs to American MetroComm's equipment or service that is deemed to be caused by CPE or Customer neglect. If applicable, the Customer must notify American MetroComm 24 hours in advance of any scheduled repair or maintenance at American MetroComm.

2.13 CPE

CPE is ordered and maintained solely by the Customer or by the Customers' equipment vendor.

Section 2 - Rules and Regulations (continued)

2.14 Other Terms and Conditions

2.14.1 If an entity other than the Company (e.g., another carrier or supplier) imposes charges on the Company in connection with a service, that entity's charges may, at the Company's option, be passed through to the Customer also.

2.14.2 In the event suit is brought or an attorney is retained by the Company to enforce the terms of this tariff, the Company shall be entitled to recover in addition to any other remedy, reimbursement for reasonable attorneys' fees, court costs, costs for investigation and other related expenses incurred in connection therewith.

2.14.3 The failure to give notice of default, to enforce or insist upon compliance with any of the terms or conditions herein, the waiver of any term or conditions herein, or the granting of an extension of time for performance by the Company or the Customer shall not constitute the permanent waiver of any term or condition therein. Each of the provisions set forth herein shall remain at all times in full force and effect until modified in writing.

Section 2 - Description of Service

3.1 American MetroComm Basic Residential Switched SDN
Pre-subscribed flat rate service. All calls are billed in increments of one (1) minute and each six (6) seconds thereafter with a single rates in effect for all times of the day.

3.2 American MetroComm Basic Commercial Switched SDN
Pre-subscribed flat rate service. All calls are billed in increments of one (1) minute and each six (6) seconds thereafter with a single rates in effect for all times of the day.

3.3 American MetroComm Dedicated SDN Service
Pre-subscribed flat rate service. All calls are billed in increments of the first one (1) minute and each six (6) seconds thereafter with rates keyed to the time of day the call is placed. A monthly service charge of $10.00 for each location may apply. Loop and port charges are set forth in Section 4. LEC charges for installation and monthly access apply.

3.4 American MetroComm Dedicated 800 Service
Dedicated flat rate service. All calls are billed in increments of one (1) minute and each six (6) seconds thereafter. A monthly service charge of $10.00 for each location may apply. Loop and port charges are set forth in Section 4. LEC charges for installation and monthly access apply.

3.5 American MetroComm Switched 800 Service
Switched flat rate 800 service. All calls are billed in increments of one (1) minute with a one (1) minute minimum. A monthly service charge of $10.00 for each location may apply.

3.6 American MetroComm Travel Card Service
Travel Card service is a card issued to Customers which allows them to use American MetroComm's telecommunications service when they are away from their home or office telephones.

Section 4 - Rates

4.1 American MetroComm Basic Residential System Switched SDN

	All Time Periods
First Minute	$ 0.2500
Additional 6 Seconds	$ 0.0250

Recurring Monthly Charge	$0.00	
Minimum Monthly Usage	$0.00	

4.1.1 American MetroComm Basic Residential System 2 Switched SDN

	All Time Periods
First Minute	$ 0.2000
Additional 6 Seconds	$ 0.0200

Recurring Monthly Charge	$0.00	
Minimum Monthly Usage	$10.00	

4.2 American MetroComm Basic Commercial System Switched SDN

	All Time Periods
First Minute	$ 0.2100
Additional 6 Seconds	$ 0.0210

Recurring Monthly Charge	$0.00	Installation $0.00 per line
Minimum Monthly Usage	$0.00	

4.2.1 American MetroComm Basic Commercial2 System Switched SDN

	All Time Periods
First Minute	$ 0.1700
Additional 6 Seconds	$ 0.0170

Recurring Monthly Charge	$0.00	Installation $200.00 per line
Minimum Monthly Usage	$10.00	

Issued by: Gary George, President
American MetroComm Long Distance Corp.
1615 Poydras Street, Suite 1050
New Orleans, Louisiana 70112

Section 4 - Rates (Continued)

4.3 American MetroComm Dedicated Commercial SDN Service

	All Time Periods
First Minute	$ 0.1200
Additional 6 Seconds	$ 0.0120

Loop Charge: $550.00 per month plus $3.50 per mile from Customer's location
Port Charge: $125.00 per port

4.4 American MetroComm Dedicated Commercial 800 Service

	All Time Periods
First Minute	$ 0.1800
Additional 6 Seconds	$ 0.0180

Loop Charge: $550.00 per month plus $3.50 per mile from Customer's location
Port Charge: $125.00 per port

4.5 American MetroComm Basic Commercial Switched 800 Service

	All Time Periods
First Minute	$ 0.3700
Additional six (6) seconds	$ 0.0370

Recurring Monthly Charge	$0.00
Minimum Monthly Usage	$0.00

Section 4 - Rates (Continued)

4.5.1 American MetroComm Basic Commercial2 Switched 800 Service

	All Time Periods
First Minute	$ 0.3500
Additional six (6) seconds	$ 0.03705

Recurring Monthly Charge	$0.00	Installation $200.00 per line
Minimum Monthly Usage	$1,000.00	

4.6 American MetroComm Travel Card Service

Travel Card service which allows Customers to use American MetroComm telecommunications service when they are away from their home or office telephones. There is a for intrastate calls.

	All Time Periods
One (1) Minute Increments	$0.6500
Per call surcharge	$0.50

4.7 Special Promotional Offerings

The Company may from time to time engage in Special Promotional Offerings limited to certain dates, times or locations designed to attract new subscribers or increase subscriber usage. Prior to making any such Special Promotional Offerings the Company shall obtain tariff approval from the Department.

Issued by:

Gary George, President
American MetroComm Long Distance Corp.
1615 Poydras Street, Suite 1050
New Orleans, Louisiana 70112

AMREG

4701 North Federal Highway, Suite 315, Box A-7
Lighthouse Point, Florida 33064

DEPOSIT DATE

D594 AUG 18 1997

August 15, 1997

Florida Public Service Commission
Division of Administration
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0866

Re: American MetroComm Long Distance Corp.

Dear Sir or Madam:

On behalf of our client American MetroComm Long Distance Corp. and attached hereto please find an original and twelve (12) copies of an Application and Tariff to Provide Interexchange Telecommunications Services in the State of Florida.

Also enclosed is check in the amount of $250.00 for the required filing fee.

Please direct questions, comments, notices or correspondence regarding the above referenced filing to:

Michael Koslen, Director of Regulatory Affairs
American Regulatory Services Corp.
4701 North Federal Highway, Suite 315, Box A-7
Lighthouse Point, Florida 33064
(954) 941-7592.

For purposes of verification of receipt, I have provided an additional copy of this cover letter. Please date stamp and return to me in the stamped self addressed envelope provided.

Sincerely yours,

Michael Koslen
Director of Regulatory Affairs

MSK/va

Enclosures

AMREG

American Regulatory Services Corp.

4701 North Federal Highway, Suite 315, Box A-7
Lighthouse Point, Florida 33064

DEPOSIT D594

DATE AUG 18 1997

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ORIGINAL CHECK HAS COLORED BACKGROUND PRINTED ON CHEMICAL REACTIVE PAPER

AMERICAN METROCOMM CORPORATION
1615 POYDRAS ST. SUITE 1050
504-598-9000
NEW ORLEANS, LA 70112

BANK ONE
LOUISIANA

005191

DATE	CHECK NO.	AMOUNT
08/04/97	005191	$250.00

PAY TWO HUNDRED FIFTY DOLLARS AND 00 CENTS **

TO THE ORDER OF STATE OF FLORIDA

CHECKS OVER $5,000.00 REQUIRE TWO SIGNATURES

DOCUMENT NUMBER-DATE

08291 AUG 18 97

DS/REPORTING

To Reorder Call CPASoftware At 800-272-7760