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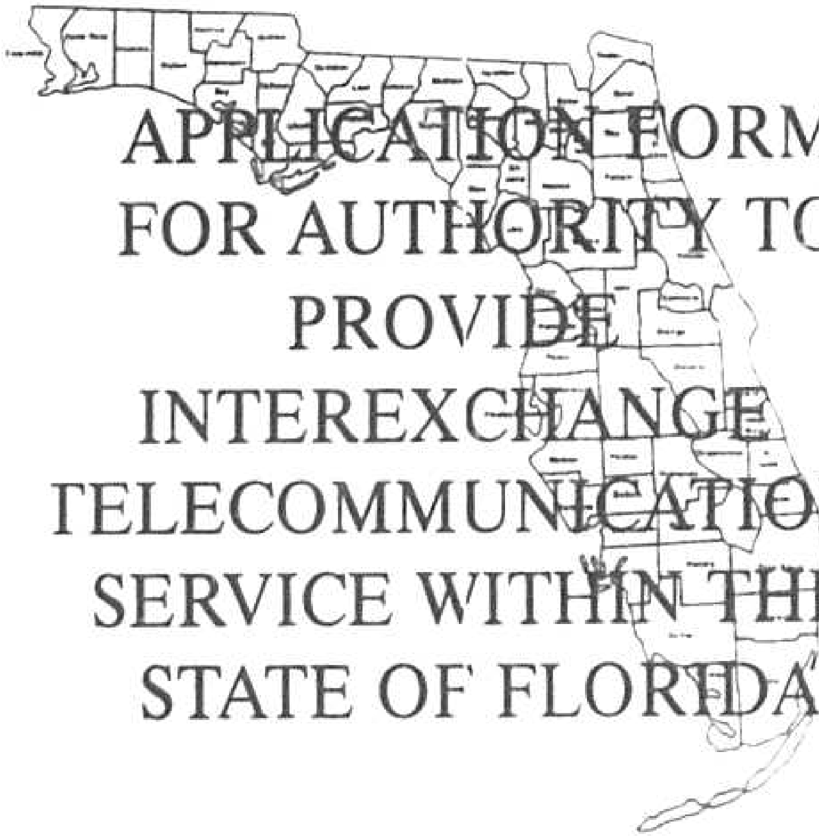

APPLICATION FORM FOR AUTHORITY TO PROVIDE INTEREXCHANGE TELECOMMUNICATION SERVICE WITHIN THE STATE OF FLORIDA

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Initials of person who forwarded check:
A. J.

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FOR DEPOSIT ONLY
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FLORIDA STATE TREASURY
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**** FLORIDA PUBLIC SERVICE COMMISSION ***

DIVISION OF COMMUNICATIONS
BUREAU OF SERVICE EVALUATION

APPLICATION FORM
for
AUTHORITY TO PROVIDE INTEREXCHANGE 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
2540 Shumard Oak Blvd.
Gunter Building
Tallahassee, Florida 32399-0850
(904) 413-6600

E. Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of $250.00 to:

Florida Public Service Commission
Division of Administration
2540 Shumard Oak Blvd.
Gunter Building
Tallahassee, Florida 32399-0850
(904) 413-6251

1. 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 an uncertificated 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):

(x) **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.

(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 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:

   Strategic Technologies, Inc.

4. Name under which the applicant will do business (fictitious name, etc.):

5. National address (including street name & number, post office box, city, state and zip code).

   790 NW 107th Avenue, Miami, Florida 33172

6. Florida address (including street name & number, post office box, city, state and zip code):

   790 NW 107th Avenue, Miami, Florida 33172

7. Structure of organization;

   ( ) Individual (xx) 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. See Exhibit A

Corporate charter number: P94000047928

(b) Name and address of the company's Florida registered agent. Morris J. Watsky
700 NW 107th Avenue
Miami, FL 33172

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

Fictitious name registration number: ________

(c) 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

(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. Yes, see Exhibit B

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

(a) The application;

(b) Official Point of Contact for the ongoing operations of the company;

(c) Tariff;

Robert D. Rubin, President
790 NW 107th Avenue
Miami, Florida 33172

(d) Complaints/Inquiries from customers;

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.

None

(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:

None are contemplated at this time

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

13. Do you have a marketing program?

Yes

14. Will your marketing program:

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

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

Independent sales reps

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

(X) Residential customers. (X) Business customers.
( ) PATS providers. ( ) PATS station end-users.
(X) Hotels & motels. ( ) Hotel & motel guests.
( ) Universities. ( ) Univ. 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 the billed party contact to ask questions about the bill (provide name and phone number) and how is this information provided?

Yes

(b) Name and address of the firm who will bill for your service.

In-house

18. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide interexchange telecommunications service in Florida.

A. Financial capability.

Regarding the showing of financial capability, the following applies: See Exhibit B

The application should contain the applicant's financial statements, including:

1. the balance sheet

2. income statement

3. statement of retained earnings for the most recent 3 years.

If available, the financial statements should be audited financial statements.

If the applicant does not have audited financial statements, it shall be so stated. The unaudited financial statements should then be signed by the applicant's chief executive officer and chief financial officer. The signatures should affirm that the financial statements are true and correct.

B. Managerial capability.

See Exhibit B

C. Technical capability.

See Exhibit B

19. Please submit the proposed tariff under which the company plans to begin operation. Use the format required by Commission Rule 25-24.485 (example enclosed).

See Exhibit C

20. 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)**
_X_ Method of access is FGA
_X_ Method of access is FGB
_X_ Method of access is FGD
_X_ Method of access is 800

___ **MTS for pay telephone service providers**

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

_X_ **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
_X_ 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

21. What does the end user dial for each of the interexchange carrier services that were checked in services included (above).

1 + NXX XXXX
1-800

22. ___ **Other:**

**** APPLICANT ACKNOWLEDGEMENT 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. **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 service.

6. **ACCURACY OF APPLICATION:** By my signature below, I the undersigned owner or officer of the named utility in the application, attest to the accuracy of the information contained in this application and associated attachments. I have read the foregoing and declare that to the best of my knowledge and belief, the information is a true and correct statement.

   Further, I am aware that pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083".

UTILITY OFFICIAL: Robert D Rubin — August 22, 1997

Signature — Date

Robert D. Rubin

President — 305-229-6592

Title — Telephone No.

FORM PSC/CMU 31 (11/95)
Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-24.480(2).

** APPENDIX A **

CERTIFICATE TRANSFER STATEMENT

I, (TYPE NAME) ____,

(TITLE) ______________________________, of (NAME OF COMPANY)

____, and current

holder of certificate number _________________, have reviewed

this application and join in the petitioner's request for a

transfer of the above-mention certificate.

UTILITY OFFICIAL: ______________________________ ______________

Signature Date

____

______________________________ ______________

Title Telephone No.

FORM PSC/CMU 31 (11/95)
Required by Commission Rule Nos. 25-24.471, 25-24.473. and 25-24.480(2).

**** 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):

(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.)**

UTILITY OFFICIAL: Robert D. Rubin (signature)
Signature

August 22, 1997
Date

Robert D. Rubin

President
Title

305-229-6592
Telephone No.

FORM PSC/CMU 31 (11/95)
Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-24.480(2).

** APPENDIX C **

INTRASTATE NETWORK

** The Company initially plans to be a switchless reseller.

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

N/A

1) 2)

3) 4)

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

N/A

1) 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.

N/A

	POP-to-POP	TYPE	OWNERSHIP
1)			
2)			

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).

(305) (813) (407) (954) (561)

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).

The applicant is a certificated alternate local exchange telephone company in the State of Florida.

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?

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

UTILITY OFFICIAL: Robert D Rubin
Signature

August 22, 1997
Date

Robert D. Rubin

President
Title

305-229-6592
Telephone No.

FORM PSC/CMU 31 (11/95)
Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-24.480(2).

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

** FLORIDA EAS FOR MAJOR EXCHANGES **

Extended Service Area	with	These Exchanges
PENSACOLA:		Cantonment, Gulf Breeze Pace,Milton Holley-Navarre.
PANAMA CITY:		Lynn Haven, Panama City Beach,
		Youngstown-Fountain and Tyndall AFB.
TALLAHASSEE:		Crawfordville, Havana, Monticello, Panacea, Sopchoppy and St. Marks.
JACKSONVILLE:		Baldwin, Ft. George, Jacksonville Beach, Callahan, Maxville, Middleburg Orange Park, Ponte Vedra and Julington.
GAINESVILLE:		Alachua, Archer, Brooker, Hawthorne, High Springs, Melrose, Micanopy, Newberry and Waldo.
OCALA:		Belleview, Citra, Dunnellon,

	Forest Lady Lake (B21), McIntosh, Oklawaha, Orange Springs, Salt Springs and Silver Springs Shores.
DAYTONA BEACH:	New Smyrna Beach.
TAMPA:	Central None East Plant City North Zephyrhills South Palmetto West Clearwater
CLEARWATER:	St. Petersburg, Tampa-West and Tarpon Springs.
ST. PETERSBURG:	Clearwater.
LAKELAND:	Bartow, Mulberry, Plant City, Polk City and Winter Haven.
ORLANDO:	Apopka, East Orange, Lake Buena Vista, Oviedo, Windermere, Winter Garden, Winter Park, Montverde, Reedy Creek, and Oviedo-Winter Springs.
WINTER PARK:	Apopka, East Orange, Lake Buena Vista, Orlando, Oviedo, Sanford, Windermere, Winter Garden, Oviedo-Winter Springs Reedy Creek, Geneva and Montverde.
TITUSVILLE:	Cocoa and Cocoa Beach.
COCOA:	Cocoa Beach, Eau Gallie, Melbourne and Titusville.
MELBOURNE:	Cocoa, Cocoa Beach, Eau Gallie and Sebastian.
SARASOTA:	Bradenton, Myakka and Venice.
FT. MYERS:	Cape Coral, Ft. Myers Beach, North Cape Coral, North Ft. Myers, Pine Island, Lehigh Acres and Sanibel-Captiva Islands.
NAPLES:	Marco Island and North Naples.
WEST PALM BEACH:	Boynton Beach and Jupiter.

POMPANO BEACH:	Boca Raton, Coral Springs, Deerfield Beach and Ft. Lauderdale.
FT. LAUDERDALE:	Coral Springs, Deerfield Beach, Hollywood and Pompano Beach.
HOLLYWOOD:	Ft. Lauderdale and North Dade.
NORTH DADE:	Hollywood, Miami and Perrine.
MIAMI:	Homestead, North Dade and Perrine

** APPENDIX E **

** GLOSSARY **

ACCESS CODE: The term denotes a uniform four or seven digit code assigned to an individual IXC. The five digit code has the form 10XXX and the seven digit code has the form 950-XXXX.

BYPASS: Transmission facilities that go direct from the local exchange end user to an IXC point of presence, thus bypassing the local exchange company.

CARRIERS CARRIER: An IXC that provides telecommunications service, mainly bulk transmission service, to other IXC only.

CENTRAL OFFICE: A local operating unit by means of which connections are established between subscribers' lines and trunk or toll lines to other central offices within the same exchange or other exchanges. Each three (3) digit central office code (NXX) used shall be considered a separate central office unit.

CENTRAL OFFICE CODE: The term denotes the first three digits (NXX) of the seven (7) digit telephone number assigned to a customer's telephone exchange service.

COMMISSION: The Florida Public Service Commission.

COMPANY, TELEPHONE COMPANY, UTILITY: These terms may be used interchangeably herein and shall mean any person, firm, partnership or corporation engaged in the business of furnishing communication service to the public under the jurisdiction of the Commission.

DEDICATED FACILITY: The term denotes a transmission circuit which is permanently for the exclusive use of a customer or a pair of customers.

END USER: The term denotes any individual, partnership, association, corporation, governmental agency or any other entity which (A) obtains a common line, uses a pay telephone or obtains interstate service arrangements in the operating territory of the company or (B) subscribes to interstate services provided by an IXC or uses the services of the IXC when the IXC provides interstate service for its own use.

EQUAL ACCESS EXCHANGE AREAS: EAEA means a geographic area, configured based on 1987 planned toll center/access tandem areas, in which local exchange companies are responsible for providing equal access to both carriers and customers of carriers in the most economically efficient manner.

EXCHANGE: The entire telephone plant and facilities used in providing telephone service to subscribers located in an exchange area. An exchange may include more than one central office unit.

EXCHANGE (SERVICE) AREA: The territory, including the base rate suburban and rural areas served by an exchange, within which local telephone service is furnished at the exchange rates applicable within that area.

EXTENDED AREA SERVICE: A type of telephone service furnished under tariff provision whereby subscribers of a given exchange or area may complete calls to, and receive messages from, one or more other contiguous exchanges without toll charges, or complete calls to one or more other exchanges without toll message charges.

FACILITIES BASED: An IXC that has its own transmission and/or switching equipment or other elements of equipment and does not rely on others to provide this service.

FOREIGN EXCHANGE SERVICES: A classification of exchange service furnished under tariff provisions whereby a subscriber may be provided telephone service from an exchange other than the one from which he would normally be served.

FEATURE GROUPS: General categories of unbundled tariffs to stipulate related services.

Feature Group A: Line side connections presently serving specialized common carriers.

Feature Group B: Trunk side connections without equal digit or code dialing.

Feature Group C: Trunk side connections presently serving AT&T-C.

Feature Group D: Equal trunk access with subscription.

INTEREXCHANGE COMPANY: means any telephone company, as defined in Section 364.02(4), F.S. (excluding Payphone Providers), which provides telecommunication service between exchange areas as those areas are described in the approved tariffs of individual local exchange companies.

INTER-OFFICE CALL: A telephone call originating in one central office unit or entity but terminating in another central office unit or entity both of which are in the same designated exchange area.

INTRA-OFFICE CALL: A telephone call originating and terminating within the same central office unit or entity.

INTRASTATE COMMUNICATIONS: The term denotes any communications in Florida subject to oversight by the Florida Public Service Commission as provided by the laws of the State.

INTRA-STATE TOLL MESSAGE: Those toll messages which originate and terminate within the same state.

LOCAL ACCESS AND TRANSPORT AREA: LATA means the geographic area established for the administration of communications service. It encompasses designated exchanges, which are grouped to serve common social, economic and other purposes.

LOCAL EXCHANGE COMPANY (LEC): Means any telephone company, as defined in Section 364.02(4), F.S., which, in addition to any other telephonic communication service, provides telecommunication service within exchange areas as those areas are described in the approved tariffs of the telephone company.

OPTIONAL CALLING PLAN: An optional service furnished under tariff provisions which recognizes a need of some subscribers for extended area calling without imposing the cost on the entire body of subscribers.

900 SERVICE: A service similar to 800 service, except this service is charged back to the customer based on first minute plus additional minute usage.

PIN NUMBER: A group of numbers used by a company to identify their customers.

PAY TELEPHONE SERVICE COMPANY: Means any telephone company, other than a Local Exchange Company, which provides pay telephone service as defined in Section 364.335(4), F.S.

POINT OF PRESENCE (POP): Bell-coined term which designates the

actual (physical) location of an IXC's facility. Replaces some applications of the term "demarcation point."

PRIMARY SERVICE: Individual line service or party line service.

RESELLER: An IXC that does not have certain facilities but purchases telecommunications service from an IXC and then resells that service to others.

STATION: A telephone instrument consisting of a transmitter, receiver, and associated apparatus so connected as to permit sending and/or receiving telephone messages.

SUBSCRIBER, CUSTOMER: These terms may be used interchangeably herein and shall mean any person, firm, partnership, corporation, municipality, cooperative organization, or governmental agency supplied with communication service by a telephone company.

SUBSCRIBER LINE: The circuit or channel used to connect the subscriber station with the central office equipment.

SWITCHING CENTER: Location at which telephone traffic, either local or toll, is switched or connected from one circuit or line to another. A local switching center may be comprised of several central office units.

TRUNK: A communication channel between central office units or entities, or private branch exchanges.

ATTACHMENTS:

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

EXHIBIT A

State of Florida

Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of STRATEGIC TECHNOLOGIES, INC., a corporation organized under the laws of the State of Florida, filed on June 27, 1994, as shown by the records of this office.

The document number of this corporation is P94000047928.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Eighth day of July, 1994

THE GREAT SEAL OF THE STATE OF FLORIDA
IN GOD WE TRUST

Jim Smith

Jim Smith
Secretary of State

CR2EO22 (2-91)

FILED
1991 JUN 27

ARTICLES OF INCORPORATION

OF

STRATEGIC TECHNOLOGIES, INC.

(A corporation for profit)

The undersigned subscriber, a natural person competent to contract, hereby files these Articles of Incorporation in order to form a corporation under the laws of the State of Florida.

ARTICLE I

NAME

The name of this corporation shall be STRATEGIC TECHNOLOGIES, INC.

ARTICLE II

NATURE OF BUSINESS

The general nature of the business and activities to be transacted and carried on by this Corporation are as follows:

(a) To acquire by purchase, gift, devise, bequest or otherwise, to manufacture or construct, to own, use, hold and develop, to dispose of by sale, exchange or otherwise, to lease, mortgage, pledge, assign and generally to deal in and with real and personal property of every sort and description, services, goodwill, franchises, inventions, patents, copyrights, trademarks, trade names and licenses, and interests of any sort in any such property.

(b) To enter into and perform contracts of every sort and description, with any person, firm, association, corporation, municipality, county, state, nation or other body politic, or with any colony, dependency or agency of any of the foregoing.

(c) To issue, execute, deliver, endorse, buy, sell, draw, accept and discount notes, drafts, letters of credit, checks and other bills of exchange and other evidences of indebtedness.

(d) To borrow money, to lend money and extend credit, without limit in either case as to amount, in such amounts as the Board of Directors may from time to time determine to guarantee and act as surety with respect to the debts of any other person, firm, association or corporation without regard to the interest of this Corporation in any debt so guaranteed or assured of in such other person, firm association or corporation; and to secure any direct or contingent indebtedness of the Corporation by the execution and delivery of mortgages, pledges, assignments, transfers in trust or other instruments appropriate for encumbering any or all of the property of the Corporation, or any interest therein.

(e) To acquire, by purchase, merger or otherwise, all or any part of the goodwill, rights, property and business of any person, firm, association or corporation; in connection therewith to assume liabilities of any person, firm, association or corporation, and, in consideration of any such acquisition, to pay cash, to deliver stock, bonds, other securities, or property of any other kind.

(f) To issue, execute, deliver, guarantee, endorse, purchase, hold, sell, transfer, mortgage, pledge, assign and otherwise deal in and with shares of capital stock, bonds, debentures, other evidences of indebtedness and any and all other securities of any description created, issued or delivered by this Corporation by any other corporation, association, person or firm of the State of Florida or of any other state or nation, and while owner thereof, to exercise, to the extent permitted by law, all the rights, powers and privileges of ownership including, without limitation, the right to vote stock or other securities having voting rights as attributes.

(g) In general, to carry on any business and to have and exercise all of the powers conferred by the laws of the State of Florida, and to do any and all of the things hereinbefore set forth as principal, agent, or otherwise, either alone or in conjunction with others, in any part of the world.

(h) To perform every act necessary or proper for the accomplishment of the objects and purposes enumerated or for the protection and benefit of the Corporation.

(i) The objects and purposes specified in the foregoing clauses of this Articles shall, unless expressly limited, not be limited or restricted by reference to, or inference from, any provision in this or any other Article of these Articles of Incorporation, shall be regarded as independent objects and purposes and shall be construed as powers as well as objects and purposes.

ARTICLE III
STOCK

The authorized capital stock of this corporation shall consist of Five Thousand (5,000) shares of Common Stock with a par value of One Dollar ($1.00) per share. The stock of the Corporation shall be issued for such consideration as may be determined by the Board of Directors. Stockholders shall have no pre-emptive rights. Stockholders may enter into agreements with the Corporation or with each other to control or restrict the transfer of stock and such agreements may take the form of options, rights of first refusal, buy and sell agreements or any other lawful form of agreement.

ARTICLE V

TERM OF CORPORATE EXISTENCE

This Corporation shall exist perpetually unless dissolved according to law.

ARTICLE VI

NAME AND ADDRESS OF REGISTERED AGENT AND

LOCATION AND MAILING ADDRESS OF PRINCIPAL OFFICE

The Registered Agent for the corporation shall be Morris J. Watsky, Esq., whose address is 700 N. W. 107 Avenue, Miami, Florida 33172. The street address and mailing address of the principal office of this corporation in the State of Florida shall be 730 N. W. 107 Avenue, Miami, Florida 33172. The Board of Directors may from time to time move the principal office to any other address in Florida and may establish branch and other offices within or without the State of Florida.

ARTICLE VII

NUMBER OF DIRECTORS

The business of this Corporation shall be managed by a Board of Directors consisting of not fewer than three (3) persons, the exact number to be determined from time to time in accordance with the By-Laws.

ARTICLE VIII

FIRST BOARD OF DIRECTORS

The names and street addresses of the members of the Board of Directors, who shall hold office until the first annual meeting of stockholders, and thereafter until successors are elected, are as follows:

STEVEN J. SAIONTZ	730 N.W. 107 Avenue Miami, Florida 33172
LINDA REED	730 N.W. 107 Avenue Miami, Florida 33172
NANCY KAMINSKY	730 N.W. 107 Avenue Miami, Florida 33172
CARLOS AGUILAR	730 N.W. 107 Avenue Miami, Florida 33172
JOHN HALL	730 N. W. 107 Avenue Miami, Florida 33172

ARTICLE IX

OFFICERS

The corporation shall have a President, a Secretary and a Treasurer, and may have additional and assistant officers including, without limitation thereto, a Chairman of the Board of Directors, one or more Vice Presidents, Assistant Secretaries and Assistant Treasurers. A person may hold more than one office except that the President may not also be the Secretary or an Assistant Secretary.

ARTICLE X

BY-LAWS

The Board of Directors shall adopt By-Laws for the Corporation. The By-Laws may be amended, altered or repealed by the stockholders or Directors in any manner permitted by the By-Laws.

ARTICLE XI

TRANSACTIONS IN WHICH DIRECTORS OR OFFICERS ARE INTERESTED

A. No contract or transaction between the Corporation and one or more of its Directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its Directors or officers are Directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the Director or officer is present at or participates in the meeting of the Board or Committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose if:

(1) The material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the board of Directors or the Committee, and the Board or Committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested Directors, even though the disinterested Directors be less than a quorum; or

(2) The material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or

(3) The contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders.

B. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorized the contract or transaction.

ARTICLE XII
INDEMNIFICATION OF DIRECTORS AND OFFICERS

A. The Corporation hereby indemnifies any Director or officer made a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding:

(1) Whether civil, criminal, administrative, or investigative, other than one by or in the right of the Corporation to procure a judgment in its favor brought to impose a liability or penalty on such person for an act alleged to have been committed by such person in his capacity of Director or officer of the Corporation, or in his capacity as Director, officer, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise which he served at the required of the Corporation, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred as a result of such action, suit or proceeding or any appeal therein, if such person acted in good faith in the reasonable belief that such action was in the best interests of the Corporation, and in criminal actions or proceedings, without reasonable ground for belief that such action was unlawful. The termination of any such action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not in itself create a presumption that any such Director or officer did not act in good faith in the reasonable belief that such action was in the best interests of the corporation or that he had reasonable grounds for belief that such action was unlawful.

(2) By or in the right of the Corporation to procure a judgment in its favor by reason of his being or having been a Director or officer of the Corporation, or by reason of his being or having been a Director, officer, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise which he served at the request of the Corporation, against the reasonable expense, including attorneys' fees actually and necessarily incurred by him in connection with the defense or settlement of such action or in connection with an appeal therein, if such person acted in good faith in the reasonable belief that such action was in the best interests of the Corporation. Such person shall not be entitled to indemnification in relation to matters as to which such person has been adjudged to have been guilty of negligence or misconduct in the

performance of his duty to the Corporation unless and only to the extent that the court, administrative agency, or investigative body before which such action, suit or proceeding is held shall determine up;on application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses which such tribunal shall deem proper.

B. Any indemnification under Section A shall be made by the Corporation only as authorized in the specific case upon a determination that amounts for which a Director or officer seeks indemnification were properly incurred and that such Director or officer acted in good faith and in a manner he reasonably believed to be in the best interests of the Corporation and that, with respect to any criminal action or proceeding, he had no reasonable ground or belief that such action was unlawful. Such determination shall be made either (1) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested Directors so directs, by a majority vote of a quorum consisting of stockholders who were not parties to such action, suit or proceedings.

C. The foregoing rights of indemnification shall not be deemed to limit in any way the powers of the Corporation to indemnify under applicable law.

ARTICLE XIII
AMENDMENT

These Articles of Incorporation may be amended in any manner now or hereafter provided for by law and all rights conferred upon stockholders hereunder are granted subject to this reservation.

ARTICLE XIV
SUBSCRIBER

The name and street address of the subscriber to these Articles of Incorporation is as follows: Morris J. Watsky, Esq. 700 N. W. 107 Avenue, Miami, Florida 33172.

IN WITNESS WHEREOF, I do hereunto sign my name this 24th day of June, 1994.

M. J. Watsky

Morris J. Watsky

STATE OF FLORIDA
COUNTY OF DADE

IN HEREBY CERTIFY that on this day personally appeared before me, the undersigned authority, Morris J. Watsky, to me well known and well known to me to be the person who executed the foregoing instrument and acknowledged before me that he executed the same freely and voluntarily for the uses and purposes therein set forth and expressed. He is personally known to me and did not take an oath.

IN WITNESS WHEREOF, I have hereunto set me hand and affixed my official seal on this 24th day of June, 1994.

Janet S English
Notary Public, State of Florida

NOTARY PUBLIC STATE OF FLORIDA
OFFICIAL NOTARY SEAL
JANET S ENGLISH
COMMISSION NUMBER
CC215052
MY COMMISSION EXP.
AUG. 10,1996

CERTIFICATE DESIGNATING PLACE OF BUSINESS FOR SERVICE OF PROCESS WITHIN THIS STATE, NAMING AGENT UPON WHOM PROCESS MAY BE SERVED

FILED 1994 JUN 27 PM 7:56 SECRETARY OF STATE TALLAHASSEE, FLORIDA

Pursuant to Chapter 48.091, Florida Statutes, the following is submitted in compliance with said Act:

That STRATEGIC TECHNOLOGIES, INC., desiring to organize under the laws of the State of Florida, with its principal office at 730 N. W. 107 Avenue, County of Dade, State of Florida, has named Morris J. Watsky, whose office is located at 700 N. W. 107 Avenue, Miami, Florida 33172 as its agent to accept service of process within the State.

ACKNOWLEDGEMENT

Having been named to accept service of process for the above-stated Corporation, as the place designated in this Certificate, I hereby accept to act in this capacity, and agree to comply with the provisions of said Act, relative to keeping open said office.

Morris J. Watsky
As its Registered Agent

Exhibit B

A. Financial Capability.

Attached hereto as attachment 1 is the unaudited balance sheet dated July 31, 1997, income statement for the eight months ended July 31, 1997 and statement of retained earnings since inception.

The applicant is a wholly-owned subsidiary of Lennar Financial Services, Inc., which is a wholly-owned subsidiary of Lennar Corporation ("Lennar"). A copy of a certificate from the President and chief accounting officer of the applicant is attached hereto as attachment 2.

Lennar (NYSE: LEN) is a full service real estate company. Lennar is one of the largest homebuilders in the United States and has been ranked as Florida's number one homebuilder for many years. The book value of Lennar's assets at May 31, 1997, was approximately $742 million, and its revenues for the six months ended May 31, 1997, was approximately $582 million. A copy of Lennar's Form 10-Q for the quarterly period ended May 31, 1997, is attached as attachment 3 to this Exhibit.

B. Managerial Capability.

Robert D. Rubin is the President of the applicant, having overall responsibility for the day-to-day business. Mr. Rubin has been President of the applicant since January 1996. Mr. Rubin has over eight year's in the telecommunications industry. He served as President of Peoples Telephone Company, Inc. from June 1994 to January 1996 and as Executive Vice President of PTC from August 1989 to June 1994. Mr Rubin also served as President of PTC Services, Inc., a interexchange carrier and operator service provider, from January 1993 to January 1996.

Bruce Behren is the Vice President of the applicant's telephone division. Mr. Behren has been employed with the applicant since October 1996. He was with Lucent Technologies from January 1992 to October 1996. He was also with AT&T from 1987 to 1989 as an account representative.

C. Technical Capability.

Terry Shoenfelt is the Operations Manager of the applicant's telephone division. He has been employed with the applicant since June 1996. Mr. Shoenfelt was employed by Intermedia Communications, Inc. as an outside plant manager from October 1991 to June 1996. He was with Spectrum Communications, an engineering firm, from October 1989 to June 1991. Prior to that Mr. Shoenfelt was with General Telephone Company for approximately 20 years in corporate planning.

The applicant also has a contractual relationship with Intermedia Communications, Inc. To provide certain technical services and engineering for the provision of resold services through the Intermedia network.

ATTACHMENT 1

Strategic Technologies, Inc.

(A Wholly-owned subsidiary of Lennar Financial Services, Inc.)

Balance Sheet

As of November 30, 1996

(Unaudited)

Assets:		
Cash	$	500
Account receivable		530,556
Due from affiliates		3,849,154
Deferred tax asset		78.000
Furniture and equipment		31,037
Inventory		195,789
Cable headend & distribution system		1,733,117
Other assets		267,309
	$	6,685,462
Liabilities:		
Accounts payable		500
Sales tax payable		1,950
Other liabilities		243,353
Total liabilities		245,803
Stockholder's equity:		
Common stock, $1 par value; authorized, issued and outstanding 5,000 shares		5,000
Paid-in capital		4,805,000
Retained earnings		1,629,659
Total stockholder's equity	$	6,439,659
	$	6,685,462

Strategic Technologies, Inc.

(A Wholly-owned subsidiary of Lennar Financial Services, Inc.)

Statements of Earnings

For the Twelve Months Ended November30, 1996, 1995 and 1994 (unaudited)

		11/30/96		11/30/95		11/30/94
Revenues:						
Alarm Monitoring	$	176,378	$	25,524	$	0
Alarm Installation & Service		865,709		0		0
	$	1,042,087	$	25,524	$	0
Cost of goods sold:						
Alarm Monitoring		28,751		4,614		0
Alarm Installation & Service		856,696		1,800		0
	$	885,447	$	6,414	$	0
Operating expenses:						
General and administrative		867,196		91,998		24,898
Amortization of alarm acquisition costs		136,305		0		0
	$	1,003,501	$	91,998	$	24,898
Earnings before income taxes		(846,861)		(72,888)		(24,898)
Income tax expense (benefit)		(330,276)		(28,426)		(9,710)
Net Earnings of Subsidiaries		2,163,045		42,849		0
Net earnings (loss)	$	1,646,460	$	(1,613)	$	(15,188)
Retained earnings at begining of period		(16,801)		(15,188)		0
Retained earnings at end of period	$	1,629,659	$	(16,801)	$	(15,188)

ATTACHMENT 2

CERTIFICATE

The undersigned officers of Strategic Technologies, Inc ("STI"), a Florida corporation, hereby certify and affirm that the attached balance sheets, statements of earnings and retained earnings of STI for the period ended July 31,1997 and the year ended November 30,1996 are true and correct.

IN WITNESS WHEREOF, on this 22nd day of August, 1997

Chief Financial Officer

President

Part I. Financial Information
Item 1. Financial Statements

Lennar Corporation and Subsidiaries
Consolidated Condensed Balance Sheets
(In thousands)

	(Unaudited) May 31, 1997	November 30, 1996
ASSETS		
Homebuilding, investment and financial services:		
Homebuilding and investment assets:		
Cash and cash equivalents	$ 15,828	12,960
Receivables, net	52,189	62,158
Inventories:		
Construction in progress and model homes	322,096	259,747
Land held for development	516,081	440,136
Total inventories	838,177	699,883
Land held for investment	60,102	63,615
Operating properties and equipment, net	238,435	221,312
Investments in and advances to partnerships	123,567	139,578
Other assets	163,354	124,539
Financial services assets	379,163	382,083
Total assets - homebuilding, investment and financial services	1,870,815	1,706,128
Limited-purpose finance subsidiaries - Collateral for bonds and notes payable	55,022	59,898
	$ 1,925,837	1,766,026

	(Unaudited) May 31, 1997	November 30, 1996
LIABILITIES AND STOCKHOLDERS' EQUITY		
Homebuilding, investment and financial services:		
Homebuilding and investment liabilities:		
Accounts payable and other liabilities	$ 180,492	186,735
Income taxes payable	16,961	26,045
Mortgage notes and other debts payable	669,408	509,672
Financial services liabilities	264,202	291,606
Total liabilities - homebuilding, investment and financial services	1,131,963	1,014,058
Limited-purpose finance subsidiaries - Bonds and notes payable	52,257	56,512
Stockholders' equity:		
Common stock	2,606	2,594
Class B common stock	997	999
Additional paid-in capital	173,126	171,618
Retained earnings	552,027	512,345
Unrealized gain on securities available-for-sale, net	13,761	7,900
Total stockholders' equity	742,517	695,456
	$ 1,925,837	1,766,026

See accompanying notes to consolidated condensed financial statements.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(✓) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended May 31, 1997

Commission File Number: 1-6643

Lennar Corporation

(Exact name of registrant as specified in its charter)

Delaware	**59-1281887**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

700 Northwest 107th Avenue, Miami, Florida 33172
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code **(305) 559-4000**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ✓ NO __

Common shares outstanding as of the end of the current fiscal quarter:

Common	26,060,775
Class B Common	9,966,631

Part I. Financial Information
Item 1. Financial Statements

Lennar Corporation and Subsidiaries
Consolidated Condensed Balance Sheets
(In thousands)

	(Unaudited) May 31, 1997	November 30, 1996
ASSETS		
Homebuilding, investment and financial services:		
Homebuilding and investment assets:		
Cash and cash equivalents	$ 15,828	12,960
Receivables, net	52,189	62,158
Inventories:		
Construction in progress and model homes	322,096	259,747
Land held for development	516,081	440,136
Total inventories	838,177	699,883
Land held for investment	60,102	63,615
Operating properties and equipment, net	238,435	221,312
Investments in and advances to partnerships	123,567	139,578
Other assets	163,354	124,539
Financial services assets	379,163	382,083
Total assets - homebuilding, investment and financial services	1,870,815	1,706,128
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Financial services liabilities	264,202	291,606
Total liabilities - homebuilding, investment and financial services	1,131,063	1,014,058
Limited-purpose finance subsidiaries - Bonds and notes payable	52,257	56,512
Stockholders' equity:		
Common stock	2,606	2,594
Class B common stock	997	999
Additional paid-in capital	173,126	171,618
Retained earnings	552,027	512,345
Unrealized gain on securities available-for-sale, net	13,761	7,900
Total stockholders' equity	742,517	695,456
	$ 1,925,837	1,766,026

See accompanying notes to consolidated condensed financial statements.

Lennar Corporation and Subsidiaries
Consolidated Condensed Statements of Earnings
(Unaudited)
(In thousands, except per share amounts)

	Three Months Ended May 31, 1997	Three Months Ended May 31, 1996	Six Months Ended May 31, 1997	Six Months Ended May 31, 1996
Revenues:				
Homebuilding	$ 247,424	202,220	455,271	377,102
Investment	38,726	33,510	78,437	65,071
Financial services	23,116	20,913	46,404	39,275
Limited-purpose finance subsidiaries	1,384	1,610	2,704	3,329
Total revenues	310,650	258,253	582,816	484,777
Costs and expenses:				
Homebuilding	229,066	186,737	422,691	347,661
Investment	20,333	15,722	41,434	31,113
Financial services	11,770	13,665	25,995	25,093
Limited-purpose finance subsidiaries	1,390	1,629	2,704	3,345
Corporate general and administrative	3,255	3,010	6,610	5,980
Interest	8,764	7,501	15,462	13,395
Total costs and expenses	274,578	228,264	514,896	426,587
Earnings before income taxes	36,072	29,989	67,920	58,190
Income taxes	14,068	11,696	26,489	22,694
Net earnings	$ 22,004	18,293	41,431	35,496
Average shares outstanding	36,319	36,220	36,300	36,213
Net earnings per share	$ .61	.51	1.14	.98

Cash dividends per common share	$ .025	.025	.05	.05
Cash dividends per Class B common share	$ .0225	.0225	.045	.045

See accompanying notes to consolidated condensed financial statements.

Lennar Corporation and Subsidiaries
Consolidated Condensed Statements of Cash Flows
(Unaudited)
(In thousands)

		Six Months Ended May 31, 1997	1996
Cash flows from operating activities:			
Net earnings	$	41,431	35,496
Adjustments to reconcile net earnings to net cash used in operating activities:			
Depreciation and amortization		4,124	6,178
Equity in earnings of partnerships		(21,238)	(24,471)
Gains on sales of other real estate and investment securities		(9,379)	(2,532)
Changes in assets and liabilities, net of effect of acquisition:			
Decrease (increase) in receivables		12,178	(4,401)
Increase in inventories		(118,889)	(45,818)
(Increase) decrease in financial services' loans held for sale or disposition		(145)	14,718
Decrease in accounts payable and accrued liabilities		(67)	(4,985)
Decrease in income taxes currently payable		(9,084)	(9,089)
Other, net		(3,107)	1,076
Net cash used in operating activities		(104,176)	(33,828)
Cash flows from investing activities:			
Operating properties and equipment:			
Additions		(30,389)	(13,401)
Sales		12,496	3,475
Sales of land held for investment		4,713	4,242
Decrease in investments in and advances to partnerships		40,568	4,610
Increase in financial services' loans held for investment		(910)	(6,270)
Purchase of investment securities		(102,034)	(73,119)
Receipts from investment securities		121,165	42,137
Acquisition of business		-	(110,505)
Other, net		(1,143)	1,957
Net cash provided by (used in) investing activities		44,466	(146,874)
Cash flows from financing activities:			
Net borrowings under revolving credit agreement		58,800	220,200
Net repayments under financial services' short-term debt		(10,040)	(1,707)
Mortgage notes and other debts payable:			
Proceeds from borrowings		124,513	51,467
Principal payments		(99,534)	(96,912)
Limited-purpose finance subsidiaries:			
Principal reduction of mortgage loans and other receivables		5,080	8,487
Principal reduction of bonds and notes payable		(4,991)	(8,188)
Common stock:			
Issuance		1,518	724
Dividends		(1,749)	(1,745)
Net cash provided by financing activities		73,597	172,326
Net increase (decrease) in cash and cash equivalents		13,887	(8,376)
Cash and cash equivalents at beginning of period		26,520	30,243
Cash and cash equivalents at end of period	$	40,407	21,867
Summary of cash and cash equivalent balances:			
Homebuilding and investment	$	15,828	10,206
Financial services		24,579	11,661
	$	40,407	21,867
Supplemental disclosures of cash flow information:			
Cash paid for interest, net of amounts capitalized	$	17,051	15,138
Cash paid for income taxes	$	43,437	36,369

See accompanying notes to consolidated condensed financial statements.

Lennar Corporation and Subsidiaries
Notes to Consolidated Condensed Financial Statements

(1) Basis of consolidation

The accompanying consolidated condensed financial statements include the accounts of Lennar Corporation, all wholly-owned subsidiaries and partnerships in which a controlling interest is held (the "Company"). All significant intercompany transactions and balances have been eliminated. The Company's investments in partnerships (and similar entities) in which less than a controlling interest is held are accounted for by the equity method. The financial statements have been prepared by management without audit by independent public accountants and should be read in conjunction with the November 30, 1996 audited financial statements in the Company's Annual Report on Form 10-K for the year then ended. However, in the opinion of management, all adjustments (consisting of normal recurring adjustments) necessary for fair presentation of the accompanying consolidated condensed financial statements have been made.

(2) Business segments

The Company has three business segments: Homebuilding, Investment and Financial Services. The limited-purpose finance subsidiaries are not considered a business segment.

Homebuilding operations include the construction and sale of single-family and multi-family homes. These activities also include the purchase, development and sale of residential land.

The Investment Division is involved in the development, management and leasing, as well as the acquisition and sale, of commercial and residential rental properties and land. This division also manages and participates in partnerships with financial institutions. This division acquires, at a discount, issues of the unrated portion of debt securities which are collateralized by commercial real estate loans. The division has only invested in securities in which it is the special servicer on behalf of all the certificate holders of these securities. The division earns interest on its investment as well as fees for the special servicing activities.

Financial services activities are conducted primarily through Lennar Financial Services, Inc. ("LFS") and its subsidiaries. These companies provide mortgage financing and arrange title insurance and closing services for Lennar homebuyers and others; acquire, package and resell residential and commercial mortgage loans and mortgage-backed securities and perform mortgage loan servicing activities. This division also invests in issues of rated portions of commercial real estate mortgage-backed securities for which Lennar's Investment Division is the special servicer and an investor in the unrated portion of those securities.

The limited-purpose finance subsidiaries of LFS have placed mortgages and other receivables as collateral for various long-term financings. These limited-purpose finance subsidiaries are not considered a part of the financial services operations and are reported separately.

(3) Net earnings per share

Net earnings per share is calculated by dividing net earnings by the weighted average number of the total of common shares, Class B common shares and common share equivalents outstanding during the period.

(4) Accounting changes

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128, "Earnings per Share." This statement is effective for financial statements for periods ending after December 15, 1997. Earlier adoption is not permitted. This statement changes the method in which earnings per share will be determined. Adoption of this statement by the Company is not expected to have a material impact on earnings per share.

(5) Restricted cash

Cash includes restricted deposits of $2.2 million and $2.5 million as of May 31, 1997 and November 30, 1996, respectively. These balances are comprised primarily of escrow deposits held related to sales of homes and security deposits from tenants of commercial and apartment properties.

(6) Financial services

The assets and liabilities related to the Company's financial services operations (as described in Note 2) are summarized as follows:

(In thousands)		(Unaudited) May 31, 1997	November 30, 1996
Assets:			
Investment securities available-for-sale	$	183,464	193,869
Loans held for sale or disposition, net		125,392	127,606
Loans and mortgage-backed securities held for investment, net		21,981	21,323
Investments in and advances to partnerships		8,695	11,428
Cash and receivables, net		31,035	22,224
Other		8,596	5,633
	$	379,163	382,083
Liabilities:			
Notes and other debts payable	$	238,070	271,314
Other		26,132	20,292
	$	264,202	291,606

(7) Summary of non-cash investing and financing activities

During the six months ended May 31, 1997, the Company acquired certain land held for development for $35.9 million. Of this amount, $10.6 million was paid in cash and the balance of $25.3 million was financed by the sellers. Also in 1997, the Company acquired commercial mortgage-backed securities for $129.4 million. Of this amount, $102.0 million was paid in cash and the balance of $27.4 million was financed by the sellers.

During the same period of 1996, the Company acquired commercial mortgage-backed securities for $84.2 million. Of this amount, $73.1 million was paid in cash and the balance of $11.1 million was financed by the sellers. Also in 1996, the Company acquired a commercial property for $26.1 million, of which $8.7 million was paid in cash and the Company assumed a $17.4 million mortgage.

(8) Reclassifications

Certain prior year amounts in the consolidated condensed financial statements have been reclassified to conform with the current period presentation.

(9) Pending distribution of commercial real estate investment and management business

On June 10, 1997, the Company's Board of Directors approved a plan to restructure its operations by splitting into two companies: (i) the continuing Lennar Corporation, which will engage in the homebuilding business and related services and the residential portion of the Financial Services Division and (ii) a newly formed entity which will engage in the commercial real estate investment and management business previously conducted by the Company and the portion of the Financial Services Division involved in commercial mortgages and commercial mortgage-backed securities. The spin-off will be conducted pursuant to a separation and distribution agreement that will provide that for each existing share of Lennar Corporation stock, the shareholders will receive one share of common stock or Class B common stock.

Consummation of the spin-off is subject to satisfaction of certain conditions, including the receipt of a ruling from the Internal Revenue Service to the effect that the spin-off will not result in taxes to the Company or its shareholders.

Following the spin-off transaction, subsidiaries of Lennar and the newly formed entity will form a general partnership (the "Land Partnership") to acquire, develop and sell land. The Company and the newly formed entity will contribute properties to the Land Partnership in exchange for 50% general partnership interests in the Land Partnership. Pursuant to a management agreement, a subsidiary of Lennar Corporation will manage the day-to-day operations of the Land Partnership and will receive a management fee. The partnership agreement for the Land Partnership will permit the Company and the newly formed entity to (i) engage in business activities which conflict with or are in direct competition with the Land Partnership and (ii) acquire properties from, or sell properties to, the Land Partnership. The Company will have options to purchase a portion of the assets originally contributed to the Land Partnership and may be granted options to purchase all or portions of properties which subsequently are acquired by the Land Partnership.

(10) Pending merger with Pacific Greystone Corporation

On June 10, 1997, the Company's Board of Directors approved a plan to acquire Pacific Greystone Corporation ("Greystone") through a merger in which the shareholders of the Company will receive one share of common stock or Class B common stock of the corporation which survives the merger for each share of common stock or Class B common stock of the Company held by them and the shareholders of Greystone will receive 1.138 shares of common stock of the surviving corporation for each currently outstanding share of Greystone common stock. This merger will result in Lennar shareholders owning approximately 68% of the surviving corporation and Greystone shareholders owning the remaining 32% of that corporation. The merger will take place after the distribution of the stock of the newly formed company to which Lennar is transferring its real estate investment and management business (Note 9) and the Greystone shareholders will not receive any interest in that company. The distribution of Lennar's real estate investment and management business is conditioned upon receipt of a ruling from the Internal Revenue Service that the distribution will not result in taxes to either Lennar or its shareholders. The merger is conditioned upon the distribution taking place.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Certain statements contained in the following Management's Discussion and Analysis of Financial Condition and Results of Operations may be "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. Such factors include, but are not limited to, changes in general economic conditions, material prices, labor costs, interest rates, consumer confidence, competition, environmental factors and government regulations affecting the Company's operations. See the Company's Annual Report on Form 10-K for the year ended November 30, 1996 for a further discussion of these and other risks and uncertainties applicable to the Company's business.

(1) Recent developments - pending distribution and merger

On June 10, 1997, the Company's Board of Directors approved a plan to restructure its operations by splitting into two companies: (i) the continuing Lennar Corporation, which will engage in the homebuilding business and related services and the residential portion of the Financial Services Division and (ii) a newly formed entity which will engage in the commercial real estate investment and management business previously conducted by the Company and the portion of the Financial Services Division involved in commercial mortgages and commercial mortgage-backed securities. The spin-off will be conducted pursuant to a separation and distribution agreement that will provide that for each existing share of Lennar Corporation stock, the shareholders will receive one share of common stock or Class B common stock.

Consummation of the spin-off is subject to satisfaction of certain conditions, including the receipt of a ruling from the Internal Revenue Service to the effect that the spin-off will not result in taxes to the Company or its shareholders.

Following the spin-off transaction, subsidiaries of Lennar and the newly formed entity will form a general partnership (the "Land Partnership") to acquire, develop and sell land. The Company and the newly formed entity will contribute properties to the Land Partnership in exchange for 50% general partnership interests in the Land Partnership. Pursuant to a management agreement, a subsidiary of Lennar Corporation will manage the day-to-day operations of the Land Partnership and will receive a management fee. The partnership agreement for the Land Partnership will permit the Company and the newly formed entity to (i) engage in business activities which conflict with or are in direct competition with the Land Partnership and (ii) acquire properties from, or sell properties to, the Land Partnership. The Company will have options to purchase a portion of the assets originally contributed to the Land Partnership and may be granted options to purchase all or portions of properties which subsequently are acquired by the Land Partnership.

On June 10, 1997, the Company's Board of Directors also approved a plan to acquire Pacific Greystone Corporation ("Greystone") through a merger in which the shareholders of the Company will receive one share of common stock or Class B common stock of the corporation which survives the merger for each share of common stock or Class B common stock of the Company held by them and the shareholders of Greystone will receive 1.138 shares of common stock of the surviving corporation for each currently outstanding share of Greystone common stock. This merger will result in Lennar shareholders owning approximately 68% of the surviving corporation and Greystone shareholders owning the remaining 32% of that corporation. The merger will take place after the distribution of the stock of the newly formed company to which Lennar is transferring its real estate investment and management business and the Greystone shareholders will not receive any interest in that company. The distribution of Lennar's real estate investment and management business is conditioned upon receipt of a ruling from the Internal Revenue Service that the distribution will not result in taxes to either Lennar or its shareholders. The merger is conditioned upon the distribution taking place.

(2) Material changes in results of operations

Overview

Net earnings were $22.0 million and $41.4 million, respectively, for the three-month and six-month periods ended May 31, 1997, compared to $18.3 million and $35.5 million, respectively, for the same periods in 1996. All three of the Company's divisions, Homebuilding, Investment and Financial Services, experienced increases in operating earnings in the 1997 quarterly and six-month periods. These increases were partially offset by higher interest expense and higher corporate general and administrative expenses.

Homebuilding

The following tables set forth selected financial and operational information related to the Homebuilding Division for the periods indicated (unaudited):

(Dollars in thousands, except average sales prices)	Three Months Ended May 31, 1997	Three Months Ended May 31, 1996	Six Months Ended May 31, 1997	Six Months Ended May 31, 1996
Revenues:				
Sales of homes	$ 221,356	191,745	418,305	361,141
Other	26,068	10,475	36,966	15,961
Total revenues	247,424	202,220	455,271	377,102
Costs and expenses:				
Cost of homes sold	179,640	156,739	340,681	294,874
Cost of other revenues	19,499	6,208	24,466	8,964
Selling, general and administrative	29,927	23,790	57,544	43,823
Total costs and expenses	229,066	186,737	422,691	347,661
Operating earnings	$ 18,358	15,483	32,580	29,441
Gross profit - home sales	$ 41,716	35,006	77,624	66,267
Gross profit percentage	18.8%	18.3%	18.6%	18.3%
S,G&A as a percentage of total homebuilding revenues	12.1%	11.8%	12.6%	11.6%
Average sales price	$ 157,700	$ 141,500	157,200	142,700

Summary of Home and Backlog Data

	Three Months Ended May 31,		Six Months Ended May 31,	
Deliveries	1997	1996	1997	1996
Florida	759	727	1,371	1,487
Arizona	150	190	292	316
Texas	427	438	898	728
California	68	-	100	-
	1,404	1,355	2,661	2,531
New Orders				
Florida	1,057	989	1,837	1,821
Arizona	155	219	302	404
Texas	662	593	1,099	1,071
California	225	-	316	-
	2,099	1,801	3,554	3,246
Backlog - Homes				
Florida			1,671	1,651
Arizona			257	390
Texas			639	679
California			255	-
			2,822	2,720
Backlog - Dollar Value *(in thousands)*			$500,456	428,144

Homebuilding revenues in the three-month and six-month periods ended May 31, 1997 were $247.4 million and $455.3 million, respectively, compared to $202.2 million and $377.1 million, respectively, for the same periods in 1996. Homebuilding revenues were higher in both of the 1997 periods due to a higher number of home deliveries and an increase in the average sales price. New home deliveries for the 1997 three-month and six-month periods were 1,404 and 2,661, respectively, compared to 1,355 and 2,531, respectively, for the same periods of 1996. The average sales prices of homes delivered during the three-month and six-month periods ended May 31, 1997 were $157,700 and $157,200, respectively, compared to $141,500 and $142,700, respectively, in the corresponding periods of the prior year. The higher average sales price was due to a proportionately greater number of sales of higher priced homes and price increases for existing products.

Gross profit percentages from the sales of homes were 18.8% and 18.6%, respectively, in the three-month and six-month periods ending May 31, 1997, compared to 18.3% in both of the corresponding periods of the prior year. These increases were primarily attributable to improved margins in the Company's Florida market.

Other revenues in the three-month and six-month periods ended May 31, 1997 were $26.1 million and $37.0 million, respectively, compared to $10.5 million and $16.0 million, respectively, for the same periods in 1996. Revenues were higher in both of the 1997 periods primarily due to an increase in third party land sales, particularly in our California market. Gross margins from other revenues were 25.2% and 33.8%, respectively, in the three-month and six-month periods ended May 31, 1997, compared to 40.7% and 43.8%, respectively, in the same periods in 1996. Margins achieved on sales of land may vary from period to period.

Selling, general and administrative expenses increased to $29.9 million and $57.5 million for the three-month and six-month periods ended May 31, 1997, respectively, from $23.8 million and $43.8 million, respectively, for the comparable periods in 1996. The higher level of expenses in 1997 was attributable to additional expenses associated with new communities, primarily in California. As a result, selling, general and administrative expenses as a percentage of total homebuilding revenues increased from 11.8% in the second quarter of 1996 to 12.1% in the second quarter of 1997 and from 11.6% for the six months ended May 31, 1996 to 12.6% for the six months ended May 31, 1997. Increased revenues from closings in California in the second half of the year should result in a selling, general and administrative expense percentage which is more consistent with 1996 levels.

At May 31, 1997, the Company had approximately $500.5 million (2,822 homes) of sales contracts in backlog, as compared to $428.1 million (2,720 homes) at the end of the same period a year ago. The increase in the backlog was attributable to an increase in new orders, including orders from our new California operations, which produced 225 sales for the quarter and 316 sales year to date.

Investment

The following table presents the selected financial data related to the Investment Division for the periods indicated (unaudited):

(Dollars in thousands)	Three Months Ended May 31, 1997	Three Months Ended May 31, 1996	Six Months Ended May 31, 1997	Six Months Ended May 31, 1996
Revenues:				
Rental income	$ 14,684	15,216	29,300	28,628
Equity in earnings of partnerships	4,932	6,394	13,792	15,568
Management fees	2,141	5,828	6,425	10,158
Sales of other real estate	10,681	3,205	18,334	5,314
Other	6,288	2,867	10,586	5,403
Total revenues	38,726	33,510	78,437	65,071
Cost of sales and expenses	20,333	15,722	41,434	31,113
Operating earnings	$ 18,393	17,788	37,003	33,958

For the three-month and six-month periods ended May 31, 1997, Investment Division revenues were $38.7 million and $78.4 million, respectively, compared to $33.5 million and $65.1 million, respectively, in the same periods of 1996. Operating earnings were $18.4 million and $37.0 million, respectively, in the second quarter and first six months of 1997, compared to $17.8 million and $34.0 million, respectively, in the corresponding periods of 1996. The increases in revenues and operating earnings for the 1997 three-month and six-month periods were primarily due to the increase in sales of other real estate and the increase in other revenues generated as a result of the division's increased investment in commercial mortgage-backed securities (including the sale of a portion of its commercial mortgage-backed securities through a re-REMIC in conjunction with the Company's Financial Services Division). The increases in revenues and operating earnings from sales of other real estate and other revenues were partially offset by decreases in equity in earnings of partnerships and management fees. A significant portion of partnership earnings and management fees are derived from loan payoffs and asset sales which can vary substantially from period to period.

Financial Services
The following table presents the selected financial data related to the Financial Services Division for the periods indicated (unaudited):

(Dollars in thousands)	Three Months Ended May 31, 1997	Three Months Ended May 31, 1996	Six Months Ended May 31, 1997	Six Months Ended May 31, 1996
Revenues	$ 23,116	20,913	46,404	39,275
Costs and expenses	11,770	13,665	25,995	25,093
Intercompany interest expense	5	46	21	186
Operating earnings	$ 11,341	7,202	20,388	13,996
Dollar volume of mortgages originated	$ 88,228	141,909	156,047	295,777
Number of mortgages originated	792	1,296	1,389	2,601
Principal balance of servicing portfolio			$ 3,184,952	3,332,331
Number of loans serviced			40,720	43,000

Operating earnings of the Financial Services Division were $11.3 million and $20.4 million, respectively, for the three-month and six-month periods ended May 31, 1997, compared to $7.2 million and $14.0 million, respectively, for the same periods of 1996. These increases were primarily attributable to higher operating earnings from the division's investment in commercial mortgage-backed securities (including the sale of a portion of its commercial mortgage-backed securities through a re-REMIC in conjunction with the Company's Investment Division) and increased earnings from its traditional mortgage banking and title services. Mortgage loan originations were lower for the second quarter and six-month period ended May 31, 1997 when compared to 1996 due to a decrease in the division's involvement in the less profitable wholesale loan origination business.

Interest expense
Interest expense relating to the Homebuilding and Investment Divisions for the three-month and six-month periods ended May 31, 1997 was $8.8 million and $15.5 million, respectively, compared to $7.5 million and $13.4 million, respectively, in the corresponding periods of the prior year. The increase in interest expense was the result of higher debt levels and an increase in the number of homes delivered which increased the amount of previously capitalized interest charged to expense. Previously capitalized interest charged to interest expense during the second quarter and first six months of 1997 was $5.4 million and $9.2 million, respectively, compared to $4.5 million and $8.6 million, respectively, for the comparable periods last year. Interest expense related to the financial services operations and the limited-purpose finance subsidiaries is included in their respective costs and expenses.

(3) Material changes in financial condition

During the six months ended May 31, 1997, $104.2 million was used in the Company's operations, compared to $33.8 million used during the corresponding period of the prior year. The primary use of cash in the first half of 1997 was $118.9 million to increase inventories through land purchases, land development and seasonal increases in construction in progress. The use of cash was partially offset by $41.4 million provided by net earnings and $12.2 million provided by a decrease in receivables.

Part II Other Information

Item 1. Legal Proceedings.

The Company has been named as a defendant in Connor v. Kaplan, Civil Action No.15738-NC in the Delaware Court of Chancery. This is an alleged class action in which a stockholder of Pacific Greystone Corporation claims that principal stockholders and the directors of Pacific Greystone breached their fiduciary obligations in connection with the proposed merger of Pacific Greystone with the Company. The allegation against the Company is that it knowingly aided and abetted breaches of fiduciary duty committed by Pacific Greystone's principal stockholder and directors, and that the proposed merger could not take place without the knowing participation of the Company.

Items 2-5. Not applicable.

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits:
(27) Financial Data Schedule.

(b) Reports on Form 8-K: Registrant was not required to file, and has not filed, a Form 8-K during the quarter for which this report is being filed.

<u>SIGNATURES</u>

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LENNAR CORPORATION
(Registrant)

Date: July 14, 1997

CORY J. BOYDSTON
Cory J. Boydston
Vice President - Finance

Date: July 14, 1997

DIANE J. BESSETTE
Diane J. Bessette
Controller

In the fiscal 1996 period, the primary use of cash was $45.8 million to increase inventories through land purchases, land development and seasonal increases in construction in progress. The use of cash was partially offset by a $14.7 million decrease in loans held for sale or disposition by the Company's Financial Services Division.

Cash provided by investing activities was $44.5 million in the first six months of 1997, compared to $146.9 million used in the first six months of 1996. During 1997, cash was provided primarily from $121.2 million of sales and principal payments generated by the Company's portfolio of commercial mortgage-backed securities and $40.6 million provided by the Company's investments in partnerships. Cash provided by the Company's partnerships was comprised of $48.1 million of distributions from such partnerships, partially offset by $7.5 million of investments in the partnerships. These sources of cash were partially offset by $102.0 million used to purchase investment securities by both the Investment and Financial Services Divisions, and $30.4 million used to purchase operating properties and equipment.

During 1996, the use of cash was primarily due to the $110.5 million acquisition of the assets and operations of Friendswood Development Company and $73.1 million used to purchase commercial mortgage-backed securities by both the Investment and Financial Services Divisions. These uses of cash were partially offset by $42.1 million of sales and principal payments generated by the Company's portfolio of investment securities. In addition, $4.6 million of cash was provided by the Company's partnerships. This was comprised of $40.6 million of distributions from partnerships, partially offset by investment in two Southern California residential land development partnerships totaling $36.0 million.

At May 31, 1997 the Company had three unsecured revolving credit agreements: a five-year commitment of $450.0 million, a two-year commitment of $35.0 million and a one-year commitment of $40.0 million. Certain Financial Services Division subsidiaries are co-borrowers under these facilities and at May 31, 1997 their borrowings under this agreement amounted to $60.5 million. The total amount outstanding under the Company's revolving credit agreements at May 31, 1997 was $383.7 million.

The Company has commitments for $550 million of new financing at the time it distributes the shares of the company to which it is transferring its real estate investment and management business. Proceeds of this financing will be used to repay the outstanding balance under its current revolving credit facilities and to meet subsequent cash needs.

Part II Other Information

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The Company has been named as a defendant in Connor v. Kaplan, Civil Action No.15738-NC in the Delaware Court of Chancery. This is an alleged class action in which a stockholder of Pacific Greystone Corporation claims that principal stockholders and the directors of Pacific Greystone breached their fiduciary obligations in connection with the proposed merger of Pacific Greystone with the Company. The allegation against the Company is that it knowingly aided and abetted breaches of fiduciary duty committed by Pacific Greystone's principal stockholder and directors, and that the proposed merger could not take place without the knowing participation of the Company.

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LENNAR CORPORATION
(Registrant)

Date: July 14, 1997

CORY J. BOYDSTON
Cory J. Boydston
Vice President - Finance

Date: July 14, 1997

DIANE J. BESSETTE
Diane J. Bessette
Controller

TITLE PAGE

FLORIDA TELECOMMUNICATIONS TARIFF

OF

STRATEGIC TECHNOLOGIES, INC.

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services provided by Strategic Technologies, Inc. with principal offices at 790 NW 107th Avenue, Suite 310, Miami, Florida 33172. This tariff applies for 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.

CHECK SHEET

All Sheets 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
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original
17	Original
18	Original
19	Original
20	Original
21	Original
22	Original
23	Original
24	Original

25	Original
26	Original
27	Original
28	Original
29	Original
30	Original
31	Original
32	Original
33	Original
34	Original
35	Original
36	Original
37	Original

by: Robert D. Rubin, President
Strategic Technologies, Inc.
790 NW 107th Avenue
Miami, FL 33172

TABLE OF CONTENTS

INDEX

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 Pages 14 and 15 would be 14.1.

B. Sheet Revision Numbers - Revision numbers also appear in the upper-right corner each page. These numbers are used to determine the most current sheet version on file with the Commission. For example, 4th Revised Sheet 14 cancels 3rd Revised Sheet 14. Because of various suspension periods, deferrals, etc., the Commission 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 of coding.

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)

D Check Sheets - When a tariff filing is made with the Commission, 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 sheets 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 sheet if these are the only changes made to it (i.e., the format, etc., remains the same, just revised revision levels on some sheets). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current sheet on file with the Commission.

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

1.1 Definitions:

Access Line - A dedicated transmission path which connects a customer location to the carrier's terminal location or switching center.

Application for Service - A standard order form which includes all pertinent billing, technical, and other descriptive information which will enable the carrier to provide the communication service as required.

Authorized User - A person, firm, corporation, or other entity authorized by the customer to receive or send communications.

Automatic Dialing Device - A device provided by the carrier which, when attached to customer's telephone equipment, dials the carrier's facilities, emits an authorization code, and forwards the number which the customer is calling to the carrier's facilities.

Cancellation of Order - A customer-initiated request to discontinue processing a service order, either in part or in its entirety, prior to its completion. Cancellation charges will be assessed for each circuit-end or dedicated access line canceled from an order prior to its completion by carrier under the following circumstances: (1) if the local telephone company has confirmed in writing to the carrier that the circuit-end or dedicated access line will be installed; or (2) if the carrier has already submitted facilities orders to an interconnecting telephone company.

Carrier - Strategic Technologies, Inc. unless the context means otherwise.

Custom Account Coding - Allows the customer to create tables of unique project and/or account numbers for their private use.

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

Customer Provided Equipment - Terminal equipment, as defined herein, provided by a customer.

Disconnection - The disconnection of a circuit, dedicated access line or port connection being used for existing service.

Expedite - A service order initiated at the request of the customer plus the accompanying installation or charge to related circuits that is processed in a time period shorter than the Company's standard service interval.

Measured Use Service - The provision of long distance measured time communications telephone service to customers who access the carrier's services at its switching and call processing equipment by means of access facilities obtained from another carrier by the customer or otherwise provided at its own expense (the customer is responsible for arranging for the access line).

Other Common Carrier - A person, firm, corporation, or entity regulated by the Commission or the FCC which subscribes to carriers, communications services and facilities and resells these communications services and facilities to the public for a profit. Unless otherwise indicated herein, the term other common carrier" when used in this tariff also means "customer" and includes entities which are brokers of the service (act as intermediaries for the purpose of reselling), those entities which are processors of the service (enhances the value of the service through substantial incurred costs) and those entities which are underlying carriers.

Physical Change - The modification of an existing circuit, dedicated access line, or port at the request of the customer requiring some physical change or determination.

Premises - The space designated by a customer as its place or places of business for termination of service (whether for its own communications needs or for its resale customers). In the case of a non-profit sharing group, this term includes space at each sharer's place or places of business as well as space at the customer's place(s) of business.

Speed Number - A signaling arrangement by which a customer may elect to dial a pre-programmed number in place of a designated ten digit number.

Terminal Equipment - Devices, apparatus and their associated wiring, such as teleprinters, telephone handsets, data sets, or microprocessors.

United States - The forty-eight contiguous United States and the District of Columbia.

Validated Account Codes - Account Codes that have restricted access.

SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of the Company

The Company provides long distance message toll telephone service to customers for their direct transmission of voice, data, and other types of telecommunications.

Communications originate when the customer accesses the Company directly or through the facilities of the local service carrier via one or more access lines, equal access or on a dial-up basis. The Company may act as the customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the customer, to allow connection of a customer's location to the network. The customer shall be responsible for all charges due for such service arrangements.

The Company's services are provided on a monthly basis unless otherwise stated in this tariff, and are available twenty-four (24) hours per day, seven (7) days per week.

2.2 Limitations on Service

2.2.1 Service is offered subject to the availability of the necessary facilities and/or equipment and subject to the provisions of this tariff.

2.2.2 The Company reserves the right to provide services only to and from locations where the necessary facilities or equipment are available.

2.2.3 The Company reserves the right to discontinue furnishing service upon written notice, when necessitated by conditions beyond its control or when the customer is using the service in violation of the provisions of this tariff or in violation of the law.

2.2.4 Title to all equipment provided by the Company under these regulations remains with the Company. 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.

2.3 Use of Service

Service may not be used for any unlawful purposes or for any purpose for which any payment or other compensation is received by the customer, except when the customer is a duly authorized and regulated common carrier. This provisions does not prohibit-an arrangement between the customer, authorized user, or joint user to share the cost of the service as long as the arrangement generates no profit for any participant in the arrangement.

The minimum period for service is one month (30 days) unless otherwise noted in the service description.

2.4 Limitation of Liability

2.4.1 The Company shall not be liable to any person, firm or entity in any respect whatsoever including, without limitation, for damages, either direct, indirect, consequential, special, incidental, actual, punitive, or for any other damages or for any lost profits of any kind or nature whatsoever, arising out of mistakes, accidents, errors, omissions, interruptions, delays or defects in transmissions, including those which may be caused by regulatory or judicial authorities, arising out of or relating to this tariff or the obligations of the Company pursuant to this tariff, and not caused by the negligence of the carrier, commencing upon activation of service and in no event exceeds an amount equivalent to the proportionate charge to the customer for the period of service during which mistakes, accidents, errors, omissions, interruptions, delays or defects in transmission occur. The Company makes no warranty, whether express, implied or statutory, as to the description, quality, merchantability, completeness or fitness for any purpose of the service or local access, or as to any other matter, all of which warranties by the Company are hereby excluded and disclaimed.

The Company, at its own expense, will indemnify the customer and hold it harmless in respect to any and all loss, damage, liability or expense asserted against the customer by a third party on account of any property damage or personal injury caused by any negligence or willful misconduct of the Company or its agents or representatives arising out of performance by the Company of any testing or other activities on the customer's premises pursuant to this tariff. The Company's obligations under the immediately preceding sentence shall be subject to the customer's full performance of this tariff and subject further to the customer's duty to take reasonable precautions in the location, construction, maintenance and operation of all activities, facilities and equipment for the protection against hazard or injury and so as to not interfere with the services provided by the Company.

2.4.2 The Company shall be indemnified and held harmless by the customer against:

A. Claims for libel, slander, infringement of copyright or unauthorized use of any trademark, trade name, or service mark arising out of the material, data information, or other content transmitted over the carrier's facilities; and

B. Claims for patent infringement of copyright or unauthorized use of any trademark, trade name, or service mark arising out of the material, data information, or other content transmitted over the carriers facilities; and

C. All other claims arising out of any act or omission by the customer in connection with any service provided by the Company.

2.4.3 The Company shall not be liable for, and the customer indemnities and holds the Company harmless from, any and all loss, claims, demands, suits, or other actions, or any liability whatsoever, whether suffered, made, instituted, or asserted by the customer or by any party or persons, for a personal injury to, or death of, any person or persons, and for any loss, damage, defacement, or destruction of the premises of the customer or any other property, whether owned by the customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, condition, location, or use that is not the direct result of the carrier's negligence. No agents or employees or other carriers shall be deemed to be agents or employees of the Company.

2.5 Interruption of Service

A credit allowance for interruptions of service which are not due to the Company's testing or adjusting, to the negligence of the customer, or to the failure of the channels, equipment, and/or communications systems provided by the customer, are subject to the general liability provisions set forth in Section 2.4.1 of this tariff. It shall be the obligation of the customer to notify the Company of any interruption in service. Before giving such notice, the customer shall ascertain that the trouble is not being caused by any action or omission by or within the customer's control and is not in wiring or equipment connected to the terminal.

2.6 Restoration of Service

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

2.7 Responsibility of the Customer

2.7.1 All customers assume general responsibilities in connection with the provisions and use of the Company's service. When facilities, equipment, and/or communication systems provided by others are connected to the facilities, the customer assumes additional responsibilities. All customers are responsible for the following:

A. The customer is responsible for placing orders for service, paying all charges for service rendered by the Company and complying with all of the Company's regulations governing the service. The customer is also responsible for assuring that its users comply with regulations.

B. When placing an order for service, the customer must provide:

1. The name(s) and addresses of the person(s) responsible for the payment of service charges.
2. The name(s), telephone number(s), and addresses of the customer contact person(s).

C. The customer must pay the Company for the replacement or repair of equipment when the damage results from:

1. The negligence or willful act of the customer or user.

2. Improper use of service.

3. Any use of equipment or service provided by others.

D. After receipt of payment for the damages, the Company will cooperate with the customer in prosecuting a claim against any third party causing damage.

2.7.2 Maintenance, Testing and Adjustment

Upon reasonable notice, the equipment provided by the Company shall be made available for such tests and adjustments as may be necessary to maintain them in satisfactory condition. No interruption allowance will be granted for the time during which such tests and adjustments are made.

2.7.3 Deposits and Advance Payments

A. The Company will not require a cash deposit from a prospective customer.

B. For customers whom the Company feel an advance payment is necessary, the Company reserves the right to collect an amount not to exceed one (1) month's estimated charges as an advance payment for service. This payment will be applied against the next month's charges and, if necessary, a new advance payment will be collected for the following month.

2.7.4 Credit Allowance

Credit for failure of service or equipment will be allowed only when failure is caused by or occurs in equipment owned, provided and billed for, by the Company.

A. Credit allowances for failure of service or equipment starts when the customer notifies the Company of the failure or when the Company becomes aware of the failure and ceases when the operation has been restored and an attempt has been made to notify the customer.

B. The customer shall notify the Company of failures of service or equipment and make reasonable attempts to ascertain that the failure is not caused by customer provided facilities, any act, or omission of the customer or in wiring or equipment connected to the terminal.

C. Only those portions of the service or equipment operation disabled will be credited. No credit allowances will be made for:

1. Interruptions of service resulting from the Company performing routine maintenance;

2. Interruptions of service for implementation of a customer order for a change in the service;

3. Interruption caused by the negligence of the customer or his authorized user;

4. Interruptions of service because of the failure of service or equipment due to customer or authorized user provided facilities.

2.7.5 Cancellation by Customer

If a customer orders services requiring special equipment and/or facilities dedicated to the customer's use and then cancels his order before the service begins, before a completion of the minimum period mutually agreed upon by the customer and the Company, a charge will be made to the customer for the nonrecoverable portions of expenditures or liabilities incurred expressly on behalf of the customer by the Company and not fully reimbursed by installation and monthly charges. If, based on such an order, any construction has either begun or been completed, but no such services provided, the nonrecoverable cost of such construction shall be borne by the customer.

2.7.6 Payment and Charges for Services

Charges for service are applied on a recurring and nonrecurring basis. Service is provided and billed on a monthly basis. Service continues to be provided until disconnected by the customer in writing on not less than thirty days notice.

A. Payment of Charges

Payment will be due upon receipt of the statement and shall be considered past due or delinquent after fifteen (15) days past the billing date.

1. The customer is responsible for payment of all charges for service furnished to the customer. The initial billing may consist of one months estimated usage billed in advance. Thereafter, charges based on actual usage during a month will be billed monthly in arrears. All fixed monthly and non-recurring charges for services ordered will be billed monthly in advance.

2. Service may be denied or discontinued by the Company for non-payment of past due or delinquent amounts due the Company. Disconnection may not occur before fifteen (15) days from the due date. The Company will give five (5) days written notice before any disconnection will occur. Restoration of service will be subject to all applicable installation charges.

2.7.7 Application of Charges

The charges for service are those in effect for the period that service is furnished. If the charges for a period covered by a bill change after the bill has been rendered, the bill will be adjusted to reflect the new charges.

2.8 Company Responsibility

2.8.1 Calculation of Credit Allowance

Pursuant to limitations set forth in Section 2.7.4, when service is interrupted the credit allowance will be computed on the following basis:

A. No credit shall be allowed for an interruption of less than two hours.

B. The customer shall be credited for an interruption that exceeds two hours or major fraction in excess of the initial two hours that the interruption continues.

C. When an annual minimum usage charge is applicable and the customer fails to meet a usage minimum credit, the outage shall be applied against that minimum equal to 1/360th of the annual minimum charges associated with the portion of service disabled for each period of two hours or major fraction thereof that the interruption continues.

D. Customers have up to 60 days (commencing 5 days after remittance of the bill) to initiate a dispute over charges or to receive credits

2.8.2 Cancellation of Credit

Where the Company cancels a service or the provision of equipment and the final service period is less than the monthly billing period, a credit will be issued for any amounts billed in advance, prorated at 1/3Oth of the monthly recurring charge for each day the service was rendered or the equipment was provided. This credit will be issued to the customer or applied against the balance remaining on the customer's account.

2.8.3 Disconnection of Service by The Company

The Company, upon 5 days written notice to the customer, may discontinue service or cancel an application for service without incurring any liability for any of the following reasons:

A. Non-payment of any sum due to the Company for service for more than fifteen days beyond the due date of the bill for such service;

B. A violation of any regulation governing the service under this tariff;

C. A violation of any law, rule, or regulation of any government authority having jurisdiction over the service; or

D. The Company is prohibited from furnishing services by order of a court or other government authority having jurisdiction.

E. In circumstances where unlimited access to the network may result in substantial loss of revenue to the Company.

F. Service may be discontinued without notice in the event customer uses equipment in such a manner as to adversely affect the Company's equipment or service to others.

2.8.4 Fractional Charges

Charges for a fractional part of a month (which follows a full month) are calculated by counting the number of days remaining in the billing period after service is furnished or has been discontinued. The number of days remaining in the billing period are counted starting with the day after the service was furnished or discontinued. Divide that figure by thirty days. The resultant fraction is then multiplied by the monthly charge to arrive at the fractional monthly charge.

2.9 Exclusion Requirements

The Company does not have any exclusion requirements regarding the provision of services to customers.

2.10 Employee Concessions

The Company does not offer any employee concessions at this time.

2.11 Late Fee

A late fee of 1.5% monthly will be charged on any past due balances beginning 30 days from the mailing date of the bill.

2.12 Return Check Charges

A fee of $20.00, or five percent of the amount of the check, whichever is greater, will be charged for each check returned for insufficient funds.

2.13 Reconnection Charge

A reconnection charge of $25.00 per occurrence is charged when service is re-established for customers who have been disconnected for non-payment.

SECTION 3 - DESCRIPTION OF SERVICE

3.1 Call Timing

3.1.1 Call timing is determined using call answer supervision. Chargeable time begins when the Company receives signaling to detect that a 2-way connection has been established between the calling party and the called party. In all cases, chargeable time ends when either party hangs up.

3.1.2 Minimum billed call duration and billing increments differ from product to product. Product specific information is included in Section 4 Rate and Charges.

3.1.3 Usage is measured and rounded to the next higher billing increment for billing purposes.

3.1.4 There are no charges incurred if a call is not completed.

3.2 Billing of Calls

All charges due by the subscriber are payable at the Company's executive offices. Any objection to billed charges should be promptly reported to the Company. Adjustments to customer's bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate.

3.3 Payment of Calls

3.3.1 Late Payment Charges Interest charges of 1 1/2% per month may be assessed on all unpaid balances more than thirty days old.

3.3.2 Return Check Charges A return check charge of $20.00 or 5% of the amount of the check, whichever is greater, will be assessed for checks returned for insufficient funds.

3.4 Restoration of Service A reconnection fee of $50.00 per occurrence is charged when service is re-established for customers who had been disconnected for non-payment.

3.5 Start of Billing For billing purposes the start of service is the day of activation by the customer of the Company's service or equipment. The end of service date is the last day of the minimum notification of cancellation or any portion of the last day, after receipt by the Company of notification of cancellation.

3.6 Interconnection Service furnished by the Company may be interconnected with services or facilities of other authorized communications common carriers and with private systems, subject to the technical limitations established by the Company. Any special interface equipment of the Company and other participating carriers may be provided by the Company or at the customer's expense.

Customer is responsible for taking all necessary legal steps for interconnecting his customer-provided terminal equipment or communications systems with the Company's. The customer shall secure all licenses, permits, rights-of-ways, and other arrangements necessary for such interconnection.

3.7 Terminal Equipment The Company's service may be used with or terminated in customer provided terminal equipment or customer provided communication systems, such as teleprinters, handsets, or data sets. Such terminal equipment shall be furnished and maintained at the expense of the customer, except as otherwise provided. The customer is responsible for all costs at its premises, including customer personnel, wiring, electrical power, and the like incurred in its use of carrier's service.

3.7.1 When terminal equipment is used, the equipment shall comply with the minimum protective criteria set forth within the telecommunications industry and shall not interfere with service furnished to other customers. Any necessary additional protective equipment shall be employed at the customer's expense.

3.7.2 The power of the signal which may be applied by the customer-provided equipment at the point of termination will be specified by the carrier for each application, to be consistent with the signal power allowed on the telecommunications network.

3.7.3 The customer shall ensure that his terminal facilities are of the proper mode, bandwidth, power, data, speed and signal level for the intended use of the customer, and that the signals do not damage the Company's equipment, injure personnel or degrade service to other customers.

3.7.4 If the customer fails to maintain and operate his terminal equipment properly, the Company may require the use of protective equipment at the customer's expense. If this fails to produce satisfactory quality and safety of service, the Company may, upon written notice, terminate the customer's service.

3.8 Calculation of Distance

Usage charges for all mileage sensitive products are based on the airline distance between rate centers associated with the originating and terminating points of the call.

The airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. The Company uses the rate centers and associated vertical and horizontal coordinates that are produced by Bell Communication Research in their NPA-NXX V&H Coordinates Tape and Bell's NECA Tariff No. 4.

Formula:

$$\sqrt{\frac{(V_1-V_2)^2 + (H_1-H_2)^2}{10}}$$

The Company will rely upon its underlying carrier for a call completion rate of 99% per 100 calls attempted during peak use periods for all Feature Group D (1+) services.

3.9 Special Services

For the purpose of this tariff, a Special Service is deemed to be any service requested by the customer for which there is no prescribed rate in this tariff. Special Services charges will be developed on an individual case basis and filed in this tariff.

Special Service charges will be based on the estimated cost of furnishing such services including cost of operating and maintaining such a service, the cost of equipment and materials used in providing such a service, the cost of installation including engineering, labor supervision, transportation, and the cost of any other specific item associated with the particular Special Service request.

3.10 Description of Services

The Company will provide the following services:

3.10.1 Direct Dial Outbound Long Distance

The Company offers direct dial outbound long distance telecommunications services to residential and business customers. Intrastate service is provided in conjunction with the Company's companion interstate offerings. Descriptions and rates contained in this tariff apply to the intrastate portion of the Company's services. Unless otherwise stated, no non-recurring charges apply. The service permits direct dialed outbound calling at a single per minute rate. Service is provided from presubscribed, dedicated or shared use access lines. Calls are billed in six second increments, with a six second minimum call duration. No monthly recurring charges or minimum monthly billing requirements apply. All standard features are available with this service at no charge.

3.10.2 Combined Inbound/Outbound Long Distance Services

The Company offers combined 800 (Inbound) and direct dialed outbound long distance telecommunication services to business and residential customers. Intrastate service is provided in conjunction with the Company's companion interstate offerings. Descriptions and rates contained in this tariff apply to the intrastate portion of the Company's services. Unless otherwise stated, no non-recurring charges apply.

3.10.2.A The Gold Long Distance Plan

The Gold Long Distance Plan is an inbound and outbound long distance service offered to business customers. The service permits direct dialed outbound and inbound "800" calling at a single per minute rate, with billing to the same account. Service is provided from presubscribed, dedicated or shared use access lines. Calls are billed in six second increments, with a six second minimum call duration. No monthly recurring charges or minimum monthly billing requirements apply. All standard features are available with this service at no charge.

3.10.2.B The Platinum Long Distance Plan

The Platinum Long Distance Plan is an inbound and outbound long distance service offered to business customers. The service permits direct dialed outbound and inbound "800" calling at a single per minute rate, with billing to the same account. Service is provided from presubscribed, dedicated or shared use access lines. Calls are billed in six second increments, with a six second minimum call duration. Monthly recurring charges apply, but may be waived for term contracts of two-years or more. Contracts of less than two-years, for customers whose monthly usage is less than $100 per month will be billed the minimum amount. All standard features are available with this service at no charge.

3.10.2.C T-1 Inbound and Outbound Long Distance

The Company's T-1 inbound and outbound service is a dedicated service offered to business customers. The service permits dedicated inbound "800" and outbound calling at a single per minute rate, with billing to the same account. Volume discounts apply. Service is provided from dedicated and/or shared use access lines. Calls are billed in six second increments, with a six second minimum call duration. An initial term contract of one-year is required, with $2,500 term liability if canceled by the Customer prior to expiration. A monthly minimum of $2,500 applies, and customers whose monthly usage is less than the minimum will be billed the minimum amount. Monthly recurring T-1 port charges also apply.

3.10.3 Travel Calling Card Service

The Travel Calling Card Service is offered to residential and business customers for intrastate and interstate calling. Intrastate rates are specified in this tariff. Rates are not time of day or mileage sensitive. Calls are billed in one minute increments after the initial minimum period of one minute. There are no nonrecurring or monthly recurring charges. No calling card surcharge applies. Account codes are provided to Travel Calling Card Service customers at no additional charge.

3.10.6 Enhanced Services

Services using common transport and shared facilities or the transport of "non-telco" standard bandwidths, or the use of enhanced transport technology are classified as Enhanced Network Services.

3.10.6.1 Frame Relay Services

The transport of data, voice and video using Frame Relay technology. This service includes the routing of Frame Relay, the FRADing polled protocols, transport of asynchronous and X.25 protocols. This service is available On-Net or Extended.

3.10.6.2 Miscellaneous

Any other Enhanced Network Services not covered in 3.1.1.A. These services can be provided on a volume and term basis under customer specific contracts.

3.10.7 Standard Features

Standard Features referred to in the preceding sections of this tariff refer to the following, all of which are provided at no additional charge:

Speed Dialing Codes - A three digit code dialed after the Authorization Code which permits the customer to reach a commonly called long distance number without dialing the long distance number.

Generic Project Codes - A two, three or four digit code assigned by the customer and dialed after the long distance number. Project codes are not verified except as provided under "Verified Project Codes." Project codes are printed on the customer bill as part of the call detail record.

Project Code Report - A report which consists of the complete call detail for the current month, sorted and subtotaled by project code.

Potential Call Abuse Report - A report prepared at the time of monthly billing which can list the 20 longest calls made during a billing cycle, or all calls placed during the Evening/Weekend time periods during a billing cycle. A combination of both reports can also be provided on request by a customer.

SECTION 4 - RATES AND CHARGES

4.1 Rate Periods

Day Rate Period - The hours of 8 A.M. up to, but not including, 5 P.M. Monday through Friday, except on the Company's recognized holidays.

Evening Rate Period - The hours of 5 P.M. up to, but not including, 11 P.M. Sunday through Friday.

Late Night and Weekend Rate Period - The hours of 11 P.M. up to, but not including, 8 A.M. Monday through Friday; 11 P.M. Friday, up to but not including, 5 P.M. on Sunday.

4.2 Usage Charges and Billing Increments

A. Usage Charges

Unless flat rated, usage charges are determined by the time of day rate periods and minutes of use within each rate period. The rate period is determined by the time and day of call origination at the customer's location.

B. Billing Increments

Depending on the product the customer chooses, usage is billed in full minute increments or in six (6) seconds for the initial period with six (6) seconds thereafter.

4.3 The Company's Rate Plan - Long Distance Services

4.3.1 Direct Dial Outbound Long Distance

Each 6 seconds	\$.0135

4.3.2 Combined Inbound/Outbound Services

4.3.2.A The Gold Long Distance Plan

Each 6 seconds $.0125

4.3.2.B The Platinum Long Distance Plan

Each 6 seconds $.0115

4.3.3 T-1 Inbound and Outbound Long Distance

Each 6 seconds $.0100

Volume Discounts:

Volume	Base Rate	Discount	Adj. Rate
$2500-$4999.99	$0.010	---	$0.010
$5000-$7499.99	$0.010	5%	$0.095
$7500-$9999.99	$0.010	10%	$0.090
$10,000 +	$0.010	15%	$0.085

T-1 Port Charge: $400 per month

4.3.4 Calling Card Services

Each minute: $0.250

4.4 The Company's Rate Plan - Enhanced Services

4.4.1.A Access Port Rates

The Company provides two types of ports, Dedicated and Virtual, providing a selection of access methodologies and service pricing.

Dedicated - The dedicated port is a logical port which the customer does not share with other network users. The dedicated port utilizes LEC tail circuit facilities such as DDS or hubbed private lines.

Virtual - The virtual port is a common port facility which customers share, thereby reducing their access charges. The virtual port utilizes LEC frame relay network facilities as the local loop tail circuit. The Company port is connected to the virtual port via a single T1 facility. The LEC aggregates multiple local loop tail circuits which are aggregated onto a single path onto the network via a common port. The following rates are recurring monthly rates.

ACCESS PORT RATES

PORT SPEED	DEDICATED	VIRTUAL
56	$195	$ 100
64	$195	$ 100
128	$350	$ 140
256	$425	$ 175
384	$500	$ 225
512	$600	$ 280
640	$700	$ 340
768	$750	$ 400
896	$900	$ 455
1,024	$950	$ 550
1,152	$1,100	$ 600
1,280	$1,100	$ 675
1,408	$1,100	$ 725
1,536	$1,100	$ 775

4.4.1.B PVC Rates

Permanent Virtual Connections (PVCs) are logical circuits which define a dedicated virtual circuit between two points. Multiple PVCs can originate and terminate on a single port, allowing for the separation of applications across the network. PVCs can burst up to the smallest port size of their two logical end points. The Company provides flexibility in PVC transport rates based upon the relative distance requirements of the customer. Currently, PVCs are symmetrical in nature, therefore duplex PVCs (originating and terminating on the same ports) will be equal in insured throughput. Asymmetrical PVC options will be offered in the future. PVC rates are based on the following classification.

IntraLATA (Local Access Transport Area) PVC - the IntraLATA PVC is applicable to PVCs originating and terminating in the same LATA. The IntraLATA PVC supports customers with multiple branch sites within a single LATA. The IntraLATA PVC is designed to allow customers with communications needs which reside within a single LATA to reduce the costs of transport. Since IntraLATA transport requirements are less network intensive than longer distance PVCs, the Company charges a lower rate to its customers. The IntraLATA PVC is provided with 8 Kpbs CIR, regardless of port speed. The intraLATA PVC is supported by dedicated circuits only up to a switch and makes an intraswitch hop back to dedicated facilities.

InterLATA PVC - The interLATA PVC is applicable to PVCs originating and terminating in different LATAs. The InterLATA PVC supports customers with multiple branch sites between LATAs, and is designed to allow these customers to reduce costs of transport.

The Company establishes minimum and maximum CIR requirements per PVC in order to provide improved network utilization, management and performance.

Minimum CIR Per PVC - A minimum of 8Kbps CIR per DSO is provided with each PVC purchased from the Company. Therefore, a port rate with 64K burst would be provided with a total CIR of 8Kbps, while a T1 port rate would be provided with a minimum of 192K CIR. Additional CIR can be purchased as required. The minimum CIR is designed to provide improved network performance and management.

Maximum CIR - A maximum of 1,280K CIR per PVC can be purchased on port rates of T1 and higher. Therefore, a PVC with T1 burst could have a maximum CIR of 1,280 Kbps CIR. On a T1 port, approximately 15% of the capacity is utilized for management and overhead, therefore limiting CIR to 1,280 Kbps would keep the customer from over-insuring its circuits.

The following PVC rates include the minimum required CIR in the listed price, at the corresponding CIR rate for the type of PVC. Additional CIR can be purchased on top of the minimum required CIR, including IntraLATA PVCs. The following rates are recurring monthly rates.

PORT SPEED	MINIMUM CIR INCLUDED	INTRALATA PVC	INTERLATA PVC
56	8 Kbps	$10	$50
64	8 Kbps	$10	$50
128	32 Kbps	$10	$60
256	48 Kbps	$10	$70
384	64 Kbps	$10	$85
512	80 Kbps	$10	$100
640	96 Kbps	$10	$125
768	112 Kbps	$10	$150
896	128 Kbps	$10	$170
1,024	144 Kbps	$10	$195
1,152	160 Kbps	$10	$225
1,280	176 Kbps	$10	$250
1,408	192 Kbps	$10	$285
1,536	192 Kbps	$10	$325

by: Robert D. Rubin, President
Strategic Technologies, Inc.
790 NW 107th Avenue
Miami, FL 33172

4.4.1.C CIR Rates

The Committed Information Rate (CIR) is the customer's Applications Insurance, as it can set the amount of guaranteed minimum throughout their applications require. The customers' total traffic can still burst up to the size of the access port purchased, although in the event of network congestion only insured throughput is guaranteed to meet minimum throughput requirements. The Company allows the customer to select applications insurance in one kilobyte increments, thereby not forcing the customer to over-insure with high minimum CIR requirements. This provides flexibility in designing the network to individual application requirements. The following rates are recurring monthly rates.

INTRALATA PVC	INTERLATA PVC
$0.50 per Kbps	$2.00 per Kbps

4.4.2 Non-Recurring Charges

4.4.2.A Installation

The Company charges non-recurring rates to cover the costs of installation and network buildouts. Non-recurring rates are one-time charges based on access port and network link setup costs. These charges are discounted based on annual term commitments.

Non-Recurring Charges	Month	1yr.	2 yrs.	3 yrs.	4yrs.	5+ yrs.
Frame Relay Port (each)	$750	$500	$350	$200	$100	$0
LEC Frame Relay Port Setup	$750	$500	$350	$200	$100	$0

4.2.2.B Other One Time Charges

Port Change Order - Applies to changes of port size, location or other changes requiring a modification of the service order contract.

Equipment Installation - Applies to the installation of customer premise equipment. Charge is per equipment chassis with a charge for each additional card installed into the chassis.

PVC/CIR Change Order - Applies to physical changes to the PVC or CIR, including CIR additions, or PVC logical connection changes.

Mux or DACs Reconfiguration Fee - Applies to required modifications in the infrastructure equipment to support Customer requirements. The charge applies to each circuit end requiring modification.

Expedite Fee - Applies where Customer requires that service request be processed and service initiated on an expedited basis.

One Time Charges	Rate
Port Change Order	$750
Equipment Installation	$400
Each Add'l Card	$ 50
PVC/CIR Change Order	$ 20
Mux or DACs Reconfiguration Fee	$250
Expedite Fee	$750

4.2.2.C Resale of Services

The pricing of resale circuits is dependent upon many variables which are circuit specific. The Company does not currently charge a flat rate to cover all potential circuits, therefore it must price each circuit independently to determine the resale cost. The resale of services consists of LEC Access Loops.

LEC access loop costs are composed of several variables which require customer pricing on a per order basis. Pricing variables include:

Access Loop Type - Access loops primarily used by the Company include DDS private lines and LEC fast packet circuits. Circuit types are priced differently by LECs.

LEC/LATA (Local Access Transport Area) Purchased From - Charges vary depending on the entity the service is purchased from and the size of the LATA that entity serves.

Circuit Length - Private lines are mileage sensitive and vary based on the distance from the customer premise to the LEC serving wire center (SWC), and the distance of the closest Company Point of Presence (POP) to the LEC SWC. LEC fast packet circuits are charged in mileage bands which are less mileage sensitive than private lines, but still distance of the customer premise from the LEC SWC and the distance of the LEC SWC from the closest Company frame relay switch.

Additional LEC Charges - LECs charge for specific items over and above that of the circuit charge, including but not limited to the cost of additional Data Link Connection Indicators (DLCIs), Network Node Interface (NNI) facilities, and special access charges.

4.5 Special Promotions

Carrier will receive Commission approval prior to offering any Special Promotions. Any reduced rates offered under a Special Promotion will in no event last for more than 90 days per 12 month period.

4.6 Discounts for Hearing or Speech Impaired Customers

A telephone toll message,which is communicated using a telecommunications device for the deaf (TDD) by properly certified hearing or speech impaired persons or properly certified business establishments or individuals equipped with TDDs for communicating with hearing or speech impaired persons will receive, upon request, credit on charges for certain Interstate toll calls placed between TDDs. Discounts do not apply to surcharge or per call add-on charges for operator services when the call is placed by a method that would normally incur the surcharge.

A. The credit to be given on a subsequent bill for such calls placed between TDDs will be equal to applying the evening rate during business day hours and the night/weekend rate during the evening rate period.

B. The credit to be given on a subsequent bill for such calls placed by TDDs with the assistance of the relay center will be equal to 50% of the rate for the applicable rate period. If either party is both hearing and visually impaired, the call shall be discounted at 60% of the applicable rate.

4.7 Directory Assistance

The Company does not currently provide directory assistance services.

4.8 Handicapped Customers

There shall be no charge for up to 50 calls per billing cycle from lines or trunks serving individuals with disabilities.

Every call in excess of 50 within a billing cycle will be charged at the prevailing tariffed rate for services.

4.9 Telecommunications Relay Service

Intrastate toll calls received from the relay services will be discounted fifty percent (50%) off of the otherwise applicable rate for a voice nonrelay call except that where either the calling or called party indicates that either party is both hearing and visually impaired, the call shall be discounted sixty percent (60%) off of the otherwise applicable rate for a voice nonrelay call. The discount applies to the time sensitive element of a charge for the call and does not apply to per call charges such as a credit card surcharge.

STRATEGIC TECHNOLOGIES INC

DEPOSIT D606

DATE SEP 03 1997

September 2, 1997

Via Airborne

Florida Public Service Commission
Division of Administration
2540 Shumard Oak Blvd.
Gunter Building
Tallahassee, FL 32399-0850

971158 - TI

Re: Strategic Technologies, Inc.'s Application Form for Authority to Provide Interexchange Telecommunication Service within the State of Florida

Enclosed please find one original and six copies of the above-referenced form for Strategic Technologies, Inc. Enclosed also is a check in the amount of $250 payable to the Florida Public Service Commission representing the required filing fee for the application.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me in the enclosed self-addressed envelope.

Thank you for your assistance with this filing.

Sincerely,

Robert D. Rubin
President

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:
AG.

Cable Division
(305) 229-6595

Security Division
(305) 229-6587

Telephone Division
(305) 229-6592

790 N.W. 107 Avenue • Suite 310 • Miami, Florida 33172 • Fax: (305) 229-6583

STRATEGIC TECHNOLOGIES INC.

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September 2, 1997

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Florida Public Service Commission
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Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me in the enclosed self-addressed envelope.

Thank you for your assistance with this filing.

Sincerely,

Robert D. Rubin
President

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER

AMERISTAR FINANCIAL SERVICES, INC.
TITLEAMERICA INSURANCE CORP.
UNIVERSAL AMERICAN MORTGAGE CO.
UNIVERSAL TITLE INSURORS, INC.
STRATEGIC TECHNOLOGIES, INC.
REGENCY TITLE COMPANY

SUN BANK/Miami, N.A.

215992

CHECK NO. 00053514

VOID IF NOT CASHED IN 90 DAYS

DATE	AMOUNT
08/26/97	$*******250.00

PAY TWO HUNDRED FIFTY AND 00/100 **

TO THE ORDER OF
Florida Public Service Commission
Division of Administration
2540 Shumard Oak Blvd
Tallahassee, FL 32399-0866

LENNAR FINANCIAL SERVICES, INC
CONTROL DISBURSEMENT ACCOUNT

Janice Muñoz

THE REVERSE SIDE OF THIS DOCUMENT HAS AN ARTIFICIAL WATERMARK

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