

POST OFFICE DRAWER 1657  
TALLAHASSEE, FLORIDA 32302

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2145 DELTA BOULEVARD, SUITE 200  
TALLAHASSEE, FLORIDA 32303

TELEPHONE (850) 385-6007  
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INTERNET: wiggvill@netfally.com

March 5, 1998

*98-346-TI*

VIA HAND DELIVERY

Mr. Walter D'Haeseleer  
Director of Communications  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0866

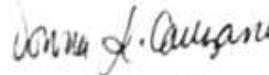
Re: NOW Communications, Inc.

Dear Mr. D'Haeseleer:

Enclosed for filing are the original and six (6) copies of NOW Communications, Inc.'s Application Form for Authority to Provide Interexchange Telecommunications Service Within the State of Florida, along with the \$250 filing fee.

Thank you for your assistance in this matter.

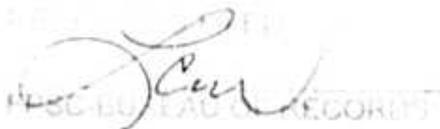
Sincerely,



Donna L. Canzano

DLC:plk  
Enclosures

Check received by [unclear] H  
forwarded to [unclear] H  
Fiscal to [unclear] H  
to RSC with [unclear] H  
Initials of person who forwarded check:  
*LJS*



DOCUMENT NUMBER DATE

**02912** MAR -5 98

FPSO - RECORDS REPORTING

\*\* 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

FORM PSC/CMU 31 (11/95)

Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-24.480(2).

DOCUMENT NUMBER-DATE

02912 MAR-5 88

FFSD-RECORDS/REPORTING

1. This is an application for (check one):
- Original Authority** (New company).
  - Approval of Transfer** (To another certificated company).
  - Approval of Assignment of existing certificate** (To a 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):
- 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 IXC's; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.
  - Reseller** - company has or plans to have one or more switches but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.
  - Switchless Rebiller** - company has no switch or transmission facilities but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carrier. Rebills end users at a rate above its discount but generally below the rate end users would pay for unaggregated traffic.
  - Multi-Location Discount Aggregator** - company contracts with unaffiliated entities to obtain bulk/volume discounts under multi-location discount plans from certain underlying carriers. Then offers the resold service by enrolling unaffiliated customers.

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

3. Name of corporation, partnership, cooperative, joint venture or sole proprietorship:

NOW Communications, Inc.

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

NOW Communications, Inc.

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

P.O. Box 807  
Jackson, Mississippi 39205-0807

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

N/A

7. Structure of organization;

<input type="checkbox"/> Individual	<input type="checkbox"/> Corporation
<input checked="" type="checkbox"/> Foreign Corporation	<input type="checkbox"/> Foreign Partnership
<input type="checkbox"/> General Partnership	<input type="checkbox"/> Limited Partnership
<input type="checkbox"/> Other, _____	

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

N/A

- (a) Provide proof of compliance with the foreign limited partnership statute (Chapter 620.169 FS), if applicable.

Fictitious name registration number:

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

- (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.

N/A

9. If incorporated, please give:

- (a) Proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

Corporate charter number: F98000000639

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

Corporation Service Company  
1201 Hays Street  
Tallahassee, FL 32301

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

Fictitious name registration number: N/A

- (d) Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

(1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings.

- (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.

N/A

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

- (a) The application;

Donna L. Canzano  
Wiggins & Villacorta, P.A.  
2145 Delta Boulevard  
Suite 200  
Post Office Drawer 1657  
Tallahassee, Florida 32302  
(850) 385-6007 Telephone  
(850) 385-6008 Fax

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

Larry W. Seab  
President & CEO  
NOW Communications, Inc.  
P.O. Box 807  
Jackson, Mississippi 39205-0807  
(601) 969-5000 Telephone  
(601) 969-7880 Fax

- (c) Tariff;

Donna L. Canzano  
Wiggins & Villacorta, P.A.  
2145 Delta Boulevard  
Suite 200  
Post Office Drawer 1657  
Tallahassee, Florida 32302  
(850) 385-6007 Telephone  
(850) 385-6008 Fax

- (d) Complaints/Inquiries from customers;

Larry W. Seab  
President & CEO  
NOW Communications, Inc.  
P.O. Box 807  
Jackson, Mississippi 39205-0807  
(601) 969-5000 Telephone  
(601) 969-7880 Fax

11. List the states in which the applicant:

- a) Has operated as an interexchange carrier.

Alabama, Louisiana, Mississippi, Tennessee

- b) Has applications pending to be certificated as an interexchange carrier.

Arkansas, Colorado, Georgia

- c) Is certificated to operate as an interexchange carrier.

Alabama, Louisiana, Mississippi, Tennessee

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

N/A

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

N/A

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

N/A

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

- Facilities.  Operators.  
 Billing and Collection.  Sales.  
 Maintenance.  
 Other: None

13. Do you have a marketing program?

Yes.

14. Will your marketing program:

- Pay commissions?  
 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.).

NOW will pay commissions to agents who have entered into a written agreement with NOW. The amount of commission may vary.

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

- Residential customers.  
 Business customers.  
 PATS providers.  
 PATS station end-users.  
 Hotels & motels.  
 Hotels & motel guests.  
 Universities.  
 University 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?

NOW Communications, Inc.'s name and telephone number will appear on its bills.

FORM PSC/CMU 31 (11/95)

Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-24.480(2).

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

N/A

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

A. Financial capability.

Attached as Exhibit 1.

Regarding the showing of financial capability, the following applies:

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.

NOW has no retained earnings for the last three 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

Attached as Exhibit 2.

C. Technical capability.

Attached as Exhibit 3.

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

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).

Attached as Exhibit 4.

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)**

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

**MTS for pay telephone service providers**

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

**800 Service (Toll free)**

**WATS type service (Bulk or volume discount)**

Method of access is via dedicated facilities

Method of access is via switched facilities

**Private Line services (Channel Services)**

(For ex. 1.544 mbs., DS-3, etc.)

FORM PSC/CMU 31 (11/95)

Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-24.480(2).

**Travel Service**  
 Method of access is 950  
 Method of access is 800

**900 service**

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

**Services included are:**

Station assistance  
 Person to Person assistance  
 Directory assistance  
 Operator verify and interrupt  
 Conference Calling

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

1 + or 1 + 800/888

22.  **Other:**

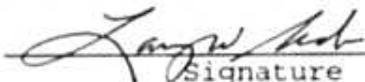
FORM PSC/CMU 31 (11/95)  
Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-24.480(2).

**\*\*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:

  
Signature

3/2/98  
Date

President and CEO  
Title

601-969-7500  
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-mentioned certificate.

UTILITY OFFICIAL:

_____	_____
Signature	Date
_____	_____
Title	Telephone No.

N/A

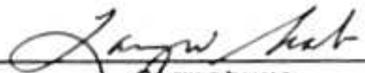
**\*\* APPENDIX B \*\***

**CUSTOMER DEPOSITS AND ADVANCE PAYMENTS**

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

- ( ) The applicant will not collect deposits nor will it collect payments for service more than one month in advance.
- (x) 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:**

  
\_\_\_\_\_  
Signature

3/2/58  
Date

President and CEO  
Title

601-949-7500  
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**

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

- |         |    |
|---------|----|
| 1) None | 2) |
| 3)      | 4) |

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

- |         |    |
|---------|----|
| 1) None | 2) |
| 3)      | 4) |

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

- |                      |             |                  |
|----------------------|-------------|------------------|
| 1) <u>POP-to-POP</u> | <u>TYPE</u> | <u>OWNERSHIP</u> |
| 2) None              |             |                  |

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).

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).

NOW will comply with the requirements of Commission Rule 25-24.471(4) (a) as modified by Order No. PSC-95-0203-FOF-TP.

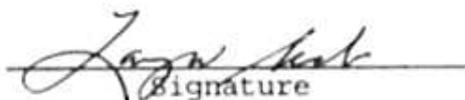
FORM PSC/CMU 31 (11/95)

Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-24.480(2).

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:

  
Signature

3/2/78  
Date

President and CEO  
Title

601-949-7500  
Telephone No.

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

EXHIBIT 1

**PROFORMA FINANCIAL STATEMENTS**

**PROFORMA FINANCIAL  
STATEMENTS  
for  
NOW COMMUNICATIONS, INC.**

**FLORIDA**

FEBRUARY, 1998

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# NOW Communications, Inc.

## ASSUMPTIONS USED

ANTICIPATED REGULATORY APPROVAL BY		FLORIDA
ANTICIPATED OPENING DATE		06/01/98
		08/01/98

STATEWIDE MARKET HOUSEHOLDS	NOTE 1	270,242
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NOW COMMUNICATIONS MARKET HOUSEHOLDS	NOTE 2	5,400
LOCAL LOOP MONTHLY INCREASE		150

### REVENUE

MONTHLY REVENUE	\$33
OPTIONAL SERVICES REVENUE	\$5
CONNECTION REVENUE	\$50
LONG DISTANCE REVENUE	\$10

### COST OF REVENUE

LOCAL LOOP - MONTHLY	\$18
LOCAL LOOP - OPTIONAL SERVICES	\$4
LOCAL LOOP - CONNECTION CHARGE	\$38
LONG DISTANCE	\$5

### INITIAL INVESTMENT REQUIRED:

	FLORIDA
LOCAL EXCHANGE CARRIER SECURITY DEPOSITS	\$10,000
RENT AND UTILITY DEPOSITS	\$3,000
START - UP COST	\$34,500
MATERIALS AND SUPPLIES INVENTORY	\$2,500
DESK, CHAIRS, AND WORK TABLES	\$11,010
COMPUTER TERMINALS AND SOFTWARE	\$15,000
LEASEHOLD IMPROVEMENTS	\$3,000
START UP OPERATING COST: (FIRST THREE MONTHS)	
SALARIES - MANAGEMENT	\$15,000
SALARIES - CUSTOMER SERVICE	\$3,750
SALARIES - INSTALLATION AND MAINTENANCE	\$4,500
SALARIES - GENERAL AND ADMINISTRATIVE	\$3,750
PAYROLL TAXES	\$3,240
ADVERTISING AND PRINTING	\$15,000
RENT, UTILITIES, AND TELEPHONE	\$3,300
HEALTH INSURANCE	\$3,800
PROPERTY INSURANCE	\$600
FORMS, SUPPLIES, STATIONERY, BUSINESS CARDS	\$750
TRAVEL AND VEHICLE EXPENSE	\$3,000
TOTAL START UP OPERATING COST	\$56,490

SECURITY SYSTEMS	\$1,000
SAFE	\$1,000
TELEPHONE SYSTEM	\$3,000
COPIER AND FAX MACHINE	\$7,000
LOCATION SIGNAGE	\$2,500

TOTAL INITIAL INVESTMENT	\$150,000
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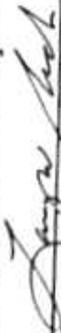
### DEPRECIATION AND AMORTIZATION

	1998	
<b>FIXED ASSETS AND DEFERRED CHARGES</b>		<b>FLORIDA</b>
1998 START - UP COST		\$34,500
DESK, CHAIRS, AND WORK TABLES		\$11,010
COMPUTER TERMINALS AND SOFTWARE		\$15,000
LEASEHOLD IMPROVEMENTS		\$3,000
SECURITY SYSTEMS		\$1,000
SAFE		\$1,000
TELEPHONE SYSTEM		\$3,000
COPIER AND FAX MACHINE		\$7,000
LOCATION SIGNAGE		\$2,500
TOTAL FIXED ASSETS AND DEF CHARGES		\$78,010
DEPRECIATION AND AMORTIZATION @ 20%		\$15,602

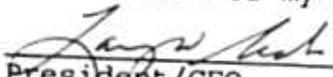
NOTE 1: SOURCE: 1990 U. S. CENSUS

NOTE 2: BASED UPON NOW COMMUNICATIONS, INC. SERVING APPROXIMATELY 02% OF THE CUSTOMERS CURRENTLY WITHOUT TELEPHONE SERVICE OVER A PERIOD OF THREE YEARS.

I hereby attest that this financial statement is true and correct to the best of my knowledge.

  
 President/CEO

I hereby attest that this financial statement is true and correct to the best of my knowledge.

  
President/CEO

NOW Communications, Inc.  
BALANCE SHEET

FLORIDA	INCEPTION	1998	1999	2000	2001	2002
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
CASH	\$75,000	\$30,505	\$131,752	\$518,903	\$1,135,263	\$1,702,057
LOCAL EXCHANGE CARRIER SECURITY DEPOSIT	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
RENT AND UTILITY DEPOSITS	\$0	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
MATERIALS AND SUPPLIES INVENTORY	\$0	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
<b>TOTAL CURRENT ASSETS</b>	<u>\$75,000</u>	<u>\$46,005</u>	<u>\$147,252</u>	<u>\$534,403</u>	<u>\$1,150,763</u>	<u>\$1,717,557</u>
<b>DEFERRED CHARGES</b>						
COST OF NUMBERS	\$0	\$0	\$0	\$0	\$0	\$0
START UP COST	\$0	\$34,500	\$34,500	\$34,500	\$34,500	\$34,500
<b>TOTAL DEFERRED CHARGES</b>	<u>\$0</u>	<u>\$34,500</u>	<u>\$34,500</u>	<u>\$34,500</u>	<u>\$34,500</u>	<u>\$34,500</u>
<b>FIXED ASSETS</b>						
DESK, CHAIRS, AND WORK TABLES	\$0	\$11,010	\$11,010	\$11,010	\$11,010	\$11,010
COMPUTER TERMINALS AND SOFTWARE	\$0	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
LEASEHOLD IMPROVEMENTS	\$0	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
SECURITY SYSTEM	\$0	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
SAFE	\$0	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
TELEPHONE SYSTEM	\$0	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
COPIER AND FAX MACHINE	\$0	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
LOCATION SIGNAGE	\$0	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
LESS: DEPRECIATION AND AMORTIZATION	\$0	(\$8,500)	(\$22,102)	(\$37,704)	(\$53,306)	(\$68,908)
<b>NET FIXED ASSETS AND DEFERRED CHARGES</b>	<u>\$0</u>	<u>\$71,510</u>	<u>\$55,908</u>	<u>\$40,306</u>	<u>\$24,704</u>	<u>\$9,102</u>
<b>TOTAL ASSETS</b>	<u>\$75,000</u>	<u>\$117,515</u>	<u>\$203,160</u>	<u>\$574,709</u>	<u>\$1,175,467</u>	<u>\$1,726,659</u>
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
PAYROLL TAX PAYABLES	\$0	\$0	\$0	\$0	\$0	\$0
OTHER ACCOUNTS PAYABLE	\$0	\$0	\$0	\$0	\$0	\$0
INCOME TAX PAYABLE	\$0	\$0	\$38,536	\$185,127	\$354,893	\$409,706
<b>TOTAL CURRENT LIABILITIES</b>	<u>\$0</u>	<u>\$0</u>	<u>\$38,536</u>	<u>\$185,127</u>	<u>\$354,893</u>	<u>\$409,706</u>
<b>LONG TERM DEBT</b>						
LONG TERM NOTE PAYABLE	\$0	\$71,076	\$58,490	\$44,586	\$29,226	\$12,258
<b>STOCKHOLDER'S EQUITY</b>						
CAPITAL STOCK	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
RETAINED EARNINGS	\$0	(\$28,561)	\$31,134	\$269,996	\$716,348	\$1,229,695
<b>TOTAL STOCKHOLDER'S EQUITY</b>	<u>\$75,000</u>	<u>\$46,439</u>	<u>\$106,134</u>	<u>\$344,996</u>	<u>\$791,348</u>	<u>\$1,304,695</u>
<b>TOTAL STOCKHOLDERS EQUITY</b>	<u>\$75,000</u>	<u>\$117,515</u>	<u>\$203,160</u>	<u>\$574,709</u>	<u>\$1,175,467</u>	<u>\$1,726,659</u>

**NOW Communications, Inc.  
STATEMENT OF INCOME**

	FLORIDA						
	CUSTOMER COUNT	150	300	450	600	750	750
NUMBER OF EMPLOYEES	4	4	4	4	4	4	4
	AUGUST 1998	SEPTEMBER 1998	OCTOBER 1998	NOVEMBER 1998	DECEMBER 1998	TOTAL 1998	
<b>REVENUES</b>							
MONTHLY FEE	\$2,475	\$7,425	\$12,375	\$17,325	\$22,275	\$61,875	
OPTIONAL SERVICES	\$375	\$1,125	\$1,875	\$2,625	\$3,375	\$9,375	
CONNECTION FEES	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$37,500	
LONG DISTANCE	\$750	\$2,250	\$3,750	\$5,250	\$6,750	\$18,750	
<b>GROSS REVENUE</b>	<b>\$11,100</b>	<b>\$18,300</b>	<b>\$25,500</b>	<b>\$32,700</b>	<b>\$39,900</b>	<b>\$127,500</b>	
<b>COST OF REVENUE</b>							
LOCAL LOOP - MONTHLY	\$1,200	\$3,600	\$6,000	\$8,400	\$10,800	\$30,000	
LOCAL LOOP - OPTIONAL SERVICES	\$300	\$900	\$1,500	\$2,100	\$2,700	\$7,500	
LOCAL LOOP - CONNECTION CHARGE	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$27,000	
LONG DISTANCE	\$375	\$1,125	\$1,875	\$2,625	\$3,375	\$9,375	
<b>TOTAL COST OF REVENUE</b>	<b>\$7,275</b>	<b>\$11,025</b>	<b>\$14,775</b>	<b>\$18,525</b>	<b>\$22,275</b>	<b>\$73,875</b>	
<b>GROSS PROFIT</b>	<b>\$3,825</b>	<b>\$7,275</b>	<b>\$10,725</b>	<b>\$14,175</b>	<b>\$17,625</b>	<b>\$53,625</b>	
<b>OPERATING EXPENSES</b>							
DEPRECIATION AND AMORTIZATION	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$6,500	
INTEREST EXPENSE	\$625	\$617	\$609	\$601	\$2,452	\$4,904	
SALARIES - MANAGEMENT	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000	
SALARIES - CUSTOMER SERVICE	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$6,250	
SALARIES - INSTALL & MAINT	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$7,500	
SALARIES - GENERAL & ADMIN	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$6,250	
PAYROLL TAXES	\$1,080	\$1,080	\$1,080	\$1,080	\$1,080	\$5,400	
ADVERTISING AND PRINTING	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000	
RENT, UTILITIES, AND TELEPHONE	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$5,500	
HEALTH INSURANCE	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$6,000	
PROPERTY INSURANCE	\$200	\$200	\$200	\$200	\$200	\$1,000	
FORMS, SUPP, STAT, BUS CARDS	\$250	\$250	\$250	\$250	\$250	\$1,250	
TRAVEL AND VEHICLE EXPENSE	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$5,000	
<b>TOTAL OPERATING EXPENSES</b>	<b>\$20,755</b>	<b>\$20,747</b>	<b>\$20,739</b>	<b>\$20,731</b>	<b>\$22,582</b>	<b>\$105,554</b>	
<b>NET INCOME BEFORE INC TAX</b>	<b>(\$16,930)</b>	<b>(\$13,472)</b>	<b>(\$10,014)</b>	<b>(\$6,556)</b>	<b>(\$4,957)</b>	<b>(\$51,929)</b>	
<b>INCOME TAX @ 45 %</b>	<b>(\$7,619)</b>	<b>(\$6,062)</b>	<b>(\$4,506)</b>	<b>(\$2,950)</b>	<b>(\$2,231)</b>	<b>(\$23,368)</b>	
<b>NET INCOME</b>	<b>(\$9,311)</b>	<b>(\$7,410)</b>	<b>(\$5,508)</b>	<b>(\$3,606)</b>	<b>(\$2,726)</b>	<b>(\$28,561)</b>	

I hereby attest that this financial statement is true and correct  
 to the best of my knowledge.  
 \_\_\_\_\_  
 President/CEO

**NOW Communications, Inc.  
STATEMENT OF INCOME**

<b>FLORIDA</b>					
<b>CUSTOMER COUNT</b>	750	2,550	4,350	5,400	5,400
<b>NUMBER OF EMPLOYEES</b>	4	7	11	11	11
	<b>TOTAL</b>	<b>TOTAL</b>	<b>TOTAL</b>	<b>TOTAL</b>	<b>TOTAL</b>
	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
<b>REVENUES</b>					
MONTHLY FEE	\$61,875	\$653,400	\$1,366,200	\$1,930,500	\$2,138,400
OPTIONAL SERVICES	\$9,375	\$99,000	\$207,000	\$292,500	\$324,000
CONNECTION FEES	\$37,500	\$90,000	\$90,000	\$52,500	\$0
LONG DISTANCE	\$18,750	\$198,000	\$414,000	\$585,000	\$648,000
<b>GROSS REVENUE</b>	<b>\$127,500</b>	<b>\$1,040,400</b>	<b>\$2,077,200</b>	<b>\$2,860,500</b>	<b>\$3,110,400</b>
<b>COST OF REVENUE</b>					
LOCAL LOOP - MONTHLY	\$30,000	\$316,800	\$662,400	\$936,000	\$1,036,800
LOCAL LOOP - OPTIONAL SERVICES	\$7,500	\$79,200	\$165,600	\$234,000	\$259,200
LOCAL LOOP - CONNECTION CHARGE	\$27,000	\$64,800	\$64,800	\$37,800	\$0
LONG DISTANCE	\$9,375	\$99,000	\$207,000	\$292,500	\$324,000
<b>TOTAL COST OF REVENUE</b>	<b>\$73,875</b>	<b>\$559,800</b>	<b>\$1,099,800</b>	<b>\$1,500,300</b>	<b>\$1,620,000</b>
<b>GROSS PROFIT</b>	<b>\$53,625</b>	<b>\$480,600</b>	<b>\$977,400</b>	<b>\$1,360,200</b>	<b>\$1,490,400</b>
<b>OPERATING EXPENSES</b>					
DEPRECIATION AND AMORTIZATION	\$6,500	\$15,602	\$15,602	\$15,602	\$15,602
INTEREST EXPENSE	\$4,904	\$6,542	\$5,224	\$3,768	\$2,160
SALARIES - MANAGEMENT	\$25,000	\$75,000	\$130,000	\$140,000	\$150,000
SALARIES - CUSTOMER SERVICE	\$6,250	\$30,000	\$45,000	\$45,000	\$45,000
SALARIES - INSTALL & MAINT	\$7,500	\$36,000	\$54,000	\$54,000	\$54,000
SALARIES - GENERAL & ADMIN	\$6,250	\$30,000	\$45,000	\$45,000	\$45,000
PAYROLL TAXES	\$5,400	\$20,520	\$32,880	\$32,880	\$32,880
ADVERTISING AND PRINTING	\$25,000	\$72,000	\$84,000	\$84,000	\$84,000
RENT, UTILITIES, AND TELEPHONE	\$5,500	\$26,400	\$39,600	\$39,600	\$39,600
HEALTH INSURANCE	\$8,000	\$25,200	\$39,600	\$39,600	\$39,600
PROPERTY INSURANCE	\$1,000	\$4,800	\$7,200	\$7,200	\$7,200
FORMS, SUPP, STAT, BUS CARDS	\$1,250	\$6,000	\$9,000	\$6,000	\$6,000
TRAVEL AND VEHICLE EXPENSE	\$5,000	\$24,000	\$36,000	\$36,000	\$36,000
<b>TOTAL OPERATING EXPENSES</b>	<b>\$105,554</b>	<b>\$372,064</b>	<b>\$543,108</b>	<b>\$548,650</b>	<b>\$557,042</b>
<b>NET INCOME BEFORE INC TAX</b>	<b>(\$51,929)</b>	<b>\$108,536</b>	<b>\$434,294</b>	<b>\$811,550</b>	<b>\$933,358</b>
<b>INCOME TAX @ 45 %</b>	<b>(\$23,368)</b>	<b>\$48,841</b>	<b>\$195,432</b>	<b>\$365,198</b>	<b>\$420,011</b>
<b>NET INCOME</b>	<b>(\$28,561)</b>	<b>\$59,695</b>	<b>\$238,862</b>	<b>\$446,352</b>	<b>\$513,347</b>

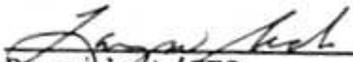
I hereby attest that this financial statement is true and correct  
to the best of my knowledge.

President/CEO *[Signature]*

NOW Communications, Inc.  
STATEMENT OF CASH FLOW  
OPERATING COMPANIES

FLORIDA	AUGUST 1998	SEPTEMBER 1998	OCTOBER 1998	NOVEMBER 1998	DECEMBER 1998	TOTAL 1998
<b>OPENING CASH BALANCE</b>	\$75,000	\$48,479	\$41,400	\$36,215	\$32,924	\$75,000
<b>CASH GENERATED</b>						
LONG TERM NOTE PAYABLE	\$75,000	\$0	\$0	\$0	\$0	\$75,000
DEPRECIATION AND AMORTIZATION	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$6,500
INCOME TAX PAYABLE	\$0	\$0	\$0	\$0	\$0	\$0
NET INCOME	(\$9,311)	(\$7,410)	(\$5,508)	(\$3,606)	(\$2,726)	(\$28,561)
<b>TOTAL CASH GENERATED</b>	<u>\$66,989</u>	<u>(\$6,110)</u>	<u>(\$4,208)</u>	<u>(\$2,306)</u>	<u>(\$1,426)</u>	<u>\$52,939</u>
<b>CASH USED</b>						
START UP COST	\$34,500	\$0	\$0	\$0	\$0	\$34,500
LOCAL EXCHANGE CARRIER SECURITY DEPOSIT	\$10,000	\$0	\$0	\$0	\$0	\$10,000
RENT AND UTILITY DEPOSITS	\$3,000	\$0	\$0	\$0	\$0	\$3,000
MATERIALS AND SUPPLIES INVENTORY	\$2,500	\$0	\$0	\$0	\$0	\$2,500
DESK, CHAIRS, AND WORK TABLES	\$11,010	\$0	\$0	\$0	\$0	\$11,010
COMPUTER TERMINALS AND SOFTWARE	\$15,000	\$0	\$0	\$0	\$0	\$15,000
LEASEHOLD IMPROVEMENTS	\$3,000	\$0	\$0	\$0	\$0	\$3,000
SECURITY SYSTEM	\$1,000	\$0	\$0	\$0	\$0	\$1,000
SAFE	\$1,000	\$0	\$0	\$0	\$0	\$1,000
TELEPHONE SYSTEM	\$3,000	\$0	\$0	\$0	\$0	\$3,000
COPIER AND FAX MACHINE	\$7,000	\$0	\$0	\$0	\$0	\$7,000
LOCATION SIGNAGE	\$2,500	\$0	\$0	\$0	\$0	\$2,500
PRINCIPAL PAYMENT - LTD	0	\$969	\$977	\$985	\$993	\$3,924
<b>TOTAL CASH USED</b>	<u>\$93,510</u>	<u>\$969</u>	<u>\$977</u>	<u>\$985</u>	<u>\$993</u>	<u>\$97,434</u>
<b>ENDING CASH BALANCE</b>	<u>\$48,479</u>	<u>\$41,400</u>	<u>\$36,215</u>	<u>\$32,924</u>	<u>\$30,505</u>	<u>\$30,505</u>

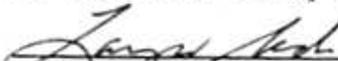
I hereby attest that this financial statement is true and correct to the best of my knowledge.

  
\_\_\_\_\_  
President/CEO

NOW Communications, Inc.  
STATEMENT OF CASH FLOW  
OPERATING COMPANIES

FLORIDA	TOTAL 1998	TOTAL 1999	TOTAL 2000	TOTAL 2001	TOTAL 2002
OPENING CASH BALANCE	\$75,000	\$30,505	\$131,752	\$518,903	\$1,135,263
<b>CASH GENERATED</b>					
LONG TERM NOTE PAYABLE	\$75,000	\$0	\$0	\$0	\$0
DEPRECIATION AND AMORTIZATION	\$6,500	\$15,602	\$15,602	\$15,602	\$15,602
INCOME TAX PAYABLE	\$0	\$38,536	\$146,591	\$169,766	\$54,813
NET INCOME	(\$28,561)	\$59,695	\$238,862	\$446,352	\$513,347
TOTAL CASH GENERATED	\$52,939	\$113,833	\$401,055	\$631,720	\$583,762
<b>CASH USED</b>					
START UP COST	\$34,500	\$0	\$0	\$0	\$0
LOCAL EXCHANGE CARRIER SECURITY DEPOSIT	\$10,000	\$0	\$0	\$0	\$0
RENT AND UTILITY DEPOSITS	\$3,000	\$0	\$0	\$0	\$0
MATERIALS AND SUPPLIES INVENTORY	\$2,500	\$0	\$0	\$0	\$0
DESK, CHAIRS, AND WORK TABLES	\$11,010	\$0	\$0	\$0	\$0
COMPUTER TERMINALS AND SOFTWARE	\$15,000	\$0	\$0	\$0	\$0
LEASEHOLD IMPROVEMENTS	\$3,000	\$0	\$0	\$0	\$0
SECURITY SYSTEM	\$1,000	\$0	\$0	\$0	\$0
SAFE	\$1,000	\$0	\$0	\$0	\$0
TELEPHONE SYSTEM	\$3,000	\$0	\$0	\$0	\$0
COPIER AND FAX MACHINE	\$7,000	\$0	\$0	\$0	\$0
LOCATION SIGNAGE	\$2,500	\$0	\$0	\$0	\$0
PRINCIPAL PAYMENT - LTD	\$3,924	\$12,586	\$13,904	\$15,360	\$16,968
TOTAL CASH USED	\$97,434	\$12,586	\$13,904	\$15,360	\$16,968
ENDING CASH BALANCE	\$30,505	\$131,752	\$518,903	\$1,135,263	\$1,702,057

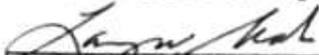
I hereby attest that this financial statement is true and correct to the best of my knowledge.

  
\_\_\_\_\_  
President/CEO

NOW Communications, Inc.  
SCHEDULE OF USE OF \$150,000 CAPITAL

<u>INITIAL INVESTMENT REQUIRED:</u>	<u>FLORIDA</u>
LOCAL EXCHANGE CARRIER SECURITY DEPOSIT	\$10,000
RENT AND UTILITY DEPOSITS	\$3,000
WORKING CAPITAL	\$34,500
START UP COST	\$56,490
MATERIALS AND SUPPLIES INVENTORY	\$2,500
DESK, CHAIRS, AND WORK TABLES	\$11,010
COMPUTER TERMINALS AND SOFTWARE	\$15,000
LEASEHOLD IMPROVEMENTS	\$3,000
SECURITY SYSTEMS	\$1,000
SAFE	\$1,000
TELEPHONE SYSTEM	\$3,000
COPIER AND FAX MACHINE	\$7,000
LOCATION SIGNAGE	\$2,500
	<hr/>
TOTAL INITIAL INVESTMENT	\$150,000
	<hr/>
INVESTMENT PROVIDED BY OWNERS	\$75,000
INVESTMENT PROVIDED BY DEBT	\$75,000
	<hr/>
	\$150,000
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I hereby attest that this financial statement is true and correct to the best of my knowledge.

  
\_\_\_\_\_  
President/CEO

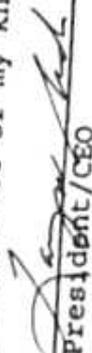
LONG TERM DEBT \$75,000  
 LOAN TERM IN YEARS 5  
 INTEREST RATE 10.00%  
 MONTHLY PAYMENTS \$1,594

1998	PRINCIPAL BALANCE	TOTAL PAYMENT	INTEREST PAYMENT	PRINCIPAL PAYMENT
AUGUST	\$75,000	\$0	\$0	\$0
SEPTEMBER	\$75,000	\$1,594	\$625	\$969
OCTOBER	\$74,031	\$1,594	\$617	\$977
NOVEMBER	\$73,054	\$1,594	\$609	\$985
DECEMBER	\$72,069	\$1,594	\$601	\$993
YEAR # 1	\$71,076	\$6,376	\$2,452	\$3,924

1999	PRINCIPAL BALANCE	TOTAL PAYMENT	INTEREST PAYMENT	PRINCIPAL PAYMENT
JANUARY	\$71,076	\$1,594	\$592	\$1,002
FEBRUARY	\$70,074	\$1,594	\$584	\$1,010
MARCH	\$69,064	\$1,594	\$576	\$1,018
APRIL	\$68,046	\$1,594	\$567	\$1,027
MAY	\$67,019	\$1,594	\$558	\$1,036
JUNE	\$65,983	\$1,594	\$550	\$1,044
JULY	\$64,939	\$1,594	\$541	\$1,053
AUGUST	\$63,886	\$1,594	\$532	\$1,062
SEPTEMBER	\$62,824	\$1,594	\$524	\$1,070
OCTOBER	\$61,754	\$1,594	\$515	\$1,079
NOVEMBER	\$60,675	\$1,594	\$506	\$1,088
DECEMBER	\$59,587	\$1,594	\$497	\$1,097
YEAR # 2	\$58,490	\$19,128	\$6,542	\$12,586

2000	PRINCIPAL BALANCE	TOTAL PAYMENT	INTEREST PAYMENT	PRINCIPAL PAYMENT
JANUARY	\$58,490	\$1,594	\$487	\$1,107
FEBRUARY	\$57,383	\$1,594	\$478	\$1,116
MARCH	\$56,267	\$1,594	\$469	\$1,125
APRIL	\$55,142	\$1,594	\$460	\$1,134
MAY	\$54,008	\$1,594	\$450	\$1,144
JUNE	\$52,864	\$1,594	\$441	\$1,153
JULY	\$51,711	\$1,594	\$431	\$1,163
AUGUST	\$50,548	\$1,594	\$421	\$1,173
SEPTEMBER	\$49,375	\$1,594	\$411	\$1,183
OCTOBER	\$48,192	\$1,594	\$402	\$1,192
NOVEMBER	\$47,000	\$1,594	\$392	\$1,202
DECEMBER	\$45,798	\$1,594	\$382	\$1,212
YEAR # 3	\$44,586	\$19,128	\$5,224	\$13,904

I hereby attest that this financial statement is true and correct to the best of my knowledge.

  
 President/CEO

LONG TERM DEBT \$75,000  
 LOAN TERM IN YEARS 5  
 INTEREST RATE 10.00%  
 MONTHLY PAYMENTS \$1,594

2001	PRINCIPAL BALANCE	TOTAL PAYMENT	INTEREST PAYMENT	PRINCIPAL PAYMENT
JANUARY	\$44,586	\$1,594	\$372	\$1,222
FEBRUARY	\$43,364	\$1,594	\$361	\$1,233
MARCH	\$42,131	\$1,594	\$351	\$1,243
APRIL	\$40,888	\$1,594	\$341	\$1,253
MAY	\$39,635	\$1,594	\$330	\$1,264
JUNE	\$38,371	\$1,594	\$320	\$1,274
JULY	\$37,097	\$1,594	\$309	\$1,285
AUGUST	\$35,812	\$1,594	\$298	\$1,296
SEPTEMBER	\$34,516	\$1,594	\$288	\$1,306
OCTOBER	\$33,210	\$1,594	\$277	\$1,317
NOVEMBER	\$31,893	\$1,594	\$266	\$1,328
DECEMBER	\$30,565	\$1,594	\$255	\$1,339
YEAR # 4	\$29,226	\$19,128	\$3,768	\$15,360

2002	PRINCIPAL BALANCE	TOTAL PAYMENT	INTEREST PAYMENT	PRINCIPAL PAYMENT
JANUARY	\$29,226	\$1,594	\$244	\$1,350
FEBRUARY	\$27,876	\$1,594	\$232	\$1,362
MARCH	\$26,514	\$1,594	\$221	\$1,373
APRIL	\$25,141	\$1,594	\$210	\$1,384
MAY	\$23,757	\$1,594	\$198	\$1,396
JUNE	\$22,361	\$1,594	\$186	\$1,408
JULY	\$20,953	\$1,594	\$175	\$1,419
AUGUST	\$19,534	\$1,594	\$163	\$1,431
SEPTEMBER	\$18,103	\$1,594	\$151	\$1,443
OCTOBER	\$16,660	\$1,594	\$139	\$1,455
NOVEMBER	\$15,205	\$1,594	\$127	\$1,467
DECEMBER	\$13,738	\$1,594	\$114	\$1,480
YEAR # 5	\$12,258	\$19,128	\$2,160	\$16,968

2003	PRINCIPAL BALANCE	TOTAL PAYMENT	INTEREST PAYMENT	PRINCIPAL PAYMENT
JANUARY	\$12,258	\$1,594	\$102	\$1,492
FEBRUARY	\$10,766	\$1,594	\$90	\$1,504
MARCH	\$9,262	\$1,594	\$77	\$1,517
APRIL	\$7,745	\$1,594	\$65	\$1,529
MAY	\$6,216	\$1,594	\$52	\$1,542
JUNE	\$4,674	\$1,594	\$39	\$1,555
JULY	\$3,119	\$1,594	\$26	\$1,568
AUGUST	\$1,551	\$1,594	\$43	\$1,551
YEAR # 6	\$12,258	\$12,752	\$494	\$12,258

I hereby attest that this financial statement is true and correct to the best of my knowledge.

  
 President/CEO



## NOW Communications, Inc.

### Financial Statements December, 1997

NOW Communications, Inc.  
P. O. Box 807  
Jackson, MS 39205-0807

Telephone 601.969.5000  
Fax 601.969.1042

Now Communications, Inc.

Balance Sheet

As of December 31, 1997

Dec 31, '97

ASSETS

Current Assets

Checking/Savings

1100 - Bank

1110 - Cash - Union Planters	-733 61
1115 - Bancorp South	1,386 33
1118 - Cash - Deposit Guaranty	2,336 04
1117 - Cash - Trustmark General	52,071 95
1118 - Cash - Bank Plus	2,163 76
1119 - Cash - Bank of Forest	65 87
1120 - Working Funds	550 00
1121 - Cash - Smith Co. Bank	952 00
1122 - Cash - Peoples Bank	21 59
1123 - Cash - Bank of Morton	440 55
1124 - Cash - Citizens State Bank	287 39
1125 - Cash - Agents - Trustmark	2,273 33
1126 - Cash - 1st National Bank	5,602 87
1128 - Cash - Merch & Planters Bank	2,128 48
1129 - Cash - Regions Bank	5,559 97
1130 - Cash - MS Southern Bank	156 98
1132 - Bank of Anguilla	5,514 05
1133 - Trustmark - Payroll	137 11

Total 1100 - Bank 80,914 66

Total Checking/Savings 80,914 66

Accounts Receivable

1200 - Accounts Receivable 41,907 94

Total Accounts Receivable 41,907 94

Other Current Assets

1290 - Employee Advance 2,639 95

1300 - Inventory

1310 - Cellular Phone Inventory	13,107 31
1320 - Beeper Inventory	12,094 67
1330 - Accessory Inventory	7,473 45
1360 - Debit Card Inventory	1,303 75

Total 1300 - Inventory 33,979 18

1390 - Security Deposits 41,141 60

Total Other Current Assets 77,760 73

Total Current Assets 200,583 33

Fixed Assets

1400 - Fixed Assets

1405 - Trademarks	995 00
1410 - Desk, Chairs & Worktables	46,818 32
1420 - Computer Terminals & Software	43,694 60
1425 - Switch	131,851 00
1430 - Leasehold Improvements	10,762 36
1460 - Telephone Systems	28,036 08
1470 - Copier And Fax Machine	1,191 17
1480 - Location Signage	6,449 83

Total 1400 - Fixed Assets 269,798 36

Total Fixed Assets 269,798 36

Other Assets

1500 - Deferred Charges

1510 - Cost of Cellular Numbers	3,200 00
1520 - Start Up Cost	557,927 59
1525 - Deferred Loan Cost	1,500 00
1531 - Org. Cost - MS	4,971 12
1532 - Org. Cost - LA	410 00
1533 - Org. Cost - AL	5,908 53
1534 - Org. Cost - GA	4,861 50

I hereby attest that this financial information is true and correct to the best of my knowledge.

*John Paul  
Preston*

Now Communications, Inc.

Balance Sheet

As of December 31, 1997

	Dec 31, '97
1535 - Org. Cost - TN	977 08
1536 - Org. Cost - TX	1,348 08
1537 - Org. Cost - AK	410 00
1538 - Org. Cost - CO	2,636 28
Total 1500 - Deferred Charges	<u>584,150 18</u>
Total Other Assets	<u>584,150 18</u>
<b>TOTAL ASSETS</b>	<b><u>1,064,531.87</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2001 - Note Payable - Bank of MS	17,681 90
2010 - Note Payable - Merch Bank #1	9,662 43
2012 - Note Payable - Express Busine	100,000 00
2100 - Payroll Tax Liabilities	
2110 - Federal P/R Tax Liability	25,151 21
2120 - State P/R Tax Liability	5,176 72
2130 - FUTA Tax Payable	7,123 19
2140 - SUTA Tax Payable	2,930 86
2100 - Payroll Tax Liabilities - Other	143 01
Total 2100 - Payroll Tax Liabilities	<u>40,524 99</u>
2200 - Sales Tax Payable	-6,386 57
2210 - Excise Tax Payable	-61 06
2400 - Other Accounts Payable	
2401 - Garnishments payable	258 00
2400 - Other Accounts Payable - Other	205,933 28
Total 2400 - Other Accounts Payable	<u>206,191 28</u>
Total Other Current Liabilities	<u>367,612 97</u>
Total Current Liabilities	367,612 97
Long Term Liabilities	
2020 - LTD - Switch Note	- 84,250 07
Total Long Term Liabilities	<u>84,250 07</u>
Total Liabilities	451,863 04
Equity	
3800 - Common Stock	10,000 00
3850 - Additional Paid in Capital	551,382 00
3900 - Retained Earnings	884 58
Net Income	40,402 25
Total Equity	<u>602,668 83</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>1,064,531.87</u></b>

I hereby attest that this financial information is true and correct to the best of my knowledge.

*James Nash*  
President

POST OFFICE DRAWER 1657  
TALLAHASSEE, FLORIDA 32302

WIGGINS & VILLACORTA, P.A.  
ATTORNEYS AT LAW  
2145 DELTA BOULEVARD, SUITE 200  
TALLAHASSEE, FLORIDA 32303

TELEPHONE (850) 385-6007  
FACSIMILE (850) 385-6008  
INTERNET wiggwill@netally.com

March 5, 1998

Mr. Pete Lester  
Division of Auditing and Finance  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: NOW Communications, Inc.

Dear Mr. Lester:

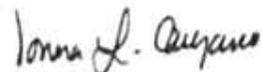
In support of NOW Communications, Inc.'s application for authority to provide alternative local exchange telecommunications services, I am authorized to represent that:

1. NOW has, and reasonably believes it will continue to have, sufficient financial capability to provide alternative local exchange telecommunications services throughout the State of Florida.
2. NOW has, and reasonably believes it will continue to have, sufficient financial capability to maintain its proposed local exchange telecommunications services throughout the State of Florida.
3. NOW has, and reasonably believes it will continue to have, sufficient financial capability to meet applicable lease or ownership obligations.

The above good-faith representations are based on several grounds. First, as a reseller of telecommunication services the capital needs of the Company is light when compared to facilities-based providers. The Company has been granted local authority in Alabama, Louisiana, Mississippi, and Tennessee and has applications pending in several other states as well. NOW believes that because they have been successful in these states, they will continue grow and apply for certification in other states. Attached is a Letter of Credit from the Merchants Bank to help support NOW's financial capability.

Please let me know if you have any questions.

Sincerely,



Donna L. Canzano

DLC:plk



# Merchants Bank

Member FDIC

1501 Lakeland Drive  
Suite 300  
Jackson, Mississippi 39216  
Phone 601-984-3501

February 2, 1998

NOW COMMUNICATIONS, INC.  
713 Country Place  
Jackson, MS 39208

Gentlemen:

Merchants Bank is pleased to extend to you its commitment of a \$200,000.00 Line of Credit subject to the following terms and conditions:

**BORROWER:** NOW COMMUNICATIONS, INC.

**AMOUNT:** Two Hundred Thousand Dollars (\$200,000.00)

**FEE:** Origination Fee of Five Hundred Dollars (\$500.00)

**COLLATERAL:** Blanket lien on all furniture, fixtures & equipment.

**GUARANTOR:** Larry W. Seab, Charles W. McGuffee and James E. Miller

**INTEREST RATE:** Consensus New York Prime rate plus Two (2.0%) Percent (based on outstanding balances)

**ADVANCES:** Advances will be made upon written request in amounts determined by the Borrower. Principal may be paid and reborrowed during the term of this Line of Credit, but in no event will the total outstanding balance exceed \$200,000.00.

**PAYMENTS:** Accrued interest will be due and payable on a quarterly basis and principal reductions may be made any time during the term of this Line of Credit.

**TERM:** This Line of Credit commitment will expire on February 2, 1999, and any unpaid principal and accrued interest shall be due and payable in full.

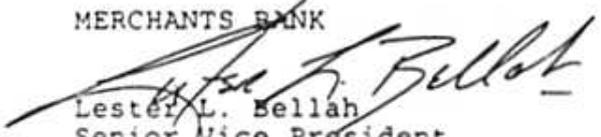
Page two  
NOW COMMUNICATIONS, INC.  
February 2, 1998

It is understood that, during the term of this Line of Credit, the bank will be furnished information or documents that the bank deems necessary or expedient for its protection.

In the event a material change has occurred in your financial condition or credit worthiness, the bank reserves the right to terminate this Line without prior notice. Determination of a change in the above is at the sole discretion of the bank.

Sincerely,

MERCHANTS BANK



Lester L. Bellah  
Senior Vice President

LLB:sc

**EXHIBIT 2**

---

## THE MANAGEMENT

---

The officers and directors of NOW Communications, Inc. are: Larry W. Seab, President; Dennis McCahill, Vice President; Perry D. Gotcher, Vice President for Technical Administration; James R. Downs, Vice President for Financial and Strategic Planning; James E. Miller, Vice President for Business Development; and Charles W. McGuffee, Secretary/Treasurer. All of these individuals have previously worked together in most phases of the telephone industry. Apart from their administrative duties, this management team will be directly involved in the formulation and management of the daily operations of NOW Communications, Inc. They bring a wealth of knowledge and experience to the company and are extremely excited about the future of prepaid communications.

Larry Seab has been associated with the telecommunications industry since 1971. He received his degree in accounting from Northeast Louisiana State University in Monroe, Louisiana. In his early career, he was a CPA with a firm that represented independent telephone companies. He pioneered the long distance resale business by establishing and being president of one of the first resellers in Louisiana. He has also worked as a consultant to independent telephone companies in several states and has operated several business ventures outside the telecommunications industry. He and his wife, Dotti, live in Jackson, Mississippi.

Dennis McCahill resides in Corinth, Mississippi with his wife, Carolyn, and their five children. He is a graduate of Mississippi State University and has a sales background. Before entering the telecommunications arena twelve years ago, Dennis was a real estate developer, contractor and salesman. He has built two cellular systems and operated both as general manager. During this period, he was employed by Telephone Electronics Corporation as their manager in charge of wireless communications. Presently, he sells wireless communications equipment and systems.

Charlie McGuffee has a background in banking and finance. After graduating from Delta State University in 1967, he was employed by the United States Treasury Department as a National Bank Examiner for the Comptroller of the Currency. After nine years of service with the Treasury, he entered commercial banking and was a vice president with three large banks in Mississippi and

Alabama over the next ten years. During that period, he received a graduate degree from the Graduate School of Banking of Louisiana State University. In 1984, he became affiliated with a local telephone holding company and worked as their financial officer and financial advisor until 1994, when he became a financial consultant. Charlie and his wife, Faye, live in Clinton, Mississippi.

Perry Gotcher and his wife, Barbara, live in The Woodlands, Texas, adjacent to Houston. After attending Texas A&M, Perry became employed by Southwestern Bell, and later, AT&T. He has gained substantial technical experience in central office (CO) equipment, private branch exchange (PBX) and microwave system installation, maintenance and operations. Experience in the management of telecommunication systems prepared him to be national accounts manager in the AT&T system with special emphasis in Residential Multi-Tenant Services (RMTS). Perry was a co-founder and president of the leading shared tenant services (STS) provider in the country. His vast experience in business development, strategic planning and technical systems provides this management team with a decisive edge over the competition.

Jim Downs was the Vice President of Finance, Chief Financial Officer, Secretary and Treasurer of ConferTech International, Inc. from 1990 to 1996. Prior to joining ConferTech, Mr. Downs held a variety of senior management positions within the U S West, Inc. group of companies. From 1988 to 1990, Mr. Downs served as Chief Financial Officer and Vice President of Finance and Administration for U S West Knowledge Engineering, Inc. In addition, from 1986 to 1990, Mr. Downs served as Vice President and Controller of Western Range Insurance Company, a U S West, Inc. subsidiary that insures the U S West group of companies. From 1983 to 1988, Mr. Downs also served as Director of Financial Results for the U S West, Inc. headquarters company. Mr. Downs is a Certified Public Accountant.

Jim Miller resides in Atlanta, Georgia with his wife, Susan, and family. He is a graduate of Robert Morris and Salem Colleges and did graduate studies at Stetson University. Before entering the telecommunications arena, Jim was an officer with an insurance company responsible for sales and marketing of employee benefits.

EXHIBIT 3

**TECHNICAL CAPABILITY OF NOW COMMUNICATIONS, INC.**

As stated in its managerial exhibit to this application, NOW employs competent and experienced management and personnel with both managerial and telecommunications experience to provide high quality telecommunications services.

NOW intends to provide intrastate resold long distance service in Florida using the facilities of an underlying carrier. This facilities-based carrier originates, routes, and terminates calls through its switched network for NOW and, as the underlying carrier, is responsible for maintenance and supervision of its network.

EXHIBIT 4

**FLORIDA**  
**INTEREXCHANGE TELECOMMUNICATIONS TARIFF**  
**OF**  
**NOW COMMUNICATIONS, INC.**

**This tariff contains the descriptions, regulations, and rates applicable to the furnishing of interexchange (interLATA and intraLATA) telecommunications services provided by NOW COMMUNICATIONS, INC. within the State of FLORIDA. This tariff is on file with the FLORIDA PUBLIC SERVICE COMMISSION. Copies may be inspected during normal business hours at the Company's principal place of business.**

## CHECK SHEET

Pages 1 through 23, inclusive, of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised pages 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.

Page	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

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Section 2 - Rules and Regulations .....8  
Section 3 - Service and Rate Description .....18  
Section 4 - Miscellaneous Service .....21  
Section 5 - Promotions .....23

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**SYMBOLS**

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

- C - Changed regulation**
- 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**

**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS**

**Access Line** - An arrangement which connects the Customer's location to an NOW COMMUNICATIONS, INC. switching center or point of presence.

**Account Codes** - Optional, Customer-defined digits that allow the Customer to identify the individual user, department or client associated with a call. Account Codes appear on the Customer's bill.

**Authorized User** - A person, firm, corporation, or any other entity authorized by the Customer to communicate utilizing the Carrier's service.

**Business Line Termination** - For use with inbound service only. Incoming calls are routed directly to the Customer's existing local exchange line. No dedicated access terminations are required.

**Collect Billing** - A billing arrangement whereby the originating caller may bill the charges for a call to the called party, provided the called party agrees to accept the charges.

**Commission** - The FLORIDA PUBLIC SERVICE COMMISSION.

**Company or Carrier** - NOW COMMUNICATIONS, INC., unless otherwise clearly indicated by the context.

**Customer** - The person, firm, corporation or other entity which orders and establishes service with the Company, either for its own use or for purposes of resale; and who accesses the Company's network via presubscription, dedicated access, travel and debit card services, or by dialing the Company's 10XXX, 101XXXX, 950, 700 or 500 access codes; and who is responsible for the payment of charges and for compliance with the Company's tariffs. The term "Customer" shall also include a person, firm, corporation or other entity that has not established an account with the Company but 1) accesses and uses the Company's network for telecommunications services via an access code belonging to the Company or any of its affiliates or subsidiaries; 2) places an operator service call from a telephone made available to transient users and presubscribed to the Company, or accepts charges for a collect or third party call carried by the Company; 3) otherwise accesses the Company's network and receives services for which no other Customer is obligated to compensate the Company.

**Customer Dialed Calling Card Call** - A service whereby the End User dials all of the digits necessary to route and bill the call to a valid non-NOW COMMUNICATIONS, INC. calling card or credit card.

**Daytime** - From 8:00 a.m. up to but not including 5:00 p.m. local time Monday through Friday.

**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (Cont.)**

**Dedicated Access - See Special Access.**

**Equal Access - The ability of the Carrier to serve End Users on a presubscribed basis rather than through the use of dial access codes.**

**Holidays - Holidays observed by the Carrier as specified in this tariff.**

**InterLATA Call - Any call which originates and terminates in different LATAs.**

**IntraLATA Call - Any call which originates and terminates within the same LATA.**

**LATA - Local access and transport area. A geographic area established by the U.S. District Court for the District of Columbia in Civil Action No. 17-49, within which a local exchange company provides communications services.**

**Local Exchange Company (LEC) - The serving telephone company providing local services to subscribers.**

**PSC - The FLORIDA PUBLIC SERVICE COMMISSION.**

**NOW Prepaid Calling Card - A card that the customer has purchased that allows for the specified amount of units of calling from any telephone via designated 800 number.**

**Operator Dialed Surcharge - This charge applies to calls when the user dials "00" and/or "0" or any valid company operator access code and requests that the operator dial the destination number.**

**Operator Station Call - A service whereby caller places a non-Person to Person call with the assistance of an operator (live or automated).**

**Person to Person Call - A service whereby the person originating the call specifies a particular person to be reached, or a particular station, room number, department, or office to be reached through a PBX attendant.**

**Premises - A building or buildings on contiguous property.**

**Special Access Origination/Termination - Where originating or terminating access between the Customer and the interexchange carrier is provided on dedicated circuits. The cost of these dedicated circuits is billed by the access provider directly to the Customer.**

**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (Cont.)**

**Special Construction** - Service configurations specifically designed and constructed at a Customer's request.

**Subscriber** - See Customer

**Switched Access Origination/Termination** - Where originating or terminating access between the Customer and the interexchange carrier is provided on local exchange company Feature Group circuits. The cost of switched Feature Group access is billed to the interexchange carrier.

**Third Party Billing** - A billing arrangement by which the charges for a call may be billed to a telephone number that is different from the calling number and the called number.

## SECTION 2 - RULES AND REGULATIONS

## 2.1 Undertaking of NOW COMMUNICATIONS, INC.

NOW COMMUNICATIONS, INC.'s services and facilities are furnished for communications originating and terminating at specified points within the state of FLORIDA under terms of this tariff.

NOW COMMUNICATIONS, INC. installs, operates, and maintains the communications services provided hereunder in accordance with the terms and conditions set forth under this tariff. NOW COMMUNICATIONS, INC. 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 NOW COMMUNICATIONS, INC. network. The Customer shall be responsible for all charges due for such service arrangement.

The Company's services and facilities are provided on a monthly basis, and are available twenty-four hours per day, seven days per week.

## 2.2 Limitations

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

2.2.2 NOW COMMUNICATIONS, INC. reserves the right to discontinue or limit service when necessitated by conditions beyond its control, or when the Customer is using service in violation of provisions of this tariff, or in violation of the law.

2.2.3 The Company does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission or for failure to establish connections.

---

**SECTION 2 - RULES AND REGULATIONS (Cont.)****2.2 Limitations (Cont.)**

**2.2.4 All facilities provided under this tariff are directly or indirectly controlled by NOW COMMUNICATIONS, INC. and the Customer may not transfer or assign the use of service or facilities without the express written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service or facilities.**

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

**2.3 Use**

**Services provided under this tariff may be used for any lawful purpose for which the service is technically suited.**

**2.4 Liabilities of the Company**

**2.4.1 The liability of the Company for its willful misconduct or gross negligence which is the sole legal cause of damage or injury is not limited by this tariff. With respect to any other claim or suit, by a Customer or by any others, for damages associated with acts or omissions involving initiation, installation, provision, termination, maintenance, repair, interruption or restoration of any service or facilities offered under this tariff, the Company's liability, if any, is limited to the lesser of \$500 or the actual damages or injury sustained, which in the event of any failure of service shall be deemed to be 1/30 of the monthly charge for service affected for each 24-hour period during which such failure of service occurs and is reported to or known by the Company. In addition, Customer credits for interrupted service will be issued, where applicable, in accordance with the provisions of Section 2.14.**

---

**SECTION 2 - RULES AND REGULATIONS (Cont.)****2.4 Liabilities of Company (Cont.)**

**2.4.2 In no event will Company be responsible for consequential damages or lost profits suffered by Customer on account of interrupted or unsatisfactory service unless Company is found to have been willfully negligent.**

**2.4.3 The Company is not liable for any act or omission of any other company or companies furnishing a portion of the service. No agents or employees of other carriers shall be deemed to be agents or employees of the Company.**

**2.4.4 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 trade mark, trade name or service mark arising out of the material, data, information, or other content transmitted by the Customer over the Company's facilities; and**
- b. Claims for patent infringement arising from combining or connecting the Company's facilities with apparatus and systems of the Customer; and**
- c. All other claims arising out of any act or omission of the Customer in connection with any service provided by the Company.**

**2.4.5 The Company will make no refund of overpayments by a Customer unless the claim for such overpayment, together with proper evidence, be submitted within one (1) year from the date of alleged overpayment unless billing records prepared by the Company can be produced which would justify a credit beyond one year.**

---

**SECTION 2 - RULES AND REGULATIONS (Cont.)****2.5 Deposits (Not applicable to Prepaid Customers)**

**2.5.1** Each applicant for service will be required to establish credit. Any applicant whose credit has not been established to the sole and exclusive satisfaction of the Company may be required to make a deposit to be held as a guarantee of payment of charges. An existing Customer may be required to make a deposit or increase a deposit presently held. The deposit may be held for as long as the financial condition or credit worthiness of the Customer is considered to be unsatisfactory to the Company.

**2.5.2** The fact that a deposit has been made in no way relieves the Customer from the prompt payment of bills upon presentation.

**2.5.3** Interest on a cash deposit will be paid to a Customer for the period that the cash deposit is held by the Company. The interest rate used will be at the rate established by the appropriate legal authority in the state where the Customer is billed.

**2.6 Advance Payments**

The Company reserves the right to require an advance payment from a Customer instead of, or in addition to, a deposit. The advance payment shall be in an amount equal to or less than two months' estimated billing.

**2.7 Taxes**

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

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**SECTION 2 - RULES AND REGULATIONS (Cont.)****2.8 Terminal Equipment**

The Company's facilities and service may be used with or terminated in Customer-provided terminal equipment or Customer-provided communications systems, such as a telephone set, PBX or key system. 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 his/her premises, including personnel, wiring, electrical power, and the like, incurred in the use of the Company's service. When such terminal equipment is used, the equipment shall comply with the generally accepted minimum protective criteria standards of the telecommunications industry as endorsed by the Federal Communications Commission.

In instances where the Carrier's service is connected to the Subscriber's customer-provided communications system or equipment, or to any service or equipment provided by others, the Subscriber must ensure that the equipment or system provides to the Carrier immediate answer supervision upon the delivery of the call to the Customer's switching equipment or to the Customer's equipment connected to the communications system so that the measure of chargeable time begins upon the delivery of the call to the switching equipment or to the equipment connected to the communications system and ends upon termination of the call by the calling party. When service is connected to a communications system at a Customer's premises, answer supervision must be provided when the call terminates in or passes through the first Customer premises equipment on that communications system.

In the absence of timely and accurate answer supervision as described above, the Carrier reserves the right to suspend or terminate service and to recompute the Subscriber's billing based on estimates derived from a surrogate for answer supervision developed by the Carrier appropriate to the Customer's circumstances.

**2.9 Installation and Termination**

Service is installed upon mutual agreement between the Customer and the Company. The service agreement does not alter rates specified in this tariff.

---

**SECTION 2 - RULES AND REGULATIONS (Cont.)****2.10 Payment for Service**

- 2.10.1** The Customer is responsible for payment of all charges for services and equipment furnished to the Customer or to an Authorized User of the Customer by NOW COMMUNICATIONS, INC. All charges due by the Customer are payable to the Company or to the Company's authorized billing agent (such as a local exchange telephone company). Any objections to billed charges must be reported to the Company or its billing agent within three (3) months after receipt of bill. Adjustments to the Customer's bill shall be made to the extent that circumstances exist which reasonably indicate that such adjustments are deemed appropriate.
- 2.10.2** Customers who are billed directly by the local exchange company are subject to the payment regulations applicable to the local exchange company which have been approved by the Commission. Customers who are billed directly by NOW COMMUNICATIONS, INC. are subject to the payment regulations specified in Section 2.10.1 of this tariff.

---

**SECTION 2 - RULES AND REGULATIONS (Cont.)****2.10 Payment for Service (Cont.)**

**2.10.3** In the event that the Company incurs fees or expenses, including attorney's fees, collecting, or attempting to collect, any charges owed to the Company, the Company may charge the Customer all such fees and expenses reasonably incurred, including a collection fee on the unpaid charges accruing at a rate of one and one-half percent (1.5%) per month. Collection fees on unpaid charges shall begin to accrue when the account is assigned to an outside collection agency. Such collection fees are separate and distinct from attorney's fees and other costs incurred in collecting charges owed to the Company.

**2.10.4** The Customer shall be responsible for all calls placed by or through Customer's equipment by any person. In particular and without limitation to the foregoing, the Customer is responsible for any calls placed by or through the Customer's equipment via any remote access features. The Customer is responsible for all calls placed via their authorization code as a result of the Customer's intentional or negligent disclosure of the authorization code.

**2.11 Cancellation by Customer**

Customer may cancel service by providing thirty (30) days written notice to the Company.

**2.11 Interconnection**

Service furnished by NOW COMMUNICATIONS, INC. may be connected with the services or facilities of other carriers. Such service or facilities, if used, are provided under the terms, rates and conditions of the other carrier. The Customer is responsible for all charges billed by other carriers for use in connection with NOW COMMUNICATIONS, INC.'s service. Any special interface equipment or facilities necessary to achieve compatibility between carriers is the responsibility of the Customer, unless otherwise negotiated between the Customer and NOW COMMUNICATIONS, INC.

---

**SECTION 2 - RULES AND REGULATIONS (Cont.)****2.13 Refusal or Discontinuance by Company**

**2.13.1** NOW COMMUNICATIONS, INC. may refuse or discontinue service with proper notice to the Customer for any of the following reasons:

- (a) For failure of the Customer to pay a bill for service when it is due;
- (b) For failure of the Customer to meet the Company's deposit and credit requirements; (Not applicable to Prepaid Customers)
- (c) For failure of the Customer to make proper application for service;
- (d) For Customer's violation of any of the Company's rules on file with the Commission;
- (e) For failure of the Customer to provide the Company reasonable access to its equipment and property;
- (f) For Customer's breach of the contract for service between the Company and the Customer;
- (g) For a failure of the Customer to furnish such service, equipment, and/or rights-of-way necessary to serve said Customer as shall have been specified by the Company as a condition of obtaining service; and
- (h) When necessary for the Company to comply with any order or request of any governmental authority having jurisdiction.

---

**SECTION 2 - RULES AND REGULATIONS (Cont.)****2.13 Refusal or Discontinuance by Company (Cont.)**

**2.13.2** NOW COMMUNICATIONS, INC. may refuse or discontinue service without notice to the Customer for any of the following reasons:

- (a) In the event of tampering with the Company's equipment;
- (b) In the event of a condition determined to be hazardous to the Customer, to other Customers of the Company, to the Company's equipment, the public, or to employees of the Company;
- (c) In the event of a Customer's use of equipment in such a manner as to adversely affect the Company's equipment or the Company's service to others; and
- (d) In the event of fraudulent use of the service.

**2.14 Interruption of Service**

Credit allowances for interruptions of service which are not due to the Carrier's testing or adjusting, to the negligence of the Customer, or to the failure of channels, equipment or communications systems provided by the Customer, are subject to the general liability provisions set forth in Section 2.4 herein. It shall be the obligation of the Customer to notify Carrier immediately of any interruption in service for which a credit allowance is desired by Customer. Before giving such notice, Customer shall ascertain that the trouble is not within his/her control, or is not in wiring or equipment, if any, furnished by Customer and connected to Carrier's terminal. Interruptions caused by Customer-provided or Carrier-provided automatic dialing equipment are not deemed an interruption of service as defined herein since the Customer has the option of using the long distance network via local exchange company access.

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**SECTION 2 - RULES AND REGULATIONS (Cont.)****2.15 Inspection, Testing and Adjustment**

Upon reasonable notice, the facilities provided by the Carrier shall be made available to the Carrier for tests and adjustments as may be deemed necessary by the Carrier for maintenance. No interruption allowance will be granted for the time during which such tests and adjustments are made.

**2.16 Tests, Pilots, Promotional Campaigns and Contests**

The Carrier may conduct special tests, pilot programs, waivers and promotions at its discretion to demonstrate the ease of use, quality of service and to promote the sale of its services.

**2.17 Cost of Collection and Repair**

The Customer is responsible for any and all costs incurred in the collection of monies due the Carrier, including legal and accounting expenses. Customer is also responsible for recovery costs of Carrier-provided equipment and any expenses required for repair or replacement of damaged equipment.

**2.18 Lower Rates, Provisioning and Sale of Services**

The Carrier may negotiate on an individual case basis with any customer the opportunity to offer lower rates, provisioning, and sale of its services for the benefit of the customer. This negotiation shall be independent of the Tests, Pilots, Promotional Campaigns, and Contests mentioned in Section 2.16 of this tariff.

## SECTION 3 - SERVICE AND RATE DESCRIPTION

## 3.1 General

Service is available twenty-four hours per day, seven days a week on a presubscription basis and dial access basis from equal access exchanges, and on a dial access basis only from exchanges in which equal access is not available. Services arranged for the use of the transient public are subject to restrictions imposed by the FLORIDA PUBLIC SERVICE COMMISSION (Public Service Commission) and the Federal Communications Commission. Equal access not available to prepaid customers.

## 3.2 Calculation of Distance

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

The distance between the originating and terminating points is calculated by using the "V" and "H" coordinates of the rate centers as defined by BellCore (Bell Communications Research) in the following manner:

Step 1 - Obtain the "V" and "H" coordinates for the rate center of the originating and the destination points.

Step 2 - Obtain the difference between the "V" coordinates of each of the rate centers. Obtain the difference between the "H" coordinates.

Step 3 - Square the differences obtained in Step 2.

Step 4 - Add the squares of the "V" difference and "H" difference obtained in Step 3.

Step 5 - Divide the sum of the square obtained in Step 4 by ten (10). Round to the next higher whole number if any fraction results from the division.

Step 6 - Obtain the square root of the whole number obtained in Step 5. Round to the next higher whole number if any fraction is obtained. This is the distance between the originating and terminating rate centers of the call.

Formula:

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

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**SECTION 3 - SERVICE AND RATE DESCRIPTION (Cont.)****3.3 Timing of Calls**

3.3.1 Long distance usage charges are based on the actual usage of NOW COMMUNICATIONS, INC.'s network. The Company will determine that a call has been established through industry standard answer detection methods, including hardware answer detection.

3.3.2 Chargeable time for a call ends upon disconnection by either party.

3.3.3 Unless otherwise specified in this tariff, the minimum call duration and initial period for billing purposes is one minute. Additional duration time after the initial one minute has been established shall be billed in minutes.

3.3.4 No charges apply for incomplete calls. If a Customer believes he/she has been incorrectly billed for an incomplete call, the Company will, upon notification, investigate the circumstances of the call and issue a credit where appropriate.

**3.4 Per-Minute Charges - Applicable Rate Periods**

Unless otherwise specified, applicable rate periods (Day, Evening, Night/Weekend) are indicated in the chart below:

Day Rate Period: Monday through Friday, 8:00 a.m. to 5:00 p.m.\*

Evening Rate Period: Sunday through Friday, 5:00 p.m. to 11:00 p.m.\*

Night/Weekend Rate Period: All days, 11:00 p.m. to 8:00 a.m.\*,  
Saturday, 8:00 a.m. to Sunday, 5:00 p.m.\*

\*To, but not including

**3.5 Recognized Holidays**

Company recognizes the following holidays for the purposes of discounting usage rates in certain cases: New Year's Day (January 1), Labor Day, Independence Day (July 4), Thanksgiving Day, and Christmas Day (December 25). Evening Rate Period rates will apply to all calls between 8:00 a.m. and 5:00 p.m. during Company-recognized holidays.

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**SECTION 3 - SERVICE AND RATE DESCRIPTION (Cont.)****3.6 Dedicated Leased Line Service (Not Available At This Time)****3.7 Switched Message Service****3.7.1 General Description**

Switched Message Service offers Customers the use of the communications facilities shared among multiple users.

When a Switched Message Service call is established in one time-of-day rate period and ends in another, the rate in effect during each rate period is applied to the portion of the total call occurring during that rate period.

**3.7.2 NOW Service**

NOW Service is a multipoint, switched service allowing Subscribers to originate calls via local telephone access lines, including Equal Access lines which are presubscribed to the Carrier. All calls are rounded to the next higher full minute. (Equal Access not available to prepaid customers)

Per Minute Usage Charges - Switched service \$0.25 (Taxes included)

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**SECTION 4 - MISCELLANEOUS SERVICES****4.1 Directory Assistance**

A Directory Assistance charge of \$0.25 per call applies to all intrastate calls made from points within the State of FLORIDA.

**4.2 Operator Services (Not Available At This Time)****4.3 NOW Prepaid Calling Card**

- .1 The Carrier's prepaid card is offered as a flat-rated travel card account service. Establishment of an account balance entitles the consumer to access the Carrier's network for a preset amount of usage. All calls will be debited from the available account balance in full-minute increments on a real-time basis. Customers will be interrupted with an announcement when the account balance is about to be exhausted.

Prepaid cards are available in various dollar denominations. The prepaid card is non-refundable and will expire on the date specified on the card or package in which the card is enclosed. Any unused balances may be applied toward any replenishment amount. Unlike a deposit or advance payment, the prepaid card account balance is not held against future payment as all service is available for immediate consumption. The Per Minute rate is inclusive of all applicable taxes.

Per Minute Usage Charge:                      \$0.25

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**SECTION 4 - MISCELLANEOUS SERVICES (Cont.)****4.3 NOW Prepaid Calling Card (Cont.)****.2 NOW Prepaid Promotional Calling Card Service**

The Prepaid Promotional Calling Card Service is offered to organizations or commercial entities for distribution to their members or patrons. The marketing vehicle and expiration period is selected by the Sponsor upon joint agreement between the Carrier and the Sponsor. The Sponsor is responsible for name, service mark or other image on the card. The carrier reserves the right to approve or reject any image and to specify the customer information language and use of the Carrier's trade mark, trade name, service mark or other image on the card. The Sponsor may distribute the Carrier's prepaid calling card accounts at reduced rates or free of charge to end users for promotional purposes. At the option of the Sponsor, these cards may not be rechargeable.

Issued: March 1, 1998

Effective: \_\_\_\_\_, 1998

Issued By: Larry W. Seab, President  
713 Country Place Drive  
Jackson, Mississippi 39208

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**SECTION 4 - MISCELLANEOUS SERVICES (Cont.)**

**SECTION 5 - PROMOTIONS**

**5.1 Promotional Offerings - General**

From time to time, NOW may provide promotional offerings to introduce a current or potential Subscriber to a service not being used by the Subscriber. These offerings may be limited to certain dates, times, or locations and may waive or reduce recurring monthly charges or non-

**5.2 Competitive Response Promotion**

In order to acquire or retain subscribers, NOW may match certain promotional offers made by other interexchange carriers or resellers.

POST OFFICE DRAWER 1657  
TALLAHASSEE, FLORIDA 32302

**WIGGINS & VILLACORTA, P.A.**  
ATTORNEYS AT LAW  
2145 DELTA BOULEVARD, SUITE 200  
TALLAHASSEE, FLORIDA 32303

TELEPHONE (850) 385-6007  
FACSIMILE (850) 385-6006  
INTERNET: wiggvill@netally.com

DEPOSIT  
**D722**      **MAR 06 1998**

March 5, 1998

VIA HAND DELIVERY

Mr. Walter D'Haeseleer  
Director of Communications  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0866

*980340*  
*980340-TI*

Re: NOW Communications, Inc.

Dear Mr. D'Haeseleer:

Enclosed for filing are the original and six (6) copies of NOW Communications, Inc.'s Application Form for Authority to Provide Interexchange Telecommunications Service Within the State of Florida, along with the \$250 filing fee.

Thank you for your assistance in this matter.

Sincerely,

*Donna L. Canzano*

Donna L. Canzano

DLC:plk  
Enclosures

WIGGINS & VILLACORTA, P.A.  
POST OFFICE DRAWER 1657  
TALLAHASSEE, FL 32302  
PHONE (904) 222-1534

EXPLANATION	AMOUNT

2432

PAY AMOUNT OF Two Hundred Fifty <sup>3</sup>/<sub>100</sub> no/100 DOLLARS

DATE	TO THE ORDER OF	CHECK NUMBER	REFERENCE	DESCRIPTION
3-4-98	FPSC	2432		NOW FILING FEE

CHECK AMOUNT \$ 250.00

Capital City Bank

*Patricia Wiggins*

POST OFFICE DRAWER 1657  
TALLAHASSEE, FLORIDA 32302

WIGGINS & VILLAGORTA, P.A.  
ATTORNEYS AT LAW  
2145 DELTA BOULEVARD, SUITE 200  
TALLAHASSEE, FLORIDA 32303

TELEPHONE (850) 365-6007  
FACSIMILE (850) 365-6008  
INTERNET: wiggvill@nettally.com

DEPOSIT  
DATE  
D722 - MAR 06 1998

March 5, 1998

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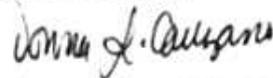
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Donna L. Canzano

DLC:plk  
Enclosures

MAIL ROOM  
68 MAR -5 PM 4:39

RECEIVED  
MAR 5 1998  
MAIL ROOM

