



RECEIVED  
FLORIDA PUBLIC  
SERVICE COMMISSION

July 25, 2000  
Overnight

00 JUL 26 AM 8:44

MAIL ROOM

210 N. Park Ave.  
Winter Park, FL  
32789

Ms. Blanca Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2450 Shumard Oak Boulevard  
Gerald L. Gunter Building, Room 270  
Tallahassee, FL 32399-0850

DEPOSIT

DATE

D383

JUL 27 2000

000950-TI

P.O. Drawer 200  
Winter Park, FL  
32790-0200

RE: Interexchange Carrier Application of DanCris Telecom, L.L.C.

Tel: 407-740-8575  
Fax: 407-740-0613  
tmi@tminc.com

Dear Ms. Bayo,

Enclosed for filing are the original and six copies of the above referenced application of DanCris Telecom, L.L.C.

Also enclosed is a check in the amount of \$250 for the filing fee. Questions pertaining to this application should be directed to my attention at (407) 740-8575.

Please acknowledge receipt of this filing by returning, file-stamped, the extra copy of this cover letter in the self-addressed, stamped envelope enclosed for this purpose.

Sincerely,

*Robin Norton*  
Carey Roesel

8424

DANCRIS TELECOM, L.L.C.

ORIGINAL DOCUMENT IS PRINTED ON CHEMICAL REACTIVE PAPER & HAS A MICROPRINTED BORDER

DANCRIS TELECOM, L.L.C.  
6900 E. CAMELBACK RD., SUITE 1003  
SCOTTSDALE, ARIZONA 85251  
(480) 874-2700



NORWEST BANK ARIZONA, N.A.  
McCormick Ranch  
Scottsdale, Arizona 85258

91-527/1221

8424

008424

\*TWO HUNDRED FIFTY DOLLARS AND NO CENTS

DATE

07/07/00

AMOUNT

\*\*\*\*\*250.00\*

PAY  
TO THE  
ORDER  
OF

Florida Public Service Commiss  
Division of Records & Reportin  
2540 Shumard Oak Blvd  
Tallahassee FL 32399-0850

VOID AFTER 90 DAYS

FLORIDA

DOCUMENT NUMBER-DATE

09005 JUL 26 00

THE REVERSE SIDE OF THIS DOCUMENT INCLUDES AN ARTIFICIAL WATERMARK. HOLD AT AN ANGLE TO VIEW

008424



RECEIVED  
FLORIDA PUBLIC  
SERVICE COMMISSION

July 25, 2000  
Overnight

00 JUL 26 AM 8:44

MAIL ROOM

210 N. Park Ave.  
Winter Park, FL  
32789

P.O. Drawer 200  
Winter Park, FL  
32790-0200

Ms. Blanca Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2450 Shumard Oak Boulevard  
Gerald L. Gunter Building, Room 270  
Tallahassee, FL 32399-0850

DEPOSIT

DATE

D 8 8 3

JUL 27 2000

RE: Interexchange Carrier Application of DanCris Telecom, L.L.C.

Tel: 407-740-8575  
Fax: 407-740-0613  
tmi@tminc.com



Dear Ms. Bayo,

Enclosed for filing are the original and six copies of the above referenced application of DanCris Telecom, L.L.C.

Also enclosed is a check in the amount of \$250 for the filing fee. Questions pertaining to this application should be directed to my attention at (407) 740-8575.

Please acknowledge receipt of this filing by returning, file-stamped, the extra copy of this cover letter in the self-addressed, stamped envelope enclosed for this purpose.

Sincerely,

  
 Carey Roesel  
Consultant to DanCris Telecom, L.L.C.

Enclosures  
CR/gs

cc: Rosa Johnson, DanCris  
File: DanCris- FL IXC  
tms: FLi0000

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:





ORIGINAL

FLORIDA PUBLIC SERVICE COMMISSION

July 25, 2000  
Overnight

00 JUL 26 AM 8:44

MAIL ROOM

210 N. Park Ave.  
Winter Park, FL  
32789

P.O. Drawer 200  
Winter Park, FL  
32790-0200

Tel: 407-740-8575  
Fax: 407-740-0613  
tmi@tminc.com

Ms. Blanca Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2450 Shumard Oak Boulevard  
Gerald L. Gunter Building, Room 270  
Tallahassee, FL 32399-0850

000950-TL

RE: Interexchange Carrier Application of DanCris Telecom, L.L.C.

Dear Ms. Bayo,

Enclosed for filing are the original and six copies of the above referenced application of DanCris Telecom, L.L.C.

Also enclosed is a check in the amount of \$250 for the filing fee. Questions pertaining to this application should be directed to my attention at (407) 740-8575.

Please acknowledge receipt of this filing by returning, file-stamped, the extra copy of this cover letter in the self-addressed, stamped envelope enclosed for this purpose.

Sincerely,

*Robin Norton*  
*for* Carey Roesel  
Consultant to DanCris Telecom, L.L.C.

Enclosures  
CR/gs

cc: Rosa Johnson, DanCris  
File: DanCris- FL IXC  
tms: FLi0000

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:  
RR

DOCUMENT NUMBER-DATE

09005 JUL 26 8

FPSC-RECORDS/REPORTING

**DIVISION OF TELECOMMUNICATIONS  
BUREAU OF CERTIFICATION AND SERVICE EVALUATION**

**Application Form for Authority to Provide  
Interexchange Telecommunications Service  
Between Points Within the State of Florida**

---

**Instructions**

This form is used as an application for an original certificate and for approval of assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Appendix A).

Print or Type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.

Use a separate sheet for each answer which will not fit the allotted space.

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 Records and Reporting  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850  
(850) 413-6770**

Note: **No filing fee is required** for an assignment or transfer of an existing certificate to another certificated company.

If you have questions about completing the form, contact:

**Florida Public Service Commission  
Division of Telecommunications  
Bureau of Certification and Service Evaluation  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850  
(850) 413-6600**

1. This is an application for  $\sqrt{\quad}$  (check one):

**Original certificate** (new company).

**Approval of assignment/transfer of existing certificate:**  
Example, a non-certificated company purchases an existing company and desires to retain the certificate of authority rather than apply for a new certificate.

**Approval of transfer of control:**  
Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of company:

DanCris Telecom, L.L.C.

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

DanCris Telecom, L.L.C.

4. Official mailing address (including street name & number, post office box, city, state, zip code):

6900 East Camelback Road, Suite 1003

Scottsdale, Arizona 82251

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

Same as above

6. Select type of business your company will be conducting  $\sqrt{\quad}$  (check all that apply):

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

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

**Reseller** - company has or plans to have one or more switches but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.

( ) **Switchless Rebiller** - company has no switch or transmission facilities but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carrier. Rebills end users at a rate above its discount but generally below the rate end users would pay for unaggregated traffic.

( ) **Multi-Location Discount Aggregator** - company contracts with unaffiliated entities to obtain bulk/volume discounts under multi-location discount plans from certain underlying carriers, then offers resold service by enrolling unaffiliated customers.

( X ) **Prepaid Debit Card Provider** - any person or entity that purchases 800 access from an underlying carrier or unaffiliated entity for use with prepaid debit card service and/or encodes the cards with personal identification numbers.

7. Structure of organization;

- |  |                         |
|--|-------------------------|
| ( ) Individual                               | ( ) Corporation         |
| ( ) Foreign Corporation                      | ( ) Foreign Partnership |
| ( ) General Partnership                      | ( ) Limited Partnership |
| ( X ) Other <u>Limited Liability Company</u> |                         |

8. **If individual**, provide:

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**City/State/Zip:** \_\_\_\_\_

**Telephone No.:** \_\_\_\_\_ **Fax No.:** \_\_\_\_\_

**Internet E-Mail Address:** \_\_\_\_\_

**Internet Website Address:** \_\_\_\_\_

9. **If incorporated in Florida**, provide proof of authority to operate in Florida:

(a) **The Florida Secretary of State Corporate Registration #:** N/A

10. **If foreign corporation**, provide proof of authority to operate in Florida:

(a) **The Florida Secretary of State Corporate Registration #:** MO0000001183

11. **If using fictitious name-d/b/a**, provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida:

(a) **The Florida Secretary of State fictitious name Registration #:** N/A

12. **If a limited liability partnership**, provide proof of registration to operate in Florida:

(a) **The Florida Secretary of State registration #:** N/A

13. **If a partnership**, provide name, title and address of all partners and a copy of the partnership agreement.

**Name:** N/A

**Title:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**City/State/Zip:** \_\_\_\_\_

**Telephone No.:** \_\_\_\_\_ **Fax No.:** \_\_\_\_\_

**Internet E-Mail Address:** \_\_\_\_\_

**Internet Website Address:** \_\_\_\_\_

14. **If a foreign limited partnership**, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable.

(a) **The Florida registration number:** N/A

15. Provide **F.E.I. Number** (if applicable): 86-0797070

16. Provide the following (if applicable):

(a) Will the name of your company appear on the bill for your services?  
 Yes  No

(b) If not, who will bill for your services?

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

(c) How is this information provided?

Company name and company information will be provided on all bills or,  
for prepaid service, on the calling card.

17. Who will receive the bills for your service?

<input checked="" type="checkbox"/> Residential Customers	<input checked="" type="checkbox"/> Business Customers
<input type="checkbox"/> PATs providers	<input type="checkbox"/> PATs station end-users
<input type="checkbox"/> Hotels & motels	<input type="checkbox"/> Hotel & motel guests
<input type="checkbox"/> Universities	<input type="checkbox"/> Universities dormitory residents
<input type="checkbox"/> Other: (specify) _____	

18. Who will serve as liaison to the Commission with regard to the following?

(a) The application:

Name: Carey Roesel

Title: Consultant to DanCris Telecom, L.L.C.

Address: Technologies Management

Post Office Drawer 200

City/State/Zip: Winter Park, Florida 32790-0200

Telephone No.: (407) 740-8575 Fax No.: (407) 740-0613

Internet E-Mail Address: croesel@tminc.com

Internet Website Address: tmi@tminc.com



(b) Official point of contact for the ongoing operations of the company:

**Name:** Mickey Rao

**Title:** Chief Executive Officer

**Address:** 6900 East Camelback Road, Suite 1003

**City/State/Zip:** Scottsdale, Arizona 82251

**Telephone No.:** (480) 874-2700

**Fax No.:** (480) 874-0555

**Internet E-Mail Address:** mrao@dancris.com

**Internet Website Address:** dancris.com

(c) Complaints/Inquiries from customers:

**Name:** Mickey Rao

**Title:** Chief Executive Officer

**Address:** 6900 East Camelback Road, Suite 1003

**City/State/Zip:** Scottsdale, Arizona 82251

**Telephone No.:** (480) 874-2700

**Fax No.:** (480) 874-0555

**Internet E-Mail Address:** mrao@dancris.com

**Internet Website Address:** dancris.com

19. List the states in which the applicant:

(a) has operated as an interexchange telecommunications company.

California, Arizona and New York

---

(b) has applications pending to be certificated as an interexchange telecommunications company.

Arizona

---

(c) is certificated to operate as an interexchange telecommunications company.

California and New York. The Company's authority in Arizona is pending.

However, the Company may operate in AZ while its application is being processed.

---

(d) has been denied authority to operate as an interexchange telecommunications company 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

---

20. Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

(a) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. If so, please explain.

No

---

---

---

---

---

---

---

---

---

---

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

No

---

---

---

---

---

---

---

---

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

- a.  **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
- b.  **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
- c.  **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
- d.  **MTS for pay telephone service providers**
- e.  Block-of-time calling plan (Reach Out Florida, Ring America, etc.).
- f.  **800 service (toll free)**
- g.  **WATS type service (bulk or volume discount)**
  - Method of access is via dedicated facilities
  - Method of access is via switched facilities
- h.  **Private line services (Channel Services)**  
(For ex. 1.544 mbs., DS-3, etc.)
- i.  **Travel service**
  - Method of access is 950
  - Method of access is 800
- j.  **900 service**
- k.  **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
- l.  **Services included are:**
  - Station assistance
  - Person-to-person assistance
  - Directory assistance
  - Operator verify and interrupt
  - Conference calling

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

23. Submit the following:

**A. Financial capability.**

The application **should contain** the applicant's audited financial statements for the most recent 3 years. If the applicant does not have audited financial statements, it shall so be stated.

The unaudited financial statements should be signed by the applicant's chief executive officer and chief financial officer **affirming that the financial statements are true and correct** and should include:

1. the balance sheet;
2. income statement; and
3. statement of retained earnings.

**NOTE:** *This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.*

Further, the following (which includes supporting documentation) should be provided:

1. **A written explanation** that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.
2. **A written explanation** that the applicant has sufficient financial capability to maintain the requested service.
3. **A written explanation** that the applicant has sufficient financial capability to meet its lease or ownership obligations.

**B. Managerial capability;** give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.

**C. Technical capability;** give resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance.

**\*\* APPLICANT ACKNOWLEDGMENT STATEMENT \*\***

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
4. **APPLICATION FEE:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

**UTILITY OFFICIAL:**

  
\_\_\_\_\_  
Signature      Mickey Rao

7/4/00  
\_\_\_\_\_  
Date

Title              Chief Executive Officer  
  
Address:        6900 East Camelback Road  
                    Suite 1003  
                    Scottsdale, Arizona 82251

Telephone No. (480) 874-2700  
  
Fax No. (480) 874-0555

**ATTACHMENTS:**

- A - CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT
- B - CUSTOMER DEPOSITS AND ADVANCE PAYMENTS
- C - CURRENT FLORIDA INTRASTATE NETWORK
- D - AFFIDAVIT

**\*\* APPENDIX A \*\***

**CERTIFICATE TRANSFER, OR ASSIGNMENT STATEMENT**

I, (Name), (Title) of (Name of Company), and current holder of Florida Public Service Commission Certificate Number # \_\_\_\_\_, have reviewed this application and join in the petitioner's request for a:

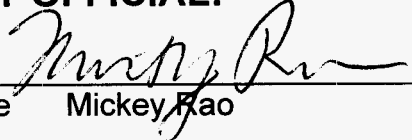
( ) transfer

( ) assignment

of the above-mentioned certificate.

**NOT APPLICABLE**

**UTILITY OFFICIAL:**

  
Signature Mickey Rao

7/4/00  
Date

Title Chief Executive Officer

Telephone No. (480) 874-2700

Address: 6900 East Camelback Road  
Suite 1003  
Scottsdale, Arizona 82251

Fax No. (480) 874-0555

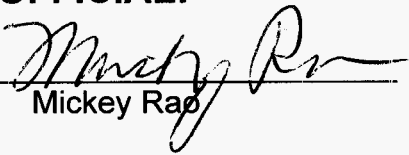
**\*\* APPENDIX B \*\***

**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 provided in one of the following ways (applicant, please  check one):

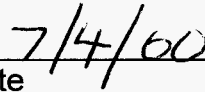
- ( ) The applicant will **not** collect deposits nor will it collect payments for service more than one month in advance.
  
- (X) The applicant intends to collect deposits and/or advance payments for more than one month's service and will file and maintain a surety bond with the Commission in an amount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

**UTILITY OFFICIAL:**

  
\_\_\_\_\_  
Signature Mickey Rao

Title Chief Executive Officer

Address: 6900 East Camelback Road  
Suite 1003  
Scottsdale, Arizona 82251

  
\_\_\_\_\_  
Date

Telephone No. (480) 874-2700

Fax No. (480) 874-0555



**\*\* APPENDIX C \*\***

**CURRENT FLORIDA INTRASTATE SERVICES**

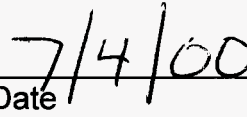
Applicant **has** ( ) or **has not** ( X ) previously provided intrastate telecommunications in Florida.

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 Mickey Rao

  
\_\_\_\_\_  
Date

Title Chief Executive Officer

Telephone No. (480) 874-2700

Address: 6900 East Camelback Road  
Suite 1003  
Scottsdale, Arizona 82251

Fax No. (480) 874-0555


**\*\* APPENDIX D \*\***

**AFFIDAVIT**

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide alternative local exchange company service in the State of Florida. I have read the foregoing and declare that, to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

**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      Mickey Rao

7/4/00  
\_\_\_\_\_  
Date

Title              Chief Executive Officer

Telephone No. (480) 874-2700

Address:          6900 East Camelback Road  
                         Suite 1003  
                         Scottsdale, Arizona 82251

Fax No. (480) 874-0555

## FLORIDA TELEPHONE EXCHANGES AND EAS ROUTES

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

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 in These Exchanges:**

**PENSACOLA:** Cantonment, Gulf Breeze,  
Milton, Holley-Navarre. Pace

**PANAMA CITY:** Lynn Haven, Panama City Beach,  
Youngstown-Fountain, Tyndall AFB.

**TALLAHASSEE:** Crawfordville, Havana,  
Monticello, Panacea,  
Sopchoppy, St. Marks.

**JACKSONVILLE:** Baldwin, Ft. George,  
Jacksonville Beach, Callahan,  
Maxville, Middleburg, Orange  
Park, Ponte Vedra, Julington.

**GAINESVILLE:** Alachua, Archer, Brooker,  
Hawthorne, High Springs,  
Melrose, Micanopy, Newberry,  
Waldo.

**OCALA:** Belleview, Citra, Dunnellon,  
Forest, Lady Lake, McIntosh,  
Oklawaha, Orange Springs, Salt  
Springs, Silver Springs Shores.

**Extended Service Area in These Exchanges:**

<b>DAYTONA BEACH:</b>	New Smyrna Beach.	
<b>TAMPA:</b>	Central East North South West	None Plant City Zephyrhills Palmetto Clearwater
<b>CLEARWATER:</b>	St. Petersburg, Tampa-West, Tarpon Springs.	
<b>ST. PETERSBURG:</b>	Clearwater.	
<b>LAKELAND:</b>	Bartow, Mulberry, Plant City, Polk City, Winter Haven.	
<b>ORLANDO:</b>	Apopka, East Orange, Lake Buena Vista, Oviedo, Windermere, Winter Garden, Winter Park, Montverde, Reedy Creek, Oviedo-Winter Springs.	
<b>WINTER PARK:</b>	Apopka, East Orange, Lake Buena Vista, Orlando, Oviedo, Sanford, Windermere, Winter Garden, Oviedo-Winter Springs, Reedy Creek, Geneva, Montverde.	
<b>TITUSVILLE:</b>	Cocoa and Cocoa Beach.	
<b>COCOA:</b>	Cocoa Beach, Eau Gallie, Melbourne, Titusville.	
<b>MELBOURNE:</b>	Cocoa, Cocoa Beach, Eau Gallie, Sebastian.	
<b>SARASOTA:</b>	Bradenton, Myakka, Venice.	

**Extended Service Area in These Exchanges:**

**FT. MYERS:** Cape Coral, Ft. Myers Beach, North Cape Coral, North Ft. Myers, Pine Island, Lehigh Acres, Sanibel-Captiva Islands.

**NAPLES:** Marco Island and North Naples.

**WEST PALM BEACH:** Boynton Beach and Jupiter.

**POMPANO BEACH:** Boca Raton, Coral Springs, Deerfield Beach, Ft. Lauderdale.

**FT. LAUDERDALE:** Coral Springs, Deerfield Beach, Hollywood, Pompano Beach.

**HOLLYWOOD:** Ft. Lauderdale and North Dade.

**NORTH DADE:** Hollywood, Miami, Perrine.

**MIAMI:** Homestead, North Dade, Perrine.

**\*\* GLOSSARY \*\***

**ACCESS CODE:** 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 IXCs 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-digit central office code (NXX) used is considered a separate central office unit.

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

**COMMISSION:** The Florida Public Service Commission.

**COMPANY, TELEPHONE COMPANY, UTILITY:** These terms are used interchangeably herein and refer to 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:** A transmission circuit which is permanently for the exclusive use of a customer or a pair of customers.

**END USER:** 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):** 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. When Feature D is available, Feature Group C is eliminated.

**INTEREXCHANGE COMPANY (IXC):** Any telephone company, as defined in Section 364.02(4), F.S. (excluding Payphone Providers), which provides telecommunications 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:** 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):** 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):** Any telephone company, as defined in Section 364.02(4), F.S., which, in addition to any other telephonic communication service, provides telecommunications 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 its customers.

**PAY TELEPHONE SERVICE COMPANY:** Any telephone company, other than a LEC, 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:** Terms 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.



DECEMBER 31, 1997

## ASSETS

## CURRENT ASSETS

CASH - OPERATING	\$22,442.41
CASH - PRUDENTIAL	71,886.52
SAVINGS ACCOUNT	2,798.35
ACCOUNT RECEIVABLE	213,437.85
PREPAID MAINTENANCE	1,159.00

TOTAL CURRENT ASSETS

311,724.13

## FIXED ASSETS

CELLULAR TELEPHONE EQUIPMENT	1,406.82
<A/D-CELLULAR TELEPHONE>	(885.40)
COMPUTER EQUIPMENT	73,889.01
<A/D - COMPUTER EQUIPMENT>	(18,138.09)
INTERNET EQUIPMENT	155,614.47
<A/D - INTERNET EQUIPMENT>	(53,692.51)
SWITCHING EQUIPMENT	257,505.36
<A/D - SWITCHING EQUIPMENT>	(129,258.12)
VOICE MAIL EQUIPMENT	1,366.51
<A/D - VOICE MAIL EQUIPMENT>	(860.36)
LEASEHOLD IMPROVEMENTS	8,977.21
<A/D - LEASEHOLD IMPROVEMENTS>	(2,950.19)
COMPUTER SOFTWARE	10,035.55
<A/D - COMPUTER SOFTWARE>	(6,264.72)
OFFICE FURNITURE & EQUIPMENT	22,146.74
<A/D - OFF. FURN & EQUIPMENT>	(6,947.30)

TOTAL FIXED ASSETS

311,944.98

## OTHER ASSETS

SECURITY DEPOSITS	10,000.00
-------------------	-----------

TOTAL OTHER ASSETS

10,000.00

TOTAL ASSETS

---



---

\$633,669.11

test

DECEMBER 31, 1997

## LIABILITIES AND EQUITY

## CURRENT LIABILITIES

ACCOUNTS PAYABLE	\$188,306.93
ACCRUED CALLING CARD PAYABLE	12,742.32
ACCRUED PAYROLL	14,021.25
MEDICARE PAYABLE	1,593.38
FEDERAL WITHHOLDING PAYABLE	6,160.65
FICA TAX PAYABLE	6,812.87
AZ STATE WITHHOLDING PAYABLE	1,575.92
FUTA PAYABLE	316.08
AZ SUTA PAYABLE	670.33
AZ SALES TAX PAYABLE	274.34
FEDERAL SALES TAX PAYABLE	1,799.90
SCOTTSDALE SALES TAX PAYABLE	13.36
CHANDLER SALES TAX PAYABLE	1.83
PHOENIX SALES TAX PAYABLE	45.63
MESA SALES TAX PAYABLE	31.80
TEMPE SALES TAX PAYABLE	36.93
GILBERT SALES TAX PAYABLE	1.23
APACHE JUNCTION PAYABLE	.07
AVONDALESALE TAX PAYABLE	.27
CAREFREE SALE TAX PAYABLE	.15
CAVE CREEK SALE TAX PAYABLE	.32
FOUNTAIN HILLS SALE TAX PAYABLE	.13
GLENDALE SALE TAX PAYABLE	3.06
LITCHFIELD PARK PAYABLE	.09
PARADISE VALLEY TAX PAYABLE	.35
PAYSON SALE TAX PAYABLE	.56
PEORIA SALE TAX PAYABLE	2.31
QUEEN CREEK SALE TAX PAYABLE	.01
SURPRISE SALE TAX PAYABLE	.01
TUCSON SALE TAX PAYABLE	.78
YOUNGTOWN SALE TAX PAYABLE	.03

TOTAL CURRENT LIABILITIES

234,412.89

## LONG TERM LIABILITIES

N/P - FIRST USA	13,788.55
S.T. LEASE PAYABLE - ZION	32,971.46
TELEFUTURE	14,278.10
CHARLES J. RAO	287,838.97
LARWENCE CAHILL	280,000.00

TOTAL LONG TERM LIABILITIES

628,877.08

test

DECEMBER 31, 1997

## LIABILITIES AND EQUITY (Continued)

TOTAL LIABILITIES		<u>\$863,289.97</u>
EQUITY		
CAPITAL - CHARLES RAO	150,000.00	
CAPITAL - LARRY CAHILL	350,000.00	
RETAINED EARNINGS - PRIOR	(606,810.46)	
RETAINED EARNINGS-CURRENT YEAR	(105,228.53)	
TOTAL EQUITY	<u></u>	<u>(212,038.99)</u>
TOTAL LIABILITIES AND EQUITY		<u><u>\$651,250.98</u></u>

test



FOR THE 12 PERIODS ENDED DECEMBER 31, 1997

	PERIOD TO DATE		YEAR TO DATE	
	ACTUAL	PERCENT	ACTUAL	PERCENT
<b>REVENUE</b>				
LONG DISTANCE SERVICES	\$22,013.98	11.6 %	266,033.72	15.5
TRAVEL CARD USAGE	23,704.76	12.5	310,553.89	18.1
800 USAGE	12,710.17	6.7	135,266.43	7.9
INTERNATIONAL USAGE	3,546.58	1.9	31,662.15	1.8
PREPAID CALLING CARDS-AZ	59,505.35	31.3	270,675.07	15.8
RECHARGE FEES INCOME	20.00	.0	(.96)	.0
COMMISSION INCOME - L.D.	.00	.0	226.83	.0
MINIMUM CHARGE	308.58	.2	3,266.62	.2
LONG DISTANCE MTHLY FEES	120.00	.1	120.00	.0
INTERNET DIAL UP SERVICES	67,110.72	35.3	675,853.80	39.4
INTERNET DEDICATED SERVICES	9,883.35	5.2	75,271.78	4.4
WWW HOME PAGE SERVICES	.00	.0	1,338.95	.1
INTERNET OTHER INCOME	110.00	.1	6,654.53	.4
INTERNET SET-UP FEES	2,555.05	1.3	59,031.75	3.4
INTERNET NON-RENEWALS	(8,221.80)	(4.3)	(94,815.15)	(5.5)
INTERNET-REFUNDS/CANCELLATIONS	(3,347.85)	(1.8)	(25,265.70)	(1.5)
<b>TOTAL REVENUE</b>	<b>190,018.89</b>	<b>100.0</b>	<b>1,715,873.71</b>	<b>100.0</b>
<b>COST OF GOODS SOLD</b>				
CARRIER SERVICE CHARGES	100,085.38	52.7	455,063.74	26.5
LONG DISTANCE DISCOUNT	1,545.67	.8	9,746.14	.6
LEC FEATURE D CHARGES	10,377.42	5.5	117,018.82	6.8
INTERNET PHONE LINES	12,634.72	6.6	140,812.72	8.2
PREPAID CARD EXP-MATERIALS	.00	.0	62,639.76	3.7
DIRECT LABOR	3,032.96	1.6	45,782.96	2.7
DIRECT LABOR	14,232.63	7.5	159,230.56	9.3
PAYROLL TAXES (FICA,MEDICARE)	232.02	.1	3,502.48	.2
PAYROLL TAXES (FICA,MEDICARE)	1,210.03	.6	13,648.07	.8
UNEMPLOYMENT TAXES (FUTA,SUTA)	53.65	.0	456.31	.0
UNEMPLOYMENT TAXES (FUTA,SUTA)	305.86	.2	2,959.10	.2
CO-LOCATION CHARGES	2,617.19	1.4	24,407.21	1.4
CO-LOCATION CHARGES	2,617.18	1.4	23,544.79	1.4
OTHER DIRECT COSTS	238.49	.1	8,132.83	.5
OTHER DIRECT COSTS	5,667.46	3.0	54,395.96	3.2
ADVANCE SALES COMM DRAW-TF	.00	.0	6,329.26	.4
REPAIRS AND MAINTENANCE	1,159.00	.6	5,795.00	.3
<b>TOTAL COST OF GOODS SOLD</b>	<b>156,009.66</b>	<b>82.1</b>	<b>1,133,465.71</b>	<b>66.1</b>
<b>GROSS PROFIT</b>	<b>34,009.23</b>	<b>17.9</b>	<b>582,408.00</b>	<b>33.9</b>
<b>GENERAL AND ADMINISTRATIVE</b>				
AUTO EXPENSE	419.50	.2	5,653.82	.3

test



FOR THE 12 PERIODS ENDED DECEMBER 31, 1997

	PERIOD TO DATE		YEAR TO DATE	
	ACTUAL	PERCENT	ACTUAL	PERCENT
GENERAL AND ADMINISTRATIVE	(Continued)			
BANK SERVICE CHARGES	\$1,132.64	.6 %	13,313.33	.8
BAD DEBT EXPENSE-LONG DISTANCE	11,931.75	6.3	14,262.64	.8
TELEPHONE EXPENSE-AZ	3,089.28	1.6	29,870.45	1.7
PAGERS	108.72	.1	1,510.90	.1
CELLULAR PHONES	432.80	.2	4,450.38	.3
ADVERTISING-LD	92.50	.0	18,355.92	1.1
ADVERTISING-INTERNET	3,390.95	1.8	36,786.51	2.1
CONSULTING-LD	2,000.00	1.1	31,000.00	1.8
CONTRIBUTIONS	.00	.0	11.00	.0
DUES AND SUBSCRIPTIONS	86.74	.0	4,266.06	.2
EQUIPMENT RENTAL	1,095.00	.6	15,034.72	.9
EQUIPMENT EXPENSE	.00	.0	651.59	.0
INSURANCE - GENERAL	.00	.0	11,802.06	.7
INSURANCE - WORKER'S COMP.	1,316.76	.7	1,244.76	.1
LICENSES AND PERMITS-AZ	.00	.0	1,919.28	.1
OFFICE EXPENSE	28.14	.0	5,326.67	.3
MISCELLANEOUS	.00	.0	85.09	.0
OFFICE SUPPLIES	573.42	.3	15,820.43	.9
COMMISSION EXP-LD	7,136.73	3.8	42,350.66	2.5
COMMISSION EXPENSE-INTERNET	2,276.75	1.2	24,362.15	1.4
SALARIES-OFFICE	11,126.15	5.9	103,795.10	6.0
SALARIES-OFFICERS	4,000.00	2.1	40,000.00	2.3
HEALTH INSURANCE	(278.40)	(.1)	17,050.50	1.0
OUTSIDE SERVICES	586.20	.3	8,088.75	.5
EMPLOYEE BENEFITS	.00	.0	446.05	.0
PAYROLL TAXES (FICA,MEDICARE)	1,393.19	.7	12,631.38	.7
UNEMPLOY TAXES (FUTA,SUTA,ETT)	317.17	.2	2,407.73	.1
PENALTIES & INTEREST	.00	.0	162.68	.0
POSTAGE	1,224.50	.6	12,914.72	.8
PRINTING	.00	.0	3,347.68	.2
LEGAL	.00	.0	8,361.35	.5
ACCOUNTING	.00	.0	22,018.34	1.3
PAYROLL PROCESSING FEES	196.20	.1	1,336.95	.1
CREDIT INQUIRY EXPENSE	914.70	.5	6,389.59	.4
RENT	3,507.86	1.8	41,105.32	2.4
REPAIRS AND MAINTENANCE	.00	.0	75.02	.0
PROPERTY TAXES	.00	.0	2,377.20	.1
MEALS AND ENTERTAINMENT	126.14	.1	2,178.83	.1
TRAINING EXPENSE	3,494.47	1.8	9,921.82	.6
TRAVEL	446.64	.2	7,034.70	.4
PREPAID CARD EXPENSE-MATERIALS	5,042.85	2.7	5,247.39	.3
TOTAL GENERAL AND ADMINISTRATIVE	67,209.35	35.4	584,969.52	34.1
NET INCOME FROM OPERATIONS	(33,200.12)	(17.5)	(2,561.52)	(.1)

test

	PERIOD TO DATE		YEAR TO DATE	
	ACTUAL	PERCENT	ACTUAL	PERCENT
OTHER INCOME & EXPENSE				
INTEREST EXPENSE	\$(667.76)	(.4)%	(6,035.21)	(.4)
INTEREST INCOME	369.02	.2	4,210.56	.2
INTEREST - LEASE USE TAX	(92.20)	.0	(367.52)	.0
DEPRECIATION-OFFICE	(1,963.70)	(1.0)	(21,763.06)	(1.3)
DEPRECIATION-LD	(4,291.76)	(2.3)	(51,501.12)	(3.0)
DEPRECIATION-INTERNET	(2,593.57)	(1.4)	(30,133.51)	(1.8)
MISCELLANEOUS INCOME	.00	.0	(213.32)	.0
OTHER EXPENSE	.00	.0	(246.90)	.0
OTHER INCOME	91.58	.0	3,383.07	.2
TOTAL OTHER INCOME & EXPENSE	(9,148.39)	(4.8)	(102,667.01)	(6.0)
EARNINGS BEFORE INCOME TAX	(42,348.51)	(22.3)	(105,228.53)	(6.1)
NET INCOME (LOSS)	\$(42,348.51)	(22.3)%	(105,228.53)	(6.1)

test

*Mary Rued*  
*Rosa Johnson*  
 User: RJ / Rosa Johnson  
 Page 3

ASSETS

CURRENT ASSETS

CASH - OPERATING	\$ (40,520.68)
CASH OPERATING CA-(B OF A)	1,051.26
CASH-OPERATING (BANK ONE)	1,060.32
CASH - PRUDENTIAL	28,745.59
SAVINGS ACCOUNT	1,348.19
PETTY CASH - CA	500.00
ACCOUNT RECEIVABLE	474,361.79
DCT-YTE ACCOUNTS RECEIVABLE	48,943.56
PREPAID MAINTENANCE	3,477.00
YTE	107,000.00
INVENTORY - CALLING CARDS	14,153.55

TOTAL CURRENT ASSETS

640,120.58

FIXED ASSETS

CELLULAR TELEPHONE EQUIPMENT	1,406.82
<A/D-CELLULAR TELPHONE>	(1,166.80)
COMPUTER EQUIPMENT	90,231.48
<A/D - COMPUTER EQUIPMENT>	(34,456.23)
INTERNET EQUIPMENT	199,088.52
<A/D - INTERNET EQUIPMENT>	(91,045.96)
SWITCHING EQUIPMENT	257,505.36
<A/D - SWITCHING EQUIPMENT>	(180,759.23)
VOICE MAIL EQUIPMENT	3,601.84
<A/D - VOICE MAIL EQUIPMENT>	(1,508.97)
LEASEHOLD IMPROVEMENTS	14,137.59
<A/D - LEASEHOLD IMPROVEMENTS>	(5,598.24)
COMPUTER SOFTWARE	10,035.55
<A/D - COMPUTER SOFTWARE>	(8,271.84)
OFFICE FURNITURE & EQUIPMENT	34,840.40
<A/D - OFF. FURN & EQUIPMENT>	(12,157.54)
PRO BILLING SYSTEM	34,091.22

TOTAL FIXED ASSETS

309,973.97

OTHER ASSETS

SECURITY DEPOSITS	35,679.50
-------------------	-----------

TOTAL OTHER ASSETS

35,679.50

TOTAL ASSETS

\$985,774.05

test

*B MA*

DECEMBER 31, 1998

## LIABILITIES AND EQUITY

## CURRENT LIABILITIES

ACCOUNTS PAYABLE	\$601,589.20
ACCRUED CALLING CARD PAYABLE	14,564.58
YTE LD CUSTOMER DEPOSITS	50.00
ACCRUED PAYROLL	28,660.59
MEDICARE PAYABLE	1,055.44
FEDERAL WITHHOLDING PAYABLE	4,036.96
FICA TAX PAYABLE	4,512.72
AZ STATE WITHHOLDING PAYABLE	940.62
CA STATE WITHHOLDING PAYABLE	211.39
FUTA PAYABLE	1,426.29
CA DBL	59.35
AZ SUTA PAYABLE	1,732.80
CA SUTA PAYABLE	(277.32)
EMPLOYMENT TRAINING TAX-CALIF	(5.35)
CA SALES TAX PAYABLE	2,303.94
AZ SALES TAX PAYABLE	5,848.18
AZ SALES TAX-YTE	776.85
FEDERAL SALES TAX PAYABLE	3,827.20
FEDERAL SALES TAX-YTE	1,128.91
SCOTTSDALE SALES TAX PAYABLE	56.41
PRESCOTT,AZ SALES TAX PAYABLE	520.92
CAMP VERDE TAX PAYABLE	8.68
COOLIDGE TAX PAYABLE	.17
CHINO VALLEY TAX PAYABLE	6.67
FLAGSTAFF TAX PAYABLE	79.19
LAKE HAVASU CITY PAYABLE	.28
PRESCOTT VALLEY PAYABLE	14.19
SEDONA TAX PAYABLE	19.66
CHANDLER SALES TAX PAYABLE	17.22
PHOENIX SALES TAX PAYABLE	386.02
MESA SALES TAX PAYABLE	64.18
TEMPE SALES TAX PAYABLE	91.17
GILBERT SALES TAX PAYABLE	6.03
APACHE JUNCTION PAYABLE	2.91
AVONDALESALE TAX PAYABLE	.94
BUCKEYE SALE TAX PAYABLE	8.03
CAREFREE SALE TAX PAYABLE	.01
CAVE CREEK SALE TAX PAYABLE	4.18
FOUNTAIN HILLS SALE TAX PAYABLE	.30
GLENDALE SALE TAX PAYABLE	53.15
LITCHFIELD PARK PAYABLE	.01
PARADISE VALLEY TAX PAYABLE	.35
PAYSON SALE TAX PAYABLE	60.17
PEORIA SALE TAX PAYABLE	2.79
TUCSON SALE TAX PAYABLE	269.87

test

MR



DECEMBER 31, 1998

## LIABILITIES AND EQUITY (Continued)

## CURRENT LIABILITIES (Continued)

YOUNGTOWN SALE TAX PAYABLE	\$ .06	
PIC-C CHARGES PAYABLE	50,827.72	
UNIVERSAL SERVICE FUND PAYABLE	(695.99)	
CA CORP TAX PAYABLE	(800.00)	
TOTAL CURRENT LIABILITIES		723,447.64

## LONG TERM LIABILITIES

ST NOTE PAYABLE-AM EXPRESS	9,567.48	
N/P - FIRST USA	10,300.41	
S.T. LEASE PAYABLE - ZION	24,018.58	
TELEFUTURE	14,278.10	
CHARLES J. RAO	273,633.51	
LARWENCE CAHILL	680,000.00	
TOTAL LONG TERM LIABILITIES		1,011,798.08

TOTAL LIABILITIES		1,735,245.72
-------------------	--	--------------

## EQUITY

CAPITAL - CHARLES RAO	150,000.00	
CAPITAL - LARRY CAHILL	350,000.00	
RETAINED EARNINGS - PRIOR	(729,620.86)	
RETAINED EARNINGS-CURRENT YEAR	(515,880.26)	
TOTAL EQUITY		(745,501.12)

TOTAL LIABILITIES AND EQUITY		\$989,744.60
------------------------------	--	--------------

test

## INCOME STATEMENT

FOR THE 12 PERIODS ENDED DECEMBER 31, 1998

	PERIOD TO DATE		YEAR TO DATE	
	ACTUAL	PERCENT	ACTUAL	PERCENT
<b>REVENUE</b>				
LONG DISTANCE SERVICES	\$21,129.29	8.8 %	487,135.07	14.7
YTE LONG DISTANCE SALES	47,503.89	19.7	456,012.55	13.7
LONG DISTANCE CUSTOMER CREDITS	.00	.0	(8,385.27)	(.3)
TRAVEL CARD USAGE	53,144.21	22.1	258,373.25	7.8
800 USAGE	9,114.61	3.8	174,189.96	5.2
INTERNATIONAL USAGE	2,042.18	.8	32,581.19	1.0
PREPAID CALLING CARDS-AZ	53,557.45	22.2	1,127,714.56	33.9
PREPAID CALLING CARD SALES-CA	.00	.0	1,575.00	.0
PREPAID CALLING CARDS-NY	.00	.0	3,100.00	.1
RECHARGE FEES INCOME	.00	.0	594.00	.0
FINANCE CHARGE INCOME	1,232.03	.5	6,911.97	.2
COMMISSION INCOME - L.D.	66.61	.0	316.97	.0
COMMISSION INCOME-PAYPHONE	1,993.97	.8	6,368.27	.2
MINIMUM CHARGE	530.15	.2	6,466.48	.2
LONG DISTANCE MTHLY FEES	110.00	.0	6,546.13	.2
YTE MONTHLY FEES	.00	.0	2,293.06	.1
INTERNET DIAL UP SERVICES	56,514.91	23.5	726,825.06	21.9
INTERNET CA DIAL UP SERVICES	374.55	.2	734.25	.0
INTERNET DEDICATED SERVICES	11,739.65	4.9	137,962.09	4.2
INTERNET CA DEDICATED SERVICES	.00	.0	5,400.00	.2
INTERNET RESALE	.00	.0	(4,438.00)	(.1)
WWW HOME PAGE SERVICES	150.00	.1	424.95	.0
INTERNET OTHER INCOME	254.85	.1	5,493.37	.2
INTERNET CA OTHER INCOME	.00	.0	6,561.50	.2
INTERNET EQUIPMENT SALES	.00	.0	1,500.00	.0
INTERNET SET-UP FEES	2,482.77	1.0	35,077.72	1.1
INTERNET CA SET-UP FEES	200.00	.1	1,006.00	.0
INTERNET NON-RENEWALS	(20,276.10)	(8.4)	(139,420.90)	(4.2)
INTERNET-REFUNDS/CANCELLATIONS	(1,069.80)	(.4)	(16,057.51)	(.5)
<b>TOTAL REVENUE</b>	<b>240,795.22</b>	<b>100.0</b>	<b>3,322,861.72</b>	<b>100.0</b>
<b>COST OF GOODS SOLD</b>				
CARRIER SERVICE CHARGES	101,632.76	42.2	1,438,484.48	43.3
CARRIER CHARGES-ALLIANCE GROUP	.00	.0	7,599.63	.2
LONG DISTANCE DISCOUNT	238.45	.1	3,646.92	.1
LEC FEATURE D CHARGES	12,431.01	5.2	190,958.75	5.7
INTERNET PHONE LINES	21,171.39	8.8	200,179.66	6.0
INTERNET PHONE LINES (CA)	4,776.30	2.0	16,906.56	.5
INTERNET DEDICATED COSTS-CA	401.97	.2	401.97	.0
CALLING CARD DISCOUNT	21,505.10	8.9	306,812.46	9.2
PREPAID CARD EXP-MATERIALS	.00	.0	44,485.63	1.3
DIRECT LABOR	.00	.0	16,638.47	.5
DIRECT LABOR	.00	.0	24,353.02	.7
PAYROLL TAXES (FICA,MEDICARE)	.00	.0	1,480.39	.0
PAYROLL TAXES (FICA,MEDICARE)	.00	.0	3,111.69	.1

test

mR

## INCOME STATEMENT

FOR THE 12 PERIODS ENDED DECEMBER 31, 1998

	PERIOD TO DATE		YEAR TO DATE	
	ACTUAL	PERCENT	ACTUAL	PERCENT
COST OF GOODS SOLD				
(Continued)				
UNEMPLOYMENT TAXES (FUTA,SUTA)	\$ .00	.0 %	230.53	.0
UNEMPLOYMENT TAXES (FUTA,SUTA)	.00	.0	624.28	.0
CO-LOCATION CHARGES	11,284.42	4.7	78,646.22	2.4
CO-LOCATION CHARGES	.00	.0	10,385.25	.3
OTHER DIRECT COSTS	884.07	.4	11,083.92	.3
OTHER DIRECT COSTS	4,925.00	2.0	52,275.71	1.6
ADVANCE SALES COMM DRAW-GU	.00	.0	(425.00)	.0
ADVANCE SALES COMMISSION-MIKE	4,000.00	1.7	26,250.00	.8
ADVANCE SALES COMMISSION-OSTER	.00	.0	1,418.18	.0
ADVANCE SALES COMM-JARFET PAVI	1,240.00	.5	2,940.00	.1
BONUS	.00	.0	588.80	.0
BONUS	.00	.0	250.00	.0
INTERNET EQUIPMENT-CA	.00	.0	2,210.73	.1
EQUIPMENT RESALE CHARGES	.00	.0	1,110.00	.0
<b>TOTAL COST OF GOODS SOLD</b>	<b>184,490.47</b>	<b>76.6</b>	<b>2,442,648.25</b>	<b>73.5</b>
<b>GROSS PROFIT</b>	<b>56,304.75</b>	<b>23.4</b>	<b>880,213.47</b>	<b>26.5</b>
GENERAL AND ADMINISTRATIVE				
AUTO EXPENSE	186.78	.1	3,172.81	.1
BANK SERVICE CHARGES	1,856.50	.8	19,735.81	.6
BANK SERVICE CHARGES-CA	.00	.0	50.43	.0
ANSWERING SERVICE EXPENSE	359.04	.1	1,798.94	.1
BAD DEBT EXPENSE-LONG DISTANCE	.00	.0	1,983.35	.1
TELEPHONE EXPENSE-AZ	1,727.64	.7	29,335.21	.9
TELEPHONE EXPENSE-NY	73.60	.0	1,063.45	.0
TELEPHONE EXPENSE-CA	1,078.78	.4	4,584.55	.1
PAGERS	146.49	.1	1,520.83	.0
CELLULAR PHONES	430.79	.2	6,732.50	.2
CELLULAR PHONES-CA	136.47	.1	396.71	.0
LONG DISTANCE EXPENSE-CA	.00	.0	109.90	.0
ADVERTISING-LD	1,162.91	.5	20,350.87	.6
ADVERTISING-INTERNET	1,151.03	.5	22,760.98	.7
ADVERTISING-NY	.00	.0	312.00	.0
ADVERTISING-CA	1,000.00	.4	3,467.45	.1
CONSULTING-LD	.00	.0	5,924.45	.2
CONTRIBUTIONS	.00	.0	120.00	.0
ACQUISITION EXPENSE	(29,696.22)	(12.3)	2,000.00	.1
DUES AND SUBSCRIPTIONS	.00	.0	3,215.46	.1
EQUIPMENT RENTAL	1,095.00	.5	12,154.50	.4
EQUIPMENT EXPENSE	1,285.96	.5	14,340.99	.4
EQUIPMENT EXPENSE	.00	.0	532.50	.0
SOFTWARE & EQUIPMENT SUPPORT	2,308.27	1.0	11,022.35	.3
INSURANCE - GENERAL	518.52	.2	10,612.01	.3
INSURANCE - WORKER'S COMP.	759.10	.3	6,001.09	.2

test

MR

## INCOME STATEMENT

FOR THE 12 PERIODS ENDED DECEMBER 31, 1998

	PERIOD TO DATE		YEAR TO DATE	
	ACTUAL	PERCENT	ACTUAL	PERCENT
GENERAL AND ADMINISTRATIVE	(Continued)			
TELECOM FEES AND TAXES EXPENSE	\$ .00	.0 %	965.62	.0
LICENSES AND PERMITS-AZ	125.00	.1	1,300.34	.0
LICENSE & PERMITS-NY	.00	.0	325.00	.0
LICENSE AND PERMITS-CA	.00	.0	63.00	.0
OFFICE EXPENSE	1,607.22	.7	18,640.46	.6
OFFICE EXPENSE-NY	.00	.0	27.77	.0
OFFICE EXPENSE-CA	222.70	.1	1,927.96	.1
IMPROVEMENTS EXPENSE	.00	.0	100.00	.0
HUMAN RESOURCES EXPENSE	346.00	.1	2,865.60	.1
OFFICE SUPPLIES	716.00	.3	13,921.31	.4
COMPUTER EXPENSE	732.98	.3	3,559.50	.1
SALARIES-MANAGEMENT	14,249.34	5.9	161,407.94	4.9
COMMISSION EXP-LD	3,856.09	1.6	47,060.45	1.4
COMMISSION EXPENSE-INTERNET	2,318.01	1.0	30,815.70	.9
COMMISSION EXP-PREPAID CARDS	.00	.0	38,732.19	1.2
SALARIES-OFFICE	14,683.24	6.1	98,985.96	3.0
SALARIES-OFFICERS	4,000.00	1.7	48,000.00	1.4
SALARIES-TECHNICAL	17,172.40	7.1	137,866.08	4.1
SALARIES-SALES STAFF	19,049.53	7.9	155,092.33	4.7
HEALTH INSURANCE	2,096.14	.9	25,421.44	.8
HEALTH INSURANCE-CA	610.00	.3	1,684.00	.1
OUTSIDE SERVICES	1,222.25	.5	27,629.03	.8
PAYROLL TAXES (FICA,MEDICARE)	5,503.95	2.3	48,771.07	1.5
UNEMPLOY TAXES (FUTA,SUTA,ETT)	1,214.03	.5	7,233.56	.2
PENALTIES & INTEREST	40.11	.0	108.13	.0
POSTAGE	1,366.94	.6	14,358.53	.4
DELIVERY EXPENSE	523.23	.2	1,243.02	.0
POSTAGE -CA	.00	.0	30.10	.0
PRINTING	118.00	.0	2,729.18	.1
LEGAL	44.70	.0	16,490.54	.5
ACCOUNTING	.00	.0	2,135.70	.1
PAYROLL PROCESSING FEES	148.80	.1	1,627.05	.0
CREDIT INQUIRY EXPENSE	85.05	.0	6,050.32	.2
RENT	7,205.00	3.0	79,224.12	2.4
RENT-CA	820.00	.3	4,920.00	.1
REPAIRS AND MAINTENANCE	.00	.0	5,599.88	.2
PROPERTY TAXES	.00	.0	2,717.93	.1
MEALS AND ENTERTAINMENT	.00	.0	8,950.74	.3
TRAINING EXPENSE	4,829.25	2.0	11,329.25	.3
TRAVEL	.00	.0	12,203.73	.4
TRAVEL-CA	.00	.0	600.03	.0
UTILITIES-CA	177.84	.1	1,397.95	.0
PREPAID CARD EXPENSE-MATERIALS	265.17	.1	11,870.86	.4
TOTAL GENERAL AND ADMINISTRATI	90,929.63	37.8	1,239,282.51	37.3

test

INCOME STATEMENT

FOR THE 12 PERIODS ENDED DECEMBER 31, 1998

	PERIOD TO DATE		YEAR TO DATE	
	ACTUAL	PERCENT	ACTUAL	PERCENT
NET INCOME FROM OPERATIONS	\$(34,624.88)	(14.4)%	(359,069.04)	(10.8)
OTHER INCOME & EXPENSE				
INTEREST EXPENSE	(843.06)	(.4)	(15,117.15)	(.5)
INTEREST INCOME	2.23	.0	2,413.45	.1
INTEREST - LEASE USE TAX	(167.36)	(.1)	(1,368.64)	.0
DEPRECIATION-OFFICE	(2,570.90)	(1.1)	(29,886.83)	(.9)
DEPRECIATION-LD	(4,291.76)	(1.8)	(51,501.11)	(1.5)
DEPRECIATION-INTERNET	(3,318.14)	(1.4)	(34,580.18)	(1.0)
FINANCE CHARGES	(6,451.25)	(2.7)	(26,925.13)	(.8)
OTHER INCOME	.00	.0	154.37	.0
TOTAL OTHER INCOME & EXPENSE	(17,640.24)	(7.3)	(156,811.22)	(4.7)
EARNINGS BEFORE INCOME TAX	(52,265.12)	(21.7)	(515,880.26)	(15.5)
NET INCOME (LOSS)	\$(52,265.12)	(21.7)%	(515,880.26)	(15.5)

test

*Michael P. CEO*  
*Rosa Johnson CFO*

ASSETS

CURRENT ASSETS

CASH - OPERATING	\$93,854.66
CASH OPERATING CA-(B OF A)	9,155.97
PAYROLL ACCOUNT	2,865.55
CASH - PRUDENTIAL	30,295.25
SAVINGS ACCOUNT	58,973.38
ACCOUNT RECEIVABLE	1,344,433.85
A/R-OVERPAYMENT OF YTE PURCHAS	12,686.19
PREPAID MAINTENANCE	3,477.00
YTE	265,969.00
INVENTORY - CALLING CARDS	14,153.55

TOTAL CURRENT ASSETS

1,835,864.40

FIXED ASSETS

CELLULAR TELEPHONE EQUIPMENT	1,406.82
<A/D-CELLULAR TELPHONE>	(1,406.78)
COMPUTER EQUIPMENT	106,568.41
<A/D - COMPUTER EQUIPMENT>	(54,183.34)
INTERNET EQUIPMENT	236,810.40
<A/D - INTERNET EQUIPMENT>	(134,990.81)
SWITCHING EQUIPMENT	251,805.36
SWITCHING EQUIPMENT-UPGRADE#1	320,940.00
SWITCHING EQUIPMENT-SWITCH #2	311,456.00
SWITCHING EQUIPMENT-OTHER	5,700.00
<A/D - SWITCHING EQUIPMENT>	(237,681.97)
<A/D-SWITCHIN EQUIP-UPGRADE#1>	(5,349.00)
VOICE MAIL EQUIPMENT	3,601.84
<A/D - VOICE MAIL EQUIPMENT>	(2,229.33)
LEASEHOLD IMPROVEMENTS	14,137.59
<A/D - LEASEHOLD IMPROVEMENTS>	(8,425.80)
COMPUTER SOFTWARE	17,147.26
<A/D - COMPUTER SOFTWARE>	(10,634.55)
OFFICE FURNITURE & EQUIPMENT	40,766.28
<A/D - OFF. FURN & EQUIPMENT>	(19,810.01)
PRO BILLING SYSTEM	63,711.50
<A/D-PRO BILLING SYSTEM>	(8,294.38)

TOTAL FIXED ASSETS

891,045.49

OTHER ASSETS

SECURITY DEPOSITS	20,277.86
-------------------	-----------

TOTAL OTHER ASSETS

20,277.86

test

*PS MR*

DECEMBER 31, 1999

TOTAL ASSETS

\$2,747,187.75

test

*MR*

DECEMBER 31, 1999

## LIABILITIES AND EQUITY

## CURRENT LIABILITIES

ACCOUNTS PAYABLE	\$1,636,899.21
YTE LD CUSTOMER DEPOSITS	3,190.00
ACCRUED PAYROLL	30,916.65
MEDICARE PAYABLE	1,161.14
FEDERAL WITHHOLDING PAYABLE	4,626.12
FICA TAX PAYABLE	4,964.92
AZ STATE WITHHOLDING PAYABLE	953.15
CA STATE WITHHOLDING PAYABLE	543.87
FUTA PAYABLE	1,359.69
CA DBL	40.50
AZ SUTA PAYABLE	474.56
CA SUTA PAYABLE	168.50
EMPLOYMENT TRAINING TAX-CALIF	4.96
CA SALES TAX PAYABLE	3,124.44
CA STATE FUND TAXES	1,609.30
AZ SALES TAX PAYABLE	2,181.58
FEDERAL SALES TAX PAYABLE	7,628.78
SCOTTSDALE SALES TAX PAYABLE	39.50
PRESCOTT,AZ SALES TAX PAYABLE	172.97
CAMP VERDE TAX PAYABLE	7.38
COOLIDGE TAX PAYABLE	.11
CHINO VALLEY TAX PAYABLE	8.15
FLAGSTAFF TAX PAYABLE	867.63
LAKE HAVASU CITY PAYABLE	1.01
PRESCOTT VALLEY PAYABLE	8.30
SEDONA TAX PAYABLE	17.09
CHANDLER SALES TAX PAYABLE	99.20
PHOENIX SALES TAX PAYABLE	300.41
MESA SALES TAX PAYABLE	617.14
TEMPE SALES TAX PAYABLE	74.98
GILBERT SALES TAX PAYABLE	1.04
APACHE JUNCTION PAYABLE	.50
AVONDALESALE TAX PAYABLE	31.17
BUCKEYE SALE TAX PAYABLE	2.00
CAREFREE SALE TAX PAYABLE	.01
CAVE CREEK SALE TAX PAYABLE	.52
GLENDALE SALE TAX PAYABLE	146.19
GOODYEAR SALE TAX PAYABLE	(.64)
PARADISE VALLEY TAX PAYABLE	.75
PAYSON SALE TAX PAYABLE	25.31
PEORIA SALE TAX PAYABLE	2.79
TUCSON SALE TAX PAYABLE	200.38
YOUNGTOWN SALE TAX PAYABLE	.12
PIC-C CHARGES PAYABLE	7,116.04

test

MR



DECEMBER 31, 1999

## LIABILITIES AND EQUITY (Continued)

TOTAL CURRENT LIABILITIES		<u>\$1,709,587.42</u>
LONG TERM LIABILITIES		
LOAN PAYABLE-WORLD ACCESS#1	164,036.00	
CURR PORTION OF LT DEBT-UPGR#1	85,584.00	
LOAN PAYABLE-WORLD ACCESS #2	186,873.60	
CURR PORTION OF LT DEBT-NEW #2	93,436.80	
ST NOTE PAYABLE-AM EXPRESS	4,783.74	
S.T. LEASE PAYABLE - ZION	6,539.66	
CHARLES J. RAO	308,633.51	
NOTE PAYABLE-L.U.S.A.	150,000.00	
LARWENCE CAHILL	705,000.00	
TOTAL LONG TERM LIABILITIES		<u>1,704,887.31</u>
TOTAL LIABILITIES		<u>3,414,474.73</u>
EQUITY		
CAPITAL - CHARLES RAO	150,000.00	
CAPITAL - LARRY CAHILL	350,000.00	
RETAINED EARNINGS - PRIOR	(1,093,969.65)	
RETAINED EARNINGS-CURRENT YEAR	(73,317.33)	
TOTAL EQUITY		<u>(667,286.98)</u>
TOTAL LIABILITIES AND EQUITY		<u><u>\$2,747,187.75</u></u>

test

MR

## INCOME STATEMENT

FOR THE 12 PERIODS ENDED DECEMBER 31, 1999

	PERIOD TO DATE		YEAR TO DATE	
	ACTUAL	PERCENT	ACTUAL	PERCENT
REVENUE				
LONG DISTANCE SERVICES	\$122,576.63	8.2 %	1,639,991.30	16.2
LONG DISTANCE CUSTOMER CREDITS	.00	.0	(12,979.64)	(.1)
UNIVERSAL SERVICE FUND INCOME	7,643.31	.5	100,706.76	1.0
PIC-C CHARGES INCOME	18,637.46	1.2	165,167.62	1.6
PREPAID CALLING CARDS-AZ	1,265,199.61	84.3	7,391,486.18	73.2
PPCC PRINTING SALES INCOME-AZ	30,312.28	2.0	46,461.78	.5
PPCC OTHER INCOME	200.00	.0	400.00	.0
RECHARGE FEES INCOME	25.00	.0	135.00	.0
SHIPPING AND HANDLING INCOME	174.25	.0	1,229.55	.0
FINANCE CHARGE INCOME	1,568.92	.1	8,009.87	.1
COMMISSION INCOME - L.D.	.00	.0	214.95	.0
COMMISSION INCOME-INTERNET	.00	.0	1,250.00	.0
COMMISSION INCOME-PAYPHONE	1,145.96	.1	14,672.74	.1
LONG DISTANCE MTHLY FEES	1,316.92	.1	15,593.59	.2
INTERNET DIAL UP SERVICES	41,199.72	2.7	586,976.80	5.8
INTERNET CA DIAL UP SERVICES	9,033.95	.6	52,577.30	.5
INTERNET DEDICATED SERVICES	13,268.91	.9	182,696.51	1.8
INTERNET CA DEDICATED SERVICES	1,105.00	.1	(249.00)	.0
INTERNET RESALE	.00	.0	112.98	.0
WWW HOME PAGE SERVICES	.00	.0	199.95	.0
INTERNET OTHER INCOME	436.95	.0	3,140.56	.0
INTERNET CA OTHER INCOME	.00	.0	163.25	.0
INTERNET EQUIPMENT SALES	450.00	.0	2,109.00	.0
CALIFORNIA IN EQUIPMENT SALES	173.15	.0	4,350.91	.0
IN CARRIER CHARGES INCOME-CA	.00	.0	5,160.00	.1
CA GTE INSTALLATION CHARGE	99.00	.0	6,259.00	.1
INTERNET SET-UP FEES	(339.40)	.0	13,805.50	.1
INTERNET CA SET-UP FEES	189.95	.0	4,033.90	.0
INTERNET NON-RENEWALS	(12,303.70)	(.8)	(119,176.18)	(1.2)
INTERNET CA NON-RENEWALS	.00	.0	(198.90)	.0
INTERNET-REFUNDS/CANCELLATIONS	(754.65)	(.1)	(16,818.81)	(.2)
TOTAL REVENUE	1,501,359.22	100.0	10,097,482.47	100.0
COST OF GOODS SOLD				
CARRIER SERVICE CHARGES	.00	.0	186,847.36	1.9
PIC-C CHARGES EXPENSE	18,132.97	1.2	129,020.34	1.3
UNIVERSAL SERVICE FUND CHARGES	6,724.79	.4	46,917.64	.5
CARRIER CHARGES-WOR051	178,264.86	11.9	2,351,833.69	23.3
CARRIER CHARGES WOR050	21,684.82	1.4	271,571.18	2.7
CARRIER CHARGES-WOR639	179.43	.0	2,244.66	.0
CARRIER CHARGES-USWATS	136,634.88	9.1	829,424.82	8.2
CARRIER CHARGES-QWEST	213,530.15	14.2	623,587.53	6.2
FACILITY ACCESS CHARGES	1,877.57	.1	21,691.63	.2
LOCAL NUMBER PORTABILITY CHG	79.24	.0	626.64	.0
LEC FEATURE D CHARGES	14,673.35	1.0	229,945.45	2.3

test

MR

## INCOME STATEMENT

FOR THE 12 PERIODS ENDED DECEMBER 31, 1999

	PERIOD TO DATE		YEAR TO DATE	
	ACTUAL	PERCENT	ACTUAL	PERCENT
COST OF GOODS SOLD				
(Continued)				
INTERNET PHONE LINES	\$ .00	.0 %	52,522.13	.5
LEC FEATURE GROUP B CHARGES	890.28	.1	15,634.13	.2
LD DID CHARGES	2,557.76	.2	38,872.73	.4
TUCSON T-1/DID CHARGES	1,348.36	.1	2,741.59	.0
LONG DISTANCE NETWORK	1,227.87	.1	3,220.43	.0
INTERNET NETWORK COSTS-AZ	3,728.33	.2	63,796.58	.6
INTERNET NETWORK COSTS-CA	2,289.40	.2	17,206.60	.2
LONG DISTANCE DEDICATED NETWOR	.00	.0	1,790.00	.0
INTERNET DEDICATED COSTS-AZ	7,783.42	.5	82,505.18	.8
INTERNET DEDICATED COSTS-CA	4,494.30	.3	37,800.22	.4
INTERNET DIALUP COSTS-AZ	15,896.35	1.1	120,178.06	1.2
INTERNET DIALUP COSTS-CA	1,679.24	.1	20,133.39	.2
CALLING CARD DISCOUNT	507,781.85	33.8	2,832,001.29	28.0
PREPAID CARD EXP-MATERIALS	174,934.08	11.7	174,934.08	1.7
CO-LOCATION CHARGES	7,417.99	.5	59,708.65	.6
CO-LOCATION CHARGES-CA	635.10	.0	7,152.29	.1
OTHER DIRECT COSTS	.00	.0	(1,483.80)	.0
OTHER DIRECT COSTS	.00	.0	2,500.00	.0
BONUS	.00	.0	4,082.00	.0
INTERNET EQUIPMENT-AZ	.00	.0	1,144.60	.0
INTERNET EQUIPMENT-CA	.00	.0	4,143.67	.0
EQUIPMENT RESALE CHARGES	.00	.0	94.15	.0
REPAIRS AND MAINTENANCE	.00	.0	103.66	.0
<b>TOTAL COST OF GOODS SOLD</b>	<b>1,324,446.39</b>	<b>88.2</b>	<b>8,234,492.57</b>	<b>81.6</b>
<b>GROSS PROFIT</b>	<b>176,912.83</b>	<b>11.8</b>	<b>1,862,989.90</b>	<b>18.5</b>
GENERAL AND ADMINISTRATIVE				
AUTO EXPENSE	481.96	.0	5,336.10	.1
BANK SERVICE CHARGES	118.23	.0	8,671.10	.1
CREDIT CARD DISCOUNT	1,058.83	.1	9,741.61	.1
CREDIT CARD FEES	718.69	.0	5,594.17	.1
BANK SERVICE CHARGES-CA	36.35	.0	43.03	.0
ANSWERING SERVICE EXPENSE	.00	.0	5,655.04	.1
BAD DEBT EXPENSE-LONG DISTANCE	28,486.85	1.9	28,486.85	.3
BAD DEBT EXPENSE-PREPAID CARDS	146,355.85	9.7	146,355.85	1.4
TELEPHONE EXPENSE-AZ	1,999.26	.1	20,740.13	.2
TELEPHONE EXPENSE-NY	579.38	.0	860.36	.0
TELEPHONE EXPENSE-CA	206.41	.0	2,977.26	.0
PAGERS	154.95	.0	2,011.81	.0
CELLULAR PHONES	199.55	.0	3,171.47	.0
CELLULAR PHONES-CA	97.55	.0	1,415.75	.0
LONG DISTANCE EXPENSE-AZ	11,563.38	.8	30,201.31	.3
LONG DISTANCE EXPENSE-NY	10.20	.0	10.20	.0
LONG DISTANCE EXPENSE-CA	559.35	.0	1,282.20	.0

test



## INCOME STATEMENT

FOR THE 12 PERIODS ENDED DECEMBER 31, 1999

	PERIOD TO DATE		YEAR TO DATE	
	ACTUAL	PERCENT	ACTUAL	PERCENT
GENERAL AND ADMINISTRATIVE				
	(Continued)			
ADVERTISING-LD	\$534.05	.0 %	14,782.86	.1
ADVERTISING-INTERNET	1,016.15	.1	21,053.63	.2
ADVERTISING-PREPAID CALLING CA	1,041.00	.1	4,164.00	.0
ADVERTISING-CA	.00	.0	4,760.30	.0
CONSULTING-LD	83.33	.0	114.58	.0
ACQUISTION EXPENSE	.00	.0	495.00	.0
DUES AND SUBSCRIPTIONS	.00	.0	840.34	.0
EQUIPMENT RENTAL	.00	.0	9,639.25	.1
EQUIPMENT EXPENSE	2,426.14	.2	24,280.07	.2
EQUIPMENT EXPENSE	1,196.00	.1	1,196.00	.0
SOFTWARE & EQUIPMENT SUPPORT	2,187.75	.1	27,574.50	.3
INTERNET SOFTWARE EXPENSE	.00	.0	5,029.58	.0
INSURANCE - GENERAL	2,178.47	.1	7,860.83	.1
INSURANCE - WORKER'S COMP.	1,561.89	.1	6,776.06	.1
LICENSES AND PERMITS-AZ	150.00	.0	1,754.33	.0
LICENSE AND PERMITS-CA	.00	.0	83.00	.0
OFFICE EXPENSE	8,286.10	.6	32,195.48	.3
OFFICE EXPENSE-CA	307.35	.0	2,003.87	.0
HUMAN RESOURCES EXPENSE	.00	.0	1,546.12	.0
HUMAN RESOURCES EXPENSE-CA	625.05	.0	819.29	.0
CORPORATE TAXES EXPENSE-CA	1,600.00	.1	1,600.00	.0
OFFICE SUPPLIES	244.77	.0	8,941.62	.1
COMPUTER EXPENSE	1,026.85	.1	5,903.45	.1
COMPUTER EXPENSE-CALIFORNIA	.00	.0	1,235.67	.0
SALES EXPENSE	.00	.0	20,000.00	.2
SALARIES-MANAGEMENT	3,833.34	.3	60,250.08	.6
COMMISSION EXP-LD	1,617.13	.1	39,496.00	.4
COMMISSION EXPENSE-INTERNET	1,862.69	.1	23,702.03	.2
COMMISSION EXP-PREPAID CARDS	16,689.58	1.1	62,920.66	.6
SALARIES-CALIFORNIA OFFICE	6,006.00	.4	55,475.38	.5
SALARIES-OFFICE	5,295.58	.4	53,119.09	.5
SALARIES-OFFICERS	4,000.00	.3	48,000.00	.5
SALARIES-TELECOM SUPPORT	16,352.79	1.1	179,064.35	1.8
SALARIES-TECHNICAL	18,630.77	1.2	181,904.39	1.8
SALARIES-PREPAID CALLING CARDS	10,544.81	.7	36,486.01	.4
SALARIES-SALES STAFF	11,902.61	.8	126,224.89	1.3
HEALTH INSURANCE	3,156.46	.2	39,985.15	.4
HEALTH INSURANCE-CA	323.00	.0	3,058.00	.0
OUTSIDE SERVICES	4,690.00	.3	20,877.77	.2
OUTSIDE SERVICES-CALIFORNIA	.00	.0	90.00	.0
INVOICE MAILING EXPENSE	1,162.06	.1	13,229.87	.1
PAYROLL TAXES (FICA,MEDICARE)	5,970.86	.4	60,486.05	.6
UNEMPLOY TAXES (FUTA,SUTA,ETT)	1,027.17	.1	6,246.22	.1
PENALTIES & INTEREST	.00	.0	264.99	.0
POSTAGE	1,606.90	.1	17,443.62	.2
DELIVERY EXPENSE	133.20	.0	2,739.86	.0
SHIPPING EXPENSE	534.87	.0	2,436.17	.0

test

NIR

## INCOME STATEMENT

FOR THE 12 PERIODS ENDED DECEMBER 31, 1999

	PERIOD TO DATE		YEAR TO DATE	
	ACTUAL	PERCENT	ACTUAL	PERCENT
GENERAL AND ADMINISTRATIVE (Continued)				
PRINTING	\$1,105.19	.1 %	2,177.32	.0
LEGAL	(2,364.46)	(.2)	13,746.95	.1
ACCOUNTING	.00	.0	1,150.00	.0
PAYROLL PROCESSING FEES	162.35	.0	2,097.60	.0
CREDIT INQUIRY EXPENSE	183.85	.0	2,300.77	.0
ACCOUNT DATA VERIFICATION EXP	30.25	.0	465.75	.0
PIC DISPUTE CHARGES EXPENSE	.00	.0	1,643.55	.0
RENT	7,958.93	.5	95,638.88	.9
RENT-CA	820.00	.1	9,840.00	.1
CONFERENCE FEES	(1,390.00)	(.1)	1,390.00	.0
PROPERTY TAXES	175.32	.0	2,874.58	.0
PROPERTY TAXES-CA	.00	.0	355.40	.0
MEALS AND ENTERTAINMENT	889.50	.1	3,766.90	.0
TRAINING EXPENSE	.00	.0	1,769.00	.0
TRAVEL	664.00	.0	13,750.16	.1
TRAVEL-CA	270.27	.0	430.58	.0
UTILITIES-CA	164.25	.0	2,396.72	.0
PREPAID CARD EXPENSE-MATERIALS	(136,265.20)	(9.1)	.00	.0
PREPAID CARD EXPENSE-LABOR	2,345.00	.2	8,710.00	.1
PREPAID CARD EXPENS-FUNDRAISER	6,303.22	.4	6,303.22	.1
<b>TOTAL GENERAL AND ADMINISTRATI</b>	<b>213,483.98</b>	<b>14.2</b>	<b>1,681,512.03</b>	<b>16.7</b>
<b>NET INCOME FROM OPERATIONS</b>	<b>(36,571.15)</b>	<b>(2.4)</b>	<b>181,477.87</b>	<b>1.8</b>
OTHER INCOME & EXPENSE				
INTEREST EXPENSE	(1,537.48)	(.1)	(10,491.19)	(.1)
INTEREST INCOME	254.07	.0	1,960.62	.0
INTEREST - LEASE USE TAX	(184.67)	.0	(2,202.18)	.0
DEPRECIATION-OFFICE	(3,019.06)	(.2)	(33,530.19)	(.3)
DEPRECIATION-LD	(6,942.51)	(.5)	(65,217.12)	(.6)
DEPRECIATION-INTERNET	(3,946.84)	(.3)	(43,944.85)	(.4)
DEPRECIATION-SWITCHING EQUIPME	(5,349.00)	(.4)	(5,349.00)	(.1)
FINANCE CHARGES	(6,563.68)	(.4)	(101,061.14)	(1.0)
MISCELLANEOUS INCOME	.00	.0	29.60	.0
OTHER INCOME	.00	.0	5,010.25	.0
<b>TOTAL OTHER INCOME &amp; EXPENSE</b>	<b>(27,289.17)</b>	<b>(1.8)</b>	<b>(254,795.20)</b>	<b>(2.5)</b>
<b>EARNINGS BEFORE INCOME TAX</b>	<b>(63,860.32)</b>	<b>(4.3)</b>	<b>(73,317.33)</b>	<b>(.7)</b>
<b>NET INCOME (LOSS)</b>	<b>\$(63,860.32)</b>	<b>(4.3)%</b>	<b>(73,317.33)</b>	<b>(.7)</b>

test

*Misty Rueda*  
*Rosa Johnson* CFO

EXPEDITED  
AZ CORP COMMISSION  
FILED

JUL 21 4 19 PM '95

APPR DATE APR 7-21-95  
TERM DATE \_\_\_\_\_ TIME \_\_\_\_\_

L-0753986-7

ARTICLES OF ORGANIZATION  
AND NOTICE FOR PUBLICATION  
OF  
DANCRIS TELECOM, L.L.C.

We, the undersigned, hereby associate ourselves together to form a limited liability company under the laws of the State of Arizona, and for such purpose adopt Articles of Organization as follows:

ARTICLE 1

Name. The name of the limited liability company is DANCRIS TELECOM, L.L.C.

ARTICLE 2

Address. The address of the registered office of this limited liability company is:

10105 East Via Linda, Suite 103-342  
Scottsdale, Arizona 85258

ARTICLE 3

Statutory Agent. The name and address of the Statutory Agent for the limited liability company is:

Jeffrey S. Kaufman, Esq.  
5725 North Scottsdale Road, Suite 190  
Scottsdale, Arizona 85250

ARTICLE 4

Duration. The latest date which the limited liability company will dissolve is December 31, 2050.

**ARTICLE 5**

**Management.** The management of this limited liability company shall be vested in one or more managers. The names and addresses of each manager at the time of formation of this limited liability company are:

Joseph M. Rao  
10105 East Via Linda  
Suite 103-342  
Scottsdale, AZ 85258

**ARTICLE 6**

**Members.** There are or will be two members or more members of this limited liability company at the time of its formation. At the time of organization, the names and addresses of the members of this limited liability company are:

<u>Name</u>	<u>Address</u>
Lawrence A. Cahill	2292 Hwy. 965 N.E. North Liberty, IA 53217
Donald J. Gass, Jr.	2175 North Alma School Road Suite 109 Chandler, AZ 85224
Charles J. Rao	31 Cobble Hill Road Loudonville, NY 12211

**ARTICLE 7**

**Transferability.** A member cannot assign or sell his or her interest in the organization unless all the remaining members consent to such assignment or sale, except as provided in the Operating Agreement executed by the members of this limited liability company.

**NOTICE**

(for publication)

ARTICLES OF ORGANIZATION HAVE BEEN FILED IN THE OFFICE OF THE ARIZONA CORPORATION COMMISSION FOR

I

Name: Dancris Telecom, L.L.C.

II

The address of the registered office is: \_\_\_\_\_

10105 East Via Linda, Suite 103-342, Scottsdale, AZ 85258

The name and address of the Statutory Agent is: \_\_\_\_\_

Jeffrey S. Kaufman, Esq., 5725 North Scottsdale Road, Suite 190,

Scottsdale, Arizona 85250

III

(Please check A or B.)

[A]  Management of the limited liability company is vested in a manager or managers. The names and addresses of each person who is a manager AND each member who owns a twenty percent or greater interest in the capital or profits of the limited liability company are:

[B] \_\_\_\_\_ Management of the limited liability company is reserved to the members. The names and addresses of each person who is a member are:

(Please check appropriate box)

Joseph M. Rao

10910 East Tierra Drive, Scottsdale, AZ 85259

member  manager

Lawrence A. Cahill

3330 Southgate Court, Cedar Rapids, IA 52406

member  manager

Charles J. Rao

31 Cobble Hill Road, Loudonville, NY 12211

member  manager

member  manager



TITLE PAGE  
FLORIDA TELECOMMUNICATIONS TARIFF  
OF  
**DanCris Telecom, L.L.C.**

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of resold telecommunication services provided by DanCris Telecom, L.L.C. ("DanCris") with principal offices located at 6900 East Camelback Road, Suite 1003, Scottsdale, Arizona 85251. This tariff applies to services furnished within the State of Florida. This tariff is on file with the Florida Public Service Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business.

---

ISSUED: July 26, 2000

EFFECTIVE:

ISSUED BY: Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fli0000

**CHECK SHEET**

This tariff contains sheets, as listed below, each of which is effective as of the date shown on each sheet. Original and revised sheets as named below comprise all changes from the original tariff.

<b>SHEET</b>	<b>REVISION</b>	<b>SHEET</b>	<b>REVISION</b>
1	Original *	22	Original *
2	Original *	23	Original *
3	Original *	24	Original *
4	Original *	25	Original *
5	Original *	26	Original *
6	Original *	27	Original *
7	Original *	28	Original *
8	Original *	29	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*		

\* Indicates new or revised sheet with this filing

ISSUED: July 26, 2000

EFFECTIVE:

ISSUED BY: Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fli0000

---

**TABLE OF CONTENTS**

Title Sheet ..... 1

Check Sheet ..... 2

Table of Contents ..... 3

Symbols ..... 4

Tariff Format ..... 5

Section 1.0 - Technical Terms and Abbreviations ..... 6

Section 2.0 - Rules and Regulations ..... 8

Section 3.0 - Description of Service ..... 17

Section 4.0 - Rates ..... 25

---

ISSUED: July 26, 2000

EFFECTIVE:

ISSUED BY: Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fli0000

**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 and to 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

When changes are made in any tariff sheet, a revised sheet will be issued canceling the tariff sheet affected. Changes will be identified on the revised sheet(s) through the use of the above mentioned symbols.

---

ISSUED: July 26, 2000

EFFECTIVE:

ISSUED BY: Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fli0000

---

**TARIFF FORMAT**

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

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

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

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

**D. Check Sheets** - When a tariff filing is made with the FPSC, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new 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 the check 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 on file with the FPSC.

---

ISSUED: July 26, 2000

EFFECTIVE:

ISSUED BY: Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fii0000

---

**SECTION 1.0 - TECHNICAL TERMS AND ABBREVIATIONS**
**1.1 Abbreviations**

The following abbreviations are used herein only for the purposes indicated below:

FCC	-	Federal Communications Commission
FPSC	-	Florida Public Service Commission
IXC	-	Interexchange Carrier
LEC	-	Local Exchange Carrier
DanCris	-	DanCris Telecom, L.L.C.

**1.2 Definitions**

**Access Line** - An arrangement which DanCris the Subscriber's or Customer's location to the Carrier's designated point of presence or network switching center.

**Account** - The Customer who has agreed, verbally or by signature, to honor the terms of service established by the Company. An account may have more than one access code billed to the same Customer address.

**Commission** - The Florida Public Service Commission.

**Company or Carrier** - DanCris Telecom, L.L.C. unless otherwise clearly indicated by the context.

**Customer** - Any person, firm, partnership, corporation, or other entity which uses telecommunications services under the provisions and regulations of this tariff and is responsible for payment of charges.

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

**Initial and Additional Period** - The Initial Period denotes the interval of time allowed at the rate specified for a DanCris between given service points. The Additional Period denotes the interval of time used for measuring and charging for time in excess of the Initial Period.

**LATA** - Local Access and Transport Area.

---

ISSUED: July 26, 2000

EFFECTIVE:

ISSUED BY: Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fli0000

**SECTION 1.0 - TECHNICAL TERMS AND ABBREVIATIONS, (Cont'd)**

**1.2 Definitions, (Cont'd)**

**LEC** - Local Exchange Company

**NECA** - National Exchange Carriers Association.

**Premises** - The physical space designated by the Customer for the termination of the Company's service.

**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.

**V & H Coordinates** - Geographic points which define the originating and terminating points of a call in mathematical terms so that the airline mileage of the call may be determined. Call mileage is used for the purposed of rating calls.

---

ISSUED: July 26, 2000

EFFECTIVE:

ISSUED BY: Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fi0000

---

**SECTION 2.0 - RULES AND REGULATIONS**

**2.1 Undertaking of DanCris**

DanCris' services and facilities are furnished for communications originating at specified points within the state of Florida under terms of this tariff. DanCris installs, operates, and maintains the communications services provided hereinunder in accordance with the terms and conditions set forth under this tariff.

**2.2 Applicability of Tariff**

This tariff is applicable to telecommunications services provided by DanCris within the state of Florida.

**2.3 Limitations of Service**

**2.3.1** Service will be furnished subject to the availability of the necessary facilities and/or equipment and subject to the provisions of this tariff.

**2.3.2** DanCris reserves the right to discontinue furnishing service 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 law.

**2.3.3** 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.

**2.3.4** DanCris reserves the right to discontinue the offering of service if a change in regulation materially and negatively impacts the financial viability of the service in the best business judgment of the Company.

---

ISSUED: July 26, 2000

EFFECTIVE:

ISSUED BY: Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fli0000



---

**SECTION 2.0 - RULES AND REGULATIONS, (Cont'd)****2.4 Liability**

- 2.4.1** The liability of the Company for any claim or loss, expense or damage (including indirect, special, or consequential damage) for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff shall not exceed an amount equivalent to the proportionate charges to the Customer for the period of service or the facility provided during which such interruption, delay, error, omission, or defect occurs.
- 2.4.2** The Company shall not be liable for any claim or loss, expense, or damage (including indirect, special, or consequential damage), for any interruption, delay, error, omission, or other defect in any service facility, or transmission provided under this tariff, if caused by any person or entity other than the Company, by any malfunction of any service or facility provided by any other carrier, by any act of God, fire, war, civil disturbance, or act of government, or by any other cause beyond the Company's direct control.
- 2.4.3** The Company shall not be liable for, and shall be fully indemnified and held harmless by Customer and Subscriber against any claim or loss, expense, or damage, (i) for defamation, invasion of privacy, infringement of copyright or patent, unauthorized use of any trademark, trade name, or service mark, unfair competition, interference with or misappropriation or violation of any contract, proprietary or creative right, or any other injury to any person, property, or entity arising from the material data, information, or content revealed to, transmitted, processed, handled, or used by Company under this tariff, or (ii) for connecting, combining, or adapting Company's facilities with Customer's or Subscriber's apparatus or systems, or (iii) for any act or omission of the Customer or Subscriber, or (iv) for any personal injury or death of any person, or for any loss of or damage to Subscriber's or Customer's premises or any other property, whether owned by Customer, Subscriber or others, caused directly or indirectly by the installation, maintenance, location, condition, operation, failure or removal of equipment or wiring provided by the Company if not directly caused by negligence of the Company.

---

ISSUED: July 26, 2000

EFFECTIVE:

ISSUED BY: Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fii0000

---

**SECTION 2.0 - RULES AND REGULATIONS, (Cont'd)****2.5 Payment and Credit Regulations****2.5.1 Payment Arrangements**

The Customer is responsible for payment of all charges for services and equipment furnished to the Customer for transmission of calls via the Company. The Customer agrees to pay to the Company or its authorized agent any cost(s) incurred as a result of any delegation of authority resulting in the use of his or her communications equipment and/or network services which result in the placement of calls via the Company. The Customer agrees to pay the Company or its authorized agent any and all cost(s) incurred as a result of the use of the service arrangement, including calls which the Customer did not individually authorize.

All charges due by the Customer are payable to the Company or any agency duly authorized to receive such payments. Terms of payment shall be according to the rules and regulations of the agency and subject to the rules of regulatory agencies, such as the Florida PSC. Any objections to billed charges must be promptly reported to the Company or its billing agent. Adjustments to Customers' bills shall be made to the extent that circumstances exist which reasonably indicate that such changes are appropriate.

Charges for installations, service connections, moves, and rearrangements, where applicable, are payable upon demand by the Company or its authorized agent. The billing thereafter will include recurring charges and actual usage as defined in this tariff.

**2.5.2 Deposits**

The Company does not collect deposits from its Customers.

---

**ISSUED:** July 26, 2000**EFFECTIVE:**

**ISSUED BY:** Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fii0000

---

**SECTION 2.0 - RULES AND REGULATIONS, (Cont'd)****2.5 Payment and Credit Regulations, (Cont'd)****2.5.3 Advance Payments**

For Customers whom the Company determines 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 will be applied against the next month's charges and a new advance payment may be collected for the next month.

**2.5.4 Taxes**

Company reserves the right to bill any and all applicable taxes in addition to normal long distance usage charges, including, but not limited to: Federal Excise Tax, State Sales Tax, Municipal Taxes, and Gross Receipts Tax. Unless otherwise specified in this tariff, such taxes will be itemized separately on Customer invoices.

**2.5.5 Returned Checks**

Customers will be charged \$20.00 on all checks issued to the Company which are returned due to insufficient funds. At the discretion of the Company, the insufficient funds check charge may be waived under appropriate circumstances (e.g. a bank error).

**2.5.6 Late Payment Charge**

A late fee of 1.5% per month will be charged on any past due balance.

---

**ISSUED:** July 26, 2000**EFFECTIVE:**

**ISSUED BY:** Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fi0000

---

**SECTION 2.0 - RULES AND REGULATIONS, (Cont'd)****2.6 Refunds or Credits for Service Outages or Deficiencies****2.6.1 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 or her control or is not in wiring or equipment, if any, furnished by the Customer and connected to Carrier's terminal.

Credit allowances for interruptions of service caused by service outages or deficiencies are limited to the initial minimum period call charges for re-establishing the interrupted call.

**2.6.2 Inspection, Testing and Adjustment**

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

**2.7 Cancellation by Customer**

Customers may cancel service verbally or in writing at any time. The Company shall hold the Customer responsible for payment of all charges, including fixed fees, surcharges, etc., which accrue up to the cancellation date. Charges may be avoided by dialing another carrier's access code. In the event the Customer executes a term commitment agreement with the Company, the Customer must cancel service and terminate the agreement in accordance with the agreement terms.

---

**ISSUED:** July 26, 2000**EFFECTIVE:**

**ISSUED BY:** Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fli0000

---

**SECTION 2.0 - RULES AND REGULATIONS, (Cont'd)**

**2.8 Refusal or Discontinuance by Company**

DanCris may refuse or discontinue service under the following conditions provided that, unless otherwise stated, the Customer shall be given fifteen (15) days notice to comply with any rule or remedy any deficiency:

- 2.8.1** For non-compliance with or violation of any State, municipal, or Federal law, ordinance or regulation pertaining to telephone service.
- 2.8.2** For use of telephone service for any purpose other than that described in the application.
- 2.8.3** For neglect or refusal to provide reasonable access to DanCris or its agents for the purpose of inspection and maintenance of equipment owned by DanCris or its agents.
- 2.8.4** For noncompliance with or violation of Commission regulation or DanCris' rules and regulations on file with the Commission, provided five (5) working days' written notice is given before termination.
- 2.8.5** For nonpayment of bills, provided that suspension or termination of service shall not be made without five (5) days written notice to the Customer, except in extreme cases. Such notice will be provided in a mailing separate from the Customer's regular monthly bill for service.
- 2.8.6** Without notice in the event of Customer or Authorized User use of equipment in such a manner as to adversely affect DanCris' equipment or service to others.

---

ISSUED: July 26, 2000

EFFECTIVE:

ISSUED BY: Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fli0000

---

**SECTION 2.0 - RULES AND REGULATIONS, (Cont'd)**

**2.8 Refusal or Discontinuance by Company (Cont'd)**

**2.8.7** Without notice in the event of tampering with the equipment or services owned by DanCris or its agents.

**2.8.8** Without notice in the event of unauthorized or fraudulent use of service. Whenever service is discontinued for fraudulent use of service, DanCris may, before restoring service, require the Customer to make, at his or her own expense, all changes in facilities or equipment necessary to eliminate illegal use and to pay an amount reasonably estimated as the loss in revenues resulting from such fraudulent use.

**2.8.9** Without notice by reason of any order or decision of a court or other government authority having jurisdiction which prohibits Company from furnishing such services.

**2.9 Use of Service**

Service may be used for any lawful purpose for which it is technically suited. Customers reselling DanCris' Florida intrastate service must have a Certificate of Public Convenience and Necessity as an interexchange carrier from the Florida Public Service Commission.

**2.10 Applicable Law**

This tariff shall be subject to and construed in accordance with Florida law.

---

ISSUED: July 26, 2000

EFFECTIVE:

ISSUED BY: Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fli0000

---

**SECTION 2.0 - RULES AND REGULATIONS, (Cont'd)****2.11 Tests, Pilots, Promotional Campaigns and Contests**

The Company may conduct special tests or pilot programs and promotions at its discretion to demonstrate the ease of use, quality of service and to promote the sale of its services. The Company may also waive a portion or all processing fees or installation fees for winner of contests and other occasional promotional events sponsored or endorsed by the Company. From time to time the Company may waive all processing fees for a Customer.

These promotions will be approved by the FPSC with specific starting and ending dates with promotions running under no circumstances longer than 90 days in any twelve month period.

**2.12 Other Rules**

The Company may temporarily suspend service without notice to the Customer, by blocking traffic to certain cities or NXX exchanges, or by blocking calls using certain Personal Identification Numbers when the Company deems it necessary to take such action to prevent unlawful use of its service. The Company will restore service as soon as service can be provided without undue risk.

---

**ISSUED:** July 26, 2000**EFFECTIVE:**

**ISSUED BY:** Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fli0000

---

**SECTION 2.0 - RULES AND REGULATIONS, (Cont'd)****2.13 Individual Case Basis (ICB) Arrangements****2.13.1 General Description**

Arrangements will be developed on a case-by-case basis in response to a bona fide request from a Customer or prospective Customer. The facilities utilized to provide these services are of a type normally used by the Telephone Company in furnishing its other services and shall be comparable with other Telephone Company services, and its engineering and maintenance practices. The requested service or arrangement is subject to the availability of the necessary Telephone Company personnel and capital resources.

**2.13.2 Rate Regulations**

Rates quoted in response to requests may be different than those specified for such services in this tariff. The customer has one-hundred and eighty (180) days after receiving the ICB rates to order the service requested at the quoted rates. The ICB rates will be made a part of this tariff.

---

**ISSUED:** July 26, 2000**EFFECTIVE:**

**ISSUED BY:** Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fli0000



**SECTION 3.0 - DESCRIPTION OF SERVICE**

**3.1 General**

- 3.1.1** The Company provides telecommunications services between locations within the State of Florida as specified herein. The Company's service charges may be based upon call duration, time of day rate period, mileage, and/or call type.
- 3.1.2** Presubscribed service is offered from locations served with equal access end offices.
- 3.1.3** The Company's service is available twenty-four hours per day, seven days a week.

---

ISSUED: July 26, 2000

EFFECTIVE:

ISSUED BY: Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fi0000

---

**SECTION 3.0 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)****3.2 Calculation of Distance**

Usage charges for any mileage sensitive services 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 applicable 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:

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

---

ISSUED: July 26, 2000

EFFECTIVE:

ISSUED BY: Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fli0000

---

**SECTION 3.0 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)**

**3.3 Timing of Calls**

Billing for calls placed over the network is based in part on the duration of the call.

**3.3.1** Timing for all calls begins when the called party answers the call (i.e. when two way communications are established.) Answer detection is based on standard industry answer detection methods, including hardware and software answer detection.

**3.3.2** Chargeable time for all calls ends when one of the parties disconnects from the call. If the called party hangs up but the calling party does not, chargeable time ends when the network connection is released by automatic timing equipment (or, in some instances, when the calling party initiates another call without hanging up).

**3.3.3** Minimum call duration for billing purposes is thirty (30) seconds unless otherwise specified in the individual rate schedules of this tariff. Any partial thirty second increment is rounded up to a full increment.

**3.3.4** Calls are measured and billed in six (6) second increments unless otherwise specified in the individual rate schedules of this tariff. Any partial six second increment is rounded up to a full increment.

**3.3.5** DanCris will not knowingly bill for incomplete calls.

**3.4 Time-Of-Day Rate Periods**

None of DanCris' offerings are presently time-of-day sensitive.

---

ISSUED: July 26, 2000

EFFECTIVE:

ISSUED BY: Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fli0000

---

**SECTION 3.0 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)****3.5 Switched Outbound Service**

Switched Outbound Service permits outward calling utilizing FGD switched access. Calls are billed in six (6) second increments following a minimum billing period of thirty (30) seconds. Applicable rates are determined by the monthly billing commitment selected by the Customer. Intrastate service is offered in conjunction with Interstate and International service. The minimum billing thresholds are based upon total monthly usage billing in all jurisdictions.

**3.6 Switched Inbound Toll-Free (8XX) Service**

Switched Inbound Toll-Free Service is an 8XX number service available for Customer use twenty-four (24) hours a day, seven (7) days a week. Service is terminated over standard Customer-provided switched access lines. Calls are billed in six (6) second increments following a minimum billing period of thirty (30) seconds. Applicable rates are determined by the monthly billing commitment selected by the Customer. Intrastate service is offered in conjunction with Interstate and International service. The minimum billing thresholds are based upon total monthly usage billing in all jurisdictions. (See Section 4.2 regarding the Public Telephone Surcharge.)

**3.6.1 Reservation of Toll-Free Numbers**

The Company will make every effort to reserve toll-free vanity numbers on behalf of Customers, but makes no guarantee or warranty that the requested toll-free number(s) will be available or assigned to the Customer requesting the number.

**3.6.2 Toll-Free Number Portability**

If a Customer accumulates undisputed delinquent charges, the Company reserves the right not to honor that Customer's request for a change in service, including a request for Resp. Org. change, until such charges are paid in full. The Customer does not retain rights in toll-free numbers which are shared with other Customers of the Company. Shared toll-free numbers are not portable.

---

**ISSUED:** July 26, 2000**EFFECTIVE:**

**ISSUED BY:** Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fi0000

---

**SECTION 3.0 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)****3.7 Travel Card Service**

Travel Card Service is available in conjunction with other DanCris services, or as a stand-alone offering. The service is typically used for originating telephone calls while away from home or office. Service is accessed by dialing the Company-designated toll-free access number, a valid authorization code, and the destination number. Calls are billed in sixty (60) second increments following a minimum billing period of sixty (60) seconds. Intrastate service is offered in conjunction with Interstate and International service. (See Section 3.10 regarding the Public Telephone Surcharge.)

Enhanced calling features are available with Travel Card Service. These services may involve additional charges.

---

**ISSUED:** July 26, 2000**EFFECTIVE:**

**ISSUED BY:** Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fi0000

---

**SECTION 3.0 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)****3.8 Pre-Paid Calling Card**

DanCris' Pre-Paid Card plans allow customers to pay a fixed dollar amount in advance for long distance calling. Customers must dial an access code from a touch tone phone to use the service. Cards are rated in dollars per minute. Fractional call minutes are rounded up to the nearest full minute. As calls are placed, charges for the call are deducted on a real-time basis until the full amount of the card is exhausted. Calls are limited to direct dial calls. Air to ground services, as well as calls to 500, 700, or 900 numbers are blocked. (See Section 4.2 regarding the Public Telephone Surcharge.)

Cards are available in replenishable and non-replenishable varieties. Replenishable cards expire 180 days from last use. Non-replenishable cards expire one (1) year from the date of purchase, or 180 days from last use. The fee for replenishment is \$1.00 per occasion per account.

The DanCris Pre-Paid Calling Card plans are available for use twenty-four hours a day, seven days a week. Long distance taxes are included in the purchase price of the card.

A Pre-Paid Calling Card account is established upon receipt of payment by the Company. The Company reserves the right to determine acceptable types of payment.

Enhanced calling features, such as Voice Mail, Fax Store and Forward, Fax Broadcast, Conference Calling and Voice Recognition may be available with DanCris' Pre-Paid calling card services. These services may involve additional charges.

Three card types are available: Standard, Sponsor, and Collectible.

---

ISSUED: July 26, 2000

EFFECTIVE:

ISSUED BY: Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fli0000

---

**SECTION 3.0 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)****3.8 Pre-Paid Calling Card, (cont'd.)****3.8.1 Standard Cards**

Standard cards are sold directly by DanCris for Customer use.

**3.8.2 Sponsor Cards**

The Pre-Paid Calling Card Sponsor Program is offered to organizations or commercial entities for distribution to their members, patrons or customers. The marketing vehicle and expiration period is selected by the Sponsor upon joint agreement between the Company and the Sponsor. The Sponsor is responsible for obtaining all necessary permissions for the use of any trade mark, trade name, service mark or other image on the card. The Sponsor may distribute the Carrier's debit card accounts at reduced rates or free of charge to end users. At the option of the Sponsor, these cards may not be replenishable. The Company 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.

**3.8.3 Collectible Cards**

The Company may provide Pre-Paid Calling Card service where the card itself has a value (for example, the picture or logo of a licensed property on the face of the card or because of the materials used in the manufacture of the card) that is distinct from the value of the telecommunications service. The available usage balance will be depleted in accordance with the rates listed below. The retail price will include both the telecommunications value and the card value. Collectible cards may be offered directly by DanCris, or in connection with its Sponsor Program.

The Pre-Paid Collectible Card Sponsor Program is offered to organizations or commercial entities for distribution to their members, patrons or customers. The marketing vehicle and expiration period is selected by the Sponsor upon joint agreement between the Company and the Sponsor. The Sponsor is responsible for obtaining all necessary permissions for the use of any trade mark, trade name, service mark or other image on the card. The Sponsor may distribute the Carrier's debit card accounts at reduced rates or free of charge to end users. At the option of the Sponsor, these cards may not be replenishable. The Company 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.

---

ISSUED: July 26, 2000

EFFECTIVE:

ISSUED BY: Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fli0000

---

**SECTION 3.0 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)****3.9 Directory Assistance**

A Directory Assistance charge applies per intrastate directory assistance call. The customer may make two (2) requests for a telephone number per call. The Directory Assistance charge applies regardless of whether the operator is able to supply the requested number.

**3.10 Public Telephone Surcharge**

In order to recover the Company's expenses to comply with the FCC's pay telephone compensation plan effective on October 7, 1997 (FCC 97-371), an undiscountable per call charge is applicable to all interstate, intrastate, and international calls that originate from any domestic pay telephone used to access DanCris services. This surcharge, which is in addition to standard tariffed usage charges and any applicable service charges and surcharges associated with DanCris service, applies for the use of the instrument used to access DanCris service and is unrelated to the DanCris service accessed from the pay telephone.

Pay telephones include coin-operated and coinless phones owned by local telephone companies, independent companies and other interexchange carriers. The Public Pay Telephone Surcharge applies to the initial completed call and any reoriginated call (e.g., using the "#" symbol). The Public Pay Telephone Surcharge does not apply to calls placed from pay telephones at which the Customer pays for service by inserting coins during the progress of the call.

Whenever possible, the Public Pay Telephone Surcharge will appear on the same invoice containing the usage charges for the surcharged call. In cases where proper pay telephone coding digits are not transmitted to the Company prior to completion of a call, the Public Pay Telephone Surcharge may be billed on a subsequent invoice after the Company has obtained information from a carrier that the originating station is an eligible pay telephone.

---

**ISSUED:** July 26, 2000**EFFECTIVE:**

**ISSUED BY:** Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fli0000



**SECTION 4.0 - RATES**

**4.1 General**

Each Customer is charged individually for each call placed through the Company. Charges may vary by service offering and/or call duration.

DanCris services are not time-of-day sensitive. The company does not provide for holiday discounts.

---

ISSUED: July 26, 2000

EFFECTIVE:

ISSUED BY: Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fli0000

---

**SECTION 4.0 - RATES, (Cont'd)****4.2 Exemptions and Special Rates****4.2.1 Discounts for Hearing 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 intrastate toll calls placed between TDDs. Discounts do not apply to surcharges 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 calls placed 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.

**4.2.2 Emergency Call Exemptions**

The following calls are exempted from all charges: Emergency calls to recognizable authorized civil agencies including police, fire, ambulance, bomb squad and poison control. DanCris will only handle these calls if the caller dials all of the digits to route and bill the call. Credit will be given for any billed charges pursuant to this exemption on a subsequent bill after verified notification by the billed Customer within thirty (30) days of billing.

---

**ISSUED:** July 26, 2000**EFFECTIVE:**

**ISSUED BY:** Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fii0000

**SECTION 4.0 - RATES, (Cont'd)**

**4.2 Exemptions and Special Rates, (Cont'd)**

**4.2.3 Operator Assistance for Handicapped Persons**

Operator station surcharges will be waived for operator assistance to a caller who identifies him or herself as being handicapped and unable to dial the call because of the handicap.

**4.2.4 Directory Assistance for Handicapped Persons**

Pursuant to FPSC rules and regulations, the Company will not charge for the first 50 phone calls made to directory assistance by handicapped Customers.

**4.3 Switched Outbound Service**

**Usage Rate Options:**

<u>Rate per</u> <u>Minute</u>	<u>Monthly Billing</u> <u>Requirement</u>
\$0.0490	\$1000.00
\$0.0590	\$ 500.00
\$0.0690	\$ 50.00
\$0.0790	\$ 40.00
\$0.0890	\$ 30.00
\$0.0990	\$ 20.00
\$0.1090	\$ 10.00
\$0.1190	\$ 5.00
\$0.1290	\$ 0.00

ISSUED: July 26, 2000

EFFECTIVE:

ISSUED BY: Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fli0000

**SECTION 4.0 - RATES, (Cont'd)**

**4.4 Switched Inbound Toll-Free (8XX) Service**

**Usage Rate Options**

<u>Rate per Minute</u>	<u>Monthly Billing Requirement</u>
\$0.0590	\$100.00
\$0.0690	\$ 50.00
\$0.0790	\$ 40.00
\$0.0890	\$ 30.00
\$0.0990	\$ 20.00
\$0.1090	\$ 10.00
\$0.1190	\$ 5.00
\$0.1290	\$ 0.00

**4.5 Travel Card Service**

Rate Per Minute: \$ 0.1900

**4.6 Pre-Paid Calling Card**

**4.6.1 Standard Cards**

Standard cards are sold directly by DanCris for Customer use.

Pre-Paid Card Plan	Maximum Rate Per Minute	Rate Per Call (applies in addition to per minute rates)
DanCris Pre-Paid Card	\$0.3125	\$0.0000
Flag Card	\$0.1500	\$1.0000
Banana Card	\$0.2249	\$0.1788

ISSUED: July 26, 2000

EFFECTIVE:

ISSUED BY: Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fli0000

---

**SECTION 4.0 - RATES, (Cont'd)**

**4.6 Pre-Paid Calling Card**

**4.6.2 Sponsor Cards**

Card Denomination	Maximum Rate Per Minute
All	\$0.50

**4.6.3 Collectible Cards**

Card Denomination	Maximum Rate Per Minute
All	\$0.63

**4.7 Directory Assistance**

Rate Per Call to Directory Assistance: \$1.00

**4.8 Public Telephone Surcharge**

Rate per Call: \$0.30

---

ISSUED: July 26, 2000

EFFECTIVE:

ISSUED BY: Mickey Rao, Chief Executive Officer  
6900 East Camelback Road, Suite 1003  
Scottsdale, Arizona 85251

fii0000