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# THE REGNUM GROUP, INC.

**Regulatory & Communications Consultants**

8181 NW 36<sup>th</sup> Street, Suite 4, Miami, Florida 33166

Tel: (305) 468-1645 Fax: (305) 468-8509

[reg@regnumgroup.com](mailto:reg@regnumgroup.com)

RECEIVED FPSC  
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COMMISSION  
CLERK

Friday, December 06, 2002

**VIA OVERNIGHT DELIVERY**

Florida Public Service Commission  
Tariff Section  
2540 Shumard Oak Blvd.  
Gunter Bldg.  
Tallahassee, Florida 32399  
(850) 413-6000

Re: Universal Phone Corporation

021221 - TI

Dear Sir or Madam:

Enclosed please find one original and six (6) copies of Universal Phone Corporation's Application for Authority to Provide Interexchange Telecommunications Service Within the State of Florida, along with an original and six (6) copies of Universal Phone Corporation's proposed tariff. I also have enclosed a check in the amount of \$250.00 payable to the Florida Public Service Commission to cover the cost of filing these documents.

Please return a stamped copy of the extra copy of this letter in the enclosed preaddressed prepaid envelope.

If you have any questions regarding the application or the tariff, please do not hesitate to call me. Thank you for your attention to this matter.

Regards,

Matthew Schulman  
Regnum Group, Inc

Check received with filing and forwarded to Fiscal for deposit. Please to forward deposit information to Records.

Initials of person who forwarded check

RECEIVED & FILED

*RJM*  
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

13412 DEC-9 8

FPSC COMMISSION CLERK

FLORIDA PUBLIC SERVICE COMMISSION

021221-TI

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  (check one)
  - Original certificate (new company).**
  - Approval of transfer of existing certificate:**  
Example, a certificated company purchases an existing certificated company and desires to retain the authority of both certificates.
  - Approval of assignment 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: Universal Phone Corporation

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

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

Address: 1080 NW 163rd Drive PO Box n/a  
 City: Miami State: Florida Zip: 33169

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

Address: 1080 NW 163rd Drive PO Box n/a  
 City: Miami State: Florida Zip: 33169

Select type of business your company will be conducting ~ (Check all that apply)

- Facilities-based carrier** - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.
- Operator Service Provider** - company provides or plans to provide alternative operator services for IXCs; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.
- Reseller** - company has or plans to have one or more switches but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.
- Switchless Rebiller** - company has no switch or transmission facilities but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carrier. Rebills end users at a rate above its discount but generally below the rate end users would pay for unaggregated traffic.
- Multi-Location Discount Aggregator** - company contracts with unaffiliated entities to obtain bulk/volume discounts under multi-location discount plans from certain underlying carriers, then offers resold service by enrolling unaffiliated customers.
- 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,

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

8. **If individual**, provide:

n/a

Name: n/a  
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 number:  
P93000077535
10. **If foreign corporation.** Provide proof of authority to operate in Florida:
- (a) The Florida Secretary of State Corporate Registration number:  
n/a
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 number:  
n/a
12. **If a limited liability partnership,** provide proof of registration to operate in Florida:
- (a) The Florida Secretary of State registration number: n/a
13. **If a partnership,** provide name, title and address of all partners and a copy of the partnership agreement.

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

15. Provide F.E.I Number (if applicable): 65-0473849

16. Provide the following (if applicable):

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

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

Fax No. \_\_\_\_\_

Name: n/a

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

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

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

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

(C) How is this information provided?  
CABS format: location, minute, hour, date

17. Who will receive the bills for your service?
- |   |   |
|---|---|
| <input 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 and motel guests         |
| <input type="checkbox"/> Universities   | <input type="checkbox"/> University dormitory residents |
| <input checked="" type="checkbox"/> Other: (specify) <u>Telecommunication Carrier Companies</u> |   |
18. Who will serve as liaison to the Commission with regard to the following?

(a) The application:

Name: Edward A. Maldonado

Title: Regulatory Advisor - Consultant

Address: 8181 NW 36TH Street, Suite #4

City/State/Zip: Miami, Florida 33166

Telephone No.: 305-468-1645

Fax No.: 305-468-8509

Internet E-Mail Address: reg@regnumgroup.com

Internet Website Address: under construction

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

Name: Ana I. Upegui

Title: President

Address: 1080 NW 163rd Drive

City/State/Zip: Miami, Florida 33169

Telephone No.: 305-620-1932

Fax No.: 305-620-1998

Internet E-Mail Address: uphones@bellsouth.net

Internet Website Address:

(c) Complaints/inquiries from customers'

Name: Fabio Upegui

Title: General Manager

Address: 1080 NW 163rd Drive

City/State/Zip: Miami, Florida 33169

Telephone No.: 305-620-1932

Fax No.: 305-620-1998

Internet E-Mail Address: uphones@bellsouth.net

Internet Website Address:

19. List the states in which the applicant:

(a) Has operated as an interexchange telecommunications company.

n/a

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

Florida

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

n/a

(d) has been denied authority to operate as an interexchange telecommunications company and the circumstances involved.

No

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

CATS449810-T Filed Closed

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

No

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 provider**

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 Services**

j. \_\_\_\_\_ Method of access is 850

\_\_\_\_\_ Method of access is 800

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

**I. 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 ACKNOWLEDGEMENT STATEMENT"

1. REGULATORY ASSESSMENT FEE: I understand that all telephone companies must pay a regulatory assessment fee in the amount of 0.0015 of one percent gross operating revenue derived from intrastate business. Regardless of its gross operating revenue of a company, minimum annual \$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 *Ann O'Keefe* Date: December 6, 2002  
Title President  
Address: 1080 NW 163rd Drive Miami, FL 33169  
Telephone No. 305-620-1932 Fax No. 305-620-1998

**ATTACHMENTS:**

- A - CERTIFICATE- SALE, TRANSFER, OR ASSIGNMENT STATEMENT**
- B - CUSTOMER DEPOSITS AND ADVANCE PAYMENTS**
- C - CURRENT FLORIDA INTRASTATE NETWORK**
- D - AFFIDAVIT - FLORIDA TELEPHONE EXCHANGES AND EAS ROUTES GLOSSARY**

FORM PSC/CMU 31(12/96)  
Required by Commission Rule Nos. 25.24-470,  
25-24.471, and 25-24.473,25-24.480(2). Page 12 of 16

## CERTIFICATE TRANSFER OR ASSESSMENT STATEMENT

1. Name:

Title:

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.

### UTILITY OFFICIAL:

Signature \_\_\_\_\_ Date \_\_\_\_\_

Title \_\_\_\_\_

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

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

**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 i check one):

- The applicant will not collect deposits nor will it collect payments for service more than one month in advance.
  
- 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 *Alle Spaggiari* Date December 6, 2002

Title President

Address: 1080 NW 163rd Drive , Miami , Florida 33169

Telephone No. 305-620-1932 Fax No. 305-620-1998

CURRENT FLORIDA INTRASTATE SERVICES \*\* APPENDIX C \*\*

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

If the answer is yes – fully describe the following:

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

n/a  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

n/a  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

UTILITY OFFICIAL:

Signature *Allen Oregueri* Date December 6, 2002

Title President

Address: 1080 NW 163rd Drive , Miami , Florida 33169

Telephone No. 305-620-1932 Fax No. 305-620-1998

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 *Allen O'Keefe* Date December 6, 2002

Title President

Address: 1080 NW 163rd Drive , Miami , Florida 33169

Telephone No. 305-620-1932

Fax No. 305-620-1998



Universal Phone Corporation  
1080 NW 163<sup>RD</sup> Drive  
Miami, FL 33169  
305-620-1932 Fax 305-620-1998

December 5, 2002

Florida Public Service Commission  
Division of Communications  
Bureau of Service Evaluation  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

Dear Sir or Madam:

I have sufficient financial capability to provide, maintain and to meet Universal Phone Corporation's lease and ownership obligations.

My experience in telecommunications is extensive I have over twelve (12) years experience in the telecom field. Universal Phone Corporation is a full service telecom company; the company is developing a wide range of marketing and distribution channels in order to expand its customer base. We are projecting 2002 gross sales of over six million (\$6,000,000.00) dollars.

Universal Phone Corporation will market its products by using networks of independent agents and distributors. We will also market through our own direct sales force to have the greatest impact on the market.

We are confident that we will succeed in this venture. I have never failed to fulfill my commitments and will assume financial responsibility for Universal Phone Corporation.

Sincerely,

Ana I. Upegui  
President

EXHIBIT 23 A  
(1), (2), & (3)

I affirm that the following written statement of Financial Capability is true and accurate to the best of my knowledge.

Signature: *Alil C. Poggioli* Date: 12/6/2002  
Title: President  
Address: 1080 NW 163<sup>rd</sup> Drive, Miami, Florida 33169  
Telephone: 305-620-1932 Fax No: 305-620-1998

EXHIBIT 23 A

I affirm that these financials statements are true and accurate and include:

1. Universal Phones Balance Sheets...*exhibit 23 A 1*
2. Universal Phones financial statement...*exhibit 23 A 2*
3. Universal Phones statement of retained...*exhibit 23A 3*

Signature: *Allen O'Connell* Date: 12/6/2002  
Title: President  
Address: 1080 NW 163<sup>rd</sup> Drive, Miami, Florida 33169  
Telephone: 305-620-1932 Fax No: 305-620-1998

Signature: *Allen O'Connell* Date: 12/6/2002  
Title: Chief Financial Officer  
Address: 1080 NW 163<sup>rd</sup> Drive, Miami, Florida 33169  
Telephone: 305-620-1932 Fax No: 305-620-1998

**TITLE SHEET**

**FLORIDA TELECOMMUNICATIONS TARIFF**

This tariff contains the description, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services provided by Universal Phone Corporation with principal offices at 1080 NW 163<sup>rd</sup> Drive, Miami, Florida 33169. This tariff applies for services furnished within the State of Florida. This tariff is on file with the Florida Public Service Commission, and copies may be inspected during normal business hours at the Company's principal place of business.

ISSUED December 5, 2002

EFFECTIVE: \_\_\_\_\_

By:

Ana I. Upegui, President  
1080 NW 163<sup>RD</sup> Drive  
Miami, FL 33169

**CHECK SHEET**

The sheets listed below, which are inclusive of this tariff, are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date of the bottom of this page.

| <b><u>SHEET</u></b> | <b><u>REVISION</u></b> |
|---------------------|------------------------|
| 1                   | Original               |
| 2                   | Original               |
| 3                   | Original               |
| 4                   | Original               |
| 5                   | Original               |
| 6                   | Original               |
| 7                   | Original               |
| 8                   | Original               |
| 9                   | Original               |
| 10                  | Original               |
| 11                  | Original               |
| 12                  | Original               |
| 13                  | Original               |
| 14                  | Original               |
| 15                  | Original               |
| 16                  | Original               |
| 17                  | Original               |
| 18                  | Original               |
| 19                  | Original               |

ISSUED December 5, 2002

EFFECTIVE: \_\_\_\_\_

By:

Ana I. Upegui, President  
1080 NW 163<sup>RD</sup> Drive  
Miami, FL 33169

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ISSUED December 5, 2002

EFFECTIVE: \_\_\_\_\_

By:

Ana I. Upegui, President  
1080 NW 163<sup>RD</sup> Drive  
Miami, FL 33169

**SYMBOLS SHEET**

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

- D - Delete or Discontinue
- I - Change Resulting In An Increase to a Customer's Bill
- M - Moved From Another Tariff Location
- N - New
- R - Change Resulting In A Reduction To A Customer's Bill
- T - Change in Text Or Regulation But No Change In A Rate Or Charge

ISSUED December 5, 2002

EFFECTIVE: \_\_\_\_\_

By:

Ana I. Upegui, President  
1080 NW 163<sup>RD</sup> Drive  
Miami, FL 33169

**TARIFF FORMAT SHEETS**

- A. Sheet Numbering - Sheet numbers appear in the upper right corner of the page. 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 page. 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 3<sup>rd</sup> revised sheet 14. Because of various suspension periods, deferrals, Etc., the FPSC follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff page in effect. Consult the Check Sheet for the sheet currently in effect.
- C. Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2.
  - 2.1.
  - 2.1.1.
  - 2.1.1.A.
  - 2.1.1.A.1
  - 2.1.1.A.1.(a).
  - 2.1.1.A.1.(a) I.
  - 2.1.1.A.1 (a) I. ( i ).
  - 2.1.1.A.1 (a) I. ( i ). ( 1 ).
- D. Check Sheets - When a tariff filing is made with the FPSC, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (\*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the FPSC.

ISSUED December 5, 2002

EFFECTIVE: \_\_\_\_\_

By:

Ana I. Upegui, President  
1080 NW 163<sup>RD</sup> Drive  
Miami, FL 33169

**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS**

**Access Line** - An arrangement, which connects the customer's location to the Company's network switching center.

**Authorization Code** - A numerical code, one or more of which are available to a customer to enable him/her to access the carrier, and which are used by the carrier both to prevent unauthorized access to its facilities and to identify the customer for billing purposes.

**Company or Carrier** - Universal Phone Corporation

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

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

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

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

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

**Prepaid Account** - An inventory of Telecom Units purchased in advance by the Customer, and associated with one and only one Authorization Code as contained in a specific Prepaid Calling Card.

**Prepaid Calling Card** - A card issued by the Company, containing an Authorization Code which identifies a specific Prepaid Account of Telecom Units, which enables calls to be processed, account activity to be logged, and balances to be maintained, on a prepayment basis.

Peak

Off Peak

**Telecom Unit** - A measurement of telecommunications service equivalent to one minute of usage between any two points within the State of Florida.

**Telecommunications** - The transmission of voice communications or, subject to the transmission capabilities of the services, the transmission of data, facsimile, signaling, metering, or other similar communications.

**Underlying Carrier** - The telecommunications carrier whose network facilities provide the technical capability and capacity necessary for the transmission and reception of Customer telecommunications traffic.

ISSUED December 5, 2002

EFFECTIVE: \_\_\_\_\_

By:

Ana I. Upegui, President  
1080 NW 163<sup>RD</sup> Drive  
Miami, FL 33169

**SECTION 2 - RULES AND REGULATIONS****2.1 Undertaking of the Company.**

The Company's services and facilities are furnished for communications originating at specified points within the state of Florida under terms of this tariff.

The Company installs, operates and maintains the communications services provided herein in accordance with the terms and conditions set forth under this tariff. It may act as the customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the customer, to allow connection of a customer's location to the Company's network. The customer shall be responsible for all charges due for such service arrangements.

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

**2.2 Limitations.**

- 2.2.1 Service is offered subject to the availability of facilities and provisions of this tariff.
- 2.2.2 The Company's reserves the right to discontinue furnishing service or limit the use of service necessitated by conditions beyond its control: or when the customer is using service in violation of the law or the provisions of this tariff.
- 2.2.3 All facilities provided under this tariff are directly controlled by the Company and the customer may not transfer or assign the use of service or facilities, except with the express written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service or facilities.
- 2.2.4 Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions for service.
- 2.2.5 Customers reselling or rebilling services must have a Certificate of Public Convenience and Necessity as an interexchange carrier from the Florida Public Service Commission.

**2.3 Liabilities of the Company.**

- 2.3.1 The Company's liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in the transmission occurring in the course of furnishing service or facilities, and not caused by the negligence of its employees or its agents, in no event shall exceed an amount equivalent to the proportionate charge to the customer for the period during which the aforementioned faults in transmission occur.

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By:

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1080 NW 163<sup>RD</sup> Drive  
Miami, FL 33169

**SECTION 2 - RULES AND REGULATIONS continued****2.3 Limitations (Cont.)**

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

- (A) Claims for libel, slander, or infringement of copyright arising out of the material, data, information or other content transmitted over the Company's facilities.
- (B) All other claims arising out of any act or omission of the customer in connection with any service or facility provided by the Company.

**2.4 Interruption of Service**

2.4.1 Credit allowance for the interruption of service which is not due to the Company's testing or adjusting, negligence of the customer, or due to the failure of channels or equipment provided by the customer, are subject to the general liability provisions set forth in 2.3.1 herein. It shall be the customer's obligation to notify the Company immediately of any service interruption for which a credit allowance is desired. Before giving such notice, the customer shall ascertain that the trouble is not being caused by any action or omission by the customer within his control, or equipment, if any, furnished by the customer and connected to the Company's facilities. No refund or credit will be made for the time that the Company stands ready to repair the service and the subscriber does not provide access to the Company for such restoration work.

2.4.2 No credit shall be allowed for an interruption of a continuous duration of less than twenty-four hours after the subscriber notifies the Company.

2.4.3 The customer shall be credited for an interruption of more than twenty-four hours as follows:

Credit Formula:

$$\text{Credit} = A/B \times C$$

"A" - outage time in hours

"B" - 720 hours in month

"C" - total monthly charge for affected facility

ISSUED December 5, 2002

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**SECTION 2 - RULES AND REGULATIONS continued****2.5 Disconnection of Service by Carrier.**

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

2. 5. 1 Non-payment of any sum due to carrier for regulated service for more than thirty days beyond the date of rendition of the bill for such service.
2. 5. 2 A violation of any regulation governing the service under this tariff.
2. 5. 3 A violation of any law, rule, or regulation of any government authority having jurisdiction over such service.
2. 5. 4 The company has given the customer notice and has allowed a reasonable time to comply with any rule, or remedy, and deficiency as stated in Rule 25-4.113, F.A.C., Refusal or Discontinuance of Service by Company.
2. 5. 5 Service may be disconnected without notice for tampering with company equipment, for interfering with the service to other customers, for fraud, or in the event of a hazardous condition.

**2. 6 Deposits**

The Company does not require a deposit from the customer.

**2. 7 Advance Payments**

For customers whom the Company feels 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 if necessary, a new advance payment will be collected for the next month.

**2. 8 Taxes**

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

**2. 9 Billing of Calls**

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

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By:

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**SECTION 3 - DESCRIPTION OF SERVICE**

**3.1 Timing of Calls**

**3.1.1 When Billing Charges Begin and End For Phone Calls**

The customer's long distance usage charge is based on the actual usage of the Company's network. Usage begins when the called party picks up the received, (i.e. when 2-way communication, often referred to as "conversation time" is possible.) When the called party picks up is determined by hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. When software answer supervision is employed, up to 60 seconds of ringing is allowed before it is billed as usage of the network. A call is terminated when the calling or called party hangs up.

**3.1.2 Billing Increments**

The minimum call duration for billing purposes is 1 minute for a connected call and calls beyond 1 minute are billed in 1-minute increments, unless otherwise stated in this tariff.

**3.1.3 Per Call Billing Charges**

Billing will be rounded up to the nearest penny for each call.

**3.1.4 Uncompleted Calls**

There shall be no charges for uncompleted calls.

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**SECTION 3 - DESCRIPTION OF SERVICE continued**

**3.2 Calculation of Distance**

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

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

**FORMULA:**

The square  
root of:

$$\frac{(V1 - V2)^2 + (H1 - H2)^2}{10}$$

**3.3 Minimum Call Completion Rate**

A customer can expect a call completion rate (number of calls completed / number of calls attempted) of not less than 90% during peak use periods for all FG D services ("1+" dialing).

**3.4 Service Offerings**

**3.4.1 Universal Phone Corporation 1+ Long Distance Service**

Universal Phone Corporation Long Distance Service is offered to residential and business customers. The service permits direct dialed outbound calling at a single per minute rate. Service is provided from presubscribed, dedicated or shared use access lines. Calls are billed in one-minute increments. No monthly recurring charges or minimum monthly billing requirements apply.

**3.4.2 Universal Phone Corporation 800 / 888 (Inbound) Long Distance Service**

Universal Phone Corporation 800 / 888 (Inbound) Long Distance Service is offered to residential and business customers. The service permits inbound 800/888 calling at a single per minute rate. Service is provided from presubscribed, dedicated or shared use access lines. Calls are billed in One Minute increments, with One Minute call duration. A minimum monthly service charge requirement applies. Customers whose monthly usage is less than the minimum will be billed the minimum amount.

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By: Ana I. Upegui, President  
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**SECTION 3 - DESCRIPTION OF SERVICE continued****3. 4. 3 Universal Phone Corporation Prepaid Calling Card Service**

Universal Phone Corporation service permits use of Prepaid Calling Cards for placing long distance calls. Customers may purchase Prepaid Calling Card's Service at a variety of retail outlets or through other distribution channels. Prepaid Calling Card's Service is available at a variety of face values ranging from five dollars (\$5.00), in one-dollar (\$1.00) increments, to twenty dollars (\$20.00), in one-dollar (\$1.00) increments.. Prepaid Calling Card's Service is accessed using the Prepaid Calling Card's Service local or toll-free number printed on the card. The caller is prompted by an automated voice response system to enter his/her Authorization Code, and then to enter the terminating telephone number. Processor tracks the call duration on a real time basis to determine the number of Telecom Units consumed. The total consumed Telecom Units for each call is deducted from the remaining Telecom Unit balance on the Customer's Prepaid Calling Card's Service. All calls must be charged against Prepaid Calling Card that has a sufficient telecom Unit balance. A Customer's call will be interrupted with an announcement when the balance is about to be depleted. In order to continue the call, the Customer can either call the toll-free number on the back of the Service and "recharge" the balance on the card using a nationally recognized credit card, or the Customer can throw the card away and purchase a new one. The Company will terminate calls in progress if the balance on the Prepaid Calling Card's Service is insufficient to continue the call and the Customer fails to enter the number of another valid Prepaid Calling Cards Service prior to termination.

A card will expire on the date indicated on the card, or if no date is specified, 12 months from the date of first usage, or the date of last recharge, whichever is later. The Company will not refund unused balances. A credit allowance is applicable for calls that are interrupted due to poor transmission, one-way transmission, or involuntary disconnection of a call. To receive the proper credit, the Customer must notify the Company at the designated toll-free customer service number printed on the and furnish the called number, the trouble experienced (e.g. cut-off, noisy circuit, etc.), and the approximate time that the call was placed. When a call charged to a Prepaid Calling Card's Service is interrupted due to cut-off, one-way transmission, or poor transmission conditions; the Customer will receive a credit equivalent of one Telecom Unit. Credit allowances for calls pursuant to Prepaid Calling Card's Service do not apply for interruptions not reported promptly to the Company or interruptions that are due to the failure of power, equipment or systems not provided by the Company. Credit for failure of service shall be allowed only when such failure is caused by or occurs due to causes within the control of the Company. The Company will block all calls beginning with the NPA "900" and NXX "976" calls, therefore such calls cannot be completed.

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**SECTION 3 - DESCRIPTION OF SERVICE continued**

**Reserved for further Services**

ISSUED December 5, 2002

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By:

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**SECTION 4 - RATES**

**4.1. SERVICE CHARGES**

**4.1.1. 1+ Residential Long Distance Services**

| <u>Rate Plan</u> | <u>Rate Per Minute</u> | <u>Monthly Service Charge</u> | <u>800/888 Option Monthly Service Charge</u> |
|------------------|------------------------|-------------------------------|--|
| R1               | \$.0955                | None                          | \$3.00                                       |
| R2               | \$.0755                | 3.00                          | \$3.00                                       |

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**SECTION 4 - RATES, Continued**

**4.1. SERVICES CHARGES, Continued**

**4.1.2. 1+Business Long Distance Services**

| <u>Rate Plan</u> | <u>Monthly Volume</u> | <u>Rate Per Minute</u> | <u>Monthly Service Charge</u> |
|------------------|-----------------------|------------------------|-------------------------------|
| B1S              | \$0-\$250             | \$.0935                | \$9.00                        |
| B2S              | \$251-\$1000          | \$.0825                | \$7.00                        |
| B3S              | Over \$1001           | \$.0700                | \$3.00                        |

**4.1.3. Dedicated Long Distance Services**

| <u>Rate Plan</u> | <u>Monthly Volume</u> | <u>Peak Rate Per Minute</u> | <u>Off-Peak Rate Per Minute</u> | <u>Monthly Service Charge</u> |
|------------------|-----------------------|-----------------------------|---------------------------------|-------------------------------|
| B1D              | \$0-\$250             | \$.1145                     | \$.0989                         | \$100.00                      |
| B2D              | \$251-\$1000          | \$.1040                     | \$.0889                         | \$100.00                      |
| B3D              | \$5001-\$7500         | \$.0930                     | \$.0769                         | \$ 80.00                      |
| B4D              | \$7501-\$10000        | \$.0850                     | \$.0639                         | \$ 50.00                      |
| B5D              | \$10001-\$125000      | \$.0706                     | \$.0550                         | \$ 0.00                       |

Installation Charge for Dedicated Service is \$150.00 per line.

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Original Sheet 16

**SECTION 4 - RATES, Continued**

**4.2. MISC. CHARGES**

**4.2.1. Payphone Surcharge**

A surcharge will be added to any completed. Intrastate toll access code and subscriber 800/888 type calls placed from a public or semi-public Pay Phone.

**4.2.2. Per Call Surcharge**

A surcharge per call will be added for every call that is connected. If an Answer Machine, Fax Machine, Voice Mail or Pager answers it will be considered connected.

**4.2.3. Maintenance Surcharge**

A weekly surcharge applies to some cards that have been used at least once.

**4.2.4. Directory Assistance**

The Company provides Directory Assistance as an ancillary service exclusively to its customers. Directory Assistance is accessible by dialing "1", the area code of the desired number and "555-1212".

**Directory Assistance, per call: \$.75**

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Original Sheet 17

**SECTION 4 - RATES continued****4.3. Prepaid Calling Cards****Prepaid Calling Card#1**

|                        |         |
|------------------------|---------|
| Rate per minute:       | \$ .079 |
| Maintenance Surcharge: | \$.35   |
| Per Call Surcharge     | \$.00   |
| Payphone Surcharge:    | \$.35   |

**Prepaid Calling Card#2**

|                       |        |
|-----------------------|--------|
| Rate per minute:      | \$.099 |
| Maintenance Surcharge | \$.25  |
| Per Call Surcharge    | \$.25  |
| Payphone Surcharge    | \$.35  |

**Prepaid Calling Card#3**

|                       |        |
|-----------------------|--------|
| Rate per minute:      | \$.065 |
| Maintenance Surcharge | \$.35  |
| Per Call Surcharge    | \$.00  |
| Payphone Surcharge    | \$.35  |

**Prepaid Calling Card#4**

|                       |        |
|-----------------------|--------|
| Rate per minute:      | \$.085 |
| Maintenance Surcharge | \$.25  |
| Per Call Surcharge    | \$.25  |
| Payphone Surcharge    | \$.35  |

**Prepaid Calling Card#5**

|                       |        |
|-----------------------|--------|
| Rate per minute:      | \$.059 |
| Maintenance Surcharge | \$.45  |
| Per Call Surcharge    | \$.35  |
| Payphone Surcharge    | \$.35  |

**Prepaid Calling Card#6**

|                        |        |
|------------------------|--------|
| Rate per minute:       | \$.019 |
| Maintenance Surcharge: | \$.00  |
| Per Call Surcharge     | \$.25  |
| Payphone Surcharge:    | \$.35  |

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Miami, Florida 33169

**SECTION 4 - RATES continued**

**Prepaid Calling Card#7**

|                       |        |
|-----------------------|--------|
| Rate per minute:      | \$ .02 |
| Maintenance Surcharge | \$.50  |
| Per Call Surcharge    | \$.49  |
| Payphone Surcharge    | \$.35  |

**Prepaid Calling Card#8**

|                       |        |
|-----------------------|--------|
| Rate per minute:      | \$ .01 |
| Maintenance Surcharge | \$.50  |
| Per Call Surcharge    | \$.59  |
| Payphone Surcharge    | \$.35  |

**Prepaid Calling Card#9**

|                       |        |
|-----------------------|--------|
| Rate per minute:      | \$.015 |
| Maintenance Surcharge | \$.00  |
| Per Call Surcharge    | \$.49  |
| Payphone Surcharge    | \$.35  |

**Prepaid Calling Card#10**

|                    |        |
|--------------------|--------|
| Rate per minute:   | \$.025 |
| Maintenance Fee:   | \$.00  |
| Per Call Surcharge | \$.49  |
| Payphone Surcharge | \$.35  |

**Prepaid Calling Card#11**

|                       |        |
|-----------------------|--------|
| Rate per minute:      | \$.019 |
| Maintenance Surcharge | \$.00  |
| Per Call Surcharge    | \$.25  |
| Payphone:             | \$.35  |

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**SECTION 4 - RATES continued**

4.4 **Payment of Calls**

4.4.1. **Late Payment Charges**

Interest charges of 1.5% per month will be assessed on all unpaid balances more than thirty days old.

4.4.2. **Return Check Charges**

A return check charge of \$25.00 will be assessed for checks returned for insufficient funds if the face value does not exceed \$50.00, \$30.00 if the face value does exceed \$50.00 but does not exceed \$300.00, \$40.00 if the face value exceeds \$300.00 or 5% of the value of the check, whichever is greater.

4.4.3. **Restoration of Service**

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

4.4.4. **Special Promotions**

The company will, from time to time, offer special promotions to its customers waiving certain charges. These promotions will be approved by the FPSC with specific starting and ending dates, and will be part of this tariff.

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**SECTION 4 - RATES continued**

**4.5 Special Rates For The Handicapped**

**4.5.1. Directory Assistance**

There shall be no charge for up to fifty calls per billing cycle from lines or trunks serving individuals with disabilities. The Company shall charge the prevailing tariff rates for every call in excess of 50 within a billing cycle.

**4.5.2. Hearing and Speech Impaired Persona**

Interstate toll message rates for TDD users shall be evening rates for daytime calls and night rates for evening and night calls.

**4.5.3. Telecommunications Relay Service**

For intrastate toll calls received from the relay service, the Company will when billing relay calls discount relay service calls by 50 percent off of the otherwise applicable rate for a voice nonrelay call except that where either the calling or called party indicates that either party is both hearing and visually impaired, the call shall be discounted 60 percent off of the otherwise applicable rate for a voice nonrelay call.

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By:

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1080 NW 163<sup>RD</sup> Drive  
Miami, Florida 33169

UNIVERSAL PHONES, INC  
BALANCE SHEET  
MARCH 31, 2002

ASSETS

|                       |              |               |
|-----------------------|--------------|---------------|
| CURRENT ASSETS        |              |               |
| BANK                  | \$ 21,009.27 |               |
| STOCKHOLDERS LOAN     | 62,439.00    |               |
|                       |              |               |
| TOTAL CURRENT ASSETS  |              | \$ 83,448.27  |
| FIXED ASSETS          |              |               |
| OFFICE EQUIPMENT      | 14,837.74    |               |
| MACHINERY & EQUIPMENT | 370,486.66   |               |
| DEPRECIATION          | (111,212.00) |               |
|                       |              |               |
| TOTAL FIXED ASSETS    |              | 274,112.40    |
| TOTAL ASSETS          |              | \$ 357,560.67 |

LIABILITIES & EQUITY

|                             |              |               |
|-----------------------------|--------------|---------------|
| CURRENT LIABILITIES         |              |               |
| ESCROW DEPOSIT              | \$ 12,785.27 |               |
| FICA & FEDERAL W/TAX        |              |               |
| PAYABLES                    | 1,208.74     |               |
| FUTA/SUTA                   | 189.29       |               |
|                             |              |               |
| TOTAL CURRENT LIABILITIES   |              | \$ 14,183.30  |
| LONG TERM LIABILITIES       |              |               |
| LOAN MITRONICS              | 276,979.55   |               |
|                             |              |               |
| TOTAL LONG TERM LIABILITIES |              | 276,979.55    |
| EQUITY                      |              |               |
| CAPITAL STOCK               | 500.00       |               |
| paid in surplus             | 2,000.00     |               |
| RETAINED EARNINGS           | 60,044.47    |               |
| CURRENT EARNINGS            | 3,853.35     |               |
|                             |              |               |
| TOTAL EQUITY                |              | 66,397.82     |
| TOTAL LIABILITIES & EQUITY  |              | \$ 357,560.67 |

Read Accountant's Compilation Report

UNIVERSAL PHONES, INC  
FOR THE THREE MONTHS ENDED MARCH 31, 2002

|                             | — Year to Date — |         |
|-----------------------------|------------------|---------|
|                             | Actual           | Percent |
| REVENUE                     |                  |         |
| SALES                       | \$1,017,074.11   | 100.0   |
| * TOTAL REVENUE             | 1,017,074.11     | 100.0   |
| COST OF SALES               |                  |         |
| PURCHASES                   | 924,738.11       | 90.9    |
| * TOTAL COST OF SALES       | 924,738.11       | 90.9    |
| * GROSS MARGIN              | 92,336.00        | 9.1     |
| <br>                        |                  |         |
| GENERAL EXPENSES            |                  |         |
| SALARIES & WAGES            | 40,452.22        | 4.0     |
| OUTSIDE LABOR               | 24,339.33        | 2.4     |
| INSURANCE                   | 2,031.63         | 0.2     |
| PAYROLL TAXES               | 3,433.28         | 0.3     |
| CAR & TRUCK EXPENSES        | 1,655.82         | 0.2     |
| BANK CHARGES                | 1,801.83         | 0.2     |
| INTEREST EXPENSE            | 5,836.74         | 0.6     |
| LICENSES & LOCAL TAXES      | 10.00            | 0.0     |
| OFFICE EXPENSES             | 625.00           | 0.1     |
| RENT                        | 7,882.04         | 0.8     |
| REPAIRS & MAINTENANCE       | 208.08           | 0.0     |
| UTILITIES                   | 68.25            | 0.0     |
| COMPUTER EXPENSES           | 138.43           | 0.0     |
| * TOTAL GENERAL EXPENSES    | 88,482.65        | 8.7     |
| * NET OPERATING PROFIT/LOSS | \$ 3,853.35      | 0.4     |

*Balance sheet March 01  
3 Months*

Read Accountant's Compilation Report

UNIVERSAL PHONES, INC

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2001

|                             | ----- Year to Date -----<br>Actual Percent |              |
|-----------------------------|--|--------------|
| REVENUE                     |  |              |
| SALES                       | \$2,527,647.80                             | 100.0        |
| * TOTAL REVENUE             | <u>2,527,647.80</u>                        | <u>100.0</u> |
| COST OF SALES               |  |              |
| PURCHASES                   | 2,235,746.66                               | 88.5         |
| * TOTAL COST OF SALES       | <u>2,235,746.66</u>                        | <u>88.5</u>  |
| * GROSS MARGIN              | 291,901.14                                 | 11.5         |
| <br>                        |  |              |
| GENERAL EXPENSES            |  |              |
| SALARIES & WAGES            | 74,880.91                                  | 3.0          |
| OUTSIDE LABOR               | 48,653.92                                  | 1.9          |
| INSURANCE                   | 6,695.68                                   | 0.3          |
| PAYROLL TAXES               | 8,341.85                                   | 0.3          |
| PROFESSIONAL SERVICES       | 10,549.00                                  | 0.4          |
| CAR & TRUCK EXPENSES        | 5,000.61                                   | 0.2          |
| ADVERTISING                 | 1,500.00                                   | 0.1          |
| BANK CHARGES                | 6,469.18                                   | 0.3          |
| DEPRECIATION                | 44,559.00                                  | 1.8          |
| RENTAL EQUIPMENT            | 1,300.00                                   | 0.1          |
| LICENSES & LOCAL TAXES      | 9,780.04                                   | 0.4          |
| OFFICE EXPENSES             | 3,146.96                                   | 0.1          |
| RENT                        | 29,969.92                                  | 1.2          |
| REPAIRS & MAINTENANCE       | 216.70                                     | 0.0          |
| TELEPHONE                   | 3,536.90                                   | 0.1          |
| MEAL & ENTERTAINMENT        | 20.00                                      | 0.0          |
| DUES & SUBSCRIPTIONS        | 29.00                                      | 0.0          |
| COMPUTER EXPENSES           | 3,977.15                                   | 0.2          |
| * TOTAL GENERAL EXPENSES    | <u>258,626.82</u>                          | <u>10.2</u>  |
| * NET OPERATING PROFIT/LOSS | <u>\$ 33,274.32</u>                        | <u>1.3</u>   |

*Balance sheet 2001*

Read Accountant's Compilation Report

UNIVERSAL PHONES, INC  
BALANCE SHEET  
MARCH 31, 2002

ASSETS

|                       |                             |                      |
|-----------------------|-----------------------------|----------------------|
| CURRENT ASSETS        |                             |                      |
| BANK                  | \$ 21,009.27                |                      |
| STOCKHOLDERS LOAN     | 62,439.00                   |                      |
|                       | <u>                    </u> |                      |
| TOTAL CURRENT ASSETS  |                             | \$ 83,448.27         |
| FIXED ASSETS          |                             |                      |
| OFFICE EQUIPMENT      | 14,837.74                   |                      |
| MACHINERY & EQUIPMENT | 370,486.66                  |                      |
| DEPRECIATION          | (111,212.00)                |                      |
|                       | <u>                    </u> |                      |
| TOTAL FIXED ASSETS    |                             | 274,112.40           |
| TOTAL ASSETS          |                             | <u>\$ 357,560.67</u> |

LIABILITIES & EQUITY

|                             |                             |                      |
|-----------------------------|-----------------------------|----------------------|
| CURRENT LIABILITIES         |                             |                      |
| ESCROW DEPOSIT              | \$ 12,785.27                |                      |
| FICA & FEDERAL W/TAX        |                             |                      |
| PAYABLES                    | 1,208.74                    |                      |
| FUTA/SUTA                   | 189.29                      |                      |
|                             | <u>                    </u> |                      |
| TOTAL CURRENT LIABILITIES   |                             | \$ 14,183.30         |
| LONG TERM LIABILITIES       |                             |                      |
| LOAN MITRONICS              | 276,979.55                  |                      |
|                             | <u>                    </u> |                      |
| TOTAL LONG TERM LIABILITIES |                             | 276,979.55           |
| EQUITY                      |                             |                      |
| CAPITAL STOCK               | 500.00                      |                      |
| paid in surplus             | 2,000.00                    |                      |
| RETAINED EARNINGS           | 60,044.47                   |                      |
| CURRENT EARNINGS            | 3,853.35                    |                      |
|                             | <u>                    </u> |                      |
| TOTAL EQUITY                |                             | 66,397.82            |
| TOTAL LIABILITIES & EQUITY  |                             | <u>\$ 357,560.67</u> |

Read Accountant's Compilation Report

UNIVERSAL PHONES, INC  
BALANCE SHEET  
MARCH 31, 2002

ASSETS

|                       |              |                      |
|-----------------------|--------------|----------------------|
| CURRENT ASSETS        |              |                      |
| BANK                  | \$ 21,009.27 |                      |
| STOCKHOLDERS LOAN     | 62,439.00    |                      |
|                       |              |                      |
| TOTAL CURRENT ASSETS  |              | \$ 83,448.27         |
| FIXED ASSETS          |              |                      |
| OFFICE EQUIPMENT      | 14,837.74    |                      |
| MACHINERY & EQUIPMENT | 370,486.66   |                      |
| DEPRECIATION          | (111,212.00) |                      |
|                       |              |                      |
| TOTAL FIXED ASSETS    |              | 274,112.40           |
| TOTAL ASSETS          |              | <u>\$ 357,560.67</u> |

LIABILITIES & EQUITY

|                             |              |                      |
|-----------------------------|--------------|----------------------|
| CURRENT LIABILITIES         |              |                      |
| ESCROW DEPOSIT              | \$ 12,785.27 |                      |
| FICA & FEDERAL W/TAX        |              |                      |
| PAYABLES                    | 1,208.74     |                      |
| FUTA/SUTA                   | 189.29       |                      |
|                             |              |                      |
| TOTAL CURRENT LIABILITIES   |              | \$ 14,183.30         |
| LONG TERM LIABILITIES       |              |                      |
| LOAN MITRONICS              | 276,979.55   |                      |
|                             |              |                      |
| TOTAL LONG TERM LIABILITIES |              | 276,979.55           |
| EQUITY                      |              |                      |
| CAPITAL STOCK               | 500.00       |                      |
| paid in surplus             | 2,000.00     |                      |
| RETAINED EARNINGS           | 60,044.47    |                      |
| CURRENT EARNINGS            | 3,853.35     |                      |
|                             |              |                      |
| TOTAL EQUITY                |              | 66,397.82            |
| TOTAL LIABILITIES & EQUITY  |              | <u>\$ 357,560.67</u> |

Read Accountant's Compilation Report

UNIVERSAL PHONES, INC  
FOR THE THREE MONTHS ENDED MARCH 31, 2002

|                             | Year to Date<br>Actual Percent |       |
|-----------------------------|--------------------------------|-------|
| REVENUE                     | \$1,017,074.11                 | 100.0 |
| SALES                       | 1,017,074.11                   | 100.0 |
| * TOTAL REVENUE             |                                |       |
| COST OF SALES               | 924,738.11                     | 90.9  |
| PURCHASES                   | 924,738.11                     | 90.9  |
| * TOTAL COST OF SALES       |                                |       |
| * GROSS MARGIN              | 92,336.00                      | 9.1   |
| GENERAL EXPENSES            | 40,452.22                      | 4.0   |
| SALARIES & WAGES            | 24,339.33                      | 2.4   |
| OUTSIDE LABOR               | 2,031.63                       | 0.2   |
| INSURANCE                   | 3,433.28                       | 0.3   |
| PAYROLL TAXES               | 1,655.82                       | 0.2   |
| CAR & TRUCK EXPENSES        | 1,801.83                       | 0.2   |
| BANK CHARGES                | 5,836.74                       | 0.6   |
| INTEREST EXPENSE            | 10.00                          | 0.0   |
| LICENSES & LOCAL TAXES      | 625.00                         | 0.1   |
| OFFICE EXPENSES             | 7,882.04                       | 0.8   |
| RENT                        | 208.08                         | 0.0   |
| REPAIRS & MAINTENANCE       | 68.25                          | 0.0   |
| UTILITIES                   | 138.43                         | 0.0   |
| COMPUTER EXPENSES           | 88,482.65                      | 8.7   |
| * TOTAL GENERAL EXPENSES    |                                |       |
| * NET OPERATING PROFIT/LOSS | \$ 3,853.35                    | 0.4   |

*Balance sheet March 01  
3 Months*

Read Accountant's Compilation Report

EXHIBIT 23 B

Resume of President to indicate that Universal Phone Corporation has sufficient managerial experience.

1. Ana I. Upegui – President

EXHIBIT 23 C

Resume of Chief Technician to indicate that Universal Phone Corporation has sufficient technical expertise to conduct technical maintenance.

1. Jose Ignacio Quiroz Mora – Chief/Lead Technician

nacho2001resume

JOSE IGNACIO QUIROZ MORA  
16950 N. Bay Road #1403  
Sunny Isles Beach, Florida 33160  
Cell phone 305-798-9246  
naqui@hotmail.com

SUMMARY

-----  
Experienced in Power Systems trained by Cummins-Onan in Minnesota.  
Experienced in installation, configuration,  
set-up and management of integrated switching and billing systems for  
telecommunications applications,  
Experienced in Configuration, set-up and problem solutions of Carriers and  
Customers for voice traffic.  
Experienced in Web designing and Novell/windows networking .  
Experienced in Software/Networking hardware/Firmware.  
Experienced in compression, multiplexing and transmission of voice.

SOFTWARE/HARDWARE TOOLS AND EXPERTISE

-----  
Automated control systems design local and/or remote.  
Design and implementation of LAN/Intranets with different operating systems.  
Installation and set-up of satellite communications links:  
(VSAT, DATA PLUS stations) and point to point microwave links.  
Installation and management of a Class 4 tandem switch: Rating schedules,  
partition, routing, trunk, span configurations, etc.  
Management of a SCO UNIX Server based-billing system.

OPERATING SYSTEMS AND LANGUAGES

-----  
Novell/Windows operating systems.  
Windows NT  
Linux and Unix.  
X86/Microcontroller assembler language.  
C/C++, Pascal, LabView.  
Web programming.  
SQL.

WORK HISTORY

-----  
2000-2001 Y&B SERVICES CORP., Miami, Florida. USA  
Head of Computing & Communications Engineer.  
2001-2001 GLOBAL LINK COMMUNICATIONS., Miami, Florida. USA  
Head of Computing & Communications Engineer.  
2001-2002 UNIVERSAL PHONES INC., Miami, Florida. USA  
Head of Computing & Communications Engineer.

EDUCATION

-----  
Electronic Engineer Antioquia University  
Medellin, Colombia (SA), ( www.udea.edu.co ), 1997.  
MS Management of Techn. Pontificia Bolivariana University  
Medellin, Colombia (SA), ( www.upb.edu.co ), 1999.

This Education in Colombia is actually equivalent to the U.S. Bachelor's  
degree and Master's degree awarded by regionally accredited University in USA.

REFERENCES

-----  
Excellent references provided upon request.

CERTIFICATE TRANSFER OR ASSESSMENT STATEMENT

1. Name:  
Title:  
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.

UTILITY OFFICIAL:

Signature \_\_\_\_\_ Date \_\_\_\_\_
Title \_\_\_\_\_
Address: \_\_\_\_\_
Telephone No. \_\_\_\_\_ Fax No. \_\_\_\_\_

CERTIFICATE TRANSFER OR ASSESSMENT STATEMENT

1. Name:  
Title:  
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.

UTILITY OFFICIAL:

Signature \_\_\_\_\_ Date \_\_\_\_\_
Title \_\_\_\_\_
Address: \_\_\_\_\_
Telephone No. \_\_\_\_\_ Fax No. \_\_\_\_\_

### 3.0 BUSINESS STRATEGY

- 3.1 Plan Smart
- 3.2 Sell Smart
- 3.3 Offer Smart
- 3.4 Build Smart
- 3.5 Serve Smart

### 4.0 ABILITY TO MANAGE GROWTH

- 4.1 Dual Approach
- 4.2 Centralization

### 5.0 CAPITAL REQUIREMENTS

### 6.0 EXPANDED CUSTOMER BASE-COMMERCIAL RESALE DIVISION

- 6.1 Bundled Services

### 7.0 LOCAL STRATEGY

- 7.1 Integrated Services
- 7.2 Competitive Products/Pricing

### 8.0 BUSINESS EXPANSION PLAN

- 8.1 CIC Code
- 8.2 SS7 System
- 8.3 Calling Cards
- 8.4 Increase sales in new markets
- 8.5 Agents for Corporate Accounts
- 8.6 Generate low cost International and 1-800 traffic
- 8.7 Collocation Strategy

### 9.0 LATIN AMERICA

- 9.1 Deregulation

10.0 PARADIGM SHIFT ON INTERNATIONAL LONG DISTANCE

11.0 THIRD PARTY LONG DISTANCE CARRIERS

12.0 TECHNICAL INFORMATION

13.0 KEY PERSONNEL/MANAGEMENT TEAM

13.1 Integrated Management Team

13.2 Key Personnel

14.0 GLOSSARY

## **UNIVERSAL PHONES INC.**

### **1.0 FACT SHEET**

#### **1.1 General**

Universal Phones Inc. was incorporated in Florida as a Corporation on November 1993 It is a Telecommunications Holding Company that proposes to offer a full range of telephony and related services with license #214, by the FCC. The Company is working as IXC (Inter- exchange carrier). Universal Phones is offering long distance services primarily in Florida in the future New Jersey, New York Atlanta and Chicago. Universal provides telecommunications services to carriers, business customers and over 250.000 final calling card customers monthly.

The company was started with the primary objective of creating a high-speed telephonic network that links The United States and major countries in Latin America. At this time Universal owns a state of the art telephony network, integrated with Cisco equipments and conventional tandem switches, beside a contract for termination and origination USA - Colombia traffic with the most important local "Orbitel and future Telecom Colombia ". In addition we have also been creating partnerships with other Companies with legal termination in Peru, Argentina, and Latin America.

Universal Phones has commenced operations on its new platforms from New Jersey, Atlanta, New York and Chicago to promote carrier, residential, and corporate service account sales and also to provide calling cards with local access numbers in these areas. Universal Phones benefiting from its own network to Latin America will cover good portion of the market.

## 1.2 Products and Services.

### 1.2.1 Inter-carrier services

Universal Phones, sale to different carriers thru its switch in Miami or via IP Protocol thru its state of the art IP Cisco Network different routes where hardly some other company can beat our prices.

### 1.2.2 Long Distance Service (Pin Free)

Connecting your home, business, or cell phone to our switch. This facilitates the user to make calls from any one of these lines using an Instant access number from Universal, which will connect them to anywhere in the world.

### 1.2.3 Prepaid Service with use of access code (Pin)

With the purchase of just \$30.00 or more, Universal will assign you an access code (pin), which will permit you to call from anywhere in the USA thru our local number where is available or if you prefer the choice of using our toll free number.

### 1.2.4 Prepaid calling cards

Enjoy the freedom, security and excellent rate, which come from using our well-known Calling cards (Universal, Phone Home, etc.) accessible in \$5.00, \$10.00, and \$20.00 increments at any convenience store in your Area.

## 1.3 Divisions

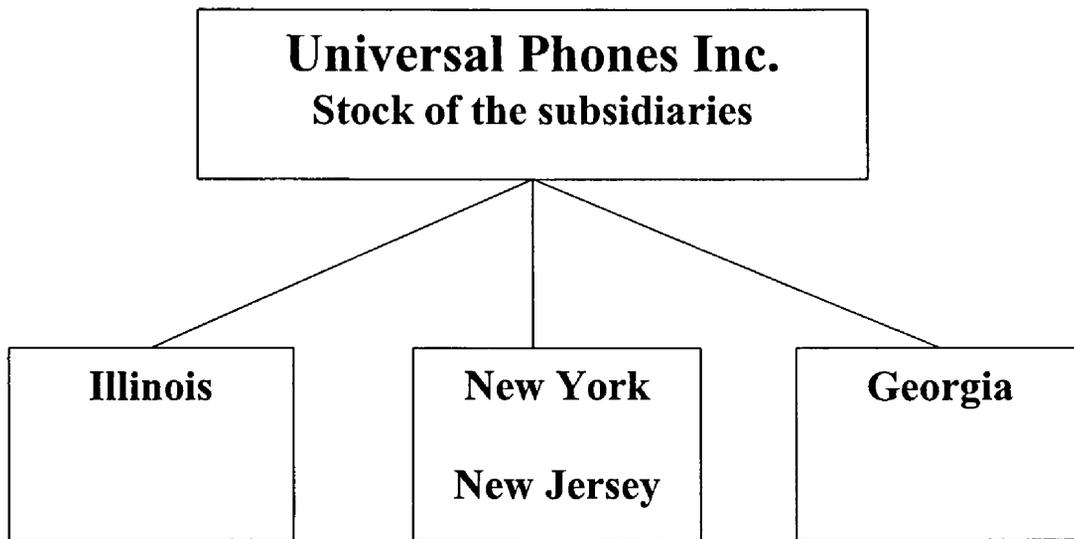
1.3.1. (Chicago). To install equipment in Chicago enabling Calling card users to dial local access numbers and provide distribution Of the product in the Illinois.

1.3.2. (Atlanta). To install equipment in Atlanta enabling Calling card users to dial local access numbers and provide Distribution of the product in the Georgia.

1.3.3. (New York- New Jersey) To install equipment in New York and New Jersey enabling Calling card users to dial local access numbers and provide Distribution of the product in the New York.

**UNIVERSAL PHONES  
CORPORATE CHART**

Note: This chart is for illustration purposes only and subject to change



## 1.4 Facilities

### Universal Phones Inc. Headquarters

Universal Phones Inc.  
1111 NW Park Centre Blvd. Suite 102  
Miami, FL 33169  
T: 305- 6201932  
F: 305- 6206021

### Universal Switching Facilities

MIAMI  
Radiant  
1080 NW 163 DR  
Miami, FL 33169

ATLANTA  
4000 Highlands PrkySE  
Smyrna, GA 30082

NEW JERSEY  
165TH Halsey Street  
7th Floor  
Newark, NJ. 07102

CHICAGO  
Next Link-Illinois  
810 Jorie Blvd  
Oak Brook, IL, USA 60523

## 1.5 Equipment

A prepaid platform NACT (NTS 2000), Tandem Switch, CISCO GATEWAY 5300, Dell Servers, Software, Satellite Modems, CSU DSU, etc. (see attached Inventory list).

## 1.6 Personnel

Full-time Employees (9), including corporate share holders working as Employees.

## 1.7 Financial Information

The company started operation in 1993. The total sales:

|      |                       |
|------|-----------------------|
| 1994 | 50.000                |
| 1995 | 193.717               |
| 1996 | 269.186               |
| 1997 | 429.207               |
| 1998 | 1.044.517             |
| 1999 | 1.288.587             |
| 2000 | 1.717.650             |
| 2001 | 2.548.554             |
| 2002 | 6.000.000 (projected) |

The company started doing business in Illinois, Georgia, New Jersey and New York in this year. The management believes that for the year 2002 Sales should be over 6,000.000

2001

2002 (Projected)

|                     |              |              |
|---------------------|--------------|--------------|
| Sales               | \$ 2,548,554 | \$ 6,000,000 |
| Costs of Goods Sold | \$ 2,235,747 | \$ 4,920,000 |
| Operating Expenses  | \$ 291,306   | \$ 1,012,000 |

|            |          |           |
|------------|----------|-----------|
| Net Profit | \$21,501 | \$ 68,000 |
|------------|----------|-----------|

## 1.8 Corporate Schedule

### 2002 2nd Quarter (Completed)

- Launching "Phone Home".
- Marketing a New Brochure to increase Corporate Sales.
- Acquisition of new 8 ports Nact PRI card
- Approval for new Web design for UP, which includes e-commerce and Considerable benefits for the customers.
- Closing deal with Orbitel Colombia (termination).
- Closing deal with Qwest for 1 800 Origination.
- Starting operation with 2 new PRI cards.
- Launching of new calling cards in Chicago, and New York, New Jersey and Atlanta
- Agreement to terminate traffic in Mexico. To be achieved by August.
- Updating the client data and starting a new billing program for Corporate Accounts.
- Acquisition of Nact Sub System Switch.
- Starting fiber optic interconnection between Miami and Colombia in partnership with Orbitel.

## 2.0 The Company

### 2.1 Formation And Acquisitions

Universal Phones, is a Florida based S-Corporation formed on November of, 1993.

Universal Phones hereafter referred as UP or the Company has grown since that date through internal expansion.

## 2.2 Structure

Universal Phones, as currently structured, is designed to function as a vertically integrated business with four major divisions including:

2.2.1 C.E.O

2.2.2 Intercarrier Services/sales

2.2.3 Universal Phones, Calling Cards Division.

2.2.4 Universal Phones, Financial Division.

2.2.5 Universal Phones, Corporate and Final Customer Department.

2.2.6 Administrative Director.

2.2.7 Engineering Department/Technical support.

2.2.8 Marketing.

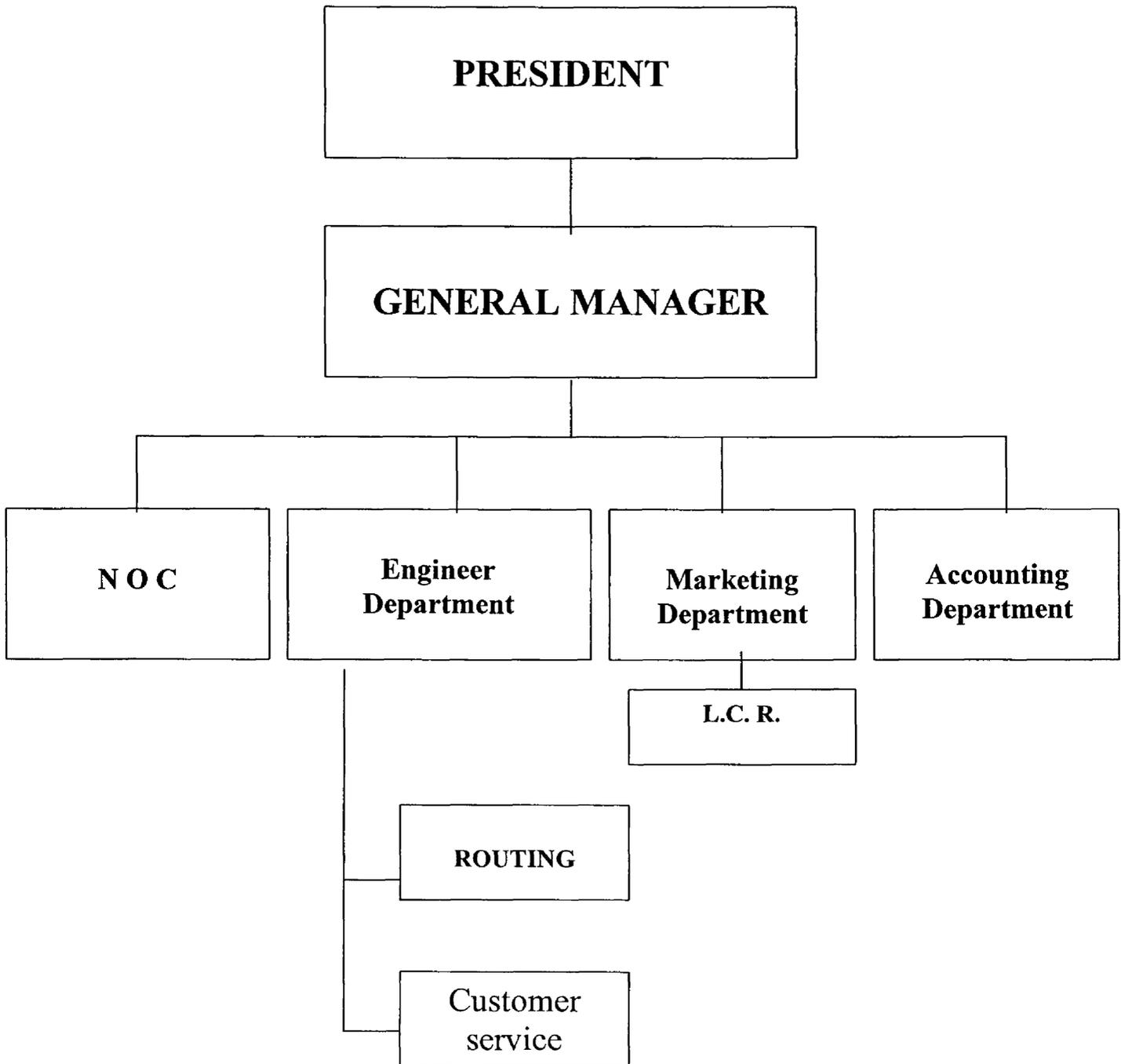
2.3 Structure Diagram. (Next page)

2.4 Universal as an IXC

The Company was founded to create a Network between Miami and Latin American Countries. And then sell the Traffic Generated in Minutes to the Final Consumer through our Own Pre-paid Platform and Corporate Accounts. This Traffic is also sold to Other Carriers from which we also Purchase Other Routes and minutes, which we resell to Generate Additional Income.

### 2.3 Structure Diagram

## UNIVERSAL PHONES



### 3.0 Business Strategy

In order to increase the revenue provided by its existing customer base, the Company plans to train its sales force to cross-sell all of the Company's services, with an increased emphasis on selling long distance services. The Company believes that a personalized approach to sales, a cheaper price and customer service will enhance its ability to attract and retain customers who desire the convenience of a fully integrated product offering plus savings.

#### 3.1 Plan Smart

Universal Phones will focus on small and medium-sized businesses and residential customers and select vertical market segments in Florida, New York, NJ, GA, IL. The Company believes that competition from other IXC/CLECs and ILECs is less intense in these areas because, in many cases, the ILECs have reduced their efforts to serve and defend these territories in response to the competitive threat in their major market cities. In addition, by focusing its sales efforts in territories in response to the competitive threat in their major market cities. In addition, by focusing its sales efforts in territories served by ILEC central offices where co-location is a viable economic alternative, the Company can build a loyal customer base through the resale of local services prior to committing to build the infrastructure necessary to support facilities-based local service.

#### 3.2 Sell Smart

Universal Phones will sell into established customer relationships by marketing local telephone services to the Company's existing Long Distance customers.

We will try to be very aggressive acquiring the final customer thru new Employees, new distributors, Internet sales, and residential sales. The Company therefore believes that it has a substantial reservoir of perspective business customers that are already familiar with some aspects of the Company's services.

### 3.3 Offer Smart

Offering our services through varies different Internet Web Pages, and introducing our product through samples of 3-minute cards for residential customers and 15 minutes for corporate accounts.

### 3.4 Build Smart

Universal Phones will predicate growth strategies on the recognition that network capacity is increasingly becoming a commodity. By first focusing on acquiring customers, for long distance. The Company believes that it can secure customer relationships, produce a consistent revenue stream, and evolve an economic strategy for serving customers. The Company's serving strategy includes not only developing network facilities to directly serve customers, but also enhancing its operational support system ("OSS") to provide network monitoring and control, flow through provisioning, customer care, and enhanced billing functionality. The IP Network will allow us to interconnect with other carriers thru IP Addresses quickly.

### 3.5 Serve Smart

Universal Phones will provide not only the highest quality customer service but also become an industry leader in the deployment of innovative technology and services. The Company believes that by prudently using new technology and by offering new services, especially enhanced voice and data Applications; it can become a low cost provider, maintain high values for its customers and differentiate itself from other commodity providers. These services will include data transport services such as frame relay, transparent LAN, Internet content, and other Switched-based integrated multimedia services.

## 4.0 Ability to Manage Growth

### 4.1 Dual Approach

The Company's strategy is to grow through internal expansion as well as through J.V. or L.L.C. Therefore the development and expansion of the company will depend on the successful completion of several key steps already in process. These steps include successful implementation of its sales and marketing strategy, evaluation of markets, installation of facilities, and obtaining the required government licensing.

### 4.2 Centralization

To manage its growth successfully, the Company will have to centralize and enhance its operational, management, financial and information systems and controls. Retaining and hiring qualified sales; marketing, administrative operating and technical personnel are also a top priority for the company. Universal Phones will need to negotiate arrangements for the sale of telecommunication products in those new areas, where the company has present equipments and eventually set up a distribution chain in these areas.

## 5.0 Capital Requirements

The Company anticipates the expenditure of approximately \$400,000 during Calendar year 2002 for the acquisition of additional switches, Gateways, Routers, PRI Cards, SS7 System, Mux, CSU/DSU these monies have already been invested during course of the year 2002 and general administrative infrastructure including marketing, computer systems, personal acquisitions for the value of \$150,000 to be distributed in the following manner:

## 6.0 Expanded Customer Base-Commercial Resale Division

### 6.1 Bundled services

The Company intends to expand its revenue base through the marketing of its bundled telecommunication services to, among others, an aggregate of approximately 1,000 business customers and 75,000 calling card users.

This cross-selling strategy represents an effort to coordinate and integrate the sales programs in the new states where operations will commence. Universal intends to use an established base of independent agents and to train its sales force effectively, to market its bundled products. The Company has already begun to develop and implement a sales program and organize a sales force to market the Company's bundled telecommunications services. Universal plans to develop an integrated accounting and management information systems for the telecommunications services.

## 7.0 Local Strategy

### 7.1 Integrated Services

The Company will develop integrated services and will need to develop new marketing initiatives and train its sales force regarding selling these integrated services, by entering the market with an extensive array of switching capabilities, providing local access numbers for the regions where Universal Phones has located equipments. Also, by taking advantage of existing networks while constructing its own, Universal Phones will further enhance its advantage given that we will be able to provide a better rate per minute. Universal Phones will be positioned to immediately profit on the most creative segments of the telecommunications business in a way not possible for most of our competitors in our market niche.

## 7.2 Competitive Products/Pricing

The Company will implement a competitive product and pricing strategy, again in part due to ownership of switching and network facilities. Universal Phones will be able to position itself with great advantage with regards to many other IXC, CLECs, and RBOCs to compete in the long distance service market. The Company also expects that the addition of Corporate Account (end user customers) services to its bundle of telecommunications services will have a significant positive impact on its gross margin.

## 8.0 Business Expansion Plan

The Company competes primarily in the markets in which it currently owns a retail subsidiary. Universal Phones intends to expand its retail subsidiary business into New York, GA, IL, NJ. Thus, Universal Phones will face additional regional competition from the ILECs. But, these competitors will be at a disadvantage due to the Telecommunications Act of 1996. The Telecommunications Act gave CLECs the right to Equal Access to the ILECs and the RBOCs Networks in order to stay competitive in the Industry. The Telecommunications Act and state legislative and regulatory initiatives have substantially reduced the barriers to local exchange competition.

### 8.1 CIC Code

Acquiring the Carrier Identification Code (CIC) from the RBOC, which will be completed by the third quarter of 2002, will allow us to access bundled networks and provide long distance services via ILEC carriers. This is going to permit us to expand our current customer base thru an aggressive telemarketing program from our call center in Miami and a Newspaper and Magazine campaign.

## 8.2 SS7 System

Will allow us to interconnect our network with the ILECS networks such as BellSouth, gaining the possibilities of implementing the CIC Code program.

## 8.3 Calling Cards

The Company sells prepaid calling cards: Universal, Phone Home.

By the end of the 3rd quarter of 2002 it will offer two new brands in very different Markets, one for US Domestic traffic and the other for Global Traffic around the World with the QWEST quality, making an emphasis with the Mexican Market. The Company markets cards through relationships with over thirty major wholesale distributors nation wide: as well as, distributing the cards through its own retail locations. The Company has focused on building a substantial network of wholesale distributors nationwide calling as well as, distributing the cards through its own retail locations. The company has focused on building a substantial network of wholesale distributors, which, in turn, sell to sub-distributors and directly to retail outlets. Universal Phones estimates that our prepaid calling cards will be sold in over 1,000 independent retail outlets nation wide, by the end of the 3rd Quarter of 2002.

## 8.4 Increase Sales in New Markets

Besides the already mentioned locations Universal Phones is also opening new markets in New York, Atlanta, and Chicago.

## 8.5 Agents for Corporate accounts.

At this moment Universal Phones has over 300 residential and corporate customers, our goal for this year is to exceed 1000 customers, a number, which Universal Phones feels, is easily attainable due to its recent acquired corporate Agent agreements, low prices and billing system.

## 8.6 Generate Low Cost International and 1 800 traffic

The Company provides wholesale services to other carriers, which enable The Company to increase its customer base and generate high volumes of International traffic while minimizing costs. By generating significant international/toll free traffic, the Company believes that it can negotiate reduced transmission rates based upon volume with underlying carriers and reduce costs of service as a percentage of revenues.

## 8.7 Collocation Strategy

Universal Phones is pursuing a growth strategy that it believes will enable it to minimize its initial capital expenditures to constructed facilities-based networks at a very early stage in their development. Universal Phones will utilize it's own network facilities combined with the leased network facilities of several long distance providers and incumbent local exchange carriers ("ILEC's") within the Region, including Bell South, XO, and QWEST. The Company will achieve rapid penetration of the local telephone markets in FL, NY, NJ, IL, and GA. Ultimately, the Company will only construct significant local network infrastructure in those markets where a critical mass of customers makes it economically justifiable to do so.

## 9.0 Latin America

### 9.1 Deregulation

Each country has a different national regulatory scheme and each is in varying stages of deregulation. The requirements for the Company to obtain the necessary approvals to offer value-added services and the full range of telecommunications services, including voice telephony, necessarily vary from country to country also. The company has already begun discussions with several parties on how to proceed.

## 10.0 Paradigm Shift On International Long Distance

A paradigm shift is occurring in the telecommunication industry. Since the expensive old switches are not the only equipments on the market any longer, there is a new generation of telecommunication protocols and equipment, which enables us to set up modern networks at a reasonable price. As a result this has given birth to an alternative of new companies, offered by a new generation in which data and voice converge seamlessly and offer real value-added services at an affordable price.

## 11.0 Third-Party Long Distance Carriers

The Company will work with certain major long distance carriers to transmit its customers' long distance telephone calls. The company has pending agreements with such long distance carriers that will allow Universal to access their networks for transmission of its customers' calls. Universal believes that it currently has sufficient access to long distance networks and believes that its relationships with carriers are generally satisfactory.

## 12.0 Technical Information

Sophisticated information and processing systems are vital to the Company's operations and growth and its ability monitor costs, render single monthly invoices for bundled services, process customer orders, provide customer service and achieve operating efficiencies. As the Company commences providing switched local access services, the need for further enhanced billing in addition to the switches, a convergent billing platform such as NACT NTS 2000 Universal Phones is currently running, to provide the customer with the capability of accessing their own account status thru our Web.

Universal Phones as an innovated company integrates existing networks with next generation networks. This new breed will allow data and voice to flow together seamlessly and offer real value - added services to our customers.

Our Technical department is highly trained and skilled in all the Different types of equipment, which make up our network (Cisco, NACT, DNE etc.). We are constantly planning and improving our existing network thru our Future Project Department.

## 13.0 Key Personnel/Management Team

### 13.1 Integrated Management

The efforts of a small number of key management and operating personnel will largely determine the company's success. The Company's operations depend on the continuing efforts of its executive office and its employees. For the long term, Universal Phones will work aggressively to provide an efficient and effective transition to a fully integrated management structure designed to achieve the Company objectives.

## 13.2 Key Personnel

Essential to the successful transition to a fully integrated management structure is locating key management personnel with proven track records at existing companies to manage specific divisions within UP. The company has already reached agreements in principal with specific individuals for the following positions of their equivalent:

- CEO/PRESIDENT: Ana Upegui, brilliant young entrepreneur involved with Universal Phones since 1993.

-GENERAL MANAGER/ INTERCARRIER SERVICES: Fabio Upegui, with degree in Arquitectual Engineering, founder of Universal Phones involved in telecommunications since 1990,pioneer of marketing calling cards without connections fees, and brought new carrier interconnection agreements with main Orbitel companies.

### ENGINEER DEPARTMENT:

Ignacio Quiroz, with Bachelors of Science in Electrical engineering, and Master of Science in management technology. Among many of his Qualifications have five years of field experience and head our engineer department.

Alvaro Roenes, having studied in Network Administrator Technology has five years of field experience.

MARKETING DIRECTOR: Gloria Canon, with bachelors of science in Business Administration and with a Marketing Major and 10 years experience in General Management and marketing, is in charge advertisement promotions, which greatly increase our yearly sales for company.

## 14.0 GLOSSARY

|                            |   |
|----------------------------|---|
| ATM backbone:              | High bandwidth, low delay, and high speed switching Network.  |
| Bandwidth:                 | The capacity to carry data such that the higher the bandwidth the greater the capacity to carry data.   |
| CIC:                       | Carrier Identification Code   |
| CLEC:<br>service.          | Competitive Local Exchange Carrier, Provides local  |
| Data:                      | Information transmitted in a Binary (0.1) form  |
| Dedicated Service:         | Telecommunication Service   |
| DS-3:                      | Is a high-density cable that has the capacity to run 28 T-1 Circuits or 672 lines.  |
| DTEI Frame:                | Internet Service Provider Frame-see ISP   |
| FCC:                       | Federal Communications Commission   |
| FCC 214 License:           | A license that allows carriers to originate/terminate domestic and international traffic overseas.  |
| ILEC:                      | Incumbent Local Exchange Carrier, a dominant CLEC that other carrier uses to transmit.  |
| Switched Services:<br>IRU: | Telecommunication Service that go over the LEC.<br>Indefeasible Right of User a measure of the amount of time/capacity any given user has in the undersea cable business. |
| ISP:                       | Internet Service Provider-a company that provides access to the Internet.   |
| IXC:                       | Inter-exchange Carrier such as AT&T, MCI, Sprint  |

|                       |  |
|-----------------------|--|
| LAN:                  | A local Area Network a short distance data communications network such as that found in a building or campus.                              |
| LEC:                  | Local Exchange Carrier, see CLEC   |
| Lucent 5ESS Switch:   | Capable of up to 16,000 T-1's  |
| P.C.Base Debit Platf: | This is a small switch for transporting local, Domestic, and international Telephone Calls through several LECS, RBOCS, ILECS, and CLEC's. |
| Network:              | Two or more switches interconnected by wire or satellite.  |
| OC-3:                 | Optical Carrier undersea cables with high capacity.  |
| OSS:                  | Operating Support System.  |
| PTAT-1:               | Private Trans-Atlantic Transmission.   |
| PTT:                  | Post Telephony Telegraph Administration- a government agency controlling telephone service in foreign countries.                           |
| RBOC:                 | Regional Bell Operating Company<br>Telecommunications Act of 1996 Congressional Act, which deregulated the telecommunication Industry.     |
| T-1's:                | A dedicated circuits/card with a capacity of 24 lines of Voice/data transmission.  |
| Tier 1 Carrier:       | Able to offer facilities based domestic and International service throughout a country.  |
| Tier 2 Carrier:       | Able to offer facilities based domestic and International service in regional areas  |

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

In the Matter of the Petition of )  
Phone1, Inc. for a )  
Certificate of Service Authority )  
To Provide Interexchange and Non-Switched ) Case No. \_\_\_\_\_  
Local Exchange Telecommunications Services. )

**PETITION FOR A CERTIFICATE OF AUTHORITY  
TO PROVIDE INTEREXCHANGE AND NON-SWITCHED  
LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES**

Phone1, Inc., ("Applicant") hereby petitions the Public Service Commission of the State of Missouri ("PSC") for the issuance of a Certificate of Service Authority to provide Interexchange and Non-Switched Local Exchange Telecommunications Services pursuant to the Missouri Revised Statutes, and Section 4 CSR 240-2.060 of the Rules and Regulations of the PSC authorizing Phone1, Inc. to resell all forms of telephone service in the State of Missouri. In compliance with the provisions of Section 4 CSR 240-2.060 of the PSC's Rules and Regulations, the following information is provided:

**Certificate of Authority To Do Business**

Phone1, Inc. is incorporated in the State of Florida. A copy of its Certificate of Authority To Do Business in Missouri is attached hereto, together with a certificate of good standing.

**The Service To Be Offered By The Applicant and The Territory To be Served**

Phone1, Inc. intends to subscribe to and to resell various forms of telephone service, including exchange and carrier access lines, and intraLATA and interLATA service within the State of Missouri as well as interstate services and facilities. Phone1, Inc. shall purchase access from Local Exchange Carriers and others and calls other than live operator shall be placed by dialing "0" area code and number. InterLATA traffic will be routed to the facilities of those interLATA carriers whose service is most

advantageous technically and economically to Phone1, Inc. and its customers.

Phone1, Inc. will purchase various types of telephone services, including but not limited to Message Telecommunications Service, Wide Area Telephone Service, private line, tie lines, and specialized telecommunications services ancillary to the same services offered by Phone1, Inc. on an interexchange basis under Federal Communications Commission tariffs. Phone1, Inc. does not intend to offer emergency operator services (i.e. emergency services dialed as "911" or "0") to any reseller of telephone services via COCTs or credit card telephones located in Missouri and therefore does not request such authority at this time.

**Name and Address of Applicant**

The full name of the applicant is Phone1, Inc., Its business address is 100 North Biscayne Blvd., 25<sup>th</sup> Floor, Miami Florida 33132. The PSC is requested to direct correspondence in connection with this Petition to Mr. Dario Echeverry, President and Chief Executive Officer (CEO) of the Applicant. Mr. Echeverry, President and CEO of the Applicant, may be reached by telephone at (305) 371-3300. The principal business office of the Applicant is the business address indicated above.

**Pending Actions or Final unsatisfied Judgments**

Phone1, Inc. has no pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court which involves customer service or rates, which action or judgment or decision has occurred within three (3) years of the date of this application.

**Annual Reports and Assessment Fees**

Phone1, Inc. has no annual reports or assessment fees, which are overdue as ascribed to under oath in exhibit (M), by Mr. Echeverry, President and CEO of the Applicant attached forthwith.

## **Exemption Plea**

Phone1, Inc. pleads for exemption from Section 4 CSR 240-2.060 Subsections (7) (A)-(E) , (8) (A)-(E), and (11) (C)-(G) of the PSC's Rules and Regulations as it is a Competitive telecommunication company and therefore exempt. Phone1, Inc. has no plans for and makes no application for any applications to sell, assign, or lease it's assets including any franchises, permits, operating rights or certificates of convenience and necessity. Phone1, Inc. has no plans for and makes no application for authority to merge or consolidate with any existing or future telecommunication corporation(s) or other operating telecommunications entity. Phone1, Inc. has no plans for and makes no application for applications for authority to issue stock, bonds, notes and other evidences of indebtedness. Nor has Phone1, Inc. plans for the acquisition of stocks, bonds, or notes and other evidences of indebtedness from any existing or future telecommunication corporation(s) or other operating telecommunications entity.

The granting of a Certificate of Authority to Provide Interexchange and Non-Switched Local Exchange Telecommunication Services to Phone1, Inc. will thus enhance competition and will be in the public interest.

Phone1, Inc.'s resale of telephone service will enhance competition for such services in the area to be served. In particular, services will be acquired by Phone1, Inc. by taking advantage of available high volume discounts and access to 1+ service and by reselling to Phone1, Inc.'s customers at rates designed to pass along benefits of volume discounted service. Phone1, Inc.'s services will allow its customers to obtain telephone services for their needs at rates competitive with other carriers and operators.

Competition will be enhanced by the addition of further competition in the number of telecommunications providers and resellers in the areas served. The introduction of service by Phone1, Inc. will promote further competition and will lead to greater efficiencies and more rapid introduction of the latest in high technological inventions in telephone service.

**Expedited Consideration**

Phone1, Inc. is presently prepared to offer resale service and desires to be licensed to do so at the earliest possible date. Therefore, it is requested that this Petition be given expeditious treatment.

In view of the foregoing, Phone1, Inc. respectfully requests that the PSC grant this Petition on the basis that it offers telecommunications services that will enhance competition in the areas to be served and will otherwise be in the public interest.

Respectfully submitted,

Phone1, Inc.,

BY: \_\_\_\_\_

Dario Echeverry, President and CEO

Miami, Florida  
December 02