

WIGGINS & VILLACORTA, P.A.

ATTORNEYS AT LAW

501 EAST TENNESSEE STREET

POST OFFICE DRAWER 1657

TALLAHASSEE, FLORIDA 32302

TELEPHONE (904) 222-1534

TELECOPIER (904) 222-1689

DEPOSIT TREAS RE- 747  
MAY 22 1996

May 21, 1996

Via Hand Delivery

Florida Public Service Commission  
Division of Administration  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: SelectTel Corporation

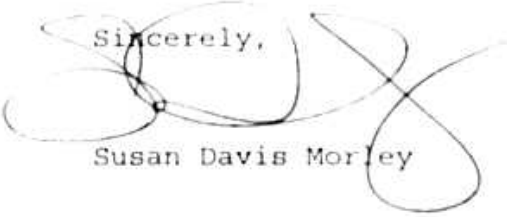
Dear Commission:

760639 61

Enclosed for filing are the original and six (6) copies of SelectTel Corporation's Application Form for Authority to Provide Interexchange Telecommunications Service Within the State of Florida, along with the \$250.00 filing fee.

Thank you for your assistance in this matter.

Sincerely,

  
Susan Davis Morley

SDM:kfj  
Enclosures

DOCUMENT  
056 11 96

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RECEIVED  
MAY 27 1996  
P315

May 21, 1996

Via Hand Delivery

Florida Public Service Commission  
Division of Administration  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: SelectTel Corporation

Dear Commission:

960637-71

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Thank you for your assistance in this matter.

Sincerely,

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



CAPITAL CITY BANK  
TALLAHASSEE, FLORIDA

6692

NUMBER

63 68/631

CHECK NO. 6692

PAY: TWO HUNDRED FIFTY DOLLARS

DATE

AMOUNT

05/21/96

\*\*\*\*\*\$250.00

Florida Public Service Comm.  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

*Karen Villacorta*

★ ★ FLORIDA PUBLIC SERVICE COMMISSION ★

DIVISION OF COMMUNICATIONS  
BUREAU OF SERVICE EVALUATION

APPLICATION FORM  
for  
AUTHORITY TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICE  
WITHIN THE STATE OF FLORIDA

---

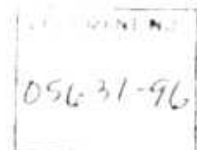
Instructions

- A. This form is used for an original application for a certificate and for approval of sale, assignment or transfer of an existing certificate. In case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or transferee (See Appendix A).
- B. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.
- C. Use a separate sheet for each answer which will not fit the allotted space.
- D. If you have questions about completing the form, contact:

**Florida Public Service Commission  
Division of Communications  
Bureau of Service Evaluation  
2540 Shumard Oak Blvd.  
Gunter Building  
Tallahassee, Florida 32399-0850  
(904) 413-6600**

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

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



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

- Original Authority** (New company).
- Approval of Transfer** (To another certificated company).
- Approval of Assignment of existing certificate** (To a uncertificated company).
- Approval for transfer of control** (To another certificated company).

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

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

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

SelectTel Corporation

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

SelectTel Corporation

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

125 E. Baker Street, Suite 120 West  
Costa Mesa, CA 92626

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

N/A

7. Structure of organization;

<input type="checkbox"/> Individual	<input 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 applicant is an individual or partnership, please give name, title, and address of sole proprietor or partners.

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

(b) Indicate if the individual or any of the partners have previously been:

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

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

N/A

9. If incorporated, please give:

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

Corporate charter number: P37381

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

Wiggins & Villacorta P.A.  
501 East Tennessee Street, Suite B  
Tallahassee, FL 32308

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

Fictitious name registration number: \_\_\_\_\_

N/A

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

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

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

N/A

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

(a) The application;

Susan Davis Morley  
Wiggins & Villacorta, P.A.  
501 East Tennessee Street  
Suite B  
Post Office Drawer 1657  
Tallahassee, Florida 32302  
(904) 222-1534

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

William F. Davis, President  
Selectel Corporation  
125 E. Baker Street  
Suite 120 West  
Costa Mesa, California 92626  
(714) 438-8000

(c) Tariff;

Susan Davis Morley  
Wiggins & Villacorta, P.A.  
501 East Tennessee Street  
Suite B  
Post Office Drawer 1657  
Tallahassee, Florida 32302  
(904) 222-1534

(d) Complaints/Inquiries from customers;

Customer Service Center  
1-800-535-5574

11. List the states in which the applicant:

a) Has operated as an interexchange carrier.

N/A

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

N/A

c) Is certificated to operate as an interexchange carrier.

N/A

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

N/A

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

N/A

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

N/A

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

- Facilities.  Operators.  
 Billing and Collection.  Sales.  
 Maintenance.  
 Other: \_\_\_\_\_

13. Do you have a marketing program?

Selectel will market its services using in-house sales representatives.



14. Will your marketing program:
- Pay commissions?
  - Offer sales franchises?
  - Offer multi-level sales incentives?
  - Offer other sales incentives?
15. Explain any of the offers checked in question 14 (To whom, what amount, type of franchise, etc.).
16. Who will receive the bills for your service (Check all that apply)?

- Residential customers.
- Business customers.
- PATS providers.
- PATS station end-users.
- Hotels & motels.
- Hotels & motel guests.
- Universities.
- University dormitory residents.
- Other: (specify) \_\_\_\_\_.

17. Please provide the following (if applicable):

- (a) Will the name of your company appear on the bill for your services, and if not who will the billed party contact to ask questions about the bill (provide name and phone number) and how is this information provided?

SelecTel's name and address will appear on all bills for services.

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

N/A

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

Attached as Exhibit 1.

A. Financial capability.

Regarding the showing of financial capability, the following applies:

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

B. Managerial capability

C. Technical capability.

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

Attached as Exhibit 2.

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

MTS with distance sensitive per minute rates

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

MTS with route specific rates per minute

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

FORM PSC/CMU 31 (11/95)

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

8

MTS with statewide flat rates per minute (i.e. not distance sensitive)

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

MTS for pay telephone service providers

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

800 Service (Toll free)

WATS type service (Bulk or volume discount)

Method of access is via dedicated facilities

Method of access is via switched facilities

Private Line services (Channel Services)  
(For ex. 1.544 mbs., DS-3, etc.)

Travel Service

Method of access is 950

Method of access is 800

900 service

Operator Services

Available to presubscribed customers

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

Available to inmates

Services included are:

Station assistance

Person to Person assistance

Directory assistance

Operator verify and interrupt

Conference Calling

FORM PSC/CMU 31 (11/95)

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

9

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

1-800-XXX-XXXX

1- Area Code - XXX-XXXX

22. \_\_\_ Other:

**\*\*APPLICANT ACKNOWLEDGEMENT STATEMENT\*\***

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
4. **APPLICATION FEE:** A non-refundable application fee of \$250.00 must be submitted with the application.
5. **RECEIPT AND UNDERSTANDING OF RULES:** I acknowledge receipt and understanding of the Florida Public Service Commission's Rules and Orders relating to my provision of interexchange telephone service in Florida. I also understand that it is my responsibility to comply with all current and future Commission requirements regarding interexchange service.
6. **ACCURACY OF APPLICATION:** By my signature below, I the undersigned owner or officer of the named utility in the application, attest to the accuracy of the information contained in this application and associated attachments. I have read the foregoing and declare that to the best of my knowledge and belief, the information is a true and correct statement.

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

UTILITY OFFICIAL:

*Bill Jones*  
Signature

4/24/96  
Date

President  
Title

(714) 438-8000  
Telephone No.

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

CERTIFICATE TRANSFER STATEMENT

I, (TYPE NAME) \_\_\_\_\_,  
(TITLE) \_\_\_\_\_, of (NAME OF COMPANY)  
\_\_\_\_\_, and current  
holder of certificate number \_\_\_\_\_, have reviewed  
this application and join in the petitioner's request for a  
transfer of the above-mentioned certificate.

**UTILITY OFFICIAL:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

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

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

CUSTOMER DEPOSITS AND ADVANCE PAYMENTS

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

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

UTILITY OFFICIAL:

*W. L. Lewis*  
Signature

*5/17/96*  
Date

\_\_\_\_\_  
President

(714) 438-8000

Title

Telephone No.

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

INTRASTATE NETWORK

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

1) 2)

3) 4)

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

1) N/A 2)

3) 4)

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

1) POP-to-POP                      TYPE                      OWNERSHIP

2)

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

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

SelectTel will comply with the requirements of Commission Rule 25-24.471(4)(a). Specifically, for IntraEAEA traffic SelectTel will rely exclusively on the transmission facilities provided by the local exchange company and/or compensate the LEC in conformance with the requirements set out in Order No. 2484.

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

- a) What services have been provided and when did these services begin?
- b) If the services are not currently offered, when were they discontinued?

UTILITY OFFICIAL:

*Alfred F. Lewis*  
Signature

4/29/96  
Date

President  
Title

(714) 438-8000  
Telephone No.



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

FLORIDA TELEPHONE EXCHANGES

AND

EAS ROUTES

Describe the service area in which you hold yourself out to provide service by telephone company exchange. If all services listed in your tariff are not offered at all locations, so indicate.

Service will be offered in all exchanges.

In an effort to assist you, attached is a list of major exchanges in Florida showing the small exchanges with which each has extended area service (EAS).

**\*\* FLORIDA EAS FOR MAJOR EXCHANGES \*\***

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

OCALA: Belleview, Citra, Dunnellon, Forest Lady Lake (B21), McIntosh, Oklawaha, Orange Springs, Salt Springs and Silver Springs Shores.

DAYTONA BEACH: New Smyrna Beach.

TAMPA: Central None  
 East Plant City  
 North Zephyrhills  
 South Palmetto  
 West Clearwater

CLEARWATER: St. Petersburg, Tampa-West and Tarpon Springs.

ST. PETERSBURG: Clearwater.

LAKELAND: Bartow, Mulberry, Plant City, Polk City and Winter Haven.

ORLANDO: Apopka, East Orange, Lake Buena Vista, Oviedo, Windermere, Winter Garden, Winter Park, Montverde, Reedy Creek, and Oviedo-Winter Springs.

WINTER PARK: Apopka, East Orange, Lake Buena Vista, Orlando, Oviedo, Sanford, Windermere, Winter Garden, Oviedo-Winter Springs, Reedy Creek, Geneva and Montverde.

TITUSVILLE: Cocoa and Cocoa Beach.

COCOA: Cocoa Beach, Eau Gallie, Melbourne and Titusville.

MELBOURNE: Cocoa, Cocoa Beach, Eau Gallie, and Sebastian.

SARASOTA: Bradenton, Myakka and Venice.

FT. MYERS:	Cape Coral, Ft. Myers Beach, North Cape Coral, North Ft. Myers, Pine Island, Lehigh Acres and Sanibel-Captiva Islands.
NAPLES:	Marco Island and North Naples.
WEST PALM BEACH:	Boynton Beach and Jupiter.
POMPANO BEACH:	Boca Raton, Coral Springs, Deerfield Beach and Ft. Lauderdale.
FT. LAUDERDALE:	Coral Springs, Deerfield Beach, Hollywood and Pompano Beach.
HOLLYWOOD:	Ft. Lauderdale and North Dade.
NORTH DADE:	Hollywood, Miami and Perrine.
MIAMI:	Homestead, North Dade and Perrine.

EXHIBIT 1

GENDRON, LIM & CO.  
CERTIFIED PUBLIC ACCOUNTANTS

PETER J. GENDRON, C.P.A.  
JOSEPH LIM, C.P.A.

(714) 436-1040 • FAX (714) 436-1227

Member  
California Society of Certified Public Accountants

January 17, 1996

To the Board of Directors  
SelecTel Corporation  
125 E. Baker St., Ste 120 West  
Costa Mesa, CA 92626

This will confirm to you that the consolidated audit reports for the years ended December 31, 1993 and 1994 which included SelecTel Corporation and TeleCom Syntax Corp. were completed on a consolidated basis solely due to the fact that TeleCom Syntax Corp. was a wholly owned subsidiary of SelecTel Corporation. This will confirm to you that for the above years, there were no activities on the books of TeleCom Syntax Corp.

Very truly yours,



Gendron, Lim & Co.

**GENDRON, LIM & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

PETER J. GENDRON, C.P.A.  
JOSEPH LIM, C.P.A.

1221 EAST DYER ROAD, SUITE 130  
SANTA ANA, CA. 92705  
(714) 436-1060 • FAX (714) 436-1227

Member  
California Society of Certified Public Accountants

**Report of Independent Auditors**

To the Board of Directors  
SelecTel Corporation  
TeleCom Syntax Corp.

We have audited the accompanying consolidated balance sheets of SelecTel Corporation and TeleCom Syntax Corp. as of December 31, 1994 and 1993, and the related consolidated statements of income, retained earnings (accumulated deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of SelecTel Corporation and TeleCom Syntax Corp. as of December 31, 1994 and 1993, and the results of its operations and its cash flow for the years then ended in conformity with generally accepted accounting principles.



Santa Ana, California  
November 27, 1995

SELECTEL CORPORATION AND TELECOM SYNTAX CORP.

CONSOLIDATED BALANCE SHEETS

	December 31	
	1994	1993
	-----	
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash on Hand and in Banks	\$ 65,947.	\$ 19,874.
Accounts Receivable	527,013.	759,381.
Notes Receivable <i>(Note 6)</i>	200,000.	57,118
	-----	
<b>TOTAL CURRENT ASSETS</b>	792,960.	836,373.
 <b>INVESTMENTS</b>		
Investment in Common Stock	499.	499.
	-----	
<b>TOTAL INVESTMENTS</b>	499.	499.
 <b>FIXED ASSETS</b>		
Property and Equipment <i>(Note 1)</i>	208,057.	160,918.
Accumulated Depreciation	( 68,542.)	( 56,103.)
	-----	
<b>TOTAL FIXED ASSETS</b>	139,515.	104,815.
 <b>OTHER ASSETS</b>		
Prepaid Deposits <i>(Note 2)</i>	10,877.	10,877.
	-----	
<b>TOTAL OTHER ASSETS</b>	10,877.	10,877.
	-----	
<b>TOTAL ASSETS</b>	<u>\$ 943,851.</u>	<u>\$ 952,564.</u>

See accompanying notes

SELECTEL CORPORATION AND TELECOM SYNTAX CORP.

CONSOLIDATED BALANCE SHEETS

	December 31	
	1994	1993
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 1,086,569.	\$ 547,443.
Contract Payable	0.	791,407.
Payroll Taxes Payable	16,904.	16,418.
Accrued Expenses	12,063.	60,497.
Notes Payable (Notes 4 & 6)	407,625.	517,355.
Amounts due to Parent (Note 9)	638,000.	0.
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,161,161.</b>	<b>1,933,120.</b>
 <b>CONTINGENT LAIBILITIES (Note 8)</b>		
 <b>STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Common Stock, no par value, 10 million shares authorized; 500 shares issued and outstanding. (1,172,200 in 1993)	0.	0.
Additional Paid-In Capital	59,790.	100,000.
Accumulated Deficit	(1,277,100.)	(1,080,556.)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>(1,217,310.)</b>	<b>(980,556.)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b>\$ 943,851.</b>	<b>\$ 952,564.</b>

See accompanying notes

SELECTEL CORPORATION AND TELECOM SYNTAX CORP.  
CONSOLIDATED STATEMENTS OF INCOME AND EXPENSE  
AND  
RETAINED EARNINGS (ACCUMULATED DEFICIT)

	Year ended December 31	
	1994	1993
INCOME		
Income <i>(Note 1)</i>	\$ 5,179,796.	\$ 5,047,428.
COST OF GOODS SOLD		
Cost of Sales	4,185,951.	4,002,296.
GROSS MARGIN	993,845.	1,045,132.
GENERAL AND ADMINISTRATIVE EXPENSES		
General and Administrative Expenses	1,098,217.	990,845.
NET INCOME - OPERATIONS	( 104,372.)	54,287.
OTHER INCOME / EXPENSES		
Interest Expense	( 46,948.)	( 42,396.)
Loss on disposal of assets	( 1,683.)	( 12,526.)
Interest Income	11.	493.
Miscellaneous Income	58,048.	469.
	9,428.	( 53,960.)
NET INCOME / (LOSS) BEFORE TAXES AND EXTRAORDINARY ITEM	\$ ( 94,944.)	\$ 327.

See accompanying notes



SELECTEL CORPORATION AND TELECOM SYNTAX CORP.  
CONSOLIDATED STATEMENTS OF INCOME AND EXPENSE  
AND  
RETAINED EARNINGS (ACCUMULATED DEFICIT) (Cent'd)

	Year ended December 31	
	1994	1993
PROVISION FOR INCOME TAX <i>(Note 3)</i>	\$ ( 1,600.)	\$ ( 2,400.)
NET LOSS BEFORE EXTRAORDINARY ITEM	( 96,544.)	( 2,073.)
EXTRAORDINARY ITEM		
Extraordinary Expense <i>(Note 7)</i>	( 100,000.)	0.
NET LOSS	( 196,544.)	( 2,073.)
ACCUMULATED DEFICIT - Beginning	( 1,080,556.)	( 1,078,483.)
ACCUMULATED DEFICIT - Ending	\$ ( 1,277,100.)	\$ ( 1,080,556 )

See accompanying notes

SELECTEL CORPORATION AND TELECOM SYNTAX CORP.

CONSOLIDATED STATEMENTS OF CASH FLOW

	Year ended December 31	
	1994	1993
	-----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net loss from Operations	\$ ( 196,544.)	\$ ( 2,073.)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	10,756.	16,991.
Loss on Disposal	1,683.	12,526.
Decrease/(Increase) in Accounts Receivable	89,486.	( 414,682.)
(Decrease)/Increase in Accounts Payable	( 252,281.)	115,684.
(Decrease) in Accrued Expenses	( 47,948.)	( 45,630.)
Increase in Contract Deposits	0.	( 1,955.)
	-----	
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b>( 394,848.)</b>	<b>( 319,139.)</b>
 <b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	( 47,139.)	( 88,206.)
 <b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Decrease)/Increase in Notes Payable	( 109,730.)	418,624.
Adjustments to paid in capital	( 40,210.)	
Advance from Parent	638,000.	
	-----	
	488,060.	418,624.
 <b>INCREASE IN CASH AND EQUIVALENTS</b>	<b>46,073.</b>	<b>11,279.</b>
 <b>CASH AND EQUIVALENTS - Beginning</b>	<b>19,874.</b>	<b>8,595.</b>
	-----	
 <b>CASH AND EQUIVALENTS - Ending</b>	<b>65,947.</b>	<b>\$ 19,874.</b>
	=====	

See accompanying notes

**GENDRON, LIM & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

PETER J. GENDRON, C.P.A.  
JOSEPH LIM, C.P.A.

1221 EAST DYER ROAD, SUITE 130  
SANTA ANA, CA. 92705  
(714) 436-1040 • FAX (714) 436-1227

Member  
California Society of Certified Public Accountants

**Report of Independent Auditors**

To the Board of Directors  
SelecTel Corporation  
TeleCom Syntax Corp.

We have audited the accompanying consolidated balance sheets of SelecTel Corporation and TeleCom Syntax Corp. as of December 31, 1995 and 1994, and the related consolidated statements of income, retained earnings (accumulated deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of SelecTel Corporation and TeleCom Syntax Corp. as of December 31, 1995 and 1994, and the consolidated results of its operations and its cash flow for the years then ended in conformity with generally accepted accounting principles.



Santa Ana, California  
February 28, 1996

SELECTEL CORPORATION AND TELECOM SYNTAX CORP.  
CONSOLIDATED BALANCE SHEETS

	December 31	
	1995	1994
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash on Hand and in Banks	\$ 137,090.	\$ 65,947.
Accounts Receivable	769,236.	527,013.
Due from Parent	32,803.	0.
Prepaid Commissions	16,126.	0.
Notes Receivable <i>(Note 6)</i>	0.	200,000.
<b>TOTAL CURRENT ASSETS</b>	<b>955,255.</b>	<b>792,960.</b>
 <b>INVESTMENTS</b>		
Investment in Common Stock	499.	499.
<b>TOTAL INVESTMENTS</b>	<b>499.</b>	<b>499.</b>
 <b>FIXED ASSETS</b>		
Property and Equipment <i>(Note 1)</i>	273,786.	208,057.
Accumulated Depreciation	( 102,984.)	( 68,542.)
<b>TOTAL FIXED ASSETS</b>	<b>170,802.</b>	<b>139,515.</b>
 <b>OTHER ASSETS</b>		
Prepaid Deposits <i>(Note 2)</i>	11,193.	10,877.
Deferred Costs	197,146.	0.
<b>TOTAL OTHER ASSETS</b>	<b>208,339.</b>	<b>10,877.</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,334,895.</b>	<b>\$ 943,851.</b>

See accompanying notes

SELECTEL CORPORATION AND TELECOM SYNTAX CORP.  
CONSOLIDATED BALANCE SHEETS

	December 31	
	1995	1994
<hr/>		
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 1,434,919.	\$ 1,085,569.
Payroll Taxes Payable	11,778.	16,904.
Accrued Expenses	18,600.	12,063.
Notes Payable <i>(Notes 4 &amp; 6)</i>	7,625.	407,625.
Deferred Income	50,000.	0.
	<hr/>	
TOTAL CURRENT LIABILITIES	1,522,922.	1,523,161.
CONTINGENT LIABILITIES <i>(Note 10)</i>		
STOCKHOLDERS' EQUITY (DEFICIT)		
Common Stock, no par value, 10 million shares authorized; 500 shares issued and outstanding. <i>(Note 9)</i>	0.	0.
Additional Paid-In Capital <i>(Note 8)</i>	1,116,790.	697,790.
Accumulated Deficit	( 1,304,817.)	( 1,277,100.)
	<hr/>	
TOTAL STOCKHOLDERS' EQUITY	( 188,027.)	( 579,310.)
	<hr/>	
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$ 1,334,895.	\$ 943,851.
	<hr/> <hr/>	

See accompanying notes

SELECTEL CORPORATION AND TELECOM SYNTAX CORP.  
CONSOLIDATED STATEMENTS OF INCOME AND EXPENSE  
AND  
RETAINED EARNINGS (ACCUMULATED DEFICIT)

	Year ended December 31	
	1995	1994
INCOME		
Income <i>(Note 1)</i>	\$ 5,495,465.	\$ 5,179,796.
COST OF GOODS SOLD		
Cost of Sales	4,658,037.	4,185,951.
GROSS MARGIN	837,428.	993,845.
GENERAL AND ADMINISTRATIVE EXPENSES		
General and Administrative Expenses	1,044,703.	1,098,217.
NET LOSS - OPERATIONS	( 207,275.)	( 104,372.)
OTHER INCOME / EXPENSES		
Interest Expense	( 19,583.)	( 46,948.)
Loss on disposal of assets	0.	( 1,683.)
Interest Income	8.	11.
Miscellaneous Income	733.	58,048.
TOTAL OTHER INCOME / EXPENSES	( 18,842.)	9,428.
NET (LOSS) BEFORE TAXES AND EXTRAORDINARY ITEM	\$ ( 226,117.)	\$ ( 94,944.)

See accompanying notes

SELECTEL CORPORATION AND TELECOM SYNTAX CORP.  
CONSOLIDATED STATEMENTS OF INCOME AND EXPENSE  
AND  
RETAINED EARNINGS (ACCUMULATED DEFICIT) (Cont'd)

	Year ended December 31	
	1995	1994
PROVISION FOR INCOME TAX <i>(Note 3)</i>	\$ ( 1,600.)	\$ ( 1,600.)
NET LOSS BEFORE EXTRAORDINARY ITEM	( 227,717.)	( 96,544.)
EXTRAORDINARY ITEMS		
Extraordinary Expense <i>(Note 7)</i>	0.	( 100,000.)
Extraordinary Income <i>(Note 7)</i>	200,000.	0.
NET LOSS	( 27,717.)	( 196,544.)
ACCUMULATED DEFICIT - Beginning	( 1,277,100.)	( 1,080,556.)
ACCUMULATED DEFICIT - Ending	\$ ( 1,304,817.)	\$ ( 1,277,100.)

See accompanying notes

SELECTEL CORPORATION AND TELECOM SYNTAX CORP.

CONSOLIDATED STATEMENTS OF CASH FLOW

	Year ended December 31	
	1995	1994
	-----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net loss	\$ ( 27,717.)	\$ ( 196,544.)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	34,442.	10,756.
Loss on Disposal	0.	1,683.
(Increase)/Decrease in Accounts Receivable	( 75,026.)	89,486.
(Increase) in Other Assets	( 213,588.)	0.
Increase/(Decrease) in Accounts Payable	348,350.	( 252,281.)
Increase/(Decrease) in Accrued Expenses	51,411.	( 47,948.)
	-----	
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b>117,872.</b>	<b>( 394,848.)</b>
 <b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	( 65,729.)	( 47,139.)
 <b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Decrease) in Notes Payable	( 400,000.)	( 109,730.)
Adjustments to paid in capital	0.	( 40,210.)
Increase in advances	419,000.	638,000.
	-----	
	<b>19,000.</b>	<b>488,060</b>
 <b>INCREASE IN CASH AND EQUIVALENTS</b>	<b>71,143.</b>	<b>46,073.</b>
 <b>CASH AND EQUIVALENTS - Beginning</b>	<b>65,947.</b>	<b>19,874.</b>
	-----	
 <b>CASH AND EQUIVALENTS - Ending</b>	<b>137,090.</b>	<b>\$ 65,947.</b>
	=====	

See accompanying notes



## SELECTEL CORPORATION

### **James W. Truher - Chairman & CEO**

Mr. Truher is founder of SelectTel Corporation and serves as the Chairman of the Board of Directors, President and Chief Executive Officer of the company. Prior to SelectTel, Mr. Truher formed and was Chairman and President of Polaris Management Group (Polaris Intelcom), the first Shared Tenant Service Company in California. Before forming Polaris Intelcom, Mr. Truher served as General Manager and Area Vice President for AT&T of California. His 25 years of technical and executive experience with AT&T and the Bell Companies included his being responsible for the administration of one of the world's largest and most complex telecommunications networks which comprised 10% of the Bell System's long distance network as well as Bell provided public and private networks in AT&T's California region. This responsibility included six divisions and over 4,500 personnel (including 1,500 engineering personnel). He planned and administered an annual capital and expense budget of over \$400,000,000. As Area Vice President, Mr. Truher had overall responsibility for developing and managing Pacific Telephone's interoffice facility implementation strategy for the Bell System in California and Nevada. This included deployment of sophisticated data processing equipment and planning for entry into the competitive environments as a result of Bell's divestiture. Early in his career while an engineer with Pacific Telephone, Mr. Truher designed a new microwave antenna system which was acclaimed by Bell Laboratories and resulted in an AT&T design patent. Mr. Truher holds a degree in engineering from Stanford University and is a graduate of the University of Southern California Managerial Policy Institute. Mr. Truher has also lectured widely on the telephone industry at numerous colleges and universities, is a Senior Member of IEEE and serves on a variety of corporate and community boards.

### **William F. Davis - President**

Mr. Davis has developed a front-end platform to provide virtual voice-mail service and pre-paid/debit payment options. Prior to joining SelectTel, Mr. Davis was Senior Vice President, GTE Telematic, where he was founder of the company and directed all operations for this company, which developed and marketed a billing computer to the Bell Operating Companies. From 1955 through 1983, Mr. Davis held a variety of management positions with GTE including Vice President/General Manager GTE Telenet Systems, where, in a two year period, he increased annual sales from \$5 million to \$75 million. Mr. Davis was also Vice President/Corporate Planning-GTE where he developed GTE's first integrated strategic planning system and the strategic plan for GTE's

Telephone Operating Division. Mr. Davis holds a Bachelor of Science Degree from UCLA and an MBA from the University of Connecticut.

**Eddie L. Alldredge - Vice President, Administration/Secretary**

Mr. Alldredge worked for AT&T for 23 years in a variety of positions, starting in facilities maintenance. From that position he moved to marketing where he spent nine years in the National Accounts market. For the last 5 years of his AT&T career he was involved in technical support for AT&T's Software Defined Network (SDN) service. In this capacity, he participated in the sale, implementation and administration of over 60 SDN networks. During the three years prior to joining SelectTel, Mr. Alldredge served as Vice President, Operations for Affinity Network, Inc., one of the largest long distance resellers in the Western United States.

**EXHIBIT 2**

TITLE PAGE  
FLORIDA TELECOMMUNICATIONS TARIFF  
OF  
SELECTEL CORPORATION

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services provided by SelectTel Corporation (SelectTel) within the State of Florida. This tariff is on file with the Florida Public Service Commission. Copies may be inspected during normal business hours at the Company's principal place of business at 125 E. Baker Street, Suite 120 West, Costa Mesa, California 92626.

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Issued: May 21, 1996

by: William F. Davis, President  
125 E. Baker Street, Suite 120 West  
Costa Mesa, California 92626

Effective:

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**CHECK SHEET**

Sheets 1 through 22, inclusive, of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

<b>SHEET</b>	<b>REVISION</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
20	Original
21	Original
22	Original

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Issued: May 21, 1996

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by: William F. Davis, President  
125 E. Baker Street, Suite 120 West  
Costa Mesa, California 92626

**TABLE OF CONTENTS**

Title Page . . . . . 1  
Check Sheet . . . . . 2  
Table of Contents . . . . . 3  
Section 1 - Technical Terms and Abbreviations . . . . . 6  
Section 2 - Rules and Regulations . . . . . 7  
Section 3 - Description of Service . . . . . 19  
Section 4 - Rates . . . . . 21

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**SYMBOLS**

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

- D - Delete or discontinue.
- I - Change resulting in an increase to a customer's bill.
- M - Moved from another tariff location.
- N - New.
- R - Change resulting in a reduction to a customer's bill.
- T - Change in text or regulation.

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Costa Mesa, California 92626

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**TARIFF FORMAT**

**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 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc. the FPSC follows in its 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 the 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. remain 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.

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**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS**

**Access Line** - An arrangement which connects the customer's location to a SelectTel Corporation switching center or point of presence.

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

**Carrier or Company** - Whenever used in this tariff, "Carrier," "Company," or "SelectTel" refers to SelectTel Corporation unless otherwise specified or clearly indicated by the context.

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

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

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

**LEC** - Local Exchange Company.

**SelectTel** - Used throughout this tariff to mean SelectTel Corporation unless clearly indicated otherwise by the text.

**Switched Access Origination** - Where originating access between the customer and the interexchange carrier is provided on local exchange company Feature Group circuits.

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Issued: May 21, 1996

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Effective:

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**SECTION 2 - RULES AND REGULATIONS****2.1 Undertaking of SelectTel Corporation**

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

SelectTel installs, operates, and maintains the communications services provided hereinunder in accordance with the terms and conditions set forth under this tariff. SelectTel may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities as required in FPSC rules and orders, when authorized by the Customer, to allow connection of a Customer's location to SelectTel's service. The Customer shall be responsible for all charges due for such service arrangement.

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

**2.2 Limitations**

- 2.2.1 Service is offered subject to the availability of the necessary facilities and equipment, and subject to the provisions of this tariff.
- 2.2.2 SelectTel reserves the right to discontinue or limit service when necessitated by conditions beyond its control, or when the Customer is using service in violation of provisions of this tariff, or in violation of the law.
- 2.2.3 The Company does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission or for failure to establish connections.

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Costa Mesa, California 92626

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**SECTION 2 - RULES AND REGULATIONS, CONT.****2.2 Limitations, cont.**

- 2.2.4 All facilities provided under this tariff are directly controlled by SelectTel and the Customer may not transfer or assign the use of service or facilities without the express written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service or facilities.
- 2.2.5 Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions of service.

**2.3 Use**

Services provided under this tariff may be used for any lawful purpose for which the service is technically suited. Customers or Subscribers reselling or rebilling the Company's Florida intrastate service must have a Certificate of Public Convenience and Necessity as an interexchange carrier from the Florida Public Service Commission.

**2.4 Liabilities of the Company**

- 2.4.1 SelectTel's liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in transmission which occur in the course of furnishing service or facilities, in no event shall exceed an amount equivalent to the proportionate charge to the Customer for the period during which the faults in transmission occur.

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Costa Mesa, California 92626

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**SECTION 2 - RULES AND REGULATIONS, CONT.****2.4 Liabilities of Company, cont.**

- 2.4.2 The Company shall not be liable for claim or loss, expense or damage (including indirect, special or consequential damage), for any interruption, delay, error, omission, or defect in any service, facility, or transmission provided under this tariff, if caused by any person or entity other than the Company, by any malfunction of any service or facility provided by any other carrier, by an act of God, fire, war, civil disturbance, or act of government, or by any other cause beyond the Company's direct control.
- 2.4.3 The Company shall not be liable for, and shall be fully indemnified and held harmless by Customer against any claim or loss, expense, or damage (including indirect, special or consequential damage) for defamation, libel, slander, invasion, infringement of copy-right or patent, unauthorized use of any trademark, tradename, or service mark, unfair competition, interference with or misappropriation or violation of any contract, proprietary or creative right, or any other injury to any person, property or entity arising out of the material, data, information, or other content revealed to, transmitted, or used by the Company under this tariff; or for any act or omission of the Customer; or for any personal injury or death of any person caused directly or indirectly by the installation, maintenance, location, condition, operation, failure, presence, use or removal of equipment or wiring provided by the Company, if not directly caused by negligence of the Company.
- 2.4.4 No agent or employee of any other carrier shall be deemed to be an agent or employee of the Company.
- 2.4.5 The Company shall not be liable for any defacement of or damages to the premises of a Customer resulting from the furnishing of service which is not the direct result of the Company's negligence.

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Effective:

by: William F. Davis, President  
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Costa Mesa, California 92626

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**SECTION 2 - RULES AND REGULATIONS, CONT.****2.5 Deposits**

The Company does not require a deposit from the Customer.

**2.6 Advance Payments**

For Customers from whom the Company feels an advance payment is necessary, SelectTel reserves the right to collect an amount not to exceed one month's estimated charges as an advance payment for service. This will be applied against the next month's charges and a new advance payment may be collected for the next month.

**2.7 Taxes**

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

**2.8 Terminal Equipment**

The Company's facilities and service may be used with or terminated in Customer-provided terminal equipment or Customer-provided communications systems, such as a PBX, key systems or Pay Telephone. Such terminal equipment shall be furnished and maintained at the expense of the Customer, except as otherwise provided. The Customer is responsible for all costs at his or her premises, including personnel, wiring, electrical power, and the like, incurred in the use of the Company's service. When such terminal equipment is used, the equipment shall comply with the generally accepted minimum protective criteria standards of the telecommunications industry as endorsed by the Federal Communications Commission.

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125 E. Baker Street, Suite 120 West  
Costa Mesa, California 92626

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**SECTION 2 - RULES AND REGULATIONS, CONT.****2.9 Installation and Termination**

Service is installed upon mutual agreement between the Customer and the Company. The agreement will determine terms and conditions of installation, termination of service, and conditions of installation, any applicable sales commission structure, and sales commission payment schedule. The service agreement does not alter rates specified in this tariff.

**2.10 Payment for Service**

The Customer is responsible for payment of all charges for services and equipment furnished to the Customer or to an Authorized User of the Customer by SelectTel. All charges due by the Customer are payable to the Company or to any agency duly authorized to receive such payments. The billing agency may be a local exchange telephone company, interexchange carrier, or other billing service. Terms of payment shall be according to the rules and regulations of the agency and subject to the rules of regulatory agencies, such as the FPSC. Any objections to billed charges must be reported within 60 days of receipt to the Company or the Company's billing agent or bill will be considered final. Adjustments to Customer's bills shall be made to the extent that circumstances exist which reasonably indicate that such changes are appropriate.

**2.11 Other Rules**

- 2.11.1 The Company reserves the right to refuse to process Credit Card or Calling Card billed calls when authorization for use of the card cannot be validated.
- 2.11.2 The Company reserves the right to discontinue service, limit service, or to impose requirements on Subscribers as required to meet changing regulatory rules and standards of the FPSC.

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**SECTION 2 - RULES AND REGULATIONS, CONT.****2.12 Specific Regulations Governing SelectTel 800 Services, cont.**

2.12.1 The Company reserves the right to require an applicant for SelectTel 800 Service to supply the following information when requesting service: an initial traffic forecast, identification of anticipated busy hour, identification of its geographical marketing target areas, and a schedule of marketing and promotional activities. The Company may also require that a new traffic forecast be submitted by the Customer quarterly after service is initiated.

2.12.1.A SelectTel 800 Service is furnished upon condition that the Customer contracts for adequate facilities to permit the use of this service without injurious effects upon it or any service rendered by the Company. The Company may terminate or refuse to furnish SelectTel 800 Service to any applicant, without incurring any liability and without notice to the Customer, if the use of the service would interfere with or impair any service rendered by the Company.

2.12.1.B The Customer must obtain an adequate number of access lines for SelectTel 800 Services to handle the Customer's expected demand in order to prevent interference or impairment of this

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## SECTION 2 - RULES AND REGULATIONS, CONT.

## 2.12 Specific Regulations Governing SelectTel 800 Services, cont.

2.12.3 (continued)  
Nothing in this section, or in any other provision of this tariff, or in any marketing materials issued by or on behalf of the Company, shall give any person, including prospective Customers who subscribe to and use SelectTel 800 Service or their transferee or assigns, any ownership interest or proprietary right in any particular 800 number; however, upon placing a number actually and substantially in use, as defined above, SelectTel 800 Service Customers do have a controlling interest in this 800 number(s). SelectTel 800 Service Customers may retain the use of their 800 number assignments, even following changes in their 800 carrier and/or Responsible Organization (Resp. Org.).

2.12.4 If a Customer places an order for SelectTel to carry Customer's already existing 800 number service, the Customer shall provide to SelectTel the contract names, telephone number and address of the Customer's Responsible Organization (Resp. Org.). Upon subscription to SelectTel 800 Service, the Customer may execute a Letter of Authorization to transfer Resp. Org. responsibility of its 800 number(s) to the SelectTel Resp. Org. If the Customer elects to retain a non-SelectTel Resp. Org., the Customer must notify SelectTel of any changes in the Customer's Resp. Org., in writing, within forty-eight (48) hours of the change. The Customer is responsible for all outstanding indebtedness for services provided by a previous Resp. Org. or 800 service carrier. SelectTel assumes no responsibility or liability with respect to any obligations of the Customer to such previous service providers existing at the time of transfer to SelectTel.

Issued: May 21, 1996  
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Costa Mesa, California 92626

Effective:



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**SECTION 2 - RULES AND REGULATIONS, CONT.****2.12 Specific Regulations Governing SelectTel 800 Services, cont.**

- 2.12.5 It is the Customer's responsibility to provide answer supervision back to the SelectTel point of connection even when the SelectTel 800 Service is connected to switching equipment or a Customer-provided communications system. In such case, the equipment or system must provide appropriate supervision so that the measure of chargeable time begins upon delivery of the call to the Customer's switching equipment or communications system and ends upon termination of the call.
- 2.12.6 Subject to execution of a Resp. Org. Service Agreement between SelectTel and the Customer, the SelectTel Resp. Org. will perform the function of Resp. Org. for all SelectTel 800 Service orders unless the Customer requests another Resp. Org. SelectTel Resp. Org. functions include: (a) search for and reservation of 800 numbers in the SMS/800; (b) creating and maintaining the 800 number customer record in the SMS/800; and (c) provision of a single point of contact for trouble reporting.
- 2.12.6.A In the event that a Customer cancels its SelectTel 800 Service, the Customer may elect to retain SelectTel as its Resp. Org. Where SelectTel serves as Resp. Org. for a non-SelectTel 800 Service Customer, a charge for Resp. Org. service will apply.
- 2.12.6.B In the event that a Customer cancels its SelectTel Resp. Org. or 800 Service, the Customer shall be responsible for all outstanding indebtedness to the Company and any outstanding charges applicable to any services obtained by or on behalf of the Customer by SelectTel.
- 2.12.6.C If a Customer accumulates more than \$500.00 of undisputed delinquent SelectTel 800 Service charges, the SelectTel Resp. Org. reserves the right not to honor that Customer's request for a Resp. Org. change until such undisputed charges are paid in full.

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**SECTION 2 - RULES AND REGULATIONS, CONT.****2.13 Interconnection**

Service furnished by SelectTel may be connected with the services or facilities of other carriers or enhanced service providers. The customer is responsible for all charges billed by these entities for use in connection with SelectTel's service. Any special interface equipment or facilities necessary to achieve compatibility between these entities is the responsibility of the customer.

**2.14 Refusal or Discontinuance by Company**

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

(a) For non-compliance with or violation of any State, municipal, or Federal law, ordinance or regulation pertaining to telephone service.

(b) For use of telephone service for any other property or purpose than that described in the application.

(c) For neglect or refusal to provide reasonable access to SelectTel or its agents for the purpose of inspection and maintenance of equipment owned by SelectTel or its agents.

(d) For noncompliance with or violation of Commission regulation or SelectTel's rules and regulations on file with the Commission, provided five days' written notice is given before termination.

(e) For nonpayment of bills, provided that suspension or termination of service shall not be made without five days' written notice to the Customer, except in extreme cases.

(f) Without notice in the event of Customer or Authorized User use of equipment in such a manner as to adversely affect SelectTel's equipment or service to others.

(g) Without notice in the event of tampering with the equipment or services owned by SelectTel or its agents.

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**SECTION 2 - RULES AND REGULATIONS, CONT.****2.14 Refusal or Discontinuance by Company, cont.**

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

(i) Without notice by reason of any order or decision of a court or other government authority having jurisdiction which prohibits Carrier from furnishing such services.

(j) For extended periods of inactivity.

**2.15 Interruption of Service**

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

**2.16 Restoration of Service**

The use and restoration of service shall be in accordance with the rules and regulations of the FPSC.

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**SECTION 2 - RULES AND REGULATIONS, CONT.****2.17 Inspection, Testing, and Adjustment**

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

**2.18 Cost of Collection and Repair**

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

**2.19 Late Fee**

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

**2.20 Return Check Charges**

A fee of \$15.00, or five percent of the amount of the check, whichever is greater, will be charged for each check returned for insufficient funds.

**2.21 Reconnection Charge**

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

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**SECTION 3 - DESCRIPTION OF SERVICE**

**3.1 Timing of Calls**

- 3.1.1 Long distance usage charges are based on the actual usage of SelectTel's network. The Company will determine that a call has been established when the called party's station answers. When the station answers is determined by hardware answer supervision, through which the local telephone company sends a signal to indicate an answer. A call is terminated when either party hangs up.
- 3.1.2 Minimum billed call duration and billing increments differ from product to product. Product-specific information is included 4.0 Rate Schedules.
- 3.1.3 Usage is measured and rounded to the next higher increment for billing purposes.
- 3.1.4 There is no billing applied for incomplete calls.

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**SECTION 3 - DESCRIPTION OF SERVICE, CONT.****3.2 Minimum Call Completion Rate**

Selectel relies upon its underlying carrier to provide a call completion rate (number of calls completed/number of calls attempted) of not less than 90% during peak use periods for all FGD services ("1+" dialing).

**3.3 Selectel's Direct Dialed Long Distance Service**

Selectel's direct dialed long distance service is a switched service offered to residential and business customers for calling within the state of Florida. Calls are billed in six second increments, with an 18 second minimum initial period.

**3.4 Selectel's Switched 800 Service**

Selectel's 800 Service is a switched service offered to residential and business customers for calling within the state of Florida. Calls are billed per hour of accumulated usage. Calls are timed in single second increments, with an 30 second minimum. Total monthly usage is rounded up to the next six minute increment. Monthly recurring charges apply.

**3.5 Selectel's Special Access Long Distance Service**

Selectel's special access service is offered for inbound and outbound dedicated calling within the state of Florida. Access is made via dedicated special access channels. Charges for the special access channel are determined by the special access provider, and may be billed by the access provider directly to the end user or by Selectel as part of the long distance bill.

**3.5.1 Outbound Long Distance**

Calls are billed in six second increments, with an 18 second minimum initial period.

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**SECTION 3 - DESCRIPTION OF SERVICE, CONT.**

**3.5 SelectTel's Special Access Long Distance Service**

3.5.2 Inbound (800) Service

Calls are billed per hour of accumulated usage. Each call is timed to the nearest second, with a thirty second minimum. Total monthly usage is rounded up to the next six minute increment. Monthly recurring charges apply.

**3.6 Calling Card Service**

SelectTel's calling card service is offered on a per call basis to customers within the state of Florida. Calls are billed in six second increments, with an 18 second minimum initial period. A per call set up charge also applies.

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**SECTION 4 - RATES**

**4.0 Rates**

**4.1 General**

Each Customer is charged individually for each call placed through the Carrier. Rates vary with time of day and call duration.

Customers are billed based on their use of SelectTel's long distance service. Monthly recurring charges may also apply.

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## SECTION 4 - RATES, CONT.

## 4.0 Rates, cont.

## 4.2 Direct Dialed Long Distance (Switched Access)

## DAYTIME RATES

<u>Rate Mileage</u>	<u>Initial 18 seconds</u>	<u>Each add'l 6 seconds</u>
0 - 292	\$0.0705	\$0.0235
293 - 430	\$0.0705	\$0.0235
431 - 9999	\$0.0705	\$0.0235

## EVENING RATES

<u>Rate Mileage</u>	<u>Initial 18 seconds</u>	<u>Each add'l 6 seconds</u>
0 - 292	\$0.0618	\$0.0206
293 - 430	\$0.0618	\$0.0206
431 - 9999	\$0.0618	\$0.0206

## NIGHT/WEEKEND RATES

<u>Rate Mileage</u>	<u>Initial 18 seconds</u>	<u>Each add'l 6 seconds</u>
0 - 292	\$0.0618	\$0.0206
293 - 430	\$0.0618	\$0.0206
431 - 9999	\$0.0618	\$0.0206

## 4.3 Switched 800 Service

## DAYTIME RATES - All Mileage Bands

Each Hour: \$15.29

## EVENING RATES - All Mileage Bands

Each Hour: \$14.82

## NIGHT/WEEKEND RATES - All Mileage Bands

Each Hour: \$14.82

Monthly Charge: \$20.00

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## SECTION 4 - RATES, CONT.

## 4.0 Rates, cont.

## 4.4 Special Access Service - Outbound Long Distance

## DAYTIME RATES

<u>Rate Mileage</u>	<u>Initial 18 seconds</u>	<u>Each add'l 6 seconds</u>
0 - 292	\$0.0456	\$0.0152
293 - 430	\$0.0456	\$0.0152
431 - 9999	\$0.0456	\$0.0152

## EVENING RATES

<u>Rate Mileage</u>	<u>Initial 18 seconds</u>	<u>Each add'l 6 seconds</u>
0 - 292	\$0.0357	\$0.0119
293 - 430	\$0.0357	\$0.0119
431 - 9999	\$0.0357	\$0.0119

## NIGHT/WEEKEND RATES

<u>Rate Mileage</u>	<u>Initial 18 seconds</u>	<u>Each add'l 6 seconds</u>
0 - 292	\$0.0357	\$0.0119
293 - 430	\$0.0357	\$0.0119
431 - 9999	\$0.0357	\$0.0119

## 4.5 Special Access Service - Inbound (800) Long Distance

DAYTIME RATES - All Mileage Bands  
Each Hour: \$9.15

EVENING RATES - All Mileage Bands  
Each Hour: \$7.72

NIGHT/WEEKEND RATES - All Mileage Bands  
Each Hour: \$5.61

Monthly Charge: \$50.00

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## SECTION 4 - RATES, CONT.

## 4.0 Rates, cont.

## 4.6 Calling Card Service

## DAYTIME RATES - All Mileage Bands

Initial	Each add'l
<u>18 seconds</u>	<u>6 seconds</u>
\$0.0705	\$0.0235

## EVENING RATES - All Mileage Bands

Initial	Each add'l
<u>18 seconds</u>	<u>6 seconds</u>
\$0.0618	\$0.0206

## NIGHT/WEEKEND RATES - All Mileage Bands

Initial	Each add'l
<u>18 seconds</u>	<u>6 seconds</u>
\$0.0618	\$0.0206

Set Up Fee (per call): \$0.40

## 4.7 Directory Assistance

Per call: \$0.65

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**SECTION 4 - RATES, CONT.****4.0 Rates, cont.****4.8 Exemptions and Special Rates****4.8.1 Discounts for Hearing Impaired Customers**

A telephone toll message which is communicated using a telecommunications device for the deaf (TDD) by properly certified hearing or speech impaired persons or properly certified business establishments or individuals equipped with TDDs for communicating with hearing or speech impaired persons will receive, upon request, credit on charges for certain intrastate toll calls placed between TDDs. The credit to be given on a subsequent bill for such calls placed between TDDs will be equal to applying the evening rate during business day hours and the night/weekend rate during the evening rate period. Discounts do not apply to surcharges or per call add on charges for operator service when the call is placed by a method that would normally incur the surcharge.

**4.8.2 Directory Assistance for Handicapped Persons**

There is no charge for Directory Assistance for calls from handicapped persons, with a maximum of 50 inquiries per monthly billing cycle. Such persons must contact the Company for credit on their directory assistance calls.

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