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ORIGINAL
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REBUTTAL TESTIMONY OF LUIS COELLO

1 1. Q. Please state your name, position, and business address.

2 A. My name is Luis Coello. I am President, Telecuba, Inc. My business address is 444
3 Brickell Avenue, Suite 820, Miami, Florida.

4 2. Q. Are you the same Luis Coello who submitted direct testimony in this proceeding
5 on January 22, 1997?

6 A. Yes, I am.

7 3. Q. Have you reviewed the testimony submitted in this proceeding on March 7, 1997
8 by Mr. Rick Moses on behalf of the Public Service Commission (PSC) Staff?

9 A. Yes, I have.

10 4. Q. Do you disagree with certain portions of Mr. Moses' testimony?

11 A. Yes, I do.

12 5. Q. Do you agree with Mr. Moses' assertion that Telecuba has provided
13 telecommunications service in Florida without having first obtained a certificate from the PSC?

14 A. No. As President of Telecuba, I believed in good faith that Telecuba was and is a
15 distributor and marketer of prepaid calling cards, and that it neither was nor is a provider of
16 telecommunications services. Telecuba was established to be a marketing and distribution
17 company. It was not established to be a telecommunications service provider. The
18 telecommunications services to be accessed in conjunction with Telecuba calling cards were to
19 be provided by telecommunications companies, *i.e.*, telecommunications common carriers. That
20 was my understanding in establishing Telecuba. Indeed, I was informed by Mr. Joel Esquenazi,
21 owner of World Access Communications Corporation, that Telecuba's marketing and distribution
22 of prepaid calling cards for use with World Access services would not necessitate that Telecuba

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1 | become a telecommunications company, and would not require that Telecuba obtain PSC
2 | authorization and/or file tariffs with the PSC.

3 | I find it surprising that Mr. Moses quotes from Mr. Esquenazi's testimony in PSC
4 | Docket No. 960216-TI where Mr. Esquenazi purportedly states that one of the services World
5 | Access provides is the reselling of long distance telecommunications services to companies such
6 | as Telecuba, and that World Access would bill Telecuba directly for its customer's network
7 | time.

8 | 6. Q. Do you agree with Mr. Esquenazi's description of Telecuba's business as set forth
9 | in Mr. Moses' testimony?

10 | A. No. Telecuba is not a party to Docket No. 960216-TI and I have not seen Mr.
11 | Esquenazi's testimony in that proceeding. However, I have seen World Access' response to the
12 | PSC's Order to Show Cause issued in that docket. In the World Access Response to Order to
13 | Show Cause, World Access states unequivocally that Telecuba is not a telecommunications
14 | company. Specifically, that response states as follows:

15 | Inasmuch as Telecuba was only marketing and selling pre-paid debit cards to the
16 | general public through various vendors in the State of Florida, World Access as
17 | a certificated inter-exchange company did not believe or "expect" that Telecuba
18 | was reselling or rebilling its services for which Telecuba was required to possess
19 | a Certificate of Public Convenience and Necessity, in violation of Rule 25-
20 | 204.4701(1) F.A.C.

21 | Furthermore, in that same Response to Order to Show Cause, World Access describes the
22 | relationship between World Access and Telecuba as a "partnership relationship; not a mere
23 | 'distant' reseller." I believe that World Access's description of the relationship between itself
24 | and Telecuba as described in its Response to Order to Show Cause is an accurate description of
25 | the relationship which was intended to develop between Telecuba and World Access and is

1 contradictory with Mr. Moses' description of Mr. Esquenazi's characterization of that
2 relationship as set forth in his testimony. Moreover, the description of the Telecuba-World
3 Access relationship set forth in the World Access response to Order to Show Cause is fully
4 consistent with what I, as President of Telecuba, had been advised by Mr. Esquenazi, *i.e.*, that
5 Telecuba would be marketing and distributing prepaid calling cards which would allow
6 customers to use World Access services, and that therefore, Telecuba would not be a
7 telecommunications company, and would not be required to obtain PSC certification.

8 7. Q. Are there other bases for your understanding that Telecuba was not a reseller of
9 World Access telecommunications service, and therefore not required to become certificated as
10 a telecommunications company?

11 A. Yes. On January 12, 1996, World Access filed a civil complaint against Telecuba
12 in the Circuit Court of the Eleventh Judicial Circuit, in and for, Dade County, Florida (Case No.
13 96-00828). A copy of that complaint is attached to this rebuttal testimony as Exhibit LC-1. As
14 I indicated in my initial testimony, that civil litigation matter remains pending and it would be
15 inappropriate for me to comment on it. However, in its complaint against Telecuba, World
16 Access alleges the existence of a contractual relationship between Telecuba and World Access.
17 It also states that "Telecuba was the company marketing the debit cards." (Exhibit LC-1 at ¶
18 17). That complaint also alleges that World Access was to obtain a fifty percent interest in
19 Telecuba. Again, I do not wish to comment on any of the allegations contained in World
20 Access' civil complaint or on the status of the pending litigation. However, I do believe that
21 the description of the business relationship between Telecuba and World Access contained in the
22 World Access civil complaint is inconsistent with the assertion that Telecuba was acting as a

1 reseller of World Access service.

2 8. Q. Has Telecuba ever received a bill from World Access for network access time,
3 as alleged by Mr. Moses?

4 A. No. Telecuba never has received an invoice from World Access for network access
5 time. Periodically, Mr. Esquenazi of World Access would contact me by telephone and demand
6 payment of certain sums. As I discussed in my initial testimony, these payment demands were
7 for the codes purchased from World Access which were imprinted on Telecuba calling cards.
8 Again, no invoices for network usage ever were rendered by World Access to Telecuba.
9 Indeed, World Access never provided to Telecuba any documentation of network usage incurred
10 in completing calls paid for with Telecuba prepaid calling cards.

11 9. Q. In his testimony, Mr. Moses describes Telecuba's prepaid calling card business
12 as being different from that of other vendors of prepaid calling cards, specifically, Eckerd's and
13 Target department stores. Do you agree with that conclusion?

14 A. No. I do not work for either Eckerd's or Target and I have no direct knowledge of
15 the details of their prepaid calling card business relationships. However, Mr. Moses suggests
16 that those companies purchase cards encoded with PIN [personal identification] numbers to be
17 resold to the public. If that is correct, that is precisely what Telecuba did with one exception.
18 Telecuba had printed its own calling cards with its own picture on the front. However, the code
19 or PIN on the back of the card was obtained from World Access. Telecuba would then
20 distribute those cards to retail vendors who would sell them at a price higher than that paid by
21 Telecuba for the codes. Based upon my general knowledge of retail sales, I expect that
22 companies like Eckerd's and Target selling prepaid calling cards to the public operate in a

1 similar manner. I expect that those companies purchase the cards (and of course, the
2 telecommunications service time represented by those cards) in bulk and then resell them to end
3 users at higher prices than they paid for the cards. Their profit is the difference between the
4 price paid by them (i.e., the wholesale price) and the price received by them from the card
5 purchaser (i.e., the retail price). Mr. Moses claims that when Telecuba purchased prepaid
6 calling card codes and sold those codes to customers, it was acting as a reseller, but that when
7 Eckerd's and Target purchase prepaid calling cards with codes on them and then sell those cards
8 with the codes (and usage represented on the cards) they were not acting as resellers. I do not
9 see any difference between the two situations.

10 10. Q. In your previous answer, in discussing the prepaid calling cards sold by
11 Eckerd's and Target, you refer in parentheses to the "telecommunications service time
12 represented by the cards." What do you mean by that reference?

13 A. When customers purchase prepaid calling cards -- whether from Eckerd's or Target,
14 Telecuba, or anyone else -- they are not purchasing mere pieces of plastic, but rather are
15 purchasing the right to make telephone calls which goes with those cards. If that were not so,
16 then the purchase price would be based on the intrinsic value of the piece of plastic itself. If
17 those cards did not carry with them the right to specified amounts of telephone service, I doubt
18 whether many consumers would purchase them, and whether they would have any value in
19 excess of the value of the plastic.

20 11. Q. When you established Telecuba, were you aware of any PSC requirement that
21 sellers of prepaid calling cards in Florida must obtain certificates of public convenience and
22 necessity from the PSC?

1 A. No. I was never informed of any PSC certification requirement applicable to sellers
2 of prepaid calling cards. As Mr. Moses acknowledges in his testimony, the PSC did not become
3 aware of Telecuba and of its problems with World Access until I first contacted the PSC in
4 December 1995. Neither at that time, nor at any time since, was I informed, notified or advised
5 by the PSC or any member of its staff, including Mr. Moses with whom I had several telephone
6 conversations, that Telecuba, as a seller of prepaid calling cards for use with World Access
7 services, was required to become certificated by the PSC. Neither did any of the written
8 materials provided to me by the PSC, as referenced in Mr. Moses' testimony, state anything
9 about sellers of prepaid calling cards requiring certification. I was advised by my counsel that
10 if I went forward with plans to establish a telecommunications service company to provide
11 service in connection with Telecuba calling cards, that company would be required to become
12 certificated in order to provide intrastate service. Based upon that advice, I had filed with the
13 PSC on behalf of that company, World Long Distance, in March 1996, an application for a
14 certificate of public convenience and necessity.

15 12. Q. Does Telecuba offer intrastate service?

16 A. No. As I have explained throughout this proceeding, Telecuba does not offer or
17 provide telecommunications service. It distributes and markets prepaid calling cards. Based
18 upon Mr. Moses' testimony, it appears that the PSC Staff disagrees with that position. Whether
19 or not one agrees with the distinction between marketing and distributing prepaid calling cards
20 one the one hand, and providing telecommunications service on the other hand, I can state
21 unequivocally that Telecuba has never offered or solicited intrastate business, that it never has
22 advertised or promoted the purchase of its cards for intrastate services, and that, as a result,

1 intrastate calling has never been more than a *de minimis* aspect of Telecuba's business. Telecuba
2 cards are marketed to callers whose primary calling needs are international, whose customers'
3 long distance calling is almost entirely to foreign points, with a smattering of calls to locations
4 in other states. Until such time as my long distance company becomes certificated by the PSC
5 to provide intrastate services, neither Telecuba nor that company shall market prepaid calling
6 cards for intrastate use or engage in any efforts to sell or market intrastate calling services.

7 13. Q. Are you aware that World Access has been ordered by the PSC to provide to
8 Telecuba call detail record information in order to enable Telecuba to provide refunds to
9 purchasers of Telecuba calling cards?

10 A. Yes. It is my understanding that in its Order to Show Cause in Docket No. 960216-
11 TI, the PSC ordered World Access to "provide to Telecuba sufficient call detail records to allow
12 Telecuba to determine the long distance service that has been used by specific PIN numbers."
13 I am also aware that the World Access Order to Show Cause states that World Access has
14 represented to the PSC that it would assist Telecuba in that regard.

15 14. Q. Has World Access provided such call detail information to Telecuba?

16 A. No. It has not.

17 15. Q. Has World Access' failure to provide call detail records to Telecuba as required
18 by the PSC precluded Telecuba from providing refunds?

19 A. No. However, it has prevented Telecuba from limiting refunds to actual unused
20 amounts of service time on prepaid calling cards. As described in my initial testimony,
21 Telecuba immediately recalled all prepaid calling cards distributed to retailers for sale to the
22 public upon learning of World Access' cessation of service. Telecuba also embarked upon a

1 refund and card replacement program which resulted in thousands of dollars in refunds and
2 replacement cards being issued.

3 16. Q. Has Telecuba advertised the availability of refunds?

4 A. Yes. In the Order to Show Cause in this proceeding, the PSC ordered Telecuba to
5 show cause as to why it should not be required to publish refund announcements. Telecuba
6 responded that it had no objection to publishing such announcements, and that it would gladly
7 do so if asked to do so by the Commission or its staff. I reiterated that willingness to publish
8 refund announcements in my initial testimony. To date, Telecuba has not been ordered nor
9 asked to publish announcements about the availability of refunds. As President of Telecuba, I
10 realize that refund information is a concern to the PSC and I am especially sensitive to the
11 concern articulated in Mr. Moses' testimony that customers may not know of their rights to
12 refunds. Accordingly, on March 20, 21, and 22, 1997, I had published on three successive days
13 in El Nuevo Herald, a publication of the Miami Herald and a newspaper of general circulation
14 in the Cuban-American community of Miami, where virtually all Telecuba cards are marketed
15 and sold, a notice of refund availability. A copy of that notice and the proof of publication is
16 attached to my rebuttal testimony as Exhibit LC-2. That notice stated as follows:

17 **NOTICE**

18 Any persons who have purchased Telecuba prepaid calling cards prior to
19 December 11, 1995 which identify World Access, Inc. as the service provider on
20 the back of the cards are entitled to refunds or to replacement calling cards.
21 Please mail your Telecuba cards containing the words "Servicio de lineas surtida
22 por AT&T a traves de World Access, Inc. Miami, FL." to the offices of
23 Telecuba, Inc. P.O. Box 01-0469. Replacement cards will be promptly issued.
24 For further information about this refund offer, please call Telecuba's offices at
25 (305) 233-4000.

26 The above notice was originally published in English. This was done erroneously by the

1 newspaper. However, the notice is being republished in Spanish on March 28, 29, and 30,
2 1997. I hope that this voluntary action demonstrates Telecuba's unwavering commitment to its
3 customers to stand behind its prepaid calling cards and to ensure consumer satisfaction.

4 17. Q. Do you agree with Mr. Moses' assertion that 30,000 Telecuba customers were
5 affected by the disconnection of Telecuba by World Access?

6 A. No. There were not 30,000 customers without service. 30,000 is the approximate
7 number of Telecuba prepaid calling cards which had been distributed to retailers for sale to the
8 public at the time of World Access' discontinuance of service. I recognize that the 30,000
9 number appears in a letter sent by me to the Federal Communications Commission on December
10 11, 1995. In retrospect, I recognize that basing the number of "customers affected" on the
11 number of cards available for sale was not correct. Had all 30,000 cards then available through
12 retail outlets been sold at the same time, and had each available card been sold to a different
13 customer, that is the number of customers which could have been without service. It is more
14 important to recognize that, as explained in my initial testimony, more than 43,000 prepaid
15 calling cards were recalled voluntarily by Telecuba before they were purchased at retail. This
16 immediate recall of all unsold Telecuba calling cards limited the number of customers which
17 experienced any loss of service. In addition, as detailed in my initial testimony, Telecuba has
18 issued refunds and replacement cards in the amount of \$12,055. Based upon these facts and
19 Telecuba's recent publication of refund availability announcements, I believe that no customers
20 have been harmed by the temporary inability to use Telecuba calling cards which occurred in
21 December 1995.

22 18. Q. Do you agree with Mr. Moses' recommendation that Telecuba should be

1 required to pay to the state of Florida monies collected for the sale of prepaid calling cards
2 which cannot be refunded directly to consumers?

3 A. No. As I explained in my initial testimony, the proposal to require Telecuba to make
4 a payment to the state of Florida is based upon a belief that Telecuba has somehow been unjustly
5 enriched from the sale of prepaid calling cards which could not be used for placing telephone
6 calls. As I have indicated consistently, that is not a correct belief. Of the Telecuba cards which
7 identified World Access as the service provider which had been produced at the time of World
8 Access' discontinuation of service, the vast majority were recalled by Telecuba without having
9 been sold to consumers. Of those cards which had been sold but not used, refunds were offered
10 to all card holders. Moreover, the suggestion that Telecuba was unjustly enriched is
11 contradicted by the fact that Telecuba paid many thousands of dollars to World Access.
12 Whether those payments were for codes or, as Mr. Moses claims, for usage, the fact is that the
13 money was paid by Telecuba to World Access and neither enriched nor benefited Telecuba.
14 However, I note with interest Mr. Moses' specific suggestion that Telecuba should be ordered
15 to pay to the state of Florida all monies received from intrastate usage minus the charges paid
16 for minutes of use to World Access. In my initial testimony, I explained that intrastate
17 telephone calls constitute only an incidental portion of the calls made using Telecuba cards (*i.e.*,
18 less than 5 percent) and that the vast, vast majority of calls placed using Telecuba cards are
19 international and interstate calls. Thus, while I believe that any required payment by Telecuba
20 to the state would be unfair and punitive, I can assure the PSC that a payment to the state based
21 on intrastate revenues minus payments to World Access would be a very small payment. Of
22 course, unless and until World Access complies with the PSC order to provide call detail record

1 information to Telecuba, it will be impossible to determine which World Access calls paid for
2 with Telecuba prepaid calling cards were intrastate calls.

3 19. Q. Are you aware of any complaints received by the PSC from customers regarding
4 Telecuba calling cards?

5 A. No. Telecuba has never received from the PSC any consumer complaint. I am not
6 familiar with the PSC's procedures. However, I would expect that when the PSC receives
7 complaints from consumers about telecommunications products or services, it would refer those
8 complaints to the company identified in the complaint for resolution. Since the PSC never has
9 referred to Telecuba any complaint received by the PSC regarding Telecuba, I assume that no
10 such complaints have been received by the PSC. The fact that the PSC has received no
11 complaints regarding Telecuba is also corroborated by Mr. Moses' testimony which states that
12 the Staff received no complaints about Telecuba.

13 20. Do you agree with Mr. Moses' recommendation that the PSC should fine Telecuba
14 \$25,000?

15 A. No. As I have explained in my initial testimony and in this rebuttal testimony,
16 Telecuba has never intended to provide telecommunications service without the requisite
17 authorization, that it reasonably believed in good faith that no certification was required for the
18 marketing and distribution of prepaid calling cards, that it was never advised otherwise by the
19 PSC, and, most importantly, that no consumers have been harmed by Telecuba. I am not
20 familiar with the circumstances regarding either Ramcom Group or I.S.C. International,
21 companies identified in Mr. Moses' testimony as having been fined \$25,000 each by the PSC.
22 Whether Telecuba should be fined \$25,000 to be consistent with the fines imposed on those

1 | companies, as recommended by Mr. Moses, should depend on whether those companies'
2 | circumstances were the same as those applicable to Telecuba. In this regard, several factors
3 | would seem relevant. First, did the PSC learn about those companies as a result of those
4 | companies approaching the PSC as was the case with Telecuba? Second, did those companies
5 | engage in any efforts to evade regulation or did they willingly subject themselves to the PSC's
6 | authority and processes as Telecuba has done? Third, were any consumers harmed by those
7 | companies' activities in Florida? Fourth, if there were disruptions to consumers' ability to use
8 | those companies' calling cards, did those companies immediately take steps to eliminate those
9 | disruptions and, if necessary, to recall cards and provide replacement cards and refunds? Fifth,
10 | have those companies or companies affiliated with them been applicants for PSC certification
11 | for more than one year? In determining whether those two cases furnish precedent for
12 | imposition of a fine on Telecuba, I believe that each of those questions is relevant for the PSC's
13 | consideration.

14 | 21. Q. Does this conclude your rebuttal testimony?

15 | A. Yes it does.

16 | 50757.1/0909

<input type="checkbox"/> IN THE CIRCUIT COURT OF THE ELEVENTH JUDICIAL CIRCUIT IN AND FOR DADE COUNTY, FLORIDA. <input type="checkbox"/> IN THE COUNTY COURT IN AND FOR DADE COUNTY, FLORIDA.		
CIVIL DIVISION	CIVIL ACTION SUMMONS Personal Service on a Natural Person (En Espanol al Dorso) (Francals Au Verso)	CASE NUMBER 96-00828
PLAINTIFF(S) WORLD ACCESS COMMUNICATIONS CORPORATION	VS. DEFENDANT(S) TELECUBA, CELLULAR ACCESS, LUIS G. COELLO and ANGEL PROL	CLOCK IN 1-16-96 720
To Defendant(s): LUIS G. COELLO	Address: 14355 S.W. 78th Avenue Miami, Florida 33158 <i>to my</i>	
<p>A lawsuit has been filed against you. You have 20 calendar days after this summons is served on you to file a written response to the attached Complaint with the clerk of this court. A phone call will not protect you; your written response, including the case number given above and the names of the parties, must be filed if you want the Court to hear your side of the case. If you do not file your response on time, you may lose the case, and your wages, money and property may thereafter be taken without further warning from the Court. There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may call an attorney referral service or legal aid office (listed in the phone book).</p> <p>If you choose to file a written response yourself, at the same time you file your written response to the Court, located at:</p> <p style="text-align: center;">Dade County Courthouse Clerk of Courts Room 138 73 West Flagler Street Miami, Florida 33130</p> <p>Additional Court locations are printed on the back of this form.</p> <p>You must also mail or take a copy of your written responses to the "Plaintiff/Plaintiff's Attorney" named below.</p>		
Plaintiff/Plaintiff Attorney Alan P. Dagen, Esq. Schantz Schatzman Aaronson & Cahon, P.A.	Address 200 South Biscayne Blvd., Suite 1050 Miami, Florida 33131	
TO EACH SHERIFF OF THE STATE OF FLORIDA: You are com manded to serve this Summons and a copy of the Com-plaint of this lawsuit on the above named defendant.		
MARSHALL ADER CLERK OF COURTS	BY: _____ DEPUTY CLERK	Court Seal DATE:

IN THE CIRCUIT COURT OF THE 11TH JUDICIAL CIRCUIT,
IN AND FOR DADE COUNTY, FLORIDA

GENERAL JURISDICTION DIVISION

CASE NO.: 96-00828 (23)

WORLD ACCESS COMMUNICATIONS
CORPORATION, a Florida corporation,

Plaintiff,

vs.

TELECUBA, INC., a Florida corporation,
CELLULAR ACCESS
COMMUNICATIONS, INC., a Florida
corporation, LUIS G. COELLO,
individually and ANGEL PROL,
individually,

Defendants.

AMENDMENT TO VERIFIED COMPLAINT BY INTERLINEATION

Plaintiff, WORLD ACCESS COMMUNICATIONS CORPORATION, ("WORLD ACCESS"), pursuant to Fla. R. Civ. P. 1.190(a), hereby files this Amendment to Verified Complaint by Interlineation and states as follows:

1. Paragraphs 50, 57, 68, 76, 82, 87, 90, 94, 102, 106, 110, 115, 119 and 123 shall hereby read as follows:

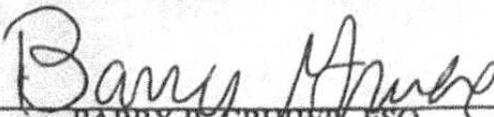
"WORLD ACCESS hereby realleges and incorporates paragraphs 1-49 as if fully set forth herein."

2. WORLD ACCESS certifies that it has served the Amendment to Verified Complaint by Interlineation together with the Verified Complaint on the Defendants.

Respectfully submitted this 15th day of January, 1996.

SCHANTZ, SCHATZMAN, AARONSON & CAHAN, P.A.
Attorneys for Plaintiff WORLD ACCESS
Suite 1050, First Union Financial Center
200 South Biscayne Boulevard
Miami, FL 33131-2394
(305) 371-3100

By:


BARRY P. GRUHER, ESQ.
Florida Bar No.: 960993

IN THE CIRCUIT COURT OF THE ELEVENTH JUDICIAL CIRCUIT,
IN AND FOR DADE COUNTY, FLORIDA

CASE NO.: _____ 96-00828 (23)

WORLD ACCESS COMMUNICATIONS CORPORATION, a Florida corporation,

Plaintiff,

vs.

**TELECUBA, INC., a Florida corporation,
C E L L U L A R A C C E S S
COMMUNICATIONS, INC., a Florida
corporation, LUIS G. COELLO,
individually and ANGEL PROL,
individually,**

Defendants.

VERIFIED COMPLAINT

Plaintiff, WORLD ACCESS COMMUNICATIONS CORPORATION ("WORLD ACCESS") hereby sues Defendants, TELECUBA, INC., ("TELECUBA"), CELLULAR ACCESS COMMUNICATIONS, INC. ("CELLULAR ACCESS"), LUIS G. COELLO ("COELLO") and ANGEL PROL ("PROL"), and alleges as follows:

JURISDICTION AND VENUE

1. This is an action for damages in excess of Fifteen Thousand Dollars (\$15,000.00), exclusive of interest and costs within the jurisdictional amount of this Court. This is also an action for equitable relief as is further alleged herein.

2. Venue is proper in this Court pursuant to § 47.011, Florida Statutes, as the Defendants either reside in, and/or the cause of action relating to Defendants have accrued in Dade County, Florida.

CASE NO.: _____

PARTIES

3. Plaintiff, WORLD ACCESS, is a Florida corporation licensed to do business in the State of Florida and which, at all material times, had its principal place of business in Dade County, Florida.

4. Defendant, TELECUBA, is a Florida corporation licensed to do business in the State of Florida and which, at all material times, had its principal place of business in Dade County, Florida.

5. Defendant, LUIS G. COELLO ("COELLO"), is a resident of Dade County, Florida and is otherwise *sui juris*. At all times material herein, COELLO was the President of TELECUBA.

6. Defendant, ANGEL PROL ("PROL"), is a resident of Panama who was brought to this country under a special visa for purposes of being employed at WORLD ACCESS.

FACTUAL ALLEGATIONS

7. In or about 1989, Telecommunications Services, Inc. ("TSI") was incorporated in the State of Florida. Joel Esquenazi ("Esquenazi") is a principal of TSI.

8. In or about 1991, WORLD ACCESS was incorporated in the State of Florida. Both TSI and WORLD ACCESS are telecommunications companies. *Inter alia*, WORLD ACCESS provides various services in the telecommunications industry. One area of its business, along with TSI, is the marketing of prepaid calling cards. As TSI's customers are from all over the world, the customer would buy TSI's calling cards from various retail vendors, mostly in South Florida. Once the customer has dialed a toll free (1-800) access number, the cards worked like other telephone credit or calling cards.

9. One of the services WORLD ACCESS provides is that of a service bureau for various debit card companies such as the Defendants. In this instance, another company would issue and market a debit card. These cards are sold to the public which prepays for the long distance services the buyer uses when utilizing the card's access number. The debit card company would use WORLD

CASE NO.: _____

ACCESS to provide access to the network to place the calls, bill for the calls, and other needed services.

10. Another service that WORLD ACCESS provides is call back service. Under this service, the customer can access the WORLD ACCESS network by calling a number issued to the customer. Each customer has a unique number. The customer calls the number, it rings and then hangs up. The system network would then "call back" that user and after giving the proper access code WORLD ACCESS would provide the user with a United States dial tone. In this way, a consumer can access a United States phone line from anywhere in the world.

11. Another service that WORLD ACCESS provides is as a reseller or secondary vendor of long distance telecommunications services to either other communications companies (including other resellers or vendors) and the general public. For example, WORLD ACCESS buys long distance service at wholesale per minute rates and resells it to smaller companies that would not otherwise be able to obtain the largest discounts from major providers such as AT&T.

12. In or about April 1995, COELLO approached WORLD ACCESS with a business proposal after being introduced to WORLD ACCESS by an AT&T representative. COELLO was interested in establishing and operating a debit card business as described above.

13. WORLD ACCESS decided to explore the business further and after reviewing same, the parties made several agreements between them as set forth below.

14. WORLD ACCESS would provide its networking system to process the debit card calls for the Defendants. The debit card would have an 800 number on it. After paying for a card, the end user (the public) would dial the number. That call would be directed into WORLD ACCESS' computer network system.

15. Subsequently, the same network would process the outgoing call (*i.e.*, the phone number the card user was calling).

16. Additionally, the computer would tabulate the length of the call, its cost, etc., for purposes of billing the call to the particular end user or customer of the Defendants.

CASE NO.: _____

17. The parties further agreed to the following: upon WORLD ACCESS' suggestions, COELLO was to organize and incorporate two (2) new companies: TELECUBA and CELLULAR ACCESS; TELECUBA was the company marketing the debit cards. CELLULAR ACCESS was to market the call-back and debit card services for cellular users. In addition, WORLD ACCESS was supposed to obtain fifty percent (50%) stock ownership of TELECUBA and CELLULAR ACCESS. After incorporating the companies, COELLO delivered TELECUBA's corporate books to WORLD ACCESS' offices.

18. In addition to providing the network, WORLD ACCESS agreed that TELECUBA could utilize the first \$150,000.00 of network time to be re-invested in TELECUBA and CELLULAR ACCESS in order to allow those companies to grow.

19. Accordingly, COELLO was supposed to do the marketing, sale and distribution of the debit card for TELECUBA and CELLULAR ACCESS.

20. In or about January 1995, WORLD ACCESS asked AT&T to set aside several 1-800 numbers for its exclusive use. Although some of these numbers were dedicated to TSI, the numbers were ostensibly dedicated for use in connection with WORLD ACCESS' agreements entered into with the Defendants.

21. Once the program was established for TELECUBA, Esquenazi assigned one of the above 1-800 numbers to this project. The account holder of the 1-800 number was TSI/TELECUBA.

22. In or about the summer of 1995, TELECUBA marketed pre-paid debit cards to the general public. When the user utilized the card to place long distance telephone service (through WORLD ACCESS' network), WORLD ACCESS would calculate the minutes in its computer system and was supposed to bill TELECUBA accordingly.

23. WORLD ACCESS, however, waived the first \$150,000.00 of network billing time in reliance on COELLO's agreement and representations to use that money, otherwise due and owing to WORLD ACCESS, to invest in TELECUBA and CELLULAR ACCESS to help the new business grow. At all times material, the Defendants continued to represent to WORLD ACCESS that this

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waiver of network time was, in fact, being invested in such manner with the intent of inducing WORLD ACCESS into providing the waiver.

24. Despite the fact that COELLO's investment in TELECUBA was substantially less than that of WORLD ACCESS, Esquenazi trusted and relied on COELLO representations that his promises would be kept.

25. Accordingly, WORLD ACCESS prepared a letter of intent to document the agreements among the parties. After presenting the letter of intent to COELLO, COELLO began going to the office (which TELECUBA, CELLULAR ACCESS and WORLD ACCESS all shared) less frequently. Then, he asked for various changes to the agreement; at other times, he would say the agreement was fine and that he would get back to WORLD ACCESS on executing an agreement. A true and correct copy of the letter of intent is attached hereto as Exhibit "A".

26. Meanwhile, WORLD ACCESS had loaned money to COELLO, individually and loaned money to CELLULAR ACCESS. These loans were over and above the capital contributions made to TELECUBA.

27. *Inter alia*, in order to assist in the programming and system analysis of the networking for this and other WORLD ACCESS business, WORLD ACCESS sought to hire a programmer/systems analyst.

28. In connection therewith, WORLD ACCESS petitioned the Immigration and Naturalization Service for purposes of offering a temporary position to PROL as a programmer/system analyst. PROL, among other duties, was to help plan, develop and document computer programs which would be used in the network and billing process for Defendants' business.

29. WORLD ACCESS successfully obtained a Visa for PROL for the sole purpose of PROL working for WORLD ACCESS and PROL began employment at WORLD ACCESS. At all times material, COELLO knew that PROL was residing and working in this country on a restricted Visa obtained through the effort and expense of the Plaintiff.

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30. Towards the end of the summer of 1995, WORLD ACCESS began feeling uncomfortable with COELLO's continued delay in executing the written agreements confirming their business arrangements and additionally that the Defendants were not paying WORLD ACCESS for the services provided following the expiration of the initial two months of free service that was to be reinvested in the Defendant corporations.

31. In an effort to rectify the situation, Esquenazi began asking PROL to prepare invoicing and computer runs on TELECUBA and CELLULAR ACCESS's debt to WORLD ACCESS.

32. PROL would continually indicate and represent to Esquenazi that the computer programs had various number of problems which precluded quick and accurate billing information. Based on these representations PROL succeeded in delaying the invoicing by WORLD ACCESS (billing) to Defendants for a few months.

33. Unbeknownst to WORLD ACCESS, this was all part of a master plan devised by the Defendants to defraud the Plaintiff.

34. During the course of PROL's employment with WORLD ACCESS, he and COELLO conspired to steal WORLD ACCESS' assets, corporate opportunities, customers lists, pricing lists and other trade secrets. *Inter alia*, the following occurred:

(a) COELLO, utilizing PROL's assistance as WORLD ACCESS' computer programmer, failed to submit detailed and accurate billing invoices to TELECUBA such that it appeared on WORLD ACCESS' books and records that TELECUBA owed less money than it rightfully did to WORLD ACCESS;

(b) COELLO collected money for the debit cards sold but never accounted for the sale of these cards to WORLD ACCESS;

(c) at COELLO's request, PROL prepared specification sheets in the WORLD ACCESS' computer networking system relative to a turnover of the system to TELECUBA's benefit;

(d) utilizing funds which rightfully belonged to WORLD ACCESS, COELLO purchased its own equipment to begin his own network, all of which knowledge was obtained as a

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result of stealing trade secrets and other confidential information of WORLD ACCESS, which was developed by WORLD ACCESS at great expense, time and effort;

(e) such trade secrets and other confidential information was not readily available to competitors in the industry or the public; and

(f) PROL and COELLO were subject to non-disclosure agreements relative to the above trade secrets which agreements have been breached.

35. Further, upon information and belief, TELECUBA operates within the industry without a license.

36. When WORLD ACCESS discovered this fraudulent scheme, WORLD ACCESS demanded a full accounting and payment from the Defendants. In addition, for the first time, Esquerazi looked at TELECUBA's corporate books and discovered that the stock was never issued to WORLD ACCESS.

37. COELLO refused to issue the stock for TELECUBA. COELLO had issued ten percent (10%) of the stock in CELLULAR ACCESS to WORLD ACCESS, but never issued the remaining forty percent (40%).

38. COELLO began operating TELECUBA and CELLULAR ACCESS utilizing inventory, pricing lists, customer lists and other confidential information and trade secrets acquired from WORLD ACCESS.

39. Upon this discovery, WORLD ACCESS shut down the TELECUBA network and advised COELLO of the shut down. That means that when the debit card buyer calls the dedicated 1-800 number, it will not access the network and a call will not be placed. In response, COELLO replied that he did not care.

40. Amazingly, TELECUBA continued to sell debit cards to the public even after it knew the 1-800 number printed on the card was useless.

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41. TELECUBA defrauded the public by selling debit cards it knew had no value. TELECUBA defrauded WORLD ACCESS by not turning over the proceeds of the debit cards to WORLD ACCESS in order to keep the network up and running.

42. In addition, by virtue of his knowledge of the computer system, PROL had taken over the TELECUBA customer lists, pricing lists and other confidential information of WORLD ACCESS, which lists and information was cultivated and developed at great expense, time and effort by WORLD ACCESS.

43. To date, PROL continues to make calls to his home in Panama by using credit card phone numbers which belong to WORLD ACCESS' customers.

44. After the above frauds were discovered and COELLO left to run his operations now in place, COELLO contacted AT&T for the purpose of having AT&T release and/or transfer the dedicated 1-800 number to TELECUBA.

45. In the course of that conversation, COELLO accused WORLD ACCESS of defrauding TELECUBA.

46. COELLO further requested that the billing for the 1-800 number remain with TSI. When AT&T realized that TELECUBA wanted "ownership" of the 1-800 number while taking no responsibility for paying its bills, AT&T contacted TSI and WORLD ACCESS. AT&T agreed that the 1-800 number had been assigned to TSI and WORLD ACCESS and would remain that way.

47. Despite demand, TELECUBA and CELLULAR ACCESS refuse to pay its bills to WORLD ACCESS.

48. Despite demand, COELLO refuses to turnover fifty percent (50%) of the STOCK of TELECUBA and CELLULAR ACCESS to WORLD ACCESS.

49. All conditions precedent to this suit have occurred, been performed or excused.

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COUNT I.

[Constructive Trust]

50. WORLD ACCESS hereby realleges and incorporates paragraphs 1 through 48 as if fully set forth herein.

51. COELLO entered into a contract with WORLD ACCESS to issue fifty percent (50%) of TELECUBA's and CELLULAR ACCESS' shares in the name of WORLD ACCESS. Despite demand, COELLO refuses to turn over the corporate stock.

52. COELLO is operating TELECUBA and CELLULAR ACCESS in the telecommunication industry without a proper license. In addition thereto, COELLO has perpetrated a fraud upon the public and the telecommunication industry.

53. COELLO opened up the competing business to WORLD ACCESS utilizing trade secrets stolen from WORLD ACCESS and utilizing funds which were to be remitted to WORLD ACCESS as the provider of the services. COELLO utilized this fraudulent scheme by enlisting PROL as their computer programmer and causing WORLD ACCESS by purposely not invoicing TELECUBA for the minutes that were being provided through the WORLD ACCESS' system in by not providing a timely and full accounting. In this way, COELLO and TELECUBA were able to divert funds that were committed for purposes of paying WORLD ACCESS as the provider of the services and instead opened a competing business. The funds that TELECUBA received from its end users from the sale of debit cards represents the *res* which is the subject of the constructive trust claim. These funds were collected by TELECUBA in trust for WORLD ACCESS. As such, TELECUBA acts as constructive trustees and fiduciaries to properly account for these funds and to remit these funds to WORLD ACCESS. WORLD ACCESS will be irreparably harmed in the event that Defendants are not restrained and enjoined from transferring, conveying and releasing any further proceeds collected from the debit cards in the past or in the future, in that such proceeds constitute the *res* which is the subject of this claim and would likely be dissipated prior to any final adjudication of the dispute.

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54. WORLD ACCESS has no adequate remedy at law which will render full and complete relief.

55. Defendants' actions were committed intentionally, willfully and for such purpose and in a manner as to harm WORLD ACCESS and to violate and abuse the confidence and trust WORLD ACCESS placed in the Defendants.

56. The Defendants' conduct was wanton, purposefully and malicious and design to harm WORLD ACCESS.

WHEREFORE, WORLD ACCESS requests that this Court (a) establish a constructive trust in its favor in an amount equal to the proceeds obtained from past and future accounts from the sale of debit cards which were destined to use at WORLD ACCESS' network for the purpose of paying all access the amount owed to it in the agreement set forth above; and (b) declare that the Defendants' constructive trustees of all such funds and such funds decimated before the date of effect or judicial intervention of this dispute be returned to WORLD ACCESS; and (c) enter an injunction enjoining the Defendants from dissipated further any proceeds collected in any form currently had; and (d) award damages against the Defendants for such funds had been decimated by Defendants, including an award of punitive damages, interest and court costs; and (e) award WORLD ACCESS such further relief as this Court deems appropriate.

COUNT II.

[Breach of Duty of Loyalty]

57. WORLD ACCESS hereby realleges and incorporates paragraphs 1 through 48 as if fully set forth herein.

58. The parties entered into an agreement whereby COELLO was to transfer fifty percent (50%) of the stock of TELECUBA and CELLULAR ACCESS to WORLD ACCESS. Despite demand, COELLO refuses to comply with that contractual undertaking.

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59. By virtue of the fifty percent (50%) ownership in the stock, COELLO owed a duty of loyalty towards WORLD ACCESS.

60. Defendants have wrongfully stripped WORLD ACCESS of some of its assets, stolen its trade secrets and converted corporate funds in order to use such funds and assets to further its own business ventures in competition with WORLD ACCESS as opposed to conducting its operations in partnership with WORLD ACCESS. The transfer of assets is not reasonably calculated to be in the best interest of WORLD ACCESS. Further, COELLO derives an improper personal benefit from these transfers.

61. Defendants' actions have used business opportunities of WORLD ACCESS.

62. Accordingly, all of the corporate assets of TELECUBA constitute a *res* which forms a constructive trust in favor of WORLD ACCESS.

63. Defendants have breached their fiduciary duties to WORLD ACCESS by failing to account for corporate assets and applying them to debts legitimately incurred.

64. WORLD ACCESS would be irreparably harmed if Defendants are not restrained and enjoined from transferring, conveying or releasing any of the subject assets.

65. WORLD ACCESS would have no adequate remedy at law which would render full and complete relief.

66. The Defendants' actions were committed intentionally, willfully and for such purpose and in a manner as to harm WORLD ACCESS and to violate and abuse the confidence and trust WORLD ACCESS placed in the Defendants.

67. The individuals Defendants' conduct was wanton, purposefully and malicious and designed to harm WORLD ACCESS.

WHEREFORE, WORLD ACCESS requests that this Court (a) establish a constructive trust in its favor in an amount equal to the proceeds obtained from past and future accounts from the sale of debit cards which were destined to use at WORLD ACCESS' network for the purpose of paying all access the amount owed to it in the agreement set forth above; and (b) declare that the Defendants'

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constructive trustees of all such funds and such funds decimated before the date of effect or judicial intervention of this dispute be returned to WORLD ACCESS; and (c) enter an injunction enjoying the Defendants from dissipated further any proceeds collected in any form currently had; and (d) award damages against the Defendants for such funds had been decimated by Defendants, including an award of punitive damages, interest and court costs; and (e) award WORLD ACCESS such further relief as this Court deems appropriate.

COUNT III.

[Fraud]

68. WORLD ACCESS hereby realleges and incorporates paragraphs 1 through 48 as if fully set forth herein.

69. COELLO represented to WORLD ACCESS he would convey fifty percent (50%) of the shares of stock in TELECUBA and CELLULAR ACCESS to WORLD ACCESS. These representations were made as a charade to hide COELLO's true goal which was to steal trade secrets and valuable information in to how the business was run so that he could set TELECUBA as a competing business not as a 50/50 partnership with WORLD ACCESS.

70. COELLO enlisted PROL as his assistant and conspirator in committing this fraud. Unbeknownst to WORLD ACCESS and in reliance on the representations made by COELLO, WORLD ACCESS provided confidential information to COELLO, allowed COELLO to operate TELECUBA out of WORLD ACCESS' offices, obtained a special work permit for PROL, and assist TELECUBA in the debit card business.

71. At the time COELLO made those representations, he intended and knew that WORLD ACCESS would rely and act upon those representations.

72. At the time COELLO made those representations, he had no personal intent to honor them.

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73. WORLD ACCESS relied on the representations, acted upon them to its detriment and was consequently damaged.

74. As a proximate result of Defendants' wrongful conduct, WORLD ACCESS has been damaged.

75. Defendants were intentional, reckless, wanton and committed with complete disregard for WORLD ACCESS' rights.

WHEREFORE, WORLD ACCESS demands judgment in its favor and against Defendants, jointly and severally for compensatory damages, punitive damages and an amount to be determined at trial, together with interest, costs, and such other relief as the Court deems proper.

COUNT IV.

[Appointment of Receiver]

76. WORLD ACCESS hereby realleges and incorporates paragraphs 1 through 48 as if fully set forth herein.

77. WORLD ACCESS has a right to Defendants' property, by virtue of the promises to convey fifty percent (50%) stock ownership and WORLD ACCESS performing its end of the undertaking to earn such shares. Specifically, it provided the network accessing and free invoicing for two months period.

78. Due to the actions of the Defendants, and the threat to the value and maintenance of the corporate assets, fifty percent (50%) of which belongs equitably to WORLD ACCESS, a Receiver is necessary to preserve the assets.

79. The corporate stock pledged but undelivered only has value if the company is operated properly and further dissipation of assets do not occur.

80. There is eminent danger if immediate possession is not taken by the Court that further selling or wasting of assets will occur.

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81. It is critical that a Receiver be appointed to oversee the operations and assets of TELECUBA and CELLULAR ACCESS.

WHEREFORE, WORLD ACCESS requests that this Court appoints a Receiver pursuant to Rule 1.620 of the Florida Rules of Civil Procedure.

COUNT V.

[Claim for Injunctive Relief and Damages
Pursuant to Florida Statutes § 688, etc.]

82. WORLD ACCESS hereby realleges and incorporates paragraphs 1 through 48 as if fully set forth herein.

83. Defendants has misappropriated WORLD ACCESS as confidential and trade secret information, including, but not limited to, its pricing lists, its customer's list and other valuable and confidential information located in its computer database. Further, Defendants have caused to remove such information from the offices of WORLD ACCESS and are utilizing such information in the operations of TELECUBA. All of this is contrary to the Florida Trade Secrets Act, Chapter 688, Florida Statutes.

84. Defendants have used and disclosed and will continue to use and disclose such trade secrets and proprietary and confidential information unless enjoined by the Court. Defendants are doing business by utilizing this confidential and proprietary information for its own advantage and without accounting to WORLD ACCESS for the use of this information.

85. The above acts are causing and will continue to cause WORLD ACCESS substantial, immediate and irreparable harm for which WORLD ACCESS has no adequate remedy at law, and said violations are continuing and will continue until enjoined and monetary damages are difficult to approximate.

86. Defendants have willfully and maliciously misappropriated these trade secrets and lists causing WORLD ACCESS customer problems, unpaid invoices from the Defendants, unpayable

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invoices from other customers and unjustly enriching Defendants while causing actual damages to WORLD ACCESS in an amount to be determined.

WHEREFORE, WORLD ACCESS requests that this Court enter a temporary injunction to be made permanent against Defendants (a) restraining and enjoining Defendants' use and/or disclosure of WORLD ACCESS customer's lists, pricing lists and/or any other proprietary confidential information or documents obtained from or developed by WORLD ACCESS; (b) mandatorily directing the returns of all such lists and other proprietary and confidential information or documents obtained from or developed by WORLD ACCESS inclusive of all copies, duplicates and/or extracts therefrom in their possession or dissipated to third parties in whatever form currently available including computer disks; (c) awarding WORLD ACCESS punitive damages in an amount to be determined at trial; (d) awarding WORLD ACCESS compensatory damages, in addition to statutory attorneys' fees and interest; or in the alternative, reasonable compensation for the unauthorized disclosure and use of these trade secrets in an amount to be determined upon trial; and (e) such other and further relief as this Court may deem just and proper.

COUNT VI.

[Violation of Florida Statutes § 812.081]

87. WORLD ACCESS hereby realleges and incorporates paragraphs 1 through 48 as if fully set forth herein.

88. Defendants, with the intent to deprive or withhold from WORLD ACCESS the control of its trade secrets and with an intent to temporarily or permanently appropriate said trade secrets to its own use or the use of another, stole or embezzled WORLD ACCESS' trade secrets and made or cause to be made copies of such trade secrets without the consent of WORLD ACCESS.

89. Defendants' conduct is wanton, willful and in reckless disregard of the rights of WORLD ACCESS.

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WHEREFORE, pursuant to Florida Statutes § 812.081 and § 812.035, Plaintiff, WORLD ACCESS respectfully requests (a) entry of judgment against Defendants; (b) imposing reasonable restrictions upon Defendants' future activities including, but not limited to, prohibiting Defendants from engaging in the same type of endeavor as the enterprise in which Defendants have engaged with WORLD ACCESS, other than other the guides of a Receiver and/or fifty percent (50%) stock ownership with WORLD ACCESS; (c) ordering the suspension, revocation any license, permit, or prior approval granted to Defendants, or any other company operating or operative by Defendants for the purpose of doing business in its corporate name by any department or agency of the State of Florida except for the same limitations as outlined above; (d) entering an Order preliminarily and permanently enjoining Defendants as requested in earlier Counts; (e) awarding WORLD ACCESS punitive damages; and (f) such other and further relief as this Court deems just and proper.

COUNT VII.

[Violation of Florida Statutes § 812.014]

90. WORLD ACCESS hereby realleges and incorporates paragraphs 1 through 48 as if fully set forth herein.

91. Defendants have knowingly obtained and/or used or endeavored to obtain or use WORLD ACCESS' customer's lists, pricing lists and other trade secrets and proprietary and confidential information with the intent to temporarily or permanently deprive WORLD ACCESS of its proprietary and confidential information and trade secrets and rights and its customer's lists and appropriate the property to its own use.

92. Violation of Florida Statutes § 812.014 is a predicate wrong which provides for a cause of action for civil remedies for theft under Florida Statutes § 812.035 and 772.115.

93. WORLD ACCESS has been damaged.

WHEREFORE, Plaintiff, WORLD ACCESS requests entry of judgment against Defendants for the entry of an Order preliminarily and permanently enjoining Defendants from possession of

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WORLD ACCESS' trade secrets, proprietary and confidential information as alleged; and (b) for treble the actual damages to be determined at trial, attorneys' fees, interest and costs pursuant to Florida Statutes § 772.115.

COUNT VIII.

[Tortious Interference With the Business Relationship]

94. WORLD ACCESS hereby realleges and incorporates paragraphs 1 through 48 as if fully set forth herein.
95. Defendants have tortiously interfere with the business relationship between WORLD ACCESS and other entities.
96. WORLD ACCESS has an advantageous business relationship with its customers. By virtue of the acts described above, Defendants have utilized customers' phone numbers to make illegal phone call, thus causing confusion and other related problems for the customers of WORLD ACCESS. These acts also create a problem to the relationship between WORLD ACCESS and its customers.
97. In addition, Defendants have contacted providers such as AT&T with defamatory and untrue statements regarding the business practices of WORLD ACCESS, accusing WORLD ACCESS of fraud and other related improper and untrue statements.
98. As a result of having access to WORLD ACCESS' information, and then subsequently stealing such information, Defendants have prior knowledge of the existence of these advantageous relationships.
99. Defendants, with knowledge, willfully and maliciously have endeavor to interfere with numerous of these business relationships some of which are outlined above.
100. As a result of these actions, WORLD ACCESS has suffered damages.
101. In addition thereto, there are other business relationships Defendants have interfere with.

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COUNT IX.

[Breach of Contract]

102. Plaintiff hereby realleges and incorporates paragraphs 1 through 16 as if fully set forth herein.

103. Defendants and WORLD ACCESS entered into an agreement whereby COELLO was to issue fifty percent (50%) of TELECUBA's and CELLULAR ACCESS' shares in the name of WORLD ACCESS.

104. Despite demand, COELLO has failed and refused to issue the stock notwithstanding the fact that WORLD ACCESS has given COELLO and the other Defendants valuable consideration for the stock.

Further, COELLO and the remaining Defendants breached its agreements with WORLD ACCESS by, *inter alia*: (1) wrongfully operating and maintaining a competing business against WORLD ACCESS; (2) refusing and failing to pay Plaintiff for invoices with respect to the networking services provided to Defendants; and (3) wrongfully utilizing corporate trade secrets which belonged to WORLD ACCESS to its detriment.

105. As a direct and proximate result of Defendants breach, WORLD ACCESS has suffered damages.

WHEREFORE, Plaintiff, WORLD ACCESS demands judgment against Defendant, Defendants, for damages, together with attorney's fees and costs.

COUNT X.

[Unjust Enrichment]

106. Plaintiff hereby realleges and incorporates paragraphs 1 through 48 as if fully set forth herein.

107. Pursuant to the parties business agreements as set forth above, Defendants received, among other things, free network access, a 1-800 number and capital contributions (loans) from WORLD ACCESS to help to expand Defendants business for which WORLD ACCESS was to receive

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compensation by the issuance and delivery of corporate stocks, payment for use of its network system, repayment of the loans and expected profits.

108. Defendants have failed and refused to compensate or otherwise pay WORLD ACCESS.

109. Defendants would be unjustly enriched at the expense of WORLD ACCESS, if Defendants are not required to compensate or pay WORLD ACCESS for the services and capital contributions it provided as more particularly described herein.

WHEREFORE, Plaintiff, WORLD ACCESS, demands judgment against Defendant, Defendants, together with attorney's fees and costs.

COUNT XI.

[Breach of Fiduciary Duty]

110. Plaintiff hereby realleges and incorporates paragraphs 1 through 48 as if fully set forth herein.

111. The parties entered into an agreement whereby COELLO, among other things, was to transfer fifty percent (50%) of the stock of TELECUBA and CELLULAR ACCESS to WORLD ACCESS and that COELLO would market the debit cards for the Plaintiff in accordance with the parties' agreement. Additionally, WORLD ACCESS provided Defendants with capital contributions and other considerations based on the Defendants assurances and representations that such agreements would be honored.

WORLD ACCESS placed its trust and confidence in COELLO Defendants not to violate its obligations to Plaintiff, which trust and confidence was accepted by Defendants for which the Defendants continued to use of Plaintiff's communications network.

112. These fiduciary obligations were also undertaken by the other Defendants.

113. Defendants breached their fiduciary duty to WORLD ACCESS by failing and refusing to abide by the terms of their agreements with WORLD ACCESS and wrongfully using their business relationship with WORLD ACCESS to obtain the customer list, pricing list and other confidential information and trade secrets of WORLD ACCESS.

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114. As a direct and proximate result of Defendants breach of fiduciary duties, WORLD ACCESS has suffered damages.

WHEREFORE, Plaintiff, WORLD ACCESS demands judgment against Defendants for damages, including attorneys fees and costs and other equitable relief this Court deems just and proper.

COUNT XII.

[Quantum Meruit]

115. Plaintiff hereby realleges and incorporates paragraphs 1 through 48 as if fully set forth herein.

116. Pursuant to the parties' business agreements between them, WORLD ACCESS has expended time, effort and monies and further used its best efforts in performing the services required under the agreements with the Defendants..

117. Defendants by accepting and enjoying the benefits of the services performed by WORLD ACCESS, owes WORLD ACCESS the reasonable value of those services rendered.

118. As a direct and proximate result of Defendant's failure to pay for the reasonable value of the services rendered, which includes among other things the use of the 1-800 number and the networking system, WORLD ACCESS has suffered damages.

WHEREFORE, Plaintiff, WORLD ACCESS demands judgment against Defendants for damages, including attorneys' fees and costs.

COUNT XIII.

[Conversion]

119. Plaintiff hereby realleges and incorporates paragraphs 1 through 48 as if fully set forth herein.

120. Defendants wrongfully obtained the customer list, pricing list, and other confidential information of WORLD ACCESS, which constitutes the trade secrets of WORLD ACCESS, with the intent to permanently deprive WORLD ACCESS of its immediate possessory rights, title and interest in said trade secrets.

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121. Defendant's conduct is wanton, willful and in reckless disregard of the rights of WORLD ACCESS.

122. As a direct and proximate result of Defendant's conduct, WORLD ACCESS has suffered damages.

WHEREFORE, Plaintiff, WORLD ACCESS demands judgment against Defendant for damages, punitive damages, including attorneys' fees and costs.

COUNT XIV.

[PROMISSORY ESTOPPEL]

123. Plaintiff hereby realleges and incorporates paragraphs 1 through 48 as if fully set forth herein.

124. Defendants made promises to WORLD ACCESS of a substantial and definite nature which included, as more particularly described above.

125. At the time such promises were made, Defendants knew and intended to induce WORLD ACCESS into providing its networking services and making certain capital contributions to Defendants to expand and help its business grow.

126. WORLD ACCESS did, in fact, reasonably rely on these promises and was induced into entering into such agreements with the Defendants when it provided the services and capital contributions to Defendants' to its detriment.

127. Defendants broke its promises to Plaintiff by failing to deliver the stock to Plaintiff and/or to pay for the networking services provided to TELECUBA and CELLULAR ACCESS. Further, Defendants broke its promises to Plaintiff by wrongfully obtaining and using its trade secrets in direct competition with the Plaintiff.

128. As a direct and proximate result of the Defendants broken promises and assurances WORLD ACCESS has suffered damages.

WHEREFORE, Plaintiff, WORLD ACCESS demands judgment against Defendant for damages, punitive damages, including attorneys' fees and costs.

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DEMAND FOR JURY TRIAL

129. Plaintiff demands a trial by jury of all issues so triable as a matter of right.

Respectfully submitted this 12th day of January, 1996.

SCHANTZ, SCHATZMAN, AARONSON & CAHAN, P.A.
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Florida Bar No.: 0456535



PUBLISHED DAILY
MIAMI-DADE-FLORIDA

STATE OF FLORIDA
COUNTY OF DADE

The Miami Herald Publishing Company

Before the undersigned authority personally
appeared:

ROSEMARY PINO

who on oath says that he/she is"

CUSTODIAN OF RECORDS

of The Miami Herald, a daily newspaper published at
Miami in Dade County, Florida; that the attached
copy of advertisement was published in said
newspaper in the issues of:

Thursday, March 20, Friday, March 21, & Saturday, March 22, of 1997.

Affiant further says that the said The Miami Herald
is a newspaper published at Miami, in the said Dade
County, Florida and that the said newspaper has
heretofore been continuously published in said Dade
County, Florida each day and has been entered as
second class mail matter at the post office in Miami,
in said Dade County, Florida, for a period of one
year next preceding the first publication of the
attached copy of advertisement; and affiant further
says that he has neither paid nor promised any
person, firm or corporation any discount, rebate,
commission or refund for the purpose of securing
this advertisement for publication in the said
newspapers(s).

Rosemary Pino
Sworn to and subscribed before me this

26th DAY OF MARCH, 1997

My Commission
Expires: October 17, 1997
Virginia J. Gallon

OFFICIAL NOTARY SEAL
VIRGINIA J. GALLON
NOTARY PUBLIC STATE OF FLORIDA
COMMISSION NO. CC323842
MY COMMISSION EXP. OCT. 17, 1997

Virginia J. Gallon
Notary



The Miami Herald Publishing Company

March 26, 1997

Telecuba
444 Brickell Ave.
Suite 820
Miami, FL 33131

I am sorry that we were not able to run your ads as you requested in Spanish. The ads ran in error on our part in English. We will run the corrected versions of your ad at no cost to you (of course in Spanish) starting March 28-30 in the El Nuevo Herald, Panorama Section.

Again I sincerely apologize for this huge mishap and any inconvenience it may have caused you. I look forward to continued relations in the future.

Very truly yours,

A handwritten signature in cursive script that reads "Jodi Scott". The signature is written in black ink and is positioned to the right of a horizontal line that extends from the left margin.

Jodi Scott
Account Executive

NOTICE

Any persons who have purchased Telecuba prepaid calling cards prior to December 11, 1995 which identify World Access, Inc. as the service provider on the back of the cards are entitled to refunds or to replacement calling cards. Please mail your Telecuba cards containing the words "Servicio de lineas surtida por AT&T a traves de World Access, Inc. Miami, FL." to the offices of Telecuba, Inc. P.O. Box 01-0469, Miami, FL 33101-0469. Replacement cards will be promptly issued. For further information about this refund offer, please call Telecuba's offices at (305) 233-4000.

NOTICE

Any persons who have purchased Telecuba prepaid calling cards prior to December 11, 1995 which identify World Access, Inc. as the service provider on the back of the cards are entitled to refunds or to replacement calling cards. Please mail your Telecuba cards containing the words "Servicio de líneas surtida por AT&T a través de World Access, Inc. Miami, FL." to the offices of Telecuba, Inc. P.O. Box 01-0469, Miami, FL 33101-0469. Replacement cards will be promptly issued. For further information about this refund offer, please call Telecuba's offices at (305) 233-4000.

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