

YOUNG, VAN ASSENDERP & VARNADOE, P.A.

ORIGINAL

ATTORNEYS AT LAW

REPLY TO:

R. BRUCE ANDERSON
TASHA O. BUFORD
DAVID B. ERWIN
DAVID P. HOPSTETTER*
C. LAURENCE KEEBEY
ANDREW I. SOLIS
KENZA VAN ASSENDERP
GEORGE L. VARNADOE
ROY C. YOUNG

*BOARD CERTIFIED REAL ESTATE LAWYER

WILLIAM J. ROBERTS
OF COUNSEL

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November 4, 1997

7/1445-TI

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

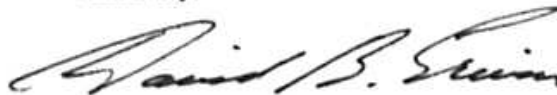
Re: Application for Authority to Provide Interexchange Telecommunication Service
Within the State of Florida on behalf of Connect Telecom, Inc.

Dear Ms. Bayo:

Enclosed please find the original and six copies of the above captioned application, along
with the \$250.00 filing fee.

If you have any questions, please do not hesitate to contact me.

Sincerely,



David B. Erwin

DBE:akh
Enclosures
cc: James B. Cain

Check received with filing and
forwarded to Fiscal for deposit.
Fiscal to forward a copy of check
to RAR with proof of deposit.

Initials of person who forwarded check:

A.J.

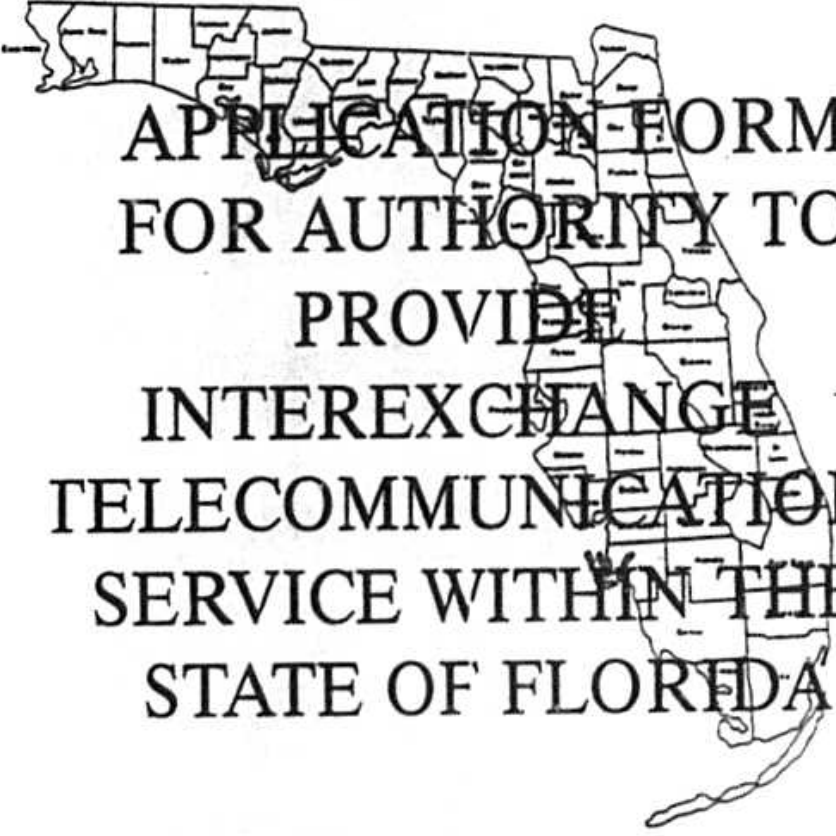
DOCUMENT NUMBER-DATE

11315 NOV-36

FPSC-RECORDS/REPORTING

ORIGINAL

971445-TI



APPLICATION FORM
FOR AUTHORITY TO
PROVIDE
INTEREXCHANGE
TELECOMMUNICATION
SERVICE WITHIN THE
STATE OF FLORIDA

DOCUMENT NUMBER-DATE

11315 NOV-36

ERIC-RECORDS/REPORTING

1. 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.
- (X) **Prepaid Debit Card Provider** - any person or entity that purchases 800 access from an underlying carrier or unaffiliated entity for use with prepaid debit card service and/or encodes the cards with personal identification numbers.

(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.

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: P97 0000 40057

- (b) Name and address of the company's Florida registered agent. William W. Caldwell
756 Beachland Blvd.
Vero Beach, FL 32963
- (c) Provide proof of compliance with the fictitious name statute (Chapter 865.09 FS), if applicable. N/A

Fictitious name registration number: _____

- (c) 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. No

(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. No

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

2. 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 an uncertificated company).
- Approval for transfer of control (To another certificated company).

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

Connect Telecom, Inc.

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

Connect Telecom, Inc.

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

421 Arrowhead Trail
Vero Beach, FL 32963

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

7. Structure of organization;

- Individual Corporation
- Foreign Corporation Foreign Partnership
- General Partnership Limited Partnership
- 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.

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: P97 0000 40057

- (b) Name and address of the company's Florida registered agent. William W. Caldwell
756 Beachland Blvd.
Vero Beach, FL 32963

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

Fictitious name registration number: _____

- (c) 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. No

(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. No

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

(a) The application; Young, van Assenderp & Varnadoe, P.A

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

(c) Tariff; Jim Cain or
Young, van Assenderp & Varnadoe

(d) Complaints/Inquiries from customers;
Jim Cain

11. List the states in which the applicant:

(a) Has operated as an interexchange carrier.
none

(b) Has applications pending to be certificated as an interexchange carrier.
none

(c) Is certificated to operate as an interexchange carrier.
none

(d) Has been denied authority to operate as an interexchange carrier and the circumstances involved.
none

(e) Has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.
none

(f) Has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.
none

12. What services will the applicant offer to other certificated telephone companies: none

- Facilities. Operators.
 Billing and Collection. Sales.
 Maintenance.
 Other: _____

13. Do you have a marketing program? Yes

14. Will your marketing program:

- Pay commissions?
 Offer sales franchises?
 Offer multi-level sales incentives?
 Offer other sales incentives?

15. Explain any of the offers checked in question 14 (To whom, what amount, type of franchise, etc.).
Commissions paid to retail outlets to handle sale of prepaid debit cards.

16. Who will receive the bills for your service (Check all that apply)? None (prepaid services)

- Residential customers. Business customers.
 PATS providers. PATS station end-users.
 Hotels & motels. Hotel & motel guests.
 Universities. Univ. 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?
See #16

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

Not applicable

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

A. Financial capability.

Regarding the showing of financial capability, the following applies:

The application should contain the applicant's financial statements for the most recent 3 years, including:

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

Further, a written explanation, which can include supporting documentation, regarding the following should be provided to show financial capability.

1. Please provide documentation that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.

2. Please provide documentation that the applicant has sufficient financial capability to maintain the requested service.

3. Please provide documentation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

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

If available, the financial statements should be audited financial statements.

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

- B. **Managerial capability.** James B. Cain had many years of managerial capacity as the President and CEO of Uptown Federal Savings & Loan, 430 N. Michigan Ave., Chicago, IL, until the institution was sold in 1983. Subsequently, James B. Cain developed Indian River Shores, FL, an upscale development of 120 homes.
- C. **Technical capability.** James B. Cain has been a wholesale distributor of prepaid debit cards since 1994.

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

MTS with distance sensitive per minute rates
 Method of access is FGA
 Method of access is FGB
 Method of access is FGD
 Method of access is 800

MTS with route specific rates per minute
 Method of access is FGA
 Method of access is FGB
 Method of access is FGD
 Method of access is 800

MTS with statewide flat rates per minute (i.e. not distance sensitive)
 Method of access is FGA
 Method of access is FGB
 Method of access is FGD
 Method of access is 800

MTS for pay telephone service providers

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

800 Service (Toll free)

WATS type service (Bulk or volume discount)
 Method of access is via dedicated facilities
 Method of access is via switched facilities

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

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

900 service

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

Services included are:

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

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

22. Other: Prepaid Debit Cards

**** 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:

James A. Cain
Signature

11/3/97
Date

Connect Telecom Inc
President
Title

581-234-4000
Telephone No.

Profit & Loss Statement

1/1/97 Through 8/31/97

10/24/97
CONNECT-All Accounts

Category Description	1/1/97- 8/31/97
INCOME/EXPENSE	
INCOME	
3008-Tele-Connect	26,613.90
3009-Connect Telecard	1,673,284.32
3018-Cellular Program	1,223.16
TOTAL INCOME	1,701,121.38
EXPENSES	
4005-Answering Service	2,573.37
4006-1-Advertising - Giro Max	1,546.10
4006-Advertising - CTI	4,315.27
4009-Advertising - TC	619.96
4010-2-Printed Materials	886.82
4010-4-Trade Shows & Expositions	2,625.00
4010-50-Casual Labor	1,570.00
4013-20-Bad Debts	7,340.50
4013-Bank Fees	941.07
4015-5-Cellular Program	12,925.94
4015-Car Phone	7,196.75
4021-Commissions - Other	29,469.15
4022-1-Cost of Goods- Money Box	20,529.65
4022-2-Cost of Goods-Giro Max	1,843.00
4022-Cost of Goods - TC	2,809.94
4024-Dues & Subscriptions	68.00
4025-1-Comdex Time Cost	1,273,893.94
4025-2-Encum Time Cost	110,302.87
4025-Cost of Goods - CTI	28,092.49
4028-Employee Benefits	8,337.77
4029-Equipment Rentals	1,147.16
4030-Freight & Postage	25,750.62
4032-Forms - Business	508.10
4033-Insurance	868.02
4037-1-Depreciation	1,666.71
4038-JDC Distribution	22,180.00
4040-Legal Services	1,920.06
4045-Late Payment Fees	1,534.99
4050-Office Expense	17,381.31
4065-Repairs	127.51
4077-Telephone	8,902.10
4079-Travel - Auto	7,115.66
4080-1-Travel - Meals	3,396.52
4080-2-Entertainment	824.75
4080-3-Vehicle Lease	12,227.30
4080-4-Vehicle Insurance	176.08
4080-5-Vehicle Maintenance	236.87
4080-Travel - Hotel	3,138.09
4090-Wages & Job Credits	65,700.00
4095-Fica Expense	5,155.51
4096-Fica Unemployment	75.18
4097-Paid	231.20
TOTAL EXPENSES	1,698,352.33
TOTAL INCOME/EXPENSES	2,769.05

Balance Sheet
As of 8/31/97

10/24/97
CONNECT-All Accounts

Acct	8/31/97 Balance
ASSETS	
Cash and Bank Accounts	14,444.16
Connect Telecom-Checking	589.45
Special Account-Checking	-----
Total Cash and Bank Accounts	15,033.61
Other Assets	
Accounts Rec.-Accts Receivable	98,009.45
Accts. Rec.-Accts. Rec. Other	0.00
Accum. Dep.-Office Equipment	-285.73
Accum. Dep.-Furniture & Fixtures	-214.31
Accumul. Dep.-Computer Equipment	-2,450.00
Commerz Reserve-Commerz Reserve	0.00
Deposits Paid-Deposits Paid	2,000.00
Equipment-Furniture & Fixtures	13,300.00
Inventory-Phone Card Inventory	46,715.50
Reserve Funds-Reserve Funds	36,000.00

Total Other Assets	193,074.91

TOTAL ASSETS	208,108.52
LIABILITIES & EQUITY	
LIABILITIES	
Other Liabilities	
Accts Payable-Accts Pay - Commer	395,096.95
Accts. Payable-Accts Payable	7,008.82
Paid in Capital-Paid in Capital	0.00
Payroll Taxes-Payroll Taxes Due	3,913.08
Profit Loss-Profit Loss	0.00

Total Other Liabilities	406,018.85

TOTAL LIABILITIES	406,018.85

EQUITY	-197,910.33

TOTAL LIABILITIES & EQUITY	208,108.52



I affirm that this financial statement is true & correct.
James Blain
11/5/1997

TITLE PAGE
FLORIDA TELECOMMUNICATIONS TARIFF
OF
CONNECT TELECOM, INC.

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of resold telecommunication services provided by Connect Telecom, Inc. with principal offices located at 421 Arrowhead Trail, Vero Beach, Florida 32963. This tariff is on file with the Florida Public Service Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business.

Issued:

Effective:

Issued by: James B. Cain
421 Arrowhead Trail
Vero Beach, Florida 32963

CHECK SHEET

This tariff contains Sheets, as listed below, each of which is effective as of the date shown on each sheet.

Sheet

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

Issued:

Effective:

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421 Arrowhead Trail
Vero Beach, Florida 32963

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Section 4.0 - Rates	18

Issued:

Effective:

Issued by: James B. Cain
421 Arrowhead Trail
Vero Beach, Florida 32963

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Issued:

Effective:

Issued by: James B. Cain
421 Arrowhead Trail
Vero Beach, Florida 32963

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 but no Change in Rate or Charge

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

Issued:

Effective:

Issued by: **James B. Cain**
421 Arrowhead Trail
Vero Beach, Florida 32963

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 its next higher level:

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

D. Check Sheets - When a tariff filing is made with the FPSC, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the sheets contained in the tariff, with a 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 the check sheet if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest Check Sheet to find out if a particular sheet is the most current on file with the FPSC.

Issued:

Effective:

Issued by: James B. Cain
421 Arrowhead Trail
Vero Beach, Florida 32963

SECTION 1.0 - TECHNICAL TERMS AND ABBREVIATIONS

1.1 Abbreviations

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

FCC	-	Federal Communications Commission
FPSC	-	Florida Public Service Commission
Company	-	Connect Telecom, Inc.
IXC	-	Interexchange Carrier
LEC	-	Local Exchange Carrier

1.2 Definitions

Available Usage Balance - The amount of usage remaining on a Debit Account at any particular point in time. Each Debit Account has an Initial Account Balance which is stated either in U.S. dollars or Call Units, depending upon the type of service. The Available Balance is depleted as services provided by the Company are utilized by the Customer.

Commission - The Florida Public Service Commission.

Company or Carrier - Connect Telecom, Inc. unless otherwise clearly indicated by the context.

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

Debit Account - An account which consists of a pre-paid usage balance depleted on a real-time basis during each Debit Service call.

Debit Card - A card issued by the Company which provides the Customer with a Personal Account Code and instructions for accessing the Carrier's network.

Issued:

Effective:

Issued by: James B. Cain
421 Arrowhead Trail
Vero Beach, Florida 32963

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

Debit Card Service - A service accessed via a "1-800" or other access code dialing sequence whereby the Customer or Authorized User dials all or the digits necessary to route a call. Network usage for each call is deducted from the available usage balance on a Company issued Debit Account.

Connect Telecom, Inc. - Company unless otherwise clearly indicated by the context.

Initial Usage Balance - The amount of usage on a Debit Account upon issuance and before any depleting call activity.

LEC - Local Exchange Company

Marks - A collective term to mean such items as trademarks, service marks, trade names and logos; copyrighted words, artwork, designs, pictures or images; or any other device or merchandise to which legal rights or ownership are held or reserved by an entity.

Personal Account Code - A numeric or alpha-numeric sequence which uniquely identifies a debit card account.

Renewal - A method of replenishing a Debit Account's Available Usage Balance with additional minutes of usage as authorized and paid for by the Customer.

Issued:

Effective:

Issued by: James B. Cain
421 Arrowhead Trail
Vero Beach, Florida 32963

SECTION 2.0 - RULES AND REGULATIONS

2.1 Undertaking of Company

Company's services and facilities are furnished for communications originating at specified points within the state of Florida under terms of this tariff. Company provides the communications services provided hereinunder in accordance with the terms and conditions set forth under this tariff.

2.2 Applicability of Tariff

This tariff is applicable to telecommunications services provided by Connect Telecom, Inc. within the state of Florida.

2.3 Payment and Credit Regulations

2.3.1 Payment Arrangements

2.3.1.A. Payments for debit card service provided in association with Company-issued Debit Accounts must be received by the Company or its authorized agent prior to the activation of the Customer's Debit Account. The Customer shall be responsible for all calls placed via the Debit Account as the result of the Customer's intentional or negligent disclosure of their Personal Account Code.

2.3.1.B. For Prepaid Card Services, all payments for service must be received by the Company or its authorized agent prior to the activation of the Customer Account Code in the Company's system. Renewal of Customer Account Balances made by charges to commercial credit cards are subject to the terms and conditions of the issuing commercial credit card company and those of Company's credit card processing agent. Renewals of Customer Account Balances made by cashier's checks are subject to the terms and conditions of the issuing financial institution.

Issued:

Effective:

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SECTION 2.0 - RULES AND REGULATIONS (Cont'd)

2.3 Payment and Credit Regulations (Cont'd)

2.3.2 Deposits

The Company does not collect deposits from its Customers.

2.3.3 Taxes

For dollar-based Prepaid Card Services, all state and local taxes (i.e., gross receipts tax, sales tax, and municipal utilities tax) are included in the Initial Balance but not in the quoted rates. For unit-based Prepaid Card Services, all state and local taxes are included in the Initial Balance and the per minute Unit rate.

2.4 Refunds or Credits for Service Outages or Deficiencies

2.4.1 Interruption of Service

2.4.1.A. 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 2.4.2 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.

2.4.1.B. The Company will provide a credit equal to one minute of applicable service for calls that are interrupted or subject to inadequate transmission. Credits will not be issued when an interruption or service deficiency is not reported to the Company or is caused by the failure of power, equipment or systems not provided by the Company.

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SECTION 2.0 - RULES AND REGULATIONS (Cont'd)

2.4 Refunds or Credits for Service Outages or Deficiencies (Cont'd)

2.4.2 Liability

- 2.4.2.A. The liability of the Company for any claim or loss, expenses or damage (including indirect, special, or consequential damage) for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff shall not exceed an amount equivalent to the proportionate charges to the Customer for the period of service or the facility provided during which such interruption, delay, error, omission, or defect occurs.
- 2.4.2.B. 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 or 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.
- 2.4.2.C. The Company shall not be liable for, and shall be fully indemnified and held harmless by Customer against any claim for loss, expense, or damage, (i) for defamation, invasion of privacy, infringement of copyright 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, processed, handled, or (ii) for connecting, combining, or adapting Company's facilities with Customer's , apparatus or systems, or (iii) for any act or omission of the

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SECTION 2.0 - RULES AND REGULATIONS (Cont'd)

2.4 Refunds or Credits for Service Outages or Deficiencies (Cont'd)

2.4.2 Liability (Cont'd)

Customer, or (iv) for any personal injury or death of any person, or for any loss of or damage to Customer's premises or any other property, whether owned by Customer or others, caused directly or indirectly by the installation, maintenance, location, condition, operation, failure, or removal of equipment or wiring provided by the Company if not directly caused by negligence of the Company.

- 2.4.2.D. The Company shall not be liable for any claim, loss, or refund as a result of loss or theft of Debit Cards or Personal Account codes issued for use with the Company's services. Nor will the Company be liable for any claim, loss or refund on any unused balance remaining on a Debit Card provided to a Customer before or after the expiration date assigned to each Debit Account.

2.5 Refusal or Discontinuance of Service by Company

Company may refuse or discontinue service for non-compliance with and/or violation of any Federal, State or municipal law, ordinance or regulation pertaining to telephone service. Service may also be discontinued or refused without notice for the following conditions:

- 2.5.1 For non-compliance with and/or violation of the Commission's regulations or the Company's rules and regulations.
- 2.5.2 With five (5) working days notice for non-payment of any amount past due to the Company by the Customer, including non-payment of a Customer Card Account Renewal of a fully-depleted balance.

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SECTION 2.0 - RULES AND REGULATIONS (Cont'd)

2.5 Refusal or Discontinuance by Company (Cont'd)

- 2.5.3 When the Available Account Balance of a non-renewable account is depleted to a level insufficient to place a one-minute call to the location of least cost.
- 2.5.4 When the established expiration date of the Customer Account is reached.
- 2.5.5 In the event of Customer use in such a manner as to adversely affect the Company's equipment, the Company's service to others, or the Company's financial position.
- 2.5.6 In the event of tampering with the equipment furnished and owned by the Company.
- 2.5.7 When necessary for the Company to comply with any order or request of any governmental authority having jurisdiction.

2.6 Limitations of Service

- 2.6.1 Service will be furnished subject to the availability of the necessary facilities and/or equipment and subject to the provisions of this tariff.
- 2.6.2 Company reserves the right to discontinue furnishing service when necessitated by conditions beyond its control, or when the Customer is using the service in violation of the provisions of this tariff, or in violation of law.
- 2.6.3 Company does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission or for failure to establish connections.
- 2.6.4 Company reserves the right to discontinue the offering of service if a change in regulation materially and negatively impacts the financial viability of the service in the best business judgment of the Company.

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SECTION 2.0 - RULES AND REGULATIONS (Cont'd)

2.7 **Applicable Law**

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

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

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

2.9 **Other Rules**

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

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SECTION 3.0 - DESCRIPTION OF SERVICES

3.1 General

Connect Telecom provides Debit Card Services for communications originating and terminating within the State of Florida under terms of this tariff.

3.2 Quality and Grade of Service Offered

Minimum Call Completion Rate - Customers can expect a call completion rate of not less than 90% during peak use periods. The call completion rate is calculated as the number of calls completed (including calls completed to a busy line or to a line which remains unanswered by the called party) divided by the number of calls attempted.

3.3 Timing of Calls

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

3.3.2 Chargeable time for all calls ends when either one of the parties disconnects from the call.

3.3.3 Minimum call duration and additional billing increments are specified in Section 4.

3.3.4 There is no billing applied for incomplete calls.

3.4 Applicable Rate Periods

Usage rates for debit cards are not subject to time-of-day rates.

3.5 Calculation of Distance

Usage charges for debit cards are not mileage sensitive.

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SECTION 3.0 - DESCRIPTION OF SERVICES (Cont'd)

3.6 Debit Card Service

- 3.6.1 Debit Card Service is available to residential and business Customers for placing calls while away from home or office. Calls are originated by dialing the 800 access number printed on the card, followed by a personal identification number.
- 3.6.2 Debit card accounts maintain a balance which is depleted on a real-time basis as calls are placed. Customers are notified of their remaining account balance at the beginning of each call.
- 3.6.3 Calls may originate from standard residential, business or pay telephone access lines and may terminate to any interstate or intrastate location. Calls are billed in one (1) minute increments. The minimum call duration for billing purposes is one (1) minute. Calls are rounded to the next higher minute for a calling increment of less than a full minute.
- 3.6.4 Debit Card Service is available 24 hours a day, seven days per week. The number of available cards is subject to technical limitations. Cards will be offered to customers on a first come, first served basis.
- 3.6.4.A. Exclusions
- Calls to 500, 700, 800 and 900 numbers.
 - Calls requiring the quotation of time and charges.
 - Air to ground and high seas services.
 - Calls to directory assistance.
- 3.6.4.B. Service Availability
- 3.6.4.B.1 All calls must be charged against a debit card that has sufficient available balance.
- 3.6.4.B.2 Renewable cards and non-renewable cards are offered. There is no charge for renewal.

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SECTION 3.0 - DESCRIPTION OF SERVICES (Cont'd)

3.6 Debit Card Service (Cont'd)

3.6.4.B Service Availability (Cont'd)

- 3.6.4.B.3 The Company reserves the right to place the Available Usage Balance for the Customer's Debit Account on hold until the Customer's check or draft clears or is paid.
- 3.6.4.B.4 A Customer's call will be interrupted with an announcement when the balance is about to be depleted. Such announcement will occur one minute before the balance will be depleted, based on the terminating location of the call. If the card can be renewed the Customer will be requested to provide credit card information required to recharge the debit account balance of the card. If the card cannot be renewed, the call will be disconnected when the balance on the card is fully depleted.
- 3.6.4.B.5 Payment for the Debit Card and any Available Usage in a Customer's Debit Account is non-refundable.
- 3.6.4.B.6 Card charges and connection fees are visible on the card packaging, allowing Customers to identify which card is being purchased.

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Connect Telecom, Inc.

Florida Tariff No. 1
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SECTION 4.0 - RATES

4.1 Debit Card Service

4.1.1 Debit Cards rates and charges:

4.1.1.A Connect Telecom and Giro Max Plan
Per minute rate: 18.9 cents
Connection fee: 25 cents

4.1.1.B Tele-Connect Eagle Plan
Per minute rate: 25 cents
Connection fee: 25 cents

4.1.1.C Money Box Plan
Per minute rate: 19 cents
Connection fee: none

4.1.2 Calls are billed in one (1) minute increments. The minimum call duration for billing purposes is one (1) minute, and calls will be rounded to the next higher minute for a calling increment of less than a full minute.