

Southern Light, L.L.C.

Application for Certificate of Authority to Provide

ALTERNATIVE LOCAL EXCHANGE SERVICE
WITHIN THE STATE OF FLORIDA

01152-TX

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APPLICATION

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

Original certificate (new company).

Approval of transfer of existing certificate: Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority.

Approval of assignment of existing certificate: Example, a certificated company purchases an existing company and desires to retain the certificate of authority of that company.

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

2. **Name of company:**

Southern Light, L.L.C.

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

Southern Light

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

Physical Address: 1301 Azalea Rd, Suite 503
Mobile, AL 36693

Mailing Address: PO Box 91127
Mobile, AL 36691

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

Not Applicable

6. Structure of organization:

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

7. If individual, provide:

Name: Not applicable

Title:

Address:

City/State/Zip:

Telephone No.: _____ Fax No.:

Internet E-Mail Address:

Internet Website Address:

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

(a) **The Florida Secretary of State corporate registration number:**

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

(a) The Florida Secretary of State corporate registration number:
M01000001072

An official letter indicating that Southern Light, LLC is qualified and authorized to conduct business in the State of Florida is attached as Exhibit "A".

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

(a) The Florida Secretary of State fictitious name registration number:
Not Applicable

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

(a) The Florida Secretary of State registration number:

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

Name:

Title:

Address:

City/State/Zip:

Telephone No.: _____ Fax No.:

Internet E-Mail Address:

Internet Website Address:

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

(a) The Florida registration number:

Telephone No.: (251) 662-1170 Fax No.: (251) 602-5976
Internet E-Mail Address: edaniels@southernlightfiber.com
Internet Website Address: www.southernlightfiber.com

17. List the states in which the applicant:

- (a) has operated as an alternative local exchange company.

None

- (b) has applications pending to be certificated as an alternative local exchange company.

Alabama

- (c) is certificated to operate as an alternative local exchange company.

None

- (d) has been denied authority to operate as an alternative local exchange company and the circumstances involved.

None

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

None

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

None

18. Submit the following:

A. Managerial capability: give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.

Southern Light possesses the managerial experience to operate successfully as an Alternative Local Exchange Carrier in the State of Florida. Senior employees of Southern Light have over 52 aggregate years of experience in the telecommunications industry. SENIOR MANAGEMENT BACKGROUNDS, which provides biographical summaries of the Southern Light management

team, are attached as Exhibit "B".

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

Southern Light, through its employees, its subsidiary, AZED Communications, L.L.C., and other contractual relationships has the technical capabilities to operate as an Alternative Local Exchange Carrier in the State of Florida. Senior technical employees of Southern Light and AZED Communications possess over 175 aggregate years of experience in the technical aspects of the telecommunications industry. TECHNICAL PERSONNEL PROFILES, which outlines the technical experience of Southern Light's key employees, are attached as Exhibit "C."

Southern Light, through its subsidiary AZED Communications, L.L.C., will perform all construction and maintenance on the Southern Light fiber optic network now under construction in Pensacola and Escambia County, Florida. To complement its in-house technical expertise, Southern Light has also contracted with a major, nationwide provider of communications services to install and maintain Southern Light's optical switching services in Pensacola and Escambia County, Florida.

C. Financial capability.

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

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

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

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

Southern Light has the financial capability to offer the services proposed herein as evidenced by its FINANCIAL INFORMATION attached hereto as Exhibit "D". Exhibit "B" contains (a) 1999 unaudited balance sheet and income statement of the Company, (b) 2000 reviewed balance sheet and income statement of the Company, (c) most recent (Q2 2001) reviewed balance sheet, income statement, and statement of changes in equity, (d) a description of business relationship with Compass Bank in Mobile, AL, and (e) credit references from Compass Bank in Mobile, Pirelli Communications Cables and Systems USA, LLC, C&C/Kendrick Construction, Newton Construction, Inc., and Summit Industries.

Additionally, Southern Light's projected revenues and pro forma financial statements further support the Company's ability to meet its financial obligations. Southern Light's projections and the associated assumptions are confidential and proprietary.

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

1. **written explanation** that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.

Southern Light has sufficient financial capability to provide the requested service in Pensacola and Escambia County, FL. Providing the proposed service will require the following financial investments:

- 1.) *Construction of an aerial and buried fiber optic network in Pensacola and Escambia County, FL. The cost of this network is estimated at \$1,011,000.*

- 2.) *Purchase and installation of circuit equipment to light the proposed network and provide local private line services. The initial cost of this equipment is estimated to be \$787,200. Additional equipment expenses will then be incurred as new customers are brought up on the network.*

With regard to the construction of the fiber optic network, the balance sheet provided illustrates Southern Light has more than adequate cash on hand to complete this build. Additionally, roughly half of the investment in the Pensacola network had already been made as of June 30, 2001, thus reducing the required investment yet to be made to around \$500,000.

With regard to the installation of the requisite circuit equipment for the Pensacola network, although the financial statement of Southern Light reflects the ability to make this investment from cash on hand as well, the funds necessary for this investment will come from Southern Light's investor/partners at the time of the equipment purchase. As such, these funds are committed but are not yet reflected in the company's financial statements.

2. **written explanation** that the applicant has sufficient financial capability to maintain the requested service.

Providing the services requested in this application will require Southern Light to maintain the following primary operations:

- 1.) *Emergency restoration and maintenance of the fiber optic network*
- 2.) *Network monitoring and maintenance*
- 3.) *Customer provisioning*
- 4.) *Customer service and relationship management*

Southern Light has the financial means to support these operations as well as other company operations for approximately 18 months with no additional revenues or funds coming into the company (Total cost of maintaining service is estimated at between \$29,000 and \$33,000 per month). Additionally, the provision of these services will be accompanied by the associated revenues, giving Southern Light additional financial ability to maintain these services. Furthermore, Southern Light has additional resources available from partners and investors if necessary.

Southern Light's subsidiary, AZED communications, will provide emergency restoration and maintenance on the fiber optic network itself. Network monitoring, maintenance and provisioning will be outsourced to Charter Business Networks. Southern Light's business plan calls for bringing in only a small number of private line customers in the Pensacola market over the foreseeable future. Accordingly, Southern Light will not have to staff up a customer service department capable of handling large volumes of service calls. This fact will help to keep the cost of maintaining service minimal.

3. **written explanation** that the applicant has sufficient financial capability to meet its

lease or ownership obligations.

Southern Light's primary ownership obligation will be the debt service, maintenance, and pole attachment fees associated with Southern Light's fiber optic network. This service on the debt associated with the Pensacola network is approximately \$7,500 per month. Pole attachment fees on the network will be approximately \$2,500 per month. Maintenance and restoration on the network will average about \$2,500 per month. These ownership obligations can be met with one or two mid-size customers on the network.

Furthermore, Southern Light's debt financing is backed in full by its investors, insuring that Southern Light will not default on its obligations.

Southern Light's business plan is lean and is focused on a small geographic region along the Gulf Coast. As such, Southern Light will not be expanding rapidly into multiple markets and exposing its operations in Pensacola, FL and Escambia County, FL to the associated risks of an aggressive expansion plan. In addition to the financial resources displayed on the company's financial statements, Southern Light also has access to additional capital from its partners/investors.

THIS PAGE MUST BE COMPLETED AND SIGNED

APPLICANT ACKNOWLEDGMENT STATEMENT

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

UTILITY OFFICIAL:

Eric R. Daniels
Print Name

Eric R. Daniels
Signature

Vice President
Title

August 22, 2001
Date

(251) 662-1170
Telephone No.

(251) 602-5976
Fax No.

Address: 1301 Azalea Rd, Suite 503

Mobile, AL 36693

THIS PAGE MUST BE COMPLETED AND SIGNED

AFFIDAVIT

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

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

UTILITY OFFICIAL:

Eric R. Daniels
Print Name

Eric R. Daniels
Signature

Vice President
Title

August 22, 2001
Date

(251) 662-1170
Telephone No.

(251) 602-5976
Fax No.

Address: 1301 Azalea Rd, Suite 503

Mobile, AL 36693

INTRASTATE NETWORK (if available)

Chapter 25-24.825 (5), Florida Administrative Code, requires the company to make available to staff the alternative local exchange service areas only upon request.

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

Applicant intends to lease facilities at the following locations:

- | | |
|----------------------------------------------------------------|------------------------------------------------------------------------|
| 1) <i>Bellsouth CO</i>
30 W. Belmont St
Pensacola, FL | 2) <i>Bellsouth CO</i>
505 S. Old Correy Field Rd.
Pensacola, FL |
| 3) <i>Bellsouth CO</i>
6915 Pine Forest Rd
Pensacola, FL | 4) <i>Bellsouth CO</i>
1725 E. Olive Rd
Pensacola, FL |

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

Applicant intends to own optical transport switches at the POP locations listed in section 1. Currently evaluating switch types listed below

- | | |
|---------------------------------------------------------------|------------------------------------------------------|
| 1) <i>Nortel Optera Metro 3500</i>
DS-1 to OC-48 transport | 2) <i>Cisco ONS 15454</i>
DS-1 to OC-48 transport |
|---------------------------------------------------------------|------------------------------------------------------|

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

POP-to-POP

OWNERSHIP

1) fiber

Owned

2) copper

Intend to Lease through ILECs



FLORIDA DEPARTMENT OF STATE
Katherine Harris
Secretary of State

May 11, 2001

JOY JAYE
P.O. BOX 16046
MOBILE, AL 36616

Qualification documents for SOUTHERN LIGHT, LLC were filed on May 8, 2001, and assigned document number M0100001072. Please refer to this number whenever corresponding with this office.

Your limited liability company is now qualified and authorized to transact business in Florida as of the file date. In accordance with section 608.406(2), F.S., the name of this limited liability company is filed with the Department of State for public notice only and is granted without regard to any other name recorded with the Division of Corporations.

A limited liability company annual report/uniform business report will be due this office between January 1 and May 1 of the year following the calendar year of the file date. A Federal Employer Identification (FEI) number will be required before this report can be filed. If you do not already have an FEI number, please apply NOW with the Internal Revenue by calling 1-800-829-3676 and requesting form SS-4.

Please be aware if the limited liability company address changes, it is the responsibility of the corporation to notify this office.

Should you have any questions regarding this matter, please telephone (850) 487-6051, the Registration and Qualification Section.

-245-6051

Tammi Cline
Document Specialist
Division of Corporations

Letter Number: 901A00028579

EXHIBIT "B"

SENIOR MANAGEMENT BACKGROUNDS

Andy Newton, President and Co-Founder

- 1987 – 1990: *Madison Organization, Inc*; founded and operated desktop publishing company, sophomore through senior year in high school. Sold business in 1990 to attend college.
- 1993 – 1994: *Full time job as Research Analyst for Harbert Construction & Real Estate.*
- 1994: *Graduate, Birmingham Southern College, degree in Economics & History* 1996: *Newton Construction, Inc. – high-end custom residential construction and light commercial construction. 1999 gross revenues: \$4 million.*
- 1998: *Co-founder, Southern Light, LLC with Lee Wallace and John Beck. John Beck broke association with Southern Light to accept job as CEO, Actel Integrated Communications.*
- 1999: *Co-founder, AZED Communications, LLC, fiber optic network construction and engineering company. Now holds maintenance contracts with espire communications/ACSI and Adelpia Business Solutions throughout the Southeast.*
- 2000: *Co-founder, VP of Trinity Development Group, Inc. Specializes in real estate ventures throughout the Alabama Gulf Coast region.*

Other education: Graduate - Dale Carnegie Course, Dale Carnegie Sales Course, Dale Carnegie Management Training, Executive Image Program, Strategic Presentations Workshop.

Extracurricular:

- 1994 – 2001: *Youth Leader – Dauphin Way United Methodist Church*
- 2000: *Charter Member, Gulf Coast Technology Council (division of Mobile Chamber of Commerce)*
Habitat for Humanity volunteer

Publications:

- People Magazine*, June 2000 issue: One of the top 100 most eligible bachelors in the US.
- Alabama Business Magazine*, November 2000 issue: One of five featured entrepreneurs in Alabama under age 35.
- Mobile Press Register*, July 13, 2000: High Profile article titled "Most Eligible" with front page article discussing the career of Andy Newton
- Mobile Press Register*, June 24, 2001: Article titled "Southern Light runs ring around Mobile," discussing the company's business plan.

Lee Wallace, Vice President and Co-Founder

- 1994: Graduate, Birmingham Southern College, major in Economics, minor in Biology
- 1995 - 1996: The SSI Group (PC/Lan Analyst) Managed 400 node network under contract to the SSI Group.
- 1996: Founder and President, Digidyne, Inc. Initially founded as an Internet Service Provider, the company now provides a full service offering including, Network Management, Custom Development, Private Label ISP branding (nationwide), Application Service Provider and IDB Suite (Enterprise Internet database development software).
- 1998: Co-founder, Southern Light, LLC with Andy Newton and John Beck.
- 1999: Co-founder, AZED Communications, LLC
- 2000: Co-founder, American Backup Services, LLC. Providing backup services via the Internet to businesses and individuals. Answering the needs of offsite backup and recovery.

Extracurricular:

- 2000: Board Member, Springhill Memorial Hospital, Inc
- 2000: Digidyne : Charter Member, Gulf Coast Technology Council
(division of Mobile Chamber of Commerce)

Publications:

- Mobile Register, July 2, 2000: "Digidyne....success of a computer nerd."
(Article on Digidyne and Lee Wallace)
- Alabama Business Magazine, May 2000 issue: "Cashing In, Cashing Out on the Internet" (Digidyne mentioned as one of Alabama's E-Commerce companies)
- The Wall Street Journal (The Southeast Journal), August 30th, 2000: "Midsize Cities Woo Workers for High Tech" (Digidyne discussion of hiring high-tech in the deep South)

Eric Daniels, Vice President for Business Development

- 1993: Graduate, US Naval Academy (with merit)
- 1994-1996: Combat Information Center Officer, USS ANTRIM
- 1996-1998: Combat Information Center Officer, USS LABOON
- Qualified as Tactical Action Officer at age 26 (one of the youngest officers in the U.S. Navy to be given weapons release authority onboard an Aegis ship, a \$1.5 billion weapons system). Led the Tomahawk cruise missile, Submarine Warfare, and Air Warfare teams. Served as Force Surface Warfare Commander for the USS JOHN C STENNIS Aircraft Carrier Battle Group. Helped develop the data link protocols for the Adriatic/Bosnian/ Kosovo theater, enabling systems interoperability for joint US Navy/NATO Air Forces weapons systems.
- 1998-1999: Flag Lieutenant/Aide-de-Campe to Admiral Dennis Conley, the "Old Salt" (senior) admiral in the U.S. Navy.
- 1999-2000: Flag Lieutenant/Aide-de-Campe to Admiral Jose Betancourt.
- Jan 2000: Joined Southern Light.

Extracurricular:

- 1993 – 1996, 2000-2001: Youth Leader – Dauphin Way United Methodist Church

- 2000: *Charter Member, Gulf Coast Technology Council (division of Mobile Chamber of Commerce).*
- 2001: *Charter Member, Director of Business Recruitment for the Baldwin Technology Council (division of the Baldwin Economic Development Alliance).*

Paul Bullington, Vice President of Corporate Strategy and Finance

- 1994: *Graduate, Birmingham-Southern College, Summa Cum Laude, double major in Economics and International Studies*
- 1995-1996: *Territory Manager, Royal Cup Coffee, Inc. Managed institutional sales territory in Birmingham, AL. Designed and piloted first company management development program. Managed customer integration program for the acquisition of food service company in Maryland and Washington, D.C.*
- 1997: *Marketing Intern, Eli Lilly and Co. Created strategic and tactical recommendations for rapid market share capture and launch of major new pharmaceutical compound.*
- 1997: *Consultant, AG Communications, a wireless telecommunications applications provider in Phoenix. Designed and evaluated expected financial return for wireless off-switch applications for development.*
- 1998: *Graduate, University of Chicago Graduate School of Business, concentration in Finance and Strategy*
- 1998-2000: *Senior Consultant, Accenture (formerly known as Andersen Consulting), Strategic Services Practice. Provided corporate strategy consulting services for clients ranging from Fortune 100 to start-up companies across a number of industries.*
- 2000: *Manager, Accenture, Strategic Services Practice*
- 2001: *Senior Manager, Accenture, Strategic Services Practice*
- March 2001: *Vice President of Corporate Strategy and Finance, Southern Light*

Extracurricular:

- 2000: *Junior Achievement Volunteer Economics Instructor, Lassiter High School*
- 1998-2001: *University of Chicago Graduate School of Business, Alumni Admissions Council*

Judy Gardiner, Sales and Service Support

- 1965 – 1991: *BellSouth, Served in numerous capacities, including Senior Systems Designer, Service Consultant, Customer Service, Training, and Operator Services. In these positions, Ms. Gardiner performed a number of key functions for BellSouth, including: designed and implemented networks and equipment for major business customers, state and local agencies, and institutions of higher learning; directed a sales support team; submitted engineering documents and processing orders; provided end-user training; implemented traffic studies; worked with outside plant provisioning, maintenance and installation departments; served as an LD operator.*

- 1992-1996: Independent telecommunications consultant, Contracted with BellSouth to implement and train Baptist Hospitals throughout Alabama. Implemented telecom equipment installations, programming, and provided user training at over 20 locations throughout state. Worked with a college to implement major upgrade and change student ID platform. Worked with major municipality in Alabama to improve communications department and prepare for major upgrade of telephone system. Worked with TSI consulting firm on various projects throughout the Southeast.*
- 1996 – 1997: ACSI, Senior Sales Manager. Increased sales in Mobile market by 500%. Assisted in implementing over 30 miles of fiber optic network. Won contracts to light over 15 buildings.*
- 1997 – 1998: Jade Technologies, LLC, Owner. Provided technology general contracting and consulting.*
- 1998 – 2001: Actel Integrated Communications, Inc., Vice President, Sr. Operations Manager. Responsible for customer service department including customer care, long distance order billing, audit and issuance, and sales support. Responsible for 5ESS switch order and implementation, network services and carrier services.*
- 2001: Southern Light, LLC. Sales and service support. Owner AZED Communications. Developing sales and customer support infrastructure, including customer billing, customer service, customer relationship management, network record keeping systems, processes and procedures for ILEC order processing and submission.*

EXHIBIT "C"

TECHNICAL PERSONNEL PROFILES

Joe Gardiner

Joe Gardiner has over 30 years of formal experience in outside plant engineering. Joe began his career working with Alberta Government Telephone in 1970 as a cable splicer. He spent the next 22 years in positions of increasing responsibility and filled job positions ranging from splicing foreman to construction foreman to director of the outside plant emergency restoration team. In 1992, he founded Gardiner Technical Facilities and provided engineering consulting services to a wide spectrum of telecommunications companies. In 1995, he left Gardiner Technical Facilities to join Alta Telecom as a Senior Outside Plant Engineer, where he designed and constructed fiber optic rings in Mobile, Huntsville, and Birmingham, Alabama; Jackson, Mississippi; and Columbus Georgia. Mr. Gardiner currently serves as the lead engineer for Azed Communications, and acts as the primary liaison for all of Azed's customers.

Bob Orchison

Bob Orchison has over 34 years experience in outside plant engineering. Bob began his career working with Alberta Government Telephone (AGT) in 1966 as a lineman. He worked for AGT for the next 28 years in positions ranging from lead outside plant training instructor to engineering and construction manager. In 1994, he founded RLO Consulting and primarily contracted to AGT as an engineering consultant. In 1995, he left RLO Consulting to join Alta Telecom as a Senior Outside Plant Engineer, where he worked until 1999 when he helped found Azed. At Alta, he managed the design and construction of fiber optic SONET rings in Columbus, Georgia; Montgomery, Alabama; Mansfield, Ohio; and long-haul fiber optic networks from Fort Worth to Midland, Texas, and Anchorage to Glenallen, Alaska. Mr. Orchison currently serves Azed as the senior field engineer, and is the primary engineer responsible for network design of all new fiber optic networks.

Gary Syverson

Gary Syverson has over 34 years experience in outside plant engineering. He worked for Alberta Government Telephone from 1966 to 1992 in a variety of positions ranging from cable splicer to outside plant engineer. He left AGT to work with Gardiner Technical Facilities from 1992 to 1996, when he joined Alta Telecom. While at Alta, he designed and built metropolitan fiber optics rings in Cleveland, Ohio; Tucson, Arizona; and New Orleans, Louisiana. He left Alta to help found Azed Communications in 1999. As one of the partners and senior engineers with Azed, Mr. Syverson provided project management service for Nortel Networks through Oasis Telecommunications for construction of a long-haul fiber optics ring spanning from Miami to Orlando to Tampa.

Todd Gibson

Todd Gibson has over 29 years experience in outside plant engineering. A 1971 honors graduate of Algonquin College, Todd worked for Bell Canada and Alberta Government Telephone for fifteen years before starting his own company, Greycom Telecommunications Consulting. He left Greycom to join Alta Telecom as one of the charter members, where he held the position of Director of Outside Plant Engineering. After Alta was bought by Ciena, Mr. Gibson helped found Azed Communications, and acts as the point of contact for all of Azed's projects in the Western United States. Throughout his career, Mr. Gibson has designed and managed the construction of fiber optic SONET rings in Philadelphia, Pennsylvania; Cleveland, Ohio; Denver, Colorado; Colorado Springs, Colorado; Oakland, California; Houston, Texas; Harrisburg, Pennsylvania; multiple cities in Alberta, Canada; and a long-haul fiber optic network from Dallas to Midland, Texas.

Johnny Pennington

Johnny Pennington has over 30 years experience in outside plant construction. He began his career in 1970 after joining R.G. Owens Construction in California, where he served for ten years as a construction foreman and supervisor in the placement and splicing of outside plant CATV and copper cable networks. In 1980, Mr. Pennington founded Pennington Construction, an independent outside plant Construction Corporation. He merged Pennington Construction with AllPenn in 1990, which he continued to manage until joining Azed Communications as a partner in 1999. Throughout his 30 years in outside plant construction, he has directed the construction of telecommunications networks in Greenville, South Carolina; Research Triangle and Charlotte, North Carolina; Birmingham, Mobile, Montgomery, and Huntsville, Alabama; Columbus, Georgia; Boston, Massachusetts; Duluth, Minnesota; New York City; and the greater Washington district of Northern Virginia. In his current position with Azed, Mr. Pennington serves as the director of construction, and spends his days highly involved in the supervision and training Azed's construction crews and contractors in the field.

Peter Dillard

Peter Dillard has over 14 years experience as an electronics installation and operations technician. He began his career in 1987 as an electronics technician for Mobile Infirmary where he was responsible for telephone equipment and surveillance monitors. From 1989-1994, Peter served as a nuclear propulsion plant operator and electrical plant operator on board a US Navy nuclear submarine. In 1995, he began a two-year term at Raicom Communications installing and maintaining telephone systems and computer networks. Modern Technology Services hired Peter in 1996 to install fiber optic communication equipment for CLEC's across the Southeast. In this capacity, he spliced fiber optic cables and terminated fiber optic connectors for a wide variety of fiber optic companies. Just before serving Southern Light, Peter worked for Actel Integrated Communications maintaining and operating transport and switching equipment for the local CLEC. In this position, Peter was responsible for creating and maintaining communication circuits vital to Actel's business operations. Peter joined the Southern Light team in 2001.

Joel Walker

Joel began his communications career with Raicom Communications as a data service manager. In this capacity, Joel was responsible for day to day operations of LAN installation crews. He also gained his Novell Administration Certification. In 1997, Joel began a three year term with E.Spire Communications. He was hired as a Level II network technician and rapidly advanced to Operations Manager. He installed and maintained E.Spire's Class 5 switch as well as their network support equipment. He hired and trained switch and network technicians as well as installing a 60 mile fiber optic network along with its associated sonet equipment. Most recently, Joel worked as the Regional Operations Manager for Actel Integrated Communications. His responsibilities included: installing and maintaining a class 5 switch, hiring, training, and leading technicians for his region, developing trouble-handling procedures and guidelines that included MTTR and escalation procedures by type of service. His job also involved reducing operating costs of day to day installation and maintenance by improving network efficiency and reducing wasted personnel time and unneeded expenditures.

EXHIBIT "D"
FINANCIAL INFORMATION

Southern Light, L.L.C.
P O Box 91127
Mobile, AL 36691-1127

C A R O L E. D O U G L A S S, I N C
Public Accounting
6612 Three Notch Road
Mobile, Alabama 36619

334-643-1690

fax 334-643-1691

August 8, 2001

Southern Light, L.L.C.
P O Box 91127
Mobile, AL 36691-1127

ACCOUNTANTS' COMPILATION REPORT

I have compiled the accompanying Balance Sheet—Tax Basis of Southern Light, L.L.C. (a Limited Liability Company) as of JUNE 30, 2001, and the related Statement of Income —Tax Basis, and supplementary information contained in subsidiary schedules for the SIX MONTHS then ended. The financial statements have been prepared on the basis of accounting used by the company for income tax purposes, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The management has elected to omit substantially all the disclosures and the cash flows statement required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial status. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The accompanying financial statements have been prepared solely from the accounts of Southern Light, L.L.C., and they do not include the personal accounts of the owner or those of any other operations in which the owner is engaged. Federal and state taxes on income of the owner are computed on total income from all sources; accordingly, no provision for such taxes is included in these statements.

Carol E. Douglass
Public Accountant



Southern Light, L.L.C.
BALANCE SHEET - TAX BASIS
JUNE 30, 2001

ASSETS

CURRENT ASSETS

Cash-Bank	\$	2,708,733
Notes Receivable		257,075
Work In Progress		
Fiber Optic Network		3,576,949

TOTAL CURRENT ASSETS	\$	6,542,757
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FIXED ASSETS

Computer Systems		10,016
Machinery & Equipment		11,626
Accumulated Deprec		(1,847)

NET FIXED ASSETS		19,796
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OTHER ASSETS

Organization Costs		71,299
Accumulated Organ. Costs		(3,446)
Prepaid Lease		1,319,500

TOTAL OTHER ASSETS		1,387,353
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TOTAL ASSETS	\$	<u>7,949,905</u>
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LIABILITIES AND CAPITAL

CURRENT LIABILITIES

Accounts Payable	\$	5,082
Payroll Tax Payable		9,450

TOTAL CURRENT LIABILITIES	\$	14,531
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LONG-TERM LIABILITIES

Notes Payable-Long Term		8,000,000
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TOTAL LONG-TERM LIABILITIES		8,000,000
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OWNER'S CAPITAL

Owner's Capital		(4,984)
Net Profit/(Loss)		(59,643)

TOTAL OWNER'S CAPITAL		(64,626)
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TOTAL LIABILITIES AND CAPITAL	\$	<u>7,949,905</u>
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See Accompanying Accountants' Compilation Report
This interim period statement is subject to year-end adjustments.

Southern Light, L.L.C.
BALANCE SHEET - TAX BASIS
SUBSIDIARY SCHEDULE
JUNE 30, 2001

Cash-Bank	
Bank-Amsouth Checking	\$ 324
Bank-Compass Checking	12,207
Bank-Compass Line	2,696,202
TOTAL	\$ 2,708,733

Notes Receivable	
N/R Azed Communications	\$ 256,677
N/R Defense Network	397
TOTAL	\$ 257,075

Work In Progress	
Fiber Optic Network	
Conduit	\$ 690,609
Handholes	73,846
Engineering & Consulting	225,541
Interest - Loans	153,863
Lease	45,500
Legal Fees	125,863
Payroll & Taxes	69,331
Permits & Licenses	77,429
Construction Services	514,593
Closing Costs	36,434
Fiber	1,500,720
Insurance	9,140
Other Materials	52,863
Sec 263A Indirect Cost	1,217
TOTAL	\$ 3,576,949

Payroll Tax Payable	
Fica, Medicare Withholding	\$ 1,607
Federal Withholding	4,143
State Withholding	1,522
Fica, Med, Futa, Sui Payable	2,178
TOTAL	\$ 9,450

Notes Payable-Long Term	
N/P Compass Bank	
Line of Credit	\$ 8,000,000

See Accompanying Accountants' Compilation Report
This interim period statement is subject to year-end adjustments.

Southern Light, L.L.C.
BALANCE SHEET - TAX BASIS
SUBSIDIARY SCHEDULE
JUNE 30, 2001

TOTAL		\$ 8,000,000
Owner's Capital		
Owner's Capital-A Newton	\$	(1,235)
Owner's Capital-G Wallace		7,252
Owner's Draw - G Wallace		(11,000)
TOTAL	\$	(4,984)

See Accompanying Accountants' Compilation Report
This interim period statement is subject to year-end adjustments.

Southern Light, L.L.C.
 STATEMENT OF CHANGES IN EQUITY
 JUNE 30, 2001

	<u>Beg Capital</u>	<u>Contributions</u>	<u>Withdrawals</u>	<u>Net Income</u>	<u>Ending Capital</u>
aw Newton	\$ (1,235)			\$ (29,821)	\$ (31,057)
ld "Lee" Wallace	7,252		\$ (11,000)	(29,821)	(33,570)
<hr/>					
l Equity:	<u>\$ 6,016</u>	<u>\$ 0</u>	<u>\$ (11,000)</u>	<u>\$ (59,643)</u>	<u>\$ (64,626)</u>

See Accompanying Accountants' Compilation Report
 This interim period statement is subject to year-end adjustments.

Southern Light, L.L.C.
STATEMENT OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2001

	— Year to Date —	
	Actual Percent	
EXPENSES		
Amortization	\$ 2,571	0.0
Auto-gas,oil,tires	1,367	0.0
Bank Service Charges	80	0.0
Depreciation	1,366	0.0
Donations	1,000	0.0
Fees, Subscriptions	780	0.0
Meals & Entertainment	2,271	0.0
Insurance-General	1,212	0.0
Insurance-Health	1,400	0.0
Internet Communication	1,125	0.0
Professional Services	5,151	0.0
Office Expense	2,763	0.0
Taxes - Payroll	2,634	0.0
Taxes - Other	220	0.0
Rent	2,716	0.0
Salaries - Members	31,250	0.0
Salaries - Office	167	0.0
Sec 263A Allocation	(1,217)	0.0
Telephone	2,300	0.0
Travel	489	0.0
	59,643	0.0
* TOTAL EXPENSES		
	(59,643)	0.0
* NET OPERATING PFT/(LOSS)		
	\$ (59,643)	0.0
* NET PROFIT (LOSS)		

See Accompanying Accountants' Compilation Report
This interim period statement is subject to year-end adjustments.

Southern Light LLC
Balance Sheet
As of December 31, 2000

	Dec 31, '00
ASSETS	
Current Assets	
Checking/Savings	
Cash and Cash Equivalents	29,217.56
Total Checking/Savings	29,217.56
Other Current Assets	
AZED Note Receivable	226,136.51
Notes Receivable Defense Netwk	397.45
Total Other Current Assets	226,533.96
Total Current Assets	255,751.52
Fixed Assets	
Fiber Optic Network & Rel Equip	130,956.25
Furniture and Equipment	14,105.49
Total Fixed Assets	145,061.74
Other Assets	
Organization Costs	2,040.00
Prepaid Lease	1,353,625.00
Total Other Assets	1,355,665.00
TOTAL ASSETS	1,756,478.26
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	21,951.02
Total Accounts Payable	21,951.02
Other Current Liabilities	
Amsouth Line of Credit	394,683.11
Total Other Current Liabilities	394,683.11
Total Current Liabilities	416,634.13
Long Term Liabilities	
Pilot Funding	1,413,211.89
Total Long Term Liabilities	1,413,211.89
Total Liabilities	1,829,846.02
Equity	
Owners Equity	-63,439.23
Net Income	-9,928.53
Total Equity	-73,367.76
TOTAL LIABILITIES & EQUITY	1,756,478.26

08/15/01

Southern Light LLC
Profit & Loss
January through December 2000

	Jan - Dec '00
Ordinary Income/Expense	
Expense	
Amortization Expense	583.00
Cost of Sales	526.00
Depreciation Expense	372.00
Interest Expense	0.00
Professional Fees	540.00
Selling, General & Admin	22,955.12
Taxes	128.41
Training	805.00
Total Expense	<u>25,909.53</u>
Net Ordinary Income	-25,909.53
Other Income/Expense	
Other Income	
Other Income	15,981.00
Total Other Income	<u>15,981.00</u>
Net Other Income	<u>15,981.00</u>
Net Income	<u><u>-9,928.53</u></u>

08/15/01

Southern Light LLC
Balance Sheet
As of December 31, 1999

	<u>Dec 31, '99</u>
ASSETS	
Current Assets	
Checking/Savings	
Cash and Cash Equivalents	378.32
Total Checking/Savings	<u>378.32</u>
Other Current Assets	
AZED Note Receivable	228,434.86
Notes Receivable Defense Netwk	200.00
Total Other Current Assets	<u>228,634.86</u>
Total Current Assets	229,013.18
Fixed Assets	
Furniture and Equipment	1,410.70
Total Fixed Assets	<u>1,410.70</u>
Other Assets	
Organization Costs	2,623.00
Total Other Assets	<u>2,623.00</u>
TOTAL ASSETS	<u><u>233,046.88</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	65.00
Total Accounts Payable	<u>65.00</u>
Other Current Liabilities	
Amsouth Line of Credit	236,833.11
Total Other Current Liabilities	<u>236,833.11</u>
Total Current Liabilities	<u>236,898.11</u>
Total Liabilities	236,898.11
Equity	
Owners Equity	-3,851.23
Retained Earnings	339.24
Net Income	-339.24
Total Equity	<u>-3,851.23</u>
TOTAL LIABILITIES & EQUITY	<u><u>233,046.88</u></u>

08/15/01

Southern Light LLC
Profit & Loss
January through December 1999

	<u>Jan - Dec '99</u>
Ordinary Income/Expense	
Income	
Sales	9,264.00
Total Income	<u>9,264.00</u>
Expense	
Amortization Expense	292.00
Bank Service Charges	30.00
Depreciation Expense	109.00
Interest Expense	6,597.60
Professional Fees	65.00
Selling, General & Admin	2,049.64
Training	460.00
Total Expense	<u>9,603.24</u>
Net Ordinary Income	<u>-339.24</u>
Net Income	<u><u>-339.24</u></u>

The undersigned officers, Andrew M. Newton and Paul E. Bullington, affirm that the financial statements attached to this application are true and correct. The attached statements include a Balance Sheet, Income Statement, and Statement of Retained Earnings from 1999, 2000 and the most recent quarter (Q2 2001).




Signature: Andrew M. Newton

8/22/01

Date:

Title: President, Southern Light, L.L.C.



Signature: Paul E. Bullington

8/22/01

Date:

Title: Vice President, Corporate Strategy and Finance



Compass Bank

Compass Bank
Private Banking
321 Bol Air Boulevard
Mobile, Alabama 36606
334-470-7430
Fax 334-470-7586

August 10, 2001

To whom it may concern,

Southern Light, LLC has maintained a relationship with Compass Bank since April 2001. This relationship includes a deposit account and a seven-figure line of credit that is being utilized in Southern Light's fiber optic construction project.

Southern Light is in good standing with Compass Bank and continues to maintain its obligations properly. Compass Bank considers Southern Light, LLC a very valuable customer.

Sincerely,

W. Bryan Pape
Assistant Vice President
Private Banking

Credit References:

Compass Bank

W. Bryan Pape
Assistant Vice President Private Banking
321 Bel Air Boulevard
Mobile, Alabama 36606
(251)470-7434 (office)
(251)470-7586 (fax)

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C&C/Kendrick Construction

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Newton Construction, Inc.

Andrew Bramblett
Superintendent
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Mobile, Alabama 36691

Summit Industries

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