

ORIGINAL

NOWALSKY, BRONSTON & GOTHARD

A Professional Limited Liability Company

Attorneys at Law

3500 North Causeway Boulevard

Suite 1442

Metairie, Louisiana 70002

Telephone: (504) 832-1984

Facsimile: (504) 831-0892

Leon L. Nowalsky
Benjamin W. Bronston
Edward P. Gothard

Monica Borne Haab
EllenAnn G. Sands
Bruce C. Betzer

January 24, 2002

Via Overnight Delivery

Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RECEIVED-FPSC
JAN 25 AM 11:36
COMMISSION
CLERK

RE: DIRECT TELEPHONE COMPANY INC.

Dear Sirs:

020068-TX

Enclosed please find an original and six (6) copies of Application Form for authority to provide alternative local exchange telecommunications service within the State of Florida, submitted on behalf of Direct Telephone Company Inc. Also enclosed is the requisite \$250.00 filing fee.

Please acknowledge receipt of this filing by returning a date stamped copy of this letter in the self-addressed envelope provided.

Thank you for your assistance. Please call with any questions.

Sincerely,

Monica Borne Haab

Enclosure

cc: Seth Block, Direct
(cover only)

Check receipt stamp: Check receipt stamp... forwarded to the... Fiscal to... to NAR with...
Initials of person who forwarded check:

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

00939 JAN 25 02

FPSC-COMMISSION CLERK

**** FLORIDA PUBLIC SERVICE COMMISSION ****

DIVISION OF REGULATORY OVERSIGHT
CERTIFICATION SECTION

APPLICATION FORM
for
AUTHORITY TO PROVIDE
ALTERNATIVE LOCAL EXCHANGE SERVICE
WITHIN THE STATE OF FLORIDA

Instructions

- ◆ This form is used as an application for an original certificate and for approval of the assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Page 12).
- ◆ Print or type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.
- ◆ Use a separate sheet for each answer which will not fit the allotted space.
- ◆ Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of **\$250.00** to:

Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6770

- ◆ If you have questions about completing the form, contact:

Florida Public Service Commission
Division of Regulatory Oversight
Certification Section
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6480

APPLICATION

1. This is an application for \checkmark (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:

Direct Telephone Company Inc.

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

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

6300 Richmond, Suite 301

Houston, Texas 77057

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

None.

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: _____

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:

Exhibit A.

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

F02000000326

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:

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: _____

14. Provide F.E.I. Number(if applicable): 76-0688993

15. Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

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

No.

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

No.

16. Who will serve as liaison to the Commission with regard to the following?

(a) The application:

Name: Monica Borne Haab

Title: Attorney for Applicant

Address: 3500 N. Causeway Blvd., Suite 1442

City/State/Zip: Metairie, Louisiana 70002

Telephone No.: (504) 832-1984 Fax No.: (504) 831-0892

Internet E-Mail Address: mhaab@nbglaw.com

Internet Website Address: _____

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

Name: Seth Block
Title: President
Address: 6300 Richmond, Suite 301
City/State/Zip: Houston, Texas 77057
Telephone No.: (713) 627-9241 Fax No.: (713) 627-9253
Internet E-Mail Address: seth@directtelephonecompany.com
Internet Website Address: www.directtelephonecompany.com

(c) Complaints/Inquiries from customers:

Name: Seth Block
Title: President
Address: 6300 Richmond, Suite 301
City/State/Zip: Houston, Texas 77057
Telephone No.: (713) 627-9241 Fax No.: (713) 627-9253
Internet E-Mail Address: seth@directtelephonecompany.com
Internet Website Address: www.directtelephonecompany.com

17. List the states in which the applicant:

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

Texas

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

Hawaii.

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

Texas

(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.**

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.**

Exhibit C.

C. Financial capability.

See Exhibit D.

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

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

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

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

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

1. **written explanation** that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.
2. **written explanation** that the applicant has sufficient financial capability to maintain the requested service.
3. **written explanation** that the applicant has sufficient financial capability to meet its lease or ownership obligations.


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:

Seth Block
Print Name


Signature

President
Title

1-15-02
Date

713 - 627-9253
Telephone No.

(713) 627-9253
Fax No.

Address: 6300 Richmond, Suite 301
Houston, Texas 77057

THIS PAGE MUST BE COMPLETED AND SIGNED

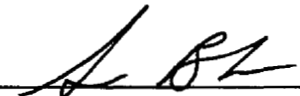
AFFIDAVIT

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:

Seth Block
Print Name


Signature

President
Title

1-15-02
Date

713 627-9241
Telephone No.

713-627-9253
Fax No.

Address: 6300 Richmond, Suite 301
Houston, Texas 77057

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.

1) _____ 2) _____

3) _____ 4) _____

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

1) _____ 2) _____

3) _____ 4) _____

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

POP-to-POP

OWNERSHIP

1) _____

2) _____

3) _____

4) _____

CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT

I, (Name) _____
(Title) _____ of (Name of Company)

and current holder of Florida Public Service Commission Certificate Number # _____
_____, have reviewed this application and join in the petitioner's request for a:

- () sale
- () transfer
- () assignment

of the above-mentioned certificate.

UTILITY OFFICIAL:

Print Name

 N/A

Signature

Title

Date

Telephone No.

Fax No.

Address: _____

EXHIBIT A

ARTICLES OF INCORPORATION
AND
CERTIFICATE OF AUTHORITY

FO2000000326

TRANSMITTAL LETTER

TO: Registration Section
Division of Corporations

SUBJECT: Direct Telephone Company, Inc.

(Name of corporation - must include suffix)

300004782223
-01/17/02--01057--005
*****78.75 *****78.75

Dear Sir or Madam:

The enclosed "Application by Foreign Corporation for Authorization to Transact Business in Florida", "Certificate of Existence", and check are submitted to register the above referenced foreign corporation to transact business in Florida.

Please return all correspondence concerning this matter to the following:

Sheree West

(Name of Person)

Nowalsky, Bronston & Gothard

(Firm/Company)

3500 North Causeway Blvd., Suite 1442

(Address)

Metairie, Louisiana 70002

(City/State and Zip code)

For further information concerning this matter, please call:

Sheree West

(Name of Person)

at (504) 832-1984

(Area Code & Daytime Telephone Number)

STREET ADDRESS:

Registration Section
Division of Corporations
409 E. Gaines St.
Tallahassee, FL 32399

MAILING ADDRESS:

Registration Section
Division of Corporations
P.O. Box 6327
Tallahassee, FL 32314

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

02 JAN 17 PM 8:49

FILED

mt
1/22

Enclosed is a check for the following amount:

- \$70.00 Filing Fee
- \$78.75 Filing Fee & Certificate of Status
- \$78.75 Filing Fee & Certified Copy
- \$87.50 Filing Fee, Certificate of Status & Certified Copy

**APPLICATION BY FOREIGN CORPORATION FOR AUTHORIZATION TO TRANSACT
BUSINESS IN FLORIDA**

IN COMPLIANCE WITH SECTION 607.1503, FLORIDA STATUTES, THE FOLLOWING IS SUBMITTED TO REGISTER A FOREIGN CORPORATION TO TRANSACT BUSINESS IN THE STATE OF FLORIDA.

1. Direct Telephone Company, Inc.
(Name of corporation; must include the word "INCORPORATED", "COMPANY", "CORPORATION" or words or abbreviations of like import in language as will clearly indicate that it is a corporation instead of a natural person or partnership if not so contained in the name at present.)
2. Texas 3. _____
(State or country under the law of which it is incorporated) (FEI number, if applicable)
4. 3/10/97 5. perpetual
(Date of incorporation) (Duration: Year corp. will cease to exist or "perpetual")
6. "upon qualification"
(Date first transacted business in Florida. If corporation has not transacted business in Florida, insert "upon qualification."
(SEE SECTIONS 607.1501, 607.1502 and 817.155, F.S.)
7. 6300 Richmond, Suite 301, Houston, Texas 77057
(Principal office address)
- 6300 Richmond, Suite 301, Houston, Texas 77057
(Current mailing address)

8. the sale of telecommunications services and products
(Purpose(s) of corporation authorized in home state or country to be carried out in state of Florida)

9. **Name and street address of Florida registered agent:** (P.O. Box or Mail Drop Box NOT acceptable)

Name: NRAI Services, Inc.

Office Address: 526 E. Park Avenue

Tallahassee, Florida 32301
(City) (Zip code)

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02 JAN 17 PM 8:49
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

10. **Registered agent's acceptance:**
Having been named as registered agent and to accept service of process for the above stated corporation at the place designated in this application, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

NRAI Services, Inc.

By: _____
(Registered agent's signature)

see attached

11. Attached is a certificate of existence duly authenticated, not more than 90 days prior to delivery of this application to the Department of State, by the Secretary of State or other official having custody of corporate records in the jurisdiction under the law of which it is incorporated.

12. Names and business addresses of officers and/or directors:

A. DIRECTORS

Chairman: _____

Address: _____

Vice Chairman: _____

Address: _____

Director: Seth Block

Address: 6300 Richmond, Suite 301, Houston, Texas 77057

Director: _____

Address: _____

B. OFFICERS

President: Seth Block

Address: 6300 Richmond, Suite 301, Houston, Texas 77057

Vice President: _____

Address: _____

Secretary: Seth Block

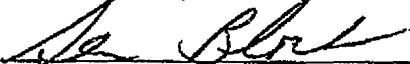
Address: 6300 Richmond, Suite 301, Houston, Texas 77057

Treasurer: _____

Address: _____

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02 JAN 17 PM 8:49
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

NOTE: If necessary, you may attach an addendum to the application listing additional officers and/or directors.

13. 
(Signature of Chairman, Vice Chairman, or any officer listed in number 12 of the application)

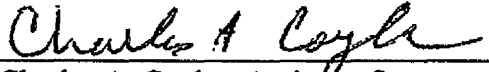
14. Seth Block, President
(Typed or printed name and capacity of person signing application)

ACCEPTANCE OF APPOINTMENT BY REGISTERED AGENT

NRAI Services, Inc. having been named as registered agent and to accept service of process for the aforementioned corporation at the place designated in this application, hereby accepts the appointment as registered agent and agrees to act in this capacity. NRAI Services, Inc. further agrees to comply with the provisions of all statutes relative to the proper and complete performance of its duties, and NRAI Services, Inc. is familiar with and accepts the obligations of its position as registered agent.

Dated:

NRAI Services, Inc.


Charles A. Coyle - Assistant Secretary

FILED
02 JAN 17 PM 8:49
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Florida

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Gwyn Shea
Secretary of State

Office of the Secretary of State

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Articles Of Incorporation for DIRECT TELEPHONE COMPANY INC. (filing number: 143672300), a Domestic Business Corporation, was filed in this office on March 10, 1997.

It is further certified that the entity status in Texas is active.

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on January 11, 2002.



FILED
02 JAN 17 PM 8:49
SECRETARY OF STATE
TALLAHASSEE, FLORIDA
Gwyn Shea
Gwyn Shea
Secretary of State



The State of Texas
Secretary of State

CERTIFICATE OF AMENDMENT
FOR
DIRECT TELEPHONE COMPANY INC.
FORMERLY
DIRECT COMMUNICATIONS, INC.
CHARTER NUMBER 01436723

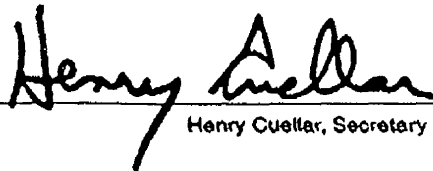
THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS,
HEREBY CERTIFIES THAT THE ATTACHED ARTICLES OF AMENDMENT FOR THE ABOVE
NAMED ENTITY HAVE BEEN RECEIVED IN THIS OFFICE AND ARE FOUND TO
CONFORM TO LAW.

ACCORDINGLY THE UNDERSIGNED, AS SECRETARY OF STATE, AND BY VIRTUE
OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES THIS
CERTIFICATE OF AMENDMENT.

DATED JUNE 1, 2001

EFFECTIVE JUNE 1, 2001




Henry Cuellar, Secretary of State



The State of Texas
Secretary of State

JUNE 4, 2001

SETH BLOCK
11834 WILCREST #205
HOUSTON TX 77031

RE:
DIRECT TELEPHONE COMPANY, INC.
CHARTER NUMBER 01436723-00


IT HAS BEEN OUR PLEASURE TO APPROVE AND PLACE ON RECORD YOUR
ARTICLES OF AMENDMENT.

THE APPROPRIATE EVIDENCE IS ATTACHED FOR YOUR FILES AND THE
ORIGINAL HAS BEEN FILED IN THIS OFFICE.

PAYMENT OF THE FILING FEE IS ACKNOWLEDGED BY THIS LETTER.

IF WE CAN BE OF FURTHER SERVICE AT ANY TIME, PLEASE LET US KNOW.




Henry Cuellar, Secretary of State

ARTICLES OF AMENDMENT

Pursuant to the provisions of article 4.04 of the Texas Business Corporation Act, the undersigned corporation adopts the following articles of amendment to its articles of incorporation:

FILED
In the Office of the
Secretary of State of Texas

JUN 01 2001

Corporations Section

ARTICLE ONE

The name of the corporation is Direct Communications Inc.

ARTICLE TWO

The following amendment to the articles of incorporation was adopted by the directors of the corporation on May 31, 2001. The articles of incorporation are amended to change the name of the corporation from Direct Communications Inc. to Direct Telephone Company Inc.

ARTICLE THREE

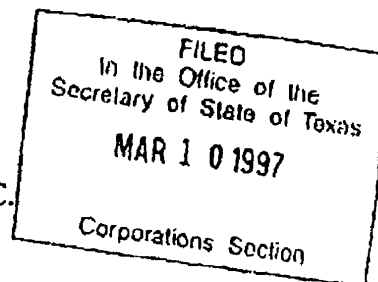
No shares have been issued.

Dated May 31, 2001.

Direct Communications, Inc.

By E.B. Thomas
E.B. Thomas PRESIDENT

**ARTICLES OF INCORPORATION
OF
DIRECT COMMUNICATIONS, INC.**



The undersigned natural person of the age of eighteen years or more acting as incorporator does hereby adopt the following Articles of Incorporation for such Corporation:

ARTICLE ONE

The name of the Corporation is Direct Communications, Inc.

ARTICLE TWO

The period of duration of the Corporation is perpetual.

ARTICLE THREE

The purpose for which the Corporation is organized is the transaction of any or all lawful business for which corporations may be incorporated under the Texas Business Corporation Act.

ARTICLE FOUR

The aggregate number of shares which the Corporation shall have the authority to issue is one hundred thousand (100,000) shares of common stock, each share having no par value and having the right to vote and being identical with all other shares of common stock.

1 0 2 3 3 9 0 1 8 3 3

ARTICLE FIVE

The Corporation will not commence business until it has received for the issuance of its shares consideration of the value of at least One Thousand Dollars (\$1,000.00), consisting of money, labor done, or property actually received.

ARTICLE SIX

The street address of the initial registered office of the Corporation is 17625 El Canino Real, Suite 310, Houston, Texas 77058, and the name of the initial registered agent of the Corporation is E. B. Thomas.

ARTICLE SEVEN

The Board of Directors of the Corporation shall consist of one or more members. The number of Directors constituting the initial Board of Directors is one (1) and the name and address of the person who is to serve as director until the first annual meeting of the shareholders or until his successor is elected and qualified is:

E. B. Thomas
P.O. Box 675
Katy, Texas 77492

ARTICLE EIGHT

The power to adopt, alter, amend or repeal the Bylaws shall be vested in the Board of Directors and in the shareholders entitled to vote for the election of directors.

ARTICLE NINE

No director and no officer of the Corporation shall be disqualified by reason of his office from dealing with or contracting with the Corporation, either as vendor, seller, purchaser, vendee, buyer, mortgagee, mortgagor, or otherwise; and no transaction of this Corporation shall be void or voidable by reason of the fact that the director or officer of any firm in which a director or officer of this Corporation is a member, or any corporation of which a director or officer of this Corporation is a shareholder or a director or officer, is in any way interested in such transaction.

ARTICLE TEN

At each election for directors, every shareholder entitled to vote at such election shall have the right to vote in person, or by proxy, the number of shares owned by him for as many persons as there are directors to be elected. It is prohibited for any shareholder to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by his shares shall equal, or by distributing such votes on such principle among any number of such candidates.

ARTICLE ELEVEN

No director of the Corporation shall be liable to the Corporation or its shareholders for monetary damages for an act or omission in a director's capacity as a director, except that this Article Eleven does not eliminate or limit the liability of a director for:

- (a) a breach of a director's duty of loyalty to the Corporation or its shareholders;
- (b) an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law;
- (c) a transaction from which a director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office; or
- (d) an act or omission for which the liability of a director is expressly provided for by statute.

ARTICLE TWELVE

A. The Corporation shall indemnify its directors and its former directors and the Corporation may indemnify its officers and its former officers against any losses, damages, claims or liabilities to which they may become subject or which they may incur as a result of being or having been an officer or director, and shall advance to them or reimburse them for expenses incurred in connection therewith, to the maximum extent permitted by law. The Corporation may indemnify other employees, agents or

persons against any losses, damages, claims or liabilities to which they may become subject or which they may incur as a result of having been an employee or agent or having acted for the Corporation and may advance to them or reimburse them for expenses incurred in connection therewith to the maximum extent permitted by law.

B. A person may be indemnified under this Article Twelve against judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses actually incurred by the person in connection with a proceeding; but if the person is found liable to the Corporation or is found liable on the basis that personal benefit was improperly received by the person, the indemnification (1) is limited to reasonable expenses actually incurred by the person in connection with the proceeding and (2) shall not be made in respect of any proceeding in which the person shall have been found liable for willful or intentional misconduct in the performance of his duty to the Corporation.

C. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Corporation is advised by its counsel that the person to be indemnified did not commit such a breach of duty. The foregoing right of indemnification shall not be exclusive of other rights to which he may be entitled.

D. The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, sole proprietorship, trust, other enterprise or employee benefit plan, against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such a person, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of the Texas Business Corporation Act.

E. Without limiting the power of the Corporation to procure or maintain any kind of insurance or other arrangement, the Corporation may, for the benefit of persons indemnified by the Corporation (1) create a trust fund, (2) establish any form of self-insurance, (3) secure its indemnity obligation by grant of a security interest or other lien on the assets of the Corporation, or (4) establish a letter of credit, guaranty or surety arrangement.

JUN-08-01 FRI 03:26 PM

FAX NO.

P. 06/07



The State of Texas

Secretary of State

SECRETARY OF STATE
AUSTIN, TEXAS

DETERMINATION OF FORFEITURE PURSUANT TO SECTION 171.309, TEXAS
TAX CODE ANNOTATED

CAME TO BE CONSIDERED ON THE DATE SHOWN HEREON, FORFEITURE
OF THE CHARTER OR CERTIFICATE OF AUTHORITY OF THE
FOLLOWING CORPORATION; THE SECRETARY OF STATE FINDS AND
DETERMINES THE FOLLOWING:

000274
2478

CORPORATION NAME

DIRECT COMMUNICATIONS, INC.

CHARTER NO.-TYPE	RTDD FORFEITED	CERTIFICATE/CHARTER FORFEITED
1436723-00	09/29/1998	02/12/1999

THAT THE COMPTROLLER OF PUBLIC ACCOUNTS HAS NOTIFIED THIS
OFFICE THAT SAID CORPORATION HAS FAILED TO FILE A CURRENT
YEAR FRANCHISE TAX REPORT TO ESTABLISH THE EXISTENCE OF
ASSETS FROM WHICH A JUDGEMENT FOR THE FRANCHISE TAXES,
PENALTIES AND COURT COSTS MAY BE SATISFIED.
THAT THE COMPTROLLER OF PUBLIC ACCOUNTS HAS FURTHER STATED
THAT THE SAID CORPORATION HAS FAILED OR REFUSED TO REVIVE
ITS RIGHT TO DO BUSINESS.

IT IS THEREFORE ORDERED THAT THE CHARTER OR CERTIFICATE OF
AUTHORITY OF THE ABOVE NAMED CORPORATION BE AND THE SAME IS
HEREBY FORFEITED WITHOUT JUDICIAL ASCERTAINMENT AND MADE
NULL AND VOID, AND THAT THE PROPER ENTRY BE MADE UPON THE
PERMANENT FILES AND RECORDS OF SUCH CORPORATION TO SHOW
SUCH FORFEITURE AS OF THE DATE HEREOF.

EXHIBIT B

MANAGERIAL CAPABILITY

Seth Block
Certified Public Accountant

Direct Telephone Company, Inc. – President of Direct Telephone Company Inc.

August 2001 to present

In charge of all legal, financial and marketing operations of the company.

Choctaw Communications, Inc. - Sr. Vice President, Regulatory and RBOC Relations

1997-2001 Managed all dealings with RBOC's, including contract negotiations.

Responsible for implementing all UNE-P procedures.

Oversees RBOC bill reconciliation group.

Premier Car Rental, Inc. - Area Controller

1996-1997 Maintained customer records for billing and collecting purposes.

Managed payment of all company accounts.

Performed audits of area locations.

Hotard Coaches, Inc. - Controller

1992-1996 Maintained customer records for billing and collecting purposes.

Managed payment of all company accounts.

Oversaw maintenance of accounting software.

BHNC, Inc. - Controller

1990-1992 Managed company's financial operations.

Service Corporation International - Special Projects Accountant

1986-1990 Responsible for the complete financial and operational conversion of new funeral homes added to the company.

William, Stahl and Co. - Staff Accountant

1984-1986 Consulted on behalf of the company with small business.

Southwest Texas State University

1984 Bachelor of Business Administration, Accounting

EXHIBIT C

TECHNICAL CAPABILITY

The Company will resell the services of certificated underlying carrier, and will provide facilities-based services only to the extent necessary to offer UNE-P services. Therefore, the Company's technical capability is equivalent to that of its underlying ILEC. The Company's underlying service provide will be BellSouth.

EXHIBIT D

FINANCIAL DOCUMENTATION

The Company does not have audited financial statements. The Company's most current available financial statements are attached.

AFFIRMATION

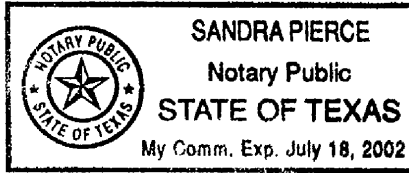
I, Seth Block, President of Direct Telephone Company Inc. do hereby acknowledge that the information set forth in the attached financial statements is true and correct to the best of my knowledge and belief.



Seth Block, President
Direct Telephone Company Inc.

Sworn to and subscribed before me
this 14th day of January, 2002.

Sandra Pierce
Notary Public



Direct Telephone Company
Balance Sheet
As of December 31, 2001

	Dec 31, '01
ASSETS	
Current Assets	
Checking/Savings	
Tanglewood Money Market Acct	40,148.50
Tanglewood Operating Account	10,637.58
Total Checking/Savings	50,786.08
Accounts Receivable	
Accounts Receivable	17,040.00
Total Accounts Receivable	17,040.00
Other Current Assets	
PrePaid Expenses	
PrePaid Printing	1,825.10
PrePaid Promotional	541.00
Total PrePaid Expenses	2,366.10
Total Other Current Assets	2,366.10
Total Current Assets	70,192.18
Other Assets	
PrePaid Rent	4,757.24
Total Other Assets	4,757.24
TOTAL ASSETS	74,949.42
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	11,322.90
Total Accounts Payable	11,322.90
Other Current Liabilities	
Accrued Liabilities	2,050.00
Payroll Liabilities	1,558.91
Total Other Current Liabilities	3,608.91
Total Current Liabilities	14,931.81
Total Liabilities	14,931.81
Equity	
Paid in Capital - Duke Thomas	1,500.00
Paid in Capital - Nik Thomas	3,750.00
Paid in Capital - Seth Block	13,858.00
Paid in Capital - Tommy Thomas	1,500.00
Paid in Capital MLB	50,000.00
Net Income	-10,590.39
Total Equity	60,017.61
TOTAL LIABILITIES & EQUITY	74,949.42

Direct Telephone Company
Profit and Loss
August through December 2001

	Aug - Dec '01
Ordinary Income/Expense	
Income	
Outsourced Services	34,680.00
Total Income	34,680.00
Cost of Goods Sold	
Promotional giveaways	1,450.00
Total COGS	1,450.00
Gross Profit	33,230.00
Expense	
Administrative Fees	449.88
Contract Labor	
Labor-Training	120.00
Tempoary Employment	19,784.98
Total Contract Labor	19,904.98
Dues and Subscriptions	20.00
Employee Promotions	41.52
Interest Expense	
Loan Interest	3,931.45
Total Interest Expense	3,931.45
Licenses and Permits	63.00
Office Supplies	971.44
Payroll Expenses	6,208.85
Professional Fees	
Legal Fees	1,371.27
Total Professional Fees	1,371.27
Rent	4,530.70
Telephone	
Long Distance	283.71
Wireless Phones	486.28
Total Telephone	769.99
Travel & Ent	
Meals	1,076.42
Travel	5,310.84
Total Travel & Ent	6,387.26
Total Expense	44,650.34
Net Ordinary Income	-11,420.34
Other Income/Expense	
Other Income	
Interest Income	829.95
Total Other Income	829.95
Net Other Income	829.95
Net Income	-10,590.39

EXHIBIT E

CAPABILITY STATEMENTS

1. Although incorporated in 1997, Direct Telephone began its operations in 2001 by providing local exchange services in Texas. The Applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served. This is evidenced by the current assets set forth in its unaudited financial statements. (The Company has no audited financial statements.)
2. The Applicant will maintain the requested services from revenue generated from its current and ongoing operations. The Company is currently operating in Texas, and is pending authority in Hawaii.
3. The Company has sufficient financial capability to meet its lease and ownership obligations.

EXHIBIT F

PRICE LIST

Direct Telephone Company Inc.

**Florida Price List No. 1
Original Sheet 1**

Alternative Local Exchange Service

TITLE SHEET

ALTERNATIVE LOCAL EXCHANGE SERVICES PRICE LIST

This price list contains the descriptions, regulations, service standards and rates applicable to alternative local exchange telecommunications services provided by Direct Telephone Company Inc. with principal offices at 6300 Richmond, Suite 301, Houston, Texas 77057.. This price list applies for services furnished within the state of Florida. This price list 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: January 24, 2002

EFFECTIVE:

BY.

Seth Block, President
Direct Telephone Company Inc.
6300 Richmond, Suite 301
Houston, Texas 77057

Alternative Local Exchange Service

CHECK SHEET

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

SHEET	REVISION	SHEET	REVISION
1	Original	26	Original
2	Original		
3	Original		
4	Original		
5	Original		
6	Original		
7	Original		
8	Original		
9	Original		
10	Original		
11	Original		
12	Original		
13	Original		
14	Original		
15	Original		
16	Original		
17	Original		
18	Original		
19	Original		
20	Original		
21	Original		
22	Original		
23	Original		
24	Original		
25	Original		

ISSUED: January 24, 2002

EFFECTIVE:

BY:

Seth Block, President
Direct Telephone Company Inc.
6300 Richmond, Suite 301
Houston, Texas 77057

Alternative Local Exchange Service

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Exchange Service List 6

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Section 2 - Rule, Regulations and Service Quality Criteria 8

Section 3 - Basic Service Descriptions and Rates 16

ISSUED: January 24, 2002

EFFECTIVE:

BY:

Seth Block, President
Direct Telephone Company Inc.
6300 Richmond, Suite 301
Houston, Texas 77057

Alternative Local Exchange Service

SYMBOLS SHEET

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

D - Delete Or Discontinue

I - Change Resulting In An Increase to A Customer's Bill

M - Moved From Another Price List 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

ISSUED: January 24, 2002

EFFECTIVE:

BY:

Seth Block, President
Direct Telephone Company Inc.
6300 Richmond, Suite 301
Houston, Texas 77057

Alternative Local Exchange Service

PRICE LIST FORMAT SHEETS

A. Sheet Numbering - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the price list. 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 their price list approval process, the most current sheet number on file with the Commission is not always the price list page in effect. Consult the Check Sheet for the sheet currently in effect.

C. Paragraph Numbering Sequence - There are various levels of paragraph coding. Each level of coding is subservient to its next higher level as follows:

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

D. Check Sheets - When a price list filing is made with the FPSC, an updated check sheet accompanies the price list filing. The check sheet lists the sheets contained in the price list, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The price list 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: January 24, 2002

EFFECTIVE:

BY:

Seth Block, President
Direct Telephone Company Inc.
6300 Richmond, Suite 301
Houston, Texas 77057

Direct Telephone Company Inc.

Florida Price List No. 1
Original Sheet 6

Alternative Local Exchange Service

EXCHANGE SERVICE LIST

The Company will provide local exchange service throughout the State of Florida. Local calling areas will coincide with those of the Incumbent Local Exchange Carrier (ILEC), unless otherwise specified.

ISSUED: January 24, 2002

EFFECTIVE:

BY:

Seth Block, President
Direct Telephone Company Inc.
6300 Richmond, Suite 301
Houston, Texas 77057

Alternative Local Exchange Service

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

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

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

Company or Carrier - Direct Telephone Company Inc.

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

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

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

Holidays - The Company's recognized holidays are New Year's Day, Martin Luther King, Jr. Day, Presidents Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day, Christmas Day.

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

ISSUED: January 24, 2002

EFFECTIVE:

BY:

Seth Block, President
Direct Telephone Company Inc.
6300 Richmond, Suite 301
Houston, Texas 77057

Alternative Local Exchange Service

SECTION 2 - RULES, REGULATIONS AND SERVICE QUALITY CRITERIA

2.1 Undertaking of the Company.

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

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

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

2.2 Limitations.

2.2.1 Service is offered subject to the availability of facilities and provisions of this price list.

2.2.2 The Company reserves the right to discontinue furnishing service, or limit the use of service necessitated by conditions beyond its control: or when the customer is using service in violation of the law or the provisions of this price list.

ISSUED: January 24, 2002

EFFECTIVE:

BY:

Seth Block, President
Direct Telephone Company Inc.
6300 Richmond, Suite 301
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Alternative Local Exchange Service

SECTION 2 - RULES AND REGULATIONS continued

2.2 Limitations (Cont.)

- 2.2.3 All facilities provided under this price list are directly controlled by the Company and the customer may not transfer or assign the use of service or facilities, except with the express written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service or facilities.
- 2.2.4 Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this price list shall apply to all such permitted assignees or transferees, as well as all conditions for service.
- 2.2.5 Customers reselling or rebilling services must have a Certificate of Public Convenience and Necessity as an ALEC carrier from the Florida Public Service Commission.

2.3 Liabilities of the Company.

- 2.3.1 The Company's liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in the transmission occurring in the course of furnishing service or facilities, and not caused by the negligence of its employees or its agents, in no event shall exceed an amount equivalent to the proportionate charge to the customer for the period during which the aforementioned faults in transmission occur.
- 2.3.2 The Company shall be indemnified and held harmless by the customer against claims for libel, slander, or infringement of copyright arising out of the material, data, information, or other content transmitted over the Company's facilities.

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Direct Telephone Company Inc.
6300 Richmond, Suite 301
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Alternative Local Exchange Service

SECTION 2 - RULES AND REGULATIONS continued

2.4 Interruption of Service.

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

Credit Formula:

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

"A" - outage time in days

"B" - total days in month

"C" - total monthly charge for affected facility

ISSUED: January 24, 2002

EFFECTIVE:

BY:

Seth Block, President
Direct Telephone Company Inc.
6300 Richmond, Suite 301
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Alternative Local Exchange Service

SECTION 2 - RULES AND REGULATIONS continued

2.5 Disconnection of Service by Carrier.

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

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

ISSUED: January 24, 2002

EFFECTIVE:

BY:

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Direct Telephone Company Inc.
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Alternative Local Exchange Service

SECTION 2 - RULES AND REGULATIONS continued

2.6 Deposits

The Company does not require a deposit from the customer.

2.7 Advance Payments

For customers whom the Company feels an advance payment is necessary, the Company reserves the right to collect an amount not to exceed one (1) month's estimated charges as an advance payment for service. This will be applied against the next month's charges and if necessary a new advance payment will be collected for the next month.

2.8 Taxes

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

2.9 Billing of Calls

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

2.10 Equipment

2.10.1 The Company's facilities and service may be used with or terminated in Customer-provided terminal equipment or Customer-provided communications systems, such as a PBX, key systems or Pay Telephone. Such terminal equipment shall be furnished and maintained at the expense of the Customer, except as otherwise provided. The Customer is responsible for all costs at his or her premises, including personnel, wiring, electrical power, and the like, incurred in the use of the Company's service. The Customer is responsible to ensuring that customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities.

ISSUED: January 24, 2002

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BY:

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Direct Telephone Company Inc.
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Alternative Local Exchange Service

SECTION 2 - RULES AND REGULATIONS continued

2.10 **Equipment** (contd.)

- 2.10.2 The Company shall use reasonable efforts to maintain facilities and equipment that it furnishes to the Customer. The Customer may not, nor may the Customer permit others, to disconnect, rearrange, remove, attempt to repair or otherwise interfere with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.
- 2.10.3 Equipment the Company provides or installs at the Customer premises for use in connection with services the Company offers shall not be used for any purpose other than that for which the Company provided it.
- 2.10.4 The Customer shall be responsible for payment of service charges, as set forth herein, for visits by the Company's agents or employees to the premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.
- 2.10.5 The Company shall not be responsible for the installation, operation or maintenance of any customer-provided equipment. Where such equipment is connected to the facilities furnished pursuant to this price list, the responsibility of the Company shall be limited to the furnishing of facilities offered under this price list and to the maintenance and operation of such facilities. Subject to this responsibility, the Company shall not be responsible for the transmission of signals by customer-provided equipment or for the quality of, or defects in, such transmission; or the reception of signals by customer-provided equipment.
- 2.10.6 Upon reasonable notification to the Customer and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the customer is complying with the requirements set forth in the section for the installation, operation and maintenance of customer-provided facilities, equipment and wiring in the connection of such facilities and equipment to Company-provided facilities and equipment.
- 2.10.7 Title to all facilities provided by the Company under this price list shall remain in the Company's name or in the name of the carrier supplying the services and facilities being resold.

ISSUED: January 24, 2002

EFFECTIVE:

BY:

Seth Block, President
Direct Telephone Company Inc.
6300 Richmond, Suite 301
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Alternative Local Exchange Service

SECTION 2 - RULES AND REGULATIONS continued

2.11 Installation

Service is installed upon mutual agreement between the Customer and the Company. The service agreement does not alter rates specified in this price list.

2.12 Service Implementation

Absent a promotional offering, service implementation charges will apply to new service orders or to orders to change existing service. Implementation charges for business services are listed in Section 3.

2.13 Reconnection Charge

A reconnection fee may be charged when service is re-established for customers who have been disconnected for non-payment, and is payable at the time that the restoration of suspended service and facilities is arranged.

2.14 Operator Service Rules

The Company will enforce the operator service rules specified by the Commission and by the FCC.

2.15 Access to Telephone Relay Services

Where required by the Commission, the Company will participate in telephone relay services for handicapped and/or hearing impaired end users, and will comply with all regulations and requirements. The Company shall impose any monthly surcharge or any other related charge upon its local exchange telecommunications subscribers as may be required by state law.

2.16 Telecommunications Relay Service

For intrastate toll calls received from the relay service, the Company will when billing relay calls discount relay service calls by 50 percent off of the otherwise applicable rate for a voice nonrelay call except that where either the calling or called party indicates that either party is both hearing and visually impaired, the call shall be discounted 60 percent off of the otherwise applicable rate for a voice nonrelay call. The above discounts apply only to time-sensitive elements of a charge for the call and shall not apply to per call charges such as a credit card surcharge.

ISSUED: January 24, 2002

EFFECTIVE:

BY:

Seth Block, President
Direct Telephone Company Inc.
6300 Richmond, Suite 301
Houston, Texas 77057

Alternative Local Exchange Service

SECTION 2 - RULES AND REGULATIONS continued

2.17 Calculation of Distance

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

The airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. The company uses the rate centers and associated vertical and horizontal coordinates that are produced by Bell Communication Research in their NPA-NXX V&H Coordinate Tape and AT&T Tariff.

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

2.18 Cancellation of Service by Customer

Customers can cancel basic local exchange service by providing written or oral notification to the Company.

For cancellation of Private Branch Exchange (PBX) service, the customer must provide five (5) working days written notice of cancellation to the Company.

2.19 Minimum Call Completion Rate

Customers can expect a call completion rate (number of calls completed divided by the number of calls attempted) of 90% during peak use periods for all FG D services (1+ dialing).

2.20 Access to 911 Emergency Services

The Company will provide, at no cost to the customer, 911 emergency services access at levels equal to the service provided by the ILEC.

2.21 Service Quality Statement

As a reseller, the quality of service provided to the company's end users will be equal to that received from the company's underlying carrier.

ISSUED: January 24, 2002

EFFECTIVE:

BY:

Seth Block, President
Direct Telephone Company Inc.
6300 Richmond, Suite 301
Houston, Texas 77057

Alternative Local Exchange Service

SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES

3.1 Timing of Calls

3.1.1 When Billing Charges Begin and End For Phone Calls

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

3.1.2 Billing Increments

The billing increments for each service is set forth in the individual product rate section.

3.1.3 Per Call Billing Charges

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

3.1.4 Uncompleted Calls

There shall be no charges for uncompleted calls.

ISSUED: January 24, 2002

EFFECTIVE:

BY:

Seth Block, President
Direct Telephone Company Inc.
6300 Richmond, Suite 301
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Alternative Local Exchange Service

SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES continued

3.2 Determining Applicable Rate in Effect.

For the initial minute, the rate applicable at the start of chargeable time at the calling station applies. For additional minutes, the rate applicable is that rate which is in effect at the calling station when the additional minute(s) begin. That is, if chargeable time begins during the Day Period, the Day Rate applies to the initial minute and to any additional minutes that the call continues during the rate period. If the call continues into a different rate period, the appropriate rates from that period apply to any additional minutes occurring in that rate period. If an additional minute is split between two rate periods, the rate period applicable at the start of the minute applies to the entire minute.

3.3 Payment of Calls

3.3.1 Late Payment Charges

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

3.3.2 Return Check Charges

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

3.4 Restoration of Service

A per occurrence reconnection fee is charged when service is re-established for customers who had been disconnected for non-payment. See Sections 3.7.17 and 3.8.10 for applicable restoration charges.

ISSUED: January 24, 2002

EFFECTIVE:

BY:

Seth Block, President
Direct Telephone Company Inc.
6300 Richmond, Suite 301
Houston, Texas 77057

Alternative Local Exchange Service

SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES continued

3.5 Local Service Areas

The Company will provide Local Exchange Service in the Florida BellSouth territories. Local calling service areas will coincide with those of BellSouth, unless otherwise specified.

Installation, monthly recurring and per minute usage charges will apply to the Company's local exchange services. An addition per-call operator service charge will apply for operator-assisted calling.

3.6 Product Descriptions

3.6.1 Business Services

Business Services are offered for local calling using the facilities of the Company and/or those of other authorized Local Exchange Carriers. Business Services are offered primarily to the following:

1. Offices, stores, factories, mines and all other places of a strictly business nature;
2. Offices of hotels, boarding houses, apartment houses, colleges, quarters occupied by clubs and fraternal societies, public, private or parochial schools, hospitals, nursing homes, libraries, churches, and other institutions; and
3. Services terminating solely on the secretarial facilities of a telephone answering bureau.

ISSUED: January 24, 2002

EFFECTIVE:

BY:

Seth Block, President
Direct Telephone Company Inc.
6300 Richmond, Suite 301
Houston, Texas 77057

Alternative Local Exchange Service

SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES continued

3.6 Product Descriptions, cont.

3.6.2 Residential Local Exchange Service

Residential local exchange service provides the Customer with a single, voice-grade, DTMF communications channel. Each Local Line will include a telephone number, as well as access to the service.

Residence Service is furnished in private homes or apartments, including all parts of the subscriber's domestic establishment, for domestic use and not for substantial occupational use; in the study of a clergyman located in a church, in a college fraternity or sorority house, college dormitories, convents and monasteries for domestic rather than occupational use in residential quarters.

3.6.3 Directory Listings

For each Customer of Exchange Access Service(s), the Company shall arrange for the listing of the Customer's main billing telephone number in the directory(ies) published by the dominant Local Exchange Carrier in the area at no additional charge. At a Customer's option, the Company will arrange for additional listings at an additional charge.

3.6.4 Operator-Assisted Services

Operator-assisted services are provided to Customers on a presubscribed basis. Services are also provided to Customers and Users of exchange access lines which are presubscribed to the Company's interexchange outbound calling services. Various billing arrangements are available with the Company's operator-assisted service including Calling Card, Commercial Credit Card, Collect, Person-to- Person and Third Party. Monthly and/or usage-sensitive charges apply, as well as per call operator charges.

ISSUED: January 24, 2002

EFFECTIVE:

BY:

Seth Block, President
Direct Telephone Company Inc.
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Alternative Local Exchange Service

SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES continued

3.6.5 Directory Assistance

Customers and users of the Company's services may obtain directory assistance in determining telephone numbers within the state by calling the Directory Assistance operator.

A credit will be given for calls to Directory Assistance when;

1. The Customer experiences poor transmission or is cut-off during the call,
2. The Customer is given an incorrect telephone number, or
3. The Customer inadvertently misdials an incorrect Directory Assistance NPA.

To receive a credit, the customer must notify the Company operator or Business Office of the problem experienced.

ISSUED: January 24, 2002

EFFECTIVE:

BY:

Seth Block, President
Direct Telephone Company Inc.
6300 Richmond, Suite 301
Houston, Texas 77057

Alternative Local Exchange Service

SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES continued

3.7 Local Exchange Service Rates

All rates listed below exclude applicable taxes.

3.8 Residential Services

\$45.00 per month (plus tax)

This monthly rate includes:

- 285 Minutes of Anytime Domestic Long Distance *
- Local Phone Service
- Caller ID
- Call Waiting
- Call Waiting Caller ID
- Call Forwarding
- Three-Way Calling

* Additional Domestic Long Distance over the 285 included minutes is charged at a rate of \$0.07 per minute. International minutes are not included in the 285 minutes, and rates may vary. Minutes do not carry over to the next month.

3.8.1 Additional Line

\$30.00 per month (plus tax)

This monthly rate includes:

- Local Line Service
- Caller ID
- Call Waiting
- Call Waiting Caller ID
- Call Forwarding
- Long Distance Blocking
- Three-Way Calling

Long distance service may be added to the additional line at a rate of \$0.09 per minute.

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EFFECTIVE:

BY:

Seth Block, President
Direct Telephone Company Inc.
6300 Richmond, Suite 301
Houston, Texas 77057

Alternative Local Exchange Service

3.8.2 Additional Line *PLUS* Long Distance

\$45.00 per month (plus tax)

This monthly rate includes:

- 285 Minutes of Anytime Domestic Long Distance *
- Local Phone Service
- Caller ID
- Call Waiting
- Call Waiting Caller ID
- Call Forwarding
- Three-Way Calling

* Additional Domestic Long Distance over the 285 included minutes is charged at a rate of \$0.07 per minute. International minutes are not included in the 285 minutes, and rates may vary. Minutes do not carry over to the next month.

3.9 **Home Business Service**

\$50.00 per month (plus tax)

This monthly rate includes:

- 285 Minutes of Anytime Domestic Long Distance *
- Local Phone Service
- Caller ID
- Call Waiting
- Call Waiting Caller ID
- Call Forwarding
- Three-Way Calling

* Additional Domestic Long Distance over the 285 included minutes is charged at a rate of \$0.07 per minute. International minutes are not included in the 285 minutes, and rates may vary. Minutes do not carry over to the next month.

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3.9.1 Additional Line

\$35.00 per month (plus tax)

This monthly rate includes:

- Local Line Service
- Caller ID
- Call Waiting
- Call Waiting Caller ID
- Call Forwarding
- Long Distance Blocking
- Three-Way Calling

Long distance service may be added to the additional line at a rate of \$0.09 per minute.

3.9.2 Additional Line *PLUS* Long Distance

\$50.00 per month (plus tax)

This monthly rate includes:

- 285 Minutes of Anytime Domestic Long Distance *
- Local Phone Service
- Caller ID
- Call Waiting
- Call Waiting Caller ID
- Call Forwarding
- Three-Way Calling

* Additional Domestic Long Distance over the 285 included minutes is charged at a rate of \$0.07 per minute. International minutes are not included in the 285 minutes, and rates may vary. Minutes do not carry over to the next month.

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Alternative Local Exchange Service

3.10 Local Service Features Packages

3.10.1 Standard Package

This package is free with residential service.

Package Includes:

- Caller ID
- Call Waiting
- Call Waiting Caller ID
- Call Forwarding
- Three-Way Calling

3.10.2 Premium Package

\$5.00 per month (plus tax)

Package Includes all features in Standard Package PLUS:

- Call Blocker (*60)
- Call Return (*69)
- Speed Calling 8
- Auto Redial (*66)

3.10.3 Premium Plus Package

\$5.00 per month (plus tax)

Package Includes all features in Standard Package PLUS:

- Call Forwarding Busy
- Selective Call Forwarding (*63)
- Call Forwarding Remote Access
- Priority Call (*61)
- Caller ID - Per Call Basis

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Alternative Local Exchange Service

3.11 Optional Services

These Optional Services can be purchased separately at the prices stated below:

	<u>Monthly Charge</u>
Anonymous Call Rejection	\$2.00
Auto Redial (*66)	\$2.00
Call Blocker (*60)	\$2.00
Call Forwarding (*60)	\$2.00
Call Forwarding Busy Line	\$2.00
Call Return (*69)	\$2.00
Call Waiting	\$2.00
Call Waiting Caller ID	\$2.00
Call Waiting ID Options	\$2.00
Caller ID	\$2.00
Caller ID - Per Call Blocking	\$2.00
Caller ID - Per Line Blocking	\$2.00
Distinctive/Personalized Ring	\$2.00
Metro Line	\$10.00
Non-Listed Service	\$2.00
Non-Published Service	\$2.00
Priority Call (*61)	\$2.00
Call Forwarding Remote Access	\$2.00
Selective Call Forwarding (*63)	\$2.00
Speed Calling 8	\$2.00
Three-Way Calling	\$2.00
Voice Mail	\$5.00

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Alternative Local Exchange Service

3.8 Reconnection Charge

\$30.00 per occurrence

3.9 Dishonored Check Charge

Customers will be charged \$20.00 per dishonored or returned check.

3.10 Directory Assistance

Within Local Calling Area	\$0.85
Outside Local Calling Area	\$0.85

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