



ORIGINAL

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COMMISSION CLERK

4 October 2002  
4906 Morning Glory Way  
McKinney, TX - 75070

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

021026-TI

IN RE: Application of ILD Telecommunications, Inc. dba ILD Teleservices for Authority to Provide Clearinghouse Services to Bill Operator Service Calls

To Whom it May Concern:

Enclosed for filing in the usual manner are an original and six (6) copies of ILD Teleservices' application for authority to provide clearinghouse services for billing and collection of operator service calls in the state of Florida.

A check for the \$250 filing fee is enclosed as is an extra copy of this letter that I request you date stamp as evidence of receipt and return in the SASE provided for that purpose. Should you have questions regarding any aspect of this application or require additional information or clarification, you may contact me at 972/529-1858.

Respectfully submitted,

*B. Reid Presson, Jr.*  
B. Reid Presson, Jr.

*[Faint stamp: If you have any questions, please contact the person who forwarded documents information to Records.]*

Initials of person who forwarded check:

*[Handwritten initials]*

02 OCT -8 AM 10:07

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DOCUMENT # 10869-08

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FPSC-001-10 COM CLERK

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

**Original certificate** (new company).

021026-TI

**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:

ILD Telecommunications, Inc.

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

ILD Teleservices

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

5000 Sawgrass Village Circle, Suite 30

Ponte Vedre Beach, FL - 32802

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

See above

6.

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

**Facilities-based carrier** - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.

- Operator Service Provider** - company provides or plans to provide alternative operator services for IXC's; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.
- Reseller** - company has or plans to have one or more switches but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.
- Switchless Rebiller** - company has no switch or transmission facilities but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carrier. Rebills end users at a rate above its discount but generally below the rate end users would pay for unaggregated traffic.
- Multi-Location Discount Aggregator** - company contracts with unaffiliated entities to obtain bulk/volume discounts under multi-location discount plans from certain underlying carriers, then offers resold service by enrolling unaffiliated customers.
- Prepaid Debit Card Provider** - any person or entity that purchases 800 access from an underlying carrier or unaffiliated entity for use with prepaid debit card service and/or encodes the cards with personal identification numbers.

7. Structure of organization;

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

8. **If individual**, provide:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

Internet E-Mail Address: \_\_\_\_\_

Internet Website Address: \_\_\_\_\_

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

(a) **The Florida Secretary of State Corporate Registration number:**

\_\_\_\_\_

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

(a) **The Florida Secretary of State Corporate Registration number:**

F96000002458

11. **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:**

G02255900085

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

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

13. **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: \_\_\_\_\_

14. **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: \_\_\_\_\_

15. Provide F.E.I. Number (if applicable): 595 3375165

16. Provide the following (if applicable): N/A

(a) Will the name of your company appear on the bill for your services?  
(  ) Yes ( ) No

(b) If not, who will bill for your services?

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

(c) How is this information provided?

It is shown as a debit against revenues billed and collected/

17. Who will receive the bills for your service? /A

- Residential Customers                       Business Customers  
 PATs providers                                 PATs station end-users  
 Hotels & motels ( ) Hotel & motel guests  
 Universities                                       Universities dormitory residents  
 Other: (specify) Carriers for whom billing services are provided

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

(a) The application:

Name: B. Reid Presson, Jr.

Title: Secretary

Address: 4906 Morning Glory Way

City/State/Zip: McKinney, TX - 75070

Telephone No.: 972/529-1858 Fax No.: 972/529-2047

Internet E-Mail Address: rpresson.ee58@gtalumni.org

Internet Website Address: \_\_\_\_\_

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

Name: Kathy McQuade

Title: Vice President, Billing Services

Address: 5213 NW 33rd Ave.

City/State/Zip: Fort Lauderdale, FL 33309

Telephone No.: 954-7176808 Fax No.: 954-777-2795

Internet E-Mail Address: kathy.mcquade@ild.com

Internet Website Address: \_\_\_\_\_

(c) Complaints/Inquiries from customers:

Name: Lorraine McLin-Morris

Title: Manager

Address: 5213NW 33rd Ave.

City/State/Zip: Fort Lauderdale, FL - 33309

Telephone No.: 954-717-6800 Fax No.: 954-777-2795

Internet E-Mail Address: lorraine.morris@ildmail.com

Internet Website Address: \_\_\_\_\_

19. List the states in which the applicant:

- (a) has operated as an interexchange telecommunications company.

Applicant provides billing and collection services in all 50 states

- (b) has applications pending to be certificated as an interexchange telecommunications company.

None

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(c) is certificated to operate as an interexchange telecommunications company.

None

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(d) has been denied authority to operate as an interexchange telecommunications company and the circumstances involved.

NONE

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

NONE

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

None

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20. 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. If so, please explain.

None  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(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.

None  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

21. The applicant will provide the following interexchange carrier services  $\checkmark$  (check all that apply):

a. \_\_\_\_\_ **MTS with distance sensitive per minute rates**

\_\_\_\_\_ Method of access is FGA  
\_\_\_\_\_ Method of access is FGB  
\_\_\_\_\_ Method of access is FGD  
\_\_\_\_\_ Method of access is 800

b. \_\_\_\_\_ **MTS with route specific rates per minute**

\_\_\_\_\_ Method of access is FGA  
\_\_\_\_\_ Method of access is FGB  
\_\_\_\_\_ Method of access is FGD  
\_\_\_\_\_ Method of access is 800

c. \_\_\_\_\_ **MTS with statewide flat rates per minute (i.e. not distance sensitive)**

- \_\_\_\_\_ Method of access is FGA
- \_\_\_\_\_ Method of access is FGB
- \_\_\_\_\_ Method of access is FGD
- \_\_\_\_\_ Method of access is 800

d. \_\_\_\_\_ **MTS for pay telephone service providers**

e. \_\_\_\_\_ **Block-of-time calling plan (Reach Out Florida, Ring America, etc.).**

f. \_\_\_\_\_ **800 service (toll free)**

g. \_\_\_\_\_ **WATS type service (bulk or volume discount)**

- \_\_\_\_\_ Method of access is via dedicated facilities
- \_\_\_\_\_ Method of access is via switched facilities

h. \_\_\_\_\_ **Private line services (Channel Services)**  
(For ex. 1.544 mbs., DS-3, etc.)

i. \_\_\_\_\_ **Travel service**

- \_\_\_\_\_ Method of access is 950
- \_\_\_\_\_ Method of access is 800

j. \_\_\_\_\_ **900 service**

k. \_\_\_\_\_ **Operator services**

- \_\_\_\_\_ Available to presubscribed customers
- \_\_\_\_\_ Available to non presubscribed customers (for example, to patrons of hotels, students in universities, patients in hospitals).
- \_\_\_\_\_ Available to inmates

1. **Services included are:**

- \_\_\_\_\_ Station assistance
- \_\_\_\_\_ Person-to-person assistance
- \_\_\_\_\_ Directory assistance
- \_\_\_\_\_ Operator verify and interrupt
- \_\_\_\_\_ Conference calling

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

See Attachment A

23. Submit the following:

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

See Attachment 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.

See Attachment B

**C. Financial capability.**

See Attachment C

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.*

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

**UTILITY OFFICIAL:**

H. Edward Brooks

Print Name


CCFO

Title

904/273-2440

Telephone No.

Fax No.

  
Signature

Date

9/5/02  
904/285-3616

Address:

5000 Sawgrass Village Circle, Suite 30

Ponte Vedre Beach, FL - 32082

**THIS PAGE MUST BE COMPLETED AND SIGNED**

**CUSTOMER DEPOSITS AND ADVANCE PAYMENTS**

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

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

**UTILITY OFFICIAL:**

H. Edward Brooks

Print Name



Signature

CFO

Title

9/5/02

Date

904/273-2440

Telephone No.

904/285-3616

Fax No.

Address:

5000 Sawgrass Village Circle, Suite 30

Ponte Vedre Beach, FL - 32082

**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 interexchange telecommunications 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:**

**H. Edward Brooks**  
\_\_\_\_\_  
**Print Name**

**CFO**  
\_\_\_\_\_  
**Title**

**904/273-2440**  
\_\_\_\_\_  
**Telephone No.**

  
\_\_\_\_\_  
**Signature**

**9/5/02**  
\_\_\_\_\_  
**Date**

**904/285-3616**  
\_\_\_\_\_  
**Fax No.**

**Address:** **5000 Sawgrass Village Circle, Suite 30**  
\_\_\_\_\_  
**Ponte Vedre Beach, FL - 32082**  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**CURRENT FLORIDA INTRASTATE SERVICES**

Applicant has (  ) or has not (  ) previously provided intrastate telecommunications in Florida.

If the answer is has, fully describe the following:

a) What services have been provided and when did these services begin?

Clearinghouse billing and collection services for carriers. The service was initiated  
in 1997

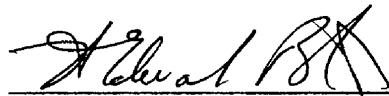
b) If the services are not currently offered, when were they discontinued?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**UTILITY OFFICIAL:**

H. Edward Brooks

**Print Name**



**Signature**

CFO

**Title**

9/5/02

**Date**

904/273-2440

**Telephone No.**

904/285-3616

**Fax No.**

**Address:** 5000 Sawgrass Village, Suite 30

Ponte Vedre Beach, FL - 32082

\_\_\_\_\_  
\_\_\_\_\_

**CERTIFICATE TRANSFER, OR ASSIGNMENT STATEMENT**

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

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

See Attachment D (1)

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

See Attachment D (2)

3. **A written explanation** that the applicant has sufficient financial capability to meet its lease or ownership obligations.

See Attachment D (3)



**ATTACHMENT A**

**PROPOSED TARIFF**

FLORIDA TELECOMMUNICATIONS TARIFF

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This tariff contains the descriptions and regulations relating to billing and collection services provided by ILD Telecommunications, Inc. dba ILD Teleservices (hereinafter referred to as "ILD Teleservices" or "ILDT") to certain carriers providing intrastate telecommunications service within the state of Florida. This tariff identifies the carriers for whom billing and collection services are being provided and refers to their tariffs for the descriptions, regulations and rates applicable to their services. This tariff is on file with the Florida Public Service Commission and copies may be inspected during normal business hours at the Company's principal place of business at 5000 Sawgrass Village Circle, Suite 30, Ponte Vedre Beach, FL – 32082

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ISSUED:OCTOBER 3, 2002

EFFECTIVE:

Dennis J. Stoutenburgh  
5000 Sawgrass Village Circle, # 30  
Ponte Vedre Beach FL – 32802-5042

FLORIDA TELECOMMUNICATIONS TARIFF

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CHECK SHEET

Sheets 1 to 10, inclusive, of this tariff are effective as of the date shown. Revised sheets, as named below, contain all changes from the on that tariff that are in effect on the date indicated.

<u>SHEET NUMBER</u>	<u>REVISION NUMBER</u>
1	ORIGINAL
2	ORIGINAL
3	ORIGINAL
4	ORIGINAL
5	ORIGINAL
6	ORIGINAL
7	ORIGINAL
8	ORIGINAL
9	ORIGINAL
10	ORIGINAL

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FLORIDA TELECOMMUNICATIONS TARIFF

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SYMBOLS USED TO DENOTE CHANGES

When changes to this tariff are filed, the following symbols denote the following changes:

D - Delete or discontinue

I - Change resulting in an increase to a customer's bill

M - Moved from another tariff location

N - New

R - Change resulting in a reduction to a customer's bill

T - Change in text or regulation but no change to rate or charge

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FLORIDA TELECOMMUNICATIONS TARIFF

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A. Sheet Numbering

Sheet numbers appear in the upper right corner of the sheet. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example a new sheet added between sheets 13 and 14 would be 13.1.

B. Sheet Revision Numbers

Revision numbers also appear in the upper right corner of each sheet. 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, denials, etc., that the FPSC may follow in its tariff approval process, the most current sheet number on file with the Commission is not always the tariff sheet in effect. Consult the Check Sheet for the sheet currently in effect.

C. Paragraph Numbering Sequence

There are seven levels of paragraph coding. Each level of coding is subservient to its next higher level:

- 2.
- 2.1.
- 2.1.1.
- 2.1.1.1.
- 2.1.1.1.1.
- 2.1.1.1.1.1
- 2.1.1.1.1.1.1.

D. Check Sheets

When a tariff filing is made with the FPSC, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with cross reference to the current revision number. When new sheets 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 sheet if these are the only changes made to it. (i.e., the format, etc. remains the same, the only change is to the revision levels of certain sheets). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the FPSC.

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FLORIDA TELECOMMUNICATIONS TARIFF

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SECTION 1 – TECHNICAL TERMS AND DEFINITIONS

As used in this tariff, the following terms have the following meanings:

**Billing Agent** - The entity which, under an agreement with a carrier providing intrastate telecommunications service in Florida, provides the carrier's billing data to local exchange companies for collection and remits the receipts to the carrier less a processing fee.

**Carrier** - A provider of intrastate telecommunications and ISP services for whom ILDT acts as billing agent. This term includes Interexchange Carriers, ISPs and Pay Telephone Service Providers

**Customer** - The person, firm, corporation or other entity which obtains Telecommunications services from a Carrier and is responsible for the payment of charges and for compliance with that Carrier's tariff regulations to the extent applicable.

**Telephone Line** - Includes conduits, ducts, poles, wires, cables, cross arms, receivers, transmitters, instruments, machines, appliances, instrumentalities and all devices, including radio and other advancements in the art of telephony, real estate, easements, apparatus, property, and routes used and operated to facilitate the business of offering telephonic communication service to the public for hire within the state of Florida.

**ILDT**- Used throughout this tariff to indicate ILD Teleservices.

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FLORIDA TELECOMMUNICATIONS TARIFF

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SECTION 2- RULES AND REGULATIONS

2.1 Responsibility for Charges - The Customer is responsible for all calls placed using any authorization code, calling card, commercial credit card, or other billing mechanism utilized to obtain service from a Carrier.

2.2 Liability of ILDT

2.2.1 No liability shall attach to ILDT for any damages of any nature arising from errors, calls incidentally billed on behalf of a Carrier that did not go over the Carrier's network, or mistakes, omissions, interruptions, or delays of ILDT its agents, servants, or employees, in the course of acting as billing agent for the Carrier.

2.2.2 No liability shall attach to ILDT for any damages of any nature arising from errors, mistakes, omissions, interruptions, or delays of the Carrier, its agents, servants, or employees, in the course of establishing, furnishing, rearranging, moving, terminating, or changing the service or facilities (including the obtaining or furnishing of information in respect thereof or with respect to the Customers or users of the service or facilities).

2.2.3 ILDT shall not be liable for any damages of any nature arising from errors, mistakes, or omissions of Carriers, their agents, servants or employees in the course of providing or billing for services to Customers in accordance with the Carriers' approved tariffed rates, terms, conditions and charges and the rules of the Florida Public Service Commission.

2.2.4 ILDT is not liable for any act or omission of any other Carrier or Carriers or their agents, servants or employees.

2.2.5 In addition to the limitations set forth above, ILDT shall, in no event, be liable for interruption or delays in transmission, or errors or defects in transmission, or failure to transmit.

2.2.6 ILDT shall have no liability for interruptions, delays, errors, or defects in transmission, or for any injury whatever, caused by the Customer, the Customer's agents or authorized users, subscriber-provided equipment, or Carriers.

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FLORIDA TELECOMMUNICATIONS TARIFF

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SECTION 2- RULES AND REGULATIONS (Cont.)

2.2 Liability of ILDT (continued)

2.2.7 ILDT shall not be liable for any damages whatsoever including, but not limited to, special, consequential, incidental or punitive damages, lost profits, revenues, or savings.

2.3 Liability of the Customer

2.3.1 ILDT shall be indemnified and held harmless by the customer against:

2.3.1.1 Claims for libel, slander, infringement of copyright or unauthorized use of any trademark, trade name or service mark arising out of the material, data, information, or other content transmitted over the Carrier's facilities; and,

2.3.1.2 Claims for patent infringement arising from combining or connecting the Carrier's facilities with apparatus and Systems of the customer; and,

2.3.1.3 All other claims arising out of any act or omission of the Customer in connection with any service or facilities provided by the Carrier.

2.3.2 The Customer shall hold ILDT harmless from and against all claims, demands, losses or liabilities, including, but not limited to, fees and expenses of counsel, arising out of any damage to business or property, or injury to, or death of, any person, occasioned by, or in connection with, any act or omission of Carriers, their agents, authorized users, or customers.



FLORIDA TELECOMMUNICATIONS TARIFF

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SECTION 3- DESCRIPTION OF SERVICES OFFERED

3.1 Description of Service - ILDT acts as a billing agent for Interexchange Carriers, including Alternative Operator Service Providers, Pay Telephone Service Providers (PATs) providing intrastate telecommunications service in Florida and Internet Service Providers (ISPs). ILDT provides no telecommunication service within the state of Florida and does not own, operate, or manage any telephone line or part of a telephone line used in the conduct of the business of affording telephonic communication service for hire within the state of Florida.

ILDT does not offer the services described herein for resale to any other entity. All such services are provided only on a contractual basis directly to individual Interexchange Carriers, PATs and ISPs.

3.1.1 The services provided by each of the Carriers for whom ILDT acts as billing agent are described in that Carrier's approved tariff on file with the Florida Public Service Commission (FPSC) to the extent such services are required by the FPSC to be tarified.

3.1.2 ILDT customers whose services are regulated by the FPSC must have a Certificate of Public Convenience and Necessity as an Interexchange carrier from the FPSC prior to being provided with the services described herein.

3.2 Call Completion Rate -The end-to-end call completion rate of each of the certificated Carriers for whom ILDT acts as billing agent is described in that Carrier's approved tariff on file with the Florida Public Service Commission.

3.3 Measurement and Timing of Calls - The method used by each of the Carriers for whom ILDT acts as billing agent to determine when calls are initiated and terminated is described in that Carrier's approved tariff on file with the FPSC.

3.4 Calculating Mileage - The method used by each of the Carriers for whom ILDT acts as billing agent to calculate the mileage used to rate a call is described in that Carrier's approved tariff on file with the FPSC.

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FLORIDA TELECOMMUNICATIONS TARIFF

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SECTION 4-Rates and charges

4.1 Rates of Service - ILDT provides billing services for intrastate calls billed by the following certificated Interexchange Carriers, Pay Telephone Service providers and Internet Service Providers (Current as of 9/3/2002)

America's Digital Satellite Telephone, Inc. (ADST)  
America's Tele-Network Corporation  
Cannon Telephone Company  
Evercom Systems, Inc.  
International Teleservices, Inc. (Inteleserv)  
Intellicall Operator Services, Inc. (IOS)  
KTNT Communications, Inc.  
Miko Telephone Communications, Inc.  
Nations Bell, Inc.  
New South Communications Corporation  
Optical Telephone Corporation  
Paramount International Telecommunications, Inc.  
Public Communication Services, Inc. (PCS)  
Sprint Payphone Services, Inc.  
UKI Communications, Inc.  
VIP Telephone Network  
Verizon Select Services, Inc. (VSSI)  
World Communications Satellite Systems, Inc. (WCSS)  
WorldCom, Inc.

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Dennis J. Stoutenburgh  
5000 Sawgrass Village Circle, # 30  
Ponte Vedre Beach, FL -- 32802-5042

FLORIDA TELECOMMUNICATIONS TARIFF

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SECTION 4- RATES AND CHARGES (Cont.)

- 4.2 The rates for services provided by each of the Interexchange carriers for whom ILDT provides billing services are set forth in that Carrier's approved tariff on file with the Florida Public Service commission. Each Carrier is responsible for ensuring that the rates submitted for billing through ILDT conform to its tariffed rates and applicable Florida Public Service Commission requirements. ILDT does not add any surcharge to the tariffed rates billed on behalf of those Carriers.
- 4.3 Each Pay Telephone Service Provider for whom ILDT provides billing services is responsible for ensuring that the rates submitted for billing through ILDT conform to applicable Florida Public Service Commission requirements. ILDT does not add any surcharge to the rates submitted to it by its Pay Telephone Service Provider customers.
- 4.4 ILDT has no rates for its own service because it provides no communication service for hire within the state of Florida and does not own, operate or manage any telephone line or part of a telephone line used in the conduct of the business of affording telephonic communication service for hire within the state of Florida.
- 4.5 Billing Inquiries - Inquiries concerning bills processed by ILDT should be directed to ILDT's Customer Service Department at (800) 433-4518.
- 4.6 Deposits - ILDT does not require a deposit from subscribers to its services,

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ISSUED: OCTOBER 3, 2002

EFFECTIVE:

Dennis J. Stoutenburgh  
5000 Sawgrass Village Circle, # 30  
Ponte Vedre Beach, FL -- 32802-5042

**ATTACHMENT B**

MANAGERIAL AND TECHNICAL CAPABILITIES

ATTACHMENT B  
DESCRIPTION OF MANAGERIAL AND TECHNICAL EXPERTISE  
APPLICATION OF  
ILD TELESERVICES  
FOR A  
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

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***The Company*** ILD Telecommunications, Inc. dba ILD Teleservices (in Florida) is a privately held company created in 1996 as a spin-off from Intellicall, Inc., a payphone manufacturing company. It provides operator services and prepaid long distance services through a wholly-owned subsidiary, Intellicall Operator Services, Inc. dba ILD and billing and collection services through a business unit, ILD Teleservices. Overall revenues for the most recent fiscal year exceeded \$150,000,000.

ILD Teleservices, or “the Company” has offered billing and collection services since acquiring in 1997 certain assets of WorldCom, Inc.’s billing and collection business unit. These assets included key management personnel, a customer base and billing and collection contracts with local exchange carriers (“LECs”). The Company provides billing and collection services to approximately 80 customers through over 1300 LECs. Customers include public and private payphone service providers, OSPs and ISPs.

Reporting to a business unit vice president, a staff of 14 routinely processes over five million call detail records (“CDRs”) monthly from its customer base. These CDRs are sorted and formatted to meet LEC specifications and transmitted to the appropriate LEC for billing on a weekly basis. Similarly, funds collected by LECs are allocated to the proper customer CDRs and transferred to each customer account for payment less processing fees and bad debt.

The business unit also employs approximately fifty (50) service representatives who respond to consumer billing inquiries, provide assistance to callers and investigate complaints of billing irregularities. The service representatives are available 8AM to 9:30 PM M – F and 10AM – 6PM Saturdays. At all other times, callers may leave recorded messages which will be answered the next business day.

***Key Personnel***

***Kathy McQuade, Vice President-Billing Services Unit*** – With over 30 year’s telecommunications experience including key roles with AT&T and Bell South, Ms. McQuade bears overall managerial responsibility for the Billing Services Unit. She manages and directs the activities of over 60 employees who provide data processing and analysis, customer service and interface with customers and LECs.

***Shawn Skidmore, Manager-Billing Services*** – Over 11 years experience in telecommunications coupled with a strong accounting background. Manages the settlement process for the customer base to assure that the revenue for each call record is properly accounted for and reported to the customer base in a timely fashion.

***Cindy Pollack, Client Relations Manager*** – BA degree with 15 years telecommunications experience of which 10 included various key positions in call center management. Ms. Pollack is responsible for all aspects of client interface and contract implementation.

***Karla Moore, Customer Service Manager*** – Responsible for customer service department including personnel training, development and implementation of procedures and performance measurement. Has over 15 years telecommunications experience with an emphasis on customer service.

***Lorraine Morris, Manager –Regulatory Affairs*** – Responsible for daily interface with state utility commissions, the Federal Communications Commission and other regulatory agencies. Responsible for meeting the department's regulatory objectives and resolving consumer complaints that require investigation and responses. Coordinates with clients for compliance with regulations governing billing issues, slamming and cramming. Her 15 years experience includes call center management and customer service.

**ATTACHMENT C**

**FINANCIAL REPORTS**



ANDERSEN

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors and  
Stockholders of ILD Telecommunications, Inc. and Subsidiary:

We have audited the accompanying consolidated balance sheets of **ILD TELECOMMUNICATIONS, INC.** (a Delaware corporation) **AND SUBSIDIARY** as of September 30, 2001 and 2000 and the related consolidated statements of operations, stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ILD Telecommunications, Inc. and subsidiary as of September 30, 2001 and 2000 and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

As explained in Note 15 of the financial statements, effective October 1, 1999, the Company changed its method of accounting for universal service fees.

*Arthur Andersen LLP*

Jacksonville, Florida  
December 21, 2001



ILD TELECOMMUNICATIONS, INC.

AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

SEPTEMBER 30, 2001 AND 2000

(In Thousands, Except Share and Per Share Data)

ASSETS

	2001	2000
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,871	\$ 1,969
Accounts receivable, net of allowance for doubtful accounts of \$2,420 and \$2,494 in 2001 and 2000, respectively	29,785	29,029
Accounts receivable from related parties	207	692
Prepaid and other current assets	4,404	4,687
Total current assets	<u>36,267</u>	<u>36,377</u>
PROPERTY AND EQUIPMENT, net	13,579	15,459
INTANGIBLE ASSETS, net	42,143	40,918
OTHER ASSETS, net	1,391	1,854
Total assets	<u>\$93,380</u>	<u>\$94,608</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

<b>CURRENT LIABILITIES:</b>		
Current maturities of long-term obligations (includes \$333 and \$2,525 face amount payable to related parties in 2001 and 2000, respectively)	\$ 1,769	\$ 6,118
Trade accounts payable and accrued liabilities (includes \$2,694 and \$2,733 payable to related parties in 2001 and 2000, respectively)	24,782	25,442
Deferred revenue	3,390	4,070
Accrued salaries, wages, and other employee expenses	880	744
Other accrued payables to related parties	9,897	8,939
Acquisition obligations	2,878	485
Total current liabilities	<u>43,596</u>	<u>45,798</u>
LONG-TERM OBLIGATIONS, less current maturities (includes \$25 face amount payable to related parties in 2001 and 2000)	23,146	23,278
COMMITMENTS AND CONTINGENCIES (Notes 3, 5, 6, 7, 8, 12, and 13)		
SERIES B-2 REDEEMABLE PREFERRED STOCK, \$.01 par value; \$100 stated value, 150,000 shares authorized, 102,243 shares issued and outstanding	10,224	10,224
SERIES B-3 REDEEMABLE PREFERRED STOCK, \$.01 par value; \$300 stated value, 10,000 shares authorized, 6,667 shares issued and outstanding	2,000	2,000
<b>STOCKHOLDERS' EQUITY:</b>		
Series A and B convertible preferred stock, \$.01 par value; 105,000 shares authorized, 100,511 shares issued and outstanding	1	1
Common stock, \$ .01 par value; 300,000 shares authorized, 170,313 and 135,099 shares issued and outstanding in 2001 and 2000, respectively	2	1
Additional paid-in capital	26,124	24,890
Shareholders notes receivable	(270)	0
Accumulated deficit	(11,443)	(11,584)
Total stockholders' equity	<u>14,414</u>	<u>13,308</u>
Total liabilities and stockholders' equity	<u>\$93,380</u>	<u>\$94,608</u>

The accompanying notes are an integral part of these consolidated balance sheets.

ILD TELECOMMUNICATIONS, INC.

AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS  
FOR THE YEARS ENDED SEPTEMBER 30, 2001 AND 2000

(In Thousands)

	<u>2001</u>	<u>2000</u>
<b>REVENUES:</b>		
Operator services	\$ 67,300	\$ 66,485
Prepaid services	57,770	39,101
Billing services	18,565	12,348
Long distance	7,106	10,140
Total revenues	<u>150,741</u>	<u>128,074</u>
<b>COST OF REVENUES</b>	<u>108,865</u>	<u>90,883</u>
<b>GROSS PROFIT</b>	<u>41,876</u>	<u>37,191</u>
<b>OPERATING EXPENSES:</b>		
Selling, general, and administrative	21,286	20,954
Provision for doubtful accounts	7,135	6,859
Depreciation and amortization	8,596	7,288
Abandoned business development costs	0	869
Provision for restructuring costs	0	707
Loss on sale of business unit	0	604
Total operating expenses	<u>37,017</u>	<u>37,281</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<u>4,859</u>	<u>(90)</u>
<b>OTHER (EXPENSE) INCOME:</b>		
Interest expense	(3,017)	(3,397)
Interest income	269	176
Other	(445)	(64)
Total other expense	<u>(3,193)</u>	<u>(3,285)</u>
<b>INCOME (LOSS) BEFORE PROVISION (BENEFIT) FOR INCOME TAXES</b>	<u>1,666</u>	<u>(3,375)</u>
<b>PROVISION (BENEFIT) FOR INCOME TAXES:</b>		
Current	87	22
Deferred	422	(887)
Total provision (benefit) for income taxes	<u>509</u>	<u>(865)</u>
<b>NET INCOME (LOSS) BEFORE CUMULATIVE CHANGE IN ACCOUNTING PRINCIPLE</b>	<u>1,157</u>	<u>(2,510)</u>
<b>CUMULATIVE CHANGE IN ACCOUNTING PRINCIPLE</b>	<u>0</u>	<u>(830)</u>
<b>NET INCOME (LOSS)</b>	<u>1,157</u>	<u>(3,340)</u>
<b>PREFERRED DIVIDEND REQUIREMENTS</b>	<u>(1,016)</u>	<u>(1,021)</u>
<b>NET INCOME (LOSS) APPLICABLE TO COMMON STOCKHOLDERS</b>	<u>\$ 141</u>	<u>\$ (4,361)</u>

The accompanying notes are an integral part of these consolidated statements.



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors and  
Stockholders of ILD Telecommunications, Inc.:

We have audited the accompanying consolidated balance sheet of **ILD TELECOMMUNICATIONS, INC.** (a Delaware corporation) **AND SUBSIDIARIES** as of September 30, 2000 and the related consolidated statements of operations, stockholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The consolidated financial statements of ILD Telecommunications, Inc. and subsidiaries as of and for the year ended September 30, 1999, were audited by other auditors whose report dated February 25, 2000 and May 31, 2000, expressed an unqualified opinion on those statements.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ILD Telecommunications, Inc. and subsidiaries as of September 30, 2000 and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

As explained in Note 16 to the consolidated financial statements, effective October 1, 1999, the Company changed its method of accounting for universal service fees.

*Arthur Andersen LLP*

Jacksonville, Florida  
April 3, 2001

**ILD TELECOMMUNICATIONS, INC.**

**AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**

**SEPTEMBER 30, 2000 AND 1999**

(In Thousands, Except Share and Per Share Data)

ASSETS	<u>2000</u>	<u>1999</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,969	\$ 1,857
Accounts receivable, net of allowance for doubtful accounts of \$2,494 and \$3,063, respectively	29,029	23,223
Accounts receivable from related parties	692	3,750
Prepaid and other current assets	4,687	4,321
Total current assets	<u>36,377</u>	<u>33,151</u>
<b>PROPERTY AND EQUIPMENT, net</b>	15,459	14,599
<b>INTANGIBLE ASSETS, net</b>	40,918	42,110
<b>OTHER ASSETS, net</b>	1,854	995
Total assets	<u>\$94,608</u>	<u>\$90,855</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Current maturities of long-term obligations (includes \$2,525 and \$0 face amount payable to related parties, respectively)	\$ 6,118	\$ 6,630
Trade accounts payable and other accrued liabilities	11,055	10,023
Accrued telecommunication costs (includes \$2,733 and \$2,469 payable to related parties, respectively)	14,387	10,234
Deferred revenue	4,070	4,138
Accrued salaries, wages, and other employee expenses	744	692
Other accrued payables to related parties	8,939	4,388
Acquisition obligations	485	66
Total current liabilities	<u>45,798</u>	<u>36,171</u>
<b>LONG-TERM OBLIGATIONS, less current maturities (includes \$25 and \$5,275 face amount payable to related parties, respectively)</b>	<u>23,278</u>	<u>28,884</u>
<b>COMMITMENTS AND CONTINGENCIES (Notes 3, 6, 7, 8, 9, 13, and 14)</b>		
<b>SERIES B-2 REDEEMABLE PREFERRED STOCK, \$.01 par value; \$100 stated value; 150,000 shares authorized; 102,243 shares issued and outstanding</b>	<u>10,224</u>	<u>10,224</u>
<b>SERIES B-3 REDEEMABLE PREFERRED STOCK, \$.01 par value; \$300 stated value; 10,000 shares authorized; 6,667 shares issued and outstanding</b>	<u>2,000</u>	<u>2,000</u>
<b>STOCKHOLDERS' EQUITY:</b>		
Series A and B convertible preferred stock, \$.01 par value; 105,000 shares authorized; 100,511 and 103,511 shares issued and outstanding, respectively	1	1
Common stock, \$.01 par value; 300,000 shares authorized; 135,099 and 110,168 shares issued and outstanding, respectively	1	1
Additional paid-in capital	24,890	20,684
Accumulated deficit	(11,584)	(7,110)
Total stockholders' equity	<u>13,308</u>	<u>13,576</u>
Total liabilities and stockholders' equity	<u>\$94,608</u>	<u>\$90,855</u>

The accompanying notes are an integral part of these consolidated balance sheets.

ILD TELECOMMUNICATIONS, INC.

AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED SEPTEMBER 30, 2000 AND 1999

(In Thousands)

	2000	1999
<b>REVENUES:</b>		
Operator services	\$ 66,485	\$ 73,591
Prepaid services	39,101	26,002
Billing services	12,348	7,182
Long distance	10,140	9,751
Total revenues	<u>128,074</u>	<u>116,526</u>
<b>COST OF REVENUES</b>	<u>90,883</u>	<u>83,310</u>
<b>GROSS PROFIT</b>	<u>37,191</u>	<u>33,216</u>
<b>OPERATING EXPENSES:</b>		
Selling, general, and administrative	20,954	18,928
Provision for doubtful accounts	6,859	7,588
Depreciation and amortization	7,288	6,196
Abandoned business development costs	869	0
Provision for restructuring costs	707	250
Loss on sale of business unit	604	0
Total operating expenses	<u>37,281</u>	<u>32,962</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<u>(90)</u>	<u>254</u>
<b>OTHER (EXPENSE) INCOME:</b>		
Interest expense	(3,397)	(3,313)
Interest income	176	194
Other	(64)	0
Total other expense	<u>(3,285)</u>	<u>(3,119)</u>
<b>LOSS BEFORE PROVISION (BENEFIT) FOR INCOME TAXES</b>	<u>(3,375)</u>	<u>(2,865)</u>
<b>PROVISION (BENEFIT) FOR INCOME TAXES:</b>		
Current	22	(136)
Deferred	(887)	(579)
Total benefit for income taxes	<u>(865)</u>	<u>(715)</u>
<b>NET LOSS BEFORE CUMULATIVE CHANGE IN ACCOUNTING PRINCIPLE</b>	<u>(2,510)</u>	<u>(2,150)</u>
<b>CUMULATIVE CHANGE IN ACCOUNTING PRINCIPLE</b>	<u>(830)</u>	<u>0</u>
<b>NET LOSS</b>	<u>(3,340)</u>	<u>(2,150)</u>
<b>PREFERRED DIVIDEND REQUIREMENTS</b>	<u>(1,021)</u>	<u>(1,031)</u>
<b>NET LOSS APPLICABLE TO COMMON STOCKHOLDERS</b>	<u>\$ (4,361)</u>	<u>\$ (3,181)</u>

The accompanying notes are an integral part of these consolidated statements.

**ATTACHMENT D**

**FINANCIAL CAPABILITY**

ATTACHMENT D  
FINANCIAL CAPABILITY  
APPLICATION OF  
ILD TELESERVICES  
FOR A  
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

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The Applicant has been providing billing and collection services since 1997 and, as indicated by the financial statements presented in Attachment C, has more than adequate financial resources to

- 1) provide the requested services throughout the state of Florida; and
- 2) maintain the requested service; and
- 3) meet its lease or ownership obligations

In addition to the necessary financial resources, the Applicant has an established customer base and billing and collection agreements with LECs already in place that will assure positive cash flow from the date its certificate of public convenience and necessity is granted