

COPY

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TEL. (212) 973-0111
FAX (212) 891-9598

January 17, 2003

BY OVERNIGHT MAIL

Blanca S. Bayó,
Commission Clerk and Administrator Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

030063-TV

Re: Application for Authority to Provide Alternative Local Exchange
Services in the State of Florida

Dear Ms. Bayó:

On behalf of McGraw Communications, Inc. ("McGraw"), enclosed please find an original and six (6) copies of the above-referenced Application. Also enclosed is a check in the amount of \$250.00 made payable to the Florida Public Service Commission for the requisite application fee.

Please note that Exhibit 1, "Financial Qualifications," to the Application contains critical, commercially sensitive, and competitively significant financial information that is not otherwise released to the public. Unrestricted availability of the details of McGraw's financial statements would provide competitors with key knowledge regarding Applicant's financial strategies that would not otherwise be unavailable. Such availability would disclose Applicant's financial status to competitors and could ultimately place Applicant in a significant competitive disadvantage. Confidential treatment of Applicant's financial information is therefore required to avoid commercial and competitive injury. Accordingly, only the original Application contains this confidential financial information in a sealed envelope marked "CONFIDENTIAL." Applicant requests that upon issuance of a Certificate the Commission destroy or return the confidential information.

DOCUMENT NUMBER-DATE

00569 JAN 21 8

FPSC-COMMISSION CLERK

ORIGINAL

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... and forwarded
... Personal to forward
... Information to Records.

Initials of person who forwarded check:

LM

This claim of confidentiality was filed by or on behalf of a "telco" for Confidential DNs 00520-03. The document is in locked storage pending advice on handling. To access the material, your name must be on the CASR. If undocketed, your division director must obtain written EXD/Tech permission before you can access it.

DOCUMENT NUMBER-DATE

00568-0121 8

FPSC-COMMISSION CLERK

Ms. Bayó
Jan. 17, 2003
Page 2

Please date-stamp the extra copy of this filing and return it in the enclosed self-addressed, stamped envelope. Should you have any questions please do not hesitate to contact Harry Malone at (202) 424-7705.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Russell M. Blau". The signature is written in a cursive style with a large initial 'R'.

Russell M. Blau
Harry N. Malone

Counsel for McGraw Communications, Inc.

Enclosure

cc: Frank Ahearn, McGraw

**** 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 (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:

McGraw Communications, Inc.

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

McGraw Communications, Inc.

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

228 East 45th Street

New York, New York 10017

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

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: _____ N/A

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:**

_____ N/A

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

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

F02000003678

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:

N/A

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

(a) The Florida Secretary of State registration number:

N/A

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

Name: N/A

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: N/A

14. Provide F.E.I. Number(if applicable): 13-3896087

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.

N/A

(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.

N/A

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

(a) The application:

Name: Harry N. Malone

Title: Counsel for McGraw Communications, Inc.

Address: 3000 K Street, N.W., Suite 300

City/State/Zip: Washington, D.C. 20007-5116

Telephone No.: 202-424-7705 Fax No.: 202-424-7645

Internet E-Mail Address: hnmalone@swidlaw.com

Internet Website Address: www.swidlaw.com

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

Name: Francis X. Ahearn
Title: Chief Executive Officer
Address: 228 East 45th Street
City/State/Zip: New York, New York 10017
Telephone No.: 212-849-2223 Fax No.: 212-843-0457

Internet E-Mail Address: fahearn@bcm-tel.com
Internet Website Address: N/A

(c) Complaints/Inquiries from customers:

Name: Francis X. Ahearn
Title: Chief Executive Officer
Address: 228 East 45th Street
City/State/Zip: New York, New York 10017
Telephone No.: 212-849-2223 Fax No.: 212-843-0457

Internet E-Mail Address: fahearn@bcm-tel.com
Internet Website Address: N/A

17. List the states in which the applicant:

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

Massachusetts, New York, Pennsylvania

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

Maryland, Virginia (through affiliate McGraw Communications of Virginia, Inc.)

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

New Jersey

(d) has been denied authority to operate as an alternative local exchange

company and the circumstances involved.

N/A

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

N/A

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

N/A

18. Submit the following:

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

Please see Exhibit 2.

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.

Please see Exhibit 2.

C. Financial capability.

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

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

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

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

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.

Please see Exhibit 1.

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:

Francis X. Ahearn
Print Name

Chief Executive Officer
Title

212-849-2223 212-843-0457
Telephone No. Fax No.

Address: 228 East 45th Street
New York, New York 10017

Signature 
Date 1/6/03

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:

Francis X. Ahearn
Print Name

Signature 

Chief Executive Officer
Title

Date 1/6/03

212-849-2223 **212-843-0457**
Telephone No. Fax No.

Address: **228 East 45th Street**
New York, New York 10017

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) <u> N/A </u>	2) _____
_____	_____
3) _____	4) _____
_____	_____

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

1) <u> N/A </u>	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.

<u>POP-to-POP</u>	<u>OWNERSHIP</u>
1) <u> N/A </u>	_____
2) _____	_____
3) _____	_____
4) _____	_____

EXHIBITS

- | | |
|------------------|--|
| EXHIBIT 1 | Financial Qualifications |
| EXHIBIT 2 | Managerial and Technical Qualifications |
| EXHIBIT 3 | Certificate of Authority to Transact Business |

EXHIBIT 1

Financial Qualifications

McGraw possesses the financial qualifications required of Applicants for the certificate requested herein. McGraw has access to the financing and capital necessary to conduct its telecommunications operations as specified in this Application. Attached hereto are McGraw's unaudited financial statements for 2000 and 2001, along with a recent bank statement. These financial statements show that McGraw will have access to sufficient capital for the purpose of funding the initial phase of its proposed telecommunications operations. Because the aforementioned statements are proprietary and not part of the public record in any jurisdiction, Applicant has filed such statements under seal, with a request that they be given confidential treatment. The statements are offered to demonstrate Applicant's financial ability to operate as a telecommunications service provider in the State of Florida.

EXHIBIT 2

Managerial and Technical Qualifications

**MANAGERIAL AND TECHNICAL QUALIFICATIONS OF
MCGRAW COMMUNICATIONS, INC.**

McGraw has assembled an outstanding and experienced team of industry professionals to achieve its mission of market leadership. The founding executive team has held key technical, marketing and financial positions at leading communications companies. The following summaries highlight management's extensive background:

John Cunningham, Chief Operating Officer

Mr. Cunningham has over a decade of experience in telecommunications management. In addition to his role as COO of McGraw, he is the COO of McGraw's sister company, Business Communications Management, Inc., a telecommunications management and consulting firm. Before founding BCM in 1992, he was a regional manager for Centex Telemanagement in New England, New York, New Jersey and the entire Baltimore-Washington corridor. He brings top-notch expertise in managing telecommunications providers, audits, systems planning and integration. He is on the Board of Directors of McGraw as well as Placement Plus, Ltd., a telecommunications employment agency.

Francis X. Ahearn, President

Mr. Ahearn started his career in telecommunications providing electronic data management and computer systems integration services for the New York Fire Department. He then managed the New York branch of Centex before co-founding BCM in 1992 and McGraw in 1996. With over 12 years of experience in telecommunications, Mr. Ahearn has provided outstanding services to such BCM clients as Topps Baseball Cards, BOSE Corp, Wall Street by FAX, and Digitrade.

Jay Monaghan, Vice President

With over 10 years of experience in telecommunications, Mr. Monaghan managed the New Jersey and Baltimore branches of Centex Telemanagement before joining BCM in 1995. Mr. Monaghan has served such prestigious BCM clients as Tiger Management, Lazare Kaplan, and Weiss Peck and Greer. He is also on the Board of Directors of McGraw and Placement Plus, Ltd.

Michael O'Neill, Director, Customer Support and Agent Services

Since 1995, Mr. O'Neill has been responsible for BCM and McGraw's 24-hour customer service operations. He also oversees BCM and McGraw's partnerships with telecommunications vendors and equipment providers, to ensure that our clients receive the best service packages for their needs and budget.

EXHIBIT 3

Certificate of Authority to Transact Business



FLORIDA DEPARTMENT OF STATE
Katherine Harris
Secretary of State

July 18, 2002

CT CORPORATION

Qualification documents for MCGRAW COMMUNICATIONS, INC. were filed on July 18, 2002 and assigned document number F02000003678. Please refer to this number whenever corresponding with this office.

Your corporation is now qualified and authorized to transact business in Florida as of the file date.

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

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

Should you have any questions regarding this matter, please telephone (850) 245-6051, the Foreign Qualification/Tax Lien Section.

Marsha Thomas
Document Specialist
Division of Corporations

Letter Number: 402A00044173

**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. McGraw Communications, 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. New York 3. 13-3896087
(State or country under the law of which it is incorporated) (FEI number, if applicable)

4. 06/25/1996 5. Perpetual
(Date of incorporation) (Duration: Year corp. will cease to exist or "perpetual")

6. 07/01/2002
(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. 228 East 45th Street, New York, NY 10017
(Principal office address)

same
(Current mailing address)

8. provision of telecommunications services
(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)

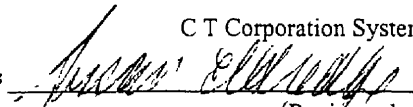
Name: C T Corporation System

Office Address: 1200 South Pine Island Road

Plantation, Florida 33324
(City) (Zip code)

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.

By:  C T Corporation System
(Registered agent's signature) Susan L. Eldredge
Asst. Secretary & V. President

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 SEE ATTACHMENT

Chairman: _____

Address: _____

Vice Chairman: _____

Address: _____

Director: Francis X. Ahearn

Address: 228 East 45th Street

New York, NY 10017

Director: Jay Monaghan

Address: 228 East 45th Street

New York, NY 10017

B. OFFICERS SEE ATTACHMENT

President: Francis X. Ahearn

Address: 228 East 45th Street

New York, NY 10017

Vice President: Jay Monaghan

Address: 228 East 45th Street

New York, NY 10017

Secretary: _____

Address: _____

Treasurer: _____

Address: _____

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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. Francis X. Ahearn, President _____

(Typed or printed name and capacity of person signing application)

Attachment to Florida
Application By Foreign Corporation for Authorization to Transact Business In Florida
Officers & Directors

1. Full Name: Francis X. Ahearn
Officer/Director: Officer,Director
Officer's Title: President
Director's Title: Other Director
Business Address: 228 East 45th Street
City: New York
State: NY
ZIP Code: 10017

2. Full Name: Jay Monaghan
Officer/Director: Officer,Director
Officer's Title: Vice President
Director's Title: Other Director
Business Address: 228 East 45th Street
City: New York
State: NY
ZIP Code: 10017

3. Full Name: John Cunningham
Officer/Director: Officer,Director
Officer's Title: Chief Operating Officer
Director's Title: Other Director
Business Address: 228 East 45th Street
City: New York
State: NY
ZIP Code: 10017

.....

02 JUL 18 PM 1:43

.....

**State of New York } ss:
Department of State**

I hereby certify, that the Certificate of Incorporation of MCGRAW COMMUNICATIONS, INC. was filed on 06/25/1996, with perpetual duration, and that a diligent examination has been made of the Corporate index for documents filed with this Department for a certificate, order, or record of a dissolution, and upon such examination, no such certificate, order or record has been found, and that so far as indicated by the records of this Department, such corporation is a subsisting corporation.



*Witness my hand and the official seal
of the Department of State at the City
of Albany, this 12th day of June
two thousand and two.*

A handwritten signature in cursive script, appearing to read "J. Leubke".

Special Deputy Secretary of State