

ORIGINAL

HOME TOWN TELEPHONE, LLC  
1525 NW 167<sup>th</sup> Street  
Suite 200  
Miami, Florida 33186

August 5, 2003

RECEIVED - FPSC  
03 AUG - 6 AM 10: 22  
COMMISSION  
CLERK

Ms. Blanca Bayo  
Florida Public Service Commission  
Division of Commission Clerk and  
Administrative Services  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

030765-TX

Re: **Home Town Telephone, LLC – Application for Authority to  
Provide Competitive Local Exchange Service.**

Dear Ms. Bayo:

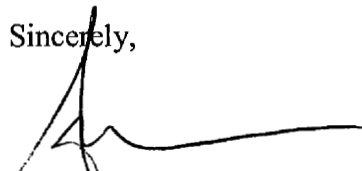
Enclosed please find an original and six copies of Home Town Telephone, LLC's Application to provide Competitive Local Exchange Service within the State of Florida including the Company's proposed tariff as well as a check in the amount of \$250.00 for the applicable filing fees.

Kindly acknowledge receipt of this filing by date stamping the extra copy of this letter and returning it in the enclosed self-address stamped envelope provided for your convenience.

If you have any questions regarding this Application, please do not hesitate to contact me directly at (305) 612-4311.

Thank you for your assistance in this regard.

Sincerely,

  
Angel Leiro  
Regulatory Affairs

RECEIVED & FILED

  
FPSC-BUREAU OF RECORDS

DISTRIBUTION CENTER  
03 AUG - 6 AM 9: 26

Cc: Michael Noshay, Manager/Member

Check received with filing and forwarded  
to Fiscal for deposit. Fiscal to forward  
deposit information to Records.

Initials of person who forwarded check



DOCUMENT NUMBER - DATE

07168 AUG - 6 8

FPSC-COMMISSION CLERK

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

**DIVISION OF COMPETITIVE MARKETS AND ENFORCEMENT**  
**CERTIFICATION**

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

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**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 the Commission Clerk and Administrative Services***  
**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 Competitive Markets and Enforcement**  
**Certification**  
**2540 Shumard Oak Blvd.**  
**Tallahassee, Florida 32399-0850**  
**(850) 413-6600**

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## APPLICATION

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

- Original certificate (new company).
- Approval of transfer of existing certificate: Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority.
- Approval of assignment of existing certificate: Example, a certificated company purchases an existing company and desires to retain the certificate of authority of that company.
- Approval of transfer of control: Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of company:

HOME TOWN TELEPHONE, LLC.

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

Same as above

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

1525 NW 167th Street

Suite 200

Miami, Florida 33169

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

Same as 4 above.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**6. Structure of organization:**

- ( ) Individual ( ) Corporation  
( ) Foreign Corporation ( ) Foreign Partnership  
( ) General Partnership ( ) Limited Partnership  
(XX) Other Limited Liability Company

**7. If individual, provide:**

Name: Not applicable.

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

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

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

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

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

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

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

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

L03000026923 See Certificate of Authority attached  
as Exhibit "A".

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

- (a) The Florida Secretary of State corporate registration number:  
Not applicable.
- 

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

- (a) The Florida Secretary of State fictitious name registration number:  
Not applicable.
- 

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

- (a) The Florida Secretary of State registration number:  
Not applicable.
- 

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

Name: Not applicable.

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: Not applicable

**14. Provide F.E.I. Number(if applicable): 11-3698769**

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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.

Yes. IDS Telcom, LLC TX559 and TJ500

The principals of Applicant are all principals of IDS Telcom, LLC.

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

(a) The application:

Name: Angel Leiro  
Title: Regulatory Affairs  
Address: 1525 NW 167th Street, Suite 200  
City/State/Zip: Miami, Florida 33169  
Telephone No.: (305) 612-4311 Fax No.: (305) 612-3027  
Internet E-Mail Address: aleiro@idstelcom.com  
Internet Website Address: None at this time.

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

Name: Michael Noshay  
Title: Member/Manager  
Address: 1525 NW 167th Street Suite 200  
City/State/Zip: Miami, Florida 33169  
Telephone No.: (305) 612-4170 Fax No.: (305) 612-3027

Internet E-Mail Address: mnoshay@idstelcom.com  
Internet Website Address: none at this time.

(c) Complaints/Inquiries from customers:

Name: Angel Leiro  
Title: Regulatory Affairs

Address: 1525 NW 167th Street Suite 200  
City/State/Zip: Miami, Florida 33169  
Telephone No.: (305) 612-4311 Fax No.: (305) 612-3027

Internet E-Mail Address: aleiro@idstelcom.com  
Internet Website Address: None at this time.

**17. List the states in which the applicant:**

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

None.

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

None.

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

None

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(d) has been denied authority to operate as an alternative local exchange 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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**18. Submit the following:**

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

See Attached Composite 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.**

See Attached Composite Exhibit "B"



**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                      See attached Exhibit "C"
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.

See attached Composite Exhibit "D"

**THIS PAGE MUST BE COMPLETED AND SIGNED**

**APPLICANT ACKNOWLEDGMENT STATEMENT**

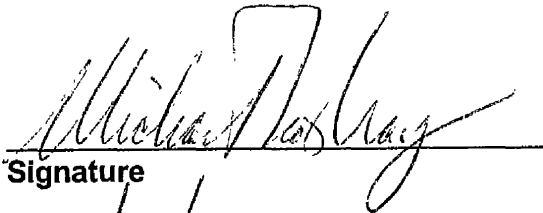
- 1. REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
- 2. APPLICATION FEE:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

**UTILITY OFFICIAL:**

Michael Noshay  
**Print Name**

Manager/Member  
**Title**

(305) 612-4170  
**Telephone No.**

  
**Signature**

8/4/03  
**Date**

(305) 612-3027  
**Fax No.**

**Address:** 1525 NW 167th Street, Suite 200  
Miami, Florida 33169

**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:**

Michael Noshay

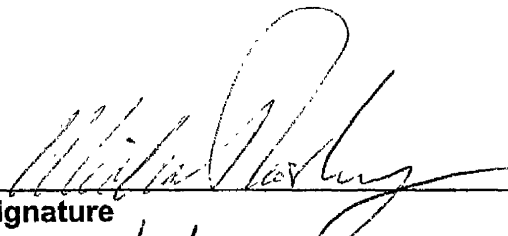
**Print Name**

Manager/Member

**Title**

(305) 612-4170

**Telephone No.**



**Signature**

8/4/03

**Date**

(305) 612-3027

**Fax No.**

**Address:**

1525 NW 167th Street, Suite 200

Miami, Florida 33169

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) 10950 SW Village Pky 2) \_\_\_\_\_  
PTSL, FL 34987 Leased \_\_\_\_\_  
3) \_\_\_\_\_ 4) \_\_\_\_\_  
\_\_\_\_\_

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

1) 10950 SW Village Pky 2) DMS-500 (Owned)  
PTSL, FL 34987 \_\_\_\_\_  
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) Port St. Lucie - Miami	Leased
2) _____	_____
3) _____	_____
4) _____	_____

## CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT

I, (Name) \_\_\_\_\_ *New Certification* \_\_\_\_\_  
(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	Signature
Title	Date
Telephone No.	Fax No.

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

## EXHIBIT INDEX

A – Certificate of Authority

B – Managerial and Technical Qualifications

C – Financial Capability

D – Written Explanations – Financial Obligations

EXHIBIT "A"

No. 8

Certificate of Authority (Florida)

# State of Florida



## Department of State

I certify from the records of this office that HOME TOWN TELEPHONE, LLC, is a limited liability company organized under the laws of the State of Florida, filed on July 18, 2003.

The document number of this company is L03000026923.

I further certify that said company has paid all fees due this office through December 31, 2003, and its status is active.

Given under my hand and the  
Great Seal of the State of Florida  
at Tallahassee, the Capitol, this the  
Twenty-third day of July, 2003



CR2EO22 (2-03)

*Glenda E. Hood*  
Glenda E. Hood  
Secretary of State



**COMPOSITE EXHIBIT “B”**

**Nos. 18A and 18B**

**Managerial and Technical Qualifications**

**In Re: Application of Home Town Telephone, LLC for Authorization to Provide Competitive Local Exchange Service within the State of Florida.**

Application No. 18A and B

**Joseph Millstone, Member/Manager**

Mr. Joe Millstone is a founding member of IDS Long Distance, Inc., n/k/a IDS Telcom, LLC and currently serves as the CEO. IDS Telcom is a certificated carrier in good standing providing local and long distance telecommunications as well as broadband services. IDS Telcom provides services in eight states including Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina and Tennessee and employees approximately 300 people throughout the State of Florida. Mr. Millstone has been an owner and hands on operator of IDS Telcom since 1989.

Over the last 14 years Mr. Millstone has personally overseen the management of the staff, designed the network, selected the switching facilities and developed the sales and marketing divisions of IDS. Mr. Millstone has extensive experience overseeing every aspect of the retail and wholesale operation of IDS Telcom.

Additionally, Mr. Millstone oversaw the day-to-day operation of Interconnect Data Services a telephone equipment affiliate of IDS Telcom until its eventual sale. His responsibilities also included the purchase of switching equipment, the development of point of sale materials, and billing and collections policies and procedures.

Mr. Millstone created Interconnect Data Services in order to provide telephone interconnect equipment and operator services for small to medium sized businesses, particularly hotels, in South Florida. During his tenure, Interconnect Data Services installed well over one hundred new phone and billing systems in major hotels. The strong business relationship between Mr. Millstone and the hotel industry through his Interconnect Company was the foundation that launched the long distance company today is known as IDS Telcom.

Prior to establishing IDS, Mr. Millstone was the owner/operator of a successful chain of Hi Fidelity audio-stereo equipment businesses. These stores, called Stereo Etc., developed throughout Florida to include warehouses, corporate centers and eleven branch retail stores. Stereo Etc. grossed in excess of \$11 million dollars annually and employed over 70 people.

**COMPOSITE EXHIBIT "B"**

**In Re: Application of Home Town Telephone, LLC for Authorization to Provide Competitive Local Exchange Service within the State of Florida.**

Application No. 18A

**Michael Noshay, Member/Manager**

Mr. Noshay is a co-founder of IDS Telcom and currently serves as its President. IDS Telcom is a certificated carrier in good standing providing local and long distance telecommunications as well as broadband services. IDS Telcom provides services in eight states including Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina and Tennessee and employees approximately 300 people throughout the State of Florida. Mr. Noshay has been an owner and hands on operator of IDS Telcom since 1989.

Mr. Noshay has extensive experience in various business interests current and past including telecommunications, construction, real estate, manufacturing, distribution and the hotel industry. As a pioneer in the development of Miami's South Beach area, his relationships aided in establishing a customer base that secured IDS Telcom's revenue stream enabling it to become a formidable competitor in the local telecommunications market.

Mr. Noshay has had over 14 years of hands on experience in the telecommunications industry. As president of IDS Telcom, Mr. Noshay has been responsible for, among other things, the development and negotiation of all interconnection agreements with companies such as BellSouth, Bell Atlantic, GTE and Sprint, along with several PTT agreements with foreign countries. He is responsible for all of the legal and contractual situations that arise within the business, including regulatory issues, billing disputes, and maintenance of tariffs and certain licensing requirements for the company. Mr. Noshay develops and reviews new business opportunities, and oversees the general direction of IDS Telcom and its interests.

**COMPOSITE EXHIBIT "B"**

**In Re: Application of Home Town Telephone, LLC for Authorization to Provide Competitive Local Exchange Service within the State of Florida.**

Application No. 18A and B

**Anthony Petrone, Member/Manager**

Mr. Petrone currently serves as the Executive Vice President of IDS Telcom, LLC and is directly responsible for the management of the International Wholesale Carrier Division. IDS Telcom is a certificated carrier in good standing providing local and long distance telecommunications as well as broadband services. IDS Telcom provides services in eight states including Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina and Tennessee and employees approximately 300 people throughout the State of Florida. Mr. Petrone has been an owner and hands on operator of IDS Telcom since 1997.

In this capacity, Mr. Petrone negotiates PTT agreements for IDS Telcom throughout the world, including, India, Colombia, Peru, Ecuador, Venezuela, Mexico, Jamaica, and various other Caribbean and South American countries. The ability to establish these networks with other countries is clear indication of Mr. Petrone's qualifications, extensive knowledge, and experience with voice and data, VOIP, fiber and satellite systems. Mr. Petrone manages a team of engineers and back office staff that is responsible for auditing and billing wholesale carrier minutes and operating these networks 24 hours a day, 7 days a week.

Mr. Petrone's background includes ownership of TCI, Ltd., of Virginia Beach, a telecommunications company dedicated primarily to the resale of long distance service and the sale of pre-paid telephone cards. In the development of IDS Telcom, Mr. Petrone forged relationships with telecommunication industry giants such as Frontier, AT&T, QWEST and Global Crossing who continue to do business with his Wholesale Carrier Services Division today. Mr. Petrone merged his customer base from TCI, Ltd. with IDS Long Distance in 1998 and has been instrumental in the development of IDS Telcom facility based network throughout his tenure with the Company.

**COMPOSITE EXHIBIT "B"**

EXHIBIT "C"

No. 18C

Financial Capability

## PROJECTIONS

Home Town Telephone, LLC

Projections

n Re: Application for Authority to provide Competitive Local Exchange Service in the State of Florida

No. 18 C FINANCIAL CAPABILITY

Factor	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	
<b>Summary</b>										
Revenue	6725	19454	31939	47787	59202	70389	81352	92095	102168	
COS	1790	5334	8808	12212	15548	18817	22021	25161	28049	
Network Expense	52206	52236	52267	52297	52328	52359	52388	52419	52449	
Gross Margin	-47270	-38117	-29135	-16721	-8673	-787	6943	14516	21671	
<b>SG&amp;A</b>										
Total Compensation	53203	53233	53264	53294	53325	53356	53385	53416	53446	
Other	5043	7319	8766	10437	11787	13111	14408	15680	16838	
Total	58247	60552	62030	63731	65112	66467	67793	69096	70284	
EBITDA	-105517	-98668	-91165	-80453	-73786	-67254	-60850	-54580	-48614	
Homes Occupied	100	300	500	700	900	1100	1300	1500	1700	
Phone Lines per Home	2	2	2	2	2	2	2	2	2	
Possible Phone Lines	143	428	713	998	1283	1568	1853	2138	2423	
Change in Phone Lines	143	285	285	285	285	285	285	285	285	
HTP Share	1	1	1	1	1	1	1	1	1	
Competitor Share	0	0	0	0	0	0	0	0	0	
Competitor Lines	0	0	0	0	0	0	0	0	29	
HTP Adds	143	285	285	285	285	285	285	285	257	
HTP Losses	0	3	8	14	19	25	30	35	40	
HTP Billing	143	425	701	972	1238	1498	1753	2003	2219	
<b>HTP Local Revenue</b>										
MRC	\$ 49.95	1424	4242	7005	9712	12365	14964	17512	20009	22171
MRC	\$ 39.95	1139	3393	5602	7767	9889	11969	14006	16003	17733
MRC	\$ 29.95	1280	3815	6300	8735	11121	13459	15751	17996	19941
MRC	\$ 17.95	<b>767</b>	<b>2287</b>	<b>3776</b>	<b>5235</b>	<b>6665</b>	<b>8066</b>	<b>9440</b>	<b>10786</b>	<b>11951</b>
Total		4610	13737	22682	31449	40039	48458	56709	64794	71796



<u>Jun-04</u>	<u>Jul-04</u>	<u>Aug-04</u>	<u>Sep-04</u>	<u>Oct-04</u>	<u>Nov-04</u>	<u>Dec-04</u>
112054	121758	131283	140634	149812	158822	167668
30882	33663	36391	39068	41695	44272	46802
52480	52510	52541	52572	52602	52633	52663
28692	35586	42352	48994	55516	61917	68203
53477	53507	53538	53569	53599	53630	53660
17974	19089	20183	21257	22311	23345	24360
71452	72597	73722	74827	75910	76976	78020
-42759	-37011	-31370	-25833	-20395	-15058	-9817
1900	2100	2300	2500	2700	2900	3100
2	2	2	2	2	2	2
2708	2993	3278	3563	3848	4133	4418
285	285	285	285	285	285	285
1	1	1	1	1	1	1
0	0	0	0	0	0	0
57	86	114	143	171	200	228
257	257	257	257	257	257	257
44	49	53	57	61	65	69
2431	2639	2843	3043	3238	3430	3618
24290	26367	28402	30397	32351	34266	36144
19427	21088	22716	24311	25874	27406	28908
21847	23715	25545	27339	29097	30819	32507
<b>13093</b>	<b>14213</b>	<b>15310</b>	<b>16385</b>	<b>17438</b>	<b>18471</b>	<b>19483</b>
78658	85383	91973	98431	104760	110963	117041















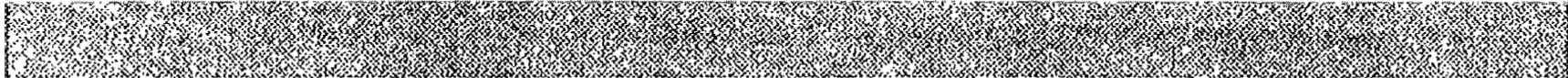
**PROJECTED**  
**BALANCE SHEET/CASH FLOW**

Home Town Telephone, LLC  
Balance Sheet-Cash Flow

In Re: Application for Authority to provide Competitive Local Exchange Service in the State of Florida  
No. 18 C FINANCIAL CAPABILITY

<u>Factor</u>	<u>Sep-03</u>	<u>Oct-03</u>	<u>Nov-03</u>	<u>Dec-03</u>	<u>Jan-04</u>	<u>Feb-04</u>	<u>Mar-04</u>	<u>Apr-04</u>	<u>May-04</u>	<u>Jun-04</u>
<b><u>Balance sheet</u></b>										
Cash	(294,218)	(401,689)	(502,733)	(592,491)	(670,607)	(739,073)	(800,772)	(856,252)	(904,908)	(946,399)
Accounts Receivable	6,725	22,278	38,942	56,346	69,237	79,748	90,613	102,241	113,395	123,896
Reserve for Bad Debt	(471)	(1,833)	(4,068)	(7,413)	(11,558)	(16,485)	(22,179)	(28,626)	(35,778)	(43,622)
Accounts Receivable-Net	6,255	20,446	34,874	48,932	57,680	63,263	68,433	73,615	77,617	80,274
Fixed Assets	261,141	261,141	261,141	261,141	261,141	261,141	261,141	261,141	261,141	261,141
Accumulated Depreciation	(4,352)	(8,705)	(13,057)	(17,409)	(21,762)	(26,114)	(30,466)	(34,819)	(39,171)	(43,523)
Net Fixed Assets	256,789	252,436	248,084	243,732	239,379	235,027	230,675	226,322	221,970	217,617
Other Assets	1,000	2,000	3,000	4,000	5,000	6,000	7,000	8,000	9,000	10,000
Total Assets	(30,175)	(126,807)	(216,775)	(295,827)	(368,548)	(434,783)	(494,664)	(548,315)	(596,322)	(638,507)
Accounts Payable	80,307	87,309	93,473	99,839	105,870	111,855	117,790	123,686	129,259	134,799
Leases Payable										
Due to Graycom										
Capital	1	1	1	1	1	1	1	1	1	1
Retained Earnings	(110,483)	(214,117)	(310,249)	(395,667)	(474,419)	(546,639)	(612,455)	(672,002)	(725,581)	(773,307)
Total Liabilities and Equity	(30,175)	(126,807)	(216,775)	(295,827)	(368,548)	(434,783)	(494,664)	(548,315)	(596,322)	(638,507)
Check Total	-	-	-	-	-	-	-	-	-	-
<b><u>Cashflow</u></b>										
Net Income	(110,483)	(103,634)	(96,131)	(85,419)	(78,752)	(72,220)	(65,816)	(59,546)	(53,580)	(47,725)





<u>Jul-04</u>	<u>Aug-04</u>	<u>Sep-04</u>	<u>Oct-04</u>	<u>Nov-04</u>	<u>Dec-04</u>
(981,207)	(1,009,667)	(1,031,865)	(1,047,825)	(1,057,637)	(1,061,433)
134,106	144,245	154,279	164,124	173,757	183,202
(52,145)	(61,335)	(71,179)	(81,666)	(92,783)	(104,520)
81,961	82,910	83,100	82,458	80,973	78,682
261,141	261,141	261,141	261,141	261,141	261,141
(47,876)	(52,228)	(56,581)	(60,933)	(65,285)	(69,638)
213,265	208,913	204,560	200,208	195,856	191,503
11,000	12,000	13,000	14,000	15,000	16,000
(674,981)	(705,845)	(731,204)	(751,159)	(765,808)	(775,248)
140,302	145,774	151,213	156,619	161,995	167,338
1	1	1	1	1	1
(815,284)	(851,620)	(882,418)	(907,779)	(927,803)	(942,587)
(674,981)	(705,845)	(731,204)	(751,159)	(765,808)	(775,248)
-	-	-	-	-	-
(41,977)	(36,336)	(30,799)	(25,361)	(20,024)	(14,783)

<u>Factor</u>	<u>Sep-03</u>	<u>Oct-03</u>	<u>Nov-03</u>	<u>Dec-03</u>	<u>Jan-04</u>	<u>Feb-04</u>	<u>Mar-04</u>	<u>Apr-04</u>	<u>May-04</u>	<u>Jun-04</u>
<b>Cash Provided by Operating Activities</b>										
Depreciation	4,352	4,352	4,352	4,352	4,352	4,352	4,352	4,352	4,352	4,352
Incr in Allowance for doubtful Accounts	471	1,362	2,236	3,345	4,144	4,927	5,695	6,447	7,152	7,844
Change in AR	(6,725)	(15,553)	(16,664)	(17,403)	(12,892)	(10,510)	(10,865)	(11,628)	(11,154)	(10,501)
Change in Other Assets	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Change in Prepaid	-	-	-	-	-	-	-	-	-	-
Change in AP	80,307	7,002	6,164	6,366	6,030	5,985	5,936	5,896	5,573	5,540
Net Cash from Operating Activities	77,405	(3,837)	(4,912)	(4,339)	635	3,754	4,118	4,066	4,923	6,235
<b>Purchases of Property and Equipment</b>	(261,141)	-	-	-	-	-	-	-	-	-
<b>Proceeds from leases</b>	-	-	-	-	-	-	-	-	-	-
<b>Loan from Graycom</b>	-	-	-	-	-	-	-	-	-	-
<b>Capital</b>	1	-	-	-	-	-	-	-	-	-
<b>Increase in Cash</b>	(294,218)	(107,471)	(101,043)	(89,758)	(78,117)	(68,466)	(61,699)	(55,480)	(48,657)	(41,490)
<b>Cash Beginning</b>		(294,218)	(401,689)	(502,733)	(592,491)	(670,607)	(739,073)	(800,772)	(856,252)	(904,908)
<b>Cash Ending</b>	(294,218)	(401,689)	(502,733)	(592,491)	(670,607)	(739,073)	(800,772)	(856,252)	(904,908)	(946,399)

<u>Jul-04</u>	<u>Aug-04</u>	<u>Sep-04</u>	<u>Oct-04</u>	<u>Nov-04</u>	<u>Dec-04</u>
4,352	4,352	4,352	4,352	4,352	4,352
8,523	9,190	9,844	10,487	11,118	11,737
(10,211)	(10,138)	(10,035)	(9,845)	(9,633)	(9,446)
(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
-	-	-	-	-	-
5,504	5,472	5,439	5,405	5,376	5,343
7,168	7,876	8,601	9,400	10,213	10,987
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(34,809)	(28,460)	(22,197)	(15,961)	(9,811)	(3,797)
(946,399)	(981,207)	(1,009,667)	(1,031,865)	(1,047,825)	(1,057,637)
(981,207)	(1,009,667)	(1,031,865)	(1,047,825)	(1,057,637)	(1,061,433)

**PROJECTED  
PROFIT & LOSS**

**Home Town Telephone, LLC  
Projected Profit & Loss**

In Re: Application for Authority to provide Competitive Local Exchange Service in the State of Florida  
No. 18 C FINANCIAL CAPABILITY

<u>Factor</u>	<u>Sep-03</u>	<u>Oct-03</u>	<u>Nov-03</u>	<u>Dec-03</u>	<u>Jan-04</u>	<u>Feb-04</u>	<u>Mar-04</u>	<u>Apr-04</u>	<u>May-04</u>	<u>Jun-04</u>	<u>Jul-04</u>	<u>Aug-04</u>
Revenue	6725	19454	31939	47787	59202	70389	81352	92095	102168	112054	121758	131283
COS	1790	5334	8808	12212	15548	18817	22021	25161	28049	30882	33663	36391
Network Expense	52206	52236	52267	52297	52328	52359	52388	52419	52449	52480	52510	52541
Gross Margin	-47270	-38117	-29135	-16721	-8673	-787	6943	14516	21671	28692	35586	42352
	0	0	0	0	0	0	0	0	0	0	0	0
SG&A												
Total Compensation	53203	53233	53264	53294	53325	53356	53385	53416	53446	53477	53507	53538
Other	5043	7319	8766	10437	11787	13111	14408	15680	16838	17974	19089	20183
Total	58247	60552	62030	63731	65112	66467	67793	69096	70284	71452	72597	73722
EBITDA	-105517	-98668	-91165	-80453	-73786	-67254	-60850	-54580	-48614	-42759	-37011	-31370
Interest Expense	614	614	614	614	614	614	614	614	614	614	614	614
Depreciation	4352	4352	4352	4352	4352	4352	4352	4352	4352	4352	4352	4352
Property Tax												
Net Income	-110483	-103634	-96131	-85419	-78752	-72220	-65816	-59546	-53580	-47725	-41977	-36336



<u>Sep-04</u>	<u>Oct-04</u>	<u>Nov-04</u>	<u>Dec-04</u>
140634	149812	158822	167668
39068	41695	44272	46802
52572	52602	52633	52663
48994	55516	61917	68203
0	0	0	0
53569	53599	53630	53660
21257	22311	23345	24360
74827	75910	76976	78020
-25833	-20395	-15058	-9817
614	614	614	614
4352	4352	4352	4352
-30799	-25361	-20024	-14783

# EXHIBIT D

No. 18

Written Explanations – Financial Obligations

**In Re: Application of Home Town Telephone, LLC for Authorization to Provide Competitive Local Exchange Service within the State of Florida.**

**Application No. 18 – Written Explanations of Financial Capability**

Home Town Telephone, LLC (“HTT”) is financially qualified to provide and maintain the requested local telecommunications services in the proposed geographic areas within the State of Florida. HTT also has the financial capability to meet its lease or ownership obligations as they come due. Additionally, HTT through its members, individually and collectively, has adequate access to the capital necessary to fulfill any obligations it may undertake with respect to the provision of local exchange services in the State of Florida.