

ORIGINAL



September 3, 2003

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

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RECEIVED-FPSC
03 SEP -5 PM 1:20
COMMISSION CLERK

Dear Sir or Madam:

Enclosed please find on original and six (6) copies of our Application for "Authoity to Provide Interexchange Telecommunications Service Between Points Within the state of Florida" and the \$250.00 application fee.

If you need more information, please advise.

Sincerely,

Robert W. Livingston
Boblivingston@directtelephone.com
713-627-9241 ext. 1063
713-627-9253 fax

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

Initials of person who forwarded check

6300 Richmond, Suite 301, Houston, Texas 77057
Telephone (713) 627 - 9241 ** Fax (713) 627 - 9253
www.directtelephone.com

03 SEP -5 AM 11:28
DOCUMENT CENTER
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FPSC-COMMISSION CLERK

**** FLORIDA PUBLIC SERVICE COMMISSION ******DIVISION OF COMPETITIVE MARKETS AND ENFORCEMENT**
CERTIFICATION**Application Form for Authority to Provide
Interexchange Telecommunications Service
Between Points Within the State of Florida****Instructions**

- ◆ This form is used as an application for an original certificate and for approval of 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 17).
- ◆ 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**

Note: **No filing fee is required** for an assignment or transfer of an existing certificate to another company.

- ◆ 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**

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:

Direct TelephoJE Company, Inc.

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

SAME

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

6300 Richmond #301
Houston, TX 77057

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

N/A

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 IXCs; 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:**

'A' ATTACHED (F02000000326)

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:**

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): _____

16. Provide the following (if applicable):

(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?

17. Who will receive the bills for your service?

- | | |
|---|---|
| <input checked="" type="checkbox"/> Residential Customers | <input checked="" type="checkbox"/> Business Customers |
| <input type="checkbox"/> PATs providers | <input type="checkbox"/> PATs station end-users |
| <input type="checkbox"/> Hotels & motels | <input type="checkbox"/> Hotel & motel guests |
| <input type="checkbox"/> Universities | <input type="checkbox"/> Universities dormitory residents |
| <input type="checkbox"/> Other: (specify) _____ | |

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

(a) The application:

Name: Robert W. Livingston

Title: VP

Address: 6300 Richmond # 301

City/State/Zip: HOUSTON, TX 77057

Telephone No.: 713-627-9241 Fax No.: 713-627-9253

Internet E-Mail Address: Regulatory @ directtelephone.com

Internet Website Address: www.directtelephone.com

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

Name: Tony Thomas

Title: VP

Address: 6300 Richmond # 301

City/State/Zip: HOUSTON, TX 77057

Telephone No.: 713-627-9241 Fax No.: 713-627-9253

Internet E-Mail Address: tonythomas@directtelephone.com

Internet Website Address: www.directtelephone.com

(c) Complaints/Inquiries from customers:

Name: ANNA OLIVERA

Title: MANAGER - CUSTOMER SERVICE

Address: 6300 Richmond # 301

City/State/Zip: HOUSTON, TX 77057

Telephone No.: 713-627-9241 Fax No.: 713-627-9253

Internet E-Mail Address: REGULATORY@directtelephone.com

Internet Website Address: www.directtelephone.com

19. List the states in which the applicant:

(a) has operated as an interexchange telecommunications company.

HI, KS

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

NONE

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

HI, KS

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

NONE

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

NONE

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

NONE

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.

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.

OFFICER - Robert Livingston - CIEM Network Systems, Inc. - sold company
SHAREHOLDER - Ernest B. Thomas - Choctaw Communications

21. The applicant will provide the following interexchange carrier services (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 (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).

Will comply

23. Submit the following:

A. Managerial capability; give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each. ATTACHED '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. ATTACHMENT '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 COMPANY DOES NOT HAVE AUDITED STATEMENTS.

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.

} ATTACHMENT 'C'

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

} ATTACHMENT
'D'
—

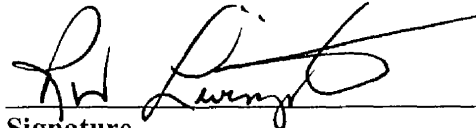
THIS PAGE MUST BE COMPLETED AND SIGNED
APPLICANT ACKNOWLEDGMENT STATEMENT

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 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. **APPLICATION FEE:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

UTILITY OFFICIAL:

Robert W. Livingston
Print Name


Signature

VP
Title

Sept 3, 2003
Date

713-627-9241 713-627-9253
Telephone No. Fax No.

Address: 6300 Richmond
Suite 301
Houston, TX 77057

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):

- () 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:

ROBERT W. LIVINGSTON

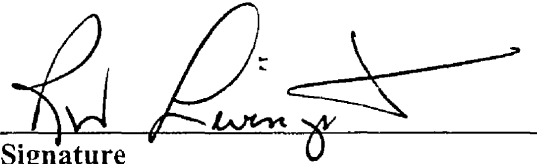
Print Name

VP

Title

713-627-9241

Telephone No.



Signature

Sept 3, 2003

Date

713-627-9253

Fax No.

Address:

6300 Richmond

Suite 301

Houston, TX 77057

THIS PAGE MUST BE COMPLETED AND SIGNED

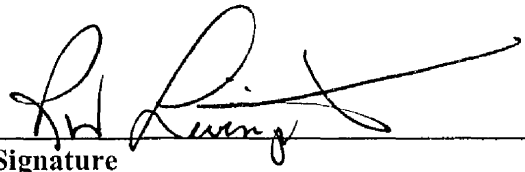
AFFIDAVIT

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide 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:

Robert W. Livingston
Print Name


Signature

VP
Title

Sept 03, 2003
Date

713-627-9241
Telephone No.

713-627-9253
Fax No.

Address: 6300 Richmond
Suite 301
Houston, TX 77057

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?

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

UTILITY OFFICIAL:

Robert W. Livingston

Print Name

VP

Title

713-627-9241

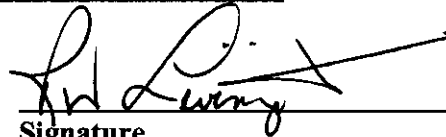
Telephone No.

Address:

6300 Richmond

Suite 301

Houston, TX 77057



Signature

Sept 3, 2003

Date

713-627-9253

Fax No.

Direct Telephone Company, Inc.

Attachment 'A'

State of Florida Corporate Registration



FLORIDA DEPARTMENT OF STATE

Katherine Harris
Secretary of State

January 22, 2002

SHEREE WEST
3500 NORTH CASUEWAY BLVD., STE 1442
METAIRIE, LA 70002

Qualification documents for DIRECT TELEPHONE COMPANY, INC. were filed on January 17, 2002 and assigned document number F0200000326. 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.

The certification you requested is enclosed.

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.

Michael Mays
Document Specialist
Division of Corporations

Letter Number: 702A00002924

State of Florida



Department of State

I certify from the records of this office that DIRECT TELEPHONE COMPANY, INC., is a corporation organized under the laws of Texas, authorized to transact business in the State of Florida, qualified on January 17, 2002.

The document number of this corporation is F02000000326.

I further certify that said corporation has paid all fees due this office through December 31, 2002, and its status is active.

I further certify that said corporation has not filed a Certificate of Withdrawal.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Twenty-second day of January, 2002



CR2EO22 (1-99)

Katherine Harris

Katherine Harris
Secretary of State

Direct Telephone Company, Inc.

Attachment 'B'

Management Qualifications

Direct Telephone Company, Inc.

Management Team

President

Steven N. 'Nik' Thomas

Mr. Thomas was Director of Sales for Smoke Signal Communications from 1997 to 2000. Mr. Thomas has been President of Direct Telephone Company from 2000 to Present. While with Smoke Signal Communications, Mr. Thomas helped build the customer base from a few thousand to over 120,000 lines. Mr. Thomas is one of the founders of Direct Telephone Company and has developed the company into a diversified enterprise covering many aspects of telephony.

Vice President - Operations

Anthony 'Tony' Thomas

Mr. Thomas has extensive managerial experience in a diversity of fields. From 1992 to 1996, Mr. Thomas was Director of Sales and Marketing for Anchor Pattern International. From 1996 to 1998, Mr. Thomas was Director of Operations for The Film Crew Inc. From 1998 to 2001, Mr. Thomas worked with both Logix Communications and Phonoscope Communications in capacities focusing mainly in sales and the establishment of new customers within both of these companies. From 2001 to Present, Mr. Thomas has been Vice President of Direct Telephone Company.

Chief Financial Officer

Seth Block

Mr. Block was CFO for Smoke Signal Communications from 1996 to 2000. From 2000 to Present, Mr. Block has been CFO of Direct Telephone Company. Mr. Block has gained much knowledge in telecommunications through being a member of many of the associations with in the industry.

Senior Vice President – Alternate Channels

Robert (Bob) Livingston

Mr. Livingston has over 25 years of experience in the telecommunications industry.

Prior to joining Direct Telephone Company, Bob was Chief Operating Officer, CCC GlobalCom Corporation with responsibility for all day to day activities of this CLEC with 3 switching centers located in the US. CCC had a customer base of more than 100,000 end users, Mr. Livingston responsibility included Sales, Order Entry, Provisioning, Billing, Customer Service, IT and Network Services.

Mr. Livingston formed Ciera Network System, Inc. (Ciera) in December 1998 to offer CLEC services to small business and residential customers throughout the entire United States. Mr. Livingston was the Chairman of the Board of Directors and Chief Executive Officer. Ciera merged with CCC GlobalCom Corporation in June 2000.

Before forming Ciera, Mr. Livingston was employed by Wireless Communications Technology, Inc., a cellular telephone operator in Africa. He served as WCTI's Executive Vice President, Chief Operating Officer, and Secretary/Treasurer. Other positions Bob held while at WCTI included Senior Vice President, Chief Financial Officer and Treasurer.

Prior to joining WCTI, Mr. Livingston was Vice President of Card Services for GST Telecommunications, a publicly traded CLEC providing a broad range of integrated telecommunications services. At GST from 1996 to 1997, Mr. Livingston was responsible for all sales, operations and administrative activities relating to calling cards and enhanced communications services.

Before joining GST, Mr. Livingston served from 1987 to 1995 as the CEO of Texas-Ohio Communications, a switchless reseller of long distance telephone services.

From 1985 to 1986 Mr. Livingston was employed by Hi-Tech Communications, a national company that installed phone systems for the Regional Bell Operating Companies where he first served as Vice President / Finance from 1985 to 1986. In late 1986, he was then promoted to Executive Vice President and Chief Operating Officer.

Mr. Livingston began his career in the telecommunications industry with Centel Business Systems, Southwest Region, one of the largest interconnect companies in the U.S. At Centel from 1979 to 1984, Mr. Livingston served as Director of Finance.

Prior to entering the communications industry, he worked for nine years with Fortune 500 firms in various accounting and financial areas.

Mr. Livingston holds a B.B.A. in Accounting and Finance from Sam Houston State University.

Vice President – Alternate Channels Sales

Robert J. Serrett

Mr. Serrett joined CCC GlobalCom Corporation in October 2000 as Vice President of Sales and Marketing.

Mr. Serrett has twenty-five years in the telecommunications business and twelve years of management experience with responsibilities for operating, maintaining, and supervising staff for various large corporations. Mr. Serrett has had special interests in successful startup operations in the telecommunications industry the past thirteen years.

Prior to joining CCC GlobalCom Corporation, Mr. Serrett was Vice-President of Operations for Orion Technologies/Globalinx Corporation, where he structured and managed the operations department.

From 1997 to 1999 Mr. Serrett was Vice-President of Sales for StormTel Communications (formerly known as CCC Communications, Inc., no relation to CCC GlobalCom). He was responsible for all company-dedicated services, including DS0's, DS1's, DS3's, frame relay, private lines, etc.

Mr. Serrett was Director of Marketing at Telephone Company of Central Florida during 1996 to 1997.

Prior to joining the Telephone Company of Central Florida, Mr. Serrett was Executive Vice President of Central Talk Management, Inc. (1995 to 1996) located in Ft. Lauderdale.

From 1993 to 1995 Mr. Serrett was the Director of Business Development at Ryder Communications, Inc. located in Coral Springs, Florida. He developed a marketing plan and advertising primarily for expansion of the Ryder Companies in the international market.

Mr. Serrett was the President of B&M Communications, Inc. located in Raleigh, North Carolina from 1992 to 1994. Mr. Serrett developed a complete

telecommunications telemanagement company from a live service bureau environment.

Prior to 1992, Mr. Serrett was engaged in various telecommunications endeavors including establishing and developing operations for pay-per-call, facilities based service bureau as well as assisting in its revenue development.

Mr. Serrett's telecommunications experience expands over twenty five years beginning as a military intelligence specialist encrypting and transmitting voice traffic for NSA and CIA. Those early experiences fueled a life-long passion to assimilate as much information as possible about telecommunications. He maintains detailed knowledge about the inter-functionality of carrier and local exchange carrier's networks. This provides more than a working knowledge of telecommunications products and services to support sales activities.

Due to Mr. Serrett's experiences and discernment of the technical aspects of the industry, he provides a valuable tool to the success of the sales efforts.

Mr. Serrett has attended the University of North Carolina at Chapel Hill and CPCC in Charlotte, North Carolina.

Telcom Operations Director

Pat Baimbridge

Mr. Baimbridge over 34 years of experience in the telecom industry. From 1969 to 1984, Mr. Baimbridge worked with Southwestern Bell Telephone in capacities ranging from the cable department to circuit provisioning to Network administration as well as a developer and instructor in Bell Labs. From 1984 to 1990, Mr. Baimbridge worked with ClayDesta Communications. During his time with ClayDesta, Mr. Baimbridge helped to build and operate the "Network Operating Center" for a seventeen-state operation. From 1990 to 2000, Mr. Baimbridge provided consulting work for GTE, Sprint, Capital Networks Westel Communications and Smoke Signal Communications. Since 2000, Mr. Baimbridge has been helping Direct Telephone Company develop and maintain not only its internal communications system but also the external systems, which helps allow Direct to operate.

Direct Telephone Company, Inc.

Attachment 'C'

Financial Statements

Direct Telephone Company, Inc.
Statement of Earnings

	YTD 12-31-2002	YTD 12-31-2001	YTD 6-30-2003
Revenue	1,103,273	0	2,258,479
Cost of Goods Sold	528,775	0	1,541,741
Gross Profit	<u>574,497</u>	<u>0</u>	<u>716,738</u>
S, G & A Expense	990,256	10,236	911,346
Income from Operations	<u>(415,758)</u>	<u>(10,236)</u>	<u>(194,607)</u>

There financial statements are true and correct to the best of my knowledge

Steven N. Thomas
President

CONFIDENTIAL

**Direct Telephone Company, Inc.
Balance Sheet**

ASSETS	December 31, 2001	December 31, 2002	June 30, 2003
Current Assets			
Cash in Bank	152,575	12,141	(61,319)
Accounts Receivable-Trade	0	75,026	154,902
Deposits	0	0	3,000
Prepaid Expenses	4,757	16,108	58,118
Total Current Assets	157,332	103,275	154,701
Fixed Assets			
Computer Equipment		8,249	8,249
Telephone Equipment		714	714
Total Fixed Assets		8,963	8,963
Other Assets			
Organizational Cost	3,500	2,000	2,000
Total Assets	160,832	114,238	165,664
LIABILITIES & EQUITY			
Current Liabilities			
Accounts Payable - Trade	0	0	336,898
Accrued Liabilities	0	166,965	84,254
Total Current Liabilities	0	166,965	421,152
Long Term Liabilities			
Note Payable	150,000	350,000	350,000
Equity			
Paid in Capital	21,068	23,267	14,572
Net Income	(10,236)	(415,758)	(425,453)
Retained Earnings	0	(10,236)	(194,607)
Total Equity	10,832	(402,727)	(605,488)
Total Liabilities & Equity	160,832	114,238	165,664

There financial statements are true and correct to the best of my knowledge

Steven N. Thomas
President

CONFIDENTIAL

Direct Telephone Company, Inc.
Attachment 'D'
Financial Ability

Direct Telephone Company, Inc. has sufficient financial capability to provide the requested and maintain the services and meets any lease and/or ownership obligations because Direct Telephone Company has the support of its investment group.

Attached at our bank statements to attest to the fact of our financial ability.

REDACTED



DIRECT TELEPHONE COMPANY INC
DBA FIESTA COMMUNICATIONS COMPANY
OPERATING ACCT
6300 RICHMOND AVE STE 301
HOUSTON TX 77057-5927

BUSINESS CHECKING

4/30/03 148

1

OFFICE-014

At Sterling Bank, it's all about people ... and always will be!

SUMMARY FOR BUSINESS CHECKING

BEGINNING BALANCE	4/01/03	24,700.27
DEPOSITS / MISC CREDITS	103	352,677.31
WITHDRAWALS / MISC DEBITS	115	168,037.89
** ENDING BALANCE	4/30/03	209,339.69 **
SERVICE CHARGE		.00
AVERAGE BALANCE		137,361
AVERAGE COLLECTED BALANCE		133,714
MINIMUM BALANCE		24,700
ENCLOSURES		148

MISCELLANEOUS DEBITS AND CREDITS

DATE	AMOUNT	DESCRIPTION
4/02/03	2,703.46 CR	DEPOSIT
4/02/03	1,148.20 CR	DEPOSIT
4/02/03	70.00 CR	DEPOSIT
4/03/03	830.40 CR	DEPOSIT
4/03/03	458.87 CR	DEPOSIT
4/03/03	149.90 CR	DEPOSIT
4/04/03	54,017.26 CR	MTS Wire Transfer ; 030404-000654
4/04/03	6.00 DR	INCOMING WIRE
4/04/03	1.00 DR	MAIL ADVICE
4/07/03	1,343.96 CR	DEPOSIT
4/07/03	1,221.19 CR	DEPOSIT
4/07/03	1,018.89 CR	DEPOSIT
4/07/03	1,006.69 CR	DEPOSIT
4/07/03	703.23 CR	DEPOSIT
4/07/03	70.00 DR	CHARGEBACK
4/07/03	3.00 DR	CHARGEBACK FEE



sterling Bank

www.banksterling.com

IT IS YOUR RESPONSIBILITY TO REPORT ANY ERRORS WITHIN 15 CALENDAR DAYS
713-466-8300 OR 1-888-777-8735

REDACTED

DIRECT TELEPHONE COMPANY INC
DBA FIESTA COMMUNICATIONS COMPANY
OPERATING ACCONT
6300 RICHMOND AVE STE 301
HOUSTON TX 77057-5927

BUSINESS CHECKING

5/30/03 197

1

OFFICE-014

At Sterling Bank, it's all about people ... and always will be!

SUMMARY FOR BUSINESS CHECKING

BEGINNING BALANCE	5/01/03	209,339.69	
DEPOSITS / MISC CREDITS	125	590,381.18	
WITHDRAWALS / MISC DEBITS	172	515,289.19	
** ENDING BALANCE	5/31/03	284,431.68	**
SERVICE CHARGE		.00	
AVERAGE BALANCE		283,534	
AVERAGE COLLECTED BALANCE		279,653	
MINIMUM BALANCE		238,594	
ENCLOSURES		197	

MISCELLANEOUS DEBITS AND CREDITS

DATE	AMOUNT	DESCRIPTION
5/01/03	✓ 4,447.24 CR	ACE CASH EXPRES/CASHCON - 00024315 DIRECT TELEPHONE
5/01/03	✓ 362.69 CR	MONEYGRAM P SYS/UTIL REMIT 41579529,6936695
5/01/03	✓ 342.78 CR	41579529 DIRECT TELEPHONE C DIRECT TELEPHONE/TELECHECK 44556698 DIRECT TELEPHONE
5/01/03	✓ 67,280.53 CR	MTS Wire Transfer 030501-000287
5/01/03	✓ 6.00 DR	INCOMING WIRE
5/01/03	✓ 1.00 DR	MAIL ADVICE
5/01/03	✓ 43,101.26 DR	ADMINISTAFF COMP/PAYROLL 1220700 DIRECT TELEPHONE COMPA
5/02/03	✓ 907.34 CR	DEPOSIT
5/02/03	✓ 372.32 CR	DEPOSIT
5/02/03	✓ 4,309.24 CR	ACE CASH EXPRES/CASHCON - 00024315 DIRECT TELEPHONE

Handwritten note:
Deposited
for 5/31/03
May 2004



❖ Sterling Bank ❖

www.banksterling.com

PLEASE EXAMINE AT ONCE IT IS YOUR RESPONSIBILITY TO REPORT ANY ERRORS WITHIN 15 CALENDAR DAYS
713-466-8300 OR 1-888-777-8735

REDACTED

|||||
DIRECT TELEPHONE COMPANY INC
DBA FIESTA COMMUNICATIONS COMPANY
OPERATING ACCONT
6300 RICHMOND AVE STE 301
HOUSTON TX 77057-5927

BUSINESS CHECKING

6/30/03 221

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OFFICE-014

Effective September 1, 2003, the fee for

Deposited items returned unpaid (chargebacks) will increase to \$5.00

SUMMARY FOR BUSINESS CHECKING

BEGINNING BALANCE	6/01/03	284,431.68
DEPOSITS / MISC CREDITS	132	441,457.94
WITHDRAWALS / MISC DEBITS	200	599,385.84
** ENDING BALANCE	6/30/03	126,503.78 **
SERVICE CHARGE		.00
AVERAGE BALANCE		233,591
AVERAGE COLLECTED BALANCE		228,384
MINIMUM BALANCE		126,503
ENCLOSURES		221

----- MISCELLANEOUS DEBITS AND CREDITS -----

DATE	AMOUNT	DESCRIPTION
6/02/03	2,434.10 CR	DEPOSIT
6/02/03	3,859.81 CR	ACE CASH EXPRES/CASHCON - 00024315 DIRECT TELEPHONE
6/02/03	312.63 CR	MONEYGRAM P SYS/UTIL REMIT 41579529,7127334
6/02/03	298.55 CR	41579529 DIRECT TELEPHONE C DIRECT TELEPHONE/TELECHECK
6/02/03	109.94 DR	44556698 DIRECT TELEPHONE CHARGEBACK
6/02/03	3.00 DR	CHARGEBACK FEE
6/03/03	1,428.15 CR	DEPOSIT
6/03/03	1,394.98 CR	DEPOSIT
6/03/03	784.09 CR	DEPOSIT
6/03/03	11,454.53 CR	ACE CASH EXPRES/CASHCON - 00024315 DIRECT TELEPHONE

