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July 10, 1996

Florida Public Service Commission
Division of Administration
2540 Shumard Oak Blvd.
Gunter Building
Tallahassee, Florida 32399-0850

Re: Affinity Fund, Inc. (A Florida Corporation) Merged
into Affinity Corporation (A Wisconsin Corporation)

960821-TI

Dear Commission:

Recently, this law firm notified the Florida Public Service Commission that Affinity Fund, Inc. was merged into Affinity Corporation effective October 1, 1994. We inquired as to what requirements were necessary in connection with this transaction.

As a summary, the particulars of the merger are as follows:

- a. The primary purpose of the merger was to create a new name by dropping the word "Fund" from the original name; and
- b. The successor corporation has identical shareholders, officers, and directors, and it is engaged in the same business that Affinity Fund, Inc. engaged in prior to the merger.

From our conversations with a member of your office, we understand that resellers must complete and file an "Application Form For Authority To Provide Interexchange Telecommunications Service Within The State Of Florida" (the "Application").

Enclosed please find the original and six (6) copies of the completed Application, along with the \$250.00 Application fee. If there are any further requirements, we would appreciate being so advised in writing. Otherwise, this office will await confirmation of receipt of the enclosed. Thank you for your time and cooperation.

Sincerely yours,

SMITH DEBNAM HIBBERT & PAHL

Clayton D. Morgan
Clayton D. Morgan

Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward a copy of check to RAR with proof of deposit.

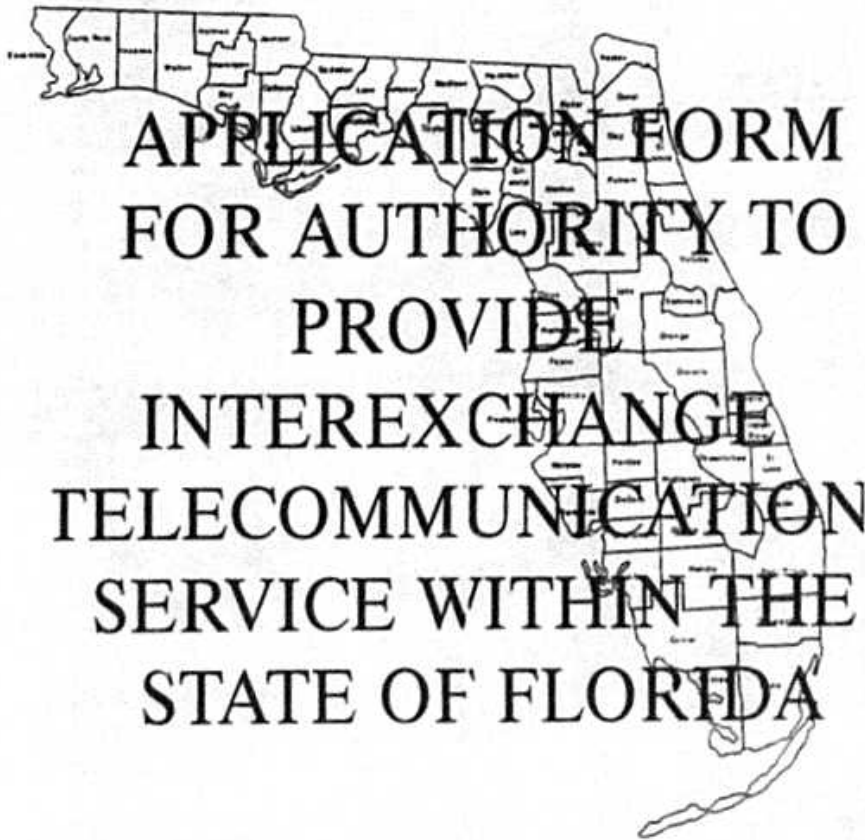
Initials of person who forwarded check:
A.J.

DOCUMENT NUMBER-DATE

07305 JUL 11 96

FPSC-RECORDS/REPORTING

960821-TI



APPLICATION FORM
FOR AUTHORITY TO
PROVIDE
INTEREXCHANGE
TELECOMMUNICATION
SERVICE WITHIN THE
STATE OF FLORIDA

DOCUMENT NUMBER-DATE

07305 JUL 11 88

FPSC-RECORDS/REPORTING

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

- Original Authority (New company).
- Approval of Transfer (To another certificated company).
- Approval of Assignment of existing certificate (To an uncertificated company).
- Approval for transfer of control (To another certificated company).

2. Select what 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 the resold service by enrolling unaffiliated customers.

3. Name of corporation, partnership, cooperative, joint venture or sole proprietorship: Affinity Corporation
4. Name under which the applicant will do business (fictitious name, etc.): Affinity Long Distance, Inc.
5. National address (including street name & number, post office box, city, state and zip code). Affinity Corporation
20875 Crossroads Circle, Suite 400
Waukesha, Wisconsin 53186
6. Florida address (including street name & number, post office box, city, state and zip code):
6320 St. Augustine Road, Suite 3
Jacksonville, Florida 32217
7. 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, _____ | |

8. If applicant is an individual or partnership, please give name, title and address of sole proprietor or partners. N/A

(a) Provide proof of compliance with the foreign limited partnership statute (Chapter 620.169 FS), if applicable.

(b) Indicate if the individual or any of the partners have previously been:

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

(2) 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.

9. If incorporated, please give: * Please see attached.

- (a) Proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

Corporate charter number: _____

- (b) Name and address of the company's Florida registered agent.

- (c) Provide proof of compliance with the fictitious name statute (Chapter 865.09 FS), if applicable.

Fictitious name registration number: _____

- (c) Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

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

(2) 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.

10. Who will serve as liaison with the Commission in regard to (please give name, title, address and telephone number): * Please see attached

- (a) The application;
- (b) Official Point of Contact for the ongoing operations of the company;
- (c) Tariff;

RESPONSES TO APPLICATION FORM FOR AUTHORITY TO PROVIDE
INTEREXCHANGE TELECOMMUNICATION SERVICE WITHIN THE STATE OF FLORIDA

Question 9. Please see the attached documentation from the Florida Department of State evidencing proof of Affinity Corporation's authority to operate as well as the name and address of Affinity Corporation's registered agent.

None of the ten largest stockholders of Affinity Corporation have previously been:

1. adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or are currently involved in pending proceedings; or
2. officers, directors, partners or stockholders in any other Florida certificated telephone company.



FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

May 16, 1995

CSC

Qualification documents for AFFINITY CORPORATION doing business in Florida as AFFINITY LONG DISTANCE, INC. were filed on May 16, 1995, and assigned document number F95000002402. 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 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 1-800-829-3876 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 (904) 487-8091, the Foreign Qualification/Tax Lien Section.

Freta Lott
Corporate Specialist Supervisor
Division of Corporations

Letter Number: 895A00025238

Division of Corporations - P.O. BOX 6327 -Tallahassee, Florida 32314

APPLICATION BY FOREIGN CORPORATION FOR AUTHORIZATION TO TRANSACTION BUSINESS IN FLORIDA

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

1. Affinity Corporation
(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. Nicaragua 3. 59-3006547
(State or country under the law of which it is incorporated) (FEI number, if applicable)

4. September 29, 1994 5. Perpetual
(Date of incorporation) (Duration: Year corp. will cease to exist or "perpetual")

6. September 29, 1994
(Date first transacted business in Florida. (See sections 607.1501, 607.1502, and 617.155, F.S.)

7. 6320 St. Augustine Road, Building 3
Jacksonville, Florida 32217
(Current mailing address)

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 95 MAY 12 PM 4:46
 SECRETARY OF STATE
 TALLAHASSEE, FLORIDA

8. activity as authorized for a corporate entity.
(Purpose(s) of corporation authorized in home state or country to be carried out in the state of Florida)

9. Name and street address of Florida registered agent:
The Prentice-Hall Corporation
Name: System, Inc.

Office Address: 1201 Hays Street; Suite 105

Tallahassee, Florida, 32301
(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.

The Prentice-Hall Corporation System, Inc.

By: 
(Registered agent's signature)

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 addresses of officers and/or directors:

A. DIRECTORS

Chairman: See list attached hereto and by reference
Address: incorporated herein

Vice Chairman: _____
Address: _____

Director: _____
Address: _____

Director: _____
Address: _____

B. OFFICERS

President: See list attached hereto and by reference
incorporated herein.

Address: _____

Vice President: _____
Address: _____

Secretary: _____
Address: _____

Treasurer: _____
Address: _____

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

95 MAY 11 PM 4:47

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

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

14. W. Flynt Gallagher - Secretary
(Typed or printed name and capacity of person signing application)

PROFIT CORPORATION ANNUAL REPORT 1996

 FLORIDA DEPARTMENT OF STATE
 Sandra S. Morthern
 Secretary of State
 DIVISION OF CORPORATIONS

DOCUMENT # F95000002402 (4)

1. Corporation Name

AFFINITY LONG DISTANCE, INC.


Principal Place of Business

 6320 ST. AUGUSTINE RD., #3
 JACKSONVILLE FL 32217

Mailing Address

 6320 ST. AUGUSTINE RD., #3
 JACKSONVILLE FL 32217

2. Date Incorporated or Qualified

05/18/1995

3a. Date of Last Report

2. Principal Place of Business

850875 Crossroads Circle

Suite, Apt. #, etc.

Suite 400

City & State

Waukesha, Wisconsin 53186

Zip

Country

3a. Mailing Address

6320 St. Augustine Rd

Suite, Apt. #, etc.

Building 3

City & State

Jacksonville, Fl 32217

Zip

Country

4. FEI Number

69-3008547

Applied For

 Not Applicable

5. Certificate of Status Desired

\$8.75 Additional Fee Required

6. Election Campaign Financing Trust Fund Contribution

\$5.00 May Be Added to Fees

7. This corporation has liability for intangible tax under s. 199.032, Florida Statutes

 Yes

 No

8. Name and Address of Current Registered Agent

 THE PRENTICE-HALL CORPORATION SYSTEM, INC.
 1201 HAYS STREET
 SUITE 105
 TALLAHASSEE FL 32301

10. Name and Address of New Registered Agent

81 Name

82 Street Address (P.O. Box Number is Not Acceptable)

83

84 City

FL

85 Zip Code

11. Pursuant to the provisions of Sections 607.0502 and 607.1506, Florida Statutes, the above-named corporation submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida. Such change was authorized by the corporation's board of directors. I hereby accept the appointment as registered agent. I am familiar with, and accept the obligations of, Section 607.0505, Florida Statutes.

SIGNATURE

Signature, typed or printed name of registered agent and the 4 acceptable

ADO'S Registered Agent signature required when establishing

DATE

| 12. OFFICERS AND DIRECTORS | | 13. ADDITIONS/CHANGES TO OFFICERS AND DIRECTORS IN 12 | |
|----------------------------|---|---|--|
| TITLE | FD DAKONIAU, MAURIE 28975 CROSSROADS CIR., #400 WALKERSHA WI 53188 | <input type="checkbox"/> DELETE | 1.1 TITLE STD Richard Putnam |
| NAME | | | 1.2 NAME |
| STREET ADDRESS | | | 1.3 STREET ADDRESS 6320 St. Augustine Rd., Bldg 3 |
| CITY- ST- ZIP | | | 1.4 CITY- ST- ZIP Jacksonville, Florida 32217 |
| TITLE | S SIMON, BARBARA 89875 CROSSROADS CIR., #400 WALKERSHA WI 53188 | <input checked="" type="checkbox"/> DELETE | 2.1 TITLE D Ronald Horcher |
| NAME | | | 2.2 NAME |
| STREET ADDRESS | | | 2.3 STREET ADDRESS 6320 St. Augustine Rd., Bldg 3 |
| CITY- ST- ZIP | | | 2.4 CITY- ST- ZIP Jacksonville, Florida 32217 |
| TITLE | V NEAL, G T 6320 ST. AUGUSTINE RD., #3 JACKSONVILLE FL | <input checked="" type="checkbox"/> DELETE | 3.1 TITLE |
| NAME | | | 3.2 NAME |
| STREET ADDRESS | | | 3.3 STREET ADDRESS |
| CITY- ST- ZIP | | | 3.4 CITY- ST- ZIP |
| TITLE | VD ADEBB, JOSEPH 6320 ST. AUGUSTINE RD., #3 JACKSONVILLE FL | <input type="checkbox"/> DELETE | 4.1 TITLE |
| NAME | | | 4.2 NAME |
| STREET ADDRESS | | | 4.3 STREET ADDRESS |
| CITY- ST- ZIP | | | 4.4 CITY- ST- ZIP |
| TITLE | STD GALLAGHER, W F 6320 ST. AUGUSTINE RD., #3 JACKSONVILLE FL | <input checked="" type="checkbox"/> DELETE | 5.1 TITLE |
| NAME | | | 5.2 NAME |
| STREET ADDRESS | | | 5.3 STREET ADDRESS |
| CITY- ST- ZIP | | | 5.4 CITY- ST- ZIP |
| TITLE | CFO NELLUMS, WAYNE N 6320 ST. AUGUSTINE RD., #3 JACKSONVILLE FL | <input checked="" type="checkbox"/> DELETE | 6.1 TITLE |
| NAME | | | 6.2 NAME |
| STREET ADDRESS | | | 6.3 STREET ADDRESS |
| CITY- ST- ZIP | | | 6.4 CITY- ST- ZIP |

14. I do hereby certify that the information supplied with this filing is voluntarily furnished and does not qualify for the exemption stated in Section 116.07(2)(b), Florida Statutes. I further certify that the information indicated on this annual report or supplemental annual report is true and accurate and that my signature shall have the same legal effect as if made under oath; that I am an officer or director of the corporation or the receiver or trustee empowered to execute this report as required by Chapter 607, Florida Statutes; and that my name appears in Block 12 or Block 13 if changed, upon an attachment with an address.

SIGNATURE:

SIGNATURE AND TYPED OR PRINTED NAME OF SIGNING OFFICER OR DIRECTOR

5/01/96 (904) 751-7638

**CORPORATE RESOLUTION
AFFINITY CORPORATION**

W. Flynt Gallagher, Secretary of Affinity Corporation, a corporation duly organized under the laws of the State of Wisconsin, does hereby certify that the following is a true and correct copy of a resolution of the Board of Directors of said corporation, adopted at a special meeting held on the 17th day of April, 1995.

"RESOLVED, that, inasmuch as this corporation desires to transact business in the State of Florida, and inasmuch as the Board of Directors has been advised that the name of this corporation is not available for corporate use in the State of Florida, this corporation adopt the alternate name of Affinity Long Distance for use in transacting business in the State of Florida pursuant to Section 607.1506, Florida Business Corporation Act, and

"FURTHER RESOLVED, that the officers of the corporation be and hereby are authorized and directed to cause any and all required documents to be prepared, executed, and filed so that this corporation may obtain a Certificate of Authority pursuant to the Florida Business Corporation Act, and to cause this corporation to use the said fictitious name in the transaction of business in the State of Florida."


W. Flynt Gallagher, Secretary

FILED
95 MAY 11 PM 4:47
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Question 10.

- a. Carl W. Hibbert
Attorney, Affinity Corporation

Physical Address:
4700 New Bern Avenue
Raleigh, N.C. 27610
(919) 250-2000

Mailing Address:
Post Office Box 26268
Raleigh, N.C. 27611-6268
(919) 250-2000

- b. Maurie Daigneau
President, Affinity Corporation
20875 Crossroads Circle, Suite 400
Waukesha, Wisconsin 53186
(414) 798-3885

- c. Carl W. Hibbert
Attorney, Affinity Corporation

Physical Address:
4700 New Bern Avenue
Raleigh, N.C. 27610
(919) 250-2000

Mailing Address:
Post Office Box 26268
Raleigh, N.C. 27611-6268
(919) 250-2000

- d. Ann Shah
Manager, General Services
Affinity Corporation
20875 Crossroads Circle, Suite 400
Waukesha, Wisconsin 53186
(800) 964-3863

(d) Complaints/Inquiries from customers;

11. List the states in which the applicant: * Please see attached

- (a) Has operated as an interexchange carrier.
- (b) Has applications pending to be certificated as an interexchange carrier.
- (c) Is certificated to operate as an interexchange carrier.
- (d) Has been denied authority to operate as an interexchange carrier and the circumstances involved.
- (e) Has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.
- (f) Has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

12. What services will the applicant offer to other certificated telephone companies:

- () Facilities. () Operators.
- () Billing and Collection. () Sales.
- () Maintenance.
- () Other: None

13. Do you have a marketing program? Yes

Question 11.

- a. Affinity Corporation has operated as an interexchange carrier in all 48 continental United States of America, plus the state of Hawaii.
- b. Alabama, Arizona, Washington State, Pennsylvania, Tennessee, Arkansas, Hawaii, Illinois, Kansas, Louisiana, Maine, Mississippi, Florida, Missouri, Nevada, Ohio, Oregon, South Carolina, Vermont, West Virginia and Wyoming.
- c. California, Connecticut, Delaware, Georgia, Kentucky, North Dakota, Minnesota, Montana, Massachusetts, Nebraska, New York, Oklahoma, Virginia, Utah, Texas, Rhode Island, Iowa, New Hampshire, New Mexico, Michigan, New Jersey, Colorado, Idaho, District of Columbia, South Dakota, Wisconsin, Maryland, North Carolina and Indiana.
- d. No state has ever denied Affinity Corporation authority to operate as an interexchange carrier .
- e. With the exception of North Carolina, no state has imposed regulatory penalties for violations of telecommunications statutes. The North Carolina situation involved a situation where Affinity began operating prior to official certification. After becoming certified on or about June of 1992, Affinity was required to pay back (i.e. Affinity's "penalty") all the intrastate revenues (approximately \$35,000.00) to the North Carolina state customers. Following compliance by Affinity of refunding or disgourging all intrastate revenues received while un-certified, Affinity was licensed and there were no further fines or penalties. Please see the attached order which was complied with to the satisfaction of North Carolina Utilities Commission.
- F. Affinity Corporation has not been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity.

14. Will your marketing program:

- * Pay commissions?
- Offer sales franchises?
- Offer multi-level sales incentives?
- Offer other sales incentives?

* Please see attached explanation

15. Explain any of the offers checked in question 14 (To whom, what amount, type of franchise, etc.).

* Please see attached

16. Who will receive the bills for your service (Check all that apply)?

- Residential customers. Business customers.
- PATS providers. PATS station end-users.
- Hotels & motels. Hotel & motel guests.
- Universities. Univ. dormitory residents.
- Other: (specify) _____.

17. Please provide the following (if applicable):

- (a) Will the name of your company appear on the bill for your services, and if not who will the billed party contact to ask questions about the bill (provide name and phone number) and how is this information provided?
YES

- (b) Name and address of the firm who will bill for your service.

Effective July 1, 1996, Affinity Corporation will bill its own services.

18. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide interexchange telecommunications service in Florida.

Question 14.

Affinity Corporations' program pays residual commissions to independent marketing representatives and royalties to participating organizations. Affinity Corporation does not offer franchises, does not sell with multi-level incentives, nor does Affinity Corporation utilize any other method.

question 15.

The independent marketing representatives of Affinity Corporation are paid a residual commission of 3% to 5% (volume sensitive) based on net, collected long distance usage. Affinity Corporation's participating organizations receive a 5% royalty on net, collected usage.

A. Financial capability. Please see attached

Regarding the showing of financial capability, the following applies:

The application should contain the applicant's financial statements, including:

1. the balance sheet
2. income statement
3. statement of retained earnings for the most recent 3 years.

If available, the financial statements should be audited financial statements.

If the applicant does not have audited financial statements, it shall be so stated. The unaudited financial statements should then be signed by the applicant's chief executive officer and chief financial officer. The signatures should affirm that the financial statements are true and correct.

B. Managerial capability. Please see attached

C. Technical capability. Please see attached

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

Please see attached

**AFFINITY CORPORATION
BALANCE SHEET
AS OF DECEMBER 31, 1995**

ASSETS

Current Assets

| | | |
|-----------------------------|---------------------|----------------------------|
| Cash | | \$ 99,977.18 |
| Accounts Receivable | 4,122,742.50 | |
| Allowance for Bad Debts | <u>(150,766.05)</u> | |
| Accounts Receivable - Net | | 3,971,976.55 |
| Accounts Receivable - Other | | 8,054.61 |
| Notes Receivable | | 6,000.00 |
| Prepaid Expenses | | <u>30,947.69</u> |
| Total Current Assets | | <u><u>4,115,956.03</u></u> |

Property & Equipment

| | | |
|--------------------------|---------------------|-------------------|
| Leasehold Improvements | 134,481.61 | |
| Equipment | 198,898.00 | |
| Furniture & Fixtures | 208,973.36 | |
| Computer Equipment | 532,262.28 | |
| Other Fixed Assets | <u>104,669.31</u> | |
| | 1,179,284.56 | |
| Accumulated Depreciation | <u>(503,003.00)</u> | |
| Net Property & Equipment | | <u>676,281.56</u> |

Other Assets

| | | |
|---------------------|--|-------------------------------|
| Deposits | | 45,469.15 |
| Loan Closing Costs | | 77,153.65 |
| Organization Costs | | 47,529.48 |
| Other Assets | | <u>-</u> |
| Total Assets | | <u><u>\$ 4,962,389.87</u></u> |

**AFFINITY CORPORATION
BALANCE SHEET
AS OF DECEMBER 31, 1995**

LIABILITIES & EQUITY

Current Liabilities

| | |
|------------------------------|------------------|
| Accounts Payable | \$ 5,954,639.51 |
| State/Federal Tax Payable | 668,090.18 |
| Payroll Tax Payable | 1,206.22 |
| Notes Payable - Current | 2,133,392.92 |
| Notes Payable - Stockholders | (197,504.17) |
| Other Current Liabilities | <u>69,142.90</u> |

Total Current Liabilities 8,628,967.56

Non Current Liabilities

| | |
|-------------------|-------------------|
| Notes Payable | 3,000,000.00 |
| Royalty Interests | <u>582,000.00</u> |

Total Liabilities 12,210,967.56

Stockholder's Equity

| | |
|--------------------------|-----------------------|
| Common Stock | 189.00 |
| Capital in Excess of Par | 131,811.00 |
| Retained Earnings | (4,978,149.94) |
| Net Profit / (Loss) | <u>(2,402,427.75)</u> |

Total Stockholder's Equity (7,248,577.69)

Total Liabilities & Equity \$ 4,962,389.87

AFFINITY CORPORATION
PROFIT & LOSS STATEMENT
AS OF DECEMBER 31, 1995

| | <u>YTD</u> | <u>%</u> |
|-------------------------------|---------------------------------|-----------------------|
| Sales | 21,265,202.35 | 105.61 |
| Discounts | <u>1,129,518.18</u> | <u>-5.61</u> |
| Net Sales | 20,135,684.17 | 100.00 |
| Cost of Sales | <u>14,098,109.89</u> | <u>-70.02</u> |
| Gross Profit | 6,037,574.28 | 29.98 |
| Operating Expenses | | |
| Amortization | 44,772.00 | 0.22 |
| Advertising & Promotion | 58,694.58 | 0.29 |
| Bad Debt Expense | 301,904.75 | 1.50 |
| Bank Fees | 102,833.00 | 0.51 |
| Billing Expense | 848,175.31 | 4.21 |
| Collection Expense | 33,883.19 | 0.17 |
| Commission Expense | 1,479,876.09 | 7.35 |
| Customer Refunds | 58,438.31 | 0.29 |
| Depreciation | 222,315.00 | 1.10 |
| Equipment Rental | 66,586.28 | 0.33 |
| Insurance | 90,826.47 | 0.45 |
| Interest Expense | 401,533.69 | 1.99 |
| Licenses & Fees | 51,633.06 | 0.26 |
| Outside Services | 71,330.61 | 0.35 |
| Postage & Delivery | 269,578.60 | 1.34 |
| Professional Services | 297,069.86 | 1.48 |
| Printing & Reproduction | 382,016.98 | 1.90 |
| Rent | 129,918.30 | 0.65 |
| Repairs & maintenance | 39,864.61 | 0.20 |
| Royalties | 621,406.77 | 3.09 |
| Salaries & Wages | 1,607,021.94 | 7.98 |
| Supplies | 115,983.23 | 0.58 |
| Switch Fees | 48,955.56 | 0.24 |
| Taxes | 151,449.02 | 0.75 |
| Telemarketing | 365,263.36 | 1.81 |
| Temporary Labor | 176,779.02 | 0.88 |
| Travel & Entertainment | 123,491.51 | 0.61 |
| Utilities | 275,506.31 | 1.37 |
| Other Operating Expenses | <u>43,335.31</u> | <u>0.22</u> |
| Total Operating Expenses | 8,480,442.70 | 42.12 |
| Net Operating Income (Loss) | (2,442,868.42) | (12.13) |
| Other Income (Expense) | | |
| Other Income | 51,072.05 | 0.25 |
| Other Expenses | (6,631.38) | (0.03) |
| Contract Buyout | <u>(4,000.00)</u> | <u>(0.02)</u> |
| Total Other Income (Exp) | 40,440.67 | 0.20 |
| Net Income (Loss) | <u>\$ (2,402,427.75)</u> | <u>(11.93)</u> |

AFFINITY CORPORATION

FINANCIAL STATEMENTS

Years Ended December 31, 1995 and 1994

(With Report of Independent Auditors)

BUTTNER
HAMMOCK
RANES
& Company, P.A.

AFFINITY CORPORATION

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Report of Independent Auditors

Board of Directors
Affinity Corporation
Jacksonville, Florida

We have audited the accompanying balance sheets of Affinity Corporation as of December 31, 1995 and 1994, and the related statements of loss, retained deficit 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 generally accepted auditing standards. 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 Affinity Corporation at December 31, 1995 and 1994, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

As discussed in Note 8 to the financial statements, the Company's recurring losses from operations and the amount of the stockholders' deficit raise substantial doubt about its ability to continue as a going concern. Management's plans concerning these matters are described in Note 8. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Buttner Hammock Ranes & Co., P.A.

April 26, 1996

AFFINITY CORPORATION

Balance Sheets

| | December 31 | |
|---|-------------------------|-------------------------|
| | 1995 | 1994 |
| Assets | | |
| <i>Current assets:</i> | | |
| Cash | \$ 99,977 | \$ 90,200 |
| Accounts receivable (net of allowance for doubtful accounts of \$151,000 in 1995 and \$370,000 in 1994) | 3,985,031 | 3,423,010 |
| Prepaid expenses | 30,948 | 173,637 |
| Other receivables | 100,000 | - |
| <i>Total current assets</i> | 4,215,956 | 3,686,847 |
| <i>Property and equipment:</i> | | |
| Leasehold improvements | 134,482 | 103,433 |
| Computer equipment | 636,931 | 349,546 |
| Furniture and equipment | 407,871 | 329,929 |
| | 1,179,284 | 782,908 |
| Less: accumulated depreciation | (563,003) | (280,688) |
| <i>Net property and equipment</i> | 676,281 | 502,220 |
| <i>Other assets:</i> | | |
| Loan costs, net | 92,714 | 93,026 |
| Capitalized costs, net | 23,761 | 47,524 |
| Deposits | 9,469 | 9,469 |
| Other receivables | 10,487 | - |
| <i>Total other assets</i> | 136,431 | 150,019 |
| Total assets | \$ 5,028,668 | \$ 4,339,086 |

See accompanying notes to financial statements.

AFFINITY CORPORATION

Balance Sheets

| | December 31 | |
|---|-------------------------|-------------------------|
| | 1995 | 1994 |
| Liabilities | | |
| <i>Current liabilities:</i> | | |
| Accounts payable - trade | \$ 5,276,275 | \$ 4,704,350 |
| Notes payable (Note 2) | 3,000,000 | - |
| Trade notes payable (Note 2) | 1,594,653 | - |
| Sales and excise taxes payable | 668,090 | 838,152 |
| Commissions and royalties payable (Note 7) | 678,364 | 517,600 |
| Accrued expenses and other liabilities | 51,904 | 53,588 |
| Notes payable to stockholders (Note 2) | - | 453,546 |
| Total current liabilities | 11,269,286 | 6,567,236 |
| <i>Long-term debt:</i> | | |
| Notes payable (Note 2) | 538,740 | 2,000,000 |
| Royalty interests (Note 7) | 582,000 | 618,000 |
| Total long-term debt | 1,120,740 | 2,618,000 |
| Commitments and contingencies: (Notes 5 & 6) | | |
| <i>Stockholders' deficit:</i> | | |
| Common stock, \$.01 par value; 30,000 shares authorized, 18,900 shares issued and outstanding in 1995 and 1994 (Note 3) | 189 | 189 |
| Capital in excess of par value (Note 3) | 131,811 | 131,811 |
| Retained deficit | (7,493,358) | (4,978,150) |
| Total stockholders' deficit | (7,361,358) | (4,846,150) |
| Total liabilities and stockholders' deficit | \$ 5,028,668 | \$ 4,339,086 |

See accompanying notes to financial statements.

AFFINITY CORPORATION

Statements of Loss and Retained Deficit

| | December 31 | |
|---|------------------------------|------------------------------|
| | <u>1995</u> | <u>1994</u> |
| <i>Sales</i> | \$ 20,135,684 | \$ 18,189,143 |
| Cost of sales | 14,098,110 | 12,306,158 |
| Gross profit | <u>6,037,574</u> | <u>5,882,985</u> |
| <i>Selling, general and administrative expenses</i> | 8,200,327 | 6,453,345 |
| Operating loss | <u>(2,162,753)</u> | <u>(570,360)</u> |
| <i>Other income (expenses)</i> | | |
| Interest income | 25,269 | 9,576 |
| Interest expense | (401,534) | (362,243) |
| Other income | 23,810 | 71,867 |
| <i>Total other expenses</i> | <u>(352,455)</u> | <u>(280,800)</u> |
| <i>Net loss</i> | (2,515,208) | (851,160) |
| <i>Retained deficit at beginning of year</i> | <u>(4,978,150)</u> | <u>(4,126,990)</u> |
| <i>Retained deficit at end of year</i> | <u>\$ (7,493,358)</u> | <u>\$ (4,978,150)</u> |

See accompanying notes to financial statements.

AFFINITY CORPORATION

Statements of Cash Flows

| | December 31 | |
|---|----------------|--------------|
| | 1995 | 1994 |
| <i>Cash flows from operating activities:</i> | | |
| Net loss | \$ (2,515,208) | \$ (851,160) |
| Adjustments to reconcile net loss to net cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 275,296 | 204,853 |
| Increase in accounts receivable | (451,448) | (348,752) |
| Increase in accounts payable and accrued expenses | 731,009 | 1,750,798 |
| Increase in notes receivable | (221,060) | - |
| Decrease in royalty interests | (36,000) | (60,000) |
| Other prepaids, deferrals and accruals, net | (56,283) | 93,577 |
| <i>Net cash (used in) provided by operating activities</i> | (2,273,694) | 789,316 |
| <i>Cash flows used in investing activities:</i> | | |
| Purchase of property and equipment | (396,376) | (222,710) |
| <i>Cash flows from financing activities:</i> | | |
| Proceeds from line of credit | 900,000 | 3,500,000 |
| Additional borrowings | 3,401,483 | - |
| Principal payments on notes & line of credit | (1,168,090) | (3,828,645) |
| Issuance of common stock | - | 20,000 |
| Net decrease in stockholder loans | (453,546) | (74,067) |
| <i>Net cash provided (used in) by financing activities</i> | 2,679,847 | (382,712) |
| <i>Net increase in cash</i> | 9,777 | 183,894 |
| <i>Cash (overdraft) at beginning of year</i> | 90,200 | (93,694) |
| <i>Net cash at end of year</i> | \$ 99,977 | \$ 90,200 |

See accompanying notes to financial statements.

AFFINITY CORPORATION

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Nature of Business

Affinity Corporation is a privately held corporation formed in 1991 as Affinity Fund, Inc. to provide long distance telephone services on a nationwide basis to residential customers and small businesses. On October 1, 1994, Affinity Fund, Inc. was merged into Affinity Corporation ("the Company"), a newly created Wisconsin corporation. The Company purchases long distance telephone services in volume and resells these services throughout the United States.

Accounts Receivable

Concentrations of credit risk with respect to customer receivables are limited due to the large number of customers comprising the Company's base and their dispersion across many different geographical areas of the country.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed using accelerated methods applied to individual property items based on estimated useful lives ranging from five to forty years. Depreciation expense was \$222,315 in 1995 and \$160,083 in 1994.

Amortization of Capitalized Costs and Loan Costs

Capitalized costs include those costs necessary to begin operations in the various states and the cost of obtaining a long distance telephone agreement. These costs are being amortized on a straight-line method over a period of two to five years.

Loan costs are being amortized on a straight-line method over 5 years, the life of the loans.

Reclassifications

Certain amounts from the prior period have been reclassified to conform with the current financial statement presentation.

AFFINITY CORPORATION

Notes to Financial Statements

2. Notes Payable

The Company has the following notes outstanding at December 31:

| | 1995 | 1994 |
|---|------------|--------------|
| Notes payable to stockholders consisting of seven unsecured notes; payable on demand; interest rates ranging from 12.5% to 15%. | \$ - | \$ 453,546 |
| Unsecured note payable to MCI Telecommunications, principal and interest at 5% payable in monthly installments of \$138,758.96 with a final payment of \$128,019.89 due April 1997. | 2,133,393 | - |
| Note payable to Sirrom Capital, L.P., secured by the Company's accounts receivable and substantially all other assets; interest at 12.5% payable monthly; principal due July 1998. | 1,500,000 | 1,500,000 |
| Note payable to Sirrom Capital, L.P., secured by the Company's accounts receivable and substantially all other assets; interest at 12.5% payable monthly; principal due October 1998. | 500,000 | 500,000 |
| Note payable to Sirrom Capital, L.P., secured by the Company's accounts receivable and substantially all other assets; interest at 12.5% payable monthly; principal due March 2000. | 1,000,000 | - |
| | 5,133,393 | 2,453,546 |
| Less current portion | 4,594,653 | 453,546 |
| | \$ 538,740 | \$ 2,000,000 |

Aggregate maturities of long-term borrowings over the next five years are as follows:

| | |
|------|----------------------------|
| 1996 | \$ 4,594,653 |
| 1997 | <u>538,740</u> |
| | <u><u>\$ 5,133,393</u></u> |

AFFINITY CORPORATION

Notes to Financial Statements

2. Notes Payable (continued)

In connection with the \$1,500,000 loan from Sirrom Capital, L.P., the Company issued stock purchase warrants giving them the right to purchase 5% of the Company's common stock plus 316 shares for each year the note is outstanding past June 30, 1996, at an exercise price equal to \$0.01 per share.

The \$500,000 loan from Sirrom Capital also contains a stock purchase warrant granting the holder the right to purchase 1.67% of the Company's common stock plus 126 shares for each year the note is outstanding past October 31, 1996, at an exercise price equal to \$0.01 per share. The Sirrom Capital, L.P., notes grant the lender the right to resell the stock purchase warrants back to the Company 30 days prior to the expiration date of the warrants. These warrants expire on July 1, 1998 and November 1, 1998. The repurchase price is equal to the fair market value of the stock issuable under the warrants.

The \$1,000,000 loan from Sirrom Capital also contains a stock purchase warrant granting Sirrom the right to purchase 3% of the fully diluted outstanding common stock at \$0.01 per share. Beginning in year three, additional shares will accrue at the rate of 1% per year until maturity.

In 1995, the Company repurchased \$36,000 of investor royalty contracts without obtaining prior approval from Sirrom. These payments were in violation of the Sirrom note agreement.

At December 31, 1995, Affinity was in technical default of several of the Sirrom loan covenants. On April 12, 1996, Sirrom Capital provided Affinity with a notice of default stating that if the defaults were not cured within 30 days of the date of the notice, that Sirrom would proceed with rights and remedies available under the Loan Agreement and applicable law. Management is attempting to correct the defaults before the end of the 30 day period or to obtain a waiver of the defaults from Sirrom. As a result of the default, the Sirrom loans have been classified as current at December 31, 1995.

Interest paid on notes payable during 1995 and 1994 was \$389,570 and \$355,656, respectively.

3. Common Stock

In conjunction with the Company's name change, all shares of Affinity Fund, Inc. were canceled. The articles of incorporation of Affinity Corporation authorized 30,000 shares of common stock with a par value of \$.01 per share. 18,900 of these shares were issued.

AFFINITY CORPORATION

Notes to Financial Statements

3. Common Stock (continued)

Prior to the merger, Affinity Fund issued 629 shares of stock in exchange for a line of credit with John Wright and an additional 271 shares to maintain certain ownership percentages under the stock agreement. These transactions resulted in an increase to common stock and additional paid in capital of \$9.00 and \$19,991 in 1994, respectively.

4. Leases

The Company leases office space in Waukesha, Wisconsin and Jacksonville, Florida under rental agreements expiring at various times through 1998. The Wisconsin leases require monthly rental payments of \$5,965. The Florida lease calls for graduated monthly payments beginning at \$4,920 with annual increases to \$6,375 in 1996.

The Company leases certain equipment under agreements requiring aggregate monthly payments of \$5,834, which expire at various times through 1999.

The following is a schedule, by year, of future minimum rental payments required under operating leases that have initial or remaining noncancellable lease terms in excess of one year as of December 31, 1995.

Years ending December 31:

| | |
|---------------------------------|-------------------|
| 1996 | \$ 205,551 |
| 1997 | 201,674 |
| 1998 | 94,280 |
| 1999 | 86,149 |
| 2000 and thereafter | <u>85,730</u> |
| Total minimum payments required | <u>\$ 673,384</u> |

Rental expense for the years ended December 31, 1995 and 1994 was \$196,505 and \$152,924, respectively.

5. Commitments and Contingencies

The Company has entered into an agreement with MCI Telecommunication Corporation ("MCI") to purchase certain minimum amounts of long distance service.

AFFINITY CORPORATION

Notes to Financial Statements

5. Commitments and Contingencies *(continued)*

The agreement with MCI was signed in September of 1993 and amended effective December 6, 1993. Effective October 1, 1994, the Company entered into a new agreement with MCI for an initial service term of five years. The new agreement requires minimum annual billings as follows:

| | <u>Annual Minimum</u> |
|---------------------------------|---------------------------|
| Period ended September 30, 1996 | \$ 18,000,000 |
| Period ended September 30, 1997 | \$ 22,100,000 |
| Period ended September 30, 1998 | \$ 26,800,000 |
| Period ended September 30, 1999 | \$ 31,900,000 |

As part of the annual minimum, the agreement requires certain minimums to be met among the types of services offered. In addition, the Company has agreed to use MCI for at least 97.5% of its long distance needs.

The Company is subject to litigation incidental to its business. The Company believes that the results of litigation and other pending legal proceedings will not have a materially adverse effect on the Company's financial condition.

6. Royalty Interests

The Company has entered into agreements with various individuals providing the individuals a commission (royalty) on certain long-distance telephone charges. In order to receive such royalties, the individuals were required to pay a one-time fee to the Company. The Company received \$72,000 from royalties sold in 1993. No contracts were sold in 1994 or 1995.

The Company can repurchase these royalty interests and participating individuals have the right to require the Company to repurchase their royalty interest for a predetermined price should certain contract criteria not be met by the Company. Should the Company fail to make such repurchase, the participating individuals are entitled to convert their royalty interest into an equity interest in the Company. During 1995 and 1994, the Company repurchased several royalty interests at a cost of \$36,000 and \$63,000, respectively.

The Company pays a royalty interest on the contracts based on monthly usage. Royalty interest for 1995 and 1994 was \$90,637 and \$89,687, respectively.

AFFINITY CORPORATION

Notes to Financial Statements

7. Provision for Income Taxes

No provision for income taxes is made herein as a result of an election to have corporate income taxed directly to the stockholders.

8. Going Concern

As shown in the accompanying financial statements, the Company has incurred a loss from operations and has experienced cash flow difficulties. The Company incurred a net loss of \$2,515,208 for 1995 and, at December 31, 1995, had current liabilities in excess of current assets equal to \$7,263,903. These factors raise doubt about the Company's ability to continue as a going concern.

To address this issue management has entered into negotiations with MCI to convert additional amounts of Affinity's accounts payable to MCI into long-term notes, secured with stock of the corporation. Management is also negotiating with a bank to refinance the Sirrom Capital notes.

9. Related Party Transactions

On February 28, 1994, the Company signed an agreement for a \$500,000 revolving line of credit with John Wright. The agreement called for monthly payments of interest at 12.5%, with principal due in one installment not more than 6 months from the date of the loan. As additional consideration for the loan, the Company issued 306 shares of common stock to Mr. Wright. On October 11, 1994, the amounts due under this agreement were paid by the Company. Effective September 30, 1994, the Company issued a promissory note to Mr. Wright in the amount of \$500,000. Interest is payable monthly at a rate equal to 6% above the prime rate announced by Busey Bank Urbana, Urbana, Illinois. Principal of the note is payable on demand. The balance on the note at December 31, 1995 was \$0.

OFFICER EXPERIENCE

MAURIE E. DAIGNEAU - PRESIDENT AND CHIEF EXECUTIVE OFFICER

Mr. Daigneau is a principal shareholder and one of three founders of Affinity. Since founding Affinity in 1990, he has been responsible for guiding the Company during its period of rapid growth. He has directed the development of all marketing programs, established and maintained all vendor relationships (principally MCI), and engineered the infrastructure development necessary to support and maintain the Company's continued growth.

He is a 1972 graduate of Northwestern University where he quarterbacked the football team to consecutive 2nd place finishes in 1970 and 1971. He was selected All Big Ten in 1971 and won Northwestern's Big Ten Medal of Honor for outstanding academic and athletic achievement. After two unsuccessful NFL tryouts, Mr. Daigneau was able to play one year (1974) with the Chicago Fire of the World Football League.

In 1975, Mr. Daigneau started a specialty retail athletic footwear business which grew to an eleven (11) store operation. In 1981, three stores were closed and eight stores were sold in a partial company liquidation. Mr. Daigneau continued in the business as a wholesaler of athletic footwear until the Fall of 1988, at which time he sold the remaining operations. His entrepreneurial instincts eventually led him into telecommunications and the founding of Affinity. He is married and the father of 5 children.

GEORGE T. NEAL - CHIEF OPERATING OFFICER

Mr. Neal is presently responsible for Marketing, Sales, Customer Service and all other operating activities. He joined Affinity in January, 1993 with responsibility for the Credit and Collections area and subsequently increased his responsibilities to include the Customer Service, Sales and Marketing functions. Prior to joining Affinity he was with Sears, Roebuck and Company in Credit Management.

From 1974 through his retirement from Sears, Mr. Neal was Operations Manager for Sears Credit Central in Jacksonville which maintained full responsibility for over \$300,000,000 in receivables for 46 retail selling units. In addition to his responsibilities for the Jacksonville operations, Mr. Neal participated in many national projects for Sears including development of Sears Training Manual and National Central Staffing Policies.

Mr. Neal holds a Bachelors Degree in Business Administration from the University of Georgia.

Wayne Johns background includes 17 years experience as a Sr. Financial officer for two of the largest banks in Florida. During his tenure in the banking industry he was involved in the acquisition of other banks, a member of the Funds Management Group, and participated in various financial modeling projects.

**AFFINITY CORPORATION
LIST OF OFFICERS AND DIRECTORS**

President/Director

**Maurie Daigneau
20875 Crossroads Cr., Suite 400
Waukesha, WI 53186**

Chief Operating Officer

**G. Thomas Neal
6320 St. Augustine Rd., Bldg. 3
Jacksonville, FL 32217**

Vice President/Director

**Joseph Adeeb
6320 St. Augustine Rd., Bldg. 3
Jacksonville, FL 32217**

Secretary

**Richard Putnam
6320 St. Augustine Rd., Bldg. 3
Jacksonville, FL 32217**

Chief Financial Officer

**F. Wayne Johns
6320 St. Augustine Rd., Bldg. 3
Jacksonville, FL 32217**

Director

**Ronald Horcher
6320 St. Augustine Rd., Bldg. 3
Jacksonville, FL 32217**

Assistant Secretary

**Barbara Simon
20875 Crossroads Cr., Suite 400
Waukesha, WI 53186**

18C. Technical Capability. Affinity Corporation has the technical capability to provide the services offered based upon its experience and the fact that it leases lines from a major United States underlying interexchange carrier (at present - NCI).

AFFINITY CORPORATION
TELEPHONE TARIFF
FILED WITH COMMISSION

ORIGINAL SHEET 1

AFFINITY CORPORATION
TELEPHONE TARIFF
FILED WITH
FLORIDA PUBLIC SERVICE COMMISSION

This tariff contains the descriptions, regulations and rates applicable to the furnishing of service and facilities for telecommunications services provided by Affinity Corporation, with principal offices at 20875 Crossroad Circle, Suite 400, Waukesha, Wisconsin, 53186. This tariff applies for interLATA services furnished within the State of Florida. This tariff is on file with the Florida Public Service Commission and copies may be inspected, during normal business hours, at the Company's places of business.

Issued: July 11, 1996

Effective:

By:

Maurie Daigneau, President
Affinity Corporation
20875 Crossroad Circle, Suite 400
Waukesha, Wisconsin 53186

CHECK SHEET

Sheets 1 through 23 inclusive of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

| <u>SHEET</u> | <u>REVISION</u> |
|--------------|-----------------|
| * 1 | Original |
| * 1.1 | Original |
| * 2 | Original |
| * 3 | Original |
| * 4 | Original |
| * 5 | Original |
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| *12 | Original |
| *13 | Original |
| *14 | Original |
| *15 | Original |
| *16 | Original |
| *17 | Original |
| *18 | Original |
| *19 | Original |
| *20 | Original |
| *21 | Original |
| *22 | Original |
| *23 | Original |

* These sheets are included in this filing.

Issued: July 11, 1996

Effective:

By:

Maurie Daigneau, President
Affinity Corporation
20875 Crossroad Circle, Suite 400
Waukesha, Wisconsin 53186

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Issued: July 11, 1996

Effective:

By:

Maurie Daigneau, President
Affinity Corporation
20875 Crossroad Circle, Suite 400
Waukesha, Wisconsin 53186

SYMBOLS

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

- D - Delete or Discontinue
- I - Change Resulting In An Increase
- M - Moved From Another Tariff Location
- N - New Rate or Regulation
- R - Change Resulting In A Reduction
- T - Change In Text or Regulation
But No Change In Rate or Charge

Issued: July 11, 1996

Effective:

By:

Maurie Daigneau, President
Affinity Corporation
20875 Crossroad Circle, Suite 400
Waukesha, Wisconsin 53186

TARIFF FORMAT

- A. Sheet Numbering - Sheet numbers appear in the upper right corner. 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 14 and 15 would be 14.1.
- B. Sheet Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the Florida Public Service Commission. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Consult the Check Sheet for the sheet currently in effect.
- C. Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2.
 - 2.1.
 - 2.1.1.
 - 2.1.1.A.
 - 2.1.1.A.1.
 - 2.1.1.A.1.(a).
 - 2.1.1.A.1.(a).I.
 - 2.1.1.A.1.(a).I.(i).
 - 2.1.1.A.1.(a).I.(i).(1).

Issued: July 11, 1996

Effective:

By:

Maurie Daigneau, President
Affinity Corporation
20875 Crossroad Circle, Suite 400
Waukesha, Wisconsin 53186

TARIFF FORMAT (cont'd)

- D. Check Sheets - When a tariff filing is made with the Florida Public Service Commission, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the Florida Public Service Commission.

Issued: July 11, 1996

Effective:

By:

Maurie Daigneau, President
Affinity Corporation
20875 Crossroad Circle, Suite 400
Waukesha, Wisconsin 53186

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement which connects the Customer's location to a line that has been prescribed by Affinity Corporation users.

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

Business/Residential - Business is defined as a customer's place of work. Residential is defined as a dwelling or customer's customary residence. A church is defined as a business.

Company or Carrier - Affinity Corporation

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

Day - From 8:00 a.m. up to but not including 5:00 p.m. local time Monday through Friday.

Evening - From 5:00 p.m. up to but not including 11:00 p.m. local time Monday through Friday.

Holidays - Affinity Corporation recognized holidays are New Year's Day, Martin Luther King, Jr. Day, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day and Christmas Day. Note that where a holiday is federally observed on a date that differs from the calendar date, the federally observed date of the holiday will be followed and not the calendar date.

Night/Weekend - Night: From 11:00 p.m. up to but not including 8:00 a.m. Monday through Thursday. Weekend: From 11:00 p.m. Friday through the weekend hours up to but not including 8:00 a.m. Monday.

Issued: July 11, 1996

Effective:

By:

Maurie Daigneau, President
Affinity Corporation
20875 Crossroad Circle, Suite 400
Waukesha, Wisconsin 53186

SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of Affinity Corporation

Affinity Corporation's services and facilities are furnished for communications originating at specified points within the State of Florida under terms of this Tariff.

Affinity Corporation acts as the customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the customer, to allow connection of a customer's location to the Affinity Corporation network.

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

2.2 Customer Complaint Resolutions

Customer complaints are received by a full service Customer service department. Customers may call 1-800-964-3863 twenty-four (24) hours a day, seven (7) days a week, or submit a written complaint to:

Affinity Corporation
Customer Service Department
20875 Crossroad Circle, Suite 400
Waukesha, Wisconsin 53186

If the Customer is unable to obtain a satisfactory resolution to its complaint, the Customer may exercise its option of writing the Florida Public Service Commission in care of the Customer Complaint Section at the following address: Florida Public Service Commission, 2540 Shumard Oak Blvd, Tallahassee, Florida, 32399.

Issued: July 11, 1996

Effective:

By:

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SECTION 2 - RULES AND REGULATIONS (cont'd)

2.3 Limitations

2.3.1 Service is offered subject the availability of facilities and the provisions of this tariff.

2.3.2 Affinity Corporation reserves the right to discontinue furnishing service, or limit the use of service necessitated by conditions beyond its control; or when the customer is using service in violation of the law or the provisions of this Tariff.

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SECTION 2 - RULES AND REGULATIONS (cont'd)

2.4 Liabilities of The Company

2.4.1 Affinity Corporation's liability for damages arising out of mistakes, interruptions, omission, delays, errors or defects in the transmission occurring in the course of furnishing service or facilities, and not caused by the negligence of its employees or its agents, in no event shall exceed an amount equivalent to the proportionate charge to the customer for the period during which the aforementioned faults in transmission occur.

2.4.2 Affinity Corporation shall be indemnified and held harmless by the Customer against:

(A) Claims for libel, slander, or infringement of copyright arising out of the material, data, information or other content transmitted over the Company's facilities.

(B) All other claims arising out of any act or omission of the customer in connection with any service provided by Affinity Corporation.

2.5 Interruption of Service

2.5.1 Credit Allowance for the interruption of service which is not due to the Company's testing or adjusting, negligence of the Customer, or to the failure of channels or equipment provided by the Customer, are subject to the general liability provisions set forth in 2.4.1 herein. It shall be the obligation of the Customer to notify the Company immediately of any interruption in service for which a credit allowance is desired. Before giving such notice, the Customer shall ascertain that the trouble is not being based by any action or omission by the Customer within his control, or is not in wiring or equipment, if any, furnished by the Customer.

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SECTION 2 - RULES AND REGULATIONS

2.5.2 For purposes of credit computation for leased facilities, every month shall be considered to have 720 hours.

2.5.3 No credit shall be allowed for an interruption of a continuous duration for less than two (2) hours.

2.5.4 The customer shall be credited for an interruption of two (2) hours or more at the rate of 1/720th of the monthly charge for the facilities affected for each hour or major fraction thereof that the interruption continues.

Credit Formula:

Credit = (A/720) x B

"A" - outage time in hours

"B" - total monthly charge for affected facility

2.6 Restoration of Service

The use and restoration of service shall be in accordance with regulations of the Company on file at its home office at the below address.

2.7 Deposits

The Company does not require a deposit from the Customer.

2.8 Billing of Charges

(A) For billing purposes, service is considered to be established upon the day in which the Customer's local telephone company effectuates the switching of Customer's service to the Affinity Corporation network.

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SECTION 2 - RULES AND REGULATIONS (cont'd)

2.8 Billing of Charges (cont'd)

- (B) Charges will be billed monthly in arrears. Customer will be billed for all usage accrued beginning immediately upon access to the service. For the purpose of computing charges, a month is considered to consist of thirty (30) days.
- (C) Customers billed by local exchange carriers on behalf of the carrier are responsible for any late payment charges or other such charges that local exchange carriers may employ in their billing process.
- (D) The Company bills the Customer using its own billing format on a monthly basis.

2.9 Payment Arrangements

The Customer is responsible for payment of all regulated charges for service furnished, and payment is due on receipt of the bill.

- (A) The Customer shall submit payment for all charges by mail or to any agency authorized by the Carrier to receive such payment.
- (B) If the bill is not paid within twenty (20) calendar days following the mailing of the bill, the account will be considered delinquent.
- (C) A delinquent account may subject the Customer's service to temporary disconnection. The Carrier is responsible for notifying the Customer before service is disconnected in accordance with Florida law.

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SECTION 2 - RULES AND REGULATIONS (cont'd)

2.10 Taxes

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

2.11 Employee Concessions

There are no employee concessions.

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SECTION 3 - DESCRIPTION OF SERVICES

3.1 Timing of Calls

The Customer's long distance usage charge is based on the actual usage of Affinity Corporation's network. Usage begins when the called party picks up the receiver. A call is terminated when either party hangs up.

3.1.1 Uncompleted Call Crediting

If a Customer receives a bill for an uncompleted call, Affinity Corporation will reimburse the Customer for the full amount.

3.2 Single Point Billing

Single point billing service provides consolidation of the Customer's multiple long distance bills, from any of their outlying premises, into a single bill. The Customer provides a Letter of Agency to allow the carrier to handle all of the Customer's billing from the outlying locations. There is no charge for this service.

3.3 Area of Service Offering

The services offered under this tariff are on a statewide basis (all of Florida).

3.4 Person to Person Calls and Other Types of Calls

The Company does not offer person to person calls or reverse charge calls except through its underlying carrier. In such cases the underlying carrier (at present MCI) will bill the Customer in its name pursuant to its current tariff on file with the Florida Public Service Commission.

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SECTION 3 - DESCRIPTION OF SERVICES (cont'd)

3.5 Service Offerings

3.5.1 Equal Access Long Distance (Dial 1+)

Equal access long distance provides facilities to complete Interlata calls between two points. Customer makes call by simply dialing 1 + area code (where necessary) + number desired.

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SECTION 3 - DESCRIPTION OF SERVICES (cont'd)

3.5 Service Offerings (cont'd)

3.5.2 Travel Service

Travel service provides facilities to complete Interlata calls between two points when the Customer is away from his/her premises. The requesting Customer is provided with a travel calling card which provides for the following instructions:

Dial: 1 800 950-1022 to access the Affinity Corporation network. Listen for computer tone (From rotary phone wait on line for an Operator to assist you)

Dial: 0 + Area code + phone number
Listen for short tone

Dial: 14 digit Affinity card number*

- * Requesting Customer will be assigned a fourteen (14) digit authorization number which will be embossed on travel card(s) provided for convenience.

3.5.3 Inbound (800/888) Service

Inbound service provides for facilities for the Customer(s) to receive Interlata and Intralata calls. The Customer will be assigned a unique inbound number that when dialed will be routed via Carrier's network and terminate at Customer's designated local access line(s).

3.5.4 Directory Assistance

A telephone number will be provided by an operator to customers requesting such, after providing the city of residence and name of the party in question. Customers shall be provided a record of the date and time of each directory assistance call. All charges for directory assistance shall be limited by the provisions of Florida law.

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SECTION 3 - DESCRIPTION OF SERVICES (cont'd)

3.5 Service Offerings (cont'd)

3.5.4 Directory Assistance (Cont'd)

Any customer who is visually, physically or mentally handicapped in a way that makes the customer unable to use a telephone directory shall be exempt from charges for directory assistance at the customer's residence. Any customer meeting this criteria may make written application for the exemption to the Company at the following address:

Affinity Corporation
Customer Service Department
20875 Crossroad Circle, Suite 400
Waukesha, Wisconsin 53186

The application for exemption shall include a brief customer's statement and any other pertinent data in support of the application. A response shall be provided such applicant within 20 days.

If the customer is not satisfied with the response to its application, the customer may exercise its option of writing the Florida Public Service Commission in care of the Customer Complaint Section at the following address: 2540 Shumard Oak Blvd, Tallahassee, Florida, 32399.

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SECTION 4 - RATES

4.1 Residential Dial 1 - Florida (Per minute rates)

Intrastate

| <u>Day</u> | <u>Eve</u> | <u>N/Wknd</u> | <u>Holiday</u> |
|------------|------------|---------------|----------------|
| 0.1875 | 0.1675 | 0.1325 | 0.1325 |

Installation Fee: \$ 0.00

Monthly Recurring Charge per Account: \$ 0.00

Calls are calculated in six (6) second increments or tenths of a minute with a minimum call length of eighteen (18) seconds. There is no rounding up to the next higher whole minute.

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SECTION 4 - RATES (cont'd)

4.2 Business Dial 1 - Florida (Per minute rates)

Intrastate

| <u>Day</u> | <u>Eve</u> | <u>N/Wknd</u> | <u>Holiday</u> |
|------------|------------|---------------|----------------|
| 0.1785 | 0.1675 | 0.1325 | 0.1325 |

Installation Fee: \$ 0.00

Monthly Recurring Charge per Account: \$ 0.00

Calls are calculated in six (6) second increments or tenths of a minute with a minimum call length of eighteen (18) seconds. There is no rounding up to the next higher whole minute.

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SECTION 4 - RATES (cont'd)

4.3 Residential Guaranteed Savings Program

Customer is billed in accordance with prior carrier's rate plan identified at time of service request. Additional line item discount is given to provide guaranteed savings over prior carrier's rate of at least ten percent (10%).

Installation Fee: None
Monthly Service Charge: None

Calls are billed in six (6) second increments or tenths of a minute (eighteen (18) second first minute minimum).

4.4 Business Guaranteed Savings Program

Customer is billed in accordance with prior carrier's rate plan identified at time of service request. Identified rates are discounted in accordance to the following schedule prior to rating:

| <u>Monthly Usage</u> | <u>Prior Plan AT&T, MCI or Sprint</u> | <u>Prior Plan Non "Big 3"</u> |
|----------------------|---|-----------------------------------|
| \$ 0 - \$ 499.99 | 20% | 5% |
| \$ 500 - \$ 999.99 | 15% | 5% |
| \$1000 - \$ 2499.99 | 10% | 5% |
| \$2500 - & Above* | 5% | 5% |

*switched access applications only

Installation Fee: None
Monthly Service Charge: None

Calls are billed in six (6) second increments or tenths of a minute (eighteen (18) second first minute minimum).

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SECTION 4 - RATES (cont'd)

4.5 "Double Your Money Back" Guarantee

If Customer does not save promised amount over prior carrier's rate on first Affinity billing, that billing is credited in full, and a check for the same amount is issued to Customer.

4.6 Travel Service

From any point in Florida, the rates* are:

| <u>Day</u> ** | <u>Eve</u> ** | <u>N/Wknd</u> ** | <u>Holiday</u> ** |
|---------------|---------------|------------------|-------------------|
| 0.2020 | 0.1550 | 0.1550 | 0.1550 |

* Rates are in cents per minute and billed in tenths of a minute from start of the call with a minimum billing of eighteen (18) seconds.

** A per call surcharge of \$.40 per Domestic call and \$1.25 per International call for calls with domestic origination will also be applied.

4.7 Inbound (800/888) Service

From points in Florida to Customer's location, the rates* are:

| <u>Day</u> | <u>Eve</u> | <u>N/Wknd</u> | <u>Holiday</u> |
|------------|------------|---------------|----------------|
| 0.2198 | 0.2198 | 0.2198 | 0.2198 |

* Rates are in cents per minute and billed in six (6) second increments or tenths of a minute from the start of a call with a minimum billing of eighteen (18) seconds.

The monthly usage is for combined intrastate and interstate service, and may also include international calls.

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SECTION 4 - RATES (cont'd)

4.7 Inbound (800/888) Service (cont'd)

A monthly service charge of \$15.00 per inbound number also applies. There are no sign-up or installation charges.

4.8 Directory Assistance

\$.60 per intrastate inquiry.

4.8.1 Handicapped Customers

Any Customer who is visually, physically or mentally handicapped in a way that makes the Customer unable to use a telephone directory shall be exempt from charges for directory assistance at the Customer's residence. Any Customer meeting this criteria may make written application for the exemption to the Company at the following address:

Affinity Corporation
Customer Service Department
20875 Crossroad Circle, Suite 400
Waukesha, Wisconsin 53186

The application for exemption shall include a brief customer's statement and any other pertinent data in support of the application. A response shall be provided such applicant within twenty (20) days.

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Waukesha, Wisconsin 53186

SECTION 4 - RATES (cont'd)

4.8.1 Handicapped Customers (cont'd)

If the customer is not satisfied with the response to its application, the customer may exercise its option of writing the Florida Public Service Commission in care of the Customer Complaint Section at the following address: Florida Public Service Commission, 2540 Shumard Oak Blvd, Tallahassee, Florida, 32399.

4.9 Special Promotions

The company will, from time to time, offer special promotions to its Customers waiving certain charges. These promotions will be approved by the Florida Public Service Commission in advance and include specific starting and ending dates and under no circumstances run for longer than ninety (90) days in any twelve (12) month period.

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OR

(Reserved for future use)

Issued: July 11, 1996

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Affinity Corporation
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Waukesha, Wisconsin 53186

20. The applicant will provide the following interexchange carrier services (Check all that apply):

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

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

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

MTS for pay telephone service providers

Block-of-time calling plan (Reach out Florida, Ring America, etc.).

800 Service (Toll free)

WATS type service (Bulk or volume discount)
 Method of access is via dedicated facilities
 Method of access is via switched facilities

Private Line services (Channel Services)
(For ex. 1.544 mbs., DS-3, etc.)

Travel Service
 Method of access is 950
 Method of access is 800

900 service

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

Services included are:

Station assistance
 Person to Person assistance
 Directory assistance (1-area code-555-1212)
 Operator verify and interrupt
 Conference Calling (Via Underlying Carrier-MCI)

21. What does the end user dial for each of the interexchange carrier services that were checked in services included (above). See above.

22. **Other:**

**** APPLICANT ACKNOWLEDGEMENT 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:** A non-refundable application fee of \$250.00 must be submitted with the application.
5. **RECEIPT AND UNDERSTANDING OF RULES:** I acknowledge receipt and understanding of the Florida Public Service Commission's Rules and Orders relating to my provision of interexchange telephone service in Florida. I also understand that it is my responsibility to comply with all current and future Commission requirements regarding interexchange service.
6. **ACCURACY OF APPLICATION:** By my signature below, I the undersigned owner or officer of the named utility in the application, attest to the accuracy of the information contained in this application and associated attachments. I have read the foregoing and declare that to the best of my knowledge and belief, the information is a true and correct statement.

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:

Mc Arjman
Signature

6/11/56
Date

President
Title

(414) 758-3885
Telephone No.

**** APPENDIX A ****

CERTIFICATE TRANSFER STATEMENT

I, (TYPE NAME) MAURIE DAIGNEAU,
(TITLE) PRESIDENT, of (NAME OF COMPANY)
AFFINITY CORPORATION, and current
holder of certificate number _____, have reviewed
this application and join in the petitioner's request for a
transfer of the above-mentioned certificate.

UTILITY OFFICIAL:

Mr. Daigneau
Signature

6/11/56
Date

President
Title

(414) 758-3885
Telephone No.

**** APPENDIX B ****

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 responded to 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 will file with the Commission and maintain a surety bond in an amount equal to the current balance of deposits and advance payments in excess of one month. (Bond must accompany application.)

UTILITY OFFICIAL:

Mc Gayman
Signature

President
Title

6/11/56
Date

(414) 758-3885
Telephone No.

**** APPENDIX C ****

INTRASTATE NETWORK

1. **POP:** Addresses where located, and indicate if owned or leased.

1) N/A 2)

3) 4)

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

1) N/A 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.

1) POP-to-POP TYPE OWNERSHIP

2) N/A

4. **ORIGINATING SERVICE:** Please provide the list of exchanges where you are proposing to provide originating service within thirty (30) days after the effective date of the certificate (Appendix D).

N/A

5. **TRAFFIC RESTRICTIONS:** Please explain how the applicant will comply with the EAEA requirements contained in Commission Rule 25-24.471 (4) (a) (copy enclosed).

Applicant will comply through a matter of course, through its underlying carrier, MCI.

6. **CURRENT FLORIDA INTRASTATE SERVICES:** Applicant has) or has not () previously provided intrastate telecommunications in Florida. If the answer is has, fully describe the following: Applicant's predecessor prior to merger is Affinity Fund, Inc., a certified carrier. The following responses (a & b) pertain to Affinity Fund, Inc.

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

Switchless reseller as of May 1, 1991; date of certification.

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

These services have not been discontinued.

UTILITY OFFICIAL:

Signature

Date

Title

Telephone No.

**** APPENDIX D ****

FLORIDA TELEPHONE EXCHANGES

AND

EAS ROUTES

Describe the service area in which you hold yourself out to provide service by telephone company exchange. If all services listed in your tariff are not offered at all locations, so indicate. The service area is the entire state of Florida.

In an effort to assist you, attached is a list of major exchanges in Florida showing the small exchanges with which each has extended area service (EAS).

**** FLORIDA EAS FOR MAJOR EXCHANGES ****

| <u>Extended Service Area</u> | <u>with</u> | <u>These Exchanges</u> |
|------------------------------|-------------|---|
| PENSACOLA: | | Cantonment, Gulf Breeze Pace, Milton Holley-Navarre. |
| PANAMA CITY: | | Lynn Haven, Panama City Beach, Youngstown-Fountain and Tyndall AFB. |
| TALLAHASSEE: | | Crawfordville, Havana, Monticello, Panacea, Sopchoppy and St. Marks. |
| JACKSONVILLE: | | Baldwin, Ft. George, Jacksonville Beach, Callahan, Maxville, Middleburg Orange Park, Ponte Vedra and Julington. |
| GAINESVILLE: | | Alachua, Archer, Brooker, Hawthorne, High Springs, Melrose, Micanopy, Newberry and Waldo. |
| OCALA: | | Belleview, Citra, Dunnellon, |

FORM PSC/CMU 31 (3/96)

Required by Commission Rule Nos. 25-24.471 and 25-24.473.

Forest Lady Lake (B21),
McIntosh, Oklawaha,
Orange Springs, Salt Springs and
Silver Springs Shores.

DAYTONA BEACH: New Smyrna Beach.

TAMPA: Central None
East Plant City
North Zephyrhills
South Palmetto
West Clearwater

CLEARWATER: St. Petersburg, Tampa-West and
Tarpon Springs.

ST. PETERSBURG: Clearwater.

LAKELAND: Bartow, Mulberry, Plant City,
Polk City and Winter Haven.

ORLANDO: Apopka, East Orange, Lake Buena
Vista, Oviedo, Windermere,
Winter Garden,
Winter Park, Montverde, Reedy
Creek, and Oviedo-Winter
Springs.

WINTER PARK: Apopka, East Orange, Lake Buena Vista,
Orlando, Oviedo, Sanford, Windermere,
Winter Garden, Oviedo-Winter Springs
Reedy Creek, Geneva and Montverde.

TITUSVILLE: Cocoa and Cocoa Beach.

COCOA: Cocoa Beach, Eau Gallie,
Melbourne and Titusville.

MELBOURNE: Cocoa, Cocoa Beach, Eau Gallie
and Sebastian.

SARASOTA: Bradenton, Myakka and Venice.

FT. MYERS: Cape Coral, Ft. Myers Beach, North Cape
Coral, North Ft. Myers, Pine Island, Lehigh
Acres and Sanibel-Captiva Islands.

NAPLES: Marco Island and North Naples.

WEST PALM BEACH: Boynton Beach and Jupiter.

FORM PSC/CMU 31 (3/96)

Required by Commission Rule Nos. 25-24.471 and 25-24.473.

| | |
|-----------------|--|
| POMPANO BEACH: | Boca Raton, Coral Springs, Deerfield Beach and Ft. Lauderdale. |
| FT. LAUDERDALE: | Coral Springs, Deerfield Beach, Hollywood and Pompano Beach. |
| HOLLYWOOD: | Ft. Lauderdale and North Dade. |
| NORTH DADE: | Hollywood, Miami and Perrine. |
| MIAMI: | Homestead, North Dade and Perrine |

**** APPENDIX E ****

**** GLOSSARY ****

ACCESS CODE: The term denotes a uniform four or seven digit code assigned to an individual IXC. The five digit code has the form 10XXX and the seven digit code has the form 950-XXXX.

BYPASS: Transmission facilities that go direct from the local exchange end user to an IXC point of presence, thus bypassing the local exchange company.

CARRIERS CARRIER: An IXC that provides telecommunications service, mainly bulk transmission service, to other IXC only.

CENTRAL OFFICE: A local operating unit by means of which connections are established between subscribers' lines and trunk or toll lines to other central offices within the same exchange or other exchanges. Each three (3) digit central office code (NXX) used shall be considered a separate central office unit.

CENTRAL OFFICE CODE: The term denotes the first three digits (NXX) of the seven (7) digit telephone number assigned to a customer's telephone exchange service.

COMMISSION: The Florida Public Service Commission.

COMPANY, TELEPHONE COMPANY, UTILITY: These terms may be used interchangeably herein and shall mean any person, firm, partnership or corporation engaged in the business of furnishing communication service to the public under the jurisdiction of the Commission.

DEDICATED FACILITY: The term denotes a transmission circuit which is permanently for the exclusive use of a customer or a pair of customers.

END USER: The term denotes any individual, partnership, association, corporation, governmental agency or any other entity which (A) obtains a common line, uses a pay telephone or obtains interstate service arrangements in the operating territory of the company or (B) subscribes to interstate services provided by an IXC or uses the services of the IXC when the IXC provides interstate service for its own use.

EQUAL ACCESS EXCHANGE AREAS: EAEA means a geographic area, configured based on 1987 planned toll center/access tandem areas, in which local exchange companies are responsible for providing equal access to both carriers and customers of carriers in the most economically efficient manner.

EXCHANGE: The entire telephone plant and facilities used in providing telephone service to subscribers located in an exchange area. An exchange may include more than one central office unit.

EXCHANGE (SERVICE) AREA: The territory, including the base rate suburban and rural areas served by an exchange, within which local telephone service is furnished at the exchange rates applicable within that area.

EXTENDED AREA SERVICE: A type of telephone service furnished under tariff provision whereby subscribers of a given exchange or area may complete calls to, and receive messages from, one or more other contiguous exchanges without toll charges, or complete calls to one or more other exchanges without toll message charges.

FACILITIES BASED: An IXC that has its own transmission and/or switching equipment or other elements of equipment and does not rely on others to provide this service.

FOREIGN EXCHANGE SERVICES: A classification of exchange service furnished under tariff provisions whereby a subscriber may be provided telephone service from an exchange other than the one from which he would normally be served.

FEATURE GROUPS: General categories of unbundled tariffs to stipulate related services.

Feature Group A: Line side connections presently serving specialized common carriers.

Feature Group B: Trunk side connections without equal digit or code dialing.

Feature Group C: Trunk side connections presently serving AT&T-C.

Feature Group D: Equal trunk access with subscription.

INTEREXCHANGE COMPANY: means any telephone company, as defined in Section 364.02(4), F.S. (excluding Payphone Providers), which provides telecommunication service between exchange areas as those areas are described in the approved tariffs of individual local exchange companies.

INTER-OFFICE CALL: A telephone call originating in one central office unit or entity but terminating in another central office unit or entity both of which are in the same designated exchange area.

INTRA-OFFICE CALL: A telephone call originating and terminating within the same central office unit or entity.

INTRASTATE COMMUNICATIONS: The term denotes any communications in Florida subject to oversight by the Florida Public Service Commission as provided by the laws of the State.

INTRA-STATE TOLL MESSAGE: Those toll messages which originate and terminate within the same state.

LOCAL ACCESS AND TRANSPORT AREA: LATA means the geographic area established for the administration of communications service. It encompasses designated exchanges, which are grouped to serve common social, economic and other purposes.

LOCAL EXCHANGE COMPANY (LEC): Means any telephone company, as defined in Section 364.02(4), F.S., which, in addition to any other telephonic communication service, provides telecommunication service within exchange areas as those areas are described in the approved tariffs of the telephone company.

OPTIONAL CALLING PLAN: An optional service furnished under tariff provisions which recognizes a need of some subscribers for extended area calling without imposing the cost on the entire body of subscribers.

900 SERVICE: A service similar to 800 service, except this service is charged back to the customer based on first minute plus additional minute usage.

PIN NUMBER: A group of numbers used by a company to identify their customers.

PAY TELEPHONE SERVICE COMPANY: Means any telephone company, other than a Local Exchange Company, which provides pay telephone service as defined in Section 364.335(4), F.S.

POINT OF PRESENCE (POP): Bell-coined term which designates the

FORM PSC/CMU 31 (3/96)

Required by Commission Rule Nos. 25-24.471 and 25-24.473.

actual (physical) location of an IXC's facility. Replaces some applications of the term "demarcation point."

PRIMARY SERVICE: Individual line service or party line service.

RESELLER: An IXC that does not have certain facilities but purchases telecommunications service from an IXC and then resells that service to others.

STATION: A telephone instrument consisting of a transmitter, receiver, and associated apparatus so connected as to permit sending and/or receiving telephone messages.

SUBSCRIBER, CUSTOMER: These terms may be used interchangeably herein and shall mean any person, firm, partnership, corporation, municipality, cooperative organization, or governmental agency supplied with communication service by a telephone company.

SUBSCRIBER LINE: The circuit or channel used to connect the subscriber station with the central office equipment.

SWITCHING CENTER: Location at which telephone traffic, either local or toll, is switched or connected from one circuit or line to another. A local switching center may be comprised of several central office units.

TRUNK: A communication channel between central office units or entities, or private branch exchanges.

ATTACHMENTS:

- A - CERTIFICATE TRANSFER STATEMENT
- B - CUSTOMER DEPOSITS AND ADVANCE PAYMENTS
- C - INTRASTATE NETWORK
- D - FLORIDA TELEPHONE EXCHANGES and EAS ROUTES
- E - GLOSSARY

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July 10, 1996

Florida Public Service Commission
Division of Administration
2540 Shumard Oak Blvd.
Gunter Building
Tallahassee, Florida 32399-0850

DEPOSIT TREAS. REC. DATE

D336

JUL 12 '96

Re: Affinity Fund, Inc. (A Florida Corporation) Merged
into Affinity Corporation (A Wisconsin Corporation)

Dear Commission:

Recently, this law firm notified the Florida Public Service Commission that Affinity Fund, Inc. was merged into Affinity Corporation effective October 1, 1994. We inquired as to what requirements were necessary in connection with this transaction.

As a summary, the particulars of the merger are as follows:

- a. The primary purpose of the merger was to create a new name by dropping the word "Fund" from the original name; and
- b. The successor corporation has identical shareholders, officers, and directors, and it is engaged in the same business that Affinity Fund, Inc. engaged in prior to the merger.

From our conversations with a member of your office we understand that resellers must

SMITH DEBNAM HIBBERT & PAHL, L.L.P.

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(919) 250-2000

CENTURA BANK 66-85/531
Zebulon, NC

No. 063132

7/10/96 DATE

*****250 FOR

*****250 DOLLARS. AND 00 CENTS

PAY TO THE ORDER OF

FLORIDA PUBLIC SERVICE COMMISSION

SMITH DEBNAM HIBBERT & PAHL, LLP
GENERAL ACCOUNT

Henry L. Pahl
AUTHORIZED SIGNATURE

SMITH DEBNAM HIBBERT & PAHL, L.L.P.

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Re: Affinity Fund, Inc. (A Florida Corporation) Merged
into Affinity Corporation (A Wisconsin Corporation)

960821-TI

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- a. The primary purpose of the merger was to create a new name by dropping the word "Fund" from the original name; and
- b. The successor corporation has identical shareholders, officers, and directors, and it is engaged in the same business that Affinity Fund, Inc. engaged in prior to the merger.

From our conversations with a member of your office, we understand that resellers must complete and file an "Application Form For Authority To Provide Interexchange Telecommunications Service Within The State Of Florida" (the "Application").

Enclosed please find the original and six (6) copies of the completed Application, along with the \$250.00 Application fee. If there are any further requirements, we would appreciate being so advised in writing. Otherwise, this office will await confirmation of receipt of the enclosed. Thank you for your time and cooperation.

Sincerely yours,

SMITH DEBNAM HIBBERT & PAHL

Clayton D. Morgan
Clayton D. Morgan

Check received with filing and forwarded to Fiscal for deposit.
Fiscal to forward a copy of check to RAE with proof of deposit.

Initials of person who forwarded check.
A.G.

DOCUMENT NUMBER-DATE

07305 JUL 11 1996

REGISTRATION REPORTING