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FLEISCHMAN AND WALSH, P. C.

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- ARTHUR H. HARDING
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- RUBY D'ANDREA CEASER

1400 SIXTEENTH STREET, N. W.
WASHINGTON, D. C. 20036

(202) 939-7900

FACSIMILE (202) 745-0916

INTERNET fw@fw-law.com

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August 2, 1996

- * VIRGINIA BAR ONLY
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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:
F. J.

VIA OVERNIGHT MAIL

Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd., Gunter Bldg.
Tallahassee, Florida 32399-0850

**Re: Application of Capital Services of South Florida, Inc.
for Certificate of Public Convenience and Necessity**

Dear Chief Clerk:

Transmitted herewith for filing on behalf of Capital Services of South Florida, Inc. ("Capital Services") are an original and twelve copies of its application for a certificate of public convenience and necessity, on Form PSC/CMU 31, and a proposed tariff. As Capital Services is eager to commence its Florida intrastate operations as expeditiously as possible, prompt processing of this application and tariff is hereby requested.

So that we may have proof of this filing, please date-stamp the extra copy of this letter, and return it in the self-addressed, stamped envelope provided.

A check in the amount of two hundred fifty dollars (\$250.00), in payment of the filing fee, is enclosed.

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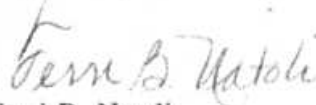
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Florida Public Service Commission
August 2, 1996
Page 2

If there are any questions, kindly communicate directly with the undersigned counsel at 202/939-7900.

Respectfully submitted,



Terri B. Natoli
Mitchell F. Brecher
*Counsel for Capital Services
of South Florida, Inc.*

Enclosures

42571



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

**** FLORIDA PUBLIC SERVICE COMMISSION ***

DIVISION OF COMMUNICATIONS
BUREAU OF SERVICE EVALUATION

APPLICATION FORM
for
AUTHORITY TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICE
WITHIN THE STATE OF FLORIDA

Instructions

- A. This form is used for an original application for a certificate and for approval of sale, assignment or transfer of an existing certificate. In case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or transferee (See Appendix A).
- B. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.
- C. Use a separate sheet for each answer which will not fit the allotted space.
- D. If you have questions about completing the form, contact:
- E. 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 Communications
Bureau of Service Evaluation
2540 Shumard Oak Blvd.
Gunter Building
Tallahassee, Florida 32399-0850
(904) 413-6500

Florida Public Service Commission
Division of Administration
2540 Shumard Oak Blvd.
Gunter Building
Tallahassee, Florida 32399-0850
(904) 413-6251

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:

Capital Services Of South Florida, Inc.

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

Same as above

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

7154 North University Drive, Suite 250
Tamarac, Florida 33321

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

Same as above

7. Structure of organization;

- Individual Corporation
 Foreign Corporation Foreign Partnership
 General Partnership Limited Partnership
 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:

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

Corporate charter number: P94000055253

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

Applicant is a Florida Corporation

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

N/A

Fictitious name registration number: _____

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

N/A

- (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):

- Terri Natoli, Mitchell Brecher
Fleischman & Walsh L.L.P.
(a) The application; 1400 16th Street N.W., Wash. D.C.20036
(202) 939-7900
(b) Official Point of Contact for the ongoing operations of the company;
Ely Margolin (954)776-0222
(c) Tariff; 7154 North University Drive
Tamarac, Florida 33321

Same as #10(b)

(d) Complaints/Inquiries from customers;

Same as above

11. List the states in which the applicant:

(a) Has operated as an interexchange carrier.

(b) Has applications pending to be certificated as an interexchange carrier.
Applicant operates currently as an interstate, interexchange carrier.

None

(c) Is certificated to operate as an interexchange carrier.

None

(d) Has been denied authority to operate as an interexchange carrier 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

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

- () Facilities. ^{None} () Operators.
() Billing and Collection. () Sales.
() Maintenance.
() Other: _____

13. Do you have a marketing program?

Yes

14. Will your marketing program:

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

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

Commissions may be paid to marketing agents

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) ~~Service is pre-paid calling card,~~

therefore bills are rendered to end-users.

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?

Company identification and information on how to reach it will appear on the Calling card.

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

N/A

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

See Exhibit A

A. Financial capability.

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.

C. Technical capability.

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).

See Exhibit B

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
 Operator verify and interrupt
 Conference Calling

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

1 + Carrier access number + PIN + Area code and number to be reached

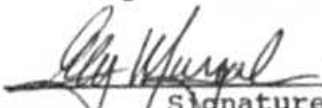
22. **Other:**

Pre-paid calling card

**** 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:


Signature

8/1/96
Date

Ely Margolin
President
Title

954-776-0222
Telephone No.

**** APPENDIX A ****

CERTIFICATE TRANSFER STATEMENT

N/A

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

UTILITY OFFICIAL:

_____	_____
Signature	Date

_____	_____
Title	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):

(X) 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:

Ely Margolin
Signature

8/1/96
Date

Ely Margolin
President
Title

954-776-0222
Telephone No.

**** APPENDIX C ****

INTRASTATE NETWORK

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

1) 100 N. Biscayne Blvd?²⁾
Miami, Florida

3) 4)

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

1) PC-Based Switch (Owned) 2)
100 N. Biscayne Blvd.
Miami, Florida

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) <u>POP-to-POP</u>	<u>TYPE</u>	<u>OWNERSHIP</u>
2) Microwave, Fiber, or Satellite	Leased	Authorized facilities-based or Resale Carriers

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).

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).

Since Applicant will acquire its transmission facilities from other facilities-based IXCs which are certificated by the FPSC and required to comply with EAEA requirements contained in 25-24.47(4)(a), Applicant's service will be also.

6. **CURRENT FLORIDA INTRASTATE SERVICES:** Applicant has () or has not (x) 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?

N/A

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

N/A

UTILITY OFFICIAL:

Ely Margolin
Signature

8/1/96

Date

Ely Margolin
President
Title

954-776-0222
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.

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 (11/95)

Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-24.480(2).

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 (11/95)

Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-
24.480(2).

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 or 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 (11/95)

Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-24.480(2).

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

FORM PSC/CMU 31 (11/95)

Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-24.480(2).

EXHIBIT A

FINANCIAL, MANAGERIAL and TECHNICAL QUALIFICATIONS

18A. Financial Capability

Attached hereto as Attachment 1 is a copy of Capital Services Income Statement and Balance Sheet for the period ending March 31, 1996. (The Company has not received revenue for a three year period, therefore a retained earnings statement for a three year period is not available.) Capital Services does not have audited financial statements; as a result, the financial statements provided herein have been signed as required by Mr. Ely Margolin, President, who also serves as its chief financial officer.

ATTACHMENT 1 to EXHIBIT A

CAPITAL SERVICES, INC.
BALANCE SHEET
MARCH 31, 1996

ASSETS

CURRENT ASSETS:

Checking account	\$	3,176.64	
Note Receivable - Benny		54,200.00	
Inventory		15,464.69	
PREPAID EXPENSES		500.00	

TOTAL CURRENT ASSETS	\$		73,341.33

PROPERTY AND EQUIPMENT:

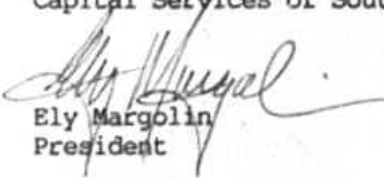
Equipment	\$	22,054.67	
Furniture and fixtures		5,120.00	

TOTAL PROPERTY AND EQUIPMENT	\$		27,174.67

TOTAL ASSETS			\$	100,516.00

These financial statements are true and correct.

Capital Services of South Florida, Inc.


Ely Margolin
President

unaudited

CAPITAL SERVICES, INC.
BALANCE SHEET
MARCH 31, 1996

LIABILITIES AND EQUITY

CURRENT LIABILITIES:

CURRENT PORTION LONG-TERM DEBT	\$	9,522.98	

TOTAL CURRENT LIABILITIES	\$		9,522.98

NON-CURRENT LIABILITIES:

NOTE PAYABLE - OFFICER	\$(5,203.67)	

TOTAL NON-CURRENT LIABILITIES	\$(5,203.67)

EQUITY:

Common stock	\$	89,975.00	
Retained earnings		3,051.62	
NET INCOME (LOSS)		3,170.07	

TOTAL EQUITY	\$		96,196.69

TOTAL LIABILITIES AND EQUITY	\$		100,516.00

unaudited

CAPITAL SERVICES, INC.
STATEMENT OF INCOME AND EXPENSES
FOR THE PERIOD(S)

	01/01/96 - 03/31/96		01/01/96 - 03/31/96	
	ACTUAL \$	Pct %	ACTUAL \$	Pct %
SALES:				
Sales	\$ 22,520.63	100.0%	\$ 22,520.63	100.0%
	22,520.63	100.0	22,520.63	100.0
TOTAL SALES				
COST OF SALES:				
Purchases	2,153.80	9.6	2,153.80	9.6
	2,153.80	9.6	2,153.80	9.6
TOTAL COST OF SALES				
	20,366.83	90.4	20,366.83	90.4
GROSS PROFIT				
SELLING EXPENSES:				
Commissions	3,500.00	15.5	3,500.00	15.5
Travel	650.00	2.9	650.00	2.9
Entertainment	175.00	0.8	175.00	0.8
	4,325.00	19.2	4,325.00	19.2
TOTAL SELLING EXPENSES				
GENERAL & ADMINISTRATIVE:				
Auto expense	304.64	1.4	304.64	1.4
Bank service charges	45.00	0.2	45.00	0.2
Equipment rental	1,267.76	5.6	1,267.76	5.6
Insurance - General	344.47	1.5	344.47	1.5
Legal & Accounting	1,000.00	4.4	1,000.00	4.4
Licenses & Permits	705.00	3.1	705.00	3.1
Office expense	628.24	2.8	628.24	2.8
Rent expense	6,210.14	27.6	6,210.14	27.6
Repair expense	47.00	0.2	47.00	0.2
Security expense	225.00	1.0	225.00	1.0
Supplies expense	66.96	0.3	66.96	0.3
Telephone	1,927.55	8.6	1,927.55	8.6
	12,771.76	56.7	12,771.76	56.7
TOTAL GENERAL & ADMINISTRATIVE				
	3,270.07	14.5	3,270.07	14.5
NET OPERATING INCOME (LOSS)				
OTHER (INCOME) AND EXPENSES:				
Temporary distrib.	100.00	0.4	100.00	0.4
	100.00	0.4	100.00	0.4
TOTAL OTHER (INCOME) AND EXP				
	3,170.07	14.1	3,170.07	14.1
NET INCOME (LOSS) BEFORE TAX				

unaudited

18B and C. Managerial and Technical Capability

Capital Services is owned and run by an individual with numerous years of successful management, entrepreneurial and business experience as evidenced by the biographical information on Mr. Ely Margolin, its President, contained on Attachment 2. In addition, its Senior Vice President, Christopher Cogna, has over five years of relevant experience in the telecommunications business as evidenced by his biographical information, also enclosed in Attachment 2, two years of which have been devoted principally to the pre-paid calling card business. In addition, Capital Services has been providing pre-paid calling card service on an interstate and international level pursuant to the authority of the Federal Communications Commission for several months.

ATTACHMENT 2 to EXHIBIT A

ELY MARGOLIN

AGE 57
MARRIED

CAREER EXPERIENCE:

CAPITAL SERVICES

CEO, 1994 TO 1996

A finance and credit card company.

Thermotronics, Inc.

CEO, 1986 TO 1994

Medical equipment design and manufacturing company with 5 employees

Guardian Laboratories, Inc.

CEO, 1986 to 1986

Pharmaceutical company distributing specific over the counter product with 5 employees.

International Duplicator, LTD

CEO, 1976 to 1983

Designing, manufacturing and distribution of office equipment with 10 employees.

Universal Duplicator, Inc.

CEO, 1968 to 1976

Manufacturing and distributing office equipment with 250 employees.

EDUCATION

CITY COLLEGE OF NEW YORK

Majoring in engineering

RCA INSTITUTE OF TECHNOLOGY

Majoring in engineering

CHRISTOPHER COGNETTA

My interest in computers was peaked in sixth grade elementary school and further developed in high school. Upon graduation from high school I was employed by American Cablevision where I was trained in purchasing and customer service. While working for American Cablevision they enrolled me in many classes to enhance my skills. They were bought out by Continental Cablevision in 1989 and I continued my employment for another two years while attending Kaiser College.

In 1990 I received an Associates Degree in computer programming from Keiser College of Technology in Fort Lauderdale, Florida with a working knowledge of Turbo C++, Pascal, RPG II & III, Quick Basic and dbase. During school I formed my own company and became an independent programmer, working on various projects including restaurants, retail and chain stores. Upon graduation I went to work for National Telephone Marketing.

In 1991 I became the senior systems analyst at National Telephone Marketing and wrote various programs to handle customer accounts as well as billing. It was with this firm that I learned about long distance services (1+), as well as operator services. National Telephone was merged with National Telecom Marketing in 1993 and I was promoted to Director of the MIS department where I used my skills to develop sales, marketing and customer programs after learning to program in the Foxpro Database Language.

In early 1994, National Telecom Marketing formed a subsidiary company, Teleworld International, Inc., which was solely designed to explore the phone card business. We started out as a switchless reseller, and within six (6) months we purchased our first switch. Maintenance of the switch became my sole responsibility along with my position as Director of MIS. I returned to school to study network engineering and was certified with a network engineering degree (CNE).

Teleworld International, Inc. was purchased by Interactive Telecard Services, Inc. in September 1995 and I continued as Director of MIS.

In June of 1996 I came to Capital Services of South Florida, Inc. as Senior Vice President.

EXHIBIT B
PROPOSED TARIFF

TITLE SHEET

FLORIDA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services provided by Capital Services of South Florida, Inc. ("Capital Services"), 7154 N. University Drive, Suite 250, Tamarac, Florida 33321. This tariff applies for 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 principal place of business.

ISSUED: August 5, 1996

EFFECTIVE: _____

ISSUED BY: Mr. Ely Margolin
Capital Services of South Florida, Inc.
7154 N. University Drive, Suite 250
Tamarac, Florida 33321

CHECK SHEET

Sheets 1 through 18 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
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original
17	Original
18	Original

ISSUED: August 5, 1996

EFFECTIVE: _____

ISSUED BY: Mr. Ely Margolin
Capital Services of South Florida, Inc.
7154 N. University Drive, Suite 250
Tamarac, Florida 33321

TABLE OF CONTENTS

Title Sheet	Title
Check Sheet	1
Table of Contents	2
Section 1: Technical Terms and Abbreviations	5
Section 2: Rules and Regulations	8
Section 3: Description of Service	15
Section 4: Rates	17

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EFFECTIVE: _____

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7154 N. University Drive, Suite 250
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SYMBOLS

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

- D - Delete or Discontinue
- I - Change Resulting In An Increase to A Customer's Bill
- M - Moved from Another Tariff Location
- N - New
- R - Change Resulting In A Reduction to A Customer's Bill
- T - Change in Text or Regulation But No Change In Rate or Charge

ISSUED: August 5, 1996

EFFECTIVE: _____

ISSUED BY: Mr. Ely Margolin
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7154 N. University Drive, Suite 250
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TARIFF FORMAT

- A. Sheet Numbering - Sheet numbers appear in the upper right corner of the page. 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 FPSC. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc. the FPSC follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff page in effect. 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).
- D. Check Sheets - When a tariff filing is made with the FPSC, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with 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 the 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 FPSC.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

1.1. Access Line

An arrangement which connects the calling customer's location to a Capital Services network switching center or a switching center of one of Capital Services' underlying carriers.

1.2. 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.

1.3. Called Station

Denotes the terminating point of a call (i.e., the called telephone number).

1.4. Calling Station

Denotes the originating point of a call (i.e., the calling number).

1.5. Company or Carrier

Capital Services of South Florida, Inc. ("Capital Services").

1.6. Customer

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

1.7. Diners Calling Card

A Company-issued calling card that gives the card holder (end-user) calling privileges from dining facilities that subscribe to the Company's services. The card holder calls an access number provided by the Company, dials in an authorization code to access the Company's network utilizing the facilities and equipment of other authorized carriers to terminate the

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call. The card is paid for in advance of use and carrier decrements the cost of each call from the amount preprogrammed on the card according to the Carrier's published schedules.

1.8. End User

A person initiating an intrastate telephone call using the services of the Company.

1.9. Incomplete Call

Any call where voice transmission between the calling and called station is not established (i.e., busy, no answer, etc.)

1.10. LATA - (Local Access and Transport Area)

A geographic area established as required by the Modified Final Judgment entered in United States v. Western Electric Co., Inc., 552 F. Supp. 131 (D.D.C. 1982), within which a local exchange telephone company provides communication services.

1.11. LEC - Local Exchange Telephone Company

A telephone company utility that provides local telecommunications services to a specific geographical area for business and residential customers.

1.12. OCC - Other Common Carrier

The term "other common carrier" denotes a specialized or other type of common carrier authorized by the Federal Communications Commission to provide domestic or international communications service.

1.13 Prepaid Calling Card

A Company-issued calling card which gives the card holder (end-user) calling privileges from virtually any location. The card holder calls an access number provided by the Company, dials in an authorization code to access Company's network utilizing the facilities and equipment of other authorized carriers to terminate the call. The card is paid for in advance of use and carrier decrements the cost of each call from the amount preprogrammed on the card according to the

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Carrier's published rate schedules. The card may be reactivated or recharged by the card holder once the prepaid amount has been used according to the Company's published rates.

1.14. Subscriber

The term "subscriber" can be interchanged with customer.

1.15. Switch

The term "switch" denotes an electronic device which is used to provide circuit sharing, routing, and control.

1.16. Underlying Carrier

A provider of interexchange telecommunication services from whom Capital Services acquires services which it resells to its customers.

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Capital Services of South Florida, Inc.
7154 N. University Drive, Suite 250
Tamarac, Florida 33321

SECTION 2 - RULES AND REGULATIONS

2.1. Undertaking of Capital Services of South Florida, Inc.

The Company provides domestic interstate services through the resale of domestic services of other authorized carriers to customers for the transmission of voice, data and facsimile, and other special service on a switched and dedicated basis. All services are to be provided in accordance with the terms and conditions set forth in this tariff.

Capital Services installs, operates and maintains the communication services provided hereunder in accordance with the terms and conditions set forth under this tariff. It may act 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 Capital Services network. The customer shall be responsible for all charges due for such service arrangements.

The Company's services and facilities are available twenty-four (24) hours per day, seven (7) days per week.

2.2. Limitations

- 2.2.1 Service is offered subject to the availability of the necessary facilities or equipment, or both facilities and equipment, and subject to the provisions of this Tariff.
- 2.2.2 The Company reserves the right to discontinue service when necessitated by conditions beyond its control, or when the customer or end-user is using the service in violation of law or the provisions of this Tariff.
- 2.2.3 The Company does not undertake to transmit messages but offers the use of its facilities when available, and will not be liable for errors in transmission nor for failure to establish connections.
- 2.2.4 The Company reserves the right to refuse service to customers or end-users due to insufficient or invalid charging information.

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7154 N. University Drive, Suite 250
Tamarac, Florida 33321

2.3. Connection Fees

The Company does not charge a connection fee to provide service.

2.4 Use of Service

2.3.1 Services provided under this Tariff may be used only for the transmission of communications in a manner consistent with the terms of this tariff and regulations of the Federal Communications Commission.

2.3.2 Services provided under this Tariff shall not be used for unlawful purposes.

2.5. Liabilities of the Company

2.4.1. Capital Services' liability for damages arising out of mistakes, omissions, interruptions, delays, errors or defects in the transmission occurring in the course of furnishing service, channels or other facilities, and not caused by the negligence of the customers, commences upon activation of service and in no event exceeds an amount equivalent to the proportionate charge to the customer for the period of service during which such mistakes, omissions, interruptions, delays, errors or defects in the transmission occur. For the purposes of computing such amount, a month is considered to have thirty (30) days.

2.4.2. In no event will carrier be responsible for consequential damages or lost profits suffered by a customer or end user as a result of interrupted or unsatisfactory service.

2.4.3. Carrier is not liable for any act or omission of any other company or companies furnishing a portion of the service. No agents or employees of other carriers or companies shall be deemed to be agents or employees of carrier.

2.4.4. Carrier shall be indemnified and held harmless by the customer or end user against:

2.4.4.A. Claims for libel, slander or infringement of copyright arising

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7154 N. University Drive, Suite 250
Tamarac, Florida 33321

out of the material, data, information or other content transmitted over carrier's channels or facilities;

- 2.4.4.B. Patent infringement claims arising from combining or connecting carrier-furnished channels with apparatus and systems of the customer; and
- 2.4.4.C. All other claims arising out of any act or omission of the customer or end user in connection with any service provided by carrier.
- 2.4.5. Carrier is not liable for any act or omission of any other company or companies, including, but not limited to any LEC or underlying carrier furnishing a portion of the service.
- 2.4.6. Carrier does not guarantee or make any warranty with respect to any equipment provided by it where such equipment is used in locations containing an atmosphere which is explosive, prone to fire, dangerous or otherwise unsuitable for such equipment. The customer indemnifies and holds carrier harmless from any and all loss, claims, demands, suits or other action, or any liability whatsoever, whether suffered, made, instituted or asserted by the customer or by any other party or persons, for any personal injury or death of any person or persons, and for any loss, damage or destruction of any property, whether owned by the customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of such equipment so used.
- 2.4.7. Carrier is not liable for any defacement of, or damage to, the premises of a customer resulting from the furnishing of services or the attachment of instruments, apparatus and associated wiring furnished by carrier on such customer's premises or by the installation or removal thereof, when such defacement or damage is not the result of carrier negligence. No agents or employees of

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EFFECTIVE: _____

ISSUED BY: Mr. Ely Margolin
Capital Services of South Florida, Inc.
7154 N. University Drive, Suite 250
Tamarac, Florida 33321

other participating carriers shall be deemed to be agents or employees of carrier without written authorization.

2.5. Responsibilities of the Customer

- 2.5.1 The End-User is responsible for taking all necessary legal steps for interconnecting the customer-provided terminal equipment or communications systems with Carrier facilities or services. The End-User shall secure all licenses, permits, rights-of-way and other arrangements necessary for such interconnection.
- 2.5.2 The End-User shall ensure that the equipment and/or system is properly interfaced with Carrier facilities or services; that the signals emitted into the Carrier network are of the proper mode, bandwidth, power and signal level for the intended use of the End-User and in compliance with the criteria set forth in this tariff, and that the signals do not damage equipment, injure personnel or degrade service to other customers. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, Carrier will permit such equipment to be connected with its channels without the use of protective interface devices.
- 2.5.3 If the End-User fails to maintain the equipment and/or system properly, with resulting imminent harm to Carrier equipment, personnel or the quality of service to other end-users, Carrier may, upon written notice, require the use of protective equipment at the End-User's expense. If this fails to produce satisfactory quality and safety, Carrier may, upon written notice, terminate the End-User's service.
- 2.5.4 The End-User shall be responsible for securing its telephone equipment against being used to place fraudulent calls using the Company's service. The End-User shall be responsible for payment of all applicable charges for services provided by the Company and charged to the end-user even where those calls are originated by fraudulent means

ISSUED: August 5, 1996

EFFECTIVE: _____

ISSUED BY: Mr. Ely Margolin
Capital Services of South Florida, Inc.
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systems of the member; against all other claims arising out of any act or omission of the member in connection with the service provided by Capital Services. The end-user shall be liable for:

- 2.5.5.A Loss due to theft, fire, flood, or other destruction of Capital Services equipment or facilities on subscriber's premises.
- 2.5.5.B Reimbursing Capital Services for damages to facilities or equipment caused by the negligence or willful acts of the subscriber's officers, employees, agents or contractors.
- 2.5.5.C Charges incurred with interconnect or local operating companies for service or service calls made to the end-user's premises or on the end-user's leased or owned telephonic equipment unless Capital Services specifically authorizes said visit or repairs in advance of the occurrence and Capital Services agrees in advance to accept the liability for said repairs or visit.
- 2.5.5.D Payment for all Capital Services service charges incurred through usage or direct action on the part of the end-user.

ISSUED: August 5, 1996

EFFECTIVE: _____

ISSUED BY: Mr. Ely Margolin
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7154 N. University Drive, Suite 250
Tamarac, Florida 33321

2.6. Interruption of Service

- 2.6.1. 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 herein. It shall be the obligation of the customer or end user to notify the Company immediately of any interruption in service for which a credit allowance is desired. Before giving such notice, the customer or end user shall ascertain that the trouble is not being caused by any action or omission by the customer within his/her control, or is not in wiring or equipment, if any, furnished by the customer and connected to the Company's facilities.
- 2.6.2. For purposes of credit computation, every month shall be considered to have 720 hours.
- 2.6.3. No credit shall be allowed for an interruption of a continuous duration of less than two hours.
- 2.6.4. The customer shall be credited for an interruption of two 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
- 2.6.5. If written notice of a dispute as to charges is not received by the Company within thirty (30) days of the date a bill is issued, such charges shall be deemed to be correct and binding on the customer or end user.

2.7. Restoration of Service

The use and restoration of service shall be in accordance with the priority system specified in Part 64, Subpart D of

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Capital Services of South Florida, Inc.
7154 N. University Drive, Suite 250
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the Rules and Regulations of the Federal Communications Commission.

2.8. Deposits

The Company does not require a deposit from the customer.

2.9. Taxes

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

2.10 Exclusion Requirements for Specific Service

Carrier offers no exclusion for specific services.

2.11 Employee Concessions

Carrier offers no special employee concessions.

2.12 Customer Billing Inquiries

Any customer who has a question regarding his/her telephone bill may contact Capital Services of South Florida, Inc., 7154 N. University Drive, Suite 250, Tamarac, Florida 33321.

2.13 Disconnection of Service

Capital Services may disconnect service at any time, without notice where:

2.13.1 The customer or end-user violates any provision of this tariff.

2.13.2 The customer or end-user violates or causes to be violated any statute or rule or regulation of federal or state authorities having jurisdiction over the service provided by carrier.

2.14 Payment of Charges

Charges will be decremented from the end-user's prepaid calling card at the time a call is placed.

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SECTION 3 - DESCRIPTION OF SERVICE

3.1. Billing Increments and Rounding

Capital Services bills for an initial one minute minimum increment with additional one minute increments thereafter rounded up to the nearest minute unless otherwise specified.

3.2. Timing of Calls

The customer's usage charge is based on actual usage of Capital Services' network. Usage begins when the called party picks up the receiver. When the called party picks up is determined by hardware answer supervision. When software answer supervision is employed, up to sixty (60) seconds of ring is allowed before it is billed as usage of the network. Chargeable time ends when either party hangs up, thereby releasing the network connection.

3.3. Uncompleted Calls

The Company does not bill customers for calls which are not completed (busy numbers, no answer, etc.).

3.4. Credit and Refunds

All requests for call credits due to bad connection, disconnection, wrong number dialed, etc. shall be made through the Company's office at 7154 N. University Drive, Suite 250, Tamarac, Florida 33321.

3.5. Calculation of Distance

Usage charges for all mileage sensitive services are based on the airline distance between rate centers associated with the originating and terminating points of the call. For the purpose of determining airline mileage, vertical and horizontal grid lines have been established across the United States and Canada. The spacing between adjacent vertical grid lines and between horizontal grid lines represents a distance of one coordinate unit. This unit is the square root of 0.1, expressed in statute miles. International Services Network, Inc. uses the rate centers and associated vertical and horizontal coordinates that are produced by Bell Communications Research, Inc. in its NPA-NXX V&H Coordinates Tape and the Exchange Carrier Association's NECA Tariff FCC No. 4.

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FORMULA:

$$\sqrt{\frac{(V1-V2)^2 + (H1-H2)^2}{10}}$$

3.6 Minimum Call Completion Rate

A customer can expect a call completion rate (number of calls completed/number of calls attempted) of not less than 99% during peak use periods for all Feature Group D services.

3.7 Intrastate Prepaid Calling Card Service

Service is offered on a measured-use basis for an initial one minute minimum with additional one minute increments thereafter using prepaid calling cards issued by the Company and decremented according to the rate plans set forth in Section 4.1.

3.8 Intrastate Diners Calling Card Service

Service is offered on a measured-use basis for an initial one minute minimum with additional one minute increments thereafter using prepaid calling cards issued by the Company from commercial dining facilities and decremented according to the rate plans set forth in Section 4.2.

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SECTION 4 - RATES

This section sets forth the rates and charges applicable to calls originating and terminating within the State of Florida.

4.1 Intrastate Prepaid Calling Card Service Rates

Per Minute Usage Rate

All Mileage Bands \$0.23

4.2 Intrastate Prepaid Diners Calling Card Rates

Per Minute Usage Rate

All Mileage Bands \$0.50

4.3 Late Payment and Returned Check Charges

Interest charges are inapplicable due to the prepaid-nature of the Company's service. The Company may assess a charge not to exceed five percent (5%) of the customer's amount due or twenty dollars (\$20.00) for each returned check used to purchase prepaid calling cards.

4.3 Special Promotions

The Company may from time to time offer special promotions to its customers waiving certain charges. These promotions will be approved by the FPSC with specific starting and ending dates and under no circumstances run for longer than 90 days in any 12 month period.

4.4 Exemptions and Special Rates

4.4.1 Discounts for Hearing Impaired Customers
Intrastate toll message rates for TDD users, which is communicated using a telecommunications device for the deaf (TDD) by properly certified business establishments or individuals equipped with TDDs for communications with hearing or speech impaired persons, shall be evening and night calls. These discounts shall be offered by all interexchange carriers and LECs.

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4.4.2 Operator Assistance and Directory Assistance
For Handicapped Persons

Pursuant to Florida Public Service Commission Rules and Regulations, Capital Services will not charge for the first 50 directory assistance calls initiated per billing cycle by handicapped persons. Operator surcharges for handicapped persons will be waived for operator assistance provided to a caller who identifies himself as being handicapped and unable to dial the call because of a handicap.

RES42303.110911

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7154 N. University Drive, Suite 250
Tamarac, Florida 33321

FLEISCHMAN AND WALSH, L. L. P.

ATTORNEYS AT LAW

A NOTARY PUBLIC AND A PROFESSIONAL CORPORATION

AARON I. FLEISCHMAN
FLEISCHMAN AND WALSH, P.C.
CHARLES S. WALSH
ARTHUR H. HARDING
STUART F. FELDESTEIN
RICHARD RUBIN
JEFFREY L. NORDIN
STEPHEN A. BOLDING
B. BRUCE BECKER
HOWARD B. SHAPIRO
CHRISTOPHER B. WOOD
SEYMOUR A. SHAPIRO
MITCHELL F. BRICHER
JAMES F. MORIARTY
MATTHEW D. EMMER
JILL ELMER WELLS
PETER T. WOODS
REGINA FANGLIETTI-PAZ
TERRY S. WATSON
SHERRY D. WORMAN
CRAD A. BILLET
HARRY F. HILARIO
MEYER J. BARNETT
TIMBERLY A. KELLY
ROBERT L. STUTZ, JR.
DONALD W. DOWNS, JR.
SCOTT W. RESSLER
MUST SPANDREA CEASAR

1400 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. 20036

(202) 838-1900
FACSIMILE (202) 748-4411
INTERNET: faw@faw.com

96883-75

August 2, 1996

* MEMBER BAR ONLY
** MEMBERSHIP BAR ONLY
*** WASHINGTON AND MARYLAND BARS ONLY
**** NEW YORK AND NEW JERSEY BARS ONLY

VIA OVERNIGHT MAIL

Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd., Gunter Bldg
Tallahassee, Florida 32399-0850

Re: Application of Capital Services of South Florida, Inc.
for Certificate of Public Convenience and Necessity

Dear Chief Clerk:

Transmitted herewith for filing on behalf of Capital Services of South Florida, Inc. ("Capital Services") are an original and twelve copies of its application for a certificate of public convenience and necessity, on Form PSC/CMU 31, and a proposed tariff. As Capital Services is eager to commence its Florida intrastate operations as expeditiously as possible, prompt processing of this application and tariff is hereby requested.

So that we may have proof of this filing, please date-stamp the extra copy of this letter, and return it in the self-addressed, stamped envelope provided.

A check in the amount of two hundred fifty dollars (\$250.00), in payment of the filing fee, is enclosed.

96 AUG -5 AM 11:11
1000-1000-1000

OFFICIAL CHECK
CAPITAL SERVICES OF S FL INC.
Date JUL 26, 1996
\$ 250.00
TWO HUNDRED FIFTY AND 00/100
FIRST UNION NATIONAL BANK OF FLORIDA
William J. Morrison Jr.
Authorized Signature

DOCUMENT NUMBER-DATE

08138 AUG-5 96

FPC-RECORDS/REPORTING