



210 N. Park Ave.  
 P.O. Drawer 200  
 Winter Park, FL  
 32790-0200

Tel: 407-740-8575  
 Fax: 407-740-0613

Florida Public Service Commission  
 Division of Records and Reporting  
 2540 Shumard Oaks Boulevard  
 Gerald L. Gunter Bldg. Room 270  
 Tallahassee, FL 32399-0850  
 (904) 488-4733

ORIGINAL  
 FILE COPY

November 12, 1996  
 Overnight

DEPOSIT TREAS. REC.  
 D401 NOV 14 '96

61360-77

RE: Request for Authority to Transfer Controlling Interest in World Pass Communication Corp.

Dear Mr. D'Haeseleer:

Enclosed for filing are the original and twelve copies of the above referenced application of World Pass Communication Corp. for authority to transfer controlling interest in the company to Merlot Communications, Inc. If this transaction is approved, Merlot would own 100% of the shares of World Pass. No name change or tariff revision is requested.

Time is of the essence in this transaction and petitioners ask that the application be treated as expeditiously as possible. Please let me know if you need any additional information to facilitate prompt approval.

Also enclosed is the applicant's check in the amount of \$250 for the filing fee.

Please acknowledge receipt of this filing by returning, file-stamped, the extra copy of this cover letter in the self-addressed, stamped envelope enclosed for this purpose.

- ACK \_\_\_\_\_
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG \_\_\_\_\_
- LIN \_\_\_\_\_
- GRD \_\_\_\_\_
- ROH \_\_\_\_\_
- SEC \_\_\_\_\_
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

Thank you for your assistance.

Sincerely,

*C. M. Wightman*  
 Connie Wightman  
 Consultant to World Pass

Enclosures

cc: Shaul Shalev  
 File: WPASS - FL

RECEIVED  
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DOCUMENT NUMBER-DATE  
 12099 NOV 13 96  
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FLORIDA PUBLIC SERVICE COMMISSION

Original  
FILE COPY

Application Form

for

Authority to Provide Interexchange Telecommunications Service

Between Points Within the State of Florida

To: Florida Public Service Commission  
Division of Records and Reporting  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850  
(904) 413-6600

This package includes the original and twelve (12) copies of the application along with a non-refundable application fee of \$250.00.

1. This is an application for:

- Original Authority (new company)
- Approval of transfer (to another certificated company)
- Approval of assignment of existing certificate (to a noncertificated 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.
- Alternative Operator Service** - 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.
- Call aggregator** - company contracts with unaffiliated entities to obtain bulk/volume discounts under multi-location discount plans from certain underlying carriers associated with such aggregated telecommunications business.

3. Name of corporation, partnership, cooperative, joint venture or sole proprietorship:

World Pass Communication Corp.

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

World Pass Communication Corp.

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

World Pass Communication Corp.  
2999 NE 191 Street  
Suite 608  
Miami, Florida 33180  
Telephone: (305) 935-5475

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

Same as above.

7. Structure of organization:

<input type="checkbox"/> Individual	<input checked="" type="checkbox"/> Corporation
<input type="checkbox"/> Foreign Corporation	<input type="checkbox"/> Foreign Partnership
<input type="checkbox"/> General Partnership	<input type="checkbox"/> Limited Partnership
<input type="checkbox"/> Other, _____	

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

Not applicable.

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

- (b) Indicate if the individual or any of the partners have previously been: Not Applicable.

(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 the 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: V30940. See Attachment 1.

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

Ira C. Hatch  
1600 SE 17th Street  
Suite 300  
Fort Lauderdale, FL 33316

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

Fictitious name registration number: not applicable.

- (d) 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.

No officer, director or stockholder of the company has been adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime. No officer, director or stockholder of the company involved in proceedings which may result in such action.

- (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 the company, give reason why not.

No officer, director or stockholder of the company is an officer, director, partner or stockholder in any other Florida certificated telephone company.

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

(a) The application:

Connie Wightman  
Consultant to World Pass Communication Corp.  
Technologies Management, Inc.  
P.O. Drawer 200  
Winter Park, FL 32790-0200  
(407) 740-8575  
(FAX) 740-0613

(b) Official Point of Contact for the ongoing operations of the company:

Charles Wainer  
World Pass Communication Corp.  
2999 NE 191 Street, Suite 608  
Miami, FL 33180  
Telephone: (305) 935-5475

(c) Tariff:

Connie Wightman  
Consultant to World Pass Communication Corp.  
Technologies Management, Inc.  
P.O. Drawer 200  
Winter Park, FL 32790-0200  
(407) 740-8575

(d) Complaints/Inquiries from customers:

Customer Service  
World Pass Communication Corp.  
2999 NE 191 Street  
Suite 608  
Miami, FL 33180  
Telephone: (305) 935-5475

11. List the states in which the applicant:

(a) Has operated as an interexchange carrier.

None.

(b) Has applications pending to be certificated as an 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 carrier or other telecommunications entity, and the circumstances involved.

None.

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

- |  |                                    |
|--|------------------------------------|
| <input type="checkbox"/> Facilities                                  | <input type="checkbox"/> Operators |
| <input type="checkbox"/> Billing and Collection                      | <input type="checkbox"/> Sales     |
| <input type="checkbox"/> Maintenance                                 |                                    |
| <input type="checkbox"/> Other: <u>None anticipated at this time</u> |                                    |

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 13 (to whom, what amount, type of franchise, etc.).

Services will be marketed by in-house personnel whose compensation depends, in part, on sales results.

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

- |  |  |
|--|--|
| <input type="checkbox"/> Residential customers                 | <input checked="" type="checkbox"/> Business customers |
| <input type="checkbox"/> PATS providers                        | <input type="checkbox"/> PATS station end-users        |
| <input type="checkbox"/> Hotels & motels                       | <input type="checkbox"/> Hotel & motel guests          |
| <input type="checkbox"/> Universities                          | <input type="checkbox"/> Univ. dormitory residents     |
| <input checked="" type="checkbox"/> Other: (specify) see below |  |

Any customer who orders and uses service provided by World Pass.

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, the name of the company will be on the bill.

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

Not applicable.

18. 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 Attachment II.

19. 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 mbps, 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

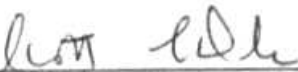
20. What does the end user dial for each of the interexchange carrier services that were checked in services that were checked in services included (above).

1+ destination number  
1-800-NXX-XXXX + Account No. + PIN + destination number.

21. Other:

APPLICANT ACKNOWLEDGMENT STATEMENT

1. REGULATORY ASSESSMENT FEE: I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. GROSS RECEIPTS TAX: I understand that all telephone companies must pay a gross receipts tax of one and one-half percent, or currently applicable rates, on all intra and interstate business.
3. SALES TAX: I understand that a seven percent sales tax, or other currently applicable percentage, 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. LEC BYPASS RESTRICTIONS: I acknowledge the Commission's policy that interexchange carriers shall not construct facilities to bypass the LECs without first demonstrating to the Commission that the LEC cannot offer the needed facilities at a competitive price and in a timely manner.
6. 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 telephone service.
7. ACCURACY OF APPLICATION: By my signature below, I attest to the accuracy of the information contained in this application and associated attachments.

  
\_\_\_\_\_  
Scott L. Drake  
President and Director  
Marlot Communications Inc.

October 25 1996  
\_\_\_\_\_  
Date

APPENDICES

- A - Certificate of Transfer Statement
- B - Customer deposits and advance payments
- C - Intrastate network
- D - Florida telephone exchanges and EAS routes
- E - Glossary

ATTACHMENTS:


- I - Florida Secretary of State Registration
- II - Proposed Tariff

APPENDIX A

CERTIFICATE OF TRANSFER STATEMENT

On behalf of World Pass, I, Charles Wainer, Vice President of Network Operations, current holder of certificate number 3501, have reviewed this application and join in the petitioner's request.

The new stockholders of the company will be Merlot Communications. Information pertaining to the management and ownership structure and resumes of key individuals is provided in Attachment III. Financial information resulting from this ownership change is provided in Attachment IV.

  
Signature of owner or chief officer of the certificate holder.

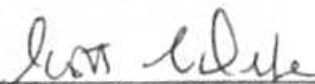
Title: VP Network op.  
Date: 10-25-96

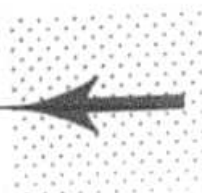
APPENDIX B

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.)

  
\_\_\_\_\_  
Scott L. Drake  
President and Director  
Merlot Communications Inc.



**SIGN  
HERE**

Date: October 25, 1996

APPENDIX C

INTRASTATE NETWORK

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

1) 2999 NE 191 Street - Leased 2)  
Miami, Florida

3) 4)

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

1) 2999 NE 191 Street - Leased 2)  
Fort Lauderdale, FL

3) 4)

3. TRANSMISSION FACILITIES: POP-to-POP facilities by type or facilities (microwave, fiber copper, satellite, etc.) and indicate if owned or leased.

<u>POP-to-POP</u>	<u>TYPE</u>	<u>OWNERSHIP</u>
-------------------	-------------	------------------

1) None

2)

3)

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)

Statewide.

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).

Not applicable for 1+ calls.

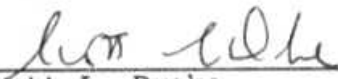
6. **CURRENT FLORIDA INTRASTATE SERVICES:** Applicant has ( ) or has not (X) previously provided intrastate telecommunications in Florida. If the answer is has, fully describe the following:


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

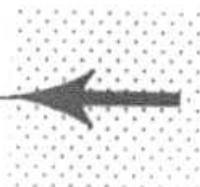
Not applicable.

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

Not applicable.

  
\_\_\_\_\_  
Scott L. Drake  
President and Director  
Merlot Communications Inc.

  
\_\_\_\_\_  
Date



**SIGN  
HERE**

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).

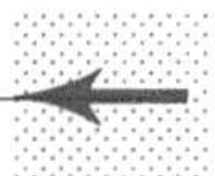
Jacksonville  
Gainesville  
Daytona Beach  
Ocala  
Orlando  
Cocoa  
Melbourne  
West Palm Beach  
Miami  
Pensacola  
Panama City  
Tallahassee  
Titusville

Tampa  
Clearwater  
St. Petersburg  
Lakeland  
Winter Park  
Ft. Lauderdale  
Pompano Beach  
Hollywood  
North Dade  
Sarasota  
Ft. Myers  
Naples

World Pass Communication Corp. intends to offer service to any location within the State of Florida.

  
\_\_\_\_\_  
Scott L. Drake  
President and Director  
Merlot Communications Inc.

  
\_\_\_\_\_  
Date



**SIGN  
HERE**

ATTACHMENT I

AUTHORITY TO OPERATE IN FLORIDA

World Pass Secretary of State authority was previously filed with original application. Attached is the Florida authority of the prospective stockholder.



# State of Florida



Department of State

I certify from the records of this office that MERLOT COMMUNICATIONS, INC. is a corporation organized under the laws of the State of Florida, filed on July 26, 1996.

The document number of this corporation is P96000064065.

I further certify that said corporation has paid all fees and penalties due this office through December 31, 1996, and its status is active.

I further certify that said corporation has not filed Articles of Dissolution.

Given under my hand and the  
Great Seal of the State of Florida,  
at Tallahassee, the Capitol, this the  
Thirty-first day of July, 1996



CR2EO22 (2-95)



Sandra B. Northam  
Secretary of State

# State of Florida



## Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of MERLOT COMMUNICATIONS, INC., a Florida corporation, filed on July 26, 1996, as shown by the records of this office.

The document number of this corporation is P96000064065.

Given under my hand and the  
Great Seal of the State of Florida,  
at Tallahassee, the Capitol, this the  
Thirty-first day of July, 1996



CR2EO22 (2-95)

*Sandra B. Northam*

Sandra B. Northam  
Secretary of State

**ARTICLES OF INCORPORATION**  
**OF**  
**MERLOT COMMUNICATIONS, INC.**

The undersigned incorporator, for the purpose of forming a corporation under the Florida Business Corporation Act, hereby adopts the following Articles of Incorporation.

**ARTICLE I NAME**

The name of the corporation shall be: Merlot Communications, Inc.

**ARTICLE II DURATION**

This corporation shall exist perpetually.

**ARTICLE III CORPORATE PURPOSE**

This corporation is organized for the purpose of transacting any or all business for which corporations may be incorporated under Chapter 607, Florida Statutes.

**ARTICLE IV CAPITAL STOCK**

This corporation is authorized to issue 1,000 shares of \$ 01 par value common stock.

**ARTICLE V INITIAL REGISTERED OFFICE AND AGENT**

The street address of the initial registered office of this corporation shall be:

5301 North Federal Highway  
Suite 210  
Boca Raton, Florida 33487

FILED  
65 JUN 20 PM 1:20

The name of the initial registered agent of this corporation at that address shall be:

Lawrence D. Ferk

#### ARTICLE VI INITIAL BOARD OF DIRECTORS

A. This corporation shall have two directors initially. The number of directors may be either increased or diminished from time to time by the By-Laws but shall never be less than one (1).

B. The name and address of the initial directors of this corporation are as follows:

<u>Name</u>	<u>Street Address</u>
Lawrence D. Ferk	5301 North Federal Highway Suite 210 Boca Raton, Florida 33487
Scott L. Drake	22738 Horseshoe Way Boca Raton, Florida 33428

#### ARTICLE VII INCORPORATOR

The name and address of the person signing these Articles is:

<u>Name</u>	<u>Street Address</u>
Lawrence D. Ferk	5301 North Federal Highway Suite 210 Boca Raton, Florida 33487

#### ARTICLE VIII BY-LAWS

The power to adopt, alter, amend or repeal By-Laws shall be vested in the Board of Directors and the shareholders.

**ARTICLE IX AMENDMENT**

This corporation reserves the right to amend or repeal any provisions contained in these Articles of Incorporation, or any amendment hereto, and any right conferred upon the shareholders is subject to this reservation.

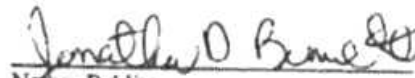
IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of Incorporation this 25 day of July, 1996.



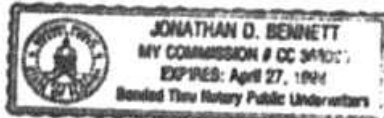
Lawrence D. Ferk  
Incorporator FL20-524-50-215-01 FL

STATE OF FLORIDA        )  
  )  
COUNTY OF PALM BEACH )

The foregoing Articles of Incorporation were acknowledged, before me, on July 25, 1996, by Lawrence D. Ferk. The Incorporator is personally known to me and did not take an oath.



Notary Public  
My Commission Expires



ATTACHMENT II

PROPOSED TARIFF

See Current World Pass tariff on file.

ATTACHMENT III

RESUMES

## MANAGEMENT

### Directors and Executive Officers

The following table sets forth certain information with respect to the directors and executive officers of the Company.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Lawrence D. Ferk	46	Chairman of the Board and Director
Scott L. Drake	38	President and Director
Charles Wainer	35	Vice President of Network Operations
Jose Schwarzer	35	Chief Financial Officer
Open		Director
Open		Director

---

Following completion of the initial capitalization of Merlot and the acquisition of World Pass, the Company intends to elect two additional persons, each of whom will be independent directors, to the Company's Board of Directors.

Lawrence D. Ferk, a co-founder of the Company, has served as Chairman of the Board and Director since the Company's formation in July 1996. Mr. Ferk is currently President and Chief Executive Officer of Metrolink, Inc. and has served in this capacity since 1987. Metrolink is a direct sales agent for Long Distance Savers, Inc. and U.S. Access, Inc.; both companies are private switch based U.S. long distance carriers. Prior to 1987, Mr. Ferk was President of City Pairs, Inc., a Florida based company which had the exclusive right to sell fiber-optic capacity for Microtel, Inc. Mr. Ferk has been in the telecommunications industry since 1977 when, as a regional manager, he opened the Texas and Louisiana markets for U.S. Sprint. Mr. Ferk has over 19 years experience in the telecommunications industry.

Scott L. Drake, a co-founder of the Company, has served as President and Director since its formation in July 1996. Prior to joining the Company, Mr. Drake was Chief Financial Officer of TresCom International, Inc. from December 1994 to June 1996. From June 1993 to November 1994, Mr. Drake was a Vice President of LDDS Communications, Inc. and from January 1992 to June 1993, Mr. Drake was an associate at the Breckenridge Group, an investment banking firm. Mr. Drake has been in the telecommunications industry since 1984 and has over twelve years experience in telecommunications.



Charles Wainer has served as Vice President of Network Operations of World Pass Communications Corporation since February 1993. From March 1988 to February 1993, Mr. Wainer served as Vice President of Engineering of LMC Research, Inc., a company that he founded that developed early voice mail applications. From December 1985 to January 1988, Mr. Wainer served as Service Manager for IDS Communications, Inc. Prior to December 1985, Mr. Wainer was employed by Telrad Telecom as Director of Technical Support from March 1984 to January 1985. Mr. Wainer (a U.S. citizen) was raised and educated in Argentina and Israel. He served in the Israeli Army for four years and fluently speaks, reads and writes in English, Spanish and Hebrew.

Jose Schwarzer has served as Chief Financial Officer of World Pass since April 1996. Prior to joining World Pass, Mr. Schwarzer was employed as a Senior Accountant with Alberni & Alberni, CPA's from July 1991 to April 1996. From October 1985 to February 1991, Mr. Schwarzer was a Senior Accountant with Caspy & Caspy, CPA's in Israel. Mr. Schwarzer is a Certified Public Accountant in Florida and in Israel and is fluent in Spanish, Hebrew and English.

ATTACHMENT IV

FINANCIAL STATEMENTS



## Statement of Operations

	"Internal" Actual 6 Months End 30-Jun-96	Forecasted Roll-forward from June '96						Forecasted Stub Period	Forecasted Full Year
		July '96	Aug.	Sept	Oct	Anticipated Closing as of 01-Nov-96 Nov	Dec	Two Months Ending 31-Dec-96	FYE 31-Dec-96
Net Revenues	\$6,831.7	\$1,250.1	\$1,278.3	\$1,303.9	\$1,329.9	\$1,356.5	\$1,383.7	\$2,740.2	\$14,734.1
Network Costs	4,743.7	839.7	850.9	873.8	891.1	936.0	954.7	1,890.7	10,089.7
Gross Margin	2,088.0	410.4	427.4	430.3	438.9	420.5	428.9	849.5	4,644.4
	31%	33%	33%	33%	33%	31.0%	31.0%	31.0%	31.5%
S, S&A -									
Salaries & Wages	455.4	74.6	79.2	83.8	83.8	83.8	83.8	167.6	944.4
Other SG&A	909.5	244.9	178.7	237.2	240.3	243.7	247.3	491.0	2,301.8
Total SG&A	1,364.9	319.5	257.9	321.0	324.1	327.5	331.1	658.6	3,246.0
	20%	26%	20%	25%	24%	24%	24%	24%	22%
EBITDA	723.1	90.9	169.5	109.3	114.8	93.0	97.8	190.9	1,398.4
	11%	7%	13%	8%	9%	7%	7%	7%	9%
Depreciation	97.4	16.2	16.2	18.6	19.4	20.2	21.0	41.2	209.0
Amortization	0.0	0.0	0.0	0.0	0.3	86.1	86.1	172.1	172.4
EBIT	625.7	74.7	153.3	90.7	95.1	(13.2)	(9.2)	(22.4)	1,017.0
Interest Expense, Net	14.5	1.9	1.8	3.4	3.3	47.5	47.4	94.9	119.8
Pre-Tax Net Income (Loss)	611.2	72.8	151.5	87.3	91.8	(60.7)	(56.6)	(117.3)	897.2
Tax Provision	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income (Loss)	\$611.2	\$72.8	\$151.5	\$87.3	\$91.8	(\$60.7)	(\$56.6)	(\$117.3)	\$897.2

Statement of Changes in Cash Flows	"Internal" Actual 6 Months End 30-Jun-96	Forecasted Roll-forward from June '96						Forecasted Stub Period	Forecasted Full Year
		July '96	Aug.	Sept	Oct	Anticipated Closing as of 01-Nov-96 Nov	Dec	Two Months Ending 31-Dec-96	FYE 31-Dec-96
<b>Cash Flows From Operating Activities -</b>									
Net Income (Loss)	\$611.3	\$72.8	\$151.5	\$87.3	\$91.8	(\$60.7)	(\$56.6)	(\$117.3)	\$897.3
Net cash provided by (used in) operations:									
Depreciation	97.4	16.2	16.2	18.6	19.4	20.2	21.0	41.2	209.0
Amortization	0.0	0.0	0.0	0.0	0.3	86.1	86.1	172.1	172.4
Bad Debt Provisions	0.0	0.0	0.0	9.8	10.0	10.2	10.4	20.6	40.4
Changes in operating assets and liabilities:									
Accounts receivable	80.5	(140.1)	(19.8)	(28.5)	(30.2)	(30.8)	(31.5)	(62.3)	(200.4)
Notes receivable / Stockholder Advances	(215.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(215.2)
Prepaid Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits	(3.3)	(20.2)	(0.9)	(20.8)	(20.8)	(20.8)	(20.8)	(41.6)	(107.6)
Other Current Assets	15.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.0
Accounts Payable	348.5	(101.5)	(315.5)	124.4	23.7	56.2	25.8	82.0	181.8
Accrued Telecom	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued Other / Payroll Taxes Payable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Current Liabilities / Income Taxes Payable	(85.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(85.0)
Net cash provided by (used in) operations	849.2	(172.8)	(188.5)	180.8	94.1	80.3	34.4	94.7	887.5
<b>Cash Flows From Investing Activities -</b>									
Purchases of property and equipment	(166.1)	(25.8)	(10.0)	(50.0)	(50.0)	(50.0)	(50.0)	(100.0)	(401.9)
Purchases of software and intangibles	0.0	0.0	0.0	0.0	0.0	(9,949.0)	(0.0)	(9,949.0)	(9,949.0)
Net cash used in investing activities	(166.1)	(25.8)	(10.0)	(50.0)	(50.0)	(9,999.0)	(50.0)	(10,049.0)	(10,350.9)
<b>Cash Flows Provided By Financing Activities -</b>									
(Decrease) Increase in revolver	0.0	0.0	0.0	0.0	0.0	220.0	80.0	300.0	300.0
(Decrease) Increase in capital leases	345.4	(9.6)	(9.7)	(9.6)	(9.8)	(9.6)	(9.7)	(19.4)	287.4
(Decrease) Increase in Term indebtedness	0.0	0.0	0.0	0.0	0.0	4,500.0	0.0	4,500.0	4,500.0
(Decrease) Increase in notes payable	(375.8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(375.8)
(Decrease) Increase in Sellers' Notes/Non-compete pmts	0.0	0.0	0.0	0.0	0.0	(66.6)	(66.6)	(111.1)	(111.1)
(Decrease) Increase in Deferred Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(Decrease) Increase in equity (Gross Proceeds from Sale of Common)						5,440.0	0.0	5,440.0	5,440.0
(Decrease) Increase in equity (Distribution of Net Profits to "Sub-S" S						(760.8)	0.0	(760.8)	(760.8)
(Decrease) Increase in sub-debt/equity	0.0	(85.4)	(230.0)	0.0	0.6	0.0	0.0	0.0	(314.8)
Net cash provided by (used in) financing activities	(30.4)	(95.0)	(239.7)	(9.6)	(9.2)	9,334.0	14.7	9,348.7	8,964.9
Net Change in Cash and Cash Equivalents	652.7	(293.6)	(418.2)	131.2	35.0	(604.7)	(0.9)	(605.6)	(498.5)
Cash and Equivalents at Beginning of Period	508.8	1,161.5	867.9	449.7	580.9	615.9	11.2	615.9	508.8
Cash and Equivalents at End of Period	\$1,161.5	\$867.9	\$449.7	\$580.9	\$615.9	\$11.2	\$10.3	\$10.3	\$10.3
Ending Cash on Balance Sheet	\$1,161.5	\$867.9	\$449.7	\$580.9	\$615.9	\$11.2	\$10.3	\$10.3	\$10.3
Reconciliation	\$0.0	(\$0.0)	\$0.0	(\$0.0)	\$0.0	(\$0.0)	(\$0.0)	(\$0.0)	(\$0.0)



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November 12, 1996  
**Overnight**

RECEIVED  
D'HAESELEER  
NOV 18 1996

RE: Request for Authority to Transfer Controlling Interest in World Pass  
Communication Corp.

Dear Mr. D'Haeseleer:

Enclosed for filing are the original and twelve copies of the above referenced application of World Pass Communication Corp. for authority to transfer controlling interest in the company to Merlot Communications, Inc. If this transaction is approved, Merlot would own 100% of the shares of World Pass. No name change or tariff revision is requested.

Time is of the essence in this transaction and petitioners ask that the application be treated as expeditiously as possible. Please let me know if you need any additional information to facilitate prompt approval.

Also enclosed is the applicant's check in the amount of \$250 for the filing fee.

Please acknowledge receipt of this filing by returning, file-stamped, the extra copy of this cover letter in the self-addressed, stamped envelope enclosed for this purpose.

Thank you for your assistance.