



ORIGINAL
FILE COPY

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

761380-TI

November 19, 1996
OVERNIGHT

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

Florida Public Service Commission
Division of Administration, Room G-50
101 East Gaines Street
Tallahassee, FL 32399-0850

RECEIVED
FLORIDA PUBLIC
SERVICE COMMISSION
96 NOV 20 AM 11:47
MAIL ROOM

RE: Initial Application and Tariff of PICK Communications Corporation for Authority to Provide Interexchange Telecommunications Services within the State of Florida.

Dear Sir/Madam:

Enclosed for filing are the original and twelve (12) copies of the above-referenced application of PICK Communications Corporation.

Also enclosed is a Technologies Management, Inc. check in the amount of \$250 to cover the filing fee.

Please acknowledge receipt of this filing by returning, filed stamped, the extra copy of this letter in the self-addressed stamped envelope.

I may be reached at (407) 740-8575 with any questions, comments or correspondence regarding this application. Thank you for your assistance.

Sincerely,

Monique Byrnes

Monique Byrnes
Consultant to
PICK Communications Corporation

cc: R. Brennan, PICK
file: PICK - FL
tms: FL96000

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

Initials of person who forwarded check:

A.G.

DOCUMENT NUMBER-DATE

12429 NOV 20 96

FPSC-RECORDS/REPORTING

- ACK _____
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- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEL _____
- WAS _____
- OT 4 _____

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
101 East Gaines Street
Tallahassee, Florida 32399-0850
(904) 488-4733

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:

PICK Communications Corporation

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

PICK Communications Corporation

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

PICK Communications Corporation
Wayne Interchange Plaza II
155 Route 46 W., 3rd Floor
Wayne, New Jersey 07470

Telephone: (201) 812-7425

Facsimile: (201) 812-4181

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

7. Structure of organization:

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

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

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:

(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.

See: Attachment I

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

Corporation Service Company
1201 Hays Street, Suite 105
Tallahassee, Florida 32301

- (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 is 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:

Monique Byrnes
Consultant to PICK Communications Corporation
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:

Raymond M. Brennan
Vice President
PICK Communications Corporation
Wayne Interchange Plaza II
155 Route 46 W., 3rd Floor
Wayne, New Jersey 07470
Telephone: (201) 812-7425

(c) Tariff:

Monique Byrnes
Consultant to PICK Communications Corporation
Technologies Management, Inc.
P.O. Drawer 200
Winter Park, FL 32790-0200
(407) 740-8575
(FAX) 740-0613

(d) Complaints/Inquiries from Customers:

Karen M. Quinn
Vice President
PICK Communications Corporation
Wayne Interchange Plaza II
155 Route 46 W., 3rd Floor
Wayne, New Jersey 07470
Telephone: (212) 812-7425

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.

New York

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

New Jersey

(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 checked="" 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?

None of the Above

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

Not applicable.

16. Who will receive the bills for your service (check all that apply)? No Customers receive bills, but potential users include:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Residential Customers | <input checked="" type="checkbox"/> Business Customers |
| <input type="checkbox"/> PATS providers | <input type="checkbox"/> PATS station end-users |
| <input type="checkbox"/> Hotels & motels | <input type="checkbox"/> Hotel & motel guests |
| <input type="checkbox"/> Universities | <input type="checkbox"/> Univ. dormitory residents |
| <input checked="" type="checkbox"/> Other: (specify) <u>Anyone who uses the Company's service</u> | |

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?

No. The only service the Company provides is a pre-paid debit card service. The caller can contact the Company's Customer Service department at 1-800-897-8974 with any questions. Customer service is available twenty-four hours a day, seven days a week.

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

The Company's service is a pre-paid debit card.

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 IV.

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, 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

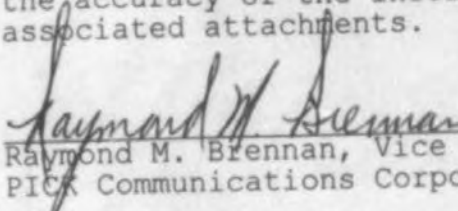
20. What does the end user dial for each of the interexchange carrier services that were checked in interexchange carrier services included (above).

The end user will dial "1-800 NXX-XXXX" + authorization code
+ 1 + 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.


Raymond M. Brennan, Vice President
PICK Communications Corporation

Oct. 20, 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

I, _____, current holder of certificate number _____, have reviewed this application and join in the petitioner's request.

Not Applicable.

Signature of owner or chief officer of the certificate holder.

Title: _____

Date: _____

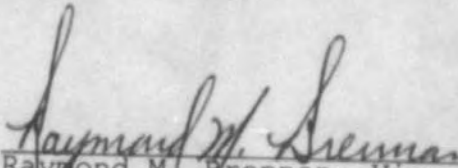
APPENDIX B

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.)


Raymond M. Brennan, Vice President
PICK Communications Corporation

Date: Oct. 16, 1996

APPENDIX C
INTRASTATE NETWORK

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

1) None. 2)

3) 4)

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

1) Tampa, Florida 2) New York, New York

3) 4)

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

	<u>POP-to-POP</u>	<u>TYPE</u>	<u>OWNERSHIP</u>
1)	None		
2)			
3)			

PICK does not maintain any points of presence, switches or transmission facilities within the State of Florida. Originating calls are transported over facilities provided by PICK's underlying carrier(s).

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)

Service may originate 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.

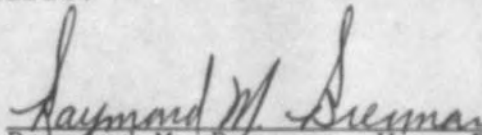
6. **CURRENT FLORIDA INTRASTATE SERVICES:** Applicant has () or has not (X) previously provided intrastate telecommunications in Florida. If the answer is has, fully describe the following:

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

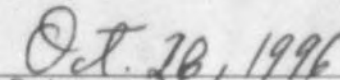
Not applicable.

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

Not applicable.



Raymond M. Brennan, Vice President
PICK Communications Corporation



Date

APPENDIX D

FLORIDA TELEPHONE EXCHANGES AND EAS ROUTES

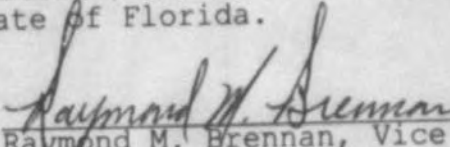
Describe the service area in which you hold yourself out to provide service by telephone company exchange. If all services listed in your tariff are not offered at all locations, so indicate.

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

PICK Communications Corporation ("PICK") intends to offer service throughout the State of Florida.


Raymond M. Brennan, Vice President
PICK Communications Corporation

Oct. 20, 1996
Date

ATTACHMENT I

AUTHORITY TO OPERATE IN FLORIDA



FLORIDA DEPARTMENT OF STATE
Sandra E. Mortham
Secretary of State

June 26, 1996

CSC NETWORKS

Qualification documents for PICK COMMUNICATIONS CORP. were filed on June 26, 1996 and assigned document number F96000003239. Please refer to this number whenever corresponding with this office.

Your corporation is now qualified and authorized to transact business in Florida as of the file date.

A corporation annual report will be due this office between January 1 and May 1 of the year following the calendar year of the file date. A Federal Employer Identification (FEI) number will be required before this report can be filed. If you do not already have an FEI number, please apply NOW with the Internal Revenue by calling 1-800-829-3676 and requesting form SS-4.

Please be aware if the corporate address changes, it is the responsibility of the corporation to notify this office.

Should you have any questions regarding this matter, please telephone (904) 487-6091, the Foreign Qualification/Tax Lien Section.

Michael Mays
Document Specialist
Division of Corporations

Letter Number: 596A00031690

Account number: 072100000032

Account charged: 70.00

APPLICATION BY FOREIGN CORPORATION FOR AUTHORIZATION
TO TRANSACT BUSINESS IN FLORIDA

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

1. PICK COMMUNICATIONS CORPORATION
(Name of corporation: must include the word "INCORPORATED", "COMPANY", "CORPORATION" or words or abbreviations of like import in language as will clearly indicate that it is a corporation instead of a natural person or partnership if not so contained in the name at present.)
2. NEVADA
(State or country under the law of which it is incorporated)
3. 75-2107261
(FEI number, if applicable)
4. AUGUST 23, 1995
(Date of Incorporation)
5. PERPETUAL
(Duration: Year corp. will cease to exist or "perpetual")
6. UPON QUALIFICATION
(Date first transacted business in Florida. (SEE SECTIONS 607.1501, 607.1502, AND 817.155, F.S.))
7. 155 ROUTE 46 WEST, THIRD FLOOR
WAYNE, NEW JERSEY 07470
(Current mailing address)
8. TO ENGAGE IN THE TELECOMMUNICATIONS BUSINESS PRIMARILY THROUGH THE SALE OF PREPAID TELEPHONE CALLING CARDS AND OTHER PHONE SERVICES (TO BE DETERMINED) AND ANY OTHER LAWFUL BUSINESS.
(Purpose(s) of corporation authorized in home state or country to be carried out in the state of Florida)
9. **Name and street address of Florida registered agent: (P.O. Box or Mail Drop Box NOT acceptable)**
Name: Corporation Service Company
Office Address: 1201 Hays Street, Suite 105
Tallahassee, Florida, 32301
(Zip Code)
10. **Registered agent's acceptance:**
Having been named as registered agent and to accept service of process for the above stated corporation at the place designated in this application, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.
By: Victi Sabreter, Asst. V.P.
(Registered agent's signature)
11. Attached is a certificate of existence duly authenticated, not more than 90 days prior to delivery of this application to the Department of State, by the Secretary of State or other official having custody of corporate records in the jurisdiction under the law of which it is incorporated.

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
96 JUN 26 PM 12:45

12. Names and addresses of officers and/or directors: (Street address ONLY- P. O. Box NOT acceptable)

A. DIRECTORS (Street address only- P. O. Box NOT acceptable)

Chairman: DIEGO LEIVA
 99 CHEYENNE WAY, WAYNE, NJ 07470

Address:
 DIRECTOR: ROBERT R. SAMS
~~Vice Chairman~~ WOODMANS FARM, PERRYMANS LA., BURWASH, E. SUSSEX TN197DN ENGLAND

Address:
 DIRECTOR: RICARDO MARANON
 ADDRESS: 1400 STILLWATER DR., MIAMI BEACH, FL 33141

Director: RAYMOND M. BRENNAN
 Address: 139 W. LAKE SHORE DR., ROCKAWAY, NJ 07866

Director: GREG MANNING
 Address: 775 PASSAIC AVE., WEST CALDWELL, NJ 07006

B. OFFICERS (Street address only- P. O. Box NOT acceptable)

CEO & President: DIEGO LEIVA
 Address: 99 CHEYENNE WAY, WAYNE, NJ 07470

Vice President: KAREN M. QUINN
 Address: 5535 NETHERLAND AVENUE, BRONX, NY 10471

VICE PRES & Secretary: RAYMOND M. BRENNAN
 Address: 139 W. LAKE SHORE DR., ROCKAWAY, NJ 07866

VICE PRES, CFO & Treasurer: KARL R. PETERSSEN
 Address: 16 FRANKLIN PLACE, GLEN ROCK, NJ 07452

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

13. *Raymond M. Brennan* 6/20/96
 (Signature of Chairman, Vice Chairman, or any officer listed in number 12 of the application)

14. RAYMOND M. BRENNAN, VICE PRESIDENT
 (Typed or printed name and capacity of person signing application)

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
96 JUN 26 PM 12:45

SECRETARY OF STATE



CERTIFICATE OF EXISTENCE WITH STATUS IN GOOD STANDING

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
96 JUN 26 PM 2:14

I, DEAN HELLER, the duly elected and qualified Nevada Secretary of State, do hereby certify that I am, by the laws of said State, the custodian of the records relating to corporations, limited liability companies, limited partnership, and limited liability partnerships pursuant to Title 7 of the Nevada Revised Statutes; and am the proper officer to execute this certificate.

I further certify that the records of the Nevada Secretary of State, at the date of this certificate, evidence, **PICK COMMUNICATIONS CORP.**, as a corporation duly organized under the laws of Nevada and existing under and by virtue of the laws of the State of Nevada since August 23, 1995, and is in good standing in this state.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office, in Carson City, Nevada, on June 21, 1996.

Dean Heller
Secretary of State

By *J. Shuemaker*
Certification Clerk

ATTACHMENT II

MANAGEMENT PROFILES

MANAGEMENT PROFILES

Diego Leiva, President, Chief Executive Officer and Chairman
Mr. Leiva has held the positions of President, Chief Executive Officer and Chairman of PICK Communications Corp. since the Company was founded by him in July 1992. Prior to forming the Company, Mr. Leiva was director of Sales for Apertus Technologies, Inc., a computer telecommunications sales firm. He held this position from 1989 to July 1992. Previous work experience includes Vice President of Marketing and Sales for Market Makers, Inc.; Chief Operating Officer of Silo, Inc.; and President of Astroglow Lamps Company.

Karl R. Petersson, Vice President and Chief Financial Officer
Mr. Petersson has been Vice President and Chief Financial Officer of the Company since September 1994. Mr. Petersson served as Director of Internal Audit for the United Jewish Appeals Federation of Jewish Philanthropies of New York, a charitable organization. From November 1991 to May 1994, Mr. Petersson served as Vice President of Finance and Administration of the Telecommunications Cooperative Network of New York, Inc. Prior to that Mr. Petersson served as Vice President of Finance and Controller of Radio City Music Hall Productions, Inc. where he administered both the Accounting and Finance Departments.

MANAGEMENT PROFILES, CONT'D.

Raymond M. Brennan, Vice President and General Counsel

Mr. Brennan joined the Company in May 1994 as Vice President, Secretary and General Counsel. From April 1990 to April 1994, Mr. Brennan served as Executive Vice President and General Counsel of EOL, Inc., a full service event production and marketing company. Prior to that Mr. Brennan served as Vice President of Business Affairs for Radio City Music Hall Productions, Inc. where he administered both the Purchasing and Legal Departments.

Karen M. Quinn, Vice President of Corporate Communications and Operations

Karen M. Quinn has been Vice President of Corporate Communications and Operations of the Company since September 1995. Since December 1992, Ms. Quinn has been employed at PICK, and was appointed Vice President of Operations in May 1994. From September 1989 to April 1995, Ms. Quinn served as Business Manager for George M. Glassman, M.D., P.C.

ATTACHMENT III

FINANCIAL STATEMENTS

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (D) OF
THE SECURITIES EXCHANGE ACT OF 1934
FOR THE PERIOD ENDED JUNE 30, 1996

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-27604

PICK Communications Corp.

(Exact name of the registrant as specified in its charter)

NEVADA

(State or other jurisdiction of
Incorporation or Organization)

75-2107261

(I.R.S. employer
identification no.)

155 Route 46, West, Third Floor
Wayne Interchange Plaza II
Wayne, NJ

(Address of principal executive offices)

07470

(Zip code)

Registrant's Telephone number, including area code: (201) 812-7425

Indicate by check mark whether the registrant (1) has filed reports to be filed by Section 13 or 15(d) of the securities Exchange Act of 1934 during the preceding 12 months (or for shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class
Common Stock, \$.002 Par Value

Outstanding at July 31, 1996
43,192,516

(See Index to Sections of this Document on Page 2)

PICK Communications Corp.

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Part I - Financial Information

Item 1 - Financial Statements: Financial Information

Financial statements for the three and six months ended June 30, 1996 and June 30, 1996 are derived from the consolidation of the PICK Communications Corp, (the "Company") Public Info/CommKiosk, Inc., ("PICK"), and P.C.T. Prepaid Telephone, Inc. ("PCT") in accordance with generally accepted accounting principles. (See Notes to the Financial Statements for accounting policies.)

On April 16, 1996, the Company established PICKNET, Inc., a wholly owned subsidiary to serve as the operating company for the resale of international long distance service. Service began for a third party customer in May, 1996.

The Consolidated Financial Statements of the Company are included in the following pages labeled schedules F-1 through F-11.

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PICK Communications Corp.
Consolidated Balance Sheets
December 31, 1995 and June 30, 1996

	1995	1996
ASSETS		
CURRENT ASSETS		
Cash	\$ 110,715	(Unaudited) 278,976
Accounts receivable, net (note 1g)	824,463	1,265,420
Prepaid telephone card inventory (note 1d)	167,091	127,279
Prepaid advertising (notes 11, 12)	0	3,120,000
Prepaid expenses and other current assets	<u>503,495</u>	<u>203,888</u>
Total Current Assets	<u>1,605,764</u>	<u>4,995,563</u>
PROPERTY AND EQUIPMENT		
Furniture and equipment, net (note 1e)	<u>114,135</u>	<u>136,836</u>
Total Property and Equipment	<u>114,135</u>	<u>136,836</u>
OTHER ASSETS		
Pre-paid cellular patent and rights, net (note 8)	712,500	641,250
Investment in marketable equity securities, net (note 6)	<u>16,625</u>	<u>5,866,875</u>
Total Other Assets	<u>729,125</u>	<u>6,508,125</u>
Total Assets	<u>\$ 2,449,024</u>	<u>11,640,524</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable (note 5)	\$ 191,891	747,396
Direct cost telephone time accrual (note 5)	1,084,201	981,095
Pre-paid telephone time liability (note 4)	378,000	0
Accrued expenses and other current payables (note 1h)	145,448	684,463
Customer deposits	0	250,000
Advances from stockholders (note 4)	0	50,000
Deferred revenue	805,383	1,112,320
Current income taxes payable (note 1j)	0	0
Short-term portion of long-term debt	<u>75,000</u>	<u>100,000</u>
Total Current Liabilities	<u>2,679,923</u>	<u>3,925,274</u>
LONG-TERM LIABILITIES		
Deferred income tax liability (note 1j)	0	0
Due to The Next Edge, Inc. (notes 4 & 8)	<u>400,000</u>	<u>325,000</u>
Total Long-Term Liabilities	<u>400,000</u>	<u>325,000</u>
Total Liabilities	<u>3,079,923</u>	<u>4,250,274</u>
Minority interest in consolidated subsidiary	<u>215,508</u>	<u>1,649,498</u>
STOCKHOLDERS' EQUITY		
Common stock, no par; Authorized 50,000,000 shares; issued and outstanding 40,542,516 at December 31, 1995 and 43,192,516 at June 30, 1996 (note 2)	81,085	86,385
Additional paid in capital in excess of par (note 2)	2,018,780	6,238,480
Stock subscription receivable (note 2)	(800,000)	(650,000)
Treasury stock (notes 2 & 14a)	0	(29,500)
Marketable equity securities valuation reserve (note 6)	0	(2,850,750)
Retained earnings (deficit)	<u>(2,146,272)</u>	<u>2,946,137</u>
Total Stockholders' Equity	<u>(846,407)</u>	<u>5,740,752</u>
Total Liabilities and Stockholders' Equity	<u>\$ 2,449,024</u>	<u>11,640,524</u>

The accompanying notes are an integral part of the financial statements.

PICK Communications Corp.
Consolidated Statements of Operations
(UNAUDITED)

	3 months ended June 30,		6 months ended June 30,	
	1995	1996	1995	1996
Revenue				
Sales - debit cards to related parties (note 5)	\$ 79,992	436,117	170,233	485,898
Sales - debit cards to others	297,676	228,047	516,181	689,095
Sales - long distance services	<u>5,911</u>	<u>553,387</u>	<u>11,084</u>	<u>555,224</u>
Total sales	383,579	1,217,551	697,498	1,730,217
Cost of sales - related parties (note 5)	248,085	36,517	454,460	105,207
Other cost of sales	<u>197,504</u>	<u>1,377,871</u>	<u>237,235</u>	<u>1,907,843</u>
Total cost of sales	<u>445,589</u>	<u>1,414,388</u>	<u>691,695</u>	<u>2,013,050</u>
Gross profit(loss)	(62,010)	(196,837)	5,803	(282,833)
Sales - prepaid cellular licenses (note 10)	0	50,000	0	3,650,000
Operating Expenses				
Sales and marketing - related party (note 5)	0	42,336	3,400	42,336
Sales and marketing - other	<u>32,225</u>	<u>89,155</u>	<u>68,179</u>	<u>145,538</u>
Total sales and marketing	32,225	131,491	71,579	187,874
General and administrative	91,321	395,403	250,572	897,529
Depreciation	6,072	8,556	12,144	16,582
Amortization	0	35,625	0	71,250
Bad debt	<u>2,409</u>	<u>81,485</u>	<u>5,061</u>	<u>86,678</u>
Total operating expenses	<u>132,027</u>	<u>652,560</u>	<u>339,356</u>	<u>1,259,913</u>
Income(loss) from operations	(194,037)	(799,397)	(333,553)	2,107,254
Interest expense	<u>9,587</u>	<u>(340)</u>	<u>17,753</u>	<u>9,990</u>
Income(loss) before taxes, minority interest in subsidiary loss and gain on sale of marketable equity securities	(203,624)	(799,057)	(351,306)	2,097,264
Gain(loss) on sale of mkt equity securit (note 6)	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,784,000</u>
Income(loss) before taxes and minority interest in subsidiary loss	(203,624)	(799,057)	(351,306)	6,881,264
Minority interest in subsidiary loss	0	12,491	0	19,145
Provision for def income tax(benefit)(note 1j)	0	0	0	1,808,000
Provision for curr income tax(benefit)(note 1j)	<u>0</u>	<u>(346,000)</u>	<u>0</u>	<u>0</u>
Net income(loss)	\$ <u>(203,624)</u>	<u>(440,656)</u>	<u>(351,306)</u>	<u>5,092,409</u>
Primary net income(loss) per share	\$ -	(0.01)	-	0.12
Weighted average number of shares outstanding	-	<u>42,755,713</u>	-	<u>42,755,713</u>
Fully diluted net income(loss) per share	\$ -	-	-	0.11
Weighted average number of shares outstanding	-	-	-	<u>45,294,165</u>

The accompanying notes are an integral part of the financial statements.

PICK Communications Corp.
Consolidated Statement of Stockholders' Equity
(UNAUDITED)

	Common Stock	Additional Paid in Capital	Stock Subscrip Receivable	Mkt Sec Valuation Reserve	Treasury Stock	Retained Earnings/ (Deficit)	Total Stockholders' Equity
BALANCE, January 1, 1996	\$ 81,085	2,018,780	(800,000)	0	0	(2,146,272)	(846,407)
Capital transactions:							
A)	500	249,500	(125,000)	0	0	0	125,000
B)	2,300	2,697,700	0	0	0	0	2,700,000
C)	2,500	1,272,500	0	0	0	0	1,275,000
D)	0	0	0	0	(29,500)	0	(29,500)
E)	0	0	275,000	0	0	0	275,000
Marketable equity securities valuation reserve - net	0	0	0	(2,850,750)	0	0	(2,850,750)
Net income(loss)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,092,409</u>	<u>5,092,409</u>
BALANCE, June 30, 1996	\$ <u>86,385</u>	<u>6,238,480</u>	<u>(650,000)</u>	<u>(2,850,750)</u>	<u>(29,500)</u>	<u>2,946,137</u>	<u>5,740,752</u>

A) January 1996; 250,000 shares of common stock; \$125,000 in cash and \$125,000 in stock subscription receivable. (note 2)

B) January 1996; 1,150,000 shares of common stock; \$3 million in prepaid advertising valued on the Company's books at \$2,700,000. (notes 2 & 12)

C) January 1996; 1,250,000 shares of common stock; 500,000 shares of Ultimistics Inc. restricted common stock which had a bid price of \$8.50 per share, discounted 70%. (note 2)

D) March 1996; 230,000 shares of common stock; agreement to acquire as treasury stock. (note 2 & 14a)

E) Two quarters 1996; 0 shares of common stock; stock subscriptions received in cash.

The accompanying notes are an integral part of the financial statements.

PICK Communications Corp.
Consolidated Statements of Cash Flows
6 months ended June 30,
(UNAUDITED)

	1995	1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income(loss)	\$ (351,306)	5,092,409
Adjustments to reconcile net loss to net cash used for operating activities:		
Non-cash revenues - prepaid cellular license revenue	0	(3,650,000)
Non-cash gain on sale of marketable equity securities	0	(4,784,000)
Depreciation	12,144	16,582
Amortization	0	71,250
Bad debt expense	5,061	86,678
Stock issued for services	2,420	0
Provision for deferred income taxes	0	1,808,000
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(80,047)	(527,635)
(Increase) decrease in prepaid telephone card inventory	(28,338)	39,812
(Increase) decrease in prepaid and other assets	(11,868)	(121,017)
Increase (decrease) in accounts payable (note 5)	(30,480)	555,505
Increase (decrease) in direct cost telephone time accrual (note 5)	170,946	(103,106)
Increase (decrease) in deferred revenue	245,402	306,937
Increase (decrease) in prepaid telephone time liability	0	(378,000)
Increase (decrease) in customer deposits	0	250,000
Increase (decrease) in current income taxes payable	0	0
Increase (decrease) in deferred income taxes payable	0	0
Increase (decrease) in accrued expenses (note 1h)	65,122	539,015
Net cash (used) provided by operating activities	<u>(944)</u>	<u>(797,570)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	<u>(6,144)</u>	<u>(36,169)</u>
Net cash (used) provided by investing activities	<u>(6,144)</u>	<u>(36,169)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Common stock issued for cash	0	250,000
Common stock issued for cash by subsidiary	0	602,000
Payments received on stock subscriptions receivable	0	150,000
Payments on stockholder advances	(3,035)	0
Payments on third-party debt	0	(50,000)
Funds advanced by stockholder	0	50,000
Net cash provided (used) by financing activities	<u>(3,035)</u>	<u>1,002,000</u>
Net increase (decrease) in cash	<u>(10,123)</u>	<u>168,261</u>
CASH, beginning of period	<u>17,659</u>	<u>110,715</u>
CASH, end of period	<u>\$ 7,536</u>	<u>278,976</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Noncash financing activities:		
Stock issued for investment in marketable equity securities	\$ <u>0</u>	<u>2,075,000</u>
Stock issued to acquire prepaid advertising	\$ <u>0</u>	<u>2,700,000</u>
Stock issued for subscription receivable	\$ <u>0</u>	<u>125,000</u>

The accompanying notes are an integral part of the financial statements.

PICK Communications Corp.
Notes to Consolidated Financial Statements
(UNAUDITED)

(1) Summary of Significant Accounting Principles

Organization PICK Communications Corp., (the Company) was incorporated in the State of Utah on April 30, 1984, as S.T.V., Inc., changing its name to Adolphus Companies, Inc., in February 1986, and then to Prime International Products, Inc., in May 1988 and to PICK Communications Corp. in December 1995. In December 1987, the Company acquired American Italian Food Processing Co., Inc. in a stock for stock exchange. All operations ceased in 1990. On September 12, 1995, the Company acquired Public Info/Comm Kiosk, Inc. (PICK) in a stock for stock exchange and conducts business from its headquarters in Wayne, NJ.

Public Info/Comm Kiosk, Inc. (PICK) was incorporated in the state of New Jersey on August 6, 1992. It was inactive from incorporation until January 1993, when the founder began the operations of the Company. PICK operated in 1993, as an agent for the sale of long distance services. In August 1994, PICK began selling its own brand of prepaid calling card. PICK's target market is primarily Hispanics located in New York, New Jersey, South Florida and Texas. Pick expanded into California in 1995.

The financial statements have been prepared in conformity with generally accepted accounting principles. In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the dates of the statements of financial condition and revenues and expenses for the years then ended. The financial statements for the six months ended June 30, 1995 and 1996 include all adjustments which in the opinion of management are necessary for fair presentation. The following summarize the more significant accounting and reporting policies and practices of the Company:

- a) **Basis of presentation** The financial statements reflect the financial position and results of operations of PICK, Inc., prior to the acquisition by the Company, and on a consolidated basis subsequent to the acquisition. The acquisition has been accounted for as a recapitalization by PICK, Inc.
- b) **Basis of consolidation** The consolidated financial statements include the accounts of the Company and its subsidiaries. Minority interest represents minority shareholders' proportionate share of the equity and earnings/loss of PCT Prepaid Telephone, Inc. Intercompany transactions have been eliminated.
- c) **Revenue recognition** For debit card sales, the Company recognizes revenue at the time it provides the telephone services associated with its cards. It defers revenues until then, based on customer patterns of usage, and recognizes the cost of the carrier telephone traffic based on the minutes used, which are also recognized in revenues. All other direct costs, (non-traffic costs representing design royalty, printing, fulfillment, shipping, sales commissions, etc.), are recognized as up-front costs when the initial sales are made to the distributors. The Company anticipates that substantially all the telephone time associated with the debit cards will be used by its customers. The Company does not have a written returns policy, but considers sales returns on a case by case basis.
- d) **Prepaid telephone card inventory** Card inventory is composed of costs to provide unactivated cards to the fulfillment company, which include printing and freight, and is valued at the lower of cost or market. Inventory is relieved, and charged to cost of sales, when activated cards are shipped from the fulfillment company to the wholesale purchaser.
- e) **Fixed assets** Fixed assets, principally telephone equipment, are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 3, 5 and 7 years. Depreciation expense was \$12,144 and \$16,582 for the six months ended June 30, 1995 and 1996.
- f) **Concentration of credit risk** Two customers accounted for approximately 10.0% and 5.6% of net sales and approximately 28.8% and 22.6% of accounts receivable at June 30, 1995. Three customers accounted for

PICK Communications Corp.
Notes to Consolidated Financial Statements

(1) Summary of significant accounting principles, continued

f) **Concentration of credit risk, continued** approximately 22.4%, 20.1% and 10.9% of net sales and approximately 6.4%, 17.4% and 61.2% of accounts receivable at June 30, 1996. The Company performs periodic credit evaluations of its customers, but generally does not require collateral.

g) **Accounts receivable** The Company provides credit for open accounts in the normal course of business. As of the dates of these statements, the Company has established a reserve for doubtful accounts at a rate of approximately 8.6% of outstanding accounts receivable or 6.9% of sales. The reserve amounts at June 30, 1995 and 1996 were \$20,089 and \$119,356. Bad debt expense was \$5,061 and \$36,678 for the six months ended June 30, 1995 and 1996 respectively.

h) **Accrued compensation** Accrued compensation of \$141,472 and \$0 at June 30, 1995 and 1996 is composed of compensation accrued, but not yet paid to the President of the Company.

i) **Valuation of intangibles** Intangible assets are valued at cost and amortized over their estimated remaining useful lives. The Company is amortizing the prepaid cellular asset over the initial 60 month term of the contract. Amortization expense was \$0 and \$71,250 for the six months ended June 30, 1995 and 1996.

j) **Income taxes** Deferred income taxes are provided on elements of income that are recognized for income tax purposes in periods different than such items are recognized for financial accounting purposes. In February 1992, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting number 109 (SFAS 109) relating to the method of accounting for income taxes. SFAS 109 requires companies to take into account changes in tax rates when valuing the deferred income tax amounts carried on their Balance Sheets (the "Liability Method"). The Company adopted SFAS 109 effective with the conversion from Sub-S status, August 1, 1994. The Company had a deferred tax liability of \$0 and \$0 and a current tax liability of \$0 and \$0 at June 30, 1995 and 1996. The deferred tax liability is composed of the tax effects resulting from the exchange of the Foxwedge shares and Firenze shares it held for shares of Ultimistics Inc. At the dates of these exchanges the Company recorded gains for book purposes totalling \$4,784,000 with deferred income tax effects of \$1,674,400 for federal and \$430,600 for state. At June 30, 1996, the current market value of all the shares of Ultimistics received during the period, net of discount, would reflect a loss of \$4,106,250, with deferred tax asset effects of \$1,674,400 for federal and \$430,600 for state. At June 30, 1996, the Company has established a valuation allowance of its deferred tax liability for this combined difference of \$1,808,000, giving a net deferred tax liability at June 30, 1996, of \$0 federal and \$0 state, for a total of \$0. The valuation allowance reduced the marketable equity securities valuation reserve, as reflected in the Stockholders' Equity section of the consolidated balance sheet at June 30, 1996. The current income tax liability is adjusted by the benefit of net operating loss carryforwards totaling \$2,110,496 at December 31, 1995. The tax benefit was comprised of approximately \$717,600 in federal tax benefit and \$126,400 in state tax benefit at December 31, 1995. The net current income tax liability is composed of \$0 federal and \$0 for state. Any income tax benefits related to the differences between methods of depreciation is de minimis.

k) **Net income(loss) per share** Primary income(loss) per share is computed by dividing the net income(loss) by the weighted average number of common shares outstanding during the period. Fully-diluted income(loss) per share is computed by dividing the net income(loss) by the weighted average number of common shares and common share equivalents, assuming the equivalents had been shares outstanding, during the period.

(2) **Stockholders' equity** The Company has authorized 50,000,000 shares of \$0.002 par value common stock. In August 1995, the Company had 277,516 shares outstanding. In August 1995, the Company completed a Regulation D Rule 504 private offering in which the Company issued 8,000,000 shares in exchange for \$232,650 in cash, net of offering expenses of \$7,350.

PICK Communications Corp.
Notes to Consolidated Financial Statements

(2) **Stockholders' equity, continued** PICK has authorized 1,000,000 shares of no par common stock. In January 1993, PICK issued 100,000 shares in exchange for \$1,000. At the end of 1993, the President of PICK contributed his compensation to PICK, by way of waiving the compensation accrued. During 1994, the President had loaned \$161,000 to PICK, which he exchanged for 623,000 shares of common stock. In August 1994, PICK issued 20,000 shares to a then unrelated third-party in exchange for a telephone switch and the tariffs required to operate the switch, valued at \$100,000. From January through July 1995, PICK issued shares to various parties for services provided, valued at \$0.01 per share, for a total value of \$2,420. These shares were valued at this level because at the time of issuance, there was no assurance that PICK would be able to stay in business and it had negative book value. In June 1995, PICK sold 25,000 shares to an independent consultant for \$250 in cash.

On September 12, 1995, the Company completed the acquisition of PICK, (see note 1a). Pursuant to the agreement to effect this transaction, the Company issued 3,000,000 shares in exchange for 1,000,000 shares of Foxwedge, Inc., 4,500,000 shares in exchange for \$250,000 in cash with a formerly unrelated party, which subsequently became related through a common director, 500,000 shares in exchange for an outstanding note payable of \$250,000, 1,500,000 shares in exchange for an \$82,500 subscription receivable and 16,665,000 shares in exchange for 100% of the issued and outstanding shares of PICK. In October 1995, the Company issued 100,000 shares in partial exchange for co-ownership of the prepaid cellular patent and exclusive commercialization rights, valued at \$212,500. In October 1995, the Company issued 5,000,000 shares in exchange for 5,000,000 shares of Firenze, Ltd. common stock, valued at \$10,000. On November 21, 1995, the Company issued 1,000,000 shares to an unrelated third party in exchange for \$200,000 cash and a note receivable for \$800,000 to be paid during 1996.

In January 1996, the Company entered into an agreement to sell 250,000 shares of its common stock to an unrelated third party for \$250,000 in cash. Also in January 1996, the Company entered into an agreement with International Executive Services, (IES), a barter exchange company, to exchange 1,000,000 shares to IES and 150,000 shares to Richard Maranon, a director of the Company, of the Company's common stock for \$3,000,000 of prepaid advertising. The Company has recorded these shares at \$2,700,000, or \$2.35 per share. The advertising to be provided is to be composed of print, television, radio and outdoor media. The original agreement calls for the Company to use this advertising within two years, however the Company has received oral approval for a three year extension. In January 1996, the Company exchanged 1,250,000 shares of its common stock for 500,000 shares of Ultimistics Inc. common stock with an unrelated third party individual. The Company recorded this transaction at \$1,275,000, which was a 70% discount from the then current market value of \$4,250,000 for the Ultimistics stock.

In June 1996, the Company settled a dispute with a former officer. This former officer had the right to exchange the individuals' 20,000 shares of PICK, Inc. into 330,000 shares of the Company and also owned a warrant for 5,000 shares of PICK, Inc. with an exercise price of \$5 per share, which the board of directors has amended to a warrant for 82,500 shares of the Company with an exercise price of \$0.30 per share. These shares were part of the reorganization discussed in note 2 above. The Company repurchased 230,000 of the 330,000 shares and the warrant for \$29,500 in cash. This settlement finalized the September 1995, recapitalization of the Company.

In 1994, PICK issued warrants for common stock to three individuals. The merger agreement recognizes these PICK warrants and exchanges them for warrants for common stock of the Company. Each of the warrants was for 5,000 shares of PICK common stock at an exercise price of \$5 per share, converted to 82,500 shares per warrant, totalling 247,500 shares, at an exercise price of \$0.30 per share expiring on December 31, 1996.

In January 1996, the Company issued stock options to seven officers and directors of the Company. Each of these options was for 500,000 shares, for a total of 3,500,000 shares, at an exercise price of \$2.75 per share

PICK Communications Corp.
Notes to Consolidated Financial Statements

- (2) **Stockholders' equity, continued** and expire on January 25, 1999. The exercise price was 10% above the market price of the shares on the date of the grant. The Company has reserved an additional 1,500,000 shares for potential future use in granting options for valued employees.
- (3) **Commitments** The Company entered into a 63 month operating lease for the Company's facilities in June 1996. This lease provides for three months free rent and a renewal option for five additional years. Future minimum lease payments under this operating lease in effect at June 30, 1996 are \$8,620 per month, or \$103,441 per year. Rent expense for the six months ended June 30, 1995 and 1996 was \$3,070 and \$7,710, respectively.
- (4) **Notes payable** Short-term debt was made up entirely of advances to PICK by the principal stockholder, which were not collateralized. These advances carried no interest nor a stated maturity. The advances totalled \$0 and \$50,000 in 1995 and 1996. PICK repaid \$3,035 in 1995 and \$0 in 1996. In 1995, the Company acquired co-ownership of the prepaid cellular patent and exclusive commercialization rights for stock and a \$500,000 note payable to The Next Edge, Inc. This note is to be paid at a rate of \$25,000 per quarter for five years. The Company made the January 1, 1996, payment in December 1995, and the April 1, 1996, payment in March 1996. This note is not collateralized nor does it carry interest. The Company cannot impute a discount for this note until such time as it obtains the collateral required to secure this note, therefore the Company did not recognize any interest expense in the six months ended June 30, 1996. The Company will impute an appropriate discount rate upon supplying acceptable collateral for the note payable, which the Company expects to acquire in the near future.
- (5) **Related party transactions** The Company purchased advertising services of \$3,400 and \$4,875 in the six month periods ended June 30, 1995 and 1996, from an entity controlled by an individual who is a stockholder of the Company and a member of the Board of Directors. This individual also received 150,000 shares of the Company's common stock, (see notes 2 and 12), for his and his staff's efforts to develop and oversee the implementation of the advertising/marketing programs to be instituted by the Company to use the \$5,000,000 in prepaid advertising. The Company purchased substantially all of its telephone network services in 1995, from a vendor which also owns approximately 1% of the Company's common stock. The Company had sales of \$170,233 in 1995, to 2 stockholders and \$485,898 in 1996, to 3 stockholders.
- (6) **Investment in marketable equity securities** The Company exchanged 1,000,000 shares of common stock of Foxwedge, Inc. it held for 500,000 shares of Ultimistics Inc. common stock with a stockholder of Ultimistics in January 1996. The Company recorded a \$1,194,000 gain as a result of this transaction. The market value of the Ultimistics stock received was \$4,000,000 at the date of the transaction, which the Company discounted by 70% to \$1,200,000, based on the size of the Company's holdings of Ultimistics and the restrictions on resale. In January 1996, the Company entered into two transactions with Yakimoto Ltd. whereby the Company sold the prepaid cellular marketing rights for South America to Yakimoto for 1,000,000 shares of Ultimistics stock, and the rights to Asia, Australia, Africa and most of Europe to Yakimoto for 500,000 shares of Ultimistics. The current market value of the Ultimistics stock at the time of the transactions was \$12,000,000 total, which the Company discounted by 70% to \$3,600,000, based on the size of the Company's holdings of Ultimistics and the restrictions on resale. The Company recorded licensing revenue for these transactions.
- In March 1996, the Company exchanged 5,000,000 shares of common stock of Firenze, Ltd. it held for 2,000,000 shares of Ultimistics Inc. common stock with a stockholder of Ultimistics. The Company recorded a \$3,590,000 gain as a result of this transaction. The market value of the Ultimistics stock received was \$12,000,000 at the date of the transaction, which the Company discounted by 70% to \$3,600,000, based on the size of the Company's holdings of Ultimistics and the restrictions on resale. In January 1996, P.C.T. Prepaid Telephone, Inc. (PCT), a consolidated subsidiary of the Company, entered into an agreement with several unrelated individuals to issue 10,000,000 shares of PCT common stock to the unrelated parties and 10,000,000 shares to the Company in exchange for 200,000 shares of Ultimistics common stock, valued by

PICK Communications Corp.
Notes to Consolidated Financial Statements

(6) Investment in marketable equity securities, continued PCT at \$480,000.

In June 1996, the Company entered into a licensing agreement with the Internet Channel, Inc. whereby the Company sold the commercialization rights for its prepaid cellular microchip for use in accessing the Internet, (or World Wide Web). The Company received 500,000 shares of Internet Channel, Inc. Rule 144 restricted common stock in exchange for this license. The Company has valued this stock at \$0.10 per share, for a total of \$50,000.

In May 1993, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting number 115 (SFAS 115) relating to the method of accounting for certain investments in debt and equity securities. Although SFAS 115 does not apply to the investments held by the Company, as they are all restricted by Rule 144 of the Securities Act of 1933, as amended, the Company has decided to incorporate the disclosure requirements of SFAS 115. At June 30, 1996, the Company holds 4,700,000 shares of Ultimistics with a current market value of \$19,387,500, which when discounted 70% equals \$5,816,250. The Company has established a valuation reserve of \$4,658,750 for this investment. The valuation reserve as reflected in the Stockholders' Equity section of the consolidated balance sheet is net of the \$1,808,000 deferred income tax effects, giving a net of \$2,850,750. The Company believes that the decline in market value of the Ultimistics stock is temporary in nature. At June 30, 1996, there is no market for the shares of Internet Channel, Inc.

(7) Statement of Financial Accounting Standards not yet evaluated In March 1995, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standard (SFAS) No. 121, "Accounting for the impairment of long-lived assets and for long-lived assets to be disposed of." The Company has adopted SFAS 121 effective January 1, 1996. The provisions will require the Company to review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If it is determined that an impairment loss has occurred based on expected future cash flows, then the loss should be recognized in the income statement and certain disclosures regarding the impairment should be made in the financial statements. The Company has not yet had sufficient time to evaluate the impact, if any, of the provisions of SFAS 121.

In October 1995, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standard (SFAS) No. 123, "Accounting for stock based compensation." The Company has adopted SFAS 123 effective January 1, 1996. The Company has not yet had sufficient time to evaluate the impact, if any, of the provisions of SFAS 123.

(8) Debit cellular telephone technology agreement In October 1995, the Company entered into an agreement with The Next Edge, Inc. (TNE), whereby the Company acquired the worldwide rights to market, distribute, sell and manufacture TNE's Smart Tracker System (a debit cellular telephone system, with a patent pending). This agreement has a term of five years with an option, at the Company's sole discretion, for five additional five year periods. The agreement requires the Company to pay TNE a total of \$500,000, payable at a rate of \$25,000 quarterly over five years beginning on January 1, 1996. These payments are to be secured by an Irrevocable Letter of Credit. The Company is also required to issue a total of 100,000 shares of its restricted common stock to TNE at the rate of 20,000 shares each year for five years beginning January 1, 1996. The agreement also requires the Company to purchase the circuit chips for the system from TNE, at TNE's cost. The agreement stipulates that the Company will be recorded as co-owner of the final US patent relating to this technology. The agreement requires the Company to implement the international patent applications. The Company has valued this purchase agreement at \$712,500. The valuation is comprised of the \$500,000 cash plus the 100,000 shares of common stock valued at \$212,500, based on the bid quote of the Company's stock, less a 50% discount. The letter of credit has not yet been issued, (see note 4).

(9) Firenze, Ltd. licensing agreement On October 24, 1995, the Company granted Firenze Ltd., (FRNZ), an exclusive

PICK Communications Corp.
Notes to Consolidated Financial Statements

- (9) **Firenze, Ltd. licensing agreement, continued** license for marketing and sales of the debit cellular telephone technology (see note 8) in Europe, Asia, Australia and Africa. This agreement called for the Company and FRNZ to exchange 5,000,000 shares of common stock between the companies. The agreement requires FRNZ to purchase the microchip, cellular equipment and software from the Company at the Company's cost plus 10%. The agreement calls for FRNZ to pay the Company monthly a 5% royalty on FRNZ's gross revenue from the technology under license. FRNZ had not yet begun to commercialize this license at June 30, 1996, therefore no royalties were received by the Company. As a direct result of Firenze not being able to consummate its planned acquisition of Fonlem Industries, the Company believed that Firenze would not be able to fully commercialize its license. In January 1996, it withdrew the rights Firenze received under this agreement except for several European countries.
- (10) **Yakimoto Investment, Ltd. licensing agreements** In January and February 1996, the Company entered into two licensings agreement with Yakimoto Investment, Ltd. (Yakimoto). The first granted Yakimoto an exclusive license for marketing and sales of the debit cellular telephone technology (see note 8) in South America. This agreement requires Yakimoto to pay the Company 1,000,000 shares of common stock of Ultimistics, Inc. as consideration for this license. These shares will bear a restrictive legend under Rule 144 of the Securities Act of 1933, as amended. At the time this agreement was entered into, Ultimistics was \$8.50 bid, which values these shares at \$8,500,000. The Company then determined that it should discount the fair market value of the transaction by approximately 70%. As a result this investment was recorded at \$2,550,000. Yakimoto is also required to provide the Company with a \$475,000 declining balance Irrevocable Letter of Credit, which the Company will use to secure the agreement discussed in note 8 above. This letter of credit has not yet been issued. The agreement also requires Yakimoto to purchase the microchip, cellular equipment and software from the Company at the Company's cost plus 10%. The agreement calls for Yakimoto to pay the Company monthly a 5% royalty on Yakimoto's gross revenue from the technology under license. The second agreement transfers the bulk of the Firenze license (see note 9) to Yakimoto in exchange for 500,000 shares of Ultimistics stock. At the time this agreement was entered into, Ultimistics was \$7.00 bid. This values these shares at \$3,500,000. The Company then determined that it should discount the fair market value of the transaction by approximately 70%. As a result this investment was recorded at \$1,050,000. Yakimoto had not yet begun to commercialize this license at June 30, 1996, therefore no royalties were received by the Company.
- (11) **Telephone time exchange for prepaid advertising** In January 1996, the Company entered into an agreement with International Executive Services (IES), an unrelated party to the Company, although it is a related party with respect to World Tel Saver, to exchange all of its prepaid telephone time, (consisting of 5,137,930 minutes), for \$2,000,000 of prepaid advertising. The advertising to be provided is to be composed of print, television, radio and outdoor media. The original agreement calls for the Company to use this advertising within two years, however the Company has received verbal approval for a three year extension. The Company will record a \$1,580,000 gain on this exchange, which the Company expects to amortize into income as the advertising is used. None of the advertising had been used at June 30, 1996, however at that date the Company had finalized the initial usage of this advertising which is to begin July 1, 1996.
- (12) **Prepaid advertising** In January 1996, the Company entered into an agreement with IES to issue 1,000,000 shares to IES and 150,000 shares to Richard Maranon, a director of the Company, of the Company's restricted common stock in exchange for \$3,000,000 of prepaid advertising. The advertising to be provided is the same as in note 11 above. The original agreement calls for the Company to use this advertising within two years, however the Company has received oral approval for a three year extension. The Company valued this transaction at \$2.35 per share, or \$2,700,000, allowing for a 10% discount for any advertising usage availability the Company may not use. None of the advertising had been used at June 30, 1996.
- (13) **Working capital deficiency** The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern which contemplates the realization of assets and the

PICK Communications Corp.
Notes to Consolidated Financial Statements

(13) Working capital deficiency, continued satisfaction of liabilities in the normal course of business. As shown in the previously filed consolidated financial statements, the Company incurred net losses for the years ended December 31, 1993, 1994 and 1995. For the six months ended June 30, 1996, the Company recorded \$5,092,409 net income. This profit was generated principally as a result of non-cash revenue and gains. The Company has a working capital excess of \$1,070,289 at June 30, 1996.

During the six months ended June 30, 1996, the Company raised \$1,002,000 net in cash from financing activities. This amount plus its cash on hand at the beginning of the period exceeded its cash flows used by operations and investing activities by \$168,261, which resulted in and reflects an increase of cash. At June 30, 1996, the Company has one note receivable, accounted for as stock subscriptions receivable, in the amount of \$650,000, to be paid over the remainder of 1996. The Company's plans also include controlling its cash expenses, such that this inflow of capital may continue to cover a cash shortfall over the next twelve months.

Substantially all of the assets received relating to the profits generated include common stock of Ultimistics Inc. (see notes 6, 9 and 10). The Company believes that it is in its best interest to hold this asset for the foreseeable future, in the hope for capital appreciation over the value recorded at June 30, 1996, and increased liquidity over time.

In January 1996, the Company entered into agreements to exchange the prepaid telephone time it owned and common stock of the Company for a total of \$5,000,000 of prepaid advertising. (see notes 11 and 12). The Company entered into these transactions because advertising expenditures are at the beginning of the Company's revenue generating process. The Company believes it can generate a significant increase in cash flow revenue, whether recognized or deferred, by increasing its advertising presence in select target markets. The Company believes that to increase its advertising without a concurrent cash expenditure, will be beneficial to its cash flows from operations. The Company had not utilized any of this advertising during the three months ended June 30, 1996, as it needed to prepare its suppliers and delivery systems for the additional cards and telephone time usage increases this advertising would bring. Time was also needed to develop the advertising/marketing program to most effectively utilize the prepaid advertising, however the Company had finalized the initial usage of this advertising which is to begin July 1, 1996.

The Company also has negotiated lower telephone time rates in conjunction with higher usage volumes. The higher usage volumes are expected to occur when the advertising/marketing programs now under development are instituted.

The Company is also seeking to raise additional funds, either through debt or equity offerings, or a combination of both. Any funds raised would be employed to further increase its prepaid telephone card business, and to develop its prepaid cellular telephone business. There are no assurances that the Company will be able to successfully raise additional funds in this manner.

The Company believes that these plans will enable it to continue as a going concern. However, there can be no assurances that the Company will be able to successfully implement such plans. If such plans are not successfully implemented, the Company could be required to seek additional financing from sources not currently anticipated.

(14) Subsequent events

a) **Note payable to The Next Edge** In July 1996, the Company acquired 12 zero coupon US Treasury securities with a total maturity amount of \$425,000 and various maturity dates over the remaining term of the note payable to The Next Edge. The Company placed these securities in an irrevocable trust for the benefit of The Next Edge. This has created a in-substance defeasance, whereby the Company will record a gain of \$52,520 on the extinguishment of this debt, pursuant to SFAS 76, paragraphs 3c, 4a, 4b and 27.

Item 2 - Management's Discussion and Analysis of Operations:

Results of Operations:

The Company generates revenues from the sale of telecommunications services. The net profit was \$5,092,409 for the six months ended June 30, 1996, includes a loss of \$440,566 for the three months ended June 30, 1996, compared to the loss of \$351,306 for the six months ended June 30, 1995 which included a loss of \$203,624 for the three months ended June 30, 1995. This reflects an improvement for the six month period of \$5,443,715. Six month profits were primarily the result of selling prepaid cellular telephone licenses throughout the world, while the 1995 loss was primarily attributable to Debit Card activities in the start-up phase and expenses incurred in developing and promoting the Company's products. The Company incurred losses in developing its long distance operations and expanding its debit card business.

The Company's primary costs of sales are the cost of telephone services, for both Debit Cards and for the resale of international long distance service. In addition the cost of sales includes the production of the Debit Cards, their printing, fulfillment and distribution, and fixed costs associated with international long distance switching and communications.

For Debit Card sales, the Company recognizes revenues at the time it provides the telephone services associated with its cards. It defers revenues until then, based on customer patterns of usage, and recognizes the cost of the carrier telephone traffic based on the minutes used, which are also recognized in revenues. All other direct costs (non-traffic costs representing design royalties, printing, fulfillment, shipping, sales commissions, etc.) are recognized as up-front costs as the initial sales are made to distributors. The Company anticipates that substantially all of the telephone time associated with the Debit Cards will be used by its customers. For the resale of international long distance, the Company recognizes revenues as the traffic is used by its customers. For the sale of prepaid cellular telephone licenses, the Company recognizes revenues as the licenses are sold, based on the value received for them. In this connection, the Company received substantially all of its consideration for those licenses in the form of restricted Ultimistics, Inc. ("Ultimistics") common stock. The revenues were recognized based on discounted values of the shares as of the dates of the transactions.

Six Months Ended June 30, 1996 and June 30, 1995:

The Company sold territory licenses to market and distribute prepaid cellular telephones for the majority of the world's area to Yakimoto Investment LTD ("Yakimoto") for \$3,600,000 and a \$50,000 prepaid cellular license fee pertaining to the use of that technology with The Internet Channel. This significant profit will not recur; instead, the Company expects to develop the cellular system and generate revenues from the sale of the prepaid cellular telephones and the air time associated with their use over the next few years. In addition, the Company generated \$1,730,217

in revenues from the sale of telecommunications services (\$1,174,993 in Debit Card revenues and \$555,224 in long distance revenues) for the six months ended June 30, 1996, compared to total Debit Card revenues of \$686,414 for the six months ended June 30, 1995. This represents an increase of \$1,032,719 or 148.1%. This significant increase reflects the general development of the customer base and the continued general acceptance of Debit Cards in the United States as well as the expansion into the resale of long distance service. Although revenues from operations have increased, expenses have exceeded those revenues for the non-prepaid cellular telecommunications segments of the Company's business, resulting in a negative gross margin of \$282,833 in 1996, compared to a gross profit of \$5,803 for the first six months of 1995, an unfavorable variance of \$288,636. The Company continues to build the infrastructure necessary to support growth in both Debit Cards and the resale of international long distance traffic segments of its business. The loss results from the Company not yet achieving sufficient revenue volumes and pricing increases in these businesses to off-set fixed costs necessary to build capacity and produce operating profits. The long distance costs incurred, in the second quarter, reflect significant fixed costs related to establishing communications and an additional switching source, and are included in the cost of sales.

Sales and marketing expenses were \$187,874 for the six months ended June 30, 1996, compared to \$71,579 for the six months ended June 30, 1995, reflecting an increase of \$116,295 or 162.5%. This increase is primarily attributable to an increase in sales commissions as a result of increased sales, and additional costs incurred to promote the Company's products, including advertising, attendance at trade shows, and production of marketing brochures.

General and administrative expenses were \$897,529 for the six months ended June 30, 1996, compared to \$250,572 for the six months ended June 30, 1995, reflecting an increase of \$646,957 or 258.2%. This increase is primarily attributable to salaries for additional personnel hired to support the Company's growth and an increase in general office expenses attributable to the increase in personnel.

Amortization of \$71,250 was attributable to the pre-paid cellular telephone technology license which is being expensed over five years. Depreciation is based upon lives of 3, 5, 7 or 10 years, depending on the asset classification. Net interest expense of \$9,990 is primarily attributable to the outstanding balance due to a vendor.

The provision for current income tax expense of \$0 takes into account amounts expected to be owed for estimated state and federal liabilities, based on current earnings, off-set by the aggregate tax loss carry-forwards and the current operating loss. The provision for deferred income taxes of \$1,808,000 takes into account the non-taxable profit on the exchange of marketable securities. The deferred tax liability will not have to be paid until the time the securities are sold.

For the reasons listed above, the Company realized a net profit of \$5,092,409 (or \$.12 per share) for the six months ended June 30 compared to a net loss of \$351,306 for the six months ended June 30 of the prior year, an improvement of \$5,443,715.

Three Months Ended June 30, 1996 and June 30, 1995:

For the three months ended June 30, 1996, the Company generated debit card revenues of \$664,164 compared to \$377,668 for the three months ended June 30, 1995. This represents an increase of \$286,496 or 75.9%. This significant increase reflects the general development of the customer base and the continued general acceptance of Debit Cards in the United States. In addition, the Company generated \$353,387 in revenues from the sale of long distance services, substantially all of which resulted from the start-up of PICKNET, Inc. for the three months ended June 30, 1996, compared to \$5,911 for the three months ended June 30, 1995. This represents an increase of \$547,476. Although revenues for both lines of business have increased, expenses have exceeded those revenues, resulting in a negative gross margin of \$196,837 in 1996, compared to a negative gross margin of \$62,010 in 1995, an unfavorable variance of \$134,827 (or 217.4%). The Company continues to build the infrastructure necessary to support growth in both Debit Cards and the resale of international long distance traffic segments of its business. The loss results from the Company not yet achieving sufficient revenue volumes in these businesses to off-set fixed costs necessary to build capacity and produce operating profits.

The Company sold territory licenses to market and distribute prepaid cellular telephone technology in conjunction with The Internet Channel, Inc. in exchange for 500,000 shares of restricted stock in the Internet Channel Inc. These shares were valued at \$50,000, or \$.10 per share, the cash price they were recently sold for in private placement. This profit will not recur; instead, the Company expects to develop the prepaid cellular system and generate revenues from the sale of air time associated with its use.

Selling and marketing expenses were \$131,491 for the three months ended June 30, 1996, compared to \$32,225 for the three months ended June 30, 1995, reflecting an increase of \$99,266 or 308%. This increase is primarily attributable to an increase in sales commissions as a result of increased sales, and additional costs incurred to promote the Company's products, including advertising, promotions, attendance at trade shows, and production of marketing materials.

General and administrative expenses were \$395,403 for the three months ended June 30, 1996, compared to \$91,321 for the three months ended June 30, 1995, reflecting an increase of \$304,082 or 333%. This increase is primarily attributable to salaries for additional personnel hired to support the Company's growth and an increase in general office expenses attributable to the increase in personnel.

Amortization of \$35,625 was attributable to the pre-paid cellular telephone technology license which is being expensed over five years; no amortization occurred in 1995. Depreciation is based upon lives of 3, 5, 7 or 10 years, depending on the asset classification. Interest income of \$340 is attributable to earnings on short term marketable securities.

The provision for bad debts was \$81,485 for the three months ended June 30, 1996 compared to \$2,409 for the three months ended June 30, 1995. This increase of \$79,076 is attributable to higher debit card sales volumes and slow payment of a customer which has experienced slow payment from its small retail outlets.

The reversal of the provision for current income tax expense of \$346,000 takes into account, amounts expected to be owed for estimated state and federal liabilities, based on current quarter's loss, in addition to aggregate tax loss carry-forwards. No provision for deferred income taxes took place. The deferred tax liability will not have to be paid until the time the securities which give rise to the liability are sold.

For the reasons listed above, the Company realized a loss of \$440,566 (or \$.01 per share) for the three months ended June 30, 1996 compared to a net loss of \$203,624 for the three months ended June 30, 1995, an increase of \$236,942 or 116.4%.

Liquidity and Capital Resources:

The Company had working capital of \$1,070,289 as of June 30, 1996 compared to a deficit of \$1,074,159 as of December 31, 1995. The working capital ratio was 1.27:1 at June 30, 1996 compared to .60:1 at December 31, 1995.

Cash used in operating activities during the six months ended June 30, 1996 of \$797,570 primarily reflect net profit generated from operations of \$5,092,409, the increase in deferred tax liabilities of \$1,808,000 and depreciation and amortization of \$87,832. These sources were more than off-set by uses of \$3,650,000 for non-cash revenues relating to the sale of prepaid cellar licenses and \$4,784,000 for the non-cash gain on the sale of marketable securities. The remaining increase of \$648,189 reflects net increases of current liabilities (accruals and deferred revenues), which exceed increases in receivables and prepaid expenses, all of which are necessary to support the increase in operating activities. Increases in accounts receivable, card inventory, accounts payable and accrued expenses are the result of increased volume. Accounts receivable are primarily generated from sales to distributors which are obliged to pay for the cards within thirty days of receipt. The increase in deferred revenues results from cards sold to distributors for which revenues have not yet been recognized. The Company expects to recognize this revenue in future periods, as customers use the Debit Cards, or as the cards expire.

Cash used for investing activities for the three months ended June 30, 1996 of \$36,169 reflects capital expenditures. The Company has no material commitments for capital expenditures as of June 30, 1996.

Cash provided from financing activities for the six months ended June 30, 1996 amounted to \$1,002,000, primarily reflecting the receipt of cash against stock sales and stock subscribed, compared to a negative \$3,035 for the three months ended June 30, 1995, which reflected the repayment of an advance from a stockholder.

As of June 30, 1996, the Company had cash and cash equivalents amounting to \$278,976, compared to \$110,715 as of December 31, 1995.

The Company anticipates, based on its current plans and assumptions relating to its operations, that its cash balances, together with projected cash flows from operations, will be sufficient to satisfy the Company's contemplated cash requirements for the next 12 months. In the event that the Company's plans change, its assumptions change or prove to be inaccurate, or cash flows otherwise prove to be insufficient to fund operations, the Company may be required to search for additional financing or curtail its proposed growth. The Company currently has no arrangements in place with respect to additional financing.

Part II - Other Information

Item 1 - Legal Proceedings:

None to report

Item 2 - Changes in Securities:

None to report

Item 3 - Defaults upon senior securities:

None to report

Item 4 - Submission of matters to a vote of security holders:

None to report

Item 5 - Other information:

As of July 1, 1996, the Company entered into a 66 month lease for office space in Wayne, New Jersey, to replace the existing lease for its Mountain Lakes, New Jersey location, which expired on April 30, 1996. The lease will require a minimum annual payment of approximately \$103,441, including fixed utilities. The lease is anticipated to provide for an option to renew the lease for an additional five year period as of January 1, 2002.

On April 16, the Company established PICKNET, Inc., a wholly owned subsidiary to serve as the operating company for the resale of international long distance service. Service began for a third party customer in May, 1996.

In June, 1996, the Company received confirmation that a dispute with a former officer has been settled. All expenses associated with this dispute were taken into account in the March 31, 1996 financial statements.

In June, 1996, the Company received funding to support the execution of its contract with The Next Edge, Inc. ("TNE"), from which it has acquired the worldwide marketing and distribution rights to the prepaid cellular telephone technology and one half of the patent. All funds required by this contract were put into a trust account in full payment of this agreement in July, 1996. Simultaneously, with the funding of the agreement, on July 3, 1996, the Company entered into an agreement with The Phone Store, Inc. whereby all rights provided for in the contract between the Company and TNE were transferred to The Phone Store, Inc.

Item 6 - Exhibits and reports on Form 8-K:

10. Major Contracts:

- 10.1 The Phone Store, Inc. dated July 3, 1996.
- 10.2 Assignment, dated July 3, 1996.
- 10.3 The Internet Channel, dated June 26, 1996.
- 10.4 Escrow, dated July 3, 1996.
- 10.27 Financial Data Schedule

Signatures:

In accordance with the requirements of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PICK Communications Corp.

Date: August 21, 1996

By: /s/ Diego Leiva
Diego Leiva
President and Chief Executive
Officer

Date: August 21, 1996

By: /s/ Karl R. Petersson
Karl R. Petersson
Vice President and Chief Financial
Officer
(Principal Accounting Officer)

ATTACHMENT IV

PROPOSED TARIFF

TITLE PAGE
FLORIDA TELECOMMUNICATIONS TARIFF
OF
PICK Communications Corporation

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of resold telecommunication services provided by PICK Communications Corporation ("PICK") with principal offices located at Wayne Interchange Plaza II, 155 Route 46 W., 3rd Floor, Wayne, New Jersey 07470. This tariff applies to 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:

EFFECTIVE:

ISSUED BY:

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

CHECK SHEET

This tariff contains Sheets, as listed below, each of which is effective as of the date shown on each sheet. Original and revised pages as named below comprise all changes from the original tariff.

SHEET	REVISION
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 *
19	Original *
20	Original *
21	Original *
22	Original *
23	Original *
24	Original *
25	Original *
26	Original *
27	Original *
28	Original *
29	Original *
30	Original *
31	Original *
32	Original *

* Indicates new or revised sheet with this filing

ISSUED:

EFFECTIVE:

ISSUED BY:

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

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Section 3.0 - Description of Service.....20
Section 4.0 - Rates.....28
Section 5.0 - Promotions.....32

ISSUED:

EFFECTIVE:

ISSUED BY:

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

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ISSUED:

EFFECTIVE:

ISSUED BY:

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

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.

When changes are made in any tariff sheet, a revised sheet will be issued canceling the tariff sheet affected. Changes will be identified on the revised sheet(s) through the use of the above mentioned symbols.

ISSUED:

EFFECTIVE:

ISSUED BY:

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

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 pages in effect. Consult the check sheet for 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 the check sheet if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the FPSC.

ISSUED:

EFFECTIVE:

ISSUED BY:

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

SECTION 1.0 - TECHNICAL TERMS AND ABBREVIATIONS

1.1 Abbreviations

The following abbreviations are used herein only for the purposes indicated below:

FCC	-	Federal Communications Commission
FPSC	-	Florida Public Service Commission
PICK	-	PICK Communications Corporation
IXC	-	Interexchange Carrier
LEC	-	Local Exchange Carrier

ISSUED:

EFFECTIVE:

ISSUED BY:

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

SECTION 1.0 - TECHNICAL TERMS AND ABBREVIATIONS, (Cont'd)

1.2 Definitions

Available Usage Balance - The amount of usage remaining on a Debit Account at any particular point in time. Each Debit Account has an Initial Account Balance which is stated either in U.S. dollars or Call Units, depending upon the type of service. The Available Balance is depleted as services provided by the Company are utilized by the Customer.

Commission - The Florida Public Service Commission.

Company or Carrier - PICK Communications Corporation unless otherwise clearly indicated by the context.

Customer - Any person, firm, partnership, corporation, or other entity which uses telecommunications services under the provisions and regulations of this tariff and is responsible for payment of charges.

Debit Account - An account which consists of a pre-paid usage balance depleted on a real-time basis during each Debit Service call.

Debit Card - A card issued by the Company which provides the Customer with a Personal Account Code and instructions for accessing the Carrier's network.

Debit Service Call - A service accessed via a "1-800" or other access code dialing sequence whereby the Customer or Authorized User dials all of the digits necessary to route a call. Network usage for each call is deducted from the available usage balance on a Company issued Debit Account.

Initial Usage Balance - The amount of usage on a Debit Account upon issuance and before any depleting call activity.

ISSUED:

EFFECTIVE:

ISSUED BY:

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

SECTION 1.0 - TECHNICAL TERMS AND ABBREVIATIONS, (Cont'd)**1.2 Definitions, (Cont'd)**

LEC - Local Exchange Company

Marks - A collective term to mean such items as trademarks, service marks, trade names and logos; copyrighted words, artwork, designs, pictures or images; or any other device or merchandise to which legal rights or ownership are held or reserved by an entity.

Personal Account Code - A numeric or alpha-numeric sequence which uniquely identifies a travel card or debit card account.

PICK Corporation - PICK Communications Corporation unless otherwise clearly indicated by the context.

Renewal - A method of replenishing a Debit Account's Available Usage Balance with additional minutes of usage as authorized and paid for by the Customer.

Sponsor - A corporation or other legal entity that exclusively permits the use of its Marks to the Company for use with telephone cards or other merchandise, and contracts with the Company for the marketing of the services described herein.

Subscriber - The person or legal entity which enters into arrangements for PICK Communication Corporation's telecommunications services on behalf of him/her self or on behalf of a transient third party. A Subscriber may also be an End User when he/she utilizes the telecommunications services of PICK Communications Corporation.

ISSUED:

EFFECTIVE:

ISSUED BY:

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

SECTION 2.0 - RULES AND REGULATIONS

2.1 Undertaking of PICK

PICK's services and facilities are furnished for communications originating at specified points within the state of Florida under terms of this tariff. PICK installs, operates, and maintains the communications services provided hereinunder in accordance with the terms and conditions set forth under this tariff.

2.2 Applicability of Tariff

This tariff is applicable to telecommunications services provided by PICK Communications Corporation within the state of Florida.

ISSUED:

EFFECTIVE:

ISSUED BY:

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

SECTION 2.0 - RULES AND REGULATIONS, (Cont'd)**2.3 Payment and Credit Regulations****2.3.1 Payment Arrangements**

For Subscriber Services, all charges due by the Customer are payable to any agency duly authorized to receive such payments. This includes payment for calls or services originated at the Customer's number(s); placed using a Debit Card as a form of payment regardless of the purchaser of the card or the originating location of the call; incurred at the specific request of the Customer.

Payments for service provided in association with Company-issued Debit Accounts must be received by the Company or its authorized agent prior to the activation of the Customer's Debit Account. The Customer shall be responsible for all calls placed via the Debit Account as the result of the Customer's intentional or negligent disclosure of their Personal Account Code.

Renewal of Customer Account Balances made by charges to commercial credit cards are subject to the terms and conditions of the issuing commercial credit card company and those of PICK's credit card processing agent. Renewals of Customer Account Balances made by cashier's checks are subject to the terms and conditions of the issuing financial institution.

2.3.2 Deposits

The Company does not collect deposits from its Customers.

ISSUED:**EFFECTIVE:****ISSUED BY:**

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

SECTION 2.0 - RULES AND REGULATIONS, (Cont'd)

2.3 Payment and Credit Regulations, (Cont'd)

2.3.3 Advance Payments

The Company does not collect advance payments from its Customers.

2.3.4 Taxes

Federal, state and local taxes, including but not limited to federal excise tax, state gross receipts taxes, sales taxes, and municipal utilities taxes are included in the rates listed in this tariff.

ISSUED:

ISSUED BY:

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

EFFECTIVE:

SECTION 2.0 - RULES AND REGULATIONS, (Cont'd)**2.4 Refunds or Credits for Service Outages or Deficiencies****2.4.1 Interruption of Service**

Credit allowances for interruptions of service which are not due to the Carrier's testing or adjusting, to the negligence of the Customer, or to the failure of channels, equipment or communications systems provided by the Customer, are subject to the general liability provisions set forth in Section 2.4.2 herein. It shall be the obligation of the Customer to notify Carrier immediately of any interruption in service for which a credit allowance is desired by Customer. Before giving such notice, Customer shall ascertain that the trouble is not within his or her control or is not in wiring or equipment, if any, furnished by the Customer and connected to Carrier's terminal.

Credit allowances for interruptions of service caused by service outages or deficiencies are limited to the initial minimum period call charges for re-establishing the interrupted call.

ISSUED:

EFFECTIVE:

ISSUED BY:

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

SECTION 2.0 - RULES AND REGULATIONS, (Cont'd)**2.4 Refunds or Credits for Service Outages or Deficiencies,
(Cont'd)****2.4.2 Liability**

- A. The liability of the Company for any claim or loss, expense or damage (including indirect, special, or consequential damage) for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff shall not exceed an amount equivalent to the proportionate charges to the Customer for the period of service or the facility provided during which such interruption, delay, error, omission, or defect occurs.
- B. The Company shall not be liable for any claim or loss, expense, or damage (including indirect, special, or consequential damage), for any interruption, delay, error, omission, or other defect in any service facility, or transmission provided under this tariff, if caused by any person or entity other than the Company, by any malfunction of any service or facility provided by any other carrier, by any act of God, fire, war, civil disturbance, or act of government, or by any other cause beyond the Company's direct control.

ISSUED:

EFFECTIVE:

ISSUED BY:

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

SECTION 2.0 - RULES AND REGULATIONS, (Cont'd)

2.4 Refunds or Credits for Service Outages or Deficiencies,
(Cont'd)

2.4.2 Liability (Cont'd)

- C. The Company shall not be liable for, and shall be fully indemnified and held harmless by Customer and Subscriber against any claim or loss, expense, or damage, (i) for defamation, invasion of privacy, infringement of copyright or patent, unauthorized use of any trademark, trade name, or service mark, unfair competition, interference with or misappropriation or violation of any contract, proprietary or creative right, or any other injury to any person, property, or entity arising from the material data, information, or content revealed to, transmitted, processed, handled, or used by Company under this tariff, or (ii) for connecting, combining, or adapting Company's facilities with Customer's or Subscriber's apparatus or systems, or (iii) for any act or omission of the Customer or Subscriber, or (iv) for any personal injury or death of any person, or for any loss of or damage to Subscriber's or Customer's premises or any other property, whether owned by Customer, Subscriber or others, caused directly or indirectly by the installation, maintenance, location, condition, operation, failure or removal of equipment or wiring provided by the Company if not directly caused by negligence of the Company.
- D. The Company shall not be liable for any claim, loss, or refund as a result of loss or theft of Debit Cards or Personal Account codes issued for use with the Company's services. Nor will the Company be liable for any claim, loss or refund on any unused balance remaining on a Debit Card provided to a Customer before or after the expiration date assigned to each Debit Account.

ISSUED:

EFFECTIVE:

ISSUED BY:

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

SECTION 2.0 - RULES AND REGULATIONS, (Cont'd)**2.5 Refusal or Discontinuance by Company**

PICK Communications Corporation, may refuse or discontinue service for non-compliance with and/or violation of any Federal, State or municipal law, ordinance or regulation pertaining to telephone service. Service may also be discontinued or refused without notice for the following conditions:

- 2.5.1 For non-compliance with and/or violation of the Commission's regulations or the Company's rules and regulations.
- 2.5.2 For non-payment of any amount past due to the Company by the Customer, including non-payment of a Customer Card Account Renewal of a fully-depleted balance.
- 2.5.3 When the Available Account Balance of a non-renewable account is Depleted to a level insufficient to place a one-minute call to the location of least cost.
- 2.5.4 When the established expiration date of the Customer Account is reached.
- 2.5.5 In the event of Customer use in such a manner as to adversely affect the Company's equipment, the Company's service to others, or the Company's financial position.
- 2.5.6 In the event of tampering with the equipment furnished and owned by the Company.
- 2.5.7 In the event of unauthorized or fraudulent use of service. Whenever service is discontinued for fraudulent use of service, the Company may, before restoring service, require the Customer to make, at his or her own expense, all changes necessary to eliminate illegal use and to pay an amount reasonably estimated as the loss in revenues resulting from such fraudulent use.
- 2.5.8 When necessary for the Company to comply with any order or request of any governmental authority having jurisdiction.

ISSUED:

EFFECTIVE:

ISSUED BY:

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

SECTION 2.0 - RULES AND REGULATIONS, (Cont'd)

2.6 Limitations of Service

- 2.6.1 Service will be furnished subject to the availability of the necessary facilities and/or equipment and subject to the provisions of this tariff.
- 2.6.2 PICK reserves the right to discontinue furnishing service when necessitated by conditions beyond its control, or when the Customer is using the service in violation of the provisions of this tariff, or in violation of law.
- 2.6.3 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 or for failure to establish connections.
- 2.6.4 PICK reserves the right to discontinue the offering of service if a change in regulation materially and negatively impacts the financial viability of the service in the best business judgment of the Company.

ISSUED:

EFFECTIVE:

ISSUED BY:

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

SECTION 2.0 - RULES AND REGULATIONS, (Cont'd)

2.7 Use of Service

Service may be used for any lawful purpose for which it is technically suited. Customers reselling PICK's Florida intrastate service must have a Certificate of Public Convenience and Necessity as an interexchange carrier from the Florida Public Service Commission.

2.8 Applicable Law

This tariff shall be subject to and construed in accordance with Florida law.

ISSUED:

EFFECTIVE:

ISSUED BY:

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

SECTION 2.0 - RULES AND REGULATIONS, (Cont'd)**2.9 Tests, Pilots, Promotional Campaigns and Contests**

The Company may conduct special tests or pilot programs and promotions at its discretion to demonstrate the ease of use, quality of service and to promote the sale of its services. The Company may also waive a portion or all processing fees or installation fees for winner of contests and other occasional promotional events sponsored or endorsed by the Company. From time to time the Company may waive all processing fees for a Customer.

These promotions will be approved by the FPSC with specific starting and ending dates with promotions running under no circumstances longer than 90 days in any twelve month period.

2.10 Other Rules

The Company may temporarily suspend service without notice to the Customer, by blocking traffic to certain cities or NXX exchanges, or by blocking calls using certain Personal Account codes when the Company deems it necessary to take such action to prevent unlawful use of its service. The Company will restore service as soon as service can be provided without undue risk.

ISSUED:**EFFECTIVE:****ISSUED BY:**

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

SECTION 3.0 - DESCRIPTION OF SERVICE

3.1 General

PICK provides Prepaid Card Services for communications originating and terminating within the State of Florida under terms of this tariff.

3.2 Quality and Grade of Service Offered

Minimum Call Completion Rate - Customers can expect a call completion rate of not less than 90% during peak use periods. The call completion rate is calculated as the number of calls completed (including calls completed to a busy line or to a line which remains unanswered by the called party) divided by the number of calls attempted.

ISSUED:

EFFECTIVE:

ISSUED BY:

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

SECTION 3.0 - DESCRIPTION OF SERVICE, (Cont'd)

3.3 Timing of Calls

- 3.3.1 Timing for all calls begins when the called party answers the call (i.e. when two way communications are established.) Answer detection is based on standard industry answer detection methods, including hardware and software answer detection.
- 3.3.2 Chargeable time for all calls ends when either one of the parties disconnects from the call.
- 3.3.3 Minimum call duration and additional billing increments are specified in Section 4.
- 3.3.4 There is no billing applied for incomplete calls.

ISSUED:

EFFECTIVE:

ISSUED BY:

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

SECTION 3.0 - DESCRIPTION OF SERVICE, (Cont'd)

3.4 Communicash Debit Card Service

Communicash Debit Card Service is available to residential and business Customers and Subscribers for placing calls while away from home or office. Calls are originated by dialing the 800 access number printed on the card, followed by a personal identification number (PIN). Debit card accounts maintain a balance which is depleted on a real-time basis as calls are placed. Customers are notified of their remaining account balance at the beginning of each call. Calls may originate from standard residential, business or pay telephone access lines and may terminate to any interstate or intrastate location. Calls are billed in one (1) minute increments. The minimum call duration for billing purposes is one (1) minute. Communicash Debit Card Service is available 24 hours a day, 7 days per week. The number of available cards is subject to technical limitations. Cards will be offered to Customers on a first come, first served basis and are not renewable.

A. Exclusions

1. Calls to 500, 700, 800 and 900 numbers
2. Calls requiring the quotation of time and charges
3. Air to ground and High seas services

B. Service Availability

1. All calls must be charged against an Communicash Debit Card that has sufficient available balance.
2. A Customer's call will be interrupted with an announcement when the balance is about to be depleted. Such announcement will occur one minute before the balance will be depleted, based on the terminating location of the call.

ISSUED:

ISSUED BY:

EFFECTIVE:

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

SECTION 3.0 - DESCRIPTION OF SERVICE, (Cont'd)

3.4 Communicash Debit Card Service, Cont'd

B. Service Availability

3. Calls in progress will be terminated by the Company if the balance on the Communicash Debit Card is insufficient to continue the call.
4. Payment for the Communicash Debit Card and any Available Usage in a Customer's Debit Account is non-refundable.

ISSUED:

EFFECTIVE:

ISSUED BY:

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

SECTION 3.0 - DESCRIPTION OF SERVICE, (Cont'd)**3.5 Las Americas Debit Card Service**

Las Americas Debit Card Service is a Spanish language version of the Company's Debit Card Service and is available to residential and business Subscribers for placing calls while away from home or office. Calls are originated by dialing the 800 access number printed on the card, followed by a personal identification number (PIN). Debit card accounts maintain a balance which is depleted on a real-time basis as calls are placed. Customers are notified of their remaining account balance at the beginning of each call. Calls may originate from standard residential, business or pay telephone access lines and may terminate to any interstate or intrastate location. Calls are billed in one (1) minute increments. The minimum call duration for billing purposes is one (1) minute. Las Americas Debit Card Service is available 24 hours a day, seven days per week. The number of available cards is subject to technical limitations. Cards will be offered to Customers on a first come, first served basis and are not renewable.

A. Exclusions

1. Calls to 500, 700, 800 and 900 numbers
2. Calls requiring the quotation of time and charges
3. Air to ground and High seas services

B. Service Availability

1. All calls must be charged against a PICK Debit Card that has sufficient available balance.
2. A Customer's call will be interrupted with an announcement when the balance is about to be depleted. Such announcement will occur one minute before the balance will be depleted, based on the terminating location of the call.

ISSUED:**EFFECTIVE:****ISSUED BY:**Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

SECTION 3.0 - DESCRIPTION OF SERVICE, (Cont'd)

3.5 Las Americas Debit Card Service , Cont'd

B. Service Availability

3. Calls in progress will be terminated by the Company if the balance on the PICK Debit Card is insufficient to continue the call.
4. Payment for the Las Americas Debit Card and any Available Usage in a Customer's Debit Account is non-refundable.

ISSUED:

EFFECTIVE:

ISSUED BY:

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

SECTION 3.0 - DESCRIPTION OF SERVICE, (Cont'd)**3.6 Sponsor Debit Card Service**

Sponsor Debit Card Service is offered to organizations or commercial entities for distribution to their members or patrons. The marketing vehicle and expiration period is selected by the Sponsor upon joint agreement between the Company and the Sponsor. The Sponsor is responsible for obtaining all necessary permissions for the use of any trade mark, trade name, service mark or other image on the card. The Sponsor may distribute the Carrier's debit card accounts at reduced rates or free of charge to end users for promotional purposes. Cards may contain a face value in dollars, units or minutes. At the option of the sponsor, these cards may not be replenishable. The Company reserves the right to approve or reject any image and to specify the Customer information language and use of the Carrier's trade mark, trade name, service mark or other image on the card.

ISSUED:**EFFECTIVE:****ISSUED BY:**Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

SECTION 4.0 - RATES

4.1 General

Each Customer is charged individually for each call placed through the Company. Charges may vary by service offering, class of call, time of day, day of week and/or call duration.

ISSUED:

EFFECTIVE:

ISSUED BY:

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

SECTION 4.0 - RATES, (Cont'd)

4.2 Exemptions and Special Rates

4.2.1 Discounts for Hearing Impaired Customers

A telephone toll message which is communicated using a telecommunications devise for the deaf (TDD) by properly certified hearing or speech impaired persons or properly certified business establishments or individuals equipped with TDDs for communicating with hearing or speech impaired persons will receive, upon request, credit on charges for certain intrastate toll calls placed between TDDs. Discounts do not apply to surcharges or per call add-on charges for operator services when the call is placed by a method that would normally incur the surcharge.

- A. The credit to be given on a subsequent bill for such calls placed between TDDs will be equal to applying the evening rate during business day hours and the night/weekend rate during the evening rate period.
- B. The credit to be given on a subsequent bill for such calls placed by TDDs with the assistance of the relay center will be equal to 50% of the rate for the applicable rate period. If either party is both hearing and visually impaired, the call shall be discounted at 60% of the applicable rate.

4.2.2 Emergency Call Exemptions

The following calls are exempted from all charges: Emergency calls to recognizable authorized civil agencies including police, fire, ambulance, bomb squad and poison control. PICK will only handle these calls if the caller dials all of the digits to route and bill the call. Credit will be given for any billed charges pursuant to this exemption on a subsequent bill after verified notification by the billed Customer within thirty (30) days of billing.

ISSUED:

EFFECTIVE:

ISSUED BY:

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

SECTION 4.0 - RATES, (Cont'd)

4.3 Late Payment Charge

A late fee of 1.5% per month will be charged on any past due balance.

4.4 Return Check Charge

The Company reserves the right to assess a return check charge of up to \$15.00 whenever a check or draft presented for payment of service is not accepted by the institution on which it is written. This charge applies each time a check is returned to the Company by a bank for insufficient funds. In addition, the Company reserves the right to place the Available Usage Balance for the Customer's Debit Account on hold until the check or draft clears or is paid.

ISSUED:

EFFECTIVE:

ISSUED BY:

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

SECTION 4.0 - RATES, (Cont'd)

4.5 Communicash Debit Card Service

Calls are billed in one (1) minute increments. The minimum call duration for billing purposes is one (1) minute. The number of available cards is subject to technical limitations. Cards will be offered to Customers on a first come, first served basis.

Card Price	Per Minute Rate
\$5.00	0.50
\$10.00	0.33
\$20.00	0.30
\$50.00	0.25

ISSUED:

EFFECTIVE:

ISSUED BY:

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

SECTION 4.0 - RATES, (Cont'd)**4.6 Las Americas Debit Card Service**

Calls are billed in one (1) minute increments. The minimum call duration for billing purposes is one (1) minute. The number of available cards is subject to technical limitations. Cards will be offered to Customers on a first come, first served basis.

Card Price	Per Minute Rate
\$ 5.00	0.25
\$10.00	0.25
\$20.00	0.25
\$25.00	0.25

4.7 Sponsor Debit Card Service

The Sponsor may distribute the Carrier's debit card accounts at reduced rates or free of charge to end users for promotional purposes. Cards may contain a face value in dollars, units or minutes. At the option of the sponsor, these cards may not be replenishable.

ISSUED:**EFFECTIVE:****ISSUED BY:**Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470

SECTION 5.0 - PROMOTIONS

5.1 Demonstration Calls

From time to time PICK will demonstrate its services by providing free test calls of up to fifteen minutes duration over its network.

5.2 Promotions - General

From time to time, the Carrier may provide promotional offerings to introduce a current or potential Subscriber to a service not being used by the subscriber. These offerings may be limited to certain dates, times or locations and may waive or reduce recurring or non-recurring charges.

5.2.1 Competitive Response Promotion

PICK will, at its discretion, match certain standard or promotional offerings of other interexchange carriers or resellers in order to acquire new Customers. The Customer must demonstrate to the Company's satisfaction that 1) an alternative service offering is valid and currently available from a competing interexchange carrier or reseller and 2) the Customer intends to either subscribe to or remain with the competing interexchange carrier or reseller. The Company reserves the right to verify that the alternative offering is an approved tariff on file with the Commission.

5.2.2 Best Rate Guarantee Promotion

PICK will, at its discretion, match certain standard non-promotional offerings of other interexchange carriers or resellers in order to retain existing accounts. The competing rate must be provided in writing and be listed in an approved tariff on file with the Commission and must result in a lower overall bill for the same service offered by the Company.

ISSUED:

EFFECTIVE:

ISSUED BY:

Raymond M. Brennan, Vice President
PICK Communications Corporation
Wayne, New Jersey 07470



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

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

November 19, 1996
OVERNIGHT

Florida Public Service Commission
Division of Administration, Room G-50
101 East Gaines Street
Tallahassee, FL 32399-0850

DEPOSIT TREAS. REC. DATE
0406 04-04-96 NOV 20 '96

96 NOV 20 AM 11:47
MAIL ROOM
RECEIVED
FLORIDA PUBLIC SERVICE COMMISSION

RE: Initial Application and Tariff of PICK Communications Corporation for Authority to Provide Interexchange Telecommunications Services within the State of Florida.

Dear Sir/Madam:

Enclosed for filing are the original and twelve (12) copies of the above-referenced application of PICK Communications Corporation.

Also enclosed is a Technologies Management, Inc. check in the amount of \$250 to cover the filing fee.

Please acknowledge receipt of this filing by returning, filed stamped, the extra copy of this letter in the self-addressed stamped envelope.

I may be reached at (407) 740-8575 with any questions, comments or correspondence regarding this application. Thank you for your assistance.

PICK, INC.
(201) 334-2929
115 ROUTE 46, SUITE A-2
MOUNTAIN LAKES, NJ 07046

CHEMICAL BANK NEW JERSEY, N.A.
WAYNE, NJ 07470
66-233/212

2493

2493 Oct 16, 1996 *****\$250.00
CHECK NO. DATE AMOUNT

Two Hundred Fifty and 0/100 Dollars

PAY TO THE ORDER OF: Florida Public Service Comm.

Raymond M. Summa
AUTHORIZED SIGNATURE

Memo: Application Fee/Pick Comm Corp
SECURITY FEATURES INCLUDED. DETAILS ON BACK



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

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

November 19, 1996
OVERNIGHT

Florida Public Service Commission
Division of Administration, Room G-50
101 East Gaines Street
Tallahassee, FL 32399-0850

DEPOSIT TREAS. REC. DATE

D406 000000 NOV 20 '96

MAIL ROOM

96 NOV 20 AM 11:47

MAIL ROOM
SERVICES DIVISION

RE: Initial Application and Tariff of PICK Communications Corporation for Authority to Provide Interexchange Telecommunications Services within the State of Florida.

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I may be reached at (407) 740-8575 with any questions, comments or correspondence regarding this application. Thank you for your assistance.

Sincerely,

Monique Byrnes

Monique Byrnes
Consultant to
PICK Communications Corporation

cc: R. Brennan, PICK
file: PICK - FL
tms: FL96000

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

Initials of person who forwarded check:
A.J.