

ORIGINAL

FISHER WAYLAND COOPER LEADER & ZARAGOZA L.L.P.
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JAQUALIN FRIEND PETERSON
(202) 775-3534

December 20, 1996

FACSIMILE
(202) 296-6518

INTERNET

DEPOSIT TREAS. REC. DATE jpeterson@fwclz.com

D425 DEC 24 '96

Via Federal Express

Ms. Blanca S. Bayo
Director, Division of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

961521-TX

Re: MSN Communications, Inc. Application for Authority to Provide Alternative Local Exchange Service

Dear Ms. Bayo:

Enclosed for filing on behalf of MSN Communications, Inc. please find an original and six (6) copies of its Application for Authority to Provide Alternative Local Exchange Services in the State of Florida. Also enclosed is a check for \$250.00 payable to the Florida Public Service Commission to cover the application fee.

Please date-stamp the enclosed extra copy of the application and return it to the undersigned in the self-addressed, stamped envelope provided. Should you have any questions concerning the application, please do not hesitate to contact the undersigned.

Sincerely,

Glenn S. Richards, Esq.
Jaqualin Friend Peterson, Esq.

Counsel for MSN Communications, Inc.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____ GSR/jfp
- OPC _____ Enclosures
- RCH _____
- SEC _____ cc: Stuart Newman
- WAS _____
- OTH _____

DOCUMENT NUMBER-DATE
13652 DEC 23 96
FPSC-RECORDS/REPORTING

RECEIVED
FLORIDA PUBLIC SERVICE COMMISSION
DEC 23 1996

**APPLICATION FORM
FOR AUTHORITY TO
PROVIDE
ALTERNATIVE LOCAL
EXCHANGE SERVICE
WITHIN THE STATE
OF FLORIDA**

**FLORIDA PUBLIC SERVICE COMMISSION
CAPITAL CIRCLE OFFICE CENTER - 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850**

**APPLICATION FORM
for**

**AUTHORITY TO PROVIDE ALTERNATIVE LOCAL EXCHANGE SERVICE
WITHIN THE STATE OF FLORIDA**

INSTRUCTIONS

1. This form is used for an original application for a certificate and for approval of sale, assignment or transfer of an existing alternative local exchange certificate. In case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or transferee.
2. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.
3. Use a separate sheet for each answer which will not fit the allotted space.
4. If you have questions about completing the form, contact:

**Florida Public Service Commission
Division of Communications, Certification & Compliance Section
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0866
(904) 413-6600**

5. Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$250 made payable to the Florida Public Service Commission at the above address.
-

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

Original authority (new company)

Approval of transfer (to another certificated company)
Example, a certificated company purchases an existing company and desires to retain the original certificate authority.

Approval of assignment of existing certificate (to a noncertificated company)
Example, a non-certificated company purchases an existing company and desires to retain the certificate of authority rather than apply for a new certificate.

Approval for transfer of control (to another certificated company)
Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of applicant:
MSN Communications, Inc.

3. A. National mailing address including street name, number, post office box, city, state, zip code, and phone number.
**74040 Highway 111
Palm Desert, California 92260
(619) 341-9231**

B. Florida mailing address including street name, number, post office box, city, state, zip code, and phone number.
**c/o CT Corporation System
1200 South Pine Island Road
Plantation, Florida 33324
(305) 473-5503**

C. Physical address of alternative local exchange service in Florida including street name, number, post office box, city, zip code and phone number.
N/A

4. Structure of organization:

- Individual
- Foreign Corporation
- General Partnership
- Joint Venture

- Corporation
- Foreign Partnership
- Limited Partnership
- Other, Please explain _____

5. If incorporated, please provide proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

Corporate charter number: N/A
California Corporate Entity number: 1901955

Applicant has applied for authority to operate in Florida and will forward the required documents as soon as they are issued by the Florida Secretary of State.

6. Name under which the applicant will do business (d/b/a):
N/A

7. If applicable, please provide proof of fictitious name (d/b/a) registration.

Fictitious name registration number: N/A

8. If applicant is an individual, partnership, or joint venture, please give name, title and address of each legal entity.
N/A

9. State whether any of the officers, directors, or any of the ten largest stockholders have previously been adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. If so, please explain.
None

10. Please provide the name, title, address, telephone number, internet address, and facsimile number for the person serving as ongoing liaison with the Commission, and if different, the liaison responsible for this application.

Ongoing Operations:

Stuart Newman
President
MSN Communications, Inc.
74040 Highway 111
Palm Desert, California 92260
(619) 341-9231 (phone)
(619) 341-2898 (fax)

Application:

Glenn S. Richards
Jaqualin Friend Peterson
Counsel for MSN Communications, Inc.
2001 Pennsylvania Ave, N.W.
Washington, D.C. 20006
(202) 775-5678 (phone)
(202) 296-6518 (fax)

11. Please list other states in which the applicant is currently providing or has applied to provide local exchange or alternative local exchange service.

Applicant is currently seeking authorization to provide resold local services in the following states: Arizona, California, Illinois, Louisiana, New York, Nevada, North Carolina, Pennsylvania, Texas, Virginia, and the District of Columbia.

12. Has the applicant been denied certification in any other state? If so, please list the state and reason for denial.
No

13. Have penalties been imposed against the applicant in any other state? If so, please list the state and reason for penalty.
No

14. Please indicate how a customer can file a service complaint with your company.
Customers may inquire or complain by writing Applicant at MSN Communications, Inc., 74040 Highway 111, Palm Desert, California, 92260, or by calling Applicant's 1-800 number (which Applicant is currently in the process of obtaining) during business hours.

15. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide alternative local exchange service in Florida.

A. Financial capability.
See Exhibit I.

Regarding the showing of financial capability, the following applies:

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

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

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

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

B. Managerial capability.
See Exhibit II.

C. Technical capability.
See Exhibit III.

AFFIDAVIT

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide alternative local exchange service in the State of Florida. I have read the foregoing and declare that to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

Further, I am aware that pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in §775.082 and §775.083."

Official: Stuart Spier Signature 12/6/96 Date

Title: President (619) 341-9231
Telephone Number

Address: MSN Communications, Inc.
74040 Highway 111
Palm Desert, California 92260

EXHIBIT I

BALANCE SHEET

INCOME STATEMENT

STATEMENT OF RETAINED EARNINGS

Pursuant to Section 364.337(1)(3) and 364.339(2), Florida Statutes, effective July 1, 1995, the documents attached hereto demonstrate that MSN Communications, Inc. has the financial ability to:

- (1) Provide the requested service in the geographic area proposed to be served;
- (2) Maintain the requested service; and
- (3) Meet its ownership obligations.

MSN COMMUNICATIONS, INC.
Balance Sheet
November 30, 1996

ASSETS

Current Assets	\$	75,326.92	
Checking - Union Bank		140,380.20	
Checking - Nations Bank		50,589.00	
Acts. Receivable Fiesta 7488		2,519.40	
Acts. Receivable Fiesta 3021		13,411.42	
Acts. Receivable Fiesta 8340			
			<u>282,226.94</u>
Total Current Assets			
Property and Equipment		3,200.00	
Equipment		2,500.00	
Other Depreciable Property			
			<u>5,700.00</u>
Total Property and Equipment			
Other Assets		31,340.00	
Deposits		10,164.01	
Organization Costs			
			<u>41,504.01</u>
Total Other Assets			
	\$		<u><u>329,430.95</u></u>
Total Assets			

LIABILITIES AND CAPITAL

Current Liabilities	\$	124,695.00	
Accounts Payable		25,000.00	
Loan-S. Newman		25,000.00	
Loan-M. Newman			
			<u>174,695.00</u>
Total Current Liabilities			
Long-Term Liabilities			
			<u>0.00</u>
Total Long-Term Liabilities			
Total Liabilities			<u>174,695.00</u>
Capital		20,000.00	
Common Stock		134,735.95	
Net Income			
			<u>154,735.95</u>
Total Capital			
Total Liabilities & Capital	\$		<u><u>329,430.95</u></u>

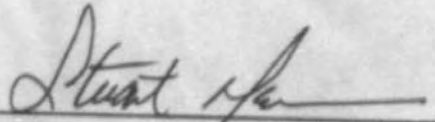
Unaudited - For Management Purposes Only

MSN COMMUNICATIONS, INC.
Income Statement
For the Eleven Months Ending November 30, 1996

	Current Month		Year to Date	
Revenues				
Sales Telefiesta Active 7488	0.00	0.00	753,980.85	77.65
Sales Telefiesta Mexico 3021	<252.00>	<0.17>	20,783.70	2.14
Sales Telefiesta Mexico 8340	144,626.20	100.13	195,999.55	20.18
Other Income	64.00	0.04	268.40	0.03
	<hr/>		<hr/>	
Total Revenues	144,438.20	100.00	971,032.50	100.00
	<hr/>		<hr/>	
Cost of Sales				
Card Printing	0.00	0.00	78,202.74	8.05
Long Distance Services	98,390.08	68.12	627,690.08	64.64
Freight-Sales & Purchases	2,421.64	1.68	5,977.00	0.62
Cost of Sales- Other	0.00	0.00	32,560.80	3.35
	<hr/>		<hr/>	
Total Cost of Sales	100,811.72	69.80	744,430.62	76.66
	<hr/>		<hr/>	
Gross Profit	43,626.48	30.20	226,601.88	23.34
	<hr/>		<hr/>	
Expenses				
Advertising Expense	0.00	0.00	18,500.00	1.91
Bank Charges	0.00	0.00	389.75	0.04
Contract Labor	2,307.72	1.60	11,023.16	1.14
Freight & Delivery	0.00	0.00	422.47	0.04
Legal and Professional Expense	2,916.37	2.02	26,673.67	2.75
Licenses & Fees	0.00	0.00	1,590.00	0.16
Office Expense	496.63	0.34	2,850.45	0.29
Postage Expense	0.00	0.00	176.40	0.02
Rent or Lease Expense	1,300.00	0.90	6,343.39	0.65
Supplies Expense	0.00	0.00	272.40	0.03
Telephone Expense	743.37	0.51	4,763.47	0.49
Travel Expense	0.00	0.00	18,860.77	1.94
	<hr/>		<hr/>	
Total Expenses	7,764.09	5.38	91,865.93	9.46
	<hr/>		<hr/>	
Net Income	\$ 35,862.39	24.83	\$ 134,735.95	13.88
	<hr/> <hr/>		<hr/> <hr/>	

CERTIFICATION OF APPLICANT

I, Stuart Newman, am President of MSN Communications, Inc., the Applicant herein. I certify that, based on my information and belief, the attached unaudited financial statements are true and correct.



Stuart Newman
President
MSN Communications, Inc.

Date: _____

12/6/96

EXHIBIT II
MANAGERIAL CAPABILITY

Applicant does not intend to provide facilities for its proposed services; operating as a reseller only. Notwithstanding, the principals of Applicant have significant experience providing telecommunications service. Mr. Stuart Newman, President of MSN Communications, Inc., has been involved in the telecommunications industry since 1979. As a founding member of Amtel Consulting in Houston, he was responsible for interfacing with many of the Fortune 100 companies in Texas. His responsibilities included working with BellSouth and AT&T to establish networks for corporate clients. He was also involved in auditing BellSouth's billing of several major clients. After moving to California, he established Newman Development, a real estate development company. For ten years, he built sub-divisions and custom single family homes in the San Diego County area. More recently, Mr. Newman was founder and president of New West Telecom, Inc., a California corporation with its own line of pre-paid calling cards. He also has experience working for a switch-based provider of long distance services.

Mr. Michael Newman, Vice President of MSN Communications, Inc., has been involved with consumer-based businesses since 1982. For the past three years, he has been operating as a switchless reseller of long distance, distributing and selling pre-paid calling cards. Prior to this, he administered residential service contracts and managed real estate for several companies. He also owned and operated a commercial and residential cleaning and building service business in Southern California from 1982 through 1988. He is a graduate of Long Island University.

Mr. Jorge Moreno, Administrative Supervisor for MSN Communications, Inc., graduated from Santo Thomas University in Bogota, Columbia with a major in Economics and a minor in Business Administration. His post graduate studies include risk analysis and strategic planning.

MSN Communications, Inc.

In Columbia, Mr. Moreno was employed with the Banco de Bogota as Assistant Vice President of Marketing. Since coming to the United States in 1995, and before joining MSN, Mr. Moreno worked as Vice President of Tele Texas, Inc.

Ms. Ann Graham, Marketing and Public Relations Manager for MSN Communications, Inc., has more than 13 years' combined experience in telecommunications marketing and business management. For six years, Ms. Graham was Marketing Manager for General Electric. Prior to that, she worked as Branch Manager for Metropolitan Insurance. Ms. Graham also studied marketing and management at the University of Iowa and Southern Illinois University.

Mr. James Cashiola, Technical Supervisor for MSN Communications, Inc., has had extensive experience in both network and switching design and implementation over the past seven years. He is currently president of Arch Equipment Services, Inc., a company that provides and manages telecommunications services for some of the nation's largest carriers, including MCI. Mr. Cashiola was also the founder of Arch Telecom, a switch-based provider of telecommunications services in Houston, Texas. Mr. Cashiola graduated from the University of Southern California in 1984.

Mr. Don McGehee, Director of Corporate Finance for MSN Communications, Inc., has more than twenty years' experience in senior corporate financial management, working with both domestic and international companies. Mr. McGehee specializes in structuring and reorganizing growth companies. He has served various companies as Chief Executive Officer, Chief Financial Officer, and Controller. Mr. McGehee has a B.B.A. from Stephen F. Austin State University and is a Certified Financial Planner.

MSN Communications, Inc.

EXHIBIT III

TECHNICAL CAPABILITY

MSN Communications, Inc., the Applicant herein, has the technical capability to provide the proposed services. As noted earlier, the management team has held various positions within the telecommunications industry. As a reseller of telecommunications services, Applicant will not construct, own, control, operate, or manage facilities in Florida, but will purchase capacity from underlying local exchange carriers. Any technical issues that cannot be resolved by Applicant will likely be resolved by the underlying carrier whose services MSN Communications, Inc. resells.

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Via Federal Express

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2540 Shumard Oak Blvd.
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Sincerely,

Jaqualin Friend Peterson
Jaqualin Friend Peterson

96 DEC 21 1996

FISHER WAYLAND COOPER LEADER & ZARAGOZA L.L.P.
(IOLTA)

003387

PAY TO THE ORDER OF

Florida Public Service Commission

DEC. 19, 1996

15-80/540 3814

~~Two~~ Hundred Fifty Dollars and ^{no}/₁₀₀

\$ 250.00

DOLLARS

SIGNET BANK N.A.

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Washington, DC 20006

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Wayland Cooper Leader