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CORRESPONDENT OFFICE  
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75008 PARIS, FRANCE

April 3, 1997

WRITER'S DIRECT DIAL NUMBER

VIA FEDERAL EXPRESS

(202) 637-9056

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

970425-TI

Re: TOLY Digital Networks, Inc.

Dear Administrator:

On behalf of TOLY Digital Networks, Inc. ("TOLY"), a Florida corporation, I am enclosing for filing one original and six copies of TOLY's Application for Authority to Provide Interexchange Telecommunications Service Within the State of Florida, including a tariff disclosing the terms and conditions of TOLY's proposed interexchange service. I am also enclosing a check payable to the Florida Public Service Commission in the amount of \$250.00 for the filing fee.

In addition, I am enclosing one extra copy of the application to be returned as proof of filing. Please date-stamp the enclosed copy labeled "Return Copy" and return it to my attention using the enclosed postage-paid envelope. Please call if you have any questions regarding the enclosed application or tariff.

Very truly yours,

  
M. Tamber Christian  
Counsel to TOLY Digital Networks, Inc.

cc: Mr. Mark Suto

DOCUMENT NUMBER-DATE  
03499-APR-46  
FPSC-RECORDS/REPORTING

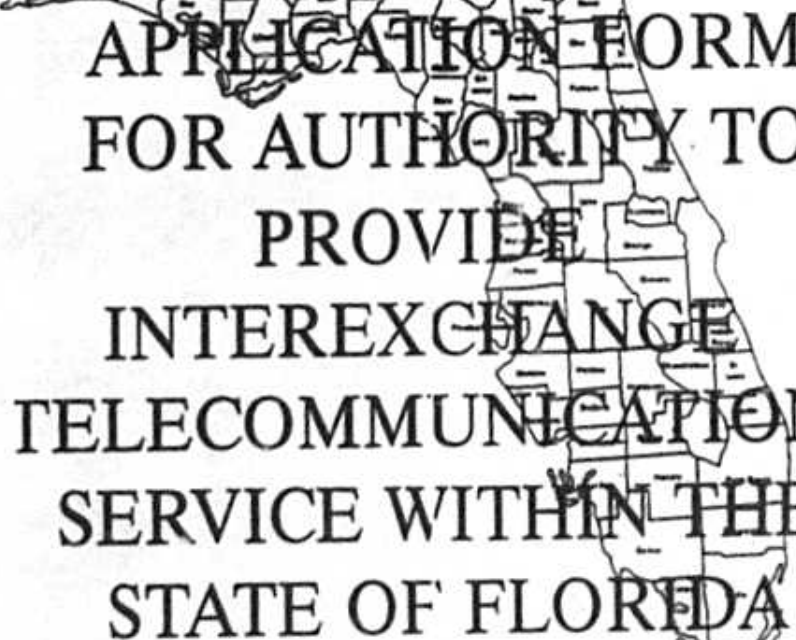
DEPOSIT

DATE

D497

APR 04 1997

970425-TI



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

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

03499 APR-45

FPSC-RECORDS/REPORTING

**\*\* FLORIDA PUBLIC SERVICE COMMISSION \***

**DIVISION OF COMMUNICATIONS**  
**BUREAU OF SERVICE EVALUATION**

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

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**Instructions**

- A. This form is used for an original application for a certificate and for approval of sale, assignment or transfer of an existing certificate. In case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or transferee (See Appendix A).
- B. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.
- C. Use a separate sheet for each answer which will not fit the allotted space.
- D. If you have questions about completing the form, contact:
- E. Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$250.00 to:

Florida Public Service Commission  
Division of Communications  
Bureau of Service Evaluation  
2540 Shumard Oak Blvd.  
Gunter Building  
Tallahassee, Florida 32399-0850  
(904) 413-6600

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

1. Select what type of business your company will be conducting (check all that apply):

- ( ) **Facilities based carrier** - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.
- ( ) **Operator Service Provider** - company provides or plans to provide alternative operator services for IXCs; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.
- ( ) **Reseller** - company has or plans to have one or more switches but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.
- (X) **Switchless Rebiller** - company has no switch or transmission facilities but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carrier. Rebills end users at a rate above its discount but generally below the rate end users would pay for unaggregated traffic.
- ( ) **Multi-Location Discount Aggregator** - company contracts with unaffiliated entities to obtain bulk/volume discounts under multi-location discount plans from certain underlying carriers. Then offers the resold service by enrolling unaffiliated customers.
- ( ) **Prepaid Debit Card Provider** - any person or entity that purchases 800 access from an underlying carrier or unaffiliated entity for use with prepaid debit card service and/or encodes the cards with personal identification numbers.

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

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

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

TOLY Digital Networks, Inc.

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

TOLY Digital Networks, Inc.

5. National address (including street name & number, post office box, city, state and zip code). 13901 U.S. Highway One  
TOLY Digital Networks, Inc. Suite One

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

Same as above

N. Palm Beach, FL 33408

7. Structure of organization;

- Individual
- Foreign Corporation
- General Partnership
- Other, \_\_\_\_\_
- Corporation
- Foreign Partnership
- Limited Partnership

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

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

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

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

(2) officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

9. If incorporated, please give:

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

Corporate charter number: 65-0651749

- (b) Name and address of the company's Florida registered agent. TOLY Digital Networks, Inc.  
Attn: Mr. Mark Suto, 13901 U.S. Highway One, Suite One, N.  
Palm Beach, Florida 33408
- (c) Provide proof of compliance with the fictitious name statute (Chapter 865.09 FS), if applicable. N/A

Fictitious name registration number: \_\_\_\_\_

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

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

(2) officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not. (See attached)

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

(a) The application;

Tamber Christian, Esq. - Counsel to TOLY Digital Networks, Inc.  
Ginsburg, Feldman & Bress

1250 Connecticut Ave., N.W. Washington, D.C. 20036 202/637-9056

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

Mr. Mark Suto, President

TOLY Digital Networks, Inc.

Tel: 561/694-8655

13901 U.S. Highway One, Suite One N. Palm Beach, FL 33408

(c) Tariff;

Tamber Christian, Esq. - Counsel to TOLY Digital Networks, Inc.  
Ginsburg, Feldman & Bress

1250 Connecticut Ave., N.W., Washington, D.C. 20036 202/637-9056

(d) Complaints/Inquiries from customers;

TOLY will be reselling service to other authorized carriers and not to end users. Accordingly, end users should contact their service provider with complaints or inquiries.

11. List the states in which the applicant:

(a) Has operated as an interexchange carrier.

None

(b) Has applications pending to be certificated as an interexchange carrier. TOLY has not applied for certification as an interexchange carrier in any other states; however it intends to apply for certification in several other states.

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

None

(d) Has been denied authority to operate as an interexchange carrier and the circumstances involved.

None

(e) Has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

None

(f) Has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

None

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

- Facilities.  Operators.  
 Billing and Collection.  Sales.  
 Maintenance.  
 Other: Aggregated traffic at discounted rates

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?

TOLY's officers do all the marketing by direct contact.

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

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

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

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?  
(See attached)

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

(See attached)



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

A. Financial capability. See Exhibit 1

Regarding the showing of financial capability, the following applies:

The application should contain the applicant's financial statements for the most recent 3 years, including:

1. the balance sheet
2. income statement
3. statement of retained earnings.

Further, a written explanation, which can include supporting documentation, regarding the following should be provided to show financial capability.

1. Please provide documentation that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.

2. Please provide documentation that the applicant has sufficient financial capability to maintain the requested service.

3. Please provide documentation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

NOTE: This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.

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 2

C. Technical capability.  
See Exhibit 3

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

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

MTS with distance sensitive per minute rates  
 Method of access is FGA  
 Method of access is FGB  
 Method of access is FGD  
 Method of access is 800

MTS with route specific rates per minute  
 Method of access is FGA  
 Method of access is FGB  
 Method of access is FGD  
 Method of access is 800

MTS with statewide flat rates per minute (i.e. not distance sensitive)  
 Method of access is FGA  
 Method of access is FGB  
 Method of access is FGD  
 Method of access is 800

\_\_\_ MTS for pay telephone service providers

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

\_\_\_ 800 Service (Toll free)

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

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

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

\_\_\_ 900 service

\_\_\_ Operator Services  
\_\_\_ Available to presubscribed customers  
\_\_\_ Available to non presubscribed customers (for example to patrons of hotels, students in universities, patients in hospitals.  
\_\_\_ Available to inmates

**Services included are:**

\_\_\_ Station assistance  
\_\_\_ Person to Person assistance  
\_\_\_ Directory assistance  
\_\_\_ Operator verify and interrupt  
\_\_\_ Conference Calling

21. What does the end user dial for each of the interexchange carrier services that were checked in services included (above). The end user directly dials the number of the person he/she wants to reach.

22. \_\_\_ Other:

**\*\* APPLICANT ACKNOWLEDGEMENT STATEMENT \*\***

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
4. **APPLICATION FEE:** A non-refundable application fee of \$250.00 must be submitted with the application.
5. **RECEIPT AND UNDERSTANDING OF RULES:** I acknowledge receipt and understanding of the Florida Public Service Commission's Rules and Orders relating to my provision of interexchange telephone service in Florida. I also understand that it is my responsibility to comply with all current and future Commission requirements regarding interexchange service.
6. **ACCURACY OF APPLICATION:** By my signature below, I the undersigned owner or officer of the named utility in the application, attest to the accuracy of the information contained in this application and associated attachments. I have read the foregoing and declare that to the best of my knowledge and belief, the information is a true and correct statement.

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

UTILITY OFFICIAL:

  
Signature

3/20/97  
Date

Mark Suto

President

Title

(561)694-8655

Telephone No.

FORM PSC/CMU 31 (11/95)

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

**\*\* APPENDIX A \*\***

**CERTIFICATE TRANSFER STATEMENT**

N/A

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

**UTILITY OFFICIAL:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Telephone No.

**\*\* APPENDIX B \*\***

**CUSTOMER DEPOSITS AND ADVANCE PAYMENTS**

A statement of how the Commission can be assured of the security of the customer's deposits and advance payments may be responded to in one of the following ways (applicant please check one):

- ( x )            The applicant will not collect deposits nor will it collect payments for service more than one month in advance.
- (   )            The applicant will file with the Commission and maintain a surety bond in an amount equal to the current balance of deposits and advance payments in excess of one month. (Bond must accompany application.)

**UTILITY OFFICIAL:**

  
\_\_\_\_\_  
Signature

  
\_\_\_\_\_  
Date

Mark Suto  
\_\_\_\_\_  
President  
\_\_\_\_\_  
Title

(561)694-8655  
\_\_\_\_\_  
Telephone No.

**\*\* APPENDIX C \*\***

**INTRASTATE NETWORK**

1. **POP:** Addresses where located, and indicate if owned or leased. TOLY does not own or lease any facilities.

- 1) 2)  
  
3) 4)

2. **SWITCHES:** Address where located, by type of switch, and indicate if owned or leased. TOLY does not own or lease any switches.

- 1) 2)  
  
3) 4)

3. **TRANSMISSION FACILITIES:** Pop-to-Pop facilities by type of facilities (microwave, fiber, copper, satellite, etc.) and indicate if owned or leased. TOLY does not own or lease any transmission facilities.

- 1) POP-to-POP                      TYPE                      OWNERSHIP  
  
2)

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). TOLY proposes to provide originating service statewide within 30 days after the effective date of the certificate.

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).

TOLY aggregates traffic for bulk discounts and resells the traffic to certificated carriers. TOLY will not change or augment end users' dialing pattern for 1 [plus], 0[plus] or 0 - intraLATA local and toll calls dialed by end users.

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

- a) What services have been provided and when did these services begin?
- b) If the services are not currently offered, when were they discontinued?

UTILITY OFFICIAL:

  
\_\_\_\_\_  
Signature

3/20/97  
\_\_\_\_\_  
Date

Mark Suto

\_\_\_\_\_  
President

\_\_\_\_\_  
Title

(561)694-8655

\_\_\_\_\_  
Telephone No.



**Statement in Response to Question 9(c)(2)**

Messrs. Suto and McNulty purchased the stock of Florida/US Digital Networks, Inc., a Florida corporation holding a Florida certificate as a switchless reseller in 1994. They still own the stock but the corporation became inactive as of the end of 1996.

**Statement in Response to Question 17**

- (a) The name of both Applicant and of the Reseller with whom it contracts will appear on the bills to the local telephone companies ("Telcos"). The contract between Applicant and the Telco requires the Telco to contact Applicant ((561) 694-8655, attention Jill Jobson or Mark Suto) with any billing questions.
  
- (b) Hertz Technologies, Inc., 5601 Northwest Expressway, Oklahoma City, OK 73132.

**EXHIBIT 1**  
**FINANCIAL CAPABILITY**

## Statement in Response to Question 18

A. Attached to this Statement as Subexhibit 1-A is the unaudited financial statement for calendar 1996, signed and verified by the President and Assistant Treasurer. The corporation was inactive in 1995.

B. Attached to this Statement as Subexhibit 1-B is a projected profit and loss statement for calendar years 1997-1999.

### Financial Capability to Provide and Maintain Service

Applicant's operations consist of entering into contracts with switchless carriers (Resellers) under which each Reseller must be satisfied with the creditworthiness of Applicant before it will enter into the contract. Applicant then enters into contracts with local telephone companies (Telcos). The actual services are provided by a facilities carrier such as AT&T. In the unlikely event that Applicant were unable to meet its financial obligations to a Reseller, that Reseller would step into Applicant's shoes and continue to provide service to each Telco. In any event, the end user customers of the Telco would not be affected.

### Financial Capability to Meet Obligations

Applicant's only obligations (other than payment for services provided by the Resellers) consist of leased office space, telephone lines, computers and other office equipment and furniture, and license fees. The Reseller handles billing and collection and remits the balance to Applicant after collecting its charges, reducing the working capital required for this business.

Applicant's banking connection is with Island National Bank and Trust Company, P.O. Box 3268, Palm Beach, FL 33480 (Telephone: (561) 691-1220), attention: Sonja Hatcher, Assistant Branch Manager.

**POLY DIGITAL NETWORKS, INC.**  
**A FLORIDA CORPORATION**  
**1996 FINANCIAL STATEMENT (UNAUDITED)**

**BALANCE SHEET AS OF DECEMBER 31, 1996**

**ASSETS**

**Current Assets**

Cash, Checking/Savings Accounts

110 - Island National 141,125.91

115 - Cash Management Account 737.92

**Total Cash, Checking/Savings Accounts** 141,863.83

**Other Current Assets**

120 - A/R Total Doctors Network, Inc. 16,246.22

122 - A/R MGM Management, Inc. 1,125.00

125 - A/R Mark W. Suto 111,002.89

130 - A/R Gerald McNulty 14,000.00

135 - A/R Florida/US Digital Networks, Inc. 41,534.12

**Total Other Current Assets** 190,637.69

**Other Assets**

210 - Equipment 30,849.42

215 - Furniture and Fixtures 2,163.92

**Total Other Assets** 33,013.34

**TOTAL ASSETS** 365,514.86

**LIABILITIES AND SHAREHOLDER EQUITY**

**Current Liabilities**

460 - Payroll - FUTA 33.35

470 - Payroll - FICA ( 47.82)

475 - Payroll - MCARE 548.97

480 - Payroll - FWH 4,883.69

485 - Payroll - Medical ( 300.00)

**Total Current Liabilities** 5,118.19

**TOTAL LIABILITIES** 5,188.19

**Shareholders' Equity**

580 - Common Shares 1,000.00

Accumulated Net Income 359,396.67

**TOTAL SHAREHOLDERS' EQUITY** 360,396.67

**TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** 365,514.86

## PROFIT AND LOSS - JANUARY-DECEMBER 1996

### INCOME

710 - Dividend Income	3,020.33
715 - Interest Income	995.80
720 - Fees	348,520.12
730 - Management Fees - Florida/US Digital Networks, Inc.	<u>535,691.64</u>
Total Income	888,227.89

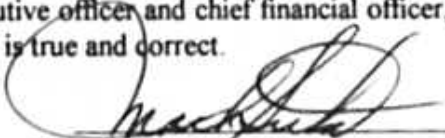
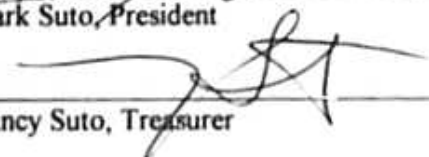
### EXPENSES

800 - Advertising	430.00
810 - Automobiles	6,916.00
815 - Bank charges	45.02
820 - Cleaning	53.00
825 - Collection fees	300.00
830 - Commissions	79,097.00
835 - Contributions	2,295.00
845 - Dues and Subscriptions	500.00
862 - Insurance (Medical)	17,248.02
870 - Licenses	331.00
880 - Miscellaneous expenses	2,524.74
890 - Payroll - FICA	11,394.73
891 - Payroll - MCARE	3,944.78
892 - Payroll - SDI	198.00
894 - Payroll - Gross	272,054.33
895 - Payroll - Expenses	33.33
900 - Postage	913.23
910 - Professional fees - accounting	2,750.00
915 - Professional fees - legal	28,058.17
920 - Rent	17,026.52
925 - Repairs	2,666.43
930 - Security	158.70
935 - Travel and Entertainment - Entertainment	7,340.84
936 - Travel and Entertainment - Meals	12,216.27
937 - Travel and Entertainment - Travel	31,944.71
941 - Taxes (local)	4,154.40
943 - Taxes (state)	634.88
945 - Taxes (federal)	192.01
950 - Telephone	9,450.25
955 - Temporary help	95.00
960 - Utilities	<u>2,460.78</u>
TOTAL EXPENSES	528,831.21
NET INCOME	<u>359,396.67</u>

Toly Digital Networks, Inc.  
Verification Attached to 1996 Financial Statement

The undersigned, being the chief executive officer and chief financial officer, respectively, hereby affirm that the 1996 financial statement is true and correct.

Dated: March 20, 1997

  
\_\_\_\_\_  
Mark Suto, President  
\_\_\_\_\_  
Nancy Suto, Treasurer

**TOLY DIGITAL NETWORKS, INC.**  
**Projected Profit and Loss: 1997-99**

	Year		
	<u>1997</u>	<u>1998</u>	<u>1999</u>
<u>Operating Revenues</u>			
Resale revenues	1,188,000	1,359,600	1,495,560
Less direct cost of resales	(1,069,200)	(1,176,120)	(1,293,732)
Gross margin on resales	118,800	183,480	201,828
Commision revenue	420,000	420,000	420,000
Less direct cost of agency sales	( -0- )	( -0- )	( -0- )
Gross margin on agency sales	420,000	420,000	420,000
Total revenues all sources	1,608,000	1,779,600	1,915,560
Less direct cost of revenues all sources	(1,069,200)	(1,176,120)	(1,293,732)
Gross margin total revenues all sources	538,800	603,480	621,828
<u>Operating Expenses</u>			
Payroll	307,100	317,849	328,973
Payrolli burden (15%)	46,065	47,677	49,346
Leased equipment	-0-	-0-	-0-
Utilities	3,600	3,750	3,825
Insurance	55,200	56,580	57,995
Rent	13,200	13,200	14,400
Depreciation	6,600	6,600	6,600
Advertising/promotion/ ravel	2,500	2,750	3,163
Attorney/CPA/consultants	20,000	21,000	22,050
Miscellaneous	2,500	2,625	2,756
Total operating expenses	456,765	472,031	489,107
Operating profit (loss) before interest and taxes	82,035	131,449	132,721
Short term interest expense	-0-	-0-	-0-
Long-term interest expense	-0-	-0-	-0-
Taxes (27.5%)	22,560	36,148	36,498
Total interest and taxes	22,560	36,148	36,498
Net profit	<u>59,475</u>	<u>95,301</u>	<u>96,223</u>

**EXHIBIT 2**  
**MANAGERIAL CAPABILITY**



MANAGERIAL EXPERIENCE OF MARK SUTO AND GERALD McNULTY

Mark Suto, President of TOLY Digital Networks, Inc. ("TOLY"), was a Manager at Bell South and Bell Atlantic where he was responsible for various staffing, training and performance evaluation matters. Mr. Suto was also an Account Manager with AT&T where he was responsible for the sale of telecommunications services which included international/domestic voice/data networks for Fortune 500 customers. Mr. Suto was also a Regional Marketing Manager for MCI Telecommunications where he acted as a liaison with MCI's finance, regulatory and engineering departments to develop opportunities that would increase the company's revenues.

Gerald McNulty, Vice President of TOLY, was a Division Manager for Southwestern Bell in Houston, Texas, where he was responsible for all marketing and sales activities within the State of Texas' financial market segment. From 1984 to 1987, Mr. McNulty was a Director of Reliance Com-Tec in Chicago, Illinois, where he was responsible for all international sales and marketing to 67 countries. From 1990 to 1994, Mr. McNulty was a Manager for Commonwealth L.D. in Dallas, Pennsylvania, where he was responsible for sales and marketing for all major accounts and for independent telephone sales.

**EXHIBIT 3**  
**TECHNICAL CAPABILITY**

TECHNICAL EXPERIENCE OF MARK SUTO AND GERALD MCNULTY

Mark Suto was Director of Marketing and Operations for Commonwealth Long Distance/C-TEC Corporation ("C-TEC"), where he was actively engaged in launching a proactive long distance business. His responsibilities at C-TEC included network set-up, measuring gross profit margins on products and evaluating various products for interexchange, interlata/intralata service. Mr. Suto also served as Director of Marketing and Operations for Communications Transmissions, Inc., where he was responsible for: (i) providing an accurate competitive national rate structure for long distance carriers; (ii) developing a product forecast by product line; and (iii) coordinating with the company's regulatory, finance and engineering departments to develop a product niche.

Gerald McNulty was a Network Manager for New York Telephone Company in New York, New York, where he was responsible for all networks within the financial community of lower Manhattan. Mr. McNulty was also a member of Bell Labs' technical staff in Holmdale, New Jersey, where he was responsible for the development and marketing of the 209A modem for all Bell Operating Companies. From 1967 to 1984, Mr. McNulty was the National Account Manager for AT&T where he was responsible for managing all accounts and for maintaining Exxon's network and hardware interfaces. From 1987 to 1990, Mr. McNulty was a Manager for CTI Inc. in Chicago, Illinois, where he was responsible for all sales and network design specifications for the midwest region.

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TITLE SHEETFLORIDA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, service standards and rates applicable to the furnishing of service and facilities for telecommunications services provided by TOLY Digital Networks, Inc. (hereinafter, "Company"), with principal offices at 13901 U.S. Highway One, Suite One, N. Palm Beach, FL 33408. This tariff applies for services furnished within the state of Florida. This tariff is on file with the Florida Public Service Commission (hereinafter, "FPSC"), and copies may be inspected, during normal business hours, at the Company's principal place of business.

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by: Mark Suto, President  
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CHECK SHEET

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

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

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SYMBOLS SHEET

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

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TARIFF FORMAT SHEET

A. Sheet Numbering - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new pages 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 FPSC is not always the tariff page in effect. Consult the Check Sheet for the sheet currently in effect.

C. Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

- 2.
- 2.1.
- 2.1.1.
- 2.1.1.A.
- 2.1.1.A.1.
- 2.1.1.A.1.(a).
- 2.1.1.A.1.(a).I.
- 2.1.1.A.1.(a).I.(i).
- 2.1.1.A.1.(a).I.(i).1.

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

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement which connects the Customer's telecommunications service to the Underlying Carrier's designated point of presence or network switching center.

Commission - The Florida Public Service Commission.

Company - TOLY Digital Networks, Inc.

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

Day - From 8:00 AM up to but not including 5:00 PM local time Sunday through Friday.

Delinquent - Payment for a billing for services provided, which is not in dispute, where payment is not received on or before the due date as posted on the bill.

Evening - From 5:00 PM up to but not including 11:00 PM local time Sunday through Friday.

Holidays - The Company's recognized holidays are New Year's Day, Martin Luther King, Jr. Day, President's Day, Ground Hog Day, St. Patrick's Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day, and Christmas Day.

Night/Weekend - From 11:00 PM up to but not including 8:00 AM Sunday through Friday, and 8:00 AM Saturday up to but not including 5:00 PM Sunday.

Service - Service in its broadest and most inclusive sense, including any and all acts done, rendered or performed and any and all things furnished or supplied by the Company in the provision of regulated offerings to its Customers.

Underlying Carrier - The provider of telecommunications services whose network is being utilized to transmit and receive the Customer's telecommunications traffic.

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SECTION 2 - RULES AND REGULATIONS2.1 Undertakings of TOLY Digital Networks, Inc.

- 2.1.1 The Service is furnished for telecommunications originating and terminating within the State of Florida under terms of this tariff.
- 2.1.2 The Company may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities, when authorized by the Customer, to allow connection of a Customer's location to the Company's network. The Customer shall be responsible for all charges due for such service arrangement.
- 2.1.3 The Service is provided on a monthly basis unless ordered on a longer term basis, and is available twenty-four hours per day, seven days per week.

2.2 Limitations

- 2.2.1 Service is offered subject to the provisions of this tariff.
- 2.2.2 The Company reserves the right to discontinue or limit Service when necessitated by conditions beyond its control, or when the Customer is using the Service in violation of provisions of this tariff, or in violation of the law.
- 2.2.3 The Company only offers Service for resale by Customers who have been granted a Certificate of Convenience and Necessity by the Commission to provide such Service in the State of Florida.
- 2.2.4 The Customer may not transfer or assign the use of the Service without the express written consent of the Company. Such transfer or

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assignment shall only apply where there is no interruption of the use of the Service.

- 2.2.5 Prior written consent from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions of Service.

### 2.3 Use of Service

- 2.3.1 The Service may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of such Service.
- 2.3.2 The use of the Service to make calls which might reasonably be expected to frighten, abuse, torment, or harass another, or in such a way as to unreasonably interfere with use by others, is prohibited.
- 2.3.3 The use of the Service without payment for Service or attempting to avoid payment for Service by fraudulent means or devices, schemes, false or invalid numbers, false credit cards or false numbers of such cards, is prohibited.
- 2.3.4 The Service may be denied for nonpayment of charges or for other violations of this tariff.

### 2.4 Liabilities of The Company

- 2.4.1 The liability of the Company, its officers, directors, shareholders, agents and assigns for damages arising out of mistakes, interruptions, omissions, delays, errors or defects in transmission which occur in the course of furnishing Service in no event shall exceed an amount equivalent to the proportionate charge

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to the Customer for the period during which the faults in transmission occur.

2.4.2 The Company, and its officers, directors, shareholders, agents and assigns shall be indemnified and saved harmless by any Customer, user or any other entity against claims for libel, slander or infringement of copyright arising from the material transmitted via the Service; and against all other claims arising out of any act or omission of a Customer, user or of any other entity in connection with the Service provided by the Company.

2.4.3 The Company, its officers, directors, shareholders, agents and assigns shall not be liable for claim or loss, expense or damage (including indirect, special or consequential damage), for any interruption, delay, error, omission, or defect in any Service 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 an underlying carrier, by an Act of God, fire, war, civil disturbance, or act of government, or by any other cause beyond the Company's direct control.

2.4.4 The Company, its officers, directors, shareholders, agents and assigns shall not be liable for any defacement of or damages to the premises of a Customer resulting from the furnishing of Service which is not the direct result of the Company's negligence.

2.5 Interruption of Service

2.5.1 Credit allowance for the interruption of Service which is not due to the Company's testing or adjusting, negligence of the Customer, or the failure of channels or equipment provided by the Customer, are subject to the general liability provisions set forth in 2.4 herein. It shall be the obligation of the

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Customer to notify the Company immediately of any interruption in Service for which a credit allowance is desired. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission by the Customer within his control, if any, furnished by the Customer and connected to the Company's facilities.

- 2.5.2 For purposes of credit computation, every month shall be considered to have 720 hours.
- 2.5.3 No credit shall be allowed for an interruption of a continuous duration of less than two hours.
- 2.5.4 The Customer shall be credited for an interruption of two hours or more at the rate of 1/720th of the monthly charge for the Service affected for each hour or major fraction thereof that the interruption continues. Calculations of the credit shall be made in accordance with the following formula:

$$\text{Credit} = \frac{A}{720} \times B$$

"A" = outage time in hours

"B" = total monthly charge for affected facility, where applicable

2.6 Deposits

The Company does not require a deposit from the Customer.

2.7 Advance Payments

The Company does not collect any advance payment for the Service.

2.8 Taxes

The Company enters into an agreement with its Customers for the sale of minutes and does not resell the Service to end

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users. Therefore, the Company does not charge for state and local taxes.

2.9 Cancellation of Service

2.9.1 Without incurring liability, the Company may immediately discontinue Service to a Customer, or may withhold the provision of ordered or contracted Services:

- (A) For failure to cure any overdue balance within five (5) days after receiving notice from the Company of such overdue balance;
- (B) For violation of any provision of this tariff;
- (C) For violation of any law, rule, regulation or policy of any governing authority having jurisdiction over the Company's Service; or
- (D) By reason of any order or decision of a court, public service commission or federal regulatory body or other governing authority prohibiting or restricting the Company from furnishing any service utilized by Customer.

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SECTION 3 -- DESCRIPTION OF SERVICE3.1 Timing of Calls

3.1.1 The Customer's long distance usage charge is based on the actual usage of the Company's network. Billing for calls placed over the network is based in part on the duration of the call as follows, unless otherwise specified in this tariff:

- (A) Call timing 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.
- (B) Chargeable time for calls ends when one of the parties disconnects from the call.
- (C) All rates are billed at 18 seconds (initial period) and at 6 second increments subsequent to the initial period.
- (D) The Customer shall be responsible for either a recurring monthly fee or the actual charges as incurred for connect, disconnect and maintenance services.
- (E) The Company will not bill for uncompleted calls. When a Customer indicates that he/she was billed for an incomplete call, the Company will reasonably issue credit for the call.

3.2 Billing of Calls

All charges due by the Customer are payable at the address specified on the billing statements. Any objection to billed charges should be promptly reported to the Company. Adjustments to Customers' bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance

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with approved rates or that an adjustment may otherwise be appropriate.

### 3.3 Payment of Calls

#### 3.3.1 Late Payment Charges

If a Customer's bill is not paid by the due date printed on the bill, the Company may impose a late payment charge of 1.5% per month on the delinquent amount after twenty (20) days until paid. A Customer's failure to cure any overdue balance within five (5) days after receiving notice from the Company of such overdue balance shall be grounds for termination of the Customer's Service.

### 3.4 Calculation of Distance

Usage charts for all mileage sensitive products are based on the airline distance between rate centers associated with the originating and terminating points of the call.

The airline mileage rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. The Company uses the rate centers that are produced by Bell Communications Research in the NPA-NXX V & H Coordinates Tape and Bell's NECA Tariff No. 4.

FORMULA:

$$\frac{(V_1 - V_2)^2 + (H_1 - H_2)^2}{10}$$

EXAMPLE: Distance between Miami and Tallahassee -

	V	H
Miami	8,354	546
Tallahassee	<u>7,871</u>	<u>1,770</u>
Difference	483	-1,174

Square and add: 233,289 + 1,378,276 = 1,611,565

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Divide by 10 and round:  $1,611,565 / 10 = 161,156.5$   
= 161,157

Take square root and round:  $161,157 = 401.4$   
= 402 miles

3.5 Minimum Call Completion Rate

The Company's call completion rate is dependent upon the Underlying Carrier. However, a Customer can expect a call completion rate of not less than 90% during peak use periods for all FG D services ("1+" dialing).

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SECTION 4 - RATES4.1 Standard Rates

The Company does not resell its Service to end users, but rather, to other carriers certified to resell telephone service in the State of Florida. The rates the Company charges for its Service are based on AT&T FCC Tariff 1, Section 6, under Software Defined Networks ("SDN"). A Customer will be charged the SDN Schedule A intrastate rate less a Twenty-Five Percent (25%) discount for calls placed during the Day and a Thirty Percent (30%) discount for calls placed during Evenings, Nights and Weekends.

4.2 Special Rates for the Handicapped

The Company presumes that the requirements set forth in Sections 25-4.115(3)(a), 25-4.079(4) and 25-4.160(1) will be met by its Customers who have been certified by the FPSC to resell intrastate telecommunications service and therefore must adhere to these requirements.

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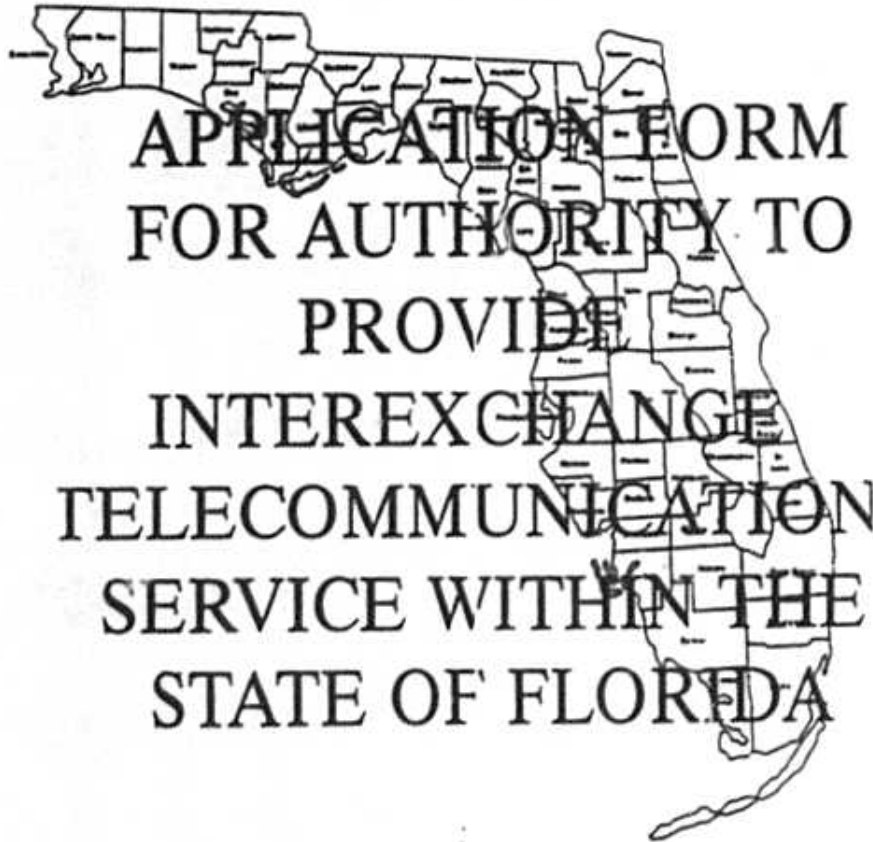
by: Mark Suto, President  
13901 U.S. Highway One  
Suite One  
N. Palm Beach, FL 33408

DEPOSIT

DATE

D497

APR 04 1997



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

1379

TOLY DIGITAL NETWORKS, INC.  
12189 U.S. HWY. 1, SUITE 2  
NORTH PALM BEACH, FL 33408

DATE March 20, 1997

PAY TO THE ORDER OF

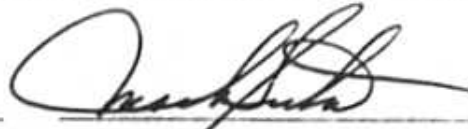
Fl. Public Service Commission

\$ 250.00

Two hundred fifty dollars and 00/100

DOLLARS

**ISLAND NATIONAL**  
BANK AND TRUST COMPANY  
PALM BEACH GARDENS, FLORIDA 33410



FOR DEPOSIT ONLY

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