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MAIL ROOM

May 12, 1997

Mr. Walter D'Haeseleer
Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

970571-TI

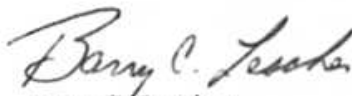
Dear Mr. D'Haeseleer:

Enclosed are the original and twelve (12) copies of TeleHub Network Services Corporation's Application Form for Authority To Provide Interexchange Telecommunications Service Within The State of Florida. Please date-stamp and return the extra copy of the transmittal letter provided as proof of filing. An envelope with the return address and the appropriate postage is attached for this purpose. Also enclosed is a check for \$250 made payable to the Florida Public Service Commission to cover the filing fee.

Any questions regarding the Application or tariff should be referred to Todd Lowe, President, Visiology, Inc., 16061 Carmel Bay Drive, Northport, Alabama 35475. Todd is our regulatory consultant and can be reached at (205) 330-1701.

Your assistance in this matter is greatly appreciated.

Sincerely,


Barry C. Lescher
Executive Vice President

Enclosures

DOCUMENT NUMBER-DATE
04752 MAY 13 97
FPSC-RECORDS/REPORTING

DIVISION OF COMMUNICATIONS
BUREAU OF SERVICE EVALUATION

101 E. Gains Street
Fletcher Building
Tallahassee, Florida 32399-0866

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

Instructions

- A. This form is used for an original application for a certificate and for approval of sale, assignment or transfer of an existing certificate. In the 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 any questions about completing the form, contact:

Florida Public Service Commission
Division of Communications
Bureau of Service Evaluation
101 East Gaines Street
Tallahassee, Florida 32399-0866
(904) 488-1280

- E. Once completed, submit the original and twelve (12) copies of this form along with a non-refundable application fee of \$250.00 to:

Florida Public Service Commission
Division of Administration, Room G-50
101 East Gaines Street
Tallahassee, Florida 32399-0850
(904) 488-4733

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

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

2. The legal name of the applicant:

TeleHub Network Services Corporation

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

TeleHub Network Services Corporation

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

**1375 Tri-State Parkway, Suite 250
Gurnee, Illinois 60031**

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

NONE

6. Structure of organization;

- Individual
- Foreign Corporation
- General Partnership
- Other, _____
- Corporation
- Foreign Partnership
- Limited Partnership

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

Applicant is a corporation.

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

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

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. If so, please explain.
 - (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.

8. If incorporated, Please give:

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

Corporate charter Number: F97000002353

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

**NRAI Services, Inc.
526 E. Park Avenue
Tallahassee, FL 32301**

- (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. If so, please explain.

None.

- (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.

None.

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

- (a) The application;
**Todd Lowe, President, Visiology, Inc.
16061 Carmel Bay Drive
Northport, Alabama 35475
(205) 330-1701**
- (b) Official point of Contact for the ongoing operations of the company;
**Barry C. Lescher, Executive Vice President
TeleHub Network Services Corporation
1375 Tri-State Parkway, Suite 250
Gurnee, Illinois 60031**
- (c) Tariff;
Todd Lowe. See (a) above.
- (d) Complaints/ Inquiries from customers;
Barry C. Lescher. See (b) above

10. List the states in which the applicant:

- (a) Has operated as an interexchange carrier.
None. The Applicant is not an interexchange carrier. The Applicant is a reseller and does not own, control, operate, or manage any transmission facilities with the technological capability to provide telecommunications service within the state. The Applicant has not yet provided service as a reseller.
- (b) Has applications pending to be certificated as an interexchange carrier.
The Applicant has applications pending to be certificated to resell intrastate interexchange telecommunications services in the states of California, Georgia, Illinois, Michigan, New York, Ohio, and Oregon.
- (c) Is certificated to operate as an interexchange carrier.
The Applicant has the authority to resell telecommunications in the state of Texas.

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

None.

(e) Has 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.

11. 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

 X 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.)

 X 800 Service (Toll Free)

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

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 Services

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

Other:

The applicant will offer inbound and outbound long distance services, conference service, calling card service, and prepaid calling card service. A detailed service description is provided in Section 3 of the proposed tariff attached hereto as Attachment H.

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

To place an outbound long distance call, the end user dials 1+ the called number. 800 calls are completed by dialing 1+800+ the called number. To reach Directory Assistance outside of the end user's area code, the end user dials 1 + area code + 555-1212. Calling card calls are completed by dialing 1+ the universal 800 number, the called number, and the calling card code. To reach the long distance operator of the underlying carrier, the end user dials 00- or 0+ the called number.

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

() Facilities. () Operators.
() Billing and Collection. () Sales.
() Maintenance.
(X) Other: Long distance telecommunication services

14. Will you have a marketing program:

- (Y) Pay commissions?
- (N) Offer sales franchises?
- (N) Offer multi-level sales incentives?
- (N) Offer other sales incentives?

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

See Attachment G.

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

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

17. Please provide the following (if applicable):

(a) Will the name of your company appear on the bill for your services, and if not, why?

Yes

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

The Applicant will direct bill.

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 H.

**** 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 one 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. **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 Commissions' 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.

Barry C. Lescher 
Typed name and signature of owner
or chief officer

May 12, 1997
Date

ATTACHMENTS:

- A - CERTIFICATE TRANSFER STATEMENT (Not Applicable)
- B - CUSTOMER DEPOSITS AND ADVANCE PAYMENTS
- C - INTRASTATE NETWORK
- D - FLORIDA TELEPHONE EXCHANGES AND EAS ROUTES
(Not Applicable)
- E - GLOSSARY (Not Applicable)

** APPENDIX A **

CERTIFICATE TRANSFER STATEMENT

NOT APPLICABLE

****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):

- () 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.)

Barry C. Lescher

Barry C. Lescher
Typed name and signature of
Owner or Chief officer

Executive Vice President

Title

May 12, 1997

Date

**** APPENDIX C ****

INTRASTATE NETWORK

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

1) N/A 2)

3) 4)

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

1) N/A 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.

1) POP-to-POP TYPE OWNERSHIP

2) N/A

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).

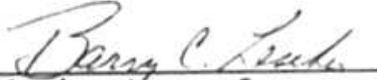
Service may be provided from any exchange in the State of Florida.

5. **TRAFFIC RESTRICTIONS:** Please explain how the applicant will comply with the EAEA requirement contained in Commission Rule 25-24.471 (4) (a) (copy enclosed).

Our understanding of Commission Rule 25-24.471 (4) (a) is that the intra-EAEA restriction has been lifted for 950, 10XXX, 800, and 1+ calls placed via dedicated access, and that the LEC will not forward to TeleHub any intra-EAEA calls placed over switched access lines.

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?

Barry C. Lescher 
Typed name and signature of
Owner or Chief officer

Executive Vice President
Title

May 12, 1997
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).

Barry C. Lescher

Typed Name and signature of
Owner/Chief Officer

Executive Vice President

Title

May 12, 1997

Date

All outbound services that utilize switched access to reach the long distance network are available in equal access areas. All calling card services, prepaid calling card services, conference services, and all inbound services and all outbound services using dedicated access to reach the long distance network are available statewide.

ATTACHMENT F

DIRECTORS, OFFICERS, AND STOCKHOLDERS

NAME	POSITIONS
William W. Becker	Chairman of the Board
Donald H. Sledge	Vice-Chairman, CEO & President, and Director
Michael G. McLaughlin	Chief Operating Officer & Director
Richard M. Harmon	Chief Financial Officer & Secretary
Barry C. Lescher	Senior Vice President & Director (TNS)
Gregory A. Nischke	Vice President-Operations
V. Bill Thompson	Vice President-Strategic Planning & Business Development
Timothy C. Chandler	Vice President-VSMS Research & Development
William M. Sund	Vice President-Engineering
Anthony Zaide	Vice President-ATM Engineering Research & Development

All officers can be contacted at 1375 Tristate Parkway, Suite 250, Gurnee, Illinois 60031.

All shares of TeleHub Network Services Corporation are held by TeleHub Communications Corporation, a Nevada Corporation. The shareholders of TeleHub Communications Corporation owning 10% or more of the stock are as follows:

<u>Shareholder</u>	<u>Address</u>	<u>% of Shares</u>
Hartford Holdings, Ltd.	Box 143, Cayman Islands, British West Indies	34.75
Roseville Computer Projects, Ltd.	P. O. Box 566 Charlestown, Nevis, West Indies	31.19
Sledge Family Trust	27 Cherry Hill Court Alamo, CA 94507	11.08

The remaining shares of TeleHub Communications Corporation are held by approximately 150 investors through a private placement.

ATTACHMENT G

EXPLANATION OF SALES COMMISSIONS

Applicant will pay commissions to sales representatives based on the monthly billing of customers.

ATTACHMENT H

PROPOSED TARIFF

TELEHUB NETWORK SERVICES CORPORATION

This Tariff contains the descriptions, regulations, and rates applicable to the furnishing of long distance telecommunications services provided by TeleHub Network Services Corporation with principal offices at 1375 Tri-State Parkway, Suite 250, Gurnee, Illinois 60031. This Tariff applies to services furnished within the State. 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: May 9, 1997

Effective: _____

by:

Barry C. Lescher, Executive Vice President
1375 Tri-State Parkway, Suite 250, Gurnee, Illinois 60031

CHECK Sheet

Sheets 1 through 78 of this Tariff are effective as of the date shown at the bottom of the sheet. Original and revised sheets as named below comprise all changes from the original Tariff.

<u>SHEET</u>	<u>REVISION</u>
1	Original Sheet
2	Original Sheet
3	Original Sheet
4	Original Sheet
5	Original Sheet
6	Original Sheet
7	Original Sheet
8	Original Sheet
9	Original Sheet
10	Original Sheet
11	Original Sheet
12	Original Sheet
13	Original Sheet
14	Original Sheet
15	Original Sheet
16	Original Sheet
17	Original Sheet
18	Original Sheet
19	Original Sheet
20	Original Sheet
21	Original Sheet
22	Original Sheet

Issued: May 9, 1997

Effective: _____

by:

Barry C. Lescher, Executive Vice President
1375 Tri-State Parkway, Suite 250, Gurnee, Illinois 60031

CHECK SHEET (continued)

<u>SHEET</u>	<u>REVISION</u>
23	Original Sheet
24	Original Sheet
25	Original Sheet
26	Original Sheet
27	Original Sheet
28	Original Sheet
29	Original Sheet
30	Original Sheet
31	Original Sheet
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34	Original Sheet
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37	Original Sheet
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39	Original Sheet
40	Original Sheet
41	Original Sheet
42	Original Sheet
43	Original Sheet
44	Original Sheet
45	Original Sheet
46	Original Sheet
47	Original Sheet
48	Original Sheet

CHECK SHEET (continued)

<u>SHEET</u>	<u>REVISION</u>
49	Original Sheet
50	Original Sheet
51	Original Sheet
52	Original Sheet
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69	Original Sheet
70	Original Sheet
71	Original Sheet
72	Original Sheet
73	Original Sheet
74	Original Sheet

Issued: May 9, 1997

Effective: _____

by:

Barry C. Lescher, Executive Vice President
1375 Tri-State Parkway, Suite 250, Gurnee, Illinois 60031

CHECK SHEET (continued)

<u>SHEET</u>	<u>REVISION</u>
75	Original Sheet
76	Original Sheet
77	Original Sheet
78	Original Sheet

Issued: May 9, 1997

Effective: _____

by:

Barry C. Lescher, Executive Vice President
1375 Tri-State Parkway, Suite 250, Gurnee, Illinois 60031

MASTER TABLE OF CONTENTS

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**CONCURRING, CONNECTING OR
OTHER PARTICIPATING CARRIERS**

None

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 To Or From Another Tariff Location
- N - New
- R - Change Resulting In A Reduction To A Customer's Bill
- T - Change In Text Or Regulation But No Change In Rate Or Charge

Issued: May 9, 1997

Effective: _____

by:

Barry C. Lescher, Executive Vice President
1375 Tri-State Parkway, Suite 250, Gurnee, Illinois 60031

TARIFF FORMAT

A. Sheet Numbering - Sheet numbers appear in the upper right corner of the sheet. 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 sheet. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th revised sheet 14 cancels the 3rd revised sheet 14.

C. Paragraph Numbering Sequence - There are seven 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

D. Check Sheets - When a Tariff filing is made with the Commission, 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 sheets are added, the check sheet is changed to reflect the revision.

SECTION 1- TECHNICAL TERMS AND ABBREVIATIONS

Add'l: Add'l is an abbreviation for additional.

Advanced Intelligent Network: An Advanced Intelligent Network ("AIN") is an evolving, service independent network architecture that provides important new capabilities for the rapid creation of customizable telecommunications services by network/service providers and their customers.

Applicant: Applicant is any entity or individual who applies for Service under this Tariff.

Automatic Number Identification: Automatic Number Identification ("ANI") is a series of digits that identifies the originator of the call.

Average Total Usage: Average Total Usage ("ATU") is calculated by averaging the most recent three months' interstate, intrastate, and international usage or other for all ANI's to be provisioned via a Service offered by the Company. For Customers with multiple locations, the usage for all locations will be included in the calculation. If the Customer's traffic volume varies significantly from month-to-month, the Company may determine ATU by averaging more than three months' bills.

Blocking: Blocking is a temporary condition that may be initiated by the Company or the DUC so that the Customer cannot complete a telephone call.

Business Affinity Group: A Business Affinity Group is a trade association representing business entities or individuals within an industry, profession, or business classification, or a commercial organization with affiliated franchises, independent agents, independent distributors, business in common or other multiple commercial representatives (e.g., an entity providing a reservation system and its users, an entity and its major suppliers, an entity and its independent dealerships, a service entity and the business to which it provides services under contract), a professional trade association representing state associations, or a buying group not organized for the purpose of qualifying for the discounts provided for herein. Unless otherwise specified in this Tariff or in the agreement with the Business Affinity Group, Customers who subscribe to service under this agreement are not entitled to any promotional discounts or credits described elsewhere in this tariff and their usage of the services under the agreement cannot be used to qualify for any other benefits under this Tariff or under contractual arrangements between the Company and third parties who have subscribed to service through the Affinity Group and later cease to be members.

Issued: May 9, 1997

Effective: _____

by:

Barry C. Lescher, Executive Vice President
1375 Tri-State Parkway, Suite 250, Gurnee, Illinois 60031

SECTION 1- TECHNICAL TERMS AND ABBREVIATIONS

Business Customer: A Business Customer is a Customer who subscribes to the Company's service(s) in the name of a business, trade, or profession.

Competitive Access Provider: Competitive Access Provider ("CAP") is any provider of local access service other than the Local Exchange Carrier.

Calling Card: A credit card issued and used for charging local and long distance calls.

Cardholder: Cardholder is the associate, member, Customer, or other individual that uses the Company's Prepaid Calling Card Service or Calling Card Service.

Competitive Local Exchange Carrier: Competitive Local Exchange Carrier ("CLEC") is any carrier or reseller, other than the incumbent LEC, offering local exchange telecommunications services.

Company: Company refers to TeleHub Network Services Corporation.

Commission: Commission refers to the Florida Public Service Commission or any succeeding agency.

Conference Bridge: Equipment which allows for three or more participants on the same call.

Coordinator: Coordinator is a term used in conjunction with the TeleHub Audioconferencing Service and is the operator responsible for a given conference call.

Credit Card: Credit Card refers to Visa®, MasterCard®, or other Credit Card companies as appropriate.

Customer: The Customer is a person or legal entity which subscribes to Service from the Company and thereby assumes responsibility for the payment of charges and compliance with the Company's Tariff regulations.

SECTION 1- TECHNICAL TERMS AND ABBREVIATIONS

Debit Card: A debit card allows a Customer to purchase a predetermined amount of access to the Company's long distance and directory assistance Services prior to the use of Service(s). Also Called a Prepaid Calling Card.

Dedicated Access: If a Customer's location has a direct path to the TeleHub network, it is considered Dedicated Access. In telecommunications terminology, this is also referred to as "Special Access."

Designated Underlying Carrier: Designated Underlying Carrier ("DUC") refers to any interexchange carrier that provides long distance service resold by the Company pursuant to this tariff.

Employees: The term "Employees" refers to the active and retired employees of the Company and all subsidiaries, affiliates, and any other groups designated by the Company.

Exemption Certificate: An Exemption Certification is a written notification wherein the Customer certifies that its dedicated facility should be exempted from the monthly special access surcharge because, for example, the facility is associated with a Switched Access service that is subject to carrier common line charges.

End User: End User is the person or legal entity which uses the Service provided by the Company.

Federal Communications Commission: The Federal Communications Commission ("FCC") is the U.S. federal agency responsible for the regulation of interstate and international communications by radio, television, wire, satellite and cable.

Host: The term Host is used in conjunction with TeleHub Audioconferencing Service and refers to the Customer's coordinator of a conference call.

Inbound Service: The Company's Inbound Service(s) permit calls to be completed to the Customer's location without charge to the calling party. Access to Inbound Service is gained by dialing a ten-digit telephone number, (800/888) NXX-XXXX, which terminates at the Customer's requested location.

SECTION 1- TECHNICAL TERMS AND ABBREVIATIONS

Independent Platform Provider: The Independent Platform Provider ("IPP") is a third party service provider for a particular service.

Interexchange Carrier: An Interexchange Carrier ("IXC") is a provider of IntraLATA and InterLATA telephone service.

InterLATA Call: An interLATA call is any call that originates in one LATA and terminates in a different LATA.

IntraLATA Call: An intraLATA call is any call that originates and terminates within the same LATA.

Joint User: A Joint User is a corporation, association, partnership, or individual that is permitted to use a Customer's Service by mutual agreement between the Customer and the Joint User in accordance with the terms and conditions of this Tariff.

Local Access Transport Area: Local Access Transport Area ("LATA") is a geographic area established for the provision and administration of communications service as provided for in the Modification of Final Judgment and any further modification thereto.

Local Exchange Carrier: Local Exchange Carrier ("LEC") is the local phone company which can be either a Bell Operating Company or an independent (e.g. GTE) which provides local transmission services.

Letter of Agency: Letter of Agency ("LOA") is a letter sent by the Customer to the local or long distance telephone company, authorizing the local or long distance telephone company to act on the Customer's behalf to provide communication and network services.

Modification of Final Judgment: Modification of Final Judgment refers to the judicial opinion set forth at United States vs. American Telephone & Telegraph Company, 552 F. Supp. 131 (D.D.C. 1982).

SECTION 1- TECHNICAL TERMS AND ABBREVIATIONS

Minutes of Use: Minutes of Use ("MOU") is a term used to denote the number of minutes that a circuit is in use.

Numbering Plan Area: Numbering Plan Area ("NPA") is more commonly referred to as an area code.

NPA Centroid: NPA Centroid is the rating center which is used to calculate mileage for inbound 800/888 calls and Calling Card calls. (See "Rate Center".)

NXX: NXX is the first three digits of the Customer's telephone number. N is a number between 2 and 9. X is a number between 0 and 9.

Private Branch Exchange: Private Branch Exchange ("PBX") is a private switch used to connect telephone lines to trunks for the completion of local and long distance telephone and data calls.

Person-to-Person: A Person-to-Person call is any operator-handled call whereby the person originating a call specifies a particular person to be reached, or a particular station, room number, department, or office to be reached through a PBX attendant.

Personal Identification Number: Personal Identification Number ("PIN") is a unique number assigned to each Calling Card or Prepaid Calling Card for the purpose of accessing Service.

Platform: Platform refers to the proprietary computer technology that provides TeleHub network services.

Point-of-Sale: Point-of-Sale is the location at which the Cardholder purchases the Prepaid Calling Card.

Point-of-Presence: A Point-of-Presence ("POP") may be (a) the central office of the DUC; (b) a location where the LEC, CLEC or CAP hands off the traffic of the Company's Customers to the DUC or the Company; or (c) the location where the Customer's facility interconnects with the DUC or the Company.

SECTION 1- TECHNICAL TERMS AND ABBREVIATIONS

Postalized: Postalized services are services whose rates are structured so that they are not distance sensitive but depend on other factors such as the duration of the call.

Prepaid Calling Card: Prepaid Calling Card Service (also called a debit card) allows a Customer to purchase a predetermined amount of access to the Company's long distance and directory assistance services prior to the use of service(s).

Primary Interexchange Carrier: The Primary Interexchange Carrier ("PIC") is the long distance company to which traffic from a given location is automatically routed when dialing 1+ in equal access areas. The PIC is identified by a code number which is assigned by the local telephone company to the telephone numbers of all the subscribers to that carrier to ensure the calls are routed over the correct network.

Public Utility Commission: Public Utility Commission ("P.U.C.") is the state body charged with regulating phone companies.

Rate Center: A Rate Center is a specified geographical location used for determining mileage measurements. (See NPA Centroid.)

Reseller: Reseller denotes a Company that resells Service(s), usually by purchasing a block of long distance calling minutes for resale in smaller blocks to its customers.

Residential Affinity Group: A Residential Affinity Group is a group with a common employer whose employer agrees to meet a specific set of criteria within twelve (12) months of undertaking to qualify as an Affinity Group and thereafter maintains them, the alumni of a college, university, or other institution of higher learning who are members of an association, individuals who are members of any organization or association (e.g. a professional association, non-profit organization, or buying club) where the organization or association agrees to meet a specific set of criteria within twelve (12) months of undertaking to qualify as an affinity group and thereafter maintains them. Unless otherwise specified in this Tariff or in the agreement with the Residential Affinity Group, Customers who subscribe to service under this agreement are not entitled to any promotional discounts or credits described elsewhere in this Tariff and their usage of the services under the agreement cannot be used to qualify for any other benefits under this Tariff or under contractual arrangements between the Company and third parties who have subscribed to service through the affinity group and later cease to be members.

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SECTION 1- TECHNICAL TERMS AND ABBREVIATIONS

Residential Customer: A Residential Customer is a Customer who subscribes to a Service for a non-business, non-trade, or non-professional purpose.

Service: Service consists of any telecommunications Service provided by the Company pursuant to this Tariff.

Site: Site is a term used in connection with TeleHub Audioconferencing and refers to the telephone line connected to the Conference Bridge.

Special Access: See Dedicated Access.

State: State refers to the State of Florida.

Station-to-Station: For the purposes of this Tariff, Station-to-Station is any operator-handled call which is not a Person-to-Person call.

Switched Access: If the Customer's location has a transmission line that is switched through the LEC, CLEC or CAP to reach the long distance network, the access is switched.

Vertical & Horizontal: Vertical & Horizontal ("V&H") grid coordinates are a pair of numbers on a grid of the North American Continent. The V&H coordinates are used to determine the "airline distance" between any two rate centers.

Virtual Service Management System: Virtual Service Management System ("VSMS") is the Company's proprietary AIN platform front-end database integrator for billing, management and control interfacing adjuncts.

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SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of the Company

2.1.1 This Tariff contains the description, regulations, and rates applicable to intrastate IntraLATA and intrastate InterLATA telecommunications Service offered by the Company. Service is furnished for communications originating and terminating at points within the State under terms of this Tariff. Service is provisioned via the Company's switch, or by the DUC, or both. The selection of the method of provisioning Service to the Customer is made by the Company. The selection of the DUC is made by the Company.

2.1.2 The Company shall not be deemed to have waived or impaired any right, power, requirement or option reserved by this Tariff (including, without limitation, the right to demand exact compliance with every term and condition herein), by virtue of any custom or practice of the Company at variance with the terms hereof, or any failure, refusal or neglect of Company to exercise any right under this Tariff or to insist upon exact compliance with its terms, or any waiver, forbearance, delay, failure or omission by Company to exercise any right, power or option hereunder.

SECTION 2 - RULES AND REGULATIONS

2.2 Limitations On Service

- 2.2.1 Service is offered subject to the availability of facilities, the Company's ability to provision the order, and the provisions of this Tariff. The Company reserves the right, without incurring liability, to refuse to provide Service to or from any location where the necessary facilities, equipment, systems, and/or switch software are not available. Initial and continuing Service is offered subject to the availability of necessary facilities and/or equipment, including those to be provided by the DUC(s), the Company, CLECs, CAPs, or the LEC. In case of refusal to establish service, the Company shall notify the applicant in writing of the reason for such refusal.
- 2.2.2 Except for TeleHub Audioconferencing Service, all Services provided according to this Tariff are intrastate add-on Services available from the Company only if the Customer subscribes to the Company's comparable interstate Service offering or interstate promotional offering. Intrastate Service is not sold on a stand-alone basis. All Switched Access services are only available in equal access areas. All Dedicated Access services are available anywhere in the State. Calling Card and Prepaid Calling Card calls may originate anywhere in the State.
- 2.2.3 Without incurring liability, the Company reserves the right to discontinue Service or to limit the use of Service, when necessitated by conditions beyond the Company's control, or when the Customer or End User is using Service in violation of the law or in violation of the provisions of this Tariff.

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SECTION 2 - RULES AND REGULATIONS

2.2 Limitations on Service (continued)

2.2.4 Conditions under which the Company may, without notice, suspend Service without liability include, but are not limited to:

- (A) Customer's or End User's use of the Service which constitutes a violation of any laws, government rules, regulations, or policies; or
- (B) Any order or decision of a court or other governmental authority which prohibits the Company from offering such Service; or
- (C) Termination necessary to protect the Company or third parties against unauthorized, fraudulent, or unlawful use of any Company Services, or to otherwise protect the Company's personnel, agents, or Service; or
- (D) Misuse of the Company's switch or DUC's network by Customers or End Users; or,
- (E) Use of the DUC's network for any fraudulent or unlawful purpose by Customers or End Users; or
- (F) Emergency, threatened, or actual disruption of Service to other Customers; or
- (G) Unauthorized or fraudulent procurement of Service, including a misrepresentation of fact relevant to the conditions under which the applicant or Customer obtains or continues to receive Service; or
- (H) Fraudulent billing information; or
- (I) Customer's check or draft is returned unpaid for any reason; or
- (J) Refusal by the Customer to allow the Company or representatives of the Company reasonable access to the Customer's facilities as required to provision Service.

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SECTION 2 - RULES AND REGULATIONS

2.2 Limitations On Service (continued)

2.2.5 In the event the Company or the DUC learn of actual or possible unauthorized, fraudulent, or unlawful use of any Service(s), the Company will make an effort to contact the Customer, but Service may be suspended without notice and without liability to the Company. Service may be suspended by the Company without incurring liability by Blocking all calls or by Blocking calls to or from certain NPA-NXXs, certain countries, cities, or individual telephone stations for any Service offered under this Tariff. Service will be restored as soon as it can be provided without undue risk.

2.2.6 If the Company is notified by the DUC or otherwise reasonably concludes that Customer-provided equipment does not pass back appropriate answer supervision to the long distance network, the Company will notify the Customer. If the Customer cannot correct the problem and if Customer-provided equipment continues to provide inappropriate answer supervision to the long distance network, the Company reserves the right to suspend or terminate the Customer's Service. The Company will give the Customer five (5) days written notice of its intent to suspend Service.

2.2.7 Conditions under which the Company may, with five (5) days notice, terminate Service without liability include, but are not limited to:

- (A) Failure to pay for or provide assurances of, or security for, the payment of the Company's charges for telephone service as per Section 2.8 of this Tariff; or
- (B) Customer's or End User's use of the Service constituting a violation of the provisions of this Tariff; or
- (C) Abandonment of the premises served; or
- (D) Insufficient billing information; or
- (E) Customer failing to correct any condition listed in Sections 2.2.4, 2.2.5 or 2.2.6 of this Tariff.

SECTION 2 - RULES AND REGULATIONS

2.2 Limitations On Service (continued)

- 2.2.8 Calls that may not be completed using Prepaid Calling Card Service include long distance operator services such as person to-person or collect calls, TeleHub Audioconferencing calls, busy line verification service, interruption service, calls requiring time and charges, air-to-ground calls, marine/satellite calls, and calls placed via dialing a 500, 700, 900, or 800/888 number other than the universal 800/888 access number printed on the Cardholder's card.
- 2.2.9 The Company reserves the right to change DUCs at any time.
- 2.2.10 Recording of telephone conversations provided pursuant to Service under this Tariff is prohibited except as authorized by applicable federal, state, and local laws.
- 2.2.11 Service may not be transferred or assigned without the Company's written consent. All regulations and conditions contained in this Tariff and all other applicable Service conditions shall apply to all such permitted assignees or transferees.
- 2.2.12 A third party call is any call charged to a number other than that of the called or calling party. The Company reserves the right to refuse to process a third party call when the Company cannot confirm acceptance of charges at the third number.
- 2.2.13 The Company's failure to give notice of default, to enforce or insist upon compliance with any of the terms or conditions herein, to grant a waiver of any term or conditions herein, or to grant the Customer an extension of time for performance, will not constitute the permanent waiver of any such term or condition herein. Each of the provisions of this Tariff will remain, at all times, in full force and in effect until modified in writing, signed by the Company and Customer.

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SECTION 2 - RULES AND REGULATIONS

2.2 Limitations On Service (continued)

2.2.14 Service is furnished subject to the condition that there will be no abuse or fraudulent use of the Service. Abuse or fraudulent use of Service includes, but is not limited to:

- (A) Service that is used by the Customer or End User to frighten, abuse, torment, or harass another; or
- (B) Service that is used by the Customer or End User in a manner which interferes with the use of Service by one or more other Customers; or
- (C) Service that is used by the Customer or End User to place calls by means of illegal equipment, service, or device; or
- (D) Service that is used by the Customer or End User to transmit a message or to locate a person or otherwise to give or obtain information, without payment of the applicable charge.

2.2.15 For Inbound Services, the Customer may select to receive calls from the (1) U.S. Mainland; (2) United States; or (3) United States, Puerto Rico, and Virgin Islands. The Customer may further restrict the receipt of inbound calls from within the United States by area code, LATA, NPA-NXX, or by RBOC territory.

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SECTION 2 - RULES AND REGULATIONS

2.3 Limitation of Liability

2.3.1 The Company will not be liable for:

- (A) Any act or omission of any other company or companies furnishing a portion of the Service or facilities, equipment or Service associated with such Service.
- (B) Any defacement of, or damage to, the equipment or premises of a Customer resulting from the provision of Service when such defacement or damage is not the result of the Company's negligence.
- (C) Damages caused by the negligence or willful misconduct of the Customer.
- (D) Any failure to provide or maintain Service under this Tariff due to circumstances beyond the Company's reasonable control.
- (E) Failure or delay in the delivery of Prepaid Calling Cards or Calling Cards.
- (F) Any special or consequential damages or any lost revenues or lost profits of any kind or nature arising out of the furnishing of or interruption in Service contained in this Tariff, even if Company is advised of the possibility of the same.
- (G) The use or abuse of any Service described herein by any party including, but not limited to, the Customer's employees or members of the public. "Use or abuse" includes, but is not limited to, any calls placed by means of PBX-reorigination or any other legal or illegal equipment, service or device. In the case of 800/888 Service, this also applies to third parties who dial the Customer's inbound number by mistake.
- (H) Any claim where the Customer indemnifies the Company pursuant to Section 2.5 of this Tariff.

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SECTION 2 - RULES AND REGULATIONS

2.3 Limitation of Liability (continued)

2.3.1 (continued)

- (I) Any action, such as Blocking or refusal to accept certain calls, that Company deems necessary in order to prevent unlawful use of its Service. Compensation for any injury the Customer may suffer due to the fault of parties other than the Company must be sought from such other parties. The liability provided for above, will, in each case, be in addition to any amounts that may otherwise be due the Customer under this Tariff as a credit allowance for the interruption of Service.
- (J) Any claim where the Reseller indemnifies the Company pursuant to Section 2.5 or Section 2.6 of this Tariff.

2.3.2 The Company will use its best efforts to provide Services consistent with industry standards. The Company will have no liability to the Customer for any loss of revenue or any other direct, special, incidental, consequential, or other damages the Customer may sustain resulting from the failure or inability of the Company to provide or maintain Service to its Customers; negligent or defective Services to Customers; equipment, computer, network, or electrical malfunctions of any kind, breakdowns, or outages; or any other cause, whether or not within the control of the Company.

2.3.3 The Company does not undertake to transmit messages but furnishes the use of its Services to its Customers for telecommunications. The Company is not liable for the content of the Customer's messages.

SECTION 2 - RULES AND REGULATIONS

2.3 Limitation of Liability (continued)

2.3.4 The liability of the Company for damages arising out of mistakes, omissions, interruptions, delays, errors or defects occurring in the course of providing Service hereunder, where such damages were not caused by the Company's willful misconduct, shall in no event exceed an amount equivalent to the initial period charge to the Customer according to this Tariff for the call during which such mistake, omission, interruption, delay, error or defect occurred. The Company shall not be liable for damages caused by the negligence or willful misconduct of the Customer.

2.3.5 The Company's will not be liable for any failure of performance hereunder due to causes beyond its control including, but not limited to:

- (A) Unavoidable interruption in the working of transmission facilities; or
- (B) Natural disasters such as storms, fire, flood, or other catastrophes; or
- (C) Any law, order, regulation, direction, action or request of the United States Government, or any other governmental entity having jurisdiction over the Company or of any department, agency, commission, bureau, corporation or other instrumentality of any one or more of such governmental entities, or of any civil or military authority; or
- (D) National emergencies, insurrections, riots, rebellions, wars, strikes, lockouts, work stoppages, or other labor difficulties; or
- (E) Notwithstanding anything in this Tariff to the contrary, the unlawful acts of individuals, including acts of the Company's agents and employees, if committed beyond the scope of their employment.

2.3.6 Without liability, the Company may rely on CLECs, LECs, DUCs, or other third parties to provide a portion of the Company's Service.

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SECTION 2 - RULES AND REGULATIONS**2.3 Limitation of Liability (continued)**

- 2.3.7 Interruptions, delays, errors, or defects caused by or contributed to, directly or indirectly, by act or omission of Customer or its customers, affiliates, agents, contractors, representatives, invitees, licensees, successors, or assignees or which arise from, or are caused by, the use of facilities or equipment of Customer or related parties, will not result in the imposition of any liability whatsoever upon the Company. In addition, a portion or all of the Service may be provided over facilities of third parties, and the Company will not be liable to Customer or any other person, firm, or entity in any respect whatsoever arising out of defects caused by such third parties.
- 2.3.8 With respect to Service provided hereunder, the Company hereby expressly disclaims, without limitation, all warranties, whether expressed, implied or statutory, and in particular disclaims all implied warranties of merchantability and of fitness for a particular purpose.
- 2.3.9 No contractors, agents or employees of connecting, concurring or other participating carriers or companies will be deemed to be contractors, agents or employees of the Company without the Company's written authorization.
- 2.3.10 Under no circumstances whatsoever will the Company's officers, agents, or employees be liable for any damages, including but not limited to direct, indirect, actual, consequential, special, or punitive damages, or lost profits.
- 2.3.11 If the Company chooses to subcontract the production of Prepaid Calling Cards, Calling Cards, Company cannot be held liable for delays of delivery or any other problem(s) that are directly related to the subcontractor.

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SECTION 2 - RULES AND REGULATIONS

2.3 Limitation of Liability (continued)

- 2.3.12 If the Company issues Prepaid Calling Cards, or Calling Cards with PINs that will not access the Service, the Company's sole liability will be the manufacturing and shipping costs associated with replacing such cards. This obligation is exclusive and is in lieu of all other warranties, express or implied, including but not limited to, any warranty of merchantability or fitness for a particular purpose. In no event will the Company be liable for special or consequential damages arising from the relationship or the conduct of business contemplated herein.
- 2.3.13 The Company's liability shall be limited to that expressly assumed in Section 2.3 of this Tariff. The Company shall not be liable for any other direct, indirect, consequential, special, actual, or punitive damages, or for any lost revenues or lost profits of any kind or nature whatsoever arising out of any furnishing of, or interruption in, Service provided hereunder, absent a determination of willful misconduct by the Company through judicial or administrative proceedings. With respect to Service provided hereunder, the Company hereby expressly disclaims, without limitation, all warranties not stated in this Tariff, whether express, implied or statutory, and in particular disclaims all implied warranties of merchantability and of fitness for a particular purpose.

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SECTION 2 - RULES AND REGULATIONS**2.4 Use of Service**

- 2.4.1 The Company's Services are available for use twenty-four hours per day, seven days per week.
- 2.4.2 The Service offered herein may be used for any lawful purpose, including residential, business, governmental, or other use. The Customer is liable for all obligations under this Tariff notwithstanding any sharing or resale of Services and regardless of the Company's knowledge of same. The Company will have no liability to any person or entity other than the Customer and only as set forth herein. The Customer will not use nor permit others to use the Service in a manner that could interfere with Service provided to others or that could harm the switching facilities of the Company or the transmission/switching facilities of the DUC or others.
- 2.4.3 Service furnished by the Company will not be used for any unlawful or fraudulent purposes including but not limited to use of electronic devices, invalid numbers, and false credit devices to avoid payment for Service contained in this Tariff either in whole or in part. Service furnished by the Company may not be used to make calls which might reasonably be expected to frighten, abuse, torment, or harass another. The Service may not be used for any purpose for which any payment or other compensation is received by the Customer except when the Customer is a communications common carrier, a resale common carrier, or an enhanced or electronic service provider who has subscribed to Service. However, this provision does not preclude an agreement between the Customer, authorized user, or Joint User to share the cost of the Service as long as this arrangement generates no profit for anyone participating in a joint use or authorized use arrangement.

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SECTION 2 - RULES AND REGULATIONS

2.4 Use of Service (continued)

2.4.4 Service furnished by the Company may be arranged for joint use or authorized use. The Joint User or authorized user will be permitted to use such Service in the same manner as the Customer, but subject to the following conditions:

- (A) The Customer must complete and provide to the Company all Service agreements and/or other documentation required by the Company to initiate Service.
- (B) One Joint User or authorized user must be designated as the Customer. The designated Customer does not necessarily have to have communications requirements of its own. The Customer must specifically name all Joint Users or authorized users in the application for Service. Service orders which involve the start, rearrangement or discontinuance of joint use or authorized use Service will be accepted by the Company only from that Customer and will be subject to all requirements of this Tariff.
- (C) All charges for the Service will be computed as if the Service were to be billed to one Customer. The Joint User or authorized user which has been designated as the Customer will be billed for all components of the Service and will be responsible for all payments to the Company. If designated Customer fails to pay the Company, each Joint User or authorized user will be liable to the Company for all charges incurred as a result of its use of Service. Each joint or authorized user must submit to the designated Customer a letter guaranteeing payment for the joint or authorized user's portion of all charges billed by the Company to the designated Customer. This letter must also specify that the joint or authorized user understands that the Company will receive a copy of the guaranty from the designated Customer. The designated Customer will be responsible for allocating charges to each Joint User or authorized user.

SECTION 2 - RULES AND REGULATIONS

2.4 Use of Service (continued)

2.4.4 (continued)

- (D) Joint use is a Service/billing allocation arrangement and not a resale arrangement. Neither the Customer nor any Joint User nor any third party engaged by either of them in connection with a joint use agreement or arrangement may mark up Service or otherwise profit from the joint use agreement or arrangement.

2.5 Obligations of the Customer

2.5.1 The Customer will indemnify, defend, and hold the Company harmless from and against:

- (A) Any claim asserted against the Company (and all attorney fees and expenses incurred by the Company with respect thereto) arising out of or relating to the failure of the Company to provide Service to the Customer.
- (B) Any and all liabilities, costs, damages, and expenses (including attorneys' fees), resulting from Customer's and its Joint User's (or its employees', agents' or independent contractors') actions hereunder, including, but not limited to breach of any provision in this Tariff, misrepresentation of Company Services or rates, or unauthorized or illegal acts of the Customer, its employees, agents, or independent contractors.
- (C) Claims for libel, slander, infringement of patent or copyright, or unauthorized use of any trademark, trade name, or service mark arising out of Customer's or End User's material, data, information, or other content transmitted via Service.

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SECTION 2 - RULES AND REGULATIONS

2.5 Obligations of the Customer (continued)

2.5.1 (continued)

- (D) Violation by Customer or End User of any other literary, intellectual, artistic, dramatic, or musical right.
- (E) Violations by Customer or End User of the right to privacy.
- (F) Any other claims whatsoever relating to or arising from message content or the transmission thereof.
- (G) All other claims arising out of any act or omission of the Customer or End User in connection with Service provided by the Company.
- (H) Any loss, claim, demand, suit, or other action, or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or persons, for any personal injury to, or death of, any person or persons, and for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the provision or interruption of Service, whatever the cause and whether negligent or otherwise.
- (I) All claims related to lost or stolen Prepaid Calling Cards or Calling Cards.
- (J) Claims related to lost or stolen Calling Cards, except as described in Section 2.25.

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SECTION 2 - RULES AND REGULATIONS

2.5 Obligations of the Customer (continued)

2.5.1 (continued)

- (K) Any and all liabilities, costs, damages, and expenses (including attorneys' fees), resulting (1) from Customer (or its employees's agents' or independent contractors', or Joint Users') actions hereunder, including, but not limited to breach of any provision in this Tariff, misrepresentation of Company services or prices, or unauthorized or illegal acts of the Customer, its employees, agents, or independent contractor or Joint user or (2) from claims by third parties that any Prepaid Calling Cards, Calling Cards or PINs have been lost, stolen, or fraudulently issued or used; provided, however, that the Company will have no liability hereunder for special or consequential damages incurred by the Company; (3) or in the event that the Company chooses to have another company produce their Prepaid Calling Cards or Calling Cards, Company cannot be held liable for delays of delivery or any other problem that are directly related to the third party. In no event will the Company be obligated to restore any Prepaid Calling Card account, Calling Card Account, or otherwise reimburse any Cardholder for any calls charged to the Prepaid Calling Card account, or Calling Card account, which such Cardholder denies having made.
- (L) Any and all liability not expressly assumed by the Company in Section 2.3 of this Tariff and arising in connection with the provision of Service to the Customer, and will protect and defend the Company from any suits or claims alleging such liability, and will concurrently pay all expenses (including attorneys' fees) and satisfy all judgments which may be incurred by or rendered against the Company in connection therewith.

- 2.5.2 The Customer shall be responsible for the payment of all charges for Service provided to Customer under this Tariff and for the payment of all excise, sales, use or other similar taxes that may be levied by a governing body or bodies in conjunction with or as a result of Service furnished to Customer under this Tariff. Also see Section 2.12 of this Tariff for additional information regarding the Customer's obligations concerning taxes.

SECTION 2 - RULES AND REGULATIONS**2.5 Obligations of the Customer (continued)**

- 2.5.3 The Customer is responsible for payment of all charges for Service provided by the Company and originating at Customer's number; accepted at Customer's number; billed to Customer's Calling Card or Prepaid Calling Card; or rendered at Customer's specific request, regardless of whether the Customer's facilities were fraudulently used or used without Customer's knowledge in full or in part; or in the case of inbound services, services terminating at customer's number.
- 2.5.4 The Company shall not be required to consider any Customer claim for damages or statutory penalties, or adjustments, refunds, credits or cancellation of charges, unless the Customer has notified the Company of any dispute concerning charges, or the basis of any claim for damages, within the earlier of sixty (60) calendar days after an invoice is rendered or a debit is effected by the Company for the call giving rise to such dispute or claim. Any such notice must set forth sufficient facts to provide the Company with a reasonable basis upon which to evaluate the Customer's claim or demand. If the Customer is not satisfied with the Company's resolution of any dispute, the Customer may make application to the Commission for review and disposition of the matter.
- 2.5.5 Upon the Customer's receipt of Company Prepaid Calling Cards, or Calling Cards, the Customer will assume all risk of loss or misuse of such cards.
- 2.5.6 The Customer will indemnify and hold the Company harmless against any and all liabilities, costs, damages, and expenses (including attorneys' fees), resulting from claims by third parties that any Prepaid Calling Card, Calling Card, or PIN having been lost, stolen, or fraudulently issued or used; provided, however, that the Company will have no liability hereunder for special or consequential damages incurred by the Customer.

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SECTION 2 - RULES AND REGULATIONS**2.5 Obligations of the Customer (continued)**

- 2.5.7 For Customers subscribing to the Company's Prepaid Calling Card Service or Calling Card Service, the Customer is responsible for all costs incurred by the Company in production, design, and distribution of the cards. All customized designs will be subject to the Company's review and approval when the Customer specifies a customized design. The Company will deliver to the Customer a prototype of a customized card for Customer approval before actual production occurs. Prior to the Company's fulfillment of the Customer's order, the Customer will advise the Company, in writing, of its approval of, or request for revisions of, such prototype. Any such requested revisions to the customized design will be subject to the Company's approval.
- 2.5.8 The Customer will be liable for reimbursing the Company for damages to facilities or equipment caused by the negligence or willful acts of the Customer's officers, employees, agents, contractors, or authorized End User(s) or Joint User(s).
- 2.5.9 If a Customer directly or indirectly authorizes third parties to use the Service, the Customer will indemnify and hold the Company harmless against any and all claims, demands, suits, actions, losses, damages, assessments or payments which may be asserted or demanded by said parties or by others as a result of said parties' actions or omissions.
- 2.5.10 The Company's failure to provide or maintain Service under this Tariff will be excused by the Customer for all circumstances beyond the Company's reasonable control.
- 2.5.11 The termination or disconnection of Service(s) by the Company pursuant to Sections 2.2.5, 2.2.6, and 2.19 of this Tariff does not relieve the Customer of any obligations to pay the Company for charges due and owing for Service(s) furnished up to the time of termination or disconnection. The remedies set forth herein will not be exclusive and the Company will at all times be entitled to all rights available to it under either law or equity.

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SECTION 2 - RULES AND REGULATIONS

2.5 Obligations of the Customer (continued)

- 2.5.12 If Service is terminated pursuant to Section 2.2.5 or Section 2.2.6 of this Tariff, or if the Customer cancels Service pursuant to Section 2.19 of this Tariff, the Customer will be deemed to have canceled Service as of the date of such termination or cancellation and will be liable for any cancellation charges set forth in this Tariff.
- 2.5.13 The Customer is responsible for taking all necessary legal steps for interconnecting Customer-provided terminal equipment with the long distance network. The Customer will ensure that the signals emitted into the long distance network do not damage equipment, injure personnel, or degrade Service to other Customers or other users of the network. The Customer is responsible for securing all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection. In addition, the Customer will comply with applicable LEC, CLEC, or CAP signal power limitations.
- 2.5.14 A Customer of any of the Company's inbound Services must provide not less than ten (10) business days' notice prior to implementation of special advertising or other new promotions likely to stimulate usage.
- 2.5.15 If a Prepaid Calling Card or Calling Card has a customized design, the design will be subject to the Company's review and approval, in the Company's sole discretion. The Company will deliver to the Customer a prototype of a customized Prepaid Calling Card or Calling Card. The Customer will advise the Company, in writing, of its approval of, or request for revisions of, such prototype prior to the Company's fulfillment of the Customer's order. Any such requested revisions to the customized design will be subject to the Company's approval. The Customer is responsible for all costs incurred by the Company in manufacturing a customized Prepaid Calling Card or Calling Card.

SECTION 2 - RULES AND REGULATIONS

2.5 Obligations of the Customer (continued)

2.5.16 Upon the Customer's receipt of Company Prepaid Calling Card and/or Calling Card, the Customer will assume all risk of loss or misuse of such Prepaid Calling Cards and/or Calling Card.

2.5.17 If Dedicated Access is a required condition for subscribing to one of the Company's services, the Customer is responsible for obtaining the Dedicated Access. However, the Company may offer to act as an agent for the Customer in ordering of the Dedicated Access arrangements.

2.6 Obligations of a Reseller

2.6.1 The terms and conditions of this Tariff, including but not limited to the obligations contained in Section 2.5 and in Sections 2.6.2 and 2.6.3 of this Tariff as well as Sections 2.6 of the Company's Tariff F.C.C. No.1 and Tariff F.C.C. No. 2, apply to Customers that are Resellers. Failure to comply with any term, rule, or regulation of this Tariff may result in the Company immediately and irrevocably terminating Service(s) without incurring any liability. Notification of termination of Service(s) may be in writing or in another expeditious manner selected by the Company.

2.6.2 In addition to the other provisions in this Tariff, Resellers must have a Certificate of Public Convenience and necessity as an interexchange carrier from the Florida Public Service Commission. Resellers are responsible for maintaining all necessary state and F.C.C. tariffs for operating as a Reseller and for complying with all rules and regulations as set forth by the Commission. Further, the Reseller also assumes full responsibility for complying with the Communications Act of 1934, as amended; the Telecommunications Act of 1996; and the rules, regulations, and decisions of the F.C.C.

2.6.3 Resellers are responsible for paying all taxes, surcharges, and fees based upon the taxing jurisdiction's rules and regulations.

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SECTION 2 - RULES AND REGULATIONS

2.7 Obtaining Service

2.7.1 Application for Service

(A) Prepaid Calling Card Service

.1 General

To obtain Service, the Customer must sign a sales agreement and prepay the charges for Service according to the rates included in Section 4 of this Tariff.

.2 Activation of PIN

Prior to activation of the PIN, the Cardholder must complete and return to the Company a registration form which includes the Cardholder's name and social security number, PIN, Prepaid Calling Card number, and Credit Card number (optional). The PIN will not be activated until the Company receives the registration form. The Company will accept a facsimile copy of the registration form. To help control fraud, the PIN may not be activated until the Cardholder's first use of the PIN. However, if the Customer paid by check, the card will not be activated until the check clears the bank regardless of the Customer's first use of the PIN.

(B) All Other Services

To obtain Service, the Applicant must submit to the Company an application in the form of a completed service agreement and a LOA. Upon the Company's acceptance of this authorization, all applicable provisions in the Company's Tariff, as amended from time-to-time, become the agreement for Service between the Company and the Customer. Acceptance or use of Service by the Customer shall be deemed an agreement by the Customer to subscribe to, use, and pay for such Service in accordance with the applicable Tariffs of the Company. The Applicant must also establish credit satisfactory to the Company as provided in Section 2.7.2. In case of refusal to establish service, the Company shall notify the applicant in writing of the reason for such refusal.

SECTION 2 - RULES AND REGULATIONS

2.7 Obtaining Service (continued)

2.7.2 Establishment of Credit

(A) Applicant

For all Services except the TeleHub Prepaid Calling Card, the Company may decline to accept an application for Service unless the Applicant submits references and authorizes the Company to perform a credit check on Applicant, and unless the Company is satisfied with the Applicant's creditworthiness. Upon receipt of the signed LOA and/or other authorization the Company deems appropriate, the Applicant will be deemed to have authorized the Company to obtain such routine credit information and verification as the Company requires.

(B) Customer

If the conditions of Service or the basis on which credit was originally established have materially changed, an existing Customer may be required to establish additional credit. The Company reserves the right to examine the credit record, check the references of any Customer at any time and revise the credit requirements from time-to-time based upon payment patterns and other information the Company may utilize.

2.7.3 Advance Payments

The Company does not collect advance payments for intrastate service.

2.7.4 Customer Deposits

The Company does not collect deposits for intrastate service.

SECTION 2 - RULES AND REGULATIONS

2.8 Rendering and Payment of Bills

2.8.1 General

Bills are prepared by the Company. All charges are payable only in United States currency and drawn on a U.S. Banking Institution. Payment may be made by check, money order, or cashier's check.

2.8.2 Payment For Prepaid Calling Card Services

When the Customer initially orders TeleHub Prepaid Calling Card Service, the Customer must prepay the charges for Service according to the rates included in Section 4 or Section 6 of this Tariff and as per Section 2.8.1 of this Tariff. No Prepaid Calling Card PIN will be activated until payment, in U. S. Dollars and in full, has been received by the Company. If the Customer pays via check, the PIN is activated after the check clears the bank.

2.8.3 Payment For All Other Services

(A) General

Bills are sent to the Customer's current billing address no later than thirty (30) days following the close of billing. The due date is disclosed on the bill. Payment in full is due fifteen (15) days from the invoice date printed on the bill. The bill will be mailed on or before the invoice date printed on the bill. Checks should be made payable as named on the bill and should be sent to the address listed on the bill.

SECTION 2 - RULES AND REGULATIONS

2.8 Rendering and Payment of Bills (continued)

2.8.3 Payment For All Other Services (continued)

(B) Billing Period

The Company uses cycle billing. The initial Billing Period may be less than one month depending upon the Billing Cycle to which the Customer is assigned. The cut-off date for billing cycles and the date invoices will be rendered is solely at the discretion of the Company. No Customer has any right to request or require a billing cycle or billing date. The billing period is one month. Except for fraud, charges may be assessed for unbilled traffic up to two years in arrears. The Company uses direct billing by the Company or an authorized billing agent.

(C) Late Charge

If the bill is not paid within thirty (30) days from the invoice date, the Company may impose a late charge on the delinquent amount. A late charge applies to any past due balance. The Company may charge a late charge of 1.5% per month on the unpaid balance, whichever is greater.

(D) Billing For Dedicated Access Arrangements

The Customer may be billed directly by the Company, LEC, CLEC, or CAP or any other authorized access provider for the Dedicated Access arrangements selected by the Customer for the provisioning of certain Services. The Company may act as an agent for the Customer in ordering Dedicated Access arrangements.

SECTION 2 - RULES AND REGULATIONS

2.8 Rendering and Payment of Bills (continued)

2.8.3 Payment For All Other Services (continueu)

(E) Other Charges

If a Customer presents an undue risk of nonpayment at any time, the Company may require the Customer to pay its bills in cash or the equivalent of cash. In the event the Company incurs fees or expenses, including attorneys' fees, in collecting, or attempting to collect, any charges owed the Company, the Customer will be liable to the Company for the payment of all such fees and expenses reasonably incurred.

2.8.4 Contested Charges

The Company will not be required to consider any Customer claim for damages or statutory penalties, or adjustments, refunds, credits or cancellation of charges, unless the Customer has notified the Company, in writing, of any dispute concerning charges, or the basis of any claim for damages, within the lessor of sixty (60) calendar days after an invoice is rendered or a debit is effected by the Company for the call giving rise to such dispute or claim. Any such notice must set forth sufficient facts to provide the Company with a reasonable basis upon which to evaluate the Customer's claim or demand. Such notice must be sent to the Company's Customer Service Department as per Section 2.9.1 of this Tariff. If the Customer is not satisfied with the Company's resolution of a billing inquiry, the Customer may make application to the Commission for review and disposition of the matter.

2.8.5 Past Due Payments

In the event the Company incurs fees or expenses, including attorneys' fees, in collecting, or attempting to collect, any charges owed the Company, the Customer will be liable to the Company for the payment of all such fees and expenses reasonably incurred.

2.8.5 Returned Check Charge

A fee of \$15.00 or 5% of the amount of the check, which ever is greater will be charged for each check returned for insufficient funds or account closed.

SECTION 2 - RULES AND REGULATIONS

2.9 Customer Service

2.9.1 General

Customer Service may be contacted in writing at 1375 Tri-State Parkway, Suite 250, Gurnee, Illinois 60031. Customers may also contact Customer Service by dialing a toll-free 800/888 number. Customer Service representatives are available from 7 a.m. to 7 p.m. for normal billing and service questions. For call connection or service problems after these business hours, the customer can call the same phone number twenty-four hours per day, seven days per week, 365 days per year. For Cardholders subscribing to Prepaid Calling Card Service or Calling Card Service, the 800/888 number is printed on the card. For Customers subscribing to all other Services, the 800/888 number is printed on the Customer's bill.

2.9.2 Billing Inquiries

Billing inquiries may be referred to the Company's Customer Service organization as indicated in Section 2.9.1 above. If the Customer is not satisfied with the Company's resolution of a billing inquiry, the Customer may make application to the Commission for review and disposition of the matter.

2.9.3 Service Difficulties

Service difficulties may be referred to the Company's Customer Service organization, as indicated in Section 2.9.1 above.

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SECTION 2 - RULES AND REGULATIONS

2.10 Cancellation of Service By Customer

2.10.1 General

Except for Prepaid Calling Card Service and Service(s) provided under a term plan agreement, a Customer may cancel Service by giving thirty (30) days' written notice to the Company. Such notice should be addressed to the Company's Customer Service organization at the address specified in Section 2.9.1.

2.10.2 Customer With Switched Access

(A) Customer Provisioned Via The DUC

Cancellation of the Customer's Service will be effective when the LEC or CLEC changes the PIC code, or when the DUC moves the Service to another long distance company. The Customer will remain liable for all services provided after notice of cancellation of service and until the LEC or CLEC changes the PIC Code.

(B) Customer Provisioned Via The Company

Cancellation of the Customer's Service will be effective when the LEC or CLEC changes the PIC code, or when the Company cancels the Service.

2.10.3 Customer With Dedicated Access

(A) Customer Provisioned Via The DUC

Cancellation of the Customer's Service will be effective when the DUC cancels the Service offered by the Company, or when the Customer's Dedicated Access facilities are moved to a POP of another long distance company.

(B) Customer Provisioned Via The Company

Cancellation of the Customer's Service will be effective when the Company cancels the Service offered by the Company to the Customer, or when the Customer's Dedicated Access facilities are moved to a POP of another long distance company.

SECTION 2 - RULES AND REGULATIONS

2.11 Termination of Service By Company

2.11.1 The Company may terminate Service to the Customer upon five (5) days written notice to the Customer for any condition listed in Section 2.2.7 of this Tariff. If the Company delivers the notice to the Customer's premises, it will be left in a conspicuous place. When notice is mailed, the notice will be in a separate mailing, addressed to the Customer's last known billing address, and mailed prepaid first class mail or prepaid by private express overnight delivery courier. The selection of the method of delivery of the notice is made by the Company.

2.11.2 The termination of Service(s) by the Company pursuant to this section does not relieve the Customer of any obligations to pay the Company for charges due and owing for Service(s) furnished up to the time of termination, including charges for any services provided until the Customers' service is changed to another carrier. The remedies set forth herein will not be exclusive and the Company will at all times be entitled to all rights available to it under either law or equity.

2.12 Taxes

2.12.1 TeleHub Prepaid Calling Card

The usage rates in Section 4 and Section 6 of this Tariff are inclusive of all surcharges, taxes, and fees except for point-of-sales ("sales and excise") taxes.

2.12.2 All Other Services

(A) For all Services other than the TeleHub Prepaid Calling Card, the usage rates in Section 4 and Section 6 of this Tariff are exclusive of all applicable surcharges, taxes, and fees.

(B) In addition to the charges specifically pertaining to Services, certain federal, state, and local surcharges, taxes, and fees apply to Services. These taxes, surcharges, and fees are calculated based upon the point of origination of the call, the point of termination of the call, the length of each call, and the taxing jurisdiction's rules and regulations.

SECTION 2 - RULES AND REGULATIONS**2.12 Taxes (continued)****2.12.2 All Other Services (continued)**

- (C) All federal, state, and local taxes, surcharges, and fees (i.e., sales tax, gross receipts tax, excise tax, municipal utilities tax, etc.) are listed on the Customer's invoices, and unless otherwise specified herein, are not included in the rates listed in Section 4 and Section 6 of this Tariff.

2.12.3 Tax Exempt Status

In order to be granted tax exempt status, a Customer claiming tax exempt status must provide the Company with copies of all tax exemption certificates and documents required by the Company at the time Service is ordered. Failure to provide the required documentation at the time Service is ordered will result in all taxes as noted herein being levied by the Company on the Customer's Service, and the Customer will be responsible for the payment of all such charges. At the Company's option, the Company may accord the Customer tax exempt status upon receipt of the required documentation after Service is ordered. However, the Customer will be billed for all applicable taxes and responsible for the payment of same until such time as the Company has ceased billing the applicable taxes. The Company is not liable for refunding the amount of the taxes paid by the Customer. The Customer is responsible for seeking refunds for such taxes from the appropriate taxing authority. Failure to pay the appropriate taxes prior to tax exempt status being accorded by the Company will result in termination of Service.

SECTION 2 - RULES AND REGULATIONS**2.13 Transfer or Assignment**

After obtaining the Company's written consent, the Customer of record may assign or transfer the use of Service where there is no interruption or physical relocation. All terms and provisions contained in this Tariff will apply to any assignee or transferee. Services provided by the Company may not be transferred or assigned to a new Customer unless the following conditions have been met:

- (1) The Customer of record (assignor Customer) requests such assignment or transfer in writing at least forty-five (45) days prior to the effective date of any requested assignment or transfer; and
- (2) Prior written consent of the Company is secured. The Company agrees to respond to a request to assign or transfer to another Customer within thirty (30) days of receipt of notification; and
- (3) New Customer's (assignee Customer) credit is approved by the Company; and
- (4) The new Customer (assignee Customer) notifies the Company in writing that it agrees to assume all outstanding obligations of the former Customer for use of the Company's Services. These obligations include all outstanding indebtedness for the use of the Company's Service. Consent to such assignment or transfer will not be unreasonably withheld.
- (5) Any permitted assignment or transfer of the Company's Service will not relieve or discharge any Customer from remaining jointly and severally liable with the new Customer for any obligations existing at the time of transfer or assignment.

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SECTION 2 - RULES AND REGULATIONS

2.14 Timing of Calls

2.14.1 TeleHub Audioconferencing

For the standard and premium TeleHub Audio conferencing Services, Calculation of usage begins at the start of the conference as initiated by the Coordinator. All calls end when either the last party disconnects or the Coordinator terminates the call. For automated Services, calculation of usage begins when the first party enters the Conference Bridge. All calls end when either the last party disconnects or the Coordinator terminates the call.

2.14.2 Prepaid Calling Cards

- (A) Timing begins when the called station answers and the Company's switch detects hardware answer supervision. Timing ends when the calling party hangs up. If the called station hangs up and the calling station does not hang up, the Cardholder is prompted to enter (X) which enables the Cardholder to use the sequential calling feature and place another call without re-entering the PIN. If the Cardholder does not enter (X), timing is disconnected in fifteen (15) seconds. If the Customer enters (X) and places another call, each completed call is timed with a start time and an end time. The Cardholder's account is debited for usage based on call duration of each call, not the total amount of time the Cardholder was connected to the Platform.
- (B) If the End User of the Prepaid Calling Card uses the conference calling feature, the third leg of the call is timed separately. Timing of the third leg of the call begins when the called station answers and terminates when the called station hangs up.

SECTION 2 - RULES AND REGULATIONS

2.14 Timing of Calls (continued)

2.14.3 Operator Toll Assistance

- (A) On Station-to-Station calls chargeable time begins when the called station answers and the connection is established between the calling station and the called station, miscellaneous common carrier, mobile radio system, or PBX system. Answer detection is determined based on standard industry answer detection methods, including hardware and software answer detection.
- (B) On Person-to-Person calls, chargeable time begins when connection is established between the calling person and the particular person or station specified or an agreed alternate.
- (C) Chargeable time ends when the calling station hangs up thereby releasing the network connection. If the called station hangs up but the calling station does not, chargeable time ends when the network connection is released either by the automatic timing equipment in the telecommunications network or by the operator.

2.14.4 Calling Card Calls

Calling Card calls are timed according to Section 2.14.5 of this Tariff. However, if the End User of a Calling Card uses the conference calling feature of the card, the third leg of the call is timed separately. Timing of the third leg of the call begins when the called station answers and terminates when the called station hangs up.

SECTION 2 - RULES AND REGULATIONS

2.14 Timing of Calls (continued)

2.14.5 All Other Usage Sensitive Services

(A) General

Conversation time is defined as when two way communications between the calling and called party is possible.

(B) Calls Timed By The DUC

For Customers whose Services are provisioned via the DUC's switching equipment, calls are timed and measured according to the DUC's tariff on file with the Commission.

(C) Calls Timed By Company

For Customers whose Service(s) are provisioned via the Company's switching equipment, chargeable time begins when the connection is established between the calling station and the called station. Chargeable time ends when the calling station "hang up". If the called station "hangs up" but the calling station does not, chargeable time ends when the connection is released by the automatic timing equipment. When the Company's services are directly connected to a Customer-provided communications system at the Customer's premises, chargeable time begins when a call terminates in, or passes through, the first Customer equipment on that Customer provided communications system.

SECTION 2 - RULES AND REGULATIONS

2.15 Rate Period

2.15.1 General

Different rates may be applicable to a call at a different time of the day and on certain days of the week, as specified in the appropriate rate schedule for that call. The rate periods shown below apply. All times shown are local time at the calling station in case of an outbound call, and at the called station in case of an inbound call.

2.15.2 Day, Evening, and Night Rate Periods

Rate Period	Times Applicable		Days Applicable
	From	To, But Not Including	
Day	8:00 AM	5:00 PM	Mon - Fri
Evening	5:00 PM	11:00 PM	Sun - Fri
Night	11:00 PM	8:00 AM	All days Saturday Sunday
	8:00 AM	11:00 PM	
	8:00 AM	5:00 PM	

SECTION 2 - RULES AND REGULATIONS

2.16 Mileage Measurements

2.16.1 General

Calculation of mileage is in accordance with the V&H coordinate system.

2.16.2 Inbound And Calling Card Services

The Company uses the V&H coordinates associated with the Rate Center of the NPA Centroid.

2.16.3 Other Mileage-Sensitive Services

The distance is measured using the V&H coordinates associated with either the Rate Centers of the originating and terminating stations, or the V&H coordinates associated with the originating and terminating POP. The type of access determines which V&H coordinates are used.

If a call is originated or terminated via Switched Access, the distance is measured using the V&H coordinates associated with the Rate Centers of the originating or terminating station. If the call is originated or terminated via Dedicated Access, the distance is measured using the V&H coordinates associated with the originating or terminating POP.

The rate for a call between access lines associated with stations that use the same central office is the rate for zero miles.

2.17 Determination of Airline Mileage

Calculation of distance is in accordance with the V&H coordinate system. The airline mileage between Rate Centers is determined by applying the formula below to the V&H coordinates associated with the Rate Centers involved. The Company uses the Rate Centers and associated V&H coordinates that are produced by Bell Communications Research in its NPA-NXX V&H Coordinates Tape and in NECA Tariff No. 4.

FORMULA:

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

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SECTION 2 - RULES AND REGULATIONS

2.18 Determining Rate In Effect

2.18.1 General

For outbound Services that are time-of-day sensitive, the time of day at the central office or POP associated with the calling station determines the rate in effect. For Inbound Services that are time-of-day sensitive, the time of day at the central office or POP associated with the called station determines the rate in effect. Time of day shall be determined in accordance with Section 2.15.

2.18.2 1+ Calls Originating Via Switched Access

When a unit of time is split between two rate periods, each rate period applies to the portion of the call that occurred during that rate period.

2.18.3 1+ Call Originates Via Dedicated Access

When a unit of time is split between two rate periods, each rate period applies to the portion of the call that occurred during that rate period.

2.18.4 Call Completed By An Operator

The time at the beginning of each minute of connection determines the applicable rate period. When a message spans more than one rate period, total charges for the minutes in each rate period are calculated and the results for each rate period are totaled to obtain the total message charge.

SECTION 2 - RULES AND REGULATIONS

2.18 Determining Rate In Effect (continued)

2.18.5 Holiday Rates

- (A) Holiday rates apply to Operator Toll Assistance.
- (B) The term holiday denotes the following holidays:
- New Year's Day#
 - Independence Day#
 - Labor Day
 - Thanksgiving Day
 - Christmas Day#
 - President's Day*
- (C) For services with a day, evening, and night rate period, the evening rate applies on a holiday unless a lower rate would normally apply. For services with a peak and off-peak rate period, the off-peak rate applies on a holiday. If the holiday is followed by "**", the holiday applies to the Federally observed day only. If the holiday is followed by "#", the following rules apply. When this holiday falls on a Sunday, the holiday is observed on the following Monday. When this holiday falls on a Saturday, the holiday is observed on the preceding Friday.
- (D) For all other time-of-day sensitive Services, the rate periods specified in Section 2.15 of this Tariff apply.

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SECTION 2 - RULES AND REGULATIONS

2.19 Interruption of Service

2.19.1 Prepaid Calling Card and Calling Cards

Credits will not be issued for cut-offs, poor transmission, or wrong numbers.

2.19.2 All Other Usage Sensitive Services

- (A) Without incurring liability, the Company may interrupt the provision of Services at any time in order for tests and inspections to be performed to assure compliance with Tariff regulations and the proper installation and operation of Customer's equipment and facilities and may continue such interruption until any items of non-compliance or improper equipment operation so identified are rectified.
- (B) To prevent possible unauthorized, fraudulent, or unlawful use of Service, the Company may initiate Blocking all calls or Blocking calls to or from certain NPA-NXXs, cities, or individual telephone stations for any Service offered under this Tariff. Service will be restored as soon as it can be provided without undue risk and only after accounts have been brought current.
- (C) No credit for recurring monthly charges will be issued for outages less than twenty-four consecutive hours in duration. For Customers with Service subject to a monthly recurring charge, Service interruptions of greater than twenty-four (24) consecutive hours duration will receive a credit equal to the number of hours of Service interruption divided by 720 hours (30 Days) times the monthly recurring charge for the Service.
- (D) Credit allowances for cutoffs, wrong numbers, or poor transmission are subject to the general liability provisions set forth in Section 2.3.11 of this Tariff. It shall be the obligation of the 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, or is not in wiring or equipment, if any, furnished by the Customer or by the LEC.

SECTION 2 - RULES AND REGULATIONS

2.20 Calculation of Usage Charges

2.20.1 TeleHub Audioconferencing

For TeleHub Audioconferencing, usage charges are calculated based on the sum of actual, not reserved, individual line usage. For example, if three people conduct a conference call for an hour and one conference participant hangs up ten minutes early, the conference charges are 170 minutes (60 + 60 + 50).

2.20.2 Rounding

(A) Billing Increments

Each usage sensitive Service has its own specific initial period and additional period (collectively referred to as billing increments) as specified in Section 3 and Section 6 of this Tariff. For all Services, fractions of a billing increment are rounded up to the next higher increment for billing purposes.

(B) Per Call charge

The usage charges for each completed call during a billing month will be computed. If the charge for the call includes a fraction of a cent of \$.005 or more, the fraction of such charge is rounded up to the next higher whole cent. Otherwise, the charge is rounded down to the next lower whole cent. Rounding for charges for Service(s) is on a call-by-call basis.

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SECTION 2 - RULES AND REGULATIONS

2.21 Lost Or Stolen Calling Cards, Prepaid Calling Card, Or PIN

2.21.1 General

Upon knowledge of facts which would alert a reasonable person to the possibility of unauthorized use of the Customer's Calling Card, Prepaid Calling Card, or PIN, the Customer will alert and give notice to the Company of such facts. Upon receipt of notice, the Company will deactivate the PIN associated with the card.

2.21.2 Calling Card Service

If requested by the Customer, a new Calling Card and PIN will be issued to the Customer. The Customer will be excused from liability only with respect to unauthorized calls placed after receipt of such notice by the Company. The time of Customer Calls requesting replaced cards due to events described in Section 2.21.1 are noted in customer service records which the company will use to administer Calling Card services.

2.21.3 Prepaid Calling Card Service

The Company will have no liability to the Customer or any third party for any claims that a Prepaid Calling Card, Calling Card, or its PIN, has been lost, stolen, or fraudulently used. In no event will the Company be obligated to restore any Prepaid Calling Card, or Calling Card account usage or otherwise reimburse any Cardholder for any calls charged to the Prepaid Calling Card, or Calling Card account which such Cardholder denies having made.

2.22 Terminal Equipment

Service(s) may be used with or terminated in Customer-provided terminal equipment or Customer-provided communications systems such as a telephone set, PBX or key system. Such terminal equipment shall be furnished and maintained at the expense of the Customer. The Customer is responsible for all costs at the Customer's premises, including personnel, wiring, electrical power, and the like, incurred in the use of the Company's Service. When such terminal equipment is used, the equipment shall comply with applicable rules and regulations of the Federal Communications Commission, including but not limited to, Part 68. In addition, equipment must comply with generally accepted minimum protective criteria standards and engineering requirements of the telecommunications industry and must not be barred by the Federal Communications Commission.

SECTION 2 - RULES AND REGULATIONS

2.23 Fraud Control

2.23.1 General

To control fraud, Service may be discontinued by the Company without incurring liability by blocking all traffic or by blocking traffic to or from certain NPA-NXXs, certain countries, cities, or individual telephone stations for any Service offered under this Tariff. Service will be restored as soon as it can be provided without undue risk. The Company has no responsibility to detect fraudulent usage. The Customer is responsible for all usage.

2.23.2 Prepaid Calling Card Service and Calling Card Service

(A) Prior to Activation of PIN

- .1 The Company determines when the PIN will be activated. To help control fraud, the PIN may not be activated until the Cardholder's first utilization of the PIN.
- .2 If the Customer notifies the Company that a particular Prepaid Calling Card or Calling Card has been lost or stolen prior to the activation of its PIN, the Company will use its best efforts to ensure that such PIN is not activated.

(B) After Activation of PIN

Only one call per Prepaid Calling Card or Calling Card account will be processed at any given time.

2.24 Notices

Any notices provided by Company pursuant to this Tariff are deemed given and effective upon the earlier of (a) actual receipt by Customer or (b) three days after mailing if sent by mail, the day after express overnight delivery, or the day the notice is left at the Customer's premises.

SECTION 2 - RULES AND REGULATIONS

2.25 Changes to Service Offerings

The Company reserves the right to add, change, or delete DUCs at any time.

2.26 Restoration of Service

The use and restoration of Service in emergencies shall be in accordance with the priority system specified in Part 64, Subpart D of the Rules and Regulations of the Federal Communications Commission.

2.27 Promotions

From time-to-time, the Company may offer special promotions to its Customers waiving certain charges, offering Service(s) at special rates, and/or offering promotional discounts. Promotional discounts include but are not limited to reduced monthly rates or charges for an existing Service, incentive subscription bonuses, free Service periods, full or partial waivers of installation charges or optional feature charges, full or partial waivers of PIC charges, or any combination thereof. Terms and conditions of promotions may be limited to certain dates, times, market segments, and/or locations. The Company may engage in national and/or intrastate special promotional offerings or trial Service offerings designed to attract new customers, retain existing customers, win back former customers, or stimulate customer usage. The terms of national promotional offerings are set forth in the applicable interstate tariffs governing such programs. To the extent these programs may extend to intrastate Services, the terms of these national offerings are incorporated by reference herein. The Company may require an advance payment as a condition of a promotional offering. The Company will notify the Commission via letter of the rates and charges and the terms and conditions of any promotion in this Tariff.

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SECTION 3 - DESCRIPTION OF TELEHUB SERVICES

3.1 Optional Calling Plans

3.1.1 TeleHub Consumer One Plus Plan

TeleHub Consumer One Plus Plan (See tariff Sheet 68) is an outbound only, postalized, long distance pricing plan. The initial period is eighteen (18) seconds. The additional period is each six (6) seconds or fractions thereof rounded up to the next six (6) second increment. There are two rate options.

(A) Rate Option 1

Rate Option 1 is available to Residential Customers and Business Customers that utilize Switched Access to reach the long distance network.

(B) Rate Option 2

Rate Option 2 is available to Residential Affinity Groups, Business Affinity Groups, or affinity groups whose membership would be classified as Residential Customers and Business Customers. To qualify for Rate Option 2, (1) the total membership of the affinity group must be in excess of 1,000 members, and (2) the members must use Switched Access to reach the long distance network. Each member location is solely responsible for its bill, and the member location is a Customer of the Company. Each member location will be billed separately for its services.

3.1.2 TeleHub Dedicated Plan

TeleHub Dedicated (See tariff Sheet 68) is an outbound only, postalized, long distance pricing plan available to Business Customers that utilize Dedicated Access to reach the long distance network. The initial period is six (6) seconds. The additional period is each six (6) seconds or fractions thereof rounded up to the next six (6) second increment.

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SECTION 3 - DESCRIPTION OF TELEHUB SERVICES

3.2 Inbound Services

3.2.1 TeleHub Inbound 800/888

TeleHub Inbound 800/888 (See tariff Sheet 69) is an inbound only, postalized, long distance pricing plan. Calls may originate from any point in the state on any type of access but terminates via Switched Access lines between the Customer's premises and the long distance network. TeleHub 800/888 is available to Residential Customers and Business Customers that utilize Switched Access to reach the long distance network. The initial period is eighteen (18) seconds. The additional period is each six (6) seconds or fractions thereof rounded up to the next six (6) second increment.

3.2.2 TeleHub Dedicated 800/888

TeleHub Dedicated 800/888 (See tariff Sheet 69) is an inbound only, postalized, long distance pricing plan available to Business Customers that utilize Dedicated Access to reach the long distance network. Calls may originate from any point in the state on any type of access but terminate via Dedicated Access lines between the Customer's premises and the Company's or the DUC's POP in the terminating location. The initial period is six (6) seconds. The additional period is each six (6) seconds or fractions thereof rounded up to the next six (6) second increment.

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SECTION 3 - DESCRIPTION OF TELEHUB SERVICES

3.3 Calling Card Services

3.3.1 General

Calling Card (See tariff Sheet 70) services are available to Customers for use when Customers are away from their established primary service location. Calling Card rates and charges apply to all Calling Card calls originating and terminating in the State regardless of the billing location of the Customer account.

Access to the long distance network for the purpose of billing a call to the Customer's Calling Card can be from tone-generating or rotary-dial instruments. The Customer may access the long distance network and bill a call to their card by dialing any of the following:

- (A) 1, plus an 800/888 number, plus a valid PIN Number, and the called telephone number, or
- (B) 1, plus an 800/888 number, plus 0 to reach an operator, to complete a Calling Card call, the End User must provide the operator the called number, Calling Card number, and a valid PIN.

3.3.2 TeleHub Calling Card Services

The TeleHub Calling Card is available to Residential Customers, Business Customers, Residential Affinity Groups, Business Affinity Groups, and affinity groups whose members would be classified as Residential Customers and Business Customers. Calling Card Service is available on a stand-alone basis. The initial period is thirty (30) seconds. The additional period is each six (6) seconds or fractions thereof rounded up to the next six (6) second increment.

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SECTION 3 - DESCRIPTION OF TELEHUB SERVICES

3.4 Operator Services

3.4.1 General

(A) Operator Services (See tariff Sheets 71 and 72) is any variety of telephone services which require the assistance of a long distance operator. Examples include collect calls and Person-to-Person calls. All operator services are provided by the IPP.

(B) A collect call is a call for which applicable charges are billed to the telephone number of the called station of the Customer. Charges for collect calls will not be accepted if the called party to whom the charges are to be billed is at a payphone or institutional phone.

(C) There are two rate elements. There is a usage charge and a surcharge. The operator dialed surcharge applies in addition to all Station-to-Station and Person-to-Person operator surcharges when the Customer has the ability to dial all the digits necessary for call completion but instead dials 00 to reach the operator to have the operator complete the call. A handicapped Customer who is unable to dial the call because of his or her handicap may request credit for the surcharge from the operator.

(D) For all calls, the initial and additional periods are billed in increments of one (1) minute.

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SECTION 3 - DESCRIPTION OF TELEHUB SERVICES

3.4 Operator Services (continued)

3.4.2 Availability of Services

(A) Switched Access

Customers subscribing to one of the Company's outbound Services that require the Customer to utilize Switched Access to reach the long distance network can reach the operator by dialing 0 plus the called number or by dialing 00. The IPP provides the operator services through a contractual arrangement. However, the IPP operator will answer the call using the Company's name pursuant to the contractual arrangement. The Company will bill usage charges and surcharges for operator handled calls according to the rates in Section 4 of this Tariff.

(B) Dedicated Access

Operator toll assistance is available to a Customer subscribing to Dedicated Access.

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SECTION 3 - DESCRIPTION OF TELEHUB SERVICES

3.5 Prepaid Calling Card

3.5.1 Description of Prepaid Calling Card Services

Prepaid Calling Card Service is a prepaid long distance Service that allows Customers to obtain a predetermined amount of access to the Company's long distance, directory assistance Services or other Ancillary Services. The Company offers a time based Prepaid Calling Card meaning there is a fixed amount of time (i.e., minutes of 5, 10, 30, 60, or some other period of time) available to the Customer who purchases a card.

Prepaid Calling Card service is offered via "800/888" access numbers and is available to a Cardholder from any touchtone device. The Cardholder may access the Platform from anywhere in the State by dialing a universal "800/888" number plus a PIN and the called telephone number. The Cardholder hears recorded messages that guide the Cardholder through the call. The Platform validates the Cardholder's PIN and determines whether time remains on the card. If time is available on the Cardholder's account, the call is completed to the called telephone number dialed by the Cardholder. The Cardholder is verbally informed of the available balance in the Cardholder's Prepaid Calling Card account.

Calls are real-time rated during call progression. The total price of each call is calculated on the basis of time and is deducted from the available account balance associated with each Prepaid Calling Card. The Platform debits the Cardholder's account balance upon completion of each call. The Cardholder receives a warning tone one minute before the Cardholder's account balance reaches zero. Calls in progress will be terminated when the balance reaches zero.

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SECTION 3 - DESCRIPTION OF TELEHUB SERVICES

3.5 Prepaid Calling Card Service (continued)

3.5.2 Service Offerings

(A) TeleHub Prepaid Calling Card

The TeleHub Prepaid Calling Card (See tariff Sheet 72) is a time-based Prepaid Calling Card available to Residential Customers and Business Customers. The card is available in different periods of time from ten (10) minutes and up or in a period of time that is mutually agreed to by the Company and the Customer. The reseller is responsible for all costs associated with production and distribution of the Prepaid Calling Card to the Customer.

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SECTION 3 - DESCRIPTION OF TELEHUB SERVICES

3.6 TeleHub Audioconferencing Service

3.6.1 General

TeleHub Audioconferencing (See tariff Sheet 73 and 74) is a Service furnishing long distance voice telecommunications between a calling station and two or more called stations. The Service requires a teleconferencing bridge port for each called station. At any time prior to the conference call, a conference call is initiated by calling the 800/888 reservation number provided by the Company.

3.6.2 Conference Entry Options

- (A) Call-In is a conference entry option which allows conference call participants to dial a prearranged telephone number to reach the Conference Bridge and join the conference call. Each conference call participant furnishes its own long distance to reach the Conference Bridge. The Call-In conference entry option is available on all TeleHub Audioconferencing Services.
- (B) 800/888 Call-In is a conference entry option which enables conference call participants to reach the Conference Bridge and join the conference call by calling a toll-free 800/888 number provided by the Company. The 800/888 Call-In conference entry option is available on all TeleHub Audioconferencing Services.
- (C) Call-Out is a conference entry option where the Coordinator calls the conference call participants to connect them to the conference call. The Call-Out conference entry option is available to Customers subscribing to TeleHub Standard Audioconferencing and TeleHub Premium Audioconferencing.

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SECTION 3 - DESCRIPTION OF TELEHUB SERVICES

3.6 TeleHub Audioconferencing Service (continued)

3.6.3 Service Description

(A) Automated

Conference call participants are admitted to the conference call by using a predetermined code. Entry and exit tones announce arrival/departure of participants. The Service provides the capability to connect a multiple number of conference call participants in a single call. The conference entry options available are call-in and 800/888 call-in.

(B) Standard

The Coordinator announces each conference call participant and scans the call during the conference. For further assistance, a conference call participant can recall the Coordinator by signaling with the key pad. The Service provides the capability for multiple call participants on a single call.

(C) Premium

The Coordinator greets conference call participants, takes roll call, and calls back disconnected conference call participants, and is on-line throughout the entire call from set-up through completion. Constant monitoring by multiple Coordinators are assigned by the Company based on the number of participants on the call. The Service provides the capability to connect a multiple number of conference call participants on a single call.

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SECTION 3 - DESCRIPTION OF TELEHUB SERVICES

3.7 Directory Assistance

3.7.1 General

Intrastate Directory Assistance (See tariff Sheet 75) involves the supplying of assistance to a calling party in the State in determining or attempting to determine the telephone number of a party who is outside the calling party's LATA, but within the State. Calls for directory assistance within the calling party's area code are routed to and handled by the LEC or CLEC. If a Customer calls directory assistance for a call within the State but outside of the calling party's area code, the call is routed to and handled by the IPP. Person-to-Person and collect calls to directory assistance are not permitted.

3.7.2 Availability of Service

Intrastate directory assistance is available if the Customer subscribes to any outbound Service.

3.7.3 Application of Charges

The Directory Assistance charge applies whether or not the directory assistance bureau furnished the requested telephone number(s). Where the requested telephone number is unlisted, non-published or no record can be found, the customer is advised of this status.

3.8 Rounding

The methodology used to round the price of a call is covered in Paragraph 2.20.2

3.9 Minimum Call Completion Rate

A Customer can expect a call completion rate (number of calls completed / number of calls attempted) of not less than 98% during peak use periods.

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SECTION 4 - TELEHUB RATES AND CHARGES

4.1 Optional Calling Plans

4.1.1 TeleHub Consumer One Plus Plan

(A) Rate Option 1

The per minute rate is \$0.2740

(B) Rate Option 2

The per minute rate is \$0.2190

4.1.2 TeleHub Direct

The per minute rate is \$0.1370

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SECTION 4 - TELEHUB RATES AND CHARGES

4.2 Inbound Services

4.2.1 TeleHub Inbound 800/888

The per minute rates is \$0.1500.

4.2.2 TeleHub Dedicated 800/888

The per minute rates is \$0.1200.

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SECTION 4 - TELEHUB RATES AND CHARGES

4.3 Calling Card Services

4.3.1 TeleHub Calling Card

The per minute rate is \$0.2900.

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SECTION 4 - TELEHUB RATES AND CHARGES

4.4 Operator Services

4.4.1 Operator Toll Assistance

(A) Call Placement Charges

The following call placement charges apply to the initial minute of each operator services call placed within the State:

Station-to-Station sent-paid	\$0.85
Station-to-Station collect	\$0.85
Station-to-Station third number	\$0.85
Person-to-Person (all type calls)	\$0.85
Operator dialed surcharge*	\$1.15
Directory Assistance Call Completion	\$0.50
LEC Calling Card** Station-to-Station	
-Customer Dialed	\$0.85
-Operator Dialed	\$1.75

The surcharge for 00- calls will be waived for operator assistance provided to a caller who identifies him or herself as being handicapped and unable to dial the call because of the handicap, or on calls where the Customer cannot otherwise dial the call due to defective equipment or trouble on the network.

* This call placement charge applies in addition to all other Station-to-Station or Person-to-Person call placement charges when the Customer has the ability to dial all the digits necessary for call completion but dials instead "0" or "00" to reach the operator to have the operator complete the call. The call placement charge will be applied to all operator service calls completed by an operator except for calls which cannot be completed by the Customer due to equipment failure or trouble on the IPP's network or trouble with the Company's switch.

** The Company only accepts cards which it can identify as valid.

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SECTION 4 - TELEHUB RATES AND CHARGES

4.4 Operator Services (continued)

4.4.1 Operator Services (continued)

(B) Usage Rates

Rate Mileage	Initial Period			Additional Period		
	Day	Evening	Night	Day	Evening	Night
0 - 10	\$0.2000	\$0.1500	\$0.1200	\$0.2000	\$0.1500	\$0.1200
11 - 22	\$0.2200	\$0.1700	\$0.1300	\$0.2200	\$0.1700	\$0.1300
23 - 55	\$0.2500	\$0.1900	\$0.1400	\$0.2500	\$0.1900	\$0.1400
56 - 124	\$0.2700	\$0.1900	\$0.1500	\$0.2700	\$0.1900	\$0.1500
125 - 292	\$0.2800	\$0.1900	\$0.1600	\$0.2800	\$0.1900	\$0.1600
293 - 430	\$0.2800	\$0.2000	\$0.1600	\$0.2800	\$0.2000	\$0.1600
430 +	\$0.2800	\$0.2100	\$0.1600	\$0.2800	\$0.2100	\$0.1600

4.5 Prepaid Calling Cards

4.5.1 TeleHub Prepaid Calling Card

The rate is \$.29 per minute or fraction thereof.

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SECTION 4 - TELEHUB RATES AND CHARGES**4.6 Audioconferencing Service****4.6.1 Application of Charges**

There are two rate elements for TeleHub Audioconferencing Service. They are usage rates and set-up charges. The per minute usage rates set forth in Section 4.6.2 apply when all legs of a conference call originate and terminate within the State. The usage rates are per minute per Site.

4.6.2 Usage Rates**(A) Automated**

	Initial 1 Minute or Fraction	Additional 1 Minute or Fraction
Call-In	\$.40	\$.40
800/888 Call-In	\$.60	\$.60

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SECTION 4 - TELEHUB RATES AND CHARGES

4.6 TeleHub Audioconferencing Service (continued)

4.6.2 Usage Rates (continued)

(B) Standard

	Initial 1 Minute or Fraction	Additional 1 Minute or Fraction
Call-In	\$.40	\$.40
800/888 Call-In	\$.60	\$.60
Call-Out	\$.60	\$.60

(C) Premium

	Initial 1 Minute or Fraction	Additional 1 Minute or Fraction
Call-In	\$.50	\$.50
800/888 Call-In	\$.80	\$.80
Call-Out	\$.80	\$.80

4.6.3 Set-up Charge

The set-up charge is \$5.00 per site per call. The set-up charge applies to TeleHub Standard Audioconferencing and TeleHub Premium Audioconferencing.

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SECTION 4 - TELEHUB RATES AND CHARGES

4.7 Directory Assistance Services

Direct dialed calls to directory assistance will be billed at \$.50 per call. Any calls to directory assistance utilizing an operator will be billed the directory assistance charge plus the applicable operator services charges(s) pursuant to Section 4.4.1 (A) of this Tariff.

4.8 Exemptions and Special Rates

4.8.1 Discounts for Hearing Impaired Customers

A telephone toll message which is communicated using a telecommunications device 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 charges placed between TDDs. The credit to be given on a subsequent bill for such calls placed between TDDs will be equal to a 5% discount on dialed calls using services which have no time-of-day pricing element. Those dialed calls using a service which has a time-of-day pricing element will receive a credit on a subsequent bill equal to applying the off-peak rate during all rate periods.

A telephone toll message placed via the relay service will receive a discount of fifty (50) percent of the time-sensitive element of the call. If either party is both hearing and visually impaired, the discount will be sixty (60) percent of the time-sensitive element of the call.

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SECTION 4 - TELEHUB RATES AND CHARGES

4.8 Exemptions and Special Rates (Continued)

4.8.2 Directory Assistance for Handicapped Person

There is no charge for up to fifty (50) directory assistance calls per month for calls placed by handicapped persons. Such persons must contact the Company for credit on the bill.

4.9 Restoration of Service Charges

All Services are interstate Services with the Customer having the option of using the Service to place intrastate calls. Therefore, the Company does not charge for the restoration of intrastate Service.

4.10 Miscellaneous Charges

4.10.12 Payphone Surcharge

Pursuant to the FCC's Order in CC Docket 96-128, this surcharge applies only to dial-around calls, i.e., calls originating using a carrier's access code, a Customer's 800 and other toll-free numbers Calling Cards and debit card calls, from payphone instruments. This surcharge does not apply for 0+ call for which the payphone provider would otherwise receive compensation. The Customer shall pay the Company a per call surcharge of \$0.35 per call for all such traffic.

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ATTACHMENT I

MANAGERIAL CAPABILITY

Mr. Donald H. Sledge is Vice Chairman, President and Chief Executive Officer of TeleHub. Mr. Sledge has over thirty years experience in line and staff management in the telecommunications industry, the last thirteen years at the President and Chief Executive Officer level. His broad background encompasses business development in both the domestic and international markets including planning, sales, marketing, finance, international telecommunications, and operations. Recent executive experience includes positions as President and Chief Operating Officer of West Coast Telecommunications (a \$160 million long distance company purchased by Frontier), Head of Operations for New T&T, a Hong Kong based start-up, Chairman and CEO of Telecom New Zealand, Managing Director of TCNZ's largest local telephone carrier (over 500,000 lines), and founding President of Pacific Telesis International. Mr. Sledge is currently Chairman of the Board of United Digital Network, a small interexchange carrier operating primarily in Texas, Oklahoma, Arizona, and California. He is a member of the Board of Advisors of Calnex and DataProse. He also serves as advisor and Board member to several small technology based start-up companies. Mr. Sledge holds a Bachelor of Arts Degree in Industrial Management, and an MBA from Texas Technological University.

Mr. Michael G. McLaughlin is Executive Vice President and Chief Operating Officer of Telehub. Mr. McLaughlin is responsible for the overall development and deployment of TeleHub's services and technological designs. He was previously with ROLM Corporation ("ROLM") where he was a communications engineer responsible for the design, development, and implementation of communications networks for ROLM's largest accounts, including The Sears Network, General Electric, IBM, and Baxter Laboratories. After ROLM was acquired by IBM, Mr. McLaughlin participated in the development of national account network strategies. In 1991, he formed The McLaughlin Group, Inc. (now known as "T.M.G.I. Inc.") which provided consulting services involving cost reduction and analysis, network configuration strategies, and negotiation of communication carrier contracts to large corporate clients. In that capacity, he was involved in the design and implementation of a large communications network for a company involved in the long distance communications resale business.

Mr. Richard M. Harmon is Chief Financial Officer and Corporate Secretary. Mr. Harmon has over twenty years experience in finance and business administration and extensive experience with entrepreneurial growth companies. Mr. Harmon is the Chief Financial Officer of Education Finance Corporation d/b/a BrainPower Capital, a company he founded in 1992 to provide student loans to vocational trade students. Between 1990 and 1992, Mr. Harmon served as President of Clean Air Transit and directed their national market development strategy and sales of electric powered transit busses. In 1985, Mr. Harmon founded Network Media Corporation, a cable network advertising sales group, and as its Chief Executive Officer, directed its innovative technology for local advertising on cable systems. Between 1980 and 1985, Mr. Harmon was with Network Development Corporation, a personal consulting and investment company emphasizing telecommunications and cable television, where he developed and managed the growth of a large independent cellular distributor network. Prior to 1980, Mr. Harmon served as Chief Financial Officer, and briefly as Chief Operating Officer, for Franklin Supply. Mr. Harmon worked in the equity private placement division of Allstate Insurance Company, where he was involved in capital analysis and investment in early stage companies, principally high-tech turn-around situations and leveraged equity transactions. Mr. Harmon received a BBA and an MBA from the University of Texas.

Mr. Barry C. Lescher is Senior Vice President of TeleHub. Mr. Lescher is responsible for the implementation and design of TeleHub's network. He has over twenty years of experience in the telecommunications industry. He received his initial training in dial central office repair and secure voice communications repair in the US Army Signal Corp. He has also worked in a family-owned business in the installation and operation of communication systems. As a dedicated field technician with ROLM, Mr. Lescher was responsible for a five-node corporate switching network. Until May 1994, Mr. Lescher continued in similar duties with Siemens Corporation. Mr. Lescher has most recently been involved with the development of a private switching network for a long distance reseller. He is a graduate of Western Illinois University with a Bachelor of Science in Business. Mr. Lescher is currently a member of the Illinois National Guard where he holds the rank of major and functions as brigade signal officer for his unit.

Mr. Gregory A. Nischke is Vice President-Operations of TeleHub. Mr. Nischke is responsible for the overall management of TeleHub's day-to-day network operations. He brings with him over thirty years of experience in the telecommunications industry and has acquired a broad background in switching systems installation and maintenance, systems design and engineering, major project management, and quality control. Early in his career, he was with Central Telephone Company of Illinois ("Centel") where he installed and maintained many types of key and PBX systems. He also served as Quality Assurance Manager and as Project Manager for all national account installations. Over twenty years ago, Mr. Nischke left Centel and joined a local consulting firm where he was a consultant and Director of Engineering Services providing technical support to staff consultants and managing manufacturer/vendor interfaces. In 1987, he founded T-COMM Corporation where he was involved in projects such as systems and networking evaluations for Universal Hotels and cabling installation project management for over seven thousand locations at Sears. Mr. Nischke is factory trained on many manufacturers' PBX systems, including ROLM and Northern Telecom. In 1991, he founded TelSystems, Inc. where he was involved in network design and systems applications. Clients included Wm. Wrigley Jr. Company, Hilton, Dade International, and the American Veterinary Medical Association.

Mr. V. Bill Thompson is Vice President-Strategic Planning and Business Development for TeleHub. Mr. Thompson is involved in the strategic planning and business development associated with the overall network and related service offerings. He has over thirty-two years of senior line and staff management. He has also worked as a consultant to the telecommunications industry. While with Pacific Bell, he acquired a broad background in telephone engineering, switching systems design and administration, voice/data network management and administration, strategic planning management information systems, systems management, telephone and computer systems maintenance, and operations management. In 1990, he formed V.B. Thompson & Associates, a telecommunications consulting firm specializing in minimizing telecommunications costs, business process analysis, equipment and services procurement, and toll trend prevention. He consulted internationally for Telecom New Zealand, second tier US carriers, and general business. He holds a Bachelor of Science Degree in Management Science from California State University, Los Angeles and completed graduate work at Iowa State University in Industrial Engineering specializing in Engineering Economics. He is currently a member of the Association For Services Management International.

Mr. Timothy C. Chandler is Vice President-Information Systems for TeleHub. Mr. Chandler is responsible for the detailed design, development, and maintenance of the Virtual Service Management System ("VSMS") system. He has almost thirty years of management and consulting experience in the telecommunications industry with twenty years in information systems management, software development, and maintenance. While with Pacific Bell, he acquired a broad background in switching systems management and maintenance, operational support systems management, operational planning, and major systems development. He managed the development of the first automated ISDN provisioning system for Pacific Bell and was later engaged as an independent consultant to Bellcore on the provisioning impacts of national ISDN standards. Since 1991, he has built a software development company that has delivered three large Windows-based client/server development projects for two regional Bell Operating Companies. His recent development management experience ranges from Windows NT to high-end Unix server platforms, C/C++ to GUI development environments, Local Area Network ("LAN")/Wide Area Network ("WAN") networks, business process re-engineering to data modeling design, Oracle and MS SQL Server Relational to network-based database management systems. He holds a Bachelor of Arts Degree in Sociology with a minor in Electrical Engineering from California State University Long Beach and an MBA from Pepperdine University.

Mr. William M. Sund is Vice President - Engineering of TeleHub. Mr. Sund is responsible for the engineering of the TeleHub network integration with VSMS. He brings with him over twenty years experience in the telecommunications industry. His background includes electronic central office equipment manufacturing at Western Electric, sales, network design, installation, and maintenance for a small interconnect company; and the bulk of his career at ROLM. While at ROLM, he acquired a broad background in large system voice and data network engineering, design, implementation; installation, and maintenance including development support plans for the 9006 and Phonemail facilities; - ranging from analog to digital and fiber, and high level technical support. He was involved with the Callpath, Phonemail, 9751, and 9006 product lines where he was involved in field trials and product roll-outs.

Mr. Anthony Zaide is Vice President - ATM Engineering, Research and Development of TeleHub. Mr. Zaide is responsible for Asynchronous Transfer Mode ("ATM") engineering research, and development with a specific focus on ATM integration and AEGS development. He was previously at WorldCom, the fourth largest facilities-based interexchange carrier, where he was a Senior Broadband Engineer. While there, he acquired a broad and specific background in the most technologically-advanced transmission facilities and transport techniques. He was responsible for the traffic engineering, the expansion of the first public frame relay network, as well as fiber buildouts and integration of WorldCom's frame relay and ATM networks. He was responsible for designing customer's WAN connectivity over WorldCom's fiber optic network, involving such technologies as Frame Relay, ATM, private line, or switched networks. In addition to various optimization models to address access cost (local loop and IXC backhaul), he was involved in network performance modeling and analysis. Recently, he was involved in ATM and Internet services where he provided technical consulting for the field Systems Engineers and corporate users related to ATM WAN network design and compliance with ATM forum standards. A major part of the effort included designing the connectivity of various ISPs (Internet Service Providers) and NSPs to the Network Access Points, along with project management. He created the ATM lab environment with various ATM switches to develop benchmarks for performance testing and protocol analysis for applications over ATM such as video conferencing, voice, and LAN emulation. In August 1995, he was responsible for the implementation of an ATM WAN network for the Institute of Electrical and Electronic Engineers' Fourth International Symposium on High Performance Distributed Computing. Tony holds a Bachelor of Science Degree in Electrical Engineering from Kansas University and an in Master of Science Degree in Electrical Engineering from Oklahoma State University.

ATTACHMENT J

TECHNICAL CAPABILITY

See Attachment I

ATTACHMENT K

FINANCIAL CAPABILITY

CURRENT BALANCE SHEET

CURRENT INCOME STATEMENT

**STATEMENT OF RETAINED EARNINGS
(MOST RECENT 3 YEARS)**

TELEHUB COMMUNICATIONS CORP.
(AN ILLINOIS CORPORATION)
(A Development Stage Company)

COMPILED FINANCIAL STATEMENTS

JANUARY 18, 1996 (DATE OF INCEPTION) TO
DECEMBER 31, 1996



CONTENTS

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Balance Sheet.....	2
Statement of Loss and Accumulated Deficit During the Development Stage.....	3
Statement of Cash Flows.....	4
Notes to Financial Statements.....	5-12





**Business
Advisers
and CPAs**

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Associates, Ltd.

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A Member of
Michnell Group
International

To the Stockholders and
Board of Directors
TeleHub Communications Corp.
(An Illinois Corporation)
Gurnee, Illinois

We have compiled the accompanying balance sheet of TeleHub Communications Corp. (an Illinois corporation, a development stage company) as of December 31, 1996, and the related statements of loss and accumulated deficit during the development stage and cash flows from January 18, 1996 (date of inception) to December 31, 1996, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplemental material and, accordingly, do not express an opinion or any other form of assurance on them.

Detterbeck & Associates, Ltd.

Detterbeck & Associates, Ltd.
(An Illinois Professional
Service Corporation)
Inverness, Illinois
February 4, 1997

Value
Beyond
the
Numbers

ELEHUB COMMUNICATIONS CORP
(AN ILLINOIS CORPORATION)
(A Development Stage Company)

BALANCE SHEET

DECEMBER 31, 1996

ASSETS

CURRENT ASSETS	
Cash	\$ 184,938
Prepaid Expenses and Deposits	<u>35,381</u>
Total Current Assets	220,317
PROPERTY AND EQUIPMENT, Net of Accumulated Depreciation (Note 3)	1,510,999
OTHER ASSETS, Security deposits	<u>73,948</u>
TOTAL ASSETS	<u>\$ 1,805,264</u>

LIABILITIES AND STOCKHOLDERS' EQUITY (CAPITAL DEFICIT)

CURRENT LIABILITIES	
Accounts Payable	\$ 641,503
Current Maturities of Long-term Debt (Note 4)	1,956,995
Accrued Interest	38,104
Due to Affiliate (Note 5)	<u>18,703</u>
Total Current Liabilities	2,655,305
LONG-TERM DEBT, Net of Current Maturities (Note 4)	<u>1,013,856</u>
Total Liabilities	<u>3,669,161</u>
STOCKHOLDERS' EQUITY (CAPITAL DEFICIT)	
Common Stock, 1,000,000 Shares Authorized, 1,000 Shares Issued and Outstanding	1,001,000
Accumulated Deficit During the Development Stage	<u>(2,864,897)</u>
Total Stockholders' Equity (Capital Deficit)	<u>(1,863,897)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (CAPITAL DEFICIT)	<u>\$ 1,805,264</u>

See accompanying accountants' compilation report
and notes to financial statements.



TELEHUB COMMUNICATIONS CORP.
(AN ILLINOIS CORPORATION)
(A Development Stage Company)

STATEMENT OF LOSS AND ACCUMULATED DEFICIT
DURING THE DEVELOPMENT STAGE

JANUARY 18, 1996 (DATE OF INCEPTION) TO DECEMBER 31, 1996

REVENUE	<u>\$ 1,150,000</u>
OPERATING EXPENSES	
Consulting and Development Fees	2,023,252
Indemnification Expense	600,000
Salaries	327,507
Travel Related Expenses	286,938
Licensing Fees	208,928
Professional Fees	151,960
Facility Rentals	111,292
Depreciation and Amortization	75,442
Communications	43,018
Miscellaneous	37,390
Office and Computer Supplies	32,378
Payroll Taxes	27,170
Insurance	19,393
Training	11,970
Equipment Rental	<u>11,529</u>
Total Operating Expenses	<u>3,968,167</u>
Operating Loss	2,818,167
OTHER EXPENSE, Interest	<u>46,730</u>
NET LOSS, Representing Accumulated Deficit During the Development Stage as of December 31, 1996	<u>\$ 2,864,897</u>

See accompanying accountants' compilation report
and notes to financial statements.



TELEHUB COMMUNICATIONS CORP.
(AN ILLINOIS CORPORATION)
(A Development Stage Company)

STATEMENT OF CASH FLOWS

JANUARY 18, 1996 (DATE OF INCEPTION) TO DECEMBER 31, 1996

INCREASE IN CASH	
Cash Flows from Operating Activities	
Net Loss	\$ 2,864,897
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation and Amortization	75,442
Change in assets and liabilities:	
Deposits and Prepaid Expenses	(35,381)
Security Deposits	(73,948)
Accounts Payable and Accrued Expenses	<u>698,310</u>
Net Cash Used in Operating Activities	<u>(2,200,474)</u>
Cash Flows From Investing Activities	
Property and equipment acquisitions	<u>1,586,441</u>
Net Cash Used in Investing Activities	<u>(1,586,441)</u>
Cash Flows From Financing Activities	
Proceeds on long-term borrowings	2,811,243
Proceeds from common stock issued	1,000,500
Equipment obligations incurred	182,071
Equipment obligations repaid	<u>(21,863)</u>
Net Cash Provided by Financing Activities	<u>3,971,851</u>
NET INCREASE IN CASH	184,936
CASH	
Beginning	<u> </u>
Ending	<u>\$ 184,936</u>

See accompanying accountants' compilation report
and notes to financial statements.



TELEHUB COMMUNICATIONS CORP.
(AN ILLINOIS CORPORATION)
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

NOTE 1. DEVELOPMENT STAGE OPERATIONS

TeleHub Communications Corp. (the "Company") is an Illinois corporation, formed January 1996, to develop a wholesale long distance communications carrier network deploying its proprietary technology. The Company is in the process of constructing and installing equipment in three switching centers to be located in Chicago, Illinois, New York, New York and Los Angeles, California. The Company possesses proprietary software and systems, known as the Virtual Service Management System ("VSMS"), which have been under development and will allow the management, billing and control of voice, data and video content using the packetized efficiencies of asynchronous transfer mode ("ATM"). The Company's technology will dynamically manage circuits which will allow greater efficiencies and capacities resulting in carrier circuit cost reductions to the Company and its customers. During 1996, the Company commenced operations by providing consulting services to CAM-NET Communications Network, Inc., a Canadian company, with which the Company had proposed a merger (subsequently abandoned).

It is the Company's policy to expense all operating costs during the development stage period.

At December 31, 1996, TeleHub Communications Corporation (A Nevada Corporation) and TeleHub Leasing Corporation have been incorporated but not yet activated. It is expected that TeleHub Communications Corporation (A Nevada Corporation) will become the parent and holding corporation for the Company; TeleHub Leasing Corporation will be involved in the acquisition of equipment for the operating companies and may, from time-to-time, lease equipment to the operating companies.

It is the intention of the Company in early 1997 to do a private placement for an initial public offering, as discussed in Note 8. If this offering is unsuccessful, the future operations of the Company are uncertain.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

At December 31, 1996, TeleHub Communications Corporation (A Nevada Corporation) and TeleHub Leasing Corporation are inactive and not included in the reported results of the Company.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting.

(CONTINUED)

See accompanying accountants' compilation report.



TELEHUB COMMUNICATIONS CORP.
(AN ILLINOIS CORPORATION)
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

Revenue Recognition

Revenue from consulting services is recognized over the period of the contract as work progresses based upon the estimated percentage of completion.

Research and Development Costs

Costs related to the development and enhancement of the Company's VSMS are expensed when incurred.

Depreciation and Amortization

Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the assets or the length of the lease, whichever is shorter. Estimated useful lives range from 3 to 10 years for general office and computer equipment. Expenditures incurred related to switching centers under construction are capitalized but not depreciated until the facility is operational.

Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Use of Estimates

In preparing financial statements in accordance with generally accepted accounting principles, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Deferred Income Taxes

The timing and recognition of various income and deductions in the financial statements may differ for federal and state income tax purposes, giving rise to deferred tax provisions. The value of future tax benefits of approximately \$1,092,000, related to the net operating loss carryforward of approximately \$2,800,000, has been reduced by a valuation allowance of the same amount.

See accompanying accountants' compilation report.



ELEHUB COMMUNICATIONS CORP.
(AN ILLINOIS CORPORATION)
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 3. PROPERTY AND EQUIPMENT

Property and Equipment consists of the following:

Equipment deposits	\$ 988,124
Equipment	457,254
Leasehold Improvements in process	98,477
Office Furnishing deposits	50,000
Furniture and Fixtures	<u>12,586</u>
	1,586,441
Less Accumulated Depreciation	<u>75,442</u>
Net Property and Equipment	<u>\$ 1,510,999</u>

Depreciation expense for the year was \$75,442.

NOTE 4. LONG-TERM DEBT

Long-term Debt consists of the following:

Bridge loan payable - Hartford Holdings, Ltd., unsecured commitment for total advances of \$1,000,000 by January 31, 1997, interest compounded quarterly at 17% per annum, principal and interest payable from proceeds of Company's debt or equity but not later than July 1, 1997	\$ 400,000
Notes payable - Hartford Holdings, Ltd., unsecured, interest at 7.5% per annum, compounded quarterly, interest and principal payable from proceeds of Company's security offering but not later than August 30, 1997, convertible into securities of the Company on same terms as extended to other investors as provided in a private placement offering	1,500,000
Note payable - Hartford Holdings, Ltd., unsecured, interest at 12% per annum, compounded quarterly, interest and principal payable from proceeds of Company's security offering but not later than July 1, 1998	411,243

(CONTINUED)

See accompanying accountants' compilation report.



TELEHUB COMMUNICATIONS CORP.
(AN ILLINOIS CORPORATION)
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 4. LONG-TERM DEBT (CONCLUDED)

Note payable - Hartford Holdings, Ltd., unsecured, interest at 7.5% per annum, compounded quarterly, interest and principal payable from proceeds of Company's security offering but not later than August 1, 1998, convertible into securities of the Company on same terms as extended to other investors as provided in a private placement offering	450,000
Note payable - Donald H. Sledge, unsecured, interest at 7.5% per annum, compounded quarterly, interest and principal payable from proceeds of Company's security offering but not later than August 1, 1998, convertible into securities of the Company on same terms as extended to other investors as provided in a private placement offering, net of stock subscription due of \$500	49,500
IBM Credit Corporation, computer equipment, 36 monthly payments of \$5,044 including weighted average interest at 10.04% per annum, final payment due July 7, 1999, secured by the equipment	138,192
AT&T Capital Corp., computer equipment, 36 monthly payments of \$882 including interest at 16.29% per annum, final payment due July 1, 1999, secured by the equipment	<u>21,916</u>
	2,970,851
Less Current Maturities	<u>1,956,995</u>
Long-term Debt	<u>\$ 1,013,856</u>

Maturities of Long-term Debt for the years ending December 31 are as follows:

1997	\$ 1,956,995
1998	\$ 1,013,856

Pursuant to terms of the Bridge Loan Agreement, the Company has granted a warrant for 20% of the total advances and notes (\$2,761,243 at December 31, 1996 and potentially increasing to \$3,361,243 upon full funding of the Bridge Loan commitment) by Hartford Holdings, Ltd., to be exercised at completion of a placement of securities of the Company at the same per share price as extended in the placement. The maximum amount of this warrant will be \$672,249 upon full funding of the \$1,000,000 Bridge Loan Agreement.

See accompanying accountants' compilation report.



TELEHUB COMMUNICATIONS CORP.
(AN ILLINOIS CORPORATION)
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 5. RELATED PARTY TRANSACTIONS

Hartford Holdings, Ltd., a substantial shareholder of the Company, is controlled by Mr. William W. Becker who is Chairman of the Board of Directors of the Company. Mr. Donald H. Sledge, a beneficial interest of the Sledge Family Trust which is a shareholder of the Company, is Vice-chairman, president and chief executive officer of the Company. Hartford Holdings, Ltd. and the Company's president have advanced funds to further the Company's growth and development in amounts further described and disclosed in Note 4 (Long-term Debt). The Company has also indemnified Hartford from losses incurred as disclosed in Note 7. In March 1996, Roseville Computer Projects Limited, an incorporator and significant shareholder, agreed to contribute and assign all rights, title and interest to its proprietary Virtual Management Billing and Control System ("VMBC"), under development since July 1993, as developed to the date of contribution to the Company in exchange for 274 shares of common stock in the Company. The Company has full ownership of the VMBC, now known as VSMS, and, although of significant value, has not assigned a valuation to the VMBC contributed.

During 1996, further development efforts on the VSMS were completed through employees of the Company and programmers and systems developers contracted by Access Point Communications Corp. ("APCC"), a company controlled by the Company's Chief Operating Officer. APCC billed the Company \$974,915 at its cost pursuant to this arrangement. In November 1996, this arrangement was terminated and the Company now directly contracts for these programmers and system developers. APCC also incurred \$40,477 for other operating expenses and management fees and library maintenance fees of \$550,000 on behalf of the Company of which \$18,703 remained outstanding at December 31, 1996.

The Company's Chief Operating Officer has extended, without additional consideration, personal guarantees to further support lender requirements on one operating and one capital lease obligation.

NOTE 6. COMMITMENTS

The Company is obligated under the terms of operating leases with various parties to pay office and switch room rents and operating leases for office equipment and vehicles. These contracts may provide for adjustments or escalations based upon changes in consumer price indices or operating expenses.

(CONTINUED)

See accompanying accountants' compilation report.



TELEHUB COMMUNICATIONS CORP.
(AN ILLINOIS CORPORATION)
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 6. COMMITMENTS (CONCLUDED)

A summary of such fixed commitments at December 31, 1996 for the next five succeeding years and thereafter is as follows:

1997	\$ 421,610
1998	476,973
1999	512,923
2000	543,343
2001	559,757
Thereafter	<u>410,387</u>
Total	<u>\$ 2,924,993</u>

The Company has a significant purchase and financing commitment with DSC Communications Corporation ("DSC"), a Plano, Texas communications equipment manufacturer. The Company has committed to purchase approximately \$17.7 million of communications equipment from DSC Marketing Services, Inc. (a subsidiary of DSC). DSC Finance Corporation, the financing subsidiary of DSC, has agreed to finance 90% of the purchase price. Other lease terms provide a lease payment commencement date of five months from the shipping date of the equipment followed by a twelve-month interest only payment. The interest rate is determinable by reference to an index. At the end of the seventeen month period, the Company may either pay the balance, negotiate terms of a capital lease with DSC or locate alternative financing sources. The Company may reduce the amount of product purchased, generally without penalty, provided cancellation notice occurs 60 days in advance of the scheduled shipping date.

Equipment for the Chicago switch site was shipped by DSC on or about December 31, 1996. Per the supply agreement, title to the equipment passes to the purchaser upon payment of the total invoice. At December 31, 1996 there were deposits on this equipment totaling \$937,914.

The Company has also arranged an outsourcing contract under which DSC will provide personnel to operate the Company's switching centers and network control center for a period of two years at an aggregate contract amount of \$2,100,000. This contract is cancelable at any time by the Company without penalty.

See accompanying accountants' compilation report.



TELEHUB COMMUNICATIONS CORP.
(AN ILLINOIS CORPORATION)
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 7. INDEMNIFICATION EXPENSE

During 1996, the Company agreed to indemnify Hartford Holdings, Ltd. from any losses that might be incurred to Hartford through its efforts to assist in the placement of \$3,000,000 of securities of CAM-NET Communications Network, Inc., a Canadian company with which the Company had proposed a merger. Parties unrelated to Hartford had advanced \$800,000 on a private placement of securities of CAM-NET. Subsequently, CAM-NET paid funds to the Company in connection with its contract for consulting services. When the proposed merger was canceled, the securities offering by CAM-NET was also canceled. The Company has indemnified Hartford from the \$800,000 amount it was required to repay pursuant to the relationship with the advancing party. The Company has recognized this obligation as an expense and additional obligation owing to Hartford (included in Hartford's notes).

NOTE 8. SUBSEQUENT EVENTS

In January 1997, Hartford Holdings, Ltd. completed funding the remaining \$800,000 under the Bridge Loan Agreement.

In January 1997, the Company became a subsidiary of TeleHub Communications Corporation (A Nevada Corporation) by having its shareholders exchange all of their shares in the Company for shares in the newly-created parent corporation at an exchange ratio of 10,000 shares of the parent for each existing outstanding share of the Company. TeleHub Leasing Corporation also simultaneously became a subsidiary of the parent corporation. In conjunction with the reorganization, TeleHub Communications Corp. (An Illinois Corporation) changed its name to TeleHub Network Services Corporation.

In January 1997, TeleHub Communications Corporation (A Nevada Corporation), the newly-created parent corporation, entered into an investment banking commitment under which the investment banker agreed to sell on a "best-efforts basis" a minimum of 40 units and a maximum of 100 units, with rights to extend the offering by an additional 20 units, if over-subscribed. Each unit, priced at \$100,000, consists of 20,000 shares (\$5.00 per share) of Series A Convertible Preferred Stock and 10,000 warrants to purchase common stock of TeleHub Communications Corporation (A Nevada Corporation), to be exercised at a price of \$7.50 per share commencing 180 days after the effective date of an initial public offering or upon the occurrence of specified events. The Series A Convertible Preferred Stock is convertible into common shares on a 1:1 basis and, other than a liquidation preference, possesses rights identical to the common shares.

(CONTINUED)

See accompanying accountants' compilation report.



TELEHUB COMMUNICATIONS CORP.
(AN ILLINOIS CORPORATION)
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

(CONCLUDED)

NOTE 8. SUBSEQUENT EVENTS (CONCLUDED)

The number of Series A Convertible Preferred Shares to be sold (800,000 shares minimum and 2,400,000 shares maximum) are inclusive of amounts of notes convertible into equity. (See Note 5 for additional information.) TeleHub Communications Corporation (A Nevada Corporation) expects to raise a minimum of \$4,000,000 and a maximum of \$12,000,000 from sale of the Series A Convertible Preferred Shares. Pursuant to the commitment, the investment banker will be entitled to underwriting commissions and other fees in an aggregate amount of 12% of the amount of securities sold. Additionally, the investment banker will be entitled to receive warrants (a maximum of 200,000 warrants), at a price of \$.01 each, to be exercised during a three year period thereafter at a price of \$5.50 per share for 10% of the number of shares sold in the offering, excluding shares sold as a result of the debt conversion. Funds raised through the offering will be maintained in escrow until a minimum of \$4,000,000 has been sold.

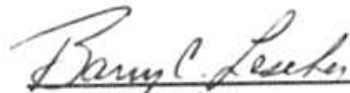
In January 1997, CAM-NET Communications Network, Inc. filed a petition under the British Columbia, Canada Companies' Creditors Arrangement Act which has many provisions similar to a U.S. Chapter XI bankruptcy reorganization. Although the Company has not received any notice of a claim, CAM-NET in their petition disclosed that it is considering the possibility of making a claim against the Company for ±C\$2,000,000 as a result of the billing services contract under which services by the Company were suspended. The Company believes that any such claim is remote and, if made, would not be supportable due to non-performance and other matters within the sole control and responsibility of CAM-NET. Pursuant to the CAM-NET merger agreement which was canceled for breach of warranties and representations, the Company may be entitled to a \$1,000,000 termination fee. No provision or amount receivable has been recorded in the financial statements for these matters.

See accompanying accountants' compilation report.



Statement of Financial Capability

In the opinion of management, TeleHub Network Services Corporation, has sufficient financial capability to enter the Florida telecommunications market and meet its ongoing obligations. In addition to funds available as shown on the financial statements furnished, TeleHub Network Services Corporation has access to additional funding through financial institutions and if necessary through additional capital from the shareholders.



Barry C. Lescher
Executive Vice President

CERTIFICATION OF FINANCIAL STATEMENTS

OATH

STATE OF ILLINOIS

COUNTY OF LAKE

Personally appeared before the undersigned, an officer duly authorized to administer oaths, Barry C. Lescher who first being duly sworn, deposes and says that he is Executive Vice President of TeleHub Network Services Corporation, applicant in this application, that he has read the financial statements enclosed herein as Attachment K and knows the contents thereof, and that the statements made herein are true to the best of his knowledge and belief.


(Signature of Affiant)

Subscribed and sworn before me, this
12th day of May,
1997.


(Notary Public)

(Seal)

My Commission Expires 6-5-99



DEPOSIT

DATE

May 12, 1997

D 5 2 3 ←

MAY 13 1997

Mr. Walter D'Haeseleer
Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

970571-TI

Dear Mr. D'Haeseleer:

Enclosed are the original and twelve (12) copies of TeleHub Network Services Corporation's Application Form for Authority To Provide Interexchange Telecommunications Service Within The State of Florida. Please date-stamp and return the extra copy of the transmittal letter provided as proof of filing. An envelope with the return address and the appropriate postage is attached for this purpose. Also enclosed is a check for \$250 made payable to the Florida Public Service Commission to cover the filing fee.

Any questions regarding the Application or tariff should be referred to Todd Lowe, President, Visiology, Inc., 16061 Carmel Bay Drive, Northport, Alabama 35475. Todd is our regulatory consultant and can be reached at (205) 330-1701.

Your assistance in this matter is greatly appreciated.

Sincerely,

2985



TeleHub Communications Corp

1375 Tri-State Pkwy - Suite 250
Gurnee, IL 60031
(847) 599-1000
FAX (847) 623-1717

FIRST CHICAGO
THE FIRST NATIONAL BANK OF CHICAGO
CHICAGO, ILLINOIS 60602

05/12/97

PAY TO THE
ORDER OF

Florida Public Service Commission

\$ **250.00

Two Hundred Fifty and 00/100*****

DOLLARS

Florida Public Service Commission
Div. of Records & Reporting
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

Bam C. Lesch

MEMO

DEPOSIT

DATE

May 12, 1997

D 5 2 3 ^{AM}

MAY 13 1997

Mr. Walter D'Haeseleer
Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

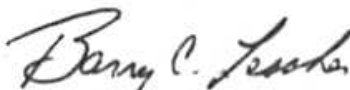
Dear Mr. D'Haeseleer:

Enclosed are the original and twelve (12) copies of TeleHub Network Services Corporation's Application Form for Authority To Provide Interexchange Telecommunications Service Within The State of Florida. Please date-stamp and return the extra copy of the transmittal letter provided as proof of filing. An envelope with the return address and the appropriate postage is attached for this purpose. Also enclosed is a check for \$250 made payable to the Florida Public Service Commission to cover the filing fee.

Any questions regarding the Application or tariff should be referred to Todd Lowe, President, Visiology, Inc., 16061 Carmel Bay Drive, Northport, Alabama 35475. Todd is our regulatory consultant and can be reached at (205) 330-1701.

Your assistance in this matter is greatly appreciated.

Sincerely,



Barry C. Lescher
Executive Vice President

Enclosures

Check received with filing and
for funds deposited for deposit.
Filed to [unclear] of check
to [unclear] deposit.

Initials of person who forwarded check: