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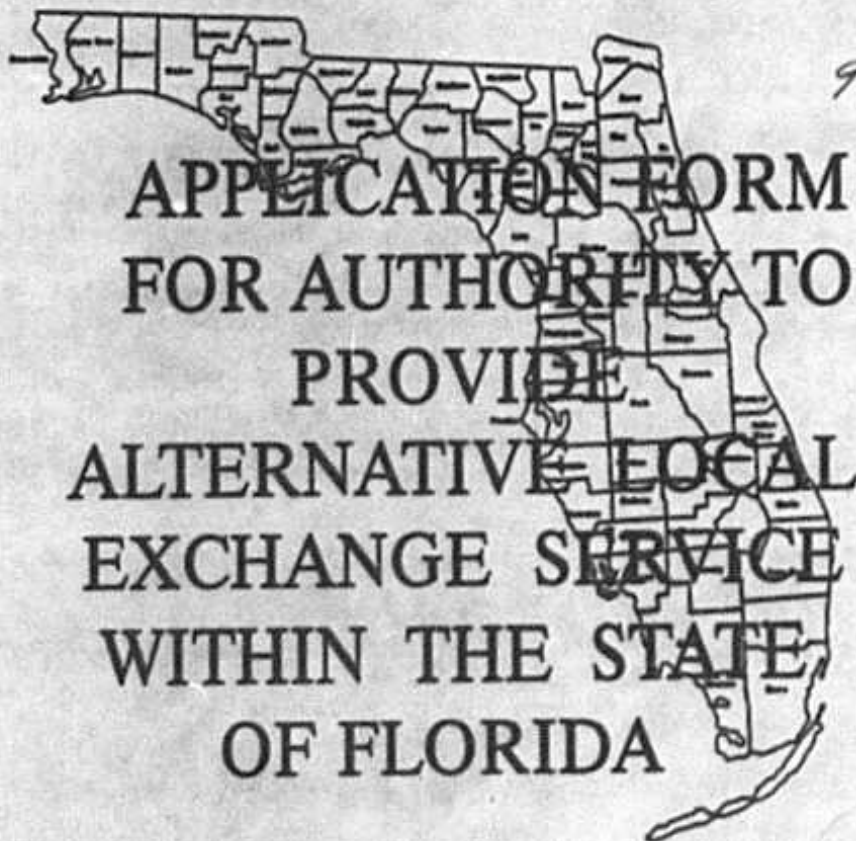
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AUG 14 1997

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RECEIVED
FLORIDA PUBLIC SERVICE COMMISSION

971048-TK



DOCUMENT NUMBER-DATE
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FPSC RECORDS/REPORTING

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

Original authority (new company)

Approval of transfer (to another certificated company)

Example, a certificated company purchases an existing company and desires to retain the original certificate authority.

Approval of assignment of existing certificate (to a noncertificated company)

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

Approval for transfer of control (to another certificated company)

Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of applicant:

ETS (Electronic Technical Services)/ARC.NET

3. A. National mailing address including street name, number, post office box, city, state, zip code, and phone number.

648 North Beal Parkway 1-850-863-9280
Fort Walton Beach, FL 32547

B. Florida mailing address including street name, number, post office box, city, state, zip code, and phone number.

648 North Beal Parkway 1-850-863-9280
Fort Walton Beach, FL 32547

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

648 North Beal Parkway
Fort Walton Beach, FL 32547
1-850-863-9280

FORM PSC/CHU 8 (07/95)
Required by Chapter 364.337 F.S.

4. Structure of organization:

Individual
 Foreign Corporation
 General Partnership
 Joint Venture

Corporation
 Foreign Partnership
 Limited Partnership
 Other, Please explain _____

- Partnership dissolved in 1996. Presently sole proprietor*
5. If incorporated, please provide proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

Corporate charter number: _____

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

ETS/ARC.NET

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

Fictitious name registration number: _____

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

Richard E Fallon President/owner

9. State whether any of the officers, directors, or any of the ten largest stockholders have previously been adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. If so, please explain.

none of these events have occurred

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

*Richard E Fallon
648 North Beal Parkway*

1-850-863-9280

FC. Walton Beach, FL 32547 email address dicke@arc.net

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

none

12. Has the applicant been denied certification in any other state? If so, please list the state and reason for denial.

no

13. Have penalties been imposed against the applicant in any other state? If so, please list the state and reason for penalty.

no

14. Please indicate how a customer can file a service complaint with your company.

*Call between 9-8 Monday - Friday
10-4 Saturday*

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

A. Financial capability.

Regarding the showing of financial capability, the following applies:

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

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

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

1. Please provide documentation that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.
2. Please provide documentation that the applicant has sufficient financial capability to maintain the requested service.
3. Please provide documentation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

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

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

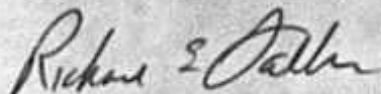
If the applicant does not have audited financial statements, it shall be so stated. The unaudited financial statements should then be signed by the applicant's chief executive officer and chief financial officer. The signatures should attest that the financial statements are true and correct.

B. Managerial capability.

C. Technical capability.

Introduction

ETS(Electronic Technical Services)/ARC.NET Internet Services is a locally owned and operated computer business that has been doing business in Fort Walton Beach for over ten years. We employ approximately 20 employees and have a wide range of computer related capabilities. For the past eight years we have produced one of the finest IBM compatible computers that is made in the country. Sales have been to government agencies, corporations, small business and professional offices, and individuals. In addition, ARC.NET is one of the largest internet providers in the area and is growing several hundred percent per year. Part of this expansion is to resell bandwidth to the internet, provide multi-protocol connectivity in the region and be a provider of wireless data connectivity. We have considerable experience in a variety of networking protocols, connectivity and equipment and offer solutions to practically any computer related needs. Although Windows NT networking is our specialty, we can provide sales, set up, and service on Novell, Microsoft Windows, Lantastic, UNIX, and other networking operating systems. At the present time, ETS is moving forward to becoming a government/commercial network for the handling of EDI and secure transactions. This move will allow us to use the spin-offs from this secure system to provide enhanced security to all our customer base. Our unique capability is that we combine a large number of computer related capabilities under one roof. We can design a solution and make it work with industry standard hardware and software. When necessary we can customize the solution (software programming, custom hardware, and a variety of connectivity) to fit the exact needs of the customer.



Richard E. Fallon (Dicke)
Owner/President ETS/ARC.NET

Technical and Managerial Capability

Richard E. Fallon, owner/President of ETS/ARC.NET. Experience-Graduate of USAF Academy with degree in engineering. Retired Air Force Engineer and pilot with test experience wireless technology. Business owner with 10 years experience in electronics/computer businesses. Over 8 years experience with commercial data transfer. This includes point to point and automated repository transfer. Over tow years experience as and Internet provider to both commercial and private users.

John Null, web manager ETS/ARC.NET Experience-Over 16 years experience with a variety of hardware and software connectivity solutions using a variety of protocols and operating system. Provides unique solutions to data connectivity problems. Six years experience with Naval electronics and ten years in the private sector. An experienced computer technician with over 6 years experience with Internet and data transfer connectivity.

Sjon Bullard, Manager ETS/ARC.NET. Experience-Considerable store management and computer related experience. Over 20 years experience in computer related fields with 8 years experience in management. Over 4 years experience with data transfer using high speed data lines and standard telephone lines both dedicated and standard analog lines.

Frances Giusto, Full Charge Bookkeeper/Administrative Assistant ETS/ARC.NET Experience-Over one year experience in accounting and billing Internet customers and maintaining records for company.

Jessie Fallon-Miller, Customer Service Representative. Experience-Over two years experience working in customer relations.

Timothy Lamberth, Sales Manger Experience-Over ten years experience in retail management, sales and service related fields.

Josh Fallon, Remote Programmer Contractor. Experienced in multiple protocols. Graduate of USAF Academy with a EE degree.

George Hayes, Contractor. Experience-Connects large and small telephone systems for both military and civilian organizations

Credit Information

Company Name: Electronics Technical Services dba ETS Computers
Owner: Richard E. Fallon
Date Established: November 1, 1991
Tax numbers: [REDACTED]

Contact Person: Sjon Bullard (Manager)
Phone: Voice: (850) 863-9280 Fax: (850)863-9779
2nd: (850) 862-2277 BBS: (850)863-9740
3rd: (850)862-6840

Billing Address: 648 North Beal Parkway
Fort Walton Beach, FL 32547

Banking Information

Account Name:	Electronics Technical Service	Electronics Technical Service
Bank Name:	Barnett Bank	Compass Bank
Account Number:	[REDACTED]	[REDACTED]
Contact Name:	Joel V. Unger	Stephanie
Bank Address:	701 John Sims Parkway Niceville, FL 32578	429 Mary Esther Cut-off Fort Walton Beach, FL 32548
Phone:	850-729-4122	850-833-6340

Trade References

Company Name: Supercom
Contact Person: Christine
Phone: Voice 1-800-201-8886
Address: 10175 Harwin Drive #100
Houston, TX 77036

Company Name: D&H Distributing
Contact Person: Rick
Phone: Voice: 1-800-877-1200
Address: PO Box 60168
Charlotte, NC 28260

Company Name: Tech Data
Contact Person: N/A
Phone: Voice: 1-800-877-1200
Address: 6115B Northbelt Drive
Norcross, GA 30071

Electronic Technical Services
Balance Sheet
December 31, 1994

Assets	
Cash	\$10,120.00
Accounts Receivable	\$8,295.00
Inventories	\$14,556.00
Net Fixed Assets	\$6,965.00
Other Assets	\$400.00
Total Assets	<u>\$40,336.00</u>

Liabilities And Owners Equity

Liabilities	
Accounts payable	\$10,613.00
Notes payable	\$7,371.00
Other Liabilities	\$25,073.00
Nonrecourse Loans	\$19,525.00
Total Liabilities	<u>\$62,582.00</u>

Owner's Equity	<u>(\$22,246.00)</u>
Total Liabilities and Owner's Equity	<u>\$40,336.00</u>

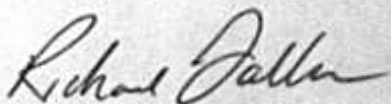
I attest that this statement is true and correct
This statement is unaudited


Richard E. Fallon
Owner

Electronic Technical Services
Income Statement
For Year Ended December 31, 1994

Sales		\$ 293,159.00
Less: Cost of Goods Sold		<u>\$ (223,918.00)</u>
Gross Profit		\$ 69,241.00
Operating Expenses		
Salaries	\$ 19,218.00	
Guaranteed Payments	\$ 8,150.00	
Repairs and Maintenance	\$ 440.00	
Rent	\$ 16,469.00	
Taxes and Licenses	\$ 85.00	
Interest	\$ 2,930.00	
Depreciation	\$ 6,512.00	
Other Deductions	\$ 45,937.00	
Total Expenses		<u>\$ (99,741.00)</u>
Net Loss		<u>\$ (30,500.00)</u>

I attest that this statement is true and correct.
This statement is unaudited

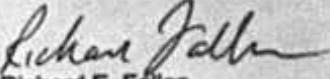


Richard E. Fallon
Owner

**Electronic Technical Services
Statement of Partners' Capital Accounts
December 31, 1994**

	Fallon	Haynes	Totals
Capital January 1, 1994	\$ 52,569.00	\$ (44,315.00)	\$ 8,254.00
Less: Net Loss	\$ (15,250.00)	\$ (15,250.00)	\$ (30,500.00)
Capital Dember 31, 1994	<u>\$ 37,319.00</u>	<u>\$ (59,665.00)</u>	<u>\$ (22,246.00)</u>

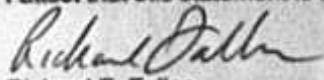
I attest that this statement is true and correct
This statement is unaudited


Richard E. Fallon
Owner

Electronic Technical Services
Balance Sheet
December 31, 1995

Assets	
Accounts Receivable	\$ 10,223.00
Inventories	\$ 30,549.00
Net Fixed Assets	\$ 35,281.00
Other Assets	\$ 400.00
Total Assets	<u>\$ 76,453.00</u>
Liabilities and Owner's Equity	
Account Payable	\$ 3,994.00
Notes Payable	\$ 7,000.00
Other Liabilities	\$ 24,237.00
Line of Credit	\$ 40,850.00
Total Liabilities	<u>\$ 76,081.00</u>
Owner's Equity	<u>\$ 372.00</u>
Total Liabilities and Owner's Equity	<u>\$ 76,453.00</u>

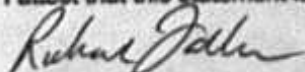
The statement is unaudited. It was prepared from a tax return prepared by a CPA
I attest that this statement is true and correct.


Richard E. Fallon
Owner

Electronic Technical Services
Income Statement
For Period Ended December 31, 1995

Sales		\$445,318.00
Less: Cost of Goods Sold		(314,684.00)
Gross Profit		<u>\$130,634.00</u>
Operating Expenses		
Salaries	\$25,389.00	
Repairs and Maintenance	\$258.00	
Rent	\$19,862.00	
Taxes and Licenses	\$4,565.00	
Depreciation	\$15,684.00	
Other Deductions	\$61,301.00	
Total Expenses		<u>(\$130,630.00)</u>
Net Profit		<u>\$4.00</u>

The statement is unaudited. It was prepared from a tax return prepared by a CPA.
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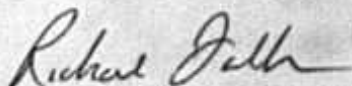


Richard E Fallon
Owner

**Electronic Technical Services
Statement of Partners' Capital Accounts
December 31, 1995**

	Fallon	Haynes	Totals
Capital January 1, 1995	\$ 37,319.00	\$ (59,565.00)	\$ (22,246.00)
Add Investments	26,280.00		26,280.00
Net Income	3.00	1.00	4.00
	<u>\$ 63,602.00</u>	<u>\$ (59,564.00)</u>	<u>\$ 4,038.00</u>
Less Withdrawals	<u>\$ (1,700.00)</u>	<u>\$ (1,968.00)</u>	<u>\$ (3,668.00)</u>
Capital December 31, 1995	<u>\$ 61,902.00</u>	<u>\$ (61,530.00)</u>	<u>\$ 372.00</u>

The statement is unaudited. It was prepared from a tax return that was prepared by a CPA.
I attest that this statement is true and correct.



Richard E. Fallon
Owner


Electronic Tehnical Services
Balance Sheet
December 31, 1996

Cash	\$ 2,125.00
Accounts Receivable	\$ 19,444.00
Inventory	\$ 51,197.00
Net Fixed Assets	\$ 51,176.00
Other Assets	\$ 753.00
Total Assets	<u>\$ 124,695.00</u>

Liabilities And Owner's Equity	
Accounts Payable	\$ 3,994.00
Notes Payable	\$ 29,893.00
Other Liabilities	\$ 46,743.00
Line of Credit	\$ 49,950.00
Total Liabilities	<u>\$ 130,580.00</u>

Owner's Equity	<u>\$ (5,885.00)</u>
Total Liabilities and Owner's Equity	<u>\$ 124,695.00</u>

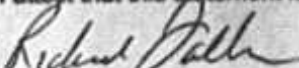
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Richard E. Fallon
Owner

Electronic Technical Services
Income Statement
For Period Ended December 31, 1996

Sales		\$ 864,344.00
Less: Cost of Goods Sold		<u>\$ (629,408.00)</u>
Gross Profit		\$ 234,938.00
Other Income		<u>\$ 2,614.00</u>
Total Income		\$ 237,552.00
Operating expenses		
Salaries	\$ 67,804.00	
Repairs and Maintenance	\$ 788.00	
Rent	\$ 14,769.00	
Taxes and Licenses	\$ 7,827.00	
Interest	\$ 12,141.00	
Depreciation	\$ 20,864.00	
Other Deductions	\$ 121,994.00	
Total Expenses		<u>\$ (246,187.00)</u>
Net Loss		<u>\$ (8,635.00)</u>

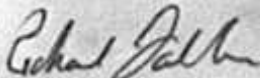
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 Richard E. Fallon
 Owner

**Electronic Technical Services
Statement of Partners' Capital Accounts
December 31, 1996**

	Fallon	Haynes	
Capital January 1, 1996	\$ 61,902.00	\$ (61,530.00)	\$ 372.00
Add: Investments	<u>14,853.00</u>		<u>14,853.00</u>
	\$ 76,755.00	\$ (61,530.00)	\$ 15,225.00
Less: Withdrawals	<u>\$ (9,425.00)</u>	<u>\$ (3,050.00)</u>	<u>\$ (12,475.00)</u>
Net Loss	<u>\$ (7,772.00)</u>	<u>\$ (863.00)</u>	<u>\$ (8,635.00)</u>
	<u>\$ 59,558.00</u>	<u>\$ (65,443.00)</u>	<u>\$ (5,885.00)</u>

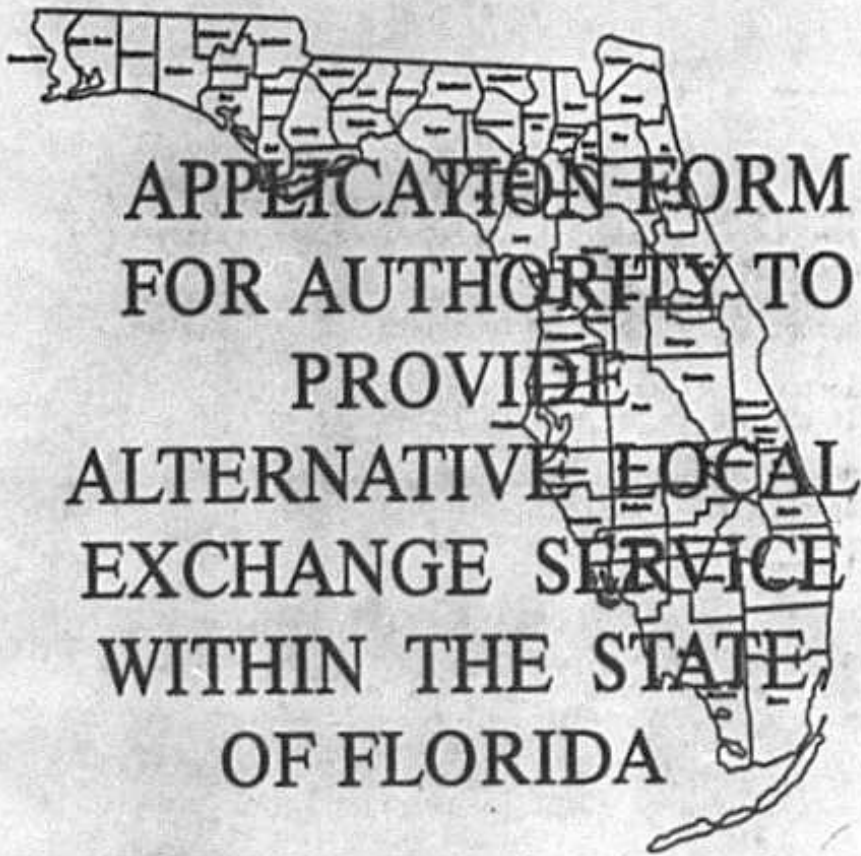
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Richard E. Fallon
Owner

DEPOSIT
D592TM

DATE
AUG 14 1997

MAIL ROOM
97 AUG 14 1997
FEDERAL RESERVE BANK
ATLANTA, GA



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

ELECTRONICS TECHNICAL SERVICE
ARCNET INTERNET SERVICES
PH. 904-863-9280
648 N. BEAL PKWY
FORT WALTON BEACH, FL 32547

3732

PAY TO THE
ORDER OF

Florida Public Service Commission

12 Aug 1997

\$ 250.00

Two hundred and fifty and 00/100

DOLLARS

Barnett

618-626
180 Ryan Parkway Northwest
Fort Walton Beach, Florida 32548

Sign R. Bullard

FOR