

MAXWELL, BAKER & McFATRIDGE, P.C.

ATTORNEYS AT LAW
17625 EL CAMINO REAL, SUITE 310
HOUSTON, TEXAS 77058

KYLE L. DICKSON
OF COUNSEL

DIRECT (281) 480-5137
TELEPHONE (281) 286-1040
FACSIMILE (281) 286-1043

September 30, 1997

DEPOSIT

DATE

D 6 2 8

OCT 0 6 1997

VIA FEDERAL EXPRESS

Florida Public Service Commission
Secretary
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0866

971291-TX

Re: *Application for EZ Talk Communications, L.L.C. for Authority to Provide Alternative Local Exchange Service Within the State of Florida.*

Dear Sir or Madam:

Enclosed herewith for filing on behalf of *EZ Talk Communications, L.L.C.* please find an original and six (6) copies of its Application for Authority to Provide Alternative Local Exchange Services within the State of Florida. Also, please find our firm check in the amount of \$250.00 made payable to the Florida Public Service Commission to cover filing fees.

Please date-stamp the extra copy and return to the undersigned in the self-addressed stamped envelope provided. If you have any questions, please contact me at (281) 286-1040.

Respectfully submitted,

Kyle L. Dickson

Enclosures

9 SHARED W/DOC&L\CLIENTS\EZTALK\FIAPUC 097

DOCUMENT NUMBER-DATE

10180 OCT-66

FPSC-RECORDS/REPORTING

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

**APPLICATION FORM
for**

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

INSTRUCTIONS

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

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

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

-
1. This is an application for (check one):
- (X) 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:
EZ Talk, L.L.C.
3. A. National mailing address including street name, number, post office box, city, state, zip code, and phone number.
- 12823 Park One
Sugarland Tx 77478
(713) 277-6161**
- B. Florida mailing address including street name, number, post office box, city, state, zip code, and phone number.
- 1200 South Pine Island Road
Plantation, Florida 33324
(305) 473-5503**
- C. Physical address of alternative local exchange service in Florida including street name, number, post office box, city, zip code, and phone number.
N/A.

4. Structure of organization:

- | | |
|---|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Corporation |
| <input checked="" type="checkbox"/> Foreign Corporation | <input type="checkbox"/> Foreign Partnership |
| <input type="checkbox"/> General Partnership | <input type="checkbox"/> Limited Partnership |
| <input type="checkbox"/> Joint Venture | <input type="checkbox"/> Other, Please explain _____ |

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

Corporate charter number: _____

A copy of Applicant's Certificate of Authority to do Business in Florida is attached hereto as Exhibit "A".

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

EZ TALK, L.L.C.

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

Fictitious name registration number: N/A. _____

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

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

None

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

Ongoing Operations:

James C. Brown
President
12823 Park One
Sugarland, Tx 77478
(713) 277-6161

Application

Kyle L. Dickson
Maxwell, Baker & McFatridge, P.C.
17625 El Camino Real, Ste. 310
Houston, Texas 77058
(281) 286-1040 (Phone)
(281) 286-1043 (Fax)

11. Please list other states in which the applicant is currently providing or has applied to provide local exchange or alternative local exchange service.
Texas
12. Has the applicant been denied certification in any other state? If so, please list the state and reason for denial.
No.
13. Have penalties been imposed against the applicant in any other state? If so, please list the state and reason for penalty.
No.
14. Please indicate how a customer can file a service complaint with your company.
Customers can either call the Company's toll-free telephone number (800) 804-6880 or write to the Company directly.

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

A. Financial capability. See Exhibit "B".

Regarding the showing of financial capability, the following applies:

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

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

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

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

B. Managerial capability. See Exhibit "C".

C. Technical capability. See Exhibit "C".

AFFIDAVIT

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

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

Official:  9/2/97
Signature Date

Title: President (713) 277-6161
Telephone Number

Address: EZ Talk, L.L.C.
12823 Park One
Sugarland, Tx 77478

EXHIBIT "A"

**CERTIFICATE OF AUTHORITY TO DO
BUSINESS IN THE STATE OF FLORIDA**



FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

July 30, 1997

C T CORPORATION SYSTEM
TALLAHASSEE, FL

Qualification documents for E Z TALK COMMUNICATIONS, L.L.C. were filed on July 30, 1997, and assigned document number M97000000463. Please refer to this number whenever corresponding with this office.

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

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

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

Should you have any questions regarding this matter, please telephone (850) 487-6051, the Registration and Qualification Section.

Buck Kohr
Corporate Specialist
Division of Corporations

Letter Number: 997A00038942

APPLICATION BY FOREIGN LIMITED LIABILITY COMPANY FOR AUTHORIZATION TO TRANSACT BUSINESS IN FLORIDA

IN COMPLIANCE WITH SECTION 608.503, FLORIDA STATUTES, THE FOLLOWING IS SUBMITTED TO REGISTER A FOREIGN LIMITED LIABILITY COMPANY TO TRANSACT BUSINESS IN THE STATE OF FLORIDA:

SECRETARY OF STATE
DIVISION OF CORPORATIONS
APR 30 PM 3:2

1. E Z Talk Communications, L.L.C.
(Name of foreign limited liability company must end with the words "limited company" or their abbreviation "L.C." if not so contained in the name at present.)
2. Texas
(Jurisdiction under the law of which foreign limited liability company is organized)
3. 76-0520632
(FEI number, if applicable)
4. 9/12/96
(Date of Organization)
5. Perpetual
(Duration: Year limited liability company will cease to exist or "perpetual")
6. Upon Qualification
(Date first transacted business in Florida. (See sections 608.501, 608.502 and 817.155, F.S.)
7. 12823 Park One Drive, Sugarland, TX 77478

(Street address of principal office)

8. List and indicate in title space provided the name, title, and business address of each managing member [MGRM] or manager [MGR]. It is not necessary to list members.
(attach additional page if necessary)

NAME & ADDRESS:	TITLE:	NAME & ADDRESS:	TITLE:
<u>James C. Brown</u> <u>12823 Park One Drive,</u> <u>Sugarland, TX 77478</u>	<u>MGR</u>	<u>E. B. Thomas</u> <u>12823 Park One Drive,</u> <u>Sugarland, TX 77478</u>	<u>MGR</u>
<u>J. L. Rose</u> <u>12823 Park One Drive,</u> <u>Sugarland, TX 77478</u>	<u>MGR</u>	<u>Randy Beakley</u> <u>12823 Park One Drive,</u> <u>Sugarland, TX 77478</u>	<u>MGR</u>

Filing Fee: \$ 52.50 for Application

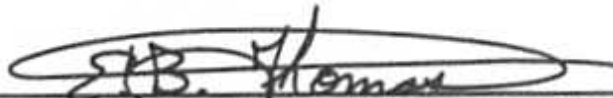
**AFFIDAVIT OF MEMBERSHIP AND CONTRIBUTIONS OF FOREIGN
LIMITED LIABILITY COMPANY**

FILED IN STATE
SECRETARY OF CORPORATIONS
97 JUL 30 PM 3:12

The undersigned member or authorized representative of a member of _____

E Z Talk Communications, L.L.C. deposes and says:

- 1) the above named limited liability company has at least two members
- 2) the total amount of cash contributed by the member(s) is \$ 250,000.00
- 3) if any, the agreed value of property other than cash contributed by member(s) is
\$ 0.00. A description of the property is attached and made a part hereto.
- 4) the total amount of cash or property anticipated to be contributed by member(s) is
\$ 250,000.00. This total includes amounts from 2 and 3 above.



Signature of a member or authorized representative of a member.
(In accordance with section 608.408(3), Florida Statutes, the execution of this affidavit
constitutes an affirmation under the penalties of perjury that the facts stated herein are true.)

Filing Fee: \$52.50 for Affidavit

**CERTIFICATE OF DESIGNATION OF
REGISTERED AGENT/REGISTERED OFFICE**

PURSUANT TO THE PROVISIONS OF SECTION 608.415 OR 608.507, FLORIDA STATUTES, THE UNDERSIGNED LIMITED LIABILITY COMPANY SUBMITS THE FOLLOWING STATEMENT IN DESIGNATING THE REGISTERED OFFICE/REGISTERED AGENT, IN THE STATE OF FLORIDA.

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
9 17 JUL 30 PM 3:12

1. The name of the limited liability company is: _____

E Z Talk Communications, L.L.C.

2. The name and address of the registered agent and office is:

C T CORPORATION SYSTEM
(Name)

c/o C T CORPORATION, 1200 South Pine Island Road,
(P.O. Box ~~not~~ acceptable)

Plantation, Florida 33324
(City/State/Zip)

Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

C T CORPORATION SYSTEM

Victor Alfano
(Signature)

7 | 29 | 97
(Date)

Victor Alfano Asst. Sec.

FILING FEE: \$ 35 for Designation of Registered Agent

EXHIBIT "B"

BALANCE SHEET

INCOME STATEMENT

STATEMENT OF RETAINED EARNINGS FOR 3 YEARS

EZ TALK COMMUNICATIONS, LLC.

12823 PARK ONE

SUGARLAND, TEXAS 77479

COMPILED FINANCIAL STATEMENTS
July 31, 1997

SLIVA, GLASSETT & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
1715 EIGHTH STREET
BAY CITY, TEXAS 77414
(409) 245-7361

SLIVA, GLASSETT & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
1715 EIGHTH STREET
BAY CITY, TEXAS 77414
(409) 245-7361

E.Z. Talk Communications, LLC.
12823 Park One
Sugarland, Texas 77479

We have compiled the accompanying balance sheet for E.Z. Talk Communications, LLC, (a limited liability company) as of July 31, 1997, the related statements of income and cash flows for the seven months ended July 31, 1997, 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 the members. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The managers have elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Limited Liability Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The accompanying financial statements do not include a provision or liability for federal income taxes because the members are taxed individually on their share of limited liability company earnings.

Sliva, Glassett & Co. P.C.

September 4, 1997

Z TALK COMMUNICATIONS, LL
BALANCE SHEET
AS OF JULY 31, 1997

ASSETS

CURRENT ASSETS:

ACCOUNTS RECEIVABLE	\$ 87,295.40	
ACCOUNTS RECEIVABLE - OTHER	6,812.38	
PREPAID PROVIDER CHARGES	17,728.25	
PREPAID HEALTH INSURANCE	<u>3,117.62</u>	
TOTAL CURRENT ASSETS		114,953.65

FIXED ASSETS:

OFFICE & COMPUTER EQUIPMENT	75,578.56	
FURNITURE AND FIXTURES	6,233.38	
ACCUMULATED DEPRECIATION	<u>(8,507.14)</u>	
NET FIXED ASSETS		73,304.80

OTHER ASSETS:

START UP COSTS	13,362.00	
ACCUMULATED AMORTIZATION	(2,072.60)	
DEPOSITS	<u>750.00</u>	
TOTAL OTHER ASSETS		<u>12,039.40</u>

TOTAL ASSETS

\$ 200,297.85

SEE ACCOUNTANT'S COMPILATION REPORT.

TALK COMMUNICATIONS, LLC
 BALANCE SHEET
 AS OF JULY 31, 1997

LIABILITIES AND EQUITY

CURRENT LIABILITIES:

CHECKS DRAWN IN EXCESS	\$	24,280.13	
OF CHECKING ACCOUNT BALANCES			
ACCOUNTS PAYABLE		142,868.44	
ACCRUED EXPENSES PAYABLE		3,189.70	
FICA TAXES PAYABLE		2,266.71	
WITHHOLDING TAXES PAYABLE		943.00	
FUTA & SUTA TAXES PAYABLE		1,034.14	
STATE SALES TAX PAYABLE		13,850.16	
TX TELECOMMUNICATION ASSESS.		332.85	
911 TAX PAYABLE		2,279.04	
FCC TAX PAYABLE		4,677.92	
DEFERRED REVENUE		<u>65,402.00</u>	
TOTAL CURRENT LIABILITIES			261,124.09

LONG-TERM LIABILITIES:

NOTE PAYABLE - MERCHANTS		<u>43,822.90</u>	
TOTAL LONG-TERM LIABILITIES			<u>43,822.90</u>

TOTAL LIABILITIES

304,946.99

CAPITAL:

BEG CAPITAL-JAMES C. BROWN		1,737.59	
CONTRIBUTIONS - J.C. BROWN		52,500.01	
BEG CAPITAL - LOU MARKS		1,737.58	
CONTRIBUTIONS - LOU MARKS		52,500.00	
BEG CAPITAL - M CULBERTSON TR		1,737.58	
CONTRIBUTIONS-M.CULBERTSON TR		52,499.99	
BEG CAPITAL-M.LEE HLUCHAN TR		2,085.10	
CONTRIBUTIONS-M.LEE HLUCHAN T		11,000.00	
BEG CAPITAL - RANDY BEAKLEY		1,042.54	
CONTRIBUTIONS - R. BEAKLEY		5,500.00	
BEG CAPITAL - J. L. ROSE		2,085.10	
CONTRIBUTIONS - J. L. ROSE		11,000.00	
NET INCOME (LOSS)		<u>(300,074.61)</u>	
TOTAL EQUITY			<u>(104,649.14)</u>

TOTAL LIABILITIES AND EQUITY

\$ 200,297.85

SEE ACCOUNTANT'S COMPILATION REPORT.

Z TALK COMMUNICATIONS, LL
 INCOME STATEMENT
 FOR THE SEVEN MONTHS ENDED
 JULY 31, 1997

	7 Months Ended July 31, 1997	Pct
REVENUES:		
LOCAL TELEPHONE HOOK-UP	\$ 223,029.92	30.64
BASIC CHARGE	372,527.57	51.17
CALL FORWARDING	3,093.77	0.42
3-WAY CALLING	5,476.38	0.75
UNPUBLISHED NUMBER	1,409.99	0.19
SPEED DIAL	311.17	0.04
CALL RETURN	1,339.71	0.18
CALLER I.D.	22,594.74	3.10
CALL WAITING	27,763.55	3.81
PREPAID LONG DISTANT CARDS	3,024.88	0.42
FCC LINE CHARGE	29,110.00	4.00
MUNICIPAL CHARGE	9,289.35	1.28
LOCAL PLUS CALLING	36.00	0.00
MOVING FEE	7,631.96	1.05
TRIP CHARGE	5,226.36	0.72
METRO LINE ADDITIONAL CHG	3,986.03	0.55
A/R LATE FEE	24,813.13	3.41
AUTO REDIAL	315.81	0.04
CALL BLOCKER	468.81	0.06
ANONYMOUS CALL REJECTION	819.12	0.11
BUSY LINE - DON'T ANSWER	20.16	0.00
ITEMIZED CALLS	1,907.73	0.26
FCC TAX	(3,140.71)	(0.43)
TX STATE SALES TAX	(6,555.68)	(0.90)
TX TELECOMMUNICATIONS ASSESS.	(1,986.94)	(0.27)
CUSTOMER REFUND	(5,297.80)	(0.73)
RETURNED CHECK REVENUE	705.51	0.10
INTEREST INCOME	42.93	0.01
TOTAL REVENUES	<u>727,963.45</u>	<u>100.00</u>
COST OF SERVICES:		
CUSTOMER HOOKUP	150,685.55	20.70
MONTHLY BASIC	121,233.06	16.65
CALL FORWARDING CHARGE	827.90	0.11
3-WAY CALLING CHARGE	1,388.99	0.19
UNPUBLISHED NUMBER CHARGE	384.27	0.05
SPEED DIAL CHARGE	127.49	0.02
CALL RETURN CHARGE	821.49	0.11
CALLER ID CHARGE	10,932.56	1.50
CALL WAITING CHARGE	10,073.42	1.38
LONG DISTANCE CARD CHARGE	2,501.70	0.34
FCC APPROVED CUSTOMER LINE CH	32,897.61	4.52
TRIP CHARGE COSTS	2,071.74	0.28
TOLL RESTRICTION	32,296.35	4.44
CUSTOMER REPAIR	23,090.51	3.17
AUTO REDIAL	111.67	0.02
CALL BLOCKER	75.45	0.01
MUNICIPAL TAX	3,195.96	0.44
ANONYMOUS CALL REJECTION	93.98	0.01

SEE ACCOUNTANT'S COMPILATION REPORT.

Z TALK COMMUNICATIONS, LI
 INCOME STATEMENT
 FOR THE SEVEN MONTHS ENDED
 JULY 31, 1997

	<u>7 Months Ended</u> <u>July 31, 1997</u>	<u>Pct</u>
911 LOCAL TAX	6.02	0.00
BILL PLUS DISKETTE CHARGE	494.83	0.07
ITEMIZED CALLS	34.31	0.00
UNIVERSAL SERVICE CHARGE	<u>249.13</u>	<u>0.03</u>
TOTAL COST OF SERVICES	<u>393,593.99</u>	<u>54.07</u>
 GROSS PROFIT	 <u>334,369.46</u>	 <u>45.93</u>
EXPENSES:		
ACCOUNTING	25,951.28	3.56
ADMIN./CLERICAL SUPPORT SVCS.	15,604.15	2.14
AMORTIZATION	1,695.40	0.23
COURIERS	15,214.11	2.09
BANK CHARGES	2,499.25	0.34
CASH OVER AND SHORT	2,017.89	0.28
COMPUTER SERVICES	8,061.61	1.11
DEPRECIATION	7,550.00	1.04
INSURANCE	500.00	0.07
INTEREST	12,326.60	1.69
LEGAL, PROFESSIONAL FEES	11,940.18	1.64
MANAGER / TECHNICAL SVCS	74,355.16	10.21
MEALS AND ENTERTAINMENT	608.98	0.08
MISCELLANEOUS	2,032.18	0.28
OFFICE EXPENSE	9,402.71	1.29
POSTAGE	3,260.22	0.45
RENT - MAIN OFFICE	7,200.00	0.99
SECURITY	317.54	0.04
SERVICE REPAIRMEN	592.42	0.08
SALARIES - ACCOUNTING	33,737.24	4.63
SALARIES - ADMIN ASSISTANT	26,299.42	3.61
SALARIES - SALES	22,777.26	3.13
SOFTWARE	(2,867.97)	(0.39)
SALARIES - LOCATION REP.	12,166.64	1.67
SUPPLIES	11,894.34	1.63
TAXES - PAYROLL	9,977.56	1.37
TELEPHONE - OFFICE	23,367.62	3.21
TRAVEL	6,637.21	0.91
UTILITIES	3,284.62	0.45
AGENT PROMOTION EXPENSES	2,916.92	0.40
BUSINESS PROMOTIONS	3,837.30	0.53
ADVERTISING - MARKETING FEES	12,895.76	1.77
ADVERTISING - BILLBOARDS	4,500.00	0.62
MEALS AND ENTERTAINMENT	98.09	0.01
ADVERTISING - NEWSPAPER	20,936.21	2.88
ADVERTISING - GREENSHEETS	45,386.82	6.23
ADVERTISING - RADIO	119,871.00	16.47
ADVERTISEMENT - TELEVISION	57,574.00	7.91
LOCATION MARKETERS	11,433.48	1.57
RENT - LOCATIONS	5,905.00	0.81
TELEPHONE - LOCATIONS	<u>685.89</u>	<u>0.09</u>
TOTAL EXPENSES	<u>634,444.09</u>	<u>87.15</u>
 NET INCOME (LOSS)	 <u>(300,074.63)</u>	 <u>(41.22)</u>

SEE ACCOUNTANT'S COMPILATION REPORT.

E TALK COMMUNICATIONS, LLC.
 SCHEDULE 1
 STATEMENT OF CASH FLOWS
 FOR THE SEVEN MONTHS ENDED JULY 31, 1997

CASH FLOWS FROM OPERATING ACTIVITIES:

NET LOSS		\$ (300,074.63)
ADJUSTMENTS TO RECONCILE NET INCOME		
TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	\$ 7,550.00	
AMORTIZATION	1,695.40	
CHANGE IN ASSETS AND LIABILITIES:		
INCREASE IN ACCT'S RECEIVABLE - TRADE	(87,295.40)	
INCREASE IN ACCT'S RECEIVABLE - OTHER	(6,812.38)	
INCREASE IN PREPAID CHARGES	(20,845.87)	
INCREASE IN ACCOUNTS PAYABLE	117,407.84	
INCREASE IN DEFERRED REVENUE	65,402.00	
INCREASE IN ACCRUED EXPENSES	<u>27,785.34</u>	
TOTAL ADJUSTMENTS		<u>104,886.93</u>
NET CASH USED IN OPERATING ACTIVITIES		(195,187.70)

CASH FLOWS FROM INVESTING ACTIVITIES:

DEPOSITS		(420.00)
CAPITAL EXPENDITURES	<u>(66,260.43)</u>	
NET CASH USED IN INVESTING ACTIVITIES		(66,680.43)

CASH FLOWS FROM FINANCING ACTIVITIES:

CAPITAL CONTRIBUTIONS		185,000.00
LOAN PROCEEDS - EQUIPMENT LOAN(S)		55,000.00
PRINCIPAL PAYMENTS ON EQUIPMENT LOAN	<u>(11,177.10)</u>	
NET CASH PROVIDED BY FINANCING ACTIVITIES		<u>228,822.90</u>

NET INCREASE (DECREASE) IN CASH		<u>(33,045.23)</u>
CASH AT BEGINNING OF YEAR		<u>8,765.10</u>
CASH AT STATEMENT DATE		<u>\$ (24,280.13)</u>

SLIVA, GLASSETT & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
1715 EIGHTH STREET
BAY CITY, TEXAS 77414
(409) 245-7361

E.Z. Talk Communications, LLC.
12823 Park One
Sugarland, Texas 77479

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The accompanying financial statements do not include a provision or liability for federal income taxes because the members are taxed individually on their share of limited liability company earnings.

September 4, 1997

SLIVA, GLASSETT & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
1715 EIGHTH STREET
BAY CITY, TEXAS 77414
(409) 245-7361

E.Z. Talk Communications, LLC.
12823 Park One
Sugarland, Texas 77479

We have compiled the accompanying balance sheet for E.Z. Talk Communications, LLC, (a limited liability company) as of December 31, 1996, the related statements of income and cash flows for the two months ended 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 the members. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The managers have elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Limited Liability Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The accompanying financial statements do not include a provision or liability for federal income taxes because the members are taxed individually on their share of limited liability company earnings.

Sliva, Glassett & Co., P.C.

September 5, 1997

TALK COMMUNICATIONS, LLC
BALANCE SHEET
AS OF DECEMBER 31, 1996

ASSETS

CURRENT ASSETS:

CASH IN BANK - MERCHANTS BANK	\$	269.89	
CASH IN BANK - MERCHANT BANK		7,782.32	
CASH IN BANK - WELLS FARGO		712.89	
ACCOUNTS RECEIVABLE - OTHER		<u>1,364.00</u>	
TOTAL CURRENT ASSETS			10,129.10

FIXED ASSETS:

OFFICE & COMPUTER EQUIPMENT		12,226.94	
FURNITURE AND FIXTURES		3,324.57	
ACCUMULATED DEPRECIATION		<u>(957.14)</u>	
NET FIXED ASSETS			14,594.37

OTHER ASSETS:

START UP COSTS		11,998.00	
ACCUMULATED AMORTIZATION		<u>(377.20)</u>	
DEPOSITS		<u>330.00</u>	
TOTAL OTHER ASSETS			<u>11,950.80</u>

TOTAL ASSETS

\$ 36,674.27

SEE ACCOUNTANT'S COMPILATION REPORT.

TALK COMMUNICATIONS, LLC
BALANCE SHEET
AS OF DECEMBER 31, 1996

LIABILITIES AND EQUITY

CURRENT LIABILITIES:		
ACCOUNTS PAYABLE - TRADE	\$ 25,460.60	
ACCRUED EXPENSES PAYABLE	<u>788.18</u>	
TOTAL CURRENT LIABILITIES		26,248.78
LONG-TERM LIABILITIES:		
TOTAL LIABILITIES		26,248.78
CAPITAL:		
CONTRIBUTIONS - J.C. BROWN	15,833.33	
CONTRIBUTIONS - LOU MARKS	15,833.33	
CONTRIBUTIONS - J. DELORENZO	15,833.34	
CONTRIBUTIONS - T. THOMAS	19,000.00	
CONTRIBUTIONS - R. BEAKLEY	9,500.00	
CONTRIBUTIONS - J. L. ROSS	19,000.00	
NET INCOME (LOSS)	<u>(84,574.51)</u>	
TOTAL EQUITY		<u>10,425.42</u>
TOTAL LIABILITIES AND EQUITY		<u>\$ 36,674.27</u>

SEE ACCOUNTANT'S COMPILATION REPORT.

TALK COMMUNICATIONS, LLC
 INCOME STATEMENT
 FOR THE TWO MONTHS ENDED
 DECEMBER 31, 1996

	<u>2 Months Ended</u> <u>December 31, 1996</u>	<u>Pct</u>
REVENUES:		
LOCAL TELEPHONE HOOK-UP	\$ 13,475.63	52.01
BASIC CHARGE	10,168.49	39.25
CALL FORWARDING	85.96	0.33
3-WAY CALLING	207.65	0.80
UNPUBLISHED NUMBER	42.67	0.16
SPEED DIAL	8.67	0.03
CALL RETURN	50.37	0.19
CALLER I.D.	477.15	1.84
CALL WAITING	802.18	3.10
PREPAID LONG DISTANT CARDS	147.54	0.57
ALL OPTIONS	40.00	0.15
CALLER I.D. SET UP FEE	151.00	0.58
MOVING FEE	83.20	0.32
TRIP CHARGE	101.50	0.39
METRO LINE ADDITIONAL CHG	40.00	0.15
A/R LATE FEE	27.50	0.11
CUSTOMER REFUNDS	<u>(152.00)</u>	<u>(0.59)</u>
TOTAL REVENUES	<u>25,757.51</u>	<u>99.41</u>
COST OF SERVICES:		
MONTHLY BASIC	449.95	1.74
CALL FORWARDING CHARGE	7.98	0.03
3-WAY CALLING CHARGE	16.76	0.06
UNPUBLISHED NUMBER CHARGE	6.60	0.03
SPEED DIAL CHARGE	2.66	0.01
CALL RETURN CHARGE	3.50	0.01
CALLER ID CHARGE	47.00	0.18
CALL WAITING CHARGE	118.60	0.46
LONG DISTANCE CARD CHARGE	779.75	3.01
FCC APPROVED CUSTOMER LINE CH	2,494.79	9.63
ORDER PROCESSING	1,692.90	6.53
TOLL RESTRICTION	384.75	1.48
CUSTOMER REPAIR	71.35	0.28
SERVICE CHARGE - OPTIONS	10.28	0.04
PREMISE VISIT	55.48	0.21
CALL BLOCKER	5.50	0.02
MUNICIPAL TAX	104.79	0.40
911 STATE TAX	1.68	0.01

SEE ACCOUNTANT'S COMPILATION REPORT.

TALK COMMUNICATIONS, LLC
 INCOME STATEMENT
 FOR THE TWO MONTHS ENDED
 DECEMBER 31, 1996

	2 Months Ended December 31, 1996	<u>Pct</u>
FCC TAX	3.82	0.01
TX STATE SALES TAX	20.05	0.08
UNIVERSAL SERVICE CHARGE	1,550.39	5.98
NETWORK ACCESS CHARGE	<u>46.20</u>	<u>0.18</u>
TOTAL COST OF SERVICES	<u>7,874.78</u>	<u>30.39</u>
 GROSS PROFIT	 <u>(18,034.73)</u>	 <u>(69.61)</u>
 EXPENSES:		
ACCOUNTING	6,500.00	25.09
ADMIN./CLERICAL SUPPORT SVCS.	5,797.50	22.38
AMORTIZATION	377.20	1.46
BANK CHARGES	44.17	0.17
COMPUTER SERVICES	3,910.62	15.09
DEPRECIATION	957.14	3.69
INSURANCE	333.00	1.29
INTEREST	1,761.20	6.80
LEGAL, PROFESSIONAL FEES	1,806.87	6.97
MANAGER / TECHNICAL SVCS	28,500.00	110.00
MISCELLANEOUS	375.00	1.45
OFFICE EXPENSE	2,833.50	10.94
RENT - MAIN OFFICE	2,825.81	10.91
SECURITY	346.75	1.34
SALARIES - ACCOUNTING	6,749.39	26.05
SOFTWARE - SUPPORT	1,125.00	4.34
SUPPLIES	1,764.53	6.81
TELEPHONE - OFFICE	3,011.31	11.62
TRAVEL	1,114.99	4.30
UTILITIES	510.55	1.97
AUTHORIZED AGENT	124.00	0.48
BUSINESS PROMOTIONS	450.00	1.74
ADVERTISING - DIRECT MAIL	1,343.00	5.18
ADVERTISING - MARKETING FEES	10,721.44	41.38
ADVERTISING - NEWSPAPER	5,192.25	20.04
ADVERTISING - RADIO	7,654.00	29.54
LOCATION MARKETERS	2,448.00	9.45
RENT - LOCATIONS	2,759.50	10.65
RENT-FOOD TOWN	150.00	0.58
TELEPHONE - LOCATIONS	<u>970.52</u>	<u>3.75</u>
TOTAL EXPENSES	<u>102,457.24</u>	<u>395.44</u>
 NET INCOME (LOSS)	 <u>(84,574.51)</u>	 <u>(326.42)</u>

SEE ACCOUNTANT'S COMPILATION REPORT.

E2 TALK COMMUNICATIONS, LLC.
 STATEMENT OF CASH FLOWS -
 INCOME TAX BASIS - SCHEDULE 1
 FOR THE TWO MONTHS ENDED DECEMBER 31, 1996

CASH FLOWS FROM OPERATING ACTIVITIES:

NET LOSS		\$ (84,574.51)
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	\$ 957.14	
AMORTIZATION	377.20	
CHANGE IN ASSETS AND LIABILITIES:		
INCREASE IN ACCOUNTS RECEIVABLE	(1,364.00)	
INCREASE IN ACCOUNTS PAYABLE	25,460.60	
INCREASE IN ACCRUED EXPENSES	<u>788.18</u>	
TOTAL ADJUSTMENTS		<u>26,219.12</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		(58,355.39)

CASH FLOWS FROM INVESTING ACTIVITIES:

DEPOSITS		(330.00)
START UP COSTS	(11,998.00)	
CAPITAL EXPENDITURES	<u>(15,551.51)</u>	
NET CASH USED IN INVESTING ACTIVITIES		(27,879.51)

CASH FLOWS FROM FINANCING ACTIVITIES:

CAPITAL CONTRIBUTIONS		<u>95,000.00</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES		<u>95,000.00</u>

NET INCREASE (DECREASE) IN CASH		<u>8,765.10</u>
CASH AT BEGINNING OF YEAR		<u>0.00</u>
CASH AT STATEMENT DATE		<u>\$ 8,765.10</u>

EXHIBIT "C"

MANAGERIAL AND TECHNICAL CAPABILITIES

EZ TALK COMMUNICATIONS, LLC

Key Employee Background Summaries

James C. Brown, President

Mr. Brown is a graduate of Texas A & I University. In 1981, he formed his own lease service company, George R. Brown Lease Service, Inc., which he owned and operated until 1991. In 1991 it was sold to Newpark Resources, Inc. This company was engaged in the sale lease back of certain types of industrial equipment. From 1991 through 1995 he was executive vice president of Newpark Resources, Inc. and responsible for all of its Texas operation. Additionally, he was the owner of Envirogenics, Inc. from 1991 to 1995 which was engaged in waste disposal and reclamation. This company was acquired by Allwaste, Inc. in 1995. From 1996 to the present he has been the President and Chairman of EZ Talk Telecommunications.

Lisa Ward, Director of Accounting

Ms. Ward is a graduate of the University of Houston. From 1988 to 1992 she was an Assistant Customer Service Manager for Managed Healthcare, Inc. a privately owned PPO organization based in Houston, Texas. From 1992 to 1996 she was an accountant with Soloco, LC a wholly owned subsidiary of Newpark Resources, Inc. where she reported directly to the executive vice president and chief financial officer. From 1996 to the present she has been the accounting manager for EZ Talk Communications.

Richard Garza, Director of Marketing

Mr. Garza is a graduate of Texas A & I University. Since 1989 he has been involved in a number of industries engaged in retail marketing including food and vending. From October, 1996 to April 1997 he was sales manager for an alternative local exchange carrier. From April 1997 to the present has been the director of marketing for EZ Talk in charge of maintaining agent network and sales.

Eillen Singleton, Manager of Customer Service

Prior to joining EZ Talk, Ms. Singleton had experience in the financial and construction industries.

MAXWELL, BAKER & McFATRIDGE, P.C.

ATTORNEYS AT LAW
17625 EL CAMINO REAL, SUITE 310
HOUSTON, TEXAS 77058

KYLE L. DICKSON
OF COUNSEL

PHONE (281) 286-1117
TELEPHONE (281) 286-1040
FACSIMILE (281) 286-1043

September 30, 1997

DEPOSIT DATE
D628TM OCT 06 1997

VIA FEDERAL EXPRESS

Florida Public Service Commission
Secretary
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0866

Re: *Application for EZ Talk Communications, L.L.C. for Authority to Provide Alternative Local Exchange Service Within the State of Florida.*

Dear Sir or Madam:

Enclosed herewith for filing on behalf of *EZ Talk Communications, L.L.C.* please find an original and six (6) copies of its Application for Authority to Provide Alternative Local Exchange Services within the State of Florida. Also, please find our firm check in the amount of \$250.00 made payable to the Florida Public Service Commission to cover filing fees.

Please date-stamp the extra copy and return to the undersigned in the self-addressed stamped envelope provided. If you have any questions, please contact me at (281) 286-1040.

Respectfully submitted,

MAXWELL, BAKER & McFATRIDGE, P.C.
17625 EL CAMINO REAL, SUITE 310
HOUSTON, TEXAS 77058-3052

FIRST PROSPERITY BANK
CLEAR LAKE
P.O. BOX 35560
HOUSTON, TEXAS 77235-5560

10750

10/1/1997

PAY TO THE ORDER OF FLORIDA PUBLIC SERVICE COMMISSION

\$ 250.00

DOLLARS

TWO HUNDRED FIFTY AND 00/100*****

MEMO EZTO2 FILING FEE

DOCUMENT NUMBER-DATE

10188 OCT 06 1997

RECORDS/REPORTING