

40

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF FLORIDA

In re:)
)
Application of MAX-TEL COMMUNICATIONS,)
INCORPORATED For a Certificate of Public)
Convenience and Necessity to Operate as a Reseller)
Of Interexchange Telecommunications Services in)
State of Florida)
_____)

DOCKET NO. 971321-7A

**APPLICATION OF MAX-TEL COMMUNICATIONS, INC. FOR
AUTHORITY TO PROVIDE LOCAL EXCHANGE SERVICE**

Max-Tel Communications, Inc. ("Max-Tel" or "Applicant") hereby requests a Certificate of Public Convenience and Necessity so that it may provide interexchange telecommunications services in the State of Florida. In support of this application, the following is shown:

1. **This is an application for:**
Original authority submitted by Max-Tel Communications, Inc.
Any correspondence regarding this Application should be directed to applicant.
2. **The name of Applicant is:**
Max-Tel Communications, Inc.
3. **The name under which the applicant will do business is:**
Max-Tel Communications, Inc.
4. **Not applicable.**
5. **A. The National calling address and phone number of Applicant is:**
Max-Tel Communications, Inc.
105 N. Wickham
P.O. Box 280
Alvord, TX 76225
(940) 427-2149

B. Not applicable. Max-Tel will have no offices in Florida.
6. **Structure of organization:**
Max-Tel Communications, Inc. is a Foreign Corporation.

7. Legal entities:

Mark Maxey, President
105 N. Wickham
Alvord, TX 76225

Craig Bolin, Vice President
105 N. Wickham
Alvord, TX 76225

8. **Not applicable.**

9. Max-Tel Communications is pending authority to operate in Florida.

10. The ongoing and responsible liaison for this application is:

Mark Maxey, President
Max-Tel Communications, Inc.
105 N. Wickham
Alvord, TX 76225

Phone: (940) 427-2149
Fax : (940) 427-2207

11. Max-Tel is currently authorized to operate in the following states:

Texas, Kansas, Arkansas, Oregon, and Montana

Max-Tel has filed for authority in the following states:

Iowa, Missouri, Nebraska, Utah, and Wyoming

12. Max-Tel Communications, Inc. has never been denied authority in any state.

13. Max-Tel Communications, Inc. has never had any penalties imposed against them.

14. The contact for all end-users inquiries and Commission complaints is:

Mark Maxey
105 N. Wickham
Alvord, TX 76225
(800) 583-2289

15. The complete price list in accordance with Commission Rule 25-24.825 is attached as Exhibit A.

16. A. Financial Qualification:

Attached, as Exhibit B is a copy of Applicant's financial statement, which demonstrates that Applicant has the financial ability to provide and maintain the services which it proposes to offer.

B. Managerial capability:

Attached as Exhibit C is a copy of Applicant's managerial capabilities which demonstrates abilities to provide managerial support for the services which it proposes.

C. Technical capability:

Attached, as Exhibit D is a copy of Applicant's ability to provide access to 911 emergency services which are equivalent to that provided by the local exchange companies in the areas to be served.

EXHIBIT "A"

FLORIDA TARIFF

FLORIDA TELECOMMUNICATIONS TARIFF

Max-Tel Communications, Inc.

105 N. Wickham
Alvord, TX 76225

This tariff contains the descriptions, regulations, and rates applicable to the resale local telecommunications services offered by Max-Tel Communications, Inc. (Max-Tel) within the State of Florida. The Company has principal offices at 105 N. Wickham, Alvord, TX 76225, and telephone number (940) 427-2149. This tariff is on file with the Florida Corporation Commission ("Commission"). Copies may be inspected during business hours at the Company's principal place of business.

Issued:

By: Mark Maxey
President
Max-Tel Communications, Inc.
105 N. Wickham
Alvord, TX 76225

Effective:

CHECK SHEET

Sheets 1 through 15 inclusive of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets are named below and comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this sheet.

<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>
1	original	9	Original
2	original	10	Original
3	original	11	Original
4	original	12	Original
5	original	13	Original
6	original	14	Original
7	original	15	Original
8	original		

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EXPLANATION OF SYMBOLS

Reserved

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President
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105 N. Wickham
Abvord, TX 76225**

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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. Because of various suspension periods, deferrals, etc., the Commission follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff sheet in effect. Consult the Check Sheet for the sheet currently in effect.
- C. Paragraph Numbering Sequence – There are nine (9) levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2.
 - 2.1.
 - 2.1.A
 - 2.1.A.(1).
 - 2.1.A.(1).a.
 - 2.1.A.(1).a.I.
 - 2.1.A.(1).a.I.(A).
 - 2.1.A.(1).a.I.(A).i
 - 2.1.A.(1).a.I.(A).i.(a).
- 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 sheet 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. An asterisk designates all revisions made in a given filing (*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc., remains the same, just revised revision levels on some sheets). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the Commission.

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Effective:

SECTION 1 – TECHNICAL TERMS AND ABBREVIATIONS

Billed Party – The person or entity responsible for payment of the Company's service. The Billed Party is the Customer in whose name service is registered with the Company.

Called Station – The terminating point of a call.

Calling Station – The originating point of a call.

Carrier – The facilities-based telecommunications provider whose services are being resold to the Customer by the Company.

Commission – The Florida Corporation Commission.

Company – Max-Tel Communications, Inc.

Customer – The people who order or use service and is responsible for payment of charges and compliance with tariff regulations.

Telecommunications – The transmission of voice communications or, subject to the transmission capabilities of the service, the transmission of data, facsimile, signaling, or any other form of intelligence.

User – A Customer, or any person or entity which makes use of services provided to a Customer under this Tariff.

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SECTION 2 - RULES AND REGULATIONS

2.1 APPLICATION OF TARIFF

2.1.A This tariff contains the rates applicable to local exchange resale telecommunications services offered by Max-Tel Communications, Inc. within the State of Florida. Service is furnished subject to transmission, atmospheric and like conditions.

2.1.B The telecommunications services of the Company are not part of a joint undertaking with any other entity providing telecommunications channels, facilities, or services. However, services under this tariff are conditioned upon the continued availability of the various services provided to the Company by its underlying carriers.

2.1.C The rates and regulations contained in this tariff apply only to services provided through Company's contracted Carrier, and do not apply, unless otherwise specified, to the lines, facilities, or services provided by any other local exchange telephone company or other common carrier for use in accessing the services of the Company.

2.2 UNDERTAKING OF MAX-TEL COMMUNICATIONS, INC.

2.2.A The Company undertakes to provide telecommunications services to Customers for their lawful and direct transmission and reception of voice, data, and other types of communications in accordance with the terms and conditions set forth in this tariff.

2.2.B All service is subject to the availability of necessary and suitable facilities and to the provisions of this tariff. The company or its designee may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities, when authorized by the Customer, to allow connection of a Customer's location to a service provided by the Company. The Customer shall be responsible for all charges due for such service arrangement, and shall pay for such service arrangement in advance.

2.2.C The Company's services are provided on a monthly basis unless otherwise provided, and are available twenty-four (24) hours per day, seven (7) days per week.

2.2.D The Company shall not be responsible for any construction, installation, operation or maintenance of any Customer-provided communications equipment. Where such equipment is connected to service furnished pursuant to this tariff, the responsibility of the Company shall be limited

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to furnishing of services under this tariff and to the maintenance and operation of such services in the proper manner.

2.2.E. The Company assumes no liability with respect to the construction, operation, or maintenance of Customer-provided station equipment at the Customer's premises, excepting such liability directly due to negligence of Company's employees or agents.

2.2.F. The Carrier may, upon notification of the Customer, at a reasonable time, make such tests and inspections as may be necessary to determine that the requirements of this tariff are being complied with in the installation, operation, and maintenance of Customer-provided equipment and in the wiring of the connection of Customer channels to Carrier-owned facilities. The Carrier may temporarily suspend services, without liability to Company or Carrier, while making such tests and inspections, and thereafter until any violations of such requirements are corrected.

2.2.G. The company may take such action as necessary to protect its operations, personnel, and services, and will promptly notify the Customer by registered mail in writing of the need for protective action. In the event that the Customer fails to advise the Company within ten (10) days after such notice is received that corrective action has been taken, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its operations, personnel, and services from harm.

2.3 LIMITATIONS

2.3.A. The Company does not undertake to transmit messages, but mediates the use of its Carriers' facilities when available, and will not be liable for errors in transmission or for failure to establish connections.

2.3.B. Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignments or transfers, as well as all conditions of service.

2.3.C. Company reserves the right to disconnect service without incurring liability when necessitated by conditions beyond the Company's control or when the Customer is using the service in violation of either the provisions of this tariff or the laws, rules, regulations, or policies of the jurisdiction of the Calling Station or the Called Station, or the laws of the United States including the rules, regulations, and policies of the Federal Communications Commission.

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2.4 USE

- 2.4.A. The Customer consistent with the provisions of this tariff may use services for the lawful transmission of communications.
- 2.4.B. Service may not be used for any unlawful purpose. The use of the Company's services to make calls which might be reasonably be expected to frighten, abuse, torment, or harass another or in such a way as to unreasonably interfere with use by others is prohibited.
- 2.4.C. The use of the Company's services without payment for service, as well as any attempt to avoid payment for service by fraudulent means, devices, or schemes, false or invalid numbers, or false calling or credit cards, or other fraudulent means, is prohibited.
- 2.4.D. The Company's services are available for use twenty-four (24) hours per day, seven (7) days per week.
- 2.4.E. Provided that they have obtained any and all required regulatory approvals, Customers of service provided under this tariff may authorize or permit others to use these services, and may resell or share such services subject to the regulations contained in this tariff upon written consent of Company. The Customer remains responsible to the Company for payment of all charges for services used by others pursuant to this paragraph, with or without the Customer's knowledge, and is responsible for notifying the Company immediately of any unauthorized use of services.

2.5. LIABILITIES OF THE COMPANY

- 2.5.A. The Company shall not be liable for any failure of performance hereunder due to causes beyond its control, including but not limited to: acts of God, fires, flood or other catastrophes; any law, order, regulation, directive, action, or request of the United States Government or any other government, including state and local governments having jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of said governments or of any civil or military authority; national emergencies; insurrections; riots; wars; or labor difficulties.
- 2.5.B. The Company shall not be liable for any act or omission of any other entity furnishing to the Customer facilities, equipment, or services used with the Company's services. The Company shall not be liable for any damages or losses due to the failure of Customer-provided equipment, facilities, or services. Company is not liable for any act or omission of

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any other company or companies furnishing a portion of the service. No agents or employees of connecting, concurring, or other participating carriers or companies shall be deemed to be agents or employees of the Company without written authorization.

- 2.5.C. Company shall not be liable for and Customer shall indemnify and hold Company harmless from any and all losses, claims, demands, suits, or other action or 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, defacement, or destruction of the premises of the Customer or any other property, whether owned by the Customer or by others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location, or use of equipment, wiring, or services provided by Company or Carrier where such installation, operation, failure to operate, maintenance, condition, location, or use is not the direct result of Company's negligence.
- 2.5.D. The liability of the Company for mistakes, omissions, interruptions, delays, errors, or defects in transmission shall not exceed an amount equivalent to the proportionate monthly recurring charge to the Customer for the period of service during which such events occur. No credit shall be allowed for an interruption of a continuous duration of less than two (2) hours. For purposes of determining service credit, a month shall be deemed to have seven hundred twenty (720) hours. Any credits will be set off against charges billed during the next month.
- 2.5.E. In addition to and not in limitation of all other provisions in this paragraph 2.5 with respect to Customer indemnification of the Company, Company shall be indemnified and held harmless by the Customer against:
- (1). Claims for libel, slander, infringement of copyright or unauthorized use of any trademark, trade name, or service mark arising out of the material, data, information, or other content transmitted via Company's services.
 - (2). Claims for patent infringement arising from combining or connecting Carrier's facilities with apparatus and systems of the Customer; and
 - (3). All other claims arising out of any act or omission of the Customer in connection with any service provided by company.
- 2.5.F. The Company shall not be liable for damages or adjustment, refund, or cancellation of charges unless the Customer has notified the Company in

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writing, of any dispute concerning charges, or the basis of any claim for damages, within a reasonable period of time after the 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 demands. If notice of a dispute concerning the charges is not received, in writing, within a reasonable period of time after an invoice is rendered or a debit is effected, such invoice shall be deemed to be correct, accepted, and binding upon the Customer.

2.6. OBLIGATIONS OF THE CUSTOMER

- 2.6.A. The Customer shall provide the personnel, power, and space required to operate all facilities and associated equipment installed on the premises of the Customer.
- 2.6.B. The Customer shall be responsible for providing Carrier personnel access to premises of the Customer at any reasonable hour for the purpose of testing the facilities or equipment of the Carrier.
- 2.6.C. The Customer will be liable for damages to the facilities of the Carrier caused by negligence or willful acts of any officers, employees, agents, or contractors of the Customer.
- 2.6.D. The Customer is responsible for pre-payment of all charges for services to be rendered by the Company. Customer may authorize others to use the services provided by the Company, but Customer remains responsible to the Company for payment of all charges for services used by others pursuant to this paragraph, with or without the Customer's knowledge. Customer is responsible for notifying the Company immediately of any unauthorized use or service.

2.7. INTERRUPTION OF SERVICE

For the interruption of service which lasts more than two hours in continuous duration, and which is not due to Company's testing or adjusting, to the negligent or willful acts of the Customer, or to the failure of channels and/or equipment provided by the Customer, the Customer is eligible for a service credit. It shall be the obligation of the Customer to notify Company of any interruptions of service for which a credit allowance is desired. Before notifying Company of any service interruption, the Customer shall ascertain that the trouble is not being caused by any action or omission by the Customer, not within the Customer's control, and/or is not in the wiring or equipment, if any, furnished by the Customer and connected to the facilities of the Company. For purposes of calculating the service credit under this provision, every

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month shall be considered to have seven hundred twenty (720) hours, and the applicable credit shall be calculated according to the following formula:

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

A = outage time in hours

B = total monthly charge for affected facility

2.8. RESTORATION OF SERVICE

The use and restoration of service in emergencies shall be in accordance with Part 64, Subpart D of the Federal Communications Commission's Rules and Regulations, which specify the priority system for such activities.

2.9. PAYMENTS AND BILLING

- 2.9.A. Service is provided on a monthly basis and billed in advance. The minimum service period is one month, except for Customer's second invoice, which shall be pro-rated for the portion of the month in which service was initiated that Customer received services, calculated according to the following formula:

$$\text{Second Invoice Amount} = A \times B/C$$

A = number of days of service received by customer

B = flat monthly charge for services

C = number of days in calendar month in which service was initiated

- 2.9.B. The Customer is responsible for the payment of all charges for services furnished by the Company. Usage charges are based on a calendar month and are billed in advance on the 15th of the previous calendar month.
- 2.9.C. Bills are due and payable upon the first of the month after issuance.
- 2.9.D. Bills are payable only by cashier's check, money order, or electronic funds transfer.
- 2.9.E. Company may appoint an agent to provide billing and collection service.
- 2.9.F. Customer questions, complaints, and disputes regarding billing or service provided by the Company may be referred to Max-Tel's customer service department in writing at 105 N. Wickham, PO Box 280, Alvord, TX

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President
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Alvord, TX 76225

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76225, by facsimile at 1-940-427-2108, or by telephone at 1-800-583-2289.

2.10 CANCELLATION BY CUSTOMER

2.10.A. The minimum service period after initiation of service is one calendar month. Customers may cancel by providing written or verbal notice during the last calendar month of service. The Customer shall remain liable for any charges incurred prior to the time that such cancellation becomes effective.

2.11. CANCELLATION BY COMPANY

2.11.A. Service may be discontinued or temporarily suspended by the Company, without notice to the customer, when the Company deems it necessary to take such action to prevent unlawful use of its service. The Company will restore service as soon as it can be provided without undue risk. Charges for reconnection of blocked or suspended service are included in Section 4.

2.11.B. Without incurring liability, the Company may discontinue the provision of service to a Customer or to a particular Customer location, or may withhold the provision of ordered or contracted services:

- (1). Upon seven (7) days' written notice, for nonpayment of any sum due the company on the first of the calendar month;
- (2). For violation of any of the provisions of this tariff or any applicable service contract;
- (3). For violation of any law, rule, regulation, or policy of any governing authority having jurisdiction over the Company's services;
- (4). By reason of any order or decision of a court, public service commission, or federal regulatory body or other governing authority prohibiting the Company from furnishing its services; or
- (5). In the event that the Company's underlying Carrier(s) no longer provide the Company with services necessary for the Company to provide the services offered herein.

2.12. INTERCONNECTION

2.12.A. Service furnished by Company may be interconnected with services or facilities of other authorized communications common carriers and with

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private systems, subject to the technical limitations established by Company or Carrier. Any special interface of equipment or facilities necessary to achieve computability between the facilities of Company and other participating carriers shall be provided at the Customer's expense.

- 2.12.B. Interconnection between the facilities or services of other carriers shall be under the applicable terms and conditions of the other carrier's tariffs. The Customer is responsible for taking all necessary legal steps for interconnecting Customer provided terminal equipment or communications equipment with Company's facilities. The Customer shall secure all licenses, permits, rights-of-way, and other such arrangements necessary for interconnection.

SECTION 3 - DESCRIPTION OF SERVICE

3.1 SERVICES OFFERED

- 3.1.A. Max-Tel offers local exchange inbound and outbound service to residential customers.
- 3.1.B. Max-Tel offers pre-paid calling cards for long-distance and tolls service access.
- 3.1.C. Max-Tel offers call forwarding, call waiting, caller ID, and other custom features available at a flat rate through Carrier.

3.2. MINIMUM CALL COMPLETION RATE

A Customer can expect a call completion rate (number of calls completed per number of calls attempted) of at least 99% during peak use periods.

SECTION 4 - RATES AND CHARGES

4.1. BASIC MONTHLY SERVICE

Basic monthly exchange service shall be charged by calendar month at a rate of \$49.99.

4.2. CUSTOM CALLING OPTIONS

- 4.2.A. Caller ID shall be available for a \$10 initiation fee and a flat rate of \$10 per month.
- 4.2.B. Other custom calling options, such as call forwarding and call waiting, as available from Carrier, shall be available for \$5 per month per service. A

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EXHIBIT "B"

APPLICANT'S FINANCIAL QUALIFICATIONS

MAX-TEL COMMUNICATIONS, INC.
STATEMENT OF INCOME AND EXPENSES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1997

REVENUES:		
Telecommunications Services Sold		\$ 605,930
COST OF SERVICES SOLD:		
Telephone Services		200,433

GROSS PROFIT		\$ 405,497
OPERATING EXPENSES:		
Advertising	\$ 106,915	
Auto Expenses	8,248	
Bank Charges	186	
Consulting Fees	4,000	
Contract Services	7,904	
Contributions	110	
Depreciation Expense	3,066	
Dues	554	
Fees	2,326	
Financial Expenses	1,750	
Insurance	1,086	
Janitorial	75	
Legal Fees	2,541	
License	81	
Meals & Entertainment	1,084	
Miscellaneous	436	
Office Supplies & Expenses	8,735	
Payroll	96,741	
Payroll Taxes	7,401	
Postage	3,791	
Refunds	6,779	
Registration	236	
Rent Expense	3,150	
Repairs	7,846	
Sales Tax	406	
Software	589	
Taxes-Other	820	
Telephone	8,061	
Travel	1,040	
Utilities	1,305	

TOTAL OPERATING EXPENSES		287,262

INCOME BEFORE INCOME TAXES		\$ 118,235
FEDERAL INCOME TAX		29,362

NET INCOME		\$ 88,873

SEE COMPILATION REPORT BY STEPHEN R. HILL, C.P.A.

MAX-TEL COMMUNICATIONS, INC.
STATEMENT OF CASH FLOWS
SEPTEMBER 30, 1997

CASH FLOWS FROM OPERATING ACTIVITIES		\$ 88,873
Net Income		\$ 88,873
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation Expense	\$ 3,066	
(Increase)Decrease in:		
Accounts Receivable	< 140,105>	
Increase(Decrease) in:		
Accounts Payable	56,105	
Accrued Liabilities	13,857	
Income Tax Payable	29,362	

Total Adjustments		<37,715>

NET CASH PROVIDED(USED) BY OPERATING ACTIVITIES		\$ 51,159
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property & Equipment	< 112,771>	
Loans & Advances Made	< 11,510>	

NET CASH PROVIDED(USED) BY INVESTING ACTIVITIES		<124,281>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Borrowings	68,925	
Proceeds from issuing common stock	5,600	

NET CASH PROVIDED(USED) BY FINANCING ACTIVITIES		74,525

NET INCREASE(DECREASE) IN CASH		\$ 1,402
CASH AT BEGINNING OF YEAR		-0-

CASH AT END OF YEAR		\$ 1,402

SEE COMPILATION REPORT BY STEPHEN R. HILL, C.P.A.

MAX-TEL COMMUNICATIONS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1997

NOTE A - ACCOUNTING POLICIES

Nature of Business

Max-Tel Communications, Inc. is a closely held corporation located in Alvord, Texas. The company began its operations in January, 1997. The company offers telecommunications services to customers in several states by directly contracting with various telecommunications providers. The company receives its billings in advance of contracting with the various telecommunications providers. Collections of receivables are therefore constant and reliable.

Property and Equipment

Fixed Assets are carried at cost. Depreciation of property and equipment is provided using the straight-line method for financial reporting purposes at rates based on the following estimated useful lives:

	Years -----
Buildings	30
Furniture & Fixtures	7
Office Equipment	7
Computer Equipment	5

For federal income tax purposes, depreciation will be computed using the modified accelerated cost recovery system. Expenses for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

NOTE B - LONG TERM DEBT

Long term debt consists of a seller financed mortgage on the purchase of the building. The initial amount of the note was \$75,000. The remaining amount of the note at September 30, 1997 is \$62,525. The note is currently being paid off at \$6,225 per month. The seller is carrying the note at no interest.

NOTE C - STOCKHOLDERS EQUITY

As of September 30, 1997, the number of authorized shares of common stock is 100,000 shares at \$1 par value. 1,200 shares of stock have been issued and are outstanding.

NOTE D - RELATED PARTY TRANSACTIONS

The following transactions occurred between the Company and it's related shareholders:

1. Notes receivable at September 30, 1997 in the amount of \$11,160 consists of a note receivable from the companys shareholder. The note is payable on demand at 10% interest.
2. Note Payable-Shareholder at September 30, 1997 in the amount of \$6,400 is an unsecured note payable due on demand with interest at 10%.

*** PROJECTED INCOME STATEMENT (Year 1 by month) ***

Customer Base	Oct-97	Nov-97	Dec-97	Jan-98	Feb-98	Mar-98	Apr-98	May-98
Local Service	5,000	6,300	7,600	8,900	10,200	11,500	12,800	14,100
Long Distance	0	100	100	500	1,000	1,500	9,600	10,575
Sales								
Local Telephone Service	\$280,000	\$352,800	\$425,600	\$498,400	\$571,200	\$644,000	\$716,800	\$789,600
Long Distance Telephone Service	\$0	\$5,000	\$5,000	\$25,000	\$50,000	\$75,000	\$480,000	\$528,750
Real Estate Income	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Total Sales	\$281,500	\$359,300	\$432,100	\$524,900	\$622,700	\$720,500	\$1,198,300	\$1,319,850
Cost of Goods Sold								
Local Service Costs	\$92,350	\$116,361	\$140,372	\$164,383	\$188,394	\$212,405	\$236,416	\$260,427
Long Distance Costs	\$0	\$1,800	\$1,800	\$9,000	\$18,000	\$27,000	\$172,600	\$190,350
Total Cost of Goods Sold	\$92,350	\$118,161	\$142,172	\$173,383	\$206,394	\$239,405	\$409,216	\$450,777
% of Total Sales	32.81%	32.89%	32.90%	33.03%	33.15%	33.23%	34.15%	34.15%
Gross Profit	\$189,150	\$241,139	\$289,928	\$351,517	\$416,306	\$481,095	\$789,084	\$869,073
% of Total Sales	67.19%	67.11%	67.10%	66.97%	66.85%	66.77%	65.85%	65.85%
Operating Expenses								
Sales & Marketing	\$62,493	\$79,765	\$95,926	\$116,528	\$138,239	\$159,951	\$268,023	\$293,007
Research & Development	\$40,001	\$51,057	\$61,401	\$74,588	\$88,486	\$102,383	\$170,278	\$187,551
G & A (without Depreciation)	\$55,005	\$70,207	\$84,432	\$102,565	\$121,676	\$140,786	\$234,148	\$257,899
Depreciation	\$350	\$375	\$400	\$425	\$450	\$475	\$500	\$525
Total Operating Expenses	\$157,849	\$201,403	\$242,160	\$294,107	\$348,851	\$403,595	\$670,949	\$738,981
% of Total Sales	56.07%	56.05%	56.04%	56.03%	56.02%	56.02%	55.99%	55.99%
Income before Taxes	\$31,301	\$39,736	\$47,768	\$57,410	\$67,455	\$77,500	\$118,135	\$130,092
% of Total Sales	11.12%	11.06%	11.05%	10.94%	10.83%	10.76%	9.86%	9.86%
Taxes on Income	\$9,390	\$11,921	\$14,330	\$17,223	\$20,237	\$23,250	\$35,441	\$39,028
Net Income After Taxes	\$21,911	\$27,815	\$33,438	\$40,187	\$47,219	\$54,250	\$82,695	\$91,064
% of Total Sales	7.78%	7.74%	7.74%	7.66%	7.58%	7.53%	6.90%	6.90%

*** PROJECTED INCOME STATEMENT (Year 1 by month) ***

Customer Base	Jun-98	Jul-98	Aug-98	Sep-98	Year 1	
Local Service	15,400	16,700	18,000	19,300	19,300	
Long Distance	11,550	12,525	13,500	14,475	14,475	
						% of Total Sales
Sales						
Local Telephone Service	\$862,400	\$935,200	\$1,008,000	\$1,080,800	\$8,164,800	68.30%
Long Distance Telephone Service	\$577,500	\$628,250	\$675,000	\$723,750	\$3,771,250	31.55%
Real Estate Income	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000	0.15%
Total Sales	\$1,441,400	\$1,562,950	\$1,684,500	\$1,806,050	\$11,954,050	100.00%
Cost of Goods Sold						
Local Service Costs	\$284,438	\$308,449	\$332,460	\$356,471	\$2,692,928	22.53%
Long Distance Costs	\$207,900	\$225,450	\$243,000	\$260,550	\$1,357,650	11.36%
Total Variable COGS	\$492,338	\$533,899	\$575,460	\$617,021	\$4,050,578	33.88%
% of Total Sales	34.16%	34.16%	34.16%	34.16%	33.88%	
Gross Profit	\$949,062	\$1,029,051	\$1,109,040	\$1,189,029	\$7,903,474	66.12%
% of Total Sales	65.84%	65.84%	65.84%	65.84%	66.12%	
Operating Expenses						
Sales & Marketing	\$319,991	\$346,975	\$373,959	\$400,943	\$2,653,799	22.20%
Research & Development	\$204,823	\$222,095	\$239,387	\$258,640	\$1,698,671	14.21%
G & A (without Depreciation)	\$281,650	\$305,400	\$329,151	\$352,902	\$2,335,821	19.54%
Depreciation	\$550	\$575	\$600	\$650	\$5,875	0.05%
Total Operating Expenses	\$807,013	\$875,046	\$943,078	\$1,011,135	\$6,694,166	56.00%
% of Total Sales	55.99%	55.99%	55.99%	55.99%	56.00%	
Income before Taxes	\$142,049	\$154,005	\$165,962	\$177,894	\$1,209,308	10.12%
% of Total Sales	9.85%	9.85%	9.85%	9.85%	10.12%	
Taxes on Income	\$42,615	\$46,202	\$49,789	\$53,368	\$382,792	3.03%
Net Income After Taxes	\$99,434	\$107,804	\$116,174	\$124,526	\$846,516	7.08%
% of Total Sales	6.90%	6.90%	6.90%	6.90%	7.08%	

*** INCOME STATEMENT (Years 1 - 5) ***

	Year 1	Year 2	Year 3	Year 4	Year 5	% of Total Sales
Customer Base						
Local Service	19,300	36,600	57,900	77,200	96,500	
Long Distance	14,475	28,950	43,425	57,900	72,375	
Sales						% of Total Sales
Local Telephone Service	\$8,164,800	\$11,590,000	\$17,370,000	\$23,180,000	\$28,950,000	57.12%
Long Distance Telephone Service	\$3,771,250	\$8,685,000	\$13,027,500	\$17,370,000	\$21,712,500	42.84%
Real Estate Income	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	0.04%
Total Sales	\$11,954,050	\$20,283,000	\$30,415,500	\$40,548,000	\$50,680,500	100.00%
Cost of Goods Sold						
Local Service Costs	\$2,692,926	\$4,277,652	\$1,369,600	\$1,652,800	\$2,316,000	4.57%
Long Distance Service Costs	\$1,357,650	\$3,128,600	\$1,954,125	\$2,605,500	\$3,258,675	8.43%
Total Cost of Goods Sold	\$4,050,576	\$7,404,252	\$3,343,725	\$4,458,300	\$5,572,675	11.00%
Gross Profit	\$7,903,474	\$12,878,748	\$27,071,775	\$38,089,700	\$45,107,825	69.00%
Operating Expenses						
Sales & Marketing	\$2,653,759	\$3,680,668	\$5,671,048	\$7,762,362	\$10,061,071	19.14%
Research & Development	\$1,698,671	\$2,548,007	\$3,622,010	\$4,969,613	\$6,469,169	12.25%
G & A (without Depreciation)	\$2,335,821	\$3,603,732	\$5,255,597	\$6,832,278	\$8,681,959	16.86%
Depreciation	\$5,875	\$9,813	\$13,219	\$17,194	\$22,340	0.04%
Total Operating Expenses	\$6,694,166	\$10,041,249	\$15,061,874	\$19,580,436	\$25,454,568	48.25%
Income before Taxes	\$1,209,308	\$2,837,499	\$12,009,902	\$18,509,264	\$19,653,059	40.72%
Taxes on Income	\$362,792	\$651,250	\$3,602,970	\$4,652,779	\$5,665,918	12.21%
Net Income After Taxes	\$846,516	\$1,986,249	\$8,406,931	\$11,556,485	\$13,757,141	27.14%

EXHIBIT "C"

MANAGERIAL CAPABILITY

EXPERIENCE OF OFFICERS

MARK MAXEY, PRESIDENT

- Independent contractor and account executive for *U.S. Metroline Services* since September 1996
- Public pay telephone provider since December 23, 1996
- Prepaid cellular agent with *Commerc: Communications*
- 11 years as manager with *Alvord Ice*
- independent contractor with *VarTec Telecommunications* since 1995

CLAUIG BOLIN, VICE PRESIDENT

- managed a small businesses for 12 years
- owner and manager of *Bolin Trucking* since 1993
- owner and manager of residential rental properties since 1996
- independent contractor for *VarTec Telecommunications* and Prepaid Long Distance Calling cards for fifteen months

Max-Tel Communications, Inc. does not anticipate needing additional bonds in the future.

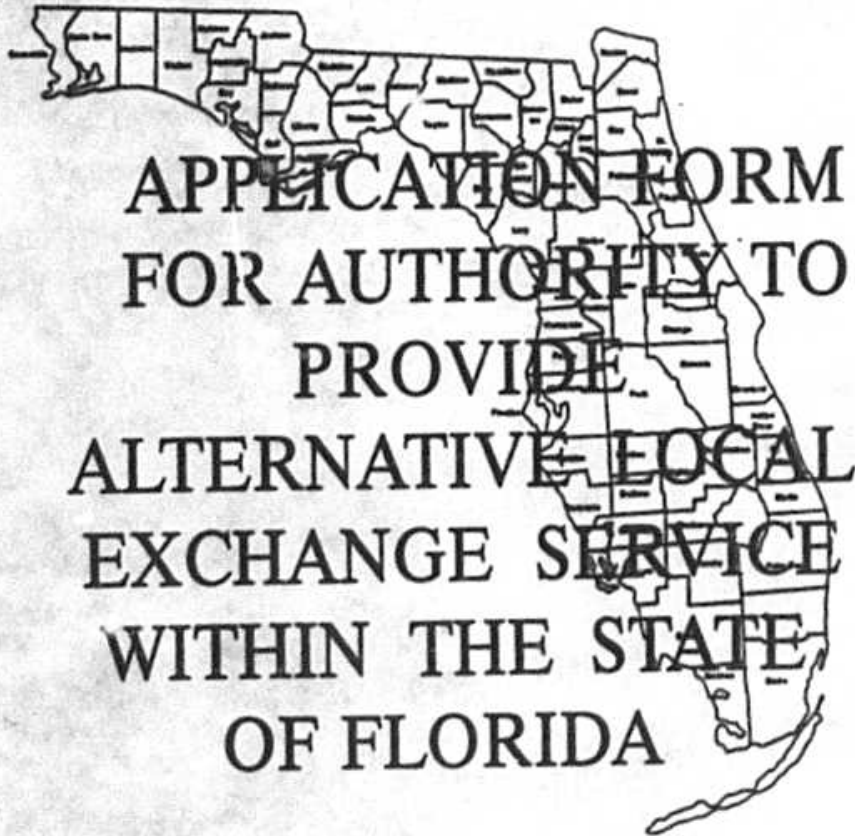
EXHIBIT "7"

TECHNICAL CAPABILITY

Max-Tel Communications, Inc. has been operating as a local service provider since March 26, 1997 in the state of Texas and Kansas, and since July 28, 1997 in the state of Arkansas.

Max-Tel Communications, Inc. currently operates, maintains and manages a growing service base of 3,500 customers.

ORIGINAL



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

MAIL ROOM
02:11:30 PM 10/13/97

RECEIVED
FLORIDA
SERVICE COMMISSION

DOCUMENT NUMBER-DATE

10506 OCT 14 97

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. ** SEE NOTE
4. If you have questions about completing the form, contact:

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

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

**** All application answers provided on the attached sheets.**

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:

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

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

Fictitious name registration number: _____

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

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

6. Structure of organization:

- | | |
|--|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Corporation |
| <input 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 _____ |

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

8. 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.

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

Corporate charter number: _____

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.

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

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

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

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

15. Please complete and file a price list in accordance with Commission Rule 25-24.825.

16. 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.

(If you will be providing local intra-exchange switched telecommunications service, then state how you will provide access to 911 emergency service. If the nature of the emergency 911 service access and funding mechanism is not equivalent to that provided by the local exchange companies in the areas to be served, described in detail the difference.)

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF FLORIDA

In re:

Application of MAX-TEL COMMUNICATIONS,
INCORPORATED For a Certificate of Public
Convenience and Necessity to Operate as a Reseller
Of Interexchange Telecommunications Services in
State of Florida

DOCKET NO. _____

**APPLICATION OF MAX-TEL COMMUNICATIONS, INC. FOR
AUTHORITY TO PROVIDE LOCAL EXCHANGE SERVICE**

Max-Tel Communications, Inc. ("Max-Tel" or "Applicant") hereby requests a Certificate of Public Convenience and Necessity so that it may provide interexchange telecommunications services in the State of Florida. In support of this application, the following is shown:

1. **This is an application for:**

Original authority submitted by Max-Tel Communications, Inc.

Any correspondence regarding this Application should be directed to applicant.

2. **The name of Applicant is:**

Max-Tel Communications, Inc.

3. **The name under which the applicant will do business is:**

Max-Tel Communications, Inc.

4. **Not applicable.**

5. **A. The National mailing address and phone number of Applicant is:**

Max-Tel Communications, Inc.

1406 ST. JULIA STREET

MAX-TEL COMMUNICATIONS INC.

PH. 817-427-2149

P.O. BOX 280

ALVORD, TEXAS 78225-0280

2145

DATE 10-7-97

PAY
TO THE
ORDER OF

FLORIDA PSC

\$ 250.00

two hundred fifty dollars

DOLLARS



ALVORD BANKING CENTER
THE FIRST NATIONAL BANK OF BOWIE, TEXAS

[Signature]
CRAIG BOLIN

FOR _____

DEPOSIT

DATE

BEFORE THE PUBLIC SERVICE COMMISSION D 6 3 3
STATE OF FLORIDA

OCT 14 1997

In re:

Application of MAX-TEL COMMUNICATIONS,
INCORPORATED For a Certificate of Public
Convenience and Necessity to Operate as a Reseller
Of Interexchange Telecommunications Services in
State of Florida

DOCKET NO.

971320-72

**APPLICATION OF MAX-TEL COMMUNICATIONS, INC. FOR
AUTHORITY TO PROVIDE LOCAL EXCHANGE SERVICE**

Max-Tel Communications, Inc. ("Max-Tel" or "Applicant") hereby requests a Certificate of Public Convenience and Necessity so that it may provide interexchange telecommunications services in the State of Florida. In support of this application, the following is shown:

1. This is an application for:

Original authority submitted by Max-Tel Communications, Inc.

Any correspondence regarding this Application should be directed to applicant.

2. The name of Applicant is:

Max-Tel Communications, Inc.

3. The name under which the applicant will do business is:

Max-Tel Communications, Inc.

4. Not applicable.

5. A. The National mailing address and phone number of Applicant is:

Max-Tel Communications, Inc.
105 N. Wickham
P.O. Box 280

DOCUMENT NUMBER - DATE

10506 OCT 14 97

FPSC - RECORDS/REPORTING

MAX-TEL COMMUNICATIONS, INC.

PH. 817-427-2149

P.O. BOX 280

ALVORD, TEXAS 76225-0280

2145

DATE

10-7-97

PAY TO THE ORDER OF

FLORIDA PSC

\$

250.00

two hundred fifty dollars

DOLLARS



ALVORD BANKING CENTER
THE FIRST NATIONAL BANK OF DOWIE, TEXAS

not cash
CRAIG BOYD

FOR

In re:

)
)
 Application of MAX-TEL COMMUNICATIONS,)
 INCORPORATED For a Certificate of Public)
 Convenience and Necessity to Operate as a Reseller)
 Of Interexchange Telecommunications Services in)
 State of Florida)
 _____)

DOCKET NO. _____

APPLICATION OF MAX-TEL COMMUNICATIONS, INC. FOR
AUTHORITY TO PROVIDE LOCAL EXCHANGE SERVICE

Max-Tel Communications, Inc. ("Max-Tel" or "Applicant") hereby requests a Certificate of Public Convenience and Necessity so that it may provide interexchange telecommunications services in the State of Florida. In support of this application, the following is shown:

1. **This is an application for:**

Original authority submitted by Max-Tel Communications, Inc.

Any correspondence regarding this Application should be directed to applicant.

2. **The name of Applicant is:**

Max-Tel Communications, Inc.

3. **The name under which the applicant will do business is:**

Max-Tel Communications, Inc.

4. **Not applicable.**

5. **A. The National mailing address and phone number of Applicant is:**

Max-Tel Communications, Inc.
 105 N. Wickham
 P.O. Box 280
 Alvord, TX 76225
 (940) 427-2149

B. Not applicable. Max-Tel will have no offices in Florida.

6. **Structure of organization:**

Max-Tel Communications, Inc. is a Foreign Corporation.