

ORIGINAL

SWIDLER & BERLIN
CHARTERED

January 7, 1998

VIA OVERNIGHT DELIVERY

Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

DEPOSIT DATE
D684 JAN 10 1998

780050-17

Re: Application of National Collegiate, Inc.

Dear Ms. Bayó:

Enclosed for filing on behalf of National Collegiate, Inc. ("National Collegiate") are an original and five (5) copies of National Collegiate's Application Form for Authority to Provide Interexchange Telecommunications Service within the State of Florida. Also enclosed is a check in the amount of \$250.00 to satisfy the requisite filing fee.

Please date-stamp the enclosed extra copy of this filing and return it in the self-addressed, postage-paid envelope provided. Should you have any questions concerning this filing, please do not hesitate to contact us.

Very truly yours,


Phyllis A. Whitten
Grace R. Chiu

SWIDLER & BERLIN
CHARTERED
3000 K STREET, N.W., SUITE 300
WASHINGTON, D.C. 20007

FIRST UNION NATIONAL BANK
WASHINGTON, D.C.

0062478

PAY EXACTLY TWO HUNDRED FIFTY AND NO/100*****

DATE AMOUNT
1/7/98 \$250.00

PAY TO THE ORDER OF FLORIDA PUBLIC SERVICE COMMISSION

GENERAL ACCOUNT
TWO SIGNATURES REQUIRED ABOVE \$10,000

DOCUMENT NUMBER DATE

00436 JAN -8 88



ORIGINAL

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&
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684 JAN 10

Re: Application of National Collegiate, Inc.

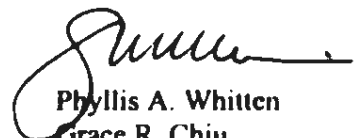
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Very truly yours,


Phyllis A. Whitten
Grace R. Chiu

Counsel for National Collegiate, Inc.

Enclosures

cc: David G. Owen

Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward a copy of check to RAR with proof of deposit.
Initials of person who forwarded check:
AJ

224195 1

DOCUMENT RECEIVED

00436 JAN-8 88

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

- Original Authority (New company).
- Approval of Transfer (To another certificated company).
- Approval of Assignment of Existing Certificate (To a noncertificated company).
- Approval for Transfer of Control (To another certificated company).

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

- Facilities Based Carrier - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.
- Operator Service Provider - company provides or plans to provide alternative operator services for IXCs; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.
- Reseller - company has or plans to have one or more switches, but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.
- Switchless Rebiller - company has no switch or transmission facilities, but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carrier. Rebills end users at a rate above its discount, but generally below the rate end users would pay for unaggregated traffic.
- Multi-Location Discount Aggregator - company contracts with unaffiliated entities to obtain bulk/volume discounts under multi-location discount plans from certain underlying carriers, then offers the resold service by enrolling unaffiliated customers.

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

National Collegiate, Inc.

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

National Collegiate, Inc.

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

[Street Address:]
National Collegiate, Inc.
3900 Industrial Blvd., Suite 5
Bloomington, Indiana 47403
Telephone: (812) 334-4004
Facsimile: (812) 333-4185

[U.S. Mail Address:]
P.O. Box 35
Clear Creek, IN 47426

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

Applicant does not have an office in the State of Florida.

7. 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"/> Other, | |

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

Not applicable.

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

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

- (1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings.
- (2) officer, director, partner, or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

9. If incorporated, please give:

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

See Exhibit 1.

Corporation charter number: **F97000005044**

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

**HIQ Corporate Services, Inc.
526 East Park Avenue, Suite 200
Tallahassee, FL 32301**

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

Not applicable.

Fictitious name registration number:

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

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

No.

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

No.

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

(a) Application:

Phyllis A. Whitten, Esq.
Grace R. Chiu, Esq.
Swidler & Berlin, Chartered
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
Telephone: (202) 424-7500
Facsimile: (202) 424-7645

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

David G. Owen
President
National Collegiate
3900 Industrial Blvd., Suite 5
Bloomington, Indiana 47403
Telephone: (812) 334-4004
Facsimile: (812) 333-4185

(c) Tariff:

David G. Owen
President
National Collegiate
3900 Industrial Blvd., Suite 5
Bloomington, Indiana 47403
Telephone: (812) 334-4004
Facsimile: (812) 333-4185

(d) Complaints/Inquiries from customers:

National Collegiate has a Call Center, through which National Collegiate's customers may receive customer service. Automated service by telephony is available 24 hours a day, seven days a week. Customers may also reach National Collegiate customer service representatives from 9:00 a.m. to 9:00 p.m., Monday through Friday, for assistance with all products or billing inquiries, changes or additions to their accounts, trouble reports or service complaints. National Collegiate's toll-free number is 1-800-316-1893.

11. List the states in which the applicant:

(a) Has operated as an interexchange carrier.

Not applicable.

(b) Has applications pending to be certificated as an interexchange carrier.

Applicant is in the process of seeking authority to provide resold intrastate interexchange telecommunications services throughout the United States.

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

Applicant is authorized to provide resold intrastate, interexchange telecommunications services, by virtue of certification, registration or tariff requirements, or on an unregulated basis, in eight states, including: Colorado, Michigan, Montana, New Jersey, Oregon, Texas, Utah and Virginia.

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

None.

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

None.

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

None.

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

- | | |
|---|------------------------------------|
| <input type="checkbox"/> Facilities | <input type="checkbox"/> Operators |
| <input type="checkbox"/> Billing and Collection | <input type="checkbox"/> Sales |
| <input type="checkbox"/> Maintenance | |
| <input type="checkbox"/> Other <i>n/a</i> | |

13. Do you have a marketing program?

Yes.

14. Will your marketing program: **No, to each question following.**

- Pay commissions?
- Offer sales franchises?
- Offer multi-level sales incentives?
- Offer other sales incentives?

15. Explain any of the offers checked in question 14 (to whom, what amount, type of franchise, etc.). **Not applicable.**

16. Who will receive the bills for your services (check all that apply)?

- | | |
|---|---|
| <input checked="" type="checkbox"/> Residential Customers | <input type="checkbox"/> Business Customers |
| <input type="checkbox"/> PATS Providers | <input type="checkbox"/> PATS Station End-Users |
| <input type="checkbox"/> Hotels and Motels | <input checked="" type="checkbox"/> Hotel and Motel Guests |
| <input type="checkbox"/> Universities | <input checked="" type="checkbox"/> Univ. Dormitory Residents |
| <input type="checkbox"/> Other, _____ | |

17. Please provide the following (if applicable):

(a) Will the name of your company appear on the bill for your services and, if not, who will the billed party contact to ask questions about the bill (provide name and phone number) and how is this information provided?

Yes, National Collegiate's name will appear on bills sent to customers.

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

National Collegiate will perform its own billing operations.

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

A. Financial capability.

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.

National Collegiate's audited financial statements are attached hereto as Exhibit 2.

B. Managerial capability.

See Exhibit 3.

C. Technical capability.

See Exhibit 3.

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

National Collegiate's proposed tariff is appended hereto as Exhibit 4.

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

() MTS with distance sensitive per minute rates

- () Method of access is FGA**
- () Method of access is FGB**
- () Method of access is FGD**
- () Method of access is 800**

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

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

- MTS for pay telephone service providers**
- Block-of-time calling plan (Reach Out Florida, Ring America, etc.)**
- 800 Service (toll free)**
- WATS-type Service (bulk or volume discount)**
 - Method of access is via dedicated facilities**
 - Method of access is via switched facilities**
- Private Line Services (channel services) (*i.e.*, 1.544 mbs., DS-3, etc.)**
- Travel Service**
 - Method of access is 950**
 - Method of access is 800 and 888**
- 900 Service**
- Operator Services**
 - Available to presubscribed customers**
 - Available to non-presubscribed customers (*i.e.*, to patrons of hotels, students in universities, patients in hospitals)**
 - Available to inmates**

Services included are:

- () Station assistance
- () Person-to-Person assistance
- () Directory assistance
- () Operator verify and interrupt
- () Conference calling

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

The end-user will:

1. Dial 1-888-464-9410 (Listen for Tone)
2. Enter P.I.N. (Listen for Double Tone)
3. Dial 0 + Area Code + Number

22. Other:

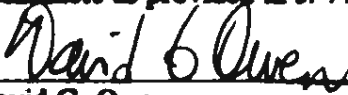
Applicant hereby requests a waiver to maintain its records outside the State of Florida.

**** APPLICANT ACKNOWLEDGMENT STATEMENT ****

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

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

UTILITY OFFICIAL:


David G. Owen
President
National Collegiate, Inc.

1/6/98
Date

(812) 334-4004
Telephone Number

FORM PSC/CMU 31 (3/96)

Required by Commission Rule Nos. 25-24.471 and 25-24.473.

APPENDICES

APPENDIX A	CERTIFICATE TRANSFER STATEMENT
APPENDIX B	CUSTOMER DEPOSITS AND ADVANCE PAYMENTS
APPENDIX C	INTRASTATE NETWORK
APPENDIX D	FLORIDA TELEPHONE EXCHANGES AND EAS ROUTES

EXHIBITS

EXHIBIT 1	CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS
EXHIBIT 2	FINANCIAL STATEMENTS
EXHIBIT 3	MANAGERIAL AND TECHNICAL QUALIFICATIONS
EXHIBIT 4	PROPOSED TARIFF

**** APPENDIX A ****

CERTIFICATE TRANSFER STATEMENT

Not applicable. National Collegiate is applying for original authority.

I, (TYPE NAME) _____, (TITLE)

_____, of (NAME OF COMPANY)

_____, and current holder of certificate
number _____, have reviewed this application and join in the petitioner's
request for a transfer of the above-mentioned certificate.

UTILITY OFFICIAL:

Signature

Date

Title

Telephone Number

**** APPENDIX B ****

CUSTOMER DEPOSITS AND ADVANCE PAYMENTS

Not applicable. National Collegiate will not collect deposits or advance payments.

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

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

UTILITY OFFICIAL: _____

_____ Date

Telephone Number

**** APPENDIX C ****

INTRASTATE NETWORK

As a switchless rebiller, National Collegiate will not own facilities or equipment in the State of Florida.

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

Not applicable. See above.

- | | |
|----|----|
| 1) | 2) |
| 3) | 4) |

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

Not applicable. See above.

- | | |
|----|----|
| 1) | 2) |
| 3) | 4) |

3. **TRANSMISSION FACILITIES:** POP-to-POP facilities by type of facilities (microwave, fiber, copper, satellite, etc.) and indicate if owned or leased.

Not applicable. See above.

POP-to-POP	TYPE	OWNERSHIP
1)		
2)		

**** APPENDIX C ******INTRASTATE NETWORK (continued)**

4. **ORIGINATING SERVICE:** Please provide the list of exchanges where you are proposing to provide originating service within thirty (30) days after the effective date of the certificate (Appendix D).

National Collegiate seeks authority to originate interexchange telecommunications service throughout the State of Florida.

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

National Collegiate will provide interexchange service only on a resale basis. The certificated carrier from which National Collegiate purchases services for resale will be responsible for complying with Commission Rule 25-24.471(4)(a).

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

- a) What services have been provided and when did these services begin?

National Collegiate initially provided telecommunications services in Florida as a retail customer of a facilities-based interexchange carrier, following which period National Collegiate determined to enter the telecommunications market directly as a competing provider of resold telecommunications services.

- b) If the services are not currently offered, when were they discontinued?

UTILITY OFFICIAL:



 David G. Owen
 President
 National Collegiate, Inc.



 Date

(812) 334-4004
 Telephone Number

FORM PSC/CMU 31 (3/96)

Required by Commission Rule Nos. 25-24.471 and 25-24.473.

**** APPENDIX D ****

FLORIDA TELEPHONE EXCHANGES AND EAS ROUTES

Describe the service area in which you hold yourself out to provide service by telephone company exchange. If all services listed in your tariff are not offered at all locations, so indicate.

In an effort to assist you, attached is a list of major exchanges in Florida showing the small exchanges with which each has extended area service (EAS).

**** FLORIDA EAS FOR MAJOR EXCHANGES ****

Extended Service Area	with	These Exchanges
PENSACOLA:		Cantonment, Gulf Breeze Pace, Milton Holley-Navarre.
PANAMA CITY:		Lynn Haven, Panama City Beach, Youngstown-Fountain and Tyndall AFB.
TALLAHASSEE:		Crawfordville, Havana, Monticello, Panacea, Sopchoppy and St. Marks.
JACKSONVILLE:		Baldwin, Ft. George, Jacksonville Beach, Callahan, Maxville, Middleburg, Orange Park, Ponte Vedra and Julington.
GAINESVILLE:		Alachua, Archer, Brooker, Hawthorne, High Springs, Melrose, Micanopy, Newberry and Waldo.
OCALA:		Belleview, Citra, Dunnellon, Forest Lady Lake (B21), McIntosh, Oklawaha, Orange Springs, Salt Springs and Silver Springs Shores.
DAYTONA BEACH:		New Smyrna Beach.

FORM PSC/CMU 31 (3/96)

Required by Commission Rule Nos. 25-24.471 and 25-24.473.

**** APPENDIX D ****

FLORIDA TELEPHONE EXCHANGES AND EAS ROUTES (continued)

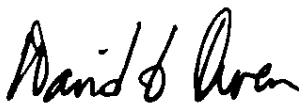
TAMPA:	Central East North South West	None Plant City Zephyrhills Palmetto Clearwater
CLEARWATER:	St. Petersburg, Tampa-West and Tarpon Springs.	
ST. PETERSBURG:	Clearwater.	
LAKELAND:	Bartow, Mulberry, Plant City, Polk City and Winter Haven.	
ORLANDO:	Apopka, East Orange, Lake Buena Vista, Oviedo, Windermere, Winter Garden, Winter Park, Montverde, Reedy Creek and Oviedo-Winter Springs.	
WINTER PARK:	Aopoka, East Orange, Lake Buena Vista, Orlando, Oviedo, Sanford, Windermere, Winter Garden, Oviedo-Winter Springs Reedy Creek, Geneva and Montverde.	
TITUSVILLE:	Cocoa and Cocoa Beach.	
COCOA:	Cocoa Beach, Eau Gallie, Melbourne and Titusville.	
MELBOURNE:	Cocoa, Cocoa Beach, Eau Gallie and Sebastian.	
SARASOTA:	Bradenton, Myakka and Venice.	

**** APPENDIX D ******FLORIDA TELEPHONE EXCHANGES AND EAS ROUTES (continued)**

FT. MYERS:	Cape Coral, Ft. Myers Beach, North Cape Coral, North Ft. Myers, Pine Island, Lehigh Acres and Sanibel-Captiva Islands
NAPLES:	Marco Island and North Naples.
WEST PALM BEACH:	Boyston Beach and Jupiter.
POMPANO BEACH:	Boca Raton, Coral Springs, Deerfield Beach and Ft. Lauderdale
FT. LAUDERDALE:	Coral Springs, Deerfield Beach, Hollywood and Pompano Beach
HOLLYWOOD:	Ft. Lauderdale and North Dade.
NORTH DADE:	Hollywood, Miami and Perrine.
MIAMI:	Homestead, North Dade and Perrine.

National Collegiate seeks authority to originate interexchange telecommunications services throughout the State of Florida at the rates identified in its proposed tariff attached hereto as Exhibit 4.

UTILITY OFFICIAL:



 David G. Owen
 President
 National Collegiate, Inc.

12/31/87

Date

(812) 334-4004
 Telephone Number

FORM PSC/CMU 31 (3/96)

Required by Commission Rule Nos. 25-24.471 and 25-24.473.

EXHIBIT 1

Certificate of Authority to Transact Business



FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

September 26, 1997

Qualification documents for NATIONAL COLLEGIATE, INC. were filed on September 26, 1997 and assigned document number F97000005044. Please refer to this number whenever corresponding with this office.

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

A corporation 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 corporate address changes, it is the responsibility of the corporation to notify this office.

Should you have any questions regarding this matter, please telephone (850) 487-6091, the Foreign Qualification/Tax Lien Section.

Lee Rivers
Document Examiner
Division of Corporations

Letter Number: 197A00047684

APPLICATION BY FOREIGN CORPORATION FOR AUTHORIZATION TO TRANSACT BUSINESS IN FLORIDA

IN COMPLIANCE WITH SECTION 607.1503, FLORIDA STATUTES, THE FOLLOWING IS SUBMITTED TO REGISTER A FOREIGN CORPORATION TO TRANSACT BUSINESS IN THE STATE OF FLORIDA:

1. NATIONAL COLLEGIATE, INC.

(Name of corporation: must include the word "INCORPORATED", "COMPANY", "CORPORATION" or words or abbreviations of like import in language as will clearly indicate that it is a corporation instead of a natural person or partnership if not so contained in the name at present.)

2. INDIANA **3. 35-1751000**
 (State or country under the law of which it is incorporated) (FEI number, if applicable)

4. AUGUST 22, 1984 **5. PERPETUAL**
 (Date of incorporation) (Duration: Year corp. will cease to exist or "perpetual")

6. UPON ACCEPTANCE
 (Date first transacted business in Florida. (SEE SECTIONS 607.1501, 607.1502, AND 817.155, F.S.))

7. 3900 INDUSTRIAL BOULEVARD, SUITE 8
BLOOMINGTON, IN 47403
 (Current mailing address)

8. LONG DISTANCE TELEPHONE RESELLER
 (Purpose(s) of corporation authorized in home state or country to be carried out in the state of Florida)

9. Name and street address of Florida registered agent: (P.O. Box or Mail Drop Box NOT acceptable)

Name: HQ CORPORATE SERVICES, INC.

Office Address: 528 EAST PARK AVENUE, SUITE 200

TALLAHASSEE, Florida, 32301
 (Zip Code)

10. Registered agent's acceptance:

Having been named as registered agent and to accept service of process for the above stated corporation at the place designated in this application, 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 relative to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

By: Royanne D. Menards, SECRETARY
 (Registered agent's signature)

11. Attached is a certificate of existence duly authenticated, not more than 90 days prior to delivery of this application to the Department of State, by the Secretary of State or other official having custody of corporate records in the jurisdiction under the law of which it is incorporated.

FILED
 SECRETARY OF STATE
 DIVISION OF CORPORATIONS
 97 SEP 25 PM 2: 00

12. Names and addresses of officers and/or directors: (Street address ONLY- P. O. Box NOT acceptable)
A. DIRECTORS (Street address only- P. O. Box NOT acceptable)

Chairman: SEE ATTACHED

Address: _____

Vice Chairman: _____

Address: _____

Director: _____

Address: _____

Director: _____

Address: _____

B. OFFICERS (Street address only- P. O. Box NOT acceptable)

President: SEE ATTACHED

Address: _____

Vice President: _____

Address: _____

Secretary: _____

Address: _____

Treasurer: _____

Address: _____

NOTE: If necessary, you may attach an addendum to the application listing additional officers and/or directors.

13. David Owen
(Signature of Chairman, Vice Chairman, or any officer listed in number 12 of the application)

14. DAVID OWEN, PRESIDENT
(Typed or printed name and capacity of person signing application)

EXHIBIT 2

Financial Statements

**PEGASUS INFORMATION SYSTEMS, INC.
D/B/A NATIONAL COLLEGIATE**

**Financial Statements
July 31, 1997
(Compiled with Substantial Disclosures and
Statement of Cash Flows Omitted)**

PEGASUS INFORMATION SYSTEMS, INC.
D/B/A NATIONAL COLLEGIATE
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Balance sheet	3



Independent Accountant's Report

**The Board of Directors
Pegasus Information Systems, Inc.
d/b/a National Collegiate
Bloomington, Indiana**

We have compiled the accompanying balance sheet of Pegasus Information Systems, Inc. d/b/a National Collegiate as of July 31, 1997, and the related statement of income and retained earnings for the seven months then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by generally accepted accounting principles. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the 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 Company, with the consent of its shareholders, has elected under the Internal Revenue Code to be an S corporation. In lieu of corporation income taxes, the shareholders of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provisions or liability for federal income taxes has been included in these financial statements.

Bloomington, Indiana

Geo. S. Olive & Co., LLC

September 3, 1997

PEGASUS INFORMATION SYSTEMS, INC.
D/B/A NATIONAL COLLEGIATE
Statement of Income and Retained Earnings
(See Independent Accountant's Report)

Year Ended July 31	1997
Net Sales	\$4,270,762
Cost of Goods Sold	1,866,091
Gross Profit	2,402,671
Selling, general and administrative expense	2,353,776
Operating income	48,896
Other Income (Expense)	
Dividend income	33,787
Interest expense	(147)
	33,640
Net Income	82,536
Retained Earnings – Beginning of Year	882,820
	965,356
Stockholder distributions	(76,000)
Retained Earnings – End of Year	\$889,356

PEGASUS INFORMATION SYSTEMS, INC.
D/B/A NATIONAL COLLEGIATE
Balance Sheet
(See Independent Accountant's Report)

July 31	1997
Assets	
Current Assets	
Cash	\$373,701
Accounts receivable	602,842
Total current assets	976,543
Property and Equipment, net of accumulated depreciation	74,986
Other Assets	
Notes receivable — related party	361,601
	\$1,413,030
Liabilities and Stockholders' Equity	
Current Liabilities	
Notes payable, bank	684
Accounts payable — trade	204,070
Accrued expenses	142,389
Total current liabilities	347,143
Long-Term Debt	
Accrued expense — related party	175,531
	622,674
Stockholders' Equity	
Common stock, par value \$10 per share	
Authorized — 1,000 shares	
Issued and outstanding — 100 shares	1,000
Retained earnings	889,356
	890,356
	\$1,413,030

**PEGASUS INFORMATION SYSTEMS, INC.
D/B/A NATIONAL COLLEGIATE**

**Financial Statements
December 31, 1996
(Compiled with Substantial Disclosures and
Statement of Cash Flows Omitted)**

PEGASUS INFORMATION SYSTEMS, INC.
D/B/A NATIONAL COLLEGIATE
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GEO. S. OLIVE & CO. LLC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountant's Report

**The Board of Directors
Pegasus Information Systems, Inc.
d/b/a/ National Collegiate
Bloomington, Indiana**

We have compiled the accompanying balance sheet of Pegasus Information Systems, Inc. d/b/a National Collegiate as of December 31, 1996, and the related statement of income and retained earnings for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by generally accepted accounting principles. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the 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 Company, with the consent of its shareholders, has elected under the Internal Revenue Code to be an S corporation. In lieu of corporation income taxes, the shareholders of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provisions or liability for federal income taxes has been included in these financial statements.

Geo. S. Olive & Co. LLC

September 8, 1997

PEGASUS INFORMATION SYSTEMS, INC.
D/B/A NATIONAL COLLEGIATE
Statement of Income and Retained Earnings
(See Independent Accountant's Report)

Year Ended December 31	1996
Net Sales	\$6,658,212
Cost of Goods Sold	2,505,410
Gross Profit	3,152,802
Selling, general and administrative expense	2,879,203
Operating income	273,599
Other Income (Expense)	
Dividend income	33,036
Interest expense	(659)
	32,377
Net Income	305,976
Retained Earnings — Beginning of Year	576,844
Retained Earnings — End of Year	\$882,820

Pegasus Information Systems, Inc.
D/B/A NATIONAL COLLEGIATE
Balance Sheet
(See Independent Accountant's Report)

December 31	1996
Assets	
Current Assets	
Cash	\$ 21,488
Accounts receivable	620,258
Total current assets	641,746
Property and Equipment	95,601
Other Assets	
Notes receivable – related party	347,610
	\$1,084,955
 Liabilities and Stockholders' Equity	
Current Liabilities	
Notes payable, bank	4,100
Accounts payable — trade	107,610
Accrued expenses	89,525
Total current liabilities	201,135
Stockholders' Equity	
Common stock, par value \$10 per share	
Authorized — 1,000 shares	
Issued and outstanding — 1,000 shares	1,000
Retained earnings	882,820
	\$1,084,955

EXHIBIT 3

Managerial and Technical Qualifications

National Collegiate, Inc.

Technical and Managerial Qualifications

David G. Owen. As President of the Company, Mr. Owen is responsible for both internal and external oversight of National Collegiate and for developing the Company's goals, strategic plans, and operating budgets. Prior to his appointment as President, Mr. Owen served as Vice President of Administrative Services, where he was responsible for overseeing the Company's financial, support, and personnel services. Mr. Owen's business and management skills were developed and sharpened over the years through a diverse and challenging mix of work experience. Since 1982, Mr. Owen has worked periodically as a private consultant for business, church, and community groups. His business clients have included ICP (International Computer Programming), Hewlett-Packard, Indiana University Hospital, and Eli Lilly Credit Bureau. Mr. Owen also served as a pastor to several Indiana pastorates, where his responsibilities included, among other things, planning, administration, and staff supervision. In addition, Mr. Owen served as a Consultation and Education Specialist for Gallahue Mental Health Center from 1979 to 1982. Mr. Owen is a corporate member of the Telecommunications Resellers Association and of the Association of College and University Telecommunications Administrators. He is also a national member of the American Society of Training and Development. Mr. Owen holds a Bachelor of Science degree in Aeronautical Engineering from the University of Michigan in addition to a Master of Divinity.

Constance Brubaker Gaede. Ms. Gaede has been Vice President of Marketing Services for the Company since 1994. In this capacity, Ms. Gaede is responsible for designing and implementing the Company's marketing strategy and negotiating revenue sharing contracts with affiliated groups. Ms. Gaede also designs and oversees the Company's market research and, as a member of the Executive Committee, manages the Company's general operations. Prior to joining the Company, Ms. Gaede held teaching and/or supervisory positions at a variety of educational institutions, including media specialist, director of teacher education, associate professor, and library information specialist. Ms. Gaede holds Doctoral and Masters degrees in Education, as well as a Bachelor of Science degree in political science.

Brenda A. Renneisen. As Vice President of Customer Services since 1995, Ms. Renneisen manages the operations of the Company's in-bound call center and information services department. Ms. Renneisen is also responsible for coordinating all interactions with vendors, strategic planning and budget development, and implementation within both departments. Ms. Renneisen also served as Senior Customer Service Representative of the Company from 1993 to 1995. Prior to joining the Company, Ms. Renneisen held various retail management positions at the Thom McAn Shoe Company from 1984 to 1993. Ms. Renneisen holds a Bachelor of Arts degree in business administration.

Robert M. Savage. Mr. Savage is Associate Vice President of Information Services, where he is responsible for managing the Company's MIS operations. Mr. Savage is also responsible for systems planning and the development of software for internal use. Prior to joining the Company, Mr. Savage was employed as Senior Consultant to Keane Incorporated, where he specialized in the area of custom software development, and was responsible for the analysis of proposed information systems, design, development and implementation of software solutions. From 1984 to 1994, Mr. Savage held various MIS management and analyst positions at the Louisville/Jefferson County Department of Health and the Jefferson County Department for Human Services. Mr. Savage holds Master of Science from the University of Louisville Engineering Mathematics and Computer Science Speed School.

D. Craig Peterson. Mr. Peterson has been with the Company since 1995 as Associate Vice President of Marketing, where he is responsible for sales and marketing, training and supervision, and financial and office management. Prior to joining the Company, Mr. Peterson served as Executive Director, and as Director of Campus Services, for the National Interfraternity Conference in Indianapolis. Mr. Peterson holds both a Master of Science and a Bachelor of Arts degree.

Donna Coleman. Ms. Coleman joined the Company in 1987 and has served as the Director of Financial Services since 1995. In that capacity, Ms. Coleman is responsible for implementing the Company's financial plans and policies and for ensuring the accuracy of the Company's financial reports. Ms. Coleman is also responsible for supervising daily operations of the accounting department. Ms. Coleman has over 14 years of telecommunications skills and experience, gained as an employee at Indiana Bell Telephone Company from 1963 to 1977. Ms. Coleman also served as Officer Manager and General Manager of Cable TV business at Pegasus Communications, from 1984 to 1987.

EXHIBIT 4

Proposed Tariff

TITLE SHEET

RESALE TELECOMMUNICATIONS SERVICES

This tariff applies to the resold long distance interexchange telecommunications services furnished by National Collegiate, Inc. ("Carrier") between one or more points in the State of Florida. This tariff is on file with the Florida Public Service Commission, and copies may be inspected, during normal business hours, at Carrier's principal place of business, 3900 Industrial Boulevard, Suite 5, Bloomington, Indiana 47403.

Issued: January 8, 1998

Effective:

Issued by: David G. Owen, President
3900 Industrial Boulevard, Suite 5
Bloomington, Indiana 47403

CHECK SHEET

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

SHEET	REVISION	SHEET	REVISION
1	Original	16	Original
2	Original	17	Original
3	Original	18	Original
4	Original	19	Original
5	Original	20	Original
6	Original	21	Original
7	Original	22	Original
8	Original	23	Original
9	Original	24	Original
10	Original	25	Original
11	Original	26	Original
12	Original	27	Original
13	Original	28	Original
14	Original	29	Original
15	Original	30	Original

Issued: January 8, 1998

Effective:

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Bloomington, Indiana 47403

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SYMBOLS

The following are the only symbols used for the purposes indicated below:

- D - Delete or Discontinue
- I - Change Resulting In An Increase to A Customer's Bill
- M - Moved From Another Tariff Location
- N - New
- R - Change Resulting In A Reduction to A Customer's Bill
- T - Change In Text or Regulation But No Change In Rate or Charge

TARIFF FORMAT

- A. **Sheet Numbering** - Sheet numbers appear in the upper right corner of the page. 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 page. 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 page in effect.

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TARIFF FORMAT (Cont'd)

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

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

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

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SECTION 1. TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement from a local exchange telephone company or other common carrier, using either dedicated or switched access, which connects a Subscriber's location to Carrier's location or switching center.

Authorization Code - A numerical code, one or more of which may be assigned to a Subscriber, to enable Carrier to identify the origin of service User so it may rate and bill the call. All authorization codes shall be the sole property of Carrier and no Subscriber shall have any property or other right or interest in the use of any particular authorization code. Automatic numbering identification (ANI) may be used as or in connection with the authorization code.

Automatic Numbering Identification (ANI) - A type of signaling provided by a local exchange telephone company which automatically identifies the local exchange line from which a call originates.

Calling Card - A postpaid or prepaid calling card issued by Carrier which allows Subscribers and/or Users to make telephone calls and charge the calls to a postpaid or prepaid account. Calls charged to a Carrier-issued postpaid Calling Card will appear on the Subscriber's regular monthly bill. Calls charged to a Carrier-issued prepaid Calling Card will be charged against the debit account.

Carrier or Company - Refers to National Collegiate, Inc.

Commission - Refers to the Florida Public Service Commission.

Common Carrier - A company or entity providing telecommunications services to the public.

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SECTION 1. TECHNICAL TERMS AND ABBREVIATIONS (Cont'd)

Local Access and Transport Area (LATA) - The term "Local Access Transport Area" denotes a geographical area established by the U.S. District Court for the District of Columbia in Civil Action No. 82-0192, within which a local exchange company provides communications services.

Measured Charge - A charge assessed on a per minute basis in calculating a portion of the charges due for a completed interexchange call.

Subscriber/Customer - The person or legal entity which enters into arrangements for Carrier's telecommunications services and is responsible for payment of Carrier's services.

Telecommunications - The transmission of voice communications or, subject to the transmission capabilities of the service, the transmission of data, facsimile, signaling, metering, or other similar communications.

User - The person(s) utilizing Carrier's services.

Working Day - Any day on which Carrier is open for business and U.S. Mail is delivered.

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SECTION 2. RULES AND REGULATIONS

2.1 Application of Tariff

- 2.1.1 This tariff contains the regulations and rates applicable to intrastate resale telecommunications services provided by Carrier for telecommunications between points within the State of Florida. Carrier's services are furnished subject to the availability of facilities and subject to the terms and conditions of this tariff.**
- 2.1.2 The rates and regulations contained in this tariff apply only to the services furnished by Carrier and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carrier for use in accessing the services of Carrier.**
- 2.1.3 The Subscriber is entitled to limit the use of Carrier's services by Users at the Subscriber's facilities, and may use other common carriers in addition to or in lieu of Carrier.**

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.2 Use of Services

- 2.2.1 Carrier's services may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of services.
- 2.2.2 The use of Carrier's services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another or in such a way as to unreasonably interfere with use by others is prohibited.
- 2.2.3 The use of Carrier's services without payment for service or attempting to avoid payment for service by fraudulent means or devices, schemes, false or invalid numbers, or false calling or credit cards is prohibited.
- 2.2.4 Carrier's services are available for use twenty-four hours per day, seven days per week.
- 2.2.5 Carrier does not transmit messages pursuant to this tariff, but its services may be used for that purpose.
- 2.2.6 Carrier's services may be denied for nonpayment of charges or for other violations of this tariff.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.3 Liability of Carrier

- 2.3.1 Except as otherwise stated in this section, the liability of Carrier for damages arising out of either: (1) the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these services, or (2) the failure to furnish its service, whether caused by acts or omission, shall be limited to the extension of allowances to the Customer for interruptions in service as set forth in Section 2.5.**
- 2.3.2 Except for the extension of allowances to the Customer for interruptions in service as set forth in Section 2.5, Carrier shall not be liable to a Customer or third party for any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages, including, but not limited to, loss of revenue or profits, for any reason whatsoever, including, but not limited to, any act or omission, failure to perform, delay, interruption, failure to provide any service or any failure in or breakdown of facilities associated with the service.**
- 2.3.3 The liability of Carrier for errors in billing that result in overpayment by the Customer shall be limited to a credit equal to the dollar amount erroneously billed or, in the event that payment has been made and service has been discontinued, to a refund of the amount erroneously billed.**

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.3 Liability of Carrier (Cont'd)

2.3.4 Carrier shall not be liable for any claims for loss or damages involving:

- A. Any act or omission of: (1) the Customer, (2) any other entity furnishing service, equipment or facilities for use in conjunction with services or facilities provided by Carrier; or (3) common carriers or warehousemen;**

- B. Any delay or failure of performance or equipment due to causes beyond Carrier's control, including but not limited to, acts of God, fires, floods, earthquakes, hurricanes, or other catastrophes; national emergencies, insurrections, riots, wars or other civil commotions; strikes, lockouts, work stoppages or other labor difficulties; criminal actions taken against Carrier; unavailability, failure or malfunction of equipment or facilities provided by the Customer or third parties; and any law, order, regulation or other action of any governing authority or agency thereof;**

- C. Any unlawful or unauthorized use of Carrier's facilities and services;**

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.3 Liability of Carrier (Cont'd)

- 2.3.4 D. Libel, slander, invasion of privacy or infringement of patents, trade secrets, or copyrights arising from or in connection with the transmission of communications by means of Carrier-provided facilities or services; or by means of the combination of Carrier-provided facilities or services with Customer-provided facilities or services;**
- E. Breach in the privacy or security of communications transmitted over Carrier's facilities;**
- F. Changes in any of the facilities, operations or procedures of Carrier that render any equipment, facilities or services provided by the Customer obsolete, or require modification or alteration of such equipment, facilities or services, or otherwise affect their use or performance, except where reasonable notice is required by Carrier and is not provided to the Customer, in which event Carrier's liability is limited as set forth in subsection 2.3.1 of this Section 2.3.**
- G. Defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof;**

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.3 Liability of Carrier (Cont'd)

- 2.3.4 H. Injury to property or injury or death to persons, including claims for payments made under Workers' Compensation law or under any plan for employee disability or death benefits, arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected, or to be connected to Carrier's facilities;**
- I. Any intentional, wrongful act of a Carrier employee when such act is not within the scope of the employee's responsibilities for Carrier and/or is not authorized by Carrier;**
- J. Any representations made by Carrier employees that do not comport, or that are inconsistent, with the provisions of this Tariff;**
- K. Any act or omission in connection with the provision of 911, E911, or similar services involving emergencies;**
- L. Any noncompletion of calls due to network busy conditions;**
- M. Any calls not actually attempted to be completed during any period that service is unavailable.**

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.3 Liability of Carrier (Cont'd)

2.3.5 Carrier shall be indemnified, defended and held harmless by the Customer or end user from and against any and all claims, loss, demands, suits, expense, or other action or any liability whatsoever, including attorney fees, whether suffered, made, instituted, or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any Carrier or Customer equipment or facilities or service provided by Carrier.

2.3.6 Carrier does not guarantee nor make any warranty with respect to installations Provided by it for use in an explosive atmosphere. Carrier shall be indemnified, defended and held harmless by the Customer from and against any and all claims, loss, demands, suits, or other action, or any liability whatsoever, including attorney fees, whether suffered, made, instituted or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any equipment or facilities or the service.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.3 Liability of Carrier (Cont'd)

- 2.3.7** Carrier assumes no responsibility for the availability or performance of any cable or satellite systems or related facilities under the control of other entities, or for other facilities provided by other entities used for service to the Customer, even if Carrier has acted as the Customer's agent in arranging for such facilities or services. Such facilities are provided subject to such degree of protection or nonpreemptibility as may be provided by the other entities.
- 2.3.8** Any claim of whatever nature against Carrier shall be deemed conclusively to have been waived unless presented in writing to Carrier within thirty (30) days after the date of the occurrence that gave rise to the claim.
- 2.3.9** CARRIER MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.4 Responsibilities of the Subscriber

- 2.4.1 The Subscriber is responsible for placing any necessary orders; for complying with tariff regulations; for the placement of any stickers or tent cards provided by Carrier or as required by law; and for assuring that Users comply with tariff regulations. The Subscriber shall ensure compliance with any applicable laws, regulations, orders or other requirements (as they exist from time to time) of any governmental entity relating to services provided or made available by the Subscriber to Users. The Subscriber is also responsible for the payment of charges for calls originated at the Subscriber's numbers which are not collect, third party, calling card, or credit card calls.**

- 2.4.2 The Subscriber is responsible for charges incurred for special construction and/or special facilities which the Subscriber requests and which are ordered by Carrier on the Subscriber's behalf.**

- 2.4.3 If required for the provision of Carrier's services, the Subscriber must provide any equipment space, supporting structure, conduit and electrical power without charge to Carrier.**

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Bloomington, Indiana 47403**

SECTION 2. RULES AND REGULATIONS (Cont'd)

2.4 Responsibilities of the Subscriber (Cont'd)

2.4.4 The Subscriber is responsible for arranging access to its premises at times mutually agreeable to Carrier and the Subscriber when required by Carrier personnel to install, repair, maintain, program, inspect or remove equipment with the provision of Carrier's services.

2.4.5 The Subscriber shall ensure that the equipment and/or system is properly interfaced with Carrier facilities or services, that the signals emitted into Carrier's network are of the proper mode, bandwidth, power, and signal level for the intended use of the Subscriber and in compliance with the criteria set forth in this tariff, and that the signals do not damage equipment, injure personnel, or degrade service to other Subscribers. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, Carrier will permit such equipment to be connected with its channels without use of protective interface devices.

If the Subscriber fails to maintain the equipment and/or the system properly, with resulting imminent harm to Carrier equipment, personnel, or the quality of service to other Subscribers, Carrier may, upon written notice, require the use of protective equipment at the Subscriber's expense. If this fails to produce satisfactory quality and safety, Carrier may, upon written notice, terminate the Subscriber's service.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.4 Responsibilities of the Subscriber (Cont'd)

- 2.4.6 The Subscriber must pay Carrier for replacement or repair of damage to the equipment or facilities of Carrier caused by negligence or willful act of the Subscriber, Users, or others, by improper use of the services, or by use of equipment provided by the Subscriber, Users, or others.
- 2.4.7 The Subscriber must pay for the loss through theft of any Carrier equipment installed at Subscriber's premises.
- 2.4.8 The Subscriber is responsible for payment of the charges set forth in this tariff.
- 2.4.9 The Subscriber is responsible for compliance with the applicable regulations set forth in this tariff.
- 2.4.10 The Subscriber shall indemnify and save Carrier harmless from all liability disclaimed by Carrier as specified in Section 2.3 above, arising in connection with the provision of service by Carrier, and shall protect and defend Carrier from any suits or claims against Carrier and shall pay all expenses and satisfy all judgments rendered against Carrier in connection herewith. Carrier shall notify the Subscriber of any suit or claim against Carrier of which it is aware.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.5 Cancellation or Interruption of Services

2.5.1 General

- A. A service is interrupted when it becomes unusable to the Customer, *e.g.*, the Customer is unable to transmit or receive, because of a failure of a component furnished by Carrier under this tariff.
- B. An interruption period begins when the Customer reports a service, facility or circuit to be inoperative and releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative.
- C. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, the service, facility or circuit is considered to be impaired but not interrupted. No credit allowances will be made for a service, facility or circuit considered by Carrier to be impaired.

2.5.2 Refusal and Discontinuance of Service for Nonpayment of Bill

Service may be refused or discontinued for nonpayment of a bill if: (1) Carrier has made a reasonable attempt to effect collection and; (2) Carrier has provided the Customer with five (5) working days' prior written notice with respect to an unpaid bill. However, disconnection may take place prior to the expiration of the 5-day unpaid bill notice period if Carrier determines from verifiable data that usage during the 5-day notice period is so abnormally high that a risk of irreparable revenue loss is created.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.5 Cancellation or Interruption of Services (Con't)

2.5.3 Notice of Pending Discontinuance

Prior to the discontinuance of service, Carrier shall provide a written notice to the Customer setting forth the reason for disconnection and the final date by which the account is to be settled or specific action taken. Final dates shall be no less than five (5) working days with respect to an unpaid bill, after the notice is rendered. The notice shall be considered rendered to the Customer when deposited in the U.S. Mail with postage prepaid. If delivery is by other than U.S. Mail, the notice shall be considered rendered when delivered to the last known address of the person responsible for payment for the service. The notice will specify (800) 316-1893 as a toll-free number at which a Carrier representative can be reached to provide additional information about the discontinuance.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.5 Cancellation or Interruption of Services (Cont'd)

2.5.4 Limitations on Allowances

No credit allowance will be made for any interruption of service:

- A. due to the negligence of, or noncompliance with the provisions of this Tariff by, any person or entity other than Carrier, including but not limited to the Customer or other common carriers connected to the service of Carrier;
- B. due to the failure of power, equipment, systems, or services not provided by Carrier;
- C. due to circumstances or causes beyond the control of Carrier;
- D. during any period in which Carrier is not given full and free access to its facilities and equipment for the purposes of investigating and correcting interruptions;
- E. during any period in which the Customer continues to use the service on an impaired basis;

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.5 Cancellation or Interruption of Services (Cont'd)

2.5.4 Limitations on Allowances (Cont'd)

- F. during any period when the Customer has released service to Carrier for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
- G. that occurs or continues due to the Customer's failure to authorize replacement of any element of special construction; and
- H. that was not reported to Carrier within thirty (30) days of the date that service was affected.

2.5.5 Application of Credits for Interruptions of Service

Credits for interruptions of service, for which charges are specified on the basis of per minute of use, or on the usage of a fraction of a minute, shall in no event exceed an amount equal to the initial period charge provided for under this tariff.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.6 Billing Arrangements

- 2.6.1 The Subscriber will either be billed directly by Carrier or its intermediary, or charges will be included in the Subscriber's regular telephone bill pursuant to billing and collection agreements established by Carrier or its intermediary with the applicable telephone company.
- 2.6.2 Carrier will render bills monthly. Payment is due within thirty (30) days after the Subscriber's receipt of its bill.
- 2.6.3 Carrier may impose a late payment charge not to exceed 1.5% on any bill not paid within thirty (30) days of the receipt. The Subscriber shall be responsible for all costs, including attorney's fees, incurred in the collection of unpaid charge or in any other action to enforce payments and/or obligations arising under this tariff. A charge of up to twenty dollars (\$20.00) may be imposed for returned checks.

2.7 Validation of Credit

Carrier reserves the right to validate the credit worthiness of Subscribers or Users.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.8 Contested Charges

All bills are presumed accurate, and shall be absolutely binding on the Subscriber unless objection is received by Carrier within thirty (30) days after such bills are rendered. In the case of a billing dispute between the Subscriber and Carrier for service furnished to the Subscriber, which cannot be settled with mutual satisfaction, the Subscriber can take the following course of action within thirty (30) days of the billing date:

- 2.8.1 First, the Subscriber may request, and Carrier will provide, an in-depth review of the disputed amount. (The undisputed portion and subsequent bills must be paid on a timely basis or the service may be subject to disconnect.)
- 2.8.2 Second, if there is still a disagreement about the disputed amount after the investigation and review by a manager of Carrier, the Subscriber may file an appropriate complaint with the Florida Public Service Commission. The Commission's address is:

Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.9 Commission Ordered Refunds

Carrier will follow Rule 25-24.490 that incorporates Rule 25-4.114 in calculating and paying interest and any refund, except deposit refunds, that may be ordered by the Commission.

2.10 Complaint Procedures

Inquiries, general questions, or complaints may be directed informally to Carrier in person at Carrier's office located at 3900 Industrial Boulevard, Suite 5, Bloomington, Indiana 47403, or in writing to P.O. Box 35, Clear Creek, IN 47426. Customers may also contact Carrier by dialing the following toll-free number (800) 316-1893. Automated service by telephony is available 24 hours a day, seven days a week. Carrier's customer service representatives are available to accept calls from 9:00 a.m. to 9:00 p.m., Monday through Friday. Complaints concerning the charges, practices, facilities, or services of Carrier will be investigated promptly and thoroughly. Carrier will keep records of each complaint showing the name and address of the complainant, the date and nature of the complaint, its disposition, and all other pertinent facts dealing with the complaint that will enable Carrier to review and analyze its procedures and actions. Carrier will maintain for at least six (6) months a record of all signed written complaints. The records maintained by Carrier under this tariff will be available for inspection by the Commission or its staff upon request. Within fifteen (15) days of the receipt of a written complaint, Carrier will provide written notice to the Customer of the status of the complaint. Each Customer may file with the Commission for resolution of disputes.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.11 Provision of Information

Pursuant to Commission Rule 25-24.490(4), upon request of any person, Carrier will provide information, verbally or in writing, regarding the terms of Carrier's services. Carrier will send this information in a separate mailing to new Customers at or before Customer's receipt of the first bill.

2.12 Directory Assistance

Carrier does not provide local directory assistance.

2.13 Operator Services

Carrier will route all operator assisted calls to the Carrier's Connecting Carrier.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.14 Billing Entity Conditions

When billing functions on behalf of Carrier are performed by local exchange telephone companies, or others, the payment conditions and regulations of such companies apply, including any applicable interest and/or late payment charge conditions.

2.15 Deposits

Carrier does not require a deposit from the Subscriber.

2.16 Taxes

All federal excise taxes, and State and local sales, use, and similar taxes, are billed as separate items and are not included in the quoted rates. Gross receipts tax will not be billed as a separate line item.

2.17 Minimum Call Completion Rate

Carrier will ensure an industry standard blocking rate no greater than P.01.

2.18 Promotions

Carrier may from time to time offer promotional services.

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SECTION 3. DESCRIPTION

3.1 Description

Carrier provides resold interexchange telecommunications services, including calling card services. Calls are rated based on the duration of the call. Carrier does not charge for service on a mileage basis.

3.2 Calculation of Usage Rates

3.2.1 Billing for calls placed over Carrier's network is based in part on the duration of the call. Unless otherwise stated herein, calls are billed in one minute initial and one minute additional increments. Timing begins when the called station is answered, as determined by standard industry methods generally in use for ascertaining answer, including hardware answer supervision in which the local telephone company sends a signal to the switch. A call is terminated when either party (called or calling) hangs up.

3.2.2 Rates are not distance sensitive. As such, unless otherwise indicated, mileage bands are not applicable to the services offered.

3.2.3 Unless otherwise indicated, rates do not vary depending upon day or the time of day (Day, Evening, and Night/Weekend).

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SECTION 4. RATE SCHEDULE

4.1 Rate Schedules

The regulations set forth in this section govern the application of rates for services as set forth in other sections of this tariff.

4.1.1 Postpaid Calling Card Service

Postpaid calling card service is available to Customers of Carrier's long distance services. Customers will reach Carrier's network via a toll free number. A Customer who elects to use this service will pay the tariffed rates for calls charged to the card. Charges for such calls appear on the Customer's regular monthly bill. Postpaid Calling Card calls are billed in one minute initial and one minute additional increments.

A. Affiliated Student Card - Plan A

	Initial Minute	Add'l. Minute
Day:	\$0.39	\$0.39
Evening:	0.27	0.27
Night/Weekend:	0.23	0.23

Per call surcharge:

Campus city:	None
All other locations:	\$0.35

B. Affiliated Student Card - Plan B

	Initial Minute	Add'l. Minute
Day:	\$0.30	\$0.30
Evening:	0.15	0.15
Night/Weekend:	0.09	0.09

Per call surcharge: \$0.90

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SECTION 4 - RATE SCHEDULE (Cont'd)

4.1 Rate Schedules (Cont'd)

4.1.1 Postpaid Calling Card Service (Cont'd)

C. Non-Affiliated Student Card - Plan A

	Initial Minute	Add'l. Minute
Day:	\$0.39	\$0.39
Evening:	0.27	0.27
Night/Weekend:	0.23	0.23
Per call surcharge:	\$0.15	

D. Non-Affiliated Student Card - Plan B

	Initial Minute	Add'l. Minute
Day:	\$0.30	\$0.30
Evening:	0.15	0.15
Night/Weekend:	0.09	0.09
Per call surcharge:	\$0.90	

E. V.I.P. Card

	Initial Minute	Add'l. Minute
Day:	\$0.39	\$0.39
Evening:	0.27	0.27
Night/Weekend:	0.23	0.23
Per call surcharge:	None	

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SECTION 4 - RATE SCHEDULE (Cont'd)

4.1 Rate Schedules (Cont'd)

4.1.2 Prepaid Calling Card Service

Prepaid Calling Card service is a prepaid long distance calling card service under which Users purchase cards in predetermined amounts for long distance usage. Two types of Prepaid Calling Cards are offered: refreshable or disposable. Users may increase the balance on Carrier's refreshable cards by contacting Carrier. The refreshable Prepaid Calling Card expires six (6) months from date of first use or, if later, from date last refreshed. Disposable, non-refreshable Prepaid Calling Cards expire six (6) months from date of first use. Carrier's Prepaid Calling Card services are accessed through a toll-free number. An authorization code and destination number are then entered and the call is completed. As Users access the service, their usage is automatically deducted from the remaining card balance. When one minute remains, a warning announcement is heard by the User. When all remaining time has been depleted, the call will be terminated. Prepaid Calling Card calls are billed in one minute initial and one minute additional increments.

Plan	Minutes on Card	Per Minute Rate
Fund Raiser A	15	\$0.33
Fund Raiser B	20	\$0.25

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STATE OF INDIANA)
)
SS:)
COUNTY OF LAWRENCE)
_____)

VERIFICATION

I, David G. Owen, being duly sworn, declare that I am the President of National Collegiate, Inc., the Applicant in the subject proceeding; that I have read the foregoing application and exhibits; and that the same are true and correct to the best of my knowledge, information, or belief.

David G Owen

Subscribed and sworn to before me
this 31st day of December, 1997

Juli Jo Sigwart
Notary Public

**JULI JO SIGWART
NOTARY PUBLIC STATE OF INDIANA
LAWRENCE COUNTY**

My Commission Expires: MY COMMISSION EXP. JULY 16, 1999

DOCKET NO. 980050-TI
NATIONAL COLLEGIATE, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM ACCOUNTANT'S COMPILATION

	YEAR ENDED <u>JULY 31, 1997</u>
CURRENT ASSETS	976,543
CURRENT LIABILITIES	346,459
CURRENT RATIO	2.82
CASH	373,101
COMMON EQUITY	890,356
TOTAL DEBT	176,215
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	1,066,571
COMMON EQUITY RATIO	83%
NET INCOME	882,820
RETURN ON EQUITY	99%