

ORIGINAL

FISHER WAYLAND COOPER LEADER & ZARAGOZA LLP.

2001 PENNSYLVANIA AVENUE, N.W.
SUITE 400

WASHINGTON, D. C. 20006-1851

TELEPHONE (202) 659-3494

JAQUALIN FRIEND PETERSON

(202) 775-3534

February 24, 1998

FACSIMILE

(202) 296-6518

DEPOSIT

DATE

INTERNET

jpeterson@fwclz.com

D7 16 #4

FEB 25 1998

Via Federal Express

Ms. Blanca S. Bayo
Director, Division of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0866

980290-TX

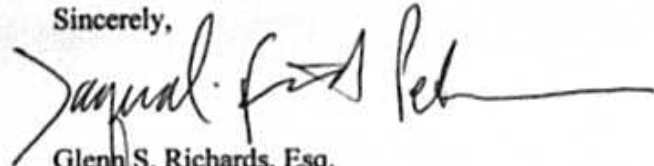
Re: Talk Time Communications, Ltd. d/b/a Talk Time Communications, Ltd. Inc.
Application for Authority to Provide Alternative Local Exchange Service

Dear Ms. Bayo:

Enclosed for filing on behalf of Talk Time Communications, Ltd. please find an original and six (6) copies of its Application for Authority to Provide Alternative Local Exchange Services in the State of Florida. Also enclosed is a check for \$250.00 payable to the Florida Public Service Commission to cover the application fee.

Please date-stamp the enclosed "Receipt" copy of the Application and return it to the undersigned in the self-addressed, stamped envelope provided. Should you have any questions concerning the application, please do not hesitate to contact the undersigned.

Sincerely,



Glenn S. Richards, Esq.
Jaqualin Friend Peterson, Esq.

Counsel for Talk Time Communications, Ltd.

Enclosures

cc: Marc Cormier

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DOCUMENT NUMBER-DATE

02610 FEB 25 98

FPSC-RECORDS/REPORTING

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:

A.J.

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

**APPLICATION FORM
for**

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

INSTRUCTIONS

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

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

5. 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.
-

-
1. This is an application for (check one):
- (X) Original authority (new company)
- () Approval of transfer (to another certificated company)
Example. a certificated company purchases an existing company and desires to retain the original certificate authority.
- () Approval of assignment of existing certificate (to a noncertificated company)
Example. a non-certificated company purchases an existing company and desires to retain the certificate of authority rather than apply for a new certificate.
- () Approval for transfer of control (to another certificated company)
Example. a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.
2. Name of applicant:
Talk Time Communications, Ltd.
3. A. National mailing address including street name, number, post office box, city, state, zip code, and phone number.
**107-35 Merrick Blvd.
Jamaica, New York 11433
(718) 658-8364 (phone)
(718) 657-2595 (fax)**
- B. Florida mailing address including street name, number, post office box, city, state, zip code, and phone number.
**CT Corporation System
1200 South Pine Island Road
Plantation, Florida 33324**
- C. Physical address of alternative local exchange service in Florida including street name, number, post office box, city, zip code and phone number.

4. Structure of organization:

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

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

Corporate charter number: F98000001014

Applicant was incorporated in the State of New York on January 9, 1996 as East Gate Security, Inc. Applicant subsequently changed its name to "Talk Time Communications, Ltd." Copies of its Articles of Incorporation and Certificate of Authority to operate in Florida are attached hereto as Exhibit I.

6. Name under which the applicant will do business (d/b/a):
Talk Time Communications, Ltd. Inc.

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

Fictitious name registration number: F98000001014

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

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

None

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

**Lawrence Marc Cormier
President/CEO
Talk Time Communications, Ltd.
107-35 Merrick Blvd.
Jamaica, New York 11433
(718) 658-8364 (phone)
(718) 657-2595 (fax)**

-
11. Please list other states in which the applicant is currently providing or has applied to provide local exchange or alternative local exchange service.
New York
12. Has the applicant been denied certification in any other state? If so, please list the state and reason for denial.
No.
13. Have penalties been imposed against the applicant in any other state? If so, please list the state and reason for penalty.
No.
14. Please indicate how a customer can file a service complaint with your company.
Customers can either call the Company's toll-free telephone number (888) 658-8264 or write the Company directly.
15. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide alternative local exchange service in Florida.

A. Financial capability. See Exhibit II.

Regarding the showing of financial capability, the following applies:

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

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

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

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

**B. Managerial capability.
See Exhibit III.**

**C. Technical capability.
See Exhibit IV.**

AFFIDAVIT

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

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

Official: *J m c P-cv* 2/20/98
Signature Date

Title: President/CEO (718) 658-8264
Telephone Number

Address: Talk Time Communications, Ltd.
107-35 Merrick Blvd.
Jamaica, New York 10038

Talk Time Communications, Ltd.

EXHIBIT I

ARTICLES OF INCORPORATION
AND
CERTIFICATE OF AUTHORITY

CSC 45 / 960109000341

CERTIFICATE OF INCORPORATION
OF
EASTGATE SECURITY, INC.

Section 402 of the Business Corporation Law

FILED

JAN 9 4 25 PM '96

111
STATE OF NEW YORK
DEPARTMENT OF STATE
FILED JAN 09 1996
TAX \$ 10
BY: AS

Filer: Colleen Sullivan
Corporation Service Company
500 Central Avenue
Albany, NY 12206

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960109000568

CSC 45

✓ 900109000541

CERTIFICATE OF INCORPORATION
OF
EASTGATE SECURITY, INC.

UNDER SECTION 402 OF THE BUSINESS CORPORATION LAW

The undersigned, a natural person of the age of eighteen years or over, desiring to form a corporation pursuant to the provisions of Section 402 of the Business Corporation Law of the State of New York, hereby certifies as follows:

FIRST: The name of the corporation is:

EASTGATE SECURITY, INC.

SECOND: The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the Business Corporation Law of the State of New York, exclusive of any act or activity requiring the consent or approval of any state official, department, board, agency or other body without such consent or approval first being obtained.

THIRD: The office of the corporation in the State of New York is to be located in the County of Queens.

FOURTH: The aggregate number of shares which the corporation shall have the authority to issue is:

Two Hundred (200) Shares Without Par Value

|

FIFTH: The Secretary of State is designated as the agent of the corporation upon whom process against the corporation may be served, and the address to which the Secretary of State shall mail a copy of any process against the corporation served upon him is:

P.O. Box 840
Jamaica, NY 11433

IN WITNESS WHEREOF, I have duly executed and subscribed this certificate and do affirm the foregoing as true under the penalties of perjury this ninth day of January, 1996.

Colleen Sullivan

Colleen Sullivan
Incorporator
Corporation Service Company
500 Central Avenue
Albany, NY 12206

116
of New York }
Department of State } 22:

I hereby certify that I have compared the annexed copy of the original document filed by the Department of State and that the same is a correct transcript of said original.

Witness my hand and seal of the Department of State on

JAN - 3 1996



Alvanah F. Quade
Secretary of State

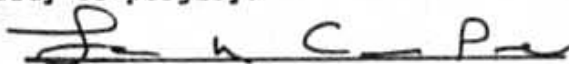
**CERTIFICATE OF AMENDMENT
OF THE CERTIFICATE OF INCORPORATION
OF
EastGate Security, Inc.**

UNDER SECTION 805 OF THE BUSINESS CORPORATION LAW

We, the undersigned, Lawrence Marc Cormier, being respectively the President and Secretary of EastGate Security, Inc. hereby certify:

- First: The name of the corporation is EastGate Security, Inc.
- Second: The Certificate of Incorporation of the corporation was filed by the Department of State on the 9 day of January, 1996.
- Third: The Certificate of Incorporation is amended to change the name of the corporation from EastGate Security, Inc. to In-Touch Communications, Inc.
- Fourth: The effect the forgoing, Article First, relating to the name of the coporation is amended to read as follows:
- First: The name of the corporation is EastGate Security, Inc.
- Fifth: The amendment to the Certificate of Incorporation was authorized in the following manner: Vote by Board of Directors followed by a vote of the stockholders.

IN WITNESS WHEREOF, THIS Certificate has been signed this 30th day of April, 1997 by the undersigned, who affirm that the statements made herein are true under penalty of perjury.



Lawrence Marc Cormier, President

FILING RECEIPT

ENTITY NAME : EASTGATE SECURITY, INC.

DOCUMENT TYPE : INCORPORATION (DOM. BUSINESS)

COUNTY: QUEE

SERVICE COMPANY : CSC NETWORKS/PRENTICE HALL

SERVICE CODE: 45 *

FILED: 01/09/1996 DURATION: PERPETUAL CASH #: 960109000568 FILM #: 960109000541

ADDRESS FOR PROCESS

THE CORPORATION
P.O. BOX 840
JAMAICA, NY 11433

EXIST DATE

01/09/1996

REGISTERED AGENT



STOCK: 200 NPV

FILED	FEES		PAYMENTS	
		170.00		170.00
OLLEEN SULLIVAN	FILING :	125.00	CASH :	0.00
INCORPORATION SERVICE COMPANY	TAX :	10.00	CHECK :	0.00
6 CENTRAL AVENUE	CERT :	0.00	BILLED :	170.00
3ANY, NY 12206	COPIES :	10.00		
	HANDLING :	25.00		
			REFUND :	0.00

State of New York }
Department of State } ss:

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

Witness my hand and seal of the Department of State on **MAY 13 1997**



A handwritten signature in black ink, appearing to read "J. Clark", written over a horizontal line.

Special Deputy Secretary of State

FILING RECEIPT

ENTITY NAME : TALK TIME COMMUNICATIONS, LTD.

DOCUMENT TYPE : AMENDMENT (DOMESTIC BUSINESS)
NAME

COUNTY : QUEE

SERVICE COMPANY : CI CORPORATION SYSTEM

SERVICE CODE: 07

FILED: 05/06/1997 DURATION: ***** CASH #: 9705060000475 FILM #: 9705050000458

ADDRESS FOR PROCESS

REGISTERED AGENT



FILER

MANC CURRIER
AEROTECH SECURITIES, INC.
107 35 MERRICK BLVD.
JAMAICA, NY 11435

FEES	PAYMENTS	
FILING	20.00	CASH
TAX	0.99	CHECK
CERT	0.99	BILLED
COPIES	10.00	
HANDLING	25.00	
		HILL USD
		0.00



FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

February 23, 1998

CT CORP

Qualification documents for TALK TIME COMMUNICATIONS, LTD. doing business in Florida as TALK TIME COMMUNICATIONS, LTD. INC. were filed on February 23, 1998 and assigned document number F98000001014. 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.

Freta Lott
Corporate Specialist Supervisor
Division of Corporations

Letter Number: 498A00010164

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. Talk Time Communications Ltd. 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. New York
(State or country under the law of which it is incorporated)

3. 113373518
(FEI number, if applicable)

4. January 9, 1996
(Date of incorporation)

5. Perpetual
(Duration: Year corp. will cease to exist or "perpetual")

6. Upon Qualification
(Date first transacted business in Florida. (See sections 607.1501, 607.1502, and 617.155, F.S.))

7. 107-35 Merrick Blvd
Ny, NY 11433
(Current mailing address)

8. Alternate Local Exchange Service Provider
(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:

Name: C T CORPORATION SYSTEM

Office Address: c/o C T Corporation System, 1200 South Pine Island Road

Plantation, Florida, 33324
(Zip Code)

10. Registered agent 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 obligation of my position as registered agent.

C T CORPORATION SYSTEM

Carrie Bryan
(Registered agent's signature) (Officer)

SPECIAL ASSISTANT SECRETARY

(Type Name and Title of Officer)

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.

12. Names and addresses of officers and/or directors:

A. DIRECTORS (Street address only - P.O. Box NOT acceptable)

Chairman: Marc Cormier

Address: 107-35 Merrick Blvd'

Jamaica, NY 11433

Vice Chairman: _____

Address: _____

Director: _____

Address: _____

Director: _____

Address: _____

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

President: Marc Cormier

Address: 107-35 Merrick Blvd

Jamaica, NY 11433

Vice President: _____

Address: _____

Secretary: Marc Cormier

Address: 107-35 Merrick Blvd

Jamaica, NY 11433

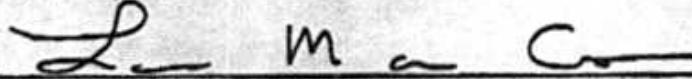
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50 FEB 23 PM 1:48
TALLAHASSEE, FLORIDA

Treasurer Marc Cormier

Address: 107-35 Merrick Blvd

Jamaica, NY 11433

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

13. 

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

14. Marc Cormier

(Typed or printed name and capacity of person signing application)

RECEIVED
FEB 23 PM 1:48
TALLAHASSEE, FLORIDA

EXHIBIT II

BALANCE SHEET

INCOME STATEMENT

STATEMENT OF RETAINED EARNINGS FOR 3 YEARS

Pursuant to Sections 364.337(1)(3) and 364.339(2), Florida Statutes, effective July 1, 1995, Talk Time Communications, Ltd. d/b/a Talk Time Communications, Ltd. Inc. ("TTC") has the financial ability to:

- (1) Provide the requested service in the geographic area proposed to be serviced;
- (2) Maintain the requested service; and
- (3) Meet its ownership obligations.

TTC possesses adequate financial resources to provide the proposed services. TTC plans only to be a switchless reseller. Consequently, TTC will incur few costs with its Florida service offerings. Furthermore, TTC has entered into an agreement with Aerotech Services, Inc. ("Aerotech"), an affiliated company by virtue of common ownership, wherein Aerotech has agreed to provide TTC with the financial support necessary to effect TTC's expansion of service offerings to include alternative local exchange services. A copy of Aerotech's 1996 Audited Financial Statements and its most recent 1997 unaudited balance sheet and income statement are attached hereto.

TCC will also be able to maintain the requested service and meet its ownership obligations. Applicant estimates that it will have more than 10,000 customers by the end of its first year in service. Based on this estimate, Applicant has projected that its gross revenues will exceed 1 million dollars for this same period. Copies of TTC's Pro Forma Financial Statements, providing the company's projected sales, operating expenses, gross profit, and revenue for the first five years of operation, broken down by year, month and service are attached hereto.

Finally, TTC notes that it is authorized to provide telecommunications service in New York and that it has been providing prepaid long distances services for more than one year.

AEROTECH SERVICES, INC.
(AN S CORPORATION)

FINANCIAL STATEMENTS

DECEMBER 31, 1996

**AEROTECH SERVICES, INC.
(AN S CORPORATION)**

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CK CASTELLANO, KORENBERG & Co.

CERTIFIED PUBLIC ACCOUNTANTS, P.C.

1048 Old Country Road
Westbury, New York 11590

516-338-6600
FAX: 516-338-6652

To The Stockholder
Aerotech Services, Inc.
(An S Corporation)
Jamaica, New York

We have reviewed the accompanying balance sheet of Aerotech Services, Inc. as of December 31, 1996 and the related statements of operations and retained earnings and cash flows 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. All information included in these financial statements is the representation of the management of Aerotech Services, Inc.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based upon our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Castellano, Korenberg & Co., CPAs P.C.
CASTELLANO, KORENBERG & CO., CPAs, P.C.

Westbury, New York
April 7, 1997

BALANCE SHEET

AEROTECH SERVICES, INC.
(AN S CORPORATION)
BALANCE SHEET
DECEMBER 31, 1996

ASSETS

CURRENT ASSETS:

Accounts receivable, less allowance for doubtful accounts of \$35,000	\$ 528,00
Uniform inventory	22,50
Prepaid expenses and other current assets	<u>1,20</u>

Total Current Assets	<u>551,70</u>
----------------------	---------------

PROPERTY AND EQUIPMENT	<u>43,10</u>
-------------------------------	--------------

OTHER ASSETS:

Advances to stockholder	7,90
Advances to affiliates	<u>48,50</u>

	<u>56,40</u>
--	--------------

	<u>\$ 651,40</u>
--	------------------

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES:

Cash overdraft	\$ 26,137
Current portion of advances from related party	10,353
Accounts payable	64,704
Payroll and sales tax payable	132,491
Deferred income taxes payable	26,700
Accrued expenses and other current liabilities	<u>2,897</u>

Total Current Liabilities

263,282

LONG-TERM LIABILITY:

Advances from related party, net of current portion	<u>229,820</u>
---	----------------

STOCKHOLDER'S EQUITY:

Common stock, no par value	2,000
Retained earnings	<u>156,299</u>

Total Stockholder's Equity

158,299

\$ 651,401

AEROTECH SERVICES, INC.
(AN S CORPORATION)
STATEMENT OF OPERATIONS AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 1996

NET REVENUE	\$4,137,865
COST OF REVENUE	<u>3,125,342</u>
GROSS PROFIT	1,012,523
GENERAL AND ADMINISTRATIVE EXPENSES	<u>1,073,494</u>
LOSS FROM OPERATIONS	(60,971)
INTEREST EXPENSE	<u>2,311</u>
NET LOSS BEFORE BENEFIT FROM INCOME TAXES	(63,282)
BENEFIT FROM INCOME TAXES	<u>19,800</u>
NET LOSS	(43,482)
RETAINED EARNINGS, BEGINNING OF YEAR, AS RESTATED	<u>199,781</u>
RETAINED EARNING, END OF YEAR	<u>\$ 156,299</u>

See accountants' review report and notes to financial statements.

AEROTECH SERVICES, INC.
(AN S CORPORATION)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1996

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	<u>\$3,976,555</u>
Cash Provided By Operating Activities	<u>3,976,555</u>
Cash paid to suppliers	(682,564)
Cash paid to employees	(3,261,835)
Interest paid	<u>(2,320)</u>
Cash Disbursed For Operating Activities	<u>(3,946,719)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>29,836</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of machinery and equipment	<u>(8,034)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(8,034)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Repayment of related party advances	(20,033)
Advances to stockholder	(7,907)
Advances to affiliates	<u>(48,514)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(76,454)</u>
NET DECREASE IN CASH	(54,652)
CASH, BEGINNING OF YEAR	<u>28,515</u>
CASH OVERDRAFT, END OF YEAR	<u>\$ (26,137)</u>

See accountants' review report and notes to financial statements.

AEROTECH SERVICES, INC.
(AN S CORPORATION)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1996

**RECONCILIATION OF NET LOSS TO NET CASH
PROVIDED BY OPERATING ACTIVITIES:**

NET LOSS	\$ <u>(43,482)</u>
ADJUSTMENTS TO RECONCILE NET LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Bad debt expense	100,540
Depreciation	17,371
Changes in assets (increase) decrease:	
Accounts receivable	(161,310)
Uniform inventory	(1,689)
Prepaid expenses and other current assets	29,387
Changes in liabilities increase (decrease):	
Accounts payable	35,183
Payroll and sales tax payable	70,748
Deferred income taxes payable	(19,800)
Accrued expenses and other current liabilities	<u>2,888</u>
Total Adjustments	<u>73,318</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 29,836</u>

SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:

Property and equipment acquired through advances from related party	\$ <u>21,790</u>
--	------------------

See accountants' review report and notes to combined financial statements.

AEROTECH SERVICES, INC.
(AN S CORPORATION)
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

Business Activity

Aerotech Services, Inc. ("The Company") provides security services for the commercial and private sector and maintains its principal offices in Jamaica, New York.

Cash Equivalents

The Company considers securities with maturities of three months or less, when purchased, to be cash equivalents.

Concentration of Credit Risk

Substantially all of the Company's business activity is with customers located within the New York City metropolitan area.

Inventories

Inventories are valued at the lower of cost or market, with cost determined using the first-in, first-out method and with market defined as the lower of replacement cost or realizable value.

Property and Equipment

Property and equipment is stated at cost. The costs of additions and betterments are capitalized and expenditures for repairs and maintenance are expensed in the period incurred. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

The Company capitalizes leased equipment where the terms of the lease result in the transfer to the Company of substantially all of the benefits and risks of ownership of the equipment.

AEROTECH SERVICES, INC.
(AN S CORPORATION)
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (cont'd).

Property and Equipment (cont'd).

Depreciation and amortization of property and equipment is provided utilizing both the straight-line and declining balance methods over the estimated useful lives of the respective assets as follows:

Transportation equipment	5 years
Machinery and equipment	5 years
Furniture and fixtures	5 years
Computer software	3 years

Income Taxes

Generally, income taxes have not been provided because the stockholder has elected to have the Company treated as an S corporation for income tax purposes as provided in Section 1362(a) of the Internal Revenue Code. As such, the Corporation's income or loss and credits are passed through to the stockholder and reported on his individual income tax returns. The accompanying benefit from income taxes represents the effect of the loss for New York State corporation tax and New York City general corporate tax purposes.

Income is reported for tax purposes using the cash method and for financial statement purposes using the accrual method. Deferred state and local income taxes resulting from reporting on the cash method for income tax purposes are included in current liabilities.

The Company follows the Statement of Financial Accounting Standards ("SFAS") No. 109 "Accounting for Income Taxes" which requires that the Company utilize the liability method of accounting for income taxes. The liability method provides that deferred tax assets and liabilities are recorded based on the difference between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, referred to as "temporary differences".

AEROTECH SERVICES, INC.
(AN S CORPORATION)
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (cont'd).

Income Taxes (cont'd).

New York State and New York City income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between financial statements and income tax return methods of accounting.

The principal temporary differences between the bases of assets and liabilities and their carrying amounts for financial reporting are as follows:

Under the cash method income is recognized when collected and expenses when paid. Under the accrual method income is recognized when billed and expenses when incurred. Accordingly, accounts receivable, accounts payable and accrued expenses will effect taxable income when collected or paid.

Note 2 - Property and Equipment

Property and equipment is summarized as follows:

Transportation equipment	\$ 28,075
Machinery and equipment	29,266
Furniture and fixtures	18,298
Computer software	<u>3,500</u>
	79,139
Less: Accumulated depreciation	<u>35,947</u>
	<u>\$ 43,192</u>

Depreciation expense related to property and equipment amounted to \$17,371 for the year ended December 31, 1996.

AEROTECH SERVICES, INC.
(AN S CORPORATION)
NOTES TO FINANCIAL STATEMENTS

Note 3 - Related Party Transactions

The Company has advanced funds aggregating \$48,514 to two companies affiliated by virtue of common ownership. These advances are non-interest bearing and are not expected to be repaid within the next year.

The Company advanced \$7,907 to the stockholder during 1996. No interest is being charged on these advances and the Company does not expect to be repaid within the next twelve months.

During the current year the Company was advanced \$21,790 from a related party. Interest on these advances is computed at the rate of 10% per annum. The advance was scheduled to be repaid over a period of 24 months beginning June, 1996, however, the related creditor agreed to waive principal and interest payments for 1996 due to the Company's cash flow limitations. At December 31, 1996 the current portion of these advances is \$10,353.

The balance of the advances received from the related party aggregating \$218,383 at December 31, 1996, have no repayment arrangement. No interest has been provided on these advances for the year ended December 31, 1996.

The Company rents its offices facilities from a related party on a month to month basis. No formal lease agreement exists. Rent was waived by the related party for 1996.

Note 4 - Termination of Contract

During 1996 the Company was awarded a contract to provide guard services to the Westchester Division of Consolidated Edison Co. of New York Inc. ("Con Ed"). Management's review determined the Company was losing approximately \$25,000 a month on the contract. After performing on the contract for 5 months the Company was granted a termination for the matter of convenience by Con Ed.

AEROTECH SERVICES, INC.
(AN S CORPORATION)
NOTES TO FINANCIAL STATEMENTS

Note 5 - Restatement of Retained Earnings

Based upon information developed as a result of an inquiry into the accounting for deferred income taxes, the Company has determined that restatement of the December 31, 1995 retained earnings is appropriate to correct accounting errors in the prior period as follows:

	<u>As Previously Stated</u>	<u>As Restated</u>	<u>(Over)/Under Statement Of Retained Earnings</u>
Deferred income taxes payable	\$ -0-	\$ 46,500	\$ (46,500)
Retained earnings, December 31, 1995, as previously stated			<u>246,281</u>
Retained earnings, December 31, 1995, as restated			<u>\$ 199,781</u>

There was no effect on income for the year ended December 31, 1996 due to this restatement.

Note 6 - Bad Debt Expense

During 1996 the Company deemed uncollectible certain accounts receivable earned in prior years. Bad debt expense related to such accounts receivable aggregated \$36,450 for the year ended December 31, 1996.

Note 7 - Benefit From Income Tax

The benefit from income taxes is summarized as follows:

<u>Deferred</u>	
New York City	\$ 17,600
New York State	<u>2,200</u>
	<u>\$ 19,800</u>

At December 31, 1996 the Company has available New York State and New York City net operating loss carryforwards of \$220,000, that may be used to offset future taxable income. These carryforwards expire through the year 2008.

AEROTECH SERVICES, INC.
(AN S CORPORATION)
NOTES TO FINANCIAL STATEMENTS

Note 8 - Contingency

The Company has been named as a defendant in an action brought by the security personnel's union. Although the Company anticipates a favorable finding in the case, the ultimate outcome of the action is still unknown. Accordingly, no provision for any potential liability has been made in the accompanying financial statements.

SUPPLEMENTARY INFORMATION



CASTELLANO, KORENBERG & Co.

CERTIFIED PUBLIC ACCOUNTANTS, P.C.

1048 Old Country Road
Westbury, New York 11590

516-538-0600

FAX 516-538-0652

To The Stockholder
Aerotech Services, Inc.
(An S Corporation)
Jamaica, New York

The accompanying supplementary information for the year ended December 31, 1996 is presented for analysis purposes only and has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements. All information included in these schedules is the representation of the management of Aerotech Services, Inc. We did not become aware of any material modifications that should be made to this supplementary information.

Castellano, Korenberg & Co. P.C.
CASTELLANO, KORENBERG & CO., CPAs, P.C.

Westbury, New York
April 7, 1997

AEROTECH SERVICES, INC.
(AN S CORPORATION)
SUPPLEMENTARY INFORMATION
SCHEDULE OF COST OF REVENUE
FOR THE YEAR ENDED DECEMBER 31, 1996

INVESTIGATIONS	\$ 6,016
PAYROLL TAXES	297,282
PURCHASES	17,412
RADIO EXPENSE	4,111
SALARIES AND WAGES	2,649,132
TRAINING	8,025
UNIFORMS	135,522
UNION EXPENSE	<u>7,842</u>
	<u>\$3,125,342</u>

AEROTECH SERVICES, INC.
(AN S CORPORATION)
SUPPLEMENTARY INFORMATION
SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1996

ADVERTISING	\$ 19,359
AUTO EXPENSE	105,826
BAD DEBTS	100,540
BANK CHARGES	10,178
CHARITABLE CONTRIBUTIONS	6,267
CONSULTING EXPENSE	43,376
DELIVERY	5,777
DEPRECIATION	17,371
DUES AND SUBSCRIPTIONS	9,447
EMPLOYEE BENEFITS	4,955
EMPLOYEE HIRING	6,065
EQUIPMENT RENTAL	4,357
INSURANCE	167,776
MISCELLANEOUS	12,929
OFFICE EXPENSE	56,645
OFFICE SALARIES	248,239
OFFICER'S SALARY	25,970
OTHER TAX EXPENSE	625
PAYROLL TAXES	24,670
PENALTIES	33,105
PROFESSIONAL FEES	70,172
REPAIRS AND MAINTENANCE	29,880
TELEPHONE	35,054
TRAVEL AND ENTERTAINMENT	23,753
UTILITIES	11,118
	<hr/>
	<u>\$1,073,494</u>

AEROTECH SERVICES, INC.
(AN S CORPORATION)

FINANCIAL STATEMENTS

JUNE 30, 1997

**AEROTECH SERVICES, INC.
(AN S CORPORATION)**

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CASTELLANO, KORENBERG & Co.

CERTIFIED PUBLIC ACCOUNTANTS, P.C.

1048 Old Country Road
Westbury, New York 11590

516-538-0000
FAX: 516-538-0052

To The Stockholder
Aerotech Services, Inc.
(An S Corporation)
Jamaica, New York

We have compiled the accompanying balance sheet of Aerotech Services, Inc. at June 30, 1997, and the related statements of income and retained earnings and cash flows for the six months then ended, and the accompanying supplementary information which is presented only for supplementary analysis purposes, 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 and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying financial statements or supplementary schedules and accordingly, do not express an opinion or any other form of assurance on them.

Castellano, Korenberg & Co., P.C.
CASTELLANO, KORENBERG & CO., CPAs, P.C.

Westbury, New York
July 17, 1997

BALANCE SHEET

AEROTECH SERVICES, INC.
(AN S CORPORATION)
BALANCE SHEET
JUNE 30, 1997

ASSETS

CURRENT ASSETS:

Cash	\$ 153,51
Accounts receivable, less allowance for doubtful accounts of \$51,400	460,93
Uniform inventory	22,50
Prepaid expenses and other current assets	<u>1,23</u>

Total Current Assets 638,16

PROPERTY AND EQUIPMENT

34,99

OTHER ASSETS:

Advances to stockholder	14,97
Advances to affiliates	<u>95,43</u>

110,40

\$ 783,56

See accountants' compilation report and notes to financial sta

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES:

Current portion of advances from related party	\$ 41,790
Accounts payable	44,479
Deferred income taxes payable	30,600
Accrued expenses and other current liabilities	<u>229,213</u>

Total Current Liabilities 346,082

LONG-TERM LIABILITY:

Advances from related party, net of current portion	<u>218,383</u>
---	----------------

STOCKHOLDER'S EQUITY:

Common stock, no par value	2,000
Retained earnings	<u>217,124</u>

Total Stockholder's Equity 219,124

\$ 783,589

AEROTECH SERVICES, INC.
(AN S CORPORATION)
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE SIX MONTHS ENDED JUNE 30, 1997

NET REVENUE	\$2,097,713
COST OF REVENUE	<u>1,651,818</u>
GROSS PROFIT	445,895
GENERAL AND ADMINISTRATIVE EXPENSES	<u>380,633</u>
INCOME FROM OPERATIONS	65,262
INTEREST EXPENSE	<u>537</u>
NET INCOME BEFORE PROVISION FOR INCOME TAXES	64,725
PROVISION FOR INCOME TAXES	<u>3,900</u>
NET INCOME	60,825
RETAINED EARNINGS, BEGINNING OF PERIOD	<u>156,299</u>
RETAINED EARNINGS, END OF PERIOD	<u>\$ 217,124</u>

See accountants' compilation report and notes to financial statements.

AEROTECH SERVICES, INC.
(AN S CORPORATION)
STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 1997

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	<u>\$2,148,435</u>
Cash Provided By Operating Activities	<u>2,148,435</u>
Cash paid to suppliers and employees	(1,934,258)
Interest paid	(537)
Cash Disbursed For Operating Activities	<u>(1,934,795)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>213,640</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Advances from related party	<u>20,000</u>
Cash Provided By Financing Activities	<u>20,000</u>
Advances to stockholder	(7,065)
Advances to affiliates	(46,921)
Cash Disbursed For Financing Activities	<u>(53,986)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(33,986)</u>
NET INCREASE IN CASH	179,654
CASH OVERDRAFT, BEGINNING OF PERIOD	<u>(26,137)</u>
CASH, END OF PERIOD	<u>\$ 153,517</u>

See accountants' compilation report and notes to financial statements.

AEROTECH SERVICES, INC.
(AN S CORPORATION)
STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 1997

RECONCILIATION OF NET INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES:

NET INCOME	<u>\$ 60,825</u>
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Bad debt expense	16,400
Depreciation	8,193
Changes in assets (increase) decrease:	
Accounts receivable	50,722
Changes in liabilities increase	
(decrease):	
Accounts payable	(20,225)
Deferred income taxes payable	3,900
Accrued expenses and other current	
liabilities	<u>93,825</u>
Total Adjustments	<u>152,815</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 213,640</u>

See accountants' compilation report and notes to financial statements.

AEROTECH SERVICES, INC.
(AN S CORPORATION)
NOTES TO FINANCIAL STATEMENTS
(SEE ACCOUNTANTS' COMPILATION REPORT)

Note 1 - Summary of Significant Accounting Policies

Business Activity

Aerotech Services, Inc. ("The Company") provides security services for the commercial and private sector under cancelable one year fixed-price contracts. The Company maintains its principal offices in Jamaica, New York.

Cash Equivalents

The Company considers securities with maturities of three months or less, when purchased, to be cash equivalents.

Concentration of Credit Risk

The Company extends credit to its customers, substantially all of which are located within the New York City metropolitan area.

Pervasiveness of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In these financial statements assets and liabilities involve extensive reliance on management's estimates. Actual results could differ from those estimates.

Inventories

Inventories are valued at the lower of cost or market, with cost determined using the first-in, first-out method and with market defined as the lower of replacement cost or realizable value.

AEROTECH SERVICES, INC.
(AN S CORPORATION)
NOTES TO FINANCIAL STATEMENTS
(SEE ACCOUNTANTS' COMPILATION REPORT)

Note 1 - Summary of Significant Accounting Policies (cont'd).

Property and Equipment

Property and equipment is stated at cost. The costs of additions and betterments are capitalized and expenditures for repairs and maintenance are expensed in the period incurred. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

The Company capitalizes leased equipment where the terms of the lease result in the transfer to the Company of substantially all of the benefits and risks of ownership of the equipment.

Depreciation and amortization of property and equipment is provided utilizing both the straight-line and declining balance methods over the estimated useful lives of the respective assets as follows:

Transportation equipment	5 years
Machinery and equipment	5 years
Furniture and fixtures	5 years
Computer software	3 years

Income Taxes

Generally, income taxes have not been provided because the stockholder has elected to have the Company treated as an S corporation for income tax purposes as provided in Section 1362(a) of the Internal Revenue Code. As such, the Corporation's income or loss and credits are passed through to the stockholder and reported on his individual income tax returns. The accompanying provision for income taxes represents the effect of income for New York City general corporate tax purposes.

Income is reported for tax purposes using the cash method and for financial statement purposes using the accrual method. Deferred state and local income taxes resulting from reporting on the cash method for income tax purposes are included in current liabilities.

AEROTECH SERVICES, INC.
(AN S CORPORATION)
NOTES TO FINANCIAL STATEMENTS
(SEE ACCOUNTANTS' COMPILATION REPORT)

Note 1 - Summary of Significant Accounting Policies (cont'd).

Income Taxes (cont'd).

The Company follows the Statement of Financial Accounting Standards ("SFAS") No. 109 "Accounting for Income Taxes" which requires that the Company utilize the liability method of accounting for income taxes. The liability method provides that deferred tax assets and liabilities are recorded based on the difference between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, referred to as "temporary differences".

New York State and New York City income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the financial statement and income tax return methods of accounting.

The principal temporary differences between the bases of assets and liabilities and their carrying amounts for financial reporting are as follows:

Under the cash method income is recognized when collected and expenses are recognized when paid. Under the accrual method income is recognized when billed and expenses are recognized when incurred. Accordingly, accounts receivable, accounts payable and accrued expenses will effect taxable income when collected or paid.

Note 2 - Property and Equipment

Property and equipment is summarized as follows:

Transportation equipment	\$ 28,075
Machinery and equipment	29,266
Furniture and fixtures	18,298
Computer software	<u>3,500</u>
	79,139
Less: Accumulated depreciation	<u>44,140</u>
	<u>\$ 34,999</u>

AEROTECH SERVICES, INC.
(AN S CORPORATION)
NOTES TO FINANCIAL STATEMENTS
(SEE ACCOUNTANTS' COMPILATION REPORT)

Note 4 - Accrued Expenses and Other Current Liabilities

Accrued expenses include accrued payroll, unpaid union dues and past due payroll and sales tax liabilities.

Note 5 - Provision For Income Taxes

The provision for (benefit from) income taxes is summarized as follows:

<u>Deferred</u>	
New York City	\$ 4,000
New York State	<u>(100)</u>
	<u>\$ 3,900</u>

At June 30, 1997 the Company has available New York State and New York City net operating loss carryforwards of \$91,000 that may be used to offset future taxable income. These carryforwards expire through the year 2008.

Note 6 - Contingency

The Company has been named as a defendant in an action brought by the security personnel's union. Although the ultimate outcome of the action is still unknown the Company anticipates a favorable finding in the case. Accordingly, no provision for any potential liability has been made in the accompanying financial statements.

SUPPLEMENTARY INFORMATION

AEROTECH SERVICES, INC.
(AN S CORPORATION)
SUPPLEMENTARY INFORMATION
SCHEDULE OF COST OF REVENUE
FOR THE SIX MONTHS ENDED JUNE 30, 1997

FRINGE BENEFITS	\$ 6,149
INSURANCE	93,013
INVESTIGATIONS	435
OTHER	4,307
PAYROLL TAXES	162,648
PURCHASES	8,552
RADIO EXPENSE	1,458
SALARIES	1,302,907
TRAINING	5,289
UNIFORMS	<u>67,060</u>
	<u>\$1,651,818</u>

See accountants' compilation report.

AEROTECH SERVICES, INC.
(AN S CORPORATION)
SUPPLEMENTARY INFORMATION
SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE SIX MONTHS ENDED JUNE 30, 1997

ADVERTISING	\$ 4,503
AUTO EXPENSE	46,019
BAD DEBT EXPENSE	16,400
BANK CHARGES	4,740
CHARITABLE CONTRIBUTIONS	1,723
CONSULTING EXPENSE	29,803
DELIVERY	3,780
DEPRECIATION	8,193
DUES AND SUBSCRIPTIONS	5,256
EMPLOYEE HIRING	6,745
EQUIPMENT RENTAL	2,398
INSURANCE	7,542
MISCELLANEOUS	8,237
OFFICE EXPENSE	24,688
OFFICE SALARIES	92,928
OFFICER'S SALARY	12,960
PAYROLL TAXES	14,911
PENALTIES	1,846
PROFESSIONAL FEES	28,225
RENT	14,477
REPAIRS AND MAINTENANCE	8,986
TELEPHONE	19,122
TRAVEL AND ENTERTAINMENT	11,484
UTILITIES	5,667
	<u>\$ 380,633</u>

See accountants' compilation report.

Assumptions Justification

Talk Time Communications Ltd.

4-Jan-98

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Market size in thousands	\$80,000	\$84,000	\$88,200	\$92,610	\$97,241
Market share	2.00%	4.00%	6.00%	8.00%	8.00%
Sales based on Market Share	\$1,600,000	\$3,360,000	\$5,292,000	\$7,408,800	\$7,779,280

Primary Units to be sold	13,000	35,000	50,000	65,000	75,000
Unit price of primary unit	\$75	\$73	\$71	\$69	\$67
Additional sales per primary unit	\$10	\$18	\$22	\$25	\$27
Sales Based on Units Sold	\$1,105,000	\$3,185,000	\$4,650,000	\$8,110,000	\$7,050,000

Sales from Business Plan

Prepaid Local Dialtone Enhanced Ser	\$8,375	\$15,500	\$29,000	\$35,000	\$44,000
Prepaid Local Dialtone Connection F	\$476,150	\$1,003,700	\$1,520,000	\$1,850,000	\$1,900,000
Prepaid Local Dialtone Monthly Fees	\$508,793	\$1,985,000	\$2,715,000	\$3,725,000	\$4,000,000
Prepaid Long Distance Service	\$16,004	\$24,500	\$37,157	\$45,000	\$52,000
Prepaid Calling Cards	\$25,607	\$42,368	\$78,922	\$142,060	\$255,708
Prepaid Cellular Telephones	\$63,227	\$96,499	\$173,697	\$312,655	\$582,779
Service7 Name	\$0	\$0	\$0	\$0	\$0
Service8 Name	\$0	\$0	\$0	\$0	\$0
Service9 Name	\$0	\$0	\$0	\$0	\$0
Service10 Name	\$0	\$0	\$0	\$0	\$0
Total Sales Forecast	\$1,096,156	\$3,167,567	\$4,553,776	\$8,109,715	\$8,814,487

Sales Forecast Variance Amounts

Amount below Market Share method <i>as a percent</i>	\$503,844 45.96%	\$192,433 6.08%	\$738,224 16.21%	\$1,299,085 21.26%	\$964,793 14.16%
Amount below Units Sold method <i>as a percent</i>	\$8,844 0.81%	\$17,433 0.55%	\$96,224 2.11%	\$285 0.00%	\$235,513 3.46%
Average of the two methods' variance <i>as a percent</i>	\$256,344 23.39%	\$104,933 3.31%	\$417,224 9.16%	\$649,685 10.63%	\$600,153 8.81%

Prepaid Local Distance Enhance

	Jan-78	Feb-78	Mar-78	Apr-78	May-78	Jun-78	Jul-78	Aug-78	Sep-78	Oct-78	Nov-78	Dec-78	Year 1	% of Sales
Sales	\$0	\$75	\$300	\$400	\$500	\$600	\$600	\$700	\$800	\$800	\$800	\$800	\$6,375	24.0%
Material	\$0	\$18	\$75	\$100	\$125	\$150	\$150	\$175	\$200	\$200	\$200	\$200	\$1,584	24.0%
Labor	\$0	\$18	\$75	\$100	\$125	\$150	\$150	\$175	\$200	\$200	\$200	\$200	\$1,584	24.0%
Cost of Goods Sold	\$7	\$37	\$143	\$183	\$240	\$290	\$290	\$340	\$380	\$380	\$380	\$380	\$3,088	48.3%
Gross Profit	(\$27)	\$38	\$157	\$217	\$260	\$310	\$310	\$360	\$420	\$420	\$420	\$420	\$3,287	48.3%
% of Sales	0.0%	49.0%	47.7%	48.3%	48.0%	48.3%	48.3%	48.6%	48.8%	48.8%	48.8%	48.8%	48.3%	

Prepaid Local Distance Course

	Jan-78	Feb-78	Mar-78	Apr-78	May-78	Jun-78	Jul-78	Aug-78	Sep-78	Oct-78	Nov-78	Dec-78	Year 1	% of Sales
Sales	\$0	\$4,450	\$8,800	\$13,250	\$13,350	\$26,700	\$44,500	\$71,200	\$71,200	\$71,200	\$71,200	\$71,200	\$478,150	24.0%
Material	\$0	\$1,113	\$2,225	\$3,338	\$3,338	\$6,675	\$11,125	\$17,800	\$17,800	\$17,800	\$17,800	\$17,800	\$118,028	24.0%
Labor	\$0	\$1,068	\$2,138	\$3,204	\$3,204	\$6,408	\$10,680	\$17,068	\$17,068	\$17,068	\$17,068	\$17,068	\$114,276	24.0%
Cost of Goods Sold	\$2,828	\$5,239	\$7,639	\$9,839	\$9,839	\$19,300	\$32,300	\$49,300	\$49,300	\$49,300	\$49,300	\$49,300	\$323,752	6.6%
Gross Profit	(\$2,828)	(\$588)	\$1,161	\$3,412	\$3,512	\$17,392	\$32,375	\$52,132	\$52,132	\$52,132	\$52,132	\$52,132	\$354,398	41.6%
% of Sales	0.0%	-12.8%	12.1%	28.7%	18.8%	34.9%	41.3%	43.0%	43.0%	43.0%	43.0%	43.0%	41.6%	

Prepaid Local Distance Month

	Jan-78	Feb-78	Mar-78	Apr-78	May-78	Jun-78	Jul-78	Aug-78	Sep-78	Oct-78	Nov-78	Dec-78	Year 1	% of Sales
Sales	\$0	\$0	\$1,591	\$4,774	\$9,547	\$14,321	\$23,888	\$39,780	\$65,239	\$80,888	\$118,158	\$142,817	\$508,783	16.0%
Material	\$0	\$0	\$189	\$477	\$955	\$1,432	\$2,387	\$3,878	\$6,524	\$8,070	\$11,818	\$14,282	\$50,880	7.0%
Labor	\$0	\$0	\$111	\$284	\$568	\$1,002	\$1,671	\$2,785	\$4,587	\$5,648	\$8,131	\$9,887	\$35,815	7.0%
Cost of Goods Sold	\$2,828	\$2,828	\$2,828	\$2,828	\$4,440	\$4,440	\$4,440	\$4,440	\$4,440	\$4,440	\$4,440	\$4,440	\$47,240	9.3%
Gross Profit	(\$2,828)	(\$2,828)	(\$1,888)	\$1,888	\$3,488	\$7,447	\$16,378	\$29,877	\$49,708	\$70,828	\$98,871	\$114,088	\$378,088	72.7%
% of Sales	0.0%	0.0%	-101.1%	21.6%	36.5%	52.0%	64.4%	71.8%	76.2%	78.1%	79.2%	79.5%	72.7%	

Prepaid Long Distance Service

	Jan-78	Feb-78	Mar-78	Apr-78	May-78	Jun-78	Jul-78	Aug-78	Sep-78	Oct-78	Nov-78	Dec-78	Year 1	% of Sales
Sales	\$0	\$100	\$300	\$500	\$1,888	\$1,888	\$1,888	\$1,888	\$1,888	\$1,888	\$1,888	\$1,888	\$18,004	22.0%
Material	\$0	\$22	\$66	\$110	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$3,518	22.0%
Labor	\$0	\$22	\$66	\$110	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$415	\$3,518	22.0%
Cost of Goods Sold	\$330	\$330	\$330	\$330	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$5,320	31.2%
Gross Profit	(\$330)	(\$274)	(\$182)	(\$89)	\$688	\$688	\$688	\$688	\$688	\$688	\$688	\$688	\$12,684	22.8%
% of Sales	0.0%	-27.4%	-54.0%	-10.0%	28.6%	29.6%	29.6%	29.6%	29.6%	29.6%	29.6%	29.6%	22.8%	

Prepaid Calling Cards

	Jan-78	Feb-78	Mar-78	Apr-78	May-78	Jun-78	Jul-78	Aug-78	Sep-78	Oct-78	Nov-78	Dec-78	Year 1	% of Sales
Sales	\$2,000	\$2,023	\$2,047	\$2,071	\$2,095	\$2,120	\$2,145	\$2,170	\$2,195	\$2,221	\$2,247	\$2,273	\$25,807	20.0%
Material	\$600	\$607	\$614	\$621	\$629	\$636	\$644	\$651	\$659	\$666	\$674	\$682	\$7,883	20.0%
Labor	\$600	\$607	\$614	\$621	\$629	\$636	\$644	\$651	\$659	\$666	\$674	\$682	\$7,883	20.0%
Cost of Goods Sold	\$1,85	\$1,85	\$1,85	\$1,85	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$2,680	10.4%
Gross Profit	\$828	\$864	\$864	\$864	\$887	\$888	\$887	\$888	\$887	\$888	\$888	\$888	\$13,127	20.6%
% of Sales	31.8%	31.8%	31.9%	32.1%	28.0%	28.2%	28.3%	28.5%	28.6%	28.6%	28.9%	29.0%	29.6%	

	Prepaid Local Distance Enhanced :				Year 2	% of Sales	Prepaid Local Distance Connection				Year 2	% of Sales
	Q1-Yr2	Q2-Yr2	Q3-Yr2	Q4-Yr2			Q1-Yr2	Q2-Yr2	Q3-Yr2	Q4-Yr2		
Sales	\$3,000	\$4,000	\$4,000	\$4,500	\$15,500	36.00%	\$245,700	\$246,000	\$252,000	\$258,000	\$1,003,700	25.00%
Material	\$750	\$1,000	\$1,000	\$1,125	\$3,675	23.00%	\$61,425	\$62,000	\$63,000	\$64,500	\$250,925	24.00%
Labor	\$750	\$1,000	\$1,000	\$1,125	\$3,675	23.00%	\$58,968	\$59,520	\$60,480	\$61,920	\$240,888	24.00%
Cost of Goods Sold	\$300	\$300	\$300	\$300	\$1,200	0.77%	\$12,900	\$12,900	\$12,900	\$12,900	\$51,600	5.14%
Gross Profit	\$1,478	\$1,878	\$1,878	\$2,228	\$7,630	49.23%	\$112,497	\$113,680	\$115,620	\$118,680	\$489,287	48.83%
% of Sales	49.0%	49.3%	49.3%	49.3%	49.2%	48.7%	45.7%	45.8%	45.9%	48.0%	48.5%	

	Prepaid Local Distance Monthly F1				Year 2	% of Sales	Prepaid Long Distance Service				Year 2	% of Sales
	Q1-Yr2	Q2-Yr2	Q3-Yr2	Q4-Yr2			Q1-Yr2	Q2-Yr2	Q3-Yr2	Q4-Yr2		
Sales	\$425,000	\$465,000	\$515,000	\$580,000	\$1,985,000	10.00%	\$4,500	\$5,000	\$7,000	\$8,000	\$24,500	22.00%
Material	\$42,500	\$46,500	\$51,500	\$58,000	\$198,500	7.00%	\$680	\$1,100	\$1,540	\$1,780	\$5,360	22.00%
Labor	\$29,750	\$33,950	\$38,050	\$39,200	\$138,950	2.68%	\$680	\$1,100	\$1,540	\$1,780	\$5,360	22.00%
Cost of Goods Sold	\$13,220	\$13,220	\$13,220	\$13,220	\$53,280	2.68%	\$1,500	\$1,500	\$1,500	\$1,500	\$6,000	24.49%
Gross Profit	\$318,630	\$388,230	\$414,130	\$481,480	\$1,694,270	80.32%	\$1,020	\$1,200	\$2,420	\$2,880	\$7,720	31.5%
% of Sales	79.9%	80.3%	80.4%	80.6%	80.3%	80.9%	22.7%	26.0%	34.6%	37.3%	31.5%	

	Prepaid Calling Cards				Year 2	% of Sales	Prepaid Long Distance Service				Year 2	% of Sales
	Q1-Yr2	Q2-Yr2	Q3-Yr2	Q4-Yr2			Q1-Yr2	Q2-Yr2	Q3-Yr2	Q4-Yr2		
Sales	\$8,016	\$9,533	\$11,337	\$13,482	\$42,368	30.00%	\$8,000	\$8,000	\$8,500	\$10,657	\$37,157	22.0%
Material	\$2,405	\$2,880	\$3,401	\$4,045	\$12,711	30.00%	\$1,780	\$1,980	\$2,080	\$2,345	\$8,175	22.0%
Labor	\$2,405	\$2,880	\$3,401	\$4,045	\$12,711	30.00%	\$1,780	\$1,980	\$2,080	\$2,345	\$8,175	22.0%
Cost of Goods Sold	\$750	\$750	\$750	\$750	\$3,000	7.08%	\$1,500	\$1,500	\$1,500	\$1,500	\$6,000	21.5%
Gross Profit	\$7,266	\$7,083	\$7,788	\$8,682	\$13,848	32.92%	\$6,500	\$6,500	\$6,980	\$9,157	\$28,810	68.4%
% of Sales	30.6%	32.1%	33.4%	34.4%	32.9%	35.2%	80.9%	81.0%	81.1%	78.6%	80.4%	

	Prepaid Local Distance Enhanced		Prepaid Local Distance Connecticut		Prepaid Local Distance Monthly		Prepaid Long Distance Service		Prepaid Calling Cards	
	Year 1	% of Sales	Year 2	% of Sales	Year 3	% of Sales	Year 4	% of Sales	Year 5	% of Sales
Sales	\$6,375		\$15,500		\$1,985,000		\$24,500		\$25,607	
Material	\$1,594	25.0%	\$3,875	25.0%	\$198,500	10.0%	\$5,380	22.0%	\$7,683	30.0%
Labor	\$1,594	25.0%	\$3,875	25.0%	\$138,950	7.0%	\$5,380	22.0%	\$7,683	30.0%
Cost of Goods Sold	\$108	1.7%	\$120	0.8%	\$53,280	2.7%	\$8,000	33.2%	\$2,660	10.4%
Gross Profit	\$3,073	48.3%	\$7,625	49.2%	\$1,594,270	80.2%	\$12,897	52.6%	\$7,981	28.6%
Sales	\$478,150		\$1,003,700		\$2,715,000		\$3,725,000		\$1,900,000	
Material	\$119,039	25.0%	\$250,925	25.0%	\$271,500	10.0%	\$372,500	10.0%	\$475,000	25.0%
Labor	\$114,276	24.0%	\$240,888	24.0%	\$190,050	7.0%	\$280,750	7.0%	\$456,000	24.0%
Cost of Goods Sold	\$45,752	9.6%	\$51,800	5.1%	\$71,040	2.6%	\$79,520	2.1%	\$77,400	4.1%
Gross Profit	\$187,883	41.4%	\$489,287	48.8%	\$1,824,410	68.0%	\$1,811,830	68.8%	\$881,600	48.8%
Sales	\$508,793		\$1,985,000		\$2,715,000		\$3,725,000		\$4,000,000	
Material	\$50,880	10.0%	\$198,500	10.0%	\$271,500	10.0%	\$372,500	10.0%	\$400,000	10.0%
Labor	\$35,615	7.0%	\$138,950	7.0%	\$190,050	7.0%	\$280,750	7.0%	\$280,000	7.0%
Cost of Goods Sold	\$47,240	9.3%	\$53,280	2.7%	\$71,040	2.6%	\$79,520	2.1%	\$79,820	2.0%
Gross Profit	\$373,958	73.7%	\$1,594,270	80.2%	\$1,824,410	68.0%	\$1,811,830	68.8%	\$3,240,000	81.0%
Sales	\$16,004		\$24,500		\$37,157		\$45,000		\$52,000	
Material	\$3,518	22.0%	\$5,380	22.0%	\$8,175	22.0%	\$8,800	22.0%	\$11,440	22.0%
Labor	\$3,518	22.0%	\$5,380	22.0%	\$8,175	22.0%	\$8,800	22.0%	\$11,440	22.0%
Cost of Goods Sold	\$5,320	33.2%	\$8,000	32.9%	\$8,000	21.5%	\$8,000	20.0%	\$8,000	17.3%
Gross Profit	\$3,848	22.6%	\$7,720	31.8%	\$12,897	34.6%	\$16,200	36.0%	\$20,120	38.7%
Sales	\$25,607		\$42,368		\$78,922		\$142,080		\$255,708	
Material	\$7,683	30.0%	\$12,711	30.0%	\$23,678	30.0%	\$42,618	30.0%	\$76,712	30.0%
Labor	\$7,683	30.0%	\$12,711	30.0%	\$23,678	30.0%	\$42,618	30.0%	\$76,712	30.0%
Cost of Goods Sold	\$2,660	10.4%	\$3,000	7.1%	\$4,000	5.1%	\$4,500	3.2%	\$4,500	1.8%
Gross Profit	\$7,981	28.6%	\$13,946	32.6%	\$27,570	34.6%	\$52,324	36.8%	\$97,784	38.2%

	Jan-78	Feb-78	Mar-78	Apr-78	May-78	Jun-78	Jul-78	Aug-78	Sep-78	Oct-78	Nov-78	Dec-78	Year 1	% of Total Sales
Sales														
Prepaid Local Dialtone Enhanced	\$0	\$75	\$300	\$400	\$500	\$600	\$600	\$700	\$800	\$800	\$800	\$800	\$6,375	0.6%
Prepaid Local Dialtone Connectic	\$0	\$4,450	\$8,800	\$13,200	\$13,200	\$26,700	\$44,500	\$71,200	\$71,200	\$71,200	\$71,200	\$80,100	\$478,150	42.4%
Prepaid Local Dialtone Monthly 1	\$0	\$0	\$1,291	\$4,774	\$9,547	\$14,321	\$23,868	\$39,780	\$59,239	\$80,898	\$118,158	\$142,817	\$508,793	46.4%
Prepaid Long Distance Service	\$0	\$100	\$300	\$500	\$1,000	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$18,004	1.9%
Prepaid Calling Cards	\$2,000	\$2,023	\$2,047	\$2,071	\$2,095	\$2,120	\$2,145	\$2,170	\$2,195	\$2,221	\$2,247	\$2,273	\$25,807	2.3%
Prepaid Cellular Telephones	\$5,000	\$5,047	\$5,095	\$5,143	\$5,192	\$5,241	\$5,291	\$5,341	\$5,392	\$5,443	\$5,495	\$5,547	\$63,227	5.8%
Service7 Name	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Service8 Name	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Service9 Name	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Service10 Name	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Total Sales	\$7,000	\$11,698	\$18,233	\$28,238	\$32,872	\$59,879	\$78,292	\$121,878	\$168,714	\$172,289	\$197,799	\$223,478	\$1,098,198	100.0%
Cost of Goods Sold														
Material	\$2,350	\$3,527	\$4,922	\$6,446	\$7,279	\$11,142	\$16,573	\$24,868	\$27,485	\$30,058	\$32,628	\$37,545	\$204,841	18.7%
Labor	\$2,250	\$3,482	\$4,785	\$6,189	\$6,859	\$10,445	\$15,412	\$22,983	\$24,816	\$28,823	\$29,431	\$32,459	\$194,813	18.0%
Total Variable COGS	\$4,700	\$7,009	\$9,707	\$12,635	\$14,137	\$21,587	\$31,985	\$47,851	\$52,301	\$58,881	\$61,959	\$70,004	\$399,654	36.8%
% of Total Sales	67.1%	59.9%	53.2%	44.1%	42.4%	35.4%	40.9%	39.2%	30.8%	32.9%	30.9%	30.9%	35.9%	
Fixed COGS														
Production Management Salaries	\$8,600	\$8,600	\$8,600	\$8,600	\$8,600	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$108,400	9.7%
Production Facility Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Production Equipment Rental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Small Tools / Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Packaging Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Other Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Other Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Other Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Total Fixed Cost of Goods Sold	\$8,600	\$8,600	\$8,600	\$8,600	\$8,600	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$108,400	9.7%
% of Total Sales	94.3%	58.4%	36.7%	25.2%	20.7%	16.7%	12.8%	8.2%	6.0%	5.9%	5.1%	4.2%	8.7%	
Total Cost of Goods Sold	\$11,300	\$18,609	\$18,307	\$19,235	\$23,137	\$31,587	\$41,985	\$57,851	\$62,301	\$68,881	\$71,959	\$80,004	\$498,054	45.3%
Gross Profit	(\$4,300)	(\$1,914)	\$1,828	\$7,603	\$8,436	\$19,293	\$36,307	\$63,208	\$84,413	\$108,871	\$128,729	\$153,421	\$600,142	54.7%
% of Total Sales	-61.4%	-16.4%	10.0%	26.8%	25.9%	31.9%	46.4%	52.2%	57.5%	61.3%	64.1%	68.7%	54.7%	
Operating Expenses														
Sales & Marketing														
Advertising	\$500	\$1,200	\$2,100	\$2,800	\$3,700	\$4,500	\$5,300	\$6,100	\$6,900	\$7,700	\$8,500	\$9,300	\$58,800	5.4%
Incentives and Bonuses	\$50	\$51	\$52	\$53	\$54	\$55	\$56	\$57	\$58	\$59	\$60	\$61	\$608	0.1%
Commissions - % of Sales	\$2,100	\$3,508	\$5,470	\$7,871	\$9,772	\$15,281	\$23,468	\$38,324	\$44,014	\$51,875	\$59,236	\$70,028	\$328,548	30.0%
Entertainment	\$200	\$202	\$204	\$206	\$208	\$210	\$212	\$214	\$216	\$218	\$220	\$222	\$2,532	0.2%
Literature	\$300	\$306	\$316	\$324	\$332	\$340	\$348	\$356	\$367	\$376	\$386	\$396	\$4,152	0.4%
Promotions	\$200	\$203	\$208	\$209	\$212	\$215	\$218	\$221	\$224	\$227	\$230	\$234	\$2,589	0.2%
Salaries	\$8,750	\$8,753	\$8,756	\$8,759	\$8,762	\$8,765	\$8,768	\$8,771	\$8,774	\$8,777	\$8,780	\$8,783	\$81,198	7.4%

Sales					% of Total						% of Total	
	Q1-Yr2	Q2-Yr2	Q3-Yr2	Q4-Yr2	Year 2	Sales	Q1-Yr3	Q2-Yr3	Q3-Yr3	Q4-Yr3	Year 3	Sales
Prepaid Local Dialtone Enhanced	\$3,000	\$4,000	\$4,000	\$4,500	\$15,500	0.5%	\$5,000	\$8,000	\$8,000	\$8,000	\$29,000	0.6%
Prepaid Local Dialtone Connecti	\$245,700	\$248,000	\$252,000	\$258,000	\$1,003,700	31.7%	\$300,000	\$360,000	\$400,000	\$460,000	\$1,520,000	33.4%
Prepaid Local Dialtone Monthly	\$425,000	\$485,000	\$515,000	\$560,000	\$1,985,000	62.7%	\$640,000	\$680,000	\$690,000	\$705,000	\$2,715,000	59.6%
Prepaid Long Distance Service	\$4,500	\$5,000	\$7,000	\$8,000	\$24,500	0.8%	\$8,000	\$9,000	\$9,500	\$10,657	\$37,157	0.8%
Prepaid Calling Cards	\$8,016	\$9,533	\$11,337	\$13,482	\$42,368	1.3%	\$15,616	\$18,088	\$20,651	\$24,267	\$78,622	1.7%
Prepaid Cellular Telephones	\$19,094	\$22,116	\$25,617	\$29,672	\$96,499	3.0%	\$34,389	\$39,809	\$46,110	\$53,409	\$173,697	3.8%
Service7 Name	\$0	\$0	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	0.0%
Service8 Name	\$0	\$0	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	0.0%
Service9 Name	\$0	\$0	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	0.0%
Service10 Name	\$0	\$0	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	0.0%
Total Sales	\$705,310	\$773,649	\$814,954	\$873,654	\$3,167,697	100.0%	\$1,002,985	\$1,114,897	\$1,174,661	\$1,261,333	\$4,553,776	100.0%
Material	\$114,753	\$123,201	\$129,407	\$137,815	\$505,176	15.9%	\$158,724	\$181,339	\$195,513	\$215,818	\$751,394	16.5%
Labor	\$99,546	\$108,171	\$111,437	\$118,435	\$435,589	13.8%	\$136,524	\$157,339	\$170,813	\$190,088	\$654,744	14.4%
Total Variable COGS	\$214,299	\$231,372	\$240,844	\$256,250	\$940,765	29.7%	\$295,248	\$338,678	\$366,326	\$405,906	\$1,406,138	38.2%
<i>% of Total Sales</i>	<i>30.4%</i>	<i>29.6%</i>	<i>29.6%</i>	<i>29.3%</i>	<i>29.7%</i>		<i>29.4%</i>	<i>30.4%</i>	<i>31.2%</i>	<i>32.2%</i>	<i>30.9%</i>	
Cost of Goods Sold												
Production Management Salaries	\$30,000	\$30,000	\$30,000	\$30,000	\$120,000	3.8%	\$30,000	\$30,000	\$30,000	\$70,000	\$160,000	3.5%
Production Facility Expense	\$0	\$0	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	0.0%
Production Equipment Rental	\$0	\$0	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	0.0%
Small Tools / Supplies	\$0	\$0	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	0.0%
Packaging Supplies	\$0	\$0	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	0.0%
Other Production Expenses	\$0	\$0	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	0.0%
Other Production Expenses	\$0	\$0	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	0.0%
Other Production Expenses	\$0	\$0	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	0.0%
Total Fixed Cost of Goods Sold	\$30,000	\$30,000	\$30,000	\$30,000	\$120,000	3.8%	\$30,000	\$30,000	\$30,000	\$70,000	\$160,000	3.5%
<i>% of Total Sales</i>	<i>4.3%</i>	<i>3.9%</i>	<i>3.7%</i>	<i>3.4%</i>	<i>3.8%</i>		<i>3.0%</i>	<i>2.7%</i>	<i>2.6%</i>	<i>5.5%</i>	<i>3.5%</i>	
Total Cost of Goods Sold	\$244,299	\$261,372	\$270,844	\$286,250	\$1,060,765	33.0%	\$325,248	\$368,678	\$396,326	\$475,906	\$1,566,138	36.6%
Gross Profit	\$461,011	\$514,277	\$544,110	\$587,404	\$2,106,802	66.5%	\$677,737	\$746,219	\$778,235	\$785,447	\$2,987,638	65.6%
<i>% of Total Sales</i>	<i>65.4%</i>	<i>66.5%</i>	<i>66.8%</i>	<i>67.2%</i>	<i>66.5%</i>		<i>67.6%</i>	<i>66.9%</i>	<i>66.3%</i>	<i>62.3%</i>	<i>65.6%</i>	

Sales & Marketing												
Advertising	\$32,700	\$39,900	\$47,100	\$54,300	\$174,000	5.5%	\$61,500	\$68,700	\$75,900	\$83,100	\$289,200	6.4%
Incentives and Bonuses	\$184	\$188	\$193	\$198	\$763	0.0%	\$204	\$210	\$217	\$224	\$855	0.0%
Commissions - % of Sales	\$211,563	\$232,095	\$244,488	\$262,098	\$950,270	30.0%	\$300,898	\$334,469	\$352,368	\$378,400	\$1,366,133	30.0%
Entertainment	\$660	\$660	\$680	\$680	\$2,640	0.1%	\$680	\$680	\$680	\$680	\$2,640	0.1%
Literature	\$1,186	\$1,215	\$1,244	\$1,274	\$4,919	0.2%	\$1,314	\$1,355	\$1,397	\$1,440	\$5,506	0.1%
Promotions	\$708	\$725	\$742	\$760	\$2,935	0.1%	\$784	\$808	\$833	\$859	\$3,284	0.1%
Salaries	\$20,830	\$21,332	\$21,846	\$22,373	\$86,381	2.7%	\$23,067	\$23,783	\$24,521	\$25,282	\$96,653	2.1%
Trade Shows	\$0	\$4,000	\$0	\$2,000	\$6,000	0.2%	\$4,000	\$0	\$0	\$2,000	\$6,000	0.1%
Travel	\$15,362	\$15,732	\$16,111	\$16,499	\$63,704	2.0%	\$17,011	\$17,539	\$18,083	\$18,644	\$71,277	1.6%
Other Sales Expenses	\$0	\$0	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	0.0%
Other Sales Expenses	\$0	\$0	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	0.0%
Total Sales & Marketing Costs	\$283,223	\$318,847	\$332,382	\$360,189	\$1,291,812	40.8%	\$409,438	\$447,824	\$473,979	\$519,899	\$1,841,548	40.4%
<i>% of Total Sales</i>	40.2%	40.8%	40.8%	41.2%	40.8%		40.8%	40.1%	40.4%	40.5%	40.4%	
Research & Development												
Consulting	\$3,750	\$3,750	\$3,750	\$3,750	\$15,000	0.5%	\$1,500	\$1,500	\$1,500	\$1,500	\$6,000	0.1%
Equipment (Expensed Purchases)	\$0	\$0	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	0.0%
R & D Materials	\$0	\$0	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	0.0%
R & D Salaries	\$0	\$0	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	0.0%
Other R & D Expenses	\$0	\$0	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	0.0%
Other R & D Expenses	\$0	\$0	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	0.0%
Total R & D Costs	\$3,750	\$3,750	\$3,750	\$3,750	\$15,000	0.5%	\$1,500	\$1,500	\$1,500	\$1,500	\$6,000	0.1%
<i>% of Total Sales</i>	0.5%	0.5%	0.5%	0.4%	0.5%		0.1%	0.1%	0.1%	0.1%	0.1%	
General & Administrative												
Accounting	\$4,000	\$4,000	\$4,000	\$4,000	\$16,000	0.5%	\$6,000	\$6,000	\$6,000	\$6,000	\$24,000	0.5%
Admin Salaries	\$67,500	\$67,500	\$80,000	\$88,000	\$303,000	9.6%	\$95,000	\$100,000	\$100,000	\$100,000	\$395,000	8.7%
Bad Debts	\$307	\$314	\$322	\$330	\$1,273	0.0%	\$339	\$349	\$359	\$369	\$1,416	0.0%
Depreciation	\$250	\$250	\$250	\$250	\$250	0.0%	\$250	\$250	\$250	\$250	\$1,000	0.0%
Equipment Rent/Small Purchases	\$0	\$0	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	0.0%
Insurance	\$799	\$818	\$838	\$858	\$3,313	0.1%	\$883	\$908	\$934	\$961	\$3,686	0.1%
Legal Fees	\$768	\$787	\$808	\$825	\$3,186	0.1%	\$849	\$873	\$898	\$924	\$3,544	0.1%
Licenses and Permits	\$952	\$975	\$999	\$1,023	\$3,949	0.1%	\$1,052	\$1,082	\$1,113	\$1,145	\$4,392	0.1%
Office Expenses	\$1,966	\$2,013	\$2,062	\$2,112	\$8,153	0.3%	\$2,173	\$2,235	\$2,299	\$2,365	\$9,072	0.2%
Office Rental	\$11,000	\$11,000	\$11,000	\$11,000	\$44,000	1.4%	\$16,000	\$16,000	\$16,000	\$16,000	\$64,000	1.4%
Taxes (non-Income Taxes)	\$307	\$314	\$322	\$330	\$1,273	0.0%	\$339	\$349	\$359	\$369	\$1,416	0.0%
Telephone	\$1,075	\$1,101	\$1,128	\$1,155	\$4,459	0.1%	\$1,188	\$1,222	\$1,257	\$1,293	\$4,960	0.1%
Utilities	\$840	\$930	\$1,020	\$1,110	\$3,900	0.1%	\$1,200	\$1,290	\$1,380	\$1,470	\$5,340	0.1%

Computer Equipment	\$0	\$8,000	\$0	\$2,000	\$10,000	0.3%	\$0	\$9,000	\$0	\$0	\$9,000	0.2%
Total G & A Costs	\$103,204	\$111,892	\$118,247	\$128,483	\$459,758	14.4%	\$149,873	\$155,158	\$148,449	\$148,748	\$519,228	12.9%
% of Total Sales	14.6%	14.4%	14.3%	14.5%	14.4%	14.4%	14.0%	13.9%	12.5%	11.6%	12.9%	12.9%
Total Operating Expenses	\$390,337	\$431,098	\$482,379	\$490,403	\$1,763,368	65.7%	\$651,809	\$604,182	\$621,826	\$658,885	\$2,438,774	63.5%
% of Total Sales	55.3%	55.7%	55.5%	56.1%	55.7%	55.7%	55.0%	54.2%	52.9%	52.2%	53.5%	53.5%
Income From Operations	\$79,774	\$83,178	\$91,731	\$97,091	\$343,434	10.8%	\$128,978	\$142,037	\$158,207	\$128,892	\$599,864	12.1%
% of Total Sales	10.0%	10.8%	11.3%	11.1%	10.8%	10.8%	12.6%	12.7%	13.3%	10.0%	12.1%	12.1%
Interest Income	\$636	\$640	\$645	\$650	\$2,570	0.1%	\$656	\$680	\$665	\$670	\$2,650	0.1%
Interest Expense	\$3,077	\$3,085	\$3,093	\$3,101	\$12,368	0.4%	\$3,113	\$3,125	\$3,137	\$3,149	\$12,524	0.3%
Income before Taxes	\$86,332	\$89,733	\$89,283	\$94,590	\$333,668	10.5%	\$123,470	\$139,572	\$153,835	\$124,113	\$660,980	17.0%
Taxes on Income	\$13,698	\$18,147	\$17,867	\$19,080	\$69,730	2.1%	\$33,337	\$37,684	\$41,536	\$33,511	\$148,067	3.2%
Net Income After Taxes	\$72,634	\$71,586	\$71,416	\$75,510	\$263,938	8.4%	\$90,133	\$101,888	\$112,299	\$90,602	\$512,913	8.2%
% of Total Sales	7.8%	8.3%	8.6%	8.6%	8.4%	8.4%	9.0%	9.1%	9.6%	7.2%	8.7%	8.7%

Budget

4-Jan-98

Years 1-5 by Year

Talk Time Communications Ltd.

Sales	% of Total		% of Total		% of Total		% of Total		% of Total	
	Year 1	Sales	Year 2	Sales	Year 3	Sales	Year 4	Sales	Year 5	Sales
Prepaid Local Dialtone Enhancer	\$6,375	0.6%	\$15,500	0.5%	\$29,000	0.6%	\$35,000	0.6%	\$44,000	0.6%
Prepaid Local Dialtone Connecti	\$476,150	43.4%	\$1,003,700	31.7%	\$1,520,000	33.4%	\$1,850,000	30.3%	\$1,900,000	27.9%
Prepaid Local Dialtone Monthly	\$508,793	46.4%	\$1,985,000	62.7%	\$2,715,000	59.6%	\$3,725,000	61.0%	\$4,000,000	58.7%
Prepaid Long Disance Service	\$16,004	1.5%	\$24,500	0.8%	\$37,157	0.8%	\$45,000	0.7%	\$52,000	0.6%
Prepaid Calling Cards	\$25,607	2.3%	\$42,368	1.3%	\$78,922	1.7%	\$142,060	2.3%	\$255,708	3.8%
Prepaid Cellular Telephones	\$63,227	5.8%	\$96,499	3.0%	\$173,697	3.8%	\$312,655	5.1%	\$562,779	8.3%
Service7 Name	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Service8 Name	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Service9 Name	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Service10 Name	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Total Sales	\$1,096,156	100.0%	\$3,167,567	100.0%	\$4,553,776	100.0%	\$6,109,716	100.0%	\$6,814,487	100.0%
Material	\$204,841	18.7%	\$505,176	15.9%	\$751,394	16.5%	\$1,005,697	16.5%	\$1,171,125	17.2%
Labor	\$184,813	16.9%	\$435,589	13.8%	\$654,744	14.4%	\$875,447	14.3%	\$1,032,125	15.1%
Total Variable COGS	\$389,654	35.5%	\$940,765	29.7%	\$1,406,138	30.9%	\$1,881,144	30.8%	\$2,203,250	32.3%
<i>% of Total Sales</i>	35.5%		29.7%		30.9%		30.8%		32.3%	
Cost of Goods Sold										
Production Management Salaries	\$106,400	9.7%	\$120,000	3.8%	\$160,000	3.5%	\$180,000	2.9%	\$180,000	2.6%
Production Facility Expense	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Production Equipment Rental	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Small Tools / Supplies	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Packaging Supplies	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Other Production Expenses	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Other Production Expenses	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Other Production Expenses	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Total Fixed Cost of Goods Sold	\$106,400	9.7%	\$120,000	3.8%	\$160,000	3.5%	\$180,000	2.9%	\$180,000	2.6%
<i>% of Total Sales</i>	9.7%		3.8%		3.5%		2.9%		2.6%	

Total Cost of Goods Sold	\$496,054	45.3%	\$1,060,765	33.5%	\$1,566,139	34.4%	\$2,081,144	33.7%	\$2,383,250	35.0%
Gross Profit	\$600,102	54.7%	\$2,106,802	66.5%	\$2,987,638	65.6%	\$4,048,571	66.3%	\$4,431,237	65.0%
<i>% of Total Sales</i>	54.7%		66.5%		65.6%		66.3%		65.0%	
Operating Expenses										
<i>Sales & Marketing</i>										
Advertising	\$58,800	5.4%	\$174,000	5.5%	\$289,200	6.4%	\$404,400	6.6%	\$519,600	7.6%
Incentives and Bonuses	\$666	0.1%	\$763	0.0%	\$855	0.0%	\$1,000	0.0%	\$1,170	0.0%
Commissions - % of Sales	\$328,848	30.0%	\$950,270	30.0%	\$1,366,133	30.0%	\$1,832,915	30.0%	\$2,044,346	30.0%
Entertainment	\$2,532	0.2%	\$2,640	0.1%	\$2,640	0.1%	\$2,640	0.0%	\$2,640	0.0%
Literature	\$4,152	0.4%	\$4,919	0.2%	\$5,506	0.1%	\$6,442	0.1%	\$7,537	0.1%
Promotions	\$2,599	0.2%	\$2,935	0.1%	\$3,284	0.1%	\$3,842	0.1%	\$4,495	0.1%
Salaries	\$81,198	7.4%	\$86,381	2.7%	\$96,653	2.1%	\$113,084	1.9%	\$132,308	1.9%
Trade Shows	\$8,200	0.7%	\$6,000	0.2%	\$6,000	0.1%	\$7,000	0.1%	\$8,000	0.1%
Travel	\$60,000	5.5%	\$63,704	2.0%	\$71,277	1.6%	\$83,394	1.4%	\$97,571	1.4%
Other Sales Expenses	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Other Sales Expenses	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Total Sales & Marketing Costs	\$546,995	49.9%	\$1,291,612	40.8%	\$1,841,548	40.4%	\$2,454,717	40.2%	\$2,817,667	41.3%
<i>% of Total Sales</i>	49.9%		40.8%		40.4%		40.2%		41.3%	
Consulting	\$15,000	1.4%	\$15,000	0.5%	\$6,000	0.1%	\$5,000	0.1%	\$5,000	0.1%
Equipment (Expensed Purchases)	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
R & D Materials	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
R & D Salaries	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Other R & D Expenses	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Other R & D Expenses	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Total R & D Costs	\$15,000	1.4%	\$15,000	0.5%	\$6,000	0.1%	\$5,000	0.1%	\$5,000	0.1%
<i>% of Total Sales</i>	1.4%		0.5%		0.1%		0.1%		0.1%	
General & Administrative										
Accounting	\$10,800	1.0%	\$16,000	0.5%	\$24,000	0.5%	\$28,000	0.5%	\$28,000	0.4%
Admin Salaries	\$80,640	7.4%	\$303,000	9.6%	\$395,000	8.7%	\$460,000	7.5%	\$500,000	7.3%

Bad Debts	\$1,200	0.1%	\$1,273	0.0%	\$1,416	0.0%	\$1,643	0.0%	\$1,906	0.0%
Depreciation	\$996	0.1%	\$250	0.0%	\$1,000	0.0%	\$1,000	0.0%	\$1,000	0.0%
Equipment Rent/Small Purchase:	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Insurance	\$3,066	0.3%	\$3,313	0.1%	\$3,686	0.1%	\$4,276	0.1%	\$4,960	0.1%
Legal Fees	\$3,000	0.3%	\$3,186	0.1%	\$3,544	0.1%	\$4,111	0.1%	\$4,769	0.1%
Licenses and Permits	\$3,666	0.3%	\$3,949	0.1%	\$4,392	0.1%	\$5,095	0.1%	\$5,910	0.1%
Office Expenses	\$7,464	0.7%	\$8,153	0.3%	\$9,072	0.2%	\$10,524	0.2%	\$12,208	0.2%
Office Rental	\$42,000	3.8%	\$44,000	1.4%	\$64,000	1.4%	\$75,000	1.2%	\$85,000	1.2%
Taxes (non-Income Taxes)	\$1,200	0.1%	\$1,273	0.0%	\$1,416	0.0%	\$1,643	0.0%	\$1,906	0.0%
Telephone	\$3,930	0.4%	\$4,459	0.1%	\$4,960	0.1%	\$5,754	0.1%	\$6,675	0.1%
Utilities	\$2,460	0.2%	\$3,900	0.1%	\$5,340	0.1%	\$6,780	0.1%	\$8,220	0.1%
Billing Services	\$54,000	4.9%	\$54,000	1.7%	\$62,400	1.4%	\$77,000	1.3%	\$94,000	1.4%
Computer Equipment	\$19,000	1.7%	\$10,000	0.3%	\$9,000	0.2%	\$12,000	0.2%	\$18,000	0.3%
Total G & A Costs	\$233,422	21.3%	\$458,768	14.4%	\$589,226	12.9%	\$692,826	11.3%	\$772,554	11.3%
<i>% of Total Sales</i>	<i>21.3%</i>		<i>14.4%</i>		<i>12.9%</i>		<i>11.3%</i>		<i>11.3%</i>	
Total Operating Expenses	\$795,417	72.6%	\$1,763,368	55.7%	\$2,436,774	53.5%	\$3,152,543	51.6%	\$3,595,221	52.8%
<i>% of Total Sales</i>	<i>72.6%</i>		<i>55.7%</i>		<i>53.5%</i>		<i>51.6%</i>		<i>52.8%</i>	
Income From Operations	(\$195,315)	-17.8%	\$343,434	10.8%	\$550,864	12.1%	\$896,028	14.7%	\$836,016	12.3%
<i>% of Total Sales</i>	<i>-17.8%</i>		<i>10.8%</i>		<i>12.1%</i>		<i>14.7%</i>		<i>12.3%</i>	
Interest Income	\$2,466	0.2%	\$2,570	0.1%	\$2,650	0.1%	\$2,730	0.0%	\$2,812	0.0%
Interest Expense	\$12,142	1.1%	\$12,356	0.4%	\$12,524	0.3%	\$12,774	0.2%	\$13,029	0.2%
Income before Taxes	(\$204,991)	-18.7%	\$333,648	10.5%	\$540,990	11.9%	\$885,984	14.5%	\$825,799	12.1%
Taxes on Income	\$0	0.0%	\$66,730	2.1%	\$146,067	3.2%	\$239,216	3.9%	\$222,966	3.3%
Net Income After Taxes	(\$204,991)	-18.7%	\$266,918	8.4%	\$394,923	8.7%	\$646,768	10.6%	\$602,833	8.8%
<i>% of Total Sales</i>	<i>-18.7%</i>		<i>8.4%</i>		<i>8.7%</i>		<i>10.6%</i>		<i>8.8%</i>	

	Jan-78	Feb-78	Mar-78	Apr-78	May-78	Jun-78	Jul-78	Aug-78	Sep-78	Oct-78	Nov-78	Dec-78	Year 1
Sales													
Prepaid Local Dialtone Enhanced	\$0	\$75	\$300	\$400	\$500	\$600	\$600	\$700	\$800	\$800	\$800	\$800	\$8,375
Prepaid Local Dialtone Connection	\$0	\$4,450	\$8,800	\$13,250	\$13,250	\$26,700	\$44,500	\$71,200	\$71,200	\$71,200	\$71,200	\$80,100	\$478,150
Prepaid Local Dialtone Monthly F	\$0	\$0	\$1,591	\$4,774	\$9,547	\$14,321	\$23,868	\$39,790	\$65,239	\$90,688	\$116,158	\$142,817	\$508,793
Prepaid Long Distance Service	\$0	\$100	\$300	\$500	\$1,868	\$1,868	\$1,868	\$1,868	\$1,868	\$1,868	\$1,868	\$1,868	\$18,004
Prepaid Calling Cards	\$2,000	\$2,023	\$2,047	\$2,071	\$2,095	\$2,120	\$2,145	\$2,170	\$2,195	\$2,221	\$2,247	\$2,273	\$25,807
Prepaid Cellular Telephones	\$5,000	\$5,047	\$5,095	\$5,143	\$5,192	\$5,241	\$5,291	\$5,341	\$5,392	\$5,443	\$5,495	\$5,547	\$63,227
Service 7 Name	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service 8 Name	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service 9 Name	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service 10 Name	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Sales	\$7,898	\$11,886	\$19,223	\$28,238	\$32,872	\$69,879	\$78,292	\$121,878	\$148,714	\$172,289	\$197,738	\$223,426	\$1,698,168

	Jan-78	Feb-78	Mar-78	Apr-78	May-78	Jun-78	Jul-78	Aug-78	Sep-78	Oct-78	Nov-78	Dec-78	Year 1
Cost of Goods Sold													
Material	\$2,250	\$3,527	\$4,822	\$6,446	\$7,279	\$11,142	\$16,573	\$24,868	\$27,465	\$30,056	\$32,528	\$37,545	\$204,841
Labor	\$2,250	\$3,482	\$4,785	\$6,189	\$6,858	\$10,445	\$15,412	\$22,883	\$24,816	\$28,823	\$28,431	\$32,459	\$184,813
Total Variable COGS	\$4,750	\$7,009	\$9,707	\$12,635	\$14,137	\$21,587	\$31,985	\$47,751	\$52,281	\$58,879	\$61,059	\$70,004	\$389,654
% of Total Sales	67.1%	59.9%	53.2%	48.1%	42.4%	42.4%	40.9%	39.5%	35.6%	32.9%	30.9%	30.9%	25.5%
Total Fixed Cost of Goods Sold	\$8,800	\$4,800	\$8,800	\$8,800	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$108,400
Total Cost of Goods Sold	\$11,200	\$11,809	\$18,507	\$21,435	\$24,137	\$31,587	\$41,985	\$57,751	\$62,281	\$68,879	\$71,059	\$80,004	\$498,054
Gross Profit	(\$4,200)	(\$1,914)	\$1,208	\$7,023	\$8,438	\$19,293	\$36,307	\$83,298	\$86,413	\$109,871	\$128,729	\$153,421	\$800,102
% of Total Sales	-8.1%	-16.4%	10.8%	28.8%	25.9%	37.9%	48.4%	52.2%	57.9%	61.2%	64.1%	65.7%	54.7%

	Jan-78	Feb-78	Mar-78	Apr-78	May-78	Jun-78	Jul-78	Aug-78	Sep-78	Oct-78	Nov-78	Dec-78	Year 1
Operating Expenses													
Sales & Marketing	\$15,100	\$20,826	\$20,104	\$23,322	\$28,040	\$32,346	\$41,291	\$55,045	\$64,753	\$72,032	\$84,012	\$92,024	\$546,985
Research & Development	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$15,000
G & A (without Depreciation)	\$17,000	\$18,041	\$17,882	\$18,083	\$23,084	\$18,805	\$22,128	\$17,147	\$18,988	\$17,189	\$21,210	\$21,031	\$232,428
Depreciation	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$988
Total Operating Expenses	\$33,433	\$41,009	\$39,298	\$43,718	\$69,487	\$82,684	\$104,889	\$123,525	\$136,984	\$149,564	\$148,568	\$114,388	\$798,417
% of Total Sales	47.8%	390.6%	213.5%	166.6%	154.9%	103.4%	82.8%	60.7%	98.0%	52.6%	53.9%	49.0%	72.8%
Income From Operations	(\$37,731)	(\$42,914)	(\$37,873)	(\$38,889)	(\$42,022)	(\$33,391)	(\$28,583)	(\$19,317)	(\$50,411)	\$18,017	\$20,174	\$29,833	(\$196,318)
% of Total Sales	-399.0%	-368.9%	-208.0%	-139.9%	-129.0%	-69.5%	-36.5%	-8.2%	-2.6%	8.7%	10.2%	18.7%	-17.8%
Interest Income	\$200	\$201	\$202	\$203	\$204	\$205	\$206	\$207	\$208	\$209	\$210	\$211	\$2,468
Interest Expense	\$1,000	\$1,002	\$1,004	\$1,006	\$1,008	\$1,010	\$1,012	\$1,014	\$1,017	\$1,020	\$1,023	\$1,026	\$12,142
Income Before Taxes	(\$38,831)	(\$43,718)	(\$39,878)	(\$37,688)	(\$42,821)	(\$34,196)	(\$29,378)	(\$18,110)	(\$51,126)	\$14,208	\$19,361	\$28,807	(\$204,981)
Taxes on Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Income After Taxes	(\$38,831)	(\$43,718)	(\$39,878)	(\$37,688)	(\$42,821)	(\$34,196)	(\$29,378)	(\$18,110)	(\$51,126)	\$14,208	\$19,361	\$28,807	(\$204,981)
% of Total Sales	-390.5%	-373.8%	-208.4%	-142.9%	-131.5%	-67.0%	-37.5%	-9.2%	-1.0%	8.2%	9.8%	18.4%	-18.7%

INCOME STATEMENT

Years 1 - 5

Talk Time Communications Ltd.

4-Jan-98

Sales	% of Total		% of Total		% of Total		% of Total		% of Total	
	Year 1	Sales	Year 2	Sales	Year 3	Sales	Year 4	Sales	Year 5	Sales
Prepaid Local Dialtone Enhanced	\$6,375	0.6%	\$15,500	0.5%	\$29,000	0.6%	\$35,000	0.6%	\$44,000	0.6%
Prepaid Local Dialtone Connectio	\$476,150	43.4%	\$1,003,700	31.7%	\$1,520,000	33.4%	\$1,850,000	30.3%	\$1,900,000	27.9%
Prepaid Local Dialtone Monthly F	\$508,793	46.4%	\$1,985,000	62.7%	\$2,715,000	59.6%	\$3,725,000	61.0%	\$4,000,000	58.7%
Prepaid Long Distance Service	\$16,004	1.5%	\$24,500	0.8%	\$37,157	0.8%	\$45,000	0.7%	\$52,000	0.8%
Prepaid Calling Cards	\$25,607	2.3%	\$42,368	1.3%	\$78,922	1.7%	\$142,060	2.3%	\$255,708	3.8%
Prepaid Cellular Telephones	\$63,227	5.8%	\$96,499	3.0%	\$173,697	3.8%	\$312,855	5.1%	\$562,779	8.3%
Service7 Name	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Service8 Name	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Service9 Name	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Service10 Name	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Total Sales	\$1,096,158	100.0%	\$3,167,567	100.0%	\$4,553,776	100.0%	\$6,109,715	100.0%	\$8,814,487	100.0%
Cost of Goods Sold										
Material	\$204,841	18.7%	\$505,176	15.9%	\$751,394	16.5%	\$1,005,697	16.5%	\$1,171,125	17.2%
Labor	\$184,813	16.9%	\$435,589	13.8%	\$654,744	14.4%	\$875,447	14.3%	\$1,032,125	15.1%
Total Variable COGS	\$389,654	35.6%	\$940,765	29.7%	\$1,406,138	30.9%	\$1,881,144	30.8%	\$2,203,250	32.3%
Total Fixed Cost of Goods Sold	\$106,400	9.7%	\$120,000	3.8%	\$160,000	3.5%	\$180,000	2.9%	\$180,000	2.6%
Total Cost of Goods Sold	\$496,054	45.3%	\$1,060,765	33.5%	\$1,566,138	34.4%	\$2,061,144	33.7%	\$2,383,250	35.0%
Gross Profit	\$600,102	54.7%	\$2,106,802	66.5%	\$2,987,638	65.6%	\$4,048,571	66.3%	\$4,431,237	65.0%
Operating Expenses										
Sales & Marketing	\$546,995	49.9%	\$1,291,612	40.8%	\$1,841,548	40.4%	\$2,454,717	40.2%	\$2,817,667	41.3%
Research & Development	\$15,000	1.4%	\$15,000	0.5%	\$6,000	0.1%	\$5,000	0.1%	\$5,000	0.1%
G & A (without Depreciation)	\$232,426	21.2%	\$456,506	14.4%	\$588,226	12.9%	\$691,826	11.3%	\$771,554	11.3%
Depreciation	\$996	0.1%	\$250	0.0%	\$1,000	0.0%	\$1,000	0.0%	\$1,000	0.0%
Total Operating Expenses	\$795,417	72.6%	\$1,763,368	55.7%	\$2,436,774	53.5%	\$3,152,543	51.6%	\$3,595,221	52.8%
Income From Operations	(\$195,315)	-17.8%	\$343,434	10.8%	\$550,864	12.1%	\$896,028	14.7%	\$836,016	12.3%

	1990	U. S.	1991	U. S.	1992	U. S.	1993	U. S.	1994	U. S.
Interest Expense	\$12,142	1.1%	\$12,356	0.4%	\$12,524	0.3%	\$12,774	0.2%	\$13,029	0.2%
Income before Taxes	(\$204,991)	-18.7%	\$333,648	10.6%	\$540,990	11.9%	\$885,984	14.6%	\$925,797	12.1%
Taxes on Income	\$0	0.0%	\$68,730	2.1%	\$146,067	3.2%	\$239,216	3.9%	\$222,966	3.3%
Net Income After Taxes	(\$204,991)	-18.7%	\$264,918	8.4%	\$394,923	8.7%	\$646,768	10.6%	\$702,831	8.8%
Growth Analysis										
Sales Growth			189.0%		43.8%		34.2%		11.5%	
Gross Profit Growth			251.1%		41.8%		35.5%		9.5%	
Income from Operations Growth			-275.8%		60.4%		62.7%		-8.7%	
Net Income After Taxes Growth			-230.2%		49.0%		63.8%		-8.8%	

Total Liabilities & Equity (831,433) (878,248) (8113,423) 8248,078 8558,283 8772,147 8742,788 8721,874 81,250,224 81,744,430 81,63,781 81,802,008

4-Jan-98

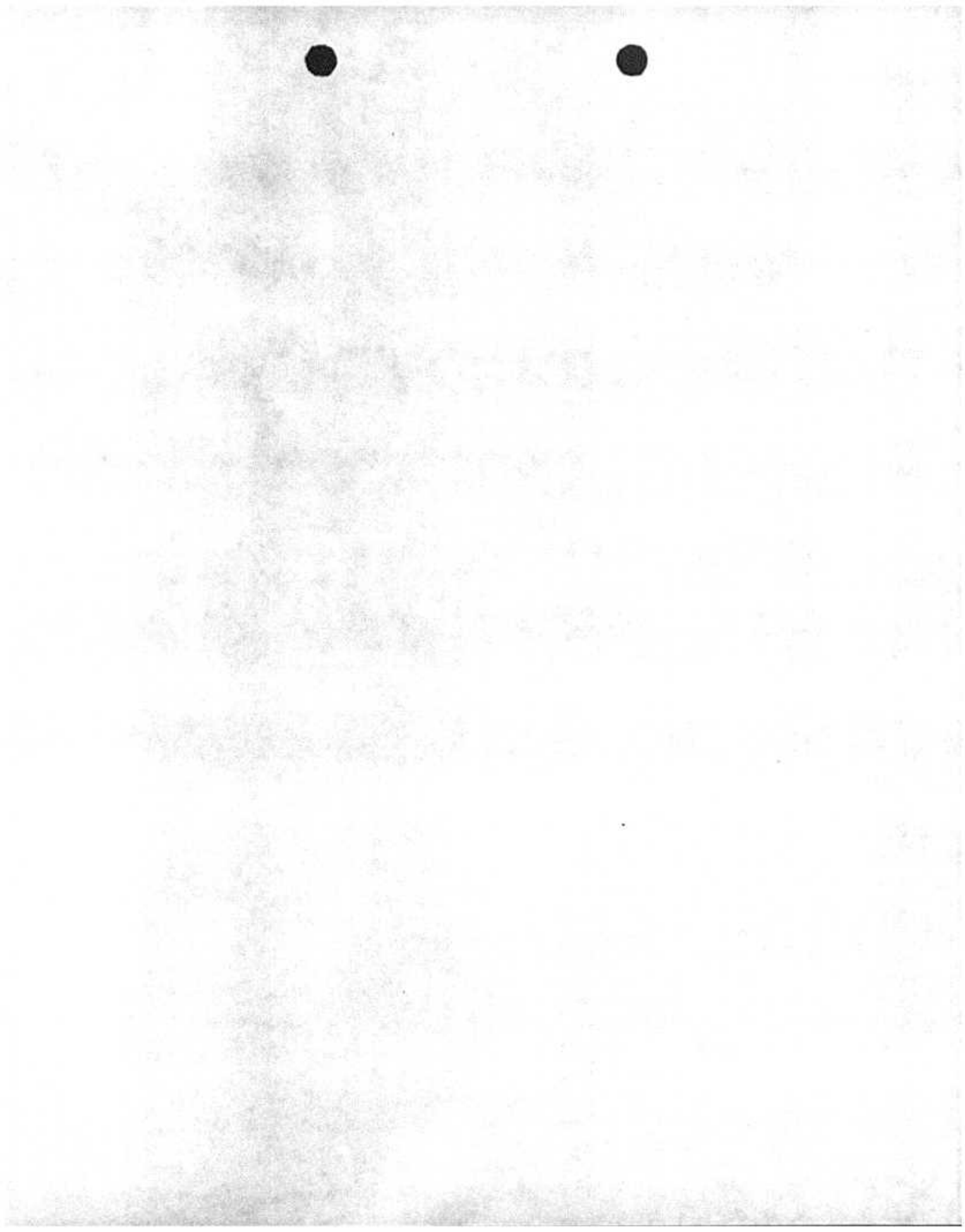
Assets	Year 1	Year 2	Year 3	Year 4	Year 5
<i>Current Assets</i>					
Cash	\$1,800,005	\$2,067,173	\$2,463,096	\$3,110,864	\$3,714,697
Investments	\$0	\$0	\$0	\$0	\$0
Accounts Receivable	\$0	\$0	\$0	\$0	\$0
Notes Receivable	\$0	\$0	\$0	\$0	\$0
Inventory	\$0	\$0	\$0	\$0	\$0
Other Current Assets	\$0	\$0	\$0	\$0	\$0
Total Current Assets	\$1,800,005	\$2,067,173	\$2,463,096	\$3,110,864	\$3,714,697
<i>Plant & Equipment</i>					
Land	\$0	\$0	\$0	\$0	\$0
Buildings	\$0	\$0	\$0	\$0	\$0
Building/Leasehold Improvements	\$0	\$0	\$0	\$0	\$0
Machinery & Equipment	\$0	\$0	\$0	\$0	\$0
Office Equipment	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Automobiles	\$0	\$0	\$0	\$0	\$0
Accumulated Depreciation	(\$996)	(\$1,996)	(\$2,996)	(\$3,996)	(\$4,996)
Total Net Plant & Equipment	\$2,004	\$1,004	\$4	(\$996)	(\$1,996)
Other Assets	\$0	\$0	\$0	\$0	\$0
Total Assets	\$1,802,009	\$2,068,177	\$2,463,100	\$3,109,868	\$3,712,701
Liabilities & Owners' Equity					
<i>Current Liabilities</i>					
Short Term Debt	\$0	\$0	\$0	\$0	\$0
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Other Payables	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Accrued Liabilities	\$0	\$0	\$0	\$0	\$0
Total Current Liabilities	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500

Long Term Debt	\$0	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500

Owner/Stockholder Equity

Common Stock	\$2,003,000	\$2,003,000	\$2,003,000	\$2,003,000	\$2,003,000	\$2,003,000
Retained Earnings	(\$202,491)	\$63,677	\$458,600	\$1,105,368	\$1,708,201	
Dividends Payable	\$0	\$0	\$0	\$0	\$0	\$0
Total Owner's Equity	\$1,800,509	\$2,066,677	\$2,461,600	\$3,108,368	\$3,711,201	

Total Liabilities & Equity	\$1,802,009	\$2,068,177	\$2,463,100	\$3,109,868	\$3,712,701	
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Sources of Cash:

Operations During the Year

	Jan-68	Feb-68	Mar-68	Apr-68	May-68	Jun-68	Jul-68	Aug-68	Sep-68	Oct-68	Nov-68	Dec-68	Year 1
Net Income After Taxes	(\$38,533)	(\$43,715)	(\$38,175)	(\$37,498)	(\$42,826)	(\$34,106)	(\$29,349)	(\$11,124)	(\$1,450)	\$14,208	\$19,361	\$38,218	(\$204,991)
Add items not decreasing cash													
Depreciation	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$996
Increase in Accounts Payable	(\$7,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$7,000)
Increase in Other Payables	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increase in Accrued Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Deduct items not increasing cash

Increase in Accounts Receivable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increase in Inventory	(\$1,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,000)
Cash from Operations	(\$44,450)	(\$43,632)	(\$38,092)	(\$37,418)	(\$42,743)	(\$34,023)	(\$29,268)	(\$11,041)	(\$1,367)	\$14,289	\$19,444	\$38,301	(\$209,998)

Financing & Other

Sale of Stock	\$0	\$0	\$0	\$500,000	\$250,000	\$250,000	\$0	\$0	\$500,000	\$500,000	\$0	\$0	\$2,000,000
Proceeds from Short Term Loans	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds from Long Term Loans	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sale of Investments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Collection of Notes Receivable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reduction of Other Current Asset	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reduction of Other Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash / Operations & Financing	(\$44,450)	(\$43,632)	(\$38,092)	\$462,585	\$207,257	\$215,977	(\$29,268)	(\$11,041)	\$498,633	\$514,289	\$19,444	\$38,301	\$1,793,005

Applications of Cash

Payment of Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchases of Fixed Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repayment of Short Term Loans	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repayment of Long Term Loans	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase of Investments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increase in Notes Receivable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increase in Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increase in Other Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increase/(Decrease) in Cash	(\$44,450)	(\$43,632)	(\$38,092)	\$462,585	\$207,257	\$215,977	(\$29,268)	(\$11,041)	\$498,633	\$514,289	\$19,444	\$38,301	\$1,793,005

Change in Cash Balance

Ending Cash Balance	(\$34,450)	(\$78,082)	(\$116,174)	\$346,411	\$553,668	\$769,645	\$740,379	\$729,338	\$1,227,971	\$1,742,260	\$1,761,704	\$1,800,005	\$1,800,005
Beginning Cash Balance	\$10,000	(\$34,450)	(\$78,082)	(\$116,174)	\$346,411	\$553,668	\$769,645	\$740,379	\$729,338	\$1,227,971	\$1,742,260	\$1,761,704	\$10,000
Increase/(Decrease) in Cash	(\$44,450)	(\$43,632)	(\$38,092)	\$462,585	\$207,257	\$215,977	(\$29,268)	(\$11,041)	\$498,633	\$514,289	\$19,444	\$38,301	\$1,793,005

<i>Sources of Cash:</i>	Year 1	Year 2	Year 3	Year 4	Year 5
Operations During the Year					
Net Income After Taxes	(\$204,991)	\$266,168	\$394,923	\$646,768	\$602,833
Add items not decreasing cash					
Depreciation	\$996	\$1,000	\$1,000	\$1,000	\$1,000
Increase in Accounts Payable	(\$7,000)	\$0	\$0	\$0	\$0
Increase in Other Payables	\$0	\$0	\$0	\$0	\$0
Increase in Accrued Liabilities	\$0	\$0	\$0	\$0	\$0
Deduct items not increasing cash					
Increase in Accounts Receivable	\$0	\$0	\$0	\$0	\$0
Increase in Inventory	(\$1,000)	\$0	\$0	\$0	\$0
Cash from Operations	(\$209,995)	\$267,168	\$395,923	\$647,768	\$603,833
Financing & Other					
Sale of Stock	\$2,000,000	\$0	\$0	\$0	\$0
Proceeds from Short Term Loans	\$0	\$0	\$0	\$0	\$0
Proceeds from Long Term Loans	\$0	\$0	\$0	\$0	\$0
Sale of Investments	\$0	\$0	\$0	\$0	\$0
Collection of Notes Receivable	\$0	\$0	\$0	\$0	\$0
Reduction of Other Current Assets	\$0	\$0	\$0	\$0	\$0
Reduction of Other Assets	\$0	\$0	\$0	\$0	\$0
Cash / Operations & Financing	\$1,790,005	\$267,168	\$395,923	\$647,768	\$603,833
Applications of Cash					
Payment of Dividends	\$0	\$0	\$0	\$0	\$0
Purchases of Fixed Assets	\$0	\$0	\$0	\$0	\$0
Repayment of Short Term Loans	\$0	\$0	\$0	\$0	\$0
Repayment of Long Term Loans	\$0	\$0	\$0	\$0	\$0
Purchase of Investments	\$0	\$0	\$0	\$0	\$0
Increase in Notes Receivable	\$0	\$0	\$0	\$0	\$0
Increase in Other Current Assets	\$0	\$0	\$0	\$0	\$0

Increase/(Decrease) in Cash \$1,790,005 \$267,168 \$395,923 \$647,768 \$603,833

Change in Cash Balance

Ending Cash Balance \$1,800,005 \$2,067,173 \$2,463,096 \$3,110,864 \$3,714,697

Beginning Cash Balance \$10,000 \$1,800,005 \$2,067,173 \$2,463,096 \$3,110,864

Increase/(Decrease) in Cash \$1,790,005 \$267,168 \$395,923 \$647,768 \$603,833

	Jan-98	Feb-98	Mar-98	Apr-98	May-98	Jun-98	Jul-98	Aug-98	Sep-98	Oct-98	Nov-98	Dec-98	Year 1	% of Total Sales
Sales	\$7,000	\$11,095	\$18,233	\$28,236	\$32,572	\$50,870	\$78,292	\$121,079	\$148,714	\$172,250	\$197,788	\$233,425	\$1,098,158	
Fixed Costs														
Fixed Cost of Goods & Services	\$8,600	\$8,600	\$8,600	\$8,600	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$108,400	8.71%
Sales & Marketing (w/o Commission)	\$12,950	\$17,268	\$14,582	\$15,208	\$16,214	\$17,000	\$17,847	\$18,664	\$20,681	\$20,298	\$24,818	\$21,925	\$217,481	19.84%
Research & Development	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$15,000	1.37%
G & A (without Depreciation)	\$17,000	\$18,841	\$17,862	\$19,083	\$23,084	\$18,905	\$22,128	\$17,147	\$18,988	\$17,189	\$21,210	\$21,031	\$232,428	21.20%
Depreciation	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$898	0.09%
Less Reclassified Fixed Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Total Fixed Costs	\$27,883	\$44,849	\$49,317	\$42,984	\$59,831	\$47,288	\$51,208	\$47,144	\$59,952	\$48,820	\$57,189	\$54,298	\$272,303	22.21%

	Jan-98	Feb-98	Mar-98	Apr-98	May-98	Jun-98	Jul-98	Aug-98	Sep-98	Oct-98	Nov-98	Dec-98	Year 1	% of Total Sales
Variable Costs														
Material and Labor	\$4,700	\$7,009	\$8,707	\$12,815	\$14,137	\$21,587	\$31,885	\$47,871	\$52,301	\$58,879	\$61,058	\$70,004	\$308,854	28.59%
Commissions	\$2,150	\$3,980	\$5,522	\$7,824	\$8,828	\$15,316	\$23,544	\$36,381	\$44,072	\$51,734	\$59,288	\$70,088	\$328,514	22.23%
Less Reclassified Fixed Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Total Variable Costs	\$6,850	\$10,989	\$14,229	\$20,639	\$22,965	\$36,903	\$55,429	\$84,252	\$96,373	\$108,613	\$120,346	\$148,892	\$718,168	65.87%
Income from Operations	(\$37,733)	(\$42,914)	(\$37,373)	(\$38,869)	(\$42,822)	(\$33,301)	(\$28,543)	(\$10,317)	(\$641)	\$15,017	\$20,174	\$38,033	(\$188,319)	-17.82%
Interest Income (Expense) - "Fixed"	(\$800)	(\$801)	(\$802)	(\$803)	(\$804)	(\$805)	(\$806)	(\$807)	(\$808)	(\$811)	(\$813)	(\$815)	(\$878)	-0.80%
Income Taxes - "Variable"	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Net Income After Taxes	(\$38,533)	(\$43,715)	(\$38,175)	(\$39,672)	(\$43,626)	(\$34,106)	(\$29,349)	(\$11,124)	(\$1,451)	\$14,208	\$19,361	\$37,218	(\$204,911)	-18.70%

Analysis

Income from Operations

Contribution Margin

	Jan-98	Feb-98	Mar-98	Apr-98	May-98	Jun-98	Jul-98	Aug-98	Sep-98	Oct-98	Nov-98	Dec-98	Year 1	% of Total Sales
Break-Even Sales Volume	\$1,787,873	\$487,414	\$248,871	\$198,181	\$181,881	\$172,187	\$178,484	\$164,988	\$148,882	\$131,230	\$148,181	\$138,883	\$1,884,887	19.87%
Sales Volume Above Break-Even	\$1,788,873	\$488,414	\$249,871	\$199,181	\$182,881	\$173,187	\$179,484	\$165,988	\$149,882	\$132,230	\$149,181	\$139,883	\$1,885,887	19.88%

Net Income After Taxes

Contribution Margin

	Jan-98	Feb-98	Mar-98	Apr-98	May-98	Jun-98	Jul-98	Aug-98	Sep-98	Oct-98	Nov-98	Dec-98	Year 1	% of Total Sales
Break-Even Sales Volume	\$1,808,207	\$488,733	\$249,839	\$198,878	\$184,883	\$178,089	\$178,238	\$187,882	\$180,849	\$133,818	\$148,279	\$137,841	\$1,882,282	18.43%
Sales Volume Above Break-Even	\$1,799,207	\$484,028	\$231,208	\$172,849	\$182,031	\$124,219	\$100,849	\$38,573	\$4,228	\$39,332	\$49,518	\$95,284	(\$99,048)	-4.28%

Sensitivity Analysis

4-Jan-98

Talk Time Communicat

Full Year- Year 1

Compare the best and worst case of each Income Statement line item to the planned values.
The Planned amounts are taken directly from the Income Statements.

Sales

	Pessimistic	Planned	Optimistic
	90%	100%	120%
Prepaid Local Dialtone Enhanced Services	\$5,738	\$8,375	\$7,650
Prepaid Local Dialtone Connection Fees	\$428,535	\$476,150	\$571,380
Prepaid Local Dialtone Monthly Fees	\$457,914	\$508,793	\$610,552
Prepaid Long Distance Service	\$14,404	\$16,004	\$19,205
Prepaid Calling Cards	\$23,046	\$25,607	\$30,728
Prepaid Cellular Telephones	\$56,904	\$63,227	\$75,872
Service7 Name	\$0	\$0	\$0
Service8 Name	\$0	\$0	\$0
Service9 Name	\$0	\$0	\$0
Service10 Name	\$0	\$0	\$0
Total Sales	\$986,541	\$1,096,156	\$1,315,387

Variable Costs

	Pessimistic	Planned	Optimistic
	200%	100%	70%
Cost of Goods Sold	\$779,308	\$389,654	\$272,758
Fixed Costs Reclassified to Variable Cost:	\$0	\$0	\$0
Total Variable Costs	\$779,308	\$389,654	\$272,758

Gross Profit

% of Total Sales

\$90,193	\$600,102	\$946,869
9.14%	54.75%	71.98%

Operating Costs

Sales & Marketing

	Pessimistic	Planned	Optimistic
	120%	100%	80%
\$656,394	\$546,995	\$437,596	

Research & Development

	Pessimistic	Planned	Optimistic
	180%	100%	85%
\$27,000	\$15,000	\$12,750	

G & A (without Depreciation)

	Pessimistic	Planned	Optimistic
	110%	100%	90%
\$255,669	\$232,426	\$209,185	

Fixed Cost of Goods & Services

	Pessimistic	Planned	Optimistic
	110%	100%	90%
\$117,040	\$106,400	\$95,760	

	Pessimistic	Planned	Optimistic
--	-------------	---------	------------

	110%	100%	90%
Depreciation	\$1,096	\$996	\$896
	Pessimistic	Planned	Optimistic
	110%	100%	90%
Fixed Costs Reclassified to Variable Cost:	\$0	\$0	\$0
Total Fixed Costs	\$1,057,199	\$901,817	\$758,185
Income from Operations	(\$849,966)	(\$195,315)	\$286,414

CERTIFICATION OF APPLICANT

I, Ivan Barrington, am Controller of Aerotech Services, Inc.. I certify that, based on my information and belief, the attached financial statements of Aerotech Services, Inc. are true and correct.

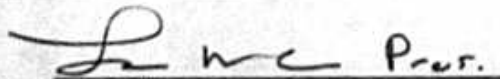
Ivan Barrington

Ivan Barrington
Controller
Aerotech Services, Inc.

Dated: 2/20/98

CERTIFICATION OF APPLICANT

I, Lawrence Marc Cormier, am President of Aerotech Services, Inc.. I certify that, based on my information and belief, the attached financial statements of Aerotech Services, Inc. are true and correct.

 Lawrence Marc Cormier

Lawrence Marc Cormier
President
Aerotech Services, Inc.

Dated: 2/20/98

EXHIBIT III

MANAGERIAL CAPABILITY

Talk Time Communications, Ltd. d/b/a Talk Time Communications, Ltd. Inc. ("TTC"), the Applicant herein, has the managerial capability to provide the proposed services. Applicant's resale operations will be directed by a team of professional, technical, and operations personnel. All of these individuals have significant experience in management and/or the provision of telecommunications service. Below is a description of the qualifications of its key personnel.

Lawrence Marc Cormier - President/CEO

Lawrence Marc Cormier, the President and Chief Executive Officer of TTC, established the company in 1996. Shortly thereafter, the company began providing prepaid interexchange services. TTC's offering include prepaid calling cards and cellular telephone service. As President of TTC, Mr. Cormier is directly involved in the daily management of the company. His responsibilities include establishing and implementing corporate policy, obtaining financing, directing operations, negotiating contracts, and overseeing personnel placement. In addition, Mr. Cormier is the Chairman and President of Aerotech Security, Inc., a security and investigation firm that provides protective and investigative services to numerous businesses, including Marriot Hotels, Hitachi, American Airlines, Amoco Oil, Air France and Con Edison. Mr. Cormier has also served as Vice President and General Manager of Mont Blanc Limousine Service, Inc. and as Director of Security for Technology Industries Corporation. Mr. Cormier obtained a B.A. in Organizational Behavior/Urban Studies from Brown University in 1986.

Samuel Smargon - Vice President of Sales and Marketing

Samuel Smargon is the Vice President of Sales and Marketing for TTC. Mr. Smargon has substantial sales, marketing, and managerial experience. After graduating from Amherst in 1992 with a Bachelor of Business Administration degree, Mr. Smargon spent two years as an Assistant Buyer for Filene's, a retail store associated with May Co. In 1994, he became Director of Sales for Day-Lor Creations, Inc., a position which required management of two 5 million dollar retail accounts. Thereafter, Mr. Smargon spent two years as Vice President of Sales for Cipriani Leather, Inc., where he created sales growth of 8 million dollars and supervised a nationwide sales staff. Since 1997, Mr. Smargon has been involved in developing, marketing and selling telecommunications services. As Vice President of Sales and Marketing for TTC, Mr. Smargon is specifically responsible for managing agents and sales representatives and marketing the company's products. In addition to these responsibilities, as a Principal and the Vice President of Sales and Marketing for Trucom Corporation, a local and long distance telecommunications provider servicing small and medium size businesses, Mr. Smargon was responsible for creating and growing key accounts.

Ivan Barrington - Controller

Ivan Barrington is the Controller for TTC. Mr. Barrington has more than ten years of accounting and managerial experience. Mr. Barrington began his career as an auditor/assistant controller with Deloitte and Touche, performing audits in all areas of accounting. He also prepared general ledger financial statements and quarterly reports and processed travel expense reports, ADP payroll, payroll taxes, accounts payable, accounts receivable, credits/collections, purchasing, billing and bank reconciliations. In addition, Mr. Barrington was the Controller for National Hardware, Ltd., where he supervised an accounting staff of fifteen. As Controller for TTC, Mr. Barrington's responsibilities include day to day management of all accounting functions, development and maintenance of effective systems of procedures, inter- and intra-company controls, budgeting and cash management, and preparation of monthly closings and all financial statements and management reports. Mr. Barrington also supervises the preparation of multi-state payroll and taxes, including employee, employer, personal, property, and commercial rent taxes. Additionally, Mr. Barrington is the Controller for Aerotech Services, Inc., a company affiliated with TTC by virtue of common ownership. Mr. Barrington has a bachelor's degree in accounting.

Talk Time Communications, Ltd.

EXHIBIT IV

TECHNICAL CAPABILITY

Talk Time Communications, Ltd. d/b/a Talk Time Communications, Ltd. Inc. ("TTC"), the Applicant herein, has the technical capability to provide the proposed services. As noted earlier, the current management team has been offering prepaid long distance services for more than one year. Moreover, because TTC will be providing only resold services, any technical issues that cannot be resolved by TTC will be resolved by the underlying carriers whose service TTC resells.

ALTERNATIVE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

TITLE SHEET

FLORIDA TELECOMMUNICATIONS PRICE LIST

This Price List contains the descriptions, regulations, service standards and rates applicable to the furnishing of telecommunications services by Talk Time Communications, Ltd. d/b/a Talk Time Communications, Ltd. Inc. (hereinafter "Company") with principal offices at 107-35 Merrick Blvd., Jamaica, New York 11433. This Price List applies to services furnished within the State of Florida. This Price List is on file with the Florida Public Service Commission ("Commission"), and copies can be inspected, during normal business hours, at Company's principal place of business.

Issued:

Lawrence Marc Cormier
President
Talk Time Communications, Ltd.
107-35 Merrick Blvd.
Jamaica, New York 11433

Effective:

ALTERNATIVE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

CHECK SHEET

Sheets of this price list 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 price list that are currently in effect as of the date on the bottom of this sheet.

<u>SHEET</u>	<u>NUMBER OF REVISION</u> <u>(except as indicated)</u>	<u>EFFECTIVE</u> <u>DATE</u>
1	Original	
2	Original	
3	Original	
4	Original	
5	Original	
6	Original	
7	Original	
8	Original	
9	Original	
10	Original	
11	Original	
12	Original	
13	Original	
14	Original	
15	Original	
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17	Original	
18	Original	
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21	Original	
22	Original	
23	Original	
24	Original	
25	Original	
26	Original	
27	Original	
28	Original	
29	Original	
30	Original	

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ALTERNATIVE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

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PRICE LIST 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 price list. 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 the 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 third revised Sheet 14. Because of various suspension periods, deferrals, etc. the Commission follows in their price list approval process, the most current sheet number on file with the Commission is not always the price list page in effect. Consult the Check Sheet for the sheet currently in effect.
- c. Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level of coding.
- 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)1
 - 2.1.1.A.1.(a)1(i)
 - 2.1.1.A.1.(a)1(i)(1)
- d. Check Sheets - When a price list filing is made with the Commission, an updated check sheet accompanies the price list filing. The check sheet lists the sheets contained in the price list, with a cross reference to the current revision number. When new sheets 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 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 price list user should refer to the latest check sheet to find out if a particular sheet is the most current sheet on file with the Commission.

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EXPLANATION OF SYMBOLS, REFERENCE MARKS, AND
ABBREVIATIONS OF TECHNICAL TERMS USED IN THIS IN THIS PRICE LIST

The following symbols shall be used in this price list for the purpose indicated below:

- C - To signify changed regulation.
- D - To signify discontinued rate or regulation.
- I - To signify increased rate.
- M - To signify a move in location of text.
- N - To signify new rate or regulation.
- R - To signify reduced rate.
- S - To signify reissued matter.
- T - To signify a change in text but no change in rate or regulation.

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ALTERNATIVE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

SECTION 1 - DEFINITIONS

Certain terms used generally throughout this price list are defined below.

Account Number: Customer's telephone number is his/her account number.

Advance Payment: Payment of all or part of a charge required before the start of service.

Authorized User: A person that either is authorized by the Customer to use local exchange telephone service at Customer's residence or other location, or is placed in a position by the Customer, either through acts or omissions, to use local exchange telephone service.

Call Forwarding: Permits calls directed to a Customer's line to be routed to a user-defined line inside or outside the Customer's telephone system.

Class of Service (COS): Used to prevent a Station from dialing certain codes and numbers.

Company: Talk Time Communications, Ltd. d/b/a Talk Time Communications, Ltd. Inc., a New York corporation, which is the issuer of this price list.

Conference/Three-Way: The User can sequentially call up to two other people and add them together to make a three-way call.

Customer: The person or entity which orders service and is responsible for the payment of charges and for compliance with the Company price list regulations.

Exchange Carrier: Any individual, partnership, association, joint-stock company, trust, governmental entity or corporation engaged in the provision of local exchange telephone service.

Incumbent Local Exchange Carrier (ILEC): Local exchange carriers that are providing telephone exchange service in an area on the date of the enactment of the Telecommunications Act of 1996 and that are deemed to be members of the exchange carrier association.

Individual Case Basis: A service arrangement in which the regulations, rates and charges are developed based on the specific circumstances of the Customer's situation.

LATA: A local access and transport area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192 for the provision and administration of communications services.

Local Calling: A completed call or telephone communication between a calling Station and any other Station within the local service area of the calling Station.

Local Exchange Carrier: A company which furnishes exchange telephone service.

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ALTERNATIVE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

SECTION 1 - DEFINITIONS (continued)

Non-Recurring Charges: The one-time initial charges for services or facilities, including but not limited to charges for processing and installation, for which the Customer becomes liable at the time the Service Order is executed.

Recurring Charges: The monthly charges to the Customer for services, facilities and equipment, which continue for the agreed upon duration of the service.

Service Commencement Date: The first day following the date on which the Company notifies the Customer that the requested service or facility is available for use, unless extended by the Customer's refusal to accept service which does not conform to standards set forth in the Service Order or this price list, in which case the Service Commencement Date is the date of the Customer's acceptance of service. The parties may mutually agree on a substitute Service Commencement Date.

Service Order: The written request for local exchange services executed by the Customer and the Company in a format specified by the Company. The signing of a Service Order by the Customer and acceptance thereof by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this price list, but the duration of the service is calculated from the Service Commencement Date. Service Order may also be referred to as Customer Service Agreement.

Services: The Company's local telecommunications services offered to the Customer. Such services consist of basic and optional elements.

Speed Dial: Provides a User with the option to call selected directory numbers by dialing a one or two-digit code.

Station: Telephone equipment from or to which calls are placed.

Trunk: A communications path connecting two switching systems in a network, used in the establishment of an end-to-end connection.

User: A Customer or any other person authorized by the Customer to use Services provided under this price list.

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Jamaica, New York 11433

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ALTERNATIVE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

SECTION 2 - REGULATIONS

2.1 Undertaking of the Company

2.1.1 Scope

The Company undertakes to furnish intrastate telecommunications services within the State of Florida under the terms of this price list as a reseller. Service is available 24 hours a day, seven days a week.

The Company is responsible under this price list only for the services and facilities provided herein. Should Customers use such services and facilities to obtain access to services offered by other providers, the Company assumes no responsibility for such other service.

2.1.2 Shortage of Equipment or Facilities

2.1.2.1 The Company reserves the right to limit or allocate the use of existing facilities, or of additional facilities offered by the Company when necessary because of lack of facilities or due to some other cause beyond the Company's control.

2.1.2.2 The furnishing of service under this price list is subject to availability on a continuing basis of all necessary facilities from the Incumbent Local Exchange Carrier or other providers to the Company for resale.

2.1.3 Terms and Conditions

2.1.3.1 Except as otherwise provided herein, the minimum period of service is one month (30 days). All calculations of dates set forth in this price list shall be based on calendar days. Should the applicable date fall on a Sunday or Federal holiday, the Customer will be permitted to make payment on the next regular business day.

2.1.3.2 At the expiration of any term specified in a Customer Service Agreement, or in any extension thereof, service shall continue on a month to month basis at the then current rates unless terminated by either party upon 30 days written notice. Any termination shall not relieve Customer of its obligation to pay any charges incurred under the Agreement and this price list prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the Agreement shall survive such termination.

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ALTERNATIVE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

2.1 Undertaking of the Company (Cont'd)

2.1.3 Terms and Conditions (Cont'd)

- 2.1.3.3 This price list shall be interpreted and governed by the laws of the State of Florida.
- 2.1.3.4 Another telephone company must not interfere with the right of any person or entity to obtain service directly from the Company.
- 2.1.3.5 The Customer has no property right to the telephone number or any other call number designation associated with services furnished by the Company. The Company reserves the right to change such numbers, or the central office designation associated with such numbers, or both, assigned to the Customer, whenever the Company deems it necessary to do so in the conduct of its business.

2.1.4 Liability of the Company

- 2.1.4.1 The liability of the Company for damages arising out of the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays, or errors, other defects, or representations by the Company, or use of these services or damages arising out of the failure to furnish the service whether caused by acts or omission, shall be limited to the extension of allowances for interruptions as set forth in Section 2.6 below. The extension of such allowances for interruption shall be the sole remedy of the Customer and the sole liability of the Company. The Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to Customer as a result of any Company service, equipment or facilities, or the acts or omissions or negligence of the Company's employees or agents.
- 2.1.4.2 The Company's liability for willful misconduct, if established as a result of judicial or administrative proceedings, is not limited by this price list. With respect to any other claim or suit, by a Customer or by others, for damages associated with the ordering (including the reservation of any specific number for use with a service), installation (including delays thereof), provision, termination, maintenance, repair, interruption or restoration of any service or facilities offered under this price list, and subject to the provisions of Section 2.6, the Company's liability, if any, shall be limited as provided herein.

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ALTERNATIVE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company (Cont'd)

- 2.1.4.3 The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes; and law, order, regulation, direction, action or request of the United States government or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation or other instrumentality of any one or more these federal, state, or local governments, or of any military authority; preemption of existing service in compliance with national emergencies; insurrections; riots; wars; unavailability of rights-of-way or materials, or strikes, lockouts, work stoppages, or other labor difficulties.
- 2.1.4.4 The Company shall not be liable for: (a) any act or omission of any entity furnishing the Company or the Company's Customers facilities or equipment used for or with the services the Company offers; or (b) for the acts or omissions of other common carriers or warehousemen.
- 2.1.4.5 The Company shall not be liable for any damages or losses due to the fault or negligence of, or any omission by, the Customer or due to the failure or malfunction of Customer-provided equipment or facilities.
- 2.1.4.6 The Customer shall indemnify and hold the Company harmless from any and all loss, claims, demands, suits or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, condition, location or use of any installation provided by the Company. The Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this section as a condition precedent to such installations.
- 2.1.4.7 The Company shall not be liable for any defacement of or damage to Customer premises resulting from the furnishing of services of equipment on such premises or the installation or removal thereof, unless such defacement or damage is caused by gross negligence or willful misconduct of the Company's agents or employees. No agents or employees of other participating carriers shall be deemed to be agents or employees of the Company.

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ALTERNATIVE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

2.1 Undertaking of the Company (Cont'd)

2.1.4. Liability of the Company (Cont'd)

- 2.1.4.8 Notwithstanding the Customer's obligations as set forth in Section 2.3.2, the Company shall be indemnified, defended, and held harmless by the Customer or by others authorized by it to use the service against any claim, loss or damage arising from Customer's use of services furnished under this price list, including:
- A. Claims for defamation libel, slander, invasion of privacy, infringement of copyright, unauthorized use of trademark, trade name, or service mark, unfair competition; interference with or misappropriation, or violation of any contract, proprietary or creative right, or any other injury to any person, property, or entity arising from the material, data, information, or content, revealed to, transmitted, processed, handled, or used by the Company under this price list;
 - B. patent infringement claims arising from combining or connecting the service offered by the Company with apparatus and systems of the Customer or others; and
 - C. all other claims arising out of any act or omission of the Customer or others, in connection with any service provided by the Company pursuant to this price list.
- 2.1.4.9 The entire liability of the Company for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid to the Company by the Customer for the specific services giving rise to the claim, and no action or proceeding against the Company shall be commenced more than one year after the service is rendered.
- 2.1.4.10 THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

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Lawrence Marc Cormier
President
Talk Time Communications, Ltd.
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Jamaica, New York 11433

Effective:

ALTERNATIVE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

2.1 Undertaking of the Company (Cont'd)

2.1.4. Liability of the Company (Cont'd)

- 2.1.4.11 The Company shall not be liable for any act or omission of any other company or companies furnishing a portion of the service, or for damages associated with service, channels, or equipment which it does not furnish, or for damages which result from the operation of Customer-provided systems, equipment, facilities or services which are interconnected with Company services.
- 2.1.4.12 No agent or employee of any other carrier shall be deemed to be an agent or employee of the Company.
- 2.1.4.13 With respect to Emergency Number 911 Service:
- A. This service is offered as an aid in handling assistance calls in connection with fire, police and other emergencies. The Company is not responsible for any losses, claims, demands, suits or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or person for any personal injury to or death of any person or persons, and for any loss, damage or destruction of property, whether owned by the Customer or others, caused or claimed to have been caused by: (1) mistakes, omissions, interruptions, delays, errors or other defects in the provision of this service, or (2) installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of any equipment and facilities furnishing this service.
- B. Neither is the Company responsible for any infringement or invasion of the right of privacy of any person or persons, caused or claimed to have been caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, occasion or use of emergency 911 service features and the equipment associated therewith, or by any services furnished by the Company including, but not limited to, the identification of the telephone number, address or name associated with the telephone used by the party or parties accessing Emergency 911 service, and which arise out of the negligence or other wrongful act of the Company, the Customer, its Users, agencies or municipalities, or the employees or agents of any one of them.

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2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company. (Cont'd)

2.1.4.14 The Company's liability arising from errors or omissions in Directory Listings, other than charged listings, shall be limited to the amount of actual impairment to the Customer's service and in no event shall exceed one-half the amount of the fixed monthly charges applicable to exchange service affected during the period covered by the directory in which the error or omission occurs. In cases of charged Directory Listings, the liability of the Company shall be limited to an amount not exceeding the amount of charges for the charged listings involved during the period covered by the directory in which the error or omission occurs.

2.1.4.15 In conjunction with a non-published telephone number, the Company will not be liable for failure or refusal to complete any call to such telephone when the call is not placed by the number. The Company will try to prevent the disclosure of the number of such telephone, but will not be liable should such number be divulged.

2.1.4.16 When a Customer with a non-published telephone number places a call to the Emergency 911 Service, the Company will release the name and address of the calling party, where such information can be determined to the appropriate local governmental authority responsible for the Emergency 911 Service upon request of such governmental authority. By subscribing to service under this price list, Customer acknowledges and agrees with the release of information as described above.

2.1.5 Notification of Service-Affecting Activities

The Company will provide the Customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routing preventive maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers' services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notification requirements. With some emergency or unplanned service-affecting conditions, such as outage resulting from cable damage, notification to the Customer may not be possible.

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2.1 Undertaking of the Company (Cont'd)

2.1.6 Provision of Equipment and Facilities

2.1.6.1 The Company shall use reasonable efforts to make available services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with, the regulations contained in this price list. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.

2.1.6.2 The Company shall use reasonable efforts to maintain facilities that it furnishes to the Customer. The Customer may not, nor may the Customer permit others, except the Incumbent Local Exchange Carrier to, rearrange, disconnect, remove, attempt to repair or otherwise interfere with any of the facilities installed by the Company, except upon written consent of the Company.

2.1.6.3 The Company shall not be responsible for the installation, operation, or maintenance of any Customer provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this price list, the responsibility of the Company shall be limited to the furnishing of facilities offered under this price list and to the maintenance and operation of such facilities. Beyond this responsibility, the Company shall not be responsible for:

- A. the transmission of signals by Customer provided equipment or for the quality of, or defects in, such transmission or
- B. the reception of signals by Customer provided equipment; or
- C. network control signaling where such signaling is performed by Customer-provided network control signaling equipment.

2.1.7 Non-routing Installation

At the Customer's request, installation and/or maintenance may be performed outside Company's regular business hours or in hazardous locations. In such cases, charges based on the cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

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2.1 Undertaking of the Company (Cont'd)

2.1.8 Ownership of Facilities

Title to all facilities provided in accordance with this price list remains in the Company, its agents or contractors or the Incumbent Local Exchange Carrier.

2.2 Prohibited Uses

2.2.1 The services the Company offers shall not be used for any unlawful purposes or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits. Services also may not be used for any purpose for which any payment or other compensation is received by the Customer except when the Customer is a duly authorized regulated common carrier. This provision does not prohibit an arrangement between the customer, authorized user, or joint user to share the cost of the service as long as the arrangement generates no profit for any participant in the arrangement.

2.2.2 The Company may require a Customer to immediately shut down its transmission of signals if said transmission is causing interference to others.

2.3 Obligations of the Customer

2.3.1 General

The Customer shall be responsible for:

A. placing orders for service.

When placing an order for service, Customer must provide:

1. the name(s) and address(es) of the person(s) responsible for the payment of service charges; and
2. The name(s), telephone number(s), and address(es) of the Customer contact person(s).

B. the payment of all applicable charges pursuant to this price list;

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2.3. Obligations of the Customer (Cont'd)

2.3.1. General (Cont'd)

- C. reimbursing the Company for damage to, or loss of, the Company's facilities or equipment caused by the acts or omissions of the Customer; or the noncompliance by the Customer, with these regulations; or by fire or theft or other casualty on the Customer's premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company. The Company will, upon reimbursement for damages, cooperate with the Customer in prosecuting a claim against the person causing such damage and the Customer shall be subrogated to the Company's right of recovery of damages to the extent of such payment.
- D. providing at no charge, as specified from time to time by the Company, any needed personnel, equipment, space and power to operate Company facilities and equipment installed on the premises of the Customer, and the level of heating and air conditioning necessary to maintain the operating environment on such premises;
- E. obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduit necessary for installation of fiber optic cable and associated equipment used to provide local exchange service to the Customer from the cable building entrance or property line to the location of the equipment space described in 2.3.1.D. Any costs associated with obtaining and maintaining the rights-of-way described herein, including the costs of altering the structure to permit installation of the Company-provided facilities, shall be borne entirely by, or may be charged by the Company to, the Customer. The Company may require the Customer to demonstrate its compliance with this section prior to accepting an order for service;
- F. providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company's employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material (e.g. friable asbestos) prior to any construction or installation work;

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2.3. Obligations of the Customer (Cont'd)

2.3.1. General (Cont'd)

- G. complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as maybe required with respect to, the location of Company facilities and equipment in any Customer premises or the rights-of-way for which Customer is responsible under section 2.3.1E. above; and granting or obtaining permission for Company agents or employees to enter the premises of the Customer at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company;
- H. not creating or allowing to be placed or maintained any liens or other encumbrances on the Company's equipment or facilities; and
- I. making Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer. No allowance for interruptions in service will be made for the period during which service is interrupted for such purposes.

2.3.2 Claims

With respect to any service or facility provided by the Company, Customer shall indemnify, defend and hold harmless the company from all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees for:

- A. any loss, destruction or damage to property of the Company or any third party, or the death of or injury to persons, including, but not limited to, employees or invitees of either the Company or the Customer, to the extent caused by or resulting from negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees; or
- B. any claim, loss damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the Customer, including, with limitation, use of the Company's services and facilities in a manner not contemplated by the agreement between the Customer and the Company.

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2.4 Customer Equipment and Channels

2.4.1 Interconnection of Facilities

- 2.4.1.1 Services furnished by the Company may be connected to the services or facilities of other authorized communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communications carriers which are applicable to such connections. Service furnished by the company is not part of a joint undertaking with such other carriers.
- 2.4.1.2 Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing local exchange service and the channels, facilities, or equipment of others may be provided at the Customer's expense.
- 2.4.1.3 Facilities furnished under this price list may be connected to Customer provided terminal equipment in accordance with the provisions of this price list.
- 2.4.1.4 The Customer is responsible for taking all necessary legal steps for interconnecting his or her customer provided terminal equipment of communications systems with Company's facilities. Customers shall secure all licenses, permits, rights-of-way, and other arrangements necessary for such interconnections.

2.4.2 Inspections

- 2.4.2.1 Upon reasonable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth herein for the installation, operation, and maintenance of any Customer-provided facilities and equipment to any Company-owned facilities and equipment. No credit will be allowed for any interruptions occurring during such inspections.
- 2.4.2.2 If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice the Customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm. The Company will, upon request 24 hours in advance, provide the Customer with a statement of technical parameters that the

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Customer's equipment must meet.

2.5 Payment Arrangements

2.5.1 Payment for Service

The Customer is responsible for payment of all charges for service and facilities furnished by the Company to the Customer or authorized Users. Objections must be received by the Company within 10 days after the due date, or the charges shall be deemed correct. Should the Customer pay the charges under protest, he may have an additional 30 days to dispute same in writing or the charges will become binding upon Customer. If an entity other than the Company imposes charges on the Company, in addition to its own internal costs, in connection with a service for which a Company Non-Recurring Charge is specified, those charges may be passed on to the Customer.

2.5.1.1 Taxes: The Customer is responsible for the payment of any sales, use, gross receipts, excise, access or other local, state and federal taxes, charges or surcharges (however designated) excluding taxes on the Company's net income assessed in conjunction with service used. Any taxes imposed by a local jurisdiction (e.g. County and municipal taxes) will only be recovered from those Customers residing in the affected jurisdictions. It shall be the responsibility of the Customer to pay any such taxes that subsequently become applicable retroactively.

2.5.2 Billing and Collection of Charges

2.5.2.1 Customers monthly service provided by Company shall be prepaid by Customer for each one-month period. The Company shall present a bill or Reminder Notice for monthly charges to the Customer in advance of the month for which service is being provided.

2.5.2.2 Bills are to be prepaid each month. The first payment is due in advance when the customer signs up for service - the activation date. All other payments are due monthly on the anniversary of the Customer's activation date for the ensuing month's service.

2.5.2.3 Payments shall be considered delinquent if not paid within ten (10) days after a bill is sent to Customer. Additionally, a non-recurring \$5.00 fee will be imposed on Customers who pay after the Customer's account becomes delinquent.

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2.5 Payment Arrangements (Cont'd)

2.52 Billing and Collection of Charges (Cont'd)

2.5.2.4 The Customer is responsible for payment of all charges for service furnished to the Customer, including, but not limited to all calls originated and/or received at the Customer's number(s). Notwithstanding Section 3.1.1 of this Tariff, which provides for the blocking of certain toll calls, including direct dial long distance, collect calls, operator-assisted calls, and third number billed calls, in the event that the blocking of these calls is circumvented by the Customer, or in the event of a temporary failure of the blocking mechanism, the Customer is responsible for payment of any toll charges billed to the Customer's number(s). The initial billing may include the account set-up charge where applicable.

2.5.2.5 For existing customers whose service is disconnected, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have 30 days.

2.5.2.6 Customers may pay for service by credit card, an authorized payment agent, or check.

2.5.2.7 Company will bill Customer a one-time charge of \$20.00 or 5% of the amount of the check, whichever is greater, if Customer's check for payment of service is returned for insufficient or uncollected funds, closed accounts, or any other insufficiency or discrepancy necessitating return of the check at the discretion of the drawee bank or other financial institution.

2.5.3 Disputed Bills

The Customer shall notify the Company of any disputed items on a bill within 10 days. If the Customer and the Company are unable to resolve the dispute to their mutual satisfaction, the Customer may file a complaint with the Florida Public Service Commission in accordance with the Commission's rules of procedure.

2.5.3.1 The date of the dispute shall be the date the Company receives sufficient documentation to enable it to investigate the dispute.

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2.5 Payment Arrangements (Cont'd)

2.5.4 Discontinuance of Service

The Company may discontinue service or cancel an application for service without incurring any liability for any of the following:

- 2.5.4.1 Upon nonpayment of any amounts owing to the Company, and after ten (10) days from the due date, the company may discontinue or suspend service without incurring any liability.
- 2.5.4.2 Upon violation of any of the other material terms or conditions for furnishing service, the Company may, by giving ten (10) days' prior notice in writing to the Customer, discontinue or suspend service without incurring any liability if such violation continues during that period.
- 2.5.4.3 Upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.
- 2.5.4.4 Upon the Customer's insolvency, assignment for the benefit of creditors, filing for bankruptcy or reorganization, failing to discharge an involuntary petition within the time permitted by law, or abandonment of service, the Company may, with prior notice to the Customer, immediately discontinue or suspend service without incurring any liability.
- 2.5.4.5 Upon any governmental prohibition, or required alteration of the services to be provided or any violation of any applicable law or regulation, the Company may immediately discontinue or suspend service without incurring any liability.

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2.5 Payment Arrangements (Cont'd)

2.5.4 Discontinuance of Service (Cont'd)

2.5.4.6 The Company may discontinue the furnishing of any and/or all service(s) to a Customer, without incurring any liability:

- A. Immediately and without notice if the Company deems that such action is necessary to prevent or to protect against fraud or to otherwise protect its personnel, agents, facilities or services. The Company may discontinue service pursuant to this sub-section 2.5.4.6.A (1-5) if:
1. The Customer refuses to furnish information to the Company regarding the Customer's credit-worthiness, its past or current use of common carrier communications services or its planned use of service(s); or
 2. The Customer provides false information to the Company regarding the Customer's identity, address, or current use of common carrier communications services(s); or
 3. The Customer uses, or attempts to use, service with the intent to avoid the payment, either in whole or in part, of the price listed charges for the service by:
 - a. Using or attempting to use service by rearranging, tampering with, or making connections to the Company's service not authorized by this price list; or
 - b. Using tricks, schemes, false or invalid numbers, false credit devices, electronic devices; or
 - c. Any other fraudulent means or devices; or
 4. Use of service in such a manner as to interfere with the service of other users; or
 5. Use of service for unlawful purposes.

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2.5 Payment Arrangements (Cont'd)

2.5.4 Discontinuance of Service (Cont'd)

2.5.4.6 (Cont'd)

- B. After ten (10) days' written notice to a Customer who has failed to pay any sum within 10 days of the date when payment was due;
- C. Ten (10) days after sending the Customer written notice of noncompliance with any provisions of this price list if the noncompliance is not corrected within such notice period; or

2.5.4.7 The suspension or discontinuance of service(s) by the Company pursuant to this Section does not relieve the Customer of any obligation to pay the Company for charges due and owing for service(s) furnished during the time of or up to suspension or discontinuance.

2.5.4.8 Upon the Company's discontinuance of service to the Customer under Section 2.5.4.1 or 2.5.4.2, all applicable charges, including termination charges, shall become due. This is in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this price list

2.6 Allowances for Interruptions of Service

When the use of service or facilities furnished by the Company is interrupted due to any cause other than the negligence or willful act of the Customer, or the operation or failure of the facilities or equipment provided by the Customer, a pro rata adjustment of the monthly Charges subject to interruption will be allowed for the service and facilities rendered useless and inoperative by reason of the interruption whenever said interruption continues for a period of 24 hours or more from the time the interruption is reported to or known to exist by the Company, except as otherwise specified in the Company's price lists.

It shall be the obligation of the Customer to notify Company immediately of any interruption in service for which a credit allowance is desired by Customer. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission of the Customer within his or her control, or is not in writing or equipment, if any, furnished by Customer and connected to Company's terminal. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.

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2.6 Allowances for Interruptions of Service (Cont'd)

2.6.1 Credit Allowances

- 2.6.1.1 Credit for failure of service or equipment will be allowed only when failure is caused by or occurs in facilities or equipment owned, provided and billed for, by Company.
- 2.6.1.2 Credit allowances for failure of service or equipment starts when Customer notifies Company of the failure or when Company becomes aware of the failure and ceases when the operation has been restored and an attempt has been made to notify Customer.
- 2.6.1.3 For calculating credit allowances, every month is considered to have 30 days. A credit allowance is applied on a pro rata basis against the monthly Charges specified hereunder and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit. Credit allowances for service outages that exceed 24 hours in duration will be rounded up to the next whole 24 hours.

2.6.2 Limitations on Allowances

No credit will be made for:

- 2.6.2.1 interruptions due to the negligence of, or noncompliance with the provisions of this price list by, the Customer;
- 2.6.2.2 interruptions due to the negligence of any person using the Company's facilities with the Customer's permission;
- 2.6.2.3 interruptions due to the failure or malfunction of non-Company equipment;
- 2.6.2.4 interruptions of service during any period in which the Company is not given full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions;
- 2.6.2.5 interruptions of service during a period in which the Customer continues to use the service on an impaired basis;
- 2.6.2.6 interruptions of service during any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
- 2.6.2.7 interruption of service due to circumstances or causes beyond the control of the

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Company.
2.7 Cancellation of Service

2.7.1 Cancellation of Application for Service

2.7.1.1 Applications for service are noncancellable unless the Company otherwise agrees. Where the Company permits Customer to cancel an application for service prior to the start of service or prior to any special constructions, no charges will be imposed except for those specified below.

2.7.1.2 Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of service ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service begun.

2.7.1.3 The special charges described in 2.7.1.1 and 2.7.1.2 will be calculated and applied on a case-by-case basis.

2.7.2 Cancellation of Service by a Customer

2.7.2.1 To cancel or terminate service, a customer must provide the Company with 30 days' notice.

2.7.2.2 If a Customer cancels a Service Order or terminates services before the completion of the term for any reason whatsoever other than a service interruption (as defined in 2.6 above), Customer agrees to pay to Company the following sums which shall become due and owing as of the effective date of the cancellation or termination and be payable within the period set forth in 2.5.2, all costs, fees and expenses incurred in connection with:

- A. all Non-Recurring Charges reasonably expended by Company to establish service to Customer, plus
- B. any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by Company on behalf of Customer, plus
- C. all Recurring Charges for the applicable notice period.

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2.8 Transfer and Assignments

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company without the written consent of the other party, except that the Company may assign its rights and duties (a) to any subsidiary, parent company or affiliate of the Company; (b) pursuant to any sale or transfer or substantially all the assets of the Company; or (c) pursuant to any financing, merger or reorganization of the Company.

2.9 Notices and Communications

2.9.1 The Customer shall designate an address to which the Company shall mail or deliver all notices and other communications, except that Customer may also designate a separate address to which the Company's bills for service shall be mailed.

2.9.2 The Company shall designate an address to which the Customer shall mail or deliver all notices and other communications, except that Company may designate a separate address to which the Customer shall mail payment on that bill.

2.9.3 All notices or other communications required to be given pursuant to this price list will be in writing. Notices and other communications of either party, and all bills mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following deposit of the notice, communication or bill with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.

2.10 Calculation of Distance

Usage charges for all mileage sensitive products are based on the airline distance between rate centers associated with the originating and terminating points of the call.

The airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. Carrier uses the rate centers and associated vertical and horizontal coordinates that are produced by Bell Communications Research in their NPA-NXX V & H Coordinates Tape and Bell's NECA Tariff No. 4.

Formula:

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

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2.11 Timing of Calls

Timing for all calls begins when the called party answers the call (i.e. when two way communications are established). Answer detection is based on standard industry answer detection methods, including hardware and software answer detection. Chargeable time for all calls ends when one of the parties disconnects from the call. There are no billing charges applied for incomplete calls.

2.12 Minimum Call Completion Rate

Customers can expect a call completion rate of 99.5 percent (number of calls completed/number of calls attempted) and not less than 90 percent during peak use periods for all 1+ dialing services.

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SECTION 3 - SERVICE DESCRIPTIONS AND RATES

3.1 Local Exchange Service

The Company's Local Telephone Service enables the Customer to:

- Place or receive calls to any calling Station in the local calling area, as defined herein;
- Access basic 911 Emergency Service if available in the Customer's area;
- Where available, place or receive calls to 800 telephone numbers.

The Company's service can not be used to originate calls to other telephone companies caller-paid information services (e.g., 900, 976).

3.1.1 Prepaid Local Service

Prepaid Local Service is a service which is available for access by residential subscribers on a full time basis. It consists of dialtone and access for unlimited local calls, 911 calls and relay services. The Service does not include any long distance service or other toll services. The following types of calls will be blocked by Carrier: direct dial long distance, collect calls, third-number billed calls, operator services, directory assistance, and 900 and 976 calls. Service will be charged on a monthly basis, and upon payment, a customer will have unlimited use of the aforementioned service for that month.

3.1.2 Prepaid Local Service - Rates and Charges

A. Monthly Standard Service Fee

\$49.95

B. Application Processing Fee (one-time charge)

\$55.00

3.1.3 Optional Features

	<u>Per Month</u>	<u>One-Time Set-Up Fee</u>
Call Waiting	\$ 5.00	N/A
Call Forwarding	\$ 5.00	N/A
Caller ID	\$ 10.00	\$ 10.00
Non-Published	\$ 5.00	N/A
Three-Way Calling	\$ 5.00	N/A
Voice Mail	\$ 10.00	N/A

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3.2 Directory Listings

The Company shall provide for a single directory listing, termed the primary listing, in the telephone directory published by the dominant exchange service provider in the Customer's exchange area of the Station number which is designated as the Customer's main billing number.

3.2.1 The Company reserves the right to limit the length of any listing in the directory by the use of abbreviations when, in its judgment, the clearness of the listing or the identification of the Customer is not impaired thereby. Where more than one line is required to properly list the Customer, no additional charge is made.

3.2.2 The Company may refuse a listing which is known not to constitute a legally authorized or adopted name, obscenities in the name, or any listing which, in the opinion of the Company, is likely to mislead or deceive calling persons as to the identity of the listed party, or is a contrived name used for advertising purposes or to secure a preferential position in the directory or is more elaborate than is reasonably necessary to identify the listed party. The Company, upon notification to the Customer, will withdraw any listing which is found to be in violation of its rules with respect thereto.

3.2.3 In order for listings to appear in an upcoming directory, the Customer must furnish the listing to the Company in time to meet the directory publishing schedule.

3.2.4 Directory listings are provided in connection with each Customer service as specified herein.

3.2.5 Non-Recurring Charges

Non-Recurring Charges associated with Directory Listings are as follows:

Non-Recurring

Primary Listing (one number) N/C

3.2.6 Recurring Charges

Monthly Recurring Charges associated with Directory Listings are as follows:

Monthly

Primary Listing (one number) N/C

Issued:

Lawrence Marc Cormier
President
Talk Time Communications, Ltd.
107-35 Merrick Blvd.
Jamaica, New York 11433

Effective:

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3.3 Emergency Services (Enhanced 911)

Allows Customers to reach appropriate emergency services including police, fire and medical services. Enhanced 911 has the ability to selectively route an emergency call to the primary E911 provider so that it reaches the correct emergency service located closest to the caller. In addition, the Customer's address and telephone information will be provided to the primary E911 provider for display at the Public Service Answering Point (PSAP).

3.4 Promotional Offerings

The Company, from time to time, may make promotional offerings of its services which may include waiving or reducing the applicable charges for the promoted service. The promotional offerings may be limited as to the duration, the date and times of the offerings and the locations where the offerings are made. Promotional offerings are subject to the approval of the Commission.

3.5 Discount For Hearing Impaired

3.5.1 Pursuant to Florida Public Service Commission rules and regulations, Company will not charge for the first 50 directory assistance calls made each month by a handicapped person.

3.5.1.1 Directory assistance will be provided by the underlying local exchange carrier.

3.5.2 A telephone toll message which is communicated using a telecommunications device for the deaf (TDD) by properly certified hearing or speech impaired persons or properly certified business establishments or individuals equipped with TDDs for communicating with hearing or speech impaired persons will receive, upon request, credit on charges for certain intrastate toll calls placed between TDDs. The credit to be given on a subsequent bill for such calls placed between TDDs will be equal to applying the evening rate during business day hours and the night/weekend rate during the evening rate period. Discounts do not apply to surcharges or per call add on charges for operator service when the call is placed by a method that would normally incur the surcharge.

3.5.3 For intrastate toll calls received from the relay service, Carrier will discount relay service calls by 50 percent off of the otherwise applicable rate for a voice nonrelay call except that were either the calling or called party indicates that either party is both hearing and visually impaired, the call shall be discounted 60 percent off of the otherwise applicable rate for a voice nonrelay call. The above discounts apply only to time-sensitive elements of a charge for a call and shall not apply to per call charges such as a credit card surcharge. In case of a price list which includes either a discount based on the number of minutes or the purchase of minutes in blocks, the discount should be calculated by discounting the minutes of relay use before the price list rate is applied.

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3.6 Operator Assistance for Handicapped Persons

Operator station surcharges will be waived for operator assistance provided to a caller who identified him or herself as being handicapped and unable to dial the call because of a handicap.

3.7 Directory Assistance for Handicapped Persons

There is no charge for Directory Assistance for calls from handicapped persons. Such persons must contact the Company for credit on their directory assistance calls.

Issued:

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President
Talk Time Communications, Ltd.
107-35 Merrick Blvd.
Jamaica, New York 11433

Effective:

ORIGINAL

FISHER WAYLAND COOPER LEADER & ZARAGOZA LLP.
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TELEPHONE (202) 659-3494

JAQUALYN FRIEND PETERSON
(202) 738-3534

February 24, 1998

FACSIMILE
(202) 296-6518

DEPOSIT DATE
D7 16 IN FEB 25 1998

INTERNET
jpeterson@fwclz.com

Via Federal Express

Ms. Blanca S. Bayo
Director, Division of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0866

980290-TX

Re: Talk Time Communications, Ltd. d/b/a Talk Time Communications, Ltd. Inc.
Application for Authority to Provide Alternative Local Exchange Service

Dear Ms. Bayo:

Enclosed for filing on behalf of Talk Time Communications, Ltd. please find an original and six (6) copies of its Application for Authority to Provide Alternative Local Exchange Services in the State of Florida. Also enclosed is a check for \$250.00 payable to the Florida Public Service Commission to cover the application fee.

Please date-stamp the enclosed "Receipt" copy of the Application and return it to the undersigned in the self-addressed, stamped envelope provided. Should you have any questions concerning the application, please do not hesitate to contact the undersigned.

Sincerely,

FISHER WAYLAND COOPER LEADER & ZARAGOZA LLP.
ATTORNEYS AT LAW
2001 PENNSYLVANIA AVENUE, N.W. SUITE 400
WASHINGTON, D.C. 20006-1851
202/659-3494

SIGNET BANK, N.A.
WASHINGTON, D.C.

003838

Check No.
3838

RAY
TO THE ORDER OF TWO HUNDRED FIFTY AND 00/100

DATE
02-24-98

AMOUNT
\$250.00

FLORIDA PUBLIC SERVICE COMM.

DOCUMENT NUMBER-DATE

02610 FEB 25 98

AUTHORIZED SIGNATURE

Security Features Included. Details on back.