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FPSC-RECORDS/REPORTING

**** FLORIDA PUBLIC SERVICE COMMISSION ****

DIVISION OF COMMUNICATIONS
BUREAU OF SERVICE EVALUATION

APPLICATION FORM
for
AUTHORITY TO PROVIDE
INTEREXCHANGE TELECOMMUNICATIONS SERVICE
WITHIN THE STATE OF FLORIDA

Instructions

A. This form is used for an original application for a certificate and for approval of sale, assignment or transfer of an existing certificate. In case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or transferee (See Appendix A).

B. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.

C. Use a separate sheet for each answer which will not fit the allotted space.

D. If you have questions about completing the form, contact:

Florida Public Service Commission
Division of Communications
Bureau of Service Evaluation
2540 Shumard Oak Blvd., Gerald Gunter Building
Tallahassee, Florida 32399-0850
(850) 413-6600

E. Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$250.00 to:

Florida Public Service Commission
Division of Administration
2540 Shumard Oak Blvd., Gerald Gunter Building
Tallahassee, Florida 32399-0850
(850) 413-6251

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

() **Facilities based carrier** - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.

() **Operator Service Provider** - company provides or plans to provide alternative operator services for IXCs; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.

() **Reseller** - company has or plans to have one or more switches but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.

Switchless Reseller - company has no switch or transmission facilities but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carrier. Rebills end users at a rate above its discount but generally below the rate end users would pay for unaggregated traffic.

() **Multi-Location Discount Aggregator** - company contracts with unaffiliated entities to obtain bulk/volume discounts under multi-location discount plans from certain underlying carriers. Then offers the resold service by enrolling unaffiliated customers.

Prepaid Debit Card Provider - any person or entity that purchases 800 access from an underlying carrier or unaffiliated entity for use with prepaid debit card service and/or encodes the cards with personal identification numbers.

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

Original Authority (New company).

Approval of Transfer (To another certificated company).

Approval of Assignment of existing certificate (To an uncertificated company).

Approval for transfer of control (To another certificated company).

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

BUSINESS TECHNOLOGY SYSTEMS, INC

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

BUSINESS TECHNOLOGY SYSTEMS, INC

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

4100 NORTH POWERLINE ROAD Suite 16
POMPANO BEACH, FL 33073

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

4100 NORTH POWERLINE ROAD Suite 106
POMPAHO BEACH, FL 33073

7. Structure of organization; check which applies.

- Individual Corporation
 Foreign Corporation Foreign Partnership
 General Partnership Limited Partnership
 Other, _____

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

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

N/A

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

been:

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

NO

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

NO

9. If incorporated, please give:

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

Corporate charter number: 996000097181

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

BUSINESS TECHNOLOGY SYSTEMS, INC
4100 N POWERLINE RD SUITE P6
POMPAHO BEACH, FL 33073

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

N/A

Fictitious name registration number: _____

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

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

N/A

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

N/A

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

(a) The application;

KENNETH JACOBI - VICE PRESIDENT
4100 N. POWERLINE ROAD Suite P6
POMPAHO BEACH, FL 33073
954-974-9494 EXT 106

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

KENNETH JACOBI - VICE PRESIDENT
4100 N POWERLINE RD Suite P6
POMPAHO BEACH, FL 33073
954-974-9494 - EXT 106

(c) Tariff;

KENNETH JACOBI - VICE PRESIDENT
4100 N POWERLINE RD Suite P6
POMPAHO BEACH, FL 33073
954-974-9494 EXT 106

(d) Complaints/Inquiries from customers;

MIGUEL CHAVEZ - MGR
4100 N POWERLINE RD Suite P6
POMPAHO BEACH, FL 33073

11. List the states in which the applicant:

(a) Has operated as an interexchange carrier.

NONE

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

NONE

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

NEW YORK

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

NO

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

NO

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

NO

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

- Facilities. Operators.
 Billing and Collection. Sales.
 Maintenance.
 Other: CALL CARD (PROFITS)

13. Do you have a marketing program?

YES

14. Will your marketing program:

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

15. Explain any of the offers checked in question 14 (To whom, what amount, type of franchise, etc.).

16. Who will receive the bills for your service? (Check all that apply)

- | | |
|--|---|
| <input checked="" type="checkbox"/> Residential customers. | <input checked="" type="checkbox"/> Business customers. |
| <input type="checkbox"/> PATS providers. | <input type="checkbox"/> PATS station end-users. |
| <input type="checkbox"/> Hotels & motels. | <input type="checkbox"/> Hotel & motel guests. |
| <input type="checkbox"/> Universities. | <input type="checkbox"/> Univ. dormitory residents. |
| <input type="checkbox"/> Other: (specify) _____ | |

17. Please provide the following (if applicable):

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

BUSINESS TECHNOLOGY SYSTEMS, INC
4100 N POWERLINE RD SUITE P6
POMPAHO BEACH, FL 33073
954-974-9494 C.D.P.O.M

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

BUSINESS TECHNOLOGY SYSTEMS, INC
4100 N POWERLINE RD SUITE P6
POMPAHO BEACH, FL 33073

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

A. Financial capability.

SEE ATTACHED

Regarding the showing of financial capability, the following applies:
The application should contain the applicant's financial statements for the most recent 3 years, including:

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

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

1. Please provide documentation that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.

See ATTACHED

2. Please provide documentation that the applicant has sufficient financial capability to maintain the requested service.

See ATTACHED

3. Please provide documentation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

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

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

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

B. Managerial capability.

See ATTACHED

C. Technical capability.

See ATTACHED

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

Attached

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

- MTS with distance sensitive per minute rates
- Method of access is FGA
- Method of access is FGB
- Method of access is FGD
- Method of access is 800

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

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

- MTS for pay telephone service providers

- Block-of-time calling plan (Reach out Florida, Ring America, etc.).

- 800 Service (Toll free)

- WATS type service (Bulk or volume discount)
- Method of access is via dedicated facilities
- Method of access is via switched facilities

- Private Line services (Channel Services)
(For ex. 1.544 mbs., DS-3, etc.)

- Travel Service
- Method of access is 950
- Method of access is 800
- 900 service
- Operator Services
- Available to presubscribed customers
- Available to non presubscribed customers (for example to patrons of hotels, students in universities, patients in hospitals.
- Available to inmates

Services included are:

- Station assistance
- Person to Person assistance
- Directory assistance
- Operator verify and interrupt
- Conference Calling

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

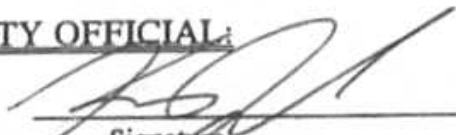
800 TOLL FREE LINE Pro find Call (P277)

22. Other:

**** APPLICANT ACKNOWLEDGEMENT STATEMENT ****

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
4. **APPLICATION FEE:** A non-refundable application fee of \$250.00 must be submitted with the application.
5. **RECEIPT AND UNDERSTANDING OF RULES:** I acknowledge receipt and understanding of the Florida Public Service Commission's Rules and Orders relating to my provision of interexchange telephone service in Florida. I also understand that it is my responsibility to comply with all current and future Commission requirements regarding interexchange service.
6. **ACCURACY OF APPLICATION:** By my signature below, I the undersigned owner or officer of the named utility in the application, attest to the accuracy of the information contained in this application and associated attachments. I have read the foregoing and declare that to the best of my knowledge and belief, the information is a true and correct statement. Further, I am aware that pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083".

UTILITY OFFICIAL:



Signature
Vice President

Title

4/31/98

Date
954-974-9494

Telephone No.

**** APPENDIX A ****

CERTIFICATE TRANSFER STATEMENT

I, (TYPE NAME) _____,
(TITLE) _____,
of (NAME OF COMPANY) _____
_____, and current holder of certificate number _____,
have reviewed this application and join in the petitioner's request for a transfer
of the above-mention certificate.

UTILITY OFFICIAL:

_____ Signature	_____ Date
_____ Title	_____ Telephone No.

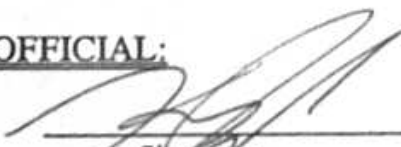
**** APPENDIX B ****

CUSTOMER DEPOSITS AND ADVANCE PAYMENTS

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

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

UTILITY OFFICIAL:

 _____ Signature	4/31/98 _____ Date
KENNETH JACOBI _____ Vice President	954-974-9494 _____ Telephone No.
Title	

**** APPENDIX C ****

INTRASTATE NETWORK

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

1) 2)

3) 4)

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

1) 2)

3) 4)

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

POP-to-POP

TYPE

OWNERSHIP

1)

2)

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

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

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

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

N/A

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

N/A

UTILITY OFFICIAL:



Signature

4/31/98

Date

KENNETH JACOB

Vice President

Title

954-974-9494

Telephone No.

10981 Ravel Ct.
Boca Raton, FL 33498

561-483-1225

Abe Tarzy

Experience

Senior Communication Specialist Sunshine Communications, Inc
1994-1997

Responsibilities included total operation and maintenance of \$4MM telecommunications system (5 PBX's, 11 microwave nodes, multiple telephone circuits and data communication equipment) in Illinois, Indiana, Kentucky and West Virginia. Interacted with vendors for sales and service of state-of-the-art voice and data equipment. Developed a program for systems management for a newly installed telecommunications system

Manager of Information Systems – ETS New York Division
1990-1994

Established an Information Systems department at the operating division level which provided programming assistance, oversaw computer operations, and offered recommendations in purchasing decisions. Coordinated the installation of a DEC computer within the division to serve in a distributed computing environment.

Manager of Information Systems City Communication Corp, NY
1987- 1990

Duties included contracting telemarketing and market research firms to host testing, contracting for temporary personnel to staff testing, coordination of all logistics involved in the testing, and training of all personnel. Position involved extensive travel and complete responsibility for the collection of empirical data. Testing included scheduling up to ninety long distance telephone calls per hour to cities around the world in order to evaluate the quality of the long distance and cellular services. I was involved in the establishment of a 38 node TQMS network (duties included: finding and establishing both MCI and Non-MCI sites for equipment, coordination of efforts with equipment manufacturers, and contract negotiation). This position required knowledge of computer installation and repair, data base and report construction, and the ability to design appropriate testing methodology. I was also responsible for temporary personnel hired to input test results into data base.

Education

1980-1984 Brooklyn College Brooklyn, NY
• B.A., Marketing, Computer Science.

Interests

Computers, cars.

230 S B Street #2
Lakeworth, FL 33461
Phone 561-586-7529

James Hulsey

	1994 - 1996	IDS Communications	Fort Lauderdale, FL
Experience	Area Manager		
	Responsible for the recruiting, hiring, technical training of sales reps that market DS3,OC3, OC12+, Frame Relay and voice to Fortune 100 and Fortune 500 companies.		
	Working as a team with GST Dir. Of Operations, Dir. Of Business Development and legal department in the research, development and installation of a 35 million dollar fiber optic network.		
	Researched and compiled complex, multi million dollar financial justifications for network buildouts and installation of "fiber to the door" of customer sites.		
	Key member of complex negotiations between GST and City Governments, Public Utilities, outside contractors and other Telecom companies to facilitate installation and expansion of the GST network.		
	1992 - 1994	Innovation Computers	Deerfield Beach, FL
	TELECOMMUNICATIONS MANAGER		
	Member of Strategic Planning Team, Administrative Support Team and Technical Support Team in a self managed team environment. Current responsibilities include: Identify, develop and manage telecommunications projects; Audit and analyze telecommunication expenses to ensure recovery of cost, accuracy of charges and optimal solution; Participate in the development of strategic telecommunications direction. Previous responsibilities included the management of the telecommunication expense budget		
Education	1988- 1992	Oklahoma University	Oklahoma City, OK
	▪ BA Computer Science & Engineering		
Reference	On Request		

8811 NW 13th Street,
Pembroke Pines, Florida 33073
954-437-2216

Kenneth Jacobi

Experience

1996–Present Business Technology Systems, Inc Pompano Beach, FL

Operation Manager

- Research regulatory and legislative developments in 37 states and the federal government.
- Develop network of contacts for obtaining advance notice of legislative and regulatory initiatives.
- Attend and report on Congressional, federal agency, and state agency meeting and hearings.
- Managed a centralized billing (A/R) operation for a wireless communications/Prepaid Calling Card

1990–1993 Lets Talk Cellular Miami, FL

Operation Manager

- Managed a staff of 11 to perform auditing, processing and analyzing of telecommunication expenses. Perform cost allocation of annual expenses over \$120 million. Analyzed, coordinated, and supported the management of billin related projects.
- Responsible for providing technical informational services for networking, computer applications, and telecommunication operations.
- Implemented training course for new recruits.

1984–1990 Allied Communications of Florida Miami, FL

Quality Control Manager

- Expanded testing procedures of all telecommunication equipment.
- Required certification of all inspectors.
- Managed 20 inspectors

1979–1984 T&B Ansley Los Angeles, CA

Assistant Quality Control Manager

- Insured test procedures were updated
- Review all test report on all products
- Developed quality control training course.

Education

1975–1979 University of Southern California Los Angeles, CA

- BA, Business Administration and Computer Science.
- Minor in Mechanical Engineering. BellSouth Basic Training, BellSouth Lens Training, BellSouth TAFF Training

Interests

Computer, collecting Science fiction first additions and Programming.

MADHU SETHI

22423 Overture Circle
Boca Raton, Fl 33428
Phone 561-488-9284

EXPERIENCE

1988-1996 Innovation Computer. Boca Raton, Fl
President and CEO

- Founded and operated 2 companies
- Supervises all departments in the companies, Sales, Accounting, Purchasing ect...
- Controls corporate financing which includes banking, investments, and long term planing..
- Increase revenue to 85 million a year

1986-1988 Camera World New York, NY
Vice President Sales

- Designed and managed Telemarketing Programs
- Layout and designed call centers.
- Target marketing and market research
- Increase sales revenue

EDUCATION

1980-1986 New York University New York, NY

- BA, MS International Marketing and Finance.
 - Graduated Summa Cum Laude.
-

ILA SETHI

EXPERIENCE

1990-1995 Sunshine Computers Inc. Boca Raton, Fl

General Manager

- Increased sales from \$50 million to \$100 million.
- Doubled sales per representative from \$5 million to \$10 million.
- Suggested new products that increased earnings by 23%.

1987-1990 Allied Communications of Florida Miami, Fl

Sales Manager

- Increased regional sales from \$25 million to \$75 million.
- Managed 100 sales representatives in 5 Western states.
- Implemented training course for new recruits — speeding profitability.

1985-1987 Camera World New York, NY

Senior Sales Representative

- Tripled division revenues for each sales associate.
- Expanded sales to include mass market accounts.
- Expanded sales team from 25 to 50 representatives.

EDUCATION

1980-1984 Mithibai College Bombay, India

- B.A., Business Administration and Computer Science.
- Graduated Summa Cum Laude.

INTERESTS

Running, Gardening, Cooking, Computers.

State of Florida



Department of State

I certify from the records of this office that BUSINESS TECHNOLOGY SYSTEMS, INC., is a corporation organized under the laws of the State of Florida, filed on December 2, 1996.

The document number of this corporation is P96000097181.

I further certify that said corporation has paid all fees and penalties due this office through December 31, 1997, that its most recent annual report was filed on May 19, 1997, and its status is active.

I further certify that said corporation has not filed Articles of Dissolution.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Fifth day of January, 1998



CR2EO22 (2-95)

Sandra B. Northam

Sandra B. Northam
Secretary of State

BUSINESS TECHNOLOGY SYSTEMS, INC.

FINANCIAL STATEMENTS

For the Year Ended December 31, 1997

MILLWARD & CO.
PROFESSIONAL ASSOCIATION
CERTIFIED PUBLIC ACCOUNTANTS

BUSINESS TECHNOLOGY SYSTEMS, INC.

FINANCIAL STATEMENTS

For the Year Ended December 31, 1997

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To the Board of Directors
Business Technology Systems, Inc.
Fort Lauderdale, Florida

REPORT OF INDEPENDENT AUDITORS

We have audited the accompanying balance sheet of Business Technology Systems, Inc. as of December 31, 1997, and the related statements of revenues and expenses and changes in stockholder's equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Business Technology Systems, Inc. as of December 31, 1997 and the results of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

Millward & Co. CPAs

Millward & Co. CPAs
Fort Lauderdale, Florida
February 26, 1998

BUSINESS TECHNOLOGY SYSTEMS, INC.
BALANCE SHEET
December 31, 1997

ASSETS

Current Assets

Cash	\$ 87,747	
Account Receivable	459,943	
Inventory	131,596	
Prepaid Expenses and Deposit	<u>30,230</u>	
Total Current Assets		709,516

Furniture and Equipment, (net of accumulated depreciation of \$6,859) 90,518

Total Assets \$ 800,034

LIABILITIES AND STOCKHOLDER'S EQUITY

Current Liabilities

Accounts Payable	\$ 196,923	
Line of Credit	437,933	
Customer Deposits and Refunds	48,066	
Sales Tax Payable	<u>2,351</u>	
Total Liabilities		685,273

Stockholder's Equity

Common Stock - \$1. Par Value 1,000 Shares Outstanding	1,000	
Additional Paid In Capital	124,473	
Accumulated Deficit	<u>(10,712)</u>	
Total Stockholder's Equity		<u>114,761</u>

Total Liabilities and Stockholder's Equity \$ 800,034

The accompanying notes to the financial statements are an integral part of these financial statements.

BUSINESS TECHNOLOGY SYSTEMS, INC.
 STATEMENT OF REVENUES AND EXPENSES
 For the Year Ended December 31, 1997

Net Sales	\$ 5,696,147
Cost of Sales	<u>4,841,683</u>
Gross Profit	<u>854,464</u>
Operating Expenses	
Advertising	245,781
Salaries and Wages	115,469
Freight Expense	66,461
Credit Card Service Charges	66,326
Telephone	66,244
Consultants	65,694
Office Expense	52,926
Miscellaneous	40,911
Outside Labor/Commission	31,603
Legal and Accounting	27,943
Travel	23,298
Rent	15,443
Taxes and Licenses	8,834
Server Lease	7,496
Depreciation	6,859
Bank Charges	5,459
Insurance	4,040
Interest Expense	3,852
Utilities	3,463
Telephone Lease	3,282
Repairs and Maintenance	1,619
Exhibit Shows	895
Security Service	648
Equipment Rental	<u>630</u>
Total Operating Expenses	<u>865,176</u>
Net (Loss)	<u>\$ (10,712)</u>

The accompanying notes to the financial statements are an integral part of these financial statements.

BUSINESS TECHNOLOGY SYSTEMS, INC.
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
 For the Year Ended December 31, 1997

	Common Stock	Additional Paid-in Capital	Accumulated (Deficit)
January 1, 1997 - issuance of stock	\$ 1,000	\$ 160,973	\$ -
Net loss for the year	-	-	(10,712)
Return of paid-in capital	-	(36,500)	-
Balance - December 31, 1997	\$ 1,000	\$ 124,473	\$ (10,712)

The accompanying notes to the financial statements are an integral part of these financial statements.

BUSINESS TECHNOLOGY SYSTEMS, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 1997

CASH FLOWS FROM OPERATING ACTIVITIES:

Net (loss)	\$ (10,712)
Adjustments to reconcile net (loss) to net cash provided by operating activities:	
Depreciation and amortization	6,859
Change in assets and liabilities:	
Increase in accounts receivable	(459,943)
Increase in inventories	(131,596)
Increase in other prepaid expenses and deposit	(30,230)
Increase in accounts and sales tax payable	199,274
Increase in customer deposits and refunds	<u>48,066</u>

Net cash used for operating activities (378,282)

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of furniture and equipment (97,377)

Net cash used in investing activities (97,377)

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from line of credit	437,933
Proceeds from issuance of common stock	161,973
Return of paid-in capital	<u>(36,500)</u>

Net cash provided by financing activities 563,406

Net increase in cash 87,747

Cash at beginning of year

Cash at end of year \$ 87,747

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the year for:	
Interest paid	<u>\$ 3,852</u>

The accompanying notes to the financial statements are an integral part of these financial statements.

BUSINESS TECHNOLOGY SYSTEMS, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Business Technology Systems, Inc. (the "Company") was incorporated under the laws of the State of Florida in 1997. The corporation sells computer hardware and software by mail order and corporate sales primarily to South America.

Business Technology Systems, Inc. began selling local telephone service in September of 1997. The Company is licensed in the State of Florida and has incurred approximately \$48,650 in start-up expenses which are included in the financial statements for the year ending December 31, 1997.

The Company follows the accrual method of accounting.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Fair Value of Financial Instruments

The carrying value of cash, receivables and accounts payable approximates fair value due to the short maturity of these instruments.

Inventory

Inventory consists of computer hardware and is priced at the lower of cost (first-in, first-out method) or market. The Company has guaranteed price protection arrangements with its major suppliers. These guarantees protect the Company from decreases in market value.

Accounts Receivable

No allowance for uncollectible accounts has been provided. Management has evaluated the accounts and believes they are all collectible.

Furniture and Equipment

Furniture and equipment are stated at cost. Depreciation and amortization are computed using the straight-line method over the estimated useful lives (seven years) of the assets. Depreciation expense for the year ended December 31, 1997 amounted to \$6,859.

BUSINESS TECHNOLOGY SYSTEMS, INC.
NOTES TO THE FINANCIAL STATEMENTS (Continued)
December 31, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Company is taxed as an S Corporation under the Internal Revenue Code and applicable state statutes. Under an S Corporation election, the income of the corporation flows through to the stockholders to be taxed at the individual level rather than the corporate level. Accordingly, the Company will have no tax liability (with limited exceptions) as long as the S Corporation election is in effect.

NOTE 2 - ARRANGEMENTS WITH FINANCIAL INSTITUTIONS

The Company entered into a financing agreement on February 27, 1997 with Deutsche Financial Services (DFS). Under the terms of the agreement, DFS will provide credit to the Company for the purchase of inventory, the Company is to repay DFS when the inventory is sold. The Company will pay a finance charge to DFS on the outstanding principal debt based on the number of days outstanding and the daily charge as defined in the financing agreement. The agreement is collateralized by accounts receivable and inventory. The line of credit is for \$500,000 and has an outstanding balance of \$437,933 at December 31, 1997.

NOTE 3 - LEASE COMMITMENTS

The Company currently occupies its premise under a month-to-month lease. The Company is looking at several new locations and expects to move by June 1, 1998.

NOTE 4 - SUBSEQUENT EVENTS

The Company has entered into an agreement to sell certain of its assets to a Delaware corporation. In exchange for its assets and liabilities, the Company will receive cash and shares of common stock in the Delaware corporation. The sale is expected to be finalized by March 31, 1998.

Business Technology Systems

4109 N. Powerline Road Suite P6
Pompano Beach, FL 33073
Tel 954-974-9494 Fax 954-974-6338

BUSINESS TECHNOLOGY SYSTEMS THE COMPANY

Business Technology Systems Corporation was founded in August 1, 1996 by Ila Sethi, the company's current Chairman.

In a very short time, management has led the company into the public arena and established powerful strategic relationships.

It is the strategic vision of the company to take its single Telecom service(block-time long distance to residential user) and leverage its success onto a full service international telecommunications company.

To establish our foundation to this market we first identified industry segments which meet our criteria for participation:

1. Exponential growth potential
2. Substantial gross profit margins
3. Very high sales per employee
4. Low maintenance residual sales
5. Identifiable exit strategy

The following segments have been targeted:

1. CLEC pre-paid
2. CIC
3. International wholesales
4. Domestic and Intentional 1+ pre-paid and others
5. Debit cards

THE PRODUCTS

Business Technology Systems Corp. will be offering the following discount international and US long distance calling services that deliver some of the best international telephone rates in the telecommunications industry, the best domestic long distance telephone rates, super discount calling cards and toll free 800/888# services.

All of these high quality long distance telephone services have been very carefully selected for value, quality, and broad appeal to the telecommunications services marketplace. We will offer the best prepaid calling cards, monthly billed post paid calling cards, the lowest international telephone rates WITHOUT SWITCHING, excellent 9.9 cpm commercial and residential long distance, 800# telephone service and global callback that allows WORLD TRAVELERS to call from anywhere in the world to anywhere in the world at greatly reduced rates. It's all right here! You will find that all the long distance telephone services here offer technology which is at the forefront in the telecommunications industry, both in marketing and in Telecom services. Whether you need the lowest international telephone rates, the best US long distance telephone rates, or the best calling card telephone rates and service you have found a useful and true money saving resource!

Business Technology Systems Corporation, Inc. is a long distance telephone company, offering a wide variety of communications services to the international and domestic marketplace. Business Technology Systems Corporation's day to day operation is managed by a core of highly skilled professionals, with a combined experience of 5 years in the US telecommunications industry.

Business Technology Systems Corporation has various direct contracts with underlying carriers. Business Technology Systems Corporation is constantly upgrading the various platforms offered to overseas and domestic customers. Each customer will be notified when a new or enriched service or feature is made available. Business Technology Systems Corporation has worldwide reach to the international marketplace.

Why new phone companies? The recent Telecommunications Act has made it possible for Business Technology Systems to create the kind of phone company you've always wanted for your business and your home. For the first time in the history of the telephone, you will have a choice in local telephone service.

Fifteen years ago, the break-up of AT&T brought choice to long distance. The shock waves rippled through the industry and ushered in an era of sweeping innovation and plunging phone rates. During this time the visionaries who would eventually form Business Technology Systems believed that choice and open competition would eventually come to the local telephone marketplace. Today, history is repeating itself.

Long distance carriers. 1984 Divestiture begins. AT&T spins off seven local service providers and continues to sell long distance service. Restrictions prevent long distance providers from selling local service; local service providers cannot sell long distance. 1991 The 1984 restrictions are lifted. Competition begins, allowing any company to enter the long distance marketplace. The Telecommunications Act of 1996 is passed. The final barriers to competition are removed, opening the way for Business Technology Systems to offer local, long distance, and Internet service. Local Bell companies and long distance carriers must wait until 1999 to offer both local and long distance service in their "Home" markets.

The Telecommunications Act of 1996 Opens the Window for Business Technology Systems, The Telecommunications Act of 1996 creates a new competitive environment that will benefit both consumers and business. The Telecom Act was created by the Federal Communications Commission and the U.S. Congress working in partnership with industry.

In February of 1996, The Telecom Act opened up local markets to competition by removing legal barriers that were prohibiting companies from entering the larger local telephone business on a nationwide basis. Formerly, local service was available only through one of the local Bell companies in a single region - in effect, a regional monopoly.

Importantly for Business Technology Systems, The Telecom Act places some important limitations on local Bell companies and the big three long distance carriers. These limitations restrict them from offering both local and long distance service in their "Home" markets.

This means that your local Bell company cannot be a full-service, single provider probably until 1999. The same is true for AT&T, MCI, and Sprint. Business Technology Systems, however, bring you the convenience and savings of bundled local, long distance, and Internet service today.

During this brief window of opportunity, Business Technology Systems has rolled-out a full range of telecommunications services -- all supported by a commitment to customer satisfaction that is already changing the common perception of what a phone company can be.

Business Technology Systems Corporation's service, Business Technology Systems Calling Card permits a person in over 100 countries to make intercontinental calls at economical US rates, instead of high local monopoly rates. The customer applies for the service by completing a sign-up form which is then faxed or e-mailed to Business Technology Systems Corporation's order processing department. The order is processed and the customers account is ready for use within 48 to 72 hours, weekdays. Ongoing customer support is provided.

Business Technology Systems Corporation's service, Business Technology Systems Callback permits a person in any country to make intercontinental calls at economical US rates, instead of high local monopoly rates. Callback is the international consumers answer to artificially high long distance rates imposed by the majority of foreign telephone companies. The customer applies for the service by completing a sign-up form which is then faxed or encrypted online and e-mailed to Business Technology Systems Corporation's order processing department. The order is processed and the customers account is ready for use within 48 to 72 hours, weekdays. Ongoing customer support is provided "online" 24 hours a day

The Law:

The US Federal Communications Commission (FCC), and the US Department of State have judged that callback service from alternative telecommunications companies such as Business Technology Systems Corporation does not violate international law. Rather, they view "callback" as increasing free market competition (and, incidentally, giving a boost to the US telecommunications industry). As an example, even the Japanese Ministry of Posts and Telecommunications, in spite of pressure from Japan's international Telecom giants, has tacitly acknowledged that "callback" does not contravene existing Japanese or international laws.

Business Technology System's primary goal of increasing shareholder wealth will continue to lead the Company's efforts in setting objectives and developing strategies. Geographically cluster telephone and wireless markets focus on smaller markets with excellent growth potential Telephone Operations - rural and suburban markets Wireless Operations - second-tier urban, rural and suburban markets Increase market share in geographic clusters Expand products and services offerings Grow customer base. Capitalize on additional revenue opportunities from existing customers.

"Business Technology Systems will deliver a level of personal service that will amaze small- and medium-sized businesses. When I call a company, I expect to speak with a real person who can handle my problem. That's a simple point that we'll deliver on. Customer care will be a primary focus for Business Technology Systems ." Richard C. Peplin, Jr. Chairman and CEO You may never think of your phone company the same way again. The reason is for the first time ever, you have a reliable alternative in local telephone service. What's more, you can now obtain local, long distance, and Internet service from a single phone company. And perhaps best of all, both of these firsts are available at lower prices and with an unprecedented level of customer satisfaction that makes it a pleasure doing business with Business Technology Systems.

Tailored to the needs of small- to medium-sized businesses, Business Technology Systems offers:

- * Local calling, long distance, and Internet access services from one convenient source.
- * The assistance of people totally committed to making your job simpler, your costs lower, and your

business stronger.

- * One, easy-to-understand monthly statement for everything.

- * High quality service and features that you can rely on every hour of every day.

Business Technology Systems carefully chose its service offerings to complement each other. The result is a complete resource that can supply businesses with as many or as few services as they require. There's no reason to shop around in order to piece together a solution. Business Technology Systems does it all. Quickly. Simply. Reliably. And, of course, at a lower cost. In addition, Business Technology Systems provides high speed, digital broadband communications to other local, long distance, and mobile telephone carriers. Our Wireless Fiber service provides an affordable way for them to extend their networks and provide sophisticated voice and data services.

Personal Service: The Business Technology Systems Difference

Until now, personal service has been a missing link for most local telephone service customers. Business Technology Systems makes it a top priority.

That's why when you call us, you'll hear a friendly voice eager to help -- not a computer or machine. We do everything in our power to meet your needs, simplify your phone service, and save you money. We're also great listeners. If we don't know your needs, we'll take the time to learn them. So you always get the right help. Every customer can count on Business Technology Systems to be there whenever you need answers.

Business Technology System's products and services are specifically designed to meet the needs of international long distance companies throughout the world. In addition to providing international switched voice service to long distance carriers, BUSINESS TECHNOLOGY SYSTEMS provides services to prepaid/debit card companies, call back carriers and cellular operators, as well as many data users and Internet Service Providers (ISP's). As a transmission facility provider, virtually all voice and data applications are available. Whether for a small carrier routing selected international destinations to BUSINESS TECHNOLOGY SYSTEMS or for a major carrier routing millions of minutes per month, the company's commitment is the same, to provide the highest quality service at the best possible price.

In addition to the traditional switched long distance services, BUSINESS TECHNOLOGY SYSTEMS also assists carrier customers by offering co-location space for equipment, partitioning of switches, and contract maintenance services. BUSINESS TECHNOLOGY SYSTEMS takes great pride in its proprietary information and billing systems. These fully-redundant systems allow the company, on a real-time basis, to monitor customer usage, determine cost-effective routing alternatives, and manage network efficiency. The data necessary to provide detailed management reports for a customer is also inherent in the system.

Simplicity A return to the way it used to be, Simple. You won't have to worry about calling 3 or 4 different telephone companies just to add a new telephone line or make a change in your local telephone service, BUSINESS TECHNOLOGY SYSTEMS can handle everything for you. Consolidated Billing BUSINESS TECHNOLOGY SYSTEMS will deliver any local telephone all in one easy to read monthly statement. Local Services We can do it all! All of your phone numbers, lines and features are available exactly as you have them now. Savings. Customer Service When you call regarding your account, your call will be answered by one of our Customer Service Representatives. Our Representatives can help you with your local telephone service, with just one telephone call.

Our strategy will be to go after the huge minority population, We will be blitzing the Radio airwaves in their native language with advertising spots that offer our local telephone service. What will persuade them to switch or to sign-up with us is that we will offer them;

1. No background check(SS# Required)
2. No Deposit
3. 10% off there current local rates

Advertising in their local magazines and newspapers will increase their awareness of our company. We are confident that we can sign-up 100 people per day. To increase that number the second marketing plan is to employ Telemarketers to call on selected list in they are own languages this will give us additional customers.

The main idea is that this business is recurring and our advantage that we can offer services those larger companies can not. Once we establish a foothold in the local telephone market, we can convert them to Long Distance Services that we can provide.

TITLE SHEET

FLORIDA TELECOMMUNICATIONS TARIFF

This tariff contains the description, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services provided by Business Technology Systems, Inc. with principal offices at 4100 North Powerline Road, Suite P6, Pompano Beach, Florida 33073. This tariff applies for services furnished within the state of Florida. This tariff is on file with the Florida Public Service Commission, and copies may be inspected during normal business hours at the Company's principal place of business.

ISSUED: April 27, 1998

EFFECTIVE: _____

By:

Kenneth Jacobi, VP Regulatory Affairs
4100 North Powerline Road, Suite P6
Pompano Beach, Florida 33073

CHECK SHEET

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

<u>SHEET</u>	<u>REVISION</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
16	Original
17	Original
18	Original

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TABLE OF CONTENTS

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EFFECTIVE: _____

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SYMBOLS SHEET

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

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

ISSUED: April 27, 1998

EFFECTIVE: _____

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TARIFF FORMAT SHEETS

A. Sheet Numbering - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.

B. Sheet Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the FPSC. For example, the 4th revised Sheet 14. Because of various suspension periods, deferrals, etc., the FPSC follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff 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:

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

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement which connects the customer's location to the Company's network switching center.

Authorization Code - A numerical code, one or more of which are available to a customer to enable him/her to access the carrier, and which are used by the carrier both to prevent unauthorized access to its facilities and to identify the customer for billing purposes.

Company or Carrier - Business Technology Systems, Inc.

Customer - The person, firm, corporation or other entity which orders service and is responsible for payment of charges due and compliance with the Company's tariff regulations.

Day - From 8:00 AM up to, but not including, 5:00 PM local time, Sunday through Friday.

Evening - From 5:00 PM up to, but not including, 11:00 PM local time, Sunday through Friday.

Holidays - The Company's recognized holidays are New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day, Christmas Day.

Night/Weekend - From 11:00 PM, up to, but not including, 8:00 AM Sunday through Friday, and 8:00 AM Saturday, up to, but not including, 5:00 PM Sunday.

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SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of the Company.

The Company's services and facilities are furnished for communications originating at specified points within the state of Florida under terms of this tariff.

The Company's installs, operates and maintains the communications services provided herein in accordance with the terms and conditions set forth under this tariff. It may act as the customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the customer, to allow connection of a customer's location to the Company's network. The customer shall be responsible for all charges due for such service arrangements.

The Company's services and facilities are provided on a monthly basis unless ordered on a longer term basis, and are available twenty-four hours per day, seven days per week.

The selling of IXC telecommunication service to uncertified IXC resellers is prohibited.

2.2 Limitations.

2.2.1 Service is offered subject to the availability of facilities and provisions of this tariff.

2.2.2 The Company's reserves the right to discontinue furnishing service or limit the use of service necessitated by conditions beyond its control; or when the customer is using service in violation of the law or the provisions of this tariff.

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SECTION 2 - RULES AND REGULATIONS continued

2.2 Limitations (Cont.)

- 2.2.3 All facilities provided under this tariff are directly controlled by the Company and the customer may not transfer or assign the use of service or facilities, except with the express written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service or facilities.
- 2.2.4 Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions for service.
- 2.2.5 Customers reselling or rebilling services must have a Certificate of Public Convenience and Necessity an interexchange carrier for the Florida Public Service Commission.

2.3 Liabilities of the Company.

- 2.3.1 The Company's liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in the transmission occurring in the course of furnishing service or facilities, and not caused by the negligence of its employees or its agents, in no event shall exceed an amount equivalent to the proportionate charge to the customer for the period during which the aforementioned faults in transmission occur.
- 2.3.2 The Company shall be indemnified and held harmless by the customer against:
 - (A) Claims for libel, slander, or infringement of copyright arising out of the material, data, information or other content transmitted over the Company's facilities.
 - (B) All other claims arising out of any act or omission of the customer in connection with any service or facility provided by the Company.

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SECTION 2 - RULES AND REGULATIONS**2.4 Interruption of Service.**

- 2.4.1 Credit allowance for the interruption of service which is not due to the Company's testing or adjusting, negligence or the customer, or to the failure of channels or equipment provided by the customer, are subject to the general liability provisions set forth in 2.3.1 herein. It shall be the customer's obligation to notify the Company immediately of any service interruption for which a credit allowance is desired. Before giving such notice, the customer shall ascertain that the trouble is not being caused by any action or omission by the customer within his control, if any, furnished by the customer and connected to the Company's facilities. No refund or credit will be made for the time that the Company stands ready to repair the service and the subscriber does not provide access to the Company for such restoration work.
- 2.4.2 No credit shall be allowed for an interruption of a continuous duration of less than twenty-four hours after the subscriber notifies the Company.
- 2.4.3 The customer shall be credited for an interruption of more than twenty-four hours as follows:

Credit Formula:

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

"A" - outage time in hours

"B" - total days in month

"C" - total monthly charge for affected facility

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SECTION 2 - RULES AND REGULATIONS continued

2.5 Disconnection of Service by Carrier.

The company (carrier), upon 5 working days written notice to the customer, may discontinue service or cancel an application for service without incurring any liability for any of the following reasons:

- 2.5.1 Non-payment of any sum due to carrier for regulated service for more than thirty days beyond the date of rendition of the bill for such service.
- 2.5.2 A violation of any regulation governing the service under this tariff.
- 2.5.3 A violation of any law, rule, or regulation of any government authority having jurisdiction over such service.
- 2.5.4 The company has given the customer notice and has allowed a reasonable time to comply with any rule, or remedy, and deficiency as stated in Rule 25-4.113, F.A.C., Refusal or Discontinuance of Service by Company.

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SECTION 2 - RULES AND REGULATIONS continued

2.6 Deposits

The Company does not require a deposit from the customer.

2.7 Advance Payments

For customers whom the Company feels an advance payment is necessary, the Company reserves the right to collect an amount not to exceed one (1) month's estimated charges as an advance payment for service. This will be applied against the next month's charges and if necessary, a new advance payment will be collected for the next month.

2.8 Taxes

All state and local taxes (i. e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

2.9 Billing of Calls

All charges due by the subscriber are payable at any agency duly authorized to receive such payments. Any objection to billed charges should be promptly reported to the Company. Adjustments to customers' bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate.

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EFFECTIVE: _____

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SECTION 3 - DESCRIPTION OF SERVICE**3.1 Timing of Calls****3.1.1 When Billing Charges Begin and End For Phone Calls**

The customer's long distance usage charge is based on the actual usage of the Company's network. Usage begins when the called party picks up the receiver, (i.e. when 2-way communication, often referred to as "conversation time" is possible.) When the called party picks up is determined by hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. When software answer supervision is employed, up to 60 seconds of ringing is allowed before it is billed as usage of the network. A call is terminated when the calling or called party hangs up.

3.1.2 Billing Increments

The minimum call duration for billing purposes is 1 minute for a connected call and calls beyond 1 minute are billed in 1 minute increments.

3.1.3 Per Call Billing Charges

Billing will be rounded up to the nearest penny for each call.

3.1.4 Uncompleted Calls

There shall be no charges for uncompleted calls.

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SECTION 3 - DESCRIPTION OF SERVICE continued**3.2 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. The Company uses the rate centers that are produced by Bell Communications Research in the NPA-NXX V & H Coordinates Tape and Bell's NECA Tariff No. 4.

FORMULA:

The square
root of:
$$\frac{(V1 - V2)^2 + (H1 - H2)^2}{10}$$

3.3 Minimum Call Completion Rate

A customer can expect a call completion rate [EXPRESSED AS A PERCENTAGE] (number of calls completed / number of calls attempted) of not less than 90% during peak use periods for all FG D services ("1+" dialing).

ISSUED: April 27, 1998

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SECTION 3 - DESCRIPTION OF SERVICE continued**3.4 Service Offerings****3.4.1 Business Technology Systems, Inc. Long Distance Service**

Business Technology Systems, Inc. Long Distance Service is offered to residential and business customers. The service permits direct dialed outbound calling at a single per minute rate. Service is provided from presubscribed, dedicated or shared use access lines. Calls are billed in one minute increments. No monthly recurring charges or minimum monthly billing requirements apply.

3.4.2 Business Technology Systems, Inc. 800 / 888 (Inbound) Long Distance Service

Business Technology Systems, Inc. 800 / 888 (Inbound) Long Distance Service is offered to residential and business customers. The service permits inbound 800 / 888 calling at a single per minute rate. Service is provided from presubscribed, dedicated or shared use access lines. Calls are billed in six second increments, with a six second minimum call duration. No monthly recurring charges apply. A \$10.00 minimum monthly billing requirement applies. Customers whose monthly usage is less than the minimum will be billed the minimum amount.

3.4.3 Business Technology Systems, Inc. Calling Card Service

Business Technology Systems, Inc. Calling Card Service is a calling card service offered to residential and business customers who subscribe to the Business Technology Systems, Inc. Long Distance Service calling plan. Customers using the Carrier's calling card service access the service by dialing a 1-800 number followed by an account identification number and the number being called. This service permits subscribers utilizing the Carrier's calling card to make calls at a single per minute rate. Calls are billed in one (1) minute increments after the initial minimum period of one (1) minute. There are no nonrecurring or monthly recurring charges. No calling card surcharge applies.

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SECTION 3 - DESCRIPTION OF SERVICE continued**3.4.4 Operator Services**

The Company's operator services are provided to residential and business customers who "presubscribe" to this service for intrastate calling. Operator services include the completion of collect, station-to-station, person-to-person, third party billing and credit card calls with the assistance of a Carrier operator. Each completed operator assisted call consists of two charge elements (except as otherwise indicated herein): (i) a fixed operator charge, which will be dependent on the type of billing selected (e.g., calling card, collect or other) and/or the completion restriction selected (e.g., station-to-station or person-to-person); and (ii) a measured usage charge dependent upon the duration, distance and/or time of day of the call.

3.4.4.A Operator Dialed Surcharge

This surcharge applies to Operator Station and Person-to-Person rated calls when the customer has the capability of dialing all the digits necessary to complete a call, but elects to dial only the appropriate operator code and requests the operator to dial the called station. The surcharge does not apply to:

- 1) Calls where a customer cannot otherwise dial the call due to defective equipment or trouble on the Business Technology Systems, Inc. network; and
- 2) Calls in which a Company operator places a call for a calling party who is identified as being handicapped and unable to dial the call because of his/her handicap.

The Operator Dialed Surcharge applies in addition to any other applicable operator charges.

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SECTION 4 - RATES**4.1 Business Technology Systems, Inc. Long Distance Service**

Rate per minute - \$0.13
Plan is billed in full minute increments.

4.2 Business Technology Systems, Inc. (Inbound) Long Distance Service

Rate per minute - \$0.15
Plan is billed in six second increments with a six second minimum.

4.3 Business Technology Systems, Inc. Calling Card Service

Rate per minute - \$0.25
Plan is billed in full minute increments.

4.4 Operator Services (For presubscribed customers)

Collect Station-to-Station	\$1.00
Collect Person-to-Person	\$3.25
Person-to-Person	\$3.25
Station-to-Station	\$1.00
Customer Dialed Calling Card	\$1.10
Operator Dialed Calling Card	\$1.95
Operator Dialed Surcharge	\$1.00

ISSUED: April 27, 1998**EFFECTIVE: _____****By:**

Kenneth Jacobi, VP Regulatory Affairs
4100 North Powerline Road, Suite P6
Pompano Beach, Florida 33073

SECTION 4 - RATES continued**4.5 Determining Applicable Rate in Effect.**

For the initial minute, the rate applicable at the start of chargeable time at the calling station applies. For additional minutes, the rate applicable is that rate which is in effect at the calling station when the additional minute(s) begin. That is, if chargeable time begins during the Day Period, the Day Rate applies to the initial minute and to any additional minutes that the call continues during the rate period, the appropriate rates from that period apply to any additional minutes occurring in that rate period. If an additional minute is split between two rate periods, the rate period applicable at the start of the minute applies to the entire minute.

4.6 Payment of Calls**4.6.1 Late Payment Charges**

Interest charges of 1.5% per month will be assessed on all unpaid balances more than thirty days old.

4.6.2 Return Check Charges

A return check charge of \$25.00 will be assessed for checks returned for insufficient funds if the face value does not exceed \$50.00, \$30.00 if the face value does exceed \$50.00 but does not exceed \$300.00, \$40.00 if the face value exceeds \$300.00 or 5% of the value of the check, whichever is greater.

4.7 Restoration of Service

A reconnection fee of \$25.00 per occurrence is charged when service is re-established for customers who had been disconnected for non-payment.

ISSUED: April 27, 1998

EFFECTIVE: _____

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4100 North Powerline Road, Suite P6
Pompano Beach, Florida 33073

SECTION 4 - RATES continued**4.8 Special Promotions**

The company will, from time to time, offer special promotions to its customers waiving certain charges. These promotions will be approved by the FPSC with specific starting and ending dates.

4.9 Special Rates For The Handicapped**4.9.1. Directory Assistance**

There shall be no charge for up to fifty calls per billing cycle from lines or trunks serving individuals with disabilities. The Company shall charge the prevailing tariff rates for every call in excess of 50 within a billing cycle.

4.9.2 Hearing and Speech Impaired Persons

Interstate toll message rates for TDD users shall be evening rates for daytime calls and night rates for evening and night calls.

4.9.3 Telecommunications Relay Service

For intrastate toll calls received from the relay service, the Company will when billing relay calls discount relay service calls by 50 percent off of the otherwise applicable rate for a voice nonrelay call except that where 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 the call and shall not apply to per-call charge for the call and shall not apply to per-call charges such as a credit card surcharge.

ISSUED: April 27, 1998

EFFECTIVE: _____

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4100 North Powerline Road, Suite P6
Pompano Beach, Florida 33073

980610-TI

DEPOSIT

DATE

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

D 768

MAY 04 1998

Original Authority (New company).

Approval of Transfer (To another certificated company).

Approval of Assignment of existing certificate (To an uncertificated company).

Approval for transfer of control (To another certificated company).

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

BUSINESS TECHNOLOGY SYSTEMS, INC

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

BUSINESS TECHNOLOGY SYSTEMS, INC

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

4100 NORTH POWERLINE ROAD SUITE P6
POMPANO BEACH, FL 33073

DOCUMENT NUMBER - DATE

05003 MAY-48

FPSC-RECORDS/REPORTING

BUSINESS TECHNOLOGY SYSTEMS, INC.

1994

4100 N. POWERLINE RD.
SUITE P-6
POMPANO BEACH, FL 33073

DATE 5.1.98

PAY TO THE ORDER OF

Florida Public Service Commission \$ 250.00

Two Hundred fifty & 00/100 DOLLARS

NationsBank

NationsBank, N.A.
Florida

FOR

ILA Sehi

DEPOSIT

DATE

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