

FLORIDA PUBLIC SERVICE COMMISSION

DIVISION OF COMMUNICATIONS  
BUREAU OF SERVICE EVALUATION

ORIGINAL

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

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Instructions

- A. This form is used as an application for an original 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. Print or Type all responses 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. 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 Records and Reporting  
2540 Shumard Oak Blvd.  
Easley Building  
Tallahassee, Florida 32399-0850

Note: No filing fee is required for a sale, assignment or transfer of an existing certificate to another certificated company.

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

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

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FORM PSC/CMU 8 (6/98)

Required by Commission Rule Nos. 25-24.805 & 25-24.810 & 25-24.815

DOCUMENT NUMBER-DATE

06994 JUL-28

RECORDS REPORTING

1. This is an application for (check one):
- ( X ) Original Certificate (New Company)
  - ( ) Approval for Transfer of Existing Certificate:  
Example, a certificated company purchases an existing company and desires to retain the original certificate authority.
  - ( ) Approval for Transfer of Control: Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Please give name of company:

NOS COMMUNICATIONS, INC.

3. Please give name under which the applicant will do business (fictitious name, etc.):

NOS COMMUNICATIONS, INC.

4. Official mailing address (including street name & number, post office box, city, state, zip code):

NOS COMMUNICATIONS, INC.

4380 Boulder Highway

Las Vegas, NV 89121

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

Florida Registered Agent: Corporation Service Company

1201 Hays Street

Tallahassee, FL 32301

6. Structure organization:

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

7. If individual, please give:

Name: N/A

Title: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

Internet E-Mail Address: \_\_\_\_\_

Internet Website Address: \_\_\_\_\_

8. If incorporated in Florida, please give proof that the applicant has authority to operate in Florida:

- (a) The Florida Secretary of State Corporate registration number: N/A

9. If foreign corporation, please give proof that the applicant has authority to operate in Florida:

- (a) The Florida Secretary of State Corporate registration number: P34341

10. If using fictitious name-d/b/a, please give proof that the applicant is in compliance with the fictitious name statute (Chapter 865.09 FS) to operate in Florida.

- (a) The Florida Fictitious name registration number: N/A

11. If applicant is a limited liability partnership, please give proof that the applicant is registered to operate in Florida:

- (a) The Florida Secretary of State registration number: N/A

12. If applicable is a partnership, please give name, title and address of all partners and a copy of the partnership agreement.

Name: N/A  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
City/State/Zip: \_\_\_\_\_  
Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_  
Internet E-Mail Address: \_\_\_\_\_  
Internet Website Address: \_\_\_\_\_

13. If applicant is a foreign limited partnership, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169 FS), if applicable.

(a) The Florida registration number: N/A

14. Please give FEID Number (if applicable): 0521656042

15. 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 procedures. If so, please explain.

One of the shareholders, Samuel P. Delug, pled guilty to violation of 26 U.S.C. 7206(1), making and filing a false tax return, two counts, on March 15, 1996, United States District Court, Central District of California, Case No. CR96-144. Mr. Delug is neither a director nor an officer of NOS Communications, Inc.

- (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.

The shareholders of NOS Communications, Inc. are also the limited partners of NOSVA Limited Partnership, a Florida certificated long distance reseller. Affinity Network Incorporated, also a Florida certificated long distance reseller, has the same shareholders as NOS Communications, Inc., and all of its officers (Michael Arnau, CEO; Robert Lichtenstein, President/Secretary; and Joe Koppy, Executive Vice President/Treasurer) are also officers of NOS Communications, Inc. (Michael Arnau, CEO, Joe Koppy, President, and Robert Lichtenstein, Secretary.)

17. List the states in which the applicant:

(a) Has operated as an Alternative Local Exchange Company.

None.

(b) Has applications pending to be certificated as an Alternative Local Exchange Company.

None.

(c) Is certificated to operate as an Alternative Local Exchange Company.

Texas.

(d) Has been denied authority to operate as Alternative Local Exchange Company and the circumstances involved.

None.

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

None.

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

See Attachment 1.

16. Who will serve as liaison with the Commission in regard to the following?

(a) The application:

Name: Rogena Harris  
Title: Regulatory Counsel  
Address: Helain & Associates, P.C.  
8180 Greensboro Drive, Suite 700  
City/State/Zip: McLean, VA 22102  
Telephone No.: (703) 714-1300 Fax No.: (703) 714-1330  
Internet E-Mail Address: rharris@helain.com  
Internet Website Address: N/A

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

Name: Marlo Oliver  
Title: General Counsel, NOS Communications, Inc.  
Address: 4380 Boulder Highway  
City/State/Zip: Las Vegas, NV 89121  
Telephone No.: 702-547-8692 Fax No.: 702-547-8546  
Internet E-Mail Address: N/A  
Internet Website Address: \_\_\_\_\_

(c) Complaints/Inquiries from customers

Name: Candace Vail  
Title: Manager, Customer Care  
Address: 4380 Boulder Highway  
City/State/Zip: Las Vegas, NV 89121  
Telephone No.: 1-888-570-4667 Fax No.: 1-888-571-4667  
Internet E-Mail Address: N/A  
Internet Website Address: \_\_\_\_\_

18. Please submit the following:

A. Financial capability.

The application should contain the applicant's audited financial statements for the most recent 3 years. If the applicant does not have audited financial statements, it shall so be stated.

The unaudited financial statements should be signed by the applicant's chief executive officer and chief financial officer affirming that the financial statements are true and correct and should include:

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

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.

Further, the following (which includes supporting documentation) should be provided:

1. Please provide "a written explanation" that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.
2. Please provide "a written explanation" that the applicant has sufficient financial capability to maintain the requested service.
3. Please provide "a written explanation" that the applicant has sufficient financial capability to meet its lease or ownership obligations.

B. Managerial capability: give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.

C. Technical capability: give resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance.

\*\* APPLICANT ACKNOWLEDGMENT STATEMENT \*\*

1. REGULATORY ASSESSMENT FEE: I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. GROSS RECEIPTS TAX: I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
3. SALES TAX: I understand that a seven percent sales tax must be paid on intra and interstate revenues.
4. APPLICATION FEE: A non-refundable application fee of \$250.00 must be submitted with the application.

UTILITY OFFICIAL: Michael L. Quinn 6/30/98  
Signature Date

Chief Executive Officer (702) 547-3030  
Title Telephone No.

Address: NQS Communications, Inc. (702) 547-3411  
4380 Boulder Highway Fax No.  
Las Vegas, NV 89121

- A - CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT
  - B - CUSTOMER DEPOSITS AND ADVANCE PAYMENTS
  - C - INTRASTATE NETWORK
  - D - AFFIDAVIT
- GLOSSARY



**CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT**

I, (Name) \_\_\_\_\_,  
(Title) \_\_\_\_\_, of  
(Name of Company) \_\_\_\_\_

\_\_\_\_\_ and current holder of Florida Public Service Commission  
Certificate Number \_\_\_\_\_, have reviewed this  
application and join in the petitioner's request for a

- ( ) sale
- ( ) transfer
- ( ) assignment

of the above mention certificate.

**UTILITY OFFICIAL:** \_\_\_\_\_  
Signature \_\_\_\_\_ Date \_\_\_\_\_  
Title \_\_\_\_\_ Telephone No. \_\_\_\_\_  
Address: \_\_\_\_\_ Fax No. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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 intends on collecting deposits and/or advance payments for more than one month's service and will file and maintain a surety bond with the Commission in an amount equal to the current balance of deposits and advance payments in excess of one month. (The bond must accompany application.)

UTILITY OFFICIAL: Michelle M. Pomeroy 6/30/98  
Signature Date

Chief Executive Officer (702)547-3030  
Title Telephone No.

Address: NOS Communications, Inc. (702)547-3413  
4380 Boulder Highway Fax No.  
Las Vegas, NV 89121

**INTRASTATE NETWORK (if available)**

[Remember, Chapter 25-24.025 (5), Florida Administrative Code, only requires the company to make available to staff the alternative local exchange service areas upon request.]

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.

	<u>POP-TO-POP</u>	<u>OWNERSHIP</u>
1)	_____	_____
2)	_____	_____
3)	_____	_____
4)	_____	_____

**AFFIDAVIT**

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents, and that the applicant has the technical expertise, managerial ability, and financial capability to provide shared tenant 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 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: *Michelle O...* 4/30/98  
Signature Date

Chief Executive Officer (702)547-3030  
Title Telephone No.

Address: NOS Communications, Inc. (702)547-3413  
Fax No.  
4380 Boulder Highway  
Las Vegas, NV 89121

Attachment 1

17(f). **Litigation With Interexchange Carriers, Local Exchange Companies, Telecommunications Entities**

1. New Jersey In October, 1992, AT&T, in *American Telephone & Telegraph Company v. NOS Communications, Inc.*, Civil Action No. 92-4172(MTB), United States District Court, District of New Jersey, filed an action alleging non-payment of tariffed charges for the SDN and DNS services it rendered NOS from approximately the second quarter of 1990 through the fourth quarter of 1992, and for infringement of AT&T's trademarks and logos under the Lanham Act. NOS filed a Counterclaim against AT&T in connection with the provisioning, billing, and administration of AT&T's SDN and DNS services to NOS for NOS' resale to businesses and institutions needing long distance telephone service during the period from approximately the second quarter of 1990 to the fourth quarter of 1992, antitrust violations, violations of the Communications Act of 1934, various common law torts, and breach of contract. These actions were later consolidated in *Target Telcom, Inc. v. AT&T*, Civil Action No. 93-1185 (HAA), United States District Court, District of New Jersey.

AT&T's action and counterclaims against NOS, and NOS' counterclaims against AT&T, were dismissed with prejudice by agreement of the parties, pursuant to the Settlement Agreement of June 25, 1995, attached as Exhibit A to the Third Amended Joint Plan of Reorganization filed in *Affinity Network Incorporated and NOS Communications, Inc.*, Case Nos. LA 95-12326-SB and LA 95-12329-SB, United States Bankruptcy Court, Central District of California.

At the time, NOS also had pending formal complaints filed against AT&T before the FCC. NOS filed these actions against AT&T pursuant to formal complaint procedures under Section 208 of the Communications Act alleging violations of Section 201, 202 and 203 of the Act, and violation of the FCC's resale policies. In *NOS v. AT&T*, FCC File No. E-92-91, NOS sought to block AT&T's collection of charges associated with its DNS services that NOS claimed were improperly and unlawfully assessed against NOS. In *NOS v. AT&T*, FCC File No. E-92-101, NOS sought an order from the FCC to compel AT&T to provide services under AT&T's Tariff F.C.C. No. 12, Option 58 at rates tariffed prior to July, 1992. Each of these complaints were dismissed with prejudice, pursuant to the Settlement Agreement filed in the NOS Chapter 11 Reorganization.

2. New York NOS filed a formal complaint with the New York Public Service Commission against New York Telephone, a local exchange carrier, on August 12, 1993. New York Telephone, during the process of implementing a new exchange, incorrectly switched all local calls made by one of NOS's customers, a hospital, to

Attachment 1 (Cont'd)

17 (f). **Litigation With Interexchange Carriers, Local Exchange Companies, Telecommunications Entities (Cont'd)**

NOS's underlying interexchange carrier, causing the calls to be billed by the underlying carrier to NOS as long distance calls. (NOS initially billed the hospital for the calls, but upon discovery of the error, gave the hospital full credit.) This complaint was settled.

## Attachment 2

### 18.A. Financial Capability

NOS Communications, Inc. ("NOS") has the financial capability to provide and maintain local resale services in Florida for the following reasons. NOS, being a reseller, does not have a need for a large amount of capital to begin or maintain local resale services. NOS does not plan to lease, buy or construct any facilities at this time. NOS has been operating as an interexchange carrier for several years, and so has experienced customer service, billing, accounting, regulatory, and management systems in place, which can be easily and economically supplemented in order to service its Florida local operations.

NOS has very experienced management to direct operations and fully expects its Florida operations to be profitable within three months. In the meantime, NOS's international, interstate, and intrastate interexchange revenues can support its Florida local resale operations until its Florida operations become profitable.

In order to offer its services, NOS does not anticipate a need for taking on any debt to service. NOS does have good banking relationships should an unexpected need for financing ever arise. Although NOS filed a voluntary petition under Chapter 11 of the Bankruptcy code in January, 1995, it emerged from bankruptcy in October, 1995, having streamlined its systems and added new financial controls. The carrying amounts of assets and liabilities were unaffected by the proceedings. NOS continued its operations during the reorganization and ever since, providing international, interstate, and intrastate interexchange services in 47 states. Additionally, it should be noted that NOS's Chapter 11 filing was not caused by its day-to-day business operations, but by the cost spiral created by its involvement in the complex litigation with AT&T discussed in Attachment 1, litigation which was finally settled in conjunction with the Plan of Reorganization.

NOS's audited Financial Statements for the years ending December 31, 1994, 1995, 1996, and 1997 are attached.

NOS COMMUNICATIONS, INC

Financial Statements

Years Ended December 31, 1996 and 1997



NOS COMMUNICATIONS, INC.  
Years Ended December 31, 1996 and 1997

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BUCHBINDER TUNICK & COMPANY LLP

(CERTIFIED PUBLIC ACCOUNTANTS)

6116 EXECUTIVE BOULEVARD • SUITE 201 • ROCKVILLE, MD 20852-4920

301-770-9110 • FAX 301-881-3699

## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Stockholders of  
NOS Communications, Inc.

We have audited the accompanying balance sheets of NOS Communications, Inc. (an S Corporation) as of December 31, 1996 and 1997, and the related statements of operations and accumulated deficit and cash flows for the years 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 audits.

We conducted our audits 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 audits provide 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 NOS Communications, Inc. as of December 31, 1996 and 1997 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

The Company is part of an affiliated group of companies that engage in significant intercompany transactions. It is dependent upon certain of the affiliates for financial support necessary to sustain its operations.

Buchbinder Tunick & Company LLP

February 12, 1998

NOS COMMUNICATIONS, INC.

Balance Sheets

December 31, 1996 and 1997

ASSETS

	<u>1996</u>	<u>1997</u>
Current assets:		
Cash	\$ 109,498	\$ 1,556,663
Accounts receivable, net of an allowance for doubtful accounts of \$863,890 in 1996 and \$2,658,651 in 1997	5,458,661	14,181,520
Due from other carrier	50,000	-
Refundable state excise taxes	265,000	105,603
Due from outside agents	-	375,747
Due from stockholder	190,049	204,596
Other	<u>12,424</u>	<u>20,906</u>
Total current assets	<u>6,085,632</u>	<u>16,445,035</u>
Property and equipment, at cost		
Equipment under capital lease	1,111,170	1,820,527
Office and other equipment	341,347	619,534
Leasehold improvements	<u>517,600</u>	<u>725,234</u>
	1,970,117	3,165,295
Less: accumulated depreciation and amortization	<u>342,086</u>	<u>1,238,716</u>
Net property and equipment	1,628,031	1,926,579
Other assets	<u>80,282</u>	<u>114,148</u>
Total assets	<u>\$ 7,793,945</u>	<u>\$ 18,485,762</u>

See notes to financial statements.

NOS COMMUNICATIONS, INC.  
Balance Sheets (Continued)  
December 31, 1996 and 1997

LIABILITIES AND STOCKHOLDERS' DEFICIENCY

	<u>1996</u>	<u>1997</u>
Current liabilities:		
Accounts payable	\$ 5,037,549	\$ 6,449,116
Due to affiliates	7,567,276	18,068,870
Current portion of long-term debt	4,133,656	2,187,505
Due to stockholder	180,000	180,000
Accrued expenses	<u>1,310,277</u>	<u>2,794,816</u>
Total current liabilities	<u>18,228,758</u>	<u>29,680,307</u>
Long-term debt:		
Notes payable	1,713,398	1,897,686
Line of credit	<u>-</u>	<u>12,356,812</u>
Total long-term debt	<u>1,713,398</u>	<u>14,254,498</u>
Total liabilities	<u>19,942,156</u>	<u>43,934,805</u>
Commitments		
Stockholders' deficiency:		
Common stock, no par value, 1,000 shares authorized, issued and outstanding	200	200
Accumulated deficit	<u>(12,148,411)</u>	<u>(25,449,243)</u>
Total stockholders' deficiency	<u>(12,148,211)</u>	<u>(25,449,043)</u>
Total liabilities and stockholders' deficiency	<u>\$ 7,793,945</u>	<u>\$ 18,485,762</u>

See notes to financial statements.

NOS COMMUNICATIONS, INC.  
 Statements of Operations and Accumulated Deficit  
 For the years ended December 31, 1996 and 1997

	<u>1996</u>	<u>1997</u>
Revenues	<u>\$ 39,919,916</u>	<u>\$ 80,401,032</u>
Direct expenses:		
Line usage	16,601,256	29,795,911
Telemarketing and commissions	2,176,805	6,599,671
Promotional expense	<u>1,026,524</u>	<u>4,078,183</u>
Total direct expense	<u>19,804,585</u>	<u>40,473,765</u>
Gross profit	<u>20,115,331</u>	<u>39,927,267</u>
Operating expenses:		
Salaries and payroll taxes	2,752,661	15,446,027
Legal and other professional fees	881,980	749,209
Management fees	9,756,993	19,279,079
Bad debt expense	1,711,501	3,715,650
Depreciation and amortization	336,280	875,596
Other operating expenses	<u>5,608,538</u>	<u>7,555,450</u>
Total operating expenses	<u>21,047,953</u>	<u>47,621,011</u>
(Loss) before litigation settlement costs, interest expense and income taxes	(932,622)	(7,693,744)
Litigation settlement costs	(1,335,000)	(2,343,022)
Interest expense	<u>(436,877)</u>	<u>(1,579,066)</u>
(Loss) before provision for state income taxes	(2,704,499)	(11,615,832)
Provision for state income taxes	<u>21,700</u>	<u>-</u>
Net (loss)	(2,726,199)	(11,615,832)
Accumulated deficit at beginning of year	(9,122,212)	(12,148,411)
Distributions to stockholders	<u>(300,000)</u>	<u>(1,685,000)</u>
Accumulated deficit at end of year	<u>\$ (12,148,411)</u>	<u>\$ (25,449,243)</u>

See notes to financial statements.

NOS COMMUNICATIONS, INC.  
 Statements of Cash Flows  
 For the years ended December 31, 1996 and 1997

	1996	1997
Operating activities:		
Net (loss)	\$ (2,726,199)	\$(11,615,832)
Adjustments to reconcile net (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	336,280	875,596
Provision for doubtful accounts	1,711,501	3,715,650
Litigation settlement costs	1,335,000	2,059,235
(Increase) decrease in assets:		
Accounts receivable	(2,078,220)	(12,438,509)
Due from other carriers	214,112	50,000
Due from former stockholder	600,000	-
Due from agents	-	(375,747)
Due from stockholders	(190,049)	(14,547)
Refundable state excise taxes	(265,000)	159,397
Due from affiliates	2,734,644	-
Other assets	(87,730)	(33,866)
Other current assets	62,479	(8,482)
Increase (decrease) in liabilities:		
Accounts payable	1,293,862	1,411,567
Accrued expenses	621,415	1,484,539
Due to affiliates	195,647	10,501,594
Due to stockholder	55,000	-
Net cash provided by (used in) operating activities	3,812,742	(4,229,405)
Investing activities:		
Capital expenditures and net cash (used in) investing activities	(1,122,220)	(494,495)
Financing activities:		
Payments on notes payable	(2,129,584)	(3,713,188)
Proceeds from revolving line of credit	-	54,280,820
Repayments on revolving line of credit	-	(41,924,008)
Principal payments on capital lease obligations	(197,975)	(787,559)
Distributions to stockholders	(300,000)	(1,685,000)
Net cash provided by (used in) financing activities	(2,627,559)	6,171,065
Net increase in cash	62,963	1,447,165
Cash at beginning of year	46,535	109,498
Cash at end of year	\$ 109,498	\$ 1,556,663
Supplemental cash flow information:		
Interest paid	\$ 426,581	\$ 1,365,187
Supplemental schedule of noncash investing and financing activities:		
Capital lease obligations incurred	\$ 814,223	\$ 679,649

See notes to financial statements.

NOS COMMUNICATIONS, INC.  
Notes to Financial Statements  
December 31, 1996 and 1997

Note 1 - Significant Accounting Policies

(a) Principal Business Activity

The Company is engaged in the business of reselling domestic and international long distance telephone service throughout the United States. The Company has agreed to purchase at least 95% of its telecommunications requirements from a single network provider.

In February 1996, the Telecommunications Act of 1996 was signed into law. Included in this Act is a provision whereby long-distance phone companies will be allowed to operate in local markets and local telephone companies, such as the Regional Bell Companies, will be able to operate in long-distance markets.

The Company's business is subject to the rules and regulations of the Federal Communications Commission (FCC). Presently, the FCC is reviewing, among other items, detariffing, access charge reforms and universal service contributions. The effects upon the industry and the Company, in particular, are indeterminable at this time.

(b) Property and Equipment

Depreciation is computed using the straight-line method over the estimated useful lives of the assets which range between five and seven years. Repairs and maintenance which do not materially extend the life of the asset are expensed as incurred. Leasehold improvements are amortized over the life of the lease. For income tax reporting purposes, depreciation is calculated by accelerated methods.

(c) Revenue Recognition

Revenues are recognized when transmission services are provided and are recorded based upon call units processed at tariffed rates.

(d) Income Taxes

The Company has elected to be taxed under the provisions of the Subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay federal corporate income taxes on its taxable income. Instead, the stockholders are liable for individual federal income taxes on their respective shares of the Company's taxable income. The Company does business in several states that do not recognize "S" Corporations.

NOS COMMUNICATIONS, INC.  
Notes to Financial Statements (Continued)  
December 31, 1996 and 1997

Note 1 - Significant Accounting Policies (Continued)

(e) Employee Benefit Plans

During 1996 and 1997, the Company offered a defined contribution retirement plan to its employees. Under this plan, eligible employees may contribute a percentage of their base salary, subject to certain limitations. The Company made no contributions to this plan.

(f) 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 periods. Actual results could differ from those estimates.

(g) Concentration of Credit Risk

Financial instruments that subject the Company to concentrations of credit risk include cash and trade accounts receivable. The Company maintains accounts at several high-quality financial institutions. While the Company attempts to limit any financial exposure by maintaining accounts at several banks, its deposits, at times, may exceed federally insured limits. The Company has not experienced any losses on such accounts. Concentration of credit risk related to trade accounts receivable is limited because of the large number of customers included in its customer base.

(h) Reclassifications

Certain reclassifications have been made to the 1996 financial statements to conform to the current year's presentation.

Note 2 - Related Party Transactions

An affiliated entity owned by identical stockholder interests provides management services to the Company pursuant to an agreement which expires on December 31, 2000. The cost to the Company of such services amounted to \$9,756,993 and \$19,279,079 for the years ended December 31, 1996 and 1997, respectively.

At December 31, 1996 and 1997, the Company was indebted to affiliates in the amount of \$7,567,276 and \$18,068,870, respectively.



NOS COMMUNICATIONS, INC.  
Notes to Financial Statements (Continued)  
December 31, 1996 and 1997

Note 3 - Due to and from Stockholders

The Company is indebted to a stockholder in the principal amount of \$180,000 at December 31, 1996 and 1997. The note bears interest at 10% per annum, and is payable on demand. At December 31, 1996 and 1997, a stockholder owed the Company \$190,049 and \$204,596 respectively. The note bears interest at 8% per annum, and is due on demand.

Note 4 - Line of Credit

On December 31, 1996, the Company and certain affiliated entities entered into a line of credit providing for maximum borrowings of \$7,500,000. The line of credit is collateralized by receivables, customer contracts, and other specified collateral. The original agreement term was two years with automatic one year renewals and is cancelable by either party at the end of the original term or any renewal year thereafter. Interest accrues on the daily unpaid principal balance at an annual rate of prime plus 4.5 percent.

The agreement limits distributions to stockholders and other items and requires that the borrowers maintain a specified minimum combined net worth. Additionally, aggregate total liabilities may not exceed a specified maximum amount. The line of credit was unused at December 31, 1996.

During 1997, the Company and certain affiliated entities refinanced the line of credit with a \$14,500,000 revolving line of credit. The original term is three years subject to automatic and continuous renewal, for successive additional terms of one year each, and is cancelable by either party at the end of the original term or any renewal period thereafter. The line of credit is collateralized by receivables, customer contracts and other specified collateral. Interest accrues on the daily unpaid principal balance at an annual rate of prime plus 3.25%. The financing agreement imposes certain restrictive covenants on the Company, which include periodic reporting to the lender and a specified minimum combined net worth. The balance at December 31, 1997 was \$12,017,032.

In August 1997, the Company and certain affiliated entities obtained a \$500,000 line of credit to be used for the purchase of equipment. The line expires on July 31, 2000. All advances on the line are payable in 36 equal monthly installments commencing on the first day of the month following the advance. The line is secured by the equipment purchased. Interest accrues at an annual rate of prime plus 3.25%. The balance at December 31, 1997 was \$339,780.

NOS COMMUNICATIONS, INC.  
Notes to Financial Statements (Continued)  
December 31, 1996 and 1997

Note 5 - Long-Term Debt

Long-term debt at December 31, 1996 and 1997 consisted of the following:

	<u>1996</u>	<u>1997</u>
Loan payable to network provider; interest at 9% to September 1997 and 16% thereafter; due in monthly installments through March 1998	\$3,609,844	\$ 546,221
Litigation settlements due in varying monthly installments through 2000, with interest at 6% to 5% or 12% imputed, as appropriate	1,335,000	2,805,959
Capital lease obligations, with interest at 10.5% to 18%	616,248	508,341
Other	<u>285,962</u>	<u>224,670</u>
	5,847,054	4,085,191
Less: portion due within one year	<u>4,133,656</u>	<u>2,187,505</u>
	<u>\$1,713,398</u>	<u>\$1,897,686</u>

At December 31, 1997, long-term debt maturities are tabulated as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
1998	\$2,187,505
1999	1,226,891
2000	670,795

NOS COMMUNICATIONS, INC.  
Notes to Financial Statements (Continued)  
December 31, 1996 and 1997

Note 6 - Commitments

(a) Leases

The Company rents office space in Las Vegas, NV under a noncancelable operating lease that expires on June 30, 1999, and is guaranteed by a major stockholder. Rent expense under this operating lease was \$194,761 and \$342,746, respectively, for the years ended December 31, 1996 and 1997. The Company also leases computer and telephone equipment under capital leases. Such capitalized equipment amounted to \$1,111,170 and \$1,820,527 with accumulated depreciation of \$229,579 and \$807,856 at December 31, 1996 and 1997 respectively.

Minimum future rental payments under these leases are tabulated as follows:

<u>Years Ending December 31,</u>	<u>Operating Leases</u>	<u>Capital Leases</u>
1998	\$612,578	\$495,704
1999	291,900	150,828
2000	-	<u>6,582</u>
Total minimum rentals	<u>\$904,478</u>	653,114
Less: interest and other costs		<u>144,773</u>
Present value of minimum lease payments		508,341
Less: portion due within one year		<u>383,350</u>
Portion due after one year		<u>\$124,991</u>

(b) Employment Agreements

As part of the ordinary course of business the Company has employment agreements with certain key individuals.

NOS COMMUNICATIONS, INC.

Financial Statements

Years Ended December 31, 1994 and 1995

**BT&CO.**

**BUCHBINDER TUNICK & COMPANY LLP**

CERTIFIED PUBLIC ACCOUNTANTS

11921 ROCKVILLE PIKE • SUITE 200 • ROCKVILLE, MD 20852-2745

301-770-9110 • FAX 301-881-3899

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

To the Stockholders of  
NOS Communications, Inc.

We have audited the accompanying balance sheets of NOS Communications Inc. as of December 31, 1994 and 1995, and the related statements of operations and (accumulated deficit) and cash flows for the years 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 audits.

We conducted our audits 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 audits provide 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 NOS Communications, Inc. as of December 31, 1995 and 1994, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

*Buchbinder Tunick & Company LLP*

BUCHBINDER TUNICK & COMPANY LLP

April 18, 1996



NOS COMMUNICATIONS, INC.  
Balance Sheets

ASSETS

	December 31,	
	1994	1995
Current assets:		
Cash (Notes 2 and 6)	\$ 99,305	\$ 46,535
Accounts receivable, net of allowance for doubtful accounts of \$632,179 in 1994 and \$433,093 in 1995 (Note 2)	6,239,047	5,091,942
Due from other carrier	-	264,112
Due from affiliates (Note 4)	494,412	2,734,644
Other	<u>-</u>	<u>67,455</u>
Total current assets	<u>6,832,764</u>	<u>8,204,688</u>
Property and equipment, at cost (Note 2):		
Property and equipment	2,580	17,093
Leasehold improvements	<u>16,581</u>	<u>16,581</u>
	19,161	33,674
Less: accumulated depreciation and amortization	<u>2,905</u>	<u>5,805</u>
Net property and equipment	<u>16,256</u>	<u>27,869</u>
Due from former stockholder, net of allowance of \$ 0 in 1994 and \$ 240,000 in 1995 (Note 5)	<u>840,000</u>	<u>600,000</u>
Total assets	<u>\$7,689,020</u>	<u>\$8,832,557</u>

See notes to financial statements.

NOS COMMUNICATIONS, INC.  
Balance Sheets

LIABILITIES AND STOCKHOLDERS' DEFICIENCY

	December 31,	
	<u>1994</u>	<u>1995</u>
Current liabilities:		
Accounts payable	\$5,591,942	\$4,742,420
Accrued expenses	1,763,472	660,862
Due to affiliates (Note 4)	5,429,348	6,788,423
Litigation settlement payable (Note 3)	3,719,100	-
Due to stockholder (Note 7)	125,000	125,000
Accrued income taxes (Note 2)	-	28,000
Current portion of note payable (Note 8)	<u>-</u>	<u>3,331,207</u>
Total current liabilities	<u>16,628,862</u>	<u>15,675,912</u>
Long-term portion of note payable (Note 8)	<u>-</u>	<u>2,278,657</u>
Total liabilities	<u>16,628,862</u>	<u>17,954,569</u>
Commitments and contingencies (Notes 8 and 9)		
Stockholders' deficiency:		
Common stock, no par value, 1,000 shares authorized, shares issued and outstanding	200	200
(Accumulated deficit)	<u>(8,940,042)</u>	<u>(9,122,212)</u>
Total stockholders' deficiency	<u>(8,939,842)</u>	<u>(9,122,012)</u>
Total liabilities and stockholders' deficiency	<u>\$7,689,020</u>	<u>\$ 8,832,557</u>

See notes to financial statements.

**NOS COMMUNICATIONS, INC.**  
**Statements of Cash Flows**

	<u>1994</u>	<u>1995</u>
Net cash provided by (used in) operating activities:		
Net (loss)	\$(9,149,275)	\$(166,170)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,555	2,900
Provision for doubtful accounts	1,582,337	3,828,151
(Increase) decrease in assets:		
Accounts receivable	(4,831,649)	(2,441,046)
Due from other carriers	-	(264,112)
Due from former stockholders	(840,000)	-
Due from affiliates	(347,110)	(2,240,232)
Other current assets	-	(67,455)
Increase (decrease) in liabilities:		
Accounts payable	4,307,438	(849,522)
Accrued expenses	1,177,399	(1,102,610)
Due to affiliates	4,859,828	1,359,075
Litigation settlement payable	3,719,100	(3,719,100)
Accrued income taxes	-	28,000
Net cash provided by (used in) operating activities	<u>479,623</u>	<u>(5,632,121)</u>
Net cash (used in) investing activities:		
Capital expenditures and net cash (used in) investing activities	<u>(13,251)</u>	<u>(14,513)</u>
Net cash provided by (used in) financing activities:		
Proceeds from issuance of note payable	(125,000)	5,752,137
Repayment of note payable	-	(142,273)
Distributions to stockholders	<u>(268,300)</u>	<u>(16,000)</u>
Net cash provided by (used in) financing activities	<u>(393,300)</u>	<u>5,593,864</u>
Net increase (decrease) in cash	73,072	(52,770)
Cash at beginning of year	<u>26,233</u>	<u>99,305</u>
Cash at end of year	<u>\$ 99,305</u>	<u>\$ 46,535</u>
Supplementary cash flow information:		
Interest paid	\$ -	\$ 5,173

See notes to financial statements.



NOS COMMUNICATIONS, INC.  
Notes to Financial Statements  
December 31, 1994 and 1995

Note 1 - Reorganization under Bankruptcy Proceedings

On January 27, 1995, NOS Communications, Inc. (the Company) and its related entity, Affinity Network, Inc. (ANI) (collectively "the debtors") filed voluntary petitions under Chapter 11 of the Bankruptcy code. The debtors developed a plan of reorganization that reduced the workforce, as well as duplicative administrative and regulatory functions. Additionally, post-petition, the debtors implemented new cash management systems and additional financial controls. The carrying amounts of assets and liabilities were unaffected by the proceedings, however, liabilities are presented according to the status of the creditors at December 31, 1994.

The debtors emerged from bankruptcy on October 23, 1995. Unsecured creditor claims prior to bankruptcy, (exclusive of American Telephone & Telegraph and WorldCom), totaled \$2,110,167, of which \$415,527 remains to be paid at December 31, 1995.

Note 2 - Significant Accounting Policies

Principle Business Activity

The Company is engaged in the business of reselling domestic and international long-distance telephone service throughout the United States.

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 periods. Actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments that subject the Company to concentrations of credit risk include cash and trade accounts receivable. The Company maintains accounts at several high-quality financial institutions. While the Company attempts to limit any financial exposure by maintaining accounts at several banks, its deposits, at times, may exceed federally insured limits. The Company has not experienced any losses on such accounts. Concentration of credit risk related to trade accounts receivable is limited because of the large number of customers included in its customer base.

Revenue Recognition

Revenues are recognized when transmission services are provided and are recorded based upon minutes of traffic processed and contracted rates.

Note 2 - Significant Accounting Policies (Continued)

Accounts Receivable

An allowance for doubtful accounts is computed based upon historical experience. Bad debt expense for the years ended December 31, 1994 and 1995 were \$1,582,337 and \$3,828,151, respectively.

Property and equipment

Depreciation is computed using an accelerated method over the estimated useful lives of the assets. The estimated useful lives of the assets range between 5 and 7 years. Repairs and maintenance which do not materially extend the life of the assets are expensed as incurred. Leasehold improvements are amortized over the life of the lease.

Income taxes

The Company has elected by unanimous consent of its stockholders to be taxed under the provisions of Subchapter S of the Internal Revenue Service Code. Under those provisions, the Company does not pay federal corporate income taxes on its taxable income. Instead, the stockholders are liable for individual federal income taxes on their respective shares of the Company's taxable income. The Company does business in several states that do not recognize "S" Corporation. An estimated tax liability has been recognized for these states.

Financial Instruments

The carrying amount of cash, trade accounts receivable, other current assets, trade accounts payable, and accrued expenses approximate fair market value because of the short maturity of those instruments. Estimating the fair value of substantially all other financial instruments would involve incurring excessive costs and, accordingly, was not practical.

Reclassifications

Certain reclassifications have been made to the prior year's financial statements to conform to the current year's presentation.

NOS COMMUNICATIONS, INC.  
Notes to Financial Statements (Continued)  
December 31, 1994 and 1995

Note 3 - Litigation

The Company was party to a customer agreement with American Telephone & Telegraph (AT&T) to resell interstate and international long distance telecommunications to business customers. During the term of the contract, the Company determined AT&T had submitted inaccurate and excessive invoices to it, including the omission of certain credits that it had earned under the contract, and violated the Communications Act of 1933. The Company believed that the disputed charges were improperly and unlawfully billed to it and that it did not owe such amounts to AT&T. Accordingly, it withheld payment of such charges and did not record the related liability on its financial statements.

In April, 1992, ANI filed a claim with the United States District Court, District of California, against AT&T. In October, 1992, AT&T filed a cross complaint against NOS and NOS countersued. In June, 1995, AT&T and NOS and ANI entered into a settlement agreement. In full and complete settlement satisfaction of its prepetition claims, AT&T received \$4,830,000 on October 23, 1995, the date the entities emerged from bankruptcy. Both entities were jointly and severally liable, and, as such, the settlement agreement did not specify an allocation between the companies of the amount due. Therefore, for reporting purposes, allocation of the settlement between the entities was estimated based upon the original amounts claimed by AT&T. Accordingly, NOS recorded a liability and related expense of \$3,719,100 at December 31, 1994. NOS relieved ANI of \$226,672 of the amount due to AT&T, since NOS made the payment on behalf of ANI.

Note 4 - Related Party Transactions

The Company is a party to various transactions with affiliated entities whose ownership interests are similar to that of its stockholders. Pursuant to an independent network agreement, the Company received telecommunications services from one such affiliate, ANI in 1994. The total expense related to these services, included in direct expenses on the Statement of Operations, was \$2,161,562 in 1994. ANI canceled this contract effective January 1, 1995, thus there was no expense for this service in 1995.

NOSVA provides management services to the Company pursuant to an agreement which expires on June 17, 1997. The cost of such services amounted to \$7,881,063 and \$8,889,298 for the years ended December 31, 1994 and 1995, respectively.

Additionally, the Company rents its office premises from another affiliated entity on a month to month basis. Rent expense for the year ended December 31, 1994 and 1995 amounted to \$93,763 and \$65,159, respectively.

Note 5 - Arbitration Award

In 1993, a former sales agent for the Company claimed a loss of profits from commissions as a result of its failure to place customers into service. As a result of arbitration held before the American Arbitration Association, the sales agent was awarded damages of \$1,140,000. This amount was paid during 1995.

Pursuant to the terms of the agreement whereby the Company's former stockholders sold their equity interest to its current stockholders, the former stockholders are responsible for \$840,000 of the commissions. An allowance of \$240,000 was reserved against this receivable in 1995. In management's opinion, this allowance is adequate. Accordingly, the accompanying balance sheet reflects both the amount due from former stockholders and the arbitration award payable. Operations for the year ended December 31, 1994 have been charged with the net commission expense of \$300,000.

Note 6 - Escrow Arrangements

NOS and its related entities, ANI and NOSVA, have entered into an escrow agreement with WorldCom, Inc. (WorldCom) whereby the collected funds of NOS and its related entities are deposited daily into an escrow account, which is included in cash. WorldCom is the provider of network capacity. The escrow agent transfers 55% of such funds to the WorldCom operation account and the remainder to NOS and its related entities.

Note 7- Note Payable

The Company is indebted to a stockholder in the principal amount of \$125,000. The note bears interest at 10% per annum, and is payable on demand.

Note 8 - Network Agreement

On May 25, 1995, the Company entered into a new agreement with WorldCom, whereby the parties agreed upon the following:

1. The WorldCom prepetition claims against NOS and its related entities were determined to be \$6,082,633 and all the related entities shall be jointly and severally liable. This liability shall bear interest at 9% per annum commencing on October 23, 1995, the effective date of the reorganization plan and the liability and related interest shall be payable in 24 equal monthly installments of \$277,884, with the first payment made in October 1995.
2. NOS, ANI and NOSVA agreed to purchase at least 95% of their new telecommunications service requirements from WorldCom in areas where WorldCom provides such services, as long as the Companies owe any balance to WorldCom under the terms of the note payable.
3. All WorldCom invoices to NOS, ANI and NOSVA for services provided subsequent to January 27, 1995 shall be paid in full no later than the final due date, as defined, which is currently 59 days terms.

For reporting purposes, NOS has recognized \$5,752,137 as its share of the note payable to WorldCom.

Note 9 - Contingencies

On October 27, 1995, certain minority shareholders of ANI filed a complaint against the Company shareholders, and the Company, and another affiliate ("the defendants") alleging that the defendants engaged in a series of transactions that benefited the defendants at the expense of ANI. The outcome and financial effect, if any, is unknown at this time.

Additionally, a collection agency asserts a claim against NOS and its related entities in excess of one million dollar based upon a purported agreement. The Company strongly denies the contention and believes, in fact, that the collection agency may be indebted to the Company. The outcome and financial effect, if any, is unknown at this time.

On April 5, 1996, the Company entered into a master equipment lease whereupon it can lease up to \$500,000 of equipment. As of April 18, 1996, the line was unused.

NOS COMMUNICATIONS, INC.  
Notes to Financial Statements (Continued)  
December 31, 1994 and 1995

Note 10 - Telecommunications Act of 1996

In February, 1996, the Telecommunications Act of 1996 was signed into law. Included in this Act is a provision in whereupon long-distance phone companies will be allowed to operate in local markets and local telephone companies (such as the Regional Bell Companies) will be able to operate in long-distance markets. The effect, if any, upon the Company is unknown at this time.

Attachment 2 (Cont'd)

**18.B.C. Managerial and Technical Capability**

NOS, a provider of international, interstate, and intrastate interexchange services in 47 states, has an experienced and capable management staff. Resumes of the NOS employees and officers responsible for running the company are attached.

As a reseller, NOS will rely on its underlying facilities-based local exchange carrier for the technical maintenance of the facilities used to provide service to its customers.

**JOE KOPPY**  
**PRESIDENT**  
**NOS COMMUNICATIONS, INC.**

**Executive Summary**

President – NOS Communications, Inc. (11/95 to present)

Mr. Kopyy currently serves as President of NOS Communications. He is responsible for developing financial budgets and forecasts, participates in the negotiations of all contracts and agreements and maintains relationships with financial institutions and other vendors. He manages information systems, billing, collections, human resources, accounting and finance and general telecommunications for NOS. Mr. Kopyy joined NOS in 1995 as Chief Financial Officer and was subsequently promoted to his current position.

Vice President – IDB Mobile Communications, Inc. (9/91 to 11/95)

- Responsible for all accounting, finance, information systems, human resources and office administration functions of IDB Mobile Communications, a satellite communications provider
- Represented IDB Mobile internationally as a member of a joint venture (UK, Canada, Hong Kong and CIS), as well as various committees for INMARSAT (UK)
- Financial point of contact with all major long distance carriers including AT & T, Sprint, Teleglobe, British Telecom, Telsira and Hong Kong Telecom

Audit Manager – Price Waterhouse (9/84 to 9/91)

- Responsible for all phases of audit engagement including initial client contact, fee estimation, budget and planning process, the audit, coordination with predecessor auditors, attorneys and underwriters and filings with the SEC

Education

Washington State University (1980 – 1984)  
BA – Accounting



**RANDY LEMMO  
VICE PRESIDENT OF OPERATIONS  
NOS COMMUNICATIONS, INC.**

**Executive Summary**

**Vice President of Operations, NOS Communications, Inc. (3/98 to present)**

Mr. Lemmo currently serves as Vice President of Operations at NOS Communications. He is responsible for the day to day operations, which includes Provisioning, Data Entry, Quality Assurance, Reject Resolutions, and Customer Care.

**Director of Operations, UStel, Inc. (7/93 – 8/95 & 9/96 – 3/98)**

- Responsible for day to day operations which included Customer Care, Dedicated Service Provisioning and Switched Access Provisioning
- Implemented Feature Group D Sub-CIC project for Wholesale accounts. Worked closely with Local Exchange Carriers and Wholesale Service Provider to insure smooth network transition.
- Responsible for Network CIC Deployment for California Base of Customers to Partitioned DMS Switch.
- Responsible for establishing Customer Care Service Center Policies and Procedures.

**Dedicated Services Manager, WCT Communications, Inc (1991 – 1993)**

Responsible for Provisioning of Dedicated Service orders for high volume direct sales channels as well as wholesale reseller customers. Developed and maintained departmental policies and procedures with regards to service establishment and interaction between Customer's equipment service provider and company technicians. Ultimately responsibilities increased to include direct supervision of Outside Service Technicians within the state of California.

**Supervisor, Local Service Consulting Group, PCT, Inc. (1990-1991)**

Responsible for providing value added proposals to existing long distance customers, to include auditing local services provided by various local exchange customers nationwide. Ultimately provided consulting services for local products to include Centrex, equipment and general Local Exchange Carrier Products and Services.

**Education**

Ohio University, Athens, Ohio (1986-1989)  
BS – Communications, Corollary Studies in Interpersonal Communications & Management.

**NATE BROWN**  
**VICE-PRESIDENT OF INFORMATION SYSTEMS**  
**NOS COMMUNICATIONS, INC.**

## **Executive Summary**

### Vice-President of Information Systems – NOS Communications, Inc. (09/97 to present)

Mr. Brown currently serves as Vice-President of Information Systems. He is responsible for providing all corporate IT services and support. He oversees all modifications to existing and new internal software, applications and processes and ensures a 24/7/365 computing environment. He develops and/or assesses new projects, products and services and specifies I.S. project plans to ensure results are delivered in a timely manner. He hires, trains, evaluates and supervises all I.S. management staff. He meets regularly with the CEO, President, and Departmental VPs to define IS strategies.

### Technical Consultant. MCI Business Markets Product Development (Contracted via Intech, Inc.) (02/97 to 09/97)

- Managed full SDLC of integrated messaging product under development by more than twenty IT and Engineering groups
- Facilitated Joint Application Development
- Converted Marketing requirements into a technical requirements document and ensured requirements were fully met by IT and Engineering groups
- Defined/designed business processes and business rules for entire product functionality including Order Entry, Fulfillment, Account Management, Convergent Billing, etc.
- Managed outside vendor relationships

### Consultant. BEA MAURER, INC. (10/96 to 02/97)

- Designed and implemented class-based business system for the engineering, production and shipping departments
- Migrated twenty-five user Novell 3.12 network to NT 4.0 Server with new topology and protocol
- Implemented software-based proxy server to allow secure dial-up Internet access and e-mail for all users
- Designed custom document management application to maintain version control of all documents in accordance with ISO-9000 specifications
- Evaluated and recommended industry-specific manufacturing software applications
- Developed home page

### Director of Information Systems Development. NOS Communications (12/93 to 10/96)

- Supported the business objectives of the Accounting, Accounts Receivable, Administration, Billing, Customer Service, Provisioning, Sales and Quality Assurance departments by providing IT services
- Responsible for an extensive set of integrated mission-critical applications supporting 100+ concurrent users
- Oversaw administration of database containing gigabytes of on-line data contained in 200+ tables with a 5-10% per month growth rate
- Achieved 99% up-time with all mission-critical applications
- Designed and Implemented in-house Accounts Receivable management systems which increased collection results by more than 15% and managed several million dollars in monthly receivables
- Supervised the design, development and implementation of an off-site telemarketing application servicing 100+ telemarketers with fax servers supporting thousands of outbound faxes daily
- Interfaced with long-distance providers, regional bell companies, billing service providers, Bellcore, etc.
- Recommended hardware and software purchases; defined budgets
- Hired, trained, supervised and evaluated Programmer Analysts using various development languages

### Education

B.S., Communications, Virginia Tech 1989

**DARRELL OVERTURF**  
4350 Boulder Hwy, Rm 226  
Las Vegas, NV 89121  
(702) 434-9900/hm (702) 547-8768/wk

#### AREAS OF EXPERIENCE

- Production level development, testing and implementation of traffic analysis and billing utilities.
- Problem identification and resolution utilizing necessary personnel, software and references.
- Extensive use of SQL and Xbase utilities for research into and correction of data issues.
- Documentation of various billing systems and functions using MS Office utilities.

#### WORK EXPERIENCE

Jun 97 – Jun 98 *Citizens Communications, Sr. Billing Analyst; Dallas, TX*

- Developed, tested and implemented reconciliation procedures for local and long distance billing platforms.
- Test case development and user acceptance testing for incoming "Convergent Billing Platform."
- Fulfill capacity as Billing and Collections Agreement coordinator for Revenue Operations.
- Extensive project management and coordination experience.
- System and switch level monthly trending analysis for local and long distance traffic.
- Data research using SQL and SAS based query utilities.
- Involvement with various industry aspects: access, switching, polling, trending and billing.
- Served as acting supervisor.

Dec 94 – Jun 97 *Digital Communications of America, IS Technical Services Analyst; Oklahoma City, OK*

- Ensured accurate and timely completion of entire billing operation of 300 million messages per month.
- Quality Assurance level testing and problem isolation for billing software and data structures.
- Served as lead for a four-member team to accomplish monthly billing operation.
- Interfaced directly with client, network analysts, programmers and upper management to resolve issues.
- Managed, trained and established work schedules for personnel and billing operation.

Jun 92 – Dec 94 *United States Attorney's Office, Administrative Technician; Oklahoma City, OK*

- Generated case files and statistical reports using CICS based Prime Database System.
- Acted as liaison between office, other government agencies and the public.
- Extensive use of WordPerfect 5.1 and multimedia applications.

**SKILLS & ABILITIES** Exceptional analytical and problem solving skills as dictated by business needs  
Strong oral and written communication skills.  
Learn new tasks quickly with attention to detail.

**EDUCATION** University of Central Oklahoma; Edmond, OK  
Computer Science, B.S., Jan 94 – Dec 96

University of Oklahoma; Norman, OK  
Electrical Engineering, Jan 91 – Dec 93

Allan Hancock College; Santa Maria, CA  
Engineering, Feb 89 – Dec 91

#### SOFTWARE EXPERIENCE

- Operating Systems: AS400, MS-DOS, Novell Netware, Windows 3.x, Windows NT and Windows 95.
- Connectivity Software: Netscape Communicator, PC Anywhere and WinFrame Client.
- Multimedia: Access 97, Word 97, Excel 97, PowerPoint 97 and Crystal Reports.
- Programming: SQL, SAS, C, Xbase, COBOL, BASIC, FORTRAN and Pascal.

#### MILITARY INFORMATION

- Honorable Discharge
- E4; Refrigeration and Air Conditioning Specialist, U.S. Air Force
- Service Dates: Aug 88 – Jan 92

**Candace L. Vail**  
**Customer Care Manager**  
**NOS Communications, Inc.**

**Management Summary**

Customer Care Manager – NOS Communications, Inc. (8/96 to present)

Ms. Vail currently serves as Customer Care Manager of NOS Communications. She is responsible for the operations of customer care representatives in an inbound call center. She supervises the Maintenance Department, Administration and the Credit Auditing Department. She is responsible for maintaining acceptable levels of customer service via call monitoring/coaching feedback and employee development. Additional responsibilities cover supervision maintaining a consistent approach in the implementation of company policies effecting account management. Ms. Vail joined NOS in 1996 as a Network Analyst/Sales Representative and has been continuously promoted to management positions in Sales and Call Quality to her current position of Customer Care Manager. She now manages a department of 70 customer care representatives who interface directly with customers on a 7-day a week, 24-hour day basis.

Lead Training Instructor – U S West Communications (12/90 – 7/96)

- Responsible for the development and implementation of training material provided by U S West communications product managers.
- She condensed the Product and USOC Procedures Manual to fit the need of the specialized small business group. This also created higher work efficiency the inbound/outbound call center.
- Point of contact on floor coaching procedures to increase productivity and professional representation of new products.
- Ms. Vail managed the small business group as a Team Manager when Direct Marketing Manager not available. She audited customer orders and maintained productivity reports. Her other duties included customer complaints, and credit authorization.
- She implemented, trained and supervised a special small business in house task force who worked with an outside telemarketing agency. She was the official contact to the outside vendor who sold additional lines, stand-by lines and class and custom features in a 14-state region campaign. The project was so successful that the Project Managers elected to continue this promotion for an additional 3 weeks.
- Ms. Vail joined U S West Communications in 1990 as an outbound sales agent and was subsequently promoted to the positions of Team Leader /Lead Trainer.

Attachment 3

Proposed Tariff

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TITLE SHEETFLORIDA TELECOMMUNICATIONS PRICE LIST

This price list contains the description, regulations, and rates applicable to the furnishing of service and facilities for alternative local exchange telecommunications services provided by NOS Communications, Inc. ("NOS"), with principal offices located at 4380 Boulder Highway, Las Vegas, Nevada 89121. This price list applies for services furnished within the State of Florida. This price list 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: June 30, 1998

EFFECTIVE: \_\_\_\_\_

By: NOS Communications, Inc.  
4380 Boulder Highway  
Las Vegas, NV 89121

CHECK SHEET

The sheets list below, which are inclusive 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 and are currently in effect as of the date at 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
19	Original
20	Original

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SYMBOLS

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

D - Delete or Discontinue

I - Change Resulting In An Increase to A Customer's Bill

M - Moved from Another Price List Location

N - New

R - Change Resulting In A Reduction to A Customer's Bill

T - Change in Text or Regulation But No Change in Rate or Charge

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**PRICE LIST 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 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 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 cancels the 3rd revised Sheet 14. Because of the various suspension periods, deferrals, etc. the FPSC follows in their price list approval process, the most current sheet number of 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:

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

D. **Check Sheets** - When a price list filing is made with the FPSC, 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 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 price list 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 to both prevent unauthorized access to its facilities and to identify the customer for billing purposes.

**Company or Carrier** - NOS Communications, Inc.

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

**Exchange** - The entire telephone plant and facilities used in providing telephone service to subscribers located in the exchange area.

**Intra-state Toll Messages** - Those toll messages which originate and terminate within the same state.

**Message** - A completed telephone call.

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**SECTION 2 - RULES AND REGULATIONS****2.1 Undertaking of Company**

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

The Company installs, operates, and maintains the communications services provided herein in accordance with the terms and conditions set forth under this price list. 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 arrangement.

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 a week.

The selling of ALEC telecommunication service to uncertificated ALEC resellers is prohibited.

**2.2 Limitations**

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

2.2.2 The Company reserves the right to discontinue furnishing service, or to 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 price list.

2.2.3 All facilities provided under this price list 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.

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**SECTION 2 - RULES AND REGULATIONS (Cont'd)****2.2 Limitations (Cont'd)**

- 2.2.4 Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this price list 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 as an ALEC from the Florida Public Service Commission.

**2.3 Liabilities of the Company**

- 2.3.1 The Company's liability 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, unless ordered by the Commission.
- 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 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 Company.

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**SECTION 2 - RULES AND REGULATIONS (Cont'd)****2.4 Interruption of Service**

2.4.1 Credit allowances for interruptions of service which are not due to the Company's testing or adjusting, to the negligence of the customer, or to the failure of channels or equipment provided by the customer, are subject to the general liability provisions set forth in Section 2.3.1 herein. It shall be the customer's obligation to notify Company immediately of any service interruption for which a credit allowance is desired. Before giving such notice, 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 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 the 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

**2.5 Disconnection of Service by Carrier**

The Company (Carrier), upon five working days written notice to 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.

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**SECTION 2 - RULES AND REGULATIONS (Cont'd)****2.6 Deposits**

The Company does/does not require a deposit from its customer.

**2.7 Advance Payments**

The Company will not collect payments for service more than one month in advance.

**2.8 Taxes**

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

**2.9 Billing of Calls**

All charges due by the subscriber are payable to any agency duly authorized to receive such payments. Any objection to billed charges should be promptly reported to the Company. Adjustments to Customer's 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.

**2.10 Minimum Call Completion Rate**

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

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**SECTION 3 - BASIC SERVICE DESCRIPTION AND RATES****3.1 Exchange Service List**

Chapter 25-24.825(5), Florida Administrative Code only requires the Company to make available to staff the alternative local exchange service areas upon request.

**3.2 Network Switched Service****3.2.1 General**

Network Switched Service is provided via one or more channels terminated at the Customer's premises. Each Network Switched Service channel corresponds to one or more analog, voice-grade telephonic communications channels that can be used to place or receive one call at a time.

Network Switched Service provides a Customer with a connection to the Company's switching network which enables the Customer to:

- A. receive calls from other stations on the public switched telephone network;
- B. access the Company's local calling service;
- C. access the Company's operators and business office for service-related assistance; access toll-free telecommunications services such as 800 NPA; access 911 service for emergency calling; and
- D. access the service of providers of interexchange service. A Customer may presubscribe to such provider's service to originate calls on a direct dialed basis or to receive toll-free service from such provider, or may access a provider on an ad hoc basis by dialing the provider's Carrier Identification Code (such as 10XXX or 101XXXXX).

Basic Business or Residential Access Lines are provided for connection of Customer-provided single-line terminal equipment such as station sets or facsimile machines. A nonrecurring service connection charge applies to each new access line installation and a monthly recurring charge applies per access line.

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**SECTION 3 - BASIC SERVICE DESCRIPTION AND RATES (Cont'd)****3.2 Network Switched Service****3.2.2 Classes of Service****A. Flat Rate Service**

Monthly exchange rates for flat rate service entitle Customers to an unlimited number of messages to all exchange access lines bearing the designation of central offices within the serving exchange.

**B. Message Rate Service**

Monthly exchange rates for message rate service entitle Customers to a message allowance where there is no incremental charge per message up to and including the monthly message allowance. Messages in excess of the monthly message allowance are billed on a per call basis. Messages in excess of the monthly message allowance are \$0.10 and \$0.12 per message for Residential lines and Business lines, respectively. The monthly message allowance is 30 and 75 messages for Residential lines and Business lines, respectively.

**C. Vacation Service or Customer Requested Temporary Suspension of Service**

Vacation service allows Customers to temporarily suspend service for a minimum of one month and up to a maximum of six months. The monthly charge for this service is 50% of the normal monthly rate regularly charged to Customers that subscribe to either flat rate or message rate service in local exchange company areas. The monthly charge for this service is 72% of the normal monthly rate regularly charged to Customers that subscribe to message rate service in local exchange company areas.

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**SECTION 3 - BASIC SERVICE DESCRIPTION AND RATES (Cont'd)****3.3 Extended Area Dialing Plans**

Extended Area Dialing Plans allow Customers to extend their basic exchange service to include adjacent exchanges within a certain mile radius to be included on a calling plan.

**3.3.1 Extended Calling Service (ECS)** provides usage based pricing for Customer dialed or operator assisted calls to selected exchanges within the Customer's LATA. Residential Customers are billed a message charge. Business Customers are billed a per minute charge. Residential Customers are billed \$0.25 per message. Business Customers are billed \$0.10 for the first minute or fraction thereof, and \$0.06 for each additional minute or fraction thereof. Specific available routes are found in Bell South's and GTE's General Subscriber Service Tariff.

**3.3.2 Optional Extended Local Calling (OELC)** permits exchange Customers to place and receive unlimited toll-free calls to and from the selected exchange which is outside the Customer's normal local calling area for a flat monthly rate in addition to the applicable monthly local exchange rate. Customers who subscribe to OELC are entitled to one listing in the selected exchange directory at no charge. The directory listing will contain sufficient wording in each exchange's directory to advise callers that the OELC Customer can be called toll-free. Specific available routes and calling plan rates are found in Bell South's and GTE's General Subscriber Service Tariff.

**3.4 Calling Features**

Customers of the Company's Access Line, Trunk Service, or Centrex arrangements may obtain central office based functions which are auxiliary to call processing. The availability of these features are dependent upon the central office which services the Customer's location. The features in this section are made available on an individual basis or as part of multiple feature packages. All features are provided subject to availability; features may not be available with all classes of service. Transmission levels may not be sufficient in all cases.

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**SECTION 3 - BASIC SERVICE DESCRIPTION AND RATES (Cont'd)****3.5 Payment of Calls****3.5.1 Late Payment Charges**

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

**3.5.2 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.

**3.6 Restoration of Service**

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

**3.7 Emergency Call Exemptions**

The following calls are exempted from all charges: Emergency calls to recognizable authorized civil agencies, including police, fire, ambulance, bomb squad and poison control. NOS Communications, Inc. will only handle these calls if the caller dials all the digits to route and bill the call. Credit will be given for any billed charges pursuant to this exemption on a subsequent bill after verified notification by the billed Customer within thirty (30) days of billing.

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**SECTION 3 - BASIC SERVICE DESCRIPTION AND RATES (Cont'd)****3.8 Monthly Recurring Charges****3.8.1 Local Exchange Company #1 Area**

<u>Service Type</u>	<u>Rates</u>
Residential - Flat Rate	\$ 6.47
Residential Message Rate - Up to 30 Call Allowance	3.00
Per Call, Past the 30 Call Allowance	0.10
Residential Rotary - Flat Rate	9.98
Business - Flat Rate	15.20
Business Message Rate	N/A
Business Rotary - Flat Rate	23.27

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SECTION 3 - BASIC SERVICE DESCRIPTION AND RATES (Cont'd)**3.8 Monthly Recurring Charges (Cont'd)****3.8.2 Local Exchange Company #2 Area - Rate Groups 1-6 (BellSouth only)**

<u>Service Type</u>	<u>Rate Groups 1-6</u>					
	1	2	3	4	5	6
Residential - Flat Rate	\$ 7.30	\$ 7.70	\$ 8.10	\$ 8.40	\$ 8.80	\$ 9.15
Residential Message Rate - Up to 30 Call Allowance	4.38	4.62	4.86	5.04	5.28	5.49
Per Call - Past the 30 Call Allowance	0.10	0.10	0.10	0.10	0.10	0.10
Residential Rotary - Additional per line	3.65	3.85	4.05	4.20	4.40	4.58
Business - Flat Rate	19.80	20.80	21.90	22.90	23.85	24.90
Business Message Rate - Up to 75 Call Allowance	14.71	15.46	16.29	17.04	17.75	18.54
Per Call - Past the 75 Call Allowance	0.12	0.12	0.12	0.12	0.12	0.12
Business Rotary - Additional Per Line	6.50	6.83	7.19	7.52	7.83	8.17

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SECTION 3 - BASIC SERVICE DESCRIPTION AND RATES (Cont'd)**3.8 Monthly Recurring Charges (Cont'd)****3.8.2 Local Exchange Company #2 Area - Rate Groups 7-12 (BellSouth only)**

<u>Service Type</u>	<u>Rate Groups 7-12</u>					
	1	2	3	4	5	6
Residential Flat Rate	\$ 9.50	\$ 9.80	\$ 10.05	\$ 10.30	\$ 10.45	\$ 10.65
Residential Message Rate - Up to 30 Call Allowance	5.70	5.88	6.03	6.18	6.27	6.39
Per Call - Past the 30 Call Allowance	0.10	0.10	0.10	0.10	0.10	0.10
Residential Rotary - Additional Per Line	4.75	4.90	5.03	5.15	5.23	5.33
Business Flat Rate	25.75	26.60	27.40	28.00	28.60	29.10
Business Message Rate Up to 75 Call Allowance	19.18	19.81	20.41	20.86	21.31	21.69
Per Call - Past the 75 Call Allowance	0.12	0.12	0.12	0.12	0.12	0.12
Business Rotary - Additional Per Line	8.45	8.73	9.00	9.19	9.39	9.55

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**SECTION 3 - BASIC SERVICE DESCRIPTION AND RATES (Cont'd)**

**3.9 Monthly Recurring Charges**

**3.9.1 Residential Service - Per Line**

	LEC #1 Areas	LEC #2 Areas
Touch Tone	\$ 1.00	n/c
FCC Charge	3.50	3.50
Hearing and Speech Surcharge	0.12	0.12

**3.9.2 Business Service - Per Line**

	LEC #1 Areas	LEC #2 Areas
Touch Tone	\$ 1.00	n/c
FCC Charge	3.50	3.50
Hearing and Speech Surcharge	0.12	0.12

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SECTION 4 - MISCELLANEOUS SERVICES**4.1 Directory Assistance**

There is no charge for the first three calls per month to Directory Assistance. The Customer can request a maximum of two numbers per call to Directory Assistance. Call completion service is provided when the Customer requests that the Directory Assistance operator call the Directory Assistance number requested. All completed calls will be charged the Directory Assistance Call Completion Charge, in addition to any other appropriate charges. The service charges for each service are noted below:

	LEC #1 Areas	LEC #2 Areas
A. Directory Assistance	\$ 0.40	\$ 0.25
B. Directory Assistance Call Completion	0.40	0.30

**4.2 Directory Listings**

One listing, termed the initial listing, is included with each Customer's service. Additional listings are confined to the names of those who are entitled to use the Customer's service. Telephone numbers of non-published service are not listed in the Telephone Company's directories or on directory assistance records. Listing information (name, address and number) on non-published service is not available to the general public, notwithstanding any claim of emergency the calling party may present. Telephone numbers of non-directory listed service are omitted or deleted from the Company's alphabetical directory, however, they are carried in the Company's directory assistance and other records and are given to any calling party. The charges listed below are monthly charges and are the same for both Residence or Business Customers.

	LEC #1 Areas	LEC #2 Areas
A. Non-Published Number, per line	\$ 2.35	\$ 1.75
B. Non-Listed Number, per line	1.00	0.80
C. Additional Listing, per listing	1.25	1.20

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**SECTION 4 - MISCELLANEOUS SERVICES****4.3 Local Operator Services**

A per-call service charge applies in addition to the per minute usage rates when applicable. The service charge applies in all rate periods and is as follows:

	LEC #1 Areas	LEC #2 Areas
A. Customer Dialed Calling Card	\$ 0.75	\$ 0.75
B. Station to Station Operator Assisted, Collect, Third Party	1.00	1.00
C. Person-to-Person Operator Assisted Local Call	2.50	2.50
D. Operator Busy Verification	0.95	0.35
E. Operator Emergency Interruption	0.45	0.40

**4.4 Special Construction**

Where the Company furnishes a facility service for which a rate or charge is not specified in the Company's Price List, charges will be based on the costs incurred by the Company (including return) and may include:

- a) nonrecurring charges;
- b) recurring charges;
- c) termination liabilities; or
- d) combinations of (a), (b) and (c).

**4.5 Non-Routine Installation and/or Maintenance**

At the customer's request, installation and/or maintenance may be performed outside the Company's regular business hours, or (in the Company's sole discretion and subject to any conditions it may impose), in hazardous locations. In such cases, charges based on the cost of labor, material, and other costs incurred by or charged to the Company will apply. If installation is started during regular business hours but, at the customer's request, extends beyond 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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# HELEIN & ASSOCIATES, P. C.

ATTORNEYS AT LAW

8180 GREENSBORO DRIVE  
SUITE 700  
MCLEAN, VA 22102

(703) 714-1300 (TELEPHONE)  
(703) 714-1330 (FACSIMILE)  
mail@helein.com (EMAIL)

DEPOSIT

D 8 0 4

DATE

JUL 02 1998

WRITER'S DIRECT DIAL NUMBER:

(703) 714-1307

July 1, 1998

WRITER'S DIRECT EMAIL ADDRESS:

rharris@helein.com

## VIA OVERNIGHT DELIVERY

Florida Public Service Commission  
Division of Records and Reporting  
2540 Shumard Oak Boulevard  
Easley Building  
Tallahassee, FL 32399-0850

Re: NOS Communications, Inc.'s Application for Authority to Provide Alternative  
Local Exchange Telecommunications Service Within the State of Florida

Ladies and Gentlemen:

Enclosed are an original and six (6) copies of NOS Communications, Inc.'s ("NOS")  
Application for Authority to Provide Alternative Local Exchange Telecommunications Service  
Within the State of Florida. NOS is already a non-facilities based reseller of 1+, 800, and calling  
card interexchange telecommunications services in Florida. Also enclosed is the filing fee of  
\$250.00 made payable to the Florida Public Service Commission.

An extra copy of this filing is enclosed. Please date-stamp and return the extra copy in the  
self-addressed, stamped envelope provided. If you have any questions regarding this application

**HELEIN & ASSOCIATES, P.C.**  
8180 GREENSBORO DRIVE SUITE 700  
MCLEAN, VIRGINIA 22102

TYSONS NATIONAL BANK  
MCLEAN, VA 22102

3554

CHECK NO. 3554

PAY TWO HUNDRED FIFTY DOLLARS

DATE

07/01/98

AMOUNT

\*\*\*\*\*\$250.00

TO THE  
ORDER  
OF Florida PSC

*Donald Schneid*  
AUTHORIZED SIGNATURE

# HELEIN & ASSOCIATES, P. C.

ATTORNEYS AT LAW

8180 GREENSBORO DRIVE  
SUITE 700  
MCLEAN, VA 22102

(703) 714-1300 (TELEPHONE)

(703) 714-1330 (FACSIMILE)

mail@helein.com (EMAIL)

DEPOSIT

D 8 0 4

DATE

JUL 02 1998

WRITER'S DIRECT DIAL NUMBER:

(703) 714-1307

July 1, 1998

WRITER'S DIRECT EMAIL ADDRESS:

rharris@helein.com

## VIA OVERNIGHT DELIVERY

Florida Public Service Commission  
Division of Records and Reporting  
2540 Shumard Oak Boulevard  
Easley Building  
Tallahassee, FL 32399-0850

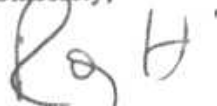
Re: NOS Communications, Inc.'s Application for Authority to Provide Alternative  
Local Exchange Telecommunications Service Within the State of Florida

Ladies and Gentlemen:

Enclosed are an original and six (6) copies of NOS Communications, Inc.'s ("NOS")  
Application for Authority to Provide Alternative Local Exchange Telecommunications Service  
Within the State of Florida. NOS is already a non-facilities based reseller of 1+, 800, and calling  
card interexchange telecommunications services in Florida. Also enclosed is the filing fee of  
\$250.00 made payable to the Florida Public Service Commission.

An extra copy of this filing is enclosed. Please date-stamp and return the extra copy in the  
self-addressed, stamped envelope provided. If you have any questions regarding this application  
please contact me at the number listed above.

Sincerely,



Rogena Harris

Enclosures

ADMINISTRATION  
MAIL ROOM

JUL 2 9 04 AM '98

RECEIVED

Check received with filing and  
forwarded to Fiscal for deposit.  
Fiscal to forward check  
to R/T with proof of deposit.  
Initials of person who forwarded check:

# HELEIN & ASSOCIATES, P. C.

ATTORNEYS AT LAW

8180 GREENSBORO DRIVE  
SUITE 700  
MCLEAN, VA 22102

(703) 714-1300 (TELEPHONE)

(703) 714-1330 (FACSIMILE)

mail@helein.com (EMAIL)

WRITER'S DIRECT DIAL NUMBER:

WRITER'S DIRECT EMAIL ADDRESS:

(703) 714-1307

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TYSONS NATIONAL BANK  
MCLEAN, VA 22102

3554

**HELEIN & ASSOCIATES, P.C.**

8180 GREENSBORO DRIVE SUITE 700  
MCLEAN, VIRGINIA 22102

CHECK NO. 3554

PAY TWO HUNDRED FIFTY DOLLARS

DATE

07/01/98

AMOUNT

\*\*\*\*\*\$250.00

TO THE  
ORDER  
OF Florida PSC

  
AUTHORIZED SIGNATURE