

GARDNER, CARTON & DOUGLAS ORIGINAL

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CHICAGO, ILLINOIS

WRITER'S DIRECT DIAL NUMBER

Russ Taylor*
(202) 408-7172
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DEPOSIT

DATE

July 2, 1998

D 8 0 5

JUL 0 6 1998

Florida Public Service Commission
Division of Administration
2540 Shumard Oak Blvd.
Gunter Building
Tallahassee, Florida 32399-0850

980822-TZ

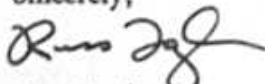
Re: One Source Communications, Inc.
Application for Authority to Resell Long Distance Services

Dear Sir or Madam:

Enclosed, on behalf of One Source Communications, Inc., are an original and six copies of its application for authority to resell long distance services within the state of Florida. Also enclosed is the requisite filing fee \$250. Finally, we have enclosed a self-addressed, stamped envelope for return of the "proof-of-filing" copy.

If you have any questions concerning this matter, please call me.

Sincerely,



Russ Taylor

Enclosures

RECEIVED
FLORIDA PUBLIC
SERVICE COMMISSION
98 JUL 6 PM 12:20
MAIL ROOM

DOCUMENT NUMBER-DATE

07070 JUL -6 98

FPSC RECORDS/REPORTING

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

- () **Facilities based carrier** - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.
- () **Operator Service Provider** - company provides or plans to provide alternative operator services for IXCs; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.
- () **Reseller** - company has or plans to have one or more switches but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.
- (X) **Switchless Rebiller** - company has no switch or transmission facilities but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carrier. Rebills end users at a rate above its discount but generally below the rate end users would pay for unaggregated traffic.
- () **Multi-Location Discount Aggregator** - company contracts with unaffiliated entities to obtain bulk/volume discounts under multi-location discount plans from certain underlying carriers. Then offers the resold service by enrolling unaffiliated customers.
- (X) **Prepaid Debit Card Provider** - any person or entity that purchases 800 access from an underlying carrier or unaffiliated entity for use with prepaid debit card service and/or encodes the cards with personal identification numbers.

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

- Original Authority (New company).
- Approval of Transfer (To another certificated company).
- Approval of Assignment of existing certificate (To an uncertificated company).
- Approval for transfer of control (To another certificated company).

3. Name of corporation, partnership, cooperative, joint venture or sole proprietorship: One Source Communications, Inc.

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

5. National address (including street name & number, post office box, city, state and zip code). 134 Water Street, Allegan, MI 49010

6. Florida address (including street name & number, post office box, city, state and zip code): 14626 N. Dale Mabry Highway, Tampa, Florida 33618

7. Structure of organization;

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

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

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

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

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

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

9. If incorporated, please give:

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

Corporate charter number: F97000003556

- (b) Name and address of the company's Florida registered agent. Tony Anderson, 10460 Roosevelt Blvd., Suite 298, St. Petersburg, FL 33716

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

Fictitious name registration number: N/A

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

(1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. No.

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

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

(a) The application;

Laura C. Mow, Esq.
Gardner, Carton & Douglas
1301 K Street, N.W.
Suite 900, East Tower
Washington, D.C. 20005
(202) 408-7205
(202) 289-1504 - FAX

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

Tony A. Anderson
One Source Communications, Inc.
10460 Roosevelt Blvd.
Suite 298
St. Petersburg, FL 33766
(813) 964-0500
(813) 964-0700 - FAX

(c) Tariff;

Laura C. Mow, Esq.
Gardner, Carton & Douglas
1301 K Street, N.W.
Suite 900, East Tower
Washington, D.C. 20005
(202) 408-7205
(202) 289-1504 - FAX

(d) Complaints/Inquiries from customers;

Tony A. Anderson
One Source Communications, Inc.
10460 Roosevelt Blvd.
Suite 298
St. Petersburg, FL 33766
(813) 964-0500
(813) 964-0700 - FAX

11. List the states in which the applicant:

- (a) Has operated as an interexchange carrier.
Michigan, Virginia, West Virginia, Arizona.
- (b) Has applications pending to be certificated as an interexchange carrier. Arizona
- (c) Is certificated to operate as an interexchange carrier. None.
- (d) Has been denied authority to operate as an interexchange carrier and the circumstances involved. None.
- (e) Has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved. None.
- (f) Has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved. None.

12. What services will the applicant offer to other certificated telephone companies: None.

- Facilities. Operators.
- Billing and Collection. Sales.
- Maintenance.
- Other: _____

13. Do you have a marketing program? Yes.

14. Will your marketing program:

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

15. Explain any of the offers checked in question 14 (To whom, what amount, type of franchise, etc.). One source will pay commissions and bonuses to sales representatives.

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

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

17. Please provide the following (if applicable):

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

(b) Name and address of the firm who will bill for your service. One Source Communications, Inc.,
134 Water Street, Allegan, MI 49010

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

A. Financial capability. See Exhibit A.

Regarding the showing of financial capability, the following applies:

The application should contain the applicant's financial statements for the most recent 3 years, including:

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

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

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

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

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

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

- B. Managerial capability. See Exhibit A.
 - C. Technical capability. See Exhibit A.
19. Please submit the proposed tariff under which the company plans to begin operation. Use the format required by Commission Rule 25-24.485 (example enclosed). See Exhibit B.

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

MTS with distance sensitive per minute rates

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

MTS with route specific rates per minute

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

MTS with statewide flat rates per minute (i.e. not distance sensitive)

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

MTS for pay telephone service providers

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

800 Service (Toll free)

WATS type service (Bulk or volume discount)

Method of access is via dedicated facilities

Method of access is via switched facilities

Private Line Services (Channel Services)

(For ex. 1.544 mbs., DS-3, etc.)

Travel Service

Method of access is 950

Method of access is 800

900 service

_____ **Operator Services**

_____ Available to presubscribed customers

_____ Available to non presubscribed customers (for example
to patrons of hotels, students in universities,
patients in hospitals.

_____ Available to inmates

Services included are:

_____ Station assistance

_____ Person to Person assistance

_____ Directory assistance

_____ Operator verify and interrupt

_____ Conference Calling


21. What does the end user dial for each of the interexchange carrier services that were checked in services included (above). Customer will dial normally to access all of One Source's services (e.g., 1+ or 1-800/888).
22. Other:

**** APPLICANT ACKNOWLEDGMENT STATEMENT ****

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

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

UTILITY OFFICIAL:



Steven G. Kull, President
One Source Communications, Inc.
134 Water Street
Allegan, MI 49010
(888) 650-5171

CERTIFICATION OF UNAUDITED FINANCIAL STATEMENTS

On behalf of One Source Communications, Inc., I hereby certify that the attached
unaudited financial statements are true and correct to the best of my knowledge.

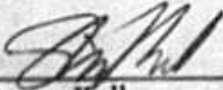


Steven Kull
President,
One Source Communications, Inc.

6/4/98
Date

STATEMENT CONCERNING DEPOSITS & ADVANCED PAYMENTS

On behalf of One Source Communications, Inc., I hereby certify that One Source will not collect deposits nor will it collect payments for service more than one month in advance.



Steven Kull
President,
One Source Communications, Inc.

6/4/98
Date

Exhibit A

Attached are financial statements, demonstrating that One Source Communications, Inc. ("One Source") has the financial capability to offer resold telecommunications services to customers in Florida. The Commission will note that some of the financial statements specify "KCI Communications, Inc." KCI Communications, Inc., a Michigan corporation previously authorized to do business in the state of Florida, recently changed its name to One Source Communications, Inc.

The Commission should also note that One Source is an affiliate of an FCC-licensed, facilities-based cellular radiotelephone telecommunications provider in the state of Michigan. One Source's affiliate, Allegan Cellular, L.P. ("Allegan"), has provided top quality wireless and other telecommunications services to consumers in Michigan for several years. Thus, One Source is technically capable of providing top-quality telecommunications services to the general public. One Source's management team currently complies with numerous FCC interstate common carrier reporting requirements. The company's qualifications are thus a matter of record before the FCC. The individual who will oversee One Source's Florida reseller activities is John Coccimiglio, the Executive Vice President. Mr. Coccimiglio has constructed two MSA and one RSA cellular systems, and established cellular billing services, customer service and sales management operations. Mr. Coccimiglio has also managed the installation service departments for Providence Journal Cellular, Century Communications, Michiana Metronet, and Kull Cellular. In addition to Mr. Coccimiglio, One Source also plans to hire an additional executive to locally direct operations in Florida.

Within the past year, Allegan entered into a credit agreement with the First Union National Bank of Virginia to borrow up to fifteen million dollars (\$15,000,000) in order to further finance an expanded offering of telecommunications services and products, including the offering by One Source of resold telecommunications services in this and other markets.

Based on the foregoing, One Source has adequate financial, technical, and managerial resources to offer resold telecommunications services in the State of Florida.

ALLEGAN CELLULAR LP
Income Statement
For the Twelve Months Ending December 31, 1997

| | Current Month | | Year to Date | |
|----------------------------------|-------------------|---------------|---------------------|---------------|
| Wholesale Revenues | | | | |
| Access Revenue | 13,615.50 | 3.23 | 80,443.33 | 1.56 |
| Local Airtime | 4,317.92 | 1.02 | 32,629.96 | 0.63 |
| Sub Toll Revenue | 4,012.60 | 0.95 | 34,773.19 | 0.68 |
| Roaming Charges | 20,398.12 | 4.83 | 188,906.33 | 3.67 |
| Total Wholesale Revenues | 42,344.14 | 10.03 | 336,752.81 | 6.55 |
| Subscriber Revenues | | | | |
| Access Revenue | 79,269.40 | 18.78 | 1,069,725.90 | 20.81 |
| Local Airtime | 7,167.84 | 1.70 | 162,626.38 | 3.16 |
| Sub Toll Revenue | 5,715.00 | 1.35 | 93,409.15 | 1.82 |
| O/C-Intralata/Local Toll | 55,532.73 | 13.16 | 634,071.42 | 12.33 |
| O/C-Air Charges | 191,642.14 | 45.41 | 2,186,320.19 | 42.52 |
| O/C-Surcharges | 2,537.00 | 0.60 | 44,043.50 | 0.86 |
| Incollect Revenue | 31,691.73 | 7.51 | 511,814.18 | 9.95 |
| Features | 4,961.60 | 1.18 | 68,961.32 | 1.34 |
| Satellite Sales | 0.00 | 0.00 | 567.70 | 0.01 |
| Installation | 0.00 | 0.00 | 25.85 | 0.00 |
| Activation Fees | 375.00 | 0.09 | 7,946.21 | 0.15 |
| Equipment Lease | 0.00 | 0.00 | 321.84 | 0.01 |
| Equipment Rental | 0.00 | 0.00 | 3,111.32 | 0.06 |
| Other Revenue | 114.30 | 0.03 | 855.25 | 0.02 |
| Late Payment Charges | 0.00 | 0.00 | 17.20 | 0.00 |
| Liquidated Damages | 695.85 | 0.16 | 20,679.74 | 0.40 |
| Tower Rent | 0.00 | 0.00 | 130.00 | 0.00 |
| Total Subscriber Revenues | 379,702.59 | 89.97 | 4,304,627.15 | 93.45 |
| Total Revenues | 422,046.73 | 100.00 | 5,141,379.96 | 100.00 |
| Cost of Sales | | | | |
| CGS-Accessories | 0.00 | 0.00 | 11,590.00 | 0.23 |
| CGS-Incollect | 77,903.51 | 18.46 | 836,817.85 | 16.28 |
| CGS-Mobile Block | 32,790.05 | 7.77 | 170,907.48 | 3.32 |
| CGS-Toll Charges | 26.06 | 0.01 | 97,978.74 | 1.91 |
| CGS-Pagers | 3,076.31 | 0.73 | 58,256.43 | 1.13 |
| Total Cost of Sales | 113,795.93 | 26.96 | 1,175,550.50 | 22.86 |
| Gross Profit | 308,250.80 | 73.04 | 3,965,829.46 | 77.14 |
| Expenses | | | | |
| Salaries-Management | 12,307.68 | 2.92 | 186,568.16 | 3.63 |
| Salaries-Administration | 2,743.90 | 0.65 | 12,220.60 | 0.24 |
| Salaries-Technical | 6,503.76 | 1.54 | 62,208.98 | 1.21 |
| FICA-Management | 464.62 | 0.11 | 10,121.96 | 0.20 |
| FICA-Technical | 707.44 | 0.17 | 5,729.73 | 0.11 |
| FUTA-Management | 0.00 | 0.00 | 96.00 | 0.00 |
| FUTA-Technical | 0.00 | 0.00 | 184.00 | 0.00 |
| SUTA-Management | 0.00 | 0.00 | 462.11 | 0.01 |
| SUTA-Technical | 34.81 | 0.01 | 784.50 | 0.02 |
| Med Ins-Management | 185.66 | 0.04 | 4,070.60 | 0.08 |
| Med Ins-Technical | 188.96 | 0.04 | 1,820.82 | 0.04 |
| Med Ins-Other | <306.20> | <0.07> | <6,471.26> | <0.13> |
| Vehicle Expense-Management | 0.00 | 0.00 | 193.52 | 0.00 |
| Vehicle Expense-Technical | 0.00 | 0.00 | 3,445.37 | 0.07 |
| Travel/Lodging-Management | 0.00 | 0.00 | 567.00 | 0.01 |
| Meals/Ent-Management | 0.00 | 0.00 | 12.55 | 0.00 |

For Management Purposes Only

ALLEGAN CELLULAR LP
Income Statement
For the Twelve Months Ending December 31, 1997

| | | | | |
|--|---------------------|--------------|------------------------|--------------|
| R&M-Office | 0.00 | 0.00 | 242.50 | 0.00 |
| R&M-Technical | 2,619.72 | 0.62 | 24,957.26 | 0.49 |
| R&M-Other | 0.00 | 0.00 | 55.00 | 0.00 |
| Rad Debr | 1,335.17 | 0.32 | 41,423.96 | 0.81 |
| Tower Rent | 5,350.00 | 1.27 | 49,920.00 | 0.97 |
| Lease Expense-Vehicles | 995.23 | 0.24 | 2,786.97 | 0.05 |
| Lease Expense-Other | 137.50 | 0.03 | 275.00 | 0.01 |
| Telephonic Expense-Office | 0.00 | 0.00 | 6,091.76 | 0.12 |
| Telephonic Expense-Technical | 1,875.68 | 0.44 | 5,340.37 | 0.10 |
| Utilities Expense-Office | 0.00 | 0.00 | 984.04 | 0.02 |
| Utilities Expense-Technical | 1,860.37 | 0.44 | 20,025.58 | 0.39 |
| Postage | 0.00 | 0.00 | 600.00 | 0.01 |
| Accounting Fees | 5,173.20 | 1.23 | 41,162.93 | 0.80 |
| Attorney Fees | 5,308.40 | 1.26 | 4,519.09 | 0.09 |
| Attorney fees Allegan | 0.00 | 0.00 | <5,813.43> | <0.11> |
| Attorney fees Phoenix | 0.00 | 0.00 | 5,830.00 | 0.11 |
| Dues and Subscriptions | 0.00 | 0.00 | 2,904.53 | 0.06 |
| Consulting Fees | 0.00 | 0.00 | 2,432.00 | 0.05 |
| Personal Property Tax | 0.00 | 0.00 | 9,445.37 | 0.18 |
| Real Property Tax | 0.00 | 0.00 | 3,338.55 | 0.06 |
| Licenses and Fees Expense | 2,264.08 | 0.54 | 6,779.48 | 0.13 |
| Advertising-Cellular | 2,532.59 | 0.60 | 7,487.86 | 0.15 |
| Cell Site Insurance | 0.00 | 0.00 | 215.00 | 0.00 |
| Freight Expense-Office | 0.00 | 0.00 | 48.21 | 0.00 |
| Freight Expense-Technical | 0.00 | 0.00 | 9,477.02 | 0.18 |
| Supplies Expense-Technical | 5,618.00 | 1.33 | 5,618.00 | 0.11 |
| Billing Fees | 20,146.60 | 4.77 | 275,853.67 | 5.37 |
| PRV Fees | 35,269.21 | 8.36 | 242,474.31 | 4.72 |
| Credit Card Fees | 0.00 | 0.00 | 843.20 | 0.02 |
| Collection Fees | 0.00 | 0.00 | 280.68 | 0.01 |
| Misc Exp-Management | 114.54 | 0.03 | 4,400.34 | 0.09 |
| Temporary Services-Office | 0.00 | 0.00 | 500.00 | 0.01 |
| Depreciation | 23,694.00 | 5.61 | 284,328.00 | 5.53 |
| Amortization | 0.00 | 0.00 | 80,905.00 | 1.57 |
| Outside Services | 0.00 | 0.00 | 164.00 | 0.00 |
| Bank Charges | 332.89 | 0.08 | 14,354.02 | 0.28 |
| Total Expenses | 137,457.81 | 32.57 | 1,432,264.91 | 27.86 |
| Operating Income | 170,792.99 | 40.47 | 2,533,564.55 | 49.28 |
| Other <Income> and Expenses | | | | |
| Interest Income | <1,006.63> | <0.24> | <10,098.37> | <0.20> |
| Interest Expense | 91,004.57 | 21.56 | 863,342.21 | 16.79 |
| Net Other <Income> and Expenses | 89,997.94 | 21.32 | 853,243.84 | 16.60 |
| Net Income | \$ 80,795.05 | 19.14 | \$ 1,680,320.71 | 32.68 |

ALLEGAN CELLULAR I.P.
Balance Sheet
December 31, 1997

ASSETS

| | | |
|-------------------------------------|-----------|-----------------------------|
| Current Assets | | |
| Cash | \$ | <211,152.99> |
| Inventory | | 56,811.80 |
| Accounts Receivable | | 13,653,704.99 |
| Total Current Assets | | 13,499,363.80 |
| Fixed Assets | | |
| Fixed Assets - Cost | | 2,636,126.52 |
| Less Accumulated Depr. | | <u>1,335,765.10</u> |
| Total Property and Equipment | | 1,300,361.42 |
| Long Term Assets | | |
| Deposits | | 1,181.90 |
| Investment in License | | 12,038.18 |
| FRANCHISE COST | | 3,500.00 |
| Start-up Costs | | 238,621.17 |
| Organization Costs | | 267,823.33 |
| Financial Cost | | 363,129.00 |
| Accumulated Amortization | | <412,722.00> |
| Accumulated Amort-License | | <u><350.00></u> |
| Net Long Term Assets | | 473,221.58 |
| Other Assets | | 50,872.25 |
| Total Assets | \$ | <u>15,323,819.05</u> |

LIABILITIES AND CAPITAL

| | | |
|--|-----------|-----------------------------|
| Current Liabilities | | |
| Accounts Payable - Trade | \$ | 48,655.75 |
| Accrued Interest Expense | | 38,425.56 |
| FICA Payable | | 292.91 |
| Federal Withholding Payable | | 950.64 |
| State Withholding Payable | | 166.31 |
| Federal Excise Tax Payable | | 6,585.01 |
| Sales Tax Payable | | 16,265.77 |
| Single Business Tax Payable | | <19,659.60> |
| Accounts Payable-KCI | | <u><5,830.00></u> |
| Total Current Liabilities | | 85,852.35 |
| Long Term Liabilities | | <u>13,515,775.91</u> |
| Total Liabilities | | 13,601,628.26 |
| Capital | | <u>1,722,190.79</u> |
| Total Liabilities & Capital | \$ | <u>15,323,819.05</u> |

ALLEGAN CELLULAR I.P.
Balance Sheet
December 31, 1997
*** SUBSIDIARY SCHEDULE ***

| | Cash |
|----------------------|------------------------------|
| Petty Cash | \$ 200.00 |
| Checking Account | <443,317.29> |
| Checking First Union | 9.12 |
| Chase Manhattan | 302.40 |
| Payroll Account | <761.90> |
| Sweep Account | 232,414.68 |
| | <u>\$ <211,152.99></u> |

| | Accounts Receivable |
|-----------------------------|-------------------------|
| A/R - Subscribers | \$ 550,855.67 |
| A/R - Outcollects | 285,096.61 |
| A/R - Employcc | 300.00 |
| A/R - Sheffield | 5,942,818.00 |
| A/R - Circle Foundation | 866,000.00 |
| Defferred Charges | 343.00 |
| Accrued Interest Receivable | 58,707.00 |
| A/R - Intercompany - KCI | 5,908,331.74 |
| A/R - Lakeshore | 26,752.97 |
| A/R - Other | 40,000.00 |
| Allowance for Bad Debts | <25,500.00> |
| | <u>\$ 13,653,704.99</u> |

| | Fixed Assets-Cost |
|-------------------------------|------------------------|
| Land | \$ 9,000.00 |
| Building and Construction | 91,129.85 |
| Building Additions | 57,287.18 |
| Furniture and Fixtures | 21,017.54 |
| Office Equipment | 91,733.50 |
| Leased Vehicles | 20,358.68 |
| Technical Tools and Equipment | 32,549.34 |
| Cell Site Buildings | 72,852.99 |
| Cell Site Equipment and Tower | 2,240,197.44 |
| | <u>\$ 2,636,126.52</u> |

| | Accumulated Depreciation |
|-------------------------------|--------------------------|
| A/D-Building and Construction | \$ 14,177.00 |
| A/D-Building Additions | 4,218.00 |
| A/D-Furniture and Fixtures | 12,370.00 |
| A/D-Office Equipment | 29,555.00 |
| A/D-Leased Vehicles | 8,344.10 |
| A/D-Technical Tools/Equipment | 19,478.00 |
| A/D-Cell Site Buildings | <3,276.00> |
| A/D-Cell Site Equipment/Tower | 1,250,899.00 |
| | <u>\$ 1,335,765.10</u> |

ALLEGAN CELLULAR LP
Balance Sheet
December 31, 1997
***** SUBSIDIARY SCHEDULE *****

| | | |
|-----------------------------|-----------------------|-----------------------------|
| Prepaid Insurance | Other Assets | |
| Prepaid Property Taxes | \$ | 50,376.34 |
| | | 495.91 |
| | | <u> </u> |
| | \$ | <u>50,872.25</u> |
| | | |
| FICA Payable | Taxes Payable | |
| Federal Withholding Payable | \$ | 292.91 |
| State Withholding Payable | | 950.64 |
| Federal Excise Tax Payable | | 166.31 |
| Sales Tax Payable | | 6,585.01 |
| Single Business Tax Payable | | 16,265.77 |
| Accounts Payable-KCI | | <19,659.60> |
| | | <u><5,830.00></u> |
| | \$ | <u><1,228.96></u> |
| | | |
| Security Deposits | Long Term Liabilities | |
| Notes Payable - First Union | \$ | 11,636.32 |
| | | 13,504,139.59 |
| | | <u> </u> |
| | \$ | <u>13,515,775.91</u> |
| | | |
| Retained Earnings | Capital | |
| Distributions | \$ | 382,380.30 |
| Capital | | <800,000.00> |
| Net Income | | 451,831.29 |
| | | <u>1,687,979.20</u> |
| | \$ | <u>1,722,190.79</u> |

KCI COMMUNICATIONS, INC.

FINANCIAL STATEMENT

DECEMBER 31, 1996

WALDMAN & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

ACCOUNTANT'S COMPILATION REPORT

TO THE BOARD OF DIRECTORS AND STOCKHOLDERS
KCI COMMUNICATIONS, INC.

We have compiled the balance sheet of KCI Communications, Inc., as of December 31, 1996, and the related statement of income and deficit and statement of cash flows for the period then ended, in accordance with standards established by the American Institute of Certified Public Accountants.

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

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position and results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Waldman & Company

WALDMAN & COMPANY
Certified Public Accountants

New York, N.Y.
May 19, 1997

KCI COMMUNICATIONS, INC.
BALANCE SHEET
DECEMBER 31, 1996

ASSETS

| | | |
|---|---------------|---------------------------|
| CURRENT ASSETS | | |
| Accounts Receivable | | \$ 240,412 |
| Inventory | | <u>92,018</u> |
| | | 332,430 |
| FIXED ASSETS | | |
| Buildings and Improvements | \$ 73,630 | |
| Office Furniture, Fixtures and Equipment | <u>92,344</u> | |
| | 165,974 | |
| Less: Accumulated Depreciation | <u>15,567</u> | |
| | | 150,407 |
| INTANGIBLE ASSETS | | |
| Organization and Start Up Costs | 250,000 | |
| Less: Accumulated Amortization | <u>54,167</u> | |
| | | 195,833 |
| OTHER ASSETS | | |
| Deposits | | 6,793 |
| TOTAL ASSETS | | <u>\$685,463</u> ===== |

The accompanying compilation report should be read with this financial statement.

KCI COMMUNICATIONS, INC.
BALANCE SHEET
December 31, 1996

LIABILITIES AND STOCKHOLDERS' EQUITY

| | | |
|-------------------------------|--|----------------|
| CURRENT LIABILITIES | | |
| Cash Overdraft | | \$ 102,375 |
| Accounts and Taxes Payable | | 103,100 |
| Due to Allegan Cellular, L.P. | | <u>586,070</u> |
| | | 791,545 |

| | | |
|--|----------------|----------------|
| LONG TERM LIABILITIES | | |
| Note Payable - Eva Jones | \$ 45,000 | |
| Security Deposits | 8,355 | |
| Loan Payable - Lakeshore Cellular Communications, Inc. | 45,233 | |
| Loan from Stockholders | <u>800,000</u> | |
| | | <u>898,588</u> |
| TOTAL LIABILITIES | | 1,690,133 |

STOCKHOLDERS' EQUITY

| | | |
|---|--------------------|--------------------|
| Common Stock | 250,000 | |
| Retained Earnings (Deficit) | <u>(1,254,670)</u> | |
| TOTAL STOCKHOLDERS' EQUITY | | <u>(1,004,670)</u> |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | | \$ 685,463 |

The accompanying compilation report should be read with this financial statement.

KCI COMMUNICATIONS, INC.
STATEMENT OF INCOME AND (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 1996

| | <u>PERCENT</u> | | <u>AMOUNT</u> |
|--|----------------|---------------|-------------------------|
| REVENUES | 100.0% | | \$2,165,916 |
| LESS: COST OF GOODS SOLD | <u>91.9</u> | | <u>1,071,036</u> |
| GROSS PROFIT | <u>8.1</u> | | \$ 94,880 |
| LESS: EXPENSES | | | |
| SELLING EXPENSES | 15.1 | \$ 175,568 | |
| OPERATING EXPENSES | 87.0 | 1,014,818 | |
| INTEREST EXPENSE | .1 | 1,487 | |
| DEPRECIATION | 1.3 | 15,039 | |
| AMORTIZATION | <u>4.3</u> | <u>50,000</u> | |
| | <u>(107.8)</u> | | <u>1,256,912</u> |
| NET (LOSS) | <u>(99.7)%</u> | | (1,162,032) |
| RETAINED EARNINGS (DEFICIT)-BEGINNING | | | <u>(92,638)</u> |
| RETAINED EARNINGS (DEFICIT)-ENDING | | | \$ (1,254,670) ===== |

The accompanying compilation report should be read with this financial statement.

KCI COMMUNICATIONS, INC.
STATEMENT OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1996

SELLING EXPENSES

| | |
|--------------|-------------------|
| Advertising | \$ 169,685 |
| Travel | 4,889 |
| Entertaining | <u>994</u> |
| | \$ 175,568 |
| | ===== |

OPERATING EXPENSES

| | |
|--|--------------------|
| Salaries | \$ 560,157 |
| Officer's Salary | 78,846 |
| Payroll Taxes | 51,603 |
| Group Insurance | 60,144 |
| Insurance | 4,115 |
| Vehicle Expense | 39,109 |
| Repairs & Maintenance | 7,861 |
| Rent | 51,482 |
| Telephone | 33,427 |
| Equipment Rental | 2,242 |
| Utilities | 7,895 |
| Real, Personal Property & Other Taxes | 1,647 |
| Supplies & Office Expense | 52,111 |
| Miscellaneous | 16,088 |
| Professional Fees | 27,351 |
| Billing & Collection | <u>20,740</u> |
| | \$1,014,818 |
| | ===== |

The accompanying compilation report should be read with this financial statement.

KCI COMMUNICATIONS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1996

| | | |
|--|--------------|-----------------------|
| CASH PROVIDED (USED) BY OPERATIONS: | | |
| Net (Loss) For The Year | | \$ (1,162,032) |
| Items Not Using Cash: | | |
| Depreciation | | 15,039 |
| Amortization | | <u>50,000</u> |
| | | (1,096,993) |
| | | |
| CHANGES IN OPERATING ASSETS AND LIABILITIES | | |
| INCREASING OR (DECREASING) CASH: | | |
| (Increase) in Accounts | | |
| Receivable | \$(240,412) | |
| (Increase) in Inventory | (53,126) | |
| (Increase) in | | |
| Deposits | (4,500) | |
| Increase in Accounts and | | |
| Taxes Payable | 98,405 | |
| Increase in Security | | |
| Deposits | <u>8,355</u> | |
| | | <u>(191,278)</u> |
| | | |
| NET CASH PROVIDED (USED) BY OPERATIONS | | (1,288,271) |
| | | |
| CASH (USED) BY INVESTING ACTIVITIES: | | |
| Additions to Fixed | | |
| Assets | | <u>(90,945)</u> |
| | | |
| BALANCE FORWARD | | \$ (1,379,216) |

The accompanying compilation report should be read with this financial statement.

KCI COMMUNICATIONS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1996

| | | |
|--|----------------|----------------------|
| BALANCE FORWARD | | \$ (1,379,216) |
| CASH (USED) OR FROM FINANCING ACTIVITIES: | | |
| Loan From Allegan Cellular, L.P. | \$431,981 | |
| Loan to Lakeshore Cellular Communications, Inc. | (240) | |
| Loan From Eva Jones | 45,000 | |
| Loan From Shareholders | <u>800,000</u> | |
| CASH FROM FINANCING ACTIVITIES | | <u>\$ 1,276,741</u> |
| NET INCREASE OR (DECREASE) IN CASH | | <u>\$ (102,475)</u> |
| | | |
| CASH BALANCE - BEGINNING OF THE YEAR | | \$ 100 |
| NET INCREASE OR (DECREASE) IN CASH | | <u>(102,475)</u> |
| CASH (OVERDRAFT) - END OF THE YEAR | | <u>\$ (102,375)</u> |

The accompanying notes and independent auditor's report should be read with this financial statement.

Exhibit B

One Source's proposed Florida tariff is attached.

DOMESTIC INTERSTATE TELECOMMUNICATIONS TARIFF

OF

One Source Communications, Inc.

134 Water Street; Allegan, MI 49010

This tariff contains the descriptions, regulations and rates applicable to the furnishing of telecommunications services provided by One Source Communications, Inc. between points within the contiguous United States, Alaska, Hawaii, Puerto Rico, U.S. Virgin Islands and international locations as specified herein. Copies may be inspected during normal business hours at the Company's principal place of business: 134 Water Street; Allegan, MI 49010.

ISSUED:

ISSUING OFFICER:

EFFECTIVE:

Steven G. Kull
One Source Communications, Inc.
134 Water Street
Allegan, MI 49010

CHECK SHEET

The Title Sheet and Sheets 1 through 21 inclusive of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

| <u>SHEET</u> | <u>REVISION</u> |
|--------------|-----------------|
| Title | Original |
| 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 |

ISSUED:

ISSUING OFFICER:

EFFECTIVE:-

Steven G. Kull
One Source Communications, Inc.
134 Water Street
Allegan, MI 49010

TABLE OF CONTENTS

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|---|-------|
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| Other Participating Carriers | 3 |
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ISSUED:

ISSUING OFFICER:

EFFECTIVE:

Steven G. Kull
One Source Communications, Inc.
134 Water Street
Allegan, MI 49010

CONCURRING CARRIERS

None

CONNECTING CARRIERS

None

OTHER PARTICIPATING CARRIERS

No Participating Carriers

EXPLANATION OF SYMBOLS

- (C) To signify **changed** conditions or regulation
- (D) To signify **discontinued** rate, conditions or regulation
- (I) To signify **increase** in rate
- (M) To signify that material has been transferred from another sheet or place in the tariff without change
- (N) To signify a **new** rate, regulation, condition or sheet
- (R) To signify a **reduction** in rate
- (S) To signify a **reissued** matter
- (T) To signify a change in **text** for clarification but no change in rate
- (Z) To signify a **correction**

ISSUED:

ISSUING OFFICER:

EFFECTIVE:

Steven G. Kull
One Source Communications, Inc.
134 Water Street
Allegan, MI 49010

APPLICATION OF TARIFF

This tariff contains the regulations and rates applicable to the provision of resold interstate interexchange telecommunications services by One Source Communications, Inc. (hereinafter referred to as "One Source" or "Company") between points within the contiguous United States, Alaska, Hawaii, Puerto Rico, U.S. Virgin Islands and international locations as specified herein. Service is furnished subject to transmission, atmospheric and like conditions.

ISSUED:

ISSUING OFFICER:

EFFECTIVE:

Steven G. Kull
One Source Communications, Inc.
134 Water Street
Allegan, MI 49010

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Account Code:

A numerical code, one or more of which are available to a customer to enable identification of individual users or groups of users on an account and to allocate costs of service accordingly.

Called Station:

The terminating point of a call (i.e., the called number).

Credit Card:

A valid bank or financial organization card, representing an account to which the costs of products and services purchased by the card holder may be charged for future payment. Such cards include those issued by VISA or MasterCard.

Calling Card:

A card issued by Company containing such account numbers assigned to its Customer which enables the charges for calls made be properly billed on a pre-arranged basis.

Company:

One Source Communications, Inc. ("ONE SOURCE")

Commission:

Florida Public Service Commission

Customer:

The person, firm corporation or other entity which orders or uses service and is responsible for payment of charges and compliance with tariff regulation.

Dialing Restriction:

Enables subscribers to restrict calling exclusively to subscriber predetermined telephone numbers.

ISSUED:

ISSUING OFFICER:

EFFECTIVE:

Steven G. Kull
One Source Communications, Inc.
134 Water Street
Allegan, MI 49010

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Disconnect or Disconnection:

The termination of a circuit connection between the Origination Station and the Called Station or the Company's operator.

Master Business Account:

A business account comprising \$500.00 or more of the Company's long distance service usage and consisting of multiple calling cards assigned to the same account.

Measured Service:

The provision of long distance measured time communications telephone service to customers who access the Company's service at its contracted interexchange carriers' switching and call processing equipment by means of access facilities obtained from local exchange common carrier(s). Company contracted interexchange carrier is responsible for arranging the access lines.

Postpaid Service:

Presubscribed service where subscribers are billed for and remit payment subsequent to the provision of service.

Prepaid Service:

A discretionary prepaid calling card service for which subscribers pay prior to accessing the service.

Subscriber:

See "Customer" definition.

Travel Card:

See "Calling Card" definition.

ISSUED:

ISSUING OFFICER:

EFFECTIVE:

Steven G. Kull
One Source Communications, Inc.
134 Water Street
Allegan, MI 49010

SECTION 2 - RULES AND REGULATIONS

2.1. UNDERTAKING OF COMPANY

2.1.1. Company's services are furnished for telecommunications originating and or terminating in any area within in and between points within the contiguous United States, Hawaii, Puerto Rico, U.S. Virgin Islands and international locations.

2.1.2. Company is a non-facilities-based provider of interexchange telecommunications services to Customers for their direct transmission and reception of voice, data, and other types of communications.

2.1.3. Company offers, access, switching, transport and termination services via its underlying carrier's network.

2.1.4. Customer's charges for Company's service are based on the total time Customer actually uses the service. For billing purposes duration of each call will be rounded up to the nearest increment as described in Section 3.1 of this tariff.

2.1.5. Subject to availability, the customer may use authorization codes to identify the users or user groups on an account. The numerical composition of the codes shall be set by Company to assure compatibility with the Company's accounting and billing systems and to avoid the duplication of codes.

2.1.6. The Company's services are provided on a monthly basis unless otherwise provided, and are available twenty-four hours per day, seven day per week.

2.2. LIMITATIONS

2.2.1. Service is offered subject to the availability of the necessary facilities and equipment, or both facilities and equipment, and subject to the provisions of this tariff.

2.2.2. Company reserves the right to immediately disconnect service without incurring liability when necessitated by conditions beyond the company's control or when the customer is using the service in violation of either the provisions of this tariff or the laws, rules, regulations, or policies of the jurisdiction of the Originating Station or the Terminating Station, or the laws of the United States including rules, regulations and policies of the Florida Corporation Commission.

ISSUED:

ISSUING OFFICER:

EFFECTIVE:

Steven G. Kull
One Source Communications, Inc.
134 Water Street
Allegan, MI 49010

SECTION 2 - RULES AND REGULATIONS

2.2. LIMITATIONS, Continued

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

2.2.4. Title to all facilities provided by Company under these regulations remains in ONE SOURCE's name.

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

2.3. USE

2.3.1. Service may be used for the transmission of communications by the customer for any lawful purpose for which the service is technically suited.

2.3.2. Service may not be used for any unlawful purpose or for any purpose for which any payment or other compensation is received by the Customer, except when the Customer is a duly authorized and regulated common carrier. This provision does not prohibit an arrangement between the Customer, authorized user or joint user to share the cost of service so long as the arrangement generates no profit for any participant in the arrangement.

2.3.3. The Company strictly prohibits use of the Company's services without payment or an avoidance of payment by the Customer by fraudulent means or devices including, providing falsified calling card numbers or invalid calling card numbers to the Company, providing falsified or invalid credit card numbers to the Company or in any way misrepresenting the identity of the Customer.

2.4. LIABILITIES OF THE COMPANY

2.4.1. Company is not liable for any act or omission of any other company or companies furnishing a portion of the service.

ISSUED:

ISSUING OFFICER:

EFFECTIVE:

Steven G. Kull
One Source Communications, Inc.
134 Water Street
Allegan, MI 49010

SECTION 2 - RULES REGULATIONS

2.4. LIABILITIES OF THE COMPANY, Continued

2.4.2. The liability of the Company for damages arising out of mistakes, omission, interruptions, delays, errors or defects in transmission occurring in the course of furnishing service or other facilities and not caused by the negligence of the customer, commences upon activation of service and in no event exceeds and amount equivalent to the proportionate charge to the Customer for the period of service during which such mistakes, omissions, interruptions, delays, error, or defects in transmission occur.

2.4.3. Company shall be indemnified and held harmless by the customer against:

A. Claims for libel, slander, infringement of copyright or unauthorized use of any trademark, trade name or service mark arising out of the material, data, information or other content transmitted over company's facilities; and

B. Claims for patent infringement arising from combining or connecting company's facilities with apparatus and systems of the Customer; and

C. All other claims arising out of any act or omission of the Customer in connection with any service provided by Company.

2.4.4. The Company is not liable for any defacement of, or damage to, the equipment or premises of a customer resulting from the furnishing of services when such defacement or damage is not the result of the result of the Company's negligence.

2.4.5. No agents or employees of connecting, concurring or other participating carriers or company shall be deemed to be agents or employees of the company without written authorization.

2.4.6. The Company shall not be liable for any damages, including usage charges, that the Customer may incur as a result of the unauthorized use of its communications equipment. The unauthorized use of the Customer's communications equipment includes, but is not limited to, the placement of calls from the Customer's premises and the placement of calls through Customer-controlled or Customer-provisioned equipment that are transmitted or carried over the Company's network services without the authorization of the Customer. The Customer shall be fully liable for all such charges.

ISSUED:

ISSUING OFFICER:

EFFECTIVE:

Steven G. Kull
One Source Communications, Inc.
134 Water Street
Allegan, MI 49010

SECTION 2 - RULES AND REGULATIONS

2.4. LIABILITIES OF THE COMPANY, Continued

2.4.7. Company shall not be liable for and the Customer indemnifies and holds harmless from any and all loss claims, demands, suits, or other action or liability whatsoever, whether suffered, made instituted or asserted by the Customer or by any other party or person, for any personal injury to, death of, any person or persons, and for any loss, damage, defacement or destruction of the premises of the customer or any other property, whether owned by the Customer or by others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of equipment or wiring provided by company where such installation, operation, failure to operate, maintenance, condition, location or use is not the direct result of Company's negligence.

2.4.8. The Company is not liable for any failure of performance hereunder due to causes beyond its control, including but not limited to, unavoidable interruption in the working of its circuits or those of another common carrier; acts of God; storms, fire, flood, or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government, or any other governmental entity having jurisdiction over the company or of any department, agency, commission, bureau, corporation, or other instrumentality or any one or more of such instrumentality or any one of more of such governmental entities, or of any civil or military authority; national emergencies, insurrections, riots, rebellions, wars, strikes, lockouts, work stoppages, or other labor difficulties; or notwithstanding anything in this tariff to the contrary, the unlawful acts of the Company's agents and employees, of committed beyond the scope of their employment.

2.4.9. The Company shall not be liable for damages or adjustment, refund, or cancellation of charges unless the Customer has notified the Company in writing, of any dispute concerning charges, or the basis of any claim for damages, within thirty (30) calendar days after the invoice is rendered or a debit is effected by the Company with a reasonable basis upon which to evaluate the Customer's claim or demands. If notice of a dispute concerning the charges is not received, in writing, within thirty (30) calendar days after an invoice is rendered or a debit is effected, such invoice shall be deemed to be correct, accepted, and binding upon the Customer.

ISSUED:

ISSUING OFFICER:

EFFECTIVE:

Steven G. Kull
One Source Communications, Inc.
134 Water Street
Allegan, MI 49010

SECTION 2 - RULES AND REGULATIONS

2.5. PREPAID SUBSCRIBER RESPONSIBILITIES

2.5.1. The Customer is responsible for the payment of all charges for services furnished to the customer and for all additional charges for calls the Customer elects to continue making, after notification that the initial amount of calling has been depleted. Charges are based on actual usage.

2.5.2. The Customer is responsible for compliance with applicable regulations set forth in this tariff.

2.5.3. The Customer is responsible for establishing its identity as often as necessary during the course of the call or when seeking credits from the Company.

2.6. INTERRUPTION OF SERVICE

2.6.1. Credit allowance for interruptions of service which are not due to Company's testing or adjusting, to the negligence of the customer, or to the failure of channels, equipment and/or communications equipment provided by the Customer, are subject to the general liability provisions set forth in Section 2.4, herein. It shall be the obligation of the customer to notify Company of any interruptions of service. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission of the Customer, not within the Customer's control.

2.6.2. For purposes of credit computation for leased facilities, every month shall be considered to have 720 hours. No credit shall be allowed for an interruption of a continuous duration of less than two hours.

2.6.3. The subscriber shall be credited for an interruption of two hours or more at the rate of 1/720th of the monthly charge for the facilities affected for each hour or major fraction thereof that the interruption continues.

Credit formula: $Credit = (A/720) \times B$

A - outage time in hours

B - total monthly charge for affected utility

ISSUED:

ISSUING OFFICER:

EFFECTIVE:

Steven G. Kull
One Source Communications, Inc.
134 Water Street
Allegan, MI 49010

SECTION 2 - RULES AND REGULATIONS

2.7. RESTORATION OF SERVICE

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

2.8. PAYMENTS AND BILLING FOR SERVICES

2.8.1. Billing disputes should be addressed to Company's customer service organization via telephone to (813) 964-0500.

2.8.2. In the case of a dispute between the Customer and the Company for service furnished to the Customer, which cannot be settled with mutual satisfaction, the Customer may request, and the Company will perform, an in-depth review of the disputed amount. (The undisputed portion and subsequent bills must be paid on a timely basis or the service may be subject to disconnection).

2.9. CANCELLATION BY COMPANY

Company reserves the right to immediately discontinue furnishing the service to customers without incurring liability:

- A. In the event of tampering with the utilities equipment; or
- B. In the event of a condition determined to be hazardous to the Customer, to other customers of the utility, to the utilities equipment, the public or to employees of the utility; or
- C. By reason of any order or decision of a court or any other governmental authority which prohibits the Company from furnishing such service; or
- D. If the Company deems such refusal necessary to protect itself or third parties against fraud or to otherwise protect its personnel, agents, facilities or services without notice.
- E. For unlawful use of the service or use of the service for unlawful purposes.

ISSUED:

ISSUING OFFICER:

EFFECTIVE:

Steven G. Kull
One Source Communications, Inc.
134 Water Street
Allegan, MI 49010

SECTION 2 - RULES AND REGULATIONS

2.9. CANCELLATION BY COMPANY, Continued

Company may discontinue service according to the following conditions, providing five (5) days written notice:

- A. For violation of Company's filed tariffs.
- B. For the non-payment of any proper charge as provided by Company's tariff.
- C. For Customer's breach of the contract for service between the utility and customer.
- D. When necessary for the Company to comply with any order or request of any governmental authority having jurisdiction.

2.10. INTERCONNECTION

2.10.1. Service furnished by Company may be interconnected with services or facilities of other authorized communications common carriers and with private systems, subject to the technical limitations established by Company. Any special interface of equipment or facilities necessary to achieve compatibility between the facilities of Company and other participating carriers shall be provided at the Customer's expense.

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

ISSUED:

ISSUING OFFICER:

EFFECTIVE:

Steven G. Kull
One Source Communications, Inc.
134 Water Street
Allegan, MI 49010

SECTION 2 - RULES AND REGULATIONS

2.11. DEPOSITS

The Company does not require a deposit from the Customer.

2.12. TAXES

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

2.13 EMPLOYEE CONCESSIONS

Any employee of the Company may obtain the Company's Flat-Rate Service for 10 cents per minute, with a minimum call length of 18 seconds for the first minute, and 6 second increments thereafter.

2.14 RETURNED CHECK / LATE PAYMENTS

The Company assesses a \$25.00 returned check fee for payment checks returned for insufficient funds. Payments for the Company's services offered under this tariff that are more than 60 days overdue are subject to a late fee of 1.5% per month.

2.15 RESTORATION OF SERVICE

The Company does not assess a fee for restoration of service for customers who had been disconnected for non-payment.

ISSUED:

ISSUING OFFICER:

EFFECTIVE:

Steven G. Kull
One Source Communications, Inc.
134 Water Street
Allegan, MI 49010

SECTION 3 - DESCRIPTION OF SERVICE

3.1. TIMING OF CALLS

3.1.1. Communications originate when the called party answers the call. When the Customer hangs up, the communications charges will terminate for that call.

3.1.2. Unless otherwise specified in this tariff, the minimum call duration for billing purposes are as follows: One Minute.

3.1.3. Any portion of an applicable increment, after the appropriate minimum time for the call, will be rounded upward to the next increment. Calls less than the minimum length will be rounded to the minimum length.

3.1.4. There is no billing for incomplete calls.

ISSUED:

ISSUING OFFICER:

EFFECTIVE:

Steven G. Kull
One Source Communications, Inc.
134 Water Street
Allegan, MI 49010

SECTION 3 - DESCRIPTION OF SERVICE

3.2. ONE SOURCE SERVICES

3.2.1. Company is a switchless non-facilities-based interexchange telecommunications provider. Company specializes in interexchange telecommunications services.

3.2.2. Company offers a Flat-Rate Service that is time-of-day and distance insensitive for calls made between points in the United States, Puerto Rico, and the U.S. Virgin Islands. The flat-rate service is available for in-bound calls to toll-free (800/888) numbers that may be assigned to the Customer as well.

3.2.3 Company offers a Calling Card Service that is time-of-day and distance insensitive for calls made between points in the United States, Puerto Rico, and the U.S. Virgin Islands.

3.2.4 The Company will, from time to time, offer special promotions to its customers waiving certain charges. These promotions will be approved by the Commission with specific starting and ending dates and under no circumstances run for longer than 90 days in any 12 month period.

3.3 MINIMUM CALL COMPLETION RATES

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 of the Company's services.

ISSUED:

ISSUING OFFICER:

EFFECTIVE:

Steven G. Kull
One Source Communications, Inc.
134 Water Street
Allegan, MI 49010

SECTION 4 - RATES

4.1. RATES PER MINUTE - ONE SOURCE SERVICES

Flat-Rate Service: \$0.14 per minute.

Calling Card Service \$0.25 per minute + \$0.25 surcharge per call.

ISSUED:

ISSUING OFFICER:

EFFECTIVE:

Steven G. Kull
One Source Communications, Inc.
134 Water Street
Allegan, MI 49010

GARDNER, CARTON & DOUGLAS

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WRITER'S DIRECT DIAL NUMBER

Russ Taylor*
(202) 408-7172

*Admitted in Virginia only

DEPOSIT

DATE

July 2, 1998

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JUL 0 6 1998

Florida Public Service Commission
Division of Administration
2540 Shumard Oak Blvd.
Gunter Building
Tallahassee, Florida 32399-0850

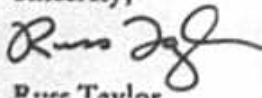
Re: One Source Communications, Inc.
Application for Authority to Resell Long Distance Services

Dear Sir or Madam:

Enclosed, on behalf of One Source Communications, Inc., are an original and six copies of its application for authority to resell long distance services within the state of Florida. Also enclosed is the requisite filing fee \$250. Finally, we have enclosed a self-addressed, stamped envelope for return of the "proof-of-filing" copy.

If you have any questions concerning this matter, please call me.

Sincerely,



Russ Taylor

GARDNER, CARTON & DOUGLAS
QUAKER TOWER
321 NORTH CLARK STREET
CHICAGO, ILLINOIS 60610-4795

The Northern Trust Company
Chicago, Illinois

255959

DATE
7/2/98

CHECK NO.
255959

CHECK AMOUNT
\$250.00*

Void after 90 days

PAY THE SUM 250 DOLLARS AND 00 CENTS*****

TO THE
ORDER
OF

Florida Public Service Commission

GARDNER, CARTON & DOUGLAS

