

981106-TX

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

DEPOSIT APPLICATION FORM  
D004 SEP 08 1998 for

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

INSTRUCTIONS

SEP 08 1998

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

Florida Public Service Commission  
Division of Communications  
Certification & Compliance Section  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0866  
(850) 413-8800

- ◆ Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$250 made payable to the Florida Public Service Commission at the above address.

FORM PSC/CMU 8 (11/86)  
Required by Chapter 384.337 F.S.

Check received with filing and forwarded to Fiscal for deposit.  
Fiscal to forward a copy of check to RAR with proof of deposit.

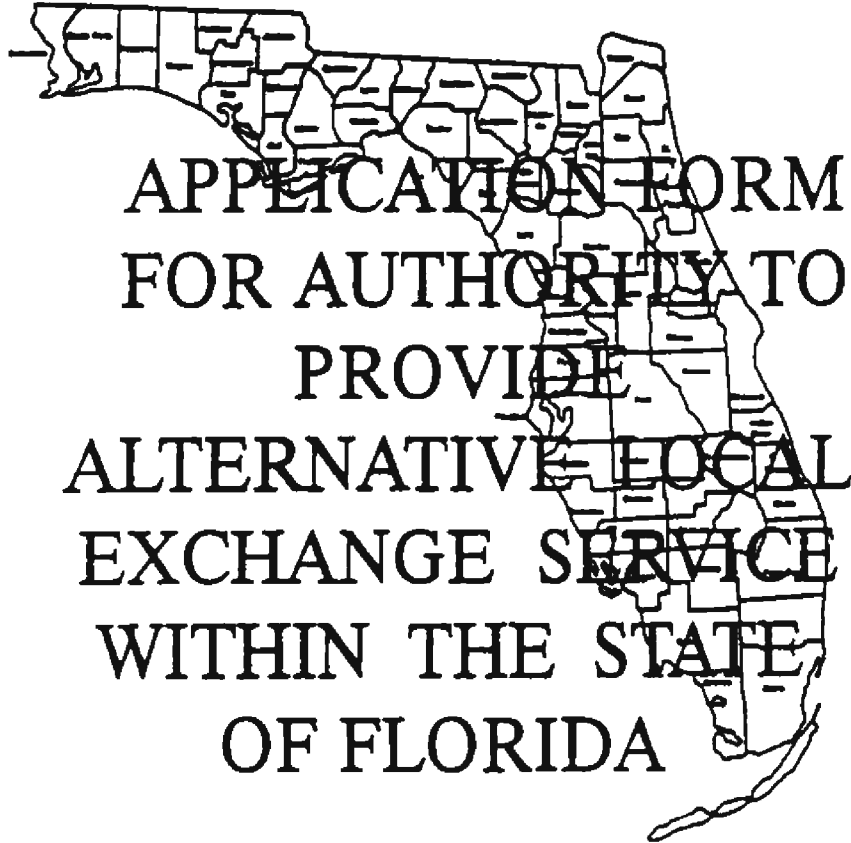
Initials of person who forwarded check:

A.S.

DOCUMENT FILED DATE

09748 SEP-8 1998

981106-TX



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

## APPLICATION FORM

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

Original authority (new company)

Approval of transfer (to another certificated company)

Example, a certificated company purchases an existing company and desires to retain the original certificate authority.

Approval of assignment of existing certificate  
(to a noncertificated company)

Example, a non-certificated company purchases an existing company and desires to retain the certificate of authority rather than apply for a new certificate.

Approval for transfer of control (to another certificated company)

Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of applicant:

Michael D. Boger, Sr.

3. Name under which the applicant will do business (d/b/a):

Daytona Telephone Company, Inc.

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

Fictitious name registration number: N/A - there is not a fictitious name.

# APPLICATION FORM

5. A. National mailing address including street name, number, post office box, city, state, zip code, and phone number.

Daytona Telephone Company, Inc.  
7850 Stage Hills Boulevard, Suite 102 - Bartlett, TN 38133  
P.O. Box 34668 - Memphis, TN 38134-0668  
901-385-0660

- B. Florida mailing address including street name, number, post office box, city, state, zip code, and phone number.

Proposed Location: 404 Halifax  
Daytona Beach, FL 32174

6. Structure of organization:  Check appropriate box(s)

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

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

N/A - applicant is a corporation.

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## APPLICATION FORM

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

None

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

Corporate charter number: F9800004432

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

Michael D. Boger, Sr. - President/C.E.O.

7850 Stage Hills Boulevard, Suite 102

Bartlett, TN 38133 901-385-0660

Internet Address: Mbogersr@Concentric.Net

11. Please list other states in which the applicant is currently providing or has applied to provide local exchange or alternative local exchange service.

None at this time.

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## APPLICATION FORM

12. Has the applicant been denied certification in any other state? If so, please list the state and reason for denial.

No

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13. Have penalties been imposed against the applicant in any other state? If so, please list the state and reason for penalty.

No

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14. Please indicate how a customer can file a service complaint with your company.

By dialing a local or toll free telephone number. The call will be answered by a customer service representative who will record the time and date of the call and assign a work order number. Appropriate action would then be taken to solve the complaint. We will provide 24 hours a day, 7 days a week customer service representatives to handle complaints.

15. Please complete and file a price list in accordance with Commission Rule 25-24.825.(Rule attached)

To be submitted at a later date.

16. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide alternative local exchange service in Florida.

A. Financial capability.

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:

## APPLICATION FORM

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 attest that the financial statements are true and correct.

- B. Managerial capability.
- C. Technical capability.

(If you will be providing local intra-exchange switched telecommunications service, then state how you will provide access to 911 emergency service. If the nature of the emergency 911 service access and funding mechanism is not equivalent to that provided by the local exchange companies in the areas to be served, described in detail the difference.)



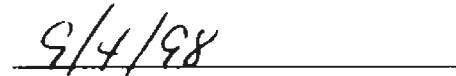
**Mid-American Communications, Inc.**

P.O. Box 346683 • Memphis, Tennessee 38164-0683  
(901) 385-0660

Financial statements are unaudited. I am providing year ending 12/31/95, 96 and 97, and, an interim through June of 1998.

I believe all of the information provided to be true and correct.

  
Michael D. Boger, Sr., C.E.O.

  
Date



MID-AMERICAN COMMUNICATIONS, INC.  
BALANCE SHEET  
JUNE 30, 1988

ASSETS

<b>Current Assets</b>		
Cash	\$ 130,305.29	
Accounts receivable	198,648.39	
Deferred cost of sales	1,419.00	
Inventory	729,388.49	
Inventory - MCI	0.00	
Total Current Assets		1,059,761.17
<b>Property and Equipment</b>		
Equipment	151,117.58	
Automobiles and Trucks	73,060.28	
Repairs Accum.	760.48	
Leasehold improvements	837.89	
Furniture and Fixtures	45,022.18	
	270,798.39	
Accum. Depreciation - Memphis	(233,425.66)	
Net Property and Equipment		37,372.73
<b>Other Assets</b>		
Prepaid Expenses	5,313.13	
Deposits	1,604.54	
Software	19,104.58	
Software Development	2,785.09	
Accumulated Amortization	(16,908.10)	
Total other Assets		11,899.24
Total Assets		<u>\$1,109,033.14</u>

**MID-AMERICAN COMMUNICATIONS, INC.**  
**BALANCE SHEET**  
**JUNE 30, 1998**

**LIABILITIES AND EQUITY**

<b>Current Liabilities</b>	
Accounts Payable	\$ 259,441.65
Sales tax payable	29,080.32
Customer deposits	24,725.63
Wages Payable	13,981.22
Deferred commission Pay	0.00
Deferred rent	246.10
FICA tax payable	1,069.56
Unemployment tax payable	0.00
State withholding payable	0.00
Income taxes payable	19,488.63
Notes payable	4,073.26
Visa payable	2,690.59
Mastercard payable	9,998.77
<b>Total Current Liabilities</b>	<u>364,793.75</u>
 <b>Other Liabilities</b>	
Notes payable - long term	9,903.64
Notes payable - stockholder	8,864.39
Deferred commission pay	0.00
<b>Total Other Liabilities</b>	<u>18,768.03</u>
 <b>Total Liabilities</b>	 <u>383,561.78</u>
 <b>Stockholder's Equity</b>	
Common Stock	55,840.00
Retained earnings	612,784.90
Current Yr. Earnings ( deficit )	56,848.46
<b>Total Stockholder's Equity</b>	<u>725,471.36</u>
 <b>Total Liab &amp; Stockhldr Equity</b>	 <u><u>\$1,109,033.14</u></u>

**MID-AMERICAN COMMUNICATIONS, INC**  
**CONSOLIDATED**  
**STATEMENTS OF REVENUES AND EXPENSES**  
**(INCOME TAX BASIS)**  
**FOR THE ONE MONTH AND SIX MONTHS ENDED**  
**JUNE 30, 1998**  
**YEARLY COMPARISON**

	CURRENT				YEAR TO DATE			
	1998		1997		1998		1997	
	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
<b>Revenues</b>								
Service revenues	\$ 31,659.08	8.34	\$ 22,693.94	29.22	\$ 121,350.92	11.93	\$ 150,467.58	21.96
Service Cost of Sales	<u>10,186.79</u>	<u>2.68</u>	<u>9,010.18</u>	<u>11.60</u>	<u>59,203.16</u>	<u>5.82</u>	<u>89,599.74</u>	<u>13.08</u>
Service Gross Margin	21,472.29	5.66	13,683.76	17.62	62,147.76	6.11	60,867.84	8.88
Moves, Adds, and Changes	41,390.25	10.90	18,743.66	24.13	201,122.08	19.78	151,455.90	22.11
Moves, Adds, & Changes Cost	<u>19,062.94</u>	<u>5.02</u>	<u>13,766.73</u>	<u>17.72</u>	<u>106,873.11</u>	<u>10.31</u>	<u>107,756.21</u>	<u>15.73</u>
Moves, Adds, & Changes Gross M	22,327.31	5.88	4,976.93	6.41	94,248.97	9.46	43,699.69	6.38
Equipment sales	306,620.66	80.76	35,937.84	46.27	694,656.27	68.30	382,303.24	55.80
Equipment Cost of Sales	<u>201,558.32</u>	<u>53.09</u>	<u>30,083.49</u>	<u>38.73</u>	<u>483,861.78</u>	<u>47.58</u>	<u>295,055.07</u>	<u>43.97</u>
Equipment Gross Margin	105,062.34	27.67	5,854.35	7.54	210,794.49	20.73	87,248.17	12.73
Equipment rental income	<u>0.00</u>	<u>0.00</u>	<u>300.00</u>	<u>0.39</u>	<u>(135.52)</u>	<u>(0.01)</u>	<u>900.00</u>	<u>0.13</u>
Rental Gross Margin	0.00	0.00	300.00	0.39	(135.52)	(0.01)	900.00	0.13
<b>Operating Expenses</b>								
Advertising	816.80	0.22	236.95	0.30	4,527.16	0.45	2,697.42	0.39
Amortization	176.26	0.05	236.52	0.30	1,057.56	0.10	1,395.37	0.20
Answering/paging services	252.10	0.07	607.14	0.78	1,486.45	0.15	2,126.88	0.31
Airplane expenses	0.00	0.00	1,645.44	2.12	1,753.28	0.17	2,866.79	0.42
Automobile & truck	393.75	0.10	0.00	0.00	2,602.95	0.26	1,388.17	0.20
Bad debts	0.00	0.00	0.00	0.00	0.00	0.00	130.00	0.02
Bank charges	6.00	0.00	0.00	0.00	59.00	0.01	77.00	0.01
Continuing education	0.00	0.00	226.95	0.29	0.00	0.00	2,030.78	0.30
Contributions	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00	0.15
Depreciation	1,048.23	0.28	2,241.68	2.89	6,289.38	0.62	12,238.77	1.79
Dues and subscriptions	54.00	0.01	0.00	0.00	619.36	0.06	368.31	0.05
Meals & Entertainment	270.41	0.07	51.26	0.07	1,586.22	0.16	912.10	0.13
Insurance	4,657.73	1.23	2,918.53	3.76	25,311.38	2.49	23,369.79	3.41
Interest	360.56	0.09	922.01	1.19	2,780.90	0.27	5,966.17	0.87
Maintenance and repairs	318.70	0.08	510.05	0.66	1,052.10	0.10	1,656.87	0.24
Miscellaneous	(23.60)	(0.01)	0.00	0.00	1,198.49	0.12	49.00	0.01
Office supplies and expenses	760.99	0.20	780.00	1.00	4,413.46	0.43	4,379.98	0.64
Packaging supplies	313.97	0.08	0.00	0.00	1,248.72	0.12	296.65	0.04
Payroll taxes	1,741.99	0.46	1,314.02	1.69	11,214.00	1.10	10,463.52	1.53
Postage	305.00	0.08	72.21	0.09	1,567.81	0.15	1,137.91	0.17
Professional services	3,109.90	0.82	915.70	1.18	17,362.18	1.71	10,287.30	1.50
Promotions & gifts	0.00	0.00	27.06	0.03	1,039.49	0.10	27.06	0.00
Rent	3,691.40	0.97	5,286.39	6.81	29,301.09	2.88	31,620.77	4.62

**NIG-AMERICAN COMMUNICATIONS, INC.**  
**CONSOLIDATED**  
**STATEMENTS OF REVENUES AND EXPENSES**  
**INCOME TAX BASIS**  
**FOR THE ONE MONTH AND SIX MONTHS ENDED**  
**JUNE 30, 1998**  
**YEARLY COMPARISON**

	----- CURRENT -----				----- YEAR TO DATE -----			
	AMOUNT		PCT		AMOUNT		PCT	
	1998	1997	1998	1997	1998	1997	1998	1997
Salaries	24,262.82	16,322.26	6.39	21.01	134,280.27	116,143.16	13.20	16.95
Seminars and meetings	0.00	0.00	0.00	0.00	170.37	5,141.29	0.02	0.75
Small tools	603.75	0.00	0.16	0.00	917.73	(76.32)	0.09	(0.01)
Taxes and licenses	15.15	15.51	0.00	0.02	159.70	920.37	0.02	0.13
Telephone	7,665.53	4,078.55	2.02	5.25	38,172.97	24,126.02	3.75	3.52
Travel	1,478.03	612.75	0.39	0.79	9,306.46	6,306.63	0.92	0.92
Utilities	498.91	394.94	0.13	0.51	2,054.96	1,593.40	0.20	0.23
Warranty expense	<u>777.38</u>	<u>0.00</u>	<u>0.29</u>	<u>0.00</u>	<u>777.38</u>	<u>0.00</u>	<u>0.08</u>	<u>0.00</u>
Total Operating Expenses	<u>53,555.76</u>	<u>39,411.92</u>	<u>16.11</u>	<u>20.74</u>	<u>302,310.82</u>	<u>279,661.16</u>	<u>29.73</u>	<u>39.51</u>
Operating Income	95,306.18	(14,594.88)	25.10	(18.79)	66,744.88	(77,945.46)	6.56	(11.38)
Other Income (Expense)	<u>1,202.97</u>	<u>30.95</u>	<u>0.32</u>	<u>0.04</u>	<u>7,088.20</u>	<u>5,886.29</u>	<u>0.70</u>	<u>0.86</u>
Total Other Income (Expense)	<u>1,202.97</u>	<u>30.95</u>	<u>0.32</u>	<u>0.04</u>	<u>7,088.20</u>	<u>5,886.29</u>	<u>0.70</u>	<u>0.86</u>
Net Income Before Tax	96,509.15	(14,563.93)	25.42	(18.75)	73,833.08	(72,059.17)	7.26	(10.52)
Income Tax								
Federal income tax	18,360.16	(2,216.00)	4.83	(2.85)	12,282.16	(17,496.79)	1.21	(2.35)
Franchise tax	150.00	200.00	0.04	0.26	292.00	722.72	0.03	0.11
Excise tax	<u>4,412.44</u>	<u>10.67</u>	<u>1.16</u>	<u>0.01</u>	<u>4,412.44</u>	<u>(2,815.04)</u>	<u>0.43</u>	<u>(0.41)</u>
Total Income Tax	<u>22,922.60</u>	<u>(2,005.33)</u>	<u>6.03</u>	<u>(2.58)</u>	<u>16,986.60</u>	<u>(19,589.11)</u>	<u>1.67</u>	<u>(2.86)</u>
Net Income (Loss)	<u>\$ 73,606.55</u>	<u>\$ (12,558.60)</u>	<u>19.39</u>	<u>(16.17)</u>	<u>\$ 56,846.48</u>	<u>\$ (52,470.06)</u>	<u>5.59</u>	<u>(7.66)</u>



**MID-AMERICAN COMMUNICATIONS, INC.****BALANCE SHEET  
DECEMBER 31, 1997****LIABILITIES AND EQUITY**

<b>Current Liabilities</b>		
Accounts Payable	\$ 161,349.68	
Sales tax payable	3,031.40	
Customer deposits	109,910.96	
Wages Payable	12,071.22	
Deferred commission Pay	0.00	
Deferred rent	1,722.66	
FICA tax payable	923.45	
Unemployment tax payable	0.00	
State withholding payable	0.00	
Income taxes payable	(4,615.99)	
Notes payable	8,659.26	
Visa payable	3,940.99	
Mastercard payable	7,989.97	
<b>Total Current Liabilities</b>		<u>305,013.68</u>
<b>Other Liabilities</b>		
Notes payable - long term	9,903.64	
Notes payable - stockholder	28,487.22	
Deferred commission pay	0.00	
<b>Total Other Liabilities</b>		<u>38,390.86</u>
<b>Total Liabilities</b>		<u>343,404.48</u>
<b>Stockholder's Equity</b>		
Common Stock	55,840.00	
Retained earnings	613,661.42	
Current Yr. Earnings ( deficit )	(876.52)	
<b>Total Stockholder's Equity</b>		<u>668,624.90</u>
<b>Total Liab &amp; Stockhldr Equity</b>		<u>\$1,012,029.38</u>

MID-AMERICAN COMMUNICATIONS, INC.  
CONSOLIDATED  
STATEMENTS OF REVENUES AND EXPENSES  
INCOME TAX BASIS  
FOR THE ONE MONTH AND TWELVE MONTHS ENDED  
DECEMBER 31, 1997  
YEARLY COMPARISON

	CURRENT				YEAR TO DATE			
	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
	1997		1996		1997		1996	
<b>Revenues</b>								
Service revenues	\$ 17,403.65	11.30	\$ 27,165.08	10.96	\$ 261,105.98	16.84	\$ 364,355.44	15.63
Service Cost of Sales	<u>6,019.17</u>	<u>3.91</u>	<u>28,327.76</u>	<u>11.43</u>	<u>153,422.48</u>	<u>9.90</u>	<u>255,983.63</u>	<u>10.98</u>
Service Gross Margin	11,384.48	7.39	(1,162.68)	(0.47)	107,683.50	6.95	108,371.81	4.65
Moves, Adds, and Changes	49,521.47	32.15	23,267.40	9.39	391,062.62	25.22	395,762.22	16.98
Moves, Adds, & Changes Cost	<u>27,259.57</u>	<u>17.70</u>	<u>15,967.08</u>	<u>6.44</u>	<u>238,379.99</u>	<u>15.38</u>	<u>258,498.77</u>	<u>11.09</u>
Moves, Adds, & Changes Gross M	22,261.90	14.45	7,300.32	2.95	152,682.63	9.85	137,263.45	5.89
Equipment sales	86,790.77	56.35	177,542.84	71.62	895,444.91	57.76	1,276,314.60	54.76
Equipment Cost of Sales	<u>61,669.79</u>	<u>40.04</u>	<u>143,696.60</u>	<u>57.97</u>	<u>650,348.60</u>	<u>41.95</u>	<u>924,454.11</u>	<u>39.66</u>
Equipment Gross Margin	25,120.98	16.31	33,846.24	13.65	245,096.31	15.81	351,860.58	15.10
Equipment rental income	<u>300.00</u>	<u>0.19</u>	<u>0.00</u>	<u>0.00</u>	<u>2,700.00</u>	<u>0.17</u>	<u>0.00</u>	<u>0.00</u>
Rental Gross Margin	300.00	0.19	0.00	0.00	2,700.00	0.17	0.00	0.00
NCI revenues	0.00	0.00	19,907.92	8.03	0.00	0.00	234,226.19	10.05
Misc income	0.00	0.00	0.00	0.00	0.00	0.00	60,000.00	2.57
NCI Cost of Sales	<u>0.00</u>	<u>0.00</u>	<u>12,692.95</u>	<u>5.12</u>	<u>0.00</u>	<u>0.00</u>	<u>186,435.85</u>	<u>8.00</u>
NCI Gross Margin	0.00	0.00	7,215.87	2.91	0.00	0.00	107,790.34	4.62
<b>Operating Expenses</b>								
Advertising	0.00	0.00	936.55	0.38	6,568.35	0.42	6,282.67	0.27
Amortization	236.52	0.15	548.18	0.22	2,814.49	0.18	4,036.61	0.17
Answering/paging services	342.41	0.22	591.66	0.24	4,028.20	0.26	4,390.47	0.19
Airplane expenses	196.00	0.13	1,944.84	0.78	7,286.14	0.47	18,590.34	0.80
Automobile & truck	370.06	0.24	255.00	0.10	4,916.58	0.32	7,512.49	0.32
Bad debts	5,728.57	3.72	0.00	0.00	5,858.57	0.38	19,880.51	0.85
Bank charges	0.00	0.00	39.50	0.02	232.25	0.01	285.00	0.01
Continuing education	0.00	0.00	1,052.72	0.42	2,030.78	0.13	4,407.46	0.19
Contributions	0.00	0.00	0.00	0.00	1,000.00	0.06	0.00	0.00
Depreciation	(8,086.89)	(5.25)	6,150.87	2.48	15,360.28	0.99	27,408.53	1.18
Dues and subscriptions	29.00	0.02	0.00	0.00	1,026.26	0.07	3,038.03	0.13
Meals & Entertainment	123.44	0.08	378.16	0.15	2,998.29	0.19	1,972.29	0.08
Insurance	2,848.64	1.85	4,472.54	1.80	50,260.44	3.24	48,332.91	2.07
Interest	(1,243.82)	(0.81)	1,906.90	0.77	9,740.02	0.63	18,423.98	0.79
Maintenance and repairs	526.55	0.34	568.04	0.23	2,952.78	0.19	6,407.94	0.27
Miscellaneous	0.00	0.00	296.25	0.12	142.70	0.01	296.32	0.01
Office supplies and expenses	1,449.67	0.94	1,703.62	0.69	9,320.24	0.60	12,312.75	0.53
Packaging supplies	0.00	0.00	0.00	0.00	604.67	0.04	2,285.25	0.10
Payroll taxes	1,343.49	0.87	1,475.68	0.60	19,511.96	1.26	18,981.58	0.81
Postage	131.25	0.09	75.50	0.03	2,377.67	0.15	4,820.02	0.21
Professional services	1,116.05	0.72	6,321.64	2.55	22,850.03	1.47	22,566.97	0.97
Promotions & gifts	142.30	0.09	90.78	0.04	262.86	0.02	470.69	0.02
Rent	5,356.55	3.48	5,333.68	2.15	43,457.99	4.09	63,887.04	2.74

MID-AMERICAN COMMUNICATIONS, INC.  
CONSOLIDATED  
STATEMENTS OF REVENUES AND EXPENSES  
INCOME TAX BASIS  
FOR THE ONE MONTH AND TWELVE MONTHS ENDED  
DECEMBER 31, 1997  
YEARLY COMPARISON

	CURRENT				YEAR TO DATE			
	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
	1997		1996		1997		1996	
Salaries	25,419.32	16.50	27,639.99	11.15	245,397.07	15.83	257,555.22	11.05
Seminars and meetings	261.00	0.17	0.00	0.00	5,727.03	0.37	4,804.25	0.21
Small tools	0.00	0.00	0.00	0.00	(76.32)	0.00	1,490.71	0.06
Taxes and licenses	235.51	0.15	0.00	0.00	2,601.40	0.17	1,015.40	0.04
Telephone	4,058.24	2.63	4,529.33	1.83	47,771.67	3.08	56,115.19	2.41
Travel	383.67	0.25	298.01	0.12	10,890.39	0.70	7,422.67	0.32
Utilities	429.44	0.28	962.52	0.39	3,807.68	0.25	5,678.67	0.24
Warranty expense	0.00	0.00	0.00	0.00	1,953.17	0.13	0.00	0.00
Total Operating Expenses	<u>41,396.97</u>	<u>26.88</u>	<u>67,571.96</u>	<u>27.26</u>	<u>553,763.64</u>	<u>35.72</u>	<u>630,671.94</u>	<u>27.06</u>
Operating Income	17,670.39	11.47	(20,372.21)	(8.22)	(45,601.20)	(2.94)	74,614.24	3.20
Other Income (Expense)	<u>31,331.91</u>	<u>20.34</u>	<u>571.79</u>	<u>0.23</u>	<u>44,816.58</u>	<u>2.89</u>	<u>14,371.27</u>	<u>0.62</u>
Total Other Income (Expense)	<u>31,331.91</u>	<u>20.34</u>	<u>571.79</u>	<u>0.23</u>	<u>44,816.58</u>	<u>2.89</u>	<u>14,371.27</u>	<u>0.62</u>
Net Income Before Tax	49,002.30	31.82	(19,800.42)	(7.99)	(784.62)	(0.05)	88,985.51	3.82
Income Tax								
Federal income tax	12,961.92	8.42	(3,767.14)	(1.52)	382.13	0.02	18,507.06	0.79
Franchise tax	200.00	0.13	229.00	0.09	1,922.72	0.12	1,873.00	0.08
Excise tax	<u>602.09</u>	<u>0.39</u>	<u>(700.57)</u>	<u>(0.28)</u>	<u>(2,212.95)</u>	<u>(0.14)</u>	<u>5,327.70</u>	<u>0.23</u>
Total Income Tax	<u>13,764.91</u>	<u>8.94</u>	<u>(4,242.71)</u>	<u>(1.71)</u>	<u>91.90</u>	<u>0.01</u>	<u>25,707.76</u>	<u>1.10</u>
Net Income (Loss)	<u>\$ 35,237.39</u>	<u>22.88</u>	<u>\$ (15,557.71)</u>	<u>(6.28)</u>	<u>(876.52)</u>	<u>(0.06)</u>	<u>63,277.75</u>	<u>2.72</u>



**MID-AMERICAN COMMUNICATIONS, INC.**  
**CONSOLIDATED**  
**BALANCE SHEET**  
**DECEMBER 31, 1998**

**ASSETS**

<b>Current Assets</b>		
Cash	<b>\$ 152,188.94</b>	
Accounts receivable	<b>262,735.59</b>	
Deferred cost of sales	<b>197,159.38</b>	
Inventory	<b>725,231.49</b>	
Inventory - MCI	<b>0.00</b>	
Total Current Assets		<b>1,337,313.38</b>
<b>Property and Equipment</b>		
Equipment	<b>137,989.07</b>	
Automobiles and Trucks	<b>112,311.01</b>	
Repairs Accum.	<b>760.46</b>	
Leasehold improvements	<b>637.89</b>	
Furniture and Fixtures	<b>45,022.18</b>	
	<b>296,900.61</b>	
Accum. Depreciation - Memphis	<b>(225,094.35)</b>	
Net Property and Equipment		<b>71,806.26</b>
<b>Other Assets</b>		
Prepaid Expenses	<b>14,033.42</b>	
Deposits	<b>2,014.54</b>	
Software	<b>18,399.20</b>	
Software Development	<b>2,785.09</b>	
Accumulated Amortization	<b>(12,638.08)</b>	
Total other Assets		<b>24,594.17</b>
Total Assets		<b><u>\$1,433,713.81</u></b>

**AND-AMERICAN COMMUNICATIONS, INC.**  
**CONSOLIDATED**  
**BALANCE SHEET**  
**DECEMBER 31, 1998**

**LIABILITIES AND EQUITY**

<b>Current Liabilities</b>		
Accounts Payable	\$ 397,901.55	
Sales tax payable	25,272.73	
Customer deposits	184,139.07	
Wages Payable	19,059.98	
Deferred commission Pay	2,572.00	
Deferred rent	4,675.78	
FICA tax payable	1,819.26	
Unemployment tax payable	0.00	
State withholding payable	0.00	
Income taxes payable	26,228.50	
Notes payable	7,219.25	
Visa payable	2,870.54	
Mastercard payable	3,225.22	
Total Current Liabilities		<b>674,983.88</b>
<b>Other Liabilities</b>		
Notes payable - long term	34,000.00	
Notes payable - stockholder	53,079.31	
Deferred commission pay	2,149.20	
Total Other Liabilities		<b>89,228.51</b>
Total Liabilities		<b>764,212.39</b>
<b>Stockholder's Equity</b>		
Common Stock	55,840.00	
Retained earnings	550,383.67	
Current Yr. Earnings ( deficit )	83,277.75	
Total Stockholder's Equity		<b>669,501.42</b>
Total Liab & Stockhldr Equity		<b>\$1,433,713.81</b>

MID-AMERICAN COMMUNICATIONS, INC.  
CONSOLIDATED  
STATEMENTS OF REVENUES AND EXPENSES  
INCOME TAX BASIS  
FOR THE ONE MONTH AND TWELVE MONTHS ENDED  
DECEMBER 31, 1996  
YEARLY COMPARISON

	CURRENT				YEAR TO DATE			
	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
	1996		1995		1996		1995	
<b>Revenues</b>								
Service revenues	\$ 27,165.08	10.96	\$ 33,569.44	15.82	\$ 344,355.44	15.63	\$ 444,504.77	16.17
Service Cost of Sales	<u>28,327.76</u>	<u>11.43</u>	<u>26,879.85</u>	<u>11.72</u>	<u>255,983.63</u>	<u>10.98</u>	<u>332,224.31</u>	<u>12.09</u>
Service Gross Margin	(1,162.68)	(0.47)	8,689.59	4.09	108,371.81	4.65	112,280.46	4.08
Moves, Adds, and Changes	23,267.40	9.39	25,361.93	11.95	395,762.22	16.98	617,104.72	15.17
Moves, Adds, & Changes Cost	<u>15,967.08</u>	<u>6.44</u>	<u>20,190.79</u>	<u>9.51</u>	<u>258,498.77</u>	<u>11.09</u>	<u>314,112.97</u>	<u>11.43</u>
Moves, Adds, & Changes Gross M	7,300.32	2.95	5,171.14	2.44	137,263.45	5.89	102,992.15	3.75
Equipment sales	177,542.84	71.42	143,990.00	67.85	1,276,314.69	54.76	1,851,467.69	67.36
Equipment Cost of Sales	<u>143,696.60</u>	<u>57.97</u>	<u>127,279.68</u>	<u>59.97</u>	<u>926,454.11</u>	<u>39.66</u>	<u>1,402,308.79</u>	<u>51.01</u>
Equipment Gross Margin	33,846.24	13.65	16,710.32	7.87	351,860.58	15.10	449,358.90	16.35
NCI revenues	19,907.92	8.03	11,628.51	5.48	234,226.19	10.05	38,566.76	1.40
Chargebacks	0.00	0.00	(2,325.70)	(1.10)	0.00	0.00	(2,811.70)	(0.10)
Misc income	0.00	0.00	0.00	0.00	60,000.00	2.57	0.00	0.00
NCI Cost of Sales	<u>12,692.05</u>	<u>5.12</u>	<u>21,677.98</u>	<u>10.21</u>	<u>186,433.85</u>	<u>8.00</u>	<u>148,203.87</u>	<u>5.39</u>
NCI Gross Margin	7,215.87	2.91	(12,375.17)	(5.83)	107,790.34	4.62	(112,448.81)	(4.09)
<b>Operating Expenses</b>								
Advertising	936.55	0.38	80.17	0.04	6,282.67	0.27	3,612.91	0.13
Amortization	548.18	0.22	261.09	0.12	4,036.61	0.17	3,133.08	0.11
Answering/paging services	591.66	0.24	277.29	0.13	4,390.47	0.19	2,437.41	0.09
Airplane expenses	1,964.84	0.78	271.71	0.13	18,590.34	0.80	9,229.51	0.34
Automobile & truck	255.00	0.10	490.40	0.23	7,312.49	0.32	10,487.87	0.38
Bad debts	0.00	0.00	0.00	0.00	19,880.51	0.85	12,632.34	0.46
Bank charges	39.50	0.02	4.04	0.00	285.00	0.01	3.25	0.00
Continuing education	1,052.72	0.42	0.00	0.00	4,407.46	0.19	354.00	0.01
Contributions	0.00	0.00	0.00	0.00	0.00	0.00	149.00	0.01
Depreciation	6,150.87	2.48	6,253.73	2.95	27,408.53	1.18	18,916.38	0.69
Dues and subscriptions	0.00	0.00	9.95	0.00	3,038.03	0.13	1,141.92	0.04
Meals & Entertainment	378.16	0.15	78.88	0.04	1,972.29	0.08	694.84	0.03
Insurance	4,672.54	1.80	3,729.61	1.76	48,332.91	2.07	45,734.15	1.66
Interest	1,906.90	0.77	1,436.01	0.68	18,423.98	0.79	18,435.45	0.67
Maintenance and repairs	568.04	0.23	186.03	0.09	6,407.94	0.27	6,196.84	0.23
Miscellaneous	296.25	0.12	0.00	0.00	296.32	0.01	1,039.88	0.04
Office supplies and expenses	1,703.62	0.69	599.90	0.28	12,312.73	0.53	16,053.66	0.58
Packaging supplies	0.00	0.00	195.50	0.09	2,285.25	0.10	3,349.50	0.12
Payroll taxes	1,475.68	0.60	1,347.37	0.63	18,981.58	0.81	18,511.34	0.67
Postage	75.50	0.03	722.23	0.34	4,820.02	0.21	6,359.19	0.23
Professional services	6,321.64	2.55	927.95	0.44	22,566.97	0.97	15,384.72	0.56
Promotions & gifts	90.78	0.04	562.82	0.27	670.69	0.02	1,271.57	0.05
Rent	5,333.68	2.15	9,672.84	4.54	63,887.04	2.74	65,084.77	2.37

**MID-AMERICAN COMMUNICATIONS, INC.**  
**CONSOLIDATED**  
**STATEMENTS OF REVENUES AND EXPENSES**  
**INCOME TAX BASIS**  
**FOR THE ONE MONTH AND TWELVE MONTHS ENDED**  
**DECEMBER 31, 1996**  
**YEARLY COMPARISON**

	CURRENT				YEAR TO DATE			
	1996		1995		1996		1995	
	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
Salaries	27,639.99	11.15	23,034.45	10.85	257,555.22	11.05	237,476.29	8.64
Seminars and meetings	0.00	0.00	0.00	0.00	4,804.25	0.21	11,906.64	0.43
Small tools	0.00	0.00	0.00	0.00	1,490.71	0.06	784.21	0.03
Taxes and licenses	0.00	0.00	0.00	0.00	1,015.40	0.04	1,946.28	0.07
Telephone	4,529.33	1.83	6,094.38	2.87	56,115.19	2.41	70,957.35	2.58
Travel	298.01	0.12	798.82	0.38	7,422.67	0.32	9,504.27	0.35
Utilities	962.52	0.39	454.23	0.21	5,678.67	0.24	4,589.67	0.17
Warranty expense	0.00	0.00	0.00	0.00	0.00	0.00	733.60	0.03
Total Operating Expenses	<u>67,571.96</u>	<u>27.26</u>	<u>57,489.40</u>	<u>27.02</u>	<u>630,671.94</u>	<u>27.06</u>	<u>598,131.69</u>	<u>21.76</u>
Operating income	(20,372.21)	(8.22)	(39,293.52)	(18.52)	74,614.24	3.20	(45,948.99)	(1.67)
Other Income (Expense)	<u>571.79</u>	<u>0.23</u>	<u>52,030.43</u>	<u>24.52</u>	<u>16,371.27</u>	<u>0.62</u>	<u>58,162.69</u>	<u>2.12</u>
Total Other Income (Expense)	<u>571.79</u>	<u>0.23</u>	<u>52,030.43</u>	<u>24.52</u>	<u>16,371.27</u>	<u>0.62</u>	<u>58,162.69</u>	<u>2.12</u>
Net Income Before Tax	(19,800.42)	(7.99)	12,736.91	6.00	88,985.51	3.82	12,213.50	0.44
Income Tax								
Federal income tax	(3,767.14)	(1.52)	1,306.63	0.62	18,507.06	0.79	1,335.63	0.05
Franchise tax	225.00	0.09	225.00	0.11	1,873.00	0.08	2,946.62	0.11
Excise tax	<u>(799.57)</u>	<u>(0.28)</u>	<u>556.01</u>	<u>0.26</u>	<u>5,327.70</u>	<u>0.23</u>	<u>665.01</u>	<u>0.02</u>
Total Income Tax	<u>(4,252.71)</u>	<u>(1.71)</u>	<u>2,087.64</u>	<u>0.99</u>	<u>25,707.76</u>	<u>1.10</u>	<u>4,947.26</u>	<u>0.18</u>
Net Income (Loss)	<u>\$ (15,557.71)</u>	<u>(6.28)</u>	<u>\$ 10,649.27</u>	<u>5.02</u>	<u>\$ 63,277.75</u>	<u>2.72</u>	<u>\$ 7,266.24</u>	<u>0.26</u>

MID-AMERICAN COMMUNICATIONS, INC.  
CONSOLIDATED  
BALANCE SHEET  
DECEMBER 31, 1995

ASSETS

Current Assets		
Cash	\$ 238,328.85	
Accounts receivable	276,828.23	
Deferred cost of sales	58,983.90	
Inventory	719,899.83	
Inventory - MCI	<u>4,898.81</u>	
Total Current Assets		1,294,537.22
Property and Equipment		
Equipment	124,373.42	
Automobiles and Trucks	74,589.14	
Repairs Accum.	760.46	
Leasehold improvements	837.89	
Furniture and Fixtures	<u>44,472.50</u>	
	245,033.41	
Accum. Depreciation - Memphis	<u>(197,885.82)</u>	
Net Property and Equipment		47,347.59
Other Assets		
Prepaid Expenses	13,451.97	
Deposits	7,074.87	
Software	12,778.26	
Software Development	2,785.09	
Accumulated Amortization	<u>(8,601.47)</u>	
Total other Assets		27,486.72
Total Assets		<u>\$1,369,371.53</u>

**MID-AMERICAN COMMUNICATIONS, INC.**  
**CONSOLIDATED**  
**BALANCE SHEET**  
**DECEMBER 31, 1995**

**LIABILITIES AND EQUITY**

<b>Current Liabilities</b>	
Accounts Payable	\$ 168,025.98
Sales tax payable	27,964.89
Customer deposits	221,267.03
Wages Payable	55,095.43
Deferred commission Pay	0.00
Deferred rent	7,628.91
FICA tax payable	4,141.80
Unemployment tax payable	982.51
State withholding payable	743.99
Income taxes payable	3,006.57
Notes payable	162,193.18
Visa payable	3,123.24
Mastercard payable	0.00
<b>Total Current Liabilities</b>	<u>654,173.51</u>
 <b>Other Liabilities</b>	
Notes payable - long term	6,210.95
Notes payable - stockholder	102,783.40
Deferred commission pay	0.00
<b>Total Other Liabilities</b>	<u>108,974.35</u>
 <b>Total Liabilities</b>	 <u>763,147.86</u>
 <b>Stockholder's Equity</b>	
Common Stock	55,840.00
Retained earnings	543,117.43
Current Yr. Earnings ( deficit )	7,266.24
<b>Total Stockholder's Equity</b>	<u>606,223.67</u>
 <b>Total Liab &amp; Stockhldr Equity</b>	 <u><u>\$1,369,371.53</u></u>

MID-AMERICAN COMMUNICATIONS, INC.  
CONSOLIDATED  
STATEMENTS OF REVENUES AND EXPENSES  
INCOME TAX BASIS  
FOR THE ONE MONTH AND TWELVE MONTHS ENDED  
DECEMBER 31, 1996  
YEARLY COMPARISON

	CURRENT				YEAR TO DATE			
	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
	1996		1995		1996		1995	
<b>Revenues</b>								
Service revenues	\$ 27,165.08	10.96	\$ 33,569.44	15.82	\$ 344,355.44	15.63	\$ 444,504.77	16.17
Service Cost of Sales	<u>28,327.76</u>	<u>11.43</u>	<u>24,879.85</u>	<u>11.72</u>	<u>255,983.63</u>	<u>10.98</u>	<u>332,224.31</u>	<u>12.09</u>
Service Gross Margin	(1,162.68)	(0.47)	8,689.59	4.09	108,371.81	4.65	112,280.46	4.08
Moves, Adds, and Changes	23,267.40	9.39	25,361.93	11.95	395,762.22	16.98	417,104.72	15.17
Moves, Adds, & Changes Cost	<u>15,967.08</u>	<u>6.44</u>	<u>20,190.79</u>	<u>9.51</u>	<u>258,498.77</u>	<u>11.09</u>	<u>316,112.57</u>	<u>11.43</u>
Moves, Adds, & Changes Gross M	7,300.32	2.95	5,171.14	2.44	137,263.45	5.89	102,992.15	3.75
Equipment sales	177,542.84	71.62	143,990.00	67.85	1,276,314.69	54.76	1,851,667.69	67.36
Equipment Cost of Sales	<u>143,696.60</u>	<u>57.97</u>	<u>127,279.68</u>	<u>59.97</u>	<u>924,454.11</u>	<u>39.66</u>	<u>1,402,308.79</u>	<u>51.01</u>
Equipment Gross Margin	33,846.24	13.65	16,710.32	7.87	351,860.58	15.10	449,358.90	16.35
MCI revenues	19,907.92	8.03	11,628.51	5.48	234,226.19	10.05	38,566.76	1.40
Chargebacks	0.00	0.00	(2,325.70)	(1.10)	0.00	0.00	(2,811.70)	(0.10)
Misc income	0.00	0.00	0.00	0.00	60,000.00	2.37	0.00	0.00
MCI Cost of Sales	<u>12,692.05</u>	<u>5.12</u>	<u>21,677.98</u>	<u>10.21</u>	<u>186,435.85</u>	<u>8.00</u>	<u>148,293.87</u>	<u>5.39</u>
MCI Gross Margin	7,215.87	2.91	(12,375.17)	(5.83)	107,790.34	4.62	(112,448.81)	(4.09)
<b>Operating Expenses</b>								
Advertising	936.35	0.38	80.17	0.04	6,282.67	0.27	3,612.91	0.13
Amortization	548.18	0.22	261.09	0.12	4,036.61	0.17	3,133.08	0.11
Answering/paging services	591.66	0.24	277.29	0.13	4,390.47	0.19	2,437.41	0.09
Airplane expenses	1,944.84	0.78	271.71	0.13	18,590.34	0.80	9,229.51	0.34
Automobile & truck	255.00	0.10	490.40	0.23	7,512.49	0.32	10,487.87	0.38
Bad debts	0.00	0.00	0.00	0.00	19,880.51	0.85	12,632.34	0.46
Bank charges	39.50	0.02	4.04	0.00	285.00	0.01	3.25	0.00
Continuing education	1,052.72	0.42	0.00	0.00	4,407.46	0.19	354.00	0.01
Contributions	0.00	0.00	0.00	0.00	0.00	0.00	149.00	0.01
Depreciation	6,150.87	2.48	6,253.73	2.95	27,408.53	1.18	18,916.38	0.69
Dues and subscriptions	0.00	0.00	9.95	0.00	3,038.03	0.13	1,141.92	0.04
Meals & Entertainment	378.16	0.15	78.88	0.04	1,972.29	0.08	694.84	0.03
Insurance	4,472.54	1.80	3,729.61	1.76	48,332.91	2.07	45,734.15	1.66
Interest	1,906.90	0.77	1,436.01	0.68	18,423.98	0.79	18,435.45	0.67
Maintenance and repairs	568.04	0.23	186.03	0.09	6,407.94	0.27	6,196.84	0.23
Miscellaneous	296.25	0.12	0.00	0.00	296.32	0.01	1,039.88	0.04
Office supplies and expenses	1,703.62	0.69	599.90	0.28	12,312.73	0.53	16,053.66	0.58
Packaging supplies	0.00	0.00	195.50	0.09	2,285.25	0.10	3,349.50	0.12
Payroll taxes	1,475.68	0.60	1,347.37	0.63	18,981.58	0.81	18,511.34	0.67
Postage	75.50	0.03	722.23	0.34	4,820.02	0.21	6,359.19	0.23
Professional services	6,321.64	2.55	927.95	0.44	22,566.97	0.97	15,384.72	0.56
Promotions & gifts	90.78	0.04	562.82	0.27	470.69	0.02	1,271.57	0.05
Rent	5,333.68	2.15	9,672.84	4.56	63,887.04	2.74	65,084.77	2.37

**MID-AMERICAN COMMUNICATIONS, INC.**  
**CONSOLIDATED**  
**STATEMENTS OF REVENUES AND EXPENSES**  
**INCOME TAX BASIS**  
**FOR THE ONE MONTH AND TWELVE MONTHS ENDED**  
**DECEMBER 31, 1996**  
**YEARLY COMPARISON**

	CURRENT				YEAR TO DATE			
	1996		1995		1996		1995	
	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
Salaries	27,439.99	11.15	23,034.45	10.85	257,555.22	11.05	237,476.29	8.64
Seminars and meetings	0.00	0.00	0.00	0.00	4,804.25	0.21	11,906.64	0.43
Small tools	0.00	0.00	0.00	0.00	1,490.71	0.06	784.21	0.03
Taxes and licenses	0.00	0.00	0.00	0.00	1,015.40	0.04	1,944.28	0.07
Telephone	4,329.33	1.83	6,094.38	2.87	56,119.19	2.41	70,937.35	2.58
Travel	298.01	0.12	798.82	0.38	7,422.67	0.32	9,504.27	0.35
Utilities	962.52	0.39	454.23	0.21	5,678.67	0.24	4,589.67	0.17
Warranty expense	0.00	0.00	0.00	0.00	0.00	0.00	753.60	0.03
Total Operating Expenses	<u>67,571.96</u>	<u>27.26</u>	<u>57,489.40</u>	<u>27.09</u>	<u>630,671.94</u>	<u>27.06</u>	<u>598,131.69</u>	<u>21.76</u>
Operating Income	(20,372.21)	(8.22)	(39,293.52)	(18.52)	74,614.24	3.20	(45,948.99)	(1.67)
Other Income (Expense)	<u>571.79</u>	<u>0.23</u>	<u>52,030.43</u>	<u>24.52</u>	<u>14,371.27</u>	<u>0.62</u>	<u>58,162.49</u>	<u>2.12</u>
Total Other Income (Expense)	<u>571.79</u>	<u>0.23</u>	<u>52,030.43</u>	<u>24.52</u>	<u>14,371.27</u>	<u>0.62</u>	<u>58,162.49</u>	<u>2.12</u>
Net Income Before Tax	(19,800.42)	(7.99)	12,736.91	6.00	88,985.51	3.82	12,213.50	0.44
Income Tax								
Federal income tax	(3,767.14)	(1.52)	1,306.63	0.62	18,507.06	0.79	1,335.63	0.05
Franchise tax	225.00	0.09	225.00	0.11	1,873.00	0.08	2,946.62	0.11
Excise tax	<u>(799.57)</u>	<u>(0.28)</u>	<u>556.01</u>	<u>0.26</u>	<u>5,327.70</u>	<u>0.23</u>	<u>665.01</u>	<u>0.02</u>
Total Income Tax	<u>(4,241.71)</u>	<u>(1.71)</u>	<u>2,087.64</u>	<u>0.99</u>	<u>25,707.76</u>	<u>1.10</u>	<u>4,947.26</u>	<u>0.18</u>
Net Income (Loss)	<u>\$ (15,537.71)</u>	<u>(6.28)</u>	<u>\$ 10,649.27</u>	<u>5.02</u>	<u>\$ 63,277.75</u>	<u>2.72</u>	<u>\$ 7,266.24</u>	<u>0.26</u>



**Explanation for page 6, financial capability 1-3:**

Daytona Telephone Company is an affiliate of Mid-American Communications, Inc. Mid-American Communications, Inc. has been providing nationwide interconnect products and services for over 15 years. Our primary markets are hotel/motel, condominiums/time share and commercial customers. We see the need to expand our services to include local exchange services in areas which have a high concentration of the type of customers that we serve and are not yet being competitively served by other facilities based CLECs.

Mid-American Communications, Inc. is providing a Class 4 and Class 5 switch and electronics necessary for our initial Florida operation. Daytona Telephone Company will provide local exchange services in Daytona Beach, Florida. In addition, Mid-American Communications will transfer the necessary managers and technical personnel to Daytona Telephone Company to run the company. We will hire an administrative staff from the Daytona Beach area as needed.

The majority of the capital and operational expenses are now being covered by Mid-American Communications, Inc. Additional overhead such as building lease, utilities, etc. will also be picked up by Mid-American Communications, Inc. until such time Daytona Telephone Company has a positive cash flow and can sustain growth. A financial projection is attached.

**Daytona Telephone Company  
Projections**

Year 1

	Jan-88	Feb-88	Mar-88	Apr-88	May-88	Jun-88	Jul-88	Aug-88	Sep-88	Oct-88	Nov-88	Dec-88	Year One
Rooms online	100	300	600	900	1200	1800	1800	2100	2400	2700	3000	3300	3300
CLBC Revenue	0	0	2718	8148	16280	24426	32580	40728	48876	57018	65160	73308	388240
C+ Revenue	20000	19800	18000	16800	16000	2600	3600	4600	5600	6600	7600	8600	133600
I+ Revenue	600	1200	1800	1800	1700	1800	1800	3000	2100	2200	2300	2400	21800
<b>Total Revenue</b>	<b>20600</b>	<b>20700</b>	<b>22218</b>	<b>25248</b>	<b>38580</b>	<b>28726</b>	<b>37580</b>	<b>47228</b>	<b>56476</b>	<b>65718</b>	<b>74960</b>	<b>84258</b>	<b>524340</b>
<b>Overhead</b>													
Start-up fees	20000	0	0	0	0	0	0	0	0	0	0	0	20000
Switch	10000	9000	8000	9000	8000	9000	9000	9000	8000	8000	9000	8000	88000
Building	6800	680	680	680	680	680	680	680	680	680	680	680	13680
Utilities	300	200	200	200	280	200	200	200	300	200	200	200	2400
Salaries	9000	9000	8000	10800	10800	10800	13000	13000	13000	15800	15800	16800	141000
T-1 Circuits	200	600	1200	1800	2400	3000	3600	4200	4800	5400	6000	6600	38800
C+ Commissions	3000	2825	2680	2775	2700	375	828	675	625	675	1128	1275	20025
Misc. & Travel	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	28400
	<b>65100</b>	<b>16875</b>	<b>20160</b>	<b>25125</b>	<b>26880</b>	<b>21628</b>	<b>28178</b>	<b>28628</b>	<b>26875</b>	<b>28628</b>	<b>30875</b>	<b>31428</b>	<b>528275</b>
<b>Total P/L</b>	<b>-38200</b>	<b>1125</b>	<b>2118</b>	<b>8120</b>	<b>12640</b>	<b>6810</b>	<b>12858</b>	<b>21308</b>	<b>29768</b>	<b>36760</b>	<b>44288</b>	<b>52780</b>	<b>188065</b>

**Daytona Telephone Company  
Projections**

Year 2

	Jan-00	Feb-00	Mar-00	Apr-00	May-00	Jun-00	Jul-00	Aug-00	Sep-00	Oct-00	Nov-00	Dec-00	Year Two
Rooms online	3600	3600	4200	4800	4800	5100	5400	5700	6000	6300	6600	6900	7200
CLIC Revenue	81488	88888	87740	108888	114888	122178	130820	138488	148810	154788	162800	171048	1614870
O+ Revenue	10000	10800	11000	11800	12000	12500	13000	13800	14000	14800	15000	15800	153000
1+ Revenue	2800	3400	3400	3700	4000	4200	4800	4800	5200	6000	6000	6100	63400
<b>Total Revenue</b>	<b>84288</b>	<b>106188</b>	<b>112140</b>	<b>121988</b>	<b>130888</b>	<b>138978</b>	<b>147820</b>	<b>158288</b>	<b>168810</b>	<b>176788</b>	<b>183700</b>	<b>192848</b>	<b>1721370</b>
<b>Overhead</b>													
Switch	8000	8000	8000	8000	8000	8000	8000	8000	8000	8000	8000	8000	80000
Filter	33000	33000	33000	33000	33000	33000	33000	33000	33000	33000	33000	33000	398000
Building	3800	3800	3800	3800	3800	3800	3800	3800	3800	3800	3800	3800	42000
Utilities	800	800	800	800	800	800	800	800	800	800	800	800	8000
Salaries	18000	18000	18000	20800	20800	20800	23000	23000	23000	28800	28800	28800	381000
T-1 Circuits	7200	7800	8000	7800	7200	6800	6400	6000	6800	6200	4800	4400	77000
O+ Commissions	1800	1875	1880	1725	1800	1875	1880	2025	2100	2175	2280	2325	22880
Misc. & Travel	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	28400
	<b>70800</b>	<b>71875</b>	<b>74880</b>	<b>77825</b>	<b>78700</b>	<b>76878</b>	<b>78880</b>	<b>78228</b>	<b>77800</b>	<b>85075</b>	<b>78780</b>	<b>78428</b>	<b>821280</b>
<b>Total PL</b>	<b>23888</b>	<b>51428</b>	<b>37260</b>	<b>44163</b>	<b>52188</b>	<b>62100</b>	<b>68942</b>	<b>78860</b>	<b>87910</b>	<b>94888</b>	<b>105920</b>	<b>112220</b>	<b>800090</b>

Daytime Telephone Company  
Projections

Year 3

	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01	Aug-01	Sep-01	Oct-01	Nov-01	Dec-01	Year Thru
Rooms online	7200	7600	7800	8100	8400	8700	9000	9300	9600	9900	10200	10500	10800
CLEC Revenue	178180	187235	195489	203828	211770	218915	226360	234205	244360	252485	260640	268795	2687950
O+ Revenue	18000	18500	17000	17500	18000	18500	18000	18500	20000	20500	21000	21500	225000
I+ Revenue	8100	8400	8700	7000	7300	7800	7600	8200	8600	8900	9100	9400	83000
Total Revenue	204280	213335	218169	229128	237070	246815	254860	268865	272860	289785	299740	303795	3026950

Overhead	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01	Aug-01	Sep-01	Oct-01	Nov-01	Dec-01	Year Thru
Switch	8000	8000	8000	8000	8000	8000	8000	8000	8000	8000	8000	8000	88000
Fiber	33000	33000	33000	33000	33000	33000	33000	33000	33000	33000	33000	33000	368000
Building	3800	3800	3800	3800	3800	3800	3800	3800	3800	3800	3800	3800	42000
Utilities	800	800	800	800	800	800	800	800	800	800	800	800	8000
Salaries	28000	28000	28000	30800	30800	30800	33000	33000	33000	36800	36800	36800	381000
T-1 Circuits	4000	3800	3200	2800	2400	2000	2000	2000	2000	2000	2000	2000	30000
O+ Commissions	2400	2475	2560	2625	2700	2775	2850	2825	3000	3075	3150	3225	33750
Misc. & Travel	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	26400
	81600	81275	80600	85125	82800	83475	88250	88125	89200	87775	87850	87525	1011160

Total PL	119680	128860	138220	148000	154270	163340	166910	178760	187860	194010	202890	211780	1984700
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**Explanation for page 6, managerial capability:**

Michael D. Booper, Sr., C.E.O. and Founder of Mid-American Communications, Inc., has over the past twenty-five (25) years, served as President for BEMC, a manufacturer of communications equipment, B&H Manufacturing Company, a manufacturer of broadcast control and assemblies, Ozark Manufacturing Company, a manufacturer of power amplifiers for the communications industry, American Communication and Technology, a provider of broadcast engineering and two-way communications products and services, and Mid-American Communications, Inc., a provider of telecommunications products and services. Mike has served as President of Mid-American Communications, Inc. for fourteen years and C.E.O. one year. During this time, Mid-American Communications, Inc. has experienced steady growth and financial stability. Mike has a FCC Radiotelephone License and is certified on the following PBX Systems: Hitachi HD-200, DX, EDX, LDX, MDX and HCX5000; Mitel SX50; Novel NetWare versions 2.0 through 4.1. Mike is a General Contractor with Low Voltage License in Tennessee and Georgia. Mike has an Associate's Degree In Electrical Engineering.

James S. Usery, President of Mid-American Communications, Inc. began his career in telecommunications with ITT Telecom in Milan, TN as an Engineering Cooperative student. After graduating from UT Martin in 1974 with a B.S. in Electrical Engineering Technology, Jim worked for ITT for five years in Milan as a Product Engineer on central office switching system designs, and for five years in Johnson City, TN at the ITT North manufacturing plant as a Component Engineer for digital switching systems. After leaving ITT, Jim worked for six years at ITEC, Inc. in Huntsville, AL as the R&D Systems Manager responsible for the design and implementation of an adjunct billing system which provided local billing capability for electromechanical central office systems. Jim left ITEC in 1990 to attend graduate school on a full time basis and graduated in 1991 with a Masters of Science in Management from the University of Alabama Huntsville. After graduation, Jim accepted a position as Director of Product Integrity with Cortelco, Inc. working with the design and manufacturing teams on the development and implementation of an ISDN compatible PBX system. In April of 1993, he accepted a position with Mid-American Communications, Inc. as Sales Manager for PBX, key system and voice mail systems sales. In December, 1994, he was promoted to Vice President and General Manager with responsibility for Sales Engineering, Installation, Customer Service, Maintenance, and other support functions for Mid-American Communications, Inc.'s operations. On January 1, 1998 Jim was promoted to the office of President of Mid-American Communications, Inc.

John T. Fairchild, Vice President of Marketing has been involved in telecommunications for the past 25 years. As Vice President of Sales of Litton Business Telephone Systems, he led the company's entrance into the competitive telephone equipment business. Later as Director of Interconnect Distribution for IBM's Rolm CBX division, he was responsible for building that firm's nationwide distribution network. In 1978, John was appointed General Manager of Norstar Communications in Minneapolis, MN. Norstar was Rolm's largest distributor and one of the largest interconnect companies in the United States. In 1985, John joined Digital Transmission, Inc. as Vice President of Sales establishing DTI as the leading provider of E-911 systems to AT&T and many of the Bell and independent telephone companies. In 1990, John co-founded American Telephone Network, Inc. (ATN) a facilities based national long distance carrier. In his capacity as Executive Vice President and Chief Operating Officer, John was primarily responsible for the design, deployment and management of the company's switch and network operations.

In 1994, ATN sold its customer base and network to MIDCOM Communications and for much of that year, John managed the transition of ATN's operations to MIDCOM. John headed his own consulting firm advising such companies as Nortel, AT&T, Digital Transmissions, Tel Central and Plant Equipment, Inc. on issues involving E-911, Public Safety Networks, Shared Tenant Technology and Local Service. John is a graduate of the University of Alabama with a degree in Business.

**Explanation for page 6, technical capability:**

Daytona Telephone Company will have, in addition to its technical management team, factory certified Central Office Engineer (CEO), Outside Plant Engineer (OSPE), Installation and Maintenance Manager (IMM), Customer Service Representatives (CSR), and administrative staff for billing issues. Additional technicians and support staff are projected in our performance forecast.

In addition to the above technical personnel, Daytona Telephone Company will have the support of Mid-American Communications, Inc.'s (TAC) technical assistance center which provides 24 hours a day, 7 days a week technical assistance, Orlando Business Telephone Company, a large interconnect company in Orlando, FL will provide installation and repair services, Orlando Telephone Company (OTC) an ALEC in Orlando, FL will provide technical assistance for fiber cable and electronic equipment installation and repair and will provide billing assistance.

Daytona Telephone Company will have direct factory support from the switch manufacturer and all electronic equipment manufacturers. All manufacturers have agreed to train and certify all of our management and technical personnel.

Daytona Telephone Company will have a management and technical staff with an average of 25 years of management and technical experience. Daytona Telephone Company will have the assistance of affiliate and associated companies who have over 150 employees who are trained and have years of experience in telecommunications.

Daytona Telephone Company will have continuing support from the manufacturers supplying its equipment.

With the massive technical support pool available, Daytona Telephone Company will be able to have solid growth and will be able to maintain the highest possible level of technical integrity.

**Explanation for page 6. E-911 Intraexchanges:**

Daytona Telephone Company will handle Emergency 911 Service for local intra-exchange switched telecommunications service by establishing two (2) dedicated T-1 circuits to Southern Bell who is connected to the E-911 services. Daytona Telephone Company will have a designated circuit and back-up circuit both using pinpoint codes to identify caller information. Daytona Telephone Company's access and funding mechanism is identical to the local exchange company.





## **25-24.825 Price List**

(1) Prior to providing service, each company subject to these rules shall file and maintain with the Commission a current price list which clearly sets forth the following information for basic local telecommunications services, as defined in s. 364.02(2), F. S. If basic local telecommunications service is offered on a package basis, the following information must be provided for the package:

- (a) current prices,
- (b) customer connection charges,
- (c) billing and payment arrangements, and
- (d) levels of service quality which the company holds itself out to provide for each service.

(2) At the company's option, price list information in paragraph (1) above and other information concerning the terms and conditions of service may be filed for services other than basic local telecommunication services.

(3) A price list revision must be physically received by the Commission's Division of Communications at least one day prior to its effective date.

(4) Price lists must be on 8 ½ by 11 inch paper in loose-leaf form and must utilize an ongoing page identification system which will allow for the identification of inserted and removed pages. The color of paper on which price lists are filed must be amenable to being clearly photocopied on standard photocopy equipment.

(5) Complete information concerning a company's service offerings, rates and charges, conditions of service, service quality, terms and conditions, service area, and subscribership information identified by local exchange company exchange must be made available to Commission staff upon request.

**Specific Authority: 350.127(2)**

**Law Implemented: 364.04, 364.337(5), F.S.**

**History: New 12/26/95.**

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

DEPOSIT APPLICATION FORM

D004

SEP 08 1998

for

981106-TX

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

INSTRUCTIONS

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

Florida Public Service Commission  
Division of Communications

MACI Long Distance

P.O. BOX 34868  
MEMPHIS, TN 38184  
(901) 385-0660



00963

963

Two Hundred Fifty & No/100 Dollars

DATE

AMOUNT

08/31/98

\$250.00

PAY  
TO THE  
ORDER  
OF

FLORIDA PUBLIC SERVICE COMMISSION  
FOR: ALEC STATUS

DOCUMENT NUMBER DATE

09748 SEP-8 98