

Before The
Public Service Commission
State of Florida

RECEIVED
FLORIDA PUBLIC
SERVICE COMMISSION
98 OCT -9 AM 8 37
MAIL ROOM

In Re:)		
)	DEPOSIT	DATE
Application of)	D 0 1 8 *	OCT 12 1998
Southeastern)		
Telecommunications)		
Service Inc. For a Certificate)		
of Authority to Provide)	<u>APPLICATION</u>	
Alternate Local Exchange Service))		
within The State of Florida)		
)		
)		

Southeastern Telecommunications Service Inc. pursuant to section 364.337 of Florida Statutes and Section 253 of the Telecommunications Act of 1996 respectfully requests the Florida Public Service Commission to authorize a Certificate of Authority to provide Alternate Local Exchange Service to Southeastern Telecommunications Service Inc. to resell local exchange telecommunications service in the State of Florida. In support of the application Southeastern Telecommunications Service Inc. provides the following:

1. The application for The Florida Public Service Commission Division of Communications Certification and Compliance Section.
2. The attached Exhibit List including all documentation as required by the Florida Public Service Commission.

11169-98
Oct 9

The applicant intends to provide service in the State of Florida pursuant to the terms and conditions as outlined by The Florida Public Service Commission and the Telecommunications Act of 1996. The applicant seeks to offer basic and non-basic service 24 hours per day 7 days per week to residential customers. The applicant is familiar with commission rules, policies and orders and will adhere to them. A decision to grant authority to the applicant to provide telecommunications service as described herein is in the public interest as it serves to expand customer options and increase competition in Florida without any adverse impact on the Commission's goals of affordable local service for individual customers. Approval will promote customer availability of high quality, reliable, and competitively priced telecommunications service.

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

APPLICATION FORM

for

***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
Certification & Compliance Section
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0866
(850) 413-6600**

- ◆ 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.

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:

Southeastern Telecommunications Service Inc.

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

Southeastern Telecommunications Service Inc.

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

Fictitious name registration number: N/A

APPLICATION FORM

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

Southeastern Telecommunications Service inc.

12305 Antille Drive

Boca Raton, Florida 33428

1-561-483-4320

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

Same As Above

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

Individual

Corporation

Foreign Corporation

Foreign Partnership

General Partnership

Limited Partnership

Joint Venture

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

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

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

Corporate charter number: P98000009323

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.

Jacqueline Smigiel

12305 Antille Drive

Boca Raton, Florida 33428

1-561-483-4320

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

APPLICATION FORM

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

None

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

None

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

in person or by Mail at the corporate address

and or phone number with the Company Liason

to the Public Service Commission

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

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.)

APPLICATION FORM

AFFIDAVIT

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

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

Official:


Signature

8-30-98

Date

Title:

PRESIDENT

(561) 483-4320

Telephone Number

Southeastern Telecommunications
Service Inc.

Address:

12305 Antille Drive

Boca Raton, Florida

33428

561-483-4320

Exhibit List

- Exhibit A - Southeastern Telecommunications Service
Inc. Articles of Incorporation and State
of Florida Certificate of Authority
- Exhibit B - Management Information
- Exhibit C - Personal Information
- Exhibit D - Technical Information
- Exhibit E - Financial Information
- Exhibit F - Price List for Southeastern Telecommunications
Service Inc. in accordance with Commission
Rule 25-24.825

Exhibit A

State of Florida



Department of State

I certify from the records of this office that SOUTHEASTERN TELECOMMUNICATIONS SERVICE INC. is a corporation organized under the laws of the State of Florida, filed on January 28, 1998.

The document number of this corporation is P98000009323.

I further certify that said corporation has paid all fees and penalties due this office through December 31, 1998, and its status is active.

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

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



CR2EO22 (2-95)

Sandra B. Morham

Sandra B. Morham
Secretary of State

ARTICLES OF INCORPORATION

The undersigned incorporator(s), for the purpose of forming a corporation under the Florida Business Corporation Act, hereby adopt(s) the following Articles of Incorporation.

ARTICLE I NAME

The name of the corporation shall be:

Southeastern Telecommunications Service Inc.

ARTICLE II PRINCIPAL OFFICE

The principal place of business and mailing address of this corporation shall be:

*12305 Artelle Drive
Boca Raton, Florida 33428*

ARTICLE III SHARES

The number of shares of stock that this corporation is authorized to have outstanding at any one time is:

1000 one thousand

ARTICLE IV INITIAL REGISTERED AGENT AND STREET ADDRESS

The name and address of the initial registered agent is:

*Jacqueline Smigel
12305 Artelle Drive
Boca Raton, Florida 33428*

FILED
98 JAN 28 PM 2:23
TALLAHASSEE, FLORIDA

ARTICLE V INCORPORATOR(S)

See instructions for officers/directors

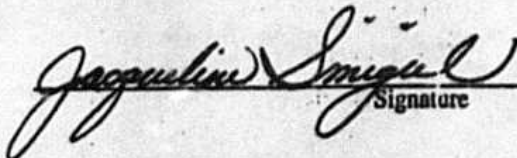
The name(s) and street address(es) of the incorporator(s) to these Articles of Incorporation is(are):

Jacqueline Smigiel
12305 Antille Drive
Boca Raton, Florida 33428

The undersigned incorporator(s) has(have) executed these Articles of Incorporation this

1st day of January, 19 98.

(An additional article must be added if an effective date is requested.)



Signature

Signature

Signature

Notarization is not required

NOTE: Affixing an officer title after a signature of an incorporator does not constitute the designation of officers.

**CERTIFICATE OF DESIGNATION OF
REGISTERED AGENT/REGISTERED OFFICE**

PURSUANT TO THE PROVISIONS OF SECTION 607.0501, FLORIDA STATUTES, THE UNDERSIGNED CORPORATION, ORGANIZED UNDER THE LAWS OF THE STATE OF FLORIDA, SUBMITS THE FOLLOWING STATEMENT IN DESIGNATING THE REGISTERED OFFICE/REGISTERED AGENT, IN THE STATE OF FLORIDA.

1. The name of the corporation is Southeastern Telecommunications Service Inc.

2. The name and address of the registered agent and office is:

Jacqueline Smigiel
(NAME)

12305 Antille Drive

(P. O. Box or Mail Drop Box **NOT** ACCEPTABLE)

Boca Raton, Florida 33428
(CITY/STATE/ZIP)

FILED
98 JAN 28 PM 2:24
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Having been named as registered agent and to accept service of process for the above stated corporation at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

Jacqueline Smigiel
(SIGNATURE)

1/21/98
(DATE)

Exhibit B

MANAGEMENT INFORMATION

Jacqueline Smigiel
2305 Antille Drive
Boca Raton, Florida 33428

President/C E O
368-54-5346
10/27/50

Jacqueline Smigiel has an established track record for participating in successful business ventures. Born and raised in Detroit, Michigan and attended Macomb College where she earned her degree in Business Administration in 1972. Relocated to Boca Raton, Florida in 1996.

Ms. Smigiel worked for various corporations in the accounting department performing several different functions as they relate to general accounting.

The first entrepreneurial experience was through the acquisition of a retail gift shop in Michigan in 1978. The store featured gift and accessory items. During the three year period of ownership the store achieved increased sales and profits. The business was sold at a profit in 1982 when she devoted her time to raising a family.

In 1994 Ms. Smigiel obtained a franchise through Mobil Oil Company and proceeded to construct a full service fuelling station and convenience store operation in Holly, Michigan. The acquisition was financed by a one million dollar SBA loan. Presently the franchise retails over 2 million gallons of fuel per year with convenience store sales in excess of 1 million dollars per annum. Sales and profitability have increased in both operations by 15% per year since inception.

The primary ingredient of Ms. Smigiel's success is the ability to take a methodical no nonsense approach when responding to everyday details. The execution strategy is simple and precise and this characteristic is appreciated by employees and customers alike.

Ms. Smigiel intends to permeate this strategy in the development of Southeastern Telecommunications Service Inc. The ability to relate to low income customers and their need in the telecommunications industry is the ultimate receipt for a successful business venture.

Staff Specifications

Marketing Representative

process incoming calls from potential customers - explain the service program and additional calling features - gather all customer information to set up accounts.

Customer Service Representative

all customers inquiry's regarding - billing, service, installation, and disconnect and reconnect orders.

Data Entry Clerk

all computer input of customer information and generate mail out to customers from initial set up through monthly billing on a daily basis management reports and provider list for installations and disconnects.

Accounting / Bookkeeping

handle all accounting functions from daily deposits and check writing through weekly payroll and monthly tax filings will also maintain liason with the telephone service provider overseeing installation and disconnect list to be generated and filed with them daily.

The company intends to fill the staff positions and management level positions as dictated by its growth with experienced Telecommunications Industry personnel. This will serve to enhance the company ability to effectively full-fill all managerial and technical requirements of the commission.

Exhibit C

Exhibit D

Technical Information

Southeastern Telecommunications Service Inc. has developed a unique strategy to resolve any technical difficulties it may encounter in the resale of Local Exchange Service. While the experience of our management and our intention to hire experienced telecommunications industry personnel are significant in and of themselves. We will rely on two other areas of technical support available to us. First our program to resell telephone service through contractual agreement with licensed local exchange carriers will contain provisions for maintenance service, installation, and technical support as the industry requires. Second as a female small business owner there are various State, Federal, and Local organizations that provide any and all necessary financial, managerial, and technical support as needed. The Small Business Administration through The Service Corps Of Retired Executives provides information and analysis services in the fields of marketing, accounting and technology on an as needed basis to small businesses. The Florida Department of Labor and the Palm Beach County Business Development Board as well as Enterprise Florida, Florida Atlantic University Small Business Development Center, Florida International University and The National Association of Women Business Owners all maintain programs to help solve any adverse situations and provide needed support to insure a successful endeavor. We fully intend to utilize the vast resources available to us to insure a high quality, reliable service at competitive prices for our customers.

Exhibit E

Southeastern

Telecommunications

Service Inc.

Financial Statements

12305 Antille Drive

Boca Raton, Florida 33428

Southeastern Telecommunications Service Inc.
Balance Sheet
Start Up

	<u>Start Up</u>
Assets	
Cash	40150.
Furniture and Fixtures	17600.
Deposits	2950.
Organization Cost	<u>11800.</u>
Total Assets	<u><u>72500.</u></u>
Liabilities	
Accounts Payable	
Accrued Expense	
Notes Payable	<u>50000.</u>
Total Liabilities	<u>50000.</u>
Capital	
Common Stock	25000.
Retained Earnings	<u>(2500.)</u>
Total Capital	<u>22500.</u>
Total Liabilities and Capital	<u><u>72500.</u></u>

See Accompanying Notes to Financial Statements

Southeastern Telecommunications Service Inc.
Balance Sheet
3 Year Projected

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Assets			
Cash	37900.	122080.	263300.
Furniture and Fixtures	17600.	17600.	17600.
Deposits	2950.	2950.	2950.
Organization Cost	<u>11800.</u>	<u>11800.</u>	<u>11800.</u>
Total Assets	<u>70250.</u>	<u>154430.</u>	<u>295650.</u>
Liabilities			
Accounts Payable			
Accrued Expense			
Notes Payable	<u>40000.</u>	<u>30000.</u>	<u>20000.</u>
Total Liabilities	<u>40000.</u>	<u>30000.</u>	<u>20000.</u>
Capital			
Common Stock	25000.	25000.	25000.
Retained Earnings	<u>5250.</u>	<u>99430.</u>	<u>250650.</u>
Total Capital	<u>30250.</u>	<u>124430.</u>	<u>275650.</u>
Total Liabilities and Capital	<u>70250.</u>	<u>154430.</u>	<u>295650.</u>

See Accompanying Notes to Financial Statements

SOUTHEASTERN TELECOMMUNICATIONS SERVICE Inc.
INCOME STATEMENT
3 YEAR PROJECTED

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Line Activations		809	1195
New Lines Activated	1430	1800	2100
Less: Non Renewal	(621)	(1414)	(1827)
Net Lines Activated	809	1195	1468
Projected Income			
Line Connection Fee	57123.	71904.	83892.
Local Use Fees	232268.	507084.	656977.
Accessories/Options	<u>17441.</u>	<u>38085.</u>	<u>49335.</u>
Total Revenues	306832.	617073.	790204.
Cost of Goods Sold			
Installation Line Fees	35750.	45000.	52500.
Local Service Fees	<u>87210.</u>	<u>190395.</u>	<u>246675.</u>
Cost of Goods Sold	<u>122960.</u>	<u>235395.</u>	<u>299175.</u>
Gross Profit	<u>183872.</u>	<u>381678.</u>	<u>491029.</u>
Administrative Expenses			
Administrative Salaries	49200.	97200.	115200.
Management Salaries	34800.	50000.	60000.
Medical Insurance	6000.	10800.	14400.
Payroll Taxes	9300.	14700.	17500.
Advertising	24000.	48000.	60000.
Rent-Office	14400.	15800.	17400.
Property Insurance	2400.	3600.	3600.
Auto Expense	4800.	9600.	9600.
Computer Expense	3300.	4500.	5700.
Telephone Expense	4800.	6000.	6600.
Customer Billing	3900.	5800.	7200.
Office Supplies	2700.	3600.	4200.
Utilities	2400.	2600.	2800.
Travel and Entertainment	5400.	7200.	8400.
Professional Expense	<u>2700.</u>	<u>3600.</u>	<u>4200.</u>
Total Administrative Expense	<u>170100.</u>	<u>283000.</u>	<u>336800.</u>
Earnings Before Interest	<u>13772.</u>	<u>98678.</u>	<u>154229.</u>
Interest Expense	<u>6000.</u>	<u>4500.</u>	<u>3000.</u>
Net Income	<u><u>7772.</u></u>	<u><u>94178.</u></u>	<u><u>151229.</u></u>

Southeastern Telecommunications Service Inc.
Income Statement
1 Year Projected

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Line Activations													
New Lines	0	130	260	377	469	552	626	693	753	807	856	906	1430
Less Nonrenewals	0	0	13	38	47	56	63	70	76	81	86	91	621
Lines Activated	0	130	247	339	422	496	563	623	677	726	776	815	809
Projected Income													
Line Connection Fees	0	5193.	5193.	5193.	5193.	5193.	5193.	5193.	5193.	5193.	5193.	5193.	57123.
Local Use Fees	0	5193.	9867.	13543.	16859.	19815.	22492.	24889.	27046.	29004.	31001.	32559.	232268.
Accessories/Options	0	390.	740.	1017.	1266.	1488.	1689.	1869.	2031.	2178.	2328.	2445.	17441.
Total Revenue	0	10776.	15800.	19753.	23318.	26496.	29374.	31951.	34270.	36375.	38522.	40197.	306832.
Cost of Goods Sold													
Line Connection Fees	0	3250.	3250.	3250.	3250.	3250.	3250.	3250.	3250.	3250.	3250.	3250.	35750.
Local Service Fees	0	1950.	3705.	5085.	6330.	7440.	8445.	9345.	10155.	10890.	11640.	12225.	87210.
Total Cost of Goods Sold	0	5200.	6955.	8335.	9580.	10690.	11695.	12595.	13405.	14140.	14890.	15475.	122960.
Gross Profit	0	5576.	8845.	11418.	13738.	15806.	17679.	19356.	20865.	22235.	23632.	24722.	183872.
Administrative Expense													
Administrative Salaries	3400.	3400.	3400.	3400.	3400.	3400.	4800.	4800.	4800.	4800.	4800.	4800.	49200.
Management Salary	2900.	2900.	2900.	2900.	2900.	2900.	2900.	2900.	2900.	2900.	2900.	2900.	34800.
Medical Insurance	500.	500.	500.	500.	500.	500.	500.	500.	500.	500.	500.	500.	6000.
Payroll Taxes	700.	700.	700.	700.	700.	700.	850.	850.	850.	850.	850.	850.	9300.
Advertising	2000.	2000.	2000.	2000.	2000.	2000.	2000.	2000.	2000.	2000.	2000.	2000.	24000.
Rent Office	1200.	1200.	1200.	1200.	1200.	1200.	1200.	1200.	1200.	1200.	1200.	1200.	14400.
Property Insurance	200.	200.	200.	200.	200.	200.	200.	200.	200.	200.	200.	200.	2400.
Auto Expense	400.	400.	400.	400.	400.	400.	400.	400.	400.	400.	400.	400.	4800.
Computer Lease	275.	275.	275.	275.	275.	275.	275.	275.	275.	275.	275.	275.	3300.
Telephone Expense	400.	400.	400.	400.	400.	400.	400.	400.	400.	400.	400.	400.	4800.
Customer Billing	0.	100.	200.	250.	300.	350.	400.	400.	450.	450.	500.	500.	3900.
Office Supplies	200.	200.	200.	200.	200.	200.	250.	250.	250.	250.	250.	250.	2700.
Utilities	200.	200.	200.	200.	200.	200.	200.	200.	200.	200.	200.	200.	2400.
Travel and Ent.	300.	300.	400.	400.	500.	500.	500.	500.	500.	500.	500.	500.	5400.
Professional Fees	150.	150.	250.	250.	250.	250.	250.	250.	250.	250.	250.	250.	2700.
Total Administrative Expense	12825.	12925.	13125.	13275.	13425.	13475.	15125.	15125.	15175.	15175.	15225.	15225.	170100.
Income Before Interest/Taxes	-12825.	-7349.	-4280.	-1857.	313.	2331.	2554.	4231.	5690.	7060.	8407.	9497.	13772.
Interest Expense	500.	500.	500.	500.	500.	500.	500.	500.	500.	500.	500.	500.	6000.
Net Income/Loss	-13325.	-7849.	-4780.	-2357.	-187.	1831.	2054.	3731.	5190.	6560.	7907.	8997.	7772.

Southeastern Telecommunications Service Inc.
Statement of Cash Flow
3 Year Projected

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Beginning Cash	75000.	37926.	122108.
Less:			
Start up Expense	<u>34850.</u>	-0-	-0-
Cash for Operations	40150.	37926.	122108.
Gross Revenue	<u>306832.</u>	<u>617073.</u>	<u>790204.</u>
Total Cash Available	346982.	654999.	912312.
Less:			
Cost of Goods Sold	122960.	235395.	299175.
Operating Expenses	170100.	283000.	336800.
Interest Expense	6000.	4500.	3000.
Debt Retirement	<u>9996.</u>	<u>9996.</u>	<u>9996.</u>
Net Cash Available	<u>37926.</u>	<u>122108.</u>	<u>263341.</u>

See Accompanying Notes to Financial Statement

Southeastern Telecommunications Service Inc.
Start Up Cost Analysis
Projected

One Time Costs and Reserve

Security Deposit, Lease Initiation	2400.
Office Furniture	8600.
Communications Equipment	4000.
Computer System Software	5000.
Computer Lease	550.
License Fees	500.
Business Plan, ALEC Application	7500.
Incorporation Fees	800.
Legal and Accounting Fees	3000.
Projected Cash Requirements	26700.
Debt Service	8000.
Printing and Copying	1500.
Office Supplies	500.
Various Shipping and Handling	500.
Contingency Reserve	<u>5450.</u>
Total Start Up Cost	<u>75000.</u>
Equity Contribution	25000.
Corporate Debt Financing	<u>50000.</u>
Total Funding	<u>75000.</u>

Southeastern Telecommunications Service Inc.
Schedule
Furniture and Equipment

Communications Equipment Telephone System, Fax, and Installation	4000.
Computer System Software Accounting and Billing	5000.
Office Suites Desk, Chairs, Files, and Receptionist Area	5600.
Office Decor Wallcovering, Plants, and Decor	<u>3000.</u>
Total Furniture and Equipment	<u><u>17600.</u></u>

See Accompanying Notes to Financial Statements

Southeastern Telecommunications Service Inc.
Break Even Analysis
Projected

	Year 1	Fixed Cost Year 2	Year 3
Product Cost			
Average Cost	15.00	15.00	15.00
Monthly Selling Expense	7450.	14540.	18490.
Monthly Admin. Expense	<u>6725.</u>	<u>9040.</u>	<u>9575.</u>
Total Expense	14175.	23580.	28065.
Average Sales Price	48.32	54.45	55.85
Average Unit Margin	33.32	39.45	40.85
Unit Sales at Break Even	425	597	687
Dollar Sales at Break Even	17002.	23880.	27481.
Customer Turnover Ratio			
Total Activations	1430	1800	2100
Nonrenewals	<u>621</u>	<u>1414</u>	<u>1827</u>
Turnover Ratio	2.30	1.27	1.15
Average Sales Price			
Line Use Fees	40.00	40.00	40.00
Options	1.80	2.65	2.80
Installation Fee	<u>6.52</u>	<u>11.80</u>	<u>13.05</u>
	48.32	54.45	55.85

See Accompanying Notes To Financial Statements

Southeastern Telecommunications Service Inc.
Notes to Financial Statements
(Projected)

Balance Sheet Assumptions

1. Initial working capital and start up loan in the amount of \$50000.00 payable in equal monthly installments over a five year period at competitive interest rates is listed as notes payable on the balance sheet.
2. The company will rely on projected earnings to support territorial expansion and supplemental equipment requirements. Any additional debt is the result of acquisition financing and thus is not elaborated on in this projection.
3. The company plans to issue 2500 shares of common stock at an initial par value of \$10.00 per share. The initial \$25,000.00 of equity capital will be used for organizational cost, license document preparation, business plan, reports, projections, office furniture, equipment, and certain deposit requirements of office and equipment lease costs.
4. The company plans to acquire additional capital equipment in future years under a lease agreement and therefore no provision for additional assets has been made. Certain leases may be capitalized in accordance with accounting standards set forth by AICPA.
5. Based upon projected cash flows and cash account reserve accumulations, the company plans to pay its vendors timely and does not expect to accrue significant accounts payable and accrued expenses. All payroll taxes will be deposited electronically on a weekly basis as instructed by the payroll service company.

Income Statement Assumptions

1. Annual line activations are based on 130 new accounts per month in year 1 and 150 new accounts per month in year 2 and 175 new accounts per month in year 3.
2. Installation fee is \$39.95 and the monthly service fee is \$39.95 as outlined in the rate schedule.
3. A 10% non-renewal rate based on the number of active lines at month end is used for all three years in the projections.

4. Accessories inclusive of various nonstandard features are estimated in accordance with industry standards. It is estimated that 20% of the activated customers will spend an average of \$15.00 per month on accessories and options.
5. Contracted cost to the company with a major service provider are \$15.00 per month for each local service line in use and \$25.00 per installation.

6. Company labor pool estimates are outlined as follows:

	Year 1	Year 2	Year 3
Clerical	2	4	5
Sales	1	2	2
Management	1	1	1

7. Payroll taxes are projected at 10% of the gross annual expenditures for wages.
8. The company intends to occupy approximately 1500 square feet of office space based on a net lease of \$10.00 per square foot. The company plans to execute a three year lease with provisions reflected in the statement for cost of living increases. Security deposits are reflected in the start up analysis.
9. The company intends to acquire a small business telecommunications system with initial provisions for 4 incoming local and two 800 service W.A.T.S. lines. Toll free costs of \$.06 per minute allows for 2500 minutes per month. Line deposits and installation are reflected in the start up analysis.
10. The company has budgeted for one standard vehicle to be used by management.
11. Marketing and advertising budgets are set forth in the financial statement projections and include expenses for direct mail programs on a weekly basis. Approximately 2000 pieces per week at an average cost of \$.31 including printing and bulk mailing postage. The company will also engage in billboard and cable television promotional campaigns primarily in the second and third year. A detailed marketing and advertising program is outlined in the business plan.
12. The company plans to lease purchase all computer equipment. Initial requirements support the software program for

customer account activation, billing, accounting and activation and termination reports as well as other management reports. With 3 work stations along with peripheral printing and processing equipment. Lease costs are budgeted in the income statement. Based upon rapid technology advancements in the computer industry the company prefers to lease purchase all equipment during the start up phase and the first three years of operation therefore equipment asset amounts are not reflected in the balance sheet projection.

13. Customer billing expenses include budgets for monthly statement processing to all customer accounts including postage and handling costs.
14. No provision for federal income taxes based on corporate earnings has been made. The company plans to actively seek licensing in strategic locations in the Midwest and Eastern section of the United States. Its plans will include territorial development and account acquisition in certain states. As a result corporate taxes may be mitigated due to future expansion plans and therefore not projected as costs on the income statement.

Exhibit F

Southeastern

Telecommunications

Service Inc.

Price List

12305 Antille Drive

Boca Raton, Florida 33428

TITLE SHEET

FLORIDA TELECOMMUNICATIONS PRICE LIST

This price list contains the descriptions, regulations, service standards and rates applicable to the furnishing of telecommunications services provided by Southeastern Telecommunications Service Inc., with principal offices at 12305 Antille Drive Boca Raton, Florida 33428. This price list applies for services furnished within the State of Florida. This price list is on file with the Florida Public Service Commission, and copies may be inspected, during normal business hours, at the company's principal place of business.

Issued: 9/1/98

Effective: 9/1/98

by:

Jacqueline Smigiel, President
12305 Antille Drive
Boca Raton, Florida 33428

Before The
Public Service Commission
State of Florida

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FLORIDA PUBLIC
SERVICE COMMISSION

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In Re:)
)
)
Application of)
Southeastern)
Telecommunications)
Service Inc. For a Certificate)
of Authority to Provide)
Alternate Local Exchange Service)
within The State of Florida)
)
)
_____)

DEPOSIT DATE
D018 **OCT 12 1998**

APPLICATION

Southeastern Telecommunications Service Inc. pursuant to section 364.337 of Florida Statutes and Section 253 of the Telecommunications Act of 1996 respectfully requests the Florida Public Service Commission to authorize a Certificate of Authority to provide Alternate Local Exchange Service to Southeastern Telecommunications Service Inc. to resell local exchange telecommunications service in the State of Florida. In support of the application Southeastern Telecommunications Service Inc. provides the following:

1. The application for The Florida Public Service Commission Division _____ s Certification

ACTIVE
ASSETS
ACCOUNT

JACQUELINE I SMIGIEL TTEE
12305 ANTILLE DR
BOCA RATON, FL 33428

1019

25-80/440

Oct 1 19 98

PAY TO THE
ORDER OF

Florida Public Service

\$ *200.00*

1 documentation
ice Commission.

Two Hundred Fifty 00/100

DOLLARS Security Features

ABCDEFGHIJKL MNOPQRST UVWXYZ

DEAN WITTER REYNOLDS INC.

BANK ONE
BANK ONE COLUMBUS, MA
Columbus, Ohio 43271

MEMO

Application Fee *Jacqueline Smigiel*

CHECK SHEET

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

Sheet	Revision
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original
17	Original
18	Original
19	Original

Issued: 9/1/98

Effective: 9/1/98

by:

Jacqueline Smigiel, President
12305 Antille Drive
Boca Raton, Florida 33428

TABLE OF CONTENTS

Title Sheet.....1
Check Sheet.....2
Table of Contents.....3
Symbols Sheet.....4
Price List Format Sheet.....5
Exchange Service List.....7
Section 1 - Technical Terms and abbreviations.....8
Section 2 - Rules, Regulations, and Service Criteria...10
Section 3 - Basic Service Description and Rates.....17
Section 4 - Non Basic Service Description and Rates....19

Issued: 9/1/98

Effective: 9/1/98

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Boca Raton, Florida 33428

SYMBOLS SHEET

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

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

Issued: 9/1/98

Effective: 9/1/98

by:

Jacqueline Smigiel, President
12305 Antille Drive
Boca Raton, Florida 33428

PRICE LIST FORMAT SHEETS

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

B. Sheet Revision Numbers - Revision numbers also appear in the upper right hand corner of each page. These numbers are used to determine the most current sheet version on file with the FPSC. For example the 4th revised sheet 14 cancels the third revised sheet 14. Because of various suspension periods, deferrals, etc. the FPSC follows in their price list approval process, the most current sheet number on file with the commission is not always the price list page in effect. Consult the Check Sheet for the sheet currently in effect.

C. Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to it's next higher level:

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

Issued: 9/1/98

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Boca Raton, Florida 33428

PRICE LIST FORMAT SHEETS

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

Issued: 9/1/98

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Southeastern Telecommunications Service Inc.

Florida Price List No. 1
Original Sheet 7

EXCHANGE SERVICE LIST

To be determined by Interconnection Agreement with Carrier.

Issued: 9/1/98

Effective: 9/1/98

by:

Jacqueline Smigiel, President
12305 Antille Drive
Boca Raton, Florida 33428

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement which connects the customer location to a network switching center.

Company - Southeastern Telecommunications Service Inc.

Carrier - Service provider the company purchases it's service from for resale to the customer.

Customer - An individual or entity which orders service from the company and is responsible for payment of charges due and compliance with the Company's price list regulations.

Day - From 8:00 AM up to 5:00 PM local time Sunday through Friday.

Evening - From 5:00 PM up to 11:00 PM local time Sunday through Friday.

Night/Weekend - From 11:00 PM up to 8:00 AM Sunday through Friday, and 8:00 AM Saturday up to 5:00 PM Sunday.

Holidays - All recognized Federal Holidays

Service Provider - Alternate Local Exchange Company from which company will purchase service for resale to the customer.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Installation Charges - Charges which are assessed on a non-recurring basis at the establishment of service. The term installation charges and line connection fees are used inter-changeably within this price list to refer to other than monthly recurring charges.

Line Connection Fee - term used inter-changeably with the term installation charges.

Monthly Charges - Charges which are assessed for service included within this price list on a recurring monthly basis. The term monthly charges and monthly service fee are used inter-changeably within this price list to refer to all recurring monthly charges. It may be assumed that all services offered within this price list are charged a monthly charge unless otherwise specified.

User - A customer or any other person authorized by the customer to use service provided under this price list.

Issued: 9/1/98

Effective: 9/1/98

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12305 Antille Drive
Boca Raton, Florida 33428

SECTION 2 - RULES, REGULATIONS AND SERVICE CRITERIA

2.1 Undertaking of Southeastern Telecommunications Service Inc.

2.1.1 Scope - The company undertakes to furnish telecommunications service in connection with information transmission between points within the State of Florida. Customers may use service under this price list to obtain access to the service offered. The company assumes no responsibility for service provided by any other entity.

2.1.2 Terms and Conditions - Service is provided and billed on the basis of a minimum period of at least one month and shall continue to be provided until cancelled by the customer or terminated by the company. A month is considered to have 30 days. All calculations of dates are based on calendar days. Ongoing service shall continue on a month to month basis at the current price list rates unless terminated by the customer or the company. Termination shall not relieve the customer from any obligation for service already incurred.

2.1.3 Notification of service affecting activities - The company will provide the customer with notice of service affecting activities that may occur in normal business operations. No specific advance notice period is applicable to all service activities. Some emergency service affecting conditions preclude customer notification.

Issued: 9/1/98

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SECTION 2 - RULES, REGULATIONS AND SERVICE CRITERIA

2.2 Liability of the Company

2.2.1 The liability of the company for damages arising out of furnishing its service shall be limited to the extension of allowances for interruption of the service and shall be the sole remedy of the customer and sole liability of the company.

2.2.2 The company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control.

2.2.3 The company shall not be liable for any acts or omissions of any entity furnishing service to the company or the company's customers.

2.2.4 The entire liability of the company for any loss, claim or expense shall in no way exceed the total sum paid to the company by the customer for the specific service.

2.2.5 The company shall not be liable for the customers failure to fulfill it's obligations to obtain, install and maintain equipment for connection of the company service.

2.2.6 With respect to access to 911 emergency service. This is offered to the customer as an aid in handling assistance calls in connection with police, fire, and other emergencies. The company is not liable for any loss, claim, damage, suit, or any other liability asserted by the customer in connection with this service.

Issued: 9/1/98

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SECTION 2 - RULES, REGULATIONS AND SERVICE CRITERIA

2.2.7 The company will not be liable for failure to complete any call to any private or semi-private listing service when the call is not placed by dialing the number. The company will try to prevent disclosure of the number of such telephone.

2.2.8 The company maintains it's limit of liability is the same as that limit of liability of the service provider the company has contracted with.

2.3 Obligations of the Customer

2.3.1 The customer will be responsible for payment of all applicable charges pursuant to the price list and reimburse the company for damage to or loss of company facilities or equipment caused by acts or omissions of noncompliance by the customer. The customer will comply with all laws and regulations applicable to obtain permission and right of way for installation of customer service by the company.

2.3.2 Claims with respect to any service provided by the company, the customer will indemnify, defend and hold harmless the company from all claims, actions, damages, liabilities, costs, and expenses resulting from negligent or intentional acts of the customer.

2.3.3 The customer is responsible for providing and maintaining any equipment on the customer premises and responsible for any expense in connection there with.

Issued: 9/1/98

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SECTION 2 - RULES, REGULATIONS AND SERVICE CRITERIA

2.4 Establishing Service

2.4.1 An application for service made orally or in writing or by action of the customer establishes a contract between the customer and the company.

2.4.2 The minimum contract period is one month. 30 calendar days and will continue thereafter on a monthly basis.

2.4.3 The contract or any right acquired thereunder may be assigned or transferred in any manner.

2.4.4 Cancellation of an application shall result in no charge to the customer prior to installation. Thereafter the customer is responsible for any costs incurred by the company.

2.4.5 The company shall be paid for its service and installation prior to the customer receiving it. No credit standards are applicable.

2.5 Advance Payments and Deposits

2.5.1 The customer will pay for installation and first month service charge prior to the service connection. All monthly service charges will be billed in advance of the service.

2.5.2 The company will not require and deposit or any other advance payment other than that stated in section 2.5.1.

Issued: 9/1/98

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SECTION 2 - RULES, REGULATIONS AND SERVICE CRITERIA

2.6 Billing and Payment

2.6.1 Customer bills for service will be issued once each month in advance of the service provided.

2.6.2 The customer is responsible for payment of all charges for service furnished including but not limited to calls originating or accepted at the customers service location.

2.6.3 Payment shall be made in US Currency on the date shown on the bill at an authorized payment location in person or by mail.

2.6.4 Payments made by check for service shall be subject to a \$20.00 charge for being returned by the bank unpaid. The company reserves the right to refuse a check and demand other means of remuneration if this occurs more than twice in a 12 month period.

2.7 Interruption of Service

2.7.1 A customer is considered delinquent in payment of his bill when the amount due is not received by the due date shown on the bill. The company may disconnect service and shall serve notice to the customer of its intention 10 days prior to doing same. The company will not disconnect any service pending resolution of a complaint with the FPSC.

2.7.2 A customer may have service restored after a disconnection by paying a \$10.00 Restoration fee within 10 days.

Issued: 9/1/98

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SECTION 2 - RULES, REGULATIONS AND SERVICE CRITERIA

2.7.3 If a customer fails to reconnect service within 10 days of a disconnection, service will only be restored by submission of a new application and payment of a new installation fee.

2.8 Taxes Fees and Surcharges

2.8.1 The company will bill the customer for any and all municipal, state, and federal taxes, franchise fees, telecommunications surcharges and any other end user common line charges as applicable and required.

2.9 Miscellaneous

2.9.1 Where special conditions or requirements of the customer are involved the customer may be required to pay a reasonable portion of the cost.

2.9.2 The customer has no property right in the telephone number. The company may at its election change the number for technical reasons. No change can be the result of action to enforce payment of a bill for directory advertising.

2.9.3 Facilities and equipment furnished by the company remain the property of the company.

2.9.4 Neither the company or the customer any assign or transfer its rights and duties in connection with the service provided by the company except that the company may assign its rights and duties to an affiliate.

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SECTION 2 - RULES, REGULATIONS AND SERVICE CRITERIA

2.9.5 The company and the customer shall designate an address to which either will mail or deliver all notices and communications required by the price list and the parties shall notify each other of any changes in the designated address for notices and communications.

2.9.6 The customer will receive credit for any interruption of service for causes other than customer neglect or willful act by the customer for an interruption of 24 hours or more. The credit is based on a pro rata figure against a 30 day month from the time the customer reports the interruption to the company until it is repaired.

Issued: 9/1/98

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SECTION 3 - BASIC SERVICE DESCRIPTION AND RATES

3.1 Service Offering

3.1.1 Basic exchange access service provides the customer with a single voice grade communications channel connecting the customer's premises and the carrier's central office. Basic exchange service provides the customer with access to the central network switch for the purpose of placing and receiving calls.

3.1.2 Basic exchange access service provides a customer with a voice grade communications channel and a unique telephone number address on the public switched telecommunications network. The service enables users to:

- a) receive calls from other stations on public switched telecommunications network
- b) access other services offered by the company or carrier
- c) Access the company business office for service related assistance
- d) access emergency services by dialing 911

3.1.3 Basic exchange access service is available in limited geographic areas.

3.1.4 Company defined basic exchange access service areas to be determined and subject to limitations of agreement with carrier.

Issued: 9/1/98

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SECTION 3 - BASIC SERVICE DESCRIPTION AND RATES

3.2 Rates

3.2.1 Basic exchange access service rates are based on a flat monthly service charge and access area is defined in section 3.1.3 and 3.1.4.

Residential single line service.....\$39.95 per month

These charges apply to basic exchange access service in addition to the charges found in section 3.2.2

3.2.2 In addition to the charges found in section 3.2.1 preceeding the following charges apply to each individual basic exchange access service line unless otherwise specified:

- a)The subscriber line charge applies in addition to the basic exchange access service rate
- b)The emergency telecommunications service surcharge
- c)The telecommunications access system act surcharge
- d)any and all applicable municipal, county, state, and federal taxes, franchise fees, and other related charges

3.2.3 Installation/Line connection fees.....\$39.95

Issued: 9/1/98

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SECTION 4 - NON BASIC SERVICE DESCRIPTION AND RATES

4.1 Service Offering

4.1.1 Optional exchange access service enhancement features in this section may be purchased in addition to a company provided exchange access service. These features are available only when purchased in combination with a company provided exchange access service

4.1.2 List of optional service features (partial)

- Call Fowarding
- Caller ID
- Caller ID Delux
- Call Tracing
- Call Waiting
- Call Waiting Enhanced
- Call Return
- Speed Dialing
- Repeat Dialing

Other custom call features as they become available .

4.2 Rates

4.2.1 Rates in this section are applied on a monthly basis for service provided unless otherwise specified.

4.2.2 Rates in this section are to be determined by the Interconnection Agreement with the service provider.

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Application Fee Jacqueline Smigiel

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1 documentation
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