

# NOWALSKY, BRONSTON & GOTHARD

A Professional Limited Liability Company  
Attorneys at Law

Leon L. Nowalsky  
Benjamin W. Bronston  
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3500 N. Causeway Boulevard  
Suite 1442  
Metairie, Louisiana 70002  
Telephone: (504) 832-1984  
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Monica R. Borne  
EllenAnn G. Sands

March 16, 1999

## Via Express Delivery

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

990359-77

RE: **The Free Network, L.L.C.**

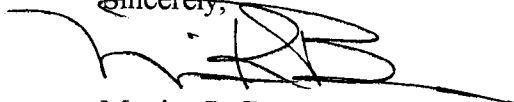
Dear Ms. Hawkins:

Enclosed please find an original and six (6) copies of Application Form for authority to provide interexchange telecommunications service within the State of Florida, submitted on behalf of The Free Network, L.L.C. Also enclosed is the requisite \$250.00 filing fee.

Please acknowledge receipt of this filing by returning a date stamped copy of this letter in the self-addressed envelope provided.

Thank you for your assistance. Please call with any questions.

Sincerely,



Monica R. Borne

Enclosure

cc: Vitaliano Terracciano, The Free Network

Check received with filing and  
forwarded to Fiscal for deposit.  
PLS. do not forward a copy of check  
to FISCAL until you receive this  
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FPSC-RECORDS/REPORTING

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March 16, 1999

DEPOSIT

DATE

D107

MAR 18 1999

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FPSC-RECORDS/REPORTING

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

**DIVISION OF COMMUNICATIONS**  
**BUREAU OF SERVICE EVALUATION**

**APPLICATION FORM**

for

**AUTHORITY TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICE**  
**WITHIN THE STATE OF FLORIDA**

---

Instructions

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

**Florida public Service Commission**  
**Division of Communications**  
**Bureau of service Evaluation**  
**2540 Shumard Oak Blvd.**  
**Gunter Building**  
**Tallahassee, Florida 32399-0850**  
**(904) 413-6600**

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

**Florida public Service Commission**  
**Division of Administration**  
**2540 Shumard Oak Blvd.**  
**Gunter Building**  
**Tallahassee, Florida 3239g-0850**  
**(904) 413-6251**

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

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

2. This is an application for (check one):
- Original Authority** (New company).
  - Approval of Transfer** (To another certificated company).
  - Approval of Assignment of existing certificate** (To an uncertificated company).
  - Approval for transfer of control** (To another certificated company).
3. Name of corporation, partnership, cooperative, joint venture or sole proprietorship:  
**The Free Network, L.L.C.**
4. Name under which the applicant will do business (fictitious name, etc.):  
**Same as 3 above.**
5. National address (including street name & number, post office box, city, state and zip code).  
**1607 E. Big Beaver Rd., Suite 105  
Troy, MI 48083**
6. Florida address (including street name & number, post office box, city, state and zip code):  
**None.**
7. Structure of organization;
- |   |  |
|---|--|
| <input type="checkbox"/> Individual   | <input type="checkbox"/> Corporation         |
| <input type="checkbox"/> Foreign corporation  | <input type="checkbox"/> Foreign Partnership |
| <input type="checkbox"/> General Partnership  | <input type="checkbox"/> Limited partnership |
| <input checked="" type="checkbox"/> Other, <u>foreign limited liability company</u> |  |
8. If applicant is an individual or partnership, please give name, title and address of sole proprietor or partners.
- (a) Provide proof of compliance with the foreign limited partnership statute (Chapter 620.169 FS), if applicable.
  - (b) Indicate if the individual or any of the partners have previously been:

- (1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings.
- (2) officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

9. If incorporated, please give:

(a) Proof from the Florida Secretary of State that the applicant has authority to operate in Florida. **Exhibit A.**  
Corporate charter number: M99000000300.

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

**NRAI Services, Inc.**  
**526 E. Park Avenue**  
**Tallahassee, FL 32301**

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

Fictitious name registration number: \_\_\_\_\_

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

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

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

10. Who will serve as liaison with the Commission in regard to (please give name, title, address and telephone number):
- (a) The application;
    - Monica R. Borne, Attorney**
    - 3500 N. Causeway Blvd., Suite 1442**
    - Metairie, LA 70002**
    - Ph. (504) 832-1984; Fx. (504) 831-0892**
  - (b) Official point of contact for the ongoing operations of the company;
    - Vitaliano Terracciano, Vice President**
    - 1607 E. Big Beaver Rd., Suite 105**
    - Troy, MI 48083**
    - Ph. (248) 526-1000; Fx. (248) 526-1001**
  - (c) Tariff;
    - Monica R. Borne, Attorney**
    - 3500 N. Causeway Blvd., Suite 1442**
    - Metairie, LA 70002**
    - Ph. (504) 832-1984; Fx. (504) 831-0892**
  - (d) Complaints/Inquiries from customers;
    - Melanie Muskie, Customer Service**
    - 1607 E. Big Beaver Rd., Suite 105**
    - Troy, MI 48083**
    - Ph. (248) 526-1000; Fx. (248) 526-1001**
11. List the states in which the applicant:
- (a) Has operated as an interexchange carrier.
    - See Exhibit B.**
  - (b) Has applications pending to be certificated as an interexchange carrier.
    - See Exhibit B.**
  - (c) Is certificated to operate as an interexchange carrier.
    - See Exhibit B.**
  - (d) Has been denied authority to operate as an interexchange carrier and the circumstances involved.
    - None.**
  - (e) Has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.
    - None.**
  - (f) Has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.
    - None.**

12. What services will the applicant offer to other certificated telephone companies: **None.**
- ( ) Facilities. ( ) Operators.  
 ( ) Billing and Collection. ( ) Sales.  
 ( ) Maintenance.  
 ( ) Other: \_\_\_\_\_
13. Do you have a marketing program?  
**Yes.**
14. Will your marketing program:
- ( x ) Pay commissions?  
 ( ) Offer sales franchises?  
 ( x ) Offer multi-level sales incentives?  
 ( ) Offer other sales incentives?
15. Explain any of the offers checked in question 14 (To whom, what amount, type of franchise, etc.).  
**Commissions are paid based on volume of sales, and bonuses are paid according to sales level reached.**
16. Who will receive the bills for your service (Check all that apply)?
- ( x ) Residential customers. ( x ) Business customers.  
 ( ) PATS providers. ( ) PATS station end-users.  
 ( ) Hotels & motels. ( ) Hotel & motel guests.  
 ( ) Universities. ( ) Univ. dormitory residents.  
 ( ) Other: (specify) \_\_\_\_\_.
17. Please provide the following (if applicable):
- (a) Will the name of your company appear on the bill for your services, and if not who will the billed party contact to ask questions about the bill (provide name and phone number) and how is this information provided?  
**Yes.**
- (b) Name and address of the firm who will bill for your service.

**UniDial Inc.**



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

A. Financial capability. **Exhibit C.**

Regarding the showing of financial capability, the following applies:

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

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

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

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

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

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

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

B. Managerial capability. **Exhibit D.**

C. Technical capability. **Exhibit E.**

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

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

**MTS with distance sensitive per minute rates**

Method of access is FGA

Method of access is FGB

Method of access is FOD

Method of access is 800

**MTS with route specific rates per minute**

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

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

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

- MTS for pay telephone service providers
- Block-of-time calling plan (Reach out Florida, Ring America, etc.).
- 800 service (Toll free)
- WATS type service (Bulk or volume discount)
  - Method of access is via dedicated facilities
  - Method of access is via switched facilities
- Private Line services (Channel services)  
(For ex. 1.544 mbs., DS-3, etc.)
- Travel service
  - Method of access is 950
  - Method of access is 800
- 900 service
- Operator services
  - Available to presubscribed customers
  - Available to non presubscribed customers (for example to patrons of hotels, students in universities, patients in hospitals.
  - Available to inmates

**Services included are:**

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

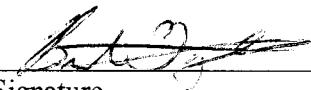
21. What does the end user dial for each at the interexchange carrier services that were checked in services included (above)
22.  Other:

**\*\* APPLICANT ACKNOWLEDGMENT STATEMENT \*\***

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

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

**UTILITY OFFICIAL:**

  
\_\_\_\_\_  
Signature

12/6/78  
\_\_\_\_\_  
Date

Brad J. Tavles  
\_\_\_\_\_

President  
\_\_\_\_\_  
Title

(248) 526-1000  
\_\_\_\_\_  
Telephone No.

**\*\* APPENDIX A \*\***

**CERTIFICATE TRANSFER STATEMENT**

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

**UTILITY OFFICIAL::**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Telephone No.


**\*\* APPENDIX B \*\***

**CUSTOMER DEPOSITS AND ADVANCE PAYMENTS**

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

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

**UTILITY OFFICIAL::**

  
\_\_\_\_\_  
Signature

12/27/98  
Date

Brad J. Tayles

President  
Title

(248) 526-1000  
Telephone No.

**\*\* APPENDIX C \*\***

**INTRASTATE NETWORK**

**The Company is a pure reseller and will not own or operate any facilities.**

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

1)                              2)

3)                              4)

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

1)                              2)

3)                              4)

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

	<u>POP-to-POP</u>	<u>TYPE</u>	<u>OWNERSHIP</u>
1)			
2)			

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

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

**The Company will utilize the services of only Commission certificated underlying carriers which are in compliance with all EAEA requirements contained in Rule 25.24.471(4)(a).**

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

- a) What services have been provided and when did these services begin?
- b) If the services are not currently offered, when were they discontinued?

**UTILITY OFFICIAL::**

  
Signature

12/07/98  
Date

Brad J. Tayles

President  
Title

(248) 526-1000  
Telephone No.



**\*\* APPENDIX D \*\***

**FLORIDA TELEPHONE EXCHANGES**  
**AND**  
**EAS ROUTES**

Describe the service area in which you hold yourself out to provide service by telephone company exchange. If all services listed in your tariff are not offered at all locations, so indicate.

**All service areas statewide.**

In an effort to assist you, attached is a list of major exchanges in Florida showing the small exchanges with which each has extended area service (EAS).

**\*\* FLORIDA EAS FOR MAJOR EXCHANGES \*\***

<u>Extended Service</u> <u>Area</u>	<u>with</u>	<u>These Exchanges</u>
PENSACOLA:		Cantonment, Gulf Breeze Pace, Milton Holley-Navarre.
PANAMA CITY:		Lynn Haven, Panama City Beach, Youngstown-Fountain and Tyndall AFB.
TALLAHASSEE:		Crawfordville, Havana, Monticello, Panacea, Sopchoppy and St. Marks.
JACKSONVILLE:		Baldwin, Ft. George, Jacksonville Beach, Callahan, Maxville, Middleburg Orange Park, Ponte Vedra and Julington.
GAINESVILLE:		Alachuar Archer, Brooker, Hawthorne, High Springs, Melrose, Micanopy, Newberry and Waldo.

OCALA: Belleview, Citra, Dunnellon,  
Forest Lady Lake (B21),  
McIntosh, Oklawaha,  
Orange Springs, Salt Springs and  
Silver Springs Shores.

DAYTONA BEACH: New Smyrna Beach.

TAMPA: Central           None  
East               Plant City  
North             Zephyrhills  
South            Palmetto  
West             Clearwater

CLEARWATER: St. Petersburg, Tampa-West and  
Tarpon Springs.

ST. PETERSBURG: Clearwater.

LAKELAND: Bartow, Mulberry, Plant City,  
Polk City and Winter Haven.

ORLANDO: Apopka, East Orange, Lake Buena  
Vista, Oviedo, Windermere,  
Winter Garden,  
Winter Park, Montverde, Reedy  
Creek, and Oviedo-Winter  
Springs.

WINTER PARK: Apopka, East Orange, Lake Buena Vista,  
Orlando, Oviedo, Sanford, Windermere,  
Winter Garden, Oviedo-Winter Springs  
Reedy Creek, Geneva and Montverde.

TITUSVILLE: Cocoa and Cocoa Beach.

COCOA: Cocoa Beach, Eau Gallie,  
Melbourne and Titusville.

MELBOURNE: Cocoa, Cocoa Beach, Eau Gallie  
and Sebastian.

SARASOTA: Bradenton, Myakka and Venice.

FT. MYERS: Cape Coral, Ft. Myers Beach, North Cape Coral, North Ft. Myers, Pine Island, Lehigh Acres and Sanibel-Captiva Islands.

NAPLES: Marco Island and North Naples.

WEST PALM BEACH: Boynton Beach and Jupiter.

POMPANO BEACH: Boca Raton, Coral Springs, Deerfield Beach and Ft. Lauderdale.

FT. LAUDERDALE: Coral Springs, Deerfield Beach, Hollywood and Pompano Beach.

HOLLYWOOD: Ft. Lauderdale and North Dade.

NORTH DADE: Hollywood, Miami and Perrine.

MIAMI: Homestead, North Dade and Perrine.

**\*\* APPENDIX E \*\***

**\*\* GLOSSARY \*\***

**ACCESS CODE:** The term denotes a uniform five or seven digit code assigned to an individual IXC. The five digit code has the form 10XXX and the seven digit code has the form 950-XXXX.

**BYPASS:** Transmission facilities that go direct from the local exchange end user to an IXC point of presence, thus bypassing the local exchange company.

**CARRIERS CARRIER:** An IXC that provides telecommunications service, mainly bulk transmission service, to other IXCs only.

**CENTRAL OFFICE:** A local operating unit by means of which connections are established between subscribers' lines and trunk or toll lines to other central offices within the same exchange or other exchanges. Each three (3) digit central office code (NXX) used shall be considered a separate central office unit.

**CENTRAL OFFICE CODE:** The term denotes the first three digits (NXX) of the seven (7) digit telephone number assigned to a customer's telephone exchange service.

**COMMISSION:** The Florida Public Service Commission.

**COMPANY, TELEPHONE COMPANY, UTILITY:** These terms may be used interchangeably herein and shall mean any person, firm, partnership or corporation engaged in the business of furnishing communication service to the public under the jurisdiction of the Commission.

**DEDICATED FACILITY:** The term denotes a transmission circuit which is permanently for the exclusive use of a customer or a pair of customers.

**END USER:** The term denotes any individual, partnership, association, corporation, governmental agency or any other entity which (A) obtains a common line, uses a pay telephone or obtains interstate service arrangements in the operating territory of the company or (B) subscribes to interstate services provided by an IXC or uses the services of the IXC when the IXC provides interstate service for its own use.

**EQUAL ACCESS EXCHANGE AREAS:** EAEA means a geographic area, configured based on 1987 planned toll center/access tandem areas, in which local exchange companies are responsible for providing equal access to both carriers and customers of carriers in the most economically efficient manner.

**EXCHANGE:** The entire telephone plant and facilities used in providing telephone service to subscribers located in an exchange area. An exchange may include more than one central office unit.

**EXCHANGE (SERVICE) AREA:** The territory, including the base rate suburban and rural areas served by an exchange, within which local telephone service is furnished at the exchange rates applicable within that area.

**EXTENDED AREA SERVICE:** A type of telephone service furnished under tariff provision whereby subscribers of a given exchange or area may complete calls to, and receive messages from, one or more other contiguous exchanges without toll charges, or complete calls to one or more other exchanges without toll message charges.

**FACILITIES BASED:** An IXC that has its own transmission and/or switching equipment or other elements of equipment and does not rely on others to provide this service.

**FOREIGN EXCHANGE SERVICES:** A classification of exchange service furnished under tariff provisions whereby a subscriber may be provided telephone service from an exchange other than the one from which he would normally be served.

**FEATURE GROUPS:** General categories of unbundled tariffs to stipulate related services.

- Feature Group A:** Line side connections presently serving specialized common carriers.
- Feature Group B:** Trunk side connections without equal digit or code dialing.
- Feature Group C:** Trunk side connections presently serving AT&T-C.
- Feature Group D:** Equal trunk access with subscription.

**INTEREXCHANGE COMPANY:** Means any telephone company as defined in Section 364.02(4), F.S. (excluding Payphone Providers), which provides telecommunication service between exchange areas as those areas are described in the approved tariffs of individual local exchange companies.

**INTER-OFFICE CALL:** A telephone call originating in one central office unit or entity but terminating in another central office unit or entity both of which are in the same designated exchange area.

**INTRA-OFFICE CALL:** A telephone call originating and terminating within the same central office unit or entity.

**INTRASTATE COMMUNICATIONS:** The term denotes any communications in Florida subject to oversight by the Florida Public Service Commission as provided by the laws of the State.

**INTRA-STATE TOLL MESSAGE:** Those toll messages which originate and terminate within the same state.

**LOCAL ACCESS AND TRANSPORT AREA:** LATA means the geographic area established for the administration of communications service. It encompasses designated exchanges, which are grouped to serve common social, economic and other purposes.

**LOCAL EXCHANGE COMPANY (LEC):** Means any telephone company, as defined in Section 364.02(4), F.S., which, in addition to any other telephonic communication service, provides telecommunication service within exchange areas as those areas are described in the approved tariffs of the telephone company.

**OPTIONAL CALLING PLAN:** An optional service furnished under tariff provisions which recognizes a need of sane subscribers for extended area calling without imposing the cost on the entire body of subscribers.

**900 SERVICE:** A service similar to 800 service, except this service is charged back to the customer based on first minute plus additional minute usage.

**PIN NUMBER:** A group of numbers used by a company to identify their customers.

**PAY TELEPHONE SERVICE COMPANY:** Means any telephone company, other than a Local Exchange Company, which provides pay telephone service as defined in Section 364.335(4), F.S.

FORM PSC/CMU 31 (11/95)

Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25- 24.480(2).

**POINT OF PRESENCE (POP):** Bell-coined term which designates the actual (physical) location of an IXC's facility. Replaces some applications of the term "demarcation point."

**PRIMARY SERVICE:** Individual line service or party line service.

**RESELLER:** An IXC that does not have certain facilities but purchases telecommunications service from an IXC and then resells that service to others.

**STATION:** A telephone instrument consisting of a transmitter, receiver, and associated apparatus so connected as to permit sending and/or receiving telephone messages.

**SUBSCRIBER, CUSTOMER:** These terms may be used interchangeably herein and shall mean any person, firm, partnership, corporation, municipality, cooperative organization, or governmental agency supplied with communication service by a telephone company.

**SUBSCRIBER LINE:** The circuit or channel used to connect the subscriber station with the central office equipment.

**SWITCHING CENTER:** Location at which telephone traffic, either local or toll, is switched or connected from one circuit or line to another. A local switching center may be comprised of several central office units.

**TRUNK:** A communication channel between central office units or entities, or private branch exchanges.

ATTACHMENTS:

- A - CERTIFICATE TRANSFER STATEMENT
- B - CUSTOMER DEPOSITS AND ADVANCE PAYMENTS
- C - INTRASTATE NETWORK
- D - FLORIDA TELEPHONE EXCHANGES and EAS ROUTES
- E - GLOSSARY



# **EXHIBIT A**

CERTIFICATE OF AUTHORITY



FLORIDA DEPARTMENT OF STATE

Katherine Harris  
Secretary of State

March 2, 1999

NOWALSKY, BRONSTON & GOTHARD  
3500 NORTH CAUSEWAY BOULEVARD, STE 1442  
METAIRIE, LA 70002

Qualification documents for THE FREE NETWORK, L.L.C. were filed on March 1, 1999, and assigned document number M9900000300. Please refer to this number whenever corresponding with this office.

Your limited liability company is now qualified and authorized to transact business in Florida as of the file date.

A limited liability company annual report will be due this office between January 1 and May 1 of the year following the calendar year of the file date. A Federal Employer Identification (FEI) number will be required before this report can be filed. If you do not already have an FEI number, please apply NOW with the Internal Revenue by calling 1-800-829-3676 and requesting form SS-4.

Please be aware if the limited liability company address changes, it is the responsibility of the corporation to notify this office.

Should you have any questions regarding this matter, please telephone (850) 487-6051, the Registration and Qualification Section.

Michelle Hodges  
Document Specialist  
Division of Corporations

Letter Number: 199A00009590

**APPLICATION BY FOREIGN LIMITED LIABILITY COMPANY FOR  
AUTHORIZATION TO TRANSACT BUSINESS IN FLORIDA**

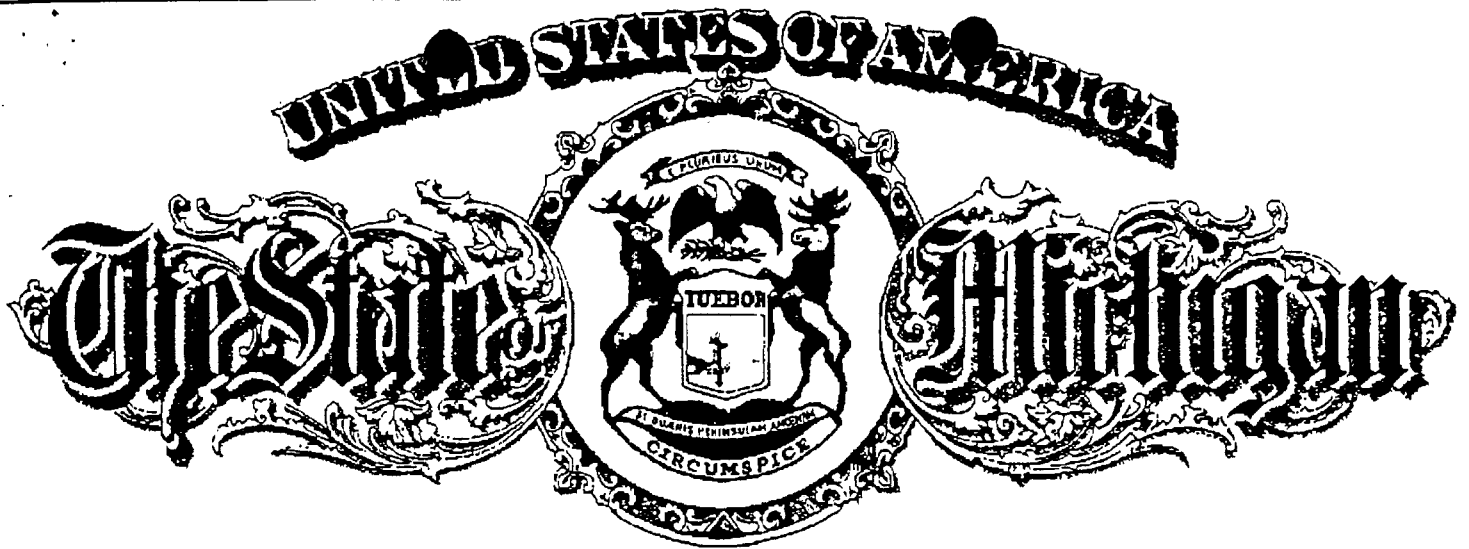
*IN COMPLIANCE WITH SECTION 608.503, FLORIDA STATUTES, THE FOLLOWING IS  
SUBMITTED TO REGISTER A FOREIGN LIMITED LIABILITY COMPANY TO TRANSACT  
BUSINESS IN THE STATE OF FLORIDA:*

1. The Free Network, L.L.C.  
(Name of foreign limited liability company must end with the words "limited company" or their abbreviation "L.C." if not so contained in the name at present. Please note: "L.L.C." is not an acceptable suffix in Florida.)
2. Michigan 3. 38-3360921  
(Jurisdiction under the law of which foreign limited liability company is organized) (FEI number, if applicable)
4. July 10, 1997 5. July 10, 2017  
(Date of Organization) (Duration: Year limited liability company will cease to exist or "perpetual")
6. Upon acceptance of application  
(Date first transacted business in Florida. (See sections 608.501, 608.502, and 817.155, F.S.))
7. 1607 E. Big Beaver Rd., Suite 105  
Troy, Michigan 48083  
(Street address of principal office)

8. List name, title, and business address of each managing member[MGRM] or manager[MGR] who will manage the foreign limited liability company in Florida: (attach additional page if necessary)

NAME & ADDRESS:	TITLE:	NAME & ADDRESS:	TITLE:
<u>Vitaliano Terracciano</u>	<u>MGRM</u>	<u>Tara Luzod</u>	<u>MGR</u>
<u>1607 E. Big Beaver Rd., Ste. 105</u>		<u>1607 E. Big Beaver Rd., Ste. 105</u>	
<u>Troy, Michigan 48083</u>		<u>Troy, Michigan 48083</u>	
<u>Brad Tayles</u>	<u>MGR.</u>		
<u>1607 E. Big Beaver Rd., Ste. 105</u>			
<u>Troy, Michigan 48083</u>			
<u>David Rutz</u>	<u>MGR</u>		
<u>1607 E. Big Beaver Rd., Ste. 105</u>			
<u>Troy, Michigan 48083</u>			

199 MAR - 1 PM 3:31  
 DIVISION OF CORPORATIONS



Michigan Department of Consumer and Industry Services

Lansing, Michigan

*This is to Certify That*

*THE FREE NETWORK, L.L.C.*

*a Michigan limited liability company, filed Articles of Organization in this office on July 10, 1997.*

*I FURTHER CERTIFY that the Articles are in full force and effect as of this date, and a Certificate of Dissolution has not been filed.*

*This certificate is in due form, made by me as the proper officer, and is entitled to have full faith and credit given it in every court and office within the United States.*

*In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 15th day of January, 1999.*

*Julie Croll*

, Director

171L 0407175

Corporation, Securities and Land Development Bureau

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

PURSUANT TO THE PROVISIONS OF SECTION 608.415 or 608.507, FLORIDA STATUTES, THE UNDERSIGNED LIMITED LIABILITY COMPANY, 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 limited liability company is: The Free Network, L.L.C.

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

NRAI Services, Inc.

(Name)

526 E. Park Avenue

(P.O. Box not acceptable)

Tallahassee, FL 32301

(City/State/Zip)

*Having been named as registered agent and to accept service of process for the above stated limited liability company 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.*

NRAI Services, Inc.

*Charles A. Coyle*

Charles A. Coyle (Signature) Asst. Secy.

7-2-97

(Date)

**AFFIDAVIT OF MEMBERSHIP AND CONTRIBUTIONS OF FOREIGN  
LIMITED LIABILITY COMPANY**


The undersigned member or authorized representative of a member of \_\_\_\_\_  
The Free Network, L.L.C. deposes and says:

1) the above named limited liability company has at least two members

2) the total amount of cash contributed by the member(s) is \$ 9,471.85 .

3) if any, the agreed value of property other than cash contributed by member(s) is  
\$ N/A . A description of the property is attached and made a part hereto.

4) the total amount of cash or property anticipated to be contributed by member(s) is  
\$ 9,471.85 . This total includes amounts from 2 and 3 above.

  
\_\_\_\_\_

Signature of a member or authorized representative of a member.  
(In accordance with section 608.408(3), Florida Statutes, the execution of this affidavit  
constitutes an affirmation under the penalties of perjury that the facts stated herein are true.)

## **EXHIBIT B**

The Company is currently operating as an interexchange reseller in Arkansas, Colorado, Iowa, Idaho, Kansas, Missouri, North Carolina, Texas, Utah, and Virginia. The Company is certified or registered, as applicable, in Arkansas, Colorado, Idaho, Kansas, Missouri, North Carolina and Texas.

The Company currently has applications pending in Alabama, Arizona, Indiana, Kentucky, Louisiana, Minnesota, Mississippi, North Dakota, Nebraska, New York, Nevada, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, Tennessee, Vermont, Washington, Wisconsin, Wyoming and West Virginia.

The Company is currently certified or registered, as applicable, in Arkansas, Colorado, Idaho, Kansas, Missouri, North Carolina and Texas.

# EXHIBIT C

## FINANCIAL DOCUMENTATION

The Company does not have audited financial statements. In support of its financial capability to provide the requested services, the Company has provided its financial statements for the period ending October 31, 1998. No 1998 year-end statements are available at this time.

In additional support of the Company's ability to provide the proposed services on a continuous basis, while meeting all lease obligations, the Company has attached a list of credit references and 3 months banking statements.



# FREE NETWORK

## Income Statement

### FOR MANAGEMENT USE ONLY

10 Months Ended  
October 31, 1998

<b>Income</b>		
COMMISSION DISCOUNT - UNIDIAL	(\$66,286.23)	-7.0%
COMMISSION INCOME - UNIDIAL	628,105.45	66.2%
RETURNED CHECKS	(5,457.94)	-0.6%
SALES - MATERIALS	392,296.85	41.4%
<b>TOTAL Income</b>	<b>948,658.13</b>	<b>100.0%</b>
<b>Cost of Goods Sold</b>		
COSTS OF GOODS SOLD	146,115.79	15.4%
INVENTORY ADJUSTMENTS	9,077.60	1.0%
NOVELTY ITEMS	1,239.33	0.1%
PRINTED MATERIALS	1,029.45	0.1%
TRAINING MATERIALS	29,710.73	3.1%
OTHER COSTS OF SALES	190,462.08	20.1%
FREIGHT	1,292.22	0.1%
<b>TOTAL Cost of Goods Sold</b>	<b>378,927.20</b>	<b>39.9%</b>
<b>GROSS PROFIT</b>	<b>569,730.93</b>	<b>60.1%</b>
<b>Expenses</b>		
ADVERTISING AND PROMOTION	186,361.03	19.6%
CAR EXPENSE	4,222.47	0.4%
BANK AND CREDIT CARD FEES	13,115.19	1.4%
CHARITABLE CONTRIBUTIONS	265.00	0.0%
DEPRECIATION AND AMORTIZATION	28,250.00	3.0%
GUARENTEED PAYMENTS	218,862.52	23.1%
INSURANCE	14,419.96	1.5%
INTEREST EXPENSES	53,596.42	5.6%
OFFICE EXPENSES	134,066.85	14.1%
WAGES AND BENEFITS	151,972.08	16.0%
POSTAGE AND DELIVERY	54,372.30	5.7%
PRINTING AND REPRODUCTIONS	45,791.66	4.8%
PROFESSIONAL FEES	72,950.16	7.7%
REPAIRS AND MAINTENANCE	4,976.33	0.5%
TAXES	17,068.51	1.8%
TELEPHONE	38,610.11	4.1%
WIRELESS SERVICE	598.68	0.1%
TRAVEL AND LODGING	127,863.32	13.5%
UNCATEGORIZED EXPENSES	681.98	0.1%
<b>TOTAL Expenses</b>	<b>1,168,044.57</b>	<b>123.1%</b>
<b>OPERATING PROFIT</b>	<b>(598,313.64)</b>	<b>-63.1%</b>
<b>PROFIT BEFORE TAXES</b>	<b>(598,313.64)</b>	<b>-63.1%</b>
<b>NET PROFIT</b>	<b>(\$598,313.64)</b>	<b>-63.1%</b>

# FREE NETWORK

## Balance Sheet

October 31, 1998

## ASSETS

## Current Assets:

CASH AND EQUIVALENTS	\$9,471.85	
ACCOUNTS RECEIVABLE	180,617.92	

TOTAL Current Assets		\$190,089.77
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## Fixed Assets:

ACCUMULATED DEPRECIATION	(29,018.00)	
COMPUTERS	44,452.09	
OFFICE EQUIPMENT	9,304.41	
OFFICE FURNITURE	13,677.06	
PHONE SYSTEM	19,781.20	
VIDEO REPRODUCTIONS	855.21	

TOTAL Fixed Assets		59,051.97
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## Other Assets:

EMPLOYEE ADVANCES	2,000.00	
INVENTORY ASSETS	100,196.24	
ACCUMULATED AMORTIZATION	(4,225.00)	
COMPANY LOGO & IMAGE	16,702.00	
SOFTWARE	1,790.00	
TRADE MARK	2,800.00	

TOTAL Other Assets		119,263.24
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TOTAL ASSETS		\$368,404.98
--------------	--	--------------

## LIABILITIES

## Current Liabilities:

ACCOUNTS PAYABLE	\$246,207.10	
WORKERS COMP PAYABLE	19.92	
ACCRUED INTEREST	16,312.98	
ACCRUED WAGES AND COMMISIONS	76,422.78	
EQUIPMENT LEASE LIABILITY	16,962.86	
FEDERAL WITHHOLDING AND TAXES	2,449.76	
LINE OF CREDIT	370,000.00	
STATE WITHHOLDING	1,210.32	

TOTAL Current Liabilities		\$729,585.72
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## Long-Term Liabilities:

LOANS FROM MEMBERS	389,354.92	
--------------------	------------	--

TOTAL Long-Term Liabilities		389,354.92
-----------------------------	--	------------

TOTAL LIABILITIES		1,118,940.64
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## CAPITAL

MEMBER EQUITY	(213,906.98)	
PRIOR PERIOD ADJUSTMENTS	61,684.96	
Year-to-Date Earnings	(598,313.64)	

TOTAL CAPITAL		(750,535.66)
---------------	--	--------------

# FREE NETWORK

## Balance Sheet

October 31, 1998

TOTAL LIABILITIES & CAPITAL

\$368,404.98

MARCH 11, 1999

Nowalsky, Bronston and Gothard APIC  
3500 N. Causeway  
#1142  
Metairie, LA 7002

I have listed below the credit references for The Free Network as you requested.

NATIONAL BANK OF DETROIT  
Kim Gorman  
3121 UNIVERSITY  
SUITE 100  
AUBURN HILLS, MI. 48326  
248-276-0865

DOVE ENTERPRISE  
Keith Spicer  
1551 E. LINCOLN  
MADISON HEIGHTS, MI. 48071  
248-546-1155

CADILLAC LOOSE-LEAF  
Connie Ellis  
1195 EQUITY DRIVE  
TROY, MI. 48084  
248-288-9777

If you need any additional information I will be more than happy to forward it to you.

Sincerely

Vito Terracciano  
The Free Network

NO INQUIRIES TO:  
DIRECTOR, NBD BANK  
P.O. BOX 206A  
TROY, MICHIGAN 48232  
313-652-BANK (1-800-652-2265)

CHECKING ACCOUNT 978-32 SUMMARY THROUGH 12/31/1998

PREVIOUS BALANCE AS OF (NEW ACCOUNT)	.00
+ 13 DEPOSITS AND OTHER CREDITS	155,343.94
- 88 CHECKS	65,131.95
- 1 OTHER DEBITS	25.50
- SERVICE CHARGE	.00
CURRENT BALANCE AS OF 12/31/1998	88,186.49

DAILY BALANCE SUMMARY

DATE	CREDITS	DEBITS	BALANCE	DATE	CREDITS	DEBITS	BALANCE
	PREVIOUS BALANCE		.00	12-23	590.60	2,343.75	20,254.
16	25,000.00	3,319.45	21,680.55	12-24	.00	7,708.19	12,546.
17	5,075.00	1,637.18	25,118.37	12-28	101,343.41	11,281.12	102,608.
18	1,384.18	2,064.69	24,437.86	12-29	1,781.01	5,411.15	98,978.
21	695.26	11,573.77	13,559.35	12-30	2.71	6,975.59	92,005.
22	15,000.00	6,551.40	22,007.95	12-31	2,471.77	6,291.16	88,186.

DEPOSITS AND OTHER CREDITS

DATE	EXPLANATION	AMOUNT	REFERENCE
-16	MISCELLANEOUS TRANSACTION	25,000.00	0000830
-17	DEPOSIT	5,075.00	0000338
-18	DEPOSIT	1,384.18	0000323
-21	DEPOSIT	695.26	0000958
-22	MISCELLANEOUS TRANSACTION	15,000.00	0000350
-23	DEPOSIT	590.60	0000979
-28	DEPOSIT	1,343.41	0000918
-28	MISCELLANEOUS TRANSACTION	100,000.00	0000926
-29	DEPOSIT	1,781.01	0000361
-30	AUTOMATIC DEPOSIT	2.71	4000055
	CHARGE CARD SETL CARD SETL 981230 00477372-TOTAL		
-31	DEPOSIT	252.36	0000367
-31	DEPOSIT	764.05	0000542
-31	AUTOMATIC DEPOSIT	1,455.36	4000202
	CHARGE CARD SETL CARD SETL 981231 00477372-TOTAL		
	TOTAL	153,343.94	

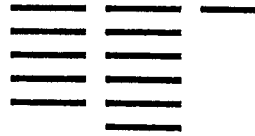


811000114

BRANCH 000 \* 000

THE FREE NETWORK, LLC
1607 E BIG BEAVER
TROY MI

48083-2066



END INQUIRIES TO:

AUDITOR, NBD BANK
P.O. BOX 206A
ETROIT, MICHIGAN 48232
800-652-BANK (1-800-652-2265)

HECKING ACCOUNT 978-32 SUMMARY THROUGH 01/29/1999

Table with 2 columns: Description and Amount. Rows include: PREVIOUS BALANCE AS OF 12/31/1998 (88,186.49), + 31 DEPOSITS AND OTHER CREDITS (220,551.16), - 468 CHECKS (208,005.99), - 8 OTHER DEBITS (34,284.22), - SERVICE CHARGE (62.24), CURRENT BALANCE AS OF 01/29/1999 (66,385.20)

DAILY BALANCE SUMMARY

Table with 8 columns: DATE, CREDITS, DEBITS, BALANCE, DATE, CREDITS, DEBITS, BALANCE. Rows show daily transactions from 1-15 to 1-29.

DEPOSITS AND OTHER CREDITS

Table with 4 columns: DATE, EXPLANATION, AMOUNT, REFERENCE. Rows list deposit transactions with dates from 1-04 to 1-14 and corresponding amounts and references.

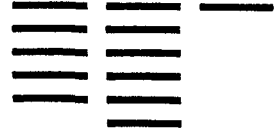


811000101

BRANCH 000

\* THE FREE NETWORK, LLC  
1607 E BIG BEAVER  
TROY MI

48083-2066



END INQUIRIES TO:

DIRECTOR, NBD BANK  
P.O. BOX 206A  
TROY, MICHIGAN 48232  
(800-652-BANK (1-800-652-2265))

CHECKING ACCOUNT 978-32 SUMMARY THROUGH 02/26/1999

PREVIOUS BALANCE AS OF 01/29/1999	66,385.20
+ 38 DEPOSITS AND OTHER CREDITS	184,032.32
- 804 CHECKS	191,424.02
- 11 OTHER DEBITS	16,048.47
- SERVICE CHARGE	196.10
CURRENT BALANCE AS OF 02/26/1999	42,748.93

DAILY BALANCE SUMMARY

DATE	CREDITS	DEBITS	BALANCE	DATE	CREDITS	DEBITS	BALANCE
1-29	PREVIOUS BALANCE		66,385.20	2-12	3,088.97	3,937.91	20,372.
1-01	1,474.68	18,362.54	49,497.34	2-16	2,718.57	3,980.96	19,109.
1-02	2,249.57	24,533.42	27,213.49	2-17	1,331.75	5,499.96	14,941.
1-03	.00	5,860.44	21,353.05	2-18	2,535.16	2,552.07	14,924.
1-04	13,293.60	16,479.86	18,166.79	2-19	1,695.79	5,873.81	10,746.
1-05	50,598.50	9,906.80	58,858.49	2-22	344.94	9,109.93	1,981.
1-08	3,940.49	10,846.55	51,952.43	2-23	5,227.06	8,410.69	1,201.
1-09	3,733.28	4,234.48	51,451.23	2-24	86,235.98	3,122.24	81,911.
1-10	1,172.62	7,053.04	45,570.81	2-25	1,027.39	39,497.37	43,441.
1-11	1,630.51	25,980.08	21,221.24	2-26	1,733.46	2,426.44	42,748.

DEPOSITS AND OTHER CREDITS

DATE	EXPLANATION	AMOUNT	REFERENCE
1-01	DEPOSIT	1,474.68	00002774
1-02	DEPOSIT	527.00	00002354
1-02	AUTOMATIC DEPOSIT CHARGE CARD SETL CARD SETL 990202 00477372-TOTAL	1,722.57	40004747
1-04	DEPOSIT	739.28	00008691
1-04	AUTOMATIC DEPOSIT CHARGE CARD SETL CARD SETL 990204 00477372-TOTAL	2,554.32	40007751
1-04	MISCELLANEOUS TRANSACTION	10,000.00	00008731
1-05	DEPOSIT ADJUSTMENT	25.60	00005101
1-05	DEPOSIT	572.90	00005101
1-05	DEPOSIT	50,000.00	00004791
1-08	AUTOMATIC DEPOSIT CHARGE CARD SETL CARD SETL 990208 00477372-TOTAL	942.94	40001351
1-08	DEPOSIT	1,087.55	00008261
1-08	DEPOSIT	1,910.00	00009521
1-09	DEPOSIT	1,838.26	00008511

# **EXHIBIT D**

MANAGEMENT PROFILES



#### MANAGEMENT AND OWNERSHIP

The management team at The Free Network brings a unique mixture of experience and talent to the company. These individuals come from successful Network Marketing companies, and have experienced success of their own with network marketing. Added to the team are individuals that have run their own companies with success, along with members who have many years of experience in the telecommunications industry managing and directing large corporations.

##### Brad J. Tayles, Co-Founder, President

Brad has years of experience not only in telecommunications, but also in operating successful businesses. After graduating from Fanshawe College in London, he developed software programs for oil and chemical companies worldwide. In the mid'90's Brad was vice-president of operations for ACN, a network marketing company, which grew to almost \$500 million in sales in just four short years. Brad heads up the commission programs for the distributors.

##### David A. Rutz, Co-Founder: Vice President

David comes to the Free Network with many years of experience in leading, training and motivating organizations nationwide. After graduating from the Business School at the University of Michigan, he achieved top positions in several companies before leaving to start The Free Network. David has nine years of experience in network marketing; he has mentored under some of the wealthiest and most successful network marketing professionals in the industry. He also spent some time as a consultant for ACN. David was essential in the creations of not only the unique compensation plan and the training system, but also the philosophy of the "free" program.

##### Tara M. Luzod, Co-Founder: Vice President

After graduating from Michigan State University, and determined to be self-employed, Tara became involved in network marketing and developed a large sales organization. Tara has proven to be a motivational and instructional speaker and was able to reach the top 5% of ACN's organization in less than 3 months. She was essential in formulating the compensation plan and training system. Tara also has a complete understanding of what it takes to support the distributors and will bring strength and understanding to The Free Network as head of Distributor support service.



Corporate Headquarters  
1607 E. Big Beaver Rd. • Suite 105  
Troy, Michigan 48063  
(248) 526-1000 • Fax: (248) 526-1001  
Internet: [www.thefreenetwork.com](http://www.thefreenetwork.com)  
Email: [freenetwork@unidial](mailto:freenetwork@unidial)

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Vitaliano Terracciano, Co-Founder: Vice President

Self employed at a young age; Vito brings with him years of experience running successful businesses primarily as a builder and developer. After researching many Network marketing companies, he became motivated to enter the industry as an investor when presented with the Free Network concept and business plan. Vito's investment in start-up capital and his business expertise are instrumental in the daily operations of the company.

Christopher Kollman, Co-Founder: Vice President

Chris holds a Bachelors Degree in Business Administration and has over twelve years of seasoned experience in running large telecommunications companies. After a two year period in finance management, Chris started a sub chapter S corporation to market security systems which was sold to a larger company. He then entered the telecommunications industry with Alltel Mobile, which was subsequently acquired by USA Mobile. Chris was an operating President for USA Mobile and has managed over 700 employees and 100 million in annual revenues and has a broad scope of knowledge of operations including, regulatory affairs, billing, collections and customer service for paging, cellular and long distance services.

Ownership:

Vitaliano Terracciano	24% membership interest
George Verstraete	24% membership interest
Davis Rutz	24% membership interest
Brad Tayles	10% membership interest
Christopher Kollman	10% membership interest
Tara Luzod	5% membership interest
Alger K. Rutz	3% membership interest

Total 100%

# **EXHIBIT E**

## TECHNICAL CAPABILITY

The Company will provide service on a pure resale basis. Therefore, its technical capability is reliant on that of its underlying service provider whose technical capability has been proven to this Commission. The Company will utilize the services of UniDial Incorporation, IXC Communications, and/or Sprint.

# **EXHIBIT F**

PROPOSED TARIFF

**TITLE SHEET**

**FLORIDA TELECOMMUNICATIONS TARIFF**

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services provided by The Free Network, L.L.C. with principal offices at 1607 E. Big Beaver Rd., Suite 105, Troy, Michigan 48083. This tariff applies for services furnished within the state of Florida. This tariff is on file with the Florida Public Service Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business.

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ISSUED: March 16, 1999

EFFECTIVE:

By:

Brad J. Tayles, President  
1607 E. Big Beaver Rd., Suite 105  
Troy, Michigan 48083

**CHECK SHEET**

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

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
20	Original
21	Original

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ISSUED: March 16, 1999

EFFECTIVE:

By:

Brad J. Tayles, President  
1607 E. Big Beaver Rd., Suite 105  
Troy, Michigan 48083

**TABLE OF CONTENTS**

Title Sheet..... 1  
Check Sheet..... 2  
Table of Contents..... 3  
Symbols Sheet..... 4  
Tariff Format Sheets..... 5  
Section 1 - Technical Terms and Abbreviations..... 6  
Section 2 - Rules and Regulations..... 7  
Section 3 - Description of Service..... 12  
Section 4 - Rates..... 16

---

ISSUED: March 16, 1999

EFFECTIVE:

By:

Brad J. Tayles, President  
1607 E. Big Beaver Rd., Suite 105  
Troy, Michigan 48083

SYMBOLS SHEET

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

**D** - Delete Or Discontinue

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

**M** - Moved From Another Tariff Location

**N** - New

**R** - Change Resulting In A Reduction To A Customer's Bill

**T** - Change in Text Or Regulation But No Change In Rate Or Charge

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ISSUED: March 16, 1999

EFFECTIVE:

By:

Brad J. Tayles, President  
1607 E. Big Beaver Rd., Suite 105  
Troy, Michigan 48083



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TARIFF FORMAT SHEETS

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

**B. Sheet Revision Numbers** - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the FPSC. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc, the FPSC follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff page in effect. Consult the Check Sheet for the sheet currently in effect.

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

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

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

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ISSUED: March 16, 1999

EFFECTIVE:

By:

Brad J. Tayles, President  
1607 E. Big Beaver Rd., Suite 105  
Troy, Michigan 48083

**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS**

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

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

Company or Carrier - The Free Network, L.L.C.

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

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

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

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

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

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**SECTION 2 - RULES AND REGULATIONS**

**2.1 Undertaking of the Company.**

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

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

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

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

**2.2 Limitations.**

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

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

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**SECTION 2 - RULES AND REGULATIONS continued**

**2.2 Limitations (Cont.)**

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

**2.3 Liabilities of the Company.**

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

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SECTION 2 - RULES AND REGULATIONS continued

2.4 Interruption of Service.

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

2.4.2 No credit shall be allowed for an interruption of a continuous duration of less than twenty-four hours after the subscriber notifies the Company.

2.4.3 The customer shall be credited for an interruption of more than twenty-four hours as follows:

Credit Formula:

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

"A" - outage time in hours

"B" - total days in month

"C" - total monthly charge for affected facility

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**SECTION 2 - RULES AND REGULATIONS continued**

**2.5 Disconnection of Service by Carrier.**

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

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

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**SECTION 2 - RULES AND REGULATIONS continued**

2.6 **Deposits**

The Company does not require a deposit from the customer.

2.7 **Advance Payments**

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

2.8 **Taxes**

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

2.9 **Billing of Calls**

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

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**SECTION 3 - DESCRIPTION OF SERVICE**

**3.1 Timing of Calls**

**3.1.1 When Billing Charges Begin and End For Phone Calls**

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

**3.1.2 Billing Increments**

The billing increments for each service is set forth in the individual product rate section.

**3.1.3 Per Call Billing Charges**

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

**3.1.4 Uncompleted Calls**

There shall be no charges for uncompleted calls.

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**SECTION 3 - DESCRIPTION OF SERVICE continued****3.2 Calculation of Distance**

Usage charges for all mileage sensitive products are based on the airline distance between rate centers associated with the originating and terminating points of the call.

The airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. The Company uses the rate centers that are produced by Bell Communications Research in the NPA-NXX V & H Coordinates Tape and Bell's NECA Tariff No. 4.

**FORMULA:**

The square  
root of:

$$\frac{(V1 - V2)^2 + (H1 - H2)^2}{10}$$

**3.3 Minimum Call Completion Rate**

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

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**SECTION 3 - DESCRIPTION OF SERVICE continued**

**3.4 Service Offerings**

**3.4.1 1+ Long Distance Service**

Long Distance service permits direct dialed outbound calling at a single per minute rate. Service is provided from presubscribed, dedicated or shared use access lines. Calls are billed in six second increments, with a thirty second minimum call duration.

The Company offers Long Distance Service to residential customers under Plans C and D and business customers under Plans A and B in Section 4.1.

**3.4.2 Inbound 800/888 Long Distance Service**

Inbound 800/888 Long Distance Service permits inbound 800/888 calling at a single per minute rate. Service is provided from presubscribed, dedicated or shared use access lines. Calls are billed in six second increments, with a thirty second minimum call duration.

The Company offers Inbound 800/888 Long Distance Service to residential customers under Plans C and D and business customers under Plans A and B in Section 4.2.

**3.4.3 Calling Card Service**

Calling Card Service is a calling card service offered to residential and business customers who subscribe to the Company's Long Distance Service calling plan. Customers using the Carrier's calling card service access the service by dialing a 1-800 number followed by an account identification number and the number being called. This service permits subscribers utilizing the Carrier's calling card to make calls at a single per minute rate. Calls are billed in one (1) minute increments after the initial minimum period of one (1) minute.

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SECTION 3 - DESCRIPTION OF SERVICE continued

3.4.4 **Operator Services**

The Company does not provide operator services at this time.

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**SECTION 4 - RATES**

**4.1 Switched Access Outbound Long Distance Service**

<u>Rate Plan</u>	<u>Rate per minute</u>
TFNOB Plan 1:	\$0.143/minute
TFNOB Plan 2:	\$0.139/minute
TFNOB Plan 3:	\$0.129/minute
TFNOB Plan 4:	\$0.124/minute
TFNOB Plan 5:	\$0.119/minute

Billed in six second increments.

**4.2 Inbound 800 Rates**

<u>Rate Plan</u>	<u>Rate per minute</u>
TFNIB Plan 1:	\$0.109/minute
TFNIB Plan 2:	\$0.089/minute

Billed in six second increments.

**4.3 Travel Card Rates**

<u>Rate Plan</u>	<u>Rate per Minute</u>
TFNCC Plan 1:	\$0.19/minute
TFNCC Plan 2:	\$0.23/minute

Billed in six second increments.

Per call surcharge: None.

**4.4 Directory Assistance**

\$0.85 per call.

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4.5 **Determining Applicable Rate in Effect.**

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

4.6 **Payment of Calls**

4.6.1 **Late Payment Charges**

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

4.6.2 **Return Check Charges**

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

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**SECTION 4 - RATES continued**

**4.7 Restoration of Service**

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

**4.8 Special Promotions**

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

**4.9 Special Rates For The Handicapped**

**4.9.1. Directory Assistance**

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

**4.9.2. Hearing and Speech Impaired Persons**

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

**4.9.3. Telecommunications Relay Service**

For intrastate toll calls received from the relay service, the Company will when billing relay calls discount relay service calls by 50 percent off of the otherwise applicable rate for a voice nonrelay call except that where either the calling or called party indicates that either party is both hearing and visually impaired, the call shall be discounted 60 percent off of the otherwise applicable rate for a voice nonrelay call. The above discounts apply only to time-sensitive elements of a charge for the call and shall not apply to per call charges such as a credit card surcharge.

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SECTION 4 - RATES continued

4.10 Presubscribed Interexchange Carrier Charge (PICC)

A monthly Federal PICC shall be charged to each telephone number that is presubscribed to carrier per the following:

Effective January 1, 1999:

Primary residential line	\$1.03/line
Additional or secondary residential line	\$2.50/line
Single line business line	\$1.03/line
Multi-line business line	\$4.25/line
Centrex line	\$0.51/line
Minimum monthly charge for centrex	\$4.25
ISDN BRI	\$2.50/BRI
ISDN PRI	\$21.21/PRI

4.11 Universal Service Fund Charge

A monthly Federal Universal Service Fund tax shall be added to each bill based upon the total billed revenues. This charge shall be between 3.9 percent and 6.0 percent but in no event shall it exceed the amount of the Federal assessment.

4.12 Pay Telephone (Payphone) Surcharge

A surcharge shall be assessed for each call made from a pay telephone to an 800 number or using a travel card and dialing the carrier prefix in the form 101XXXX. Although collected on the customer's bill, this charge is reimbursed to pay telephone service provider. The initial charge is \$0.40 per call, but may vary from time to time as the Federal Communications Commission or payphone service providers change the rate for pay telephone compensation.

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**NOWALSKY, BRONSTON & GOTHARD**

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Facsimile: (504) 831-0892

Monica R. Borne  
EllenAnn G. Sands

March 16, 1999

DEPOSIT  
D 1 0 7 1999

DATE  
MAR 1 8 1999

**Via Express Delivery**

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

990359-77

RE: **The Free Network, L.L.C.**

Dear Ms. Hawkins:

Enclosed please find an original and six (6) copies of Application Form for authority to provide interexchange telecommunications service within the State of Florida, submitted on behalf of The Free Network, L.L.C. Also enclosed is the requisite \$250.00 filing fee.

Please acknowledge receipt of this filing by returning a date stamped copy of this letter in the self-addressed envelope provided.

Thank you for your assistance. Please call with any questions.

DOCUMENT NUMBER - DATE  
03586 MAR 18 99  
FPSC-RECORDS/REPORTING

**NOWALSKY, BRONSTON & GOTHARD, APLLC**  
GENERAL ACCOUNT  
3500 N. CAUSEWAY, SUITE 1442  
METAIRIE, LA 70002  
(504) 832-1984

IBERIA BANK  
GRETNA, LA 70053  
84-7038/2654

4033

3/16/1999

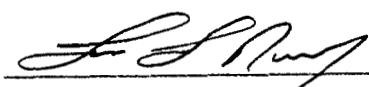
PAY TO THE ORDER OF FLORIDA PUBLIC SERVICE COMMISSION

\$ \*\*250.00

Two Hundred Fifty and 00/100\*\*\*\*\*

DOLLARS  
Security features included.  
Details on back.

MEMO Filing Fee - The Free Network



MP