

# Kott Enterprises, Inc.

Telecom Tariff Consultants

PO Box 275, Center Lovell, ME 04016  
Tel: (207) 928-2144 Fax: (207) 928-2139

Cynthia D. Kott, President  
Martha Coleman, Administrative Assistant

March 29, 1999

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

RE: @Xess Communications, Inc.

990432-TX

Dear Sir / Madam:

Enclosed please find an original and six (6) copies of the Application to provide Alternative Local Exchange Service within the State of Florida, and exhibits for filing on behalf of the above referenced long distance reseller.

Also enclosed please find a check in the amount of \$250.00 representational of filing fee.

For purposes of verification of receipt, I am enclosing a copy of this transmittal letter and a SASE. Please date-stamp the copy letter and return to me.

If there is anything further that you may need to complete this filing, please let me know.

I look forward to working with you on behalf of my client.

Respectfully,



Martha Coleman  
Administrative Assistant

MAC:mac  
encl.

DOCUMENT NUMBER-DATE

04387 APR-5 99

FPSD-RECEIPTS/REPORTING

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DEPOSIT                      DATE  
D121                      APR 05 1999

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MAC:mac  
encl.

COPY

MAIL ROOM  
99 APR -5 AM 8:05

RECEIVED  
FLORIDA PUBLIC SERVICE COMMISSION  
TALLAHASSEE, FLORIDA

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FPSC-RECORDS/REPORTING

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Respectfully,

*M. A. D.*

DOCUMENT NUMBER - DATE  
04387 APR -59

@XESS COMMUNICATIONS, INC. 04-98 1161

PH. 727-367-0367  
286 107TH AVE.  
TREASURE ISLAND, FL 33706

DATE 12/3/98 B 63-27/631 153

PAY TO THE ORDER OF

FLPSC

\$ 250.00

Two Hundred Fifty and 10/100

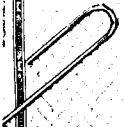
DOLLARS

**NationsBank**

NationsBank, N.A.  
Florida

FOR CLEC See in Florida

*E. D. Moore*



# APPLICATION

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

**Original certificate** (new company).

**Approval of transfer of existing certificate:** Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority.

**Approval of assignment of existing certificate:** Example, a certificated company purchases an existing company and desires to retain the certificate of authority of that company.

**Approval of transfer of control:** Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of company:

@ Xess Communications, Inc.

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

\_\_\_\_\_

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

286 107th Avenue, Second floor

Treasure Island, FL 33706

\_\_\_\_\_

\_\_\_\_\_

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

286 107th Avenue, Second Floor

Treasure Island, FL 33706

\_\_\_\_\_  
\_\_\_\_\_

6. Structure of organization:

- ( ) Individual      (x) Corporation
- ( ) Foreign Corporation    ( ) Foreign Partnership
- ( ) General Partnership    ( ) Limited Partnership
- ( ) Other \_\_\_\_\_

7. **If individual**, provide:

Name: \_\_\_\_\_

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

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

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

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

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

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

8. **If incorporated in Florida**, provide proof of authority to operate in Florida:

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

\_\_\_\_\_ P96000087754 \_\_\_\_\_

9. **If foreign corporation**, provide proof of authority to operate in Florida:

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

\_\_\_\_\_

10. **If using fictitious name-d/b/a**, provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida:

(a) **The Florida Secretary of State fictitious name registration number:**

---

11. **If a limited liability partnership**, provide proof of registration to operate in Florida:

(a) **The Florida Secretary of State registration number:**

---

12. **If a partnership**, provide name, title and address of all partners and a copy of the partnership agreement.

**Name:** \_\_\_\_\_

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

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

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

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

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

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

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

(a) **The Florida registration number:** \_\_\_\_\_

14. Provide **F.E.I. Number**(if applicable): \_\_\_\_\_

15. Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

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

---

---

(b) an 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

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

(a) The application:

**Name:** Cynthia D. Kott

**Title:** Regulatory Consultant

**Address:** PO Box 275

**City/State/Zip:** Center Lovell, Maine 04016

**Telephone No.:** (207) 928-2144 **Fax No.:** (207) 928-2139

**Internet E-Mail Address:** kottent@landmarknet.net

**Internet Website Address:** www.telecomtariff.com

(b) Official point of contact for the ongoing operations of the company:

**Name:** Jim McArthur

**Title:** President

**Address:** 286 107th Avenue, Second Floor

**City/State/Zip:** Treasure Island, FL 33706

Telephone No.: (813) 367-0367 Fax No.: (727) 367-0366

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

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

(c) Complaints/Inquiries from customers:

Name: Jim McArthur

Title: President

Address: 286 107th Avenue, Second Floor

City/State/Zip: Treasure Island, FL 33706

Telephone No.: (800) 522-9040 Fax No.: (727) 367-0366

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

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

17 List the states in which the applicant:

(a) has operated as an alternative local exchange company. NONE

\_\_\_\_\_  
\_\_\_\_\_

(b) has applications pending to be certificated as an alternative local exchange company. NONE

\_\_\_\_\_  
\_\_\_\_\_

(c) is certificated to operate as an alternative local exchange company. NONE

\_\_\_\_\_



---

(d) has been denied authority to operate as an alternative local exchange company and the circumstances involved. NONE

---

(e) has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved. NONE

---

(f) has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved. NONE

---

18. Submit the following:

A. Financial capability.

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

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

1. the balance sheet:
2. income statement: and

3. statement of retained earnings.

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

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

1. **written explanation** that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.
  2. **written explanation** that the applicant has sufficient financial capability to maintain the requested service.
  3. **written explanation** that the applicant has sufficient financial capability to meet its lease or ownership obligations.
- B. Managerial capability: give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.
- C. Technical capability: give resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance.

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

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of 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:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

**UTILITY OFFICIAL:**

*C Kott* \_\_\_\_\_ March 29, 1999  
Signature Cynthia Kott Date

\_\_\_\_\_ (207) 928-2144  
Regulatory Consultant Telephone No.  
Title for @Xess Communications

Address: PO Box 275 \_\_\_\_\_ (207) 928-2139  
Center Lovell, ME 04016 Fax No.

\_\_\_\_\_

**ATTACHMENTS:**

- A - CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT
- B - INTRASTATE NETWORK
- C - AFFIDAVIT
- GLOSSARY

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

I, (Name) \_\_\_\_\_,

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

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

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

of the above-mentioned certificate.

**UTILITY OFFICIAL:**

Signature	<u>CKott</u>	Date	<u>March 29, 1999</u>
Title	<u>Regulatory Consultant</u>	Telephone No.	<u>(207) 928-2144</u>
Address:	<u>PO Box 275</u>	Fax No.	<u>(207) 928-2139</u>
	<u>Center Lovell, ME 04016</u>		

**INTRASTATE NETWORK** (if available)

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

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

N/A - Reseller

1) _____	2) _____
_____	_____
3) _____	4) _____
_____	_____

**2. SWITCHES:** Address where located, by type of switch, and indicate if owned or leased. N/A - Reseller

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.

N/A - Reseller

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

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

**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 company 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."

UTILITY OFFICIAL:

<u>Dan Smith</u>	<u>3/29/99</u>
Signature	Date
<u>Senior Telecom Engineer</u>	<u>813 349 6371</u>
Title	Telephone No.
Address: <u>286 107th Ave</u>	<u>917 349 6371</u>
<u>Treasure Island, FL 33706</u>	Fax No.
_____	
_____	
_____	

CUSTOMER DEPOSITS AND ADVANCE PAYMENTS

A statement of how the Commission can be assured of the security of the customer's deposits and advance payments maybe 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:

C. Kott  
Signature

4/1/99  
Date

for  
Axess Communications, Inc.  
Regulatory Consultant  
Title

(207) 928-2144  
Phone

FLORIDA TELEPHONE EXCHANGE

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.

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 EXCHANGE \*\*

<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, Middleburgg, Orange Park, Ponte Verdra and Julington.
GAINESVILLE:			Alachua, Archer, Brooker, Hawthorne, High Springs, Melrose, Micanopy, Newberry and Waldo.
OCALA:			Bellevue, 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.

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

**ACCESS CODE:** The term denotes a uniform four 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 and 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 IXC 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 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, 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 rates 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 subscriptions.

**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 some subscribers for extended area calling without imposing the cost on the entire body of subscribers.

**900 SERVICE:** A service similar to 800 service furnished under tariff provision which recognizes a need of some subscribers for extended area calling without imposing the cost on the entire body of subscribers.

**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.

**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.

---

*ARTICLES OF  
INCORPORATION*

**Meeting Minutes for @Xess Communications Inc.**

**@Xess Annual Meeting**

**January 1, 1997**

Present:

**Jim McArthur - President & Treasurer**  
**Paul F. Eckstein - Vice President & Secretary**

It was decided that @xess Communications would be in the business of providing enhanced telecommunications and information services for profit.

It was decided that prepaid long distance was a viable method for providing enhanced services and could serve as a medium to deliver information services.

It was decided that a goal of @Xess Communications is to develop a network of "subscribers" that can be used to form a "Telephone Entertainment Network." This network will enable @Xess to communicate directly with its customer and will allow the company to build a saleable database of information.


Signed

  
\_\_\_\_\_

President/Treasurer

Jim McArthur

Signed

  
\_\_\_\_\_

Vice President/Secretary

Paul Eckstein



**FILED**

**ARTICLES OF INCORPORATION**

96 OCT 23 AM 11:58

1. The name of the corporation shall be: **@Xess Communications, Inc.**
2. The principle place of business and mailing address of the corporation is:

SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

**18099 First Street East  
St. Petersburg, FL 33708**

3. The corporation shall have the authority to issue 1,000,000, (one million) shares of stock.
4. The registered agent of the corporation is: **James R McArthur**. The registered street address is:

**18099 First Street East  
St. Petersburg, FL 33708**

5. The initial Board of Directors shall have 2 (two) members whose name and address are as follows:

**James McArthur  
18099 First Street East  
St. Petersburg, FL 33708**

**Paul Eckstein  
18099 First Street East  
St. Petersburg, FL 33708**

The number of directors may be raised or lowered by amendment of the bylaws of the corporation but shall in no cases be less than one.

6. The incorporator of this corporation is: **Jim McArthur** whose street address is:

**18099 First Street East  
St. Petersburg, FL 33708**

**Dated: October 15, 1996**

Incorporator: 

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 am familiar with and accept the obligations of my position as registered agent.

**Dated: October 15, 1996**

Registered Agent: 

Registered Agent 

*FINANCIAL*

*INFORMATION*

March 30, 1998

Dear Sir or Madam:

The financial statements provided by Bartholmey & Thomas, PA are true and correct . Axess Communications has recently secured private placement of \$4,000,000.00 through Morgenthal & Associates. This is not listed on the financials at this time.



---

James McArthur, President

Mar 30 98 04:47p

Jim McArthur

813-367-0366

p.2

03/30 '98 16:42

ID:BAR LMEY/THOMAS AND CO

FAX:8133985560

PAGE 2

@xess Communications, Inc.

Financial Statements  
as of  
March 31, 1998



**BARTHOLMEY, THOMAS  
& COMPANY, P.A.  
CERTIFIED PUBLIC ACCOUNTANTS**

SCOTT D. BARTHOLMEY, C.P.A.

DENNIS K. THOMAS, C.P.A.

@XESS Communications, Inc.  
Redington Shores, FL 33708-1002

ACCOUNTANTS' COMPILATION REPORT  
-----

We have compiled the accompanying Balance Sheet of @XESS Communications, Inc. (an S Corporation) as of March 31, 1998, and the related Statement Of Income for the three months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

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

The shareholders have elected under the Internal Revenue Code to be an S corporation. In lieu of corporation income taxes, the shareholders of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in these financial statements.

*Bartholmey, Thomas & Co., P.A.*

Bartholmey, Thomas & Company, P.A.

March 31, 1998

02/19/99

**@Xess Communications**  
**Profit and Loss**  
 January through December 1998

	<i>Unaudited</i> <u>Jan - Dec '98</u>
Ordinary Income/Expense	
Income	
31000 · Fees	399.84
32000 · Net Usage	623.50
33000 · Hardware & Software Resale	4,000.00
34000 · Prepaid Revenue	4,440.50
38000 · Merchandise Sales	467.69
Total Income	<u>9,931.53</u>
Cost of Goods Sold	
50000 · Cost Of Goods Sold	8,174.30
Total COGS	<u>8,174.30</u>
Gross Profit	1,757.23
Expense	
61000 · Product Development	53,094.02
62000 · Sales & Marketing	41,500.95
63000 · G&A	179,416.79
64000 · Payroll, Training & Consulting	437,205.64
66000 · Interest & Finance Expense	10,253.92
90000 · Taxes	15,448.94
Total Expense	<u>736,920.26</u>
Net Ordinary Income	-735,163.03
Other Income/Expense	
Other Income	
70000 · Interest & Other Income	2,574.73
Total Other Income	<u>2,574.73</u>
Other Expense	
80000 · Other Expenses	68,086.72
Total Other Expense	<u>68,086.72</u>
Net Other Income	<u>-65,511.99</u>
Net Income	<u><u>-800,675.02</u></u>

02/19/99

**@Xess Communications**  
**Summary Balance Sheet**  
 As of December 31, 1998

*Unaudited*  
 Dec 31, '98

<b>ASSETS</b>	
Current Assets	
Checking/Savings	82,094.66
Accounts Receivable	83.44
Other Current Assets	164,270.42
Total Current Assets	246,448.52
Fixed Assets	382,501.90
Other Assets	2,475.62
<b>TOTAL ASSETS</b>	<u><u>631,426.04</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	86,883.89
Other Current Liabilities	1,227.17
Total Current Liabilities	88,091.06
Long Term Liabilities	1,094,010.00
Total Liabilities	1,182,101.06
Equity	-550,675.02
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>631,426.04</u></u>

Note: Off balance sheet funding via a Line of Credit of \$4 million is available. As of 12/31/99 approximately \$2.5 million is still available.

@XESS Communications, Inc.  
Balance Sheet  
March 31, 1998

Assets

Current Assets			
Checking Account	\$	10,383.79	
Cash In Bank - Southtrust		<u>187,636.87</u>	
Total Current Assets			\$ 198,020.66
Fixed Assets			
Computer Equipment & Software	\$	34,673.00	
Machinery & Equipment		1,600.00	
Accumulated Depreciation		<u>(1,255.00)</u>	
Total Fixed Assets			35,018.00
Other Assets			
Trademark	\$	1,445.00	
Organization Costs		259.00	
Accumulated Amortization		<u>( 140.00)</u>	
Total Other Assets			<u>1,564.00</u>
Total Assets	\$		<u>234,602.66</u>

Liabilities and Stockholders' Equity

Current Liabilities			
Total Current Liabilities	\$		0.00
Long Term Liabilities			
Loans from Stockholder - PE	\$	2,499.10	
Loans from Stockholder - JM		<u>3,311.59</u>	
Total Long Term Liabilities			5,810.69
Stockholders' Equity			
Common Stock	\$	200.00	
Additional Paid-in-Capital		270,000.00	
Accumulated Adjustment Account		(19,329.49)	
Current Income (Loss)		<u>(22,078.54)</u>	
Total Stockholders' Equity			<u>228,791.97</u>
Total Liabilities & Stockholders' Equity	\$		<u>234,602.66</u>

Bartholmey, Thomas & Company, P. A.  
See Accountants' Compilation Report



@XESS Communications, Inc.  
Statement Of Income  
For the Period Ended March 31, 1998

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	<u>3 Months Ended</u>	<u>Pct</u>
	<u>Mar. 31, 1998</u>	
Revenue		
Sales	\$ <u>1,780.22</u>	<u>100.00</u>
Total Revenue	<u>1,780.22</u>	<u>100.00</u>
Operating Expenses		
Bank Charges	33.40	1.88
Dues and Subscriptions	70.00	3.93
Entertainment & Meals	844.67	47.45
Office Expense	4,084.17	229.42
Postage	130.34	7.32
Professional Fees	4,750.00	266.82
Rent	2,591.60	145.58
Salaries & Wages	4,605.97	258.73
Taxes and Licenses	3,230.00	181.44
Telephone	205.46	11.54
Travel	1,456.02	81.79
Utilities	828.75	46.55
Vehicles Expense	<u>983.75</u>	<u>55.26</u>
Total Expenses	<u>23,814.13</u>	<u>999.00</u>
Operating Income	<u>(22,033.91)</u>	<u>(999.00)</u>
Other Income (Expenses)		
Total Other Income	<u>0.00</u>	<u>0.00</u>
Net Income (Loss)	\$ <u>(22,033.91)</u>	<u>(999.00)</u>

Bartholmey, Thomas & Company, P. A.  
See Accountants' Compilation Report

*MANAGEMENT  
BACKGROUNDS*

**James McArthur**

**Previous Experience - Sales & Marketing**

**President, National Sales Manager  
Trader Networks International  
Bell Holdings International, Inc.**

**Paul Eckstein , Vice President - Marketing Manager**  
-14 years experience in business ownership and upper level management.

**Proposed Services: will be flat rate**

**Sales Method - Sales Agents Selling Time**

**Customer Service Access: After the sale is made any questions are handled by the sales person who made the sale. (Point of contact)  
If the problem is a switch or technical problem a credit to the customer would be made. Sales agents are supported by an in house, in bound, out bound, telemarketing call center with 30 seats.**

**Problems would be handled by calling the 800 number for customer service and a customer service representative would take the call.**

# TARIFF

## TITLE SHEET

### FLORIDA TELECOMMUNICATIONS TARIFF

This tariff applies to the intrastate resale telecommunication services furnished by @xess Communications, Inc. between one or more points in the State of Florida. This tariff is on file with the Public Service Commission of Florida and copies may be inspected, during normal business hours, at the Company's principal place of business at 286 107th Avenue, second floor, Treasure Island, FL 33706.

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Issued: April 1, 1999

Effective Date: \_\_\_\_\_

Issued By:

Jim McArthur, President  
286 107th Avenue, Second floor  
Treasure Island, Florida 33706

CHECK SHEET

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

<u>SHEET</u>	<u>REVISION</u>
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
22	Original

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Issued: April 1, 1999

Effective Date: \_\_\_\_\_

Issued By:

Jim McArthur, President  
286 107th Avenue, Second floor  
Treasure Island, Florida 33706

TABLE OF CONTENTS

Title Sheet.....	1
Check Sheet.....	2
Table of Contents.....	3
Symbol Sheet.....	4
Tariff Format.....	5
<b>Section I – Technical Terms and Abbreviations.....</b>	<b>6</b>
<b>Section II – Rules and Regulations.....</b>	<b>8</b>
<b>Section III – Description of Services.....</b>	<b>17</b>
<b>Section IV – Rates.....</b>	<b>19</b>

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Issued: April 1, 1999

Effective Date: \_\_\_\_\_

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286 107th Avenue, Second floor  
Treasure Island, Florida 33706

SYMBOLS SHEET

The following symbols shall be used in this tariff for the purpose 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 to rate or charge.

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Issued: April 1, 1999

Effective Date: \_\_\_\_\_

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286 107th Avenue, Second floor  
Treasure Island, Florida 33706



TARIFF FORMAT

- 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 FLPSC. For example, the 4<sup>th</sup> revised Sheet 14 cancels the 3<sup>rd</sup> revised Sheets 14. Because of various suspension periods, deferrals, etc. the FLPSC follows in its 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 FLPSC, 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. remain 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 FLPSC.

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Issued: April 1, 1999

Effective Date: \_\_\_\_\_

Issued By:

Jim McArthur, President  
286 107th Avenue, Second floor  
Treasure Island, Florida 33706

SECTION I – TECHNICAL TERMS AND ABBREVIATIONS

<b>Accounting Code -</b>	A multi-digit code which enables a customer to allocate long distance charges to its internal accounts.
<b>@xess -</b>	Used throughout tariff to mean @xess Communications, Inc.
<b>Access Line -</b>	An arrangement which connects the Customer's location to @XESS switching center.
<b>Authorized User -</b>	A person, firm, corporation, or any other entity authorized by the Customer to communicate, utilizing the Carrier's service.
<b>Commission -</b>	The Florida Public Service Commission (FLPSC).
<b>Company or Carrier -</b>	@xess Communications, Inc. unless otherwise clearly indicated by the context.
<b>Customer -</b>	The person, firm, corporation or other entity which orders, cancels amends or uses service under this tariff and is responsible for payment of charges and compliance with the Company's tariff.
<b>Day -</b>	Unless otherwise specified in this tariff, from 8:00 AM up to but not including 5:00 PM local time Monday through Friday.
<b>Evening -</b>	Unless otherwise specified in this tariff, from 5:00 PM up to but not including 11:00 PM local time Sunday through Friday.

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Issued: April 1, 1999

Effective Date: \_\_\_\_\_

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Jim McArthur, President  
286 107th Avenue, Second floor  
Treasure Island, Florida 33706

SECTION I – TECHNICAL TERMS AND ABBREVIATIONS, (CONT'D)

**Holidays -** For the purposes of call rating, the Company observes the following holidays (as Federally observed):

Thanksgiving Day	Christmas Day	Veterans Day
Labor Day	Columbus Day	Memorial Day
New Year's Day	Independence Day	
President's Day	Martin Luther King Day	

\* Evening rates apply to all of the above Holidays

**IXC -** A long distance telephone company which carries calls between LATAs.

**Long Distance Resale Service –**  
Long Distance Resale Service is a public communications service for hire, which includes providing long distance service to Customers through the resale of leased lines and services provided by multiple other common Carriers.

**Night/Weekend -** Unless otherwise specified in this tariff, 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.

**User -** The calling party utilizing the services of @XESS and responsible for the payment of charges, unless that responsibility has been accepted by others, such as in the case of collect, third party and room charge calls.

**V & H Coordinates –**  
Geographic points which define the originating and terminating points of a call in mathematical terms so that the airline mileage of the call may be determined. Call mileage is used for the purpose of rating calls.

Issued: April 1, 1999

Effective Date: \_\_\_\_\_

Issued By: Jim McArthur, President  
286 107th Avenue, Second floor  
Treasure Island, Florida 33706

SECTION II – RULES AND REGULATIONS

2.1 Undertaking of @XESS

- 2.1.1 @XESS' services and facilities are furnished for communications originating at specified points within the state of Florida under terms of this tariff. Service is provided twenty-four hours a day, seven days a week.
- 2.1.2 @XESS is a resale common carrier. @XESS' services provide intrastate long distance message telephone service to Customers for their direct transmission and reception of voice, data, and other types of communications. @XESS may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities (such as the local exchange carrier), when authorized by the Customer, to allow connection of a Customer's location to the @XESS network. The Customer shall be responsible for all charges due for such service arrangement. @xess agrees to dutifully abide by all Rules and Regulations as set forth by the FLPSC.
- 2.1.3 The rates and regulations contained in this tariff apply only to the services furnished by @XESS and do not apply, to the lines facilities, or services provided by a local exchange telephone company or other common carrier for use in accessing the services of @XESS.

2.2 Initial Contract Period and Termination of Service by Customer

- 2.2.1 Contract Periods – The initial contract period for service and facilities is thirty (30) days.

2.3 Obligation of Customer

- 2.3.1 The customer will assume responsibility for all usage and service billed.

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Issued: April 1, 1999

Effective Date: \_\_\_\_\_

Issued By:

Jim McArthur, President  
286 107th Avenue, Second floor  
Treasure Island, Florida 33706

SECTION II – RULES AND REGULATIONS, (CONT'D)

2.4 Limitations

- 2.4.1 Service is offered subject to the availability of the necessary facilities and equipment, or both facilities and equipment, and subject to the provisions of this tariff.
- 2.4.2 @XESS reserves the right to discontinue or limit service when necessitated, per Florida Commission Rules and with twenty-four hours notice, by the conditions beyond its control, or when the Customer is using service in violation of provisions of this tariff, or in violation of the law.
- 2.4.3 All facilities and services provided under this tariff are directly or indirectly controlled by @XESS and the Customer may not transfer or assign the use of service or facilities without 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.
- 2.4.4 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 or service.
- 2.4.5 Customers reselling or rebilling services must have a certificate of Public Convenience and Necessity as an interexchange carrier from the Commission.

2.5 Use

- 2.5.1 Services provided under this tariff may be used for any lawful purpose for which the service is technically suited.

2.6 Liability of Carrier

- 2.6.1 Liability of the carrier for mistake, 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.
- 2.6.2 @XESS 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 @XESS.

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Issued: April 1, 1999

Effective Date: \_\_\_\_\_

Issued By:

Jim McArthur, President  
286 107th Avenue, Second floor  
Treasure Island, Florida 33706

SECTION II – RULES AND REGULATIONS (CONT'D)

2.7 Responsibilities of the Customer

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

2.7.2 The Customer is responsible for placing any necessary orders; for complying with tariff regulations; and for assuring that users comply with tariff regulations. The Customer shall ensure compliance with any applicable laws, regulations, orders or other requirements (as they exist from time to time) of any governmental entity relating to services provided or made available by the Customer to end users.

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Issued: April 1, 1999

Effective Date: \_\_\_\_\_

Issued By:

Jim McArthur, President  
286 107th Avenue, Second floor  
Treasure Island, Florida 33706

SECTION II – RULES AND REGULATIONS, (CONT'D)

2.8 Restoration of Service

2.8.1 The use and restoration of service shall be in accordance with the priority system specified in part 64 Subpart D of The Rules and Regulations of the Federal Communications Commission.

2.9 Discontinuance of Service

2.9.1 Without incurring liability @XESS may discontinue services to a Customer or may withhold the provision of ordered or contracted services, subject to the procedures set forth in 2.9.3, under any of the following conditions:

2.9.1.A For nonpayment of any sum due @XESS for more than thirty days after issuance of the bill for the amount due.

2.9.1.B In the event that the Customer supplied false or inaccurate information of a material nature in order to obtain service.

2.9.1.C For violation of any of the provisions of this tariff.

2.9.1.D For the use of foul or profane expressions, the impersonation of another with fraudulent intent, or of any other violation of the Communications Act of 1934, as amended, or of the rules and regulations of the Federal Communications Commission.

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Issued: April 1, 1999

Effective Date: \_\_\_\_\_

Issued By:

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SECTION II – RULES AND REGULATIONS, (CONT'D)

2.9 Discontinuance of Service, (cont'd)

- 2.9.1.E For violation of any law, rule, regulation or policy of any governing authority having jurisdiction over @Xess' services, or
- 2.9.1.F By reason of any order of decision of a court, business service commission or federal regulatory body or other governing authority prohibiting @XESS from furnishing its services.
- 2.9.1.G For the use of telephone service for any other property or purpose than that described in the contract.

2.9.2 @XESS may discontinue service without notice for any of the following reasons:

- 2.9.2.A If a Customer or Customer causes or permits any signals or voltages to be transmitted over @Xess' network in such a manner as to cause a hazard or to interfere with @Xess' service to others.
- 2.9.2.B If a Customer or user uses @Xess' services in a manner to violate the law.

2.9.3 Procedures for discontinuance of existing service:

- 2.9.3.A @XESS will provide the Customer with written notice stating the reason for discontinuance, and will allow the Customer not less than 10 days to remove the cause for discontinuance. In cases of non-payment of charges due, the Customer will be allowed at least five days, excluding Sundays and holidays, to make full payment of all undisputed charges, and in no event will service be discontinued on the day preceding any day on which @XESS is not prepared to accept payment of the amount due.

2.10 Interruption of Service

- 2.10.1 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 for in 2.6.1 herein. It shall be the obligation of the customer to notify the Company immediately of any interruption in service 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.

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Issued: April 1, 1999

Effective Date: \_\_\_\_\_

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Treasure Island, Florida 33706



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SECTION II – RULES AND REGULATIONS, (CONT'D)

2.10 Interruption of Service, (cont'd)

2.10.2 For purposes of credit computation, every month shall be considered to have 720 hours.

2.10.3 No credit shall be allowed for an interruption of a continuous duration of less than two hours.

2.10.4 The customer shall be credited for an interruption of two hours or more at the rate of 1/720<sup>th</sup> of the monthly charge for the facilities affected for each hour thereof that the interruption continues.

Credit Formula:

$$\text{Credit} = A/720 \times B$$

“A” – outage time in hours

“B” – total monthly charge for affected facility

2.11 Termination by Customer

2.11.1 Customer may cancel service by phone call or in writing to the Company.

2.12 Customer's Liability in the Event of Denial or Disconnection of Service

2.12.1 In the event Customer's service is denied or disconnected by the Carrier for any of the reasons stated in section 2.9, Customer shall be liable for all unpaid charges due and owing to Carrier.

2.13 Reinstitution of Service

2.13.1 If Customer seeks reinstatement of service following disconnection of service by Carrier, Customer shall pay to Carrier prior to the time service is reinstated (1) all accrued and unpaid charges and (2) reconnection fee.

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Issued: April<sup>1</sup>, 199<sup>9</sup>

Effective Date: \_\_\_\_\_

Issued By:

Jim McArthur, President  
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Treasure Island, Florida 33706

SECTION II – RULES AND REGULATIONS, (CONT'D)

2.14 Advanced Payment

2.14.1 The Company will not collect advance payments.

2.15 Authorization to Obtain Credit Information

2.15.1 Carrier reserves the right to require all Customers to establish credit-worthiness to the reasonable satisfaction of Carrier. Upon application for service, Customer shall be deemed to have authorized Carrier to obtain such routine credit information and verification as Carrier shall require in accordance with its then existing credit policies. All criteria and methods used in the acquisition and assessment of credit related information shall be consistent and uniform for all applicants or Customers.

2.16 Description of Payment and Billing Periods

2.16.1 Charges for services are applied on a recurring and non-recurring basis. Service is provided and billed on a monthly basis.

2.16.2 Billing will be payable upon receipt and past due 30 days after issuance.

2.16.3 Charges are based on actual usage during a month and will be billed monthly in arrears.

2.16.4 The Customer is responsible for the payment of ALL charges for service provided to the Customer. This applies to Customers where the provision of service Carrier includes the use of authorization (access) codes. The Customer agrees to pay to Carrier ANY cost incurred as a result of ANY DELEGATION OF AUTHORITY resulting in use of his/her authorization codes.

2.16.5 Where a Customer, e.g. an employer, provides the use of authorization codes to his/her employees, or where the Customer, e.g. a family member, provides the use of authorization codes to his/her family relations or friend, guest, etc., the Customer agrees to pay to Carrier ANY cost incurred as a result of these uses of the authorization codes.

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Issued: April 1, 1999

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SECTION II – RULES AND REGULATIONS, (CONT'D)

2.17 Deposit

2.17.1 The company will not collect deposits from customers in the State of Florida.

2.18 Taxes

2.18.1 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.

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Issued: April 1, 1999

Effective Date: \_\_\_\_\_

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Treasure Island, Florida 33706

SECTION III – DESCRIPTION OF SERVICES

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 usage of the network. A call is terminated when the calling or called party hangs up.

3.1.2 Billing Increments

The minimum call duration for billing purposes is one minute for connected call and calls beyond one minute are billed in one minute increments. The Customer’s monthly charge for services are based upon the total time the Customer actually uses the service. For billing purposes, calls are rounded up to the next full billing increment, one minute for Residential and one minute for Business Service. Minimum call duration time for Residential and Business Service is one minute. 800 Service and Travel Service billing increments are the same as the service associated with and contracted for, Business or Residential Service.

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.

3.2 Calculation of Distance

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

3.2.2 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. @XESS uses vertical and horizontal coordinates produced by Bell Communications Research in their NPA-NXX V & H coordinates tape and Bell’s NECA tariff No. 4.

3.2.2.A FORMULA:

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

Issued: April 1, 1999

Effective Date: \_\_\_\_\_

Issued By:

Jim McArthur, President  
286 107th Avenue, Second floor  
Treasure Island, Florida 33706

SECTION IV – RATES

4.1 @XESS Residential Service

4.1.1 Residential Service provides facilities to complete toll calls between two points in Florida. The maximum rates\* are: (All zero minus and zero plus local traffic will be routed to the LEC or ALEC)

	Plan "A"	Plan "B"	Plan "C"	Plan "D"	Plan "E"
Flat Rate	Per Minute - Initial and Additional				
All Times	\$0.2030	\$0.1830	\$0.1620	\$0.1420	\$0.1320

Above rates are rounded and billed in one minute increments following an initial one minute minimum.

4.2 @XESS Business Service

4.2.1 Business Service provides facilities to complete toll calls between two points in Florida. The maximum rates\* are: (All zero minus and zero plus local traffic will be routed to the LEC or ALEC)

	Plan "A"	Plan "B"	Plan "C"	Plan "D"	Plan "E"
Flat Rate	Per Minute - Initial and Additional				
All Times	\$0.2030	\$0.1830	\$0.1620	\$0.1420	\$0.1320

Above rates are rounded and billed in one minute increments following an initial one minute minimum.

4.2.1.A Accounting Code Charges:  
\$5.00 per month or \$0.20 per month per validated code number, whichever is greater.

\* Volume Usage Discounts

@xess Business and Residential Service Plan pricing reflects the following volume usage:

- Plan "A" - Discounted pricing for customers using up to \$500.00 per month.
- Plan "B" - Discounted pricing for customers using \$500.00-\$600.00 per month.
- Plan "C" - Discounted pricing for customers using \$600.00-\$700.00 per month.
- Plan "D" - Discounted pricing for customers using \$700.00-\$800.00 per month.
- Plan "E" - Discounted pricing for customers using over \$800.00 per month.

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SECTION IV – RATES, (CONT'D)

4.3 @XESS Travel Service

4.3.1 From origination to termination, the maximum rates are the same as the underlying service contracted for plus (as defined in Sections 4.1 and 4.2). An \$0.85 per call charge will be added to the regulated rates.

4.4 @XESS 800 Service

4.4.1 From origination to termination, the maximum rates are the same as the underlying service contracted for plus (as defined in Sections 4.1 and 4.2):  
A monthly \$20.00 exclusive 800 number charge.

4.5 Nonrecurring Charges

4.5.1 Residential and/or Business Service  
Service Origination: \$50.00

4.5.2 800 Service  
Service Origination: \$50.00

4.5.3 Travel Service  
Service Origination: \$50.00

4.5.4 Accounting Code Charges  
Set-up and/or change per line: \$20.00

4.6 Directory Assistance

4.6.1 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 \$0.65 for every call in excess of fifty (50) within a billing cycle.

4.7 Discounts for Hearing Impaired Customers

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

4.8 Telecommunications Relay Service

4.8.1 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 other wise 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 IV – RATES, (CONT'D)

4.9 Payment of Calls

4.9.1 @xess shall be entitled to recover an amount equal to a late payment fee of 1.5 percent per month for the period(s) for which such charges would have been payable.

4.9.2 Returned Check Charges

4.9.2.A If Company receives a check from a Customer in payment for service rendered or for any other reason of indebtedness and which is returned from the bank due to insufficient or uncollected funds, closed account, apparent tampering, missing signature or endorsement, or for any other reason, Company shall apply a service charge after Customer has been forwarded notice of same five days in advance as follows:

Per Returned Check: 5% or fifteen dollars, whichever is greater.

4.9.2.B The charge shall be applied to Customer's monthly billing, in addition to any other charges which may apply under this tariff.

4.9.2.C Payment rendered by check, which is subsequently dishonored shall not constitute payment until such time as repayment is made by valid means.

4.10 Restoration of Services

Reconnection fee of \$25.00 per occurrence is charged when service is restored for customers that have been disconnected.

4.11 Promotional Offerings

4.11.1 The Company may, from time to time, make promotional offerings to enhance the marketing of its services. These promotions will be approved by the FLPSC with specific starting and ending dates and under no circumstances run for longer than 90 days in any 12 month period.

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SECTION IV - RATES, (CONT'D)

4.12 Time of Day Rate Periods

4.12.1 The appropriate rates apply for day, evening and night/weekend calls based on the following chart:

	MON	TUES	WED	THUR	FRI	SAT	SUN
8:00 AM TO 5:00 PM*	<b>Daytime Rate Period</b>						
5:00 PM TO 11:00*	<b>Evening Rate Period</b>						<b>Eve.</b>
11:00 PM TO 8:00 AM*	<b>Night/Weekend Rate Period</b>						

\* to but not including.

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