

Dep# 128 4/20/99

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April 12, 1999

VIA OVERNIGHT DELIVERY

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

990477-TI

Re: FON Digital Network, Inc.

Dear Sir/Madam:

Enclosed please find one original and six (6) copies of FON Digital Network, Inc.'s Application for Authority to Provide Interexchange Telecommunications Service Within the State of Florida, along with an original and six (6) copies of FON Digital Network, Inc.'s proposed tariff.

FON Digital Network, Inc. has sufficient financial capability to provide the requested service in the State of Florida and has sufficient financial capability to maintain the requested service and to meet its lease or ownership obligations. In support of FON Digital Network, Inc.'s stated financial capability, copies of its financial statements for the four months ended January 31, 1999 are attached to its application. FON Digital Network, Inc. currently has its own switching equipment in the State of Florida. FON Digital Network, Inc. intends to fund the provision of service through internally generated cash flow and investor capital. FON Digital Network, Inc. also has the ability to borrow funds, if required, based upon its financial capabilities.

I also have enclosed a check in the amount of \$250.00 payable to the Florida Public Service Commission to cover the cost of filing these documents.

DOCUMENT NUMBER-DATE
04705 APR 13 89
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 32399-0850
(904) 413-6251**

FORM PSC/CMU 31 (11/91)

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

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 Aggregator** - company contracts with unaffiliated entities to obtain bulk/volume discounts under multi-location discount plans from certain underlying carriers. Then offers the resold service by enrolling unaffiliated customers.
- 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 a noncertificated company).
- Approval for transfer of control** (To another certificated company).

3. Name of corporation, partnership, cooperative, joint venture or sole proprietorship:

FON Digital Network, Inc.

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

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

**2290 Lee Road
Winter Park, Florida 32789**

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

**2290 Lee Road
Winter Park, Florida 32789**

7. Structure of organization;

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

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

- (a) Provide proof of compliance with the foreign limited partnership statute (Chapter 620.160 FS), if applicable.
- (b) Indicate if the individual or any of the partners have previously been:
 - (1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings.
 - (2) officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

9. If incorporated, please give:

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

Corporate charter number: F98000068319

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

David Evans
2908 Sunbittern
Windermere, Florida 34786

- (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;

Lance J.M. Steinhart
6455 East Johns Crossing, Suite 285
Duluth, GA 30097
770-232-9200

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

Tom Vennel, Director of Telecom
FON Digital Network, Inc.
2290 Lee Road
Winter Park, Florida 32789
(407) 702-2000

(c) Tariff;

Lance J.M. Steinhart
6455 East Johns Crossing, Suite 285
Duluth, GA 30097
770-232-9200

(d) Complaints/Inquiries from customers;

Tom Vennel, Director of Telecom
FON Digital Network, Inc.
2290 Lee Road
Winter Park, Florida 32789
(800) 336-5677

11. List the states in which the applicant:

(a) Has operated as an interexchange carrier.

Iowa, Michigan, Montana, New Jersey, Pennsylvania, Texas, Utah, Virginia, and Wyoming.

(b) Has applications pending to be certificated as an interexchange carrier.

Applicant is in the process of filing Applications in all remaining states.

(c) Is certificated to operate as an interexchange carrier.

**Iowa, Michigan, Montana, New Jersey, Pennsylvania, Texas, Utah
Virginia, and Wyoming.**

(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:

- | | |
|---|------------------------------------|
| <input type="checkbox"/> Facilities | <input type="checkbox"/> Operators |
| <input type="checkbox"/> Billing and Collection | <input type="checkbox"/> Sales |
| <input type="checkbox"/> Maintenance | |
| <input type="checkbox"/> Other: _____ | |

None.

13. Do you have a marketing program?

Yes.

14. Will your marketing program:

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

15. Explain any of the offers checked in question 14 (To whom, what amount, type of franchise, etc.).

Applicant will pay commissions to sales representatives.

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

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

17. Please provide the following (if applicable):

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

Applicant's name and toll free number will appear on all end-users' bills.

- (b) Name and address of the firm who will bill for your service.

The Company intends to direct bill customers utilizing real-time completed call detail information from its underlying carriers.

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

A. Financial capability.

Regarding the showing of financial capability, the following applies:
The application should contain the applicant's financial statements for the most recent 3 years, including:

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

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

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

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

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

B. Managerial capability.

See Attached.

C. Technical capability.

Applicant will use the network services of its underlying carrier to provide services to customers in the State of Florida.

19. Please submit the proposed tariff under which the company plans to begin operation. Use the format required by Commission Rule 25-24.482 (example enclosed).

See Attached.

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

MTS with distance sensitive per minute rates

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

MTS with route specific rates per minute

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

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

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

MTS for pay telephone service providers

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

800 Service (Toll free)

WATS type service (Bulk or volume discount)

Method of access is via dedicated facilities

Method of access is via switched facilities

Private Line services (Channel Services)

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

- Travel Service**
- Method of access is 950
- Method of access is 800

900 service

Operator Services

- Available to presubscribed customers
- Available to non presubscribed customers (for example to patrons of hotels, students in universities, patients in hospitals)
- Available to inmates

Services included are:

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

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

1 (or 101XXXX) + area code+ number or 1-800-XXX-XXXX

21. **Other:**

**** APPLICANT ACKNOWLEDGEMENT 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 AAV 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.

UTILITY OFFICIAL:

Mary Ann Evans
Signature

3/17/99
Date

Mary Ann Evans

Chairman 407-702-2000
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):

- 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:

Mary Ann Evans

3/17/99
Date

Mary Ann Evans

Chairman (407)702-2000
Title Telephone No.

LIST OF ATTACHMENTS

PROPOSED TARIFF

FINANCIAL INFORMATION

MANAGEMENT INFORMATION

PROPOSED TARIFF

TITLE SHEET

FLORIDA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service or facilities for Telecommunications Services furnished by FON Digital Network, Inc. ("FON"), with principal offices at 2290 Lee Road, Winter Park, Florida 32789. This tariff applies for telecommunications 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.

Issued: April 13, 1999

Effective:

By:

Mary Ann Evans, President
2290 Lee Road
Winter Park, Florida 32789

CHECK SHEET

The 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 right-hand side of this sheet.

| <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* |
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| 18 | Original* |
| 19 | Original* |
| 20 | Original* |
| 21 | Original* |
| 22 | Original* |
| 23 | Original* |
| 24 | Original* |
| 25 | Original* |
| 26 | Original* |
| 27 | Original* |
| 28 | Original* |
| 29 | Original* |

* Original or Revised Sheet Included in the most recent tariff filing

Issued: April 13, 1999

Effective:

By:

Mary Ann Evans, President
2290 Lee Road
Winter Park, Florida 32789

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2290 Lee Road

Winter Park, Florida 32789

SYMBOLS

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

Issued: April 13, 1999

Effective:

By:

Mary Ann Evans, President
2290 Lee Road
Winter Park, Florida 32789

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 pages 11 and 12 would be page 11.1.

B. Sheet Revision Numbers: Revision numbers also appear in the upper right corner of each sheet where applicable. These numbers are used to indicate the most current page version on file with the Commission. For example, 4th Revised Sheet 13 cancels 3rd Revised Sheet 13. Consult the Check Sheet for the sheets 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 Commission, 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 sheets 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 sheet if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some sheets). The tariff user should refer to the latest Check Sheet to find out if a particular sheet is the most current on Commission file.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement from a local exchange telephone company or other common carrier, using either dedicated or switched access, which connects a Customer's location to FON's location or switching center.

Authorization Code - A numerical code, one or more of which may be assigned to a Customer, to enable FON to identify the origin of the Customer so it may rate and bill the call. Automatic number identification (ANI) is used as the authorization code wherever possible.

Commission - Used throughout this tariff to mean the Florida Public Service Commission.

Customer - The person, firm, corporation or other legal entity which orders the services of FON or purchases a FON Prepaid Calling Card and/or originates prepaid calls using such cards, and is responsible for the payment of charges and for compliance with the Company's tariff regulations.

Company or FON - Used throughout this tariff to mean FON Digital Network, Inc., a Florida corporation.

Dedicated Access - The Customer gains entry to the Company's services by a direct path from the Customer's location to the Company's point of presence.

Holiday - New Year's Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Holidays shall be billed at the evening rate from 8 a.m. to 11 p.m. After 11 p.m., the lower night rate shall go into effect.

Prepaid Account - An inventory of Telecom Units purchased in advance by the Customer, and associated with one and only one Authorization Code as contained in a specific Prepaid Calling Card.

Issued: April 13, 1999

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Mary Ann Evans, President

2290 Lee Road

Winter Park, Florida 32789

Prepaid Calling Card - A card issued by the Company, containing an Authorization Code which identifies a specific Prepaid Account of Telecom Units, which enables calls to be processed, account activity to be logged, and balances to be maintained, on a prepayment basis.

Resp. Org - Responsible Organization or entity identified by an 800 service Customer that manages and administers records in the 800 database and management system.

Switched Access - The Customer gains entry to the Company's services by a transmission line that is switched through the local exchange carrier to reach the Company's point of presence.

Telecom Unit - A measurement of telecommunications service equivalent to one minute of usage between any two points within the State of Florida.

Telecommunications - The transmission of voice communications or, subject to the transmission capabilities of the services, the transmission of data, facsimile, signaling, metering, or other similar communications.

Underlying Carrier - The telecommunications carrier whose network facilities provide the technical capability and capacity necessary for the transmission and reception of Customer telecommunications traffic.

Issued: April 13, 1999

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2290 Lee Road
Winter Park, Florida 32789

SECTION 2 - RULES AND REGULATIONS**2.1 Undertaking of the Company**

This tariff contains the regulations and rates applicable to intrastate resale telecommunications services provided by FON for telecommunications between points within the State of Florida. Resale services are furnished subject to the availability of facilities and subject to the terms and conditions of this tariff in compliance with limitations set forth in the Commission's rules. The Company's services are provided on a statewide basis and are not intended to be limited geographically. The Company offers service to all those who desire to purchase service from the Company consistent with all of the provisions of this tariff. Customers interested in the Company's services shall file a service application with the Company which fully identifies the Customer, the services requested and other information requested by the Company. The Company 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 a service provided by the Company. The Customer shall be responsible for all charges due for such service arrangement.

- 2.1.1 The services provided by FON are not part of a joint undertaking with any other entity providing telecommunications channels, facilities, or services, but may involve the resale of the Message Toll Services (MTS) and Wide Area Telecommunications Services (WATS) of underlying common carriers subject to the jurisdiction of this Commission.

Issued: April 13, 1999**Effective:****By:****Mary Ann Evans, President
2290 Lee Road
Winter Park, Florida 32789**

-
- 2.1.2 The rates and regulations contained in this tariff apply only to the resale services furnished by FON and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carriers for use in accessing the services of FON.
- 2.1.3 The Company reserves the right to limit the length of communications, to discontinue furnishing services, or limit the use of service necessitated by conditions beyond its control, including, without limitation: lack of satellite or other transmission medium capacity; the revision, alteration or repricing of the Underlying Carrier's tariffed offerings; or when the use of service becomes or is in violation of the law or the provisions of this tariff.

2.2 Use and Limitations of Services

- 2.2.1 FON's services may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of services, subject to any limitations set forth in this Section 2.2.
- 2.2.2 The use of FON's services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another or in such a way as to unreasonably interfere with use by others is prohibited.
- 2.2.3 The use of FON's services without payment for service or attempting to avoid payment for service by fraudulent means or devices, schemes, false or invalid numbers, or false calling or credit cards is prohibited.

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-
- 2.2.4 FON's services are available for use twenty-four hours per day, seven days per week.
- 2.2.5 FON does not transmit messages, but the services may be used for that purpose.
- 2.2.6 FON's services may be denied for nonpayment of charges or for other violations of this tariff subject to Section 2.5.1 herein.
- 2.2.7 Customers shall not use the service provided under this tariff for any unlawful purpose.
- 2.2.8 The Customer is responsible for notifying the Company immediately of any unauthorized use of services.

2.3 Liability of the Company

- 2.3.1 The Company shall not be liable for any claim, loss, expense or damage for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff, if caused by an act of God, fire, war, civil disturbance, act of government, or due to any other causes beyond the Company's control.
- 2.3.2 The Company shall not be liable for, and shall be fully indemnified and held harmless by the Customer against any claim, loss, expense, or damage for defamation, libel, slander, invasion, infringement of copyright or patent, unauthorized use of any trademark, trade name or service mark, proprietary or creative right, or any other injury to any person, property or entity arising out of the material, data or information transmitted.
- 2.3.3 No agent or employee of any other carrier or entity shall be deemed to be an agent or employee of the Company.

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- 2.3.4 The Company's liability, resulting in whole or in part from or arising in connection with the furnishing of service under this tariff, including but not limited to mistakes, omissions, interruptions, delays, errors, or other defects shall not exceed an amount equal to the charges provided for under this tariff for the long distance call for the period during which the call was affected. No other liability in any event shall attach to the Company, except as ordered by the Commission.
- 2.3.5 The Company shall not be liable for and shall be indemnified and saved harmless by any Customer or by any other entity from any and all loss, claims, demands, suits, or other action or any liability whatsoever, whether suffered, made, instituted, or asserted by any Customer or any other entity for any personal injury to, or death of, any person or persons, and for any loss, damage, defacement or destruction of the premises of any Customer or any other entity or any other property whether owned or controlled by the Customer or others.
- 2.3.6 The Company shall not be liable for any indirect, special, incidental, or consequential damages under this tariff including, but not limited to, loss of revenue or profits, for any reason whatsoever, including the breakdown of facilities associated with the service, or for any mistakes, omissions, delays, errors, or defects in transmission occurring during the course of furnishing service.
- 2.3.7 The remedies set forth herein are exclusive and in lieu of all other warranties and remedies, whether express or implied, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

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2.4 Responsibilities of the Customer

- 2.4.1 The Customer is responsible for placing any necessary orders and complying with tariff regulations. The Customer is also responsible for the payment of charges for services provided under this tariff.
- 2.4.2 The Customer is responsible for charges incurred for special construction and/or special facilities which the Customer requests and which are ordered by FON on the Customer's behalf.
- 2.4.3 If required for the provision of FON's services, the Customer must provide any equipment space, supporting structure, conduit and electrical power without charge to FON.
- 2.4.4 The Customer is responsible for arranging access to its premises at times mutually agreeable to FON and the Customer when required for FON personnel to install, repair, maintain, program, inspect or remove equipment associated with the provision of FON's services.
- 2.4.5 The Customer shall cause the temperature and relative humidity in the equipment space provided by Customer for the installation of FON's equipment to be maintained within the range normally provided for the operation of microcomputers.
- 2.4.6 The Customer shall ensure that the equipment and/or system is properly interfaced with FON's facilities or services, that the signals emitted into FON's network are of the proper mode, bandwidth, power and signal level for the intended use of the subscriber and in compliance with criteria set forth in this tariff, and that the signals do not

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Winter Park, Florida 32789**

Section 2.4.6 Continued

damage equipment, injure personnel, or degrade service to other Customers. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with the telephone network, FON will permit such equipment to be connected with its channels without the use of protective interface devices. If the Customer fails to maintain the equipment and/or the system properly, with resulting imminent harm to FON equipment, personnel or the quality of service to other Customers, FON may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, FON may, upon written notice, terminate the Customer's service.

- 2.4.7 The Customer must pay FON for replacement or repair of damage to the equipment or facilities of FON caused by negligence or willful act of the Customer or others, by improper use of the services, or by use of equipment provided by Customer or others.
- 2.4.8 The Customer must pay for the loss through theft of any FON equipment installed at Customer's premises.
- 2.4.9 If FON installs equipment at Customer's premises, the Customer shall be responsible for payment of any applicable installation charge.
- 2.4.10 The Customer must use the services offered in this tariff in a manner consistent with the terms of this tariff and the policies and regulations of all state, federal and local authorities having jurisdiction over the service.

Issued: April 13, 1999**Effective:****By:****Mary Ann Evans, President
2290 Lee Road
Winter Park, Florida 32789**

2.5 Cancellation or Interruption of Services

- 2.5.1 Without incurring liability, upon five (5) working days' (defined as any day on which the company's business office is open and the U.S. Mail is delivered) written notice to the Customer, FON may immediately discontinue services to a Customer or may withhold the provision of ordered or contracted services:
- 2.5.1.A For nonpayment of any sum due FON for more than thirty (30) days after issuance of the bill for the amount due,
- 2.5.1.B For violation of any of the provisions of this tariff,
- 2.5.1.C For violation of any law, rule, regulation, policy of any governing authority having jurisdiction over FON's services, or
- 2.5.1.D By reason of any order or decision of a court, public service commission or federal regulatory body or other governing authority prohibiting FON from furnishing its services.
- 2.5.2 Without incurring liability, FON may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of Customer and FON's equipment and facilities and may continue such interruption until any items of noncompliance or improper equipment operation so identified are rectified.

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2290 Lee Road
Winter Park, Florida 32789**

- 2.5.3 Service may be discontinued by FON without notice to the Customer, by blocking traffic to certain counties, cities or NXX exchanges, or by blocking calls using certain Customer authorization codes, when FON deems it necessary to take such action to prevent unlawful use of its service. FON will restore service as soon as it can be provided without undue risk, and will, upon request by the Customer affected, assign a new authorization code to replace the one that has been deactivated.
- 2.5.4 The Customer may terminate service upon verbal or written notice for the Company's standard month to month contract. Customer will be liable for all usage on any of the Company's service offerings until the Customer actually leaves the service. Customers will continue to have Company usage and be responsible for payment until the Customer or its agent notifies its local exchange carrier and changes its long distance carrier.

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Effective:

By:

Mary Ann Evans, President

2290 Lee Road

Winter Park, Florida 32789

2.6 Credit Allowance - Interruption of Service

- 2.6.1 Credit may be given for disputed calls, on a per call basis.
- 2.6.2 Credit shall not be issued for unavailability of long distance services.
- 2.6.3 The Customer shall be credited for an interruption of two hours or more at the rate of 1/720th of any monthly service charges for each hour or major fraction thereof that the interruption continues.

Credit Formula:

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

"A" - outage time in hours

"B" - monthly charge for affected activity

Issued: April 13, 1999

Effective:

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Mary Ann Evans, President
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Winter Park, Florida 32789

2.7 Deposit

The Company does not require deposits.

2.8 Advance Payments

The Company requires advance payments for recurring and non-recurring charges. This will be applied against the next month's charges, and if necessary, a new advance payment will be collected for the next month.

2.9 Payment and Billing

2.9.1 Service is provided and billed on a billing cycle basis, beginning on the date that service becomes effective. Billing is payable upon receipt.

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Effective:

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Winter Park, Florida 32789

2.9.2 The customer is responsible for payment of all charges for services furnished to the Customer, as well as to all persons using the Customer's codes, exchange lines, facilities, or equipment, with or without the knowledge or consent of the Customer. The security of the Customer's Authorization Codes, subscribed exchange lines, and direct connect facilities is the responsibility of the Customer. All calls placed using direct connect facilities, subscribed exchange lines, or Authorization Codes will be billed to and must be paid by the Customer. Recurring charges and non-recurring charges are billed in advance. Charges based on actual usage during a month and any accrued interest will be billed monthly in arrears.

2.10 Collection Costs

In the event Company is required to initiate legal proceedings to collect any amounts due to Company for regulated services, or for the enforcement of any other provision of this tariff or applicable law, Customer shall, in addition to all amounts due, be liable to Company for all reasonable costs incurred by Company in such proceedings and enforcement actions, including reasonable attorneys' fees, collection agency fees or payments, and court costs. In any such proceeding, the amount of collection costs, including attorneys' fees, due to the Company, will be determined by the court.

2.11 Taxes

All federal, state and local taxes, assessments, surcharges, or fees, including sales taxes, use taxes, gross receipts taxes, and municipal utilities taxes, are billed as separate line items and are not included in the rates quoted herein, except for prepaid calling cards.

Issued: April 13, 1999

Effective:

By:

Mary Ann Evans, President

2290 Lee Road

Winter Park, Florida 32789

2.12 Late Charge

A late fee will be charged on any past due balances as set forth in Section 4.10 of this tariff.

2.13 Returned Check Charge

A fee, as set forth in Section 4.6 of this tariff, will be charged whenever a check or draft presented for payment for service is not accepted by the institution on which it is written.

2.14 Location of Service

The Company will provide service to Customers within the State of Florida.

2.15 Sale of Telecommunications Services to Uncertified IXCs Prohibited

Customers reselling or rebilling the Company's telecommunications services must have a Certificate of Public Convenience and Necessity as an interexchange carrier from the Commission.

Issued: April 13, 1999

Effective:

By:

Mary Ann Evans, President

2290 Lee Road

Winter Park, Florida 32789

SECTION 3 - DESCRIPTION OF SERVICE3.1 Computation of Charges

- 3.1.1 The total charge for each completed call may be a variable measured charge dependent on the duration, distance and time of day of the call. The total charge for each completed call may also be dependent only on the duration of the call, i.e. a statewide flat rate per minute charge. The variable measured charge is specified as a rate per minute which is applied to each minute. All calls are measured in increments as set forth in the Rates Section of this tariff. All calls are rounded up to the next whole increment.
- 3.1.2 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:

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

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Mary Ann Evans, President
2290 Lee Road
Winter Park, Florida 32789

3.1.3 Timing begins when the called party answers and two way communication is possible, as determined by standard industry methods generally in use for ascertaining answer, including hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. Timing for each call ends when either party hangs up.

3.1.4 FON will not bill for uncompleted calls.

3.2 Customer Complaints and/or Billing Disputes

Customer inquiries or complaints regarding service or accounting may be made in writing or by telephone to the Company at:

2290 Lee Road
Winter Park, Florida 32789
(800) 336-5677

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Effective:

By:

Mary Ann Evans, President

2290 Lee Road

Winter Park, Florida 32789

3.2 Continued

Any objection to billed charges should be reported promptly to FON or its billing agent. 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. A Customer who is unable to resolve a billing dispute with the Company may contact the Commission by telephone at 1-800-342-3552 to intervene in the billing dispute.

3.3 Level of Service

A Customer can expect end to end network availability of not less than 99% at all times for all services.

3.4 Billing Entity Conditions

When billing functions on behalf of FON or its intermediary are performed by local exchange telephone companies or others, the payment of charge conditions and regulations of such companies and any regulations imposed upon these companies by regulatory bodies having jurisdiction apply. FON's name and toll-free telephone number will appear on the Customer's bill.

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Mary Ann Evans, President

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Winter Park, Florida 32789

3.5 Service Offerings

3.5.1 1+ Dialing

This service permits Customers to originate call via switched or dedicated access lines, and to terminate intrastate calls. The customer dials "1+" followed by "ten digits" or dials "101XXXX" followed by "1+ ten digits".

3.5.2 Travel Cards

The Customer utilizes an 11 digit "toll-free" access number established by the Company to access a terminal. Upon receiving a voice prompt, the Customer uses push button dialing to enter an identification code assigned by the Company, and the ten digit number of the called party.

3.5.3 800 Service (Toll-Free)

This service is inbound calling only where an 800, 888 or other toll-free prefix number rings into a Customer's premise routed to a specific telephone number or terminated over a dedicated facility.

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Mary Ann Evans, President

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3.5.4 FON Prepaid Calling Cards

This service permits use of Prepaid Calling Cards for placing long distance calls. Customers may purchase FON Prepaid Calling Cards at a variety of retail outlets or through other distribution channels. FON Prepaid Calling Cards are available at a variety of face values ranging from five dollars (\$5.00), in one dollar (\$1.00) increments. FON Prepaid Calling Card service is accessed using the FON toll-free number printed on the card. The caller is prompted by an automated voice response system to enter his/her Authorization Code, and then to enter the terminating telephone number. FON's processor tracks the call duration on a real time basis to determine the number of Telecom Units consumed. The total consumed Telecom Units for each call is deducted from the remaining Telecom Unit balance on the Customer's FON Prepaid Calling Card.

All calls must be charged against Prepaid Calling Card that has a sufficient Telecom Unit balance. A Customer's call will be interrupted with an announcement when the balance is about to be depleted.

In order to continue the call, the Customer can either call the toll-free number on the back of the FON Prepaid Calling Card and "recharge" the balance on the card using a nationally recognized credit card, or the Customer can throw the card away and purchase a new one. Calls in progress will be terminated by the Company if the balance on the FON Prepaid Calling Card is insufficient to continue the call and the Customer fails to enter the number of another valid FON Prepaid Calling Card prior to termination.

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Winter Park, Florida 32789

Section 3.5.4 Continued

A card will expire on the date indicated on the card, or if no date is specified, 12 months from the date of first usage, or the date of last recharge, whichever is later. The Company will not refund unused balances.

A credit allowance for FON Prepaid Calling Card Service is applicable to calls that are interrupted due to poor transmission, one-way transmission, or involuntary disconnection of a call. To receive the proper credit, the Customer must notify the Company at the designated toll-free customer service number printed on the FON Prepaid Calling Card and furnish the called number, the trouble experienced (e.g. cut-off, noisy circuit, etc.), and the approximate time that the call was placed.

When a call charged to an FON Prepaid Calling Card is interrupted due to cut-off, one-way transmission, or poor transmission conditions, the Customer will receive a credit equivalent of one Telecom Unit.

Credit allowances for calls pursuant to FON Prepaid Card Service do not apply for interruptions not reported promptly to the Company or interruptions that are due to the failure of power, equipment or systems not provided by the Company.

Credit for failure of service shall be allowed only when such failure is caused by or occurs due to causes within the control of the Company.

The Company will block all calls beginning with the NPA "900" and NXX "976" calls, therefore such calls can not be completed.

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By:

**Mary Ann Evans, President
2290 Lee Road
Winter Park, Florida 32789**

3.5.5 Directory Assistance.

Access to long distance directory assistance is obtained by dialing 1 + (area code) + 555-1212. When more than one number is requested in a single call, a charge will be applicable for each number requested, whether or not the number is listed or published.

3.5.6 Emergency Call Handling Procedures

Emergency "911" calls are not routed to company, but are completed through the local network at no charge.

3.5.7 Promotional Offerings

The Company may offer approved special promotions of new or existing services or products for limited time periods as approved by the Commission. These promotions will include specific tariffed starting and ending dates. All such promotions will be offered on a completely non-discriminatory basis. All such tariffed promotions must be approved by the Commission and must state exactly what charges are being reduced or waived, who is eligible, and what Customers have to do to be eligible.

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2290 Lee Road

Winter Park, Florida 32789

SECTION 4 - RATES

4.1 1+ Dialing

\$0.199 per minute

A \$4.95 per month service charge applies.
Billed in one minute increments.

4.2 Travel Cards

\$.149 per minute

A \$.25 per call service charge applies.
Billed in one minute increments.

4.3 Toll Free

\$0.199 per minute

A \$10 per month per number service charge applies.
Billed in one minute increments.

4.4 Prepaid Calling Cards

Program

| | |
|---|------------------------|
| A | \$.05 Per Telecom Unit |
| B | \$.06 Per Telecom Unit |
| C | \$.07 Per Telecom Unit |
| D | \$.08 Per Telecom Unit |
| E | \$.09 Per Telecom Unit |
| F | \$.10 Per Telecom Unit |
| G | \$.11 Per Telecom Unit |
| H | \$.12 Per Telecom Unit |
| I | \$.13 Per Telecom Unit |
| J | \$.14 Per Telecom Unit |
| K | \$.15 Per Telecom Unit |
| L | \$.19 Per Telecom Unit |
| M | \$.20 Per Telecom Unit |
| N | \$.25 Per Telecom Unit |
| O | \$.29 Per Telecom Unit |
| P | \$.30 Per Telecom Unit |
| Q | \$.33 Per Telecom Unit |

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Section 4.5 Continued

R \$.35 Per Telecom Unit
S \$.39 Per Telecom Unit
T \$.40 Per Telecom Unit
U \$.50 Per Telecom Unit

A \$.50 per call service charge applies.

4.5 Directory Assistance

\$.95 per each number requested

4.6 Returned Check Charge

\$20.00

4.7 Rate Periods

| | Monday - Friday | Sat. | Sun. |
|--------------------------|---------------------------|------|---------------------------|
| 8 a.m. to 5 p.m.* | Daytime Rate Period | | |
| 5 p.m. to 11 p.m.* | Evening Rate Period | | Evening Rate Period |
| 11 p.m. to 8 a.m.* | Night/Weekend Rate Period | | |

* To, but not including
When a message spans more than one rate period, total charges for the minutes in each rate period are calculated and the results for each rate period are totaled to obtain the total message charge. If the calculation results in a fractional charge, the amount will be rounded down to the lower cent.

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4.8 Rates Applicable for Hearing/Speech Impaired Persons

For intrastate toll messages which are communicated using a telecommunications device for the deaf (TDD) by properly certified business establishments or individuals equipped with TDDs for communications with hearing or speech impaired persons, the rates shall be evening rates for daytime calls and night rates for evening and night calls.

Intrastate toll calls received from the relay service, each local exchange and interexchange telecommunications company billing relay call will be discounted by 50 percent of the 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 will be discounted 60 percent off the applicable rate for voice nonrelay calls.

Florida Public Service Commission Rules and Regulations require the Company to provide the first 50 directory assistance calls initiated per billing cycle by handicapped persons free of charge.

4.9 Employee Concessions

The Company does not offer employee concessions.

4.10 Late Charge

1.5% monthly or the amount otherwise authorized by law, whichever is lower.

4.11 Payphone Dial Around Surcharge

A dial around surcharge of \$.35 per call will be added to any completed INTRASTATE toll access code and subscriber 800/888 type calls placed from a public or semi-public payphone.

Issued: April 13, 1999

Effective:

By:

Mary Ann Evans, President

2290 Lee Road

Winter Park, Florida 32789

FINANCIAL INFORMATION

FON Digital Network, Inc
Balance Sheet
January 31, 1999

ASSETS

| | | |
|------------------------------|----|----------------------------|
| Current Assets | | |
| Operating Account - Checking | \$ | 16.45 |
| Escrow Account | | 80.00 |
| General Checking Account | | 1,076.38 |
| M/C and Visa | | 10,391.95 |
| Novus | | 800.00 |
| Inventory | | 9,000.00 |
| | | <hr/> |
| Total Current Assets | | 21,364.78 |
| Property and Equipment | | |
| Furniture and Fixtures | | 60,000.00 |
| Equipment | | 76,500.00 |
| Computer Equipment | | 60,326.82 |
| Buildings | | 550,000.00 |
| Building Improvements | | 476,000.00 |
| Accum. Depr Computer Equip | | <1,305.46> |
| | | <hr/> |
| Total Property and Equipment | | 1,221,521.36 |
| Other Assets | | |
| Deposits | | 2,045.00 |
| Organization Costs | | 18,505.73 |
| | | <hr/> |
| Total Other Assets | | 20,550.73 |
| | | <hr/> |
| Total Assets | \$ | <u><u>1,263,436.87</u></u> |

LIABILITIES AND CAPITAL

| | | |
|--------------------------------|----|----------------------------|
| Current Liabilities | | |
| Accounts Payable | \$ | 3,478.88 |
| Wages Payable | | <3,000.00> |
| Current Portion Long-Term Debt | | 5,000.00 |
| Note Payable - Nifty | | 130,466.85 |
| | | <hr/> |
| Total Current Liabilities | | 135,945.73 |
| Long-Term Liabilities | | |
| Contracts Payable- Noncurrent | | 545,000.00 |
| | | <hr/> |
| Total Long-Term Liabilities | | 545,000.00 |
| | | <hr/> |
| Total Liabilities | | 680,945.73 |
| Capital | | |
| Beginning Balance Equity | | 705,930.59 |
| Net Income | | <123,439.45> |
| | | <hr/> |
| Total Capital | | 582,491.14 |
| | | <hr/> |
| Total Liabilities & Capital | \$ | <u><u>1,263,436.87</u></u> |

Unaudited - For Management Purposes Only

FON Digital Network, Inc
Income Statement
For the Four Months Ending January 31, 1999

| | Current Month | | Year to Date | |
|--------------------------------|----------------|------|-----------------|------|
| Revenues | | | | |
| Total Revenues | 0.00 | 0.00 | 0.00 | 0.00 |
| Cost of Sales | | | | |
| COS Telecommunications | \$ 0.00 | 0.00 | \$ 6,800.00 | 0.00 |
| Cost of Sales- Other | 24.50 | 0.00 | 24.50 | 0.00 |
| Total Cost of Sales | 24.50 | 0.00 | 6,824.50 | 0.00 |
| Gross Profit | <24.50> | 0.00 | <6,824.50> | 0.00 |
| Expenses | | | | |
| Advertising Expense | 0.00 | 0.00 | 202.99 | 0.00 |
| Auto Expenses | 0.00 | 0.00 | 27,492.64 | 0.00 |
| Bank Charges | 30.00 | 0.00 | 258.46 | 0.00 |
| Commissions and Fees Exp | 0.00 | 0.00 | 250.00 | 0.00 |
| Depreciation Expense | 0.00 | 0.00 | 1,305.46 | 0.00 |
| Legal and Professional Expense | 22.50 | 0.00 | 11,522.50 | 0.00 |
| Licenses Expense | <10.00> | 0.00 | 0.00 | 0.00 |
| Loss on NSF Checks | 0.00 | 0.00 | 448.71 | 0.00 |
| Maintenance Expense | 0.00 | 0.00 | 9,315.79 | 0.00 |
| Meals and Entertainment Exp | 0.00 | 0.00 | 1,000.00 | 0.00 |
| Office Expense | 7,785.25 | 0.00 | 19,394.40 | 0.00 |
| Office Supplies | 150.02 | 0.00 | 1,239.78 | 0.00 |
| Printing | 2,020.00 | 0.00 | 3,284.58 | 0.00 |
| Repairs Expense | 0.00 | 0.00 | 5,662.04 | 0.00 |
| Telephone Expense | 1,520.26 | 0.00 | 6,626.57 | 0.00 |
| Travel Expense | 0.00 | 0.00 | 618.00 | 0.00 |
| Utilities Expense | 1,188.56 | 0.00 | 2,706.57 | 0.00 |
| Wages Expense | 1,500.00 | 0.00 | 8,155.50 | 0.00 |
| Other Expense | 0.00 | 0.00 | 8,870.14 | 0.00 |
| Gain/Loss on Sale of Assets | 0.00 | 0.00 | 8,260.82 | 0.00 |
| Total Expenses | 14,206.59 | 0.00 | 116,614.95 | 0.00 |
| Net Income | \$ <14,231.09> | 0.00 | \$ <123,439.45> | 0.00 |

For Management Purposes Only

MANAGEMENT INFORMATION

CONFIDENTIAL RESUME

Joseph J. Capelli, Jr. 908 Riverbend Blvd. Phone - 407-774-2277
Longwood, Florida 32779 Fax - 407-788-0751

CAREER OBJECTIVE To head up and work with a diverse group of professionals and enterprising entrepreneurs to develop and provide State-of-the-Art Telecommunications to end users at a fair and equitable price in an ever growing market place.

STRENGTHS Corporate Management, Technical Sales and Marketing
Development and Management of New Projects, Systems, and Applications
Management of Personnel, Recruiting, Leadership and Motivation
Written and Verbal Communications, especially Technical and Sales Presentations
Budget Management and Cost Reduction

EXPERIENCE 5/94-11-96 **CELLSTAR** - President and CEO, and Chairman of the Board.
Responsible for the direction and development of CellStar Digital Communications, Inc. This included, fund-raising, frequency acquisition and licensing, tower site selection and contracts, selection and installation of switching & phone equipment, employee selection, management and training, direction of sales and marketing, and corporate operations. Reported directly to the Board of Directors.

5/82-5/94 **AT&T** - Sales and Marketing Division, Senior Marketing Manager.
Responsible for the management, performance, and ongoing training and development of a professional sales staff essential to new sales, winbacks, and customer retention. Highly trained and experienced in management and all phases of the selling cycle. Extensive experience with respect to the sale and development of new telecommunication systems utilizing Digital Network Services.

4/73-5/82 **AT&T** - Information Management Systems, Project Development Mgr.
Responsible for the development of new data base systems software for large main frame computers. Specialized in the development, sales, and implementation of new computer system applications. Responsible for the sale of such systems to the various potential end users within AT&T. Also responsible for providing business cases and presentations of all new data base products and the writing and dissemination of all information as pertains to the development and sale of these products.

9/68-4/73 **IBM** - Federal Systems Division, Application Systems Manager.
Responsible for the development of new computer applications software for large main frame computer systems. Includes new program creation, testing, implementation, project management, and end-user training and support.

EDUCATION 1976-77 Marketing, University of Pennsylvania - Wharton School.
1974-75 Computer Science, Temple University.
1972-73 Math and Economics, Union College.
1969-71 Accounting and Business Administration, New York State University.
1964-66 Liberal Arts and Science, University of Texas.

REFERENCES Mr. James S. Noble P.O. Box 307, Lady Lake, FL
Dr. Joseph N. DeLuca 121 Night Owl Court, Longwood, FL
Mr. Paul Keshvari 130 Carrington Drive, Coppell, TX
Dr. Warren M. Benedetto 585 Greenwood Drive, Hammonton, NJ
Mr. Lawrence D. Stephey 2166 Sussex Road, Winter Park, FL
Mr. Louis J. Eyermann 451 Prarie Lake Cove, Altamonte Springs, FL
Mr. Arnaldo O. Perez 124 Ludlow Drive, Apopka, FL
Mr. Glen W. Turner 3801 Windledon Drive, Lake Mary, FL
Mr. Robbie Lamb 15718 Gardenside Street, Tampa, FL

EXPERTISE AND ACCOMPLISHMENTS:

PRESIDENT, VICE PRESIDENT & C.F.O. conducting all areas of business throughout **Europe, the Middle East, Asia, South America, and the Caribbean.** (Public and Private) high technology communications; brokerage/stock exchange; diversified manufacturing, mining; R & D; residential/commercial/hotel development; entertainment industry; retail/wholesale; (sales startup to +\$300 million). Expert in treasury, acquisitions, offshore operations, global marketing/distribution, corporate finance and new ventures.

"Competence to successfully conduct/expand businesses throughout the world"

* **EUROPE** Represented EEC/ East Bloc Governments in acquisitions/privatization (+\$100 million). Proficiency in international marketing, manufacturing, foreign negotiations. Lecturer European Conference on North American/EEC market entry.

* **INTERNATIONAL** Asia, S. America, Middle East, Caribbean and Mexico. Consummated multi-country distribution/network agreements. Formulated Joint ventures with Japan, Cuba, Iran, & Israel.

* **VP FINANCE** Multi million dollars sales agreements; \$40 million fortune 500 telecommunications contract, chosen from 150 proposals. Diversified operations, increasing sales and profit 40%. Myriad of acquisitions such as: luxury resorts/hotels; automotive plants; plastic coupling plants; and telecommunications operations. Proven ability to manage "multi-diversified" corporations, sales over \$300 Million.

* Demonstrated competence to conceive, operate and market start-up operations ("in all areas"). Wrote and promoted successful Private Placements. Expert in acquisitions and valuations.

* Speaker NY State on international incentives for foreign corporations. Chairman Foreign Exchange Conference Caribbean. Wrote IPO Guidelines for Caribbean. Business advisor Foreign Consulates.

QUALIFICATION AND SPECIALIZATION:

• **WATERLIEF INDUSTRIES INC:** (Can/NY/Florida) **President** 1994 - Present
Environmental industries and international ventures.

Accomplishments: * International aquifer land bank acquisitions, water plants, airport/resort facilities. * Created comprehensive range of businesses involving joint ventures and development. * Cuba resort/hotel development. * Postage stamp manufacturing US/Czechoslovakia/Caribbean. * High Tech imaging relocation UK.

• **TANDEM OPTICS INC:** (NY) **Vice President Finance** 1991 - 1994
Optical high tech equipment and proprietary injection molded lenses. Joint ventures Japan/Israel.

Accomplishments: * Established European multi-country distributor network. * Managed joint ventures with Japan injection mould manufacturing and Middle East high tech laser products. * Originated international invoicing, transfer payments, inventory control, and pricing policies.

• **CORPORATE FINANCE, PRICE WATERHOUSE EUROPE:** (Europe/Caribbean) 1989 - 1991
(Germany/European Senior Manager Corporate Finance)

Accomplishments: * Pioneer North American performing corporate/government acquisitions and privatization in East Bloc. * Represented privatization of Poland's premier mining/smelter operations with seven country presentation. * Major manufacturing privatization white goods mfg., Poland/USSR. * Privatization major construction/development corporation - railway terminals, apartment complexes, and commercial, E. Germany. * Aircraft galley mfg. valuation (60% world market), Germany/US, International airport auto leasing buy-back, international trucking/freight operations and waste/weapon disposal operations. * Represented Peoples Party on land reapportionment. Lecturer at European Conference on North Americans conducting business in Europe. Foreign Consulate advisor (Bonn) on US corporations acquiring European operations.

International Business Advisory Services: (Barbados/Caribbean Region). International business advisor/expert for: hotels/resorts, international corporations, tax haven start-up, billion dollar Euro-market brokerage companies, captive insurance companies, oil/gas operations and off shore banks.

Accomplishments: * Successfully promoted the Caribbean Business Advisory services while performing buy-sell negotiations, corporate valuations, public security offerings, feasibility studies for government, insurance and resort industries, as well as start up operations planning and implementation. * Author of guidelines for Public Offerings. * Chairman, International Accounting Standards conference on foreign exchange controls.

621 Carrington Lane, Weston, Florida 33326 • (954) 385-0009 • (954) 207-0306

• **BYDATEL CORPORATION: (NY)** **Senior Vice President** 1986 - 1989

High tech telecommunication communication products, radio frequency/data communications. Founded by principals of Dow Jones Telerate. (See Dow Jones Telerate 1981-1983)

Accomplishments: • Established US operations/headquarters. • Initiated Mexico and South American licensed distributor network. • Created multi-national distributor agreements. • Author and promoted three successful Private Placements (+100 shareholders). • Negotiated \$40 million telecommunications distribution agreement - chosen from 150 competitive new product proposals. • Principal negotiator with US Government agencies and the US Department of Commerce, including multiple patent regulations and filings.

Operations: Created and regulated controls for product manufacturing, scheduling and shipping, distributor quotas, product costing and parts and service applications. Negotiated international distributor agreements, designed all legal, sales contracts, warranty agreements and custom qualifications for export.

• **GREATER GULF DEVELOPMENTS: (Can: NY/US)** **Vice President/CFO** 1983 - 1986

\$300+ million sales, premier builder/developer, luxury resorts, 1,000+ annual residential homes, and plazas.

Accomplishments: • Acquisition major resort hotel complex. • Created state-of-the-art residential financial/job costing system for the construction industry. • Originated service division and Customer Service operations. • Created decor centers on line product sales. • Profit increased 45%. • Joint venture Iran window manufacturing.

• **DOW JONES TELERATE/CMQ COMMUNICATIONS: (Can: NY/US)** **Vice President/Treasurer** 1981 - 1983

Leading communications providing exchange information to financial institutions. (See Bydatel 1986 - 1989)

Accomplishments: • Diversified operations encompassing, furniture manufacturing, children's products, pager companies and US telecommunications services. • Established 6 North American regional marketing/service centers. • Formed CAN/AM telecommunications company - negotiated sale to Public corporation. • Implemented new stock exchange product lines, product pricing and geographic distribution, increasing profit and sales +40% in two years. • Negotiated government grants and tax reclassification reducing product cost 12%. Reporting directly to the Chairman - responsible for the entire operations on a continuing basis.

• **STANDARD INDUSTRIES LTD: (Lafarge France) - Public:** **Dir. Tax/Acquisitions** 1979 - 1981

\$300 million (\$ + billion parent) diversified operations Can/US (over 70 plants/locations) construction industry.

Accomplishments: • Four successful acquisitions: • Restructured international reporting: • Created costing and operations for new plant facilities: • Revised pension reporting for over 2,000 employees: • Restructured divisional reporting/tax structure annual saving 14%. **Financial:** • HQ reporting directly to the Chairman for all international acquisition valuations, direct management 11 divisional Controllers in Canada, Belgium and US. Public relations with government agencies and audit committee, financial control of pension plan funding, revised fleet leasing operations 200+ vehicles, and government regulatory compliance.

• **PEAT MARWICK: (Tor/Can.)** **Chartered Accountant** 1972 - 1979

International taxation specialist.

Specialist in mining, hospital operations, retail, restaurants, heavy industry, sports and entertainment industry.

Accomplishments: • valuation takeovers for international based clients (South Africa). • Special consultant to movie production companies. • Co-author financial publication on taxation of charities, and federal tax.

University of Western Ontario, BA, London Canada 1972
Canadian Institute of Chartered Accountants, CA, Canada 1975
US Tax Executives Institute Inc., New York 1980
US Resident/Green Card • dual European/Canadian passports

14555 Blanco Road, Apt. 503
Antonio, Texas 78216

Wendell A. Porth

Experience

9/94 - Present - President, Chief Executive Officer

Ultrafit Centers, Inc., US 281 N, Suite 785, San Antonio, TX 78232

Ultrafit Centers, Inc. is a publicly held corporation, which owns a franchises preventive medicine clinics in South Texas and Arizona. As CEO, I am responsible for the overall operation of the Corporation. I am further tasked to ensure that those operations are in compliance with the strategic plan developed by the Board of Directors. My initial energies were spent in the development and implementation of the corporation's operational structure so that it could be run and grown in an organized manner, I next turned my energies to helping the corporation become more profitable. This was done by closing those operations that were not profitable, expanding operating units that were profitable and opening new centers and business ventures that would be profitable. Most recently I have focused on the development of business alliances. These alliances have been concentrated in the insurance industry and the fitness industry. These alliances are being developed in order for Ultrafit to develop on a national scale.

10/92 - 9/94 - President, Chief Executive Officer

Porth Medical Management, 105 Painted Post, San Antonio, TX 78213

Porth Medical Management is multifaceted organization; all of the facets are medically related. One facet is the component that does the day operations of numerous physician practice, This components responsibility include the employment of office personnel, collection of accounts receivable, scheduling all third party contractual negotiations. The second facet is the physician agent component, which is responsible for direct contracting with several cooperate entities. These contracts are between large self-insured employers and physician groups. The third facet acts as the agent for three medical technology companies. Porth Medical Management does the contract negotiations for these organizations. Theses contracts are with hospitals to establish joint venture clinics based upon the company's new technologies. Porth Medical is a privately held corporation that is currently operated by Karen Porth.

8/91 - 10/92 - Administrator, Chief Executive Officer

Humana Women's and Children's Hospital Antonio, TX 78229

Human Women's and Children's Hospital is a 150-bed specialty hospital. The hospital is located in the San Antonio Medical Center and specializes in Women's and Children's health care. The hospital includes NICU, Level III Nursery, PICU, Gynecology Units as well as General Obstetrical and Pediatric Units. My initial emphasis there was in the area of Physician Relations and the establishment of Pediatric Services at the institution. This included the recruitment of Physicians, whose specialties complimented the opening of a Pediatric Emergency Room and the opening of a Pediatric Intensive Care Unit. Following this my emphasis shifted to the opening of new services that would enable the institution to compete on a national and international bases in the pediatric arena.

1-88 - 6/91 - Administrator, Chief Executive Officer

St. Luke's Lutheran Hospital, San Antonio, TX 78229

St. Luke's Lutheran Hospital is a 251-bed general acute care hospital. The hospital is located in San Antonio Medical Center. It has 10 major nursing units including an SICU, ICU, CCU, Oncology, Orthopedic, Neurology, and the only civilian burn unit in South Texas. The Surgical unit does in the excess of 10,000 cases annually, including Open Heart, Limb Reattachment and Skin Cloning. My initial emphasis was in team building, cost containment, and bringing back to the employees and Board Members of the hospital a sense of worth and vision of where the hospital could go. This was accomplished by developing and instituting a comprehensive, extensive and integrated Organizational Development Plan. The Four Corners of the plan were as follows.

12/90 - 6/91 - United State Marine Corps Reserve

Military Leave of Absence Desert Shield/Desert Storm

8/85 - 12/87 - Administrator, Chief Executive Officer

Memorial Hospital, El Campo, TX 77377

12/84 - 8/85 - Assistant Vice President of Operations

Baylor Enterprises, Inc., Dallas, TX

7/82 - 12/84 - Associate Executive Director

Humana Hospital, Aurora, CO

6/83 - 9/84 - Assistant Administrator
Humana Hospital, Garland, TX

7/82 - 6/93 - Administrative Specialist
Humana Hospital, Baytown, TX

5/82 - 6/83 - Captain
United States Marines Corps, Milton, FL
As a Captain in the United States Marine Corps and as the Senior Test Pilot for the T-34-C Aircraft, I had the primary responsibility for the initial testing of the T-34-C and then the maintenance testing of 135 aircraft. I was tasked by the Department of the Navy to ensure Beach Aerospace Corporation and the T-34-C met all maintenance and flight specifications as designated by their contract. Additional, I was to develop and write flight policies and procedures for the T-34-C.

4/77 - 5/79 - Captain,
New River Air Station, New River, NC

4/76 - 4/77 - Student Naval Aviator
Naval Air Training Command, Pensacola, FL
Designated Marine Aviator in April 1977.

6/75 - 4/76 - Officer Candidate School, Infantry School
Marine Corps Base, Quantico, VA

**New Program
Development**

Development of San Antonio's only Specialty Orthopedic Unit
Cardiac Risk Program covering 40,000 members
Development of Community Oncology Program
Development of Comprehensive Business Resource Center
Development of an Integrated Cross-selling Marketing Program

**Physician Develop
and Enhancement**

Joint Ventures in the area of MRI and Professional Building
 Development of Physician Advisory Board
 Development of Efficiency and Communication Programs with and
 for Physicians
 Development of University Affiliation and CME Programs
 Employee Development and Enhancement
 Development of New Retention Program for Nursing
 Development of Employee Motivation and Reward
 Revamping of Employee Benefit Package
 Development of Community Image and Enhancement Programs
 Joint Venture with other hospitals for a Laundry Facility
 Investigating in Medical Research Industrial Site
 Refinancing and refunding of outstanding bond issues
 Opening for two Retail Health Specialty Stores
 Large Community Employee and Physician Educational Services

The result was that in a three year period revenue went from \$40,000,000. to \$85,000,000.
 Profit went from a loss of \$1,472,000 to a net profit of \$2,383,000 or a \$4,300,000 net change
 in those three years. JCAHO rating put the institution in the top 5% in the country.

Education

B.S. in Finance 1975 Louisiana State University
 M.B.A. 1982 University of West Florida
 Postgraduate Work 1985-1986 University of Texas at Dallas

**Current
Professional**

United Way
 Chamber of Commerce, San Antonio, TX

Social and Civic

American College of Health Care Executives

Organizations

Marine Corps Officer Association
 United States Marine Corps Reserves
 University of Florida Alumni Association
 Rotary Club

Personal Data

Date of Birth: July 30, 1953

Birthplace: Davenport, Iowa

Marital Status: Married, One Child

Hobbies

Running, Collecting Art, Reading, Traveling, Church Activities

THOMAS G. VENNEL
3912 Port Simbor Avenue
Orlando, FL 32817
(407) 657-2515

Objective

A dynamic, creative, and analytical team player with excellent organizational, managerial, and computer skills and more than 12 years' engineering and computer experience combined with more than 5 years of management experience and one year in the telecommunications field. Knowledgeable in telecommunications equipment such as Channel Banks and Multiplexers. Knowledgeable in building LANs and WANs.

Professional Experience

Systems Operations

Knowledgeable in computer systems hardware and software installation, including hard drive and CD-ROM installation and configuration. Able to diagnose system hardware and software failures, installs and configures drivers, and assist in network setup. Solid knowledge of Windows NT Server 4.0, Windows NT 4.0 Workstation, Windows 95/98, IP configuration, routers, Channel Banks, Mutiplexers, and other telecommunications devices. Preparing for the *Microsoft Certified Systems Engineer* (MCSE) exam.

Administration

Effectively initiates and implements policies and procedures with company goals and objectives as a priority. Involved in all aspects of the organizational administrative process, including strategic planning, development and project execution. Positively motivates and inspires others.

Work History

FON Digital Network, Inc. – Orlando, FL

1997 – Present

Director of Telecommunications Division

Duties include managing techs and customer service by performing networks troubleshooting to isolate and diagnose common network problems (Siemens DCO-CS, LAN Network). Upgrades network hardware and software components as required. Install, upgrade, and configure network printing, directory structures, rights, security, and software on file servers. Provides users with network technical support. Responds to the needs and questions of users concerning their access of resources on the network. Establishes network users, user environment, directories, and security for networks being installed. Responsible for the Siemen's switch, FFP, Inventor, AS400 and Intelink. Handles carriers for long distance and local service.

Door Jammers, Orlando, FL 32817

1986 - Present

CEO

Duties include managing and organizing 35 independent contractors for delivery of the Orlando Sentinel and Tampa Tribune. Correlating paperwork with customer for delivery of daily papers. Generated merge and data files for mass mailings.

Stargate\Deepstar Enterprises, Inc.

1989 - Present

CEO

Duties include the daily function and operation of a computer business. Building of custom designed computer systems for individuals and businesses. Building of networks for small businesses and managing networks. Perform minor software configurations and systems checks, diagnostics and configurations. Installation, upgrades, troubleshooting and maintenance of most major hardware including HP Net Server, Kayak XL. Vectra series, IBM PC365, Compact Valiant, P.C. motherboards and processors conversion, Scsi controllers and adapters, hard drives, printer installation and operations, modems, video cards, scanners, graphic tools, data storage devices, RAM, CD-ROM and CD-R, 10/100 Base T hubs, modules, cabling and network adapters. LAN management, TCP/IP, WINS and DNS management, FTP application and service administration, proxy services, dial-up RAS, terminal operations, and installation of network hardware including basic support of Cisco routers & switches, fractional T1, csu/dsu frame relay, and supporting applications.

Education

University of San Moritz, London, England

BS – Computer Science

1982

MS – Computer Science

1984

Magna Cum Laude

Personality

You will find me very loyal, trustworthy and reliable, with a keen dedication to the vision of the company.

Dep# 128 4/20/99

V. Moore

Lance J.M. Steinhart
Attorney At Law
6455 East Johns Crossing
Suite 285
Duluth, Georgia 30097

Also Admitted in New York
and Maryland

Telephone: (770) 232-9200
Facsimile: (770) 232-9208

April 12, 1999

VIA OVERNIGHT DELIVERY

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

990477-TI

Re: FON Digital Network, Inc.

Dear Sir/Madam:

Enclosed please find one original and six (6) copies of FON Digital Network, Inc.'s Application for Authority to Provide Interexchange Telecommunications Service Within the State of Florida, along with an original and six (6) copies of FON Digital Network, Inc.'s proposed tariff.

FON Digital Network, Inc. has sufficient financial capability to provide the requested service in the State of Florida and has sufficient financial capability to maintain the requested service and to meet its lease or ownership obligations. In support of FON Digital Network, Inc.'s stated financial capability, copies of its financial statements for the four months ended January 31, 1999 are attached to its application. FON Digital Network, Inc. currently has its own switching equipment in the State of Florida. FON Digital Network, Inc. intends to fund the provision of service through internally generated cash flow and investor capital. FON Digital Network, Inc. has the ability to borrow funds, if required, based upon its financial

LANCE J. M. STEINHART
ATTORNEY AT LAW
770-232-9200
6455 EAST JOHNS CROSSING, SUITE 285
DULUTH, GA 30155-1553

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01821

e Florida Public

4-12 99

Pay to the Order of Florida Public Service Commission \$ 250.00

TWO HUNDRED FIFTY & NO/100 =

Dollars Security features included. Details on back.

NationsBank
NationsBank, N.A.
Georgia

For LJW

[Signature] MP

CURRENT NUMBER-DATE
04705 APR 13 99