

GERRY, FRIEND & SAPRONOV, LLP

ATTORNEYS AT LAW

SUITE 1450

THREE RAVINIA DRIVE

ATLANTA, GEORGIA 30346-2131

(770) 399-9500

FACSIMILE (770) 395-0000

EMAIL: gfslaw@gfslaw.com

April 30, 1999

**VIA OVERNIGHT MAIL**

Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399

990541-TX

RECEIVED  
FLORIDA PUBLIC SERVICE COMMISSION  
99 MAY -3 AM 9:00  
MAIL ROOM

Re: Application of InterCept Communications Technologies, Inc. for Authority to Provide Local Exchange Service within the State of Florida ("InterCept Application")

Dear Sir or Madam:

Enclosed are the original and seven (7) copies of the InterCept Application. Please file the Application in your usual fashion and return one (1) file-stamped copy to us in the enclosed envelope.

Also enclosed is a check in the amount of \$250.00 to cover the cost of filing InterCept's Application.

If you have any questions or comments, please call the undersigned.

Sincerely,

Karen L. Kropp

Enc.

cc: InterCept Communications Technologies, Inc.  
(with enclosure)  
Charles A. Hudak, Esq.  
(without enclosure)

Check received with filing and  
for [unclear] [unclear] [unclear]  
[unclear] [unclear] [unclear]  
[unclear] [unclear] [unclear]  
Initials of person who forwarded check:  
[Signature]

DOCUMENT NUMBER-DATE

05581 MAY-3 99

FPSC-RECORDS/REPORTING

**APPLICATION OF INTERCEPT COMMUNICATIONS TECHNOLOGIES, INC.  
FOR AUTHORITY TO PROVIDE LOCAL EXCHANGE SERVICE  
WITHIN THE STATE OF FLORIDA**

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

- Original Authority (New company).
- Approval of Transfer (To another certificated company).  
Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority.
- Approval of Assignment of existing certificate (To a noncertificated company).  
Example, a certificated company purchases an existing company and desires to retain the certificate of authority of that company.
- Approval for transfer of control (To another certificated company).  
Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of company

**INTERCEPT COMMUNICATIONS TECHNOLOGIES, INC.**

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

**Not Applicable.**

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

**INTERCEPT COMMUNICATIONS TECHNOLOGIES, INC.  
3150 Holcomb Bridge Road  
Suite 200  
Atlanta, Georgia 30071  
(770) 248-9600**

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

**Applicant conducts business from its headquarters in Atlanta, Georgia.  
Applicant's registered agent in Florida is:**

**InterCept Communications Technologies, Inc.  
c/o CT Corporation System  
1200 South Pine Island Road  
Plantation, Florida 33324  
(954) 473- 5503**

6. Structure of organization;

- Individual
- Foreign Corporation
- General Partnership
- Other \_\_\_\_\_
- Corporation
- Foreign Partnership
- Limited Partnership

7. If Individual, provide: **Not Applicable.**

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:

**Not Applicable.**

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

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

**A copy of Applicant's Certificate of Authority to Transact Business from the Florida Department of State is attached hereto at Exhibit "A".**

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:

**Not Applicable.**

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

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

**Not Applicable.**

12. If a partnership, provide name, title and address of all partners and a copy of the partnership agreement. **Not Applicable.**

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:

**Not Applicable.**

14. Provide F.E.I. Number, (if applicable)

**58-2456007**

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.

**None of Applicant's officers, directors, or stockholders has been adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime. Further, no such proceedings are pending against any of Applicant's officers, directors, or stockholders.**

(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.

**None of Applicant's officers, directors, or stockholders is an officer, director, partner or stockholder in any other Florida certificated telephone company.**

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

(a) The application:

**Charles A. Hudak, Esq.  
Karen L. Kropp, Esq.  
Gerry, Friend & Sapronov, LLP  
Three Ravinia Drive, Suite 1450  
Atlanta, Georgia 30346-2131  
Tel: (770) 399-9500  
Fax: (770) 395-0000  
Internet: chudak@gfslaw.com**

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

**Mr. Michael D. Sulpy  
Senior Vice President  
InterCept Communications Technologies, Inc.  
3150 Holcomb Bridge Road  
Suite 200  
Norcross, Georgia 30071  
Tel: (770) 248-9600**

(c) Complaints/Inquiries from customers:

**Mr. Michael D. Sulpy  
Senior Vice President  
InterCept Communications Technologies, Inc.  
3150 Holcomb Bridge Road  
Suite 200  
Norcross, Georgia 30071  
Tel: (770) 248-9600**

17. List the states in which applicant:

(a) has operated as an alternative local exchange company

**At this time, Applicant is not providing alternative local exchange services in any state.**

(b) has applications pending to be certificated as an alternative local exchange company

**Applicant has applied to provide alternative local exchange services in the states of Alabama and Georgia.**

(c) is certificated to operate as an alternative local exchange company

**Applicant is not certificated to operate as an alternative local exchange company in any state jurisdiction.**

(d) has been denied authority to operate as an alternative local exchange company and the circumstances involved

**Applicant has not been denied certification to operate as an alternative local exchange company in any state.**

(e) has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved

**Applicant has not been assessed regulatory penalties for violations of any state or federal telecommunications statutes.**

(f) has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved

**Applicant has not been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity.**

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.

**Applicant is a wholly-owned subsidiary of The InterCept Group, Inc. ("InterCept Group"). Applicant has the assurance of InterCept Group that it will be provided the financial resources to provide the services discussed herein. InterCept Group's most recent Securities and Exchange Commission Form 10-Q is attached hereto at Exhibit "B".**

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.

**A summary of Applicant's Financial Qualifications is attached hereto at Exhibit "B".**

2. written explanation that the applicant has sufficient financial capability to maintain the requested service.

**A summary of Applicant's Financial Qualifications is attached hereto at Exhibit "B".**

3. written explanation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

**A summary of Applicant's Financial Qualifications is attached hereto at Exhibit "B".**

**B.** Managerial capability; give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.

**A summary of Applicant's Managerial and Technical Qualifications is attached hereto at Exhibit "C".**

**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.

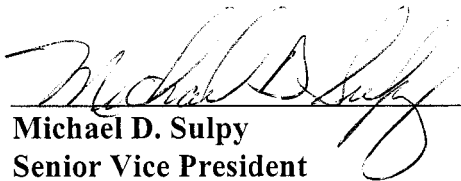
**A summary of Applicant's Managerial and Technical Qualifications is attached hereto at Exhibit "C".**

**AFFIDAVIT**

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in the foregoing application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide alternative local exchange service in the State of Florida. I have read the foregoing and declare that to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of InterCept Communications Technologies, Inc. and agree that the company will 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".**

**INTERCEPT COMMUNICATIONS  
TECHNOLOGIES, INC.**

By:   
**Michael D. Sulpy**  
**Senior Vice President**

**InterCept Communications Technologies, Inc.**  
**3150 Holcomb Bridge Road**  
**Suite 200**  
**Norcross, Georgia 30071**  
**Tel: (770) 248-9600**

Sworn to before me this 21<sup>st</sup>  
day of April, 1999.

  
Notary Public

My Commission expires: \_\_\_\_\_





**EXHIBIT "A"**

**APPLICANT'S CERTIFICATE OF AUTHORITY  
TO TRANSACT BUSINESS IN FLORIDA**



FLORIDA DEPARTMENT OF STATE  
Katherine Harris  
Secretary of State

April 8, 1999

CT CORP

Qualification documents for INTERCEPT COMMUNICATIONS TECHNOLOGIES, INC. were filed on April 8, 1999 and assigned document number F99000001850. Please refer to this number whenever corresponding with this office.

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

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

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

Should you have any questions regarding this matter, please telephone (850) 487-6091, the Foreign Qualification/Tax Lien Section.

Michael Mays  
Document Specialist  
Division of Corporations

Letter Number: 299A00017820

**EXHIBIT "B"**

**FINANCIAL QUALIFICATIONS**

Applicant is a wholly-owned subsidiary of InterCept Group, a publicly-held, Georgia corporation. Applicant has the assurance of InterCept Group that it will be provided the financial resources to provide the services discussed herein. Applicant submits InterCept Group's most recent Securities and Exchange Commission Form 10-Q to demonstrate Applicant's financial capability to provide the services proposed herein.

=====

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 1998.

Or

TRANSACTION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO  
\_\_\_\_\_, 19\_\_\_\_.

Commission file number : 01-14213

-----

THE INTERCEPT GROUP, INC.  
(Exact name of registrant as specified in its charter)

Georgia  
(State or other jurisdiction  
of incorporation or organization)

58 - 2237359  
(I.R.S. Employer  
Identification No.)

3150 Holcomb Bridge Road, Suite 200, Norcross, Georgia 30071  
(Address of principal executive offices)

(770) 248-9600  
(Registrant's telephone number including area code)

N/A  
(Former name, former address and former fiscal year,  
if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports  
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of  
1934 during the preceding 12 months (or for such shorter period that the

registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. (1) Yes  No  ;  
 -----  
 (2) Yes  No   
 -----

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at November 10, 1998
Common Stock, no par value	9,248,539 (No. of Shares)

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 <PAGE>

THE INTERCEPT GROUP, INC.

INDEX TO FORM 10-Q

	PAGE
	-----
PART I	FINANCIAL INFORMATION
Item 1.	Financial Statements
	Condensed Consolidated Balance Sheets as of September 30, 1998 and December 31, 1997
	Condensed Consolidated Statements of Operations for the Three Months and Nine Months ended September 30, 1998 and 1997
	Condensed Consolidated Statements of Cash Flows for the Nine Months ended September 30, 1998 and 1997
	Notes to Condensed Consolidated Financial Statements
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations
PART II	OTHER INFORMATION
Item 1.	Legal Proceedings
Item 2.	Changes in Securities
Item 3.	Defaults upon Senior Securities
Item 4.	Submission of Matters to a Vote of Security Holders
Item 5.	Other Information
Item 6.	Exhibits and Reports on Form 8-K

## SIGNATURES

## EXHIBIT INDEX

&lt;PAGE&gt;

## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

The InterCept Group, Inc. and Subsidiaries  
 Condensed Consolidated Balance Sheets  
 (in thousands except share amounts)

&lt;TABLE&gt;

&lt;CAPTION&gt;

	September 30 1998	December 31, 1997
	-----	-----
(Unaudited) <S>	<C>	<C>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,646	\$ 2,010
Accounts receivable, less allowance for doubtful accounts of \$167 and \$157 at September 30, 1998 and December 31, 1997, respectively	2,777	2,776
Inventory, prepaid expenses and other	674	230
	-----	-----
Total current assets	9,097	5,016
Property and equipment, net	5,993	2,516
Deferred tax assets	699	668
Intangible assets, net	3,751	1,683
Notes receivable	37	45
Other noncurrent assets	465	228
	-----	-----
Total assets	\$20,042	\$10,156
=====		
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current maturities of notes payable	\$ 93	\$ 581
Line of credit	200	-
Accounts payable and accrued liabilities	2,974	2,103
Deferred revenue	1,246	1,140
	-----	-----
Total current liabilities	4,313	4,024
Notes payable, less current portion	230	4,716
Deferred compensation	1,800	-
	-----	-----
Total liabilities	4,543	10,540
Minority interest	48	-

Commitments and contingencies:

Series A redeemable preferred stock 8% cumulative, no par value; 30,000 shares authorized; 0 and 4,000 shares issued and outstanding at September 30, 1998 and December 31, 1997, respectively. - 400

Shareholders' equity (deficit):

Preferred stock, no par value; 1,000,000 shares authorized; Series A reported above	-	-
Common stock, no par value; 50,000,000 shares authorized; 9,248,539 and 6,750,114 shares issued and outstanding at September 30, 1998 and December 31, 1997, respectively	17,176	2,764
Accumulated deficit	(1,950)	(3,548)
Accumulated other comprehensive income	225	-
	-----	
Total shareholders' equity (deficit)	15,451	(784)
	-----	
Total liabilities and shareholders' equity (deficit)	\$20,042	\$10,156
	=====	

The accompanying notes are an integral part of these condensed consolidated balance sheets.

</TABLE>

<PAGE>

The InterCept Group, Inc. and Subsidiaries  
Condensed Consolidated Statements of Operations  
(in thousands, except per share data)

<TABLE>

<CAPTION>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1998	1997	1998	1997
	-----		-----	
	(unaudited)		(unaudited)	
<S>	<C>	<C>	<C>	<C>
Revenues:				
Service fee income	\$5,518	\$4,266	\$14,876	\$12,069
Data communications management income	977	839	2,735	2,282
Equipment and product sales, services and other	1,082	1,096	2,872	2,388
	-----		-----	
Total revenues	7,577	6,201	20,483	16,739
Costs of services:				
Cost of service fee income	1,654	1,282	4,375	3,759
Cost of data communications management income	648	628	1,868	1,773
Cost of equipment and product sales	958	752	2,391	1,783
Selling, general and administrative expenses	2,790	2,591	7,897	7,477

Depreciation and amortization	363	342	962	981
	-----	-----	-----	-----
Total operating expenses	6,413	5,595	17,493	15,773
Operating income	1,164	606	2,990	966
Other income (expense), net	81	(156)	(211)	(484)
	-----	-----	-----	-----
Income before provision for income taxes and minority interest	1,245	450	2,779	482
Provision for income taxes	469	235	1,076	356
Minority interest in (income) loss of consolidated subsidiary	(30)	0	(80)	39
	-----	-----	-----	-----
Net income before preferred dividends	746	215	1,623	165
Preferred dividends	0	(8)	(16)	(24)
	-----	-----	-----	-----
Net income attributable to common Shareholders	\$ 746	\$ 207	\$ 1,607	\$ 141
	=====	=====	=====	=====
Net income per common share:				
Basic	\$ 0.08	\$ 0.03	\$ 0.21	\$ 0.02
	=====	=====	=====	=====
Diluted	\$ 0.08	\$ 0.03	\$ 0.20	\$ 0.02
	=====	=====	=====	=====
Weighted average shares outstanding:				
Basic	9,221	6,750	7,749	6,750
Diluted	9,337	6,869	7,867	6,863

The accompanying notes are an integral part of these condensed consolidated statements of operations.

</TABLE>

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The InterCept Group, Inc. and Subsidiaries  
Condensed Consolidated Statements of Cash Flows  
(in thousands)

<TABLE>

<CAPTION>

	Nine Months Ended September 30,	
	1998	1997
	(unaudited)	
	<C>	<C>
Cash flows from operating activities:		
Net income	\$ 1,623	\$ 165
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	962	981
Minority interest in income (loss) of consolidated subsidiary	80	(39)
Deferred income tax (benefit)	(31)	(17)



Pro forma tax expense	-	100
Changes in operating assets and liabilities:		
Accounts receivable	488	351
Inventory, prepaid expenses, and other	(667)	218)
Other assets	6	(113)
Accounts payable and accrued expenses	130	329
Deferred revenue	106	(138)
	-----	-----
Net cash provided by operating activities	2,697	1,401
	-----	-----
Cash flows from investing activities:		
Acquisitions, net of cash acquired	(1,851)	-
Increase (decrease) in note receivable	17	(875)
Purchases of property and equipment, net	(3,639)	(718)
Increases in capitalized software	(513)	-
	-----	-----
Net cash used in investing activities	(5,986)	(1,593)
	-----	-----
Cash flows from financing activities:		
Payments on notes payable and line of credit	(6,974)	(179)
Debt issuance costs	(88)	-
Retirement of preferred stock	(440)	-
Distributions for taxes to shareholders of pass through entities	(8)	(152)
Payment of preferred dividends	(16)	(18)
Proceeds from issuance of common stock, net of issuance costs	14,451	-
	-----	-----
Net cash provided by (used in) financing activities	6,925	(349)
Net increase (decrease) in cash and cash equivalents	3,636	(541)
Cash and cash equivalents at beginning of the period	2,010	1,398
	-----	-----
	=====	=====
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 344	\$ 579
	=====	=====
Cash paid for income taxes	\$ 445	\$ 238
	=====	=====

The accompanying notes are an integral part of these condensed consolidated statements of cash flows.

</TABLE>

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THE INTERCEPT GROUP, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization

The InterCept Group, Inc. ("InterCept" or the "Company") designs, develops, markets and implements a suite of fully integrated electronic commerce products and services primarily for community financial institutions in the United States. The Company's products and services include electronic funds transfer ("EFT"), data communications management, client/server enterprise software and other processing solutions.

The Company is a single source provider of a broad range of flexible electronic commerce solutions supporting value-added products and services. The Company provides numerous EFT products and services, including automated teller machine ("ATM"), point-of-sale ("POS") and scrip debit services, debit card transactions, funds transfer services and remote banking services. The Company licenses client/server enterprise software, which operates in a Windows NT(R) environment, to community financial institutions on both a service bureau and an in-house basis. The Company also supplies banking related equipment, provides related maintenance and technical support and offers numerous ancillary products and services to its financial institution customers.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, ProVesa, Inc. ("ProVesa") and InterCept Switch, Inc., and ProImage, Inc. ("ProImage"), a corporation in which ProVesa has a 66.6% ownership interest. All significant intercompany accounts and transactions have been eliminated in consolidation.

The accompanying statements have been prepared in accordance with generally accepted accounting principles for interim financial information and the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments, which are of a normal recurring nature, to present fairly the Company's financial position, results of operations, and cash flows at the dates and for the periods presented. Interim results of operations are not necessarily indicative of results to be expected for a 12-month period. The interim financial statements should be read in conjunction with the Company's Registration Statement on Form S-1 (Registration Number 333-47197) as declared effective by the Securities and Exchange Commission on June 9, 1998.

<PAGE>

2. NET INCOME PER SHARE

Net income per share is calculated and presented in accordance with Statement of Financial Accounting Standards No. 128, "Earnings per Share" ("SFAS 128"). Basic earnings per share is computed based on the weighted average number of common shares outstanding. Diluted earnings per share is computed on the basis of the weighted average number of common shares outstanding plus the effect of outstanding stock options using the "treasury stock" method based on average stock price for the period. All prior periods are presented under SFAS 128. The effects of anti-dilutive options have been excluded.

The following tables set forth a reconciliation of basic earnings per share to diluted earnings per share (in thousands, except earnings per share ("EPS") amounts):

<TABLE>  
<CAPTION>

	Three Months Ended September 30, 1998			Three Months Ended September 30, 1997		
	Income	Shares	EPS	Income	Shares	EPS
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Basic EPS	\$ 746	9,221	\$ 0.08	\$ 207	6,750	\$ 0.03
Dilutives:						
Stock options	-	116	-	-	119	-
Diluted EPS	\$ 746	9,337	\$ 0.08	\$ 207	6,869	\$ 0.03

	Nine Months Ended September 30, 1998			Nine Months Ended September 30, 1997		
	Income	Shares	EPS	Income	Shares	EPS
Basic EPS	\$1,607	7,749	\$ 0.21	\$ 141	6,750	\$ 0.02
Dilutives:						
Stock options	-	118	(0.01)	-	113	-
Diluted EPS	\$1,607	7,867	\$ 0.20	\$ 141	6,863	\$ 0.02

</TABLE>

3. COMPREHENSIVE INCOME

As of December 31, 1997, the Company adopted SFAS No. 130, "Reporting Comprehensive Income" ("SFAS 130"). SFAS No. 130 establishes new rules for the reporting of "comprehensive income", which is the total of net income and all other non-owner changes in shareholders' equity. The adoption of

SFAS No. 130 had no effect on the Company's net income.

The following table sets forth the calculation of the Company's comprehensive income for the periods indicated below (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1998	1997	1998	1997
Net income, as reported	746	207	1,607	141
Unrealized gain on securities, net of tax:	225	-	225	-
Accumulated other comprehensive income	971	207	1,832	141

#### 4. INITIAL PUBLIC OFFERING OF 2,387,500 SHARES OF COMMON STOCK

On June 9, 1998, the Company completed its initial public offering of 2,387,500 shares (including 137,500 shares sold by a selling shareholder) of common stock at an offering price of \$7.00 per share. Net proceeds from the offering were approximately \$13.1 million after deducting underwriters discounts and commissions and expenses of the offering. The Company used a portion of the proceeds to (i) pay down significantly all of its long-term debt; (ii) pay amounts owed to an officer of the Company for prior service; (iii) enhance and expand the InterCept Frame Relay Network; and (iv) redeem its outstanding preferred stock. The balance of the proceeds will be used for working capital and general corporate purposes, including possible acquisitions. On July 10, 1998 the underwriters exercised their over-allotment option to purchase an additional 248,425 shares at \$7.00 per share. The Company received additional net proceeds of approximately \$1.6 million from such sale of shares.

#### 5. ACQUISITIONS

On August 4, 1998, the Company acquired certain assets and assumed certain liabilities of Nova Financial Corporation, a provider of core data processing, check imaging and item capture services throughout Georgia. On September 30, 1998, the Company acquired certain assets and assumed

<PAGE>

certain liabilities of Advance Data, a provider of core data processing, check imaging and item capture services throughout Arkansas. On August 25, 1998, the Company acquired 33% of ProImage, a check imaging center in which InterCept previously owned an interest. After the acquisition, InterCept

owned 66% of ProImage. These acquisitions were accounted for as purchases in accordance with Accounting Principles Board ("APB") Opinion No. 16, and, accordingly, the purchase prices have been preliminarily allocated to the net tangible and intangible assets acquired based on their estimated fair values as of the acquisition dates. The results of operations of Nova and Advance Data have been included in the Company's results of operation since the date of acquisition.

6. LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

Long-term debt and capital lease obligations at September 30, 1998 and December 31, 1997 consisted of the following (in thousands):

<TABLE>  
<CAPTION>

	September 30, 1998	December 31, 1997
<S>	<C>	<C>
Note payable to Georgia State Bank, all outstanding amounts repaid in June, 1998.	\$ -	\$ 2,733
Note payable to FNB Commerce, all outstanding amounts repaid in June, 1998.	-	1,378
Note payable to Community Bank of Georgia, all outstanding amounts repaid in January, 1998.	-	403
Mortgage note payable to Allied Bank, all outstanding amounts repaid in June, 1998.	-	389
Note payable to First Macon Bank & Trust interest payable at prime; monthly principal and interest payments, payable in full on September 15, 2001; the note is collateralized by assets of ProImage and a corporate guarantee by ProVesa of two-thirds of the balance of the debt.	255	316
Note payable to First Macon Bank & Trust, interest payable at prime, monthly principal and interest payments, the note is collateralized by assets of ProImage and a corporate guarantee by ProVesa of two-thirds of the balance of the debt.	68	78
	-----	-----
	323	5,297
Less current maturities	(93)	(581)
-----	\$ 230	\$ 4,716
	=====	=====

</TABLE>

<PAGE>

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

The following discussion contains statements which constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements appear in a number of places in this Quarterly Report and include all statements that are not historical statements of fact regarding the intent, anticipation, belief or current expectations of the Company, its directors or its officers with respect to, among other things: (i) the Company's financing plans; (ii) trends affecting the Company's financial condition or results of operations; (iii) the Company's growth strategy and operating strategy and (iv) the declaration and payment of dividends. The words "may," "would," "could," "will," "expect," "estimate," "anticipate," "believe," "intends," "plans," "allows," "strategy," and similar expressions and variations thereof are intended to identify forward-looking statements. Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, many of which are beyond the Company's ability to control. Actual results may differ materially from these forward-looking statements as a result of many factors, including: the inability to achieve and maintain profitability; the inability to obtain, continue and manage growth or execute agreements with new customers; the risks related to acquisitions and the integration of acquired assets and businesses, customer attrition, the inability to attract and retain qualified sales and marketing personnel and enter strategic marketing relationships; market acceptance of new products and enhancements; growth in the Company's customers; rapid changes in technology; increased competition; dependence on new products; and the other factors discussed in the Company's registration statement on Form S-1 as declared effective on June 9, 1998, including the "Risk Factors" section contained therein.

The Company derives revenues primarily from the following sources: (i) EFT processing services; (ii) data communications management; (iii) client/server enterprise software support, maintenance and related services; and (iv) maintenance and technical support services, sales of banking related equipment and complementary products and customer services.

The Company derives EFT revenues principally from processing ATM, POS and debit card transactions. The Company receives a base fee for providing its ATM processing services and an additional fee for each ATM serviced. Once the number of transactions exceeds established levels, the Company charges additional fees for the extra transactions processed. For its POS services, the Company generally receives a portion of the interchange fees charged by its community financial institution customers that issue debit cards and charges a monthly fee if its customers do not meet a certain minimum dollar amount of transactions for a particular month. Most charges due under the Company's EFT service agreements are paid monthly.

The Company's data communications management service revenues are principally derived from network management services, data packet transportation services across The InterCept Frame Relay Network, consulting and equipment

configuration, installation and sales. The Company charges a flat monthly fee for providing telecommunications connectivity and network management as well as an installation charge.

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The Company licenses PC BancPAC, its proprietary Windows NT(R) based client/server software system, on both an in-house and service bureau basis. The Company recognizes service revenues as the services are provided. It is the Company's policy to recognize revenues for licensing of PC BancPAC in accordance with Statement of Position 97-2 on "Software Revenue Recognition" issued by the American Institute of Certified Public Accountants. Software license fees are recognized when a noncancellable license agreement has been signed, the product has been shipped, and all significant obligations to the customer have been satisfied.

The Company's maintenance, support and equipment revenues consist primarily of revenues from the Company's maintenance and technical support services as well as sales of equipment. Equipment revenues are recognized at the time of shipment while maintenance and technical support service revenues are recognized as the service period elapses.

The Company's business and relationships with its customers depend significantly on a number of computer software programs, internal operating systems and connections to other networks. If any of these software programs, systems or networks are not programmed to recognize and properly process dates after December 31, 1999 (the "Year 2000" issue), significant system failures or errors may result which could have a material adverse effect on the business, financial condition, or results of operations of both the affected customers and the Company. The Company has conducted a preliminary review of its internal accounting and operating programs and systems and currently believes that these programs and systems and the network connections it maintains are adequately programmed to address the Year 2000 issue or can be modified or replaced to address the Year 2000 issue without incurring costs or delays which would have a material adverse effect on the Company's financial condition. The Company currently provides service bureau processing services to certain customers using a processing solution that is not Year 2000 compliant, and the Company is in the process of converting those customers to its PC BancPAC software, which the Company believes is Year 2000 compliant, before the end of September 1999. The Company currently estimates that the cost of such conversion will total approximately \$200,000; however, it is difficult to predict such costs with certainty, and there can be no assurance that the costs necessary to convert its customers to PC BancPAC will not have a material adverse effect on the Company's business, financial condition, or results of operations. Further, any failure by the Company to complete the conversion of any of its service bureau customers in a timely manner could significantly interrupt the business operations of such customers, which could have a material adverse effect on the business, financial condition, or results of operations of both the affected customers and the Company.

The Company has not completed an assessment of third party products or systems used in its business. Other companies interact electronically with the Company and its customers, and the Company must coordinate its EFT, data communications and enterprise software processing with such other companies and its customers. If these other companies or the Company's customers do not successfully address Year 2000 issues in their operations and if the Company is unable to successfully transfer its business operations to another provider that has Year

2000 compliant systems, the Company's processing operations may be interrupted, hindered or delayed, which would have a material adverse effect on its business, financial condition and results of operations. Furthermore, the Company believes that many financial institutions and third party vendors and network processors (including customers, vendors and processors of the Company) are still in the preliminary stages of analyzing their software and network applications to address Year 2000 issues. It is impossible to estimate the potential expenses involved or delays which may result from the failure of these institutions and third

<PAGE>

parties to resolve their Year 2000 issues in a timely manner, and there can be no assurance that such expenses, failures or delays will not have a material adverse effect on the Company's business, financial condition or results of operations.

The Company's quarterly operating results have varied in the past and will likely vary significantly in the future. Factors that may cause the Company's future operating results to vary include, without limitation: the timing of new product and service announcements; changes in pricing policies by the Company and its competitors; market acceptance of new and enhanced versions of the Company's products and services; the lengthening of sales cycles for new or existing products or services; customer attrition; changes in operating expenses; changes in Company strategy; personnel changes; the introduction of alternative technologies; the Company's products becoming obsolete; failure, delay and expenses in making software, systems and networks utilized in the Company's business Year 2000 compliant; the effect of acquisitions; and general economic factors. Product and service revenues are difficult to forecast because the market for electronic commerce products and services is rapidly evolving, and the Company's sales cycle generally covers an extended period but varies substantially from customer to customer. Intercept believes that quarter to quarter comparisons of its results of operations should not be relied upon as indications of future performance.

RESULTS OF OPERATIONS

The following table sets forth the percentage of revenues represented by certain line items in the Company's condensed consolidated statements of operations for the periods indicated.

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Three Months Ended September 30,		Nine Months Ended September 30,	
-----		-----	
1998	1997	1998	1997



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Revenues	100.0%	100.0%	100.0 %	100.0 %
Costs of services	43.0	42.9	42.2	43.7
Selling, general, and administrative expenses	36.8	41.8	38.6	44.7
Depreciation and amortization	4.8	5.5	4.7	5.9
	-----	-----	-----	-----
Total operating expenses	84.6	90.2	85.5	94.3
	-----	-----	-----	-----
Operating income (loss)	15.4	9.8	14.5	5.7
Other income (expense), net	1.1	(2.5)	(1.0)	(2.8)
	-----	-----	-----	-----
Income before minority interest and provision for income taxes	16.5	7.3	13.5	2.9
Minority interest in (income) loss	0.4	0.0	(0.0)	0.0
Provision for income taxes	6.2	3.8	5.3	2.1
	-----	-----	-----	-----
Net income	9.9%	3.5%	8.2%	0.8%
	=====	=====	=====	=====

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Three Months Ended September 30, 1998 Compared to Three Months Ended September 30, 1997

**Revenues.** Revenues increased 22.2%, or \$1.4 million, to \$7.6 million for the three months ended September 30, 1998 from \$6.2 million for the three months ended September 30, 1997. The \$1.4 million increase was primarily attributable to (i) \$700,000 generated by an increase in core data processing services, of which \$410,000 was related to the Company's acquisitions during the third quarter, (ii) \$420,000 generated by an increase in EFT processing services, (iii) \$140,000 generated by an increase in data communication services and (iv) other increases of \$140,000.

**Costs of Services.** Costs of services increased 22.5%, or \$600,000, to \$3.3 million for the three months ended September 30, 1998 from \$2.7 million for the three months ended September 30, 1997. The \$600,000 increase was primarily attributable to (i) \$350,000 generated by additional core data processing sales, of which \$190,000 was related to the Company's acquisitions during the third quarter, (ii) \$210,000 generated by additional equipment sales and (iii) other increases of \$40,000.

**Selling, General and Administrative Expenses.** Selling, general and administrative expenses increased 7.7% or \$200,000 to \$2.8 million for the three months ended September 30, 1998 from \$2.6 million for the three months ended September 30, 1997. The increase was primarily attributable to \$170,000 related to the Company's acquisitions during the third quarter and \$30,000 to support the continued growth of the Company's business.

**Depreciation and Amortization.** Depreciation and amortization increased 6.1%, or \$20,000, to \$360,000 for the three months ended September 30, 1998 from \$340,000 for the three months ended September 30, 1997. The increase was primarily attributable to additional property, plant and equipment, partially

offset by a decrease in amortization.

Other Income (Expense). Other income (expense) increased 151.9%, or \$240,000, to income of \$80,000 for the three months ended September 30, 1998 from expense of \$(160,000) for the three months ended September 30, 1997. The increase was primarily due to the reduction of long-term debt with proceeds from the Company's initial public offering in June 1998.

Minority Interest in Income. Minority interest in income increased to \$30,000 for the three months ended September 30, 1998 from no minority interest for the three months ended September 30, 1997. The increase was attributable to profits in ProImage's operations.

Provision for Income Taxes. Provision for income taxes increased \$230,000 to \$470,000 for the three months ended September 30, 1998 from \$240,000 for the three months ended September 30, 1997. The increase was attributable to increased profits partially offset by a reduction in nondeductible amortization.

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Nine Months Ended September 30, 1998 Compared to Nine Months Ended September 30, 1997

Revenues. Revenues increased 22.4%, or \$3.7 million, to \$20.5 million for the nine months ended September 30, 1998 from \$16.7 million for the nine months ended September 30, 1997. The increase was primarily attributable to (i) \$1.6 million generated by an increase in EFT processing services, (ii) \$960,000 generated by an increase in core data processing services, of which \$410,000 was related to the Company's acquisitions during the third quarter, (iii) \$550,000 generated by an increase in data communications management services, (iv) \$390,000 generated by an increase in equipment sales and (v) other net increases of \$200,000.

Costs of Services. Costs of services increased 18.0%, or \$1.3 million, to \$8.6 million for the nine months ended September 30, 1998 from \$7.3 million for the nine months ended September 30, 1997. The \$1.3 million increase was primarily attributable to (i) \$610,000 generated by additional equipment sales, (ii) \$450,000 generated by an increase in core data processing services of which \$190,000 was related to the Company's acquisitions during the third quarter and (iii) other net increases of \$260,000.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased 5.6%, or \$420,000, to \$7.9 million for the nine months ended September 30, 1998 from \$7.5 million for the nine months ended September 30, 1997. The increase was primarily attributable to \$250,000 for additional personnel and facilities to support the Company's growth and \$170,000 related to the Company's acquisitions during 1998.

Depreciation and Amortization. Depreciation and amortization decreased 1.9%, or \$20,000, to \$960,000 for the nine months ended September 30, 1998 from \$980,000 for the nine months ended September 30, 1997. The decrease was primarily attributable to a decrease in amortization of \$370,000, partially offset by increases related to additional property, plant and equipment.

Other Expense. Other expense decreased 56.4%, or \$270,000, to \$210,000 for the nine months ended September 30, 1998 from \$480,000 for the nine months ended

September 30, 1997. The decrease was primarily due to the reduction of long term debt with proceeds from the Company's initial public offering in June 1998.

Minority Interest in Income. Minority interest in income increased \$120,000, to \$80,000 for the nine months ended September 30, 1998 from a minority interest in loss of \$40,000 for the nine months ended September 30, 1997. The increase was attributable to profits in ProImage's operations.

Provision for Income Taxes. Provision for income taxes increased \$720,000, to \$1.1 million for the nine months ended September 30, 1998 from \$360,000 for the nine months ended September 30, 1997. The increase was attributable to increased profits partially offset by a reduction in nondeductible amortization.

#### Liquidity and Capital Resources

Cash and cash equivalents were \$5.6 million at September 30, 1998. Net cash provided by operating activities was \$2.7 million and \$1.4 million for the nine months ended September 30, 1998 and 1997, respectively. The increase in the net cash provided by operating activities was primarily attributable to an increase in earnings.

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Net cash used in investing activities was \$6.0 million and \$1.6 million for the nine months ended September 30, 1998 and 1997, respectively. The increase in net cash used in investing activities was primarily due to an increase in capital expenditures and the acquisitions of Nova Financial Corporation and Advance Data.

Net cash provided by (used in) financing activities was \$6.9 million and (\$350,000) for the nine months ended September 30, 1998 and 1997, respectively. The increase in net cash provided by financing activities was primarily due to net proceeds from the completion of the Company's initial public offering.

On April 28, 1998, the Company entered into a loan agreement with First Union National Bank (the "First Union Credit Facility"), under which the Company may borrow up to \$20.0 million to fund acquisitions and pay expenses related to acquisitions. In addition, at the Company's election, \$2.0 million of the First Union Credit Facility may become available for working capital purposes. Before making any borrowings under the loan, the Company shall have satisfied certain conditions set forth in the loan agreement. The First Union Credit Facility contains provisions which require the Company to maintain certain financial ratios and minimum net worth amounts and which restrict the Company's ability to incur additional debt, make certain capital expenditures, enter into agreements for mergers, acquisitions or the sale of substantial assets and pay dividends. The First Union Credit Facility matures on April 28, 2001. Interest is payable monthly and outstanding principal amounts accrue interest, at the Company's option, at an annual rate equal to either (i) a floating rate equal to the lender's prime rate minus one quarter of one percent or (ii) a fixed rate based upon the 30-day LIBOR rate plus applicable margins. No amounts were outstanding under the First Union Credit Facility during the three or nine months ended September 30, 1998.

While there can be no assurances, the Company believes that the cash on hand, funds to be provided by operations, and funds which may be available for working capital purposes under the First Union Credit Facility will be sufficient to meet the Company's anticipated capital expenditure and liquidity requirements

for its operations through at least September 1999. The Company intends to grow, in part, through strategic acquisitions and will make additional expenditures to negotiate and consummate acquisition transactions and integrate the acquired companies. While there can be no assurance, management currently believes that cash on hand and funds from the First Union Credit Facility, together with the issuance of Common Stock and other securities, will be sufficient to fund its acquisition needs for the next 12 months. No assurance can be made with respect to the actual timing and the amount of the expenditures or acquisitions. The Company's estimates are forward-looking statements that are subject to risks and uncertainties discussed above.

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PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is not a party to, nor is any of its property subject to, any material legal proceedings, other than routine litigation incidental to its business.

ITEM 2. CHANGES IN SECURITIES

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matter was submitted to a vote by the Company's security holders during the third quarter ended September 30, 1998.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a) Exhibits

Exhibit

No.

Description

-----

-----

- 2.1 Asset Purchase Agreement dated August 4, 1998 by and between The Intercept Group, Inc., Nova Financial Corporation and Broadnet, Inc. (incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K filed on August 19, 1998).
- 2.2 Asset Purchase Agreement dated September 30, 1998 by and between ProVesa, Inc., Mercantile Corporation and Dale May (incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K filed on October 14, 1998).
- 3.1 Amended and Restated Articles of Incorporation, as filed with the Secretary of the State of Georgia on April 29, 1998, (incorporated by reference to Exhibit 3.1 of the Company's Registration Statement on Form S-1 (No. 333-47197) as declared effective by the Securities and Exchange Commission on June 9, 1998 (the "Registration Statement")).
- 3.2 Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 of the Registration Statement).
- 4.1 See Exhibits 3.1 and 3.2 for provisions of the Amended and Restated Articles of Incorporation and Amended and Restated Bylaws defining the rights of the holders of Common Stock of the Company.
- 27.1 Financial Data Schedule for the three and nine months ended September 30, 1998.
- 27.2 Financial Data Schedule for the three and nine months ended September 30, 1997.

<PAGE>

b) Reports on Form 8-K

Form 8-K filed August 19, 1998

Reporting under Item 2 that the Company entered into a definitive Asset Purchase Agreement to purchase certain assets and assume certain liabilities of Nova Financial Corporation, the Nova Agreement.

Form 8-K filed October 14, 1998

Reporting under Item 2 that ProVesa, Inc., a wholly owned subsidiary of the Company, entered into a definitive Asset Purchase Agreement to purchase certain assets and assume certain liabilities of Advance Data.

Form 8-K/A filed October 17, 1998

Reporting under Item 7 the Financial Statements, Pro Forma Financial Information and Exhibits with respect to the Nova Agreement.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE INTERCEPT GROUP, INC.

November 12, 1998 /s/ John W. Collins  
-----  
Date John W. Collins  
Chairman of the Board and Chief Executive Officer  
(principal executive officer)

November 12, 1998 /s/ Scott R. Meyerhoff  
-----  
Date Scott R. Meyerhoff  
Chief Financial Officer  
(principal financial and accounting officer)

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EXHIBIT INDEX

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27.1 Financial Data Schedule for the three and nine months ended September 30, 1998.

27.2 Financial Data Schedule for the three and nine months ended September 30, 1997.

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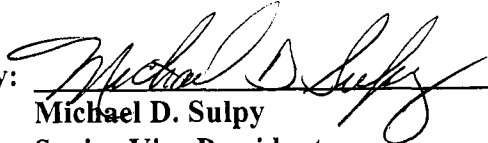


[\*\*\*\*\*TO ACCOMPANY UNAUDITED FINANCIAL STATEMENTS\*\*\*\*\*]

**AFFIDAVIT**

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in the attached unaudited financial statements for InterCept Communications Technologies, Inc. I have read the attached financial statements 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 InterCept Communications Technologies, Inc.

**INTERCEPT COMMUNICATIONS TECHNOLOGIES, INC.**

By:   
Michael D. Sulpy  
Senior Vice President

**InterCept Communications Technologies, Inc.  
3150 Holcomb Bridge Road  
Suite 200  
Norcross, Georgia 30071  
Tel: (770) 248-9600**

Sworn to before me this 21<sup>st</sup>  
day of April, 1999.

  
Notary Public

My Commission expires: \_\_\_\_\_



## EXHIBIT "C"

### MANAGERIAL AND TECHNICAL QUALIFICATIONS

Applicant's management team possesses the necessary technical and managerial ability to provide facilities-based and resold intrastate, local exchange, voice and data communications services.

Applicant requests authority to provide intrastate, local exchange and interexchange voice and data communications services over networks operated by existing, certificated local exchange and interexchange carriers operating in the State of Florida. Specifically, Applicant intends to offer the following services:

- (1) **Private Line Services** - A point-to-point dedicated channel service using digital technology to provide high speed data and voice communications services between two or more customer locations in Florida.
- (2) **Frame Relay Service** - A fast packet switching service using digital technology to provide high speed data communications access to and among various customer-operated local area networks. Applicant will offer frame relay service to connect two or more customer locations in Florida for data communications.
- (3) **Other Voice and Data Services** - single and multi-line basic local exchange services to business and residential customers; digital subscriber line services; centrex services; 911 and E-911 services; and certain directory services.

Applicant intends to provide its voice and high-speed data services in Florida on a resale basis and on a facilities-based basis over a combination of its own facilities and by means of leased facilities and network elements. Applicant will construct or install its own communications equipment and facilities to provide facilities-based voice and data services, some of which equipment may be collocated in BellSouth central offices and some of which will be placed in Applicant's own locations. Applicant also intends to lease network transmission facilities to interconnect its own equipment and facilities, or to connect such equipment to the voice and data communications networks at its customers' premises. Finally, in certain instances, Applicant may resell the voice or data communications services of the incumbent local exchange carrier in order to provide such services to a business or residential customer.

Applicant's key personnel, along with a description of their technical and managerial capabilities, are described as follows:

**John W. Collins, Chief Executive Officer and Chairman of the Board** - Mr. Collins is a co-founder of the InterCept Group, Inc. ("InterCept Group") and has served as its Chief Executive Officer and Chairman of the Board of Directors since its formation. Mr. Collins also has served as the Chairman and Chief Executive Officer of InterCept Switch, Inc. ("Switch") since its formation in 1996. Mr. Collins co-founded Systems, Inc. ("Systems") in 1986, Data Services Corporation ("Data Services") in 1989, ProVesa, Inc. ("ProVesa") in 1994 and InterCept Communications Technologies, L.L.C. in 1996. InterCept Communications Technologies L.L.C. merged with InterCept Group on January 30, 1998. InterCept Group changed its organizational structure to become InterCept Communications Technologies, Inc. ("Applicant") on August 25, 1998. He served

as the Chief Executive Officer of Systems prior to its merger with InterCept Group in January 1998. Mr. Collins also served as Chairman of the boards of Systems, Data Services, Bank Services Corporation ("Bank Services"), FiNet and Applicant prior to their merger with InterCept Group in January 1998. Mr. Collins has over 25 years of experience in multiple areas of electronic commerce for community financial institutions.

**Donny R. Jackson, President and Director** - Mr. Jackson is a co-founder of InterCept Group, has served as President, Chief Operating Officer and director of InterCept Group since its formation. Mr. Jackson also has served as the President and Chief Operating Officer of Switch since its formation in 1996. Mr. Jackson was President, Chief Operating Officer and director of Systems from July 1996 until its merger with InterCept Group. He has also served as the President, Chief Executive Officer and director of ProVesa since July 1994 and the President of Primage, Inc. ("Primage") since July 1996. Mr. Jackson also served as President and a member of the board of managers of Applicant from March 1996 until its merger with the InterCept Group. From January 1993 to June 1994, Mr. Jackson was the Chief Financial Officer of Systems. Prior to joining InterCept Group, Mr. Jackson was the President of Bank Atlanta from 1991 to 1992. Mr. Jackson has over 23 years of experience working with community financial institutions, including in service bureau, enterprise software and other processing and accounting operations.

**Michael D. Sulpy, Senior Vice President and Director** - Mr. Sulpy has served as Executive Vice President of Network Communications for the InterCept Group, Inc. since January 1998. Mr. Sulpy co-founded Applicant in March 1996 and served as its Vice President of Communications until its merger with the InterCept Group in January 1998. He joined Systems in 1987, and from January 1993 to January 1996, he served as its network manager, responsible for data network design and maintenance and personnel training. Mr. Sulpy has over 15 years of data communications management and telecommunications network experience.

**Scott R. Meyerhoff, Secretary and Treasurer** - Mr. Meyerhoff has served as Chief Financial Officer and Secretary of InterCept Group since January 1998. For the seven years prior to joining InterCept Group, Mr. Meyerhoff was employed by Arthur Andersen LLP, most recently as an audit manager. Mr Meyerhoff received his B.S. degree, with honors, in accounting from The Pennsylvania State University, where he was a member of The University Scholars Program, and is a Certified Public Accountant.



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GERRY FRIEND SAPRONOV

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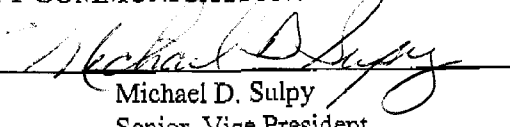
**EXHIBIT "D"**

**FLORIDA PRICE LIST**

A price list will be filed with the Florida Public Service Commission at least one day prior to the Company doing business in Florida.

**INTERCEPT COMMUNICATIONS TECHNOLOGIES, INC.**

by:

  
Michael D. Sulpy  
Senior Vice President

4/23/99  
Date

GERRY, FRIEND & SAPRONOV, LLP

ATTORNEYS AT LAW

SUITE 1450

THREE RAVINIA DRIVE

ATLANTA, GEORGIA 30346-2131

(770) 399-9500

FACSIMILE (770) 395-0000

EMAIL: gfslaw@gfslaw.com

D132

MAY 05 1999

April 30, 1999

VIA OVERNIGHT MAIL

Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399

990541-TX

RECEIVED  
SERVICES DIVISION  
MAY -3 1999

Re: Application of InterCept Communications Technologies, Inc. for Authority to Provide Local Exchange Service within the State of Florida ("InterCept Application")

Dear Sir or Madam:

Enclosed are the original and seven (7) copies of the InterCept Application. Please file the Application in your usual fashion and return one (1) file-stamped copy to us in the enclosed envelope.

Also enclosed is a check in the amount of \$250.00 to cover the cost of filing InterCept's Application.

If you have any questions or comments, please call the undersigned.

Sincerely,

Karen L. Kropp

Enc.

cc: InterCept Communications Technologies, Inc.  
(with enclosure)  
Charles A. Hudak, Esq.  
(without enclosure)

Check received with \$250.00 and  
forwarded to Florida Public Service  
Commission for filing of check  
for InterCept Application.

Initials of person who forwarded check:  
LL

DOCUMENT NUMBER-DATE

05581 MAY-3 99

FPSC-RECORDS/REPORTING

GERRY, FRIEND & SAPRONOV, LLP

ATTORNEYS AT LAW

SUITE 1450

THREE RAVINIA DRIVE

ATLANTA, GEORGIA 30346-2131

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ATLANTA, GA 30346-2131

SUNTRUST BANK, ATLANTA  
ATLANTA, GA 30346  
64-10/610

7090

4/30/1999

PAY TO THE ORDER OF Florida Public Service Commission\*\*\*\*\*

\$ \*\*250.00

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

Florida Public Service Commission

DOLLARS  
Security features  
included.  
Details on back.

DOCUMENT NUMBER-DATE

05581 MAY-3

MEMO \_\_\_\_\_

PPSC RECORDS REPORTING