



DEPOSIT  
D136\*\*

DATE  
MAY 14 1999

May 12, 1999  
Via Overnight Delivery

210 N. Park Ave.  
Winter Park, FL  
32789

P.O. Drawer 200  
Winter Park, FL  
32790-0200

Tel: 407-740-8575  
Fax: 407-740-0613  
tmi@tminc.com

Ms. Blanca Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0870

990026-TX

**RE: Alternative Local Exchange Carrier Application for  
Cleartel Communications, Inc.**

Dear Ms. Bayo:

Enclosed for filing is one (1) original and six (6) copies of the Alternative Local Exchange Carrier Application filed on behalf of Cleartel Communications, Inc. ("Cleartel"). A check in the amount of \$250 made payable to the Florida Public Service Commission is enclosed with this application.

Please acknowledge receipt of this filing by returning the extra copy of this letter, file stamped, in the self-addressed, stamped envelope enclosed for that purpose.

Questions regarding this filing may be directed to me at (407) 740-8575. Thank you for your cooperation and assistance.

Sincerely,

Connie Wightman  
Consultant to  
Cleartel Communications, Inc.

CW/ig.

cc: Hope Colantonio - Cleartel  
File: Cleartel - FL Local  
TMS: FLL9900

MAIL ROOM

99 MAY 13 AM 10:58

NOISSA...  
...  
...

DOCUMENT NUMBER-DATE

06143 MAY 14 99

FPSC-RECORDS/REPORTING

FLORIDA PUBLIC SERVICE COMMISSION  
CAPITAL CIRCLE OFFICE CENTER - 2450 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

# APPLICATION FORM

990626-TX

for

## AUTHORITY TO PROVIDE (ALEC) ALTERNATIVE LOCAL EXCHANGE SERVICE WITHIN THE STATE OF FLORIDA

### INSTRUCTIONS

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

**Florida Public Service Commission  
Division of Communications  
Certification & Compliance Section  
2450 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0866  
(850) 413-6600**

- Once completed, submit the original and six (6 ) copies of this form along with a non-refundable application fee of \$250 made payable to the Florida Public Service Commission at the above address.

# APPLICATION FORM

1. This is an application for  (check one):
  - Original Authority (new company)
  
  - Approval of transfer ( to another certificated company )  
Example, a certificated company purchases an existing company and desires to retain the original certificate authority.
  
  - Approval for transfer of control ( to another certificated company )  
Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.
  
2. Name of applicant:

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

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

Fictitious name registration number:

# APPLICATION FORM

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

Street: 1255 - 22nd Street, N.W. - 6th Floor  
P.O. Box:  
City: Washington  
State: District of Columbia  
Zip Code: 20037  
Phone No.: (202) 463-8500

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

Street: 1255 - 22nd Street, N.W. - 6th Floor  
P.O. Box:  
City: Washington  
State: District of Columbia  
Zip Code: 20037  
Phone No.: (202) 463-8500

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

<input type="checkbox"/> Individual	<input type="checkbox"/> Corporation
<input checked="" type="checkbox"/> Foreign Corporation	<input type="checkbox"/> Foreign Partnership
<input type="checkbox"/> General Partnership	<input type="checkbox"/> Limited Partnership
<input type="checkbox"/> Joint Venture	<input type="checkbox"/> Other, Please explain : Limited Liability Company

7. If applicant is an individual, partnership, or joint venture, please give name, title and address of each legal entity.

Not Applicable.

# APPLICATION FORM

8. State whether any of the officers, directors, or any of the ten largest stockholders have previously been adjudged bankrupt, mentally incompetent, or found guilty of any felony of or of any crime, or whether such actions may result from pending proceedings. If so, please explain.

No Officer, Director or Stockholder has been previously adjudged bankrupt, mentally incompetent, or found guilty of any felony or crime.

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

Corporate charter number: P 37523

10. Please provide the name, title, address, telephone number, Internet address, and facsimile number for the person serving as ongoing liaison with the Commission, and if different, the liaison responsible for this application.

Name: Hope G. Colantonio  
Title: Legal & Regulatory Compliance Manager  
Phone No.: (202) 463-85009 - extension 2322  
Internet Address: hcolantonio@cgxcom.com  
Fax No.: (202) 463-4262

11. Please list other states in which the applicant is currently providing or has applied to provide local exchange or alternative local exchange service.

Connecticut.

# APPLICATION FORM

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

Applicant has never been denied certification in any state.

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

No.

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

Customers may call the company at its toll-free customer service number: 1-800-56CLEAR. In addition, customers may contact the company in writing at 1255 - 22<sup>nd</sup> Street, N.W. - 6th Floor, Washington, D.C. 20037.

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

See Exhibit V.

16. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide alternative local exchange service in Florida.

A. Financial capability.

Regarding the showing of financial capability, the following applies:

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

See Exhibit III

# APPLICATION FORM

1. the balance sheet
2. Income statement
3. Statement of retained earnings

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

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

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

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

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

B. Managerial capability.

See Exhibit III

C. Technical capability.

See Exhibit III

(If you will be providing local intra-exchange switched telecommunications service, then state how you will provide access to 911 emergency service. If the nature of the emergency 911 service access and funding mechanism is not equivalent to that provided by the local exchange companies in the areas to be served, describe in detail the difference.)

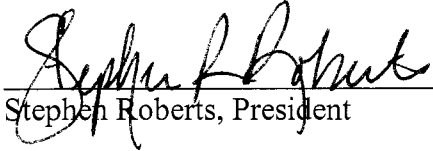
# APPLICATION FORM

## AFFIDAVIT

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

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

Official:

  
\_\_\_\_\_  
Stephen Roberts, President

Date: 4/27/99

Phone No.:

(202) 463-8500

Address:

1255 - 22<sup>nd</sup> Street, N.W. - 6th Floor

Washington, D.C. 20037



**25-24.825 Price List.**

- (1) Prior to providing service, each company subject to these rules shall file and maintain with the Commission a current price list which clearly sets forth the following information for basic local telecommunications services, as defined in s. 364.02(2), F.S. If basic local telecommunications service is offered on a package basis, the following information must be provided for the package:
  - (a) current prices,
  - (b) customer connection charges,
  - (c) billing and payment arrangements, and
  - (d) levels of service quality which the company holds itself out to provide for each service.
- (2) At the company's option, price list information in paragraph (1) above and other information concerning the terms and conditions of service may be filed for services other than basic local telecommunication services.
- (3) A price list revision must be physically received by the Commission's Division of Communications at least one day prior to its effective date.
- (4) Price lists must be on 8 ½ by 11 inch paper in loose-leaf form and must utilize an ongoing page identification system which will allow for the identification of inserted and removed pages. The color of paper on which price lists are filed must be amenable to being clearly photocopied on standard photocopy equipment.
- (5) Complete information concerning a company's service offerings, rates and charges, conditions of service, service quality, terms and conditions, service area, and subscribership information identified by local exchange company exchange must be made available to Commission staff upon request.

**Specific Authority:** 350.127(2)  
**Law Implemented:** 364.337(5), F.S.  
**History:** New 12/26/95.

**CLEARTEL COMMUNICATIONS, INC.**

**EXHIBIT I**

**ARTICLES OF INCORPORATION**

# State of Florida



## Department of State

I certify from the records of this office that CLEARTEL COMMUNICATIONS, INC. is a District of Columbia corporation authorized to transact business in the State of Florida, qualified on February 17, 1992.

The document number of this corporation is P37523.

I further certify that said corporation has paid all fees and penalties due this office through December 31, 1995, that its most recent annual report was filed on May 1, 1995, and its status is active.

I further certify that said corporation has not filed a Certificate of Withdrawal.

Given under my hand and the  
Great Seal of the State of Florida,  
at Tallahassee, the Capitol, this the  
Tenth day of May, 1995



CFR022 (2-95)

*Sandra B. Matham*

Sandra B. Matham  
Secretary of State

ARTICLES OF INCORPORATION

OF

CLEARTEL COMMUNICATIONS, INC.

FILED  
JUL 6 1987  
BY: [Signature]

WE, the undersigned, natural persons of the age of twenty-one (21) years or more, acting as incorporators of a corporation under Title 29, Chapter 3 of the Code of Laws of the District of Columbia adopt the following Articles of Incorporation for such corporation:

FIRST: The name of the Corporation is CLEARTEL COMMUNICATIONS, INC.

SECOND: The purposes for which the Corporation is formed and the business or objects to be carried on and promoted by it are as follows:

(A) To provide telephone operator services of every type and description including but not limited to the provision of such services for guests rooms and pay phones located in hotels and motels; the ownership, leasing and operation of switching equipment and all other equipment necessary to provide the aforesaid services and any other services the corporation may desire to provide, and the purchase and sale of telephone services obtained from other telephone carriers.

(B) To purchase, lease, sublet, hire or in any manner acquire, and to hold, own, use, develop, operate, manage, build upon, improve, encumber, mortgage, pledge, sell, exchange, convey, lease, sublet or otherwise dispose of or deal in or with, or in any manner turn to account, any real or personal property, and any rights, privileges or interests therein situate either within or without the District of Columbia, and suitable or convenient for any of the business of the Corporation, and in any manner whatsoever to acquire, own, hold, use and dispose of any easements, appurtenances, franchises, privileges, permits, licenses or rights in any real estate or personal property and other property interests.

(C) To enter into, perform and carry out contracts of any kind necessary or incidental to the accomplishment of any one or more of the purposes of the Corporation.

(D) To subscribe to, purchase or otherwise acquire, or to guarantee or become surety in respect to the stock, bonds or other securities and obligations of other companies, but not to be a surety company.

(E) To purchase, lease, sublet, hire, import, hold, own or otherwise acquire, and to manufacture, produce, sell, export, mortgage, pledge, transfer, lease, sublet, assign

or in any manner dispose of, and to otherwise deal in and with goods, wares and merchandise of every class and description wherever situated.

(F) To acquire all or any part of the good will, rights, property and business of any person, firm, association or corporation heretofore or hereafter engaged in any business similar to any business which the Corporation has the power to conduct, and to hold, utilize, enjoy and in any manner dispose of, the whole or any part of the rights, property and business so acquired, and to assume in connection therewith any liabilities of any such person, firm, association or corporation.

(G) To purchase or otherwise acquire, and to hold, sell, or otherwise dispose of, and to retire and reissue shares of its own stock of any class in any manner now or hereafter authorized or permitted by law.

(H) To borrow or raise money for any of the purposes of the Corporation, and to issue bonds, debentures, notes or other obligations of any nature, and in any manner permitted by law, for monies so borrowed or in payment for property purchased, or for any other lawful consideration, and to secure the payment thereof and of the interest thereon by mortgage or pledge or conveyance or assignment in trust of the whole or any part of the property of the Corporation, real or personal, including contract rights, whether at the time owned or thereafter acquired, and to sell, pledge, discount or otherwise dispose of such bonds, debentures, notes or other obligations of the Corporation for its corporate purposes.

(I) To guarantee the performance of any contract by any person, firm, association or corporation, and to endorse or otherwise guarantee the payment of the principal and interest or either, of any bonds, debentures, notes or other evidences of indebtedness created or issued by any such person, firm, association or corporation but not to be a surety company.

(J) To acquire by purchase, subscription or in any other manner, take, receive, hold, use, employ, sell, assign, transfer, exchange, pledge, mortgage, lease, sublet, dispose of and otherwise deal in and with, any shares of stocks, shares, bonds, debentures, notes, mortgages, deeds of trust, warehouse receipts or other obligations, and any certificates, receipts, warrants or other instruments evidencing rights or options to receive, purchase or subscribe for the same or representing any other rights or interests therein or in any other persons, firms, associations, corporations, syndicates, or by any governments or subdivisions thereof; and to possess and exercise in respect thereof any and all rights, powers and privileges of individual holders.

(K) To apply for, obtain, purchase or otherwise acquire any patents, copyrights, licenses, trademarks, trade names, rights, processes, formulae, and the like which may seem capable of being used for any of the purposes of the Corporation; and to use, exercise, develop, grant licenses in respect of, sell and otherwise turn to account the same.

(L) To charge for any service rendered, duty performed, or act done, in or concerning any of the powers of authority which may be lawfully exercised hereunder or to settle the same in money, property, or any other thing of value.

(M) To carry out all or any part of the foregoing objects as principal, factor, agent, contractor or otherwise, either alone or through or in conjunction with any person, firm, association or corporation, and in carrying on its business and for the purpose of attaining or furthering of its objects and purposes, to make and perform any contracts and to do any acts and things, and to exercise any powers suitable, convenient or proper for the accomplishment of any of the objects and purposes herein enumerated or incidental to the powers herein specified, or which at any time may appear conducive to or expedient for the accomplishment of any of such objects and purposes.

(N) To carry out all or any part of the aforesaid objects and purposes, and to conduct its business in all or any of its branches, in any or all states, territories, districts and possessions of the United States of America and in foreign countries; and to maintain offices and agencies in any and all states, territories, districts and possessions of the United States of America and in foreign countries.

(O) To engage in and carry on any other business or purpose which may conveniently be conducted in conjunction with any business of the Corporation and which is permitted by the laws of the District of Columbia.

The foregoing objects and purposes shall, except when otherwise expressed, be in no way limited or restricted by reference to, or inference from the terms of any other clause of this or any other article of these Articles of Incorporation or of any amendment thereto, and shall each be regarded as independent and construed as powers as well as objects and purposes.

The Corporation shall be authorized to exercise and enjoy all of the powers, rights and privileges granted to, or conferred upon corporations of a similar character by the General Laws of the District of Columbia now or hereafter in force, and the enumeration of the foregoing powers shall not be deemed to exclude any powers, rights or privileges so granted or conferred.

THIRD: The post office address of the place at which the registered office of the Corporation in the District of Columbia will be located is 1707 H Street, N.W. Suite 300, Washington, D.C. 20006. The registered agent of the Corporation is C. Richard Beyda who is a resident of the District of Columbia, whose business address is 1707 H Street, N.W., Suite 300, Washington, D.C. 20006

FOURTH: The number of directors constituting the initial Board of Directors of the Corporation is five (5) and the names and addresses, including street and number, if any, of the persons who are to serve as directors until the first annual meeting of the shareholders or until their successors are elected and shall qualify are:

Ulysses G. Auger	1217 22nd Street, N.W. Washington, D.C. 20037
Gregory U. Auger	1217 22nd Street, N.W. Washington, D.C. 20037
Ulysses G. Auger II	1217 22nd Street, N.W. Washington, D.C. 20037
John Bolus	5 Hugo Court Silver Spring, MD 20906
John G. Masin	3140 West Ox Road Herndon, VA 20071

FIFTH: The aggregate number of shares which the Corporation is authorized to issue is 1000. The designation of the class, the number of shares of such class, and the par value, if any, of the shares of such class, or a statement that the shares of such class are without par value, are as follows:

<u>Number of Shares</u>	<u>Class</u>	<u>Series (if any)</u>	<u>Par Value per share or statement that shares are without par Value</u>
1000	common	none	No Par Value

SIXTH: The preference, qualifications, limitations, restrictions and special or relative rights in respect to the shares of each class are to be set forth in a stockholder's agreement to be entered into by all stockholders.

SEVENTH: The preemptive rights to shareholders to acquire additional shares is denied.

EIGHTH: The Corporation will not commence business until at least One Thousand Dollars (\$1,000.00) has been received by it as consideration for the issuance of shares.

NINTH: The following provisions are hereby adopted for the purpose of defining, limiting and regulating the powers of the Corporation and of the directors and stockholders.

(A) The Board of Directors of the Corporation is hereby empowered to authorize the issuance from time to time of shares of its stock of any class, whether now or hereafter authorized, and securities convertible into shares of its stock of any class, whether now or hereafter authorized, for such consideration as said Board of Directors may deem advisable, subject to such limitations and restrictions, if any, as may be set forth in the by-laws of the Corporation.

(B) The Board of Directors shall have power to determine from time to time whether and to what extent and at what times and places and under what conditions and regulations the books, accounts and documents of the Corporation, or any of them, shall be open to the inspection of stockholders, except as otherwise provided by statute or by the by-laws; and, except as so provided, no stockholder shall have any right to inspect any books, account or document of the Corporation unless authorized so to do by resolution of the Board of Directors.

(C) Any contract, transaction or act of the Corporation or of the directors which shall be ratified by a majority of a quorum of the stockholders having voting powers at any annual meeting or at any special meeting called for such purpose shall, so far as permitted by law, be as valid and as binding as though ratified by every stockholder of the Corporation.

(D) Unless the by-laws otherwise provide, any officer or employee of the Corporation (other than a director) may be removed at any time with or without cause by the Board of Directors or any committee or superior officer upon whom such power of removal may be conferred by the by-laws or by authority of the Board of Directors.

(E) The Corporation reserves the right from time to time to make any amendment of its charter which may now or hereafter be authorized by law, including any amendments changing the terms of any of its outstanding stock by classification, reclassification or otherwise, but no such amendment which changes the terms of any of the outstanding stock shall be valid unless such change in the terms thereof shall have been authorized by the holders of at least fifty-one percent (51%) of the shares of such stock at the time outstanding by a vote at a meeting or in writing with or without a meeting.



TENTH: The duration of the Corporation shall be perpetual.

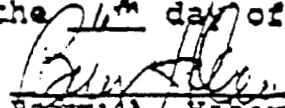
ELEVENTH: The name and address, including street and number, if any, of each incorporator is:

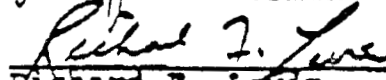
Barry A. Haberman                      1707 H Street, N.W.  
Suite 300  
Washington, D.C. 20006

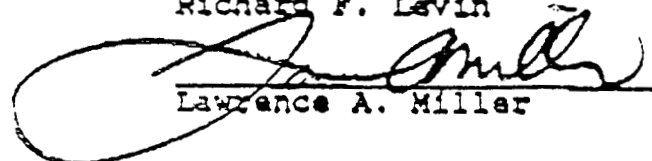
Richard F. Levin                      1707 H Street, N.W.  
Suite 300  
Washington, D.C. 20006

Lawrence A. Miller                      1707 H Street, N.W.  
Suite 300  
Washington, D.C. 20006

IN WITNESS WHEREOF, the undersigned have signed these Articles of Incorporation on the 6<sup>th</sup> day of July, 1987.

  
\_\_\_\_\_  
Barry A. Haberman (SEAL)

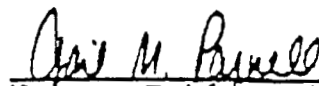
  
\_\_\_\_\_  
Richard F. Levin (SEAL)

  
\_\_\_\_\_  
Lawrence A. Miller (SEAL)

DISTRICT OF COLUMBIA,              SS:

I hereby certify that on the 6<sup>th</sup> day of July, 1987, before me, the subscriber, a Notary Public in and for the District of Columbia, personally appeared BARRY A. HABERMAN, RICHARD F. LEVIN and LAWRENCE A. MILLER and acknowledged the foregoing Articles of Incorporation to be their act and deed.

WITNESS my hand and notarial seal the day and year first above written.

  
\_\_\_\_\_  
Notary Public, D.C.

My Commission Expires: 2-14-88

**CLEARTEL COMMUNICATIONS, INC.**

**EXHIBIT II**

**FINANCIAL CAPABILITY**

A Statement of Financial Capability and the financial statements covering the past three years are submitted in support of the Applicant's financial ability to provide the proposed service.

**CLEARTEL COMMUNICATIONS, INC.**  
**Supplemental Financial Information**

1. Please provide documentation that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.

Cleartel Communications, Inc. possesses the financial capability to provide the requested service. The Company's most recent financial statements as of Year-End 1998 are attached. A review of the financial statements demonstrates that the Company possesses the necessary financial capability. Some of the noteworthy items are:

- Cash & cash equivalent balance of \$2.8 million as of 12/31/98
- Total Assets of approximately 11 million
- Property, Plant and Equipment Balance of \$1.3 million
- Income from Operations of \$545,117 in 1998

Cleartel Communications, Inc. has the financial capability and financial management skills to provide Alternative Local Exchange Service in Florida.

2. Please provide documentation that the applicant has sufficient financial capability to maintain the requested service.

Please see response to question #1.

3. Please provide documentation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

Please see response to question #1.

**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.

# Cleartel Communications

Unaudited Financial Statements

<b><u>Balance Sheet</u></b>	<b><u>1998</u></b>
Cash	\$ 21,303
Accounts receivable, net	2,288,464
Other Current Assets	556,801
	-----
Total current assets	2,866,567
	-----
Property and equipment, net	1,311,204
Other noncurrent assets	6,733,522
	-----
Total noncurrent assets	8,044,726
	-----
Total assets	\$ 10,911,294
	=====
Accounts payable	\$ 6,418,098
Accrued liabilities	1,889,487
	-----
Total current liabilities	8,307,585
	-----
Long term debt, net of current portion	2,581,068
Other long term debt	20,518
	-----
Total liabilities	10,909,170
Owners' Equity	2,123
	-----
Total Liabilities and Owners' Equity	\$ 10,911,294
	=====

<b><u>Income Statement</u></b>	<b><u>1998</u></b>
Gross Revenue	\$ 27,487,480
	-----
Cost of Sales	17,882,016
	-----
Operating Expenses	
Selling, general and administrative	8,656,049
Depreciation and Amortization	404,298
	-----
Total Operating Expenses	9,060,347
	-----
Income from Operations	545,117
	-----
Interest and other expense	734,712
	-----
Income/(Loss) before taxes	(189,595)
Provision for taxes	-
	-----
Net Income (Loss)	\$ (189,595)
	=====

YEAR ENDING 12-31-97

CLEARTEL

REVENUES, NET	\$23,158,439
OPERATING EXPENSES:	
COST OF SALES	6,441,448
SELLING, GENERAL AND ADMINISTRATIVE	14,808,075
TOTAL OPERATING EXPENSES	21,379,523
EBITDA	1,828,916
DEPRECIATION AND AMORTIZATION	916,997
INTEREST AND OTHER EXPENSES, NET	703,376
NET INCOME (LOSS) BEFORE TAXES	129,543
INCOME TAXES	32,828
NET INCOME (LOSS) AFTER TAXES	\$96,715

YEAR ENDING 12-31-98

CLEARTEL

REVENUES, NET	\$21,077,146
OPERATING EXPENSES:	
COST OF SALES	5,639,838
SELLING, GENERAL AND ADMINISTRATIVE	13,986,507
TOTAL OPERATING EXPENSES	19,626,345
EBITDA	1,450,800
DEPRECIATION AND AMORTIZATION	737,837
OTHER EXPENSES, NET	851,000
NET INCOME (LOSS) BEFORE TAXES	(188,037)
INCOME TAXES	21
NET INCOME (LOSS) AFTER TAXES	(\$188,057)

CLEARTEL COMMUNICATIONS  
 BALANCE SHEET  
 DECEMBER 31, 1996 AND 1995  
 (UNAUDITED)

	DEC 1996	DEC 1995
CASH	\$ 318,783	\$ 104,075
ACCOUNTS RECEIVABLE, NET	4,871,232	4,292,422
OTHER CURRENT ASSETS	<u>1,162,968</u>	<u>1,151,369</u>
TOTAL CURRENT ASSETS	6,352,983	5,547,866
PROPERTY AND EQUIPMENT, NET	1,766,838	1,712,346
OTHER ASSETS	<u>773,473</u>	<u>2,286,997</u>
<i>TOTAL ASSETS</i>	<u>\$ 8,893,294</u>	<u>\$ 9,547,209</u>
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$ 4,225,082	\$ 3,657,693
LINES OF CREDIT	4,153,490	4,337,862
CURRENT PORTION OF LONG-TERM DEBT	<u>481,258</u>	<u>308,329</u>
TOTAL CURRENT LIABILITIES	8,859,830	8,303,884
LONG TERM DEBT	2,691,146.00	4,010,524
OTHER ACCRUED LIABILITIES	<u>6,735.00</u>	<u>20,916</u>
TOTAL LIABILITIES	11,557,711	12,335,324
CAPITAL CONTRIBUTION	3,805,321.00	2,591,787
ACCUMULATED DEFICIT	<u>(6,469,738.00)</u>	<u>(5,379,902)</u>
<i>TOTAL LIABILITIES AND ACCUMULATED DEFICIT</i>	<u>\$ 8,893,294</u>	<u>\$ 9,547,209</u>

SENT BY: PRICE WATERHOUSE

5-16-96 : 4:02PM : WASHINGTON PRACTICE

202 463 7190: # 4

CLEARTEL COMMUNICATIONS LIMITED PARTNERSHIP  
BALANCE SHEETS

	<u>December 31,</u>	
	<u>1995</u>	<u>1994</u>
<u>ASSETS</u>		
<b>Current assets</b>		
Cash	\$ 104,075	\$ 63,036
Accounts receivable, net (Note 4)	4,292,422	3,930,259
Other current assets	294,400	330,736
Notes receivable - current	797,837	717,522
Due from related parties (Note 10)	59,132	21,797
Total current assets	5,547,866	5,063,350
Property and equipment, net (Note 5)	1,712,346	1,689,236
Notes receivable - long-term	214,438	151,817
Due from related parties (Note 10)	2,045,731	1,920,636
Other non-current assets	26,828	49,016
Total non-current assets	3,999,343	3,810,705
Total assets	\$ 9,547,209	\$ 8,874,055

LIABILITIES AND ACCUMULATED DEFICIT

<b>Current liabilities</b>		
Accounts payable and other accrued liabilities (Note 6)	\$ 3,657,693	\$ 3,616,725
Lines of credit (Note 7)	4,337,862	3,873,935
Current portion of notes payable and long-term debt (Note 8)	308,329	228,565
Total current liabilities	8,324,800	7,719,225
Long-term notes payable and debt (Note 8)	4,010,524	6,567,957
Other liabilities	20,916	42,526
Total liabilities	12,335,324	14,329,708
Limited partner capital contribution (Note 3)	2,591,787	
Accumulated deficit	(5,379,902)	(5,455,653)
Total liabilities and accumulated deficit	\$ 9,547,209	\$ 8,874,055

The accompanying notes are an integral part of  
these financial statements.

CLEARTEL COMMUNICATIONS LIMITED PARTNERSHIP  
STATEMENTS OF OPERATIONS AND ACCUMULATED DEFICIT

	<u>Year Ended December 31,</u>		
	<u>1995</u>	<u>1994</u>	<u>1993</u>
Revenues, net	<u>\$17,744,478</u>	<u>\$15,140,730</u>	<u>\$18,112,072</u>
Operating expenses			
Cost of sales	4,690,527	4,566,370	5,416,527
Selling, general and administrative	11,705,919	10,213,075	10,272,514
Depreciation and amortization	<u>453,822</u>	<u>715,727</u>	<u>680,403</u>
Total operating expenses	<u>16,850,268</u>	<u>15,495,172</u>	<u>16,369,444</u>
Income (loss) from operations	894,210	(354,442)	1,742,628
Interest expense	797,521	940,026	755,404
Other (income) expense	(2,062)	18,718	4,828
Loss on disposal		<u>636,171</u>	
Income (loss) before income taxes	<u>98,751</u>	<u>(1,949,357)</u>	<u>982,396</u>
Provision for taxes on income (loss)	<u>23,000</u>		<u>31,983</u>
Net income (loss)	<u>\$ 75,751</u>	<u>\$ (1,949,357)</u>	<u>\$ 950,413</u>
Beginning accumulated deficit	<u>\$(5,455,653)</u>	<u>\$(3,506,296)</u>	<u>\$(4,456,709)</u>
Net income (loss)	<u>75,751</u>	<u>(1,949,357)</u>	<u>950,413</u>
Ending accumulated deficit	<u>\$(5,379,902)</u>	<u>\$(5,455,653)</u>	<u>\$(3,506,296)</u>

The accompanying notes are an integral part of  
these financial statements.



SENT BY: PRICE WATERHOUSE

5-16-96 : 4:03PM : WASHINGTON PRACTICE

202 463 7190: # 6

CLEARTEL COMMUNICATIONS LIMITED PARTNERSHIP  
STATEMENTS OF CASH FLOWS

	<u>Year Ended December 31,</u>		
	<u>1995</u>	<u>1994</u>	<u>1993</u>
Cash flows from operating activities:			
Net income (loss)	\$ 75,751	\$ (1,949,357)	\$ 950,413
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Provision for uncollectibles on accounts receivable	2,495,080	1,794,523	1,636,176
(Increase) in accounts receivable	(2,857,243)	(2,082,971)	(173,855)
Decrease in other assets	58,524	185,263	341,191
(Increase) in notes receivable	(142,936)	(869,339)	
Loss on disposal of asset		636,171	
Depreciation and amortization	453,822	715,727	680,403
Increase (decrease) in accounts payable and other accrued liabilities	61,884	636,026	(383,613)
(Decrease) increase in due to related parties		(96,001)	33,141
(Decrease) increase in other liabilities	(42,526)	42,526	
Net cash (used in) provided by operating activities	<u>102,356</u>	<u>(987,432)</u>	<u>3,083,856</u>
Cash flows from investing activities:			
Purchases of property and equipment, net	(306,957)	(214,394)	(474,404)
(Increase) in due from related parties	(162,430)	(275,719)	(1,374,154)
Net cash used in investing activities	<u>(469,387)</u>	<u>(490,113)</u>	<u>(1,848,558)</u>
Cash flows from financing activities:			
Proceeds from (repayment of) lines of credit	463,927	1,104,464	(498,614)
Proceeds from (repayment of) notes payable, net	206,069	602,215	(52,000)
Principal payments under capital lease obligations	(261,926)	(417,480)	(627,118)
Net cash provided by (used in) financing activities	<u>408,070</u>	<u>1,289,193</u>	<u>(1,307,732)</u>
Net increase (decrease) in cash	41,039	(188,352)	(72,434)
Cash at beginning of year	63,036	251,388	323,822
Cash at end of year	<u>\$ 104,075</u>	<u>\$ 63,036</u>	<u>\$ 251,388</u>
<u>Supplemental disclosure of cash flow information:</u>			
Cash paid during the year for interest	<u>\$ 648,565</u>	<u>\$ 410,102</u>	<u>\$ 763,434</u>
Cash paid during the year for taxes	<u>\$ 0</u>	<u>\$ 34,571</u>	<u>\$ 61,000</u>

Supplemental disclosure of noncash investing and financing activities:

Capital lease obligations of \$169,975, \$636,090 and \$73,508 were incurred when Cleartel entered into leases for new equipment during 1995, 1994 and 1993, respectively.

The accompanying notes are an integral part  
of these financial statements.

**CLEARTEL COMMUNICATIONS, INC.**

**EXHIBIT III**

**MANAGERIAL CAPABILITY**

**CLEARTEL COMMUNICATIONS, INC.**  
**Managerial Capability**

Cleartel Communications, Inc.'s management team includes the following individuals:

Stephen R. Roberts - President  
Marguerite Vaught, Director of Customer Service  
John Seitz, Sr. Manager of Operations

The profiles of the each member of the management team are noted on the following pages.

The team consists of members who possess experience in primary business disciplines of managing a successful local exchange and interexchange telecommunications company. The individuals on the team have experience in the provision of quality telecommunications services and successful business management.

The management team is committed to quality and innovative service along with competitive prices in their provision of local exchange service.

**CLEARTEL COMMUNICATIONS, INC.**  
**Managerial Capability**

Cleartel Communications, Inc.'s management team includes the following individuals:

Stephen R. Roberts - President  
Marguerite Vaught, Director of Customer Service  
John Seitz, Sr. Manager of Operations

The profiles of the each member of the management team are noted on the following pages.

The team consists of members who possess experience in primary business disciplines of managing a successful local exchange and interexchange telecommunications company. The individuals on the team have experience in the provision of quality telecommunications services and successful business management.

The management team is committed to quality and innovative service along with competitive prices in their provision of local exchange service.

**CLEARTELCOMMUNICATIONS**  
**Profiles of Key Personnel**

Cleartel Communications, Inc. is a facilities based telecommunications company providing dynamic, innovative solutions to business, commercial, and residential markets. Led by a team of aggressive and experienced professionals, the Company is committed to business integrity and superior customer service.

**Stephen R. Roberts - President**

Stephen R. Roberts was appointed President of Cleartel Communications Inc. in February of 1999. Mr. Roberts had been Cleartel's Vice President of Sales and General Manager since January 1997. He joined Cleartel in 1994 as Director of Sales. Before that, from 1992 to 1993, Mr. Roberts was a partner in TELEDRAFT, a provider of pre-paid calling card and long distance services. Previously, Mr. Roberts served as the Vice President of Sales and Executive Vice President at AMNEX from 1987 to 1992, a leading OSP and long distance company. Other assignments in his 16 years in the telecommunications industry include a variety of sales and sales management positions with Ameritech Mobile Communications and Telemarketing Communications Inc. He has an undergraduate degree from the University of Kentucky. Mr. Roberts is a member of Cleartel's board of directors.

**John Seitz, Sr. Manager of Operations**

Mr. Seitz is responsible for the Management of all switching facilities owned and operated by Cleartel. He is also responsible for the design and implementation of all future switch sites as well as the design and implementation of the company's network/backbone. Mr. Seitz has held positions in Network quality assurance and as a trainer on various equipment and procedures and has over 17 years experience on both switching and network facilities and equipment (DS0 through DS3). He is certified on the DSC DEX 400, Tellabs Titan 532 DAC's, and the NEC sonet systems to include their WDM equipment. In his career he has tested and accepted over 3000 T1's both in-band and SS7. Mr. Seitz has earned Associates degrees in Electronic Systems Technology as well as Telecommunications Management

**Terri Peck - Director of Finance & Administration**

Terri Peck was named Director of Finance & Administration at Cleartel Communications in February 1999. From 1997 to 1999, she served as Manager of Finance & Administration at CAIS Internet, a first-tier Internet service provider. From 1996 to 1997, she was Director of Finance at NATSO, a national trade association serving the travel plaza industry. Prior to that, from 1989 to 1995, she held the position of Controller at Hard Rock Cafe and at Planet Hollywood. Ms. Peck's undergraduate studies were at Case Western Reserve University.

### **Judy Cronin- VP Sales**

Judy S. Cronin was appointed Vice President of Sales of Cleartel Communications in February 1999. Prior to that she was Director of Sales and Agent Support since March 1998. Judy joined the company in February 1996 as Agent Sales Manager. From September 1994 to January 1996 she was the Director of Agents Sales for Keystone Corporation and Northeast Regional Sales Manager for Peoples Telephone Company from January 1993 to August 1994. All together, Judy has over 21 years in the communications and computer industries both at IBM and Harris Corporation in addition to the positions above. Judy has a BA from Columbia College, Columbia, South Carolina.

### **Chris Murphy - Director of OSP Sales**

Chris Murphy was appointed Director of OSP sales for Cleartel in February. Chris has been with Cleartel since 1993 serving as National Accounts Manager for COCOT's. During a 17 year sales career Chris has also served as Branch Manager for Metromedia/ITT and as a Major Accounts Manager for Sprint. Chris received his BA in Marketing/Management from Texas Tech University in Lubbock, Texas.

### **Marguerite Vaught - Director of Customer Service**

Marguerite Vaught has prior experience in telecommunications support functions and is responsible for supervision, training and development of the customer service staff. The Customer Service Department is staffed 24 hours per day and maintains cost effective measurements while insuring high quality of service and complete customer satisfaction.

### **Ron Keating - Director of Operational Systems Development**

Ron has almost 20 years experience on a variety of large scale Business Information Systems applications for the Satellite Communications, Retail, Wholesale Supply, and the Hospitality Industries. Ron has managed and worked on projects using a variety of MIS methodologies, programming languages, and data base file structures on numerous computer platforms. Ron earned a Bachelor in Business Administration from Mary Washington College and a Masters of Science in Systems Management from Capitol College.

**CLEARTEL COMMUNICATIONS, INC.**

**EXHIBIT IV**

**TECHNICAL CAPABILITY**

## TECHNICAL CAPABILITY

Cleartel Communications, Inc. has been in the business of providing long distance telecommunications services since 1987. The company has a proven track record for providing high quality services and responsive customer service. The company's technical capabilities as a reseller of local exchange service are evidenced by its strong track record of providing quality interexchange service in Florida.

The company intends to provide local exchange service in Florida as a reseller of the incumbent local exchange company's facilities. As a reseller, Cleartel Communications, Inc. will rely on its facilities-based underlying carriers for the operation and maintenance of the local exchange network. The company will use only reputable underlying carriers to ensure that high quality service is provided to customers. Cleartel Communications, Inc.'s resale experience in the interexchange services market will enable it to competently manage the technical aspects of its resold local exchange services. In its expansion into the local exchange market, to the benefit of its customers, the company will take advantage of many of its existing operations including billing arrangements, customer service and network management.

Access to 911 emergency service will also be provided via the facilities of the underlying local exchange company. The company will use only reputable underlying carriers to ensure that high quality service is provided to customers.

Cleartel's services will satisfy the minimum standards established by the Florida Public Service Commission. The Company will file and maintain tariffs in the manner prescribed by the Commission and will meet the minimum basic local standards, including the quality of service and billing standards required of all LECs regulated by the Commission.

As the foregoing illustrates, Cleartel possesses considerable telecommunications expertise and is well qualified to provide local exchange service in Florida.

The profiles of key personnel provided in Exhibit II of this application provide further evidence of the company's technical capability to provide local services.





DEPOSIT  
D136\*

DATE  
MAY 14 1999

May 12, 1999  
Via Overnight Delivery

210 N. Park Ave.  
Winter Park, FL  
32789

Ms. Blanca Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0870

990626-TX

P.O. Drawer 200  
Winter Park, FL  
32790-0200

RE: Alternative Local Exchange Carrier Application for  
Cleartel Communications, Inc.

Tel: 407-740-8575  
Fax: 407-740-0613  
tmi@tminc.com

Dear Ms. Bayo:

Enclosed for filing is one (1) original and six (6) copies of the Alternative Local Exchange Carrier Application filed on behalf of Cleartel Communications, Inc. ("Cleartel"). A check in the amount of \$250 made payable to the Florida Public Service Commission is enclosed with this application.

Please acknowledge receipt of this filing by returning the extra copy of this letter, file stamped, in the self-addressed, stamped envelope enclosed for that purpose.

Questions regarding this filing may be directed to me at (407) 740-8575. Thank you for your cooperation and assistance.

Sincerely,

DOCUMENT NUMBER - DATE  
06143 MAY 14 99  
FISC - RECORDS/REPORTING  
22919

TECHNOLOGIES MANAGEMENT, INC.  
P.O. BOX 200  
210 N. PARK AVE.  
WINTER PARK, FL 32789-0200  
(407) 740-8575

NATIONSBANK  
WINTER PARK, FL 32789

4/26/1999

PAY TO THE ORDER OF Florida Public Service Commission \$ \*\*250.00

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

Florida Public Service Commission  
Records & Reporting  
2540 Shumard Oaks Blvd.  
Tallahassee, FL 32302-1500

DOLLARS  
Security features  
Included.  
Details on back.

TECHNOLOGIES MANAGEMENT, INC.

MEMO florida Public Service Commission