

DIVISION OF TELECOMMUNICATIONS
BUREAU OF CERTIFICATION AND SERVICE EVALUATION

Application Form
for Authority to Provide
Interexchange Telecommunications Service
Between Points Within the State of Florida

Instructions

- ◆ This form is used as an application for an original certificate and for approval of assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Appendix A).
- ◆ Print or Type all responses 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.
- ◆ Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of **\$250.00** to:

**Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6770**

Note: **No filing fee is required** for an assignment or transfer of an existing certificate to another certificated company.

- ◆ If you have questions about completing the form, contact:

**Florida Public Service Commission
Division of Telecommunications
Bureau of Certification and Evaluation
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6600**

1. This is an application for $\sqrt{\quad}$ (check one):
- Original certificate** (new company). *REINSTATEMENT*
 - Approval of transfer of existing certificate:**
Example, a certificated company purchases an existing certificated company and desires to retain the authority of both certificates.
 - Approval of assignment of existing certificate:**
Example, a non-certificated company purchases an existing company and desires to retain the certificate of authority rather than apply for a new certificate.
 - Approval of transfer of control:**
Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of company:

QUEST TELECOMMUNICATIONS, INC.

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

QUEST TELECOMMUNICATIONS, INC.

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

QUEST TELECOMMUNICATIONS, INC.

6322 SOUTH 3000 EAST

SALT LAKE CITY, UT. 84121-6922

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

UT CORPORATION SYSTEM

1200 SOUTH PINE ISLAND ROAD

PLANTATION, FL. 33324

6. Select type of business your company will be conducting \checkmark (check all that apply):

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

7. Structure of organization;

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

8. **If individual**, provide:

Name: N/A

Title: _____

Address: N/A

City/State/Zip: N/A

Telephone No.: N/A Fax No.: _____

Internet E-Mail Address: N/A

Internet Website Address: N/A

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

(a) **The Florida Secretary of State Corporate Registration number:**
N/A

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

(a) **The Florida Secretary of State Corporate Registration number:**
F92000000438

11. **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:** N/A

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

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

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

Name: N/A

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

Internet E-Mail Address: _____

Internet Website Address: N/A

14. **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: N/A

15. Provide **F.E.I. Number** (if applicable): 65-0262200

16. Provide the following (if applicable):

(a) Will the name of your company appear on the bill for your services?
() Yes () No

(b) If not, who will bill for your services?

Name: _____

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

(c) How is this information provided?

17. Who will receive the bills for your service?

- | | |
|---|---|
| (<input type="checkbox"/>) Residential Customers | (<input type="checkbox"/>) Business Customers |
| (<input type="checkbox"/>) PATs providers | (<input type="checkbox"/>) PATs station end-users |
| (<input type="checkbox"/>) Hotels & motels | (<input type="checkbox"/>) Hotel & motel guests |
| (<input type="checkbox"/>) Universities | (<input type="checkbox"/>) Universities dormitory residents |
| (<input checked="" type="checkbox"/>) Other: (specify) <u>Debit card purchasers</u> | |

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

(a) The application:

Name: BRENT JONES
Title: TAX ACCOUNTANT
Address: 6322 SOUTH 3000 EAST
City/State/Zip: SALT LAKE CITY, UT 84121-6922
Telephone No.: 801-733-3429 Fax No.: 801-733-3445
Internet E-Mail Address: BRENTJ@TELTRUST.COM
Internet Website Address: TELTRUST.COM

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

Name: DEBORAH BARRETT
Title: V.P. REGULATORY
Address: 6322 SOUTH 3000 EAST
City/State/Zip: SALT LAKE CITY, UT 84121-6922
Telephone No.: 801-733-3420 Fax No.: 801-733-3424
Internet E-Mail Address: DEBORAHB@TELTRUST.COM
Internet Website Address: TELTRUST.COM

(c) Complaints/Inquiries from customers:

Name: DEBORAH BARRETT
Title: V.P. REGULATORY
Address: 6322 SOUTH 3000 EAST
City/State/Zip: SALT LAKE CITY, UT 84121-6922
Telephone No.: 801-733-3420 Fax No.: 801-733-3424
Internet E-Mail Address: DEBORAHB@TELTRUST.COM

Internet Website Address: TRUST.COM

19. List the states in which the applicant:

(a) has operated as an interexchange telecommunications company.

AK, CT, DE, FL, GA, IL, IN, MA, MD, NH, OH, WY.

(b) has applications pending to be certificated as an interexchange telecommunications company.

none

(c) is certificated to operate as an interexchange telecommunications company.

same as (a)

(d) has been denied authority to operate as an interexchange telecommunications company and the circumstances involved.

N/A

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

N/A

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

N/A

20. 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. If so, please explain.

None

(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

21. The applicant will provide the following interexchange carrier services \checkmark (check all that apply):

a. _____ **MTS with distance sensitive per minute rates**

_____ Method of access is FGA
_____ Method of access is FGB
_____ Method of access is FGD
_____ Method of access is 800

b. _____ **MTS with route specific rates per minute**

_____ Method of access is FGA
_____ Method of access is FGB
_____ Method of access is FGD
_____ Method of access is 800

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

- _____ Method of access is FGA
- _____ Method of access is FGB
- _____ Method of access is FGD
- _____ Method of access is 800

d. _____ **MTS for pay telephone service providers**

e. _____ **Block-of-time calling plan (Reach Out Florida, Ring America, etc.).**

f. _____ **800 service (toll free)**

g. _____ **WATS type service (bulk or volume discount)**

- _____ Method of access is via dedicated facilities
- _____ Method of access is via switched facilities

h. _____ **Private line services (Channel Services)**
(For ex. 1.544 mbs., DS-3, etc.)

i. _____ **Travel service**

- _____ Method of access is 950
- _____ Method of access is 800

j. _____ **900 service**

k. _____ **Operator services**

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

l. **Services included are:**

- _____ Station assistance
- _____ Person-to-person assistance
- _____ Directory assistance
- _____ Operator verify and interrupt
- _____ Conference calling

22. Submit the proposed tariff under which the company plans to begin operation. Use the format required by Commission Rule 25-24.485 (example enclosed).

23. Submit the following:

A. Financial capability.

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

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

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

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

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

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

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

C. Technical capability; give resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance.

**** APPLICANT ACKNOWLEDGMENT STATEMENT ****

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
4. **APPLICATION FEE:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

UTILITY OFFICIAL:

<u>Dale Christensen</u> Signature	<u>21 May 99</u> Date
<u>Corporate Controller</u> Title	<u>801-733-3429</u> Telephone No.
Address: <u>6322 South 3000 East</u> <u>Salt Lake City, Utah 84121</u>	<u>801-733-3445</u> Fax No.

ATTACHMENTS:

- A - CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT
- B - CUSTOMER DEPOSITS AND ADVANCE PAYMENTS
- C - CURRENT FLORIDA INTRASTATE NETWORK
- D - AFFIDAVIT
 - FLORIDA TELEPHONE EXCHANGES AND EAS ROUTES
 - GLOSSARY

CERTIFICATE TRANSFER, OR ASSIGNMENT STATEMENT

I, (Name) _____,

(Title) _____ of

(Name of Company)

and current holder of Florida Public Service Commission Certificate Number

_____, have reviewed this application and join in the
petitioner's request for a:

() transfer

() assignment

of the above-mentioned certificate.

UTILITY OFFICIAL:

Signature

Date

Title

Telephone No.

Address: _____

Fax No.

CUSTOMER DEPOSITS AND ADVANCE PAYMENTS

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

- () The applicant will **not** collect deposits nor will it collect payments for service more than one month in advance.

- () The applicant intends to collect deposits and/or advance payments for more than one month's service and will file and maintain a surety bond with the Commission in an amount equal to the current balance of deposits and advance payments in excess of one month.
(The bond must accompany the application.)

UTILITY OFFICIAL:

Signature

Date

Title

Telephone No.

Address: _____

Fax No.

CURRENT FLORIDA INTRASTATE SERVICES

Applicant **has** () or **has not** () previously provided intrastate telecommunications in Florida.

If the answer is has, fully describe the following:

a) What services have been provided and when did these services begin?

b) If the services are not currently offered, when were they discontinued?

UTILITY OFFICIAL:

Signature _____ Date _____

Title _____ Telephone No. _____

Address: _____ Fax No. _____

AFFIDAVIT

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

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

UTILITY OFFICIAL:

Signature

Date

Title

Telephone No.

Address: _____

Fax No.

Quest Telecommunications, Inc.
Balance Sheet

Description	December 31, 1997	December 31, 1998
Current assets:		
Cash and cash equivalents:	(30,365.00)	617,865.00
Accounts receivable:		
Third party billings, net of estimated clearing costs:	457,275.00	1,331,162.00
Other, net of allowance for doubtful accounts	28,796.00	156,584.00
Intercompany A/R & A/P:	0.00	0.00
Prepaid expenses:	0.00	0.00
Inventory:	0.00	81,720.00
Other current assests:	0.00	0.00
Total current assets	455,706.00	2,187,331.00
Property and equipment (Not included in calculation of Total Assests):	0.00	0.00
Accumulated depreciation (Not included in calculation of Total Assests):	0.00	0.00
Property and equipment, net of accumulated depreciation:	200,895.00	1,932,655.00
Equipment held under capital lease obligations, net of accumulated amortization:	0.00	0.00
Notes receivable from related parties:	0.00	0.00
Other assets, net of accumulated amortization:	107,858.00	110,301.00
Total assets	764,459.00	4,230,287.00
Current liabilities:		
Current FLOC	0.00	0.00
Current portion of notes payable:	0.00	0.00
Current portion of capital lease obligation:	0.00	0.00
Accounts payable:	597,036.00	2,922,079.00
Accrued liabilities	1,652,917.00	859,023.00
Customer deposits	0.00	0.00
Intercompany A/R & A/P:	1,079,351.00	0.00
Accrued payroll	0.00	0.00
Other current liabilities:	694,315.00	809,210.00
Total current liabilities	4,023,619.00	4,590,312.00
Revolving line of credit	0.00	0.00
Notes payable, net of current portion:	0.00	0.00
Capital lease obligations, net of current portion:	2,888.00	4,196.00
Total liabilities	4,026,507.00	4,594,508.00
Stockholders' (equity) deficit:		
Preferred stock, \$.01 par value	0.00	0.00
Common stock, \$.01 par value	0.00	0.00
Additional paid-in capital	0.00	0.00
Stockholder receivables	0.00	0.00
Retained earnings (deficit)	(3,262,048.00)	(364,221.00)
Total stockholders' equity (deficit)	(3,262,048.00)	(364,221.00)
Total liabilities and stockholders' equity (deficit)	764,459.00	4,230,287.00

Quest Telecommunications, Inc.
Income Statement

Operating revenues	19,577,003.00
Costs of operating revenues	14,014,737.00
Gross profit	5,562,266.00
Operating expenses:	
Selling, general and administrative	5,407,981.00
Depreciation and amortization:	184,853.00
Total operating expense	5,592,834.00
Operating income (loss)	(30,568.00)
Other income (loss):	
Interest income	0.00
Other income (expense)	(333,653.00)
Interest expense	0.00
Total other income (expense), net	(333,653.00)
Loss from continuing operations before income taxes	(364,221.00)
Provision for (benefit from) income taxes:	0.00
Net income / (loss)	(364,221.00)

Quest Telecommunications, Inc.
Statement of Cash Flows

Period Ending :

December 31, 1998

Cash flows from operating activities:

Net Income (Loss)	\$ 2,897,827
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities	
Depreciation and amortization PP&E	-
Depreciation and amortization other assets	-
Provision for doubtful accounts receivable	-
Non cash interest expense	-
Other	-
Change in assets:	
(Increase) Decrease in:	
Third party billings receivable	(873,887)
Other accounts receivables, net	(127,788)
Prepaid expenses & other	0
Other current assets, net	(81,720)
Other assets	(2,443)
Change in liabilities:	
Increase (Decrease) in:	
Accounts payable	2,325,043
Accrued liabilities	(793,894)
Intercompany A/R & A/P	(1,079,351)
Other current liabilities	114,895
Client Deposits	-
Accrued payroll	-
Net cash provided by (used in) operating activities	2,378,682

Cash flows from investing activities:

Purchase of property and equipment	(1,731,760)
Notes receivable - related party	-
Decrease in restricted cash	-
Net cash used in investing activities	(1,731,760)

Cash flows from financing activities:

<u>Proceeds from:</u>	
Sale of preferred shares	-
Sale of common shares	-
Stockholder receivable	-
Revolving line of credit	-
Warrents	-
<u>Payments to:</u>	
Repurchase preferred stock	-
Repurchase common stock	-
Notes payable	-
Capital lease obligations	1,308
Subordinated revolving credit	-
Notes payable to shareholders	-
Net cash provided by (used in) financing activities	1,308
Net increase (decrease) in cash	648,230
Cash at beginning of period	(30,365)
Cash at end of period	617,865