

309

**T**elecom  
**C**onnection  
*Voice, Data & Communication Management*

June 4, 1999

Florida Public Service Commission  
Division of Records and Reporting  
2540 Shumard Oak Blvd  
Tallahassee, FL 32399-0850

Re: Application for Shared Tenant.

990785-75

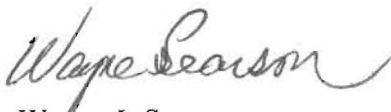
To Whom It May Concern,

Telecom Connection is an interconnect company in Delray Beach, FL. Our company originated in January of 1995. The services that we currently provide consist of Key Systems, PBX's Voice Mail and Long Distance. In addition to installing and maintaining equipment, Telecom Connection offers a full range of communication management. The communication management allows Telecom Connection to coordinate all telco circuits as in CO's, DID's, T1, etc..

Telecom Connection sees a great need to provide additional services to our customers. The services that we need to provide are shared tenant services included local dial tone and network circuits. With the great deal of experience and knowledge along with the ongoing growth of our installed base, we look forward to being able to provide local dial tone to our customers.

Thank you in advance for your assistance concerning this matter. If additional information is needed please contact this office.

Respectfully,



Wayne J. Searson  
President

Enclosure


Check received with filing and  
forwarded to Fiscal for deposit.  
Fiscal to forward a copy of check  
to RAR with proof of deposit.

Initials of person who forwarded check:



DOCUMENT NUMBER-DATE

07398 JUN 18 99


  
*Voice, Data & Communication Management*

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Thank you in advance for your assistance concerning this matter. If additional information is needed please contact the office at 321-241-3131.

**TELECOM CONNECTION CORP.** 2-96  
 990 S. CONGRESS AVE., STE. 1  
 DELRAY BEACH, FL 33445

**FIRST UNION NATIONAL BANK**  
 BOYNTON BEACH, FL

2413

6/11/99

PAY TO THE ORDER OF Florida Public Service Commission

\$ \*\*250.00

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

Florida Public Service Commission  
 Division of Records and Reporting  
 2540 Shumard Oak Blvd.  
 Tallahassee, FL 32399-0850

**DOLLARS**  
 Security features included.  
 Details on back.

MEMO Application for Alternative Local Exchange Service

⑈ 00 24 13 ⑈

*Wayne Pearson*

## APPLICATION

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

**Original certificate** (new company).

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

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

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

2. Name of company:

TELECOM CONNECTION, CORP.

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

TELECOM CONNECTION, CORP.

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

990 SOUTH CONGRESS AVE

SUITE 1

DELRAY BEACH, FL 33445

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

990 SOUTH CONGRESS AVENUE

SUITE1

6. Structure of organization:

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

7. **If individual**, provide:

Name: \_\_\_\_\_ N/A \_\_\_\_\_

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:**

\_\_\_\_\_ P94000072304 \_\_\_\_\_

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

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

\_\_\_\_\_ N/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:**

N/A

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

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

N/A

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12. **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: \_\_\_\_\_

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:** N/A

14. Provide **F.E.I. Number**(if applicable): 65-1408829

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.

N/A

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(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.

N/A

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

(a) The application:

**Name:** JULIE ANNE DEMORE

**Title:** ADMINISTRATOR

**Address:** 990 SOUTH CONGRESS AVENUE SUITE 1

**City/State/Zip:** DELRAY BEACH, FL 33445

**Telephone No.:** 561-265-1414x227 **Fax No.:** 561-265-1432

**Internet E-Mail Address:** telecom@bellsouth.net

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

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

**Name:** WAYNE SEARSON

**Title:** MANAGING DIRECTOR

**Address:** 990 SOUTH CONGRESS AVENUE SUITE 1

**City/State/Zip:** DELRAY BEACH, FL33445

**Telephone No.:** 561-265-1414x222 **Fax No.:** 561-265-1432

**Internet E-Mail Address:** telecom@bellsouth.net

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

(c) **Complaints/Inquiries from customers:**

**Name:** WAYNE SEARSON

**Title:** MANAGING DIRECTOR

**Address:** 990 SOUTH CONGRESS AVENUE SUITE 1

**City/State/Zip:** DELRAY BEACH, FL 33445

**Telephone No.:** 561-265-1414x222 **Fax No.:** 561-265-1432

**Internet E-Mail Address:** telecom@bellsouth.net

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

17 List the states in which the applicant:

(a) has operated as an alternative local exchange company.

N/A

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

N/A

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

N/A

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(d) has been denied authority to operate as an alternative local exchange 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

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18. Submit the following:

A. Financial capability.

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

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

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



3. statement of retained earnings.

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

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

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

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

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

**UTILITY OFFICIAL:**

<u>Wayne Pearson</u> Signature	<u>June 11, 1999</u> Date
<u>Managing Director</u> Title	<u>561-265-1414 ext 222</u> Telephone No.
<u>Address: 990 S. Congress Avenue Suite 1</u> <u>Delray Beach, FL 33445</u>	<u>561-265-1432</u> Fax No.

**ATTACHMENTS:**

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

**AFFIDAVIT**

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

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

**UTILITY OFFICIAL:**

<u>Wayne Pearson</u>	<u>June 11, 1999</u>
Signature	Date
<u>Managing Director</u>	<u>561-265-1414 ext 222</u>
Title	Telephone No.
<u>Address: 990 S. Congress Avenue</u>	<u>561-265-1432</u>
<u>Suite 1</u>	Fax No.
<u>Delray Beach, FL 33445</u>	

ROBERT SACHT  
16694 108th Terr. North  
Jupiter, FL 33478  
(561) 575-5846

EXPERIENCE:

TELECOM CONNECTION, Delray Beach, FL

Oct. 1994  
to  
Present  
Operations manager responsible for 30 + customers from Miami to Vero Beach. Supervise all phases of Installing PBX switches, Data Systems and all cabling of jobs. Provide engineering for sales and system installs.

REALCOM, Miami, FL

Jul. 1990  
to  
Oct. 1994  
Service manager with duties consisting of; Delegating work for 8 service and install technicians from West Palm Beach to Miami. Responsible for an account base of 50 plus accounts, ranging from 150 to 3500 ports. Provide our sales force with sales engineering for new customers and work with the needs of all our customers.

IBM/ROLM, Jericho, New York

Aug. 1983  
to  
Jun. 1990  
European American Bank - On site technician at European American Bank servicing a 7 node 9000 Rolm System. Duties include repair of 3000 stations and all changes to software. Coordinate and implement an ACD application for tenant sharing of the same switch. Service a T1D3 network linking together three switches for a common dialing plan. Manage and provide call detail recording for the customer using magtape method.

Hofstra University College - In charge of a 5 node 6000 station 9000 System with over 300 data users. Manage and service a 90 building complex over 275 acres. Charted a cabling schematic for the underground plant throughout the campus. Service, splice and install underground cable for new buildings. Involved with the installation of two new switch rooms using Fiber optics and T1D3 spans to link switches together. Provide Data switching and service to over 300 users through the Rolm switch utilizing pooled modems out to the public network.

IBM/ROLM - Continued

Manhattan New York - Provided service for 32 accounts in the midtown Manhattan area. Responsibilities were to give customer support and Engineering to all new add ons to their systems. Made changes to all software and manage their switches to that they can operate their business with minimum phone outages.

Reliable Interconnect, East Meadow, New York

Sept. 1975 Managed and supervised a team of 15 installers in the  
to New York Manhattan area. Interacted with other  
Aug. 1983 contractors such as ITT and GTE, in order to complete  
jobs. Installed systems at New York Public Library,  
Hilton Hotel, Plaza Hotel and many other large systems.

SPECIAL  
EDUCATION:

Sept. 1977 - New York Technical College  
Dec. 1983 -- Introduction to the CBX Course  
Feb. 1984 - CBX Extended maintenance Course  
Nov. 1985 - Introduction to Data Communications Course  
Nov. 1985 - CBX II 8000 Data Communications Software maintenance  
Nov. 1986 - CBX II 9000 Maintenance  
Apr. 1987 - CBX II 9000 Data Communications  
Oct. 1987 - CBX II 9000 Rolmbus 295 Maintenance Update Course  
Feb. 1988 - T1/D3 Maintenance  
May 1991 - SL-1 Meridian/Northern Telecom  
Sept. 1992 - Newbridge Channel Bank  
Aug. 1993 - Compass Voice Mail  
May 1993 - SRX PBX  
July 1994 - Centigram Voice mail  
May 1995 - Rolm Phone Mail

EDUCATION:

Uniondale High School, Uniondale, NY  
Graduated June 1978

PERSONAL: Age 37, married, 2 children, excellent health

# Palm Beach County

## CONTRACTOR'S CERTIFICATE OF COMPETENCY

This is to certify that in accordance with the provisions of Chapter 67-1876, Laws of Florida, as amended:

ROBERT W. SACTH

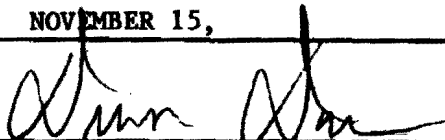
has been duly certified as a:

COMMUNICATION AND SOUND SYSTEMS CONTRACTOR

CONSTRUCTION INDUSTRY LICENSING BOARD OF PALM BEACH COUNTY



Dated NOVEMBER 15, 1997

  
\_\_\_\_\_

✓ Chairman

  
\_\_\_\_\_

Director

# Wayne Searson

## Professional Experience

1995-Present                      Telecom Connection, Corp.                      Delray Beach, FL

### President

*Telecom Connection provides a full range of communications services consisting of equipment, installation, adds, moves and changes and full range of ongoing services to our customers. Telecom Connection has had ongoing success and growth throughout it's existence. Telecom Connection's client base consists of major medical centers, fortune 500 companies in addition to national accounts.*

1992-1995                      RealCom Office Communications                      Miami, FL

*Nationwide company specializing in third party maintenance for Rolm PBX equipment, new equipment consisting of Northern Telecom PBX and Norstar systems, along with network services and shared tenant.*

### Operations Manager

- Sold and serviced full range of communication services which consist of equipment, shared tenant services, local dial tone and long distance. Shared tenant services allowed RealCom to be the local phone company with-in those buildings.
- Maintained 132% of quota and ranked as #3 rep in the country handling major accounts. This ongoing success is attributed to my technique of presenting bundled services. Bundled services consist of long distance, T1 connectivity, channel banks, credit cards, local area and wide area networks, PBX equipment and maintenance.
- Major accomplishment - successfully located and sold RealCom's first and one of the largest Class A shared tenant buildings in Florida. Services that are being provided within this building consist of Bell Services, long distance, T1, voice and data connectivity and communication equipment.

1990-1992                      Northern Telecom Meridian Systems                      Melville, NY

*Leading Supplier of Digital PBX in the world. Major Accomplishment - Strategized and transitioned National Accounts generated during career at HARRIS LANIER to NORTHERN TELECOM MERIDIAN SYSTEMS. This successful transition focused on upgrades to digital technology, voice and data.*

### Senior Account Executive

- Sold the Meridian 1 voice and data PBX, Meridian Voice Mail, ISDN, ANI digital interface network and Norstar Systems.
- Sold and Implemented systems in cities throughout the country.
- Ranked as Number 1 Sales Representative in territory.

1985-1989                      Harris Lanier Voice Products                      New York, NY

*Supplier of telecommunications equipment, PBXs, Key Systems*

### National Sales Manager

- Promoted to handle Fortune 500 companies and sales personnel in New York City in October of 1988. Responsibilities included hiring and training sales personnel in the field. Successfully increased current accounts by \$400,000 in sales and noted as the top sales manager in the country in December, 1988.
- Personally achieved the distinction of being a Top 10% Sales manager, nationwide throughout 200 Harris Lanier U.S. locations for three consecutive years. Generated and secured national business from Fortune 500 companies.
- Promoted to Sales Manager in Nassau County in 1987. Began in 1985 as sales representative in Suffolk County selling Key Systems and PBX. Maintained 150% of quota.

## Education

Suffolk Community College, Selden, NY - January 1983 Major: Digital Electronics  
Island Technical Institute, Amityville, NY - April 1981 Electronics  
Suffolk Community College, Selden, NY - September 1979 Studied Computer Programming

COPY

Department of the Treasury Internal Revenue Service

U.S. Income Tax Return for an S Corporation 1998

OMB No. 1545-0130

IRS use only - Do not write or staple in this space.

Form 1120S

Do not file this form unless the corporation has timely filed Form 2553 to elect to be an S corporation. See separate instructions.

For calendar year 1998, or tax year beginning 1998, ending 19

Header section containing: A Effective date of Election as an S Corporation (10/03/94), B New Business Code No. (541990), C Employer Identification Number (06-1408829), D Date incorporated (10/03/94), E Total Assets (109,732), and F Check applicable boxes.

F Check applicable boxes: (1) Initial return (2) Final return (3) Change in address (4) Amended return. G Enter number of shareholders in the corporation at end of the tax year 1

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Main table with columns for Income (lines 1-6), Deductions (lines 7-21), and Tax and Payments (lines 22-27). Includes sub-columns for 1a, 1c, 14a, 14b, 14c, 22a, 22b, 22c, 23a, 23b, 23c, 23d, 25, 26, 27.

Please Sign Here. Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature and Preparer information section. Includes fields for Signature of Officer, Date, Title, Preparer's Signature, Date (03/05/99), Preparer's Social Security Number, Firm's Name (G & K Enterprises), Address (17689 Pine Needle Terrace, Boca Raton, FL), and ZIP Code (33487-2128).



**Schedule A Cost of Goods Sold** (see instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	164,174.
3	Cost of labor	3	
4	Additional Section 263A costs (attach schedule)	4	
5	Other costs (attach schedule) See Schedule A, Other Costs	5	8,512.
6	Total. Add lines 1 through 5	6	172,686.
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	172,686.

9a Check all methods used for valuing closing inventory:

- (i)  Cost as described in Regulations Section 1.471-3
- (ii)  Lower of cost or market as described in Regulations Section 1.471-4
- (iii)  Other (specify method used and attach explanation) ▶

b Check if there was a writedown of 'subnormal' goods as described in Regulations Section 1.471-2(c) ▶

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d

e Do the rules of Section 263A (for property produced or acquired for resale) apply to the corporation?  Yes  No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If 'Yes,' attach explanation  Yes  No

**Schedule B Other Information**

	Yes	No
1 Check method of accounting: (a) <input checked="" type="checkbox"/> Cash (b) <input type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) ▶		
2 Refer to the list in the instructions and state the corporation's principal: (a) Business activity ▶ <u>Equip Sales &amp; Service</u> (b) Product or service ▶ <u>Telecommunications</u>		
3 Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see Section 267(c).) If 'Yes,' attach a schedule showing: (a) name, address, and employer identification number and (b) percentage owned		X
4 Was the corporation a member of a controlled group subject to the provisions of Section 1561?		X
5 At any time during calendar year 1998, did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See the instructions for exceptions and filing requirements for Form TD F 90-22.1.) If 'Yes,' enter the name of the foreign country ▶		X
6 During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If 'Yes,' the corporation may have to file Form 3520. See instructions		X
7 Check this box if the corporation has filed or is required to file Form 8264, Application for Registration of a Tax Shelter ▶ <input type="checkbox"/>		
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount. If so, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments. ▶ <input type="checkbox"/>		
9 If the corporation: (a) filed its election to be an S corporation after 1986, (b) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation, and (c) has net unrealized built-in gain (defined in Section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see instructions) ▶ \$		
10 Check this box if the corporation had accumulated earnings and profits at the close of the tax year (see instructions) ▶ <input type="checkbox"/>		

**Schedule K Shareholders' Shares of Income, Credits, Deductions, etc**

	(a) Pro rata share items	(b) Total amount
Income (loss)	1 Ordinary income (loss) from trade or business activities (page 1, line 21) .....	1 70,825.
	2 Net income (loss) from rental real estate activities (attach Form 8825) .....	2
	3a Gross income from other rental activities .....	3a
	b Expenses from other rental activities (attach schedule) .....	3b
	c Net income (loss) from other rental activities. Subtract line 3b from line 3a .....	3c
	4 Portfolio income (loss):	
	a Interest income .....	4a
	b Ordinary dividends .....	4b
	c Royalty income .....	4c
	d Net short-term capital gain (loss) (attach Schedule D (Form 1120S)) .....	4d
Deductions	e Net long-term capital gain (loss) (attach Schedule D (Form 1120S)):	
	(1) 28% rate gain (loss) .....	(2) Total for year .....
	f Other portfolio income (loss) (attach schedule) .....	4e (2)
	5 Net section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797) .....	4f
	6 Other income (loss) (attach schedule) .....	5
	7 Charitable contributions (attach schedule) .....	6
	8 Section 179 expense deduction (attach Form 4562) .....	7
	9 Deductions related to portfolio income (loss) (itemize) .....	8
	10 Other deductions (attach schedule) .....	9
	Investment interest	11a Interest expense on investment debts .....
b (1) Investment income included on lines 4a, 4b, 4c, and 4f above .....		11a
(2) Investment expenses included on line 9 above .....		11b (1)
		11b (2)
Credits	12a Credit for alcohol used as a fuel (attach Form 6478) .....	11a
	b Low-income housing credit:	
	(1) From partnerships to which section 42(j)(5) applies for property placed in service before 1990 .....	12a
	(2) Other than on line 12b(1) for property placed in service before 1990 .....	12b (1)
	(3) From partnerships to which section 42(j)(5) applies for property placed in service after 1989 .....	12b (2)
	(4) Other than on line 12b(3) for property placed in service after 1989 .....	12b (3)
	c Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468) .....	12b (4)
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities .....	12c
	e Credits related to other rental activities .....	12d
	13 Other credits .....	12e
Adjustments and Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986 .....	13
	b Adjusted gain or loss .....	14a
	c Depletion (other than oil and gas) .....	14b
	d (1) Gross income from oil, gas, or geothermal properties .....	14c
	(2) Deductions allocable to oil, gas, or geothermal properties .....	14d (1)
	e Other adjustments and tax preference items (attach schedule) .....	14d (2)
Foreign Taxes	15a Type of income .....	14e
	b Name of foreign country or U.S. possession .....	
	c Total gross income from sources outside the United States (attach schedule) .....	15a
	d Total applicable deductions and losses (attach schedule) .....	15c
	e Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued .....	15d
	f Reduction in taxes available for credit (attach schedule) .....	15e
	g Other foreign tax information (attach schedule) .....	15f
		15g
Other	16 Section 59(e)(2) expenditures: a Type .....	16b
	b Amount .....	
	17 Tax-exempt interest income .....	17
	18 Other tax-exempt income .....	18
	19 Nondeductible expenses .....	19
	20 Total property distributions (including cash) other than dividends reported on line 22 below .....	20
	21 Other items and amounts required to be reported separately to shareholders (attach schedule) .....	
	22 Total dividend distributions paid from accumulated earnings and profits .....	21
	23 Income (loss). (Required only if Schedule M-1 must be completed.) Combine lines 1 through 6 in column (b). From the result, subtract the sum of lines 7 through 11a, 15e, and 16b .....	22
		23 70,825.

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
1 Cash		12,047.		85,399.
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach schedule)				
7 Loans to shareholders				9,325.
8 Mortgage and real estate loans				
9 Other investments (attach schedule)				
10a Buildings and other depreciable assets	15,500.		31,500.	
b Less accumulated depreciation	3,800.	11,700.	16,492.	15,008.
11a Depletable assets				
b Less accumulated depletion				
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization				
14 Other assets (attach schedule)				
15 Total assets		23,747.		109,732.
<b>Liabilities and Shareholders' Equity</b>				
16 Accounts payable				
17 Mortgages, notes, bonds payable in less than 1 year				
18 Other current liabilities (attach sch)				3,120.
19 Loans from shareholders				
20 Mortgages, notes, bonds payable in 1 year or more				12,040.
21 Other liabilities (attach schedule)				
22 Capital stock		250.		250.
23 Additional paid-in capital		15,250.		15,250.
24 Retained earnings		8,247.		79,072.
25 Adjustments to shareholders' equity (attach schedule)				
26 Less cost of treasury stock				
27 Total liabilities and shareholders' equity		23,747.		109,732.

**Schedule M-1 Reconciliation of Income (Loss) per Books with Income (Loss) per Return** (You are not required to complete this schedule if the total assets on line 15, column (d), of Schedule L are less than \$25,000.)

1 Net income (loss) per books	70,825.	5 Income recorded on books this year not included on Schedule K, lines 1 through 6 (itemize):	
2 Income included on Sch K, lines 1 through 6, not recorded on books this year (itemize):		a Tax-exempt interest \$	
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 11a, 15a, and 16b (itemize):		6 Deductions included on Schedule K, lines 1 through 11a, 15a, and 16b, not charged against book income this year (itemize):	
a Depreciation \$		a Depreciation \$	
b Travel and entertainment \$		7 Add lines 5 and 6	
4 Add lines 1 through 3	70,825.	8 Income (loss) (Schedule K, ln 23). Ln 4 less ln 7	70,825.

**Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed** (see instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1 Balance at beginning of tax year	8,247.		
2 Ordinary income from page 1, line 21	70,825.		
3 Other additions			
4 Loss from page 1, line 21			
5 Other reductions			
6 Combine lines 1 through 5	79,072.		
7 Distributions other than dividend distributions			
8 Balance at end of tax year. Subtract line 7 from line 6	79,072.		

Schedule M-1 Items Worksheet

<b>Book Depreciation and Amortization Options Smart Worksheet</b>	
Are depreciation and amortization for book purposes the same as depreciation and amortization for tax purposes? <span style="float: right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>	
If No, enter book amounts below <span style="float: right;">→</span>	

Schedule M-1 Items Worksheet

<b>Computed Net Income (Loss) Per Books Smart Worksheet</b>	
<b>A</b> Income(loss) per return (Schedule K, line 23) .....	70,825.
<b>B</b> Income item tax/book differences .....	_____
<b>C</b> Expense item tax/book differences .....	_____
<b>D</b> Net tax/book differences (combine lines B and C) .....	_____
<b>E</b> Computed net income (loss) per books (combine lines A and D) .....	70,825.

Schedule M-2 / Retained Earnings Wks

<b>Schedule M-2/Retained Earnings Memo Smart Worksheet</b>	
<b>E&amp;P memo information:</b>	
<b>A</b> Dividends paid out of E&P .....	_____
<b>B</b> Ending balance in Earnings and Profits account .....	_____
<b>Retained Earnings memo information:</b>	
<b>C</b> Beginning balance in Retained Earnings from Schedule L, Line 24, column b .....	8,247.
<b>D</b> Plus Net Income (Loss) .....	70,825.
<b>E</b> Less Dividends and Distributions .....	_____
<b>F</b> Ending balance in Retained Earnings to Schedule L, Line 24, column d .....	79,072.
<b>G</b> Distributions in excess of Retained Earnings .....	_____

Two-Year Comparison

<b>Difference Smart Worksheet</b>	
<b>Difference 1998 - 1997</b>	
<b>A</b> Display as an amount .....	<input type="checkbox"/>
<b>B</b> Display as a percentage .....	<input checked="" type="checkbox"/>

Form 1120S p1-2: Income Tax Return for an S Corporation

<b>Compensation of Officers Smart Worksheet</b>	
<b>A</b> Compensation of shareholder/officers .....	46,804.
<b>B</b> Compensation of other officers .....	_____

Form 1120S p1-2: Income Tax Return for an S Corporation

<b>Salaries and Wages (less employment credits) Smart Worksheet</b>	
<b>A</b> Salaries and wages .....	63,113.
Less:	
<b>B</b> Work opportunity credit (Form 5884) .....	_____
<b>C</b> Empowerment zone employee credit (Form 8844) .....	_____
<b>D</b> Indian employment credit (Form 8845) .....	_____
<b>E</b> Welfare-to-Work credit (Form 8861) .....	_____
<b>F</b> Total employment credits .....	_____

Form 1120S p1-2: Income Tax Return for an S Corporation

<b>Taxes and Licenses Smart Worksheet</b>	
<b>A</b> State franchise or income taxes .....	_____
<b>B</b> Local property taxes .....	_____
<b>C</b> Payroll taxes .....	8,478.
<b>D</b> Other miscellaneous taxes .....	_____
<b>E</b> Licenses .....	1,146.

Form 1120S p3-4: Income Tax Return for an S Corporation

<b>Schedule M-1 Smart Worksheet</b>	
To use optional M-1 items Worksheet, <b>QuickZoom</b> here	
Program will complete Schedule M-1, lines 2 through 8, from entries on M-1 items worksheet.	
<b>Computed Net Income (Loss) Per Books</b>	
<b>A</b> Income(loss) per return from Schedule K, line 23 .....	70,825.
<b>B</b> Income item tax/book differences from M-1 Items Worksheet ..	_____
<b>C</b> Expense item tax/book differences from M-1 Items Worksheet ..	_____
<b>D</b> Net tax/book differences (combine lines B and C) .....	_____
<b>E</b> Computed net income (loss) per books (combine lines A and D) .....	70,825.
Use amount on line E for Schedule M-1, line 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Schedule M-1 Items Worksheet

<b>Schedule M-1 Display Options Smart Worksheet</b>	
Display book and tax return amounts on Schedule M-1 .....	<input type="checkbox"/>
Display only difference amounts on Schedule M-1 .....	<input checked="" type="checkbox"/>

**S Corporation  
Five-Year Tax History Worksheet**  
▶ Keep for your records

**1998**

Name Telacom Connection Corporation		Employer Identification Number 06-1408829			
	1994	1995	1996	1997	1998
1 Gross receipts .....				243,641.	442,928.
2 Cost of sales .....				119,952.	172,686.
3 Gross profit .....				123,689.	270,242.
4 Net 4797 gain (loss)					
5 Other income (loss)					
6 Total income (loss)				123,689.	270,242.
7 Salaries .....				68,394.	63,113.
8 Depreciation .....				3,800.	12,692.
9 Other deductions ..				35,287.	123,612.
10 Business income ..				16,208.	70,825.
11 Passive investment income .....					
12 Passive investment expense .....					
13 Net passive investment income					
14 Excess net passive income tax .....					
15 Tax from Schedule D .....					
16 Additional taxes ...					
17 Tax liability .....					

**Schedule K Items**

	1996	1997	Difference 1996 - 1997
<b>Income (Loss)</b>			
1 Ordinary income (loss) from trade or business	70,825.	16,208.	54,617.00
2 Net income (loss) from rental real estate			
3c Net income (loss) from other rental activities			
4a Interest income			
b Dividend income			
c Royalty income			
d Net short-term capital gain (loss)			
e (2) Net long-term capital gain (loss)			
f Other portfolio income (loss)			
5 (b) Net gain (loss) under section 1231			
6 Other income (loss)			

**Deductions**

7 Charitable contributions			
8 Section 179 expense deduction			
9 Deductions related to portfolio income (loss)			
10 Other deductions			

**Investment Interest**

11 a Interest expense on investment debts			
b (1) Investment income on lines 4a, 4b, 4c and 4f			
(2) Investment expenses included on line 9			

**Credits**

12 a Credit for alcohol used as a fuel			
b Low-income housing credit:			
(1) From partnerships section 42(j)(5) pre-1990			
(2) Other than on line 12b(1) pre-1990			
(3) From partnerships section 42(j)(5) post-1989			
(4) Other than on line 12b(3) post-1989			
c Qualified rehabilitation expenditures related to rental			
d Credits (other than shown on lines 12b and 12c)			
e Credits related to other rental activities			
13 Other credits			

**Adjustments and Tax Preference Items**

14 a Depreciation adjustment on post-1986 property			
b Adjusted gain or loss			
c Depletion (other than oil and gas)			
d (1) Gross income from oil, gas or geothermal			
(2) Deductions allocated to oil, gas, or geothermal			
e Other adjustments and tax preference items			

**Foreign Taxes**

15 c Total gross income from non-U.S. sources			
d Total applicable deductions and losses			
e Total foreign taxes paid or accrued			
f Reduction in taxes available for credit			
g Other foreign tax information			

**Other**

16 b Section 59(e)(2) expenditures			
17 Tax-exempt interest income			
18 Other tax-exempt income			
19 Nondeductible expenses			
20 Total property distributions except dividends			
22 Total dividend distributions paid from E & P			
23 Income (loss)	70,825.	16,208.	54,617.00

► Keep for your records

Name of Corporation			Employer Identification Number		
Telacom Connection Corporation			06-1408829		
Ordinary Income (Loss)	1998	1998 % of Total Income	1997	1997 % of Total Income	Difference 1998 - 1997
1 a Gross receipts or sales	442,928.		243,641.		199,287.00
b Less returns and allowances					
c Net receipts	442,928.		243,641.		199,287.00
2 Cost of goods sold (Schedule A)	172,686.		119,952.		52,734.00
3 Gross profit	270,242.		123,689.		146,553.00
4 Net gain or loss (Form 4797)					
5 Other income					
6 Total income (loss)	270,242.	100.00	123,689.	100.00	146,553.00
<b>Deductions</b>					
7 Compensation of officers	46,804.	17.32		0.00	46,804.00
8 Salaries & wages (less employment credits)	63,113.	23.35	68,394.	55.30	-5,281.00
9 Repairs and maintenance	1,176.	0.44		0.00	1,176.00
10 Bad debts		0.00		0.00	
11 Rents	4,577.	1.69	5,436.	4.39	-859.00
12 Taxes and licenses	9,624.	3.56	5,292.	4.28	4,332.00
13 Interest		0.00		0.00	
14 a Depreciation (Form 4562)	12,692.	4.70	3,800.	3.07	8,892.00
b Depreciation on Schedule A and elsewhere		0.00		0.00	
c Net depreciation	12,692.	4.70	3,800.	3.07	8,892.00
15 Depletion (not oil and gas)		0.00		0.00	
16 Advertising	1,329.	0.49		0.00	1,329.00
17 Pension, profit-sharing, etc. plans		0.00		0.00	
18 Employee benefit programs		0.00		0.00	
19 Other deductions	60,102.	22.24	24,559.	19.86	35,543.00
20 Total deductions	199,417.	73.79	107,481.	86.90	91,936.00
21 Ordinary income (loss) from trade/business	70,825.	26.21	16,208.	13.10	54,617.00
<b>Tax</b>					
22 a Excess net passive income tax		0.00		0.00	
b Tax from Schedule D		0.00		0.00	
c Total tax		0.00		0.00	
<b>Tax Payments and Credits</b>					
23 d Total payments and credits		0.00		0.00	
24 Estimated tax penalty		0.00		0.00	
25 Tax due	0.	0.00	0.	0.00	0.00
26 Overpayment		0.00		0.00	



Schedule M-2 / Retained Earnings Worksheet

1998

Name as Shown on Return Telacom Connection Corporation	Employer Identification No. 06-1408829
---	---

**Analysis of Retained Earnings Accounts**

Description	Accumulated adjustments account	Other adjustments account	Shareholders' undistributed taxable income	Accumulated tax/book timing differences	Retained earnings while a C Corporation	Total
Balance at beginning of year	8247					8247
<b>Ordinary income (loss)</b>	<b>70825</b>					
Schedule K additions (Income/Gains):						
Schedule K reductions (Losses/Deductions):						
Income -- Tax exempt						
Deductions -- Exempt related						
Schedule M-1 additions:						
Schedule M-1 reductions:						
Net adjustment for year	70825					
Net income(loss) per books						70825
Subtotal	79072					79072
AAA without negative adjustment	79072					
Distributions						
Dividends						
Balance at end of tax year	79072					79072

► Keep for your records

Name of Corporation <b>Telacom Connection Corporation</b>	Employer Identification Number <b>06-1408829</b>
--	---

	1998	1997	U.S. Average
--	------	------	--------------

**Liquidity Ratios**

<b>1 Current Ratio</b> ..... Current Assets/Current Liabilities. Measures ability of the business to meet its current liabilities.	27.4		
<b>2 Acid Test (Quick Ratio)</b> ..... Quick Assets/Current Liabilities. Measures liquidity (conservative estimate). Eliminates assets not readily converted to cash.	27.4		

**Profitability Ratios**

<b>3 Return on Total Assets (ROA)</b> ..... Net Income/Total Assets. Measures how effective business assets are used to produce profit. Prior year amounts: Net income ..... <u>16,208.</u>	64.5	68.3	
<b>4 Return on Equity (ROE)</b> ..... Net Income/Equity. Measures the earning power of the business.	74.9	68.3	

**Leverage Ratios**

<b>5 Total Liabilities to Equity</b> ..... Total Liabilities/Equity. Measures the relationship between all creditors and owners.	16.0		
<b>6 Fixed Assets to Long-Term Liabilities</b> ..... Fixed Assets/Long-Term Liabilities. Measures equity and relative ability to increase borrowing.	261.6		

**Activity Ratios**

<b>7 Inventory Turnover</b> ..... Net Sales/Average Inventory. Measures how long the current inventory will be in stock and how soon it will be turned into sales. Prior year amounts: Beginning inventory ..... Net sales ..... <u>243,641.</u>			
<b>8 Depreciation to Property Plant and Equipment</b> ..... Depreciation Expense/PPE. Measures reasonableness and consistency of depreciation over time. Prior year amounts: Depreciation expense ..... <u>3,800.</u>	40.3	24.5	

Name Telacom Connection Corporation	Employer Identification No. 06-1408829
--	---

Income Items:	Per Books	Per Tax Return	Difference (Book - Tax)
Description			
<i>Permanent items (tax-exempt income):</i>			
Tax-exempt interest — in state .....			
Tax-exempt interest — out of state .....			
Life insurance proceeds .....			
Other permanent income items:			
Section 179 expense recapture from asset disposition .....			
Alcohol used as fuel credit included in income .....			
<i>Timing (temporary) items:</i>			
Unearned rent income .....			
Unearned income .....			
Gain on sale of assets .....			
Installment sale income .....			
Fuels tax credit included in income .....			
Other timing income items:			
<b>Total</b> .....			

Expense Items:	Per Books	Per Tax Return	Difference (Tax - Book)
Description			
<i>Permanent items (nondeductible expenses):</i>			
Disallowed meals and entertainment .....			
Employment credits wage reduction .....			
Federal underpayment penalty .....			
State underpayment penalty .....			
Other fines and penalties .....			
Officers' life insurance premiums .....			
Interest paid to carry tax-exempt investments .....			
Other expenses related to tax-exempt income .....			
Other permanent expense items:			
<i>Timing (temporary) items:</i>			
Depreciation and Section 179 expense .....		12,692.	
Amortization .....			
Depletion other than oil and gas .....			
Loss on sale of assets .....			
Organizational costs .....			
Bad debt expense .....			
Prepaid expenses .....			
Other timing expense items:			
<b>Total</b> .....		12,692.	

# S Corporation Information Worksheet

1998

▶ Keep for your records

## Part I – Identifying Information

Employer ID Number ..... 06-1408829  
 Name ..... Telacom Connection Corporation  
 DBA (if applicable) ..... \_\_\_\_\_  
 Address ..... 990 South Congress Avenue, Suite #1  
 City ..... Delray Beach State .. FL ZIP Code .. 33445  
 Telephone ..... (561) 265-1414 Extension ... 22  
 Fax ..... \_\_\_\_\_ E-Mail Address ..... \_\_\_\_\_  
 Tax Shelter Registration Number ..... \_\_\_\_\_

## Part II – Tax Year and Filing Information

- Calendar year  
 Fiscal year – Ending month ..... \_\_\_\_\_  
 Short year – Beginning date ..... \_\_\_\_\_ Ending date ..... \_\_\_\_\_
- Check if enrolled in the Electronic Federal Tax Payment System (EFTPS)

## Part III – 1998 1120S Corporation Estimated Tax Paid

Voucher number	Due Date	Date Paid	Amount Paid
1	04/15/98		
2	06/15/98		
3	09/15/98		
4	12/15/98		
Amount of 1997 overpayment credited to 1998 estimated tax .....			
Additional Payments		Date Paid	Amount Paid
1			
2			
3			
4			

## Part IV – K-1 Information

### IRS Center

- Check if principal business or office is in California and you file in Ogden, UT or if principal business or office is in New York and you file in Holtsville, NY  
 IRS center where return is filed ..... Atlanta, GA 39901-0013

### K-1 Rounding Options

- Distribute the rounding difference to shareholder with the largest percentage.  
 Distribute the rounding difference among shareholders.  
 Do not distribute the rounding difference to any shareholder.

### Print Schedules K-1 with tax return?

- Yes  
 No

QuickZoom here to Form 1120S, Page 1 ▶

Form 1120S, Page 1, Line 19

**Other Deductions**

Utilities	1,071.
Accounting Fees	1,130.
Car/Truck Expense	30,893.
Insurance	11,785.
Dues/Subscriptions	1,008.
Office Expense	9,142.
Legal Fees	127.
Postage/Freight	262.
Telephone	3,938.
Travel	91.
Outside Contractors	250.
Miscellaneous	405.
<b>Total</b>	<b><u>60,102.</u></b>

Form 1120S, Page 2, Schedule A, Line 5

**Schedule A, Other Costs**

Supplies	8,512.
<b>Total</b>	<b><u>8,512.</u></b>

**Schedule K Reconciliation****Pro rata share items**

Lines 1 thru 23

Shareholder	-1- Ordinary Income	-23- Total Income			
Wayne Searson (100.00%)	70,825	70,825			
<b>Total</b>	<b><u>70,825</u></b>	<b><u>70,825</u></b>			

# Telecom Connection

Voice, Data & Communication Management

DEPOSIT DATE  
June 4, 1999 D155 JUN 18 1999

Florida Public Service Commission  
Division of Records and Reporting  
2540 Shumard Oak Blvd  
Tallahassee, FL 32399-0850

Re: Application for Shared Tenant.

990785-TS

To Whom It May Concern,

Telecom Connection is an interconnect company in Delray Beach, FL. Our company originated in January of 1995. The services that we currently provide consist of Key Systems, PBX's Voice Mail and Long Distance. In addition to installing and maintaining equipment, Telecom Connection offers a full range of communication management. The communication management allows Telecom Connection to coordinate all telco circuits as in CO's, DID's, T1, etc..

Telecom Connection sees a great need to provide additional services to our customers. The services that we need to provide are shared tenant services included local dial tone and network circuits. With the great deal of experience and knowledge along with the ongoing growth of our installed base, we look forward to being able to provide local dial tone to our customers.

Thank you in advance for your assistance concerning this matter. If additional information is needed please contact this office.

<b>TELECOM CONNECTION CORP.</b> 2-96 990 S. CONGRESS AVE., STE. 1 DELRAY BEACH, FL 33445		<b>FIRST UNION NATIONAL BANK</b> BOYNTON BEACH, FL		2413
PAY TO THE ORDER OF <u>Florida Public Service Commission</u>				6/11/99
Two Hundred Fifty and 00/100*****				\$ **250.00
Florida Public Service Commission Division of Records and Reporting 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850		<b>DOCUMENT NO.</b> 07398-99 6-18-99		<b>DOLLARS</b> Security features included. Details on back.
MEMO <u>Application for Alternative Local Exchange Service</u>		<i>Wayne Pearson</i>		MP
⑈002413⑈				