

BEACH LAW FIRM, P.A.

ATTORNEYS AT LAW

1321 LADY STREET, SUITE 310
POST OFFICE BOX 11547
COLUMBIA, SOUTH CAROLINA 29211

RECEIVED
FLORIDA PUBLIC
SERVICE COMMISSION

JUL 28 AM 8:30

MAIL ROOM

AREA CODE 803
TELEPHONE 779-0066
FACSIMILE 799-8479

JOHN F. BEACH
JOHN J. PRINGLE, JR.

July 20, 1999

DEPOSIT

DATE

D176

JUL 28 1999

Florida Public Service Commission
Division of Communications
Certification & Compliance Section
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0866

990985-TX

RE: Application of Resort Hospitality Services, Ltd. d/b/a TelSouth
for Authority to Provide ("ALEC") Alternative Local Exchange Service
Within the State of Florida
Our File No. 98.97

Dear Sir or Madam:

Enclosed is the original and six (6) copies of the **Application** and associated filing fee filed on behalf of Resort Hospitality Services, Ltd., d/b/a TelSouth in the above-referenced matter.

Please acknowledge your receipt of this document by file-stamping the copy of this letter enclosed, and returning it in the envelope provided.

If you have any questions or need additional information, please do not hesitate to contact me.

RECEIVED & FILED

JJP
FPSC BUREAU OF RECORDS

Very truly yours,

John J. Pringle, Jr.
John J. Pringle, Jr.

JJP/cr

cc: Mr. Nickey Maxey (w/o enclosure)

Enclosures

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DOCUMENT NUMBER-DATE

08960 JUL 28 99

FPSC-RECORDS/REPORTING

BEACH LAW FIRM, P.A. RECEIVED
ATTORNEYS AT LAW FLORIDA PUBLIC SERVICE COMMISSION

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DOCUMENT NUMBER - DATE
08960 JUL 28 99
FSSC RECORDS ARE FORTHING

RESORT HOSPITALITY SERVICES, LTD.

FIRST UNION NATIONAL BANK
OF SOUTH CAROLINA
1110 N. GLENN ST.
COLUMBIA, SC 29201
703-783-3300

JUL 15 1999

PAY Two Hundred Fifty and 07/100 Dollars

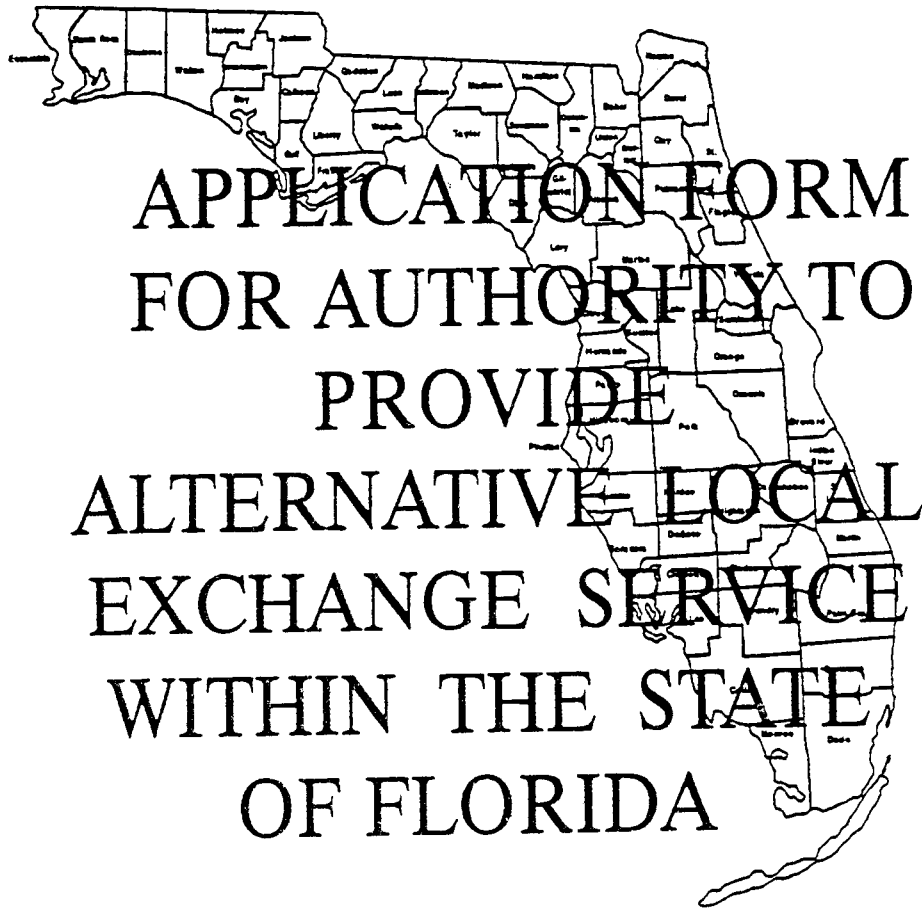
DATE MONTH

TO THE ORDER OF: FLORIDA PUBLIC SERVICE COMM

Debbie M. ...
Mark ...

TWO SIGNATURES REQUIRED

0000 27608



APPLICATION FORM
FOR AUTHORITY TO
PROVIDE
ALTERNATIVE LOCAL
EXCHANGE SERVICE
WITHIN THE STATE
OF FLORIDA

DOCUMENT NUMBER - DATE

08960 JUL 28 88

FDCC - REGISTRATION REPORTING

FLORIDA PUBLIC SERVICE COMMISSION
CAPITAL CIRCLE OFFICE CENTER - 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

APPLICATION FORM

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
2540 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 \checkmark (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 of assignment of existing certificate
(to a noncertificated company)

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 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:

Resort Hospitality Service, Ltd.

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

TelSouth

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

Fictitious name registration number: to be provided

APPLICATION FORM

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

78 Arrow Road, Suite B

PO Box 5568

Hilton Head Island SC 29938

(843) 842-7795

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

to be supplied

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

Individual

Corporation

Foreign Corporation

Foreign Partnership

General Partnership

Limited Partnership

Joint Venture

Other, Please explain _____

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

N/A

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 or of any crime, or whether such actions may result from pending proceedings. If so, please explain.

n/a

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

Corporate charter number: to be provided

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.

(ongoing) Brad Donaldson, PO Box 5568, Hilton Head Island, SC 29938

(843) 842-7795 (P); (843) 842-8601 (F)

(application) John J. Pringle, Jr., Esquire, PO Box 11547, Columbia SC 29211-1547

(803) 779-0066 (P); (803) 799-8479 (F); pringle@beachlaw.net

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

South Carolina

Tennessee

APPLICATION FORM

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

no

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.

A customer can call the Company directly at (800) 755-8958 to file
a service complaint. In addition, a customer can write the Company
or contact its regulatory counsel.

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

The Company will file a price list prior to providing service in the State of Florida.

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. See Exhibit One.

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:

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 One
- C. Technical capability. See Exhibit Two

(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, described in detail the difference.)

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: 364.04, 364.337(5), F.S.

History: New 12/26/95.

Exhibit One

**Documents Demonstrating the Financial Capability of
Resort Hospitality Services, Ltd. d/b/a TelSouth**

**Financial Statements
Verifications of Nickey Maxey and Bruce Fly
Credit References for the Company**

Resort Hospitality Services, Ltd.

Balance Sheet
As of December 31, 1996

ASSETS

CURRENT ASSETS

Cash	19,873	
Accounts Receivable	55,319	
Due from Employees	1,100	
Total Current Assets		<u>76,292</u>

FIXED ASSETS

Furniture & Fixtures	16,639	
Office Equipment	30,826	
Telephone Equipment	22,095	
Buildings	171,193	
Building Improvements	78,224	
Vehicles	51,908	
Accumulated Depreciation	(74,544)	
Net Fixed Assets		<u>296,341</u>

Total Assets 372,633

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Accounts Payable	1,509	
Payroll Taxes Payable	2,975	
Pension Withheld	452	
Total Current Liabilities		<u>4,936</u>

LONG TERM LIABILITIES

N/P - First Union Bank	25,092	
N/P - First Union Bank (Bldg)	137,040	
Total Long Term Liabilities		<u>162,132</u>

STOCKHOLDERS' EQUITY

Common Stock	1,000	
Retained Earnings	204,566	
Total Stockholders' Equity		<u>205,566</u>

Total Liabilities and Equity 372,634

Resort Hospitality Services, Ltd.

Income Statement For the Year Ending December 31, 1996

<u>REVENUE</u>		<u>%</u>
Sales	5,306	0.73%
Commissions	648,033	89.65%
Coin	27,544	3.81%
Management Income	26,663	3.69%
Miscellaneous Income	15,320	2.12%
Refunds	(21)	0.00%
Total Revenue	<u>722,844</u>	<u>100.00%</u>
 <u>COST OF GOODS SOLD</u>		
Freight	7,424	1.03%
Commissions - Sites	8,239	1.14%
Line and PIC Charges	22,252	3.08%
Telephone / Supplies	51,845	7.17%
Total Cost of Goods Sold	<u>89,759</u>	<u>12.42%</u>
Gross Profit	633,085	87.58%
 <u>OTHER EXPENSES</u>		
Salaries	151,414	20.95%
Payroll Taxes	12,711	1.76%
Advertising/Promotion	3,395	0.47%
Auto Expense	13,606	1.88%
Club Dues	10,976	1.52%
Commissions	47,927	6.63%
Contract Labor	45,149	6.25%
Depreciation	26,103	3.61%
Dues & Subscriptions	4,548	0.63%
Employee Benefits	3,313	0.46%
Entertainment	19,546	2.70%
Insurance	24,294	3.36%
Interest	14,189	1.96%
Office Expense	13,064	1.81%
Pension	2,416	0.33%
Postage	2,581	0.36%
Professional Fees	9,350	1.29%
Rent	589	0.08%

Resort Hospitality Services, Ltd.

Income Statement
For the Year Ending December 31, 1996

<u>OTHER EXPENSES(cont)</u>		<u>%</u>
Repairs & Maintenance	8,424	1.17%
Radio Expense	1,782	0.25%
Show Expense	1,876	0.26%
Taxes	6,213	0.86%
Telephone	34,251	4.74%
Travel	5,410	0.75%
Uniforms	2,235	0.31%
Utilities	4,519	0.63%
Total Other Expenses	<u>469,881</u>	<u>65.00%</u>
Net Operating Income	163,204	22.58%
<u>OTHER INCOME</u>		
Gain on Sale of Asset	340	0.05%
Interest Income	128	0.02%
Net Income	<u>163,672</u>	<u>22.64%</u>

Resort Hospitality Services, Ltd.

Balance Sheet
As of December 31, 1997

ASSETS

CURRENT ASSETS

Cash	14,548	
Accounts Receivable	10,188	
Due from Employees	2,082	
Total Current Assets		26,818

FIXED ASSETS

Furniture & Fixtures	16,640	
Office Equipment	32,921	
Telephone Equipment	32,553	
Buildings	171,193	
Building Improvements	86,534	
Vehicles	59,564	
Accumulated Depreciation	(96,205)	
Net Fixed Assets		303,200
Total Assets		330,018

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Accounts Payable	42,591	
Payroll Taxes Payable	3,112	
Sales Tax Payable	439	
Total Current Liabilities		46,142

LONG TERM LIABILITIES

N/P - NationsBank	38,400	
N/P - First Union Bank (Bldg)	135,657	
Total Long Term Liabilities		174,057

STOCKHOLDER'S EQUITY

Common Stock	1,000	
Retained Earnings	108,820	
Total Stockholder's Equity		109,820

Total Liabilities and Equity		330,018
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Resort Hospitality Services, Ltd.

Income Statement
For the Year Ending December 31, 1997

<u>REVENUE</u>		<u>%</u>
Sales	45,344	6.17%
Commissions	649,270	88.32%
Coin	27,636	3.76%
Miscellaneous Income	12,886	1.75%
Refunds	(34)	0.00%
Total Revenue	735,101	100.00%
 <u>COST OF GOODS SOLD</u>		
Freight		0.00%
Commissions - Sites	12,656	1.72%
Line and PIC Charges	16,917	2.30%
Telephone / Supplies	55,308	7.52%
Total Cost of Goods Sold	84,881	11.55%
Gross Profit	650,220	88.45%
 <u>OTHER EXPENSES</u>		
Salaries	288,064	39.19%
Payroll Taxes	23,308	3.17%
Advertising/Promotion	6,238	0.85%
Auto Expense	7,962	1.08%
Club Dues	2,191	0.30%
Commissions	34,288	4.66%
Contract Labor	28,523	3.88%
Depreciation	36,085	4.91%
Dues & Subscriptions	1,200	0.16%
Employee Benefits	13,609	1.85%
Entertainment	7,910	1.08%
Insurance	17,997	2.45%
Interest	12,868	1.75%
Office Expense	18,139	2.47%
Pension	1,176	0.16%
Postage & Freight	5,271	0.72%
Professional Fees	49,194	6.69%
Rent	2,841	0.39%

Resort Hospitality Services, Ltd.

Income Statement
For the Year Ending December 31, 1997

<u>OTHER EXPENSES(cont)</u>		<u>%</u>
Repairs & Maintenance	10,460	1.42%
Radio Expense	1,009	0.14%
Show Expense	378	0.05%
Taxes & Licenses	10,535	1.43%
Telephone	15,846	2.16%
Travel	5,526	0.75%
Utilities	4,121	0.56%
Miscellaneous	<u>3,942</u>	<u>0.54%</u>
Total Other Expenses	<u>608,680</u>	<u>82.80%</u>
Net Operating Income	41,541	5.65%
<u>OTHER INCOME</u>		
Interest Income	<u>1,201</u>	<u>0.16%</u>
Net Income	<u>42,742</u>	<u>5.81%</u>

Resort Hospitality Services, LTD
Balance Sheet
December 31, 1998

ASSETS

Current Assets		
Cash - Operating	\$	6,318.18
Cash - Savings		1,109.85
Accounts Receivable		204.62
Due from Employees		429.45
Due From RHS-TN		112.45
Prepaid Expenses		7,500.00
Due From RHS Net		3,284.93
Due From TTC		1,527.20
Due From TelSouth of NC		1,499.78
Due From TelSouth LLC		176,362.83
Due From So. Central Telecom		4,047.91
		<hr/>
Total Current Assets		202,397.20
Property and Equipment		
Furniture & Fixtures		16,639.67
Office Equipment		32,921.06
Buildings		171,192.78
Building Improvements		86,533.70
Vehicles		37,054.90
Accumulated Depreciation		<98,745.85>
		<hr/>
Total Property and Equipment		245,596.26
Other Assets		
		<hr/>
Total Other Assets		0.00
		<hr/>
Total Assets	\$	447,993.46

LIABILITIES AND CAPITAL

Current Liabilities		
Accounts Payable	\$	105,270.51
Payroll Taxes Payable		18,196.31
Sales Tax Payable		344.60
		<hr/>
Total Current Liabilities		123,811.42
Long-Term Liabilities		
N/P Nations - '99 Van (370.76)		17,761.48
N/P - FUB - BUILDING		134,472.58
		<hr/>
Total Long-Term Liabilities		152,234.06
		<hr/>
Total Liabilities		276,045.48
Capital		
Common Stock		1,000.00
Nickey Maxey, Drawing		<234,389.94>
Retained Earnings		96,817.12
Net Income		308,520.50
		<hr/>
Total Capital		171,947.98
		<hr/>
Total Liabilities & Capital	\$	447,993.46

Unaudited - For Management Purposes Only

Resort Hospitality Services, LTD
Income Statement
For the Twelve Months Ending December 31, 1998

	Current Month		Year to Date	
Revenues				
Sales - Phone Systems	11,087.12	1.28	11,087.12	1.28
Commissions - MCI	16,138.92	1.86	16,138.92	1.86
Commissions - Conquest	487,013.69	56.13	487,013.69	56.13
Commissions - AT&T	346,025.12	39.88	346,025.12	39.88
Commissions - BTI	713.70	0.08	713.70	0.08
Interconnect Rev - New Cust	953.97	0.11	953.97	0.11
Interconnect Rev - Curr Cust	2,495.33	0.29	2,495.33	0.29
Miscellaneous Income	1,553.18	0.18	1,553.18	0.18
Interest Income	1,730.26	0.20	1,730.26	0.20
Total Revenues	867,711.29	100.00	867,711.29	100.00
Cost of Sales				
Freight	1,605.00	0.18	1,605.00	0.18
Commissions - Sites	111,975.42	12.90	111,975.42	12.90
Line and PIC Charges	1,019.67	0.12	1,019.67	0.12
Telephone / Supplies	13,305.58	1.53	13,305.58	1.53
Total Cost of Sales	127,905.67	14.74	127,905.67	14.74
Gross Profit	739,805.62	85.26	739,805.62	85.26
Expenses				
Salaries	194,093.72	22.37	194,093.72	22.37
FICA	21,020.17	2.42	21,020.17	2.42
Fed. Unemployment Taxes	738.87	0.09	738.87	0.09
State Unemployment Taxes	524.08	0.06	524.08	0.06
Advertising	907.74	0.10	907.74	0.10
Auto Expense	4,321.15	0.50	4,321.15	0.50
Auto Lease	5,383.37	0.62	5,383.37	0.62
Bank Service Charges	146.00	0.02	146.00	0.02
Business Promotion	3,734.20	0.43	3,734.20	0.43
Club Dues	1,837.50	0.21	1,837.50	0.21
Computer Expense	3,121.54	0.36	3,121.54	0.36
Commissions	18,035.99	2.08	18,035.99	2.08
Contract Labor	18,099.77	2.09	18,099.77	2.09
Contributions	1,100.00	0.13	1,100.00	0.13
Depreciation	23,552.27	2.71	23,552.27	2.71
Dues & Subscriptions	1,505.00	0.17	1,505.00	0.17
Employee Benefits	2,886.60	0.33	2,886.60	0.33
Entertainment	1,474.91	0.17	1,474.91	0.17
Industrial Insurance	120.00	0.01	120.00	0.01
Health Insurance	11,033.91	1.27	11,033.91	1.27
Fleet Insurance	3,408.46	0.39	3,408.46	0.39
General Liability Ins.	657.00	0.08	657.00	0.08
Interest Expense	11,308.79	1.30	11,308.79	1.30
Meals	497.87	0.06	497.87	0.06
Miscellaneous Expense	11,497.27	1.33	11,497.27	1.33
Office Expense	8,266.80	0.95	8,266.80	0.95
Professional Fees	35,360.49	4.08	35,360.49	4.08
Rent	4,265.98	0.49	4,265.98	0.49
Repairs & Maintenance	7,117.60	0.82	7,117.60	0.82
Radio Expense	37.88	0.00	37.88	0.00
Service Fees	240.00	0.03	240.00	0.03
Show / Convention Expense	740.26	0.09	740.26	0.09
Taxes - Property	3,713.45	0.43	3,713.45	0.43
Taxes - Other	2,262.08	0.26	2,262.08	0.26
Telephone	13,844.68	1.60	13,844.68	1.60
Travel	11,687.44	1.35	11,687.44	1.35
Utilities	2,742.28	0.32	2,742.28	0.32
Total Expenses	431,285.12	49.70	431,285.12	49.70
Net Income	\$ 308,520.50	35.56	\$ 308,520.50	35.56

For Management Purposes Only

VERIFICATION

STATE OF SOUTH CAROLINA

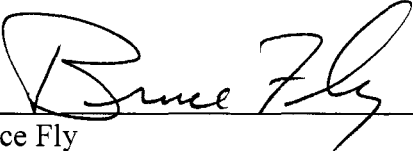
COUNTY OF BEAUFORT

I, Bruce Fly, being duly sworn, do hereby state as follows:

1. I am the Chief Financial Officer of Resort Hospitality Services, Ltd. d/b/a TelSouth.

2. In connection with TelSouth's application for alternative local exchange authority in the State of Florida, the Company is submitting unaudited financial statements for calendar years 1996, 1997, and 1998.

3. The information contained in these financial statements are true and correct to the best of my knowledge and belief.



Bruce Fly

Subscribed and sworn to before me

this the 15 day of July, 1999.

Willow B. Lerman
Notary Public for the State of South Carolina

My Commission Expires: Notary Public, South Carolina, State at Large
My Commission Expires Dec, 17, 2006

VERIFICATION

STATE OF SOUTH CAROLINA

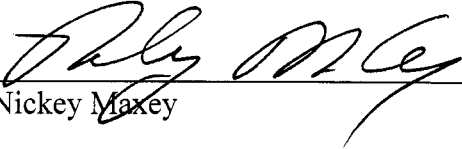
COUNTY OF BEAUFORT

I, Nickey Maxey, being duly sworn, do hereby state as follows:

1. I am the Chief Executive Officer ("CEO") of Resort Hospitality Services, Ltd. d/b/a TelSouth.

2. In connection with TelSouth's application for alternative local exchange authority in the State of Florida, the Company is submitting unaudited financial statements for calendar years 1996, 1997, and 1998.

3. The information contained in these financial statements are true and correct to the best of my knowledge and belief.



Nickey Maxey

Subscribed and sworn to before me

this the 15 day of July, 1999.

Willow B. Sarman
Notary Public for the State of South Carolina

My Commission Expires: Notary Public, South Carolina, State at Large
My Commission Expires Dec. 17, 2006



CREDIT APPLICATION TO OUR NEW SUPPLIERS

RESORT HOSPITALITY SERVICES, LTD
DUNS #: 80-165-7339 D & B RATING: BB2
P O BOX 5568
78- B ARROW ROAD
HILTON HEAD ISLAND, SC 29938
ESTABLISHED: 1992

AFFILIATED COMPANIES: TEL SOUTH LLC., TEL SOUTH INC. OF NC, RESORT HOSPITALITY SERVICES - INTERNATIONAL, RESORT HOSPITALITY SERVICES -TN & THE TELEPHONE CO.

BUSINESS INDUSTRY: TELECOMMUNICATIONS

CEO: NICKEY MAXEY
PRESIDENT: JEFF HUFFMAN
CFO: BRUCE FLY
A/P CONTACT: NICK KOULICHKOV

BANK RELATIONSHIPS

FIRST UNION NATIONAL BANK OF SC
2 POPE AVE.
HILTON HEAD ISLAND, SC 29928
PH # 843-842-4200
ACCT: 4009033523 - LTD
ACCT: 4009033534 - INT'L
ACCT: 2010000078473 - TN

NATIONS BANK, S.C.
POPE AVE.
HILTON HEAD ISLAND, SC 29928
PH # 843-686-1456
ACCT: 745186083-THE TELEPHONE CO.

BANK FIRST
ATTN: ROSE WALKER
10232 CHAPMAN HWY
SEYMOUR, TN 37865
PH #: 423-609-3205
ACCT: 04804880 - TEL SOUTH LLC

LINCOLN BANK
ATTN: CARROLL HEAUNER
PO BOX 657
LINCOLN, NC 28093
PH # 704-732-2222
ACCT: 0038628 - TEL SOUTH INC. OF NC

TRADE REFERENCES

BTI TELECOMMUNICATIONS SERVICES
P O BOX 96026
CHARLOTTE, NC 28296-0026
ACCOUNT # 4284420 AND 4122344
PH #: 800-849-2111

GRAYBAR ELECTRIC COMPANY
745 SUNSET BLVD.
WEST COLUMBIA, SC 29169
ATTN.: VICKI BYERS, CREDIT DEPT
ACCOUNT #: F V 3
PH: 800-688-2320 FAX: 803-796-2796

OFFICE DEPOT
P O BOX 30292
SALT LAKE CITY, UT 84130-0292
ACCT #: 6011-5642-0306-2178
PH #: 800-729-7744

SAM'S CLUB
P O BOX 8144
MASON, OH 45040-7944
ACCT #: 49-0931-829441-0
PH #: 800-203-5764

REV 12/1998

RESORT HOSPITALITY SERVICES

P.O. BOX 5568 • 78 ARROW ROAD, SUITE B • HILTON HEAD ISLAND, SC 29938 • TEL: 843-842-7795 • FAX: 843-842-8601

Exhibit Two

**Documents Demonstrating the Technical and Managerial Abilities
of the Officers of Resort Hospitality Services, Ltd. d/b/a TelSouth**

**Technical and Managerial Qualifications of
The Officers of Resort Hospitality Services, Ltd d/b/a TelSouth**

The officers of Resort Hospitality Services, Ltd. d/b/a TelSouth ("TelSouth") possess many years of managerial and technical experience in business and telecommunications.

Nickey Maxey, President, CEO and sole shareholder of TelSouth, has been involved in the telecommunications field for over 13 years. In addition to his responsibilities as CEO of TelSouth, Maxey serves as CEO of RHSnet, Inc., a Hilton Head company providing Internet services to businesses and individuals. Maxey also serves as President of Resort Hospitality Services International, Inc., and CEO of Resort Hospitality Services, Inc, two companies that provision telecommunications services, including long distance and operator services, to the hospitality industry. In this capacity, these companies often act as an agent and/or aggregator for long distance and operator service providers. In 1996 and 1997, Maxey served as Vice Chairman of the Board of Directors for Phonetel Technologies, Inc., the largest independent pay telephone company in North America. In 1988, he co-founded, along with TelSouth Vice President Jeff Huffman, International Payphones, Inc., and grew the company to approximately 1,600 phones by 1996. In 1985, Maxey founded International Payphones, Inc. of Tennessee, and grew that company from one phone to 785 phones, before selling the enterprise to Phonetel Technologies, Inc., in March of 1996. Prior to entering the telecommunications business, Maxey served as a Highway Patrolman and Deputy Sheriff in the State of Tennessee.

Jeff Huffman, Vice President of TelSouth, also serves as President of RHSnet, Inc., the aforementioned company providing internet services to individuals and businesses. RHSnet also offers an "online" reservations package to property management companies, which allows

individuals and businesses to make reservations by means of the Internet. Huffman served as Southeastern Regional Vice President for PhoneTel Technologies, Inc. from 1996 to 1997, and during that time was responsible for maintaining over 10,000 payphones and supervising 75 employees within a seven-state area. In 1988 Huffman and Maxey cofounded International Payphones, Inc., and served as its Vice President until 1996. At the time Maxey and Huffman sold International Payphones to PhoneTel Technologies, the company had 16 employees and gross annual sales of over \$4,000,000. From 1980 to 1988, Huffman was a co-founder and partner in H&M Auto Sales, an enterprise that purchased rental cars from various companies and sold them at auto auctions throughout the Southeast. H&M boasted gross sales of over \$5,000,000. Mr. Huffman also served as a dispatcher for Southern Bell (now BellSouth Telecommunications, Inc.) during 1979 and 1980, where he was responsible for scheduling daily work loads for over 50 technicians and installers.

John Maroska, Secretary of TelSouth, brings 30 years of sales experience to this enterprise. He also serves as Vice President of Sales and Marketing for Resort Hospitality Services International ("RHS/Int."), TelSouth, Inc. of North Carolina, and RHSnet, Inc. For TelSouth, Inc., which is a payphone service provider ("PSP"), Maroska handles the installation, repair, programming, and revenue collection and counting for payphones, installs private branch exchange ("PBX") systems for the hospitality industry, and supervises all the technicians who perform phone installation, trouble shooting, and repairs. With regard to RHS/Int. and RHSnet, Maroska oversees all aspects of sales and marketing, including training, budgets, production of materials, and representation of the companies at various national trade

shows. Maroska has also served in various sales capacities in the wholesale beverage and trucking industries. Mr. Maroska also served in the United States Marine Corps from 1967 to 1970.