



Cathey, Hutton & Associates, Inc.
Telecommunications Management Consulting

RECEIVED
FLORIDA PUBLIC
SERVICE COMMISSION

3300 Holcomb Bridge Road
Suite 286
Norcross, Georgia 30092-3238
Voice (770) 446-7242
Facsimile (770) 446-7243

99 SEP -3 AM 10:00

MAIL ROOM

September 1, 1999

Ms. Blanca Vayo
Director of Records and Reporting
Florida Public Service Commission
Division of Telecommunications
Bureau of Certification and Service Evaluation
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

DEPOSIT

DATE

D198

SEP 03 1999

991322-TI

Dear Ms. Vayo:

We are filing on the behalf of Avana Communications Corporation an Application for a Authority to Provide Interexchange Telecommunications Service throughout the State of Florida. Enclosed are the original and seven copies of the application, the authority to do business in Florida, and an illustrative tariff. Please return one signed stamped copy to us in the enclosed pre-addressed envelope.

If you have any questions or need additional information please feel free to contact me at (770) 446-7242.

Yours truly,

Davinci McNab
Manager

Enclosures

DOCUMENT NUMBER - DATE

10642 SEP-399

FPCO-RECORDS/REPORTING

2711 LBJ Freeway
Suite 560
Dallas, Texas 75234-7321
Voice (972) 484-2323
Facsimile (972) 243-6139

3721 Executive Center Drive
Suite 200
Austin, Texas 78731-1639
Voice (512) 343-2544
Facsimile (512) 343-0119

12503 Southeast Mill Plain Blvd.
Suite 200
Vancouver, Washington 98684-4009
Voice (360) 253-5500
Facsimile (360) 253-5380

8115 Shawnee Mission Pkwy.
Suite 200
Merriam, Kansas 66202-2945
Voice (913) 362-9966
Facsimile (913) 362-5460

99 SEP -3 AM 10:00

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Ms. Blanca Vayo
Director of Records and Reporting
Florida Public Service Commission
Division of Telecommunications
Bureau of Certification and Service Evaluation
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Check received with funds not
forwarded to fiscal account.
Fiscal to forward a copy of check
to RAR with proof of deposit.

Initials of person who forwarded check:
DM

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991322-TI

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Yours truly,



Davinci McNab
Manager

Enclosures

DOCUMENT NUMBER - DATE
10642 SEP-3 99

FPSC-RECORDS/REPORTING

AVANA COMMUNICATIONS CORP.

2367

OPERATING ACCOUNT
770-353-2000
1155 HAMMOND DR. BLDG. D STE. 4080
ATLANTA, GA 30328

64-25/610
BRANCH 24445

DATE 8-17-99

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

Two Hundred Fifty & no/100 DOLLARS

SouthTrust Bank
Atlanta, GA



FOR Long Pist Cert - Florida

**** FLORIDA PUBLIC SERVICE COMMISSION ****

DIVISION OF TELECOMMUNICATIONS
BUREAU OF CERTIFICATION AND SERVICE EVALUATION

ORIGINAL

**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 Service Evaluation
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6600**

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

Original certificate (new company).

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:

Avana Communications Corporation

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

AvanCom

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

1690 Chantilly Drive

Atlanta, GA 30324

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

526 E. Park Avenue

Tallahassee, Fl. 32301

6. Select type of business your company will be conducting (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: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

Internet E-Mail Address: _____

Internet Website Address: _____

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:**
F99000004355

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:** See Exhibit 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: _____

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: _____

15. Provide **F.E.I. Number** (if applicable): 58-2193081

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?

() Residential Customers
() PATs providers
() Hotels & motels

() Business Customers
() PATs station end-users
() Hotel & motel guests

() Universities () Universities dormitory residents
() Other: (specify) _____

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

(a) The application:

Name: Davinvi McNab

Title: Manager, Cathey Hutton & Associates

Address: 3300 Holcomb Bridge Road, Suite 286

City/State/Zip: Norcross, GA 30092-3238

Telephone No.: 770-446-7242 **Fax No.:** 770-446-7243

Internet E-Mail Address: dmcnab@cha-atlanta.com

Internet Website Address: www.catheyhutton.com

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

Name: Richard Granville

Title: Chairman/CEO

Address: 1690 Chantilly Drive

City/State/Zip: Atlanta, GA 30324

Telephone No.: 404-633-3831 **Fax No.:** 404-638-6057

Internet E-Mail Address: richardgranville@avana.net

Internet Website Address: www.avana.net

(c) Complaints/Inquiries from customers:

Name: Sean Duffy

Title: Vice President

Address: 1690 Chantilly Drive

City/State/Zip: Atlanta, GA 30324

Telephone No.: (404) 633-3831 **Fax No.:** (404) 638-6057

Internet E-Mail Address: seanduffy@avana.net

Internet Website Address: www.avana.net

19. List the states in which the applicant:

(a) has operated as an interexchange telecommunications company.

None.

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

Georgia.

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

None.

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

None.

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

None.

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

None.

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. X **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. X **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. X **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

I. **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).

See Exhibit B

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.

See Exhibit C

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:

Exhibit D

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. N/A

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

See Exhibit E

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.

See Exhibit E

**** 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:

x  _____ Signature	8/31/99 _____ Date
Chairman/CEO _____ Title	404 633-3831 _____ Telephone No.
Address: 1690 Chantilly Drive _____ Atlanta, GA 30324	404 638-6057 _____ Fax No.

ATTACHMENTS:

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

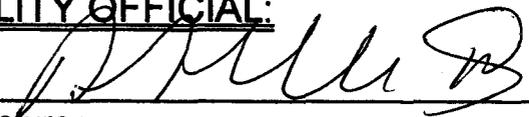
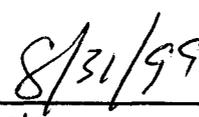
CUSTOMER DEPOSITS AND ADVANCE PAYMENTS

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:

<input checked="" type="checkbox"/> 	
Signature	Date
Chairman/CEO	404-633-3831
Title	Telephone No.
Address: 1690 Chantilly Drive	404-638-6057
Atlanta, GA 30324	Fax No.

CURRENT FLORIDA INTRASTATE SERVICES

Applicant **has** () or **has not** (x) 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?

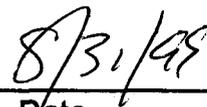
b) If the services are not currently offered, when were they discontinued?

UTILITY OFFICIAL:

x 

Signature

Chairman/CEO



Date

404 633-3831

Title

Telephone No.

Address: 1690 Chantilly Drive

404 638-6057

Atlanta, GA 30324

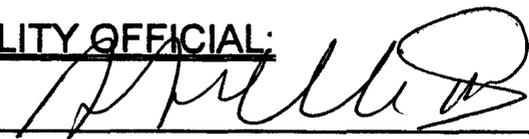
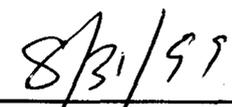
Fax No.

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
_____ Chairman/CEO	_____ 404 633-3831
_____ Title	_____ Telephone No.
Address: 1690 Chantilly Drive	_____ 404 638-6057
Atlanta, GA 30324	_____ Fax No.

**Avana Communications Corporation
d/b/a AvanaCom**

**Application For Authority to Provide Interexchange
Telecommunications Service and to Provide Intrastate
Interexchange Alternate Operator Services (AOS)
in the State of Florida.**

**Exhibit A – Authority to Transact Business
in Florida and Fictitious Name Registration**



FLORIDA DEPARTMENT OF STATE
Katherine Harris
Secretary of State

August 23, 1999

RICHARD MCDANIEL
CATHEY, HUTTON & ASSOCIATES
3300 HOLCOMB BRIDGE ROAD, SUITE 286
NORCROSS, GA 30092-3238

Qualification documents for AVANA COMMUNICATIONS CORPORATION were filed on August 16, 1999 and assigned document number F9900004355. Please refer to this number whenever corresponding with this office.

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

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

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

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

Tammi Cline
Document Specialist
Division of Corporations

Letter Number: 199A00042252

APPLICATION FOR REGISTRATION OF FICTITIOUS NAME

Section 1

1. AvanaCom
Fictitious Name to be Registered

2. 526 E. Park Avenue
Mailing Address of Business
Tallahassee, FL 32301
City State Zip Code

3. Florida County of principal place of business: _____
multiple

4. FEI Number: _____

This space for office use only

Section 2

A. Owner(s) of Fictitious Name If Individual(s): (Use an attachment if necessary):

1. _____ Last First M.I. _____ Address _____ City State Zip Code SS# _____	2. _____ Last First M.I. _____ Address _____ City State Zip Code SS# _____
--	--

B. Owner(s) of Fictitious Name If other than Individuals(s): (Use attachment if necessary):

1. <u>Avana Communications Corporation</u> Entity Name <u>1690 Chantilly Drive</u> Address <u>Atlanta, GA 30324</u> City State Zip Code Florida Registration Number <u>Applied for</u> FEI Number: <u>58-2193081</u> <input type="checkbox"/> Applied for <input type="checkbox"/> Not Applicable	2. _____ Entity Name _____ Address _____ City State Zip Code Florida Registration Number _____ FEI Number: _____ <input type="checkbox"/> Applied for <input type="checkbox"/> Not Applicable
---	---

Section 3

I (we) the undersigned, being the sole (all the) party(ies) owning interest in the above fictitious name, certify that the information indicated on this form is true and accurate. I (we) further certify that the fictitious name shown in Section 1 of this form has been advertised at least once in a newspaper as defined in chapter 50, Florida Statutes, in the county where the applicant's principal place of business is located. (We understand that the signature(s) below shall have the same legal effect as if made under oath. (At Least One Signature Required)

_____ Signature of Owner Phone Number: <u>904 633-3831</u>	→	<u>[Signature]</u> Signature of Owner Phone Number: <u>904-841-5859</u>
--	---	---

Section 4

**FOR CANCELLATION COMPLETE SECTION 4 ONLY:
FOR FICTITIOUS NAME OR OWNERSHIP CHANGE COMPLETE SECTIONS 1 THROUGH 4:**

I (we) the undersigned, hereby cancel the fictitious name _____
_____, which was registered on _____ and was assigned registration number _____

_____ Signature of Owner Date	_____ Signature of Owner Date
-------------------------------------	-------------------------------------

Mark the applicable boxes Certificate of Status - \$10 Certified Copy - \$30
 Filing Fee: \$50
 Note: Acknowledgements/certificates will be sent to the address in Section 1 only. CR4E-001 (5/96).

AVANA COMMUNICATIONS CORP.

OPERATING ACCOUNT

770-353-2000

1155 HAMMOND DR. BLDG. D STE. 4080
ATLANTA, GA 30328

2343

64-25/610
BRANCH 24445

DATE 8-3-99

PAY
TO THE
ORDER OF

Dept of State

\$ 50.00

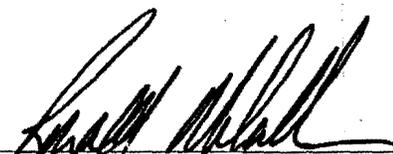
- Fifty & no/100

DOLLARS

 Security Features
Details on back.

SouthTrust
Bank
Atlanta, GA 

FOR Florida



MP

© HARLAND STYLE 200

THIS SPACE FOR OTHER USES ONLY

**Avana Communications Corporation
d/b/a AvanaCom**

**Application For Authority to Provide Interexchange
Telecommunications Service and to Provide Intrastate
Interexchange Alternate Operator Services (AOS)
in the State of Florida.**

Exhibit B – Illustrative Tariff

TITLE PAGE

RESALE TELECOMMUNICATIONS

SERVICES TARIFF OF

AVANA COMMUNICATIONS CORPORATION

d/b/a AvanaCom

This price list contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for the Resale of Telecommunications Services provided by AvanaCom within the state of Florida. This price list is on file with the Florida Public Service Commission, and copies may be inspected during normal business hours at the Company's principal place of business at 1155 Hammond Drive, Bldg. D., Suite 4080, Atlanta, Georgia 30328.

Issued: _____ Effective: _____

Scott Barber, Chief Information Officer
1155 Hammond Drive, Bldg. D, Suite 4080
Atlanta, GA 30328

CHECK SHEET

<u>Page</u>	<u>Revision</u>
1	Original
2	Original
3	Original
4	Original
5	Original
4	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original

Issued: _____ Effective: _____

Scott Barber, Chief Information Officer
1155 Hammond Drive, Bldg. D, Suite 4080
Atlanta, GA 30328

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Issued: _____

Effective: _____

Scott Barber, Chief Information Officer
1155 Hammond Drive, Bldg. D, Suite 4080
Atlanta, GA 30328

SYMBOLS

When changes are made in any tariff page, a revised page will be listed canceling the tariff page affected. Changes will be identified on the revised page (s) through the use of the following symbols:

- (D) Delete or Discontinue
- (I) Change Resulting In An Increase to A Customer's Bill
- (M) Moved From Another Tariff Location
- (N) New
- (R) Change Resulting In A Reduction To A Customer's Bill
- (T) Change in Text Or Regulation But No Change In Rate Or Charge

Issued: _____ Effective: _____

Scott Barber, Chief Information Officer
1155 Hammond Drive, Bldg. D, Suite 4080
Atlanta, GA 30328

1. DEFINITIONS

Authorization Code

A numerical code, one or more of which may be assigned to a subscriber, to enable AvanaCom to identify the origin of the service subscriber, so it may rate and bill the call. Automatic Number Identification (ANI) is used as the authorization code wherever feasible.

Automatic Numbering Identification (ANI)

A type of signaling provided by a local exchange telephone company which automatically identifies the local exchange line from which a call originates.

Carrier or Company

Whenever used in this tariff, "Carrier" or "Company" refers to AvanaCom unless otherwise specified or clearly indicated by the contract.

Customer

A calling party who utilizes the services of AvanaCom and is responsible for the payment of charges, unless that responsibility has been accepted by others, such as in the case of collect and billed to third party calls.

Direct Dial Message Telecommunications Calls

Long distance calls placed by residential or business subscribers on a direct-dial basis without the assistance of an operator.

Measured Charge

A charge assessed on a per minute basis in calculating a portion of the long distance charges due for a complete call.

Public Service Commission or Commission

The Florida Public Service Commission

Subscriber

The person or legal entity which enters into arrangements for AvanaCom telecommunications services and is responsible for compliance with applicable tariff regulations.

Telecommunications

The transmission of voice communications or, subject to the transmission capabilities of the services, the transmission of data, facsimile, signaling, metering, or other similar communications.

Issued: _____ Effective: _____

Scott Barber, Chief Information Officer
1155 Hammond Drive, Bldg. D, Suite 4080
Atlanta, GA 30328

2. APPLICATION OF TARIFF

- 2.1 This tariff contains the regulations and rates applicable to intrastate resale telecommunications services provided by AvanaCom, hereinafter referred to as "the Company", for telecommunications between points within the State of Florida. The Company's services are furnished subject to the availability of facilities and subject to the terms and conditions of this tariff. This tariff is on file with the Florida Public Service Commission and may be viewed during normal business hours at the Company's principal address.
- 2.1.1 The Company may, from time to time, offer various enhanced services and information services within the State of Florida. Such services will be provided pursuant to contract and will not be governed by this tariff. The Company will furnish the Commission with a copy of any such offering
- 2.1.2 The Company may also, from time to time, offer switching and/or transmission services to other telecommunications providers for resale to such companies' customers. The rates for any such services will be determined pursuant to contract, to the extent authorized by the Commission, and the rates sections of this tariff will not apply thereto.
- 2.2 Service furnished by the Company may be connected with services of facilities of other authorized telecommunications common carriers and with private systems, subject to the technical limitations established by the Company
- 2.2.1 The services of the Company are not part of a joint undertaking with any other entity providing telecommunications channels, facilities or services, but do involve the resale of the services of underlying common carriers subject to the jurisdiction of this Commission. Any special interface equipment or facilities necessary to achieve compatibility between the facilities of the Company and other carriers will be provided at the subscriber's expense.
- 2.2.2 Interconnection with the facilities or services of other carriers shall be under the applicable terms and conditions of the other carriers' tariffs. The subscriber is responsible for taking all necessary legal steps for interconnecting subscriber-provided terminal equipment of telecommunications systems with carriers' facilities. Subscriber shall secure all licenses, permits, rights-of-way and other arrangements necessary for such interconnections.
- 2.3 The rates and regulations contained in this tariff apply only to the services furnished by the Company and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carrier for use in accessing the services of the Company
- 2.4 The services of the Company shall be furnished to residential and business subscribers of the Company, and to operators of terminal telephone or other facilities of privately or publicly owned coin and coinless operated telephone station providers, hotels/motels, hospitals, airports, colleges, universities and other subscribers and their patrons. The Company shall enter into arrangements with such subscribers providing for the availability of the Company nationwide services, including the intrastate services offered under the terms and conditions of this tariff.

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Atlanta, GA 30328

3. GENERAL REGULATIONS

3.1 Services

The services of the Company consist of reselling tariffed toll telephone services in the State of Florida over transmission facilities leased from certificated interexchange carriers and local exchange carriers (LECs). Calls are not distance sensitive and the minimum call duration for billing purposes is one minute with additional usage measured and billed in one minute increments.

3.2 Use of Service

- 3.2.1 The Company's services may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of services.
- 3.2.2 The use of the Company's services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another person in such a way as to unreasonably interfere with use by others is prohibited.
- 3.2.3 The use of the Company's services without payment for service or attempting to avoid payment for service by fraudulent means or devices, schemes, false or invalid numbers, or false calling or credit cards is prohibited.
- 3.2.4 The Company's services are available for use twenty-four hours per day seven days per week.
- 3.2.5 The Company does not transmit messages pursuant to this tariff, but its services may be used for that purpose.

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3. GENERAL REGULATIONS

3.3 Liability of the Company

- 3.3.1 The Company shall not be liable for loss or damage sustained by reason of any failure in or breakdown of facilities associated with the Company's services or for any interruption or delay of services, whatever shall be the cause of such failure, breakdown, or interruption and whether negligent or otherwise and however long it shall last. In no event shall the Company's liability for any services exceed the charges applicable under this tariff for such service.
- 3.3.2 The Company shall be indemnified and saved harmless by any subscriber, customer or by any other entity against claims for libel, slander or the infringement of copyright arising from the material transmitted over its services; and against all other claims arising out of any act or omission of a subscriber or of any other entity in connection with services provided by the Company.
- 3.3.3 The Company shall not be liable for any act or omission of any entity furnishing facilities or services connected with or provided in conjunction with the services of the Company.
- 3.3.4 The Company shall not be liable for any personal injury or death of any person or persons, or for any loss or damage sustained by reason of acts, mistakes, omissions, errors or defects in providing its services, whatever shall be the cause and whether negligent or otherwise.
- 3.3.5 The Company shall not be liable for and shall be indemnified and saved harmless by any subscriber, customer or other entity from any and all loss, claims, demands, suits, or other action or any liability whatever, whether suffered, made, instituted, or asserted by any subscriber, customer or any other entity for any personal injury to, or death of, any person or persons, and for any loss, damage defacement or destruction of the premises of any subscriber, customer or any other entity or any other property whether owned or controlled by the subscriber, customer or others, caused or claimed to have been caused, directly or indirectly, by any act or omission of the subscriber, customer or others of any installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of facilities or equipment provided by the Company which is not the direct result of the Company's gross negligence. No agents or employees of any other entity shall be deemed to be the agents or employees of the Company
- 3.3.6 The Company shall not be liable for any failure of performance due to causes beyond its control, including, without limitation, acts of God, fires, floods or other catastrophes, national emergencies, insurrections, riots or wars, strikes, lockouts, work stoppages or other labor difficulties, and any law, order, regulation or other action of any governing authority or agency thereof.

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3. GENERAL REGULATIONS

3.4 Responsibilities of the Subscriber

- 3.4.1 The subscriber is responsible for placing any necessary orders and complying with tariff regulations. The subscriber is also responsible for the payment of charges for calls originated at the subscriber's number.
- 3.4.2 The subscriber is responsible for charges incurred for special construction and/or special facilities which the subscriber requests and which are ordered by the Company on the subscriber's behalf.
- 3.4.3 If required for the provision of the Company's services, the subscriber must provide any equipment space, supporting structure, conduit and electrical power without charge to the Company
- 3.4.4 The subscriber is responsible for arranging access to its premises at times mutually agreeable to the Company and the subscriber when required for the Company's personnel to install, repair, maintain, program, inspect or remove equipment associated with the provision of the Company's services.
- 3.4.5 The subscriber shall cause the temperature and relative humidity in the equipment space provided by subscriber for the installation of the Company's equipment to be maintained within the range normally provided for the operation of microcomputers.
- 3.4.6 The subscriber shall ensure that the equipment and/or system is properly interfaced with the Company's facilities or services, that the signals emitted into the Company's network are of the proper mode, bandwidth, power and signal level for the intended use of the subscriber and in compliance with the criteria set forth in this tariff, and that the signals do not damage equipment, injure personnel, or degrade service to other subscribers. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, the Company will permit such equipment to be connected with its channels without the use of protective interface devices.

If the subscriber fails to maintain the equipment and/or the system properly, with resulting imminent harm to the Company's equipment personnel or the quality of service to other subscribers, the Company may, upon written notice, require the use of protective equipment at the subscriber's expense. If this fails to produce satisfactory quality and safety, the Company may, upon written notice, terminate the subscriber's service.

- 3.4.7 The subscriber must pay the Company for replacement or repair of damage to the equipment of facilities of the Company caused by negligence or willful act of the subscriber, customers or others, by improper use of the services of by use of equipment provided by the subscriber or others.
- 3.4.8 The subscriber must pay for the loss through theft of any of the Company's equipment installed at the subscriber's premises.
- 3.4.9 If the Company installs equipment at the subscriber's premises, the subscriber shall be responsible for payment of an installation charge.

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3. GENERAL REGULATIONS

3.5 Responsibilities of the Customer

- 3.5.1 The customer is responsible for payment of the charges set forth in this tariff unless the responsibility for such payment has been accepted by the called party, or a subscriber.
- 3.5.2 The customer is responsible for compliance with the applicable regulations set forth in this tariff.
- 3.5.3 The customer is responsible for establishing its identity as often as necessary during the course of a call.
- 3.5.4 The customer is responsible for identifying the station, party, or person with whom communication is desired and/or made at the called number.

3.6 Cancellation or Interruption of Service

- 3.6.1 Without incurring liability, upon five (5) days' written notice to the subscriber, the Company may immediately discontinue services to a subscriber or may withhold the provision of ordered or contracted services:
 - A. For nonpayment of any sum due the Company for more than thirty (30) days after issuance of the bill for the amount due;
 - B. For violation of any of the provisions of this tariff;
 - C. For violation of any law, rule, regulation or policy of any governing authority having jurisdiction over the Company's services; or
 - D. By reason of any order or decision of a court, Public Service Commission or federal regulatory body or other governing authority prohibiting the Company from furnishing its services.
- 3.6.2 Without incurring liability, the Company may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of subscriber and the Company's equipment and facilities and may continue such interruption until any items of noncompliance or improper equipment operation so identified are rectified.
- 3.6.3 Service may be discontinued by the Company, without notice to the subscriber, by blocking traffic to certain countries, cities or NXX exchanges, or by blocking calls using certain subscriber authorization codes, when the Company deems it necessary to take such action to prevent unlawful use of its service. The Company will restore service as soon as it can be provided without undue risk, and will, upon request by the subscriber affected, assign a new authorization code to replace the one that has been deactivated.

4. BILLING ARRANGEMENTS

4.1 Computation of Charges

4.1.1 The minimum call duration for billing purposes is one minute with additional usage measured and billed in one-minute increments. Timing of each call begins as specified below, and ends when the calling party hangs up, where answer supervision is available. In no event will time begin before sixty (60) seconds from the intervention of the operator or automated equipment, except where positive answer detection capability exists.

4.1.2 For measured charges timing begins when the called station is answered, as determined by standard industry methods generally in use for ascertaining answer as determined by the underlying carrier for the Company's services, where answer supervision is available. The Company will not bill for incomplete calls.

4.2 Billing Arrangements

4.2.1 Direct Dial Calls

Charges for calls of this type will be included on the subscriber's regular home or business telephone bill pursuant to billing and collection agreements established by the Company or its intermediary with the applicable telephone company.

4.2.2 Room Charge Calls

When requested by a customer in a hotel or similar facility, and authorized by the subscriber, the charges may be provided for inclusion on the hotel or motel bill of the customer. In such cases, the Company will provide a record of the call detail and charges to the hotel or motel for such billing purposes.

4.3 Contested Charges

Subject to the conditions described in Section 4.4 below, for consideration of any disputed charge, a subscriber must submit in writing to the Company, within thirty (30) days of the date the bill is issued, the call details and basis for any requested adjustment. The Company will promptly investigate and advise the subscriber as to its findings and disposition. Any undisputed charges must be paid on a timely basis. Any disputed charges that cannot be resolved between a subscriber and the Company may be appealed to the Commission.

4.4 Billing Entity Conditions

When billing functions on behalf of the Company or its intermediary are performed by local exchange telephone companies, credit card companies or others, the payment of charge conditions and regulations of such companies and any regulations imposed upon these companies by regulatory bodies having jurisdiction apply.

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4. BILLING ARRANGEMENTS

4.5 Returned Check Charge

The customer will be assessed a charge of twenty dollars (\$25.00) for each check, draft, or electronic funds transfer submitted by the customer to the Company which a financial institution refuses to honor.

4.6 Deposits

The Company does not require a deposit from the customer.

4.7 Advance Payments

For customers whom the Company feels an advance payment is necessary, the Company reserves the right to collect an amount not to exceed one (1) month's estimated charges as an advance payment for service. This will be applied against the next month's charges and if necessary, a new advance payment will be collected for the next month.

4.8 Taxes

All federal, state and local taxes (e.g., excise tax, gross receipts tax, sales tax, municipal utilities tax) are billed as separate line items and are not included in the quoted rates.

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5. RATES

5.1 Long Distance Service

5.1.1 This section sets forth the rates and charges applicable to the Company's Long Distance Service offering. Service is offered to residential or business customers. The minimum call duration for billing purposes is one minute with additional usage measured and billed in one minute increments. The rates set forth in this section are applicable to calls originating and terminating within the State of Florida.

5.1.2 The following rates apply all times of day, seven days a week for all Direct Dial calls within the State of Florida.

Rate per
Minute of Use

\$0.12

5.2 Operator Assisted Service

5.2.1 The rates and charges for Operator Assisted Service consist of measured usage charges and per call service charges. Call types include Calling Card, Operator Station (Collect, Billed to Third Number, and other Operator Assisted), Operator Dialed, and Person-to-Person. The rates set forth in this section are applicable to calls originating and terminating within the State.

5.2.2 The following rates apply to Operator Assisted calls:

	<u>Rate</u>
Per Minute of Use	\$0.23
Service Charges Per Call:	
Calling Card	\$.90
Operator Station	\$2.25
Person-to-Person	\$4.90
Operator Dialed Surcharge*	\$1.00

* The Operator Dialed Surcharge is added to the other charges when the Operator dials the call. This surcharge does not apply when the call is billed to a Calling Card.

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Atlanta, GA 30328

5. RATES

5.3 Directory Assistance Service

5.3.1 A charge applies to each call to Directory Assistance for request of a listing. Up to two requests may be made on each call.

5.3.2 The following charge applies to each call made to Directory Assistance:

Charge per Call

\$0.85

5.4 Busy Line Verification and Interrupt Service

Upon request of a calling party, the Company will verify a busy condition on a called line. The Operator will determine whether the line is clear or in use and report its status to the calling party. The Operator will interrupt the call on the called line only if the calling party indicates an emergency and requests interruption. The Busy Line Interrupt charge applies whether or not the interruption is successful. A Busy Line Verification charge also applies for each Busy Line Interruption.

Busy Line Verification	\$5.00
Busy Line Interrupt	\$5.00

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**Avana Communications Corporation
d/b/a AvanaCom**

**Application For Authority to Provide Interexchange
Telecommunications Service and to Provide Intrastate
Interexchange Alternate Operator Services (AOS)
in the State of Florida.**

**Exhibit C – Financial Statements of Avana Communications Corporation
and parent company New Millennium Multimedia, Inc.**

SMITH & RADIGAN

FINANCIAL STATEMENTS

AVANA COMMUNICATIONS CORPORATION

December 31, 1998

Financial Statements

AVANA COMMUNICATIONS CORPORATION

December 31, 1998

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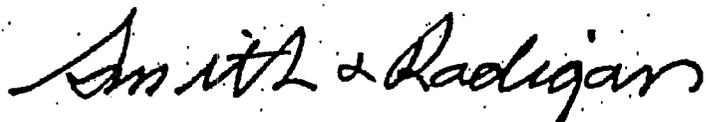
INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Avana Communications Corporation

We have audited the accompanying balance sheets of Avana Communications Corporation (a Georgia corporation) as of December 31, 1998, 1997 and 1996, and the related statements of operations and retained earnings (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Avana Communications Corporation as of December 31, 1998, 1997 and 1996, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.



Atlanta, Georgia
June 15, 1999

Balance Sheets

AVANA COMMUNICATIONS CORPORATION

	<u>ASSETS</u>		
	<u>December 31,</u>		
	<u>1998</u>	<u>1997</u>	<u>1996</u>
CURRENT ASSETS			
Cash	\$ 14,426	\$ 58,066	\$ 16,723
Accounts receivable	3,000	6,275	-0-
Advance to stockholder	483	483	483
Prepaid expenses	-0-	12,893	-0-
TOTAL CURRENT ASSETS	<u>17,909</u>	<u>77,717</u>	<u>17,206</u>
PROPERTY AND EQUIPMENT, at cost			
Net of accumulated depreciation of \$60,644 in 1998, \$32,079 in 1997 and \$10,483 in 1996	118,265	119,852	76,795
OTHER ASSETS			
Deposits	6,947	6,947	6,947
Organization costs	862	1,411	1,960
	<u>7,809</u>	<u>8,358</u>	<u>8,907</u>
	<u>\$ 143,983</u>	<u>\$ 205,927</u>	<u>\$ 102,908</u>

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY IN ASSETS)

	<u>December 31,</u>		
	<u>1998</u>	<u>1997</u>	<u>1996</u>
CURRENT LIABILITIES			
Accounts payable and accrued expenses	\$ 37,942	\$ 46,135	\$ 71,634
Unearned revenue	153,126	140,613	52,920
Advance from related party	-0-	78	12,548
Dividend payable	-0-	7,658	-0-
TOTAL CURRENT LIABILITIES	<u>191,068</u>	<u>194,484</u>	<u>137,102</u>
STOCKHOLDERS' EQUITY			
Common stock — no par value:			
Authorized — 100,000 shares			
Issued and outstanding — 68,173 shares in 1998, 67,273 shares in 1997 and 1996	171,260	171,260	171,260
Retained earnings (deficit)	(218,345)	(159,817)	(205,454)
	<u>(47,085)</u>	<u>11,443</u>	<u>(34,194)</u>
	<u>\$ 143,983</u>	<u>\$ 205,927</u>	<u>\$ 102,908</u>

The Notes to Financial Statements are an integral part of these Statements.

Statements of Operations and Retained Earnings (Deficit)

AVANA COMMUNICATIONS CORPORATION

	December 31,		
	<u>1998</u>	<u>1997</u>	<u>1996</u>
REVENUES			
Net sales revenue	\$ 833,509	\$ 771,674	\$ 464,967
OPERATING EXPENSES			
Wages and benefits	305,191	321,168	207,991
Communications	287,845	154,651	175,493
Office space	54,441	53,274	38,064
Equipment rental	97,193	57,789	30,156
General and administrative	63,775	62,070	62,827
Marketing	54,598	43,357	46,155
Interest	-0-	1,585	1,553
Depreciation and amortization expense	<u>29,114</u>	<u>22,145</u>	<u>10,712</u>
	<u>892,157</u>	<u>716,039</u>	<u>572,951</u>
LOSS FROM OPERATIONS	(58,648)	55,635	(107,984)
INTEREST INCOME	<u>120</u>	<u>-0-</u>	<u>103</u>
NET LOSS	(58,528)	55,635	(107,881)
RETAINED EARNINGS (DEFICIT), BEGINNING OF YEAR	(159,817)	(205,454)	(97,573)
DIVIDEND DECLARED	<u>-0-</u>	<u>(9,998)</u>	<u>-0-</u>
RETAINED EARNINGS (DEFICIT), END OF YEAR	<u>\$ (218,345)</u>	<u>\$ (159,817)</u>	<u>\$ (205,454)</u>

The Notes to Financial Statements are an integral part of these Statements.

Statements of Cash Flows

AVANA COMMUNICATIONS CORPORATION

	December 31,		
	<u>1998</u>	<u>1997</u>	<u>1996</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	\$ (58,528)	\$ 55,635	\$(107,881)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:			
Depreciation and amortization	29,114	22,145	10,712
Decrease (increase) in:			
Accounts receivable	3,275	(6,275)	315
Other assets	12,893	(12,893)	(1,198)
Increase (decrease) in:			
Accounts payable and accrued expenses	(8,271)	(37,969)	45,117
Other liabilities	12,513	87,693	40,967
Total adjustments	<u>49,524</u>	<u>52,701</u>	<u>95,913</u>
Net cash provided (used) by operating activities	(9,004)	108,336	(11,968)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(26,978)	(64,653)	(71,760)
Decrease (increase) in loans to stockholder	<u>-0-</u>	<u>-0-</u>	<u>(223)</u>
Net cash used by investing activities	(26,978)	(64,653)	(71,983)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Capital contributions	-0-	-0-	56,000
Dividends paid	<u>(7,658)</u>	<u>(2,340)</u>	<u>-0-</u>
Net cash provided (used) by financing activities	<u>(7,658)</u>	<u>(2,340)</u>	<u>56,000</u>
NET INCREASE (DECREASE) IN CASH	(43,640)	41,343	(27,951)
CASH BALANCE AT BEGINNING OF YEAR	<u>58,066</u>	<u>16,723</u>	<u>44,674</u>
CASH BALANCE AT END OF YEAR	<u>\$ 14,426</u>	<u>\$ 58,066</u>	<u>\$ 16,723</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Interest paid	<u>\$ -0-</u>	<u>\$ 1,585</u>	<u>\$ 1,553</u>

The Notes to Financial Statements are an integral part of these Statements.

Notes to Financial Statements
AVANA COMMUNICATIONS CORPORATION
December 31, 1998

Note A — Summary of Significant Accounting Policies

Organization

Avana Communications Corporation ("the Company") was incorporated on July 11, 1995, in the state of Georgia. The Company was formed to provide internet access, training, web site development and support to individuals and businesses.

Property and Equipment

Property and equipment are stated at cost and include expenditures for new facilities and replacements or betterments of existing facilities. Expenditures for normal maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the useful lives of the assets, which range from three to seven years for furniture and equipment.

Depreciation expense was \$28,529 for the year ended December 31, 1998, \$21,560 for the year ended December 31, 1997 and \$10,127 for the year ended December 31, 1996.

Organizational Costs

Organization costs represent the costs to incorporate the Company. The costs are being amortized over five years on a straight-line basis. Amortization for the years ended December 31, 1998, 1997 and 1996 was \$585.

Sales

Revenue is recognized as it is earned, not when it is collected from the customer. An adjustment made to record the deferred income which has been collected from the customer but not yet earned.

Income Taxes

The Company accounts for income taxes under the liability method. Under this method, deferred income taxes are recorded to reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for income taxes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Statement of Cash Flows

The Company's policy is to report all short-term investments with maturities of three months or less at the time of their acquisition by the Company as cash equivalents.

Notes to Financial Statements — Continued

AVANA COMMUNICATIONS CORPORATION

December 31, 1998

Note C — Commitments and Contingencies

The Company's future lease obligations for building and equipment rentals under noncancelable operating leases are as follows:

Year Ending December 31,	Amount		
	Building	Related Party Equipment	Total
1999	\$ 41,528	\$ 85,337	\$126,865
2000	<u>-0-</u>	<u>25,550</u>	<u>25,550</u>
Total	<u>\$ 41,528</u>	<u>\$110,887</u>	<u>\$152,415</u>

Rental expense was \$151,634 for the year ending December 31, 1998, \$111,063 for 1997 and \$68,220 for 1996.

The Company rents computer equipment from a company owned by a major stockholder. Payments for equipment rental to the stockholder were \$87,664 in 1998, \$56,489 in 1997 and \$28,152 in 1996.

Note D — Income Taxes

No provision for income taxes has been recorded due to net operating loss (NOL) carryforward of \$80,953 that will be offset against future taxable income. The NOL carryforward will expire in the year 2018. No tax benefit has been recorded in the financial statements due to the uncertainty of predicting the Company's future taxable income.

The Company's deferred tax assets at December 31, 1998 are as follows:

Deferred tax assets — net operating loss carryforwards	\$ 28,000
Cash basis of accounting	66,000
Valuation allowance	<u>(94,000)</u>
Total	<u>\$ -0-</u>

Note E — Subsequent Events

On May 5, 1999, the stockholders of the Company sold all of the issued and outstanding shares of stock in the Company to an independent third party.

SMITH & RADIGAN

FINANCIAL STATEMENTS
AVANA COMMUNICATIONS CORPORATION
June 30, 1999

Financial Statements

AVANA COMMUNICATIONS CORPORATION

June 30, 1999

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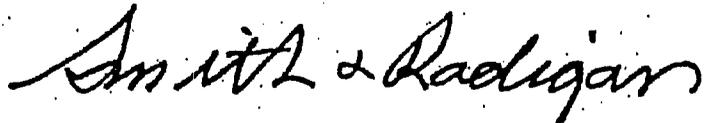
ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
Avana Communications Corporation

We have compiled the accompanying balance sheets of Avana Communications Corporation (a Georgia corporation) as of June 30, 1999 and 1998 and the related statements of operations and retained earnings (deficit) and cash flows for the six-month period then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The Company has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.



Atlanta, Georgia
July 16, 1999

Balance Sheets

AVANA COMMUNICATIONS CORPORATION

ASSETS

	<u>June 30,</u>	
	<u>1999</u>	<u>1998</u>
CURRENT ASSETS		
Cash	\$ 10,706	\$ 59,527
Accounts receivable	200	1,008
Prepaid expenses	-0-	9,100
TOTAL CURRENT ASSETS	<u>10,906</u>	<u>69,635</u>
PROPERTY AND EQUIPMENT, at cost		
Net of accumulated depreciation		
of \$75,833 in 1999 and \$45,002		
in 1998	199,496	130,555
OTHER ASSETS		
Deposits	6,945	6,947
Organization costs	672	1,183
	<u>7,617</u>	<u>8,130</u>
	<u>\$ 218,019</u>	<u>\$ 208,320</u>

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY IN ASSETS)

	<u>June 30,</u>	
	<u>1999</u>	<u>1998</u>
CURRENT LIABILITIES		
Accounts payable and accrued		
expenses	\$ 62,435	\$ 31,872
Unearned revenue	177,659	130,334
Advance from parent company	28,618	-0-
Current maturities of long-term debt	10,921	-0-
TOTAL CURRENT LIABILITIES	<u>279,633</u>	<u>162,206</u>
LONG-TERM DEBT	83,394	-0-
STOCKHOLDERS' EQUITY (DEFICIENCY IN ASSETS)		
Common stock — no par value:		
Authorized — 100,000 shares		
Issued and outstanding —		
68,173 shares in 1999 and 1998	171,260	171,260
Retained earnings (deficit)	<u>(316,268)</u>	<u>(125,146)</u>
	<u>(145,008)</u>	<u>46,114</u>
	<u>\$ 218,019</u>	<u>\$ 208,320</u>

See Accountants' Compilation Report.

Statements of Operations and Retained Earnings (Deficit)

AVANA COMMUNICATIONS CORPORATION

	For the Period Ended June 30,	
	<u>1999</u>	<u>1998</u>
REVENUES		
Net sales revenue	\$ 367,901	\$ 450,282
OPERATING EXPENSES		
Wages and benefits	143,807	148,087
Communications	198,791	125,637
Office space	27,686	26,822
Equipment rental	47,721	39,252
General and administrative	27,094	32,230
Marketing	5,346	30,552
Depreciation and amortization expense	<u>15,379</u>	<u>13,151</u>
	<u>465,824</u>	<u>415,731</u>
INCOME (LOSS) FROM OPERATIONS	(97,923)	34,551
INTEREST INCOME	<u>-0-</u>	<u>120</u>
NET INCOME (LOSS)	(97,923)	34,671
RETAINED EARNINGS (DEFICIT), BEGINNING OF PERIOD	<u>(218,345)</u>	<u>(159,817)</u>
RETAINED EARNINGS (DEFICIT), END OF PERIOD	<u>\$ (316,268)</u>	<u>\$ (125,146)</u>

See Accountants' Compilation Report.

Statements of Cash Flows

AVANA COMMUNICATIONS CORPORATION

	For the Period Ended June 30,	
	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	(97,923)	34,671
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	15,379	13,151
Decrease (increase) in:		
Accounts receivable	2,800	5,750
Other assets	2	3,793
Increase (decrease) in:		
Accounts payable and accrued expenses	24,493	(14,341)
Advance from parent company	28,618	-0-
Other liabilities	24,533	(10,279)
Total adjustments	<u>95,825</u>	<u>(1,926)</u>
Net cash provided (used) by operating Activities	(2,098)	32,745
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	<u>(96,420)</u>	<u>(23,626)</u>
Net cash used by investing activities	(96,420)	(23,626)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Advance from stockholder	483	-0-
Long-term debt	94,315	-0-
Dividends paid	<u>-0-</u>	<u>(7,658)</u>
Net cash provided (used) by financing activities	<u>94,798</u>	<u>(7,658)</u>
NET INCREASE (DECREASE) IN CASH	(3,720)	1,461
CASH BALANCE AT BEGINNING OF PERIOD	<u>14,426</u>	<u>58,066</u>
CASH BALANCE AT END OF PERIOD	<u>\$ 10,706</u>	<u>\$ 59,527</u>
CASH FLOW INFORMATION:		
Capital lease transaction	<u>\$ 94,315</u>	<u>\$ -0-</u>

See Accountants' Compilation Report.

SMITH & RADIGAN

FINANCIAL STATEMENTS
NEW MILLENNIUM MULTIMEDIA, INC.
December 31, 1998

Financial Statements

NEW MILLENNIUM MULTIMEDIA, INC.

December 31, 1998

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Statement of Operations and Retained Earnings (Deficit)	3
Statement of Cash Flows	4
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
New Millennium Multimedia, Inc.

We have audited the accompanying balance sheet of New Millennium Multimedia, Inc. (a Georgia corporation) as of December 31, 1998, and the related statements of operations and retained earnings (deficit) and cash flows for the period from October 6, 1998 (date of inception) through December 31, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Millennium Multimedia, Inc. as of December 31, 1998, and the results of its operations and its cash flows for the period from October 6, 1998 (date of inception) through December 31, 1998, in conformity with generally accepted accounting principles.

Smith & Radigan

Atlanta, Georgia
June 24, 1999

Balance Sheet

NEW MILLENNIUM MULTIMEDIA, INC.

December 31, 1998

ASSETS

CURRENT ASSETS

Cash	\$ 3,719
Advances to stockholder	820
TOTAL CURRENT ASSETS	<u>4,539</u>

PROPERTY AND EQUIPMENT, at cost

Net of accumulated depreciation of \$506	<u>12,611</u>
	<u>\$ 17,150</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 5,391
---------------------------------------	----------

STOCKHOLDERS' EQUITY

Common stock — par value \$1 per share:	
Authorized — 1,000,000 shares	
Issued and outstanding — 32,500 shares	32,500
Retained earnings (deficit)	<u>(20,741)</u>
	<u>11,759</u>
	<u>\$ 17,150</u>

The Notes to Financial Statements are an integral part of these Statements.

Statement of Operations and Retained Earnings (Deficit)

NEW MILLENNIUM MULTIMEDIA, INC.

For the period from October 6, 1998 (Date of Inception) through December 31, 1998

OPERATING EXPENSES	
General and administrative	\$ 7,146
Marketing	13,203
Depreciation	<u>506</u>
	<u>20,855</u>
LOSS FROM OPERATIONS	(20,855)
INTEREST INCOME	<u>114</u>
NET LOSS	(20,741)
RETAINED EARNINGS, BEGINNING OF PERIOD	<u>-0-</u>
RETAINED EARNINGS (DEFICIT), END OF PERIOD	<u>\$ (20,741)</u>

The Notes to Financial Statements are an integral part of these Statements.

Statement of Cash Flows

NEW MILLENNIUM MULTIMEDIA, INC.

For the period from October 6, 1998 (Date of Inception) through December 31, 1998

CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss	\$ (20,741)
Adjustments to reconcile net loss to net cash used by operating activities:	
Depreciation and amortization	506
Increase in accounts payable and accrued expenses	<u>5,391</u>
Total adjustments	<u>5,897</u>
Net cash used by operating activities	<u>(14,844)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Capital expenditures	(13,117)
Increase in advances to officers	<u>(820)</u>
Net cash used by investing activities	<u>(13,937)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Capital contributions	<u>32,500</u>
Net cash provided by financing activities	<u>32,500</u>

NET INCREASE IN CASH	3,719
CASH BALANCE AT BEGINNING OF PERIOD	<u>-0-</u>
CASH BALANCE AT END OF PERIOD	<u>\$ 3,719</u>

The Notes to Financial Statements are an integral part of these Statements.

Notes to Financial Statements

NEW MILLENNIUM MULTIMEDIA, INC.

December 31, 1998

Note A — Summary of Significant Accounting Policies

Organization

New Millennium Multimedia, Inc. ("the Company") was incorporated on October 6, 1998, in the state of Georgia. The Company was formed to provide telecommunications services to businesses and individuals.

Property and Equipment

Property and equipment are stated at cost and include expenditures for new facilities and replacements or betterments of existing facilities. Expenditures for normal maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the useful lives of the assets, which range from five to seven years for furniture and equipment.

Depreciation expense was \$506 for the year ended December 31, 1998.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Company accounts for income taxes under the liability method. Under this method, deferred income taxes are recorded to reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for income taxes.

Statement of Cash Flows

The Company's policy is to report all short-term investments with maturities of three months or less at the time of their acquisition by the Company as cash equivalents.

Note B — Subsequent Events

Capitalization

Subsequent to the balance sheet date, the Company increased the number of authorized shares of common stock to 1,000,000.

Notes to Financial Statements — Continued

NEW MILLENNIUM MULTIMEDIA, INC.

December 31, 1998

Note A — Summary of Significant Accounting Policies — Continued

Acquisitions

On May 5, 1999, the Company purchased all of the issued and outstanding stock of a company that provides internet access, training, web site development and support to both businesses and individuals. The Company purchased the stock of the Company in exchange for \$350,000 in cash, \$100,000 note payable to the stockholders of the entity and 97,824 shares of New Millennium Multimedia, Inc. common stock.

Note B — Income Taxes

No provision for income taxes has been recorded due to net operating loss (NOL) carryforward of \$20,000 that will be offset against future taxable income. The NOL carryforward will expire in the year 2018. No tax benefit has been recorded in the financial statements due to the uncertainty of predicting the Company's future taxable income.

The Company's deferred tax asset at December 31, 1998 is as follows:

Deferred tax assets — net operating loss carryforwards	\$ 7,000
Valuation allowance	<u>(7,000)</u>
Total	<u>\$ -0-</u>

SMITH & RADIGAN

CONSOLIDATED FINANCIAL STATEMENTS

NEW MILLENNIUM MULTIMEDIA, INC.

June 30, 1999

Consolidated Financial Statements

NEW MILLENNIUM MULTIMEDIA, INC.

June 30, 1999

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SMITH & RADIGAN,

CERTIFIED PUBLIC ACCOUNTANTS, LLC

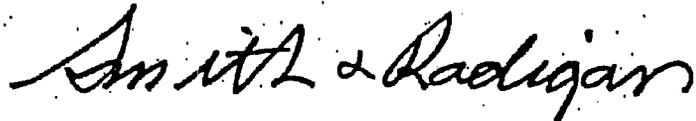
750 Hammond Drive, Building 2
Atlanta, Georgia 30328-5532
Telephone (404) 255-1300
FAX (404) 255-1301
E-Mail: info@smithandradigan.com

ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
New Millennium Multimedia, Inc.

We have compiled the accompanying consolidated balance sheet of New Millennium Multimedia, Inc. (a Georgia corporation) as of June 30, 1999 and the related consolidated statements of operations, stockholders' equity and cash flows for the six-month period then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



Atlanta, Georgia
July 16, 1999

Consolidated Balance Sheet

NEW MILLENNIUM MULTIMEDIA, INC.

June 30, 1999

ASSETS

CURRENT ASSETS

Cash	\$101,839
Accounts receivable	200
Prepaid expenses	<u>1,650</u>
TOTAL CURRENT ASSETS	103,689

PROPERTY AND EQUIPMENT, at cost
Net of accumulated depreciation
of \$79,938

276,218

OTHER ASSETS

Deposits	24,339
Escrow deposit	38,000
Organization costs, net of accumulated Amortization of \$2,072	672
Goodwill, net of accumulated amortization of \$1,838	<u>880,613</u>
	<u>943,624</u>

\$1,323,531

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 172,197
Unearned revenue	177,659
Advance from stockholders	1,699
Current portion of long-term debt	<u>94,789</u>
TOTAL CURRENT LIABILITIES	446,344

LONG-TERM DEBT

604,110

STOCKHOLDERS' EQUITY

Common stock — \$1 par value: Authorized — 1,000,000 shares Issued and outstanding — 543,824	543,824
Additional paid-in capital	195,648
Retained earnings (deficit)	<u>(466,395)</u>
	<u>273,077</u>

\$1,323,531

See Notes to Consolidated Financial Statements and Accountants' Compilation Report.

Consolidated Statement of Operations

NEW MILLENNIUM MULTIMEDIA, INC.

For the Six-Month Period Ended June 30, 1999

REVENUES	
Net sales revenue	\$192,917
OPERATING EXPENSES	
Wages and benefits	473,254
Communications	39,525
Office space	10,392
Equipment rental	12,144
General and administrative	79,048
Marketing	12,798
Interest	3,751
Depreciation and amortization expense	<u>8,000</u>
	<u>638,912</u>
LOSS FROM OPERATIONS	(445,995)
INTEREST INCOME	<u>341</u>
NET LOSS	<u>\$ (445,654)</u>

See Notes to Consolidated Financial Statements and Accountants' Compilation Report.

Consolidated Statement of Stockholders' Equity

NEW MILLENNIUM MULTIMEDIA, INC.

For the Six-Month Period Ended June 30, 1999

	<u>Common Stock</u>		<u>Additional Paid in Capital</u>	<u>Retained Earnings (Deficit)</u>	<u>Total</u>
	<u>No. of Shares</u>	<u>Amount</u>			
Balance at January 1, 1999	32,500	\$ 32,500	\$ -0-	\$ (20,741)	\$ 11,759
Acquisition of Avana Communications Corporations	97,824	97,824	195,648	-0-	293,472
Sale of stock	31,000	31,000	-0-	-0-	31,000
Stock issued as compensation	382,500	382,500	-0-	-0-	382,500
Net loss from operations	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(445,654)</u>	<u>(445,654)</u>
	<u>543,824</u>	<u>\$ 543,824</u>	<u>\$ 195,648</u>	<u>\$(466,395)</u>	<u>\$ 273,077</u>

Consolidated Statement of Cash Flows

NEW MILLENNIUM MULTIMEDIA, INC.

For the Six-Month Period Ended June 30, 1999

CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss	\$ (445,654)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:	
Depreciation and amortization	8,000
Stock issued as compensation	382,500
Decrease (increase) in:	
Current assets	(1,650)
Deposits	(17,394)
Increase (decrease) in:	
Accounts payable and accrued expenses	93,219
Total adjustments	<u>464,675</u>
Net cash provided by operating activities	<u>19,021</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Acquisition of subsidiary:	
Current assets	(7,817)
Property and equipment net of depreciation	(105,181)
Current liabilities	71,023
Unearned revenue	177,659
Note payable	100,000
Stock issued	293,472
Goodwill	<u>(882,450)</u>
Net cash	(353,294)
Capital expenditures	(13,126)
Escrow deposit	<u>(38,000)</u>
Net cash used by investing activities	(404,420)

CASH FLOWS FROM FINANCING ACTIVITIES:

Advance from stockholder	2,519
Issue of common stock	31,000
Long-term debt	<u>450,000</u>
Net cash provided by financing activities	<u>483,519</u>

NET INCREASE IN CASH	98,120
CASH BALANCE AT BEGINNING OF PERIOD	<u>3,719</u>
CASH BALANCE AT END OF PERIOD	<u>\$ 101,839</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Interest paid	<u>\$ 3,751</u>
Non-cash transactions:	
Capital lease transactions	<u>\$ 148,898</u>
Stock issued as compensation	<u>\$ 382,500</u>

See Notes to Consolidated Financial Statements and Accountants' Compilation Report.

Notes to Consolidated Financial Statements

NEW MILLENNIUM MULTIMEDIA, INC.

June 30, 1999

Note A — Summary of Significant Accounting Policies

Organization

New Millennium Multimedia, Inc. ("the Company") was incorporated on October 6, 1998, in the state of Georgia. The Company was formed to provide telecommunications services to businesses and individuals.

Consolidation

The Company acquired Avana Communications Corporation (Avana) on May 5, 1999. Avana provides internet access, training, website development and support to individuals and businesses.

The accompanying consolidated financial statements included the accounts of New Millennium Multimedia, Inc. and its wholly-owned subsidiary, Avana, collectively referred to as "the Company." All significant intercompany accounts and transactions have been eliminated.

Property and Equipment

Property and equipment are stated at cost and include expenditures for new facilities and replacements or betterments of existing facilities. Expenditures for normal maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the useful lives of the assets, which range from three to seven years for furniture and equipment.

Depreciation expense was \$6,130 for the six-month period ended June 30, 1999.

Intangible Asset

Organization costs represent the costs to incorporate. The costs are being amortized over five years on a straight-line basis. Amortization for the period ended June 30, 1999 was \$32.

Goodwill represents the excess of cost over fair market value of assets acquired. Goodwill is being amortized over forty years on the straight-line basis. Amortization for the period ended June 30, 1999 was \$1,838.

Sales

Revenue is recognized as it is earned, not when it is collected from the customer. An adjustment was made to record the deferred income which has been collected from the customer but not yet earned.

Notes to Consolidated Financial Statements - Continued

NEW MILLENNIUM MULTIMEDIA, INC.

June 30, 1999

Note A - Summary of Significant Accounting Policies - Continued

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Company accounts for income taxes under the liability method. Under this method, deferred income taxes are recorded to reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for income taxes.

Statement of Cash Flows

The Company's policy is to report all short-term investments with maturities of three months or less at the time of their acquisition by the Company as cash equivalents.

Note B - Acquisition of Avana Communications Corporation

On May 5, 1999, the Company completed its acquisition of Avana Communications Corporation (Avana). The acquisition was accounted for as a purchase and the results of Avana's operations were included in the Company's 1999 consolidated statements of operations from the date of acquisition. Total consideration included the issuance of 97,824 of newly issued common shares valued at \$293,472, cash in the amount of \$364,000 and a promissory note in the amount of \$100,000. The total consideration exceeded the fair value of the net assets acquired by \$882,450, which has been recorded as goodwill and is being amortized on a straight-line basis over forty years.

The following unaudited consolidated proforma information utilizes the audited information for New Millennium Multimedia, Inc. for the period from October 6, 1998 (date of inception) through December 31, 1998 and audited information for Avana for the calendar years 1998 and 1997 and unaudited information for the period January 1, 1999 through June 30, 1999. The proforma data assumes the Avana acquisition had occurred on January 1, 1997.

	Period Ended June 30, 1999	Year Ended December 31,	
		1998	1997
Net sales	<u>\$ 506,714</u>	<u>\$ 833,509</u>	<u>\$ 771,674</u>
Net income (loss)	<u>\$(523,547)</u>	<u>\$(79,269)</u>	<u>\$ 55,635</u>

Notes to Consolidated Financial Statements - Continued

NEW MILLENNIUM MULTIMEDIA, INC.

June 30, 1999

Note B - Acquisition of Avana Communications Corporation - Continued

The unaudited consolidated proforma information is not necessarily indicative of the combined results that would have occurred had the acquisition, merger and borrowings occurred on those dates, nor is it indicative of the results that may occur in the future.

Note C - Long-Term Debt

A summary of long-term debt is as follows:

Secured promissory note to a financial institution, dated April 26, 1999, with maximum borrowing in the amount of \$600,000. The Company can borrow in define tranches through April 30, 2000. All borrowings are amortized over 24 months with interest accruing at 10% for three months and 12.5% thereafter. The note is collateralized by equipment.	\$ 450,000
Promissory notes payable to stockholders, dated May 5, 1999, as part of the acquisition of Avana. Principal can be reduced to the extent of account attrition, as defined. Notes are due on May 5, 2000. The notes are not secured. The notes are not interest bearing.	100,000
Capital lease payable to financial institutions Dated April 1999. Amortization of principal and interest in the amount of \$5,223 begins in July 1999 and includes interest at rates between 12.10% and 24.31%. Capital leases are secured by equipment.	<u>148,899</u>
Less: current maturities	<u>698,899</u> <u>94,789</u>
	<u>\$ 604,110</u>

Future maturities of long-term debt are as follows:

Year Ended
December 31,

1999	\$ 94,789
2000	399,773
2001	169,643
2002	<u>34,694</u>
	<u>\$ 698,899</u>

Notes to Consolidated Financial Statements - Continued

NEW MILLENNIUM MULTIMEDIA, INC.

June 30, 1999

Note D - Income Taxes

No provision for income taxes has been recorded due to net operating loss (NOL) carryforward of approximately \$625,000 that will be offset against future taxable income. The NOL carryforward will expire in the year 2018. No tax benefit has been recorded in the financial statements due to the uncertainty of predicting the Company's future taxable income.

The Company's deferred tax asset at June 30, 1999 is as follows:

Deferred tax assets - net operating loss carryforwards	\$ 156,000
- Cash basis of accounting	62,000
Valuation allowance	<u>(218,000)</u>
Total	<u>\$ -0-</u>

Note E - Commitments and Contingencies

Leases

The Company's future lease obligations for building and equipment rentals under noncancelable operating leases are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>			
	<u>Building</u>	<u>Related</u> <u>Party</u> <u>Equipment</u>	<u>Other</u> <u>Equipment</u>	<u>Total</u>
1999	19,617	\$ 38,515	\$ 9,472	\$ 67,604
2000	<u>-0-</u>	<u>25,550</u>	<u>1,396</u>	<u>26,946</u>
Total	<u>\$ 19,617</u>	<u>\$ 64,065</u>	<u>\$ 10,868</u>	<u>\$ 94,550</u>

Rental expense was \$22,536 for the six-month period ended June 30, 1999.

The Company rents computer equipment from a company owned by a major stockholder.

Master Leases

The Company entered into master lease agreements prior to June 30, 1999 to lease equipment with a fair market value of approximately \$5,000,000. The leases will be effective subsequent to June 30, 1999 and will be recorded as operating leases. The monthly lease payment will be \$41,667 during the first month and \$179,100 for thirty-five subsequent months.

Notes to Consolidated Financial Statements - Continued

NEW MILLENNIUM MULTIMEDIA, INC.

June 30, 1999

Note E — Commitments and Contingencies — Continued

Warrant

The Company issued a warrant to Ascend Communications, Inc. to purchase 200,000 shares of the common stock of the Company at the price of \$3 per share. The warrant was issued on April 28, 1999 and terminates on April 26, 2006. Ascend Communications, Inc. is affiliated with the companies that provided the master lease of \$5,000,000 and the secured promissory note of \$600,000.

**Avana Communications Corporation
d/b/a AvanaCom**

**Application For Authority to Provide Interexchange
Telecommunications Service and to Provide Intrastate
Interexchange Alternate Operator Services (AOS)
in the State of Florida.**

Exhibit D – Statement of Financial Capability

Avana Communication Corporation Financial Capability

As a reseller, investments in plant and equipment are not necessary for Avana Communications Corporation in order to provide long distance services in Florida. Avana will simply use proceeds from its accounts receivable (incurred long distance charges made by customers) to meet our accounts payable obligations with the interexchange carriers (IXCs) whose services we will be reselling. Should revenues from accounts receivable fall short (e.g. customer nonpayment or delinquency), Avana will make use of short term loans from lending institutions to meet our financial obligations with the IXCs while we implement collection procedures with delinquent customers. Avana's financial statements (attached as Exhibit C) reflect the revenues of our Internet Services Provider (ISP) operation. Our marketing strategy is to offer consumers a package of services that include Internet access, long distance, and — upon qualification — resold local telephone service. We will present customers with one bill for these services. Offering long distance and local telephone service is a natural extension of our Internet data business and the synergies realized as a multi-service provider will allow us reach profitability in a reasonable amount of time.

**Avana Communications Corporation
d/b/a AvanaCom**

**Application For Authority to Provide Interexchange
Telecommunications Service and to Provide Intrastate
Interexchange Alternate Operator Services (AOS)
in the State of Florida.**

Exhibit E – Biographies of Avana’s Management Team

NEW MILLINUIM MULTIMEDIA DBA AVANA COMMUNICATIONS

TO: SEAN, SCOTT
FROM: JIM BLANCHARD
SUBJECT: EXECUTIVE/ DIRECTOR BIOGRAPHIES
DATE: 7/22/99

Chairman Of The Board & Chief Executive Officer

Richard S. Granville III

Mr. Granville co-founded the Telecommunications Company New Millennium Multimedia in August Of 1998. The company embarked on its initial offerings of high-speed data communications, long distance services, and call management services to Inc 500 and Fortune 500 clientele. In January of 1999 in an effort to expand its service offerings, NMM began negotiations with Avana Communications an Atlanta based Internet Service Provider. In May of 1999 the Acquisition of Avana Communications was complete and Internet Services, Web Site Development, Hosting and Management were added to the NMM service offerings.

Prior to founding NMM Mr. Granville served as Regional Vice President of Sales and Marketing Entergy Security 1997-1998 (a new business venture of Entergy Corporation (ETR) one of the nations largest utilities providers. Mr. Granville was responsible for one of the most successful start-ups (new business units) under the Entergy expansion efforts. Mr. Granville also served as Director of Sales and Operation for Republic Industries during 1996-1997 and General Manager with Rollins Protective Services 1993-1996, (a division of Rollins INC.) here, Mr. Granville again, was recognized as developing and maintaining the most successful operation in the nation. Mr. Granville exposure to these rapidly developed and deployed corporate expansion efforts, combined with his track record of results has molded an aggressive, charismatic business leader with a solid foundation of success to continue to build from.

President & Chief Executive Business Development

James M. Blanchard

Prior to joining New Millennium Multimedia Mr. Blanchard served as Chairman, Chief Executive Officer, and President of LifeTech Corporation. LifeTech serves the small business and consumer markets in a consolidated service offerings including Cellular PCS/ Local and Long Distance Services, Electronic Security & Premise Management, Internet Services and Networking, Paging and Local& Long-Distance Telephone Services. Mr. Blanchard founded his venture after serving as Sr. Vice President Of New Business Development with Entergy Security 1997-1998, and Director of New Business Development at Rollins Protective Services 1992- 1997. In these positions Mr. Blanchard's responsibilities included the development and implementation of new business units, expansion and corporate reorganizations, turn around and leverage positioning, strategic development in addition to mergers, acquisitions and key management development of corporate business objectives. Mr. Blanchard's 20 years serving as both an entrepreneur and corporate development leader has created a foundation from which many successful, innovators, leaders and businesses have been developed.

Chief Financial Officer

Ronald R. McCallum

Prior To Joining NMM in January of 1999, Mr. McCallum has served as a senior member of the Financial Management team of many of the nations most recognized growth companies. Mr. McCallum served most recently as Vice President and Senior Financial Analyst For HomeBanc Mortgage Corporation from 1995-1999 where his leadership during their aggressive growth resulted in one of the nations most aggressive and successful Home Mortgage Expansion efforts in the industry. Prior positions held included Vice President, Accounting for Tambone Corporation from 1986-1995, Chief Financial Officer, Hopkins Development 1985-1986, Vice President, Controller Bayshore/ Simpson Corporation from 1980-1985 Senior Accountant, with Kenneth Leventhal & Company from 1997-1980. Mr. McCallum's experience as a senior executive in financial management has already contributed to the success of NMM and balance need to maintain growth and financial stability

Chief Sales & Marketing Officer

Sean T. Duffy

Mr. Duffy joined NMM as cofounder and Vice President of Sales & Marketing in August of 1999. Mr. Duffy's 10 years in Sales & Marketing within the telecommunications industry served as the foundation that NMM would build from. Mr. Duffy's success with Network Plus Inc. LCI International and Quest Communications also paved the way for several key developments in the service offerings and negotiations that allowed NMM to enjoy it's early success within the telecommunications service business. Mr. Duffy continues to bring with his experience knowledge in addition to an established network of talent, business partners and innovation to NMM's ongoing product/service offerings and strategic implementation.

MELVIN A. WEED-Chief Operating Officer

National Foundations Life Insurance Company - 1970-1996

Entry Sales

Branch Manager

Division Manager

Division Vice President

Duties: Developing sales channels for insurance division. Managed daily operations and forecasts. Developed sales training seminars and agent acquisition programs. Worked directly for Vice President of Sales.

Remax - 1996-1998

Independent Remax Owner

Duties: Developed the Remax brand name and acquired new representing agents. Building sales divisions and agent programs. Retired with office sale 1998.

BRUNO PASQUALI - Vice President of Sales

Bruno Pasquali was named Vice President of sales in March of 1999. Prior experience includes 8 years in telecommunications sales and management. From 1991-1998, Mr. Pasquali worked for Network Plus, Inc., a telecommunications service provider. He also worked for LCI/Qwest Communications. Before that, Mr. Pasquali was a computer test technician for Raytheon Corporation from 1986-1991.



Data, Voice, & Internet solutions for the 21st century

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Cathey, Hutton & Associates, Inc.
Telecommunications Management Consulting

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Voice (770) 446-7242
Facsimile (770) 446-7243

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MAIL ROOM

September 1, 1999

Ms. Blanca Vayo
Director of Records and Reporting
Florida Public Service Commission
Division of Telecommunications
Bureau of Certification and Service Evaluation
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

991322-TI

DEPOSIT DATE
D193 SEP 03 1999

Dear Ms. Vayo:

We are filing on the behalf of Avana Communications Corporation an Application for a Authority to Provide Interexchange Telecommunications Service throughout the State of Florida. Enclosed are the original and seven copies of the application, the authority to do business in Florida, and an illustrative tariff. Please return one signed stamped copy to us in the enclosed pre-addressed envelope.

If you have any questions or need additional information please feel free to contact me at (770) 446-7242.

Yours truly,



Davinci McNab
Manager

Enclosures

DOCUMENT NUMBER - DATE
10642 SEP-3 99
FPC-RECORDS/REPORTING

AVANA COMMUNICATIONS CORP.

OPERATING ACCOUNT
770-353-2000
1155 HAMMOND DR. BLDG. D STE. 4080
ATLANTA, GA 30328

2367

64-25/610
BRANCH 24445

DATE 8-17-99

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FOR Long Dist Cent - Florida



MP