

EARLY, LENNON, PETERS & CROCKER, P.C.

ATTORNEYS AT LAW  
900 COMERICA BUILDING  
KALAMAZOO, MICHIGAN 49007-4752  
TELEPHONE (616) 381-8844  
FAX (616) 349-8525

GEORGE H. LENNON  
JOHN T. PETERS, JR.  
DAVID G. CROCKER  
HAROLD E. FISCHER, JR.  
LAWRENCE M. BRENTON  
GORDON C. MILLER

BLAKE D. CROCKER  
ROBERT M. TAYLOR  
PATRICK D. CROCKER  
ANDREW J. VORBRICH\*  
NICOLETTE G. HAHN\*\*  
ROBERT G. LENNON\*\*\*

OF COUNSEL  
VINCENT T. EARLY  
HON. C.H. MULLEN  
THOMPSON BENNETT

JOSEPH J. BURGIE  
(1926 - 1992)

\*Also admitted in Iowa.  
\*\*Also admitted in California and North Carolina.  
\*\*\* Also admitted in New York, Illinois, and Washington, D.C.

September 21, 1999

Mr. Walter D'Haeseleer  
Director Division of Communications  
Florida Public Service Commission  
2540 Shumard Oak Blvd  
Tallahassee FL 32399-0688

Re: STORMTEL, INC.

991432-TX

Dear Mr. D'Haeseleer:

Enclosed herewith for filing with the Commission, please find an original and 6 (six) copies of the above captioned corporation's APPLICATION FOR AUTHORITY TO PROVIDE ALTERNATIVE LOCAL EXCHANGE SERVICE WITHIN THE STATE OF FLORIDA, along with a check in the amount of \$250.00 to cover filing fees relating to same.

Also enclosed is an exact duplicate of this letter. Please stamp the duplicate received and return same in the self-addressed stamped envelope attached thereto.

Please contact me if you have additional questions or concerns.

Very truly yours,

EARLY, LENNON, PETERS & CROCKER, P.C.

Patrick D. Crocker  
PDC/pas

RECEIVED  
FLORIDA PUBLIC  
SERVICE COMMISSION  
99 SEP 22 AM 10:04  
MAIL ROOM

SEARCHED  
SERIALIZED  
INDEXED  
FILED  
SEP 22 1999  
TALLAHASSEE, FLORIDA  
FBI

DOCUMENT NUMBER-DATE

11418 SEP 22 99

FPSC-RECORDS/REPORTING

**BEFORE THE  
STATE OF FLORIDA  
PUBLIC SERVICE COMMISSION**

Application of Stormtel, Inc.                    )  
for Authority to Provide Alternative            )  
Local Exchange Service Statewide            )

**APPLICATION**

Patrick D. Crocker  
Early, Lennon, Peters & Crocker, P.C.  
900 Comerica Building  
Kalamazoo, MI 49007

APPLICATION

1. This is an application for  $\sqrt{\quad}$  (check one):

- ( X ) Original certificate (new company).
- ( ) Approval of transfer of existing certificate: Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority.
- ( ) Approval of assignment of existing certificate: Example, a certificated company purchases an existing company and desires to retain the certificate of authority of that company.
- ( ) Approval of transfer of control: Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of company:

Stormtel, Inc.

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

Stormtel, Inc.

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

Stormtel, Inc.

4417 S.E. 16th Place, Suite #11

Cape Coral, FL 33904

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

Stormtel, Inc.

4417 S.E. 16th Place, Suite #11

Cape Coral, FL 33904

6. Structure of organization:

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

7. If individual, provide:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

Internet E-Mail Address: \_\_\_\_\_

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

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

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

N/A  
\_\_\_\_\_

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

See Exhibit A.

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

F97000002158  
\_\_\_\_\_

10. If using fictitious name-d/b/a, provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida:

- (a) The Florida Secretary of State fictitious name registration number:

N/A  
\_\_\_\_\_

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

(a) The Florida Secretary of State registration number:

---

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

Internet E-Mail Address: \_\_\_\_\_

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

13. If a foreign limited partnership, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable.

(a) The Florida registration number: \_\_\_\_\_

14. Provide F.E.I. Number(if applicable): 65-0759103

15. Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

(a) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. Provide explanation.

No

---

---

(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.

No

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

(a) The application:

Name: Patrick D. Crocker

Title: Attorney

Address: 900 Comerica Building

City/State/Zip: Kalamazoo, MI 49007

Telephone No.: (616) 381-8844 Fax No.: (616) 349-8525

Internet E-Mail Address: TelcomAtty@aol.com

Internet Website Address: Under construction

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

Name: James C. Watson

Title: Secretary / Treasurer

Address: 4417 S.E. 16th Place, Suite #11

City/State/Zip: Cape Coral, FL 33904

Telephone No.: (800) 800-7275 Fax No.: (941) 540-2776

Internet E-Mail Address: N/A

Internet Website Address: N/A

(c) Complaints/Inquiries from customers:

Name: Patrick D. Crocker

Title: Attorney

Address: 900 Comerica Building

City/State/Zip: Kalamazoo, MI 49007

Telephone No.: (616) 381-8844 Fax No.: (616) 349-8525

Internet E-Mail Address: TelcomAtty@aol.com

Internet Website Address: Under construction

17. List the states in which the applicant:

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

N/A

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

Kansas

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

N/A

- (d) has been denied authority to operate as an alternative local exchange company and the circumstances involved.

N/A

---

---

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

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

---

---

18. Submit the following:

A. Financial capability.

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

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

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

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

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

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

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

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

UTILITY OFFICIAL:

Signature

Date

Vice President

(800) 800-7275

Title

Telephone No.

Address: 4417 S.E. 16th Place, Suite #11

(941) 540-2776

Fax No.

Cape Coral, FL 33904

**ATTACHMENTS:**

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

**INTRASTATE NETWORK (if available)**

Chapter 25-24.825 (5), Florida Administrative Code, requires the company to make available to staff the alternative local exchange service areas only upon request.

**1. POP: Addresses where located, and indicate if owned or leased.**

- |                         |          |
|-------------------------|----------|
| 1) <u>Not available</u> | 2) _____ |
| _____                   | _____    |
| 3) _____                | 4) _____ |
| _____                   | _____    |

**2. SWITCHES: Address where located, by type of switch, and indicate if owned or leased.**

- |                |          |
|----------------|----------|
| 1) <u>None</u> | 2) _____ |
| _____          | _____    |
| 3) _____       | 4) _____ |
| _____          | _____    |

**3. TRANSMISSION FACILITIES: POP-to-POP facilities by type of facilities (microwave, fiber, copper, satellite, etc.) and indicate if owned or leased.**

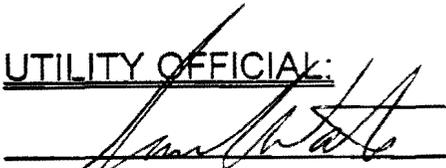
- | <u>POP-to-POP</u> | <u>OWNERSHIP</u> |
|-------------------|------------------|
| 1) <u>None</u>    | _____            |
| 2) _____          | _____            |
| 3) _____          | _____            |
| 4) _____          | _____            |

**AFFIDAVIT**

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

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

UTILITY OFFICIAL:

	<u>8/16/99</u>
Signature	Date
Vice President	(800) 800-7275
Title	Telephone No.
Address: <u>4417 S.E. 16th Place, Suite #11</u>	<u>(941) 540-2776</u>
Cape Coral, FL 33904	Fax No.
_____	
_____	
_____	

**EXHIBIT A**

# State of Florida



## Department of State

I certify from the records of this office that STORMTEL, INC. is a Nevada corporation authorized to transact business in the State of Florida, qualified on April 23, 1997.

The document number of this corporation is F97000002158.

I further certify that said corporation has paid all fees and penalties due this office through December 31, 1998, that its most recent annual report was filed on April 17, 1998, and its status is active.

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

Given under my hand and the  
Great Seal of the State of Florida  
at Tallahassee, the Capitol, this the  
Seventh day of October, 1998



CR2EO22 (2-95)

*Sandra B. Northam*

Sandra B. Northam  
Secretary of State

APPLICATION BY FOREIGN CORPORATION TO FILE AMENDMENT TO  
APPLICATION FOR AUTHORIZATION TO TRANSACT BUSINESS IN  
FLORIDA

FILED  
98 OCT -5 AM 11:32  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

SECTION I (1-3 must be completed)

1. Z-Tel, Inc., dba Z-Tel Communications, Inc.  
Name of corporation as it appears within the records of the Department of State.
2. Incorporated under laws of: Nevada
3. Date authorized to do business in Florida: 4/23/97

SECTION II (4-7 complete only the applicable changes)

4. If the amendment changes the name of the corporation, when was the change effected under the laws of its jurisdiction of incorporation?

8-25-98

5. Name of corporation after the amendment, adding suffix "corporation," "company," "incorporated", or appropriate abbreviation, if not contained in new name of the corporation:

StormTel, Inc.

6. If the amendment changes the period of duration, indicate new period of duration

\_\_\_\_\_

7. If the amendment changes the jurisdiction of incorporation, indicate new jurisdiction

\_\_\_\_\_

[Signature] Secretary September 1, 1998  
Signature Date  
Name and Title

---

**EXHIBIT B**

FROM :

PHONE NO. :

Jul. 15 1999 11:06AM P2  
NO. 245 P. 710

**STORMTEL, INC.**  
**INCOME STATEMENT**  
**TWELVE MONTHS ENDED DECEMBER 31, 1998**

	YEAR TO DATE	
	ACTUAL	PERCENT
<b>INCOME FROM OPERATIONS</b>		
TELECOM SALES ALL PROGRAMS	\$ 4,368,451.78	85.28
BILLED TAXES	\$ 341,052.40	6.66
BILLING SERVICES AND OTHER REVENUE	\$ 412,772.54	8.06
<b>TOTAL INCOME FROM OPERATIONS</b>	<b>\$ 5,122,276.72</b>	<b>100.00</b>
<b>COST OF SERVICES SOLD</b>		
ALL PROGRAMS	\$ 3,215,481.88	62.77
OTHER PROGRAM COSTS	\$ 248,113.82	4.84
FEDERAL, STATE, LOCAL TAXES	\$ 341,052.40	6.66
TAX PAYMENT SERVICE	\$ 32,092.03	0.63
AGENT COMMISSIONS	\$ 243,812.79	4.76
CALLING CARD EXPENSES	\$ 1,208.01	0.02
BILL PROCESSING & MAILING	\$ 38,829.33	0.76
BAD DEBT EXPENSE	\$ 290,853.30	5.68
<b>TOTAL COST OF SERVICE SOLD</b>	<b>\$ 4,412,541.66</b>	<b>86.14</b>
<b>GROSS MARGIN</b>	<b>\$ 709,735.06</b>	<b>13.86</b>
<b>EXPENSES</b>		
<b>SALARIES AND WAGES</b>		
Z-TEL MANAGEMENT SALARIES	\$ 198,549.91	3.88
Z-TELSTAFF SALARIES	\$ 211,798.41	4.13
INTERCOMPANY MINGMNT FEE	\$ 147,817.00	2.88
<b>TOTAL SALARIES AND WAGES</b>	<b>\$ 557,965.32</b>	<b>10.89</b>
<b>PAYROLL COSTS</b>		
FEDERAL TAXES	\$ 31,360.00	0.61
STATE TAXES	\$ 3,301.00	0.06
HOLIDAY AND VACATION PAY	\$ 10,831.89	0.21
WORKERS COMPENSATION INSURANCE	\$ 3,727.00	0.07
GROUP INSURANCE	\$ 5,601.89	0.11
<b>TOTAL PAYROLL COSTS</b>	<b>\$ 54,821.78</b>	<b>1.07</b>
<b>FACILITIES</b>		
INSURANCE EXPENSE	\$ 9,070.73	0.18
OFFICE SPACE RENTAL	\$ 31,856.81	0.62

UNAUDITED

FROM :

PHONE NO. :

Jul. 15 1999 11:06AM P3  
190.640 P.0716

**STORMTEL, INC.**  
**INCOME STATEMENT**  
**TWELVE MONTHS ENDED DECEMBER 31, 1998**

**YEAR TO DATE**

	<b>ACTUAL</b>	<b>PERCENT</b>
ELECTRICITY	\$ 2,763.71	0.05
GAS	\$ 287.87	0.01
COMPUTER LEASES	\$ 25,648.92	0.50
INTERCOMPANY DEPRECIATION	\$ 21,032.00	0.41
<b>TOTAL FACILITIES</b>	<b>\$ 90,060.14</b>	<b>1.77</b>
<b>OUTSIDE SERVICES</b>		
LEGAL FEES	\$ 55,748.15	1.09
ACCOUNTING	\$ 13,600.00	0.27
CONSULTING FEES	\$ 21,700.00	0.42
OTHER PROFESSIONAL FEES	\$ 6,500.00	0.13
<b>TOTAL OUTSIDE SERVICE</b>	<b>\$ 97,548.15</b>	<b>1.90</b>
<b>OFFICE EXPENSE</b>		
MATERIAL & SUPPLIES	\$ 4,213.63	0.08
PRINTING & REPRODUCTION	\$ 2,780.05	0.05
MAILING & SHIPPING	\$ 11,936.58	0.23
DATA PROCESSING EXPENSE	\$ 44,554.45	0.88
TELEPHONE & FAX	\$ 30,270.08	0.59
ADVERTISING EXPENSE	\$ -	0.00
	<b>\$ 94,084.79</b>	<b>1.84</b>
<b>TRAVEL</b>		
TRAVEL	\$ 50,615.45	0.99
TRAVEL - MEALS AND ENTERTAINMENT	\$ 9,312.55	0.18
TRAVEL - TRADE SHOWS	\$ 8,058.39	0.16
<b>TOTAL TRAVEL AND ENTERTAINMENT</b>	<b>\$ 67,986.39</b>	<b>1.33</b>
<b>ADMINISTRATIVE</b>		
DUES & FEES	\$ -	0.00
REGULATORY COSTS	\$ 19,907.69	0.39
BANK INTEREST AND CHARGES	\$ 3,629.05	0.07
PARENT INTEREST COSTS	\$ 95,300.60	1.86
<b>TOTAL ADMINISTRATIVE</b>	<b>\$ 118,837.34</b>	<b>2.32</b>
<b>TOTAL EXPENSES</b>	<b>\$ 1,081,703.91</b>	<b>21.12</b>
<b>NET INCOME FROM OPERATIONS</b>	<b>\$ (371,968.85)</b>	<b>(7.26)</b>
<b>OTHER EXPENSES</b>		
OTHER EXPENSE	\$ -	0.00
OTHER INCOME	\$ -	0.00
<b>EARNINGS BEFORE INCOME TAX</b>	<b>\$ (371,968.85)</b>	<b>(7.26)</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (371,968.85)</b>	<b>(7.26)</b>

UNAUDITED

FROM :

JUL 12 1999 4:54PM

PHONE NO. :

Jul. 15 1999 11:07AM P4  
NO. 243 P. 3/12

**STORMTEL, INC.(FORMERLY Z-TEL, INC.)  
CASH FLOW  
Dec-88**

NET LOSS	\$ (371,968.85)
RESTATEMENT OF 1997 RESULTS	\$ 111,390.28
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
INCREASE IN ACCOUNTS RECEIVABLE	\$ (235,161.85)
INCREASE IN OTHER ASSETS	\$ (6,125.00)
INCREASE IN A/P	\$ 454,196.72
DECREASE IN NOTES PAYABLE	\$ (44,500.00)
INVESTING ACTIVITIES	
FIXED ASSETS DISPOSAL	\$ 31,002.29
NET DECREASE IN CASH	<u>\$ (61,166.43)</u>
CASH AT BEGINNING OF YEAR	\$ 44,228.20
CASH AT END OF YEAR	<u>\$ (16,943.14)</u>

UNAUDITED

**EXHIBIT C**

**Tom Chubokas** Tom Chubokas began in business at the early age of 15, handling shrinkage for a warehouse retail sales outfit. Mr. Chubokas then attended college at Bowling Green University and graduated from Cleveland State University with a Bachelor of Arts degree.

From 1980 to 1988 Mr. Chubokas started that Marshall Corporation. He became President and C.E.O. of Marshall Corporation, the largest privately owned security firm in the state of Ohio from 1984 to 1988. His client list included accounts such as Revco, Riteaid, I.J. Fox, and Woolworts, together with many other prestigious firms and individuals. This company was sold in 1988-1989.

In 1990 Mr. Chubokas entered into the communications arena, running an agent based support and sales organization. This company grew to become one of the largest sales and marketing firms in the telecommunications industry. In addition, Mr. Chubokas is accomplished in Carrier relations and has negotiated contracts for and on the behalf of Carriers.

**James C. Watson** Mr. Watson began his career in telecommunications in 1984 during the divesture of AT&T. Mr. Watson's expertise is in the development of high-tech system applications and network development, focused in the environment of Carriers services, CAPs, and Local Exchange Carrier Services. Much of his career has been devoted to interexchange switching platforms, administrative management and operations of facilities.

During his tenure with C&L Communications of San Antonio, Mr. Watson was responsible for the technical and sales training of 65 independent, switched based Interexchange Carriers.

Mr. Watson assisted in the original service program for the Debit Cellular Market in 1991.

Mr. Watson owned a telecommunications consulting company - Intelligent Network Communications, Inc. - offering services in every aspect of telecommunications: Carrier and Reseller Billing, Carrier Auditing, Regulatory Consulting, T-1 and DS-3 Provisioning and Support, Switch Partitioning, Consulting Services and Customer Support. Mr. Watson enjoys a reputation as one of the top consultants in the Interexchange Telecom Industry.

Mr. Watson has diplomas and certification in Electronics: Advanced Electronic\* ISDN and FT/T-1, T-3, \* Electro-Mechanical Engineering, CPE telephone equipment systems\* T-1 Digital Interface Cards to Channel Banks\*, Mitel Digital PBX Training \* Call Controller and PBX Router, Digital Data Termination Equipment.

Systems Overviews: Harris 20/20, DMS 250, DEC 400 and 600, Data Packer Systems, Interegated Audio Text Systems, Sonet Multiplexing and Redundancy, Data Network Design and Planning. DS-1/d4 and DS-1 ESF Protocols, Call Controller PBX Router, Frame Relay LM-1, Cellular & Microwave radio systems, Basic Satellite.