



ORIGINAL

210 N. Park Ave.
Winter Park, FL
32789

P.O. Drawer 200
Winter Park, FL
32790-0200

Tel: 407-740-8575
Fax: 407-740-0613
tmi@tminc.com

December 13, 1999
Overnight

Blanca Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0870

DEPOSIT
D219

DATE
DEC 14 1999

991904 - TI

RE: Initial Application and Tariff for Authority to Provide Interexchange Telecommunications Services within the State of Florida.
Paramount International Telecommunications, Inc. d/b/a R Network

Dear Ms. Bayo:

Enclosed for filing are the original and six (6) copies of the above-referenced application of Paramount International Telecommunications, Inc. d/b/a R Network. Also enclosed is a \$250 check to cover the filing fee.

Please acknowledge receipt of this filing by returning, filed stamped, the extra copy of this letter in the self-addressed stamped envelope.

I may be reached at (407) 740-8575 with any questions, comments or correspondence regarding this application. Thank you for your assistance.

Sincerely,

Monique Byrnes
Consultant to
Paramount International Telecommunications, Inc. d/b/a R Network

cc: Dave Paton - Paramount
file: Paramount - FL
tms: flo9900

FLORIDA PUBLIC SERVICE COMMISSION

1999 DEC 14 AM 11:47

ADMINISTRATION OF RECORDS
DOCUMENT NUMBER - DATE
75269 - DEC 14 99

FPSC-RECORDS/REPORTING



December 13, 1999
Overnight

991904-TI

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DOCUMENT NUMBER - DATE
15269 DEC 14 99
FPSC-RECORDS/REPORTING

TECHNOLOGIES MANAGEMENT, INC.

P.O. BOX 200
WINTER PARK, FL 32790-0200
(407) 740-8575

BANK OF AMERICA
WINTER PARK, FL 32789
63-27/631

24954

12/13/1999

PAY TO THE ORDER OF Florida Public Service Commission

\$ **250.00

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

Florida Public Service Commission
Records & Reporting
2540 Shumard Oaks Blvd.
Tallahassee, FL 32302-1500

TECHNOLOGIES MANAGEMENT, INC.

C. Bayo
MP

DOLLARS
Security features included.
Details on back.

MEMO Florida Public Service Commission

FLORIDA PUBLIC SERVICE COMMISSION
DIVISION OF COMMUNICATIONS
BUREAU OF SERVICE EVALUATION

APPLICATION FORM
for
AUTHORITY TO PROVIDE
INTEREXCHANGE TELECOMMUNICATIONS SERVICE
WITHIN THE STATE OF FLORIDA

ORIGINAL

991904-TI

Instructions

- A. This form is used for an original application for a certificate and for approval of sale, assignment or transfer of an existing certificate. In case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or transferee (See Appendix A).
- B. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.
- C. Use a separate sheet for each answer which will not fit the allotted space.
- D. If you have questions about completing the form, contact:

**Florida Public Service Commission
Division of Communications
Bureau of Service Evaluation
2540 Shumard Oak Boulevard
Gunter Building
Tallahassee, Florida 32399-0850
(904) 413-6600**

- E. 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 Administration
2540 Shumard Oak Blvd.
Gunter Building
Tallahassee, Florida 32399-0850
(904) 413-6251**

1. Select what 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 the 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.

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

Original Authority (New company)

Approval of transfer (To another certificated company)

Approval of assignment of existing certificate (To a noncertificated company)

Approval for transfer of control (To another certificated company.)

3. Name of corporation, partnership, cooperative, joint venture or sole proprietorship:

Paramount International Telecommunications, Inc. d/b/a R Network

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

R Network

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

Paramount International Telecommunications, Inc. d/b/a R. Network
Street: **2540 Fortune Way**
City, State: **Vista, CA**
Zip Code: **92083**

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

Not applicable

7. Structure of organization:

- | | | | |
|-------------------------------------|---------------------|--------------------------|---------------------|
| <input type="checkbox"/> | Individual | <input type="checkbox"/> | Corporation |
| <input checked="" 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 applicant is an individual or partnership, please give name, title and address of sole proprietor or partners.

Not applicable

(a) Provide proof of compliance with the foreign partnership statute (Chapter 620.169 FS), if applicable.

(b) Indicate if the individual or any of the partners have previously been:

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

(2) 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 the company, give reason why not.

9. If incorporated, please give:

- (a) Proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

Corporate charter number: **F98000004642**

- (b) Name and address of the company's Florida registered agent.

**NRAI Services, Inc.
526 E. Park Avenue
Tallahassee, FL 32301**

- (c) Provide proof of compliance with the fictitious name statute (Chapter 865.09 FS), if applicable.

Fictitious name registration number: **G99326900043**

- (d) Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

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

No officer, director or stockholder of the Company has been adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime. No officer, director or stockholder of the Company are involved in proceedings which may result in such action.

- (2) 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 the company, give reason why not.

Not applicable

10. Who will serve as liaison with the Commission in regard to (please give name, title, address and telephone number):

(a) The application:

Monique Byrnes
Consultant to Paramount International Telecommunications, Inc.
d/b/a R Network
Technologies Management, Inc.
P.O. Drawer 200
Winter Park, FL 32790-0200
Telephone: (407) 740-8575
Facsimile: (407) 740-0613

(b) Official Point of Contact for the ongoing operations of the company:

Frank R. Lewis
Paramount International Telecommunications, Inc.
d/b/a R Network
2540 Fortune Way
Vista, CA 92083
Telephone: (760) 599-1920
Facsimile: (760) 599-1930

(c) Tariff:

Monique Byrnes
Consultant to Hotel Connect Management, Inc.
Technologies Management, Inc.
P.O. Drawer 200
Winter Park, FL 32790-0200
Telephone: (407) 740-8575
Facsimile: (407) 740-0613

(d) Complaints/Inquiries from customers:

Frank R. Lewis
Paramount International Telecommunications, Inc.
d/b/a R Network
2540 Fortune Way
Vista, CA 92083
Telephone: (760) 599-1920
Facsimile: (760) 599-1930

11. List the states in which the applicant:

(a) Has operated as an interexchange carrier.

None, Paramount International Telecommunications, Inc. d/b/a R Network is currently undertaking a nationwide certification program.

(b) Has applications pending to be certificated as an interexchange carrier.

None, Paramount International Telecommunications, Inc. d/b/a R Network is currently undertaking a nationwide certification program.

(c) Is certificated to operate as an interexchange carrier.

None

(d) Has been denied authority to operate as an interexchange carrier 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 carrier or other telecommunications entity, and the circumstances involved.

None

12. What services will the applicant offer to other certified telephone companies:

- | | | | |
|-------------------------------------|---|--------------------------|-----------|
| <input type="checkbox"/> | Facilities | <input type="checkbox"/> | Operators |
| <input type="checkbox"/> | Billing and Collection | <input type="checkbox"/> | Sales |
| <input type="checkbox"/> | Maintenance | | |
| <input checked="" type="checkbox"/> | Other: None anticipated at this time | | |

13. Do you have a marketing program?

Yes

14. Will your marketing program:

- Pay commissions?
- Offer sales franchises?
- Offer multi-level sales incentives?
- Offer other sales incentives?

15. Explain any of the offers checked in question 14 (to whom, what amount, type of franchise, etc.).

The company offers commission to aggregator locations selecting it as the carrier of choice.

16. Who will receive the bills for your service (check all that apply)?

- | | |
|---|--|
| <input type="checkbox"/> Residential customers | <input checked="" type="checkbox"/> Business customers |
| <input type="checkbox"/> PATS providers | <input type="checkbox"/> PATS station end-users |
| <input checked="" type="checkbox"/> Hotels & motels | <input checked="" type="checkbox"/> Hotel & motel guests |
| <input type="checkbox"/> Universities | <input type="checkbox"/> Univ. dormitory residents |
| <input type="checkbox"/> Other:(specify)_____ | |

17. Please provide the following (if applicable):

- (a) Will the name of your company appear on the bill for your services, and if not, who will the billed party contact to ask questions about the bill (provide name and phone number) and how is this information provided?

Yes, the Company's name will appear on customer bills.

- (b) The name and address of the firm who will bill for your service.

**For Operator Services billing:
Integratel and I.L.D.**

18. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide interexchange telecommunications service in Florida.

A. Financial Capability

Regarding the showing of financial capability, the following applies:

The application should contain the applicant's financial statements for the most recent 3 years, including:

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

See Attachment III.

Further, a **written explanation**, which can include supporting documentation, regarding the following should be provided to show financial capability.

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

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

If available, the financial statements should be audited financial statements. If the applicant does not have audited financial statements, it shall be so stated. The unaudited financial statements should then be signed by the applicant's chief executive officer and chief financial officer. The signatures should affirm that the financial statements are true and correct.

B. Managerial capability.

See Attachment IV.

C. Technical capability.

As a reseller, Applicant relies on the technical expertise of its underlying carrier for maintenance of the network.

19. Please 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 Attachment II.

20. The applicant will provide the following interexchange carrier services (Check all that apply):

- 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

- 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

- 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

- MTS for pay telephone service providers.**

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

- 800 Service (Toll free)**

- WATS type service (Bulk or volume discount)**
 - Method of access is via dedicated facilities
 - Method of access is via switched facilities

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

- Travel service**
 - Method of access is 950
 - Method of access is 800

- 900 service**

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

Services included are:

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

21. What does the end user dial for each of the interexchange carrier services that were checked in services included (above).

22. Other:

**** 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:

A non-refundable application fee of \$250.00 must be submitted with the application.

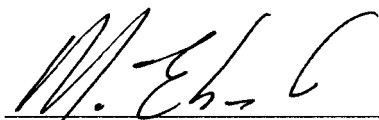
5. RECEIPT AND UNDERSTANDING OF RULES:

I acknowledge receipt and understanding of the Florida Public Service Commission's Rules and Orders relating to my provision of interexchange telephone service in Florida. I also understand that it is my responsibility to comply with all current and future Commission requirements regarding interexchange service.

7. ACCURACY OF APPLICATION:

By my signature below, I the undersigned owner or officer of the named utility in the application, attest to the accuracy of the information contained in this application and associated attachments. I have read the foregoing and declare that to the best of my knowledge and belief, the information is a true and correct statement. **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

12-5-99
Date

**Michael Eberle, Chief Executive Officer & President
Paramount International Telecommunications, Inc.
d/b/a R Network
2540 Fortune Way
Vista, CA 92083
Telephone: (760) 599-1920
Facsimile: (760) 599-1930**

APPENDICES:

- A - CERTIFICATE TRANSFER STATEMENT
- B - CUSTOMER DEPOSITS AND ADVANCE PAYMENTS
- C - INTRASTATE NETWORK
- D - FLORIDA TELEPHONE EXCHANGES AND EAS ROUTES

ATTACHMENTS:

- I - AUTHORITY TO OPERATE IN FLORIDA
- II - PROPOSED TARIFF
- III - FINANCIAL STATEMENTS
- IV - MANAGERIAL AND TECHNICAL CAPABILITIES

**** APPENDIX A ****

CERTIFICATE OF TRANSFER STATEMENT

I, _____, and current holder of certificate number _____, have reviewed this application and join in the petitioner's request for a transfer of the above-mention certificate.

Not Applicable

UTILITY OFFICIAL:

Signature

Date

Telephone

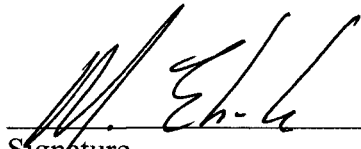
**** APPENDIX B ****

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 responded to 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 will file with the Commission and maintain a surety bond in an amount equal to the current balance of deposits and advance payments in excess of one month. (Bond must accompany application.)**

UTILITY OFFICIAL:



Signature

12-5-99
Date

**Michael Eberle, Chief Executive Officer & President
Paramount International Telecommunications, Inc.
d/b/a R Network
2540 Fortune Way
Vista, CA 92083
Telephone: (760) 599-1920
Facsimile: (760) 599-1930**

**** APPENDIX C ****

INTRASTATE NETWORK

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

- 1) **None.**
- 2)
- 3)
- 4)

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

- 1) **None.**
- 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.

POP-to-POP	TYPE	OWNERSHIP
-------------------	-------------	------------------

- 1) **None.**
- 2)
- 3)

4. ORIGINATING SERVICE: Please provide the list of exchanges where you are proposing to provide originating service within thirty (30) days after the effective date of the certificate. (Appendix D)

Statewide

5. TRAFFIC RESTRICTIONS: Please explain how the applicant will comply with the EAEA requirements contained in Commission Rule 25-24.471 (4)(a) (copy enclosed).

Not applicable

6. **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:

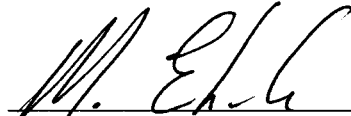
(a) What services have been provided and when did these service begin?

Not applicable

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

Not applicable.

UTILITY OFFICIAL:



Signature

12.5.99
Date

**Michael Eberle, Chief Executive Officer & President
Paramount International Telecommunications, Inc.
d/b/a R Network
2540 Fortune Way
Vista, CA 92083
Telephone: (760) 599-1920
Facsimile: (760) 599-1930**

**** APPENDIX D ****

**FLORIDA TELEPHONE EXCHANGES
AND
EAS ROUTES**

Describe the service area in which you hold yourself out to provide service by telephone company exchange. If all services listed in your tariff are not offered at all locations, so indicate.

In an effort to assist you, attached is a list of major exchanges in Florida showing the small exchanges with which each has extended area service (EAS).

**** FLORIDA EAS FOR MAJOR EXCHANGES ****

Extended Service Area with These Exchanges

PENSACOLA:	Cantonment, Gulf Breeze, Pace, Milton Holley-Navarre.
PANAMA CITY:	Lynn Haven, Panama City Beach, Youngstown-Fountain and Tyndall AFB.
TALLAHASSEE:	Crawfordville, Havana, Monticello, Panacea, Sopchoppy and St. Marks.
GAINESVILLE:	Alachua, Archer, Brooker, Hawthorne, High Springs, Melrose, Micanopy, Newberry and Waldo.
OCALA:	Belleview, Citra, Dunnellon, Forest Lady Lake (B21), McIntosh, Iklawaha, Orange Springs, Salt Springs and Silver Springs Shores.
DAYTONA BEACH:	New Smyrna Beach.
TAMPA:	Central None East Plant City North Zephyrhills South Palmetto West Clearwater
CLEARWATER:	St. Petersburg, Tampa-West and Tarpon Springs.

ST. PETERSBURG:	Clearwater.
LAKELAND:	Bartow, Mulberry, Plant City, Polk City and Winter Haven.
ORLANDO:	Apopka, East Orange, Lake Buena Vista, Oviedo, Windermere, Winter Garden, Winter Park, Montverde, Reedy Creet, and Oviedo-Winter Springs.
WINTER PARK:	Apopka, East Orange, Lake Buena Vista, Orlando, Oviedo, Sanford, Windermere, Winter Garden, Oviedo-Winter Springs, Reedy Creek, Geneva and Montverde.
TITUSVILLE:	Cocoa and Cocoa Beach.
COCOA:	Cocoa Beach, Eau Gallie, Melbourne and Titusville.
MELBOURNE:	Cocoa, Cocoa Beach, Eau Gallie and Sebastian.
SARASOTA:	Bradenton, Myakka and Venice.
FT. MYERS:	Cape Coral, Ft. Myers Beach, North Cape Coral, North Ft. Myers, Pine Island, Lehigh Acres and Sanibel-Captiva Islands.
NAPLES:	Marco Island and North Naples.
WEST PALM BEACH:	Boynton Beach and Jupiter.
POMPANO BEACH:	Boca Raton, Coral Springs, Deerfield Beach and Ft. Lauderdale.
FT. LAUDERDALE:	Coral Springs, Deerfield Beach, Hollywood and Pompano Beach.
HOLLYWOOD:	Ft. Lauderdale and North Dade.
NORTH DADE:	Hollywood, Miami and Perrine.
MIAMI:	Homestead, North Dade and Perrine.

Paramount International Telecommunications, Inc. d/b/a R Network intends to offer service throughout the State of Florida.

ATTACHMENT I

AUTHORITY TO OPERATE IN FLORIDA

APPLICATION BY FOREIGN CORPORATION FOR AUTHORIZATION TO TRANSACT BUSINESS IN FLORIDA

IN COMPLIANCE WITH SECTION 607.1503, FLORIDA STATUTES, THE FOLLOWING IS SUBMITTED TO REGISTER A FOREIGN CORPORATION TO TRANSACT BUSINESS IN THE STATE OF FLORIDA:

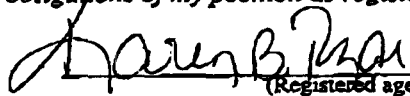
1. PARAMOUNT INTERNATIONAL TELECOMMUNICATIONS, INC.
(Name of corporation: must include the word "INCORPORATED", "COMPANY", "CORPORATION" or words or abbreviations of like import in language as will clearly indicate that it is a corporation instead of a natural person or partnership if not so contained in the name at present.)
2. Nevada 3. 330744597
(State or country under the law of which it is incorporated) (FEI number, if applicable)
4. October 18, 1996 5. Perpetual
(Date of Incorporation) (Duration: Year corp. will cease to exist or "perpetual")
6. Upon Qualification
(Date first transacted business in Florida. (SEE SECTIONS 607.1501, 607.1502, AND 817.155, F.S.))
7. Suite SUITE A, 2540 FORTUNE WAY
VISTA, CA 92083
(Current mailing address)
To engage in any act or activity for which corporations may be organized.
8. Telecommunication services.
(Purpose(s) of corporation authorized in home state or country to be carried out in the state of Florida)
9. **Name and street address of Florida registered agent: (P.O. Box or Mail Drop Box NOT acceptable)**

Name: Corporation Service Company

Office Address: 1201 Hays Street
Tallahassee, Florida, 32301
(Zip Code)

10. Registered agent's acceptance:

Having been named as registered agent and to accept service of process for the above stated corporation at the place designated in this application, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.


 (Registered agent's signature)
 Karen B. Rozar, Asst. Sec.
 Corporation Service Company

11. Attached is a certificate of existence duly authenticated, not more than 90 days prior to delivery of this application to the Department of State, by the Secretary of State or other official having custody of corporate records in the jurisdiction under the law of which it is incorporated.

FILED
 98 AUG 14 AM 10:11
 SECRETARY OF STATE
 TALLAHASSEE, FLORIDA



12. Names and addresses of officers and/or directors: (Street address ONLY- P. O. Box NOT acceptable)

A. DIRECTORS (Street address only- P. O. Box NOT acceptable)

Chairman: See attached officers/directors rider

Address: _____

Vice Chairman: _____

Address: _____

Director: _____

Address: _____

Director: _____

Address: _____

B. OFFICERS (Street address only- P. O. Box NOT acceptable)

President: See attached officers/directors rider

Address: _____

Vice President: _____

Address: _____

Secretary: _____

Address: _____

Treasurer: _____

Address: _____

98 AUG 14 AM 10:11
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

FILED

NOTE: If necessary, you may attach an addendum to the application listing additional officers and/or directors.

13. Kay Eberle
(Signature of Chairman, Vice Chairman, or any officer listed in number 12 of the application)

14. KAY EBERLE, Secretary
(Typed or printed name and capacity of person signing application)



OFFICERS RIDER

PARAMOUNT INTERNATIONAL
TELECOMMUNICATIONS, INC.

List of Officers

Name: MICHAEL EBERLE Title: PRESIDENT
Bus. Addr.: 1815 S. PACIFIC STREET, OCEANSIDE, CA 92054

Name: DAVID PATON Title: VICE PRESIDENT
Bus. Addr.: 10002 WALDGROVE PLACE, SAN DIEGO, CA 92131

Name: KAY EBERLE Title: SEC/TREAS.
Bus. Addr.: 1815 S. PACIFIC STREET, OCEANSIDE, CA 92054

Name: DAVID MOODY Title: CHAIRMAN OF THE BOARD
Bus. Addr.: 734 PALOMINO ROAD, FALLBROOK, CA 92028

98 AUG 14 AM 10:15
FILED
SECRETARY OF STATE
TALLAHASSEE, FLORIDA





FLORIDA DEPARTMENT OF STATE
Katherine Harris
Secretary of State

November 22, 1999

R NETWORK
1295 BANDANA BLVD. N. SUITE 300
ST. PAUL, MN 55108

Subject: **R NETWORK**

REGISTRATION NUMBER: **G99326900043**

This will acknowledge the filing of the above fictitious name registration which was registered on November 22, 1999. This registration gives no rights to ownership of the name.

Each fictitious name registration must be renewed every five years between July 1 and December 31 of the expiration year to maintain registration. Three months prior to the expiration date a statement of renewal will be mailed.

IT IS THE RESPONSIBILITY OF THE BUSINESS TO NOTIFY THIS OFFICE IN WRITING IF THEIR MAILING ADDRESS CHANGES. Whenever corresponding please provide assigned Registration Number.

Should you have any questions regarding this matter you may contact our office at (850) 488-9000.

/wl

Division of Corporations

Letter No. 099A00055798

ATTACHMENT II

PROPOSED TARIFF

TITLE SHEET

Paramount International Telecommunications, Inc.
d/b/a R Network

TARIFF NO. 1

This tariff contains the description, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services provided by Paramount International Telecommunications, Inc. d/b/a R Network with principal offices located at 2540 Fortune Way, Vista, California 92083. This tariff 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.

ISSUED: December 14, 1999

EFFECTIVE:

ISSUED BY: Michael Eberle, Chief Executive Officer & President
Paramount International Telecommunications, Inc. d/b/a R Network
2540 Fortune Way
Vista, California 92083

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CHECK SHEET

The Title Sheet and sheets listed below are inclusive and effective as of the date shown. Original and revised sheets as named below contain all changes from the original tariff that are in effect on the date shown on each sheet.

Sheet	Revision	Sheet	Revision
Title	Original *	26	Original *
1	Original *	27	Original *
2	Original *	28	Original *
3	Original *	29	Original *
4	Original *	30	Original *
5	Original *	31	Original *
6	Original *	32	Original *
7	Original *	33	Original *
8	Original *	34	Original *
9	Original *	35	Original *
10	Original *	36	Original *
11	Original *	37	Original *
12	Original *		
13	Original *		
14	Original *		
15	Original *		
16	Original *		
17	Original *		
18	Original *		
19	Original *		
20	Original *		
21	Original *		
22	Original *		
23	Original *		
24	Original *		
25	Original *		

*Indicates those sheets included with this filing.

ISSUED: December 14, 1999

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SYMBOLS

The following are the only symbols used for the purposes indicated below:

- D Deleted or Discontinued Material
- I Change Resulting In An Increase To A Customer's Bill
- M Moved From or To Another Tariff Location
- N New Material
- R Change Resulting In A Reduction To A Customer's Bill
- T Change In Text or Regulation But No Change In Rate or Charge

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TARIFF FORMAT

- A. Sheet Numbering** - Sheet numbers appear in the upper-right corner of the sheet. Sheets are numbered sequentially. When a new sheet is added between existing sheets with whole numbers, a decimal is added. For example, a new sheet added between Sheet 34 and Sheet 35 would be Sheet 34.1.
- B. Sheet Revision Numbers** - Revision numbers also appear in the upper-right corner of the sheet. These numbers are used to determine the most current sheet version on file with the Commission. For example, 4th Revised Sheet 34 cancels 3rd Revised Sheet 34.
- C. Paragraph Numbering Sequence** - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level of coding.
- 2.
 - 2.1.
 - 2.1.1.
 - 2.1.1.A.
 - 2.1.1.A.1.
 - 2.1.1.A.1.(a)
 - 2.1.1.A.1.(a).I.
 - 2.1.1.A.1.(a).I.(i)
 - 2.1.1.A.1.(a).I.(i).(1)
- D. Check Sheets** - When a tariff filing is made with the Commission, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new sheets are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc., remains the same, just revised revision levels on some sheets). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current sheet on file with the Commission.

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SECTION 1 — TECHNICAL TERMS AND ABBREVIATIONS

1.1 Definitions

Aggregator - A person, firm, corporation, or other legal entity which contracts with the Company for installation of the Company's services. Aggregators make available the Company's services for use by guests, patrons, visitors or other transient third parties at the Aggregator's location. The Aggregator is also responsible for compliance with the terms and conditions of this tariff.

Application for Service - A standard order form which includes all pertinent billing, technical, and other descriptive information which will enable the carrier to provide the communication service as required.

Authorization Code - A numerical code, one or more of which are assigned to a customer to enable Reseller to identify use of service on his account and to bill the customer accordingly for such service. Multiple authorization codes may be assigned to a customer to identify individual users or groups of users on his account.

Authorized User - A person, firm, corporation, or other entity authorized by the customer to receive or send communications.

Automatic Dialing Device - A device provided by the carrier which, when attached to customer's telephone equipment, dials the carrier's facilities, emits an authorization code, and forwards the number which the customer is calling to the carrier's facilities.

Available Usage Balance - The amount of usage remaining on a Debit Account at any particular point in time. Each Debit Account has an Initial Account Balance which is stated either in U.S. dollars or Call Units, depending upon the type of service. The Available Balance is depleted as services provided by the Company are utilized by the Customer.

Calling Card Call - A call billed to a card number issued by a Local Exchange Company.

Carrier/Company - Paramount International Telecommunications, Inc. R Network unless otherwise specified or clearly indicated by the context.

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SECTION 1 — TECHNICAL TERMS AND ABBREVIATIONS, (CONT'D.)

1.1 Definitions, (Cont'd.)

Collect Call - A billing arrangement whereby the charge for a call may be charged to the called party, provided the called party accepts the charge.

Completed Calls - Completed calls are answered calls on the distance end. Appropriate one minute credits will be issued for incomplete calls billed to a customer when brought to the Company's attention by the customer. These one minute credits do not apply to calls terminating in an answering device.

Credit Card Call - A call billed to a major credit or charge card such as Visa, MasterCard or American Express.

Customer - The person, firm, corporation, or other entity which orders or uses service and is responsible for the payment of charges and compliance with tariff regulations.

Day Rate Period - 8:00 a.m. to 4:59 p.m. Monday through Friday.

Debit Account - An account which consists of a pre-paid usage balance depleted on a real-time basis during each Debit Service call.

Debit Card - A card issued by the Company which provides the Customer with a Personal Identification Number and instructions for accessing the Carrier's network.

Debit Service Call - A service accessed via a "1-800" or other access code dialing sequence whereby the Customer or Authorized User dials all of the digits necessary to route a call. Network usage for each call is deducted from the available usage balance on a Company issued Debit Account.

Depletion - Real time reductions in the Available Usage Balance, based on usage of the customer Debit Account.

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SECTION 1 — TECHNICAL TERMS AND ABBREVIATIONS, (CONT'D.)

1.1 Definitions, (Cont'd.)

Disconnection - The disconnection of a circuit, dedicated access line or port connection being used for existing service.

Evening Rate Period - 5:00 p.m. to 10:59 p.m. Sunday through Friday.

Initial Usage Balance - The amount of usage on a Debit Account upon issuance and before any depleting call activity.

Marks - A collective term to mean such items as trademarks, service marks, trade names and logos; copyrighted words, artwork, designs, pictures or images; or any other device or merchandise to which legal rights or ownership are held or reserved by an entity.

Measured Use Service - The provision of long distance measured time communications telephone service to customers who access the carrier's services at its switching and call processing equipment by means of access facilities obtained from another carrier by the customer or otherwise provided at its own expense (the customer is responsible for arranging for the access line)

Night/Weekend Rate Period - 11:00 p.m. to 7:59 a.m.; 8:00 a.m. to 10:59 p.m. Saturday; and 8:00 a.m. to 4:59 p.m. Sunday.

Person-to-Person Call - A service whereby the person originating the call specifies to the Company operator a particular person to be reached, or a particular station, room number, department, or office to be reached through a PBX attendant.

R Network - Used to refer to Paramount International Telecommunications, Inc. unless otherwise specified or clearly indicated by the context.

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SECTION 1 — TECHNICAL TERMS AND ABBREVIATIONS, (CONT'D.)

1.1 Definitions, (Cont'd.)

Personal Identification Number (PIN) - See Authorization Code.

Premises - The space designated by a customer as its place or places of business for termination of service (whether for its own communications needs or for its resale customers). In the case of a non-profit sharing group, this term includes space at each sharer's place or places of business as well as space at the customer's place(s) of business.

Renewal - A method of replenishing a Debit Account's Available Usage Balance with additional minutes of usage as authorized and paid for by the Customer.

Sponsor - A corporation or other legal entity that exclusively permits the use of its Marks to the company for use with telephone cards or other merchandise, and contracts with the company for the marketing of the services described herein.

Subscriber - The person, firm, partnership, corporation or other entity who owns, leases or manages the pay telephone, PBX or other switch vehicle from which and end user places a call utilizing the services of the Company.

Terminal Equipment - All telephone instruments, large and small key PBX systems and other devices and apparatus, and associated wiring, which are intended to be connected electrically, acoustically or inductively to the telecommunication system of the telephone utility.

Third Party Billed Call - A billing arrangement by which the charges for a call may be billed to a number that is different from the calling number and the called number.

V&H Coordinates - Geographic points which define the originating and terminating points of a call in mathematical terms so that the airline mileage of the call may be determined. Call mileage may be used for the purpose of rating calls.

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SECTION 1 — TECHNICAL TERMS AND ABBREVIATIONS, (CONT'D.)

1.2 Abbreviations

LATA - Local Access Transport Area
LDA - Local Distribution Area
LEC - Local Exchange Carrier
MTS - Message Toll Service
NSF - Non-Sufficient Funds
OSP - Operator Service Provider
PBX - Private Branch Exchange
SAL - Special Access Line
V&H - Vertical and Horizontal
WATS - Wide Area Telephone Service

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SECTION 2 — RULES AND REGULATIONS

2.1 Provision of Service

R Network's services and facilities are furnished for communications originating and terminating within the State of Florida under terms of this tariff. The Company's services and facilities are available twenty-four (24) hours per day, seven (7) days per week.

R Network arranges for installation, operation, and maintenance of the communications services provided in this tariff for Customers and Subscribers in accordance with the terms and conditions set forth under this tariff. R Network may act as the Customer's or Subscriber's agent for ordering access connection facilities provided by other carriers or entities, when authorized by the Customer or Subscriber, to allow connection of a Customer's or Subscriber's location to the R Network network. The Customer or Subscriber shall be responsible for all charges due for such service arrangements.

2.2 Limitations on Service

2.2.1 Carrier reserves the right to provide services only to and from locations where the necessary facilities and/or equipment are available. Carrier provides service subject to the provisions of this tariff.

2.2.2 Carrier reserves the right to discontinue furnishing service upon written notice, when necessitated by conditions beyond its control or when the customer is using the service in violation of the provisions of this tariff or in violation of the law.

2.2.3 Title to all equipment provided by Carrier under these regulations remains with Carrier. Carrier's prior written permission is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions for service

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SECTION 2 — RULES AND REGULATIONS, (CONT'D.)

2.3 Use of Service

Service may not be used for any unlawful purposes or for any purpose for which any payment or other compensation is received by the Customer, except when the customer is a duly authorized and regulated common carrier.

2.4 Limitation of Liability

2.4.1 Carrier shall not be liable to any person, firm or entity for damages, either direct, indirect, consequential, special, incidental, actual, punitive, or for any other damages or for any lost profits of any kind, arising out of mistakes, accidents, errors, omissions, interruptions, delays or defects in transmissions, not caused by the negligence of the customer, commencing upon activation of service and in no event exceeding an amount equivalent to the proportionate charge to the customer for the period of service during which the mistake, accident, error, omission, interruption, delay or defect in transmission occurred.

2.4.2 Carrier will indemnify the Customer and hold it harmless in respect to any loss, damage, liability or expense asserted against the Customer by a third party on account of any property damage or personal injury caused by any negligence or willful misconduct of Carrier or its agents or representatives arising out of performance by Carrier of any testing or other activities on the customer's premises pursuant to this tariff. Carrier's obligations under the preceding sentence shall be subject to the customer's full performance of this tariff and subject further to the customer's duty to take reasonable precautions in the location, construction, maintenance and operation of all activities, facilities and equipment for the protection against hazard or injury and so as to not interfere with the services provided by Carrier.

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SECTION 2 — RULES AND REGULATIONS, (CONT'D.)

2.4 Limitation of Liability, (Cont'd.)

2.4.3 Carrier shall be indemnified and held harmless by the Customer against:

- (A) Claims for libel, slander, infringement of patent or copyright or unauthorized use of any trademark, trade name, or service mark arising out of the material, data information, or other content transmitted over the carrier's facilities; and
- (B) All other claims arising out of any act or omission by the customer in connection with any service provided by Carrier.

2.4.4 With respect to the routing of calls by Carrier to public safety answering points or municipal Emergency Service providers, Carrier's liability, if any, will be limited to the lesser of: (a) the actual monetary damages incurred and proved by the Customer as the direct result of Carrier's action, or failure to act in routing the call, or (b) the sum of \$1,000.00.

2.4.5 The Company shall not be liable for any claim, loss, or refund as a result of loss or theft of Debit Cards or Personal Identification Numbers issued for use with the Company's services. Nor will the Company be liable for any claim, loss or refund on any unused balance remaining on a Debit Card provided to a Customer.

2.4.6 The Company shall not be liable for any claim, loss or refund on any unused portion of the usage balance remaining in a Debit Account provided to a Customer before or after the expiration date assigned to each Debit Account.

ISSUED: December 14, 1999

EFFECTIVE:

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SECTION 2 — RULES AND REGULATIONS, (CONT'D.)

2.5 Interruption of Service

A credit allowance for interruptions of service which are not due to Carrier's testing or adjusting, to the negligence of the customer, or to the failure of the channels, equipment, and/or communications systems provided by the customer, are subject to the general liability provisions set forth herein. It shall be the obligation of the customer to notify Carrier of any interruption in service. Before giving such notice, the customer shall ascertain that the trouble is not being caused by any action or omission by or within the customer's control and is not in wiring or equipment connected to Carrier's terminal.

2.6 Restoration of Service

The use and restoration of service in emergencies shall be in accordance with the Rules and Regulations set forth by the Commission.

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SECTION 2 — RULES AND REGULATIONS, (CONT'D.)

2.7 Customer Responsibility

2.7.1 All Customers assume general responsibilities in connection with the provisions and use of Carrier's service. When facilities, equipment, and/or communication systems provided by others are connected to Carrier's facilities, the customer assumes additional responsibilities. All Customers are responsible for the following:

- (A) The Customer is responsible for placing orders for service, paying all charges for service rendered by Carrier and complying with all of Carrier's regulations governing the service. The customer is also responsible for assuring that its users comply with regulations.
- (B) When placing an order for service, the Customer must provide:
 - 1. The name(s) and address(es) of the person(s) responsible for the payment of service charges.
 - 2. The name(s), telephone number(s), and address(es) of the Customer contact person(s).
- (C) The Customer must pay Carrier for the replacement or repair of Carrier's equipment when the damage results from:
 - 1. The negligence or willful act of the Customer or user;
 - 2. Improper use of service; or
 - 3. Any use of equipment or service provided by others.
- (D) After receipt of payment for the damages, Carrier will cooperate with the customer in prosecuting a claim against any third party causing damage.

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SECTION 2 — RULES AND REGULATIONS, (CONT'D.)

2.7 Customer Responsibility, (Cont'd.)

2.7.2 Maintenance, Testing and Adjustment

Upon reasonable notice, the equipment provided by Carrier shall be made available for any testing and adjustment which may be necessary to maintain them in satisfactory condition. No interruption allowance will be granted for the time during which such tests and adjustments are made.

2.7.3 Deposits

The Company does not require a deposit from the Customer. The prepayment of services which are immediately available to the Customer does not constitute a deposit.

2.7.4 Advance Payments

The Company does not require advance payments for service. The prepayment of services which are immediately available to the Customer does not constitute an advance payment.

2.7.5 Credit Allowances

Credit for failure of service or equipment will be allowed only when failure is caused by or occurs in equipment owned, provided and billed for, by Carrier.

- (A) Credit allowances for failure of service or equipment starts when the Customer notifies Carrier of the failure or when Carrier becomes aware of the failure and ceases when the operation has been restored and an attempt has been made to notify the customer.
- (B) The Customer shall notify Carrier of failures of service or equipment and make reasonable attempts to ascertain that the failure is not caused by customer provided facilities, any act, or omission of the customer or in wiring or equipment connected to the terminal.

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SECTION 2 — RULES AND REGULATIONS, (CONT'D.)

2.7 Customer Responsibility, (Cont'd.)

2.7.5 Credit Allowances, (Cont'd.)

(C) Only those portions of the service or equipment operation disabled will be credited. No credit allowances will be made for:

1. Interruptions of service resulting from Carrier performing routine maintenance;
2. Interruptions of service for implementation of a Customer order for a change in the service;
3. Interruption caused by the negligence of the Customer or his authorized user;
4. Interruptions of service due to customer or authorized user provided facilities.

2.7.6 Cancellation by Customer

The Customer may have service discontinued upon written or verbal notice to the Company. The Customer shall pay the Company for service furnished until the cancellation date specified by the Customer or until the date that the written cancellation notice is received, whichever is later. For prepaid services, the Customer may cancel service by fully depleting the available balance of the Customer account and/or by not renewing a renewable account.

2.7.7 Payment and Charges for Services

Charges for service are applied on a recurring and non-recurring basis. Service is provided and billed on a monthly basis. Service continues to be provided until disconnection is requested by the Customer.

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SECTION 2 — RULES AND REGULATIONS, (CONT'D.)

2.7 Customer Responsibility, (Cont'd.)

2.7.7 Payment and Charges for Services, (Cont'd.)

(A) Payment of Charges

Payment is due upon receipt of the invoice and shall be considered past due or delinquent after 30 days beyond the due date. Interest at the greater of 1.5% per month or the highest rate allowed by law will accrue on any unpaid amount commencing on the sixteenth day after rendition of the bill.

1. The Customer is responsible for payment of all charges for service furnished to the Customer. The initial billing may consist of one month estimated usage billed in advance. Thereafter, charges based on actual usage during a month will be billed monthly in arrears.
2. Service may be denied or discontinued for non-payment charges. Disconnection will not occur before fifteen (15) days from the due date and Carrier will give five (5) days written notice before any disconnection occurs. Restoration of service will be subject to all applicable installation charges.
3. All state and local taxes (i.e. gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates. For pre-paid services, taxes and fees shall be included in the rates and charges stated in the Company's rate schedule for this service.

2.7.8 Application of Charges

The charge for service are those in effect for the period that service is furnished.

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SECTION 2 — RULES AND REGULATIONS, (CONT'D.)

2.8 Carrier Responsibility

2.8.1 Calculation of Credit Allowance

Pursuant to limitations set forth in Section 2.7.4, when service is interrupted the credit allowance will be computed on the following basis:

- (A) No credit shall be allowed for an interruption of less than two hours.
- (B) The Customer shall be credited for each hour or major fraction thereof that an interruption continues beyond two hours.
- (C) When a minimum usage charge is applicable and the customer fails to meet a usage minimum, credit for the outage shall be applied against that minimum equal to 1/360th of the monthly minimum charges associated with the portion of service disabled beyond two hours.
- (D) Customers have up to 60 days (commencing 5 days after remittance of the bill) to initiate a dispute over charges or to receive credit.

2.8.2 Cancellation Credit

Where Carrier cancels a service or the provision of equipment and the final service period is less than the monthly billing period, a credit will be issued for any amounts billed in advance, prorated at 1/30th of the monthly recurring charge for each day the service was not rendered or the equipment was not provided. This credit will be issued to the Customer or applied against the balance remaining on the Customer's account.

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SECTION 2 — RULES AND REGULATIONS, (CONT'D.)

2.8 Carrier Responsibility, (Cont'd.)

2.8.3 Disconnection of Service by Carrier

Carrier, upon five (5) days written notice to the Customer, may discontinue service or cancel an application for service without incurring any liability for any of the following reasons:

- (A) Non-payment of any sum due to Carrier for service for more than thirty days beyond the date of rendition of the bill for such service;
- (B) A violation of any regulation governing the service under this tariff;
- (C) A violation of any law, rule, or regulation of any government authority having jurisdiction over the service; or
- (D) Carrier is prohibited from furnishing services by order of a court or other government authority having jurisdiction.

2.8.4 Fractional Charges

Charges for a fractional part of a month are calculated by counting the number of days remaining in the billing period before service was discontinued, dividing the number of days remaining in the billing period by thirty days and multiplying the resulting fraction by the monthly charge.

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SECTION 2 — RULES AND REGULATIONS, (CONT'D.)

2.9 Special Conditions Governing Operator Services

2.9.1 Company Obligations

When providing Operator Services to Aggregators, the Company will:

- (A) Notify the End User of the operator services carrier handling the call at the beginning of each call and again before the End User incurs any charge, otherwise referred to as "double branding".
- (B) Inform the End User, upon request, of the rates to be charged and explain the method of billing, at no charge.
- (C) Not charge for unanswered or incomplete telephone calls in equal access areas and not knowingly charge for unanswered or incomplete telephone calls in non-equal access areas.
- (D) Withhold payment of commission or any other compensation to a Customer who engages in blocking 800, 950 and 10XXX access calls.
- (E) Not engage in call splashing (billing rates other than from the actual call origination location), unless the End User is informed and consents to the transfer.
- (F) Rate and bill calls from their actual point of origination, unless the End User consents to a different arrangement.
- (G) Upon receipt of an emergency telephone call, Carrier shall immediately connect the call to the appropriate emergency service of the reported location of the emergency, if known, and, if not known, of the originating location of the call.

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SECTION 2 — RULES AND REGULATIONS, (CONT'D.)

2.9 Special Conditions Governing Operator Services, (Cont'd.)

2.9.2 Aggregator Obligations

(A) The Company requires each operator service customer to post an informational card (tent card), as defined in Section 2.9.6 of this tariff, on or near the telephone notifying the End User of the following information:

1. The name, address and toll-free number of the operator service provider.
2. The Company's operator service rates (collect, credit card, person-to-arson, etc.).
3. The Company's billing procedures.
4. IntraLATA dialing instructions.
5. IntraLATA rates or how to obtain these rates.
6. InterLATA dialing instructions.
7. InterLATA rates or how to obtain these rates.
8. Hotel surcharge for local calls, if any, which are billed by the hotel.
9. Hotel surcharge for long distance calls, if any which are billed by the hotel.

2.9.3 Operator Service Billing Procedures

Subscribers will be billed for operator assisted calls by the Carrier's billing agent. Invoices for these services will be included in the subscriber's local telephone bill.

2.9.4 Call Routing

Carrier will route all 0- intraLATA calls to the Local Exchange Company for appropriate handling.

ISSUED: December 14, 1999

EFFECTIVE:

ISSUED BY: Michael Eberle, Chief Executive Officer & President
Paramount International Telecommunications, Inc. d/b/a R Network
2540 Fortune Way
Vista, California 92083

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SECTION 2 — RULES AND REGULATIONS, (CONT'D.)

2.9 Special Conditions Governing Operator Services, (Cont'd)

2.9.5 Incomplete Calls

There shall be no charge to the caller for incomplete calls.

- (A) Carrier will not knowingly bill for uncompleted calls.
- (B) Carrier will provide full credit for any call of one minute or less upon being informed by a Customer that the call was not completed.
- (C) An uncompleted call includes, but shall not be limited to:
 - 1. calls terminating in an intercept recording, line intercept operator or a busy tone; or
 - 2. calls that do not answer.
- (D) An uncompleted call does not include calls using busy line interrupt, -line -status verification or directory assistance services.

ISSUED: December 14, 1999

EFFECTIVE:

ISSUED BY: Michael Eberle, Chief Executive Officer & President
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SECTION 2 — RULES AND REGULATIONS, (CONT'D.)

2.9 Special Conditions Governing Operator Services, (Cont'd)

2.9.6 Sample Tent Card for Aggregator Locations - The Company provides a tent card for OSP calls. An example of the front and back of the tent card is provided below.

Paramount International Telecommunications, Inc.

Dialing Instructions for Operator Assisted and Calling Card Calls

Long Distance Dialing Instructions

Domestic

9 + 0 + area code + phone number
At the tone, dial your calling card number, or press "0" for an operator

International

9 + 01 + country code + city code + phone number
At the tone, dial your calling card number, or press "0" for an operator

Payment may be made by using telephone calling cards, most major credit cards, calling collect or verified third party billing.

Consumer Information

For free rate quotes, reach an outside line then dial 0+ area code + number, than wait for a Paramount International Telecommunications, Inc. operator. For additional information, call our customer service department at 999-4199 or write Paramount International Telecommunications, Inc., 9050 Marshall Court, Westminster, Colorado 80031.

Your may reach other long distance carriers from this telephone. Just dial the access code provided by that carrier.

Any complaints may be directed to:

FCC Enforcement Division
Common Carrier Bureau
Mail Stop 1600A2
Washington DC 20554

Florida Public Service Commission
Division of Communication
2540 Shumard Oak Boulevard
Gerald L. Gunter Building, Room 270
Tallahassee, FL 32399-0850

ISSUED: December 14, 1999

EFFECTIVE:

ISSUED BY: Michael Eberle, Chief Executive Officer & President
Paramount International Telecommunications, Inc. d/b/a R Network
2540 Fortune Way
Vista, California 92083

SECTION 3 - DESCRIPTION OF SERVICE

3.1 General

Customers reselling or rebilling telecommunications services must have a Certificate of Public Convenience and Necessity as an interexchange carrier from the Florida Public Service Commission. R Network provides operator assisted calling services as described herein for communications originating and terminating within the State of Florida under terms of this tariff.

3.2 Timing of Calls

Billing for calls placed over the R Network network is based in part on the duration of the call as follows, unless otherwise specified in this tariff:

3.2.1 Timing of each call begins when the called station is answered (i.e. when two way communications are established.) Answer detection is based on standard industry answer detection methods, including hardware and software answer detection. For Collect Calls, charges apply only if the called party accepts the responsibility for payment. For Person to Person Calls, charges apply only if the calling party is connected with the designated called party or an agreed upon substitute.

3.2.2 Chargeable time for calls ends when one of the parties disconnects from the call.

3.2.3 Unless otherwise specified in this tariff, the minimum initial period for billing purposes is one (1) minute.

3.2.4 Unless otherwise specified in this tariff, billing for usage after the initial period is in full one (1) minute increments.

3.2.5 The Company will not knowingly bill for unanswered calls. When a Customer indicates that he/she was billed for an incomplete call, R Network will reasonably issue credit for the call.

ISSUED: December 14, 1999

EFFECTIVE:

ISSUED BY: Michael Eberle, Chief Executive Officer & President
Paramount International Telecommunications, Inc. d/b/a R Network
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SECTION 3 - DESCRIPTION OF SERVICE, (CONT'D.)

3.3 Start of Billing

For billing purposes, the start of service is the day following acceptance by the customer of Carrier's service or equipment. The end of service date is the day on which services or any portion of thereof was discontinued

3.4 Interconnection

Service furnished by Carrier may be interconnected with services or facilities of other authorized communications common carriers and with private systems, subject to the technical limitations established by Carrier. Service furnished by Carrier is not part of a joint undertaking with such other carriers. Any special interface equipment of Carrier and other participating carriers shall be provided at the customer's expense.

Interconnection with the facilities or services of other carriers shall be under the applicable terms and conditions of other carriers' tariffs. The Customer is responsible for taking all necessary legal steps for interconnecting his customer - provided terminal equipment or communications systems with Carrier 's. The Customer shall secure all licenses, permits, right-of-ways, and other arrangements necessary for such interconnection.

ISSUED: December 14, 1999

EFFECTIVE:

ISSUED BY: Michael Eberle, Chief Executive Officer & President
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Vista, California 92083

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SECTION 3 - DESCRIPTION OF SERVICE, (CONT'D.)

3.5 Terminal Equipment

Carrier's service may be used with or terminated in Customer provided terminal equipment or Customer provided communication systems, such as teleprinters, handsets, or data sets. Such terminal equipment shall be furnished and maintained at the expense of the Customer. The Customer is responsible for all costs at his premises, including Customer personnel, wiring, electrical power, and the like incurred in his use of carrier's service.

The Customer shall comply with the minimum protective criteria generally accepted in the telephone industry and other criteria as may be prescribed by Carrier. The Customer shall ensure that his terminal facilities are of the proper mode, band-width, power, data, speed, and signal level for the intended use of the customer, and that the signals do not damage Carrier's equipment, injure personnel or degrade service to other customers.

If the Customer fails to maintain and operate his terminal equipment properly, resulting in the occurrence or possibility of harm to Carrier's equipment or personnel, or impairment to the quality of service to other customers, Carrier may, upon written notice, require the use of protective equipment at the customer's expense. If this fails to produce satisfactory quality and safety of service, Carrier may, upon written notice, terminate the Customer's service.

ISSUED: December 14, 1999

EFFECTIVE:

ISSUED BY: Michael Eberle, Chief Executive Officer & President
Paramount International Telecommunications, Inc. d/b/a R Network
2540 Fortune Way
Vista, California 92083

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SECTION 3 - DESCRIPTION OF SERVICE, (CONT'D.)

3.6 Calculation of Distance

Usage charges for all mileage sensitive products are based on the airline distance between serving wire centers associated with the originating and terminating points of the call. The serving wire centers of a call are determined by the area codes and exchanges of the origination and destination points. The distance between the originating Wire Center that of the destination point is calculated by using industry standard "V" and "H" coordinates and the following calculation method:

- Step 1 - Obtain the "V" and "H" coordinates for the Wire Centers serving the Customer and the destination point.
- Step 2 - Obtain the difference between the "V" coordinates of each of the Wire Centers. Obtain the Difference between the "H" coordinates.
- Step 3 - Square the differences obtained in Step 2.
- Step 4 - Add the squares of the "V" difference and "H" difference obtained in Step 3.
- Step 5 - Divide the sum of the square obtained in Step 4 by ten (10). Round to the next higher whole number if any fraction results from the division.
- Step 6 - Obtain the square root of the whole number obtained in Step 5. Round to the next higher whole number if any fraction is obtained. This is the distance between the Wire Centers.

Formula:

$$\sqrt{\frac{(V_1 - V_2)^2 + (H_1 - H_2)^2}{10}}$$

3.7 Minimum Call Completion Rate

The Customer can expect a call completion rate of 99% per 100 calls attempted during peak use periods for all Feature Group D (1+) services. Carrier will engineer its switching systems on the basis that ninety-nine percent (99%) of the customers accessing their system will be served during the busy hour.

ISSUED: December 14, 1999

EFFECTIVE:

ISSUED BY: Michael Eberle, Chief Executive Officer & President
Paramount International Telecommunications, Inc. d/b/a R Network
2540 Fortune Way
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SECTION 3 - DESCRIPTION OF SERVICE, (CONT'D.)

3.8 Operator Assisted Calling

R Network's Operator Assisted Calling is available for use by transient end users from Aggregator locations. Calls are billed in one minute increments, with additional per call charges reflecting the level of operator assistance and billing method. Operator service charges are not discounted for time of day.

The types of calls handled are as follows:

Customer Dialed Calling/Credit Card Call - This charge applies in addition to long distance usage charges for station to station calls billed to an authorized Calling Card or Commercial Credit Card. The Customer must dial the destination telephone number where the capability exists for the Customer to do so. A separate rate applies in the event operator assistance is requested for entering the Customer's card number for billing purposes.

Operator Dialed Calling/Credit Card Call - This charge applies in addition to long distance usage charges for station to station calls billed to an authorized telephone Calling Card or Commercial Credit Card and the operator dials the destination telephone number at the request of the Customer.

Operator Station - These charges apply in addition to long distance usage charges for non-Person-to-Person calls placed using the assistance of a Company operator and billed Collect, to a Third Party, by deposit of coins in Pay Telephones, or via some method other than a Calling Card or Commercial Credit Card.

Person-to-Person - This charge applies in addition to long distance usage charges for calls placed with the assistance of a Company operator to a particular party at the destination number. This charge applies regardless of billing method, including but not limited to billing to a Calling Card, Commercial Credit Card, Collect, by deposit of coins in Pay Telephones, or to a Third Party. Charges do not apply unless the specified party or an acceptable substitute is available.

ISSUED: December 14, 1999

EFFECTIVE:

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Paramount International Telecommunications, Inc. d/b/a R Network
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Vista, California 92083

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SECTION 4 - RATES

4.1 Rate Periods

For time of day sensitive services, the following rate periods apply unless otherwise specified in this tariff:

	MON	TUES	WED	THU	FRI	SAT	SUN
8:00 AM TO 5:00 PM*	DAYTIME RATE PERIOD						
5:00 PM TO 11:00 PM*	EVENING RATE PERIOD						EVE
11:00 PM TO 8:00 AM*	NIGHT/WEEKEND RATE PERIOD						

* Up to, but not including.

Calls are billed based on the rate in effect for the actual time period(s) during which the call occurs. Calls that cross rate period boundaries are billed the rates in effect in that boundary for each portion of the call, based on the time of day at the Customer location.

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EFFECTIVE:

ISSUED BY: Michael Eberle, Chief Executive Officer & President
 Paramount International Telecommunications, Inc. d/b/a R Network
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 Vista, California 92083

SECTION 4 - RATES, (CONT'D.)

4.2 Exemptions and Special Rates

4.2.1 Discounts for Hearing Impaired Customers

A telephone toll message which is communicated using a telecommunications device for the deaf (TDD) by properly certified hearing or speech impaired persons or properly certified business establishments or individuals equipped with TDDs for communicating with hearing or speech impaired persons will receive, upon request, credit on charges for certain intrastate toll calls placed between TDDs. Discounts do not apply to surcharges or per call add-on charges for operator services when the call is placed by a method that would normally incur the surcharge.

- A. The credit to be given on a subsequent bill for such calls placed between TDDs will be equal to applying the evening rate during business day hours and the night/weekend rate during the evening rate period.
- B. The credit to be given on a subsequent bill for such calls placed with the assistance of the relay center will be equal to 50% of the rate for the applicable rate period. If either party is both hearing and visually impaired, the call shall be discounted at 60% of the applicable rate.

4.2.2 Emergency Call Exemptions

The following calls are exempted from all charges: Emergency calls to recognizable authorized civil agencies including police, fire, ambulance, bomb squad and poison control. The Company will only handle these calls if the caller dials all of the digits to route and bill the call. Credit will be given for any billed charges pursuant to this exemption on a subsequent bill after verified notification by the billed Customer within thirty (30) days of billing.

ISSUED: December 14, 1999

EFFECTIVE:

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SECTION 4 - RATES, (CONT'D.)

4.2 Exemptions and Special Rates, (Cont'd)

4.2.3 Operator Assistance for Handicapped Persons

Operator station surcharges will be waived for operator assistance to a caller who identifies him or herself as being handicapped and unable to dial the call because of the handicap.

4.2.4 Directory Assistance for Handicapped Persons

Pursuant to FPSC rules and regulations, the Company will not charge for the first 50 phone calls made to directory assistance by handicapped Customers.

ISSUED: December 14, 1999

EFFECTIVE:

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SECTION 4 - RATES, (CONT'D.)

4.3 Public Telephone Surcharge

In order to recover the Company's expenses to comply with the FCC's pay telephone compensation plan effective on October 7, 1997 (FCC 97-371), an undiscountable per call charge is applicable to all interstate, intrastate and international calls that originate from any domestic pay telephone used to access the Company's services. This surcharge, which is in addition to standard tariffed usage charges and any applicable service charges and surcharges associated with the Company's service, applies for the use of the instrument used to access The Company service and is unrelated to the The Company service accessed from the pay telephone.

Pay telephones include coin-operated and coinless phones owned by local telephone companies, independent companies and other interexchange carriers. The Public Pay Telephone Surcharge applies to the initial completed call and any reoriginated call (i.e., using the "#" symbol).

Whenever possible, the Public Pay Telephone Surcharge will appear on the same invoice containing the usage charges for the surcharged call. In cases where proper pay telephone coding digits are not transmitted to the Company prior to completion of a call, the Public Pay Telephone Surcharge may be billed on a subsequent invoice after the Company has obtained information from a carrier that the originating station is an eligible pay telephone.

The Public Pay Telephone Surcharge does not apply to calls placed from pay telephones at which the Customer pays for service by inserting coins during the progress of the call.

Rate per Call	\$0.30
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SECTION 4 - RATES, (CONT'D.)

4.4 Return Check Charge

The Company reserves the right to assess a return check charge of up to \$25.00 for checks returned for insufficient funds if the face value does not exceed \$50.00, \$30.00 if the face value does exceed \$50.00 but does not exceed \$300.00, \$40.00 if the face value exceeds \$300.00 or 5% of the value of the check, whichever is greater.

ISSUED: December 14, 1999

EFFECTIVE:

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SECTION 4 - RATES, (CONT'D.)

4.5 Operator Assisted Calling

Calls are billed in full minute Additional Periods following an Initial Period of one (1) minute. No time of day or holiday discounts apply. Per minute rates and per call charges vary by call type as shown below:

	<u>Per Call Service Charge</u>	<u>Per Minute Usage Charge</u>
Customer Dialed Card Call (<i>0+ Calls</i>)		
Billed to a Calling Card	\$1.75	\$0.30
Billed to a Commercial Credit Card	\$1.75	\$0.30
Operator Dialed Card Call (<i>0- Calls</i>)		
Billed to a Calling Card	\$1.75	\$0.30
Billed to a Commercial Credit Card	\$1.75	\$0.30
Operator Station, Automated (<i>0+ Calls</i>)		
Billed Collect	\$1.75	\$0.30
Billed to Third Party	\$1.75	\$0.30
Billed to Other	\$1.75	\$0.30
Operator Station, Operator Assisted (<i>0- Calls</i>)		
Billed Collect	\$1.75	\$0.30
Billed to Third Party	\$1.75	\$0.30
Billed to Other	\$1.75	\$0.30
Person to Person Calls, All Calls (<i>0+ / 0- Calls</i>)		
All Billing Methods	\$3.25	\$0.30

ISSUED: December 14, 1999

EFFECTIVE:

ISSUED BY: Michael Eberle, Chief Executive Officer & President
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SECTION 5 - CONTRACTS AND PROMOTIONS

5.1 Contracts - General

At the option of the Company, service may be offered on a contract basis to meet specialized requirements of the Customer not contemplated in this tariff. The terms of each contract shall be mutually agreed upon between the Customer and Company and may include discounts off of rates contained herein, waiver of recurring or nonrecurring charges, charges for specially designed and constructed services not contained in the Company's general service offerings, or other customized features. The terms of the contract may be based partially or completely on the term and volume commitment, type of originating or terminating access, mixture of services or other distinguishing features. Service shall be available to all similarly situated Customers for a fixed period of time following the initial offering to the first contract Customer as specific in each individual contract.

5.2 Promotions - General

From time to time the Company shall, at its option, promote subscription or stimulate network usage by offering to waive some or all of the nonrecurring or recurring charges for the Customer (if eligible) of target services for a limited duration. Such promotions shall be made available to all similarly situated Customers in the target market area and will comply with all applicable Commission regulations.

5.3 Demonstration of Service Promotion

From time to time the Company may demonstrate service for potential Customers by providing free use of its network on a limited basis for a period of time, not to exceed one (1) month. Demonstration of service and the type, duration or quantity of service provided will be at the Company's discretion.

ISSUED: December 14, 1999

EFFECTIVE:

ISSUED BY: Michael Eberle, Chief Executive Officer & President
Paramount International Telecommunications, Inc. d/b/a R Network
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ATTACHMENT III

FINANCIAL STATEMENTS

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

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

**PARAMOUNT INTERNATIONAL TELECOMMUNICATIONS, INC.
AND SUBSIDIARY**

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 1998 AND 1997

**PARAMOUNT INTERNATIONAL TELECOMMUNICATIONS, INC. AND SUBSIDIARY
DECEMBER 31, 1998 AND 1997**

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MERDINGER, FRUCHTER, ROSEN & CORSO, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT**TO THE STOCKHOLDERS'
PARAMOUNT INTERNATIONAL TELECOMMUNICATIONS, INC.**

We have audited the accompanying balance sheets of Paramount International Telecommunications, Inc. and Subsidiary as of December 31, 1998 and 1997, and the related statements of operations, stockholders' deficiency 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 Paramount International Telecommunications, Inc. and Subsidiary as of December 31, 1998 and 1997, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

Merdinger, Fruchter, Rosen & Corso P.C.
MERDINGER, FRUCHTER, ROSEN & CORSO, P.C.
Certified Public Accountants

Los Angeles, California
February 2, 1999

**PARAMOUNT INTERNATIONAL TELECOMMUNICATIONS, INC. AND SUBSIDIARY
BALANCE SHEETS
DECEMBER 31,**

	1998	1997
ASSETS		
CURRENT ASSETS		
Cash	\$ 44,859	\$ 32,124
Accounts Receivable	846,912	341,437
Receivable Sales-Type Lease - Current Portion	72,000	-
Prepaid Expenses	4,515	-
 Total Current Assets	 .968,286	 373,561
 RECEIVABLE SALES-TYPE LEASE -		
Less Current Portion	96,000	-
 EQUIPMENT AND FURNITURE, net		
	247,186	40,135
 EXCESS COST OVER FAIR VALUE OF NET		
ASSETS ACQUIRED, net	708,724	-
 OTHER ASSETS		
	15,750	-
 TOTAL ASSETS	 \$ 2,035,946	 \$ 413,696

The accompanying notes are an integral part of the financial statements.

PARAMOUNT INTERNATIONAL TELECOMMUNICATIONS, INC. AND SUBSIDIARY
BALANCE SHEETS
DECEMBER 31,

	<u>1998</u>	<u>1997</u>
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 827,553	\$ 573,791
Notes Payable - Current Portion	204,790	-
Capital Lease Obligations - Current Portion	36,038	-
Note Payable and Accrued Interest to Stockholder	1,224,622	222,946
Deferred Revenue - Current Portion	<u>38,000</u>	<u>-</u>
Total Current Liabilities	2,331,003	796,737
NOTES PAYABLE, Less Current Portion	105,301	-
CAPITAL LEASE OBLIGATION, Less Current Portion	39,936	-
DEFERRED REVENUE, Less Current Portion	<u>21,962</u>	<u>-</u>
Total Liabilities	<u>2,498,202</u>	<u>796,737</u>
MINORITY INTEREST	-	-
COMMITMENTS AND CONTIGENCIES (Note 7)	-	-
STOCKHOLDERS' DEFICIENCY		
Common Stock, no par value, 25,000 shares authorized, 2,000 shares issued and outstanding	2,000	252,000
Stock Subscription Receivable	(980)	(980)
Accumulated Deficit	<u>(463,276)</u>	<u>(634,061)</u>
Total Stockholders' Deficiency	<u>(462,256)</u>	<u>(383,041)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY	<u>\$ 2,035,946</u>	<u>\$ 413,696</u>

The accompanying notes are an integral part of the financial statements.

PARAMOUNT INTERNATIONAL TELECOMMUNICATIONS, INC. AND SUBSIDIARY
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31,

	<u>1998</u>	<u>1997</u>
SALES	\$ 11,314,649	\$ 792,878
COST OF GOODS SOLD	<u>9,667,906</u>	<u>558,211</u>
GROSS PROFIT	1,646,743	234,667
SELLING, GENERAL AND ADMINISTRATIVE	<u>981,314</u>	<u>131,812</u>
INCOME FROM OPERATIONS	<u>665,429</u>	<u>102,855</u>
OTHER INCOME (EXPENSE)		
Other Income	-	4,928
Interest Expense	<u>(18,492)</u>	<u>(85,453)</u>
Total Other Income (Expense)	<u>(18,492)</u>	<u>(80,525)</u>
INCOME BEFORE TAXES	646,937	22,330
TAXES	<u>-</u>	<u>-</u>
NET INCOME	<u>\$ 646,937</u>	<u>\$ 22,330</u>

The accompanying notes are an integral part of the financial statements.

**PARAMOUNT INTERNATIONAL TELECOMMUNICATIONS, INC. AND SUBSIDIARY
STATEMENTS OF STOCKHOLDERS' DEFICIENCY
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997**

	Common Stock		Stock	Accumulated	Total
	Shares	Amount	Subscription Receivable	Deficit	
Balance, January 1, 1996	2,000	\$ 252,000	\$(980)	\$(423,417)	\$(172,397)
Distributions to Stockholder	-	-	-	(232,974)	(232,974)
Net Income	-	-	-	<u>22,330</u>	<u>22,330</u>
Balance, December 31, 1997	2,000	252,000	(980)	(634,061)	(383,041)
Repurchase of PMT Shares	-	(250,000)	-	-	(250,000)
Distributions to Stockholder	-	-	-	(476,152)	(476,152)
Net Income	-	-	-	<u>646,937</u>	<u>646,937</u>
Balance, December 31, 1998	<u>2,000</u>	<u>\$ 2,000</u>	<u>\$(980)</u>	<u>\$(463,296)</u>	<u>\$(462,276)</u>

The accompanying notes are an integral part of the financial statements.

**PARAMOUNT INTERNATIONAL TELECOMMUNICATIONS, INC. AND SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,**

	<u>1998</u>	<u>1997</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$ 646,937	\$ 22,330
Adjustments to Reconcile Net Income to Cash Provided by Operating Activities:		
Sales - Type Lease	(122,000)	-
Depreciation and Amortization Expense	94,753	7,282
(Increase) Decrease in:		
Accounts Receivable	(451,283)	(341,437)
Prepaid Expenses	(4,515)	-
Other Assets	(15,750)	-
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	112,796	405,152
Deferred Revenue	(34,038)	-
Net Cash Provided by Operating Activities	<u>226,900</u>	<u>93,327</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash Collected from Receivable Sales- Type Lease	48,000	-
Purchase of Equipment and Furniture	(129,303)	(19,282)
Acquisition of Call Data Clear, Inc., net of cash acquired	<u>(197,259)</u>	<u>-</u>
Net Cash Used In Investing Activities	<u>(278,562)</u>	<u>(19,282)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Note Payable to Stockholder	467,143	105,152
Payments for Note Payable to Stockholder		
Proceeds from Notes Payable	123,000	-
Repayments of Notes Payable	(23,812)	-
Net Repayments for Line of Credit	(12,435)	-
Payments for Capital Lease Obligations	(13,347)	-
Distribution to Stockholders	<u>(476,152)</u>	<u>(149,278)</u>
Net Cash Provided By (Used In) Financing Activities	<u>64,397</u>	<u>(44,126)</u>
NET INCREASE IN CASH	12,735	29,919
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	<u>32,124</u>	<u>2,205</u>
CASH AND CASH EQUIVALENTS - END OF PERIOD	<u>\$ 44,859</u>	<u>\$ 32,124</u>

The accompanying notes are an integral part of the financial statements.

**PARAMOUNT INTERNATIONAL TELECOMMUNICATIONS, INC. AND SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997**

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

During the years ended December 31, 1998 and 1997, the Company paid \$13,172.88 and \$0 for interest, respectively, and no income taxes.

**SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND
FINANCING TRANSACTIONS:**

During the year ended December 31, 1998, the Company sold equipment under a sales-type lease for \$210,000.

The accompanying notes are an integral part of the financial statements.

PARAMOUNT INTERNATIONAL TELECOMMUNICATIONS, INC. AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

NOTE 1 - THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Paramount International Telecommunications, Inc. (the "Company"), A Nevada S Corporation, formed in 1996, provides telecommunication services. The Company provides its services to the lodging and pay-telephone industries in the United States, Canada and South America. The Company markets third-party manufactured PBX systems. Such products represent the primary systems used by hotels to provide telephone-related services to their guests, as well as the information necessary to bill guests for telephone calls and properly manage the telecommunications environment at the hotel. The Company bills and collects for the hotels, through a third-party service, the cost of calls initiated by the hotel guest. Also, the Company provides live-operator assistance and billing services for long-distance collect calls for the pay-telephone industry (See Note 8 - Stockholders' Equity for capital structure of the Company).

Principles of Consolidation

The December 31, 1998 balances include the accounts of the Company and its majority-owned subsidiary Call Data Clearing, Inc. ("CDC") from the date of acquisition (see Note 11) July 30, 1998, after elimination of intercompany accounts and transactions.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist of cash, trade receivables and notes receivable. The Company places its cash with high quality financial institutions and at times may exceed the FDIC \$100,000 insurance limit. The Company provides its services in the United States, Canadian and South American lodging industry and is thus dependent upon the conditions of the hospitality economic sectors of these countries. Exposure to losses on receivables is principally dependent on each customer's financial condition. The Company monitors its exposure for credit losses and maintains allowances for anticipated losses.

PARAMOUNT INTERNATIONAL TELECOMMUNICATIONS, INC. AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

NOTE 1 - THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
 (continued)

Impairment of long-lived Assets

In accordance with Statement of Financial Accounting Standard ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of", long-lived assets are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amounts of such assets may not be recoverable. Impairment losses would be recognized if the carrying amounts of the assets exceed the fair value of the assets.

Inventories

Inventories consist of PBX systems and peripherals that are held for resale and charged to cost of goods sold upon installation, or for rental charged to equipment when installed and depreciated over three years. Inventories are stated at the lower of cost or market, with cost determined on a first-in, first-out basis.

Equipment and Furniture

The Company capitalizes the cost of all significant equipment and furniture additions including equipment purchased by the Company and installed at customer locations under rental agreements. Depreciation is computed over the estimated useful life of the asset or the terms of the lease for leasehold improvements, whichever is shorter, on a straight-line basis, as follows:

Telecommunication	3 years
Computers	5 years
Furniture and Fixtures	5 - 7 years
Leasehold Improvements	10 years

Sales-Type Leases

A portion of the Company's revenue for the year ended December 31, 1998 has been generated using a sales-type lease. The Company sold equipment to a customer under a sales-type lease to be paid over a three-year period. Because the present value (computed at the rate implicit in the lease) of the minimum payments under this sales-type lease equals or exceeds 90 percent of the fair market value of the equipment and/or the length of the lease exceeds 75 percent of the estimated economic life of the equipment, the Company recognized the net effect of this transaction as a sale as required by generally accepted accounting principles.

PARAMOUNT INTERNATIONAL TELECOMMUNICATIONS, INC. AND SUBSIDIARY
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

NOTE 1 - THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
 (continued)

Minority Interest

The December 31, 1998 financial statements do not reflect a minority interest liability as CDC, on a stand-alone basis has a stockholders' deficiency, and the consolidated statement of operations for the year ended December 31, 1998 does not reflect a minority interest's share of CDC's losses, as the related accrual would result in the Company's recordation of a minority interest receivable.

Revenue Recognition

The Company bills and collects, through a third party service, the cost of calls initiated by the hotel guests. The Company recognizes revenue each month based on the gross proceeds to be collected which are net of contractual allowances for uncollectable fees charged by the third-party billing agency. Product sales are recognized upon delivery of product to the customer.

Income Taxes

The Company accounts for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes". Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

The Company has elected to be taxed under the provisions of Sub Chapter-S of the Internal Revenue Code. Under the provisions, the Company does not pay federal corporate income taxes, but is subject to a 1.5% California franchise tax.

NOTE 2 - RECEIVABLE SALES-TYPE LEASE

In May 1998, the Company sold equipment to a customer under a sales-type lease to be paid over a three year period. Future minimum lease payments under the lease are as follows:

Year ending December 31,:	
1999	\$ 72,000
2000	72,000
2001	24,000
Net minimum lease payments	168,000
Less: Current Portion	(72,000)
Long-Term Portion	<u>\$ 96,000</u>

PARAMOUNT INTERNATIONAL TELECOMMUNICATIONS, INC. AND SUBSIDIARY
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

NOTE 3 - EQUIPMENT AND FURNITURE

The cost of equipment and furniture consisted of the following as of December 31,:

	<u>1998</u>	<u>1997</u>
Telecommunication	\$ 234,297	\$ 8,260
Computers	46,594	33,471
Furniture and Fixtures	32,263	8,137
Leasehold Improvements	<u>4,800</u>	<u>-</u>
	317,954	49,868
Less: Accumulated Depreciation	<u>70,768</u>	<u>9,733</u>
	<u>\$ 247,186</u>	<u>\$ 40,135</u>

Depreciation expense was \$61,035 and \$7,282 for 1998 and 1997, respectively.

NOTE 4 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following as of December 31,:

	<u>1998</u>	<u>1997</u>
Trade Payable and Accruals	\$ 827,553	\$ 324,352
Distribution to Stockholder	-	150,194
Interest Payable to Stockholder	<u>-</u>	<u>99,245</u>
	<u>\$ 827,553</u>	<u>\$ 573,791</u>

NOTE 5 - NOTES PAYABLE

Notes payable consisted of the following as of December 31,:

	<u>1998</u>	<u>1997</u>
Note payable - Bank 9.25% per annum, secured by equipment under sales-type lease, with monthly principal and interest payments of \$3,902, due April 2001.	\$ 98,188	\$ -
Note payable acquisition - non-interest bearing due January 15, 1999.	146,903	-

PARAMOUNT INTERNATIONAL TELECOMMUNICATIONS, INC. AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

NOTE 5 - NOTES PAYABLE (continued)

Note payable acquisition - 6.0% per annum with interest payable on August 15, 1999 and starting August 1999 monthly principal payments of \$3,611 due in February 2001.

	<u>65,000</u>	<u>-</u>
Total	310,091	-
Less: Current Portion	<u>(204,790)</u>	<u>-</u>
Long-Term Portion	<u>\$ 105,301</u>	<u>\$ -</u>

Required principal payments under note payable are as follows:

For the year ending December 31,	
1999	\$ 203,330
2000	99,917
2001	<u>6,844</u>
Total	<u>\$ 310,091</u>

NOTE 6 - NOTE PAYABLE STOCKHOLDER

A stockholder of the Company has made advances to fund operations of the Company. As of December 31, 1998 and 1997, the outstanding balance was \$1,224,622 (including principal and interest) and \$222,946, respectively. The note accrues interest at 10% per annum, with interest only payments of \$10,206 starting October 1998 through September 1999, at which time all unpaid interest and principal are due and payable.

The Stock Purchase Agreement (See Note 12 - Subsequent Event) requires the Company to satisfy the principal and interest by May 27, 1999. The Buyer, under the Stock Purchase Agreement has guaranteed the Company's payment of this debt.

PARAMOUNT INTERNATIONAL TELECOMMUNICATIONS, INC. AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

NOTE 7 - COMMITMENTS AND CONTINGENCIES

The Company leases its corporate office under a noncancelable operating lease with a stockholder of the Company, which expires on November 1, 1998. Also, the Company sub-leases space to a third party on a month-to-month basis. The Company also leases telecommunication equipment under non-cancelable capital lease arrangements. Net rent expense for December 31, 1998 and 1997 was approximately \$32,874 and \$8,754, respectfully.

Future minimum lease payments under noncancelable capital leases at December 31, 1998 are as follows:

Years Ending December 31,:

1999	\$ 46,404
2000	37,329
2001	<u>5,985</u>
	89,718
Less: Amount Representing Interest	<u>(13,744)</u>
	75,974
Less: Current Portion	<u>(36,038)</u>
Long-Term Portion	<u>\$ 39,936</u>

NOTE 8 - STOCKHOLDERS' EQUITY

Paramount Marketing & Telecommunications, Inc. ("PMT") was incorporated in the State of California in March 1996. PMT issued 1,000 shares of its no par value common stock, of which 180 were purchased by Stockholders ("Stockholders A") for \$250,000 and the remaining five stockholders received 820 shares in aggregate as founders' shares for a total of seven stockholders. In January 1997, Stockholders A purchased from three of the founding stockholders 620 shares of PMT common stock leaving four stockholders of record. In 1998, the Company purchased 800 shares of PMT from Stockholder A by increasing the stockholders note payable for \$250,000.

In October 1996, the four stockholders of PMT formed Paramount International Telecommunications, Inc. ("PIT"), a Nevada Corporation. PIT issued 2,000 shares of its no par value common stock for \$100 a share.

PARAMOUNT INTERNATIONAL TELECOMMUNICATIONS, INC. AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

NOTE 8 - STOCKHOLDERS' EQUITY (continued)

For the year ended December 31, 1996 through the ten months ended October 30, 1997, the Company's operations were transacted through PMT and subsequent to October 30, 1997, the Company's operations were transacted through PIT. The accompanying financial statements and stockholders' equity are for the combined companies. However, the accompanying financial statements are presented as PIT given that the operations of PIT are the continuation of PMT's operations.

NOTE 9 - SALES

For the year ended December 31, 1998, the company had two customers whose sales and accounts receivable represented approximately \$8,500,000 and \$577,000, respectively, of total sales and accounts receivable.

NOTE 10 - INCOME TAXES

For the years ended December 31, 1998 and 1997, the Company had no franchise taxes because of net loss carryforwards. There are no significant temporary differences between the Company's tax and franchise bases except for net loss carryforwards for which a 100% allowance has been provided because management has determined that the Company may not realize all or a portion of this deferred tax asset.

NOTE 11 - ACQUISITION

On July 31, 1998, the Company acquired 85% (in 1999, the Company acquired the remaining 15%) of the outstanding common stock of Call Data Clearing, Inc. in exchange for \$765,000. The acquisition was accounted for by the purchase method of accounting; accordingly, the purchase price has been allocated to the assets acquired and the liabilities assumed based on the estimated fair values at the date of acquisition. The excess of the purchase price over the estimated fair value of net assets acquired of \$831,155 has been recorded as excess cost over fair value of net assets acquired, which is being amortized over ten years.

PARAMOUNT INTERNATIONAL TELECOMMUNICATIONS, INC. AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

NOTE 11 - ACQUISITION (continued)

The estimated fair value of assets acquired and liabilities assumed is summarized as follows:

Cash	\$ 353,678
Accounts Receivable	54,192
Inventories	55,177
Equipment and Furniture	82,693
Excess Cost Over Fair Value of Net Assets Acquired	831,155
Accounts Payable and Other Liabilities	<u>(611,895)</u>
Purchase Price	<u>\$ 765,000</u>

The following table presents the unaudited proforma condensed statement of operations for the year ended December 31, 1998 and reflects the results of operations of the Company as if the acquisitions of CDC had been effective January 1, 1998. The proforma amounts are not necessarily indicative of the combined results of operations had the acquisition been effective as of that date, or of the anticipated results of operations, due to cost reductions and operating efficiencies that are expected as a result of the acquisition.

	December 31, <u>1998</u> (unaudited)
Net Sales	\$ 12,979,434
Gross Profit	\$ 1,802,313
Selling, General and Administrative Expenses	\$ 1,171,065
Net Income	\$ 609,572

NOTE 12 - SUBSEQUENT EVENTS

On February 26, 1999, the shareholders of the Company entered into an agreement to sell all of the issued and outstanding shares of the Company's common stock in exchange for cash and Convertible Preferred Stock of a publicly held company.

ATTACHMENT IV

MANAGERIAL AND TECHNICAL CAPABILITIES

**Paramount International Telecommunications, Inc.
d/b/a R Network**

MANAGERIAL AND TECHNICAL CAPABILITIES

Executive Team Profiles

Paramount International Telecommunications, Inc.'s ("Paramount") dynamic Executive Team represents many years of individual accomplishments in the telecommunications industry, the hospitality industry and other corporate arenas. The effectiveness of the team's combined expertise is apparent in the growth of the Company and the strength of its client relationships.

David M. Moody, Chairman of the Board

David Moody is co-founder of Paramount and has a 25 year background in corporate development, marketing and communications. In the course of his career, Mr. Moody's leadership skills have put him at the forefront of several companies and organizations and his marketing and communications skills have led to consultancy contracts with several U.S. and Canadian corporations. Mr. Moody has served as a policy advisor to President Jimmy Carter, through the Carter Institute, and to the Prime Minister of Canada, Pierre Trudeau. He has held executive positions with the Federal Government, the Y.M.C.A., Alpha Communications, ICI and PGI. Mr. Moody's primary responsibilities at Paramount include corporate policy, strategic planning and overseeing Canadian operations.

Michael Eberle, Chief Executive Officer

Michael Eberle is co-founder of the Paramount and has a long and distinguished career in the land development and construction industry. Among his accomplishments is the Cheyenne Mountain Inn and Conference Center in Colorado Springs, CO. Other major projects he has developed and/or built in California, Arizona and Utah have earned him similar acclaim. Mr. Eberle maintains excellent relationships within the hospitality industry and is keenly sensitive to the hotelier's needs. His solid understanding of capital formations, acquisitions, contracts and financial management practices has proved invaluable to the Company. Mr. Eberle's primary responsibilities include managing operations and installations throughout the Paramount system.

David A. Paton, Executive Vice President

David Paton is co-founder of Paramount, and has extensive hands-on experience in hotel and resort operations, marketing and management. During his 35 year career, Mr. Paton has held virtually every kind of hotel staff and management position, including senior executive management positions with Hilton, Doubletree, Radisson, and Pillsbury's Hospitality Division. His broad experience, professional relationships, and energetic pursuit of the company's goals have contributed significantly to Paramount's successful product identification and market penetration. Mr. Paton's responsibilities include supervising sales and marketing in the U.S., Mexico and the Caribbean.

Kay Eberle, Secretary/Treasurer, Corporate Controller

Kay Eberle is co-founder of Paramount and has gained her executive level experience in the field of accounting. For the last 10 years Ms. Eberle has served as senior accountant/controller for a number of major companies, including Summit Land Development, Inc., Cherry Mountain Spring Water Corporation, MiKa Aviation, Inc., and Carlsbad Framing Corporation.