

MAXWELL, BAKER & McFATRIDGE, P.C.

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2525 SOUTH SHORE BLVD., SUITE 410  
LEAGUE CITY, TEXAS 77573

TELEPHONE (281) 521-2000  
FACSIMILE (281) 521-2010

April 4, 2000

GALVESTON OFFICE (409) 765-7446  
FACSIMILE (409) 762-8519

KYLE L. DICKSON  
Shareholder  
kdickson@maxwellbaker.com

ORIGINAL

VIA FEDERAL EXPRESS

Florida Public Service Commission  
Secretary  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0866

000417-JX

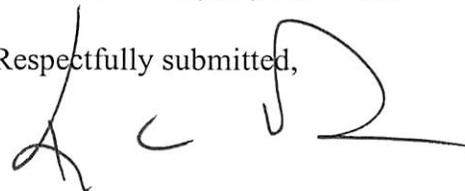
Re: *Application of Basicphone, Inc., for Authority to Provide Alternative Local Exchange Service Within the State of Florida.*

Dear Sir or Madam:

Enclosed herewith for filing on behalf of *Basicphone, Inc.*, please find an original and six (6) copies of its Application for Authority to Provide Alternative Local Exchange Services within the State of Florida. Also, please find our firm check in the amount of \$250.00 made payable to the Florida Public Service Commission to cover filing fees.

Please date-stamp the extra copy and return to the undersigned in the self-addressed stamped envelope provided. If you have any questions, please contact me at (281) 521-2000.

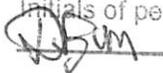
Respectfully submitted,



Kyle L. Dickson

Check received with filing and  
forwarded to Fiscal for deposit.  
Fiscal to forward a copy of check  
to RAR via [unclear]

Initials of person who forwarded check:



Enclosures

S:\WPDOCS\KLD\Telecom Clients\BASICPHO\Applications\floridapuc.0400.wpd

DOCUMENT NUMBER-DATE

04291 APR-68

FPSC-RECORDS/REPORTING

- 
1. This is an application for (check one):
- (X) Original authority (new company)
  - ( ) Approval of transfer (to another certificated company)  
Example, a certificated company purchases an existing company and desires to retain the original certificate authority.
  - ( ) Approval of assignment of existing certificate (to a noncertificated company)  
Example, a non-certificated company purchases an existing company and desires to retain the certificate of authority rather than apply for a new certificate.
  - ( ) Approval for transfer of control (to another certificated company)  
Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.
2. Name of Applicant:
- Basicphone, Inc.**
3. A. National mailing address including street name, number, post office box, city, state, zip code, and phone number.
- 2207 MacArthur  
P.O. Box 220  
Orange, Tx 77631  
(409) 883-3311  
(409) 883-7433 FAX**
- B. Florida mailing address including street name, number, post office box, city, state, zip code, and phone number.
- 1200 South Pine Island Road  
Plantation, Florida 33324  
(305) 473-5503**

C. Physical address of alternative local exchange service in Florida including street name, number, post office box, city, zip code, and phone number.  
N/A.

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4. 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"/> Joint Venture                  | <input type="checkbox"/> Other, Please explain _____ |

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

Corporate charter number: \_\_\_\_\_

**A copy of Applicant's Certificate of Authority to do Business in Florida is attached hereto as Exhibit "A".**

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

**Basicphone, Inc.**

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

Fictitious name registration number: N/A. \_\_\_\_\_

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

9. State whether any of the officers, directors, or any of the ten largest stockholders have previously been adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. If so, please explain.

**None**

- 
10. Please provide the name, title, address, telephone number, Internet address, and facsimile number for the person serving as ongoing liaison with the Commission, and if different, the liaison responsible for this application.

**Ongoing Operations:**

**Application**

**Warren Landry, Jr.**  
**President**  
**2207 MacArthur**  
**P. O. Box 220**  
**Orange, Tx 77631**  
**(409) 883-3311**  
**(409) 883-7433**

**Kyle L. Dickson**  
**Maxwell, Baker & McFatrige, P.C.**  
**2525 South Shore Blvd. 410**  
**Houston, Texas 77573**  
**(281) 521-2000 (Phone)**  
**(281) 521-2010 (Fax)**

11. Please list other states in which the applicant is currently providing or has applied to provide local exchange or alternative local exchange service.  
**Texas, Arkansas, Kansas, Louisiana, Mississippi, Missouri, and Oklahoma,**
12. Has the applicant been denied certification in any other state? If so, please list the state and reason for denial.  
**No.**
13. Have penalties been imposed against the applicant in any other state? If so, please list the state and reason for penalty.  
**No.**
14. Please indicate how a customer can file a service complaint with your company.  
**Customers can either call the Company's toll-free telephone number ( 800) 503-3663 or write to the Company directly.**

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15. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide alternative local exchange service in Florida.

A. Financial capability. See Exhibit "B".

Regarding the showing of financial capability, the following applies:

The application should contain the applicant's financial statements, including:

1. the balance sheet
2. income statement
3. statement of retained earnings for the most recent 3 years.

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 Exhibit "C".

C. Technical capability. See Exhibit "D".

**AFFIDAVIT**

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

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

Official: *Warren J. Landry, Jr.*  
Signature  
Warren J. Landry, Jr.

3-27-00  
Date

Title: President

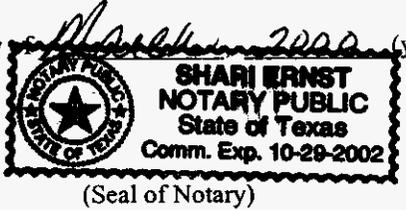
(409) 883-3311  
Telephone Number

Address: Basicphone, Inc.  
2207 MacArthur  
Orange, TX 77631

State of Texas )  
County of Orange ) ss.

Sworn to and subscribed before me on this 27<sup>th</sup> day March, 2000 (year).

*Shari Ernst*  
(Signature of Notary)



(Seal of Notary)

**EXHIBIT "A"**

**CERTIFICATE OF AUTHORITY TO DO  
BUSINESS IN THE STATE OF FLORIDA**



**FLORIDA DEPARTMENT OF STATE**  
**Katherine Harris**  
Secretary of State

February 28, 2000

**C T CORPORATION SYSTEM**

**TALLAHASSEE, FL**

Qualification documents for BASIC PHONE, INC. were filed on February 28, 2000 and assigned document number F00000001054. Please refer to this number whenever corresponding with this office.

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

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

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

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

Buck Kohr  
Corporate Specialist  
Division of Corporations

Letter Number: 600A00010736

**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.

FILED  
SECRETARY OF STATE  
DIVISION OF CORPORATIONS  
200 FEB 28 PM 2:16

1. Basic Phone, 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. Texas

(State or country under the law of which it is incorporated)

3. 76-0521740

(FEI number, if applicable)

4. 11/14/96

(Date of incorporation)

5. Perpetual

(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. P.O. Box 220

Orange, TX 77631

(Current mailing address)

8. Telecommunication

(Purpose(s) of corporation authorized in home state or country to be carried out in state of Florida)

9. **Name and street address of Florida registered agent:** (P.O. Box or Mail Drop Box NOT acceptable)

Name: C T Corporation System

Office Address: 1200 South Pine Island Road

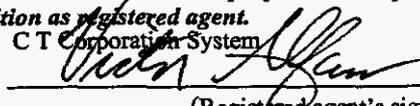
Plantation, Florida, 33324

(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.*

C T Corporation System



(Registered agent's signature)

**VICTOR ALFANO  
ASSISTANT SECRETARY**

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.

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: Warren J. Landry, Jr.

Address: 2207 MacArthur Drive

Orange, TX 77630

Vice Chairman: \_\_\_\_\_

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

Director: Sonda Landry

Address: 2207 MacArthur Drive

Orange, TX 77630

Director: \_\_\_\_\_

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

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

President: Warren J. Landry, Jr.

Address: 2207 MacArthur Dr.

Orange, TX 77630

Vice President: \_\_\_\_\_

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

Secretary: Sonda Landry

Address: 2207 MacArthur Dr.

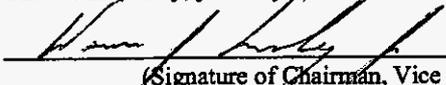
Orange, TX 77630

Treasurer: Sonda Landry

Address: 2207 MacArthur Dr.

Orange, TX 77630

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

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

14. Warren J. Landry, Jr., President  
(Typed or printed name and capacity of person signing application)

00 FEB 28 PM 2:16  
STATE OF TEXAS  
COMMERCE DEPARTMENT

**EXHIBIT "B"**

**BALANCE SHEET**

**INCOME STATEMENT**

**STATEMENT OF RETAINED EARNINGS FOR 3 YEARS**

*Year End*

**BASICPHONE, INC.**  
**Income Statement** *TEXAS*  
From November 1, 1999 Through November 30, 1999  
Last Seq. #: 194

*Van/Hubert*  
*3-27-00*

	PTD Post	%Sales	Budget	%Budg	YTD Post
<b>===== Sales =====</b>					
Sales					
Sales - Basic residential	131,416.54	38.0	0	N/A	943,745.15
Sales - Business line	340.39	0.1	0	N/A	14,271.21
Sales - Options (taxable)	49,481.52	14.3	0	N/A	457,991.25
Sales - Set up	0.00	N/A	0	N/A	0.00
Sales - Equipment	0.00	N/A	0	N/A	0.00
Sales - Repairs	0.00	N/A	0	N/A	0.00
Sales - Miscellaneous	146,068.15	42.2	0	N/A	1,488,246.20
Sales - LD cards	0.00	N/A	0	N/A	0.00
Sales - 911	1,973.79	0.6	0	N/A	12,948.73
Sales - FCC	13,375.05	3.9	0	N/A	89,597.32
SALES - NPC	3,267.85	0.9	0	N/A	12,677.77
<b>Total Sales</b>	<b>345,923.29</b>	<b>100.0</b>	<b>0</b>	<b>N/A</b>	<b>3,019,477.63</b>
<b>==== Cost of Goods Sold =====</b>					
Cost of Sales					
Direct costs - Telephone	248,309.09	71.8	0	N/A	1,261,254.77
DIRECT COST-TELEPHONE RES	0.00	N/A	0	N/A	0.00
DIRECT COST-TELEPHONE RES	0.00	N/A	0	N/A	0.00
DIRECT COST-TELEPHONE RES	0.00	N/A	0	N/A	0.00
Telephone equipment resol	0.00	N/A	0	N/A	0.00
Service sub-contractors	0.00	N/A	0	N/A	0.00
LD card - Resold	1,468.37	0.4	0	N/A	25,329.07
DIRECT COST - SALES TAX	0.00	N/A	0	N/A	0.00
DIRECT COST - FEDERAL EXC	0.00	N/A	0	N/A	0.00
<b>Total Cost of Sales</b>	<b>249,777.46</b>	<b>72.2</b>	<b>0</b>	<b>N/A</b>	<b>1,286,583.84</b>
<b>Gross Margin</b>	<b>96,145.83</b>	<b>27.8</b>	<b>0</b>	<b>N/A</b>	<b>1,732,893.79</b>
<b>===== Expenses =====</b>					
Operating Expenses					
Advertising	15,477.85	4.5	0	N/A	180,219.77
Auto	127.93	0.0	0	N/A	1,011.03
Western Union service fee	0.00	N/A	0	N/A	0.00
Bank card fee	0.00	N/A	0	N/A	0.00
Bank service charge	28.07	0.0	0	N/A	909.66
Contract labor	15,984.72	4.6	0	N/A	91,409.57
HANDLING FEES	6,334.79	1.8	0	N/A	66,103.88

**BASICPHONE, INC.**  
**Income Statement**  
**From November 1, 1999 Through November 30, 1999**  
**Last Seq. #: 194**

	PTD Post	%Sales	Budget	%Budg	YTD Post
EMPLOYEE TRAINING-CONT. E	0.00	N/A	0	N/A	0.00
Donations	100.00	0.0	0	N/A	322.00
Business club dues	128.14	0.0	0	N/A	2,242.26
Depreciation	0.00	N/A	0	N/A	0.00
Bad checks	0.00	N/A	0	N/A	0.00
Bad debt - charge off	0.00	N/A	0	N/A	4,429.81
THEFT-LOSS	-140.00	0.0	0	N/A	17,407.77
Officers bonuses	0.00	N/A	0	N/A	0.00
Insurance	1,003.86	0.3	0	N/A	13,465.41
Interest	0.00	N/A	0	N/A	2,865.10
Answering service	113.90	0.0	0	N/A	962.32
Office equipment support	1,500.00	0.4	0	N/A	22,532.78
Office supplies	8,402.29	2.4	0	N/A	52,970.13
Rent & lease	8,230.00	2.4	0	N/A	69,735.00
Professional & legal fees	2,227.13	0.6	0	N/A	22,097.76
Office equipment	1,971.00	0.6	0	N/A	77,921.98
Social security	-2,656.23	( 0.8)	0	N/A	-3,697.82
Medicare	-579.13	( 0.2)	0	N/A	-868.45
LOUISIANA STATE W/HOLDING	-52.48	0.0	0	N/A	-52.48
Child support	0.00	N/A	0	N/A	0.00
Payroll taxes	2,741.45	0.8	0	N/A	26,959.51
Taxes -	29.57	0.0	0	N/A	16,929.63
911 fees	2,584.72	0.7	0	N/A	32,559.23
Supplies	293.14	0.1	0	N/A	42,730.53
Permits	0.00	N/A	0	N/A	4.00
Publications	80.96	0.0	0	N/A	2,863.60
Telephone service used	5,198.14	1.5	0	N/A	46,736.22
Entertainment	183.31	0.1	0	N/A	4,124.43
Traveling	801.27	0.2	0	N/A	7,691.63
Repairs	0.00	N/A	0	N/A	34,424.01
Customer refund	155.81	0.0	0	N/A	4,865.85
Utilities	1,040.16	0.3	0	N/A	9,934.87
Security	0.00	N/A	0	N/A	8,123.36
Management fees	0.00	N/A	0	N/A	0.00
Salaries & wages - Texas	75,694.04	21.9	0	N/A	395,746.00
Salaries & Wages - Louisi	2,813.50	0.8	0	N/A	7,285.50
Contract labor	0.00	N/A	0	N/A	-4,387.43
Miscellaneous	769.40	0.2	0	N/A	2,720.05
Over & short	33.99	0.0	0	N/A	84.96

**BASICPHONE, INC.**  
**Income Statement**  
**From November 1, 1999 Through November 30, 1999**  
**Last Seq. #: 194**

	<u>PTD Post</u>	<u>%Sales</u>	<u>Budget</u>	<u>%Budg</u>	<u>YTD Post</u>
<b>Total Expenses</b>	150,621.30	43.5	0	N/A	1,261,383.43
<b>===== Other Income =====</b>					
Other Income					
Loss on sale of assets	0.00	N/A	0	N/A	0.00
Miscellaneous income	0.00	N/A	0	N/A	20.01
Interest income	604.18	0.2	0	N/A	3,632.29
<b>Total Other Income</b>	<u>604.18</u>	<u>0.2</u>	<u>0</u>	<u>N/A</u>	<u>3,652.30</u>
<b>Gross Income Before Taxes</b>	<u>-53,871.29</u>	<u>( 15.6)</u>	<u>0</u>	<u>N/A</u>	<u>475,162.66</u>
<b>===== Taxes =====</b>					
Taxes					
Federal income tax expens	40,000.00	11.6	0	N/A	77,760.00
<b>Total Taxes</b>	<u>40,000.00</u>	<u>11.6</u>	<u>0</u>	<u>N/A</u>	<u>77,760.00</u>
<b>Net Income After Taxes</b>	<u><u>-93,871.29</u></u>	<u><u>( 27.1)</u></u>	<u><u>0</u></u>	<u><u>N/A</u></u>	<u><u>397,402.66</u></u>

**BASICPHONE, INC.**  
**Balance Sheet**  
**As Of November 30, 1999**  
**Last Seq. #: 194**

	Balance	Budget	%Budg
<b>===== Assets =====</b>			
Cash on hand	540.00	0	N/A
Cash - Orange Savings Bank	-23,188.02	0	N/A
BALANCE TRANSFERS FROM ARKANSAS GL	-2,996.46	0	N/A
BALANCE TRANSFERS FROM KANSAS GL	-193.47	0	N/A
BALANCE TRANSFER FROM OKLA GL	13.37	0	N/A
Austin-A/R In Transit	1,404.00	0	N/A
AUSTIN OFFICE - A/R IN TRANSIT	0.00	0	N/A
Bay City - A/R IN-TRANSIT	16,820.38	0	N/A
Baytown - A/R IN-TRANSIT	5,609.79	0	N/A
Beaumont - A/R IN-TRANSIT	0.00	0	N/A
CENTER - A/R IN TRANSIT	1,033.49	0	N/A
Cash - BUNA A/R IN TRANSIT	0.00	0	N/A
EAGLE PASS-A/R IN TRANSIT	0.00	0	N/A
Cash - FREEPORT AGT TEXAS GULF BANK	0.00	0	N/A
Corporate Office - A/R IN-TRANSIT	0.00	0	N/A
GWLKC-A/R IN TRANSIT	0.00	0	N/A
CASH-FIRST STATE BANK/HEMPHILL AGT	3,682.15	0	N/A
Hempstead - A/R IN-TRANSIT	0.00	0	N/A
KILLEEN - A/R IN TRANSIT	3,496.40	0	N/A
GWH1-JENSEN - A/R IN TRANSIT	0.00	0	N/A
GWH2-J.RALSTON - A/R IN TRANSIT	0.00	0	N/A
GWH3 TELEPHONE RD - A/R IN TRANSIT	0.00	0	N/A
GWH4-LITTLE YORK-A/R IN TRANSIT	0.00	0	N/A
GW FONDREN - A/R IN TRANSIT	0.00	0	N/A
A/R IN TRANSIT-UNCLEARED DEPOSITS	0.00	0	N/A
LIVINGSTON AGT - A/R IN TRANSIT	1,044.21	0	N/A
Orange - A/R IN-TRANSIT	0.00	0	N/A
Palestine - A/R IN-TRANSIT	0.00	0	N/A
Port Arthur - A/R IN-TRANSIT	3,192.69	0	N/A
San Antonio - A/R IN-TRANSIT	0.00	0	N/A
CASH - COMMUNITY BANK	4,340.66	0	N/A
Tyler - A/R IN-TRANSIT	8,666.44	0	N/A
VIDOR - A/R IN TRANSIT	574.40	0	N/A
Western Union - A/R IN-TRANSIT	1,040.50	0	N/A
SAVINGS - ORANGE SAVINGS BANK	40,514.36	0	N/A
Cash - Harlingen Bank	8,700.71	0	N/A
Cash - Jasper Banking Center	8,606.22	0	N/A
TRANSIT TX BPHONE LA.	41,109.94	0	N/A
Accounts receivable	276,259.20	0	N/A
<b>Total Current Assets</b>	<b>400,270.96</b>	<b>0</b>	<b>N/A</b>
Office equipment	69,923.13	0	N/A

**BASICPHONE, INC.**  
**Balance Sheet**  
**As Of November 30, 1999**  
**Last Seq. #: 194**

	Balance	Budget	%Budg
Automobiles	62,232.55	0	N/A
Leasehold improvements	0.00	0	N/A
Reserve for depreciation	-37,368.88	0	N/A
<b>Total Fixed Assets</b>	<b>94,786.80</b>	<b>0</b>	<b>N/A</b>
Intangibles	0.00	0	N/A
Amortizable costs	0.00	0	N/A
Amortization	0.00	0	N/A
<b>Total Other Assets</b>	<b>0.00</b>	<b>0</b>	<b>N/A</b>
<b>Total Assets</b>	<b>495,057.76</b>	<b>0</b>	<b>N/A</b>
<b>===== Liabilities =====</b>			
Accounts payable	2,129.64	0	N/A
Withholding taxes	12,823.62	0	N/A
LOUISIANA STATE W/HOLDINGS	0.00	0	N/A
EARNED INCOME CREDIT ADVANCE	0.00	0	N/A
Texas sales tax payable	42,057.27	0	N/A
Insurance deduction	0.00	0	N/A
Federal excise tax payable	0.00	0	N/A
NECA TXUSF	0.00	0	N/A
Notes payable - SOUTH TRUST BANK	33,134.58	0	N/A
<b>Total Current Liabilities</b>	<b>90,145.11</b>	<b>0</b>	<b>N/A</b>
Notes payable - Stockholder	1,000.00	0	N/A
<b>Total Long Term Liabilities</b>	<b>1,000.00</b>	<b>0</b>	<b>N/A</b>
<b>Total Liabilities</b>	<b>91,145.11</b>	<b>0</b>	<b>N/A</b>
<b>===== Equity =====</b>			
Common stock	0.00	0	N/A
Year to date profit/loss	0.00	0	N/A
Retained earnings	403,912.65	0	N/A
Suspense Account	0.00	0	N/A
<b>Total Equity</b>	<b>403,912.65</b>	<b>0</b>	<b>N/A</b>
<b>Total Liabilities and Equity</b>	<b>495,057.76</b>	<b>0</b>	<b>N/A</b>

*Year End*

**BASIC PHONE OF LOUISIANA**  
**Income Statement**  
From November 1, 1999 Through November 30, 1999  
Last Seq. #: 65

*Vann / City of  
3-27-00*

	PTD Post	%Sales	Budget	%Budg	YTD Post
<b>===== Sales =====</b>					
Sales					
Sales - Basic residential	18,556.69	45.7	0	N/A	55,731.99
Sales - Business line	0.00	N/A	0	N/A	0.00
Sales - Options (taxable)	7,245.18	17.9	0	N/A	26,083.29
Sales - Set up	0.00	N/A	0	N/A	0.00
Sales - Equipment	0.00	N/A	0	N/A	0.00
Sales - Repairs	0.00	N/A	0	N/A	0.00
Sales - Miscellaneous	12,268.86	30.2	0	N/A	108,634.61
Sales - LD cards	0.00	N/A	0	N/A	0.00
Sales - 911	401.13	1.0	0	N/A	1,184.42
Sales - FCC	1,840.82	4.5	0	N/A	5,503.77
NUMBER PORTABILITY CHARGE	259.32	0.6	0	N/A	1,027.88
<b>Total Sales</b>	<b>40,572.00</b>	<b>100.0</b>	<b>0</b>	<b>N/A</b>	<b>198,165.96</b>
<b>==== Cost of Goods Sold =====</b>					
Cost of Sales					
Direct costs - Telephone	21,973.61	54.2	0	N/A	114,665.52
Telephone equipment resol	0.00	N/A	0	N/A	0.00
Service sub-contractors	0.00	N/A	0	N/A	0.00
LD card - Resold	0.00	N/A	0	N/A	82.50
DIRECT COST - SALES TAX	0.00	N/A	0	N/A	0.00
DIRECT COST - FEDERAL EXC	0.00	N/A	0	N/A	0.00
<b>Total Cost of Sales</b>	<b>21,973.61</b>	<b>54.2</b>	<b>0</b>	<b>N/A</b>	<b>114,748.02</b>
<b>Gross Margin</b>	<b>18,598.39</b>	<b>45.8</b>	<b>0</b>	<b>N/A</b>	<b>83,417.94</b>
<b>===== Expenses =====</b>					
Operating Expenses					
Advertising	7,485.00	18.4	0	N/A	32,023.44
Auto	0.00	N/A	0	N/A	0.00
Western Union service fee	0.00	N/A	0	N/A	0.00
Bank card fee	0.00	N/A	0	N/A	0.00
Bank service charge	115.49	0.3	0	N/A	874.77
Contract labor	0.00	N/A	0	N/A	1,861.32
HANDLING FEES	919.02	2.3	0	N/A	5,888.51
EMPLOYEE TRAINING-CONT. E	0.00	N/A	0	N/A	0.00
Donations	0.00	N/A	0	N/A	0.00
Business club dues	0.00	N/A	0	N/A	0.00

**BASIC PHONE OF LOUISIANA**  
**Income Statement**  
From November 1, 1999 Through November 30, 1999  
Last Seq. #: 65

	PTD Post	%Sales	Budget	%Budg	YTD Post
Depreciation	0.00	N/A	0	N/A	0.00
Bad checks	0.00	N/A	0	N/A	0.00
Bad debt - charge off	-1,628.13	( 4.0)	0	N/A	5,350.06
Officers bonuses	0.00	N/A	0	N/A	0.00
Insurance	0.00	N/A	0	N/A	2,000.00
Interest	0.00	N/A	0	N/A	0.00
Answering service	0.00	N/A	0	N/A	0.00
Office equipment support	0.00	N/A	0	N/A	0.00
Office supplies	0.00	N/A	0	N/A	391.45
Rent & lease	1,000.00	2.5	0	N/A	5,400.00
Professional & legal fees	0.00	N/A	0	N/A	50.00
Office equipment	0.00	N/A	0	N/A	627.00
Social security	0.00	N/A	0	N/A	0.00
Medicare	0.00	N/A	0	N/A	0.00
Child support	0.00	N/A	0	N/A	0.00
Payroll taxes	0.00	N/A	0	N/A	0.00
Taxes -	0.00	N/A	0	N/A	10.00
911 fees	0.00	N/A	0	N/A	0.00
Supplies	12.64	0.0	0	N/A	536.23
Permits	0.00	N/A	0	N/A	0.00
Publications	0.00	N/A	0	N/A	0.00
Telephone service used	0.00	N/A	0	N/A	0.00
TRANSFER TX BPHONE TO LA	0.00	N/A	0	N/A	0.00
Entertainment	0.00	N/A	0	N/A	0.00
Traveling	0.00	N/A	0	N/A	0.00
Repairs	0.00	N/A	0	N/A	0.00
Customer refund	201.43	0.5	0	N/A	777.88
Utilities	137.15	0.3	0	N/A	534.37
Security	0.00	N/A	0	N/A	930.00
Management fees	0.00	N/A	0	N/A	0.00
Salaries & wages	0.00	N/A	0	N/A	0.00
Contract labor	0.00	N/A	0	N/A	154.00
Miscellaneous	0.00	N/A	0	N/A	0.00
Over & short	0.00	N/A	0	N/A	-0.89
<b>Total Expenses</b>	<b>8,242.60</b>	<b>20.3</b>	<b>0</b>	<b>N/A</b>	<b>57,408.14</b>
<b>==== Other Income ====</b>					
Other Income					
Loss on sale of assets	0.00	N/A	0	N/A	0.00
Miscellaneous income	0.00	N/A	0	N/A	0.01
Interest income	0.00	N/A	0	N/A	0.00

**BASIC PHONE OF LOUISIANA**  
**Income Statement**  
**From November 1, 1999 Through November 30, 1999**  
**Last Seq. #: 65**

	<u>PTD Post</u>	<u>%Sales</u>	<u>Budget</u>	<u>%Budg</u>	<u>YTD Post</u>
<b>Total Other Income</b>	0.00	N/A	0	N/A	0.01
<b>Gross Income Before Taxes</b>	10,355.79	25.5	0	N/A	26,009.81
<b>===== Taxes =====</b>					
Taxes					
Federal income tax expens	0.00	N/A	0	N/A	0.00
<b>Total Taxes</b>	0.00	N/A	0	N/A	0.00
<b>Net Income After Taxes</b>	10,355.79	25.5	0	N/A	26,009.81

**BASIC PHONE OF LOUISIANA**  
**Balance Sheet**  
**As Of November 30, 1999**  
**Last Seq. #: 65**

	Balance	Budget	%Budg
<b>===== Assets =====</b>			
Cash on hand	100.00	0	N/A
Cash - Orange Savings Bank	0.00	0	N/A
Bay City - A/R IN-TRANSIT	0.00	0	N/A
Baytown - A/R IN-TRANSIT	0.00	0	N/A
Beaumont - A/R IN-TRANSIT	0.00	0	N/A
Corporate Office - A/R IN-TRANSIT	0.00	0	N/A
Hemphill - A/R IN-TRANSIT	0.00	0	N/A
Hempstead - A/R IN-TRANSIT	0.00	0	N/A
Orange - A/R IN-TRANSIT	140.23	0	N/A
Palestine - A/R IN-TRANSIT	0.00	0	N/A
Port Arthur - A/R IN-TRANSIT	0.00	0	N/A
San Antonio - A/R IN-TRANSIT	0.00	0	N/A
Silsbee - A/R IN-TRANSIT	0.00	0	N/A
Tyler - A/R IN-TRANSIT	0.00	0	N/A
Western Union - A/R IN-TRANSIT	150.40	0	N/A
Cash - Harlingen Bank	0.00	0	N/A
Cash - Jasper Banking Center	0.00	0	N/A
Accounts receivable	38,878.24	0	N/A
TRANSFER TX BPHONE TO LA	-38,320.09	0	N/A
CASH - HIBERNIA	14,535.88	0	N/A
RACELAND - A/R IN-TRANSIT	3,450.96	0	N/A
CASH-BANK ONE RUSTON AGENT	8,679.12	0	N/A
WINSBORO - A/R IN-TRANSIT	417.02	0	N/A
LAKE CHARLES - A/R IN-TRANSIT	0.00	0	N/A
MONROE EDS - A/R IN-TRANSIT	1,920.71	0	N/A
BUNA - A/R IN-TRANSIT	0.00	0	N/A
WESTERN UNION - A/R IN-TRANSIT	0.00	0	N/A
LAFAYETTE - A/R IN TRANSIT	0.00	0	N/A
TALLULAH-A/R IN-TRANSIT	1,097.43	0	N/A
LOCKBOX - HIBERNIA	0.00	0	N/A
ST. MARTINVILLE - A/R IN TRANSIT	207.07	0	N/A
ABBEYVILLE - A/R IN TRANSIT	108.07	0	N/A
MONROE FF - A/R IN TRANSIT	1,430.89	0	N/A
RAYVILLE-A/R IN TRANSIT	350.74	0	N/A
DERIDDER - A/R IN TRANSIT	1,332.43	0	N/A
LCKGW - A/R IN TRANSIT	2,018.96	0	N/A
CROWLEY - A/R IN TRANSIT	1,651.03	0	N/A
LAFAYETTE OFFICE-A/R IN TRANSIT	0.00	0	N/A
NEW IBERIA - A/R IN TRANSIT	0.00	0	N/A
<b>Total Current Assets</b>	<b>38,149.09</b>	<b>0</b>	<b>N/A</b>
Office equipment	0.00	0	N/A

**BASIC PHONE OF LOUISIANA**  
**Balance Sheet**  
**As Of November 30, 1999**  
 Last Seq. #: 65

	Balance	Budget	%Budg
Automobiles	0.00	0	N/A
Leasehold improvements	0.00	0	N/A
Reserve for depreciation	0.00	0	N/A
<b>Total Fixed Assets</b>	<b>0.00</b>	<b>0</b>	<b>N/A</b>
Intangibles	0.00	0	N/A
Amortizable costs	0.00	0	N/A
Amortization	0.00	0	N/A
<b>Total Other Assets</b>	<b>0.00</b>	<b>0</b>	<b>N/A</b>
<b>Total Assets</b>	<b>38,149.09</b>	<b>0</b>	<b>N/A</b>
<b>===== Liabilities =====</b>			
Accounts payable	0.00	0	N/A
Withholding taxes	0.00	0	N/A
Texas sales tax payable	7,142.54	0	N/A
Insurance deduction	0.00	0	N/A
Federal excise tax payable	0.00	0	N/A
Notes payable - Ford Motor Corp.	0.00	0	N/A
<b>Total Current Liabilities</b>	<b>7,142.54</b>	<b>0</b>	<b>N/A</b>
Notes payable - Stockholder	0.00	0	N/A
<b>Total Long Term Liabilities</b>	<b>0.00</b>	<b>0</b>	<b>N/A</b>
<b>Total Liabilities</b>	<b>7,142.54</b>	<b>0</b>	<b>N/A</b>
<b>===== Equity =====</b>			
Common stock	0.00	0	N/A
Year to date profit/loss	0.00	0	N/A
Retained earnings	31,009.74	0	N/A
Suspense Account	-3.19	0	N/A
<b>Total Equity</b>	<b>31,006.55</b>	<b>0</b>	<b>N/A</b>
<b>Total Liabilities and Equity</b>	<b>38,149.09</b>	<b>0</b>	<b>N/A</b>

**EXHIBIT "C"**

**MANAGERIAL AND TECHNICAL CAPABILITIES**

**BASICPHONE, INC.**  
**APPLICANT'S KEY PERSONNEL**

**Management Personnel**

Warren Landry, Jr., Chairman of the Board and President, has been associated with the parent company since its formation in 1991. From 1987 to 1995, he was an owner operator of Landry's Rent-to-Own, Inc. of Orange, Texas, a retailer and lessor of consumer appliances and furniture, and a reseller of telecommunication services for paging and cellular telephones. He has been in the retail/service industry since 1977.

Sonda Landry is the Treasurer and Administrative Manager of the parent company and retains that role in Basicphone. She has been associated with the company since 1995.

**Technical**

Basicphone has entered into an agreement wherein technical services such as installation will be provided on a contractual arrangement by Lone Star Telephone, Inc., of Beaumont, Texas, a local marketer and installer of telephone equipment.

The service manager of Lone Star is James Smith, who has been employed in the telecommunications field for approximately eleven years.

Further, Basicphone has agreements with Southwestern Bell in which that company has offered to provide field technical services to Basicphone at its standard published rates for such services.

**Services**

Basicphone and its parent, Landry's Rent-To-Own, Inc. have sought to serve that segment of the consumer market that traditionally has little or no access to conventional credit sources. This part of the population is generally evaluated as high-risk credit. Basicphone is seeking to provide telephone service to those who have been denied telephone service to have lost it due to credit problems. Basicphone's aim is to provide telephone access to those who do not have it and can't get it. In pursuing this marketing approach, Basicphone will be providing service to a segment of the market that is presently not served by the existing carrier, Southwestern Bell, due to the inability of the customer base to qualify as creditworthy.

Basicphone plans to offer a service tailored on the premise of telephone subscribers unable to meet credit criteria, and for whom it is inefficient for the large integrated carriers to offer close credit watch upon. By agreeing, in effect, to act as guarantor of the credit in exchange for pre-payment of service, Basicphone will allow for telephone service to those who will not otherwise have access to it.

MAXWELL, BAKER & McFATRIDGE, P.C.

ATTORNEYS AT LAW  
2525 SOUTH SHORE BLVD., SUITE 410  
LEAGUE CITY, TEXAS 77573

KYLE L. DICKSON  
Shareholder  
kdickson@maxwellbaker.com

TELEPHONE (281) 521-2000  
FACSIMILE (281) 521-2010  
April 4, 2000

GALVESTON OFFICE (409) 765-7446  
FACSIMILE (409) 762-8519

VIA FEDERAL EXPRESS

Florida Public Service Commission  
Secretary  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0866

DEPOSIT DATE  
D27700 APR 07 2000

000417-TX

Re: *Application of Basicphone, Inc., for Authority to Provide Alternative Local Exchange Service Within the State of Florida.*

Dear Sir or Madam:

Enclosed herewith for filing on behalf of *Basicphone, Inc.*, please find an original and six (6) copies of its Application for Authority to Provide Alternative Local Exchange Services within the State of Florida. Also, please find our firm check in the amount of \$250.00 made payable to the Florida Public Service Commission to cover filing fees.

Please date-stamp the extra copy and return to the undersigned in the self-addressed stamped envelope provided. If you have any questions, please contact me at (281) 521-2000.

Respectfully submitted,

MAXWELL, BAKER & McFATRIDGE, P.C.  
2525 SOUTH SHORE BLVD., SUITE 410  
LEAGUE CITY, TEXAS 77573

FIRST PROSPERITY BANK  
CLEAR LAKE  
P.O. BOX 35560  
HOUSTON, TEXAS 77235-5560  
88-2265/1131

13373

04/05/2000

PAY TO THE ORDER OF Florida - PSC

\*\*250.00

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

DOLLARS

Florida - PSC

MEMO Filing fee - BasicPhone

AUTHORIZED SIGNATURE

⑈013373⑈