

ORIGINAL

000693-71

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

DIVISION OF TELECOMMUNICATIONS
BUREAU OF CERTIFICATION AND SERVICE EVALUATION

**Application Form for Authority to Provide
Interexchange Telecommunications Service
Between Points Within the State of Florida**

RECEIVED - FPSC
00 JUN -6 AM 9:49
RECORDS AND REPORTING

Instructions

- ◆ This form is used as an application for an original certificate and for approval of assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Appendix A).
- ◆ Print or Type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.
- ◆ Use a separate sheet for each answer which will not fit the allotted space.
- ◆ Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of **\$250.00** to:

**Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6770**

Note: No filing fee is required for an assignment or transfer of an existing certificate to another certificated company.

- ◆ If you have questions about completing the form, contact **_____**

Check received with filing and forwarded to Fiscal for deposit.
Fiscal to forward a copy of check to RAR with proof of deposit.

Initials of person who forwarded check:

**Florida Public Service Commission
Division of Telecommunications
Bureau of Certification and Service Evaluation
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6600**

RECEIVED & FILED

RECORDS

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

Original certificate (new company).

Approval of transfer of existing certificate:

Example, a certificated company purchases an existing certificated company and desires to retain the authority of both certificates.

Approval of assignment of existing certificate:

Example, a non-certificated company purchases an existing company and desires to retain the certificate of authority rather than apply for a new certificate.

Approval of transfer of control:

Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of company:

Coral Telecom, Inc.

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

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

125 S. Gadsden Street, Suite 200

Tallahassee, FL 32301-1525

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

Same as (4) above

6. Select type of business your company will be conducting \checkmark (check all that apply):
- Facilities-based carrier** - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.
 - Operator Service Provider** - company provides or plans to provide alternative operator services for IXCs; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.
 - Reseller** - company has or plans to have one or more switches but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.
 - Switchless Rebiller** - company has no switch or transmission facilities but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carrier. Rebills end users at a rate above its discount but generally below the rate end users would pay for unaggregated traffic.
 - Multi-Location Discount Aggregator** - company contracts with unaffiliated entities to obtain bulk/volume discounts under multi-location discount plans from certain underlying carriers, then offers resold service by enrolling unaffiliated customers.
 - Prepaid Debit Card Provider** - any person or entity that purchases 800 access from an underlying carrier or unaffiliated entity for use with prepaid debit card service and/or encodes the cards with personal identification numbers.

7. Structure of organization;

- | | |
|--|---|
| <input type="checkbox"/> Individual | <input checked="" type="checkbox"/> Corporation |
| <input type="checkbox"/> Foreign Corporation | <input type="checkbox"/> Foreign Partnership |
| <input type="checkbox"/> General Partnership | <input type="checkbox"/> Limited Partnership |
| <input type="checkbox"/> Other _____ | |

8. **If individual**, provide:

Name: N/A

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

Internet E-Mail Address: _____

Internet Website Address: _____

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

(a) **The Florida Secretary of State Corporate Registration number:**

P98000083319

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

(a) **The Florida Secretary of State Corporate Registration number:**

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

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

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

(a) **The Florida Secretary of State registration number:** _____

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

Name: _____

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

Internet E-Mail Address: _____

Internet Website Address: _____

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

(a) The Florida registration number: _____

15. Provide **F.E.I. Number** (if applicable): 59-3535675

16. Provide the following (if applicable):

(a) Will the name of your company appear on the bill for your services?
() Yes () No

(b) If not, who will bill for your services?

Name: _____

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

(c) How is this information provided?

17. Who will receive the bills for your service?

() Residential Customers

() PATs providers

() Hotels & motels

() Business Customers

() PATs station end-users

() Hotel & motel guests

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

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

(a) The application:

Name: Angela B. Green

Title: Director/Secretary

Address: 125 S. Gadsden Street, Suite 200

City/State/Zip: Tallahassee, FL 32301-1525

Telephone No.: (850) 205-6000 Fax No.: (850) 222-1355

Internet E-Mail Address: abgreen@nettally.com

Internet Website Address: _____

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

Name: Carrie E. Norris

Title: President

Address: 125 S. Gadsden Street, Suite 200

City/State/Zip: Tallahassee, FL 32301-1525

Telephone No.: (850) 205-6000 Fax No.: (850) 222-1355

Internet E-Mail Address: carrie@fpta.com

Internet Website Address: _____

(c) Complaints/Inquiries from customers:

Name: Lance C. Norris

Title: Director

Address: 125 S. Gadsden Street, Suite 200

City/State/Zip: Tallahassee, FL 32301-1525

Telephone No.: (850) 205-6000 **Fax No.:** (850) 222-1355

Internet E-Mail Address: lance@fpta.com

Internet Website Address: _____

19. List the states in which the applicant:

(a) has operated as an interexchange telecommunications company.

None

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

None

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

None

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

None

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

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

None

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

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

No

(b) an officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

Yes, Florida Public Telecommunications Association -

Certificate #4449

Lance C. Norris, President & Angela B. Green, Vice President

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

a. _____ **MTS with distance sensitive per minute rates**

- Method of access is FGA
- Method of access is FGB
- Method of access is FGD
- Method of access is 800

b. _____ **MTS with route specific rates per minute**

- Method of access is FGA
- Method of access is FGB
- Method of access is FGD
- Method of access is 800

c. X **MTS with statewide flat rates per minute (i.e. not distance sensitive)**

- Method of access is FGA
- Method of access is FGB
- Method of access is FGD
- Method of access is 800

d. X **MTS for pay telephone service providers**

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

f. _____ **800 service (toll free)**

g. _____ **WATS type service (bulk or volume discount)**

- Method of access is via dedicated facilities
- Method of access is via switched facilities

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

i. _____ **Travel service**

- Method of access is 950
- Method of access is 800

j. _____ **900 service**

k. X **Operator services**

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

I. **Services included are:**

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

22. Submit the proposed tariff under which the company plans to begin operation. Use the format required by Commission Rule 25-24.485 (example enclosed).

23. Submit the following:

A. **Financial capability.**

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

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

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

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

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

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

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

C. Technical capability; give resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance.

**** APPLICANT ACKNOWLEDGMENT STATEMENT ****

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

UTILITY OFFICIAL:

Carrie E. Harris

Signature

6/6/00

Date

President

Title

(850) 205-6000

Telephone No.

Address: 125 S. Gadsden St., Ste 200

(850) 222-1355

Fax No.

Tallahassee, FL 32301-1525

ATTACHMENTS:

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

**** APPENDIX A ****

CERTIFICATE TRANSFER, OR ASSIGNMENT STATEMENT

I, (Name) _____,

(Title) _____ of

(Name of Company)

and current holder of Florida Public Service Commission Certificate Number

_____, have reviewed this application and join in the
petitioner's request for a:

() transfer

() assignment

of the above-mentioned certificate.

UTILITY OFFICIAL:

Signature Date

Title Telephone No.

Address: _____
Fax No.

CUSTOMER DEPOSITS AND ADVANCE PAYMENTS

A statement of how the Commission can be assured of the security of the customer's deposits and advance payments may be provided in one of the following ways (applicant, please check one):

- () The applicant will not collect deposits nor will it collect payments for service more than one month in advance.

- () The applicant intends to collect deposits and/or advance payments for more than one month's service and will file and maintain a surety bond with the Commission in an amount equal to the current balance of deposits and advance payments in excess of one month.
(The bond must accompany the application.)

UTILITY OFFICIAL:

Carrie E. Morris

Signature

6/6/00

Date

President

(850) 205-6000

Title

Telephone No.

Address: 125 S. Gadsden St., Ste 200

(850) 222-1355

Fax No.

Tallahassee, FL 32301-1525

CURRENT FLORIDA INTRASTATE SERVICES

Applicant has () or has not (xx) previously provided intrastate telecommunications in Florida.

If the answer is has, fully describe the following:

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

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

UTILITY OFFICIAL:

Carrie E. Morris

Signature

6/6/00

Date

President

Title

(850) 205-6000

Telephone No.

Address: 125 S. Gadsden St., Ste 200

(850) 222-1355

Fax No.

Tallahassee, FL 32301-1525

AFFIDAVIT

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

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

UTILITY OFFICIAL:

Carrie Edwards

Signature

6/6/00

Date

President

Title

(850) 205-6000

Telephone No.

Address: 125 S. Gadsden St., Ste 200

(850) 222-1355

Fax No.

Tallahassee, FL 32301-1525

18. Submit the following:

A. Financial Capability

Attached are supporting documents consisting of the company's tax returns for 1998 and 1999. Financial statements do not yet exist. As you can see, the company has not yet actually begun conducting business, but is still in its formative stages. The company was incorporated as Norstar Technologies, Inc. (Norstar) on September 25, 1998, and changed its name to Coral Telecom, Inc. (Coral) on February 17, 2000. Coral has filed and the IRS has accepted its election to be treated as an S-corporation.

Coral was formed with the intention of providing services to telecommunications companies, including, but not limited to local telecommunications service to payphone service providers. In order to enter into negotiations with incumbent local exchange companies (LECs) for unbundled network elements, resale and/or interconnection agreement(s), one must already be licensed as an alternative local exchange carrier (ALEC). Accordingly, Coral is seeking such licensure in order to begin the negotiation process with several LECs.

Coral is also in the process of writing its business plan and of establishing relationships with financial resources. Clearly, these arrangements are contingent upon Coral's success in securing favorable agreements with various incumbent LECs. Coral hereby commits to the Commission its unconditional intention to have in place sufficient financial capability to provide and maintain any service offerings before such time as actually making these services available to the public.

B. and C. Managerial and Technical Capability

Carrie E. Norris, President, will serve as general manager of the company, having overall responsibility for the company business on a day-to-day basis. Ms. Norris has served as the Director of Customer Support for FPTA Technologies (Technologies) for two years. Technologies is a wholly owned subsidiary of the Florida Public Telecommunications Association, Inc. (FPTA). Technologies provides products and services to the pay telephone industry. Ms. Norris has also worked in support functions for the FPTA since 1992 and has gained a wealth of knowledge of the telecommunications industry in both capacities.

Peter C. Fedor, Vice President, will serve as operations manager and will monitor the company's technical performance on a daily basis. He will also manage technical staff as they carry out their specific duties designed to ensure that Coral maintains high quality standards. Mr. Fedor has worked full time in the telecommunications industry since 1986, having started in the interconnection business in its earliest days. Mr. Fedor is an innovative former owner/operator of public telephones both domestically and internationally. He has served as Marketing Director for FPTA Technologies for the past two years.



FLORIDA DEPARTMENT OF STATE
Katherine Harris
Secretary of State

February 17, 2000

Angela B. Green
Norstar Telecommunications, Inc.
125 S. Gadsden St., Ste 200
Tallahassee, FL 32301

Re: Document Number P98000083319

The Articles of Amendment to the Articles of Incorporation for NORSTAR TELECOMMUNICATIONS, INC. which changed its name to CORAL TELECOM, INC., a Florida corporation, were filed on February 17, 2000.

The certification requested is enclosed.

Should you have any question regarding this matter, please telephone (850) 487-6050, the Amendment Filing Section.

Annette Ramsey
Corporate Specialist
Division of Corporations

Letter Number: 100A00008578

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Amendment, filed on February 17, 2000, to Articles of Incorporation for NORSTAR TELECOMMUNICATIONS, INC. which changed its name to CORAL TELECOM, INC., a Florida corporation, as shown by the records of this office.

The document number of this corporation is P98000083319.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Seventeenth day of February, 2000



CR2EO22 (1-99)

Katherine Harris

Katherine Harris
Secretary of State

ARTICLES OF AMENDMENT
to
ARTICLES OF INCORPORATION
of
NORSTAR TELECOMMUNICATIONS, INC.
A FLORIDA CORPORATION

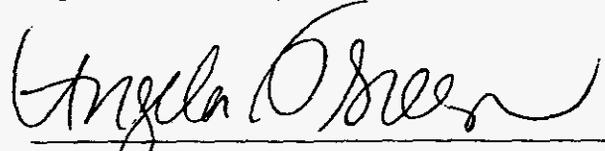
FILED
FEB 17 PM 2:25
TALLAHASSEE, FLORIDA

Pursuant to the provisions of section 607.1006, Florida Statutes, this Florida profit corporation adopts the following articles of amendment to its articles of incorporation:

AMENDMENT II: The name of this corporation shall henceforth be Coral Telecom, Inc.

This amendment was adopted on February 17, 2000. The amendment was approved by the shareholders. The number of votes cast for the amendment was sufficient for approval.

Signed this 17th day of February, 2000, by:



Angela B. Green
Secretary and General Counsel

Do not file this form unless the corporation has timely filed Form 2553 to elect to be an S corporation.

See separate instructions.

For calendar year 1998, or tax year beginning 1998, and ending 19

A Effective date of election as an S corporation

Use IRS label. Otherwise, please print type.

YN 59-3535675 DEC1998 S07 NP
NORSTAR TECHNOLOGIES INC
125 S GADSDEN ST STE 200
TALLAHASSEE FL 32301-1525

IRS

C Employer identification number

D Date incorporated

E Total assets (see page 10)

B NEW bus. code no. (see pages 26-28)

F Check applicable boxes: (1) Initial return (2) Final return (3) Change in address (4) Amended return

G Enter number of shareholders in the corporation at end of the tax year

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1a	Gross receipts or sales		b	Less returns and allowances		c	Bal	1c	-0-
	2	Cost of goods sold (Schedule A, line 8)		2					2	
	3	Gross profit. Subtract line 2 from line 1c		3					3	
	4	Net gain (loss) from Form 4797, Part II, line 18 (attach Form 4797)		4					4	
	5	Other income (loss) (attach schedule)		5					5	
	6	Total income (loss). Combine lines 3 through 5		6					6	-0-
Deductions (see page 11 of the instructions for limitations)	7	Compensation of officers		7					7	
	8	Salaries and wages (less employment credits)		8					8	
	9	Repairs and maintenance		9					9	
	10	Bad debts		10					10	
	11	Rents		11					11	
	12	Taxes and licenses		12					12	
	13	Interest		13					13	
	14a	Depreciation (if required, attach Form 4562)		14a					14a	
	b	Depreciation claimed on Schedule A and elsewhere on return		14b					14b	
	c	Subtract line 14b from line 14a		14c					14c	
	15	Depletion (Do not deduct oil and gas depletion.)		15					15	
	16	Advertising		16					16	
	17	Pension, profit-sharing, etc., plans		17					17	
	18	Employee benefit programs		18					18	
19	Other deductions (attach schedule)		19					19		
20	Total deductions. Add the amounts shown in the far right column for lines 7 through 19		20					20		
21	Ordinary income (loss) from trade or business activities. Subtract line 20 from line 6		21					21		
Tax and Payments	22	Tax: a Excess net passive income tax (attach schedule)	22a						22a	
	b	Tax from Schedule D (Form 1120S)	22b						22b	
	c	Add lines 22a and 22b (see page 14 of the instructions for additional taxes)	22c						22c	
	23	Payments: a 1998 estimated tax payments and amount applied from 1997 return	23a						23a	
	b	Tax deposited with Form 7004	23b						23b	
	c	Credit for Federal tax paid on fuels (attach Form 4136)	23c						23c	
	d	Add lines 23a through 23c	23d						23d	
	24	Estimated tax penalty. Check if Form 2220 is attached <input type="checkbox"/>	24						24	
25	Tax due. If the total of lines 22c and 24 is larger than line 23d, enter amount owed. See page 4 of the instructions for depository method of payment	25						25		
26	Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid	26						26		
27	Enter amount of line 26 you want: Credited to 1999 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	27						27		

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Carrie Edwards
Signature of officer

3/15/99
Date

President
Title

Paid Preparer's Use Only

Preparer's signature

Date

Check if self-employed

Preparer's social security number

Firm's name (or yours if self-employed) and address

EIN

ZIP code

Schedule A Cost of Goods Sold (see page 15 of the instructions)

1 Inventory at beginning of year	1		
2 Purchases	2		
3 Cost of labor	3		
4 Additional section 263A costs (attach schedule)	4		
5 Other costs (attach schedule)	5		
6 Total. Add lines 1 through 5	6		
7 Inventory at end of year	7		
8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8		

9a Check all methods used for valuing closing inventory:

- (i) Cost as described in Regulations section 1.471-3
- (ii) Lower of cost or market as described in Regulations section 1.471-4
- (iii) Other (specify method used and attach explanation) ▶

b Check if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c)

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970).

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d** _____

e Do the rules of section 263A (for property produced or acquired for resale) apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? . . . Yes No
If "Yes," attach explanation.

Schedule B Other Information

	Yes	No
1 Check method of accounting: (a) <input checked="" type="checkbox"/> Cash (b) <input type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) ▶		
2 Refer to the list on pages 26 through 28 of the instructions and state the corporation's principal: (a) Business activity ▶ <u>513300</u> (b) Product or service ▶		
3 Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name, address, and employer identification number and (b) percentage owned.		X
4 Was the corporation a member of a controlled group subject to the provisions of section 1561?		X
5 At any time during calendar year 1998, did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See page 15 of the instructions for exceptions and filing requirements for Form TD F 90-22.1.) If "Yes," enter the name of the foreign country ▶		X
6 During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the corporation may have to file Form 3520. See page 15 of the instructions.		X
7 Check this box if the corporation has filed or is required to file Form 8264, Application for Registration of a Tax Shelter <input type="checkbox"/>		
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount . . . ▶ <input type="checkbox"/> If so, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.		
9 If the corporation: (a) filed its election to be an S corporation after 1986, (b) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation, and (c) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see page 16 of the instructions) ▶ \$ _____		
10 Check this box if the corporation had accumulated earnings and profits at the close of the tax year (see page 16 of the instructions) <input type="checkbox"/>		

Department of the Treasury Internal Revenue Service

Do not file this form unless the corporation has timely filed Form 2553 to elect to be an S corporation. See separate instructions.

1999

For calendar year 1999, or tax year beginning 1999, and ending

Header section containing: A Effective date of election as an S corporation; B Business code no. (513300); C Employer identification number (59 3535675); D Date incorporated (Dec 1998); E Total assets (\$ - 0 -); F Check applicable boxes; G Enter number of shareholders (4).

Caution: Include only trade or business income and expenses on lines 1a through 21. See page 10 of the instructions for more information.

Main table with columns for Income (lines 1-6), Deductions (lines 7-20), and Tax and Payments (lines 21-27). Includes sub-columns for 1a, 1b, 1c, 14a, 14b, 14c, 22a, 22b, 22c, 23a, 23b, 23c, 23d.

Please Sign Here: Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. Signature of officer: Carrie Edwards, Date: 4/25/00, Title: President.

Paid Preparer's Use Only section: Preparer's signature, Date, Check if self-employed, Preparer's SSN or PTIN, Firm's name (or yours if self-employed) and address, EIN, ZIP code.

Schedule A Cost of Goods Sold (see page 15 of the instructions)

1	Inventory at beginning of year	1		
2	Purchases	2		
3	Cost of labor	3		
4	Additional section 263A costs (attach schedule)	4		
5	Other costs (attach schedule)	5		
6	Total. Add lines 1 through 5	6		
7	Inventory at end of year	7		
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8		

9a Check all methods used for valuing closing inventory:

- (i) Cost as described in Regulations section 1.471-3
- (ii) Lower of cost or market as described in Regulations section 1.471-4
- (iii) Other (specify method used and attach explanation) ▶

b Check if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) ▶

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970). ▶

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO. 9d |

e Do the rules of section 263A (for property produced or acquired for resale) apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No
If "Yes," attach explanation.

Schedule B Other Information

	Yes	No
1 Check method of accounting: (a) <input checked="" type="checkbox"/> Cash (b) <input type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) ▶		
2 Refer to the list on pages 26 through 28 of the instructions and state the corporation's principal: (a) Business activity ▶ 513300 (b) Product or service ▶		
3 Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name, address, and employer identification number and (b) percentage owned.		X
4 Was the corporation a member of a controlled group subject to the provisions of section 1561?		X
5 At any time during calendar year 1999, did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See page 15 of the instructions for exceptions and filing requirements for Form TD F 90-22.1.) If "Yes," enter the name of the foreign country ▶		X
6 During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the corporation may have to file Form 3520. See page 15 of the instructions.		X
7 Check this box if the corporation has filed or is required to file Form 8264, Application for Registration of a Tax Shelter. ▶ <input type="checkbox"/>		
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ <input type="checkbox"/> If so, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.		
9 If the corporation: (a) filed its election to be an S corporation after 1986, (b) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation, and (c) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see page 15 of the instructions) ▶ \$		
10 Check this box if the corporation had accumulated earnings and profits at the close of the tax year (see page 16 of the instructions) ▶ <input type="checkbox"/>		

TITLE SHEET

FLORIDA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services provided by Coral Telecom, Inc., with principal offices at 125 South Gadsden Street, Suite 200, Tallahassee, Florida 32301. This tariff applies for services furnished within the state of Florida. 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: June 6, 2000

Effective: _____

By:

Carrie E. Norris, President
125 S. Gadsden St., Suite 200
Tallahassee, FL 32301

CHECK SHEET

The sheets listed below, which are inclusive of this tariff, are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date of the bottom of this page.

SHEET	REVISION
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original
17	Original
18	Original
19	Original
20	Original

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SYMBOLS SHEET

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

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

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TARIFF FORMAT SHEETS

- A. Sheet Numbering – Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. Sheet Revision Numbers – Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the FPSC. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc., the FPSC follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff page in effect. Consult the Check Sheet for the sheet currently in effect.
- C. Paragraph Numbering Sequence – There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

- 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).

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TARIFF FORMAT SHEETS

- D. Check Sheets – When a tariff filing is made with the FPSC, 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 pages 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 page if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the FPSC.

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SECTION 1 – TECHNICAL TERMS AND ABBREVIATIONS

Access Line – An arrangement which connects the customer’s location to the local service provider’s network switching center.

Authorization Code – A numerical code, one or more of which are available to a customer to enable him/her to access the carrier, and which are used by the carrier both to prevent unauthorized access to its facilities and to identify the customer for billing purposes.

Company – Coral Telecom, Inc.

Customer – the person, firm, corporation or other entity, which orders service and is responsible for payment of charges due and compliance with the Company’s tariff regulations.

Day – From 8:00 AM up to but not including 5:00 PM local time Monday through Friday.

Evening – From 5:00 PM up to but not including 11:00 PM local time Sunday through Friday.

Holidays – The Company’s recognized holidays are New Year’s Day, Presidents Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day, and Christmas Day.

Night/Weekend – From 11:00 PM up to but not including 8:00 AM Sunday through Friday, and 8:00 AM Saturday up to but not including 5:00 PM Sunday.

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SECTION 2 – RULES AND REGULATIONS

2.1 Undertaking of Coral Telecom, Inc.

Coral Telecom, Inc.'s services are furnished for communications originating within the state of Florida under terms of this Tariff.

Coral Telecom, Inc. installs, operates, and maintains the communications services provided hereunder in accordance with the terms and conditions set forth under this Tariff. It may act as the customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the customer. The customer shall be responsible for all charges due for such service arrangement.

Coral Telecom, Inc.'s services are available twenty-four hours per day, seven days per week.

2.2 Limitations

2.2.1 Service is offered subject to the availability of facilities and provisions of this tariff.

2.2.2 Coral Telecom, Inc. reserves the right to discontinue furnishing service, or limit the use of service necessitated by conditions beyond its control, or when the customer issuing service in violation of the law or the provisions of this Tariff.

2.2.3 All facilities provided under this Tariff are directly controlled by Coral Telecom, Inc. and the customer may not transfer or assign the use of service, except with the express written consent of the Company. Such transfer or assignment shall only apply where

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SECTION 2 – RULES AND REGULATIONS

2.2 Limitations (Cont.)

there is no interruption of the use or location of the service or facilities.

2.2.4 Prior written permission from The Company 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.

2.2.5 Customers reselling or rebilling services must have a Certificate of Public Convenience and Necessity as an interexchange carrier from the FPSC.

2.3 Liabilities of The Company

2.3.1 Coral Telecom, Inc.'s liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in the transmission occurring in the course of furnishing service or facilities, and not caused by the negligence of its employees or its agents, in no event shall exceed an amount equivalent to the proportionate charge to the customer for the period during which the aforementioned faults in transmission occur.

2.3.2 Coral Telecom, Inc. shall be indemnified and held harmless by the customer against:

(A) Claims for libel, slander, or infringement of copyright arising out of the material, data, information, or other content transmitted over The Company's facilities

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SECTION 2 – RULES AND REGULATIONS

2.3 Liabilities of The Company (Cont.)

(B) All other claims arising out of any act or omission of the customer in connection with any service or facility provided by Coral Telecom, Inc.

2.4. Interruption of Service

- 2.4.1 Credit allowance for the interruption of service which is not due to the Company's testing or adjusting, negligence of the customer, or to the failure of channels or equipment provided by the customer, are subject to the general liability provisions set forth in 2.3.1 herein. It shall be the obligation of the customer to notify the Company immediately of any interruption in service for which a credit allowance is desired. Before giving such notice, the customer shall ascertain that the trouble is not being caused by any action or omission by the customer within his control, if any, furnished by the customer and connected to the Company's facilities. No refund or credit will be made for the time that the Company stands ready to repair the service and the customer does not provide access to the Company for such restoration work.
- 2.4.2 For purposes of credit computation, every month shall be considered to have 720 hours.
- 2.4.3 No credit shall be allowed for an interruption of a continuous duration of less than two hours.
- 2.4.4 The customer shall be credited for an interruption of two hours or more at the rate of $1/720^{\text{th}}$ of the monthly charge for the facilities affected for each hour or major fraction thereof that the interruption continues.

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SECTION 2 – RULES AND REGULATIONS

2.4 Interruption of Service (Cont.)

Credit Formula: Credit = $A/720 \times B$
“ A ” – outage time in hours
“ B ” – total monthly chare for affected facility

2.5 Deposits

The Company does not require a deposit from the customer.

2.6 Advance Payments

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

2.7 Taxes

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.

2.8 Payment for Service

2.8.1 Payment Arrangements

- A. Charges for calls transmitted by Coral Telecom, Inc. may be rendered on bills through its billing agent or otherwise. Charges for such calls are due upon receipt of the bill or upon demand from the Company or any of its agents.

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SECTION 2 – RULES AND REGULATIONS

2.8.1 Payment Arrangements (Cont.)

- B. If Coral Telecom, Inc. becomes concerned at any time about the ability of a customer to pay charges for calls transmitted by Coral Telecom, Inc., Coral Telecom, Inc., at its sole discretion, may require that customer pay its bill within a specified number of days and make such payments in cash or the equivalent of cash.
- C. For customers whose financial condition is not acceptable to Coral Telecom, Inc. or is not a matter of general knowledge, Coral Telecom, Inc. may, at its sole discretion;
 - 1. Require that the party to whom the call is billed pay current charges within a specified number of days and make such payments in cash or the equivalent of cash; or
 - 2. Block calls billable to such parties from being transmitted until such payment is received by Coral Telecom, Inc., or by its billing agent.
- D. Any objections to billed charges must be promptly reported to the Company or its billing agent. Adjustments shall be made to the extent that circumstances exist which reasonably indicate that such charges are appropriate.
- E. If a customer does not give Coral Telecom, Inc. written notice of a dispute within thirty (30) days from the date the invoice was rendered, such invoice shall be deemed to be correct and binding on the customer.

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SECTION 2 – RULES AND REGULATIONS

2.8.2. Discontinuance of Transmittal of Calls for Cause

- A. Coral Telecom, Inc. may discontinue transmitting calls billable to any telephone service subscriber immediately and without notice if Coral Telecom, Inc. deems, at its sole discretion, that such action is necessary to prevent or to protect against fraud or abuse or to otherwise protect its personnel, agents or facilities. Coral Telecom, Inc. may discontinue transmitting calls billable to the customer pursuant to this subsection:
1. If the customer refuses to furnish to Coral Telecom, Inc. information regarding the customer's creditworthiness, its past or current use of common carrier communications service(s), or its planned use of services(s); or
 2. If the customer provided false information to Coral Telecom, Inc. regarding the customer's identity, address, creditworthiness, past or current use of common carrier communications service(s), or its planned use of Coral Telecom, Inc. service(s); or
 3. If the customer states that it will not comply with a request of Coral Telecom, Inc. for payment for services(s) in accordance with section A above, or the customer either has been given written notice by Coral Telecom, Inc. of any past due amount (which remains unpaid in whole or in part) for any of Coral Telecom, Inc.'s services to which the customer is responsible for payment; or
 4. Immediately upon written notice to the customer of any sum thirty (30) days past due; or

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SECTION 2 – RULES AND REGULATIONS

2.8.2 Discontinuance of Transmittal of Call for Cause (Cont.)

5. Five (5) days after sending the customer written notice of noncompliance with any provision of this tariff if the noncompliance is not corrected within that five (5) day period; or
6. In the event of fraud or abuse of service.

2.8.3 Fraud & Abuse of Service

Fraud & abuse of service includes:

- A. Using or attempting to use the service to transmit a message or otherwise give or obtain service without payment; or
- B. Using, or attempting to use, service with the intent to avoid the payment either in whole or in part, of the tariffed charges for the service by:
 1. Rearranging, tampering with, or making connections to Coral Telecom, Inc.'s service not authorized by this tariff; or
 2. Using tricks, schemes, false or invalid numbers, false credit devices, electronic devices, or any other fraudulent means or devices.

2.9 Conditions Governing Operator Services

Coral Telecom, Inc. shall identify itself as "Coral Telecom, Inc.", audibly and distinctly, to the end user at the beginning of each telephone call, again before connecting the call, and before the billed party incurs any charge for the call.

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SECTION 2 – RULES AND REGULATIONS

2.10 Special Conditions Governing Operator Services

Each customer subscribing to Coral Telecom, Inc.'s operator services must disclose the following information to transient end users by displaying the following information supplied on stickers or tent cards provided by the Company.

- 1) Company name – Coral Telecom, Inc.
- 2) Billing procedures – all operator services and long distance rates will be billed to the end user at time of check-out, through your local telephone company, or to your credit card.
- 3) IntraLATA dialing instructions – please consult your local telephone company directory or operator or dial 0 and the alternate operator will connect you to a local operator
- 4) IntraLATA rates – dial 0 for operator services provider for intralata rates.
- 5) InterLATA dialing instruction – dial 1+area code + number.
- 6) InterLATA rates – dial 00 for operator services provider for interLATA long distance rates.
- 7) Surcharges for local calls – there will be no establishment charge for local calls.
- 8) Surcharge for long distance calls – there will be not establishment charge for long distance calls.

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SECTION 3 – DESCRIPTION OF SERVICE

3.1 Timing of Calls

3.1.1 When Billing Charges Begin and End for Phone Calls

The customer's long distance usage charge is based on the actual usage of Coral Telecom, Inc.'s network. Usage begins when the called party picks up the receiver, (i.e. when 2 way communication, often referred to as "conversation time" is possible.). When the called party picks up is determined by hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. When software answer supervision is employed, up to 60 seconds of ringing is allowed before it is billed as usage of the network. A call is terminated when the calling or called party hangs up.

3.1.2 Billing Increments

Unless otherwise specified in this tariff, the minimum call duration for billing purposes is 1 minute for a connected call and calls beyond 1 minute are billed in 1-minute increments.

3.1.3 Per Call Billing Charges

Billing will be rounded up to the nearest penny for each call.

3.1.4 Uncompleted Calls

There shall be no charges for uncompleted calls.

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SECTION 3 – DESCRIPTION OF SERVICE

3.2 Billing of Calls

All charges due by the subscriber are payable at any agency duly authorized to receive such payments. Any objection to billed charges should be promptly reported to the Company. Adjustments to customers' bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate.

3.3 Payment of Calls

3.3.1 Late Payment Charges

Interest charges of 1 ½% per month may be assessed on all unpaid balances more than thirty days old.

3.3.2 Return Check Charge

A return check charge of \$20.00 or 5% of the amount of the check (whichever is greater) will be assessed for checks returned for insufficient funds.

3.4 Calculation of Distance

Coral Telecom, Inc. does not utilize mileage sensitive products.

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SECTION 3 – DESCRIPTION OF SERVICE

3.5 Minimum Call Completion Rate

A customer can expect a call completion rate of not less than 90% during peak use periods for all Feature Group D services (“1+” dialing).

3.6 Service Area

The service area of Coral Telecom, Inc. includes all points in Florida.

3.7 General Description of Service

Coral Telecom, Inc. resells facilities-based interexchange carrier services including, but not limited to, access, switching, transport, termination, Feature Group D, and other services for the direct transmission and reception of voice, data, and other types of communication.

3.8 Service Offerings

3.8.1 Operator Services

The company’s operator services are provided to pay telephone and other aggregator locations. Operator services include the completion of collect, station-to-station, person-to-person, third party billing and credit card calls with the assistance of an operator. Each completed operator assisted call consists of two charge elements (except as otherwise indicated herein):

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SECTION 3 – DESCRIPTION OF SERVICE

3.8.1 Operator Services (Cont.)

- A. A fixed operator charge, which will be dependent on the type of billing selected (e.g., calling card, collect or other) and/or the completion restriction selected (e.g., station-to-station or person-to-person).
- B. A measured usage charge dependent upon the duration of the call.

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SECTION 4 – RATES

4.1 Long Distance Service

Rate per minute - \$0.30.

All calls are billed in full minute increments. This rate applies to all interLATA and intralata calls originating and terminating within the State of Florida.

4.2 Operator Services

4.2.1 Usage Rates

The rate in section 4.1 above shall apply.

4.2.2 Operator Charges

Calling Card	\$ 1.75
Collect	\$ 1.75
Third Party	\$ 1.75
All Person-to Person	\$ 3.25

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