

# NOWALSKY, BRONSTON & GOTHARD

A Professional Limited Liability Company  
Attorneys at Law

Leon L. Nowalsky  
Benjamin W. Bronston  
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3500 N. Causeway Boulevard  
Suite 1442  
Metairie, Louisiana 70002  
Telephone: (504) 832-1984  
Facsimile: (504) 831-0892

Monica R. Borne  
2000 Ellen A. G. Sands  
DIVISION OF  
COMPETITIVE SERVICES

July 5, 1999

*Via Overnight Delivery*

Florida Public Service Commission  
Division of Communications, Certification  
& Compliance Section  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0866

000832-TX

RE: **Seven Bridges Communications, L.L.C.**

Dear Ms. Hawkins:

Enclosed please find an original and six (6) copies of Application Form for authority to provide alternative local exchange service within the State of Florida which is submitted on behalf of Seven Bridges Communications, L.L.C. Also enclosed is the requisite \$250.00 filing fee.

Please acknowledge receipt of this filing by returning a date stamped copy of this letter in the self-addressed envelope provided.

Thank you for your assistance. Please call with any questions.

Sincerely,



Monica R. Borne

Enclosure

cc: Richard Keeshan, Seven Bridges  
(cover only)

DOCUMENT NUMBER-DATE

08336 JUL 11 8

FPSC-RECORDS/REPORTING

FLORIDA PUBLIC SERVICE COMMISSION  
CAPITAL CIRCLE OFFICE CENTER - 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

APPLICATION FORM  
for

AUTHORITY TO PROVIDE ALTERNATIVE LOCAL EXCHANGE SERVICE  
WITHIN THE STATE OF FLORIDA

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INSTRUCTIONS

1. This form is used for an original application for a certificate and for approval of sale, assignment or transfer of an existing alternative local exchange certificate. In case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or transferee.
2. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.
3. Use a separate sheet for each answer which will not fit the allotted space.
4. If you have questions about completing the form, contact:

Florida Public Service Commission  
Division of Communications, Certification & Compliance Section  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0866  
(904) 413-6600

5. Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$250.00 made payable to the Florida Public Service Commission at the above address.
-

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

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 non-certificated 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:

**Seven Bridges Communications, L.L.C.**

3. Name under which the applicant will do business (d/b/a): **None.**

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

Fictitious name registration number: \_\_\_\_\_

5. A. National mailing address including street name, number, post office box, city, state, zip code, and phone number.

**500 Richardson Road South, Suite A  
Hope Hull, Alabama 36043  
Ph. (334) 281-5551  
Fx. (334) 281-9029**

B. Florida mailing address including street name, number, post office box, city, state, zip code, and phone number.

**None.**

6. Structure of organization:

- |  |  |
|--|--|
| <input type="checkbox"/> Individual          | <input 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"/> Joint Venture       | <input checked="" type="checkbox"/> Other, Please explain <u>LLC</u> |

7. If applicant is an individual, partnership, or joint venture, please give name, title and address of each legal entity.  
**Not applicable.**

8. 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 any crime, or whether such actions may result from pending proceedings. If so, explain.  
**No officer, member, or interest holder has previously been or are involved in proceedings during which they may be adjudged bankrupt, mentally incompetent, or found guilty of any felony or any crime.**

9. If incorporated, please provide proof from the Florida Secretary of State that the applicant has authority to operate in Florida.  
**Certificate of Authority attached as Exhibit A.**  
Corporate charter number: M00000000283

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.

Liaison for this application:	Ongoing liaison:
<b>Monica R. Borne, Attorney</b>	<b>Richard Keeshan</b>
<b>3500 N. Causeway Blvd.</b>	<b>Vice President</b>
<b>Suite 1442</b>	<b>500 Richardson Road South, Suite A</b>
<b>Metairie, LA 70002</b>	<b>Hope Hull, AL 36043</b>
<b>Ph. (504) 832-1984; Fx. (504) 831-0892</b>	<b>Ph. (334) 281-5551; Fx. (334) 281-9029</b>

11. Please list other states in which the applicant is currently providing or has applied to provide local exchange or alternative local exchange service. **The Company is not currently certified to provide local exchange service in any states. Certification is pending in Kentucky.**

12. Has the applicant been denied certification in any other state? If so, please list the state and the 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 the penalty.  
**No penalties have been imposed.**

14. Please indicate how a customer can file a service complaint with your company.

**Customer complaints can be made by dialing 1-877-601-7320 (English) or 1-877-601-7315 (Spanish), or by writing to the company at the address set forth herein.**

15. Please complete and file a price list in accordance with Commission Rule 25-24.825.

**Price List attached as Exhibit E.**

16. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide alternative local exchange service in Florida. **All financial documentation attached as Exhibit B.**

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.

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 attest that the financial statements are true and correct.

B. Managerial capability.

**Profiles of the applicant's management personnel are attached as Exhibit C.**

C. Technical capability.


**Attached as Exhibit D.**

**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 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 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".

Official:

  
Signature

4/28/00  
Date

Name:

Richard Keeshan

(334) 281-5551  
Telephone Number

Title:

Vice President

Address:

500 Richardson Road South  
Suite A  
Hope Hull, AL 36043

# **EXHIBIT A**

**CERTIFICATE OF AUTHORITY ISSUED  
BY THE FLORIDA SECRETARY OF STATE**





FLORIDA DEPARTMENT OF STATE  
Katherine Harris  
Secretary of State

May 11, 2000

NOWALSKY, BRONSTON & GOTHARD  
3500 N. CAUSEWAY BLVD  
STE 1442  
METAIRE, LA 70002

Re: Document Number M00000000283

The Amendment to the Application of a Foreign Limited Liability Company for FIRST CHOICE COMMUNICATIONS, L.L.C. which changed its name to SEVEN BRIDGES COMMUNICATIONS, L.L.C., a Delaware limited liability company authorized to transact business in Florida, was filed on May 11, 2000.

Should you have any questions regarding this matter, please telephone (850) 487-6051, the Registration Section.

Michael Mays  
Document Specialist  
Division of Corporation

Letter Number: 000A00026366

**APPLICATION BY FOREIGN LIMITED LIABILITY COMPANY TO  
FILE AMENDMENT TO APPLICATION FOR AUTHORIZATION TO  
TRANSACTION BUSINESS IN FLORIDA**

**SECTION I (1-3 must be completed)**

1. Name of limited liability company as it appears on the records of the Florida Department of State: FIRST CHOICE COMMUNICATIONS, L.L.C.
2. Jurisdiction of its organization: Delaware
3. Date authorized to do business in Florida: February 9, 2000

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

4. If the amendment changes the name of the limited liability company, when was the change effected under the laws of its jurisdiction of organization? April 7, 2000
5. New name of the limited liability company: SEVEN BRIDGES COMMUNICATIONS, L.L.C.
6. If the amendment changes the period of duration, indicate new period of duration:  
\_\_\_\_\_
7. If the amendment changes the jurisdiction of organization, indicate new jurisdiction:  
\_\_\_\_\_
8. If the amendment corrects any false statement, indicate the statement being corrected and the correction:  
\_\_\_\_\_
9. Attached is an original certificate, no more than 90 days old, evidencing the aforementioned amendment(s), duly authenticated by the official having custody of records in the jurisdiction under the law of which this entity is organized.

  
\_\_\_\_\_  
Signature of a member or the authorized representative of a member

Benjamin W. Bronston

Typed or printed name of signee

Filing Fee: \$25.00

FILED  
MAY 11 AM 8:14  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA



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

February 11, 2000

**NOWALSKY, BRONSTON & GOTHARD**  
**3500 NORTH CAUSEWAY BLVD., SUITE 1442**  
**METAIRIE, LA 70002**

Qualification documents for **FIRST CHOICE COMMUNICATIONS, L.L.C.** were filed on February 9, 2000, and assigned document number **M0000000283**. Please refer to this number whenever corresponding with this office.

Your limited liability company is now qualified and authorized to transact business in Florida as of the file date. In accordance with section 608.406(2), F.S., the name of this limited liability company is filed with the Department of State for public notice only and is granted without regard to any other name recorded with the Division of Corporations.

The certification you requested is enclosed.

A limited liability company 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 limited liability company address changes, it is the responsibility of the corporation to notify this office.

Should you have any questions regarding this matter, please telephone (850) 487-6051, the Registration and Qualification Section.

**Tammi Cline**  
**Document Specialist**  
**Division of Corporations**

**Letter Number: 400A00007365**

# State of Florida



## Department of State

I certify the attached is a true and correct copy of the application by FIRST CHOICE COMMUNICATIONS, L.L.C., a Delaware limited liability company, authorized to transact business within the state of Florida on February 9, 2000, as shown by the records of this office.

The document number of this limited liability company is M0000000283.

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



CR2EO22 (1-99)

*Katherine Harris*

Katherine Harris  
Secretary of State

IN COMPLIANCE WITH SECTION 608.503, FLORIDA STATUTES, THE FOLLOWING IS SUBMITTED TO REGISTER A FOREIGN LIMITED LIABILITY COMPANY TO TRANSACT BUSINESS IN THE STATE OF FLORIDA:

1. FIRST CHOICE COMMUNICATIONS, L.L.C.  
(Name of foreign limited liability company)

2. Delaware 3. 63-1239617  
(Jurisdiction under the law of which foreign limited liability company is organized) (FEI number, if applicable)

4. 12/23/99 5. perpetual  
(Date of Organization) (Duration: Year limited liability company will cease to exist or "perpetual")

6. Upon qualification  
(Date first transacted business in Florida. (See sections 608.501, 608.502, and 817.155, F.S.))

7. 500 Richardson Road South, Suite A  
Hope Hull, Alabama 36043  
(Street address of principal office)

8. If limited liability company is a manager-managed company, check here

9. The usual business addresses of the managing members or managers are as follows:


500 Richardson Road South, Suite A  
Hope Hull, Alabama 36043

FILED  
00 FEB - 8 PM 5:00  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

10. Attached is an original certificate of existence, no more than 90 days old, duly authenticated by the official having custody of records in the jurisdiction under the law of which it is organized. (A photocopy is not acceptable. If the certificate is in a foreign language, a translation of the certificate under oath of the translator must be submitted.)

11. Nature of business or purposes to be conducted or promoted in Florida: \_\_\_\_\_

The sale of telecommunications services and products.

  
Signature of a member or an authorized representative of a member.  
(In accordance with section 608.408(3), F.S., the execution of this document constitutes an affirmation under the penalties of perjury that the facts stated herein are true.)

Frank E. Evans, Member  
Typed or printed name of signee

**CERTIFICATE OF DESIGNATION OF  
REGISTERED AGENT/REGISTERED OFFICE**

PURSUANT TO THE PROVISIONS OF SECTION 608.415 or 608.507, FLORIDA STATUTES,  
THE UNDERSIGNED LIMITED LIABILITY COMPANY SUBMITS THE FOLLOWING  
STATEMENT TO DESIGNATE A REGISTERED OFFICE AND REGISTERED AGENT IN THE  
STATE OF FLORIDA.

1. The name of the Limited Liability Company is:

FIRST CHOICE COMMUNICATIONS, L.L.C.

2. The name and the Florida street address of the registered agent and office are:

NRAI Services, Inc.

(Name)

526 E. Park Avenue

Florida street address (P.O. Box NOT ACCEPTABLE)

Tallahassee

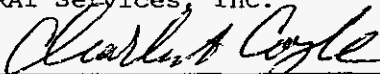
FL

32301

City/State/Zip

*Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, 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 relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent as provided for in Chapter 608, F.S..*

NRAI Services, Inc.



(Signature)

Charles A. Coyle - Asst. Secretary

\$ 100.00	Filing Fee for Application
\$ 25.00	Designation of Registered Agent
\$ 30.00	Certified Copy (optional)
\$ 5.00	Certificate of Status (optional)

Attached are the instructions to register a foreign limited liability company to transact business in Florida. The requirements are as follows:

- Pursuant to s.608.503(1), Florida Statutes, the attached application must be completed in its entirety.
- The foreign limited liability company must submit an original certificate of existence, no more than 90 days old, duly authenticated by the official having custody of records in the jurisdiction under the law of which it is organized. A photocopy is not acceptable. If the certificate is in a foreign language, a translation of the certificate under oath of the translator must be submitted.
- The fees to register are as follows:

\$ 100.00	Filing Fee for Application
\$ 25.00	Designation of Registered Agent
\$ 30.00	Certified Copy (optional)
\$ 5.00	Certificate of Status (optional)

- A letter of acknowledgment will be issued free of charge upon registration. Please submit one check made payable to the Florida Department of State for the total amount of the filing fee and any optional certificate or copy.
- A transmittal letter should be submitted along with the application, certificate, and check. The mailing address and courier address are noted below.

Any further inquiries concerning this matter should be directed to the Registration Section by calling (850) 487-6051.

**STREET ADDRESS:**  
Registration Section  
Division of Corporations  
409 E. Gaines St.  
Tallahassee, FL 32399

**MAILING ADDRESS:**  
Registration Section  
Division of Corporations  
P. O. Box 6327  
Tallahassee, FL 32314

State of Delaware  
Office of the Secretary of State

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PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "FIRST CHOICE COMMUNICATIONS, L.L.C." IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-SIXTH DAY OF JANUARY, A.D. 2000.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "FIRST CHOICE COMMUNICATIONS, L.L.C." WAS FORMED ON THE TWENTY-THIRD DAY OF DECEMBER, A.D. 1999.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE NOT BEEN ASSESSED TO DATE.



3143449 8300

001039743

A handwritten signature in cursive script, reading "Edward J. Freel".

Edward J. Freel, Secretary of State

AUTHENTICATION: 0218282

DATE: 01-26-00



# **EXHIBIT B**

## **FINANCIAL DOCUMENTATION**

In support of the Company's financial capability to provide and maintain the requested services in the geographic areas proposed while meeting any and all lease or ownership obligations, the Company has provided the financial statements of EFS, Inc. (its affiliate) which will guarantee the start-up operations of the Company. EFS, Inc.'s financial statements are for the years ending August 31, 1999 and 1998 and year-to-date April 30, 2000 statements. EFS, Inc. and the Applicant share the same sole interest holder, Mr. Frank Evans.

The Company intends to fund its operations with the revenue to be generated from ongoing operations. However, EFS, Inc. is also willing to provide any additional capital which may become necessary to fund the Company's operations should such additional capital become necessary in the future.

EFS, Inc.  
**Consolidated Balance Sheets**  
**April 30, 2000 And 1999**

<b>Assets</b>	<b>2000</b>	<b>1999</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 871,830.86	1,477,728.12
Accounts Receivable	7,418.40	40,817.96
Loans receivable	1,349,707.83	1,154,917.97
Inventory	3,065,314.11	2,678,263.01
Other current assets	<u>87,598.48</u>	<u>67,163.21</u>
<b>Total current assets</b>	<b>5,381,869.68</b>	<b>5,418,890.27</b>
<b>Property And Equipment</b>		
Furniture, fixtures and equipment	811,902.14	765,698.59
Transportation equipment	297,596.73	327,845.04
Leasehold improvements	<u>402,798.75</u>	<u>355,841.06</u>
	1,512,297.62	1,449,384.69
Less accumulated depreciation	<u>914,447.75</u>	<u>871,796.45</u>
<b>Net property and equipment</b>	<b>597,849.87</b>	<b>577,588.24</b>
<b>Other Assets</b>		
Notes receivable - related parties	1,668,711.96	1,925,292.33
Other	<u>67,499.92</u>	<u>53,621.10</u>
<b>Total other assets</b>	<b>1,736,211.88</b>	<b>1,978,913.43</b>
<b>Total Assets</b>	<b><u>\$ 7,715,931.43</u></b>	<b><u>\$ 7,975,391.94</u></b>
<b>Liabilities And Stockholders Equity</b>		
<b>Current Liabilities</b>		
Long-term debt - current maturities	\$ 47,897.48	\$ 131,443.13
Accounts payable and accrued expenses	228,436.86	198,486.42
Customer layaway deposits	<u>563,611.97</u>	<u>559,208.08</u>
<b>Total current liabilities</b>	<b>839,946.31</b>	<b>889,137.63</b>
<b>Long-Term Debt</b>		
Long-Term Debt - non current maturities	<u>129,705.62</u>	<u>208,226.67</u>
<b>Total Liabilities</b>	<b>969,651.93</b>	<b>1,097,364.30</b>
<b>Stockholders' Equity</b>		
Common stock, \$1 par value, 1,000 shares authorized, issued and outstanding	1,000.00	1,000.00
Additional paid-in capital	11,671.00	11,671.00
Retained earnings	<u>6,733,608.50</u>	<u>6,865,356.64</u>
<b>Total Stockholders' Equity</b>	<b>6,746,279.50</b>	<b>6,878,027.64</b>
<b>Total Liabilities And Stockholders' Equity</b>	<b><u>\$ 7,715,931.43</u></b>	<b><u>\$ 7,975,391.94</u></b>

**EFS, Inc.**  
**Consolidated Statements Of Income**  
**For The Eight Month Ended April 30, 2000 And 1999**

	2000	1999
<b>Revenues</b>		
Sales	\$ 6,191,877.64	\$ 6,141,312.33
Interest Income	<u>234,107.37</u>	<u>266,078.39</u>
<b>Total Income</b>	<b>6,425,985.01</b>	<b>6,407,390.72</b>
<b>Cost Of Sales</b>		
Beginning Inventory	3,078,369.61	2,645,727.00
Purchases	2,755,283.94	2,530,884.66
Ending Inventory	<u>(3,065,314.11)</u>	<u>(2,678,263.01)</u>
<b>Total Cost Of Sales</b>	<b><u>2,768,339.44</u></b>	<b><u>2,498,348.65</u></b>
<b>Revenues Net Of Cost Of Sales</b>	<b>3,657,645.57</b>	<b>3,909,042.07</b>
<b>Operating Expenses</b>		
Salaries and expenses	1,749,217.70	1,579,972.77
Rent	378,509.43	298,746.00
Utilities	145,161.76	128,721.37
Office supplies	83,359.99	61,561.06
Computer supplies	30,272.07	36,870.77
Laundry/Uniforms	4,531.63	5,094.02
Bad debt expense	33,521.31	37,776.24
Education and training	2,670.69	18,768.42
Meeting expense	7,444.44	22,161.08
Employee expenses	35,048.47	34,865.63
Merchandise/ jewelry repair	49,681.46	44,245.36
Liens	1,635.00	1,580.00
Repo/ storage fees	12,190.00	6,188.20
Gasoline	17,412.29	16,553.06
Auto repair and maintenance	15,266.70	17,697.47
Advertising	243,721.00	116,233.88
Accounting and legal fees	53,818.44	37,389.37
Consulting and professional	40,637.36	49,740.63
Business license and taxes	66,172.78	35,062.41
Depreciation and amortization	90,911.19	61,112.70
Equipment rental and lease	47,337.37	21,715.00
Postage and shipping	42,282.22	45,185.15
Insurance	18,408.42	9,739.29
Bank charge and credit card fees	19,370.07	17,763.74
Late charges	187.56	671.25
Surrendered merchandise	12,852.00	11,783.00
Travel and entertainment	26,459.27	18,615.60
Dues and subscriptions	6,518.74	1,343.73
Contract services	70,109.67	73,392.48
Security	16,398.46	20,730.80
Contributions	2,169.80	1,693.13
Repairs and maintenance	39,289.29	38,712.25
Cash over and short	3,996.13	1,822.92
Small equipment	3,957.31	964.88
Interest expense	20,826.42	20,773.57
Miscellaneous expense	<u>6,356.76</u>	<u>(3,154.40)</u>
<b>Total Operating Expense</b>	<b>3,397,703.20</b>	<b>2,892,092.83</b>
<b>Other Income</b>	<b><u>9,471.60</u></b>	<b><u>16,315.70</u></b>
<b>Income From Continuing Operations Before Income Taxes</b>	<b>269,413.97</b>	<b>1,033,264.94</b>
<b>Income Taxes</b>	<b><u>73,000.00</u></b>	<b><u>152,500.00</u></b>
<b>Net Income</b>	<b><u>\$ 196,413.97</u></b>	<b><u>\$ 880,764.94</u></b>

EFS, INC.

CONSOLIDATED FINANCIAL STATEMENTS

AUGUST 31, 1999 AND 1998

**EFS, INC.**  
AUGUST 31, 1999 AND 1998

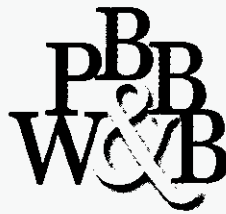
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Member  
American Institute  
Of Certified Public  
Accountants



Member  
Alabama Society  
Of Certified Public  
Accountants

Wilson, Price, Barranco, Blankenship & Billingsley, P.C.  
Certified Public Accountants  
Montgomery, Alabama

Stockholders  
EFS, Inc.  
Montgomery, Alabama

We have compiled the accompanying consolidated balance sheets of EFS, Inc. as of August 31, 1999 and 1998 and the related consolidated statements of income, retained earnings and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

November 20, 1999

*Wilson, Price, Barranco, Blankenship & Billingsley, P.C.*

**EFS, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
**AUGUST 31, 1999 AND 1998**

**ASSETS**

	<u>1999</u>	<u>1998</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 4,078,934	\$ 4,171,934
Loans receivable	1,411,682	1,427,798
Notes receivable - current portion (less allowance for doubtful accounts of \$4,927 and \$13,606)	14,781	40,818
Notes receivable - related parties	609,588	1,004,524
Inventory	3,060,045	2,645,727
Other current assets	<u>49,988</u>	<u>68,760</u>
Total current assets	<u>9,225,018</u>	<u>9,359,561</u>
<b>PROPERTY AND EQUIPMENT</b>		
Furniture, fixtures and equipment	720,173	673,605
Transportation equipment	303,645	261,853
Leasehold improvements	<u>385,237</u>	<u>279,450</u>
	1,409,055	1,214,908
Less accumulated depreciation	<u>828,631</u>	<u>836,452</u>
Net property and equipment	<u>580,424</u>	<u>378,456</u>
<b>OTHER ASSETS</b>		
Notes receivable - related parties	1,461,532	1,004,525
Other	<u>55,891</u>	<u>55,891</u>
Total other assets	<u>1,517,423</u>	<u>1,060,416</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 11,322,865</u></u>	<u><u>\$ 10,798,433</u></u>

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**LIABILITIES AND STOCKHOLDERS' EQUITY**

	<u>1999</u>	<u>1998</u>
<b>CURRENT LIABILITIES</b>		
Note payable	\$ 3,749,056	\$ 3,497,595
Long-term debt - current maturities	133,361	169,612
Accounts payable and accrued expenses	209,095	264,320
Customer layaway deposits	<u>506,626</u>	<u>574,922</u>
Total current liabilities	<u>4,598,138</u>	<u>4,506,449</u>
<b>LONG-TERM DEBT</b>		
Long-term debt - noncurrent maturities	<u>159,612</u>	<u>294,721</u>
<b>TOTAL LIABILITIES</b>	<u>4,757,750</u>	<u>4,801,170</u>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, \$1 par value, 1,000 shares authorized, issued and outstanding	1,000	1,000
Additional paid-in capital	11,671	11,671
Retained earnings	<u>6,552,444</u>	<u>5,984,592</u>
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<u>6,565,115</u>	<u>5,997,263</u>
 <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	 <u>\$ 11,322,865</u>	 <u>\$ 10,798,433</u>

See accompanying accountants' compilation report and notes to financial statements.



**EFS, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED AUGUST 31, 1999 AND 1998**

	<u>1999</u>	<u>1998</u>
<b>REVENUES</b>		
Sales	\$ 6,285,833	\$ 6,741,641
Interest income	2,552,974	2,766,778
Total revenues	<u>8,838,807</u>	<u>9,508,419</u>
<b>COST OF SALES</b>		
Beginning inventory	2,645,727	2,154,063
Purchases	3,880,560	4,248,987
Ending inventory	<u>(3,060,045)</u>	<u>(2,645,727)</u>
Total cost of sales	<u>3,466,242</u>	<u>3,757,323</u>
<b>REVENUES NET OF COST OF SALES</b>	<u>5,372,565</u>	<u>5,751,096</u>
<b>OPERATING EXPENSES</b>		
Advertising	181,725	158,682
Automobile expense	37,189	32,928
Bad debt expense	50,852	43,897
Confiscated merchandise	18,075	33,856
Contract services	104,127	77,841
Depreciation and amortization	119,744	101,458
Education and training	52,747	36,145
Insurance	146,908	120,692
Interest	32,666	56,816
Legal and accounting	102,782	133,327
Miscellaneous	104,018	84,524
Profit sharing	20,000	20,000
Postage	41,009	44,420
Rent	493,976	460,964
Repairs and maintenance	49,453	31,958
Salaries and sales commissions	2,369,274	2,439,984
Security	23,925	18,744
Service charges	40,632	40,575
Supplies	157,432	113,513
Taxes and licenses	195,006	207,944
Travel and entertainment	31,613	20,228
Utilities	<u>199,922</u>	<u>183,236</u>
Total operating expenses	<u>4,573,075</u>	<u>4,461,732</u>

See accompanying accountants' compilation report and notes to financial statements.

**EFS, INC.**  
CONSOLIDATED STATEMENTS OF INCOME  
FOR THE YEARS ENDED AUGUST 31, 1999 AND 1998

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	<u>1999</u>	<u>1998</u>
<b>OTHER INCOME</b>	<u>\$ 83,925</u>	<u>\$ 71,096</u>
<b>INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</b>	<u>883,415</u>	<u>1,360,460</u>
<b>INCOME TAXES</b>	<u>318,795</u>	<u>500,359</u>
<b>INCOME FROM CONTINUING OPERATIONS</b>	<u>564,620</u>	<u>860,101</u>
<b>INCOME (LOSS) FROM DISCONTINUED OPERATIONS (net of income tax benefit of \$2,805 and \$72,774)</b>	<u>3,232</u>	<u>(86,733)</u>
<b>NET INCOME</b>	<u><u>\$ 567,852</u></u>	<u><u>\$ 773,368</u></u>

See accompanying accountants' compilation report and notes to financial statements.

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**EFS, INC.**

**CONSOLIDATED STATEMENTS OF RETAINED EARNINGS  
FOR THE YEARS ENDED AUGUST 31, 1999 AND 1998**

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	<u>1999</u>	<u>1998</u>
<b>BALANCE AT BEGINNING OF YEAR</b>	\$ 5,984,592	\$ 5,211,224
Net income for the year	<u>567,852</u>	<u>773,368</u>
<b>BALANCE AT END OF YEAR</b>	<u>\$ 6,552,444</u>	<u>\$ 5,984,592</u>

See accompanying accountants' compilation report and notes to financial statements.

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**EFS, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED AUGUST 31, 1999 AND 1998**

**INCREASE (DECREASE) IN CASH AND CASH  
EQUIVALENTS**

	<u>1999</u>	<u>1998</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash collected from customers	\$ 6,297,947	\$ 6,909,717
Interest collected	2,529,443	2,694,034
Cash paid to suppliers and employees	(8,246,626)	(8,770,833)
Other income collected	84,352	87,726
Interest paid	(150,732)	(57,353)
Income taxes paid	(294,199)	(482,734)
Net cash provided by operating activities	<u>220,185</u>	<u>380,557</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net decrease in pawn loans	16,116	127,137
Capital expenditures	(342,977)	(76,284)
Net cash (used) provided by investing activities	<u>(326,861)</u>	<u>50,853</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loans to related party	(66,424)	(53,673)
Proceeds from notes payable - net	251,461	497,887
Principal payments on long-term debt	(171,360)	(180,612)
Net cash provided by financing activities	<u>13,677</u>	<u>263,602</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH  EQUIVALENTS</b>	<b>(92,999)</b>	<b>695,012</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING  OF PERIOD</b>		
	<u>4,171,934</u>	<u>3,476,922</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b><u>\$ 4,078,935</u></b>	<b><u>\$ 4,171,934</u></b>

See accompanying accountants' compilation report and notes to financial statements.

**EFS, INC.****CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED AUGUST 31, 1999 AND 1998**

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**RECONCILIATION OF NET INCOME TO CASH PROVIDED BY  
OPERATING ACTIVITIES**

	<u>1999</u>	<u>1998</u>
<b>NET INCOME</b>	<b>\$ 567,852</b>	<b>\$ 773,368</b>
<b>ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Allowance for doubtful accounts	(8,679)	(54,534)
Depreciation and amortization	119,744	101,458
Book value of abandoned assets	21,265	-
Changes in assets and liabilities:		
Notes receivable	39,070	144,438
Inventory	(414,318)	(407,638)
Other assets	(3,019)	17,458
Accounts payable and accrued expenses	(55,225)	(99,113)
Layaway deposits	(68,296)	(39,731)
Income tax payable - net	21,791	(55,149)
Total adjustments	<u>(347,667)</u>	<u>(392,811)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b><u>\$ 220,185</u></b>	<b><u>\$ 380,557</u></b>

See accompanying accountants' compilation report and notes to financial statements.

# **EFS, INC.**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AUGUST 31, 1999 AND 1998**

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### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***Principles of Consolidation***

The accompanying consolidated financial statements include the accounts of EFS, Inc. and its wholly-owned subsidiary, Pro Auto Sales, Inc. All significant intercompany balances and transactions have been eliminated in consolidation. The Company operates pawn shops in Montgomery, Birmingham, Mobile and Tuscaloosa, Alabama, and substantially all of its customers are local residents. The Company also sold used automobiles in Montgomery through its subsidiary. This business closed on March 31, 1998. See Note 6.

#### ***Inventory***

Inventory represents merchandise acquired as a result of forfeited loans, merchandise purchased directly from the public and new merchandise purchased from vendors.

Inventory is stated at the lower of cost (determined generally on a first-in, first-out basis) or market.

#### ***Property and Equipment***

Property and equipment are recorded at cost. Depreciation is provided using straight-line and accelerated methods over the estimated useful lives of the various assets ranging from three to thirty-nine years.

Maintenance, repairs and minor renewals are charged against income when incurred. Additions and significant renewals are capitalized.

The cost and accumulated depreciation of assets sold or retired are removed from the respective accounts; any gain or loss from sale or retirement of property is reflected in income.

#### ***Other Assets***

Intangible assets are amortized over their estimated useful lives or the terms of their agreements.

#### ***Cash and Cash Equivalents***

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

## **EFS, INC.**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AUGUST 31, 1999 AND 1998**

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#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### *Loans Receivable and Income Recognition*

Pawn loans ("Loans Receivable") are generally made on the pledge of tangible personal property, for one month, with an automatic thirty-day extension period. Interest income on loans is recognized when the loan is repaid or renewed.

If the loan is not repaid, the principal amount loaned becomes the carrying value of the forfeited collateral ("inventory") which is recovered through sales.

##### *Layaways*

Customers may purchase inventory items on a layaway basis. Income is recognized and inventory relieved when the final payment is made.

##### *Use of Estimates in the Preparation of Financial Statements*

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

##### *Concentration of Credit Risk*

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

#### **2. NOTES PAYABLE**

The Company has an operating line of credit available with a bank at August 31, 1999, in the amount of \$1,000,000. The credit line was unused at August 31, 1999.

The note payable in the amount of \$3,749,056 at August 31, 1999, was payable to a bank and secured by United States Treasury Bills which were considered cash equivalents.

**EFS, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AUGUST 31, 1999 AND 1998****3. LONG-TERM DEBT**

Long-term debt is as follows:

	<u>1999</u>	<u>1998</u>
Installment note payable secured by receivables and inventory, payable monthly through April 2000, with interest at .5% above prime.	\$ 72,804	\$ 187,297
Installment note payable, secured by receivables and inventory, payable monthly through July 2002, with interest at .5% above prime.	189,637	246,026
Mortgage payable secured by house and land, payable monthly through March 2021, with interest at 10.5%.	<u>30,532</u>	<u>31,010</u>
	292,973	464,333
Less: Current maturities included in current liabilities	<u>133,361</u>	<u>169,612</u>
	<u>\$ 159,612</u>	<u>\$ 294,721</u>

Following are maturities of long-term debt (inclusive of current maturities):

	<u>AMOUNT</u>
2000	\$ 133,361
2001	66,351
2002	64,716
2003	795
2004	882
Thereafter	26,868

**4. COMMITMENTS AND CONTINGENCIES*****Operating Leases***

The Company has entered into various noncancelable leases for certain company premises and equipment. The total rental expense for all leases for the years ended August 31, 1999 and 1998 was \$493,976 and \$442,440, respectively.



**EFS, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AUGUST 31, 1999 AND 1998****4. COMMITMENTS AND CONTINGENCIES (Continued)**

Future minimum rental payments required under noncancelable leases are as follows:

2000	\$	153,500
2001		111,600
2002		91,950
2003		55,800
2004		21,050
Total minimum future lease payments	\$	<u>433,900</u>

Certain leases expire during the periods shown above and will either be renewed under available renewable options or renegotiated.

**5. INCOME TAXES**

The Company and its subsidiary file a consolidated federal income tax return.

The components of current income tax expense are as follows:

	<u>1999</u>	<u>1998</u>
Federal	\$ 286,305	\$ 373,500
Alabama	29,685	54,085
Total	<u>\$ 315,990</u>	<u>\$ 427,585</u>

**6. DISCONTINUED OPERATIONS**

On March 31, 1998, the Company's subsidiary, Pro Auto Sales, Inc., closed its operations. Accordingly, Pro Auto Sales, Inc. is reported as a discontinued operation for the year ended August 31, 1998. Net assets of the discontinued operation at August 31, 1999 and 1998 consist primarily of receivables. Net liabilities consist of accounts payable.

Revenues applicable to the discontinued operations for the year ended August 31, 1999 consisted of:

Sales	
Interest income	\$ 7,509
Other income	819
Total revenues	<u>\$ 8,328</u>

**EFS, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AUGUST 31, 1999 AND 1998****7. RELATED PARTY TRANSACTIONS**

The Company leases certain facilities from its stockholders on an annual basis. Rent expense paid to the stockholder totaled \$190,800 and \$160,800 in 1999 and 1998, respectively.

Notes receivable - related party consists of the following:

	<u>1999</u>	<u>1998</u>
Demand note receivable from Quik Pawn Shop Franchising, Inc., including interest at 11.25%	\$ 856,650	\$ 788,302
Demand note receivable from Gateway Financial Services, Inc., including interest at 11.25%	876,365	1,088,239
Demand note receivable from Express Title Pawn, Inc., including interest at 11.25%	81,072	130,065
Demand note receivable from Express Check Service, Inc., including interest at 11.25%	<u>257,033</u>	<u>2,443</u>
Total	<u>\$ 2,071,120</u>	<u>\$ 2,009,049</u>

A portion of these notes has been recorded as long-term in both years.

The majority shareholders of the above corporations are the shareholders of EFS, Inc.

**8. RETIREMENT PLANS**

The Company sponsors a 401(k) retirement plan that covers all eligible employees. Eligible employees may contribute up to 15% of their compensation. The employees are limited by IRS regulations as to the amount of contributions allowed. The Company's matching is discretionary and limited to 15% of the participant's compensation. The Company's contribution for the year ended August 31, 1999 and 1998 was \$20,000 each year.

# **EXHIBIT C**

**MANAGEMENT PROFILES**

## **Management Team Backgrounds**

### Frank Evans, President/CEO

Auburn University, Economics major, 1974-78. Founded Quik Pawn Shop in August 1978 with \$3,300 initial investment, which has since grown into five companies with twenty-six stores and one hundred plus employees, in three states.

Extracurricular activities: Currently serves by appointment of the Governor of Alabama to serve on the Alabama Trust Fund Board which oversees 1.2 billion in offshore oil and lease revenue to the State of Alabama. Also appointed by Governor Fob James as his delegate to 1995 White House Conference on Small Business, served on Governor's Task Force to Study State Finances, former Chairman of Leadership Council, NFIB-AL. Instrument rated private pilot.

### Richard H. Keeshan, CPA, /Vice-President Telecommunications

Mr. Keeshan graduated from Troy State University with BS in accounting, and Auburn University with a Masters of Public Administration. For eleven years, he worked in the public sector. Two plus years as a state bank examiner, and seven plus years with the Office of Inspector General of Health and Human Services. He entered the private sector in 1985, as director of internal audit for a large holding company and subsequently held the positions of accounting manager of an insurance division, a national mortgage company, and as controller of a national non-profit organization. Mr. Keeshan joined EFS, Inc. in 1998, as Chief Operating Officer of Gateway Financial Services, Inc.

Mr. Keeshan is a member of the American Institute of Certified Public Accountants and the Alabama Society of Certified Public Accountants. He is on the Board of Directors of the Lighthouse Concealing Center, having served two terms as President. He is also a Certified Cost Analyst.

### Jeff Evans, Corporate Secretary/CIO

Mr. Evans began his professional career in insurance accounting with a large holding company in 1978. There he was responsible for monthly financial statements, and annual regulatory reports for both a life insurance and a casualty insurance company, as well as for an insurance agency. In 1984, Mr. Evans accepted a position with major Alabama insurance company in the programming department. There as a Senior Programmer Analyst, he designed and maintained systems as needed.

In 1992, in response to the growing needs of Quik Pawn Shop, Mr. Evans left the insurance business to devote all his efforts in helping his brother and Quik Pawn. His first order of business was to set up a corporate office, centralize accounts payable and connect the corporate office to all of the stores to receive financial information on a daily basis. The software he developed is currently running in all twenty-six stores. He is responsible for the acquisition, installation and support of all computers and peripherals.

### David Hill, CPA/ Controller

Jeff Evans, Corporate Secretary/CIO

Performs duties of Corporate Secretary. Directs purchases of all computer hardware and software. Designs and develops reports for management and accounting functions.

David Hill, CPA/ Controller

Prepares monthly financial statements. Reviews monthly operations for completeness and accuracy. Prepares management reports which outline EFST's financial position in areas of income, expenses, and earnings, based on past, present and future operations. Directs preparation of budgets and financial forecasts. Arranges for audits of company's accounts.

**Outside Support**

Additionally, our outside management advisors provide tremendous support for management decisions and creativity.

Bill Barranco, Accountant/CPA

Senior partner at Wilson, Price, Barranco, & Billingsley, PC. Wilson, Price is a regional accounting firm with approximately 125 employees. Bill has been instrumental in helping us anticipate and secure capital needs.

Sun Technology Solutions

Doyal Bryant  
Joe Clark

A leading international telecommunications-consulting firm.

Jo Karen Parr, Corporate Attorney

Senior law partner at Kaufman & Rothfeder, PC. Jo has been advising Frank Evans in other business ventures since 1983. She is a CPA and a tax attorney.

Nowalsky, Bronston & Gothard

Telecommunication attorneys

EFSs Management Team

EFS's management team is assisted by the senior management of EFS, Inc., who have all had experience in start up operations, as well as, developing and introducing new products and services to existing operations.

Mr. Hill attended Auburn University where he earned BS degree in business, with a major in accounting, in 1975. He began his professional career with Aldridge Borden & Co. in 1975 and worked in public accounting until 1980 when he accepted a position with the State of Alabama Public Service Commission. His responsibilities at the Public Service Commission included review of telecommunications rate cases, participation before the Commission in rate hearings, and composition of rate orders for consideration by the Commission. After his tenure with the Public Service Commission, Mr. Hill entered private industry. He has held positions as accounting manager for a national agri-industrial division, an insurance division, and a national mortgage company.

Mr. Hill is a member of the American Institute of Certified Public Accountants and the Alabama Society of Certified Public Accountants.

### **Customer Service**

As of January 19, 2000, First Choice has developed its Customer Service Department to include a Customer Service Manager, and three Customer Service employees, one of which is fluent in Spanish.

### **Staffing**

During the start-up phase, First Choice Communications will utilize the staff of EFS, Inc. This includes payroll, accounting, computer, and additional support services. As First Choice grows additional staff will be employed and trained.

## Joseph Clark

Mr. Clark is Executive Vice President of Sun Technology Solutions, Inc. a leading international telecommunications-consulting firm. Sun's areas of expertise are in mergers and acquisitions, funding, industry trends, facility management, technology, organizational development and service bureau functions related to the communications industry. Sun provides services to most of the industry leaders in the prepaid communications industry in the United States. They are also involved in the international communications arena providing services to major carriers, providers of networks and end users.

Prior to joining Sun Mr. Clark was Executive Vice President of Global Telecommunication Solutions, Inc. and President of Global Telecommunication Solutions Canada, Inc. responsible for the development of strategic alliances and partnering with communication carriers both domestic and international. He has successfully structured joint venture programs with Canada's major communications providers for proprietary programs and services in the prepaid communications market.

Before G.T.S., Inc. Mr. Clark ran his own marketing and management-consulting firm.

Joe brings to the company over 30 years of marketing, product development, sales and organizational development experience. He has held senior management positions in several large international companies such as National Cash Register, The Singer Corporation, National Data Corporation and Western States Bankcard Association (the founders of Mastercard).

His background includes: computers, telecommunications networks, modems/multiplexors/line drivers, audiotext, videotex, banking automation, credit card processing, computer peripherals, software and online services. This experience is both domestic and international.

For the past fifteen years Mr. Clark has worked with startup and turnaround companies helping them develop marketing plans, new product development and distribution networks.

Mr. Clark has been very active in several International Professional Organizations and has served as Past Vice Chairman of the Executive Committee of the Electronic Services Division of the Information Industry Association. He was also, Chairman of the Electronic Services and Gateways committee, Chairman of the National Task Force on Electronic Services and Gateways. He has held National Committee positions with the Videotex Industry Association and the Electronic Mail Association. Mr. Clark was very instrumental in the formation of the Prepaid Telecard Association, served on the board of directors of the International Telecard Association and was a founding member of the Canadian Telecard Association. He has been a speaker at all of the North American and European conferences on prepaid calling. Mr. Clark has sat on the Editorial Advisory Board of TeleCard World™, the leading magazine for card-based telecommunications products and services since its inception. He has also become a leader in the prepaid cellular, prepaid dialtone and Internet markets. Mr. Clark was influential in developing the industry standards and Code of Ethics for the Prepaid Communications Association (PCA/NALA), the leading trade association for the prepaid dialtone industry. He is a member of the Board of Directors, Executive Committee, Chairman of the Standards Committee and heads Industry Relations for PCA/NALA.

In addition to professional organizations Mr. Clark is very active in service organizations. He is past District Governor of Rotary International District 7230 serving New York City, Staten Island, The Bronx, Westchester County and Bermuda. He is Past President of the Riverdale Rotary Club. Joe was very active in the Boy Scouts as Vice President of the Santa Clara, California Council. Past Assistant Scout Master and he is also an Eagle Scout. Joe is Past Vice Chairman of the board of American Red Cross, Bronx Chapter and served as Chairman Major Disaster Preparedness Team for the Greater New York area. He also served as Co-Chairman of the Mini Grand Prix for the Arthritis Foundation of Greater New York. Joe is a sailor and member of the King Harbor Yacht Club in Redondo Beach, California. He is very active in the club and serves as the Fleet Captain.

## **DOYAL BRYANT, President Sun Technology Solutions, LLC**

Mr. Bryant brings over twenty-five years of marketing, network development and management experiences and has held senior management positions in several firms. He currently is President of Sun Technology Solutions, (a privately owned company), where he oversees the following:

- **Prepaid Dialtone.**

Providing technology advice, equity and debt financing, and business development to several of the major Alternative Local Exchange Carriers (ALEC's) to grow and expand their companies. These include VarTec/ Smoke Signal, 1-800-Reconex, US Dialtone, NOW Communications, First Line, US Telecom, Metro Telecom/PA Telecom, and ComSouth.

He also was one of the founders of Cat Communications International, Inc., ("CCI"), one of the oldest and largest ALECs on the East Coast. Mr. Bryant shared responsibility for managing the company's growth. He has:

- negotiated interconnect agreements with Bell Atlantic North and South, PacBell, SBC, and Bell South.
- completed all regulatory and certification needs of the ALEC.
- managed the marketing, financial growth and formulation of strategic planning, forecasting and budgeting by setting goals and implementation plans .
- been involved with all aspects of the Call Center from equipment selection, real estate lease, provisioning and OSS tie-in to the ILEC systems
- overseen hiring of the CCI management team including legal, MIS and marketing staff.
- Created and developed the local access programs with three prepaid card companies with over \$300,000,000 in Long Distance sales using point of sale activation.

Mr. Bryant's firm, Sun Technology Solutions, has been the leading business advisement and development firm for prepaid local exchange carriers. They provide technology assessment, strategic planning and business development and implementation.

In addition to his work at Sun, Mr. Bryant has developed international joint venture agreements for Prepaid dialtone in Australia, Japan, and Peru He also serves as Chairman and a founding board member of the Prepaid Communications Association. In September of 1999, Mr. Bryant was named by the International Telecard Association, "Prepaid Individual of the Year"

- **Prepaid Cellular.**

Directed the efforts, through SUN with AG Systems (owned 80% by Lucent and 20% by GTE and Illuminet) to develop the next generation of prepaid cellular for the U.S. 300 U.S. Carriers own this network. Assisted AG Systems in their marketing efforts in Latin America and Asia-Pacific in prepaid cellular.

Advising Spectrum Communications on development of next generation prepaid wireless system for carriers and wholesale opportunities and sales.



- **International Carrier Business Development**

Some of Mr. Bryant's recent accomplishments are:

- International. Responsible for developing relationships for all aspects of a Class One Carrier license in Japan for two major US Carriers. Business development, strategic planning and capitalization sourcing for PrimeTec International in Japan and the introduction of PrimeTec to various Asia/Pacific PTT's.
- Development and lease finance of over \$10,000,000 in Nortel and other international gateway switching for major US international wholesale carrier.
  - Assisted PriceWaterhouse Coopers with the restructuring of over \$200 million in debt for various Mexican concessionaires. Also provided introductions to new carriers and financial partners.
  - Assisted various new foreign Licensed carriers in the business development, strategy, financial investment and partnership with several U.S. based international Carriers.
  - Business advisement and capital raise for last mile fiber option in Hong Kong for Us Public Company
  - Joint Venture with Australian company for business development for international carriers

- **CLEC's**

Mr. Bryant has also provided business advice and investment-banking assistance along with providing and coordinating new services for major U.S. CLEC's, such as the following:

- First Regional Telecom. Member of Advisory Board.
- Convergent Communications. Advised and assisted senior management in the development and financing of the carriers technology plan and network design.. Company recently went to IPO
- Dakota Services. Advised and assisted President in securing debt and equity financing as well as strategic planning and development of a "data" CLEC.
- Z TEL. Worked with founders in initial strategy development and implementation. Also put together \$32 million for growth and roll-out of national network.
- P V Tel. Assisted management in business development and financing for growth of CLEC from two cities to over thirty cities.

- **Investment Banking**

Mr. Bryant has provided services to various investment banking firms such as the following:

- GATX Capital. Responsible for the technical evaluation of various communications companies as part of a due diligence team. These evaluations included the companies technical abilities, infrastructure, marketing capabilities and organizational skills to be able to perform and implement their strategic goals. Mr. Bryant has successfully structured packages to assist in the development of many IXC's, CLEC's, "data" CLEC's and Internet Service Providers.
- Seruus Ventures -- Advisor to the fund.
- MCG/ Goldman Sacs-- Served as a technology advisor to senior management regarding the telecommunications industry.
- CMB Capital --Participate and advisor to the fund

- Hunt Capital --Various CLEC and ALEC funding and technology advisement
- First Dominion Capital--Advisor to the fund
- First American--Advisor to the senior management on various technology transactions. MFR Capital Partners Major joint ventures in both equity and debt in Hong Kong and the United States . Over \$500 million in offering looked at advised and participated in

- **ILEC's and Interexchanges.**

- AT&T. Developed enhanced platform solutions for various clients.
- SPRINT. Assisted senior management with special business development projects. Provided solutions to over 20 SPRINT partnerships worldwide.
- Premiere Technologies. Worked with founders and senior management in development of major partnerships with Compuserve, Mailboxes, Etc., MBNA Bank, Kessler Financial, SPRINT and MCI WorldCom. Assisted in the development and implementation of marketing goals and programs.

Mr. Bryant was previously the Executive Vice President of Craft World International where he spearheaded the company's growth from 8 employees to over 300 and from 10 franchises to over 600. This company successfully provided the U.S. Government and U.S. Postal Service with marking devices. Mr. Bryant also used his marketing and business development skill to assist other franchises in their business development

Mr. Bryant has been active in several international professional organizations and has served as a moderator and speaker at various industry conferences and trade shows. He has been quoted in many industry publications as a "industry expert". His accomplishments were mentioned in various publications including the Wall Street Journal. In addition, Mr. Bryant was accepted as a member of the Society of Telecommunications Consultants ("STC") one of the nations premiere telecommunications organizations.

Mr. Bryant has a B.S. in Business Administration from Drury College in Springfield, Missouri. In addition he completed one semester of study at Oxford University in Oxford, England.

# **EXHIBIT D**

## **TECHNICAL CAPABILITY**

The Company will provide Resold local exchange service using BellSouth as its underlying service provider. Therefore, the quality of service offered by the Company will, at a minimum, be equivalent to the services offered by BellSouth.

In addition, the Company's officers have technical experience in the telecommunications industry as evidenced by the profiles submitted as Exhibit C.

# **EXHIBIT E**

**PROPOSED PRICE LIST**

Seven Bridges Communications, L.L.C.

Florida Price List No. 1  
Original Sheet 1

**Alternative Local Exchange Service**

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**TITLE SHEET**

**ALTERNATIVE LOCAL EXCHANGE SERVICES PRICE LIST**

This price list contains the descriptions, regulations, service standards and rates applicable to alternative local exchange telecommunications services provided by Seven Bridges Communications, L.L.C. with principal offices at 500 Richardson Road, Suite A, Hope Hull, Alabama 36043. This price list applies for services furnished within the state of Florida. This price list is on file with the Florida Public Service Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business.

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ISSUED: July 5, 2000

EFFECTIVE:

BY:

Richard Keeshan, Vice President  
500 Richardson Road, Suite A  
Hope Hull, AL 36043

**Alternative Local Exchange Service**

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**CHECK SHEET**

The sheets listed below, which are inclusive of this price list, 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 price list and are currently in effect as of the date of the bottom of this page.

SHEET	REVISION	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		
21	Original		

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**Alternative Local Exchange Service**

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Section 2 - Rule, Regulations and Service  
Quality Criteria..... 8

Section 3 - Basic Service Descriptions and Rates..... 16

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**Alternative Local Exchange Service**

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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 Price List Location

**N** - New

**R** - Change Resulting In A Reduction To A Customer's Bill

**T** - Change in Text Or Regulation But No Change In Rate Or Charge

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**PRICE LIST 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 price list. 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 price list approval process, the most current sheet number on file with the Commission is not always the price list 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).

**D. Check Sheets** - When a price list filing is made with the FPSC, an updated check sheet accompanies the price list filing. The check sheet lists the sheets contained in the price list, 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 price list 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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**Alternative Local Exchange Service**

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**EXCHANGE SERVICE LIST**

The Company will provide local exchange service throughout the State of Florida. Local calling areas will coincide with those of the Incumbent Local Exchange Carrier (ILEC), unless otherwise specified.

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**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS**

Access Line - An arrangement which connects the customer's location to the Company'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 or Carrier - Seven Bridges Communications, L.L.C.

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 price list 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, Martin Luther King, Jr. Day, Presidents Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day, 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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**Alternative Local Exchange Service**

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**SECTION 2 - RULES, REGULATIONS AND SERVICE QUALITY CRITERIA**

**2.1 Undertaking of the Company.**

The Company's services and facilities are furnished for communications originating at specified points within the state of Florida under terms of this price list.

The Company's installs operates, and maintains the communications services provided herein in accordance with the terms and conditions set forth under this price list. It may act as the customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the customer, to allow connection of a customer's location to the Company's network. The customer shall be responsible for all charges due for such service arrangement.

The Company's services and facilities are provided on a monthly basis unless ordered on a longer term basis, and 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 price list.

2.2.2 The Company's reserves the right to discontinue furnishing service, or limit the use of service necessitated by conditions beyond its control: or when the customer is using service in violation of the law or the provisions of this price list.

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500 Richardson Road, Suite A  
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**Alternative Local Exchange Service**

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**SECTION 2 - RULES AND REGULATIONS continued**

**2.2 Limitations (Cont.)**

- 2.2.3 All facilities provided under this price list are directly controlled by the Company and the customer may not transfer or assign the use of service or facilities, except with the express written consent of the Company. Such transfer or assignment shall only apply where 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 price list 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 ALEC carrier from the Florida Public Service Commission.

**2.3 Liabilities of the Company.**

- 2.3.1 The Company'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 The Company shall be indemnified and held harmless by the customer against 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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**Alternative Local Exchange Service**

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**SECTION 2 - RULES AND REGULATIONS continued**

**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 or 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 customer's obligation to notify the Company immediately of any service interruption 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 subscriber does not provide access to the Company for such restoration work.

2.4.2 No credit shall be allowed for an interruption of a continuous duration of less than twenty-four hours after the subscriber notifies the Company.

2.4.3 The customer shall be credited for an interruption of more than twenty-four hours as follows:

Credit Formula:

$$\text{Credit} = A/B \times C$$

"A" - outage time in hours

"B" - total hours in month (720)

"C" - total monthly charge for affected facility

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**SECTION 2 - RULES AND REGULATIONS continued**

**2.5 Disconnection of Service by Carrier.**

The Company, upon five (5) working 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:

- 2.5.1 Non-payment of any sum due to carrier for regulated service for more than thirty days beyond the date of rendition of the bill for such service.
- 2.5.2 A violation of any regulation governing the service under this price list.
- 2.5.3 A violation of any law, rule, or regulation of any government authority having jurisdiction over such service.
- 2.5.4 The company has given the customer notice and has allowed a reasonable time to comply with any rule, or remedy, and deficiency as stated in Rule 25-4.113, F.A.C., Refusal or Discontinuance of Service by Company.

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**Alternative Local Exchange Service**

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**SECTION 2 - RULES AND REGULATIONS continued**

**2.6 Deposits**

The Company does not require a deposit from the customer.

**2.7 Advance Payments**

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

**2.8 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.

**2.9 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.

**2.10 Equipment**

2.10.1 The Company's facilities and service may be used with or terminated in Customer-provided terminal equipment or Customer-provided communications systems, such as a PBX, key systems or Pay Telephone. Such terminal equipment shall be furnished and maintained at the expense of the Customer, except as otherwise provided. The Customer is responsible for all costs at his or her premises, including personnel, wiring, electrical power, and the like, incurred in the use of the Company's service. The Customer is responsible to ensuring that customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities.

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**Alternative Local Exchange Service**

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**SECTION 2 - RULES AND REGULATIONS continued**

**2.10 Equipment (contd.)**

- 2.10.2 The Company shall use reasonable efforts to maintain facilities and equipment that it furnishes to the Customer. The Customer may not, nor may the Customer permit others, to disconnect, rearrange, remove, attempt to repair or otherwise interfere with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.
- 2.10.3 Equipment the Company provides or installs at the Customer premises for use in connection with services the Company offers shall not be used for any purpose other than that for which the Company provided it.
- 2.10.4 The Customer shall be responsible for payment of service charges, as set forth herein, for visits by the Company's agents or employees to the premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Customer, including but not limited to the Customer.
- 2.10.5 The Company shall not be responsible for the installation, operation or maintenance of any customer-provided equipment. Where such equipment is connected to the facilities furnished pursuant to this price list, the responsibility of the Company shall be limited to the furnishing of facilities offered under this price list and to the maintenance and operation of such facilities. Subject to this responsibility, the Company shall not be responsible for the transmission of signals by customer-provided equipment or for the quality of, or defects in, such transmission; or the reception of signals by customer-provided equipment.

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**Alternative Local Exchange Service**

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**SECTION 2 - RULES AND REGULATIONS continued**

**2.10 Equipment (contd.)**

2.10.6 Upon reasonable notification to the Customer and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the customer is complying with the requirements set forth in the section for the installation, operation and maintenance of customer-provided facilities, equipment and wiring in the connection of such facilities and equipment to Company-provided facilities and equipment.

2.10.7 Title to all facilities provided by the Company under this price list shall remain in the Company's name or in the name of the carrier supplying the services and facilities being resold.

**2.11 Installation**

Service is installed upon mutual agreement between the Customer and the Company. The service agreement does not alter rates specified in this price list.

**2.12 Service Implementation**

Absent a promotional offering, service implementation charges will apply to new service orders or to orders to change existing service. Implementation charges for business services are listed in Section 3.

**2.13 Reconnection Charge**

A reconnection fee may be charged when service is re-established for customers who have been disconnected for non-payment, and is payable at the time that the restoration of suspended service and facilities is arranged.

**2.14 Operator Service Rules**

The Company will enforce the operator service rules specified by the Commission and by the FCC.

**2.15 Access to Telephone Relay Services**

Where required by the Commission, the Company will participate in telephone relay services for handicapped and/or hearing impaired end users, and will comply with all regulations and requirements. The Company shall impose any monthly surcharge or any other related charge upon its local exchange telecommunications subscribers as may be required by state law.

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**SECTION 2 - RULES AND REGULATIONS continued**

**2.16 Calculation of Distance**

Usage charges for all mileage sensitive products are based on the airline distance between rate centers associated with the originating and terminating points of the call.

The airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. The company uses the rate centers and associated vertical and horizontal coordinates that are produced by Bell Communication Research in their NPA-NXX V&H Coordinate Tape and AT&T Tariff.

Formula: 
$$\sqrt{\frac{(V1 - V2)^2 + (H1 - H2)^2}{10}}$$

**2.17 Cancellation of Service by Customer**

Customers can cancel basic local exchange service by providing written or oral notification to the Company.

For cancellation of Private Branch Exchange (PBX) service, the customer must provide five (5) working days written notice of cancellation to the Company.

**2.18 Minimum Call Completion Rate**

Customers can expect a call completion rate (number of calls completed divided by the number of calls attempted) of 90% during peak use periods for all FG D services (1+ dialing).

**2.19 Access to 911 Emergency Services**

The Company will provide, at no cost to the customer, 911 emergency services access at levels equal to the service provided by the ILEC.

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**SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES**

**3.1 Timing of Calls**

**3.1.1 When Billing Charges Begin and End For Phone Calls**

The customer's usage charge is based on the actual usage of the Company'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**

The billing increments for each service is set forth in the individual product rate section.

**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 - BASIC SERVICE DESCRIPTIONS AND RATES continued**

**3.2 Determining Applicable Rate in Effect.**

For the initial minute, the rate applicable at the start of chargeable time at the calling station applies. For additional minutes, the rate applicable is that rate which is in effect at the calling station when the additional minute(s) begin. That is, if chargeable time begins during the Day Period, the Day Rate applies to the initial minute and to any additional minutes that the call continues during the rate period. If the call continues into a different rate period, the appropriate rates from that period apply to any additional minutes occurring in that rate period. If an additional minute is split between two rate periods, the rate period applicable at the start of the minute applies to the entire minute.

**3.3 Payment of Calls**

**3.3.1 Late Payment Charges**

Interest charges of 1.5% per month will be assessed on all unpaid balances more than thirty days old.

**3.3.2 Return Check Charges**

A return check charge of \$25.00 will be assessed 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, which ever is greater.

**3.4 Restoration of Service**

A reconnection fee of \$30.00 per occurrence is charged when service is re-established for customers who had been disconnected for non-payment.

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**Alternative Local Exchange Service**

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**SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES continued**

**3.5 Local Service Areas**

The Company will provide Local Exchange Service in the entire State of Florida. Local calling service areas will coincide with those of the ILEC, unless otherwise specified.

Installation, monthly recurring and per minute usage charges will apply to the Company's local exchange services. An addition per-call operator service charge will apply for operator-assisted calling.

**3.6 Product Descriptions**

**3.6.1 Prepaid Residential Local Exchange Services**

Local exchange services are offered on a prepaid basis for local calling using the facilities of the Company and/or those of other authorized Local Exchange Carriers.

**3.6.2 Directory Listings**

For each Customer of Exchange Access Service(s), the Company shall arrange for the listing of the Customer's main billing telephone number in the directory(ies) published by the dominant Local Exchange Carrier in the area at no additional charge. At a Customer's option, the Company will arrange for additional listings at an additional charge.

**3.6.3 Directory Assistance**

Customers and users of the Company's services may obtain directory assistance in determining telephone numbers within the state by calling the Directory Assistance operator.

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**SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES continued**

**3.6 Product Descriptions, cont.**

**3.6.4 Directory Assistance, cont.**

A credit will be given for calls to Directory Assistance when;

1. The Customer experiences poor transmission or is cut-off during the call,
2. The Customer is given an incorrect telephone number, or
3. The Customer inadvertently misdials an incorrect Directory Assistance NPA.

To receive a credit, the customer must notify the Company operator or Business Office of the problem experienced.

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**SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES continued**

**3.7 Prepaid Local Residential Services Rates**

**3.7.1 Monthly Recurring Charges**

1<sup>st</sup> Line: \$49.95 per month

Monthly charges include local exchange phone service only.

**3.7.2 Nonrecurring Charges**

Nonrecurring charges apply to each line installed for the Customer. Nonrecurring charges are in addition to applicable service order charges contained in Section 3.2 of this tariff. All such charges will appear on the next bill following installation of the service.

Residence First Line One-Time Connection Fee \$20.00

**3.7.3 Optional Features Offered:**

	<u>Monthly Charge</u>	<u>Set-Up Fee *</u>
▶ Caller ID	\$10.00 per line	\$10.00 per line
▶ Call Waiting	\$5.00 per line	\$5.00 per line
▶ Call Forwarding	\$5.00 per line	\$5.00 per line
▶ Three-Way Calling	\$5.00 per line	\$5.00 per line
▶ Call Return	\$5.00 per line	\$5.00 per line

\* No set-up fee if purchased with a Gold Card.

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**3.8 Returned Check Charge**

\$30.00 per check

**3.9 Reconnection Charge**

\$30.00 per occurrence.

**3.10 Late Payment Charge**

A \$5.00 charge will be incurred by customers paying for prepaid service after the seven (7) day grace period allowed by the Company.

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