



STN Long Distance, Inc.

SOUTHERN TELCOM NETWORK

October 2, 2000

Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, FL. 32399-0850

001538-TX

To Whom it May Concern:

Enclosed you will find an original and six (6) copies of Southern Telecom Network's Application to do business as a CLEC for the State of Florida. Also enclosed you will find a check in the amount requested.

If you need any other information, let me know and I will be happy to get it to you.

Sincerely,

Kathy Robins
Office Manager

12737-00

APPLICATION

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

Original certificate (new company).

001538-TX

Approval of transfer of existing certificate: Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority.

Approval of assignment of existing certificate: Example, a certificated company purchases an existing company and desires to retain the certificate of authority of that company.

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

DEPOSIT

DATE

D371

OCT 06 2000

2. Name of company:

SOUTHERN TELCOM NETWORK, INC.

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

STN

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

STN

P.O. Box 1161

Mtn Home, AR 72654

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

STN

1938 HIGH POINT DRIVE

SARASOTA, FL

6. Structure of organization:

- () Individual () Corporation
(X) Foreign Corporation () Foreign Partnership
() General Partnership () Limited Partnership
() Other _____

7. **If individual**, provide:

Name: _____

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

Internet E-Mail Address: _____

Internet Website Address: _____

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

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

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

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

F00000003843

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

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

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

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

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

Name: _____

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ **Fax No.:** _____

Internet E-Mail Address: _____

Internet Website Address: _____

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

(a) **The Florida registration number:** _____

14. Provide **F.E.I. Number**(if applicable): _____

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

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

(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.

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

(a) The application:

Name: KATHY ROBIANS

Title: OFFICE MANAGER

Address: P.O. Box 1161

City/State/Zip: MTN HOME, AR 72654

Telephone No.: 870 508 2000 Fax No.: 870 424 6852

Internet E-Mail Address: STN@MTNHOME.COM

Internet Website Address: STNET.ORG

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

Name: FRED A. ROBERTS

Title: PRESIDENT

Address: P.O. Box 1161

City/State/Zip: MTN HOME, AR 72654

Telephone No.: 870 508 2000 Fax No.: 870 424 6852

Internet E-Mail Address: STN@MTNHOME.COM

Internet Website Address: _____

(c) Complaints/Inquiries from customers:

Name: KATHY ROBINS

Title: OFFICE MANAGER

Address: P.O. BOX 1161

City/State/Zip: MTN HOME, AR 72654

Telephone No.: 870 508 2000 Fax No.: 870 424 6852

Internet E-Mail Address: STN@MTNHOME.COM

Internet Website Address: STNET.ORG

17. List the states in which the applicant:

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

ARKANSAS,

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

TEXAS, MISSOURI, KANSAS, FLORIDA
OKLAHOMA

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

ARKANSAS

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

NONE

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

NONE

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

NONE

18. Submit the following:

✓ A. Financial capability.

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

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

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

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


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

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

	<u>8/5/2000</u>
Signature	Date
<u>PRESIDENT</u>	<u>870 508 2000</u>
Title	Telephone No.
Address: <u>P.O. Box 1161</u>	<u>870 424 6852</u>
<u>Mtn Home, AR 72654</u>	Fax No.

ATTACHMENTS:

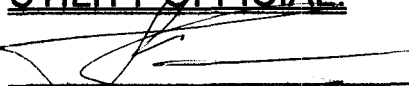
- A - CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT
- B - INTRASTATE NETWORK
- C - AFFIDAVIT

AFFIDAVIT

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

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

UTILITY OFFICIAL:

	<u>8/5/2000</u>
Signature	Date
<u>President</u>	<u>870 508 2000</u>
Title	Telephone No.
Address: <u>P.O. Box 1161</u>	<u>870 424 6852</u>
<u>Mtn Home, AR 72654</u>	Fax No.

STN Year Month	1999											
	1	2	3	4	5	6	7	8	9	10	11	12 Total
Sales												
Long Distance	\$ 28,000.00	\$ 28,000.00	\$ 28,000.00	\$ 28,000.00	\$ 42,000.00	\$ 42,000.00	\$ 42,000.00	56,000.00	\$ 56,000.00	\$ 56,000.00	\$ 70,000.00	\$ 70,000.00
	\$ 18,000.00	\$ 16,000.00	\$ 16,000.00	\$ 16,000.00	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00	32,000.00	\$ 32,000.00	\$ 32,000.00	\$ 40,000.00	\$ 40,000.00
Total Sales	\$ 44,000.00	\$ 44,000.00	\$ 44,000.00	\$ 44,000.00	\$ 66,000.00	\$ 66,000.00	\$ 66,000.00	88,000.00	\$ 88,000.00	\$ 88,000.00	\$110,000.00	\$110,000.00
Cost of Sales												
Long Dist	\$ 9,800.00	\$ 9,800.00	\$ 9,800.00	\$ 9,800.00	\$ 14,700.00	\$ 14,700.00	\$ 14,700.00	19,600.00	\$ 19,600.00	\$ 19,600.00	\$ 24,500.00	\$ 24,500.00
	\$ 7,200.00	\$ 7,200.00	\$ 7,200.00	\$ 7,200.00	\$ 10,800.00	\$ 10,800.00	\$ 10,800.00	14,400.00	\$ 14,400.00	\$ 14,400.00	\$ 18,000.00	\$ 18,000.00
Total Cost of Goods	\$ 17,000.00	\$ 17,000.00	\$ 17,000.00	\$ 17,000.00	\$ 25,500.00	\$ 25,500.00	\$ 25,500.00	34,000.00	\$ 34,000.00	\$ 34,000.00	\$ 42,500.00	\$ 42,500.00
Gross Profit	\$ 27,000.00	\$ 27,000.00	\$ 27,000.00	\$ 27,000.00	\$ 40,500.00	\$ 40,500.00	\$ 40,500.00	54,000.00	\$ 54,000.00	\$ 54,000.00	\$ 67,500.00	\$ 67,500.00
Gross Profit Per Cent	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%	61%
Expenses												
Payroll												
Sales	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 10,000.00	\$ 10,000.00
Number of Reps	2	2	2	2	3	3	3	4	4	4	5	5
T-Marketing	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	10,500.00	\$ 10,500.00	\$ 10,500.00	\$ 12,000.00	\$ 12,000.00
Number of Reps	4	4	4	4	6	6	6	7	7	7	8	8
Office	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 3,000.00	\$ 3,000.00	3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
Number of Office	1	1	1	1	1	2	2	2	2	2	2	2
Management Cost	\$ 4,000.00	\$ 4,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 12,000.00	12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00
Number of Managmnt	1	1	2	2	2	2	3	3	3	3	3	3
Technical Managmnt	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00
Number Tech Mgt	1	1	1	1	1	1	1	1	1	1	1	1
Other	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00
Billing Basic	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00
Postage	\$118.80	\$237.60	\$356.40	\$475.20	\$653.40	\$831.60	\$1,009.80	\$1,247.40	\$1,485.00	\$1,722.60	\$2,019.60	\$2,316.60
Manning	0	0	0	0	0	1	1	1	1	1	1	1
Payroll	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,700.00	\$1,700.00	\$1,700.00	\$1,700.00	\$1,700.00	\$1,700.00	\$1,700.00
Interest	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00
Total Expenses	\$23,827.80	\$23,946.60	\$28,066.40	\$28,185.20	\$33,366.40	\$36,746.60	\$40,925.80	\$44,665.40	\$44,903.00	\$45,140.60	\$48,939.60	\$49,236.60
Net Earn Before Taxes	\$3,172.20	\$3,053.40	-\$1,066.40	-\$1,185.20	\$7,133.60	\$3,753.40	-\$425.80	\$9,334.60	\$9,097.00	\$8,859.40	\$18,560.40	\$18,263.40
Taxes												
Net Earnings	\$3,172.20	\$3,053.40	-\$1,066.40	-\$1,185.20	\$7,133.60	\$3,753.40	-\$425.80	\$9,334.60	\$9,097.00	\$8,859.40	\$18,560.40	\$18,263.40
Net Earning Per Cent	7%	7%	-2%	-3%	11%	6%	-1%	11%	10%	10%	17%	17%

Balance Sheet **STN 1999**

Assets

Cash	\$9,172.20	\$1,225.60	\$159.20	-\$16,026.00	-\$22,392.40	-\$24,139.00	-\$24,564.80	-\$28,730.20	-\$25,133.20	-\$16,273.80	-\$11,213.40	\$1,550.00
Accts Receivable	\$44,000.00	\$55,000.00	\$55,000.00	\$55,000.00	\$77,000.00	\$82,500.00	\$82,500.00	\$104,500.00	\$110,000.00	\$110,000.00	\$132,000.00	\$137,500.00
Furn & Fixtures	\$15,000.00	\$0.00	\$0.00	\$15,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Switch	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Network Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Deposits	\$102,000.00	\$102,000.00	\$102,000.00	\$102,000.00	\$102,000.00	\$102,000.00	\$102,000.00	\$102,000.00	\$102,000.00	\$102,000.00	\$102,000.00	\$102,000.00
Total Assets	\$170,172.20	\$158,225.60	\$157,159.20	\$155,974.00	\$156,607.60	\$160,361.00	\$159,935.20	\$177,769.80	\$186,866.80	\$195,726.20	\$222,786.60	\$241,050.00

Liabilities

Accts Payables	\$ 17,000.00	\$ 17,000.00	\$ 17,000.00	\$ 17,000.00	\$ 25,500.00	\$ 25,500.00	\$ 25,500.00	\$ 34,000.00	\$ 34,000.00	\$ 34,000.00	\$ 42,500.00	\$ 42,500.00
Notes Payable-Short	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Notes Payable-Long	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00
Total Liabilities	\$167,000.00	\$167,000.00	\$167,000.00	\$167,000.00	\$175,500.00	\$175,500.00	\$175,500.00	\$184,000.00	\$184,000.00	\$184,000.00	\$192,500.00	\$192,500.00
Net Assets/Liabilities	\$3,172.20	-\$8,774.40	-\$9,840.80	-\$11,026.00	-\$18,892.40	-\$15,139.00	-\$15,564.80	-\$6,230.20	\$2,866.80	\$11,726.20	\$30,286.60	\$48,550.00
Retained Earnings	\$3,172.20	\$6,225.60	\$5,159.20	\$3,974.00	\$11,107.60	\$14,861.00	\$14,435.20	\$23,769.80	\$32,866.80	\$41,726.20	\$60,286.60	\$78,550.00

*PF

Southern Telecom Network, Inc.

Management Experience Profile

President

Fred Roberts

He has been employed in the Telecommunications industry since 1985. Extensive experience in the long distance, data & local dial tone with several facilities based Carriers in Arkansas and Texas. Owned and operated for 5 years A facility based carrier in Texas. Certified on digital switch protocols, channel banks, PBX: Tie, Northern Telecom and others. Agent for Southwestern Bell in local dial tone. Currently operates long distance on behalf of Qwest, MCI/Worldcom, Cable & Wireless, Teleglobe, Broadwing, Net-Tel, Conquest and others. Currently provides sales, technical support and customer service of several thousand-business customers in Arkansas. Resold local dial tone for Southwestern Bell for 5 years.

Prior experience with Philip Morris, American Hospital Supply; President International Division

Education: BA, MBA (Harvard), JD, and Ph.D.

Michael Dennenberg

Network & Switching Director

Extensive experience in long distance, local switching, PBX systems and local dial tone issues from a technical stand point since 1985. Certified in multiple PBX systems, channel banks and switching systems.

Kathy Robins

Customer Service Manager

Five years experience with STN in all aspects of customer service, billing, trouble reporting and network related issues.

Phil Hefley

President/ISP Services

Presently operates Ozark Interactive Technologies in Arkansas.

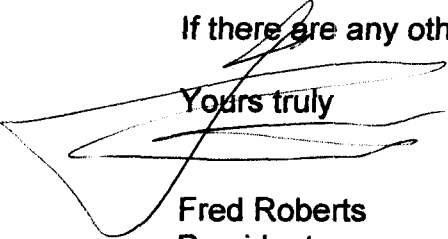
Extensive experience in ISP server and routing operations. Sales, service and computer sales and maintenance.

Tony Dibble

Field Service Manager

Extensive experience, over 8 years, in PBX system installations, automatic dialer installs, local dial tone service and long distance field service.

If there are any other question required, we will be pleased to respond.

A large, stylized handwritten signature in black ink, written over the text 'Yours truly'. The signature is cursive and somewhat abstract, with a long horizontal stroke that extends to the left and loops back under the text.
Yours truly

Fred Roberts
President

STN STRAGIC PLAN-FLORIDA

STN initially will only be a reseller of existing GTE/Verizon products.

STN will initially be a non-facilities based CLEC.

STN will provide the basic products covered in the GTE/Verizon General Tariffs.

STN will utilize the existing GTE/Verizon technical; networking and repair staff for all STN ported customers.

STN will provide the GTE/Verizon services to all STN customers.

STN will eventually become a facilities based carrier, but agrees to notify the Public Service Commission before such a change will be made.

STN will resell NPANXX's in the existing GTE/Verizon territories and will match the existing GTE/Verizon boundary maps in the GTE/Verizon General Tariff.

STN will provide customer service and repair coordination from existing customer care facilities currently located in Arkansas.

STN agrees to allow customers to port their ANI's back to any other ILEC or CLEC of their choice, providing the customer meets all contract terms.

STN will provide all required customer and technical levels of service utilizing the existing GTE/Verizon services and service staff.

APPLICATION

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001538-TX

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

DEPOSIT DATE
D371 OCT 06 2000

2. Name of company:

SOUTHERN TELCOM NETWORK, INC.

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

STN

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

STN

P.O. Box 1161

Mtn Home, AR 72654

SOUTHERN TELCOM NETWORK, INC.

P.O. BOX 1161
MOUNTAIN HOME, AR 72654
(870) 425-6473

PEOPLES BANK & TRUST CO.
MOUNTAIN HOME, ARKANSAS 72654
(870) 402-8222

10037

10/2/00

250.00

PAY TO THE ORDER OF Florida Public Service Commissio

Two Hundred Fifty and no/100***** DOLLARS

Florida Public Service Commission
Division of Records and Reporting
2500 Shumard Oak Blvd.
Tallahassee, FL. 32399-0850

DOCUMENT NUMBER

12737 001-58

MEMO

0010337

FPSC-RECORDS/REPORTING