

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

DIVISION OF REGULATORY OVERSIGHT
CERTIFICATION SECTION

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

DEPOSIT

D885

DATE

NOV 05 2000

001675-1X

Instructions

This form is used as an application for an original certificate and for approval of the assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Page 12).

Print or type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.

Use a separate sheet for each answer which will not fit the allotted space.

Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of **\$250.00** to:

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

If you have questions about completing the form, contact:

Florida Public Service Commission
Division of Regulatory Oversight
Certification Section
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6480

APPLICATION

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

Original certificate (new company).

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.

2. Name of company:

Delta Phones, Inc.

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

Delta Phones, Inc.

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

245 ILLINOIS Street

P.O. Box 784

Delhi, Louisiana 71232

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

6. Structure of organization:

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

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:

F00000005865

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: Jon E. Davis

Title: Vice President

Address: 245 Illinois Street

City/State/Zip: Delhi, Louisiana 71232

Telephone No.: 318-878-2049 Fax No.: 888-203-8014

Internet E-Mail Address: jon@deltaphones.com

Internet Website Address: _____

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

Name: Ron Gordon
Title: GENERAL MANAGER
Address: 245 Illinois Street
City/State/Zip: Delhi, Louisiana 71232
Telephone No.: 387-878-2049 Fax No.: 888-203-8014
Internet E-Mail Address: rong@deltapones.com
Internet Website Address: _____

(c) Complaints/Inquiries from customers:

Name: Rhonda Walters
Title: Supervisor
Address: 245 Illinois Street
City/State/Zip: Delhi, Louisiana 71232
Telephone No.: 387-878-2049 Fax No.: 888-203-8014
Internet E-Mail Address: rhondaw@deltaphones.com
Internet Website Address: _____

17. **List the states in which the applicant:**

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

ARKANSAS, MISSOURI, KANSAS

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

Kentucky, ALABAMA, NORTH CAROLINA, SOUTH CAROLINA,
Georgia, Tennessee

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

ARKANSAS, MISSOURI, KANSAS, TEXAS, OKLAHOMA - Southwestern Bell

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

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

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

18. Submit the following:

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

B. 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.

C. 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.

THIS PAGE MUST BE COMPLETED AND SIGNED
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:

Jon E. Davis
Print Name

Vice President
Title

318-878-2049
Telephone No.


Signature

November 1, 2000
Date

888-203-8014
Fax No.

Address: Delta Phones, Inc.
245 Illinois Street
P.O. Box 784
Delhi, Louisiana 71232

THIS PAGE MUST BE COMPLETED AND SIGNED

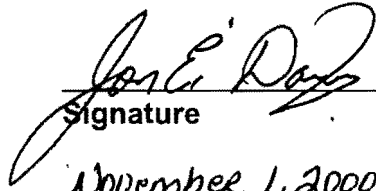
AFFIDAVIT

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:

Jon E. Davis
Print Name


Signature

Vice President
Title

November 1, 2000
Date

318-878-2049
Telephone No.

888-203-8014
Fax No.

Address: Delta Phones, Inc.
245 Illinois Street
P.O. Box 784
Delhi, Louisiana 71233

INTRASTATE NETWORK (if available)

Chapter 25-24.825 (5), Florida Administrative Code, requires the company to make available to staff the alternative local exchange service areas only upon request.

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

1) _____	2) _____
_____	_____
3) _____	4) _____
_____	_____

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

1) _____	2) _____
_____	_____
3) _____	4) _____
_____	_____

3. **TRANSMISSION FACILITIES:** POP-to-POP facilities by type of facilities (microwave, fiber, copper, satellite, etc.) and indicate if owned or leased.

<u>POP-to-POP</u>	<u>OWNERSHIP</u>
1) _____	_____
2) _____	_____
3) _____	_____
4) _____	_____

CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT

I, (Name) _____
(Title) _____ of (Name of Company)

and current holder of Florida Public Service Commission Certificate Number # _____
_____, have reviewed this application and join in the petitioner's request for a:

- () sale
- () transfer
- () assignment

of the above-mentioned certificate.

UTILITY OFFICIAL:

Print Name

Signature

Title

Date

Telephone No.

Fax No.

Address: _____

DELTA PHONES, INC.

BUSINESS PLAN

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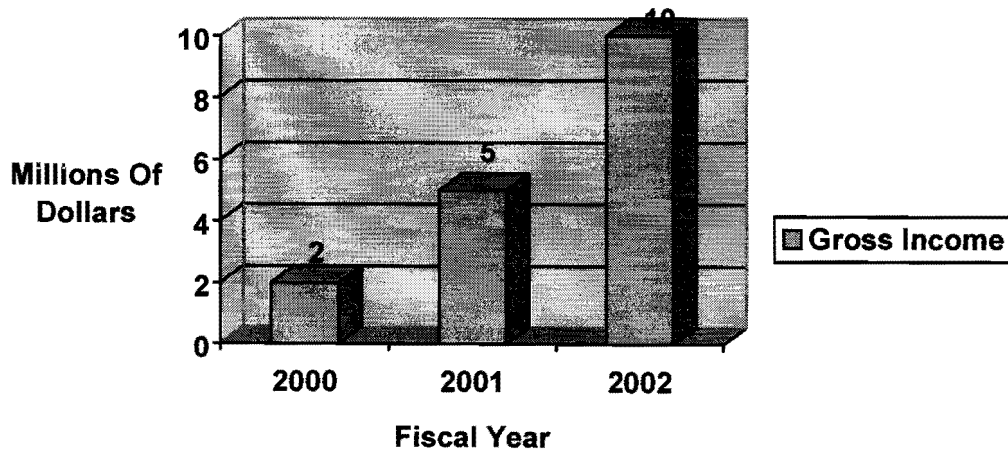
DELTA PHONES, INCORPORATED

1.0 Executive Summary

A market exists in the Prepaid Local Phone Market thanks to the Incumbent Local Exchange Carriers (ILECS) opening their markets up to local competition. Delta Phones, Inc. will operate as a Competitive Local Exchange Carrier (CLEC) and provide local phone service for customers who would like a different approach to their local service. Delta Phones will build their business on Customer Service and Customer Satisfaction and we understand the customers we will be dealing with, since our sister company has been involved in the market for over 12 years in the rent-to-own business.

Delta Phones has established commission agents in various locations through out the area that Southwestern Bell, Century Tel, and Verizon serves. The commission agent is the one to make the final sale to the customer in their service areas.

Business Plan Highlights



1.1 Objectives

Delta Phones, Inc. has established a unique business team with each member specializing in certain areas. The company is fully automated from the interface

and our CLEC corporate offices, to our satellite stores and back to the ILEC Corporate office. We feel like this technological break through has helped us push to be one of the leading CLEC's for Southwestern Bell.

1.2 Mission

Delta Phones will always put our customer first and we strive to have the best product and service available in the market place. With an industry that has a projected customer base of over 30 million customers and potentially \$2 billion a year in revenues, we feel like our market position can become 1% by always practicing our mission statement with each customer.

1.3 Keys to Success

Delta Phones, Inc. knows that the Local Prepaid Phone Market is the right tool for certain individuals. By educating our customers to many of their past mistakes, we feel like the "pay in advance" approach, no long distance calling without calling cards and always knowing that your bill will be a certain amount each month is the approach that our customers need to be utilizing.

Since Delta Phones has been dealing with this market through its sister company, Easy Way, Inc. in the rental, pager, cellular business, we know how effective the local phone business can be for these customers.

2.0 Expenses

Our expenses run around \$175,000 a month approximately 80% of our total revenue. Delta Phones employs 14 fulltime employees and just moved into a new office complex with full computer terminal, T 1 lines and plenty of room for expansion.

3.0 Competition

The competition in the Local Phone Market is growing but with our management team and with our technology access linking each store to our corporate office, we feel we can compete with any of the other CLEC's in the market place.

4.0 Strategy and Implementation Summary

The ability to have continuous communication between ILEC, CLEC and our dealer stores is a big advantage for our growth. Delta Phones, Inc. has a communication system in place where each dealer is able to post all new applications, monthly payments, and verify all customer information by computers that is connected to our Home Office computer systems. Delta Phones is able to have each commission agent transact any order changes and posting change directly to our corporate office.

4.1 Market Strategy

Delta Phones currently operates in Arkansas, Kansas, and Missouri and we are planning to be in Texas and Oklahoma by the 1st of 2001. We market our services through the commission agent in each state, which we train and supervise and who already have a market base we are targeting.

4.1.1 Pricing Strategy

We will price our Local Phone Service in line with what our competition and the market allows. Our basic service will be \$39.95 plus any fees or taxes. The cost of our options will be according to the price that is tarified with the Public Service Commission.

4.1.2 Promotion Strategy

We have targeted RTO, Cellular, and Pay Loan Companies in each state who already have existing customer base we can fulfill. Local newspaper advertising and circulation around the different areas is effective in our marketing areas. Our biggest form of advertising will be one satisfied telling another.

4.1.3 Distribution Strategy

Delta Phones provides each satellite store with literature and brochures which are designed for our customers and their friends. We allow any customer to take and review this literature before a decision is made to buy our service.

4.2 Sales Strategy

Delta Phones' Corporate Sales Manager manages our sales team. He oversees all the salesman's activities and reports. He personally assists when there is a need for clarification of disgruntled customers. Our Sales Manager is constantly researching new innovative ways to get more of a stronghold on the market.

4.3 Service and Support

Delta Phones mission in giving the customer the "best service available" is the motto that this company is built on. The support teams we have in place monitors any conflicts which may arise and follows each conflict until it is resolved.

5. Management Team

Jimmy Strong is the President of Delta Phones, Inc. Mr. Strong has been self-employed all his adult life either in the insurance business or presently in the rent-to-own industry. Mr. Strong built his company on customer satisfaction and he has instilled this same principle in Delta Phones. Mr. Strong is actively involved in any decisions affecting the direction of Delta Phones. He is married and the father of 3 children.

Jon Davis is the General Manager for Delta Phones, Inc. Before assuming this role Mr. Davis was in charge of Mr. Strong's cellular and paging divisions of his rent-to-own company. Mr. Davis has helped implement a marketing strategy in Southwestern Bell, Century Tel, and Verizon Market and manages the companies day to day operations. He is married and the father of 4 children.

Bud Loftin is the comptroller overseeing our accounting department. His responsibility is daily auditing of all records and working closely with our accounts receivable and accounts payable departments. Mr. Loftin is a graduate of Louisiana Tech University in accounting. He is the father of 2 children.

Gary Godard is our computer technician. He has been involved in the computer industry for 20 years. Mr. Godard's responsibilities include a software program for Delta Phones and linking the ILEC with our central CLEC office and our satellite stores. He is married with 5 children.

Frederick Huenefeld is our Sales Manager who is overseeing our sales force in the markets. Mr. Huenefeld's responsibility is training Sales Managers so that they can train our commission agents and provide any support needed in the growth of our business. Mr. Huenefeld had been self-employed 10 years before joining Delta Phones and he adheres to the mission that Delta Phones stands by "Customers Come First." Mr. Huenefeld is a graduate of LSU with a B/S. He is married and the father of 2 children.

Rhonda Walters is our supervisor in Customer Service Department. Ms. Walters has worked closely in our operation regarding Customer Service. She trains the agents and CSR reps for processing and handling of any situation that may occur. She has gone to school to become more familiar with the CLEC customer service role. She is single.

Ron Gordon is in charge of our billing department. He is responsible for dealing with accounts receivable. Mr. Gordon has also gone to SWB EASE school to help him understand all areas of our operation. He graduated from Northwestern with a B.S. in business. He is single.

Brenda Balof is in charge of our disconnects and repairs department. Ms. Balof is also involved in customer service. She has gone to school to become more familiar with the CLEC customer service role. She is single.

Tanya Mejias is in charge of our facilitation department and update department. Mrs. Mejias has served in similar capacities with Delta Phones for the last 6 months. Mrs. Mejias is married and has 1 child.

5.5 Business Location

Delta Phones, Inc. is located at 245 Illinois Street in Delhi, LA 71232. Delhi is located off of I-20 between Monroe, LA and Vicksburg, MS. The Home Office is approximately 30 minutes from the state of Arkansas and roughly 3 hours from the state of Texas. The toll free number for Delta Phone is 1-800-814-8623. The toll free fax number is 1-888-203-8014.

6.0 Personnel Plan

Mr. Davis is the General Manager in charge of all office employees. Mr. Godard is in charge of all computer decisions, communications and updates affecting any computer decisions. Mr. Strong, Mr. Davis, and Mr. Loftin must approve all major decisions. Ms. Balof, Ms. Walters, Mr. Gordon, and Mrs. Mejias are under the supervision of Mr. Davis and Mr. Loftin. Mr. Davis and Mr. Loftin must approve any decisions they want to make which could affect the direction of Delta Phones. Mr. Huenefeld oversees each sales manager that is working in any state. Mr. Huenefeld is directly accountable to Mr. Davis and Mr. Loftin. Mr. Davis and Mr. Loftin must approve any decision he has that could affect the direction of Delta Phones first.

7.0 Financial Plan

Delta Phones was able to start the phone venture through an initial \$50,000.00 loan which was a one year note payable at the end of the balloon period. The interest rate on the monies borrowed will be roughly 7-8%. Mr. Strong secured the financing with his own assets. No money was taken out of the company until long-term debt was satisfied. Profits from the above debt payments were used to finance growth.

7.1 Key Financial Indicators

Delta Phones will gauge their growth and success on the number of customers per quarter. We currently have 5,000 customers the first year in the state of Arkansas, Kansas, and Missouri. We feel like these numbers will more than double by end of 2001. With the 5,000 customers we currently have we are able to satisfy our debt and position us for growth in the future.

- Collections of monies from commission agents are drawn through ACH transaction on a daily basis through the satellite location internet link between their companies and our bank. This procedure has tremendously streamline our bottom line and made us much more efficient for future growth.
- By allowing Mr. Godard's software to handle most of our work load, we feel we can keep our Administrative Expenses to 40% of our sales revenue. We foresee this technology software being able to handle our growth faster than manual labor can and at a much-reduced rate.

8.0 Business Outlook for Future

By setting up 100 commission agents in each state will feel our 10,000-customer base by the end of 2001 is readily attainable. If each store can maintain its base to 5% churn a month and continue to grow by 12% a year, then in 5 years our customers base in these 3 states will be 50,000 customers by year 2004.

8.1 Listing Business and Personal References

Progressive Bank
Mr. David Hampton
Vice President
Hudson Lane
Monroe, LA 71201
318-398-9772

David Doughty
Attorney-At-Law
607 Madeline St.
Rayville, LA 71269
318-728-2051

DELTA PHONES, INC.

FINANCIAL REPORT
(UNAUDITED)

AUGUST 31, 2000

DELTA PHONES, INC.

FINANCIAL REPORT
(UNAUDITED)
AUGUST 31, 2000

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MARTIN, HARRISON & SMALLWOOD, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

October 24, 2000

TO THE STOCKHOLDER
DELTA PHONES, INC.
DELHI, LA

We have compiled the accompanying balance sheet of DELTA PHONES, INC. as of August 31, 2000, and the related statements of income for the one month and the eight months 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.

Management has elected to omit substantially all of the disclosures, the statements of retained earnings and the statements of cash flows required by generally accepted accounting principles. If the omitted disclosures and statements were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The Company, with the consent of its stockholder, has elected to be taxed as an "S" corporation under the provisions of the Internal Revenue Code. In lieu of corporate income taxes, the stockholders of an "S" corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for income taxes has been included in these financial statements.

The accompanying other financial information on pages 4 - 5 is presented only for analysis purposes and has been compiled by us without audit or review, from information that is the representation of management, and we do not express an opinion or any other form of assurance on such information.

Martin Harrison + Smallwood LLP

DELTA PHONES, INC.

BALANCE SHEETS
(UNAUDITED)

	<u>AUG. 31, 2000</u>	<u>AUG. 31, 1999</u>
ASSETS		
CURRENT		
Cash	82,890	5,428
Accounts receivable	3,605	2,729
Accounts receivable - employees	<u>4,933</u>	<u>0</u>
	91,428	8,157
PROPERTY AND EQUIPMENT, net	<u>47,547</u>	<u>19,170</u>
TOTAL ASSETS	<u><u>138,975</u></u>	<u><u>27,327</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT		
Accounts payable	11,124	18,124
Notes Payable	6,374	0
Notes Payable	8,153	0
Notes Payable	11,450	0
Due to Stockholder	154	154
Payroll taxes payable	<u>10,610</u>	<u>1,111</u>
TOTAL LIABILITIES	<u>47,865</u>	<u>19,389</u>
STOCKHOLDERS' EQUITY		
Capital Stock	1,000	1,000
Retained earnings	13,963	38,046
Net income	<u>76,146</u>	<u>(31,108)</u>
TOTAL STOCKHOLDERS' EQUITY	<u>91,110</u>	<u>7,938</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>138,975</u></u>	<u><u>27,327</u></u>

The accompanying accountants' compilation report
should be read in conjunction with the
financial statements.

DELTA PHONES, INC.

STATEMENTS OF INCOME
(UNAUDITED)

	1 MONTH ENDED		8 MONTHS ENDED		1 MONTH ENDED		8 MONTHS ENDED	
	AUG. 31, 2000	Pct	AUG. 31, 2000	Pct	AUG. 31, 1999	Pct	AUG. 31, 1999	Pct
SALES								
Service Income	167,148	88.03	754,681	81.37	0	0.00	732,791	93.81
Connection Fee Income	0	0.00	0	0.00	0	0.00	37,393	4.79
Sales	0	0.00	0	0.00	0	0.00	334	0.04
Sales Returns & Allowances	(787)	(0.41)	(8,764)	(0.94)	0	0.00	0	0.00
Commission Income	<u>23,514</u>	<u>12.38</u>	<u>181,512</u>	<u>19.57</u>	<u>104</u>	<u>100.00</u>	<u>10,600</u>	<u>1.36</u>
	189,875	100.00	927,429	100.00	104	100.00	781,118	100.00
COST OF SALES								
Phone Service and Conn. Fee	90,758	47.80	416,203	44.88	0	0.00	648,527	83.03
Commission - Agent	22,228	11.71	83,961	9.05	(10,512)	#0107.69)	98,267	12.58
Purchases	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>140</u>	<u>0.02</u>
	112,987	59.51	500,165	53.93	(10,512)	#0107.69)	746,934	95.62
GROSS PROFIT	76,888	40.49	427,264	46.07	10,616	10207.69	34,183	4.38
OPERATING EXPENSES								
Compensation and benefits	27,742	14.61	156,106	16.83	3,035	2918.62	6,830	0.87
Office facility expense	7,996	4.21	74,639	8.05	4,524	4349.79	30,285	3.88
Administrative expense	6,567	3.46	58,268	6.28	4,836	4649.67	15,442	1.98
Other overhead expense	<u>7,406</u>	<u>3.90</u>	<u>60,188</u>	<u>6.49</u>	<u>1,640</u>	<u>1576.88</u>	<u>12,735</u>	<u>1.63</u>
	49,712	26.18	349,201	37.65	14,035	13494.95	65,431	8.38
INCOME FROM OPERATIONS	<u>27,176</u>	<u>14.31</u>	<u>78,063</u>	<u>8.42</u>	<u>(3,419)</u>	<u>(3287.26)</u>	<u>(31,108)</u>	<u>(3.98)</u>
OTHER INCOME								
Gain on Sale (NBV)	<u>0</u>	<u>0.00</u>	<u>(1,917)</u>	<u>(0.21)</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>
	0	0.00	(1,917)	(0.21)	0	0.00	0	0.00
NET INCOME	<u>27,176</u>	<u>14.31</u>	<u>76,146</u>	<u>8.21</u>	<u>(3,419)</u>	<u>(3287.26)</u>	<u>(31,108)</u>	<u>(3.98)</u>

The accompanying accountants' compilation report
should be read in conjunction with the
financial statements.

OTHER FINANCIAL INFORMATION

DELTA PHONES, INC.

DETAIL OF BALANCE SHEET ACCOUNTS
(UNAUDITED)

	<u>AUG. 31, 2000</u>	<u>AUG. 31, 1999</u>
CASH		
Cash in Bank-Progressive	71,290	5,428
Simmons First Bank	2,138	0
Union Planters	638	0
Smackover State Bank	479	0
First Nat. Bank - Blytheville	162	0
Cleburne County Bank	150	0
First Financial Bank	208	0
Mercantile - AR	313	0
1st. Nat. Bank of Eastern Ark	311	0
First National Bank-McGhee	140	0
Bank of America	845	0
Superior Federal Bank	114	0
Warren Bank & Trust	253	0
Commercial Bank - Monticello	149	0
First Bank of South Arkansas	96	0
Farmers Bank	57	0
Regions Bank	1,786	0
Farmers Bank and Trust	397	0
Helena National Bank	621	0
Pocahontas Fed. S&L	80	0
Arvest Bank	611	0
Bank of the Ozarks	164	0
Emprise Bank	903	0
Garden Plain State Bank	910	0
Citizens Bank & Trust	77	0
	<u>82,890</u>	<u>5,428</u>
PROPERTY AND EQUIPMENT		
Office equipment	36,609	13,499
Automobiles	43,129	20,372
Accumulated depreciation	<u>(32,191)</u>	<u>(14,702)</u>
	<u>47,547</u>	<u>19,170</u>
ACCOUNTS PAYABLE		
Accounts Payable - Easy Way	<u>11,124</u>	<u>18,124</u>
	<u>11,124</u>	<u>18,124</u>
PAYROLL TAXES PAYABLE		
FICA Tax Payable	9,992	662
LA W/H Tax Payable	1,129	102
Accrued Payroll Taxes	304	122
401K Withheld	<u>(815)</u>	<u>225</u>
	<u>10,610</u>	<u>1,111</u>

See accompanying accountants' compilation report.

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

DIVISION OF REGULATORY OVERSIGHT
CERTIFICATION SECTION

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

DEPOSIT

DATE

D385

NOV 08 2000

001675-TX

Instructions

This form is used as an application for an original certificate and for approval of the assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Page 12).

Print or type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.

Use a separate sheet for each answer which will not fit the allotted space.

Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of **\$250.00** to:

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

14351-00

If you have questions about completing the form contact:

DELTA PHONES, INC.
P.O. BOX 784
DELHI, LA 71232
(318) 878-2049

PROGRESSIVE BANK
84-259/1111

2610

11/2/2000

PAY TO THE ORDER OF Florida Public Service Commission

\$ **250.00

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

Florida Public Service Commission, Florida Statutes: Bank account numbers or debit, charge, or credit card numbers given to an agency for the purpose of payment of any fee or debt owing are confidential and exempt from subsection (1) and s.24(a), Art. 1 of the State Constitution . . .

MEMO

[Signature]
AUTHORIZED SIGNATURE