

HOPPING GREEN SAMS & SMITH

PROFESSIONAL ASSOCIATION

ATTORNEYS AND COUNSELORS

123 SOUTH CALHOUN STREET
POST OFFICE BOX 6526
TALLAHASSEE, FLORIDA 32314

(850) 222-7500

FAX (850) 224-8551

FAX (850) 425-3415

www.hgss.com

Writer's Direct Dial No.
(850) 425-2313

ERIC T. OLSEN
GARY V. PERKO
MICHAEL P. PETROVICH
DAVID L. POWELL
JOHN K. POWELL
WILLIAM D. PRESTON
CAROLYN S. RAEPPLE
DOUGLAS S. ROBERTS
D. KENT SAFRIET
GARY P. SAMS
TIMOTHY G. SCHOENWALDER
ROBERT P. SMITH
DAN R. STENGLE
CHERYL G. STUART
W. STEVE SYKES

OF COUNSEL
ELIZABETH C. BOWMAN

JAMES S. ALVES
BRIAN H. BIBEAU
ROCHELLE A. BIRNBAUM
RICHARD S. BRIGHTMAN
KEVIN B. COVINGTON
PETER C. CUNNINGHAM
RALPH A. DeMEO
JODY L. FINKLEA
WILLIAM H. GREEN
WADE L. HOPPING
GARY K. HUNTER, JR.
JONATHAN T. JOHNSON
LEIGH H. KELLETT
ROBERT A. MANNING
FRANK E. MATTHEWS
RICHARD D. MELSON
ANGELA R. MORRISON
SHANNON L. NOVEY

ORIGINAL

November 9, 2000

RECEIVED-FPSC
NOV -9 PM 2:30
RECORDS AND REPORTING

BY HAND DELIVERY

Blanca Bayó
Director, Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

001686-TX

Re: Digital Access, LLC --
Application for ALEC Certificate

Dear Ms. Bayó:

Enclosed for filing on behalf of Digital Access Communications of Florida, Inc. (the Company) are the original and six copies of its Application for Authority to Provide Alternative Local Exchange Service in Florida.

Also enclosed is a check for \$250 in payment of the applicable filing fee.

Digital Access believes that the financial statements attached to the application contain proprietary, confidential business information of the Company and its affiliates within the meaning of Section 364.183(1), Florida Statutes. Accordingly, the financial statements included in Exhibit A to the application have been redacted to remove the proprietary information. An unredacted copy is being filed separately, under seal, with a claim of confidentiality pursuant to Section 364.183, Florida Statutes.

Check received with filing and forwarded to Fiscal for deposit. DOCUMENT NUMBER-DATE
Fiscal to forward a copy of check to RAR with proof of deposit. 14521 NOV-98

RECEIVED & FILED
FPSC-BUREAU OF RECORDS

Initials of person who forwarded check: W.S.

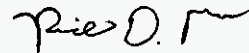
FPSC-RECORDS/REPORTING

Blanca Bayó
November 9, 2000
Page 2

Please stamp and return the enclosed extra copy of this filing.

If you have any questions regarding this filing, please give me a call at (850) 425-2313.

Very truly yours,



Richard D. Melson

RDM/mee
Enclosures

cc: Cara Sheppard

ORIGINAL

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

DIVISION OF TELECOMMUNICATIONS
BUREAU OF CERTIFICATION AND SERVICE EVALUATION

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

001686-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 Appendix A).
- ◆ Print or type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.
- Use a separate sheet for each answer which will not fit the allotted space.
- Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of **\$250.00** to:

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

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

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

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 certified 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 certified company. The Commission must approve the new controlling entity.**

2. Name of company:

Digital Access Communications of Florida, Inc. ("Digital Access")

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

Not applicable.

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

Digital Access Communications of Florida, Inc
3 Bala Plaza East - Suite 605
Bala Cynwyd, PA 19004

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

Although the company will be maintaining an office in Florida, it has not yet secured its space. Digital Access will supply this information once it selects its office location.

6. **Structure of organization:**

- Individual Corporation
 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:

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

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

F00000004281

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:

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.:

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):** 23-3048953

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

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

None of the officers, directors, or any of the ten largest stockholders of Digital Access have previously been adjusted bankrupt, mentally incompetent, or found guilty of any felony or of any crime, nor will such actions result from pending proceedings.

(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.

None of the officers, directors, or any of the ten largest stockholders of Digital Access have previously been officers, directors, partners or stockholders in any other Florida certificated telephone company.

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

(a) The application:

Name: Cara E. Sheppard _____

Title: Attorney - Fleischman and Walsh, L.L.P.

Address: 1400 Sixteenth Street, N.W. - Suite 600

City/State/Zip: Washington, DC 20036

Telephone No.: (202) 939-7900 **Fax No.:** (202) 588-0095 _____

Internet E-Mail Address: csheppard@fw-law.com _____

Internet Website Address: www.fw-law.com

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

Name: Samuel W. Morris, Jr.

Title: Vice President

Address: Digital Access, Inc., - 3 Bala Plaza East, Suite 605

City/State/Zip: Bala Cynwyd, PA 19004 _____

Telephone No.: (877) 501-8490 **Fax No.:** (610) 660-8417

Internet E-Mail Address: sam.morris@digitalaccessinc.com

Internet Website Address: www.digitalaccessinc.com

(c) Complaints/Inquiries from customers:

Name: Thomas A. Gailey, Jr.

Title: Vice President of Corporate Affairs

Address: 3 Bala Plaza East, Suite 605

City/State/Zip: Bala Cynwyd, PA 19004

Telephone: (877) 501-8490 **Fax No.:** (610) 660-8417

Internet E-Mail Address: tom.gailey@digitalaccessinc.com _____

Internet Website Address: www.digitalaccessinc.com

17. List the states in which the applicant:

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

Digital Access has not operated as an alternative local exchange company in any state.

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

Digital Access has no application pending to be certified as a competitive local exchange company.

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

Digital Access is certified to operate as a competitive local exchange company in Missouri, Kansas, Wisconsin, Indiana and Tennessee.

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

Digital Access has not been denied authority to operate as an alternative local exchange company in any state.

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

Digital Access has not had regulatory penalties imposed for violations of telecommunications statutes by any state.

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

Digital Access has never been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications company. _____

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.

See Exhibit A.

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

See Exhibit B.

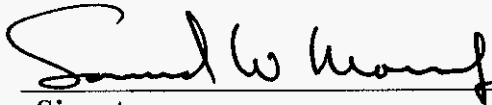
C. Technical capability: give resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance.

See Exhibit C.

**** 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 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:



Signature

11/6/02

Date

Vice President

1/877-501-8490

Title:

Telephone No.:

Address: 3 Bala Plaza East, Suite 605

610/ 660-8417

Fax No.:

Bala Cynwyd, PA 19004

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) _____

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

1) _____ 2) _____

3) _____ 4) _____

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

POP-to-POP

OWNERSHIP

1) _____

2) _____

3) _____

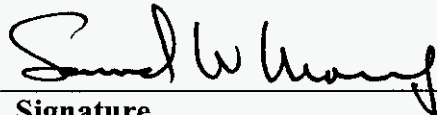
4) _____

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:



Signature

4/6/02

Date

Vice President

Title:

1/877-501-8490

Telephone No.:

Address: 3 Bala Plaza East, Suite 605

Bala Cynwyd, PA 19004

610/ 660-8417

Fax No.:

EXHIBIT A - FINANCIAL

EXHIBIT A – FINANCIAL

Digital Access is financially qualified to provide telecommunications services in Florida. Through its parent LLC and affiliate, Digital Access, Inc., Digital Access has access to the financing and capital necessary to conduct its telecommunications operations in Florida as specified in this application. Filed under seal in a separate envelope as confidential pursuant to Fla. Stat. ch. 364.183(1) are the financial statements of Digital Access LLC (formed in April of 2000) through August 31, 2000 and the audited financial statements of Digital Access, Inc. from August 24th through December 31st, 1999.


Digital Access has secured commitments of up to \$451 million in equity funding from investors to develop and deploy the Digital Access network. Also attached is a copy of the certification of Committed Capital from the Controller of Digital Access, LLC, Thomas C. MacGuire, Jr., reflecting this funding commitment and the fact that to date, the investor group has invested \$85,000,059 in Digital Access, LLC. Thus, Digital Access possesses adequate resources to construct and maintain its telecommunications system and meet any applicable lease or ownership obligations for its telecommunications network in Florida.

Certification of Committed Capital

October 26, 2000

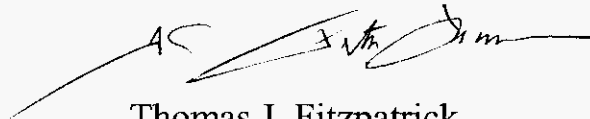
Pursuant to the agreements between Digital Access, LLC and its group of experienced venture capital investors, the investors have committed to provide up to \$451 million of equity capital to fund the development and deployment of the Digital Access network on an as-needed basis. To date, the investor group has collectively invested \$85,000,059 in Digital Access, LLC.

DIGITAL ACCESS, LLC

By: 
Thomas C. Maguire, Jr.
Controller

Certificate of Chief Financial Officer Digital Access, LLC

The accompanying unaudited balance sheet and the related statement of operations, to my knowledge, present fairly the financial position Digital Access, LLC at August 31, 2000 in conformity with generally accepted accounting principles.



Thomas J. Fitzpatrick
Chief Financial Officer

November 6, 2000

DIGITAL ACCESS, LLC
INCOME STATEMENT/
START UP COSTS (Unaudited)

FINAL
Through 8/31/00

EXPENSES

Payroll

Wages
Bonuses
Benefits
Payroll Taxes
Temporary Help

[REDACTED]

Total Salary & Benefits

\$ [REDACTED]

Operating Expenses

Recruitment
Misc Employee Costs
Travel
Meals
Insurance
Rents & Leases
Utilities
Telephone
Professional Fees
Management Fees
Office Expenses

[REDACTED]

Total Operating Expenses

[REDACTED]

Total Start Up Expenses

\$ [REDACTED]

Other Income/Expense
Interest Income
Interest Expense

[REDACTED]

Net Interest (Income)/Expense

\$ [REDACTED]

Business Taxes
Depreciation

[REDACTED]

Total Other (Income)/Expense

\$ [REDACTED]

Net Start Up Expenses

\$ [REDACTED]

DIGITAL ACCESS, LLC
BALANCE SHEET (Unaudited)

FINAL
As of 8/31/00

Cash & Equivalents
Short Term Investment
Prepaid Expenses
Misc Receivables
Accounts Receivable
Property, Plant & Equipment
Accumulated Depreciation
Other Assets

[REDACTED]

Total Assets

\$ [REDACTED]

Accounts Payable
Accounts Payable Intercompany
Accrued Expenses
Accrued Employee Compensation

[REDACTED]

Total Liabilities

\$ [REDACTED]

Preferred Stock - \$.01 Par
Common Stock - Class A \$.01 Par
Common Stock - Class B \$.01 Par
Additional Paid In Capital - Preferred
Retained Earnings
Current Years - Earnings

[REDACTED]

Total Stockholders Equity

\$ [REDACTED]

Total Liabilities & Equity

\$ [REDACTED]

[REDACTED]

DIGITAL ACCESS, INC.
(A Development Stage Company)

**Report on Audit of
Financial Statements
For the period from
August 24, 1999 (inception) to December 31, 1999**

DIGITAL ACCESS, INC.
(A Development Stage Company)

INDEX TO FINANCIAL STATEMENTS

	<u>Page</u>
Report of PricewaterhouseCoopers LLP	2
Balance Sheet as of December 31, 1999	3
Statement of Operations for the period August 24, 1999 (inception) to December 31, 1999	4
Statement of Changes in Total Equity for the period August 24, 1999 (inception) to December 31, 1999	5
Statement of Cash Flows for the period August 24, 1999 (inception) to December 31, 1999	6
Notes to Financial Statements	7 - 9

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of
Digital Access, Inc.:

In our opinion, the accompanying balance sheet and the related statement of operations, changes in Stockholders' equity and cash flows present fairly, in all material respects, the financial position Digital Access, Inc. at December 31, 1999, and the results of their operations and their cash flows for the period August 24, 1999 (inception) to December 31, 1999 in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP

March 8, 2000

Digital Access, Inc
(A Development Stage Company)
Balance Sheet
December 31, 1999

	1999
ASSETS	
Current assets:	
Cash and cash equivalents	██████████
Prepaid expenses and other	██████████
Total current assets	██████████
Property and equipment, net	██████████
Total assets	██████████ <u>██████████</u>
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities:	
Accounts payable and accrued expenses	██████████
Accounts payable - affiliate	██████████
Total liabilities	██████████ <u>██████████</u>
Commitments and Contingent Liabilities	
Stockholders' equity:	
Preferred Stock: ██████ par value; ██████ shares authorized; 10,000 shares issued and outstanding	██████████
Class A Common Stock; ██████ par value; ██████ shares authorized; ██████ issued and outstanding	██████████
Class B Common Stock; ██████ par value; ██████ shares authorized; ██████ issued and outstanding	██████████
Additional paid-in capital	██████████
Deficit accumulated during development stage	██████████
Total stockholders' equity	██████████ <u>██████████</u>
Total liabilities and stockholders' equity	██████████ <u>██████████</u>

See accompanying notes to financial statements

Digital Access, Inc
(A Development Stage Company)
Statements of Operations
for the Period August 24, 1999 (inception) to December 31, 1999

Operating expenses:

Administrative Expenses
Management fees
Depreciation

[REDACTED]

Loss from operations

[REDACTED]

Interest income
Net loss

[REDACTED]

See accompanying notes to financial statements

Digital Access, Inc
(A Development Stage Company)
Statements of Stockholders' Equity
for the Period August 24, 1999 (inception) to December 31, 1999

	Preferred Stock		Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Deficit Accumulated During the Development Stage	Total Equity
	Number of Shares	Par Value	Number of Shares	Par Value	Number of Shares	Par Value			
Balance as of August 24, 1999 (inception)									
Issuance of shares of Class A common stock on September 3, 1999 for cash									
Issuance of shares of Class A common stock on December 10, 1999 for cash									
Issuance of shares of Class B common stock on September 3, 1999 for cash									
Issuance of shares of preferred stock on September 3, 1999 for cash									
Issuance of shares of preferred stock on December 10, 1999 for cash									
Net loss									
Balances at December 31, 1999									

See accompanying notes to financial statements

Digital Access, Inc
(A Development Stage Company)
Statement of Cash Flows
for the Period August 24, 1999 (inception) to December 31, 1999

Cash flows from operating activities:

Net Loss
Adjustments to reconcile net loss to
net cash provided by operating activities:
Depreciation
Change in assets and liabilities:
Prepaid expenses and other
Accounts payable and accrued expenses
Amounts due affiliates
Net cash used in operating activities

[REDACTED]

Cash flows from investing activities:

Purchase of Property & Equipment
Net cash used in investing activities

[REDACTED]

Cash flows from financing activities:

Proceeds from the issuance of common stock
Proceeds from the issuance of preferred stock
Net cash provided by for financing activities

[REDACTED]

Net increase in cash and cash equivalents

Cash and cash equivalents, beginning of year

Cash and cash equivalents, end of year

[REDACTED]

See accompanying notes to financial statements

DIGITAL ACCESS, INC.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS

1. The Company:

Digital Access, Inc. (the "Company") formed on August 24, 1999 in the state of Delaware is a multi-media, digital broadband service provider who is launching new service across the United States with a combination of communications services including telephone, video, and data through a newly constructed single, high quality digital fiber optic network.

The Company is a development stage enterprise, as defined by Financial Accounting Standards ("FAS") No. 7, "Accounting and Reporting by Development Stage Enterprises."

2. Summary of Significant Accounting Policies:

Use of Estimates in the Preparation of Financial Statements:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingencies. Actual results could differ from those estimates.

Cash and Cash Equivalents:

Cash and cash equivalents include highly liquid investments purchased with an initial maturity of three months or less.

Long-Lived Assets:

The Company's assets are reviewed for impairment whenever events or circumstances provide evidence which suggest the carrying amounts may not be recoverable. The Company assesses the recoverability of its assets by determining whether the net book value of the respective asset balance can be recovered through projected undiscounted future cash flows. To date, no such impairments have occurred.

Property and Equipment:

Property and equipment are stated at cost. The cost and related accumulated depreciation of assets fully depreciated, sold, retired or otherwise disposed of are removed from the respective accounts and any resulting gains or losses are included in the statement of operations.

Depreciation is computed for financial reporting purposes using the straight-line method based upon the following lives:

Computer Equipment	3 years
Office Equipment	3 years

Income Taxes:

The Company accounts for income taxes utilizing the asset and liability approach, whereby deferred tax assets and liabilities are recorded for the tax effect of differences between the financial statement carrying values and tax bases of assets and liabilities. A valuation allowance is recorded for deferred taxes where it appears more likely than not that the Company will not be able to recover the deferred tax asset.

Concentration of Credit Risk.

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents with balances in excess of FDIC limits.

DIGITAL ACCESS, INC.
 (A Development Stage Company)
 NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies: - (Continued)

New Accounting Pronouncements:

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133"). As a result of the subsequent issuance of SFAS No. 137 in July 1999, SFAS No. 133 is now effective for fiscal years beginning after June 15, 2000. SFAS No. 133 establishes accounting and reporting standards for derivative instruments and for hedging activities. The Company does not expect that the adoption of SFAS No. 133 will have a material effect on our business, financial position or results of operations.

3. Property and Equipment:

Property and equipment consist of the following:

	December 31, 1999
Computer Equipment	[REDACTED]
Office Equipment	[REDACTED]
Accumulated depreciation	[REDACTED]
Net property and equipment	[REDACTED]

4. Common Stock:

As of August 24, 1999 (inception) the Company authorized [REDACTED] par value per share common stock [REDACTED]

[REDACTED] Each share of Class B Common Stock is convertible into one share of Class A Common Stock, adjusted for subsequent issuances of Class A Common Stock. Each holder of Class B Common Stock is entitled to one vote per share of Class A Common Stock into which each share of Class B Common Stock is convertible.

5. Preferred Stock:

In September & December 1999 the Company issued [REDACTED] shares of its Preferred Stock for total proceeds, net of issuance costs [REDACTED]. The shares were issued [REDACTED] per share.

The preferred stockholders are entitled to cumulative dividends at a rate of [REDACTED] per annum on the [REDACTED] purchase price and any accrued unpaid dividends from previous years. As of December 31, 1999 there is [REDACTED] or [REDACTED] per share of dividends in arrears. In the event of a liquidation, the holders would be entitled after provision for the payment of the Corporation's debts and other liabilities, to be paid the purchase price per share and any unpaid dividends. There are no voting powers associated with the Preferred Stock.

6. Income Taxes:

The significant components of deferred tax assets at December 31, 1999 are as follows:

	1999
Deferred tax assets:	
Start-up Costs	[REDACTED]
Valuation allowance	[REDACTED]
Net deferred tax asset	[REDACTED]

DIGITAL ACCESS, INC.
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS

A valuation allowance was established against the Company's net deferred tax asset due to the Company's lack of earnings history and, accordingly, uncertainty as to the realization of the asset.

8. Related Party Transactions:

The Company utilizes the consulting and advisory services of Bachow and Associates whose President is also a director of the Company. For the period August 24, 1999 (inception) to December 31, 1999 the fees paid to Bachow & Associates were [REDACTED]. Total amounts billed to Bachow & Associates at December 31, 1999 are [REDACTED].

9. Subsequent Events:

The Company has entered into three non cancelable operating leases for its office facilities in Brookfield, Wisconsin, Overland Park, Kansas, and Bala Cynwyd, PA. The leases on the office facilities begin in March 2000. The future minimum rental commitments total [REDACTED] ending in August 2000.

The Company established a 401(k) profit sharing plan on January 1, 2000 under which all employees are eligible to participate. Participants may make salary deferral contributions of [REDACTED] of their salary to the 401(k) Plan.

EXHIBITS B and C-

MANAGERIAL and TECHNICAL

EXHIBITS B and C-

MANAGERIAL and TECHNICAL

Digital Access Communications of Florida, Inc. has assembled an experienced team of industry professionals to achieve its mission of market leadership. The following summaries highlight its management's extensive background in management and technology.

Joseph W. Cece, Chief Executive Officer

As CEO, Mr. Cece will be responsible for overall leadership and for hiring key management representatives with appropriate industry experience.

Mr. Cece brings to Digital Access an extensive background in digital and Internet technologies. His career has been broad, encompassing a wealth of leadership experience in the development and roll-out of telephony, video and data services. His career includes supervising the start-up and operations of Cablevision Lightpath, Inc. a competing local exchange provider in the New York metropolitan region. Mr. Cece helped grow the business of this CLEC from \$1 million in annual revenues to more than \$60 million over a period of years.

Prior to joining Digital Access in January 2000, Mr. Cece served as president and chief operating officer for Suburban Cable, a wholly owned subsidiary of Lenfest Communications, Inc. (LCI). While at Suburban Cable, Mr. Cece was responsible for all of the company's operations, including the rebuild of a 20,000-mile network. During his tenure, the company successfully launched two new services - high speed Internet access (Suburban@Home) and Suburban Digital video.

Preceding his post at LCI, Mr. Cece served as president of digital services for Cablevision Systems Corporation (CSC). He was responsible for executive management of the company's emerging digital services, including commercial and residential telephony, high-speed Internet access and digital video programming. His work included the launch of both Optimum Online, the company's high-speed Internet access service, and Optimum Telephone, one of the cable industry's first deployments of residential phone service.

Mr. Cece received a Bachelor of Science degree in accounting, summa cum laude, from Fairleigh Dickinson University.

Steven Rabbitt, President and Chief Operating Officer

Stephen J. Rabbit will manage all business operations for Digital Access, including customer service, sales, marketing, plant and field operations and human resources.

Mr. Rabbit has more than 20 years of senior level experience leading the financial, marketing and customer service operations of communications companies. Prior to joining Digital Access, Mr. Rabbit was Senior Vice President of Retail Businesses for Cablevision Systems Corp. of Bethpage, N.Y. He was responsible for managing Cablevision's retail operations and overseeing the delivery of Cablevision's advanced digital services through the company's The Wiz electronics retail outlet chain.

Before this, Mr. Rabbit was Senior Vice President for Consumer Telecommunications Services for Cablevision. He was responsible for managing all aspects of customer contact for the company's 2.8 million New York metropolitan area consumers. Under his leadership, the company achieved a 2.7 percent increase in video customers and a 370 percent increase in high-speed Internet customers in 1999. Mr. Rabbit also served Cablevision as a Regional Vice President of Operations for New Jersey with responsibility for budgeting, sales, customer service and engineering.

Prior to joining Cablevision, Mr. Rabbitt served as a Senior Vice President for Charter Communications in St. Louis, where he was responsible for 15 cable systems in eight states. His other positions include Executive Vice President for C-TEC Corporation of Princeton, NJ; Executive Vice President and Chief Operating Officer for C-TEC Cable Systems; Senior Vice President for Crown Media, Inc. of Dallas; and Regional Vice President for Jones Intercable.

Mr. Rabbitt received a Master's degree from Fairleigh Dickinson University and a Bachelor's degree from the University of Bridgeport.

Samuel W. Morris, Jr., Vice President and Secretary

Mr. Morris will serve Digital Access as Vice President and Secretary.

He is also Vice President and Secretary of Digital Access L.L.C.'s subsidiary companies. In this position, Mr. Morris is responsible for overseeing all external affairs of Digital Access, including franchising, public relations, government affairs and legal affairs.

Prior to joining Digital Access on March 20, 2000, Mr. Morris was Senior Vice President-General Counsel of Lenfest Communications, Inc., a diversified entertainment and communications company based in Oaks, Pennsylvania. In that role, Mr. Morris had responsibility for franchising, external affairs and all legal matters for Suburban Cable, Lenfest Communications' 1.1-million-customer multiple cable system operator. Mr. Morris joined Lenfest Communications in November, 1993.

Prior to joining Lenfest Communications, Mr. Morris was a founding and senior partner of Hoyle, Morris & Kerr, and a partner in the law firm of Dilworth, Paxson, Kalish & Kauffman.

He is a graduate of Harvard College and the National Law Center, George Washington University.

Josephine Young, Chief Information Officer

Josephine Young is the Chief Information Officer at Digital Access and is responsible for overseeing all of the company's information technology (IT) initiatives.

Ms. Young joined Digital Access from Nextlink, where she held was responsible for the company's IT initiatives. Over a period of four (4) years, Ms. Young was instrumental in managing the growth of Nextlink, a leading CLEC, from its inception to the deployment of 2nd generation OSS.

Prior to joining NextLink, Ms. Young was director of OSS for SP Telecom.

Ms. Young holds a BAA from George Washington University, *summa cum laude*, an MBA from Wichita State University's Barton School of Business, *summa cum laude*, and has completed her course work and exams in Decision & Information System of Arizona State University College of Business.

Norman E. Shaw, Chief Technology Officer

Mr. Shaw will oversee the development and implementation of Digital Access's broadband communications network. Mr. Shaw's responsibilities will include the meshing of voice, video and data technologies to provide a platform for Digital Access bundled service offerings.

Mr. Shaw was most recently executive director of engineering for Adelphia Business Solutions in Pittsburgh, PA. He was a member of the executive team at Adelphia and responsible for the determination of the technical foundation supporting nationwide integrated communications services.

Before joining Adelphia, Mr. Shaw held several positions at AT&T Wireless Services, including director of transport engineering. He also served as an adjunct professor in the Graduate School of Information Technology at Syracuse University.

Mr. Shaw has Bachelor's and Master's degrees in Electrical Engineering from the University of South Florida. He is completing work at the University of Pittsburgh on a Ph.D. in Electrical Engineering.

Thomas J. Fitzpatrick, Chief Financial Officer

Mr. Fitzpatrick will direct the financial affairs of Digital Access. He brings more than 20 years of experience in all areas of financial management to Digital Access.

Mr. Fitzpatrick has held several leadership positions in public corporations. Most recently, he was chief financial officer and executive vice president of Inacom, Inc. He also served as executive vice president, chief operating officer and chief financial officer of DecisionOne Corp.

Prior to joining DecisionOne, Mr. Fitzpatrick held positions as vice president of finance for Bell Atlantic's Network Operations division and vice president and chief financial officer for Bell Atlantic Business Systems.

Mr. Fitzpatrick has an MBA from Villanova University and a BS from Penn State University.

Stephen V. Minshew, Vice President of Information and Technology

Mr. Minshew is Vice President of Information Technology, and is responsible for providing information technology services to the Digital Access enterprise, including networks and systems such as computers, servers, wide-area and local-area networks, and related infrastructure; corporate systems such as groupware, accounting, and human resources systems; and operating support systems (OSS) such as computer care & billing, order management, and network inventory and management.

Prior to joining Digital Access, Mr. Minshew consulted for AT&T where he used his knowledge of telephony and CATV OSSs to integrate TCI's Customer Care & Billing System into the legacy AT&T systems infrastructure.

Prior to his consulting role, Mr. Minshew was Vice President of Information Systems of OnePoint Communications, a 2nd-generation CLEC (video, telephony, and data) operating in 13 states, where he was responsible for all computer and telephony infrastructure enterprise-wide, including OSSs. As a member of the Executive Committee, he was responsible for defining, setting, and achieving the direction, strategy, and goals of the company.

Mr. Minshew holds a Masters in Business Administration, all-but-the-dissertation toward a Ph.D. in solid-state device physics, a Masters of Science in Electrical Engineering, and a Bachelors of Science in Electrical Engineering - all from Southern Methodist University. He is a member of the Institute of Electrical and Electronics Engineers, Tau Beta Pi (National Engineering Honorary), Eta Kappa Nu (National Electrical Engineering Honorary), Kappa Mu Epsilon (National Mathematics Honorary), and Beta Gamma Sigma (National Business Honorary).

Lawrence Fyock, Vice President Product Management, Sales and Marketing

Mr. Fyock is responsible for all voice, video and data strategies and tactics to achieve customer and revenue growth targets. He brings over seventeen years of diversified management experience in the telecommunications industry.

Prior to joining Digital Access, Mr. Fyock held positions of District Director and Vice President of Sales and Marketing for Sprint PCS. His responsibilities included the initial launch of wireless operations in the northeastern region of the country and direct sales management.

Before joining Sprint, Mr. Fyock was Vice President of Marketing for RCN, where he led a team in the development and deployment of integrated voice, video and data products. While at RCN, he was instrumental in expanding retail distribution for bundled services. His other positions included corporate Director of Marketing for US Cellular Corporation, General Manager for Centel Corporation and Senior Consultant with Ernst and Young.

Mr. Fyock holds a BBA from Loyola University and an MBA from the University of Chicago.

Bob Walker, Comsource, Inc.

Digital Access has hired Mr. Walker and his company, Comsource as its technical consultant.

Comsource assists Competitive Local Exchange Carriers (CLECs) entering the telecommunications business. Comsource assists with planning basic design and network architecture(s), product selection, negotiating the technical aspects of interconnect agreements with Incumbent Local Exchange Carrier (ILECs), and technical implementation planning. Comsource also provides guidance and planning on Operation Support Systems (OSS) development and deployment, traffic engineering, networking sizing and many other fundamentals of establishing a new telecommunications company.

Mr. Walker has nearly 40 years experience in the telecommunications industry with 33 years at Illinois Bell and Ameritech. Mr. Walker has held a wide range of technical staff and management positions within Illinois Bell and Ameritech in the switching, transport and OSS arenas. Prior to his departure from Ameritech, Mr. Walker was Director of Transport Planning, and prior to that, the Director of Transmission at Illinois Bell.

Mr. Walker has also held the position of Director of Technical Development at Ameritech Development, an unregulated new venture entity, which provided him with a special insight into the competitive, new venture field. Mr. Walker's many years in the industry and his extensive background in both line and staff positions throughout his career make him uniquely qualified to assist in the creation of new competitive telephone companies.

FLEISCHMAN AND WALSH, L.L.P.

19852

11-06-00

1106

250.00

250.00

250.00

ORIGINAL DOCUMENT IS PRINTED ON CHEMICAL REACTIVE PAPER & HAS A MICROPRINTED BORDER

FLEISCHMAN AND WALSH, L.L.P.
ATTORNEYS AT LAW
1400 SIXTEENTH STREET, N.W.
WASHINGTON, DC 20036

THE RIGGS NATIONAL BANK OF WASHINGTON
PRIVATE BANKING GROUP
WASHINGTON, DC 20074-6758

19852

NUMBER

15-3/540

19852

PAY:

TWO HUNDRED FIFTY AND 00/100

DATE

AMOUNT

11-07-00

250.00

TO THE

ORDER

OF

FLORIDA

119.07(1)(z), 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 . . .



TURN ANGLE TO VIEW