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Winter Park, FL
32789

P.O. Drawer 200
Winter Park, FL
32790-0200

Tel: 407-740-8575
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January 30, 2001
Overnight Delivery

Ms. Blanca Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0870

010191-TI

RE: Initial Application and Tariff of **Novo Networks Metro Services, Inc.** for Authority to Provide Interexchange Telecommunications Services within the State of Florida.

Dear Ms. Bayo:

Enclosed for filing are the original and six (6) copies of the above-referenced application and initial tariff of Novo Networks Metro Services, Inc.

Also enclosed is a Technologies Management, Inc. check in the amount of \$250.00 to cover the filing fee.

Please acknowledge receipt of this filing by returning, filed stamped, the extra copy of this letter in the self-addressed stamped envelope provided for that purpose. I may be reached at (407) 740-8575 with any questions, comments or correspondence regarding this application. Thank you for your assistance.

Sincerely,

Thomas M. Forte
Consultant to Novo Networks Metro Services, Inc.

Enclosures

TMF/ks

cc: David Link, Novo
file: Novo - FL Debit
tns: FLd0000

DOCUMENT NUMBER-DATE

01465 JAN 31 2001

FPSC-RECORDS/REPORTING

FLORIDA PUBLIC SERVICE COMMISSION

**DIVISION OF REGULATORY OVERSIGHT
CERTIFICATION SECTION**

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

Instructions

- ◆ This form is used as an original application for an original certificate and for approval of assignment or transfer of an existing certificate. In case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Page 16).
- ◆ 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 Boulevard
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**

1. This is an application for \checkmark (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 certificate of authority of that company.

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 a new controlling entity.

2. Name of Company:

Novo Networks Metro Services, Inc.

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

Not applicable.

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

Novo Networks Metro Services, Inc.
300 Crescent Court, Suite 800
Dallas, Texas 75201
Telephone: (214) 777 - 4100
Facsimile: (214) 777 - 4102

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

See #4 Above

6. **Select type of business your company will be conducting. √ (check all that apply):**

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

7. **Structure of organization:**

- | | |
|---|--|
| <input type="checkbox"/> Individual | <input 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 | |

8. **If individual, provide:**

Name:

Title:

Address:

City, ST, Zip:

Telephone #:

Fax #:

Internet E-Mail Address:

Internet Website Address:

9. **If incorporated in Florida**, provide proof of authority to operate in Florida:
 Florida Secretary of State Corporate Registration #:
10. **If foreign corporation**, provide proof of authority to operate in Florida:
 Florida Secretary of State Corporate Registration #: F00000006309
11. **If using fictitious name-d/b/a**, provide proof of compliance with fictitious name statute (Chapter 865.09,FS to operate in Florida:
 Florida Secretary of State fictitious name registration #: Not applicable
12. **If a limited liability partnership**, provide proof of registration to operate in Florida:
 Florida Secretary of State registration #: Not applicable
13. **If a partnership**, provide name, title and address of all partners and a copy of the partnership agreement.
- Name:**
Title:
Address:
City, ST, Zip:
- Telephone #:** **Fax #:**
Internet E-Mail Address:
Internet Website Address:
14. **If a foreign limited partnership**, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169,FS), if applicable.
 Florida registration #: Not applicable
15. Provide **F.E.I. Number** (if applicable): 22 - 3611843

16. Provide the following (if applicable):

(a) Will the name of your company appear on the bill for your services?
 Yes **No** No bill is issued for Prepaid Card Services

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

Name:

Title:

Address:

City, ST, Zip:

Telephone #:

Fax #:

(c) How is this information provided?

Not applicable

17. Who will receive the bills for your service?

- | | |
|---|---|
| <input type="checkbox"/> Residential customers | <input checked="" type="checkbox"/> Business customers |
| <input type="checkbox"/> PATS providers | <input type="checkbox"/> PATS station end-users |
| <input type="checkbox"/> Hotels & motels | <input type="checkbox"/> Hotel & motel guests |
| <input type="checkbox"/> Universities | <input type="checkbox"/> Universities dormitory residents |
| <input checked="" type="checkbox"/> Other: No bill will be issued for Prepaid Debit Card Services. | |

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

(a) the application:

Thomas M. Forte, Consultant
Consultant to Novo Networks Metro Services, Inc.
Technologies Management, Inc.
P.O. Drawer 200
Winter Park, Florida 32790-0200
Telephone: (407) 740-8575
Facsimile: (407) 740-0613
Internet E-Mail Address: tforte@tminc.com

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

Mr. David N. Link, Executive Vice President, Global Operations
Novo Networks Metro Services, Inc.
300 Crescent Court, Suite 800
Dallas, Texas 75201
Telephone: (214) 777 - 4135
Facsimile: (214) 777 - 4102
Internet E-Mail Address:

(c) Complaints/Inquiries from customers:

Customer Service Manager
Novo Networks Metro Services, Inc.
300 Crescent Court, Suite 800
Dallas, Texas 75201
Toll Free: (877) 483 - 5273
Facsimile: (214) 764 - 2233
Internet E-Mail Address:

19. List the states in which the applicant:

- (a) has operated as an interexchange telecommunications company:**

None

- (b) has applications pending to be certificated as an interexchange telecommunications company:**

None

- (c) is certificated to operate as an interexchange telecommunications company:**

None, however, Novo anticipates filing Interexchange applications throughout the United States during the remainder of 2000 and the first quarter of 2001.

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

None

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

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

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

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

No officer, director or stockholder of the Company has been adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime. No officer, director or stockholder of the Company is involved in proceedings which may result in such action.

- (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.**

No officer, director, partner or stockholder of the Company is an officer director or stockholder in any other Florida certificated telephone company.

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

- A. **MTS with distance sensitive per minute rates**
 Method of access is FGA
 Method of access is FGB
 Method of access is FGD
 Method of access is 800
- B. **MTS with route specific rates per minute**
 Method of access is FGA
 Method of access is FGB
 Method of access is FGD
 Method of access is 800
- C. **MTS with statewide flat rates per minute (i.e. not distance sensitive)**
 Method of access is FGA
 Method of access is FGB
 Method of access is FGD
 Method of access is 800
- D. **MTS for pay telephone service providers.**
- E. **Block of time calling plan (Reach Out Florida, Ring America, etc.)**
- F. **800 Service (Toll free)**
- G. **WATS type service (Bulk or volume discount)**
 Method of access is via dedicated facilities
 Method of access is via switched facilities
- H. **Private line services (Channel Services) (For ex. 1.544 mbps, DS-3, etc.)**
- I. **Travel service**
 Method of access is 950
 Method of access is 800
- J. **900 service**
- K. **Operator Services**
 Available to presubscribed customers
 Available to non presubscribed customers (for example, patrons of hotels, students in universities, patients in hospitals.
 Available to inmates
Services included are:
 Station assistance
 Person to person assistance
 Directory assistance
 Operator verify and interrupt
 Conference calling

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

Please see Attachment I.

23. **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. **A written explanation** that the applicant has sufficient financial capability to provide the requested service
2. **A written explanation** that the applicant has sufficient financial capability to maintain the requested service.
3. **A written explanation** that the applicant has sufficient financial capability to meet its lease or ownership obligations

APPLICANT ACKNOWLEDGMENT STATEMENT

1. REGULATORY ASSESSMENT FEE:

I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.

2. GROSS RECEIPTS TAX:

I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.

3. SALES TAX:

I understand that a seven percent sales tax must be paid on intra and interstate revenues.

4. APPLICATION FEE:

A non-refundable application fee of \$250.00 must be submitted with the application.

UTILITY OFFICIAL:



David N. Link
Executive Vice President, Global Operations
Novo Networks Metro Services, Inc.
300 Crescent Court, Suite 800
Dallas, Texas 75201
Telephone: (214) 777 - 4135
Facsimile: (214) 777 - 4102

January 22, 2001
Date

THIS PAGE MUST BE COMPLETED AND SIGNED

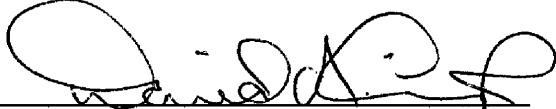
CUSTOMER DEPOSITS AND ADVANCE PAYMENTS

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

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

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

UTILITY OFFICIAL:



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Executive Vice President, Global Operations
Novo Networks Metro Services, Inc.
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Dallas, Texas 75201
Telephone: (214) 777 - 4135
Facsimile: (214) 777 - 4102

January 22, 2001
Date

AFFIDAVIT

By my signature below, I the undersigned owner or 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:



David N. Link
Executive Vice President, Global Operations
Novo Networks Metro Services, Inc.
300 Crescent Court, Suite 800
Dallas, Texas 75201
Telephone: (214) 777 - 4135
Facsimile: (214) 777 - 4102

January 22, 2001
Date

CURRENT FLORIDA INTRASTATE SERVICES

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

If the answer is Has, fully describe the following:

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

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

UTILITY OFFICIAL:



David N. Link
Executive Vice President, Global Operations
Novo Networks Metro Services, Inc.
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Dallas, Texas 75201
Telephone: (214) 777 - 4135
Facsimile: (214) 777 - 4102

January 22, 2001
Date

CERTIFICATE TRANSFER, OR ASSIGNMENT STATEMENT

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

- Transfer
- Assignment

of the above mentioned certificate.

UTILITY OFFICIAL:

Name

Signature

Title

Date

Telephone No.

Fax No.

Address:

Novo Networks Metro Services, Inc.

Attachment I

Proposed Tariff

TITLE PAGE

FLORIDA TELECOMMUNICATIONS TARIFF

OF

Novo Networks Metro Services, Inc.

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of resold telecommunication services provided by Novo Networks Metro Services, Inc. with principal offices located at 300 Crescent Court, Suite 800, Dallas, Texas 75201. This tariff applies to services furnished within the State of Florida. This tariff is on file with the Florida Public Service Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business.

Issued: January 31, 2001

Issued by:

David N. Link, Executive Vice President
300 Crescent Court, Suite 800
Dallas, Texas

Effective: March 1, 2001

FLd0000

CHECK SHEET

Pages of this tariff, as indicated below, are effective as of the date shown at the bottom of the respective pages. Original and revised pages, as named below, comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

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

* - indicates those pages included with this filing

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Section 3.0 - Description of Service 17

Section 4.0 - Rates 20

Section 5.0 - Promotions 21

SYMBOLS

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

- (D) Delete or discontinue
- (I) Change resulting in an increase to a Customer's bill
- (M) Moved from another tariff location
- (N) New
- (R) Change resulting in a reduction to a Customer's bill
- (T) Change in text or regulation but no change in rate or charge

When changes are made in any tariff sheet, a revised sheet will be issued canceling the tariff sheet affected. Changes will be identified on the revised sheet(s) through the use of the above mentioned symbols.

TARIFF FORMAT

- A. Sheet Numbering** - Sheet numbers appear in the upper right corner of the sheet. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. Sheet Revision Numbers** - Revision numbers also appear in the upper right corner of each sheet. These numbers are used to determine the most current sheet version on file with the FPSC. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc. the FPSC follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff sheet in effect. Consult the check sheet for sheet currently in effect.
- C. Paragraph Numbering Sequence** - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2.
 - 2.1.
 - 2.1.1.
 - 2.1.1.A.
 - 2.1.1.A.1.
 - 2.1.1.A.1.(a).
 - 2.1.1.A.1.(a).I.
 - 2.1.1.A.1.(a).I.(i).
 - 2.1.1.A.1.(a).I.(i).(1).
- D. Check Sheets** - When a tariff filing is made with the FPSC, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new sheets are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on the check sheet if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some sheets). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the FPSC.

SECTION 1.0 - TECHNICAL TERMS AND ABBREVIATIONS

Abbreviations

The following abbreviations are used herein only for the purposes indicated below:

FCC	-	Federal Communications Commission
FPSC	-	Florida Public Service Commission
IXC	-	Interexchange Carrier
LEC	-	Local Exchange Carrier
Novo	-	Novo Networks Metro Services, Inc.

SECTION 1.0 - TECHNICAL TERMS AND ABBREVIATIONS, (CONT'D.)

Authorization Code - A pre-defined series of numbers to be dialed by the Customer or End User upon access to the Company's system to notify the caller and validate the caller's authorization to use the services provided. The Customer is responsible for charges incurred through the use of his or her assigned Authorization Code.

Available Usage Balance - The amount of usage remaining on a Prepaid Account at any particular point in time. Each Prepaid Account has an Initial Account Balance which is stated either in U.S. dollars or Call Units, depending upon the type of service. The Available Balance is depleted as services provided by the Company are utilized by the Customer.

Commission - The Florida Public Service Commission.

Company or Carrier - Novo Networks Metro Services, Inc. unless otherwise clearly indicated by the context.

Customer - Any person, firm, partnership, corporation, or other entity which uses telecommunications services under the provisions and regulations of this tariff and is responsible for payment of charges.

Initial Usage Balance - The amount of usage on a Prepaid Account upon issuance and before any depleting call activity.

LEC - Local Exchange Company

Marks - A collective term to mean such items as trademarks, service marks, trade names and logos; copyrighted words, artwork, designs, pictures or images; or any other device or merchandise to which legal rights or ownership are held or reserved by an entity.

Issued: January 31, 2001

Issued by:

David N. Link, Executive Vice President
300 Crescent Court, Suite 800
Dallas, Texas

Effective: March 1, 2001

FLd0000

SECTION 1.0 - TECHNICAL TERMS AND ABBREVIATIONS, (CONT'D.)

Personal Identification Number (PIN) - A numeric or alpha-numeric sequence which uniquely identifies a travel card or Prepaid card account. See Authorization Code.

Prepaid Account - An account which consists of a pre-paid usage balance depleted on a real-time basis during each Prepaid Service call.

Prepaid Card - A card issued by the Company which provides the Customer with a Personal Identification Number (PIN) and instructions for accessing the Carrier's network.

Prepaid Service Call - A service accessed via a "1-800" or other access code dialing sequence whereby the Customer or Authorized User dials all of the digits necessary to route a call. Network usage for each call is deducted from the available usage balance on a Company issued Prepaid Account.

Renewal - A method of replenishing a Prepaid Account's Available Usage Balance with additional minutes of usage as authorized and paid for by the Customer.

Sponsor - A corporation or other legal entity that exclusively permits the use of its Marks to the company for use with telephone cards or other merchandise, and contracts with the company for the marketing of the services described herein.

Subscriber - The person or legal entity which enters into arrangements for the Company's telecommunications services on behalf of him/her self or on behalf of a transient third party. A Subscriber may also be an End User when he/she utilizes the telecommunications services of Novo Networks Metro Services, Inc.

Novo - Novo Networks Metro Services, Inc., issuer of this tariff.

V & H Coordinates - Geographic points which define the originating and terminating points of a call in mathematical terms so that the airline mileage of the call may be determined. Call mileage is used for the purpose of rating calls.

SECTION 2.0 - RULES AND REGULATIONS

2.1 Undertaking of the Company

Novo's services and facilities are furnished for communications originating at specified points within the state of Florida under terms of this tariff. Novo installs, operates, and maintains the communications services provided herein under in accordance with the terms and conditions set forth under this tariff.

2.2 Applicability of Tariff

This tariff is applicable to telecommunications services provided by Novo within the state of Florida.

2.3 Limitations of Service

2.3.1 Service will be furnished subject to the availability of the necessary facilities and/or equipment and subject to the provisions of this tariff.

2.3.2 Novo reserves the right to discontinue furnishing service when necessitated by conditions beyond its control, or when the Customer is using the service in violation of the provisions of this tariff, or in violation of law.

2.3.3 The Company does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission or for failure to establish connections.

2.3.4 Novo reserves the right to discontinue the offering of service if a change in regulation materially and negatively impacts the financial viability of the service in the best business judgment of the Company.

SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)

2.4 Liability

- 2.4.1** The liability of the Company for any claim or loss, expense or damage (including indirect, special, or consequential damage) for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff shall not exceed an amount equivalent to the proportionate charges to the Customer for the period of service or the facility provided during which such interruption, delay, error, omission, or defect occurs.
- 2.4.2** The Company shall not be liable for any claim or loss, expense, or damage (including indirect, special, or consequential damage), for any interruption, delay, error, omission, or other defect in any service facility, or transmission provided under this tariff, if caused by any person or entity other than the Company, by any malfunction of any service or facility provided by any other carrier, by any act of God, fire, war, civil disturbance, or act of government, or by any other cause beyond the Company's direct control, unless ordered by the Commission.
- 2.4.3** The Company shall not be liable for, and shall be fully indemnified and held harmless by Customer and Subscriber against any claim or loss, expense, or damage, (i) for defamation, invasion of privacy, infringement of copyright or patent, unauthorized use of any trademark, trade name, or service mark, unfair competition, interference with or misappropriation or violation of any contract, proprietary or creative right, or any other injury to any person, property, or entity arising from the material data, information, or content revealed to, transmitted, processed, handled, or used by Company under this tariff, or (ii) for connecting, combining, or adapting Company's facilities with Customer's or Subscriber's apparatus or systems, or (iii) for any act or omission of the Customer or Subscriber, or (iv) for any personal injury or death of any person, or for any loss of or damage to Subscriber's or Customer's premises or any other property, whether owned by Customer, Subscriber or others, caused directly or indirectly by the installation, maintenance, location, condition, operation, failure or removal of equipment or wiring provided by the Company if not directly caused by negligence of the Company.
- 2.4.4** The Company shall not be liable for any claim, loss, or refund as a result of loss or theft of Prepaid Cards or Personal Identification Numbers issued for use with the Company's services. Nor will the Company be liable for any claim, loss or refund on any unused balance remaining on a Prepaid Card provided to a Customer before or after the expiration date assigned to each Prepaid Account.

SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)

2.5 Payment and Credit Regulations

2.5.1 Payment Arrangements

For Subscriber Services, all charges due by the Customer are payable to any agency duly authorized to receive such payments. This includes payment for calls or services originated at the Customer's number(s); placed using a Prepaid Card as a form of payment regardless of the purchaser of the card or the originating location of the call; incurred at the specific request of the Customer.

Payments for service provided in association with Company-issued Prepaid Accounts must be received by the Company or its authorized agent prior to the activation of the Customer's Prepaid Account. The Customer shall be responsible for all calls placed via the Prepaid Account as the result of the Customer's intentional or negligent disclosure of their Personal Identification Number (PIN).

Renewal of Customer Account Balances made by charges to commercial credit cards are subject to the terms and conditions of the issuing commercial credit card company and those of Novo's credit card processing agent. Renewals of Customer Account Balances made by cashier's checks are subject to the terms and conditions of the issuing financial institution.

2.5.2 Deposits

The Company does not collect deposits from its Customers. The prepayment for services which are immediately available to the Customer does not constitute a deposit.

SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)

2.5 Payment and Credit Regulations, (Cont'd.)

2.5.3 Advance Payments

The Company does not collect advance payments from its Customers. The prepayment of services immediately available does not constitute an Advance Payment.

2.5.4 Taxes

Federal, state and local taxes, including but not limited to federal excise tax, state gross receipts taxes, sales taxes, and municipal utilities taxes are listed as separate line items on the bill. For pre-paid services, taxes and fees shall be included in the rates and charges stated in the Company's rate schedule for this service.

2.5.5 Returned Checks

The Company reserves the right to assess a return check charge of up to \$20.00 or 5% of the balance due (whichever is greater) whenever a check or draft presented for payment of service is not accepted by the institution on which it is written.

2.5.6 Late Payment Charge

A late fee of 1.5% per month will be charged on any past due balance.

SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)

2.6 Refunds or Credits for Service Outages or Deficiencies

2.6.1 Interruption of Service

Credit allowances for interruptions of service which are not due to the Carrier's testing or adjusting, to the negligence of the Customer, or to the failure of channels, equipment or communications systems provided by the Customer, are subject to the general liability provisions set forth in Section 2.4.2 herein. It shall be the obligation of the Customer to notify Carrier immediately of any interruption in service for which a credit allowance is desired by Customer. Before giving such notice, Customer shall ascertain that the trouble is not within his or her control or is not in wiring or equipment, if any, furnished by the Customer and connected to Carrier's terminal.

Credit allowances for interruptions of service caused by service outages or deficiencies are limited to the initial minimum period call charges for re-establishing the interrupted call.

SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)

2.7 Refusal or Discontinuance by Company

Novo may refuse or discontinue service for non-compliance with and/or violation of any Federal, State or municipal law, ordinance or regulation pertaining to telephone service.

2.7.1 Service may also be discontinued or refused without notice for the following conditions:

- A.** In the event of Customer use of equipment in such a manner as to adversely affect the company's equipment or the Company's service to others.
- B.** In the event of hazardous conditions or tampering with the equipment furnished and owned by the Company.
- C.** In the event of unauthorized or fraudulent use of service. If service is disconnected for fraudulent use, the Company may require the Customer to make, at his expense, all changes necessary to eliminate illegal use and pay any amount reasonably estimated as the loss in revenues resulting from such fraudulent use.

2.7.2 Service may be discontinued after five (5) working days written notice for the following conditions:

- A.** For non-compliance with or violation of the Commission's regulations or the Company's rules and regulations on file with the Commission.
- B.** For nonpayment of bills for telephone service.

SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)

2.7 Refusal or Discontinuance by Company, (Cont'd)

2.7.3 Service may be discontinued after notice and a reasonable time to comply with any rules or remedy any deficiency for the following conditions:

- A.** For non-compliance with or violation of any state or municipal law, ordinance or regulation pertaining to telephone service.
- B.** For the use of telephone service for any other property or purpose than described in this tariff.
- C.** For failure or refusal to provide the Company with a deposit.
- D.** For neglect or refusal to provide reasonable access to the Company for inspection and maintenance of equipment owned by the Company.

SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)

2.8 Use of Service

Service may be used for any lawful purpose for which it is technically suited. Customers reselling Novo's Florida intrastate service must have a Certificate of Public Convenience and Necessity as an interexchange carrier from the Florida Public Service Commission.

2.9 Applicable Law

This tariff shall be subject to and construed in accordance with Florida law.

2.10 Other Rules

The Company may temporarily suspend service without notice to the Customer, by blocking traffic to certain cities or NXX exchanges, or by blocking calls using certain Personal Identification Numbers when the Company deems it necessary to take such action to prevent unlawful use of its service. The Company will restore service as soon as service can be provided without undue risk.

SECTION 3 - SERVICE DESCRIPTIONS

3.1 General

Service is offered to business and residential Customers and is available on a presubscription basis from equal access originating end offices only. Rates for service may vary by call type and/or term commitments. Usage rates, per-call service charges, monthly fees and installation charges may apply. Call timing is defined in the description for each service. Service is available 24 hours per day, 7 days per week.

3.2 Timing of Calls

3.2.1 Long distance usage charges are based on the actual usage of Novo's network. Chargeable time begins when a connection is established between the calling station and the called station. Chargeable time ends when either party "hangs up" thereby releasing the network connection.

3.2.2 Initial and additional billing increments are specified in the description for each service.

3.2.3 There is no billing applied for incomplete calls.

3.2.4 Calls are billed based on the rate in effect for the actual time period(s) during which the call occurs. Calls that cross rate period boundaries are billed the rates in effect in that boundary for each portion of the call.

SECTION 3 - SERVICE DESCRIPTIONS, (CONT'D.)

3.3 Novo Prepaid Card Service

Novo Prepaid Card Service is a renewable prepaid card service allows Customers to place calls from any location. Calls are originated by dialing an access number, followed by a personal identification number in addition to the called number. Prepaid card accounts maintain a Available Usage Balance which is depleted on a real-time basis as calls are placed. Customers are notified of their remaining account balance at the beginning of each call.

Calls are billed in one (1) minute increments. The minimum call duration for billing purposes is one (1) minute. Novo Prepaid Card Service is available 24 hours a day, seven days per week.

Calls may originate from standard residential, business or pay telephone access lines and may terminate to any interstate or intrastate location. The number of available cards is subject to technical limitations. Cards will be offered to customers on a first come, first served basis.

3.3.1 Terms and Conditions of Service

- (A) Calls to 500, 700, 900 and 976 numbers and calls requiring operator assistance and quotation of time and charges cannot be completed using the Prepaid Card. Air to ground and high seas service may not be completed. Calls may not be completed using rotary telephone service.
- (B) All Prepaid Cards expire six (6) months after first initial use.
- (C) A Customer's call will be interrupted with an announcement when the balance is about to be depleted. Such announcement will occur before the balance will be depleted.
- (D) Calls in progress will be terminated by the Company if the balance on the Prepaid Card is insufficient to continue the call. Customers who purchase renewable prepaid cards may renew their card balances. Card renewals may take up to one (1) business day to process.

SECTION 3 - SERVICE DESCRIPTIONS, (CONT'D.)**3.3 Novo Prepaid Card - Sponsor Program**

The Prepaid Card Sponsor Program is offered to organizations or commercial entities for distribution to their members or patrons. The marketing vehicle and expiration period is selected by the Sponsor upon joint agreement between the Company and the Sponsor. The Sponsor is responsible for obtaining all necessary permissions for the use of any trade mark, trade name, service mark or other image on the card. The Sponsor may distribute the Carrier's debit card accounts at reduced rates or free of charge to end users for promotional purposes. At the option of the sponsor, these cards may not be replenished. The Company reserves the right to approve or reject any image and to specify the customer information language and use of the Carrier's trade mark, trade name, service mark or other image on the card.

Issued: January 31, 2001

Issued by:

David N. Link, Executive Vice President
300 Crescent Court, Suite 800
Dallas, Texas

Effective: March 1, 2001

FLd0000

SECTION 4 - RATES AND CHARGES**4.1 Prepaid Card Service Rates**

(1) Homeland Card	
Initial Minute	\$0.4200
Each Additional Minute	\$0.0290
(2) Worldwide Card	
Initial Minute	\$0.3400
Each Additional Minute	\$0.0450
(3) Get Connected Card	
Initial Minute	\$0.5100
Each Additional Minute	\$0.0690
(4) Get Connected II Card	
Initial Minute	\$0.0700
Each Additional Minute	\$0.0690

4.2 Pay Telephone Surcharge

Rate Per Call: \$0.30

SECTION 5 - PROMOTIONS

5.1 Promotions - General

From time to time the Company may, at its option, promote subscription or stimulate network usage by offering to waive some or all of the nonrecurring or recurring charges for the Customer (if eligible) of target services for a limited duration, not to exceed 90 days, or by offering premiums or refunds of equivalent value. Such promotions shall be made available to all similarly situated Customers in the target market area. The Company shall notify the Commission, in writing, 30 days prior to the start of a promotion.

5.2 Demonstration Calls

From time to time Novo will demonstrate its services by providing free test calls of up to fifteen minutes duration over its network.

Novo Networks Metro Services, Inc.

Attachment II

Secretary of State



FLORIDA DEPARTMENT OF STATE
Katherine Harris
Secretary of State

November 13, 2000

CAPITOL SERVICES

TALLAHASSEE, FL

Qualification documents for NOVO NETWORKS METRO SERVICES, INC. were filed on November 13, 2000 and assigned document number F00000006309. Please refer to this number whenever corresponding with this office.

Your corporation is now qualified and authorized to transact business in Florida as of the file date.

The certification you requested is enclosed.

A corporation annual report/uniform business report will be due this office between January 1 and May 1 of the year following the calendar year of the file date. A Federal Employer Identification (FEI) number will be required before this report can be filed. If you do not already have an FEI number, please apply NOW with the Internal Revenue by calling 1-800-829-3676 and requesting form SS-4.

Please be aware if the corporate address changes, it is the responsibility of the corporation to notify this office.

Should you have any questions regarding this matter, please telephone (850) 487-6051, the Foreign Qualification/Tax Lien Section.

Buck Kohr
Corporate Specialist
Division of Corporations

Letter Number: 900A00058343

State of Florida



Department of State

I certify the attached is a true and correct copy of the application by NOVO NETWORKS METRO SERVICES, INC., a Delaware corporation, authorized to transact business within the State of Florida on November 13, 2000 as shown by the records of this office.

The document number of this corporation is F00000006309.

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



CR2EO22 (1-99)

Katherine Harris

Katherine Harris
Secretary of State

APPLICATION BY FOREIGN CORPORATION FOR AUTHORIZATION TO TRANSACT BUSINESS IN FLORIDA

IN COMPLIANCE WITH SECTION 607.1503, FLORIDA STATUTES, THE FOLLOWING IS SUBMITTED TO REGISTER A FOREIGN CORPORATION TO TRANSACT BUSINESS IN THE STATE OF FLORIDA.

1. Novo Networks Metro Services, Inc.
 (Name of corporation; must include the word "INCORPORATED", "COMPANY", "CORPORATION" or words or abbreviations of like import in language as will clearly indicate that it is a corporation instead of a natural person or partnership if not so contained in the name at present.)

2. Delaware 3. 22-3611843
 (State or country under the law of which it is incorporated) (FEI number, if applicable)

4. August 25, 1998 5. Perpetual
 (Date of incorporation) (Duration: Year corp. will cease to exist or "perpetual")

6. Upon Qualification
 (Date first transacted business in Florida. If corporation has not transacted business in Florida, insert "upon qualification.")
 (SEE SECTIONS 607.1501, 607.1502 and 817.155, F.S.)

7. 300 Crescent Court, Suite 800, Dallas, Texas 75201
 (Principal office address)

300 Crescent Court, Suite 800, Dallas, Texas 75201
 (Current mailing address)

8. Communications services, data networking and To engage, directly, or indirectly, in any lawful act or activity which corporations may be organized under the laws of the State of Florida
 (Purpose(s) of corporation authorized in home state or country to be carried out in state of Florida)

9. Name and street address of Florida registered agent: (P.O. Box or Mail Drop Box NOT acceptable)


Name: United Corporate Services, Inc.

Office Address: 9200 South Dadeland Blvd. Suite 508

Miami, Florida 33156
 (City) (Zip code)

10. Registered agent's acceptance:

Having been named as registered agent and to accept service of process for the above stated corporation at the place designated in this application, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.


 (Registered agent's signature)

11. Attached is a certificate of existence duly authenticated, not more than 90 days prior to delivery of this application to the Department of State, by the Secretary of State or other official having custody of corporate records in the jurisdiction under the law of which it is incorporated.

FILED
 NOV 13 11 12 AM '00
 SECRETARY OF STATE
 TALLAHASSEE, FLORIDA

12. Names and business addresses of officers and/or directors:

A. DIRECTORS

Chairman: Jeffrey A. Marcus

Address: 300 Crescent Court, Suite 800

Dallas, Texas 75201

Vice Chairman: _____

Address: _____

Director: _____

Address: _____

Director: _____

Address: _____

FILED
00 NOV 13 PM 2:21
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

B. OFFICERS

President: See Attached

Address: _____

Vice President: _____

Address: _____

Secretary: _____

Address: _____

Treasurer: _____

Address: _____

NOTE: If necessary, you may attach an addendum to the application listing additional officers and/or directors.

13. 

(Signature of Chairman, Vice Chairman, or any officer listed in number 12 of the application)

14. Stuart J. Chasanoff - Senior Vice President and Secretary

(Typed or printed name and capacity of person signing application)

LISTING OF OFFICERS AND BUSINESS ADDRESS

OFFICERS

FILED
 00 NOV 13 PM 12:21
 SECRETARY OF STATE
 TALLAHASSEE, FLORIDA

<u>Name</u>	<u>Offices</u>
Jeffrey A. Marcus *	Chief Executive Officer
Thomas P. McMillin *	Senior Executive Vice President and Chief Operating Officer
Barrett N. Wissman *	President
Daniel J. Wilson *	Executive Vice President, Chief Financial Officer and Treasurer
Mitchell C. Arthur +	Executive Vice President - Global Services and Network Development
David N. Link *	Executive Vice President - Global Operations
Stuart J. Chasanoff *	Senior Vice President and Secretary
Olaf Guerrand-Hermes #	Senior Vice President - Investments
Samuel L. Litwin +	Senior Vice President - Business Development
Gary C. Allison *	Senior Vice President - Chief Information Officer
Chad E. Coben *	Senior Vice President - Finance and Corporate Development
Susie C. Holliday *	Senior Vice President - Accounting
Charan Khurana %	Senior Vice President - Value Added Services
Patrick G. Mackey *	Senior Vice President - Administration
Christopher J. Sikora +	Senior Vice President - Broadband Network Services
George Bingham +	Vice President - Business Planning and Administration
Kim Boyette %	Vice President - B2B
Steven W. Caple *	Vice President and Assistant Secretary
John Hunter %	Vice President - Retail
Nicholas C. Morgan *	Vice President - Marketing
Steven Papa +	Vice President, North American Sales
M. Beau Paradowski *	Assistant Treasurer
Kimberly A. Pinson *	Vice President - Corporate Controller and Assistant Treasurer
Leanne Redding*	Assistant Secretary
Nhut Tan Tran*	Assistant Secretary

Business Address

* = 300 Crescent Court, Suite 800 Dallas, Texas 75201	# = 520 Madison Avenue, Suite 3820 New York, New York 10022
+ = One Evertrust Plaza, 8 th Floor Jersey City, New Jersey 07302	% = 12200 Stemmons Parkway, Suite 315 Dallas, Texas 75234

Novo Networks Metro Services, Inc.

Attachment III

Financial Statements

Attachment III - A

Financial Resources Statement

Novo Networks Metro Services, Inc. is providing the 3rd Quarter 10-Q of its parent company, Novo Networks, Inc. (formerly eVENTURES GROUP, INC.) as proof of its ability to provide competitive local exchange service within Florida. The parent company has ample financial resources to support Novo during its initial startup in Florida. The parent company has \$35,908,828 in cash or cash equivalents and a current ratio of 2.33 to 1. (Current assets of \$47,808,781 and current liabilities of \$20,592,194)

Novo Networks Metro Services proposes to operate as a local service reseller in the state. There are minimal capital requirements or expenses that the company will experience when starting operations in Florida. All transmission will be provided by the underlying carrier. The company has structured its retail pricing so that its per minute rate covers its per minute cost, thus assuring an almost instantaneous positive cash flow.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2000

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

COMMISSION FILE NUMBER 0-28579

eVENTURES GROUP, INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction
of incorporation)

75-2233445
(I.R.S. Employer
Identification No.)

300 CRESCENT COURT, SUITE 800
DALLAS, TEXAS 75201
(214) 777-4100

(Address and telephone number of principal executive offices)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

On November 6, 2000, 51,989,042 shares of the registrant's Common Stock \$.00002 par value per share were outstanding.

EVENTURES GROUP, INC.
QUARTERLY REPORT FORM 10-Q
INDEX

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eVENTURES GROUP, INC.
CONSOLIDATED BALANCE SHEETS

ASSETS	September 30, 2000 ----- (unaudited)	June 30, 2000 -----
CURRENT ASSETS		
Cash and cash equivalents	\$ 35,908,828	\$ 40,764,246
Accounts receivable, less allowances for doubtful accounts (\$1,231,881 - September 2000; \$793,900 - June 2000)	5,465,886	3,607,053
Prepaid expenses and other receivables	3,462,456	2,979,489
Deposits	956,456	1,020,584
VAT receivable	1,864,155	2,131,277
Notes receivable, affiliate	223,000	100,000
	-----	-----
	47,880,781	50,602,649
	-----	-----
LONG-TERM ASSETS		
Restricted cash	281,928	281,928
Property and equipment, net	36,078,201	35,419,120
Investments in affiliates	19,539,843	23,373,190
Goodwill and other intangibles, net	103,491,840	108,639,486
	-----	-----
	159,391,812	167,713,724
	-----	-----
	\$ 207,272,593	\$ 218,316,373
	-----	-----
LIABILITIES & STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Capital leases, current portion	\$ 4,820,235	\$ 4,703,053
Accounts payable	7,379,850	8,244,480
Accrued other	7,414,326	3,025,285
Accrued interest payable	--	78,016
Customer deposits and deferred revenues	726,565	619,403
Notes payable, current portion	251,218	229,343
	-----	-----
	20,592,194	16,899,580
	-----	-----
LONG-TERM LIABILITIES		
Notes payable, net of current portion	4,013,270	3,685,145
Capital leases, net of current portion	6,381,870	5,780,851
	-----	-----
	10,395,140	9,465,996
	-----	-----
COMMITMENTS AND CONTINGENCIES		
	--	--
STOCKHOLDERS' EQUITY		
Common stock	1,041	1,041
Common stock to be issued	1	1
Preferred stock	--	--
Treasury stock	(3,896)	--
Additional paid-in capital	248,907,665	248,907,665
Accumulated deficit	(70,828,497)	(54,634,559)
Deferred compensation	(843,063)	(1,274,479)
Notes receivable from shareholders	(947,992)	(1,048,872)
	-----	-----
	176,285,259	191,950,797
	-----	-----
	\$ 207,272,593	\$ 218,316,373
	-----	-----

See accompanying notes to consolidated financial statements.

eVENTURES GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

For the Three Months
Ended September 30,

	2000	1999

(unaudited)		
venues	\$ 18,597,027	\$ 8,675,719
direct costs	17,341,332	8,729,520

gross profit (loss)	1,255,695	(53,801)
selling, general and administrative expenses	7,143,578	1,355,148
depreciation and amortization	6,468,935	460,884

loss from operations, before other (income) expense	(12,356,818)	(1,869,833)
Other (income) expense		
Interest (income) expense	(306,055)	519,231
Write off of unamortized debt discount ...	--	917,615
Equity in loss of affiliates	4,070,989	18,730
Foreign currency gain	(2,845)	(6,502)
Other	75,031	(6,588)

	3,837,120	1,442,486

net loss available to common shareholders	\$ (16,193,938)	\$ (3,312,319)
=====		
net loss per share - (basic and diluted) ...	\$ (0.31)	\$ (0.20)
=====		
weighted average number of shares outstanding - (basic and diluted)	51,989,562	16,547,331
=====		

See accompanying notes to consolidated financial statements.

eVENTURES GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

Three Months Ended September 30,

2000	2000
(unaudited)	

CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$(16,193,938)	\$ (3,312,319)
Adjustments to reconcile net loss to net cash used in net operating activities:		
Depreciation and amortization	6,468,935	460,884
Equity in loss of affiliates	4,070,989	18,730
Other non-cash expenses	890,127	1,247,522
Change in operating assets and liabilities:		
Accounts receivable	(2,240,273)	(97,493)
Prepaid expenses and other receivables	(485,741)	(68,087)
VAT receivable	267,122	314,598
Restricted cash	--	36,686
Accounts payable	(864,630)	1,170,492
Accrued other	4,389,041	309,516
Accrued interest payable	(78,016)	142,508
Customer deposits and deferred revenue	107,162	679,765
Net cash provided by (used in) operating activities	(3,669,222)	902,802
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Deposits	64,128	(56,761)
Purchase of property and equipment	(832,800)	(574,379)
Net cash acquired in acquisitions	--	299,687
Investments in affiliates	(50,772)	(68,122)
Net cash used in investing activities	(819,444)	(399,575)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Shareholder repayment of note receivable	96,984	--
Payments on capital leases	(506,640)	(196,583)
Advances (repayments) on notes payable	350,000	(823,278)
Issuance of notes receivable - affiliate, net	(307,096)	--
Issuance of common and preferred stock	--	5,940,000
Net cash provided by (used in) financing activities	(366,752)	4,920,139
NET CHANGE IN CASH AND CASH EQUIVALENTS	(4,855,418)	5,423,366
CASH AND CASH EQUIVALENTS, beginning of year	40,764,246	39,379
CASH AND CASH EQUIVALENTS, end of period	\$ 35,908,828	\$ 5,462,745

SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:		
Cash paid for interest	\$ 374,726	\$ 97,000
Cash paid for taxes	\$ --	\$ --

SUPPLEMENTAL DISCLOSURE OF NON-CASH OPERATING, INVESTING AND FINANCING ACTIVITIES:		
Purchases of equipment under capital leases	\$ 1,224,841	\$ --
Goodwill arising from change in ownership and acquisitions settled through issuance of stock	\$ --	\$ 17,162,468
Net assets of subsidiaries acquired through an issue of stock	\$ --	\$ 196,169

See accompanying notes to consolidated financial statements.

eVENTURES GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PRESENTATION

eVentures Group, Inc. ("eVentures or the Company") is a global broadband network services company providing broadband services, value added services and prepaid services over a facilities-based network which consists of digital switching, routing and signal management equipment, as well as digital fiber optic cable lines. On November 10, 2000, the Company announced a name change to Novo Networks, Inc., effective on or around December 10, 2000. The name change is intended to reflect the Company's transition to a broadband network services operating company.

The accompanying consolidated financial statements for the three month periods ended September 30, 2000 and 1999, have been prepared by the Company without audit, pursuant to the interim financial statements rules and regulations of the SEC. In the opinion of management, the accompanying consolidated financial statements include all adjustments, consisting only of those of a normal recurring nature, necessary to present fairly the results of the Company's operations and cash flows at the dates and for the periods indicated. The results of operations for the interim periods are not necessarily indicative of the results for the full fiscal year. The accompanying financial statements should be read in conjunction with the Company's audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2000 filed with the Securities and Exchange Commission.

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 assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The consolidated financial statements include the accounts of the Company and all wholly owned and majority owned subsidiaries. The financial results of e.Volve Technology Group, Inc. ("e.Volve") are included in the financial statements for all periods presented. The financial results for AxisTel Communications, Inc. ("AxisTel") are included in the financial statements since September 22, 1999, the date of acquisition. The financial results of Internet Global Services, Inc. ("iGlobal") are included in the financial statements since its acquisition on March 10, 2000. All significant inter-company accounts have been eliminated.

Certain fiscal 2000 balances have been reclassified for comparative purposes to be consistent with the fiscal 2001 presentation.

GOODWILL

Goodwill arising from the excess of cost over net assets of businesses acquired by the Company is amortized on a straight-line basis over periods ranging from five to ten years. The Company assesses the recoverability of goodwill by determining whether the amortization over its remaining life can be recovered through projected undiscounted future cash flows. The amount of impairment, if any, is measured based on fair value and is charged to operations in the period in which impairment is determined by management. As of September 30, 2000, the Company's management has not identified any material impairment of goodwill.

3. NET LOSS PER SHARE

The Company calculates earnings per share in accordance with Statement of Financial Accounting Standards ("SFAS") No. 128, Earnings per Share ("EPS"). SFAS No. 128 requires dual presentation of basic EPS and diluted EPS on the face of all income statements for all entities with complex capital structures. Basic EPS is computed as net income divided by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur from common shares issuable through stock options, warrants and convertible debentures. Diluted EPS has not been presented for the effects of stock options, warrants, convertible debentures and preferred stock as the effect would be antidilutive. Accordingly, basic and diluted EPS did not differ for any period presented. For purposes of computation of EPS, the shares issued for the acquisition of e.Volve (11,365,614 shares) are deemed to have been in existence for the entire three month period ended September 30, 1999.

INVESTMENTS IN AFFILIATES

The Company has minority investments in the following companies:

Accounting Company Name -----	% Ownership*		Accounting Method -----	September 30,	June 30,
	Common	Preferred		2000	2000
				(unaudited)	
PhoneFree.com, Inc. ("PhoneFree").....	17.2%	31.7%	Equity	\$ 9,554,691	\$ 11,897,831
3 Communications & Marketing, Inc.....	19.0%	100.0%	Equity	7,069,536	7,713,650
iBox, Inc.....	14.0%	68.2%	Equity	1,915,616	2,034,632
inch Center 39.....	0.0%	2.1%	Cost	1,000,000	1,000,000
Levant, Inc. (d/b/a CallRewards).....	0.0%	0.0%	Equity	--	727,077
				-----	-----
				\$ 19,539,843	\$ 23,373,190
				=====	=====

The percentage ownership reflects eVentures' ownership percentage at September 30, 2000.

On September 1, 2000, CallRewards was merged with a subsidiary of PhoneFree. eVentures received 102,240 shares of PhoneFree common stock in exchange for eVentures' equity interest in CallRewards and as repayment of \$184,096 advanced to CallRewards pursuant to note agreements.

During the September quarter, the Company advanced \$223,000 to FonBox, Inc. pursuant to a convertible promissory note agreement. Additionally, subsequent to September 30, 2000, the Company invested an additional \$777,000 in FonBox, Inc. and converted its prior advance in exchange for 510,733 shares of FonBox, Inc. Series C Preferred stock.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events. These statements may be identified by the use of words such as "expects," "anticipates," "intends," "plans" and similar expressions. Factors that could cause actual results to differ materially from those reflected in the forward-looking statements include, but are not limited to, those discussed in this section, elsewhere in this report and the risks discussed in the "Risk Factors Related to Our Company" section included in our Annual Report on Form 10-K for our fiscal year ended June 30, 2000, filed with the SEC. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis, judgment, belief or expectation only as of the date hereof. We undertake no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date of this report.

BRIEF SUMMARY OF PRESENTATION

Prior to September 22, 1999, we were a public company with no material operations. We were formerly known as Adina, Inc., which was incorporated in the State of Delaware on June 24, 1987. In September and October 1999, we completed a series of transactions whereby we acquired (i) 100% of the outstanding shares of e.Volve, (ii) 100% of the outstanding shares of AxisTel (iii) 17% of the outstanding shares of PhoneFree and (iv) a note receivable from e.Volve in the amount of approximately \$8.5 million ("Notes"), including accrued interest. All of the acquisitions and the purchase of the Notes were settled through the issuance of 42,787,863 shares of common stock of eVentures and are collectively referred to as the "Initial Transaction".

Since we had no material operations prior to the Initial Transaction, the reorganization was accounted for as a recapitalization of e.Volve. Accordingly, the historical financial statements presented through September 22, 1999 are those of e.Volve. The financial statements presented herein reflect the consummation of the reorganization, and therefore are the consolidated financial statements of eVentures and subsidiaries as of September 30, 2000 and June 30, 2000 and for the period from September 22, 1999 through September 30, 1999 and the three months ended September 30, 2000. On March 10, 2000, we acquired Global, which has been incorporated into the consolidated financial statements from the date of acquisition.

Revenues. Revenues are generated through the sale of our products and services which can be divided into three general service categories: (i) broadband, (ii) value added and (iii) prepaid. Broadband services consist of transport services such as private line, asynchronous transfer mode and frame relay and access services such as dial-up and dedicated Internet access, DSL and collocation services. Value added services include software services that leverage the packet-based infrastructure of our network to deliver advanced communications services to end-users. Value added services consist principally of virtual private network, voice-over-Internet-protocol, or VOIP services, web hosting and other services. We also offer prepaid services through the sale of calling cards on a wholesale and retail basis. The majority of our products and services are measured and billed on a per minute basis.

Historically, we have derived substantially all of our revenues from the sale of VOIP and transport services. Our agreements with our wholesale customers are short term in duration and the rates are subject to change from time to time. Due to increasing competition, management expects these rates to decline, which could result in lower revenues and increased losses. Our three largest customers accounted for 60% of our revenues during the three-month period ended September 30, 2000. We anticipate that our dependence on these three customers will continue to decline as we broaden our sales and marketing initiatives to include (i) adding new customers, (ii) increasing sales to existing customers and (iii) increasing sales of broadband, value added and prepaid services.

Direct Costs. Direct costs include per minute termination charges, lease payments and fees for fiber optic cable. Historically, the call termination expense component of these direct costs has declined as measured on a cost per minute basis. The direct costs incurred for leasing communications network capacity has also declined. However, the agreements we enter into for leasing such capacity are generally at fixed rates for periods of more than one year. We anticipate that our aggregate direct costs will continue to increase over time as we build out our global network and enter into additional capacity leases in advance of sales. We expect our call termination expenses, as measured on a cost per minute basis, will continue to decline, offset by increases in the volume of traffic on our network.

Selling, General and Administrative Expenses. These expenses include general corporate expenses, management and operations salaries and expenses, professional fees, sales and marketing expenses, travel expenses, benefits, facilities costs and administrative expenses. Currently we maintain our corporate headquarters in Dallas, Texas, and have additional offices in Jersey City, New Jersey, New York, New York, Kansas City, Missouri, Dallas, Texas, Miami, Florida and Mexico City, Mexico. We anticipate that our selling, general and administrative expenses will continue to increase over time as we are expanding the size of our staff and facilities to meet the demands of our global network expansion and increased product offerings.

Depreciation and Amortization. Depreciation and amortization represent the depreciation of property, plant & equipment and the amortization of goodwill resulting from the reorganization transactions and the acquisition of iGlobal.

We anticipate that depreciation and amortization expense will continue to increase over time as we continue to make investments in our communications network and facilities.

SUMMARY OF OPERATING RESULTS

The table below summarizes our operating results

	Three Months Ended September 30,			
	2000	%	1999	%
			(unaudited)	
Revenues	\$ 18,597,027	100.0%	\$ 8,675,719	100.0%
Direct costs	17,341,332	93.2%	8,729,520	100.6%
Gross profit	1,255,695	6.8%	(53,801)	(0.6%)
Selling, general and administrative expenses	7,143,578	38.4%	1,355,148	15.6%
Depreciation and amortization	6,468,935	34.8%	460,884	5.3%
Loss from operations, before other (income) expense	(12,356,818)	(66.4%)	(1,869,833)	(21.6%)
Other (income) expenses:				
Interest expense (income), net	(306,055)	(1.6%)	519,231	6.0%
Write off of unamortized debt discount	--	0.0%	917,615	10.6%
Equity in loss of affiliates	4,070,989	21.9%	18,730	0.2%
Foreign currency gain	(2,845)	(0.0%)	(6,502)	(0.1%)
Other	75,031	0.4%	(6,588)	(0.1%)
Net loss available to common shareholders	\$ (16,193,938)		\$ (3,312,319)	
Net loss per share - (basic and diluted) ...	\$ (0.31)		\$ (0.20)	
Weighted average number of shares outstanding - (basic and diluted)	51,989,562		16,547,331	

THREE MONTHS ENDED SEPTEMBER 30, 2000 COMPARED TO THREE MONTHS ENDED SEPTEMBER 30, 1999

Revenues. Revenues increased to \$18.6 million during the three months ended September 30, 2000 from \$8.7 million during the three months ended September 30, 1999, an increase of 114%. Revenues for the three months ended September 30, 2000 were generated through the sale of (i) 80% VOIP services, (ii) 14% prepaid services, (iii) 4% transport services and (iv) 2% Internet services. Sales during the prior year period consisted of VOIP services.

The increase in revenues during the three months ended September 30, 2000 primarily resulted from revenues of companies acquired as part of the Initial Transaction, which increased revenues by \$8.0 million during the first fiscal quarter of 2001. In addition, an increase in traffic contributed to the remainder of the increase in revenues. During the three months ended September 30, 2000, we transmitted 133.4 million minutes versus 77.1 million minutes during the first quarter of 2000, an increase of 73%. Excluding the 29.1 million minutes added as a result of acquisitions, we increased minutes during the quarter, as compared to the same prior year period, by 27.2 million minutes, an increase of 35%. The increase in traffic during the current three-month period was partially offset by a

crease in the average price per minute that we charged for VOIP services. The average price per minute decreased to \$0.101 during the three months ended September 30, 2000 versus \$0.113 during the comparable period in fiscal 2000.

Direct Costs. Direct costs increased to \$17.3 million during the three months ended September 30, 2000 from \$8.7 million during the three months ended September 30, 1999, an increase of 99%. The increase in direct costs in the three months ended September 30, 2000 primarily resulted from direct costs attributable to operations of the companies acquired as part of the Initial Transaction and the subsequent acquisition of iGlobal, which on a combined basis, increased direct costs by \$7.8 million during our first quarter of fiscal 2001. The additional increase during the period of \$0.8 million was a result of the previously discussed increases in traffic volumes partially offset by lower per minute termination costs. The average cost per minute to terminate calls increased to \$0.091 during the three months ended September 30, 2000 from \$0.113 during the comparable period in fiscal 2000. As a percentage of revenues, direct costs during the three months ended September 30, 2000 decreased to 93% from 114% during the three months ended September 30, 1999. The decrease in direct costs as a percentage of revenues resulted primarily from the cost per minute for termination decreasing faster than the average price we charge per minute.

Selling, General and Administrative. Selling, general and administrative expenses increased to \$7.1 million during the three months ended September 30, 2000 from \$1.4 million in the prior year period, an increase of 407%. Selling, general and administrative expenses during the three months ended September 30, 2000 increased primarily due to: (i) expenses incurred by companies acquired during fiscal 2000 of \$3.4 million, (ii) an increase in salary and office rent expense of \$1.2 million as a result of the expansion of our organization and (iii) compensation expense of \$0.4 million related to the issuance of options below the market value of our stock.

Depreciation and Amortization. As a result of the reorganization transactions in September 1999 and October 1999 and the acquisition of iGlobal in March 2000, we recorded approximately \$116.0 million in goodwill. Amortization of goodwill during the three months ended September 30, 2000 totaled \$5.2 million. Depreciation recorded on fixed assets during the current year period totaled 1.3 million compared to \$0.5 million for the prior year period. At September 30, 2000 fixed assets, consisting primarily of network equipment, totaled \$36.1 million compared to \$7.3 million at September 30, 1999.

Interest (Income) Expense, Net. We recorded interest income, net of expense, of 0.3 million for the three months ended September 30, 2000 compared to net interest expense of \$0.5 million for the three months ended September 30, 1999. The interest income, net during the three months ended September 30, 2000 resulted from interest income on greater cash balances maintained from the proceeds of private placements completed in fiscal 2000 together with lower interest expense. The reduction in interest expense was due to the elimination of \$8.0 million of e.Volve's debentures as a result of the reorganization transaction on September 22, 1999.

Equity in Losses of Affiliates. Equity in losses of affiliates resulted from our minority ownership in certain investments that are accounted for under the equity method of accounting. Under the equity method, our proportionate share of each affiliate's operating losses and amortization of our net excess investment over our equity in each affiliate's net assets is included in equity in losses of affiliates. Equity in loss of affiliates was \$4.1 million during the three months ended September 30, 2000 and resulted primarily from our 22% equity interest in PhoneFree. We anticipate that our strategic investments accounted for under the equity method will continue to invest in the development of their products and services, and will continue to recognize operating losses, which will result in future charges to earnings as we record our proportionate share of such losses.

Write Off Of Unamortized Debt Discount. The \$0.9 million write off of unamortized debt discount in fiscal 2000 resulted from the elimination of e.Volve's outstanding debentures as a result of the reorganization transaction.

LIQUIDITY AND CAPITAL RESOURCES

Our business plan contemplates expanding our network operations and related services both domestically and internationally. Our primary expenditures will be for equipment, network expansion, increased personnel costs and working capital. This strategy may also include strategic acquisitions and investments. Sources of funding for our financing requirements may include vendor financing, bank loans, and public offerings or private placements of equity and/or debt securities. There can be no assurance that additional financing will be available or, if available,

at financing can be obtained on a timely basis and on acceptable terms. The failure to obtain such financing on acceptable terms could significantly reduce our ability to fund our expense, development, acquisitions and operations.

Since July 1, 1999, we have funded our operations primarily through cash flow from operations, private placements of common and preferred stock and borrowings under loan and capital lease agreements. Our principal uses of cash are to fund (i) the expansion of our operations; (ii) working capital requirements; (iii) capital expenditures, primarily for our network; (iv) operating losses; and (v) acquisitions and strategic investments. As of September 30, 2000, we had current assets of \$47.9 million, including cash and cash equivalents of \$35.9 million. Our working capital surplus at September 30, 2000 was \$27.3 million. While this amount is not sufficient to fund our current plans for global network expansion, our cash and cash equivalents at September 30, 2000 are expected to provide sufficient liquidity to meet our operating and capital requirements over the next twelve months.

We estimate that our current network expansion plans will require approximately \$70.0 million over the next 24-months. We expect to fund these capital requirements through existing cash balances, expansion of our capital lease facilities and public and private placements of equity and/or debt securities. We are not able to raise additional funds within the next six months we may not be able to complete our global network expansion and increase our revenues pursuant to our business strategy.

Cash flows from operating activities. Cash used in operating activities for the three months ended September 30, 2000 totaled \$3.7 million compared to net cash provided for the three months ended September 30, 1999 of \$0.9 million. The increased use of cash in our operating activities is primarily attributable to increased costs associated with expanding our overall operations which encompasses (i) networks, (ii) facilities, (iii) employee costs and (iv) costs incurred by companies acquired during fiscal 2000. During the three months ended September 30, 2000 cash flow used by operating activities primarily resulted from operating losses, net of non-cash charges, totaling \$4.8 million and an increase in accounts receivable of \$2.2 million, partially offset by a net increase in accounts payable and accrued liabilities of \$3.5 million. At September 30, 1999, cash flows provided by operating activities resulted from increases in current liabilities offset partially by operating losses, net of non-cash charges, totaling \$1.6 million.

Cash flows from investing activities. Net cash used in investing activities was \$0.8 million for the three months ended September 30, 2000 compared to \$0.4 million for the same period in the prior fiscal year. Investing activities in the current fiscal year period consisted primarily of purchases of network equipment. Investing activities for the prior year period consisted principally of fixed asset purchases of \$0.6 million offset partially by cash acquired in acquisitions of \$0.3 million.

Cash flows from financing activities. Cash flows used in financing activities during the three months ended September 30, 2000 totaled \$0.4 million and consisted principally of capital lease payments of \$0.5 million and amounts advanced to an affiliate company pursuant to a note agreement of \$0.3 million, offset partially by borrowings under a credit agreement for equipment purchases. Cash flows provided by financing activities for the three months ended September 30, 1999 totaled \$4.9 million and were attributable to the issuance of \$5.9 million of common and preferred stock, partially offset by the repayment of a bridge loan and capital lease payments.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

are exposed to the impact of political instability, foreign currency, interest rate and other risks.

Political Instability Risks. We have relationships with foreign suppliers in Jamaica, Mexico, India and other countries. We have not experienced any negative economic consequences as a result of relationships with foreign suppliers in these countries, but may be negatively affected should political stability in any of these countries develop.

Foreign Currency Risks. Since the agreements we have entered into with foreign suppliers in Jamaica, India and other countries are denominated in U.S. dollars, we are not exposed to risks associated with fluctuations in these foreign currencies. However, because our agreements with Mexican suppliers are denominated in Mexican pesos, we may be exposed to fluctuations in the Mexican peso, as well as to downturns in the Mexican economy, all of which may affect profitability. During the three months ended September 30, 2000, \$5.4 million of our direct costs were denominated in Mexican pesos.

Interest Rate Risks. We have investments in money market funds of approximately 4.6 million at September 30, 2000. We also have a variable rate credit facility to purchase equipment with outstanding borrowings at September 30, 2000 of \$4.0 million. Due to the short-term nature of our investments and the relatively low amount of variable rate debt on our balance sheet, we believe that the effects of changes in interest rates are limited and would not materially impact our profitability.

Other Market Risks. We are also exposed to potential risks in dealing with foreign suppliers in foreign countries associated with potentially weaker protection of intellectual property rights, unexpected changes in regulations and tariffs, and varying tax consequences.

PART II: OTHER INFORMATION

EM 1. LEGAL PROCEEDINGS

The Company is involved in legal proceedings from time to time, none of which management believes, if decided adversely to us, would have a material adverse effect on the business, financial condition or results of operations of the Company.

EM 2. CHANGES IN SECURITIES

None.

EM 3. DEFAULTS UPON SENIOR SECURITIES

None.

EM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

EM 5. OTHER INFORMATION

None.

EM 6. EXHIBITS AND REPORTS ON FORM 8-K

(i) Exhibits

- 10.1 Amendment No. 1 to Employment Agreement between eVentures Group, Inc. and Thomas P. McMillin, dated as of September 25, 2000
- 10.2 Amendment No. 1 to Employment Agreement between eVentures Group, Inc. and Daniel J. Wilson, dated as of September 25, 2000
- 10.3 Amendment No. 1 to Employment Agreement between eVentures Group, Inc. and Olaf Guerrand-Hermes, dated as of September 25, 2000
- 10.4 Amendment No. 1 to Employment Agreement between eVentures Group, Inc. and Stuart J. Chasanoff, dated as of September 25, 2000
- 10.5 Amendment No. 1 to Employment Agreement between eVentures Group, Inc. and Chad E. Coben, dated as of September 25, 2000

- 10.6 Amendment No. 1 to Employment Agreement between eVentures Group, Inc. and Susie C. Holliday, dated as of September 25, 2000
- 10.7 Amendment to Non-Qualified Stock Option Agreement between eVentures Group, Inc. and Susie C. Holliday, dated October 2, 2000
- 10.8 Amendment No. 1 to Employment Agreement between eVentures Group, Inc. and David N. Link, dated as of September 25, 2000
- 10.9 Second Amended and Restated Employment Agreement between eVentures Group, Inc. and Samuel L. Litwin, dated as of October 2, 2000
- 10.10 Second Amended and Restated Employment Agreement between eVentures Group, Inc. and Mitchell C. Arthur, dated as of October 2, 2000
- 27.1 Financial Data Schedule

c) Reports on Form 8-K

The Company filed a current report on Form 8-K on September 28, 2000, announcing its financial results for the fiscal year ended June 30, 2000.

SIGNATURES

rsuant to the requirements of the Securities and Exchange Act of 1934, the
gistrant has duly caused this report to be signed on its behalf by the
dersigned, thereunto duly authorized.

ENTURES GROUP, INC.

te: November 13, 2000

By: /s/ Jeffrey A. Marcus

Jeffrey A. Marcus
(Authorized Signatory and
Chief Executive Officer)

te: November 13, 2000

By: /s/ Daniel J. Wilson

Daniel J. Wilson
(Principal Financial and Accounting Officer)