

**Lance J.M. Steinhart, P.C.**

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6455 East Johns Crossing  
Suite 285  
Duluth, Georgia 30097

Also Admitted in New York  
and Maryland

Telephone: (770) 232-9200  
Facsimile: (770) 232-9208

May 2, 2001

010667-TI

**VIA OVERNIGHT DELIVERY**

Florida Public Service Commission  
Tariff Section  
2540 Shumard Oak Blvd.  
Gunter Bldg.  
Tallahassee, Florida 32399  
(850) 413-6000

Check received with filing and  
forwarded to Fiscal for deposit.  
Fiscal to forward a copy of check  
to RAR with proof of deposit.  
Initials of person who forwarded check:  
*[Signature]*

Re: QuantumShift Communications, Inc.

Dear Sir/Madam:

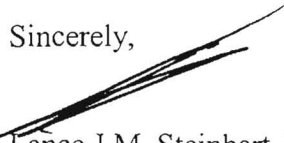
Enclosed please find one original and six (6) copies of QuantumShift Communications, Inc.'s Application for Authority to Provide Interexchange Telecommunications Service Within the State of Florida, along with an original and six (6) copies of QuantumShift Communications, Inc.'s proposed tariff.

I also have enclosed a check in the amount of \$250.00 payable to the Florida Public Service Commission to cover the cost of filing these documents.

Please return a stamped copy of the extra copy of this letter in the enclosed preaddressed prepaid envelope.

If you have any questions regarding the application or the tariff, please do not hesitate to call me. Thank you for your attention to this matter.

Sincerely,

  
Lance J.M. Steinhart, Esq.  
Attorney for QuantumShift Communications, Inc.

Enclosures  
cc: Dick van Aggelen

DOCUMENT NUMBER-DATE  
05622 MAY-30  
FPSC-RECORDS/REPORTING

SECURITY FEATURES INCLUDED: DETAILS ON BACK



**QUANTUMSHIFT COMMUNICATIONS, INC.**

88 ROWLAND WAY  
NOVATO, CA 94945

SILICON VALLEY BANK  
3003 TASMAN DRIVE  
SANTA CLARA, CA 95054

90-4039/1211

DATE

4/12/01

\*\*\*\*\*250.00

PAY Two hundred fifty and xx / 100 Dollars

TO THE ORDER OF Florida Public Service Commission  
USA

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 . . .

MP

MP

AUTHORIZED SIGNATURE

**\*\* 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

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Instructions

- ◆ This form is used as an application for an original certificate and for approval of assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Page 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 Blvd.  
Tallahassee, Florida 32399-0850  
(850) 413-6770**

Note: **No filing fee is required** for an assignment or transfer of an existing certificate to another company.

- ◆ 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  $\sqrt{\quad}$  (check one):
- Original certificate** (new company).
  - Approval of transfer of existing certificate:** Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority.
  - Approval of assignment of existing certificate:** Example, a certificated company purchases an existing company and desires to retain the certificate of authority of that company.
  - Approval of transfer of control:** Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of company:  
QuantumShift Communications, Inc.

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

4. Official mailing address (including street name & number, post office box, city, state, zip code):  
88 Rowland Way  
 \_\_\_\_\_  
Novato CA 94945  
 \_\_\_\_\_  
 \_\_\_\_\_

5. Florida address (including street name & number, post office box, city, state, zip code):  
None

6. Select type of business your company will be conducting  $\sqrt{\quad}$  (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.
- (x) **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 resold service by enrolling unaffiliated customers.
- (x) **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;

- |                           |                         |
|---------------------------|-------------------------|
| ( ) Individual            | ( ) Corporation         |
| ( x ) Foreign Corporation | ( ) Foreign Partnership |
| ( ) General Partnership   | ( ) Limited Partnership |
| ( ) Other _____           |                         |

8. **If individual**, provide:

Name: Not Applicable  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
City/State/Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_  
Internet E-Mail Address: \_\_\_\_\_  
Internet Website Address: \_\_\_\_\_

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

(a) **The Florida Secretary of State Corporate Registration number:**  
\_\_\_\_\_

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

(a) **The Florida Secretary of State Corporate Registration number:**  
F99000002616

11. **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:**  
\_\_\_\_\_

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

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

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

Internet E-Mail Address: \_\_\_\_\_

Internet Website Address: \_\_\_\_\_

14. **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:** \_\_\_\_\_

15. Provide **F.E.I. Number** (if applicable): 68-0426815

16. Provide the following (if applicable):

(a) Will the name of your company appear on the bill for your services?  
() Yes ( ) No

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

(c) How is this information provided?

\_\_\_\_\_  
\_\_\_\_\_

17. Who will receive the bills for your service?

- Residential Customers                       Business Customers  
 PATs providers                               PATs station end-users  
 Hotels & motels    Hotel & motel guests  
 Universities                                   Universities dormitory residents  
 Other: (specify) \_\_\_\_\_

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

(a) The application:

**Name:** Lance J.M. Steinhart

**Title:** Regulatory Counsel

**Address:** 6455 East Johns Crossing, Suite 285

**City/State/Zip:** Duluth, Georgia 30097

**Telephone No.:** (770) 232-9200                      **Fax No.:** (770) 232-9208

**Internet E-Mail Address:** lsteinhart@telecomcounsel.com

**Internet Website Address:** \_\_\_\_\_



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

**Name:** Dick van Aggelen  
**Title:** Assistant Secretary  
**Address:** 88 Rowland Way  
**City/State/Zip:** Novato CA 94945  
**Telephone No.:** (415) 893-7180 **Fax No.:** (415) 893-0569  
**Internet E-Mail Address:** dvanaggelen@quantumshift.com  
**Internet Website Address:** www.quantumshift.com

(c) Complaints/Inquiries from customers:

**Name:** John Askins  
**Title:** Customer Service Manager  
**Address:** 88 Rowland Way  
**City/State/Zip:** Novato CA 94945  
**Telephone No.:** (415) 893-7180 **Fax No.:** (415) 893-0569  
**Internet E-Mail Address:** jaskins@quantumshift.com  
**Internet Website Address:** www.quantumshift.com

19. List the states in which the applicant:

(a) has operated as an interexchange telecommunications company.

AZ, CA, GA, UT, MA and WA

(b) has applications pending to be certificated as an interexchange telecommunications company.

Applicant is in the process of filing Applications throughout the United States.

(c) is certificated to operate as an interexchange telecommunications company.

See 19(a) above.

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

None

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

None

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

None

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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

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(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

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21. The applicant will provide the following interexchange carrier services  $\sqrt{\quad}$  (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 mbs., 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, to patrons of hotels, students in universities, patients in hospitals).
- Available to inmates

1. **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).

23. Submit the following:

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

See Attached

**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.

Applicant will use the network services of its underlying carrier to provide services to customers in the State of Florida.

**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 in the geographic area proposed to be served.
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.

**THIS PAGE MUST BE COMPLETED AND SIGNED**

**APPLICANT ACKNOWLEDGMENT STATEMENT**

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of 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:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

**UTILITY OFFICIAL:**

Scott Schaefer

Print Name

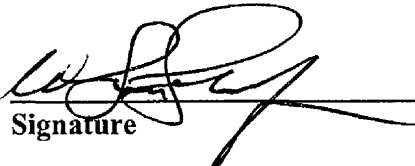
President

Title

(415) 893-7180

Telephone No.

Fax No.



Signature

4-12-01

Date

(415) 893-0569

Address: 88 Rowland Way

Novato

CA

94945

**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 payments in excess of one month.  
(The bond must accompany the application.)

**UTILITY OFFICIAL:**

Scott Schaefer

**Print Name**

President

**Title**

(415) 893-7180

**Telephone No.**

**Address:**

88 Rowland Way

Novato

CA

94945



**Signature**

4-12-01

**Date**

(415) 893-0569

**Fax No.**



**THIS PAGE MUST BE COMPLETED AND SIGNED**

**AFFIDAVIT**

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

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

**UTILITY OFFICIAL:**

Scott Schaefer

\_\_\_\_\_  
**Print Name**

President

\_\_\_\_\_  
**Title**

(415) 893-7180

\_\_\_\_\_  
**Telephone No.**

  
\_\_\_\_\_  
**Signature**

4-12-01

\_\_\_\_\_  
**Date**

(415) 893-0569

\_\_\_\_\_  
**Fax No.**

**Address:**

88 Rowland Way

\_\_\_\_\_  
Novato

CA

94945  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**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?

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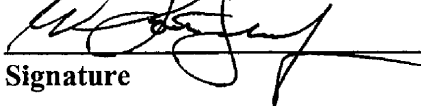
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b) If the services are not currently offered, when were they discontinued?

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**UTILITY OFFICIAL:**

Scott Schaefer	
<b>Print Name</b>	<b>Signature</b>
President	4-12-01
<b>Title</b>	<b>Date</b>
(415) 893-7180	(415) 893-0569
<b>Telephone No.</b>	<b>Fax No.</b>
88 Rowland Way	
<b>Address:</b>	
Novato	CA 94945

**CERTIFICATE TRANSFER, OR ASSIGNMENT STATEMENT**

FL IXC App

FORM PSC/CMU 31 (12/96)  
Required by Commission Rule Nos. 25.24-470,  
25-24.471, and 25-24.473, 25-24.480(2).

## **LIST OF ATTACHMENTS**

**PROPOSED TARIFF**

**FINANCIAL INFORMATION**

**MANAGEMENT INFORMATION**

**STATEMENT OF FINANCIAL CAPABILITY**

# PROPOSED TARIFF

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TITLE SHEETFLORIDA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service or facilities for Telecommunications Services furnished by QuantumShift Communications, Inc. ("QuantumShift"), with principal offices at 88 Rowland Way, Novato, California 94945. This tariff applies for telecommunications 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.

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Issued: May 3, 2001

Effective:

By: Dick van Aggelen, Regulatory Manager  
88 Rowland Way  
Novato, California 94945

CHECK SHEET

The sheets of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom right-hand side of this sheet.

<u>SHEET</u>	<u>REVISION</u>
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
22	Original
23	Original
24	Original
25	Original
26	Original
27	Original
28	Original
29	Original

\* Original or Revised Sheet Included in the most recent tariff filing

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Issued: May 3, 2001                      Effective:  
By: Dick van Aggelen, Regulatory Manager  
88 Rowland Way  
Novato, California 94945



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

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Issued: May 3, 2001

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88 Rowland Way  
Novato, California 94945



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**TARIFF FORMAT**

A. Sheet Numbering: Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between pages 11 and 12 would be page 11.1.

B. Sheet Revision Numbers: Revision numbers also appear in the upper right corner of each sheet where applicable. These numbers are used to indicate the most current page version on file with the Commission. For example, 4th Revised Sheet 13 cancels 3rd Revised Sheet 13. Consult the Check Sheet for the sheets 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 Commission, 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 this 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 Commission file.

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Issued: May 3, 2001

Effective:

By:

Dick van Aggelen, Regulatory Manager  
88 Rowland Way  
Novato, California 94945

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**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS**

Access Line - An arrangement from a local exchange telephone company or other common carrier, using either dedicated or switched access, which connects a Customer's location to the Company's location or switching center.

Authorization Code - A numerical code, one or more of which may be assigned to a Customer, to enable the Company to identify the origin of the Customer so it may rate and bill the call. Automatic number identification (ANI) is used as the authorization code wherever possible.

Commission - Used throughout this tariff to mean the Florida Public Service Commission.

Customer - The person, firm, corporation or other legal entity which orders the services of the Company or purchases a Company Prepaid Calling Card and/or originates prepaid calls using such cards, and is responsible for the payment of charges and for compliance with the Company's tariff regulations.

Company or QuantumShift - Used throughout this tariff to mean QuantumShift Communications, Inc., a California Corporation.

Dedicated Access - The Customer gains entry to the Company's services by a direct path from the Customer's location to the Company's point of presence.

Holiday - New Year's Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Holidays shall be billed at the evening rate from 8 a.m. to 11 p.m. After 11 p.m., the lower night rate shall go into effect.

Prepaid Account - An inventory of Telecom Units purchased in advance by the Customer, and associated with one and only one Authorization Code as contained in a specific Prepaid Calling Card.

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Issued: May 3, 2001

Effective:

By:

Dick van Aggelen, Regulatory Manager

88 Rowland Way

Novato, California 94945

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Prepaid Calling Card - A card issued by the Company, containing an Authorization Code which identifies a specific Prepaid Account of Telecom Units, which enables calls to be processed, account activity to be logged, and balances to be maintained, on a prepayment basis.

Resp. Org - Responsible Organization or entity identified by an 800 service Customer that manages and administers records in the 800 database and management system.

Switched Access - The Customer gains entry to the Company's services by a transmission line that is switched through the local exchange carrier to reach the Company's point of presence.

Telecom Unit - A measurement of telecommunications service equivalent to one minute of usage between any two points within the State of Florida.

Telecommunications - The transmission of voice communications or, subject to the transmission capabilities of the services, the transmission of data, facsimile, signaling, metering, or other similar communications.

Underlying Carrier - The telecommunications carrier whose network facilities provide the technical capability and capacity necessary for the transmission and reception of Customer telecommunications traffic.

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Issued: May 3, 2001

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By: Dick van Aggelen, Regulatory Manager  
88 Rowland Way  
Novato, California 94945

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**SECTION 2 - RULES AND REGULATIONS****2.1 Undertaking of the Company**

This tariff contains the regulations and rates applicable to intrastate interexchange telecommunications services provided by the Company for telecommunications between points within the State of Florida. Services are furnished subject to the availability of facilities and subject to the terms and conditions of this tariff in compliance with limitations set forth in the Commission's rules. The Company's services are provided on a statewide basis and are not intended to be limited geographically. The Company offers service to all those who desire to purchase service from the Company consistent with all of the provisions of this tariff. Customers interested in the Company's services shall file a service application with the Company which fully identifies the Customer, the services requested and other information requested by the Company. The Company may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the Customer, to allow connection of a Customer's location to a service provided by the Company. The Customer shall be responsible for all charges due for such service arrangement.

2.1.1 The services provided by the Company are not part of a joint undertaking with any other entity providing telecommunications channels, facilities, or services, but may involve the resale of the Message Toll Services (MTS) and Wide Area Telecommunications Services (WATS) of underlying common carriers subject to the jurisdiction of this Commission.

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Issued: May 3, 2001                      Effective:  
By: Dick van Aggelen, Regulatory Manager  
88 Rowland Way  
Novato, California 94945

- 2.1.2 The rates and regulations contained in this tariff apply only to the services furnished by the Company and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carriers for use in accessing the services of the Company.
- 2.1.3 The Company reserves the right to limit the length of communications, to discontinue furnishing services, or limit the use of service necessitated by conditions beyond its control, including, without limitation: lack of satellite or other transmission medium capacity; the revision, alteration or repricing of the Underlying Carrier's tariffed offerings; or when the use of service becomes or is in violation of the law or the provisions of this tariff.

## **2.2 Use and Limitations of Services**

- 2.2.1 The Company's services may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of services, subject to any limitations set forth in this Section 2.2.
- 2.2.2 The use of the Company's services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another or in such a way as to unreasonably interfere with use by others is prohibited.
- 2.2.3 The use of the Company's services without payment for service or attempting to avoid payment for service by fraudulent means or devices, schemes, false or invalid numbers, or false calling or credit cards is prohibited.

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Issued: May 3, 2001

Effective:

By: Dick van Aggelen, Regulatory Manager  
88 Rowland Way  
Novato, California 94945

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- 2.2.4 The Company's services are available for use twenty-four hours per day, seven days per week.
- 2.2.5 The Company does not transmit messages, but the services may be used for that purpose.
- 2.2.6 The Company's services may be denied for nonpayment of charges or for other violations of this tariff subject to Section 2.5.1 herein.
- 2.2.7 Customers shall not use the service provided under this tariff for any unlawful purpose.
- 2.2.8 The Customer is responsible for notifying the Company immediately of any unauthorized use of services.

### **2.3 Liability of the Company**

- 2.3.1 The Company shall not be liable for any claim, loss, expense or damage for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff, if caused by an act of God, fire, war, civil disturbance, act of government, or due to any other causes beyond the Company's control.
- 2.3.2 The Company shall not be liable for, and shall be fully indemnified and held harmless by the Customer against any claim, loss, expense, or damage for defamation, libel, slander, invasion, infringement of copyright or patent, unauthorized use of any trademark, trade name or service mark, proprietary or creative right, or any other injury to any person, property or entity arising out of the material, data or information transmitted.
- 2.3.3 No agent or employee of any other carrier or entity shall be deemed to be an agent or employee of the Company.

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- 2.3.4 The Company's liability, resulting in whole or in part from or arising in connection with the furnishing of service under this tariff, including but not limited to mistakes, omissions, interruptions, delays, errors, or other defects shall not exceed an amount equal to the charges provided for under this tariff for the long distance call for the period during which the call was affected. No other liability in any event shall attach to the Company, except as ordered by the Commission.
- 2.3.5 The Company shall not be liable for and shall be indemnified and saved harmless by any Customer or by any other entity from any and all loss, claims, demands, suits, or other action or any liability whatsoever, whether suffered, made, instituted, or asserted by any Customer or any other entity for any personal injury to, or death of, any person or persons, and for any loss, damage, defacement or destruction of the premises of any Customer or any other entity or any other property whether owned or controlled by the Customer or others.
- 2.3.6 The Company shall not be liable for any indirect, special, incidental, or consequential damages under this tariff including, but not limited to, loss of revenue or profits, for any reason whatsoever, including the breakdown of facilities associated with the service, or for any mistakes, omissions, delays, errors, or defects in transmission occurring during the course of furnishing service.
- 2.3.7 The remedies set forth herein are exclusive and in lieu of all other warranties and remedies, whether express or implied, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

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**2.4 Responsibilities of the Customer**

- 2.4.1 The Customer is responsible for placing any necessary orders and complying with tariff regulations. The Customer is also responsible for the payment of charges for services provided under this tariff.
- 2.4.2 The Customer is responsible for charges incurred for special construction and/or special facilities which the Customer requests and which are ordered by the Company on the Customer's behalf.
- 2.4.3 If required for the provision of the Company's services, the Customer must provide any equipment space, supporting structure, conduit and electrical power without charge to the Company.
- 2.4.4 The Customer is responsible for arranging access to its premises at times mutually agreeable to the Company and the Customer when required for Company personnel to install, repair, maintain, program, inspect or remove equipment associated with the provision of the Company's services.
- 2.4.5 The Customer shall cause the temperature and relative humidity in the equipment space provided by Customer for the installation of the Company's equipment to be maintained within the range normally provided for the operation of microcomputers.
- 2.4.6 The Customer shall ensure that the equipment and/or system is properly interfaced with the Company's facilities or services, that the signals emitted into the Company's network are of the proper mode, bandwidth, power and signal level for the intended use of the subscriber and in compliance with criteria set forth in this tariff, and that the signals do not damage equipment, injure

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**Section 2.4.6 Continued**

personnel, or degrade service to other Customers. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with the telephone network, the Company will permit such equipment to be connected with its channels without the use of protective interface devices. If the Customer fails to maintain the equipment and/or the system properly, with resulting imminent harm to Company equipment, personnel or the quality of service to other Customers, the Company may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, the Company may, upon written notice, terminate the Customer's service.

- 2.4.7 The Customer must pay the Company for replacement or repair of damage to the equipment or facilities of the Company caused by negligence or willful act of the Customer or others, by improper use of the services, or by use of equipment provided by Customer or others.
- 2.4.8 The Customer must pay for the loss through theft of any Company equipment installed at Customer's premises.
- 2.4.9 If the Company installs equipment at Customer's premises, the Customer shall be responsible for payment of any applicable installation charge.
- 2.4.10 The Customer must use the services offered in this tariff in a manner consistent with the terms of this tariff and the policies and regulations of all state, federal and local authorities having jurisdiction over the service.

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**2.5 Cancellation or Interruption of Services**

- 2.5.1 Without incurring liability, upon five (5) working days' (defined as any day on which the company's business office is open and the U.S. Mail is delivered) written notice to the Customer, the Company may immediately discontinue services to a Customer or may withhold the provision of ordered or contracted services:
- 2.5.1.A For nonpayment of any sum due the Company for more than thirty (30) days after issuance of the bill for the amount due,
- 2.5.1.B For violation of any of the provisions of this tariff,
- 2.5.1.C For violation of any law, rule, regulation, policy of any governing authority having jurisdiction over the Company's services, or
- 2.5.1.D By reason of any order or decision of a court, public service commission or federal regulatory body or other governing authority prohibiting the Company from furnishing its services.
- 2.5.2 Without incurring liability, the Company may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of Customer and the Company's equipment and facilities and may continue such interruption until any items of noncompliance or improper equipment operation so identified are rectified.

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2.6 Credit Allowance - Interruption of Service

- 2.6.1 Credit may be given for disputed calls, on a per call basis.
- 2.6.2 Credit shall not be issued for unavailability of long distance services.
- 2.6.3 The Customer shall be credited for an interruption of two hours or more at the rate of 1/720th of any monthly service charges for each hour or major fraction thereof that the interruption continues.

Credit Formula:

$$\text{Credit} = \frac{A}{720} \times B$$

"A" - outage time in hours

"B" - monthly charge for affected activity

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**2.7 Deposit**

The Company does not require deposits.

**2.8 Advance Payments**

The Company requires advance payments for recurring and non-recurring charges. This will be applied against the next month's charges, and if necessary, a new advance payment will be collected for the next month.

**2.9 Payment and Billing**

2.9.1 Service is provided and billed on a billing cycle basis, beginning on the date that service becomes effective. Billing is payable upon receipt.

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2.9.2 The customer is responsible for payment of all charges for services furnished to the Customer, as well as to all persons using the Customer's codes, exchange lines, facilities, or equipment, with or without the knowledge or consent of the Customer. The security of the Customer's Authorization Codes, subscribed exchange lines, and direct connect facilities is the responsibility of the Customer. All calls placed using direct connect facilities, subscribed exchange lines, or Authorization Codes will be billed to and must be paid by the Customer. Recurring charges and non-recurring charges are billed in advance. Charges based on actual usage during a month and any accrued interest will be billed monthly in arrears.

#### **2.10 Collection Costs**

In the event Company is required to initiate legal proceedings to collect any amounts due to Company for regulated services, or for the enforcement of any other provision of this tariff or applicable law, Customer shall, in addition to all amounts due, be liable to Company for all reasonable costs incurred by Company in such proceedings and enforcement actions, including reasonable attorneys' fees, collection agency fees or payments, and court costs. In any such proceeding, the amount of collection costs, including attorneys' fees, due to the Company, will be determined by the court.

#### **2.11 Taxes**

All federal, state and local taxes, assessments, surcharges, or fees, including sales taxes, use taxes, gross receipts taxes, and municipal utilities taxes, are billed as separate line items and are not included in the rates quoted herein.

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SECTION 3 - DESCRIPTION OF SERVICE

3.1 Computation of Charges

3.1.1 The total charge for each completed call may be a variable measured charge dependent on the duration, distance and time of day of the call. The total charge for each completed call may also be dependent only on the duration of the call, i.e. a statewide flat rate per minute charge. The variable measured charge is specified as a rate per minute which is applied to each minute. All calls are measured in increments as set forth in the Rates Section of this tariff. All calls are rounded up to the next whole increment.

3.1.2 Usage charges for all mileage sensitive products are based on the airline distance between rate centers associated with the originating and terminating points of the call. The airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. The Company uses the rate centers that are produced by Bell Communications Research in the NPA-NXX V&H Coordinates Tape and Bell's NECA Tariff No. 4.

Formula:

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

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**3.2 Continued**

Any objection to billed charges should be reported promptly to the Company or its billing agent. Adjustments to Customers' bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate. A Customer who is unable to resolve a billing dispute with the Company may contact the Commission by telephone at 1-800-342-3552 to intervene in the billing dispute.

**3.3 Level of Service**

A Customer can expect end to end network availability of not less than 99% at all times for all services.

**3.4 Billing Entity Conditions**

When billing functions on behalf of the Company or its intermediary are performed by local exchange telephone companies or others, the payment of charge conditions and regulations of such companies and any regulations imposed upon these companies by regulatory bodies having jurisdiction apply. The Company's name and toll-free telephone number will appear on the Customer's bill.

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**3.5 Service Offerings****3.5.1 1+ Dialing**

This service permits Customers to originate calls via switched or dedicated access lines, and to terminate intrastate calls. The customer dials "1+" followed by "ten digits" or dials "101XXXX" followed by "1+ ten digits".

**3.5.2 Travel Cards**

The Customer utilizes an 11 digit "toll-free" access number established by the Company to access a terminal. Upon receiving a voice prompt, the Customer uses push button dialing to enter an identification code assigned by the Company, and the ten digit number of the called party.

**3.5.3 800 Service (Toll-Free)**

This service is inbound calling only where an 800, 888 or other toll-free prefix number rings into a Customer's premise routed to a specific telephone number or terminated over a dedicated facility.

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**Section 3.5.4 Continued**

A card will expire on the date indicated on the card, or if no date is specified, 12 months from the date of first usage, or the date of last recharge, whichever is later. The Company will not refund unused balances.

A credit allowance for Company Prepaid Calling Card Service is applicable to calls that are interrupted due to poor transmission, one-way transmission, or involuntary disconnection of a call. To receive the proper credit, the Customer must notify the Company at the designated toll-free customer service number printed on the Company Prepaid Calling Card and furnish the called number, the trouble experienced (e.g. cut-off, noisy circuit, etc.), and the approximate time that the call was placed.

When a call charged to a Company Prepaid Calling Card is interrupted due to cut-off, one-way transmission, or poor transmission conditions, the Customer will receive a credit equivalent of one Telecom Unit.

Credit allowances for calls pursuant to the Company Prepaid Card Service do not apply for interruptions not reported promptly to the Company or interruptions that are due to the failure of power, equipment or systems not provided by the Company.

Credit for failure of service shall be allowed only when such failure is caused by or occurs due to causes within the control of the Company.

The Company will block all calls beginning with the NPA "900" and NXX "976" calls, therefore such calls can not be completed.

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**4.5 Directory Assistance**

\$.95 per each number requested

**4.6 Returned Check Charge**

\$25.00

**4.7 Rate Periods and Billing Increments**

	Monday - Friday	Sat.	Sun.
8 a.m. to 5 p.m.*	Daytime Rate Period		
5 p.m. to 11 p.m.*	Evening Rate Period		Evening Rate Period
11 p.m. to 8 a.m.*	Night/Weekend Rate Period		

\* To, but not including

When a message spans more than one rate period, total charges for the minutes in each rate period are calculated and the results for each rate period are totaled to obtain the total message charge. If the calculation results in a fractional charge, the amount will be rounded down to the lower cent.

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**4.8 Rates Applicable for Hearing/Speech Impaired Persons**

For intrastate toll messages which are communicated using a telecommunications device for the deaf (TDD) by properly certified business establishments or individuals equipped with TDDs for communications with hearing or speech impaired persons, the rates shall be evening rates for daytime calls and night rates for evening and night calls.

Intrastate toll calls received from the relay service, each local exchange and interexchange telecommunications company billing relay call will be discounted by 50 percent of the applicable rate for a voice nonrelay call except that where either the calling or called party indicates that either party is both hearing and visually impaired, the call will be discounted 60 percent off the applicable rate for voice nonrelay calls.

Florida Public Service Commission Rules and Regulations require the Company to provide the first 50 directory assistance calls initiated per billing cycle by handicapped persons free of charge.

**4.9 Employee Concessions**

The Company does not offer employee concessions.

**4.10 Late Charge**

1.5% monthly or the amount otherwise authorized by law, whichever is lower.

**4.11 Payphone Dial Around Surcharge**

A dial around surcharge of \$.35 per call will be added to any completed INTRAstate toll access code and subscriber 800/888 type calls placed from a public or semi-public payphone.

**4.12 Reconnection Charge**

\$25.00

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## FINANCIAL INFORMATION



**QuantumShift**  
**Consolidated Balance Sheet**  
**December 31, 2000**  
(Unaudited)

**Assets**

**Current Assets:**

Cash and Cash Equivalents	\$ 17,565,333
Reserved Cash	3,121,304
Net Accounts Receivable, allowance for doubtful accounts of <u>\$ 389,210</u>	8,398,922
Interest Receivable	577,740
Notes Receivable	5,796,659
Inventories, at lower of cost or market	32,537
Prepays	637,037
Deposits	<u>108,557</u>
<b>Total Current Assets:</b>	<b>34,238,089</b>

**Other Assets:**

Advances	1,200
Intangible Assets	3,516
Other Assets	<u>65,689</u>
<b>Total Other Assets:</b>	<b>70,405</b>

**Property, Plant and Equipment, at cost:**

Leasehold Improvements	1,301,107
Furniture and Fixtures	2,104,148
Office Equipment	994,190
Computers	5,933,114
Switch	592,579
Vending Equipment	136,756
Software	1,788,413
Less: Accumulated Depreciation	<u>(2,654,074)</u>
<b>Total Property, Plant and Equipment, net:</b>	<b>10,196,234</b>

**Total Assets: \$ 44,504,728**

**Liabilities and Stockholders' Equity**

**Current Liabilities:**

Accounts Payable	\$ 2,241,604
Other Accrued Liabilities	5,656,007
Deferred Revenue	2,214,181
Current Portion of Capitalized Lease Obligation	<u>1,093,369</u>
<b>Total Current Liabilities:</b>	<b>11,205,161</b>

**Long Term Liabilities:**

Capitalized Lease Obligation	<u>2,016,781</u>
<b>Total Long Term Liabilities:</b>	<b>2,016,781</b>

**Stockholders' Equity:**

Common Stock, no par value, 135,000,000 shares authorized, 15,672,801 shares issued and outstanding	3,899,376
Preferred Stock, Series A, no par value, 30,000,000 shares authorized, 19,497,886 shares issued and outstanding	9,181,293
Preferred Stock, Series B, no par value, 24,204,131 shares authorized, 23,700,006 shares issued and outstanding	20,145,005
Preferred Stock, Series C, no par value, 26,500,000 shares authorized, 23,955,519 shares issued and outstanding	57,417,731
Retained Earnings	(38,653,791)
Net Income	<u>(20,706,827)</u>
<b>Total Equity:</b>	<b>31,282,787</b>

**Total Liabilities and Equity: \$ 44,504,728**



**QuantumShift**  
**Consolidated Income Statement**  
For the Twelve Months Ending December 31, 2000  
(Unaudited)

	Q1	Q2	Q3	Q4	YTD
<b>REVENUE:</b>					
License/Subscription	\$ 74,788	\$ 277,349	\$ 528,591	1,115,876	\$ 1,996,604
Professional Services	39,481	80,419	118,350	257,400	495,650
Communication Services	870,327	1,341,621	1,640,849	2,184,389	6,037,186
InterExchange Services	518,537	630,857	799,662	1,149,712	3,098,768
MetroLink (Local)	180,510	276,091	323,233	398,978	1,148,812
Wireless	77,792	177,851	177,080	190,721	623,444
Data/Comm	123,487	266,822	340,874	444,978	1,166,162
Bill Consolidation	59,919	202,437	177,244	343,681	783,281
<b>Total Revenue:</b>	<b>1,044,515</b>	<b>1,901,826</b>	<b>2,465,034</b>	<b>3,901,346</b>	<b>9,312,721</b>
<b>COST OF REVENUE:</b>					
Miscellaneous Services and Refunds	5,134	72,989	1,913	0	80,037
Professional Services Cost of Revenue	11,657	9,642	27,350	62,093	110,742
Communication Services Cost of Revenue	758,642	1,356,006	1,432,214	1,900,905	5,447,767
InterExchange Services	365,749	634,914	640,940	835,270	2,476,872
MetroLink (Local)	142,921	240,366	306,787	481,086	1,181,160
Wireless	136,340	279,072	147,411	175,626	738,349
Data/Comm	113,732	201,654	337,075	398,925	1,051,386
<b>Total Cost of Revenue:</b>	<b>775,434</b>	<b>1,438,637</b>	<b>1,461,477</b>	<b>1,962,998</b>	<b>5,838,546</b>
<b>Gross Margin</b>	<b>269,081</b>	<b>463,190</b>	<b>1,003,557</b>	<b>1,938,348</b>	<b>3,674,175</b>
<b>Gross Margin %</b>	<b>25.70%</b>	<b>24.35%</b>	<b>40.71%</b>	<b>49.68%</b>	<b>39.45%</b>
<b>OPERATING EXPENSES:</b>					
Research and Development	1,603,251	1,780,564	2,868,912	3,529,578	9,582,305
Sales and Marketing	1,867,370	2,284,703	4,528,462	5,915,817	14,596,352
General and Administrative	2,019,920	2,273,935	3,907,622	4,308,929	12,510,405
Corporate Allocations	898,731	970,477	-	-	1,869,208
<b>Total Operating Expenses:</b>	<b>6,379,270</b>	<b>7,309,679</b>	<b>11,104,996</b>	<b>13,754,325</b>	<b>38,548,270</b>
<b>Loss Before Interest and Taxes:</b>	<b>(6,110,189)</b>	<b>(6,846,489)</b>	<b>(10,101,440)</b>	<b>(11,815,977)</b>	<b>(34,874,095)</b>
<b>Other Income/(Expense), net:</b>	<b>5,265</b>	<b>(50,517)</b>	<b>546,619</b>	<b>666,019</b>	<b>1,187,386</b>
<b>Net Earnings Before Taxes:</b>	<b>(6,104,924)</b>	<b>(6,897,007)</b>	<b>(9,554,820)</b>	<b>(11,149,958)</b>	<b>(33,706,709)</b>
<b>Tax Expenses</b>	<b>0</b>	<b>1,028</b>	<b>0</b>	<b>0</b>	<b>1,028</b>
<b>Net Income (Loss) from Continuing Operations:</b>	<b>(6,104,924)</b>	<b>(6,896,035)</b>	<b>(9,554,820)</b>	<b>(11,149,958)</b>	<b>(33,707,737)</b>
<b>Discontinued Operations</b>	<b>33,156</b>	<b>7,542</b>	<b>1,354</b>	<b>693</b>	<b>42,745</b>
<b>NET INCOME (LOSS):</b>	<b>\$ (6,138,080)</b>	<b>(6,905,576)</b>	<b>\$ (9,556,175)</b>	<b>(11,150,652)</b>	<b>\$ (33,750,484)</b>

## MANAGEMENT INFORMATION

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**MANAGEMENT TEAM AND DIRECTORS****MVX Management Team and Key Personnel****Edward A. Brinskele, President, CEO, and Director**

Mr. Brinskele has more than 25 years experience in the field of telecommunications. Mr. Brinskele founded MTC Corporation in 1987, serving as the Company's Chairman, President and CEO until 1996. Through an international network of switches, MTC provided domestic and international telecommunications services to corporate and individual customers. Prior to MTC, Mr. Brinskele was instrumental in the startup of both Digital Telephone Systems, which was later sold to Harris Corporation, and Centex Telemanagement, one of the pioneering firms in the competitive local telephone market. In addition to his expertise in product development, marketing and international distribution, Mr. Brinskele has an extensive technical background in digital switching, computer telephony, information systems and Internet technology. He has designed global telecommunications networks for companies such as MCI, American Express and a host of other multinational corporations. Mr. Brinskele is a graduate of the OPM program at Harvard Business School.

**Jeffrey G. Richards, Vice President of Operations**

Prior to joining the Company, Mr. Richards was a management consultant with the Organizational and Strategic Change Practice at Price Waterhouse LLP in San Francisco. In that capacity, he managed client engagements throughout the U.S. and Asia which focused on large-scale consolidation and cost reduction, process efficiency and strategy implementation. While at Price Waterhouse, Mr. Richards' primary engagements were focused on the high technology, banking and durable goods manufacturing sectors. Mr. Richards holds a BA from Dartmouth College in Hanover, NH.

**Stacia L. Lindahl, Executive Director of Business Development**

Ms. Lindahl has more than 12 years experience in the telecommunications sector, primarily focused on business analysis, product development, wholesale carrier and cellular markets. Prior to joining the Company, Ms. Lindahl served as Director of Business Development at NetSource Communications, Inc./MTC (MTC has since merged with NetSource, Inc.). While at NetSource/MTC, Ms. Lindahl was responsible for establishing carrier relationships, strategic partnerships, product development and implementation, network planning, cost management and reconciliation, product performance analysis, pricing and competitor/market trends. Prior to NetSource/MTC, Ms. Lindahl served as Treasury Manager with General Cellular Corporation (now Western Wireless Corporation), concentrating on financial analysis, risk management, cash management, portfolio management, shareholder relations, M&A work, public & private financings and corporate restructuring. Ms. Lindahl is a graduate of the University of Phoenix and an MBA candidate at the University of California, Davis.

**Kenneth P. Holmes, Director of Finance and Accounting**

Mr. Holmes has more than 10 years of experience within accounting and finance for technology companies. Prior to joining the Company, Mr. Holmes served as Chief Financial Officer of OMNIS Software, Incorporated. In that capacity he was responsible for worldwide accounting, finance, human resources, legal and information systems. Mr. Holmes served as acting CEO of OMNIS during a period that led to the turn around of the company. Prior to OMNIS, Mr. Holmes served as Assistant Controller of NeXT Software,

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prior to its acquisition by Apple Computer, Inc. While at NeXT, Mr. Holmes was responsible for all SEC-related activity leading up to the company's planned initial public offering (IPO), as well as the accounting and finance activity related to the Apple merger. Prior to NeXT, Mr. Holmes was the corporate Controller of Enlighten Software Solutions, where he played a leadership role in the firm's IPO. Prior to joining Enlighten Software, Mr. Holmes was with KPMG Peat Marwick, where he was primarily focused on the due diligence and preparation for public offerings within the technology sector. Mr. Holmes holds a BBA from the University of San Francisco.

**Robert W. Lara, Director of Network Services/Engineering**

Mr. Lara has more than 30 years experience in the field of telecommunications. Prior to joining MVX, Mr. Lara served as Director of Network Services for MTC International. For the past nine years with MTC, Mr. Lara has been responsible for the successful implementation and management of the Company's global facilities network. Mr. Lara has extensive experience dealing with carriers and other service providers throughout the U.S., Europe, and Asia. Prior to MTC, Mr. Lara was with Western Union as the Operations and Technical Support Manager for the Western United States.

**Brian Buch, Director of Information Systems**

Mr. Buch has 6 years of experience in software development and managing software development projects. Prior to joining the Company, Mr. Buch served as a manager within PricewaterhouseCooper's National Telecommunications Consulting Practice. He has managed large scale data warehouse and billing projects for Pacific Bell, DirectTV, US West, and Retevision (a Spanish telecommunications provider). While with PricewaterhouseCoopers, Mr. Buch also played a leadership role within the telecommunications practice through involvement in the firm's annual peer review process, recruiting, practice development, and conference speaking engagements. Mr. Buch holds a B.S. in Electrical Engineering from U.C. Santa Barbara.

**David T. Seaman, Lead Systems Architect**

Prior to joining the Company, Mr. Seaman was with PlayNet Technologies, where he developed systems for the manufacturing, distribution, and play tracking of Internet-based kiosk game units. He has 6 years experience in software development and has designed and programmed large scale systems for IBM Advantis, the U.S. Federal Reserve Bank, and the Environmental Protection Agency. Mr. Seaman holds a B.S. in Mechanical Engineering from U.C. Berkeley and an M.S. in Control Systems from U.C. Santa Barbara.

**Directors**

**Thomas R. Rice, Chairman of the Board of Directors, Director**

Dr. Rice has over 25 years of experience as an entrepreneur and venture capitalist. In 1996 Dr. Rice restarted Austin James, the publisher of *Hanes T-ShirtMaker & More*, raised \$5 million of venture capital and built revenues to over \$20 million annualized by the end of 1998. During 1994 - 1995, Dr. Rice led an internal task force when strategic sales stalled for Rasna Corp., a developer of mechanical computer-aided analysis software (MCAE), and succeeded in establishing the software as Hewlett-Packard's mechanical design standard. From 1986 through 1998 Dr. Rice was a general partner of Cornerstone Ventures, a \$21 million

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venture fund providing hands-on, strategic direction to technology companies. Dr. Rice has a PhD in Engineering Systems from Stanford University, an MS in Mechanical Engineering from M.I.T., and a BS in Mechanical Engineering from Stanford University.

**Ronald W. Weiser, Vice Chair, Director**

Mr. Weiser is the Founder, Chairman and Chief Executive Officer of McKinley Associates, Inc., a national diversified investment company headquartered in Ann Arbor, Michigan. McKinley - and its two property management subsidiaries, McKinley Properties (residential) and McKinley Commercial (office/retail/industrial) - own or manage real estate valued in excess of \$1 billion. McKinley has regional offices in Ann Arbor and Taylor, Michigan, as well as Oklahoma City and Orlando. Mr. Weiser was recently appointed to the Michigan State Officer's Compensation Commission. He also serves on the Boards of a number of public non-profit organizations including: Chair, McKinley Foundation, a public foundation established in 1985 by he and his wife; Chair, Michigan Theater Board of Trustees; Co-Chair, Washtenaw County United Negro College Fund; Board Executive Committee Member and immediate Past Chair, Michigan Artrain; Director, Purple Rose Theater; and Trustee, Finance Committee Chair, and Treasurer, Henry Ford Museum and Greenfield Village. He also serves as Co-Chair of The University of Michigan's Center for Community Service and Learning, and is a member of The University's President's Advisory Board, the Business School's National Development Board, and the Athletic Department's Development and External Advisory Board. Mr. Weiser received his B.B.A. from The University of Michigan in 1966.

**Jeffrey S. Blumenfeld, Director**

Mr. Blumenfeld is a partner with Blumenfeld & Cohen, a law firm which specializes in the technology and telecommunications industries. Mr. Blumenfeld was formerly Chief of the *United States v. AT&T* Section at the Justice Department's Antitrust Division. He has lectured, written, and testified extensively on virtually all public policy and competition issues in telecommunications and other high-tech markets. Mr. Blumenfeld has served as special counsel to the Antitrust Division on a number of high-profile merger and antitrust investigations, including serving as a consultant on the early stages of the Department of Justice investigation of the launch of the Microsoft Network. Mr. Blumenfeld frequently works with the FCC, Department of Justice, and state regulatory commissions. Mr. Blumenfeld was a former Director of Centex Telemanagement. Mr. Blumenfeld received an A.B. from Brown University and a J.D. from the University of Pennsylvania Law School.

**Daniel T. Carroll, Director**

Mr. Carroll currently serves on the Boards of Directors of ten companies throughout the U.S., including eight publicly held corporations. He is the Chairman of the Board of both Comshare, Inc. and OshKosh Truck Corporation. Mr. Carroll is the former President of Booz Allen & Hamilton, Inc.'s Management Consulting Division, Chief Operating Officer of Gould, Inc., and President and Chief Executive Officer of Hoover Universal, Inc. Mr. Carroll is an author and speaker on a wide range of business and corporate issues. Mr. Carroll holds an A.B. from Dartmouth College and an M.A. from the University of Minnesota.



## STATEMENT OF FINANCIAL CAPABILITY

QuantumShift Communications, Inc. has sufficient financial capability to provide the requested service in the State of Florida and has sufficient financial capability to maintain the requested service and to meet its lease or ownership obligations. In support of QuantumShift Communications, Inc.'s stated financial capability, a copy of its Consolidated Income Statement for the twelve months ending December 31, 2000 and Balance Sheet as of December 31, 2000 is attached to its application. QuantumShift Communications, Inc. intends to fund the provision of service through internally generated cash flow. QuantumShift Communications, Inc. also has the ability to borrow funds, if required, based upon its financial capabilities, and the parent company is committed to providing any necessary capital if needed to provide service in the State of Florida.