

ORIGINAL



TELECOM CERTIFICATION & FILING, INC.
485 MADISON AVENUE
NEW YORK, NEW YORK 10022-5803
TEL (212) 546-9090
FAX (212) 753-8101
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01 DEC 19 AM 11:12
COMMISSION
CLERK

December 18, 2001

VIA FEDERAL EXPRESS

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

011661-TI

Re: Orion Telecommunications Corp.

Dear Sir or Madam.

Enclosed for filing and approval, please find one original and six (6) copies of Orion Telecommunications Corp.'s application for a Certificate of Public Convenience and Necessity to Provide Facilities-Based and Resold Interexchange Telecommunications Services in the State of Florida and a check in the amount of \$250.00 made payable to the Florida Public Service Commission representing the filing fee.

At your earliest convenience, please date stamp the copy of this cover letter and return to me in the enclosed postage prepaid self-addressed envelope.

Should you have any questions or require additional information, please contact me at your convenience.

Sincerely,

Joan L. Silby
Joan L. Silby
Director, Business Affairs

Enc.
jls/2112-14/48127

Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward a copy of check to RAR with proof of deposit.

Initial of person who forwarded check:
JLS

00048127.1

RECEIVED & FILED

JLS

FPSC-BUREAU OF RECORDS

www.telfile.com

DOCUMENT NUMBER-DATE

15795 DEC 19 01

FPSC-COMMISSION CLERK

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

011661-TI

Original certificate (new company).

Approval of transfer of existing certificate:

Example, a certificated company purchases an existing certificated company and desires to retain the authority of both certificates.

Approval of assignment of existing certificate:

Example, a non-certificated company purchases an existing company and desires to retain the certificate of authority rather than apply for a new certificate.

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: **Orion Telecommunications Corp.**

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

Orion Telecommunications Corp. of New York

4. Official mailing address (including street name & number, post office box, city, state, zip code): **42-40 Bell Boulevard, Bayside, NY 11361**

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

6. Select type of business your company will be conducting \checkmark (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 Reseller - 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.
- 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
- Foreign Corporation Foreign Partnership
- General Partnership Limited Partnership
- Other

8. If individual, provide:

Name:
 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: **F98000006092**

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): **06-1507207**

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.:

Internet E-Mail Address:

Internet Website Address:

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: **David O. Klein**

Title: **Representative of Orion Telecommunications Corp.**

Address: **c/o Telecom Certification & Filing, Inc., 485 Madison Avenue, 15th Floor**

City/State/Zip: **New York, NY 10022-5803**

Telephone No.: **(212) 546-9090** Fax No.: **(212) 753-8101**

Internet E-Mail Address: **dklein@telfile.com**

Internet Website Address: **www.telfile.com**

B. Official point of contact for the ongoing operations of the company:

Name: **George Gregory, Esq.**

Title:

Address: **c/o Orion Telecommunications Corp., 42-40 Bell Boulevard**

City/State/Zip: **Bayside, NY 11361**

Telephone No.: **(718) 631-5600** Fax No.: **(718) 225-1403**

Internet E-Mail Address:

Internet Website Address:

C. Complaint/Inquiries from customers:

Name: **George Gregory, Esq.**

Title:

Address: **c/o Orion Telecommunications Corp., 42-40 Bell Boulevard**

City/State/Zip: **Bayside, NY 11361**

Telephone No.: **(718) 631-5600** Fax No.: **(718) 225-1403**

Internet E-Mail Address:

Internet Website Address:

19. List the states in which the applicant:

A. has operated as an interexchange telecommunications company.

**California, Connecticut, Georgia, Iowa, Massachusetts, Michigan,
Minnesota, New Jersey, New York, Oregon, Pennsylvania and Texas.**

B. has applications pending to be certificated as an interexchange telecommunications company.

NONE

C. is certificated to operate as an interexchange telecommunications company.

California, Connecticut, Georgia, Iowa, Massachusetts, Michigan, Minnesota, New Jersey, New York, Oregon, Pennsylvania and Texas.

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.

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.

21. The applicant will provide the following interexchange carrier services \sqrt (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

- l. _____ 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 in operation. Use the format required by Commission Rule 25-24.485 (example enclosed).

Attached as Exhibit 2.

23. Submit the following:

A. Financial capability.

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

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

1. The balance sheet;
2. Income statement; and
3. Statement of retained earnings.

Attached as Exhibit 3.

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 maintain the requested service.

Attached as Exhibit 4.

2. A written explanation that the applicant has sufficient financial capability to maintain the requested service.

Attached as Exhibit 4.

3. A written explanation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

Attached as Exhibit 4.

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

Attached as Exhibit 5.

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

Attached as Exhibit 5.

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:


Signature

December 17, 2001
Date

Chief Financial Officer
Title

(718) 631-5600
Telephone No.

Address: **c/o Orion Telecommunications Corp.**

(718) 225-1403
Fax No.

42-40 Bell Boulevard, Bayside, NY 11361

CERTIFICATE TRANSFER, OR ASSIGNMENT STATEMENT

I, (Name) _____
(Title) _____ of

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

() transfer

() assignment

of the above-mentioned certificate.

UTILITY OFFICIAL:

Signature

Date

Title

Telephone No.

Address: _____

Fax No.

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:



Signature

December 17, 2001
Date

Chief Financial Officer

Title

(718) 631-5600

Telephone No.

Address: c/o Orion Telecommunications Corp.

(718) 225-1403

Fax No.

42-40 Bell Boulevard, Bayside, NY 11361


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? **Prepaid Debit Card services - January 1, 2001.**
- b) If the services are not currently offered, when were they discontinued?

UTILITY OFFICIAL:


Signature

December 17, 2001
Date

Chief Financial Officer
Title

(718) 631-5600
Telephone No.

Address: **c/o Orion Telecommunications Corp.**
42-40 Bell Boulevard, Bayside, NY 11361

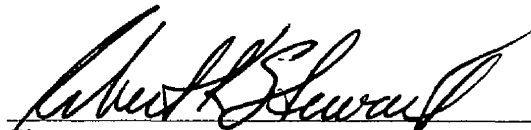
(718) 225-1403
Fax No.

AFFIDAVIT

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

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

UTILITY OFFICIAL:


Signature

December 17, 2001
Date

Chief Financial Officer
Title

(718) 631-5600
Telephone No.

Address: c/o Orion Telecommunications Corp.

(718) 225-1403
Fax No.

42-40 Bell Boulevard, Bayside, NY 11361

EXHIBIT 1

State of Delaware
Office of the Secretary of State

PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "ORION TELECOMMUNICATIONS CORP.", FILED IN THIS OFFICE ON THE FIFTEENTH DAY OF SEPTEMBER, A.D. 1997, AT 9 O'CLOCK A.M.



Edward J. Freel

Edward J. Freel, Secretary of State

AUTHENTICATION:

2797329 8100

DATE: 8996695

981117677

03-26-98

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 09/15/1997
971307547 - 2797329

CERTIFICATE OF INCORPORATION

ORION TELECOMMUNICATIONS CORP.

FIRST: The name of the corporation is ORION TELECOMMUNICATIONS CORP.

SECOND: Its Registered Office is to be located at 1013 Centre Road, Wilmington, Delaware 19805 in the county of New Castle. The Registered Agent in charge thereof is W/K Corporate Services (DEL), INC.

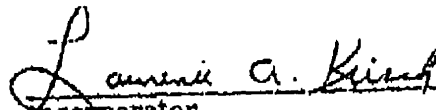
THIRD: The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH: The amount of the total authorized capital stock of this corporation is Ten Million, (10,000,000), common shares with a par value of (\$.0001).

FIFTH: The name and mailing address of the incorporator is as follows:

Lawrence A. Kirsch
90 State Street
Albany, New York 12207

I, THE UNDERSIGNED, for the purpose of forming a corporation under the laws of the State of Delaware, do make, file and record this Certificate, and do certify that the facts herein are true, and I have accordingly hereunto set my hand this 12th day of September, 1997.


Incorporator
LAWRENCE A. KIRSCH
90 State Street
Albany, New York

State of Delaware
Office of the Secretary of State

PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "ORION TELECOMMUNICATIONS CORP." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE EIGHTH DAY OF APRIL, A.D. 1998.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "ORION TELECOMMUNICATIONS CORP." WAS INCORPORATED ON THE FIFTEENTH DAY OF SEPTEMBER, A.D. 1997.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.



Edward J. Freel, Secretary of State

2797329 8300

981134635

AUTHENTICATION: 9017493

DATE: 04-08-98

CERTIFICATE OF INCORPORATION
OF
ORION TELECOMMUNICATIONS CORP.

Filed by:

Farrell, Farrell & Burke, Esqs.
212 Station Plaza North
Mineola, New York 11501

CERTIFICATE OF INCORPORATION

ORION TELECOMMUNICATIONS CORP.

FIRST: The name of the corporation is ORION TELECOMMUNICATIONS CORP.

SECOND: Its Registered Office is to be located at 1013 Centre Road, Wilmington, Delaware 19805 in the county of New Castle. The Registered Agent in charge thereof is W/K Corporate Services (DEL), INC.

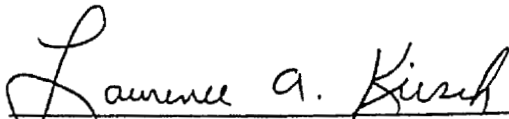
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FOURTH: The amount of the total authorized capital stock of this corporation is Ten Million, (10,000,000), common shares with a par value of (\$.0001).

FIFTH: The name and mailing address of the incorporator is as follows:

Lawrence A. Kirsch
90 State Street
Albany, New York 12207

I, THE UNDERSIGNED, for the purpose of forming a corporation under the laws of the State of Delaware, do make, file and record this Certificate, and do certify that the facts herein are true, and I have accordingly hereunto set my hand this 12th day of September, 1997.



Incorporator
LAWRENCE A. KIRSCH
90 State Street
Albany, New York



FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

November 3, 1998

REBECCA J. ANTICO
5922 LAS COLINAS CIRCLE
LAKE WORTH, FL 33463

Qualification documents for ORION TELECOMMUNICATIONS CORP doing business in Florida as ORION TELECOMMUNICATIONS CORP OF NEW YORK were filed on November 2, 1998 and assigned document number F98000006092. 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.

A corporation annual 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) 487-6091, the Foreign Qualification/Tax Lien Section.

Michael Mays
Document Specialist
Division of Corporations

Letter Number: 898A00053554

EXHIBIT 2

TITLE SHEET

FLORIDA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services provided by Orion Telecommunications Corp. dba Orion Telecommunications Corp. of New York with principal offices at 42-40 Bell Boulevard, Bayside, New York 11361. This tariff applies for 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.

00036143,1

Issued: December 19, 2001

Effective: _____

By: Peter P. Sicilian, Jr., President
42-40 Bell Boulevard
Bayside, NY 11361

CHECK SHEET

Sheet 1 through 22 inclusive 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 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

Issued: December 19, 2001

Effective: _____

By: Peter P. Sicilian, Jr., President
42-40 Bell Boulevard
Bayside, NY 11361

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Section 4 -- Rates 20

Issued: December 19, 2001

Effective: _____

By: Peter P. Sicilian, Jr., President
42-40 Bell Boulevard
Bayside, NY 11361

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

Issued: December 19, 2001

Effective: _____

By: Peter P. Sicilian, Jr., President
42-40 Bell Boulevard
Bayside, NY 11361

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 FLAPSC. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc. the FLAPSC follows in their tariff approval process, the most current sheet number on file with the FLAPSC is not always the tariff sheet in effect. Consult the Check Sheet for the sheet currently in effect.
- C. Paragraph Number Sequence** - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 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).1.
 - 2.1.1.A.1.(a).1.(i).
 - 2.1.1.A.1.(a).1.(i).(1).
- D. Check Sheets** - When a tariff filing is made with the FLAPSC, 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

Issued: December 19, 2001

Effective: _____

By: Peter P. Sicilian, Jr., President
42-40 Bell Boulevard
Bayside, NY 11361

TARIFF FORMAT (contd.)

D. Check Sheets (contd.)

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 FLAPSC.

Issued: December 19, 2001

Effective: _____

By: Peter P. Sicilian, Jr., President
42-40 Bell Boulevard
Bayside, NY 11361

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement which connects the customer's location to a Orion Telecommunications Corp. dba Orion Telecommunications Corp. of New York network switching center.

Authorization Code - A numerical code, one or more of which are available to a customer to enable the customer to access the carrier, and which are used by the carrier both to prevent unauthorized access to its facilities and to identify the customer for billing purposes.

Calling Card - A card issued by the Company, the customer's Local Exchange Company, authorized vendor, or other common carrier which allows the customer to make telephone calls and bill calls to the Calling Card by entering a PIN.

Card Number - A multi-digit identifying number which may be printed on each Prepaid Debit Card or Calling Card, which may also be referred to in this tariff as a PIN.

Company or Carrier - Orion Telecommunications Corp. dba Orion Telecommunications Corp. of New York

Credit Card Charges - Prepaid Debit Card purchases, renewals, and other charges that may be billed to Major Credit Cards.

Customer - The person, firm, corporation or other entity which orders service and is responsible for both payment of charges due and compliance with the Company's tariff regulations.

Day - From 8:00 a.m. up to, but not including, 5:00 p.m. local time Monday through Friday.

Evening - From 5:00 p.m. up to, but not including 11:00 p.m. local time Sunday through Friday.

FLAPSC - Florida Public Service Commission.

Issued: December 19, 2001

Effective: _____

By: Peter P. Sicilian, Jr., President
42-40 Bell Boulevard
Bayside, NY 11361

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (contd.)

Holidays - Orion Telecommunications Corp. dba Orion Telecommunications Corp. of New York's recognized holidays are New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Veterans' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Thanksgiving Day, and Christmas Day.

Local Exchange Company - A company which furnishes local exchange telephone service.

Major Credit Card - A universally accepted charge card. MasterCard, VISA, Diner's Club International, American Express and Carte Blanche are examples of major credit cards which the Company may accept.

Night/Weekend - From 11:00 p.m. up to, but not including, 8:00 a.m. Sunday through Friday, and 8:00 a.m. Saturday up to, but not including 5:00 p.m. Sunday.

PIN(s) - One or more multi-digit (usually 8 or more) personal identification numbers which have been assigned to a customer to use with a designated 800 number, or other access number, to access the Company's network.

Prepaid Debit Cards - A plastic, paper or similar card issued by the Company and/or purchased by a customer which enables the customer to use a preprogrammed number of minutes of the Company's telecommunications service. Each Prepaid Debit Card which represents a customer account, has a PIN and instructions for using the Company's Prepaid Debit Card telecommunications service.

Prepaid Debit Card Calls - Calls for which charges are billed to a Prepaid Debit Card and not to the originating or terminating telephone number.

Private Label Prepaid Debit Card - A Prepaid Debit Card issued by the Company which carries the name or logo of an organization in addition to the Company's name.

Issued: December 19, 2001

Effective: _____

By: Peter P. Sicilian, Jr., President
42-40 Bell Boulevard
Bayside, NY 11361

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (contd.)

Underlying Carriers - Those certificated telecommunications service providers.

Issued: December 19, 2001

Effective: _____

By: Peter P. Sicilian, Jr., President
42-40 Bell Boulevard
Bayside, NY 11361

SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of Orion Telecommunications Corp. dba Orion Telecommunications Corp. of New York

Orion Telecommunications Corp. dba Orion Telecommunications Corp. of New York's facilities are furnished for communications originating at specified points within the State of Florida under terms of this tariff.

Orion Telecommunications Corp. dba Orion Telecommunications Corp. of New York operates, and maintains the communication services provided hereunder in accordance with the terms and conditions set forth under this tariff. When authorized by the customer, the Company may act as the customer's agent for ordering access connection facilities provided by other carriers or entities to allow connection of a customer's location to the Orion Telecommunications Corp. dba Orion Telecommunications Corp. of New York network. The customer shall be responsible for all charges due for such service arrangement.

The Company's services are provided on a monthly basis unless ordered on a longer time basis, and are available twenty-four hours per day, seven days per week.

2.2 Limitations

2.2.1 Service is offered subject to the availability of facilities and the provisions of this tariff.

2.2.2 Orion Telecommunications Corp. dba Orion Telecommunications Corp. of New York reserves the right to discontinue furnishing service, or limit the use of service necessitated by conditions beyond its control, or when the customer is using service in violation of the law or the provisions of this tariff.

Issued: December 19, 2001

Effective: _____

By: Peter P. Sicilian, Jr., President
42-40 Bell Boulevard
Bayside, NY 11361

SECTION 2 - RULES AND REGULATIONS (contd.)

2.2 Limitations (contd.)

- 2.2.3 All services provided under this tariff are directly controlled by Orion Telecommunications Corp. dba Orion Telecommunications Corp. of New York and the customer may not transfer or assign the use of service, except with the express consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service or facilities.
- 2.2.4 Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions for service.
- 2.2.5 Orion's resellers and rebillers must be certified.

2.3 Liabilities of the Company

- 2.3.1 Orion Telecommunications Corp. dba Orion Telecommunications Corp. of New York's liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in the transmission occurring due to the negligence of its employees or its agents, in no event shall exceed an amount equivalent to the proportionate charge to the customer for the period during which the aforementioned faults in transmission occur, unless ordered by the Commission.
- 2.3.2 Orion Telecommunications Corp. dba Orion Telecommunications Corp. of New York shall be indemnified and held harmless by the customer against:
- (A) Claims for libel, slander, or infringement of copyright arising out of the material, data, information, or other content transmitted over the Company's facilities.
- (B) All other claims arising out of any act or omission of the customer in connection with any service or facility provided by Orion Telecommunications Corp. dba Orion Telecommunications Corp. of New York

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SECTION 2 - RULES AND REGULATIONS (contd.)

2.4 Interruption of Service

2.4.1 Credit allowances for the interruption of service, which is not due to the Company's testing or adjusting, negligence of the customer, or to the failure of channels or equipment provided by the customer, are subject to the general liability provisions set forth in 2.3.1 herein. It shall be the obligation of the customer to notify the Company immediately of any interruption in service for which a credit allowance is desired.

Before giving such notice, the customer shall ascertain that the trouble is not being caused by an action or omission by the customer within the customer's control, or is not due to the wiring or equipment, if any, furnished by the customer and connected to the Company's facilities.

2.4.2 For the purposes of credit computation, every month shall be considered to have 720 hours.

2.4.3 No credit shall be allowed for an interruption of a continuous duration of less than two hours.

2.4.4 The customer shall be credited for an interruption of two hours or more at the rate of 1/720th of the fixed monthly charge for the facilities affected for each hour or major fraction thereof that the interruption continues.

Credit Formula:

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

"A" -- outage times in hours

"B" -- total fixed monthly charge for affected facility

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SECTION 2 - RULES AND REGULATIONS (contd.)

2.5 Suspension-of-Service Guidelines

Service will be suspended without notice in the following situations:

- 1) The customer obtained service fraudulently; or
- 2) A safety hazard is found on the customer's premises.

2.6 Restoration of Service

Restoration of service shall be done as quickly as practicable by patching, rerouting, substitution of component parts or pathways, and other means, as determined necessary by the Company.

2.7 Billing Periods

To the extent that the customer is not a Prepaid Debit Card customer, the customer will receive a bill after the 30-day cycle.

2.8 Understanding Your Statement of Account

To the extent that the customer is not a Prepaid Debit Card customer, the customer's bill will outline specific charges or adjustments for Orion Telecommunications Corp. dba Orion Telecommunications Corp. of New York's services.

2.9 Questions About Your Statement of Account

If the customer has questions about Orion Telecommunications Corp. dba Orion Telecommunications Corp. of New York's charges that may appear on its statement of account, the customer may call the Orion Telecommunications Corp. dba Orion Telecommunications Corp. of New York service representative toll free at 1 (800) 330-1060.

Issued: December 19, 2001

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SECTION 2 - RULES AND REGULATIONS (contd.)

2.10 Special Promotions

The Company offers no special promotions at this time and anticipates no such promotions in the future.

2.11 Billing Dispute

In the event the customer is not satisfied with the Company's resolution of a billing dispute, the customer may make application to the FLAPSC for review and disposition of the matter.

2.12 Forms of Payment

At the customer's request, the Company permits the use of approved credit cards to apply for and receive a Debit Card used to access and pay for the Company's telecommunications services. Instead of traditional monthly billing, customers will pay in cash for, or authorize direct billing to their credit cards for purchase of, Prepaid Debit Cards that register with up to \$20.00 in credit. Telephone charges will be debited by the Company against this card at the rates set forth in Section 4 herein.

2.13 Advanced Payments

The Company reserves the right to collect advanced payments as part of its Prepaid Debit Card service.

2.14 Responsibility of the Company

The Company endeavors to provide the best long distance service possible at a fair and competitive price.

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SECTION 2 - RULES AND REGULATIONS (contd.)

2.15 Frequency Restrictions

There are no frequency restrictions.

2.16 Credit for Incomplete Calls

When a Customer calls in and identifies that specific calls were incomplete, the Company's Customer Service department has the capability to credit the Customer's card. In the event that the call was incomplete, the Company will automatically credit the Customer's card.

2.17 Minimum Call Completion Rate

A customer can expect a call completion rate (number of calls completed / number of calls attempted) of not less than 90% during peak use periods for all Company services.

2.18 Deposits

The Company does not require a deposit from the customer.

2.19 Taxes

All State and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

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SECTION 3 - DESCRIPTION OF SERVICES

3.1 Usage Based Services - Timing of Calls

The Company's charges are based on the actual usage of the Company's services, in addition to any special features and/or service options, utilized by the customer. Charges begin when the called station is answered and two way communication is possible, as determined by standard industry methods generally in use for ascertaining answer, including hardware answer supervision in which the Local Exchange Company sends a signal to the switch. Charges cease when either party (called or calling) hangs up. There is no charge for an incomplete call.

3.2 Long Distance Network Service

The Company's Long Distance Network Service provides for the non-facilities based, switchless resale of the tariffed Software Defined Network (SDN) Service offered by various Underlying Carriers. This service is a custom designed private telecommunication network that combines the efficiencies and benefits of both switched and private line service to meet the specific requirements of customers needing to communicate between geographic locations within the State. The method of mileage calculation utilized by the Company mirrors that of Bell Communications Research and NPA-NXX V & H Coordinates Tape and Bell's NECA Tariff No. 4.

Each service customer is charged individually for each call on a conversation minute basis. Each call is measured and charged at the applicable rate for the initial sixty (60) second period or fraction thereof, and then at the applicable rate for each additional sixty (60) second period or fraction thereof. The minimum length of a call is sixty (60) seconds. See Section 4, Rates, for the applicable rate schedule.

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SECTION 3 - DESCRIPTION OF SERVICES (contd.)

3.2 Long Distance Network Service (contd.)

Dedicated access circuits may be provided and billed by the local exchange company (LEC). Dedicated access channels may be purchased from carriers other than the LEC only in accordance with FLAPSC rules or if the special access channel is jurisdictionally interstate. Charges for the dedicated access channel are determined by the access provider.

3.3 Debit Card Service

3.3.1 This service permits use of a Prepaid Debit Card to access and pay for the Company's telecommunications services. Customers may purchase Prepaid Debit Cards directly from the Company, from authorized vendors or at a variety of retail outlets. Prepaid Debit Cards may be issued in denominations of \$5.00, \$10.00 and \$20.00 increments. The Company may issue Private Label Prepaid Debit Cards, as well as Prepaid Debit Cards with a fixed number of preprogrammed minutes.

3.3.2 Customers obtain the service by dialing an 800 number or other Access Codes to access the Company's network. The customer is prompted by an automated voice response system to enter his/her PIN, and then to enter the terminating telephone number. The Company's processor tracks the call duration from when the call is answered by the Company's processor for rating purposes on a real time basis. Billing for all calls ends when either party hangs-up. The total price of each call, including applicable taxes, is deducted from the prepaid amount on the Prepaid Debit Card in one minute increments. For some cards, when a customer obtains access to the Company's processor, the balance on the card will be announced. A warning tone

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SECTION 3 - DESCRIPTION OF SERVICES (contd.)

3.3 Debit Card Service (contd.)

3.3.2 (contd.)

or message shall be played when 60 seconds or less in program minute credit is left on the Prepaid Debit Card. The customer can then complete the call within the time remaining on the Prepaid Debit Card.

3.4 Calling Card Service

3.4.1 This service permits use of a Calling Card to place calls subject to the terms and conditions of this Tariff. The provisions of Section 3.1, as supplemented or modified herein, are applicable to Calling Card calls. The rates for Debit Cards apply to all Calling Card calls. If a Calling Card is lost, stolen or its PIN is used without the customer's consent, then all calls charged to the Calling Card, prior to written notification by the customer of the Company, shall be the responsibility and obligation of the customer.

3.5 Directory Assistance Service

Directory Assistance Service is provided to assist subscribers in obtaining telephone numbers.

3.6 Accessing Service

The service provided by the Company is one way dial in - dial out, multi-point telecommunications services, allowing the customer to originate calls through the network facilities of the Underlying Carriers. Access to the Company may differ dependent upon the type of exchange access service provided by the local exchange telephone company to the Underlying Carriers.

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SECTION 3 - DESCRIPTION OF SERVICES (contd.)

3.7 Availability of Service

The services provided through the Company, are available where equal access and the Billing Systems of its Underlying Carriers are provided.

3.8 Locations of Service

The services offered by the Company are to be available statewide, where the long distance services of its Underlying Carriers are available. The services offered by the Company are not intended to be limited geographically.

3.9 Reserved for Future Use

3.10 Reserved for Future Use

3.11 Reserved for Future Use

3.12 Long Distance Network Usage Rates

The calls placed through the Company are rated using one of the following schedules. If the total charge includes a fraction of a cent, the fraction is rounded to the next whole cent (e.g., \$4,101.345 would be rounded to \$4,101.35).

Prepaid Debit Cards may have a stated expiration date, and any access to the services available from the Prepaid Debit Card will be suspended when the expiration date occurs.

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SECTION 4 - RATES

4.1 Long Distance Network Usage Rates

4.1.1 Day, Evening and Night rate periods apply to Long Distance Network usage. The rates apply for all days of the week including holidays. The Day rate period is 8:00 a.m. to, but not including, 5:00 p.m., Monday through Friday and 5:00 p.m. to, but not including, 11:00 p.m. Sunday. The Night/Weekend Rate period is 11:00 p.m. to, but not including, 8:00 a.m. Monday through Sunday, all day Saturday, and from 8:00 a.m. to, but not including, 5:00 p.m. Sunday. For New Year's Day (January 1), Independence Day (July 4), Labor Day, Thanksgiving Day and Christmas Day (December 25), the Evening Rate applies.

4.2 Prepaid Debit Cards

4.2.1 Except to the extent modified in this section, the provisions of Section 4.1 are applicable to Prepaid Debit Card Service.

4.2.2 The Company may enter special agreements with certain customers who purchase Prepaid Debit Cards in volume directly from the Company.

4.2.3 If the Prepaid Debit Card is lost or stolen, the Company has no obligation to replace the Prepaid Debit Card or refund the charges to or remaining value represented by the Prepaid Debit Card. Any time charged or value added to a lost or stolen Prepaid Debit Card is the responsibility of the customer. The Company makes no refunds for unused balances on Prepaid Debit Cards

4.2.4 Monthly Maintenance Charge

Orion Telecommunications Corp.'s debit card customers will be debited \$0.49 per month as a monthly card maintenance charge.

4.2.5 Per Call Surcharge

Orion Telecommunications Corp.'s debit card customers will be debited the following per call surcharge for each telephone call.

Per Call Surcharge	\$0.35
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SECTION 4 - RATES (contd.)

4.3 Long Distance Network And Card Usage Rates

4.3.1 Florida Intrastate Interlata Rates

4.1.1.A Schedule A
(Switch Service)

<u>Day</u>		<u>Eve</u>		<u>Night</u>	
<u>First</u>	<u>Add'l</u>	<u>First</u>	<u>Add'l</u>	<u>First</u>	<u>Add'l</u>
\$0.5390/min	\$0.0390/min	\$0.5390/min	\$0.0390/min	\$0.5390/min	\$0.0390/min

4.3.1 Florida Intrastate Intralata Rates

4.1.1.A Schedule A
(Switch Service)

<u>Day</u>		<u>Eve</u>		<u>Night</u>	
<u>First</u>	<u>Add'l</u>	<u>First</u>	<u>Add'l</u>	<u>First</u>	<u>Add'l</u>
\$0.5390/min	\$0.0390/min	\$0.5390/min	\$0.0390/min	\$0.5390/min	\$0.0390/min

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SECTION 4 - RATES (contd.)

4.4 Directory Assistance Service

Orion Telecommunications Corp. dba Orion Telecommunications Corp. of New York's customers will be debited at the following per call charge for each directory assistance call. The directory assistance charge applies to each call regardless of whether the directory assistance bureau is able to furnish the requested telephone number.

Per Call Charge \$0.70

4.5 Exemptions and Special Rates

4.5.1 Directory Assistance for Handicapped Persons:

There shall be no charge for up to fifty calls per billing cycle from lines or trunks serving handicapped individuals. The Company shall charge the prevailing tariff rates for every call in excess of fifty within a billing cycle.

4.5.2 Hearing and Speech Impaired Persons:

Intrastate toll message rates for TDD users shall be evening rates for daytime calls and night rates for evening and night calls.

4.5.3 Telecommunications Relay Service:

For intrastate toll calls received from the relay service, the Company will when billing relay calls discount relay service calls by 50 percent off of the otherwise applicable rate for a voice nonrelay call except that where either the calling or called party indicates that either party is either both hearing and visually impaired, the call shall be discounted 60 percent off of the otherwise applicable rate for a voice nonrelay call. The above discounts apply only to time-sensitive elements of a charge for the call and shall not apply to per call charges such as a credit card surcharge.

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EXHIBIT 3

ORION TELECOMMUNICATIONS CORP.
REPORT ON AUDITS OF FINANCIAL STATEMENTS
YEARS ENDED JUNE 30,1998 AND 1999
AND
THREE MONTHS ENDED SEPTEMBER 30,1999
(UNAUDITED)

FELDMAN SHERB HOROWITZ & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS



MEMBER OF DFK INTERNATIONAL
WITH OFFICES IN PRINCIPAL
CITIES THROUGHOUT THE WORLD

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INDEPENDENT AUDITORS' REPORT

December 1, 1999

To the Board of Directors
Orion Telecommunications Corp.
Bayside, New York

We have audited the accompanying balance sheets of Orion Telecommunications Corp. as of June 30, 1998 and 1999 and the related statements of operations, shareholders' deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Orion Telecommunications Corp. at June 30, 1998 and 1999 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

We have reviewed the accompanying balance sheet of Orion Telecommunications Corp. as of September 30, 1999 and the related statements of operations, shareholders' deficit and cash flows for the three months then ended in accordance with Statement for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Orion Telecommunications Corp.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Salomon Mel Horowitz, P.C.
Certified Public Accountants

ORION TELECOMMUNICATIONS CORP.

BALANCE SHEETS

ASSETS

	June 30,		September 30,
	1998	1999	1999 (Unaudited)
CURRENT ASSETS:			
Cash	\$ 1,382	\$ 801,483	\$ 247,717
Accounts receivable-net	161,907	4,698,532	8,851,493
Inventories	34,923	350,266	317,782
Prepaid expenses and other current assets	58,352	-	116,400
TOTAL CURRENT ASSETS	<u>256,564</u>	<u>5,850,281</u>	<u>9,533,392</u>
PROPERTY AND EQUIPMENT -net of accumulated depreciation			
	<u>15,876</u>	<u>1,284,676</u>	<u>1,304,365</u>
OTHER ASSETS			
Deferred financing costs	49,430	-	-
Organization costs	6,873	28,112	22,496
Intangible assets, net	75,554	50,369	44,073
Security deposits	4,000	83,022	83,022
TOTAL OTHER ASSETS	<u>135,857</u>	<u>161,503</u>	<u>149,591</u>
	<u>\$ 408,297</u>	<u>\$ 7,296,460</u>	<u>\$ 10,987,348</u>

LIABILITIES & SHAREHOLDERS' DEFICIT

CURRENT LIABILITIES			
Accounts payable and accrued liabilities	271,784	5,809,222	6,203,940
Deferred revenue	161,858	3,686,135	9,038,768
Line of credit payable	10,000	127,802	112,390
Notes payable - current	-	247,235	198,725
Notes payable - related parties	125,000	-	-
Loans payable - related parties	141,752	121,172	104,303
Due to affiliate	55,213	54,661	54,661
TOTAL CURRENT LIABILITIES	<u>765,607</u>	<u>10,046,227</u>	<u>15,712,787</u>
NOTE PAYABLE - less current portion	-	873,215	873,215
SHAREHOLDERS' DEFICIT			
Common stock, par value \$.0001 - 20,000,000 shares authorized, 6,242,703 and 6,126,503 issued and outstanding	613	624	624
Preferred stock, par value \$.0001 - 10,000,000 shares authorized, 1,126,080 issued and outstanding	-	113	113
Additional paid in capital	327,591	1,203,872	1,203,872
Accumulated deficit	(685,514)	(4,827,591)	(6,803,263)
TOTAL SHAREHOLDERS' DEFICIT	<u>(357,310)</u>	<u>(3,622,982)</u>	<u>(5,598,654)</u>
	<u>\$ 408,297</u>	<u>\$ 7,296,460</u>	<u>\$ 10,987,348</u>

See notes to financial statements.

ORION TELECOMMUNICATIONS CORP.

STATEMENTS OF OPERATIONS

	Year ended June 30,		Three
	1998	1999	Months ended September 30, 1999 (Unaudited)
REVENUES	\$ -	\$ 12,834,716	\$ 7,469,031
Net sales			
Other revenue	70,601	-	-
TOTAL REVENUE	<u>70,601</u>	<u>12,834,716</u>	<u>7,469,031</u>
COST OF SALES			
Printing	-	515,565	246,040
Line costs	-	11,694,675	6,950,122
TOTAL COST OF SALES	<u>-</u>	<u>12,210,240</u>	<u>7,196,162</u>
GROSS PROFIT	70,601	624,476	272,869
GENERAL AND ADMINISTRATIVE EXPENSES	<u>733,655</u>	<u>4,435,676</u>	<u>2,063,066</u>
OPERATING LOSS	(663,054)	(3,811,200)	(1,790,197)
OTHER INCOME (EXPENSES)			
Loss on investment	-	(210,000)	-
Interest income	-	6,397	1,338
Interest and factoring expense	(22,460)	(75,114)	(186,813)
TOTAL OTHER INCOME (EXPENSES)	<u>(22,460)</u>	<u>(278,717)</u>	<u>(185,475)</u>
NET LOSS	(685,514)	(4,089,917)	(1,975,672)
Preferred stock dividends	-	52,160	-
Net loss to common shareholders	\$ <u>(685,514)</u>	\$ <u>(4,142,077)</u>	\$ <u>(1,975,672)</u>

See notes to financial statements.

ORION TELECOMMUNICATIONS CORP.
STATEMENT OF SHAREHOLDERS' DEFICIT

	Common Stock		Preferred Stock		Additional Paid in Capital	Accumulated Deficit	Total Shareholders' deficit
	Shares	Amount	Shares	Amount			
Balance - July 1, 1997							
Initial issuance of common stock in exchange for intangible asset	5,536,500	\$ 554	-	\$ -	\$ -	\$ -	\$ 554
Issuance of common stock in formation of Company	566,603	57	-	-	277,145	-	277,202
Issuance of common stock as employee compensation	23,400	2	-	-	17,548	-	17,550
Issuance of warrants in connection with debt	-	-	-	-	32,898	-	32,898
Net loss	-	-	-	-	-	(685,514)	(685,514)
Balance - June 30, 1998	6,126,503	613	-	-	327,591	(685,514)	(357,310)
Sale of preferred stock	-	-	1,100,000	110	849,054	-	849,164
Conversion of warrants to common stock	116,200	11	-	-	1,150	-	1,161
Preferred stock dividends	-	-	26,080	3	26,077	(52,160)	(26,080)
Net loss	-	-	-	-	-	(4,089,917)	(4,089,917)
Balance - June 30, 1999	6,242,703	624	1,126,080	113	1,203,872	(4,827,591)	(3,622,982)
Net loss (unaudited)	-	-	-	-	-	(1,975,672)	(1,975,672)
Balance - September 30, 1999 (unaudited)	6,242,703	\$ 624	1,126,080	\$ 113	\$ 1,203,872	\$ (6,803,263)	\$ (5,598,654)

See notes to financial statements

ORION TELECOMMUNICATIONS CORP.

STATEMENTS OF CASH FLOWS

	Year ended June 30,		Three
	1998	1999	Months ended September 30, 1999 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	\$ (685,514)	\$ (4,089,917)	\$ (1,975,672)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	3,405	63,690	82,891
Deferred financing costs	(49,430)	49,430	-
Changes in assets and liabilities:			
increase in accounts receivable	(161,907)	(4,536,625)	(4,152,961)
(Increase) decrease in inventories	(34,923)	(315,343)	32,484
(Increase)decrease in prepaid expenses and other current assets	(58,352)	58,352	(116,401)
Increase in organization costs	(6,873)	(21,239)	-
Increase in security deposits	(4,000)	(79,022)	-
Increase in accounts payable and accrued liabilities	271,784	5,511,367	394,718
Increase in deferred revenue	161,858	3,524,277	5,352,633
TOTAL ADJUSTMENTS	121,562	4,254,877	1,593,364
NET CASH (USED IN)PROVIDED BY OPERATING ACTIVITIES	(563,952)	164,960	(382,308)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets	(19,281)	(1,307,305)	(90,667)
Purchase of intangible asset	(75,554)	-	-
NET CASH USED IN INVESTING ACTIVITIES	(94,835)	(1,307,305)	(90,667)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase(decrease) in line of credit	10,000	117,802	(15,412)
Increase in notes payable	-	1,120,450	(48,510)
Proceeds (payment) in notes payable-related parties	125,000	(125,000)	-
Proceeds (payment) of loans payable to related party	141,752	(20,580)	(16,869)
Proceeds from issuance of stock	328,204	850,326	-
Proceeds (payment) to affiliates	55,213	(552)	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	660,169	1,942,446	(80,791)
NET INCREASE (DECREASE) IN CASH	1,382	800,101	(553,766)
CASH - Beginning of period	-	1,382	801,483
CASH - End of period	\$ 1,382	\$ 801,483	\$ 247,717
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the year for:			
Interest	\$ 17,460	\$ 59,230	\$ 156,813
Income taxes	\$ -	\$ -	\$ -
Non-cash financing and investing activities:			
(1) Accrued preferred stock dividends	\$ -	\$ 52,160	\$ -
(2) Common stock issued for compensation	\$ 17,550	\$ -	\$ -
(3) Warrants issued for debt	\$ 32,898	\$ -	\$ -

See notes to financial statements

ORION TELECOMMUNICATIONS CORP.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 1999 AND 1998
AND
THREE MONTHS ENDED SEPTEMBER 30, 1999
(UNAUDITED)

1. DESCRIPTION OF BUSINESS

Orion Telecommunications Corp. (the "Company") was incorporated on September 15, 1997 in the State of Delaware. The Company was formed for the purpose of engaging in the sale of international and long-distance telecommunications services primarily through the marketing of prepaid phone cards, which it will manufacture and distribute on a wholesale basis. The Company intends to provide card users access to long-distance and international service through contractual arrangements with carriers which will comprise the Company's least-cost routing network.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Cash and Cash Equivalents: The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.
- b. Property and Equipment: Property and Equipment consists principally of furniture and fixtures, switching and computer equipment, which are recorded at cost with depreciation provided using the straight-line method over the estimated useful lives of the related assets. The estimated useful lives of the Company's fixed assets are three years.
- c. Income Taxes: Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be realized or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized.
- d. Fair Value of Financial Instruments: SFAS No. 107, "Disclosure About Fair Value of Financial Instruments", requires the determination of fair value for certain of the Company's assets and liabilities. The Company estimates that the carrying values of its financial instruments approximates fair value.

- e. Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed of : In accordance with SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of" the Company reviews for the impairment of long-lived assets and certain identifiable intangibles to be held and used by the Company whenever events and changes in circumstances indicate that the carrying value of an asset may not be recoverable.

The Company assesses recoverability of an asset by determining whether the amortization of the asset balance over its remaining life can be recovered through projections of undiscounted future cash flows of the related asset. The amount of asset impairment, if any, is measured based on the projected discounted future cash flows using a discount rate reflecting the Company's average cost of funds.

- f. Accounting Estimates: 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 revenue and expense during the reporting period. Actual results could differ from those estimates.
- g. Stock-Based Compensation: The Company accounts for stock-based compensation in accordance with SFAS No. 123, "Accounting for Stock-Based Compensation", which permits entities to recognize as expense over the vesting period the fair value of all stock-based awards on the date of the grant. Alternatively, SFAS No. 123 also allows entities to continue to apply the provisions of the Accounting Principles Board ("APB") Opinion No. 25 and provide pro forma net income and pro forma earnings per share disclosures for employee stock option grants made in 1995 and future years as if the fair value-based method, as defined in SFAS No. 123, had been applied. The Company has elected to apply the provisions of APB Opinion No. 25 and provide the pro forma disclosure required by SFAS No. 123. As such, compensation expense is generally recorded on the date of grant only if the current market price of the underlying stock exceeded the exercise price, or if the options were issued for services already rendered and contained no vesting period.
- h. Inventories: Inventories are stated at the lower of cost, determined by the first-in, first-out method, or market.
- i. Revenue Recognition: The Company sells prepaid phone cards and purchases access from common phone system carriers as customers use the cards. A certain proportion of the sold usage is never used by the customer. The Company recognizes all revenues and costs associated with such revenues upon usage.

3. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	<u>June 30,</u>		<u>September 30,</u>
	<u>1998</u>	<u>1999</u>	<u>1999</u>
			(Unaudited)
Non-factored	\$ 161,907	\$ 4,438,102	\$ 7,498,684
Factored	-	260,430	1,352,809
TOTAL	<u>\$ 161,907</u>	<u>\$ 4,698,532</u>	<u>\$ 8,851,493</u>

4. INTANGIBLE ASSETS

On September 15, 1997, concurrent with the formation of the Company, the Company's founder and principal shareholder transferred to the Company a sales contract with a large wholesale and distribution organization in exchange for an agreement for full-time employment by the Company, a note in the amount of \$75,000 and 5,536,500 shares of common stock in the Company valued at \$554. The amount of \$75,554 was recorded in the financial statements as an intangible asset with an estimated useful life of three years (the estimated term of the contract). Amortization of the intangible asset commenced upon the commencement date of the first shipping date (which was in July 1998). The total sales related to the contract was \$5,360,536 during year end 1999. Total amortization of intangible assets in year end 1999 is \$25,185. There was no amortization in year end 1998 since there was no related sales associated with the contract.

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>June 30,</u>		<u>September 30,</u>
	<u>1998</u>	<u>1999</u>	<u>1999</u>
			(Unaudited)
Telecommunications switches and equipment	\$ 14,568	\$ 1,292,336	\$ 1,372,385
Furniture and fixtures	4,313	20,341	28,010
Leasehold improvements	400	12,534	15,494
	<u>19,281</u>	<u>1,325,211</u>	<u>1,415,889</u>
Less: accumulated depreciation	3,405	40,535	111,524
	<u>\$ 15,876</u>	<u>\$ 1,284,676</u>	<u>\$ 1,304,365</u>

6. LOSS ON INVESTMENT

During the year ended June 30, 1999, the Company invested \$210,000 in Cap. Communications Inc. Based on the losses incurred by Cap. Communications the Company wrote off the investment in 1999. However, this joint venture marketing company still functions as a vehicle for distribution for Orion.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

	June 30,		September 30,
	1998	1999	1999
			(Unaudited)
Trade accounts payable	\$ 234,110	\$ 5,321,928	\$ 5,426,916
Accrued interest	21,075	28,532	32,636
Other accrued expenses	16,599	458,762	744,388
	<u>\$ 271,784</u>	<u>\$ 5,809,222</u>	<u>\$ 6,203,940</u>

8. RELATED PARTY TRANSACTIONS

NOTES PAYABLE - RELATED PARTIES

On September 15, 1997, the Company issued notes to two companies under the same management control as the Company: Phone Holdings, Inc. and PHI Telecommunications Inc., as repayment for expenditures incurred on behalf of the Company prior to the Company's incorporation. Such expenditures included consulting, telephone, supplies and other specifically identifiable expenses incurred in the development of the Company business plan. The notes payable were issued in amounts of \$41,913 to PHI Telecommunications Inc. and \$13,300 to Phone Holdings, Inc. Both notes have no specific repayment date and bear an interest rate of 8% per annum. In addition, the two notes call for the issuance of warrants of one share of common stock for every dollar borrowed. All such warrants were issued to creditors when such lines of credit were established. Warrants to purchase a total of 55,213 shares of common stock, exercisable at \$.01 per share, have been issued to PHI Telecommunications Inc. and Phone Holdings Inc. under these agreements.

LOANS PAYABLE - RELATED PARTIES

From time to time, the Company borrows funds from certain directors and officers under informal borrowing agreements. In addition, certain of the directors and officers have guaranteed the debt of the Company (Note 12). Such borrowings are short-term in nature. It has been the Company's policy to pay interest on loans at a rate of 8% per annum. As of June 30, 1998 and 1999, a total of \$141,752 and \$ 121,172, respectively in loans payable to three officers were outstanding. As of September 30, 1999, outstanding loan payable was \$104,303.

WARRANTS

In connection with the notes and loans payable discussed above, the Company issued a total of 159,446 warrants to the lenders, which are exercisable at \$.01 per share of common stock. The Company has valued these warrants at the contemporaneous sales price for the common stock of \$.25 per share. In this regard, the Company has computed a debt discount for the value of the warrants in accordance with Accounting Principles Board Opinion No. 14. Such discount is being amortized over the term of the debt for the common stock.

STOCK-BASED COMPENSATION

On February 15, 1998, the Company awarded an employee of the Company 23,400 shares of common stock in the Company in exchange for services rendered on a part-time basis before his full-time employment with the Company. The shares granted were valued at \$.75 per share and were recorded as compensation expense in the financial statements.

9. 401(K) PLANS

In September 1997, the Company established the Orion Telecommunications Corp. 401 (k) Savings Plan (the "Plan") for the benefit of its employees. The Plan is open to all employees of the Company and allows employees to invest pre-tax dollars in certain investment funds as directed by the employee. The Plan also allows rollover contributions from other qualifying 401 (k) plans to be invested directly into the Company's common stock at a price equal to the most recent stock valuation. The Plan restricts investments in the Company's Common Stock Fund to rollover contributions only. The Plan provides for a discretionary Company matching contribution to be declared annually. No matching contributions have been made to the Plan through September 30, 1999.

10. INCOME TAXES

The Company has not recorded income tax expense as the result of the operating losses being incurred as of June 30, 1999, the Company has approximately \$4,700,000 in net operating loss carryforwards, expiring in 2019. The availability to offset income taxes in future years may be restricted if the Company undergoes an ownership change, which may occur as a result of future sales of any stock and other events.

The tax effect of temporary differences that give rise to significant portions of the deferred tax asset at June 30, 1999 are described below:

Net operating loss carryforwards	\$	1,880,000
Writedown of investment		84,000
		<u>1,964,000</u>
Less: Valuation allowance		<u>(1964,000)</u>
Net deferred tax asset	\$	<u><u>-</u></u>

In assessing the realizability of deferred tax assets, management considered whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets dependent on the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers projected future taxable income, and tax planning in making these assessments. The Company's management has recorded a valuation allowance equal to the deferred tax asset in the accompanying financial statements. However, if the Company is profitable in future periods then the realizability of such deferred tax asset will be revalued and an appropriate adjustment to reduce the valuation allowance may be recorded.

11. COMMITMENTS AND CONTINGENCIES

The Company has operating lease agreements for office space. Aggregate annual minimum future office rental payments for the next five years under current leases are \$127,200 per year. Rent expense was \$26,690 and \$75,788 in the year ended June 30, 1998 and 1999, respectively.

12. NOTES PAYABLE

In March, 1999, the Company entered into a promissory note agreement with World Assess Inc. in exchange for switching equipment. The total amount of the financing is \$1,220,000. The total outstanding balance of the notes at June 30, 1999 is \$1,120,000. The current portion of the note payable is \$247,235 and the non-current portion of the note is \$873,215. The note bears interest at the rate of 10.74% per annum and is for five years. The Company pays \$34,487 monthly. The equipment that the Company acquired is collateral for the outstanding balance of the note. The note is guaranteed by the President of the Company. As of September 30, 1999, current portion of the note is \$198,725, and the non-current portion is \$873,215.

13. ISSUANCE OF PREFERRED SHARES

During the year ended June 30, 1999, the Company issued 1,100,000 shares of 8% convertible, redeemable preferred stock. At June 30, 1999, there was 1,126,080 shares outstanding which includes 26,080 shares issued as preferred stock dividends.

14. OPTIONS AND WARRANTS

As compensation for loans, new business or guarantee of debt, the Company has agreed to issue stock options and warrants representing between 3.5 and 5 million shares of common stock. The agreed upon exercise price of such options and warrants ranges from \$1.00 per share to the market value. These options and warrants, while agreed upon, have not been issued.

EXHIBIT 4

Orion Telecommunications Corp. ("Orion") has been able to maintain its capital and expand their operations in the market that they presently serve (New York, New Jersey, Pennsylvania, Massachusetts and California). At the same time, because Orion is predominately a non-facilities based long distance reseller and any infrastructure has already been built and paid for, expenses have increased by only a negligible amount. By the end of the first quarter 2001, Orion plans to increase its cash reserve by Four Hundred Thousand Dollars (\$400,000.00). In addition, Orion has access to a Two Hundred Fifty Thousand (\$250,000.00) line of credit in case of emergency.

EXHIBIT 5

Arthur Myers
524 Wingate Drive
East Meadow, N.Y. 11554
Tel: 516-785-5545
Fax: 516-409-5053
Email: AMyers3711@AOL.com

Summary

Senior financial executive, with an extensive, hands-on background in controllership and financial management areas. Significant experience with organizations of varied sizes, in industries relating to: telecommunications, Internet, cellular, entertainment, marketing, financial services, retail, travel, printing, insurance, real estate and manufacturing. Project expertise in restructuring, financial systems review and installation.

A professional with well established skills in staff motivation and development, process improvement, project management and interaction with regulatory groups, investment bankers, investor relations, outside counsel and auditors.

- | | |
|----------------------------------|--|
| * Information technology systems | * Operations analysis |
| * Process improvement teams | * External / Internal reporting (SEC, GAAP) |
| * Debt Financing | * Financial restructuring / turnarounds |
| * Human Resources | * Planning / forecasting/ budgeting |

Experience

AMyers & Associates – Management Assurance Services – Consulting service with clients in insurance, telecommunications, manufacturing, real estate and public accounting. Services include business assessment, internal control review, implementation of business enhancements, preparation of financial statements, tax and SEC filings.

Vice President – Finance & Administration, Treasurer – Quintel Communications, Inc. & Subsidiaries (1997 – November 1998) Pearl River, N.Y.

A NASDAQ listed (\$400 million revenue) telecommunications, Internet, cellular, entertainment and direct marketing company specializing in the sale and marketing of telecommunications services, entertainment, media advertising, commercial production and related products.

- Preparation of consolidated financial statements, tax returns, state regulatory and SEC filings.
- Treasury functions resulting in improved investment income.
- Review of internal control system and procedures, computer billing, collection applications and the design and implementation of system enhancements.
- Responsible for telecommunications regulatory compliance.
- Liaison with outside council, auditors and banking institutions.
- Administrative and Human Resource functions.

Controller – Sam Ash Music Corp. and affiliate, Samson Technologies Corp.
(1995 – 1997) New York, N.Y.

The family owned (\$200 million revenue) nationwide Retail and distribution operation with stores located throughout the country.

- Responsible for the groups general accounting, budgeting and financial operations.
- Review of internal control systems and procedures and the implementation of improvements.
- Preparation of consolidated financial statements, tax returns, budgets and projections.
- Responsible for pension plan administration.
- Liaison with outside council, auditors and banking institutions.
- Analysis and negotiation for bank lines of credit and private funding instruments.

Vice President – Finance & Administration – Allied Tours, Inc. (1993 – 1995)

New York, N.Y.

A family owned (\$200 million revenue) tour operating travel organization, with offices in New York, California, Florida and Hawaii.

- Responsible for the review of accounting and administrative systems and procedures. Coordinated the implementation of cost effective innovations for all office locations in the financial, operational, data processing and administrative functions.
- Managed investments and monitored cash flow procedures resulting in improvements to both collections and investment income.

Controller – Arldee Production Company (1991 – 1993) (\$2 million Revenue)

Long Island, New York.

A family owned printing broker and real estate owner.

- Managed investment and cash flow resulting in improvements to investment income.
- Review systems and procedures and implemented cost effective innovations.
- Prepared budgets, consolidated financial statements and tax returns.
- Coordinated the conversion from manual to computerized accounting system.

Chief Financial Officer – Bell Nicholson Henderson (USA) Inc. (1983 – 1991)

(\$10 million Revenue) New York, New York.

Investor owned Reinsurance Intermediary, with offices in New York, London and Texas.

- Served as group controller, company secretary and financial liaison between London, New York and Dallas offices. Consolidated offices for financial purposes.
- Managed operating and fiduciary investments and cash flow functions resulting in a ten-fold increase in investment income.
- Supervised and trained staff to maintain all financial and administrative aspects of the company.
- Prepared financial analysis for mergers and or acquisitions.
- Prepared budgets and financial statements for management review and certified audits.
- Administered profit sharing plan and managed investment portfolio.
- Coordinated the conversion from manual to computerized systems.
- Administered Human Resources, employee benefit plans and insurance placement.
- IBM AS 400, System 36, Lotus, Excel, Word, Quicken, FoxPro, Oracle, Windows.

Audit Manager – Lopez, Edwards, Frank and Company, Certified Public Accountants

(1978 – 1983) New York, New York.

- Reviewed financial documentation for audit certification.
- Prepared GAAP, Statutory, Cash Basis financial statements, SEC reporting.
- Supervised and trained the audit staff.
- Responsible for corporate and individual tax returns.

Greenberg & Greenberg, Certified Public Accountants (1976 - 1978)

New York, New York. Clientele limited to large real-estate companies.

- Staff accountant responsible for audit papers, tax preparation and inventory.

Education: BA, Queens College, with a major in accounting. (1976)

References: Professional and personal reference available upon request.

THOMAS J. FLYNN
186 Fort Lee Road
Leonia, NJ 07605
(201) 944-0979

TELECOMMUNICATIONS
Central Office Switch...Management

Over 15 years of Central Office facilities and management experience. Strong strategic and project management skills have resulted in the successful implementation and installation of new technologies in a cost efficient manner. Outstanding staff development skills with emphasis on quality work product.

RESPONSIBILITIES AND ACCOMPLISHMENTS

NYNEX/NEW YORK TELEPHONE, New York, NY

1964-1997

Area Operations Manager, Switched Services (1991-1997)

Managed central office which service over 600,000 dial tone customers. Areas of responsibilities included maintenance and provisioning of 7 wire centers. Managed over 100 craft and 6 supervisors.

- Managed the implementation of new features and lines for NY Metro area which improved service for 1.2 million customers.
- Project managed the centralization of work groups and projects to new facilities.
- Designed and delivered cross-craft training (carrier, switch and frame) for a more efficient work group.
- Received President's Award T1 Carrier provisioning and maintenance process changes.
- Coordinated engineering and installation teams for the implementation of "Fiber to the Curb" for 2 wire centers.
- Liaisoned with engineers on performance monitoring and alarm telemetry for central office switches and facilities.
- Liaisoned with engineering department for proper and cost effective installation of Sonet base interoffice facilities.
- Installed and implemented BRI and PRI ISDN lines for Columbia University.

Area Operations Manager, Switched Services (1985-1991)

Responsible for all frame and carrier maintenance and provisioning for West Street. Managed work force of 123 craft and 6 managers.

- Instituted work operation changes that increased productivity.
- Reduced staff by 20% through more effective work operations and distribution of jobs.
- Served on numerous communities to better serve NYNEX's larger and newer clients.

THOMAS J. FLYNN

(Page 2)

Manager, Switch Services Staff (1981-1985)

Responsible for the implementation of digital switches throughout N.Y.C.

- Coordinated delivery of changes in maintaining and installing central office equipment.
- Led team to set up more effective and efficient guidelines of installing switches and switching equipment.

Manager, Switch Services Transmission (1972-1981)

Switching Services Equipment Technician (1964-1972)

ITT FEDERAL LABORATORIES, Nutley, NJ

1960-1964

Technician

EDUCATION

Fordam University, NY
27 credits, Electronics

MILITARY

United States Marine Corps. (1957-1960)

GEORGE J. GREGORY

201/324-0402

100 Warren Street, Suite 1507
Jersey City, New Jersey 07302

EXPERIENCE**FOUR TRADING AND INVESTMENTS, INC.**
President

December 1996 to Present

Telecommunications/legal consultant focused on the following subjects:

- * Negotiate/review carrier service agreements, selling agent agreements, non-disclosure agreements, lock box agreements, co-location lease agreements, commercial office leasing agreements.
- * Finance-Review letters of credit, receivables financing referrals and analysis, credit/collections analysis.
- * Strategic marketing of international long-distance minutes.
- * In-house liaison for outside counsel/consultant on tariffs.

CONETCO CORPORATION
Senior Vice President

November 1994 - November 1996

- * Credit Authorization: Set up credit procedures and ultimately made all credit decisions for a Long-Distance Carrier with revenues of \$200 million.
- * Collections: Interfaced with outside Collection Agencies and managed in-house collections.
- * Regulatory: Interfaced with outside Regulatory Counsel to complete regulatory approvals and tariff filings in all 50 states. Monitored regulatory compliance with each State, and Federal Agency.
- * Sales and Marketing Strategy: Developed marketing plans, including pricing, for One Plus and Pre-Paid Debit Card Agent Programs.
- * Agent Contracts: Created boiler plate Agent contracts for One Plus and Pre-Paid Debit Cards. Negotiated all Agent contracts.
- * Interfaced with outside Legal Counsel on a variety of corporate legal subjects.

IDB WORLD COMMUNICATIONS
Credit Authorization

July 1993 - October 1994

- * Performed all credit authorization worldwide, for Switched Voice and Private Line accounts for a carrier with revenues of \$400 million per year.
- * International collections.

TOWERS FINANCIAL CORPORATION
Crosstrained as Manager of:

July 1992 - June 1993

- * Legal Department consisting of 15 paralegal collectors and an active case portfolio of \$100 million in the hands of 70 outside Legal Counsel in 50 states.
- * Pre-Legal Department/Second Effort consisting of 8 senior high balance collectors who treat \$50 million in claims on an annual basis with balances reaching \$1 million.
- * F.D.I.C. Recovery Unit consisting of 8 collectors and a defaulted, collateralized loan portfolio of \$150 million.

CELLCOM TELEPHONE COMPANY
Manager Pre-Legal Department - Collections

February 1990 - June 1992

- * Supervised a Pre-Legal Department of 4 individuals with 20,000 accounts and \$15 million in collections.
- * Interfaced with full functional responsibility for controlling performance levels of eight different collection agencies which included all levels of their management.
- * Responsible for making a final determination on accounts in collection, litigation and write-off, ranging in value from \$500 to \$100,000 utilizing financial tools including D&B, TRW, bank and trade references, financial statements and skiptracing.

EDUCATION

SUFFOLK UNIVERSITY LAW SCHOOL, Boston, Massachusetts
Juris Doctor

Member, New York Bar

RUTGERS UNIVERSITY, New Brunswick, New Jersey
Bachelor of Science

Stephen J. Babsky
42-40 Bell Blvd.
Bayside, NY 11361

SUMMARY

SKILLS: Microsoft Word Harvard Graphics PowerPoint
 Lotus Notes Excel AutoCAD

EXPERIENCE:

ORION TELECOMMUNICATION CORPORATION, New York

Director of Operations/Engineering 1998 - 2000

Reporting directly to the President of the company, my responsibilities include planning and implementing technical projects, i.e., switch selection; site requirements; project management (for the installation of NACT switches at 111 8th Avenue New York City); circuit provisioning; and budgeting. In addition, as Director of Operations, my responsibilities include overseeing the daily operation of the switch and staff.

INDEPENDENT CONSULTANT 1996 - 1998

Worked on various engineering and telecommunication projects involving switch and network design installations.

1. DynaServe - Engineering Consultant
2. BellAtlantic - Communication Consultant

NYNEX / NEW YORK TELEPHONE, New York, NY

Area Manager 1990 -1996

Responsible for cost maintenance, engineering, and building services for over 50 sites, including corporate headquarters. Annual budget of \$60 million, with support groups of 15 direct reporting managers and over 250 unionized trade and craft personnel.

- Researched and prepared reports and presentations to senior mgt.
- Prepared capital and maintenance budgets
- Reduced operation expenses by 35%
- Developed and implemented customer service surveys for focus group, became bench mark for the department
- Member of an interdepartmental team which developed an emergency preparedness program

- Active member with the Business Improvement District (BID)
- Implemented Con-Edison energy conservation rebate program resulting in a \$1.2 million rebate
- Successfully negotiated with union representatives on key issues
- Prepared tapes, training programs, brochures, "Safety Directives" and delivered same

Manager (Switched Services)

1985 -1990

Responsible for provisioning and maintaining voice and data circuits as well as fiber optic/copper (DS1/DS3) systems in a Central Office. Familiar with various types of telecommunication equipment and terminology i.e., multiplexers (both fiber optic and electronic, SLCs), switches, routing equipment, protocols, SONET. Support group included 18 direct report technicians.

- Managed a Carrier Control Center along with an Interexchange Point of Presence (POP) facility
- Coordinated the installation and maintenance of fiber optic and SLC equipment with AT&T, MCI, Sprint, RCI, etc.
- Coordinated cutovers ($\geq 10,000$ lines)
- Managed development of a fiber optic ring around Manhattan to protect vital communication systems and increase capacity
- Researched and prepared monitoring reports

Technician (Switched Services)

1971 -1985

- ESS Technician
- CXR Technician
- Frame Technician

EDUCATION:

MBA - St. John's University (1993)

BS (EE) - City University of New York (CUNY)

FMA (Facilities Management Certification) - BOMI (Building Owners and Managers Institute)

Completed numerous managerial and technical courses at NYNEX.

PROFESSIONAL MEMBERSHIPS:

Member IEEE (Institute of Electrical and Electronic Engineers)