

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

**DIVISION OF REGULATORY OVERSIGHT**  
**CERTIFICATION SECTION**

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

020642-TX

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Instructions

- ◆ This form is used as an application for an original certificate and for approval of the assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Page 12).
- ◆ Print or type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.
- ◆ Use a separate sheet for each answer which will not fit the allotted space.
- ◆ Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$250.00 to:

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

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

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

## APPLICATION

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

Original certificate (new company).

Approval of transfer of existing certificate: Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority.

Approval of assignment of existing certificate: Example, a certificated company purchases an existing company and desires to retain the certificate of authority of that company.

Approval of transfer of control: Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of company:

THC MERGER Corp. dba  
THC INTERNET SOLUTIONS

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

THC INTERNET SOLUTIONS

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

444 BRICKELL AVE  
SUITE 504  
MIAMI, FL 33131

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

444 BRICKELL AVE  
SUITE 504  
MIAMI, FL 33131

6. Structure of organization:

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

7. If individual, provide:

Name: N/A

Title:

Address:

City/State/Zip:

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

Internet E-Mail Address:

Internet Website Address:

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

(a) The Florida Secretary of State corporate registration number:

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

(a) The Florida Secretary of State corporate registration number:

F 02 000 00 2725

**10. If using fictitious name-d/b/a, provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida:**

(a) The Florida Secretary of State fictitious name registration number:

G 02161900108

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

(a) The Florida Secretary of State registration number:

N/A

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

Name:

N/A

Title:

Address:

City/State/Zip:

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

Internet E-Mail Address:

Internet Website Address:

**13. If a foreign limited partnership, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable.**

(a) The Florida registration number:

**14. Provide F.E.I. Number(if applicable):**

11-355-7543

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

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

N/A

(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.

YES, ART GARCIA IS FLORIDA CERTIFICATED FOR DLC ENT dba DIRECT LINK COMMUNICATIONS, INC.

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

(a) The application:

Name: MARITZA AUILA  
Title: OPERATIONS MGR.  
Address: 444 BRICKELL AVE. SUITE 504  
City/State/Zip: MIAMI, FL 33131

Telephone No.: 305-381-8981 Fax No.: 305-371-6943  
Internet E-Mail Address: MARITZAA@THCCOMM.COM  
Internet Website Address: WWW.THCCOMMUNICATIONS.COM

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

Name: Angel ARIAS  
Title: VP  
Address: 444 Brickell Ave suite 504  
City/State/Zip: MIAMI, FL 33151  
Telephone No.: 305-381-8981 Fax No.: 305-371-6943

Internet E-Mail Address: ANGELA@THCCOMM.COM  
Internet Website Address: WWW.THCCOMMUNICATIONS.COM

(c) Complaints/Inquiries from customers:

Name: MARITZA AVILA  
Title: Operations MGR.  
Address: 444 Brickell Ave suite 504  
City/State/Zip: MIAMI, FL 33131  
Telephone No. 305-381-8981 Fax No.: 305-371-6943

Internet E-Mail Address: MARITZAA@THCCOMM.COM  
Internet Website Address: WWW.THCCOMMUNICATIONS.COM

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

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

N/A

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

N/A

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

N/A

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

N/A

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

N/A

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

N/A

**18. 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.**

SEE ATTACHED

**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.

\* SEE ATTACHED

**NOTE:** *This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.*

Further, the following (which includes supporting documentation) should be provided:

1. **written explanation** that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.
2. **written explanation** that the applicant has sufficient financial capability to maintain the requested service.
3. **written explanation** that the applicant has sufficient financial capability to meet its lease or ownership obligations.



**THIS PAGE MUST BE COMPLETED AND SIGNED**

**APPLICANT ACKNOWLEDGMENT STATEMENT**

- 1. REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
- 2. GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
- 3. SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
- 4. APPLICATION FEE:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

**UTILITY OFFICIAL:**

ART GARCIA  
Print Name

  
Signature

PRESIDENT  
Title

Date 6/27/02

3053818981      3053716943  
Telephone No.      Fax No.

**Address:**

**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:**

ART GARCIA

**Print Name**

PRESIDENT

**Title**

3053818981 3053716943

**Telephone No.**

**Fax No.**



**Signature**

**Date** 6/27/02

**Address:**

## INTRASTATE NETWORK (if available)

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

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

- |   |   |
|---|---|
| 1) <u>444 Brickell Ave #504</u><br><u>MIAMI, FL 33131</u><br><u>OWNED</u> | 2) <u>111 8th AVE. Suite 536</u><br><u>NY, NY 10033</u> |
| 3) _____<br>_____   | 4) _____  |

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

- |   |  |
|---|--|
| 1) <u>MIAMI, FL</u><br><u>444 BRICKELL AVE #504</u><br><u>OWNED</u> | 2) <u>111 8th AVE Suite 536</u><br><u>NY, NY 10033</u> |
| 3) _____<br>_____   | 4) <u>OWNED</u>  |

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

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

# Pedro D Sanchez

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## Professional Experience

2000–2002                      Talk Visual Corporation                      Miami, FL

### **Chief Technical Officer**

- Responsible for the creation, design and implementation of all of the Networking, Billing and Switch operations and interfaces. Implemented the NACT STX and NTS systems.
- Responsible for all Carrier inter-connect, signaling networks, protocol testing and functionality.
- Designed and Developed the EZ-Global prepaid cellular system.
- Designed and Implemented a VoIP and VoFr system for bringing all the voice traffic from the remote CallShops in New York, New Jersey and Brussels.
- Implementation of a two-way multipoint H.323 (IP) to H.320 (ISDN) Video-Conferencing Gateway with an MCU bridge with RAD/ RadVision Technology.
- Design and development of billing software for Sprint CDRs
- Design and development of realtime CallShop Call Accounting s/w.
- Operating Systems: Unix, Linux, Windows 2000/NT.
- On call for first line switch support 24x7

1998-2000                      MTS of Florida                      Miami, FL

### **VP of Engineering & MIS**

- Responsible for the operation of 4 STX switches interconnected thru an MCU in Miami and 2 STX switched in New York.
- Responsible for the design and implementation of 40 international private circuits between Miami and all Latin American countries including Dominican Republic, Haiti and Jamaica..
- Responsible for all carrier interconnects.
- Responsible for all prepaid card operations in the NTS and all customer billing.
- Design and Development of Unix based Call Accounting s/w and all technical support for 26 CallShops..

1995-1998                      DC Corp                      New York, NY

### **VP of Engineering & MIS**

- Responsible for the Operation and Development of all Switch Networking operations and projects. Switch managed were a 240 T1 Siemens DCO and 4 NACT STXs with an NTS.
- Designed and Implemented a private network to link 110 CallShops to the Siemens DCO including a support team for all technical needs at the stores.
- Design and Implemented a proprietary Prepaid Card Platform under Unix

with TCP/IP that handled over 200,000 minutes a day.

- Responsible of all carrier interconnects and New technology projects.
- Responsible of all Billing procedures including custom made software.

1991-1994                      AACR.                      Dominican Republic

**New Business Technology Director**

- Implementation of the DMS-250 toll switch and a DMS-MTX cellular switch in Dominican Republic.
- Designed and Programmed the Billing system for all voice customers.
- Designed and Implemented the first Internet Network Access Service for the Dominican Republic.
- Designed and Implemented an X.25 Fax Store-and-Forward Network system linking Dominican Republic with nodes in Curacao and Miami.

1988-1991                      Codetel                      Dominican Republic

**Business Development Manager**

- Development of a real-time cellular rental system.
- Design and Development of the Dominican Republic public X.25 network system.
- Responsible for all new technology deployment and research

**Education**

1981-1987

- B.S., and M.S. Computer Science.
- Trained on Nortel, Siemens, CISCO and NACT switches

## **Vice – President Sales**

Mr. Angel Arias is well-versed in sales and marketing. He brings a lot of talent and energy to the company he has sold in the U.S. and international markets through direct sales and to sophisticated multi-level marketing.

### **Experience:**

Mr. Angel Arias has gained experience in several industries from the being a part of the US Army (82<sup>nd</sup> Airborne Division), to Real estate sales, and Telecommunications.

Mr. Arias was part of the military from 1983 –1987. His many decorations include, leadership awards, 2 Army achievement medals, 1 Army commendation medal, and an 82<sup>nd</sup> Airborne combat patch.

Mr. Arias started his career in the Telecom industry in 1995 with LCI international as an Account Representative, selling residential and commercial long distance services. Mr. Arias was quickly promoted to the position of Field Coordinator, surpassing his sales quota by over 200% for the first two quarters. After a year of selling long distance services in the U.S., he helped open markets in Toronto Canada. After LCI, he left the company to take a position as a Director of Sales with DLC Enterprises, Inc.

At DLC, Mr. Arias was responsible for creating a Commercial Department comprising of 22 Account Executives, 6 Major Account Executives, and 4 Senior Account Managers. He hired, trained and managed all of his personnel. Mr. Arias, in his first year at DLC, assisted in the purchase of DLC by Startec Global Communications, Inc. He proceeded to become a National Sales Manager for Startec. Mr. Arias team caused the company to double its revenues every month of this employment. Mr. Arias sales teams were always at 100% above quota.

Feb.1983-Feb.1987   Sergeant, US Army

May 1987-Aug.1992   Sales and Marketing Executive, AVATAR Communities Developers, Inc.

Sep.1992-Jan.1995   Real Estate Broker Prudential Novelty Realty, Sales Executive, Bronx, NY

Feb. 1995-Apr.1998   Field Coordinator, LCI International

May.1998-Jan.2000   Director of Sales, DLC Enterprises, Inc.

Jan.2000-Nov.2001   National Sales Manager, Startec Global Communications, Inc.

Jan.2002-Present     Director / Vice President of sales , THC Communications, Inc.

**Kevin J. Moran**  
72 Hartsdale Avenue  
Whiter Plains, NY 10605  
914-993-0710

---

Mr. Kevin J. Moran is the Director and Chief Financial Officer of THC Merger Corp. dba THC Internet Solutions. Mr. Moran has been a self employed CPA licensed by New York State and has been providing services to a variety of clients since 1986.

Prior to that, he held several financial management positions in publicly held companies such as:

- 1979-1981 – Amax Corp.
- 1981-1986 – City Investing as Sr. Level in the Audit Staff
- 1979-1986 – Ernst & Young
- Financial management position in private industry

# Cesar Bonetti

220 NW 50 Avenue Miami Fl 33126

786 277 3250

**Experience**

2002	BM Communication	Miami, Fl
	<b>Calling Center Manager</b>	
2001-2002	Talk Visual Corp.	Miami, Fl
	<b>Switch Techintian and Technical support</b>	
1998-2001	Turitel S.A.	Dominican Republic
	<b>Switch Assistant.</b>	
1996-1997	Pronto Envios	New York, NY
	<b>Money Transfer Operations Dept.</b>	
1993-1995	All America Cables & Radio	Dominican Republic
	<b>Sales Representative</b>	
	<b>A/R Executive</b>	

**Education**

1993-1995	Universidad Autonoma (UADS)	Dominican Republic
-----------	-----------------------------	--------------------

- Accounting.
- Technical Computer Management Course

**Computer Skills**

- PBX Panasonic – Instalation and Programation
- PBX Mitel – Instalation And Programation
- Modem Satelitale Comstrem – Instalation
- NTS and NACT Switch – Management
- TARIDAN Switch – Management
- Microsoft Office
- Windows 98 – 2000



THC INTERNET SOLUTIONS, INC.

INDEX TO FINANCIAL STATEMENTS

Independent Auditor's Report	1
Financial Statements	
Balance Sheets at December 31, 2001 and 2000	2
Statement of Operations for the year ended December 31, 2001 and for the period July 11, 2000 (inception) To December 31, 2000	3
Statement of Cash Flows for the year ended December 31, 2001 and for the period July 11, 2000 (inception) To December 31, 2000	4
Statement of Changes in Shareholders' Equity	5
Notes to Financial Statements	6-7

<PAGE>

LEONARD FRIEDMAN  
Certified Public Accountant  
385 Old Westbury Road  
East Meadow, New York 11554

Tel. # (516) 735-0824  
Fax # (516) 735-6301

INDEPENDENT AUDITOR'S REPORT  
-----

To The Board of Directors and Stockholders of  
THC Internet Solutions, Inc.:

I have audited the accompanying balance sheets of THC Internet Solutions, Inc. as at December 31, 2001 and 2000, and the related statements of operations and retained earnings and cash flows for the year ended December 31, 2001 and for the period July 11, 2000 (date of inception) to December 31, 2000. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of THC Internet Solutions, Inc. as of December 31, 2001 and 2000, and the results of their operations and their cash flows for the year ended December 31, 2001 and for the period July 11, 2000 (date of inception) to December 31, 2000, in conformity with accounting principles generally accepted in the United States of America.

/s/ LEONARD FRIEDMAN  
-----

East Meadow, New York  
March 25, 2002

1

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THC INTERNET SOLUTIONS INC.

BALANCE SHEET

ASSETS

-----

<TABLE>  
<CAPTION>

December 31,	December 31,
-----	-----
2000	2001
-----	-----
<S>	<C>
<C>	
Current assets:	
Cash and cash equivalents	\$ 37,757
\$ 18,217	
Accounts receivable, less allowance of doubtful accounts	
of \$59,050 in 2001 and \$332,304 in 2000	67,721
132,359	
Inventory	29,929
65,250	
Prepaid expenses and other current assets	--
4,600	

-----		-----
220,426	Total current assets	135,407
-----		-----
19,381	Property and equipment - at cost, less accumulated depreciation	13,710
-----		-----
\$ 239,807		\$ 149,117
=====		=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities :

\$ 543,322	Accounts payable	\$ 276,865
--	Payroll taxes payable	12,294
2,000	Loans payable, shareholder	--
-----		-----
545,322	Total current liabilities	289,159
-----		-----

Noncurrent liability:

Loans payable - noncurrent 188,953

--

-----

Commitments and contingencies

--

Shareholders' equity:

Common stock - 200 shares, no par value, authorized;  
200 shares issued and outstanding \$ 1,000

1,000

Additional paid-in capital 214,430

24,430

Accumulated deficit (544,425)

(330,945)

-----

Total Stockholders' Equity (328,995)

(305,515)

-----

\$ 239,807 \$ 149,117

=====

</TABLE>

The accompanying notes are an integral part of these financial statements

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## THC INTERNET SOLUTIONS INC.

## STATEMENT OF OPERATIONS

<TABLE>  
<CAPTION>

Inception) 31,	Year ended December 31, 2001	July 11, 2000 Date of to December 2000
<S> Sales	<C> \$ 10,287,224	<C> \$ 3,655,374
Cost of sales	10,024,534	3,501,478
Gross profit	262,690	153,896
Operating expenses		
General and administrative	410,559	151,407
Provision for doubtful accounts	59,050	332,600
Depreciation and amortization	6,561	834
Total Operating Expenses	476,170	484,841
Net loss ( 330,945)	\$ ( 213,480)	\$

</TABLE>

The accompanying notes are an integral part of these financial statements

3

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THC INTERNET SOLUTIONS INC.

STATEMENT OF CASH FLOWS

<TABLE>  
<CAPTION>

July 11, 2000 (Date of Inception) to December 31, 2000 ----- <S> <C>	Year ended December 31, 2001 ----- <C>
Cash flows from operating activities :	
Net loss	\$ ( 213, 480)
\$( 330, 945)	
Adjustments to reconcile net loss to net cash used in operating activities:	
Noncash items:	
Depreciation and amortization	6, 561
834	
Increase/(Decrease) in :	

( 4,600)	Prepaid expenses	4,600
(132,359)	Accounts receivable	64,637
( 65,250)	Inventory	35,321
543,322	Accounts payable	( 266,457)
--	Taxes payable - other than on income	12,294
-----		-----
11,002	Net cash used in operating activities	( 356,524)
-----		-----
	Cash flows from investing activities :	
( 20,215)	Purchase of furniture and equipment	( 889)
-----		-----
( 20,215)	Net cash used in investing activities	( 889)
-----		-----
	Cash flows from financing activities :	
1,000	Sale of common stock	--
24,430	Additional paid in capital	190,000
--	Loans payable	188,953
-----		-----



2,000	Loans from shareholder	( 2,000)
-----		-----
27,430	Net cash provided by financing activities	376,953
-----		-----
18,217	Increase in cash	19,540
18,217	Cash at January 1, 2001	18,217
-----		-----
\$ 18,217	Cash at December 31, 2001	\$ 37,757
=====		=====

</TABLE>

The accompanying notes are an integral part of these financial statements

<PAGE>

THC INTERNET SOLUTIONS, INC.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

<TABLE>

<CAPTION>

Additional Paid-in Capital	Retained Earnings	Common Stock	
		Shares	Amount
-----	-----	-----	-----
<S>		<C>	<C>
<C>	<C>		
Issuance of Common stock on July 11, 2000		200	\$ 1,000
\$ 24,430	\$ --		
Net loss for the period ended December 31, 2000		--	--
--	( 330,945)		
-----	-----	-----	-----
Balance at December 31, 2000		200	1,000
24,430	( 330,945)		
Subscription of additional paid-in capital 190,000		--	--
Net loss for the period ended December 31, 2001		--	--
--	( 213,480)		
-----	-----	-----	-----
Balance at December 31, 2001		200	\$ 1,000
\$ 214,430	\$( 544,425)		
=====	=====	=====	=====

</TABLE>

The accompanying notes are an integral part of these financial statements

5

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THC INTERNET SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE - 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
-----

Organization

THC Internet Services, Inc. (the "Company") was incorporated in the State of Delaware on July 11, 2000. The Company sells prepaid telephone cards to distributors and small retail establishments, primarily in the New York, New Jersey and Connecticut areas.

Use of estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Inventory

Inventories, which consist of telephone cards, are stated at the lower of cost (first-in, first-out) or market.

Property and Equipment

Property and equipment are stated at cost. Depreciation, including depreciation on assets held under capital leases, is computed on accelerated methods over the estimated useful lives of five to seven years.

#### Revenue Recognition

Revenue consists of sales of branded prepaid phone cards of other distributors. Revenue is recognized at the time of sale.

#### Income Taxes

Income taxes consist of Federal, State and City Corporation income taxes. Temporary differences between Income Tax and Financial Statement reporting are inconsequential and accordingly deferred income taxes are not provided.

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THC INTERNET SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE - 2 - LOANS PAYABLE  
-----

The company has two loans payable at December 31, 2001

In November 2001, the company received \$75,000 from the U.S. Small Business Administration under its Disaster Loans program to assist small businesses in New York City affected by the tragedy of September 11, 2001. The loan bears a preferential interest rate of 4% per annum with the first payment due November 2003 payable over a period of ten years. The loan is secured by all current and future assets of the company.

In December 2001, the company borrowed \$110,579 from a related company. Under the terms of the loan agreement, the company pays interest only at 8% per annum paid monthly beginning February 1, 2002 with the principal due in full as a balloon payment on December 31, 2011.

NOTE - 3 - COMMITMENTS AND CONTINGENCIES  
-----

Lease Commitments

The Company leases both its administrative office and sales office on a month-to-month basis with annual payments approximating \$ 17,000.

Rent expense for the years ended December 31, 2001 and 2000 was \$22,491 and \$10,525, respectively.

Contracts

The Company has various commitments with certain vendors requiring minimum periodic purchases. Such contracts are common in the Company's industry.

NOTE - 4 - SUBSEQUENT EVENTS  
-----

On January 22, 2002, the Company entered into an Agreement and Plan of Merger with Cirus Telecom, Inc. ("Cirus"), a publicly traded entity engaged in the same business as the Company, THC Merger Corp. ("Subsidiary"), a wholly-owned subsidiary of Cirus, Jeffrey L. Cook ("Cook"), Fanny Lewandowski ("Lewandowski"), Kevin Moran ("Moran"), and Angel Arias ("Arias") (Cook, Lewandowski, Moran and Arias are collectively referred to as the Company's Stockholders). Pursuant to the terms of the Agreement and Plan of Merger, which closed on January 22, 2002, the Subsidiary acquired all of the issued and outstanding shares of capital stock of the Company from its stockholders in exchange for an aggregate of 71,025,145 newly issued shares of Cirus common stock (the "Acquisition"). Concurrently with the Acquisition, the Company was merged with and into Subsidiary. As a condition to the Acquisition, Cirus' sole director prior to the transaction was required to appoint Kevin Moran and Angel Arias as members of Cirus' Board of Directors.

**TITLE SHEET**

**FLORIDA TELECOMMUNICATIONS PRICE LIST**

This price list contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services provided by THC MERGER CORP. DBA THC INTERNET SOLUTIONS with principal offices at 2557 Amsterdam Avenue, New York, NY 10033, and local offices at 444 Brickell Avenue Suite 504, Miami, FL 33131. This Price List applies for services furnished within the state of Florida. This Price List 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: June 27, 2002

EFFECTIVE: \_\_\_\_\_

By:

Art Garcia, President  
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**CHECK SHEET**

The sheets listed below, which are inclusive of this price list, 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 price list and are currently in effect as of the date of the bottom of this page.

SHEET	REVISION
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original

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**TABLE OF CONTENTS**

Title Sheet.....1  
Check Sheet.....2  
Table of Contents.....3  
Symbols Sheet.....4  
Section 1 – Technical Terms and Abbreviations.....5  
Section 2 – Rules and Regulations.....6  
Section 3 – Description of Service.....11  
Section 4 – Rates.....12

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**SYMBOLS SHEET**

**D** – Delete Or Discontinue

**I** – Change Resulting In An Increase to A Customer’s Bill

**M** – Moved From Another Price List Location

**N** – New

**R** – Change Resulting In A Reduction To A Reduction To A Customer’s Bill

**T** – Change In Text Or Regulation But No Change In Rate Or Charge

**Check Sheets-**When a price list filing is made with the FPSC, an updated check sheet accompanies the price list filing.

**Sheet Numbering and Revision Levels-**Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the price list. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between existing sheets 14 and 15 would be 14.1. Revision levels also appear in the upper right corner of each page. These levels are used to determine the most current sheet version on file with the FPSC. For example, the 4<sup>th</sup> revised Sheet 14 cancels the 3<sup>rd</sup> revised Sheet 14.

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**SECTION 1 – TECHNICAL TERMS AND ABBR EVIATIONS**

**Access Line** – An arrangement which connects the customer’s location to the company’s network switching center.

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

**Company or Carrier** – THC MERGER CORP. DBA THC INTERNET SOLUTIONS

**Customer** – the person, firm, corporation or other entity which orders service and is responsible for payment of charges due and compliance with the Company’s Price List regulations.

**Exchange** – The entire telephone plant and facilities used in providing telephone service to subscribers located in an exchange area.

**Intra-LATA Toll Messages** – Those toll messages which originate and terminate within the same LATA.

**Message** – a completed telephone call.

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**SECTION 2 – RULES AND REGULATIONS**

**2.1 Undertaking of the Company**

The Company's services and facilities are furnished for communications originating at specified points within the state of Florida under terms of this tariff.

The Company's installs operates and maintains the communications services provided herein in accordance with the terms and conditions set forth under this tariff. It 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 the Company's network. The customer shall be responsible for all charges due for such service arrangement.

The Company's services and facilities are provided on a monthly basis unless ordered on a longer term 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 provisions of this tariff.

The Company's 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.

2.2.2 All facilities provided under this tariff are directly controlled by the Company and the customer may not transfer or assign the use of service or facilities, except with the express written 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.

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**SECTION 2 – RULES AND REGULATIONS (Continued)**

2.2.3 All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions for service.

2.2.4 Customers reselling or rebilling services must have a Certificate of Public Convenience and Necessity as an interexchange carrier from the Florida Public Service Commission.

**2.3 Liabilities of the Company**

The Company's liability arising out of mistakes, interruptions, omissions, delays, errors, or defects in the transmission occurring in the course of furnishing service or facilities, and not caused by 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.

2.3.1 The Company 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, informations, 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 the Company.

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**SECTION 2 – RULES AND REGULATIONS (Continued)**

**2.4 Interruption of Service**

2.4.1 Credit allowance for the interruption of service which is not due to the Company's testing or adjusting, negligence of the customer, or due to the failure of channels or equipment provided by the customer, are subject to the general liability provisions set forth in Subsection 2.3.1. It shall be the customer's obligation to notify the Company immediately of any service interruption for which a credit allowance is desired. Before giving such notice, the customer shall ascertain that the trouble is not being caused by any action or omission by the customer within his control, or equipment, if any, furnished by the customer and connected to the Company's facilities. No refund or credit will be made for the time that the Company stands ready to repair the service and the subscriber does not provide access to the Company for such restoration work.

No credit shall be allowed for an interruption of a continuous duration of less than twenty-four hours after the subscriber notifies the Company.

2.4.2 The customer shall be credited for an interruption of more than twenty-four hours as follows:

Credit Formula:

$$\text{Credit} = A/720 \times C$$

"A" – outage time in hours

"B" – each month is considered to have 720 hours

"C" – total monthly charge for affected facility

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**SECTION 2 – RULES AND REGULATIONS (Continued)**

**2.5 Disconnection of Service by Carrier**

The company (carrier), upon 5 working days written notice to the customer, may discontinue service or cancel an application for service without incurring any liability for any of the following reasons:

- 2.4.3 Non-payment of any sum due to carrier for regulated service for more than thirty days beyond the date of rendition of the bill for such service.
- 2.4.4 A violation of any regulation governing the service under this tariff.
- 2.4.5 A violation of any law, rule, or regulation of any government authority having jurisdiction over such service.
- 2.4.6 The company has given the customer notice and has allowed a reasonable time to comply with any rule, or remedy, and deficiency as stated in Rule 25-4.113, F.A.C. Refusal or Discontinuance of Service by Company.

Service may be disconnected without notice for tampering with company equipment, for interfering with the service to other customers, for fraud, or in the event of a hazardous condition.

**2.6 Deposits**

The Company does not require a deposit from the customer.

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**SECTION 2 – RULES AND REGULATIONS (Continued)**

**2.7 Advance Payments**

For customers whom the Company feels an advance payment is necessary, the Company reserves the right to collect an amount not to exceed one (1) month's estimated charges as an advance payment for service. This will be applied against the next month's charges and if necessary a new advance payment will be collected for the next month.

**2.8 Taxes**

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

**2.9 Billing of Calls**

All charges due by the subscriber are payable at any agency duly authorized to receive such payments. Any objection to billed charges should be promptly reported to the Company. 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.

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**SECTION 3 – DESCRIPTION OF SERVICES**

**3.1 Description of Services**

Basic Service- Residential line with unlimited local calls gives you a dial tone including touch-tone and allows you to make as many local calls for one monthly flat rate.

Complete Choice- Includes your local phone service and unlimited local calling, includes calling features like caller id, call waiting deluxe, call return and three-way calling.

Area Plus Plan- Combines local phone service with unlimited calls in an expanded local calling area, from Key West to Sebastian, for one monthly flat rate.

Premier Plan- 10% discounted rates from Customer's current carrier rates. Calculated from customer's existing carrier's bill/invoice at 10% discount of total.

Gold Plan- 15% discounted rates from Customer's current carrier rates. Calculated from customer's existing carrier's bill/invoice at 15% discount of total.

Platinum Plan- 20% discounted rates from Customer's current carrier rates. Calculated from customer's existing carrier's bill/invoice at 20% discount of total.

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**SECTION 4 – RATES**

**4.1 Local Rates**

**4.1.1 Residential Customers**

4.1.1.A Basic Service- customer can place and receive calls unlimited \$45.99.

4.1.1.B Complete Choice- customer can place and receive calls unlimited, also includes caller id, call waiting, call forwarding, and three way calling \$65.99.

4.1.1.C Area Plus with Basic Service- customer can place and receive calls unlimited, also includes unlimited long distance calling inside the area from Key West, Fl up to Sebastian, Fl \$55.00.

4.1.1.D Area Plus with Complete Choice- customer can place and receive calls unlimited, also includes caller id, call waiting, call forwarding, and three way calling, and unlimited long distance calling inside the area from Key West, Fl up to Sebastian, FL \$75.00.

**4.1.2 Business Customers**

4.1.2.A Premier Plan- 10% discounted rates from Customer's current carrier rates. Calculated from customer's existing carrier's bill/invoice at 10% discount of total.

4.1.2.B Gold Plan- 15% discounted rates from Customer's current carrier rates. Calculated from customer's existing carrier's bill/invoice at 15% discount of total.

4.1.2.C Platinum Plan- 20% discounted rates from Customer's current carrier rates. Calculated from customer's existing carrier's bill/invoice at 20% discount of total.

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**SECTION 4 – RATES (Continued)**

**4.2 Miscellaneous Rates**

Return check charges- customer will be charged a return check fee of \$20.00.

**4.3 Telecommunications Relay Service**

For 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 non-relay call except that where either the calling or called party indicates that either party is both hearing and visually impaired, the call shall be discounted 60 percent off of the otherwise applicable rate for a voice non-relay call.

**4.4 Operator Services (For presubscribed customers)**

4.4.1 Usage Rates: The appropriate rate found under 4.1 or 4.3 shall apply.

4.4.2 Operator Charges:

Collect Station-to-Station	\$1.00
Collect Person-to-Person	\$3.25
Person-to-Person	\$3.25
Station-to-Station	\$1.00
Customer Dialed Calling Card	\$1.00
Operator Dialed Calling Card	\$1.75
Operator Dialed Surcharge	\$0.75

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**SECTION 4 – RATES (Continued)**

**4.5 Determining Applicable Rate in Effect**

For the initial minute, the rate applicable at the start of chargeable time at the calling station applies. For additional minutes, the rate applicable is that rate which is in effect at the calling station when the additional minute(s) begin. That is, if chargeable time begins during the Day Period, the Day Rate applies to the initial minute and to any additional minutes that the call continues during the rate period. If the call continues into a different rate period, the appropriate rates from that period apply to any additional minutes occurring in that rate period. If an additional minute is split between two rate periods, the rate period additional minute is split between two rate periods; the rate period applicable at the start of the minute applies to the entire minute.

**4.6 Payment of Calls**

**4.6.1 Late Payment Charges**

A late payment Charge of 1.5% per month will be assessed on all unpaid balances more than thirty days old.

**4.6.2 Return Check Charges**

A return check charge of \$25.00 will be assessed for checks returned for insufficient funds if the face value does not exceed \$50.00, \$30.00 if the face value exceeds \$300.00 or 5% of the value of the check, which ever is greater.

**4.7 Restoration of Service**

A reconnection fee of \$35.00 per occurrence is charged when service is re-established for customers who had been disconnected for non-payment.

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**SECTION 4 - RATES (Continued)**

**4.8 Special Promotions**

The company will, from time to time, offer special promotions to its customers waiving certain charges. These promotions will be approved by the FPSC with specific starting and ending dates, and be made part of this tariff.

**4.9 Special Rates For The Handicapped**

**4.9.1 Directory Assistance**

There shall be no charge for up to fifty calls per billing cycle from lines or trunks serving individuals with disabilities. The Company shall charge the prevailing tariff rates for every call in excess of 50 within a billing cycle.

**4.9.2 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.

**4.9.3 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 non-relay call except that where either the calling or called party indicates that either party is both hearing and visually impaired, the call shall be discounted 60 percent off of the otherwise applicable rate for a voice non-relay 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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