

ORIGINAL

**** 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

020682-TX

Instructions

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

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FORM PSC/CMU 8 (11/95)
Required by Commission Rule Nos. 25-24.805,
25-24.810, and 25-24.815

FPSC-COMMISSION CLERK

APPLICATION

1. This is an application for (check one):
 - (X) 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: Communications Xchange, LLC

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

4. Official mailing address (including street name & number, post office box, city, state, zip code):
9252 North 56th Street
2nd Floor
Tampa, FL 33617

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

9252 North 56th Street
2nd Floor
Tampa, FL 33617

6. **Structure of organization:**

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

7. **If individual, provide:**

Name:

Title:

Address:

City/State/Zip:

Telephone No.: _____ Fax No.:

Internet E-Mail Address:

Internet Website Address:

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

(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:

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

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

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

(a) The Florida Secretary of State registration number:
L02000014365

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

Name:

Title:

Address:

City/State/Zip:

Telephone No.: _____ 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):

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.

None

(b) an officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

None

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

(a) The application:

Name: Sarah Keener

Title: Director

Address: 9252 N. 56th Street; 2nd Floor

City/State/Zip: Tampa, FL 33617

Telephone No.: 813-984-6631 X109 **Fax No.:** 813-984-6631

Internet E-Mail Address: sekeener@communicationsxchange.com

Internet Website Address: www.communicationsxchange.com

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

Name: Sarah Keener
Title: Director
Address: 9252 N. 56th Street; 2nd Floor
City/State/Zip: Tampa, FL 33617

Telephone No.: 813-984-6631 X109 **Fax No.:** 813-984-6631

Internet E-Mail Address: sekeener@communicationsxchange.com

Internet Website Address: www.communicationsxchange.com

(c) Complaints/Inquiries from customers:

Name: Doug Ventura
Title: Director
Address: 9252 N. 56th Street; 2nd Floor
City/State/Zip: Tampa, FL 33617

Telephone No.: 813-984-6631 X112 **Fax No.:** 813-984-6631

Internet E-Mail Address: dfventura@communicationsxchange.com

Internet Website Address: www.communicationsxchange.com

17. List the states in which the applicant:

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

None

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

None

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

None

(d) **has been denied authority to operate as an alternative local exchange 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

18. Submit the following:

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

Mike Viren – President

Mike is the President of Communications Xchange, providing specific support in the areas of strategy, marketing, engineering and technology. Prior to Communications Xchange, Mike was a founding general partner in Intellysis Consulting Group (Intellysis), where lead the partnership in the understanding of the communications technology and its economic impact on communications startup ventures of the next generation. Before starting Intellysis Mike was a founding stockholder in 2nd Century Communications, where he served as President, Chief Executive Officer, and Chairman of the Board. Mike also held several leadership positions with Intermedia Communications, Inc. most recently as Senior Vice President, Strategic Planning. Earlier, he was a professor of economics at University of Missouri and the University of Kansas and a member of the Missouri Public Service Commission. Mike received his BS degree in mechanical engineering

from Long Beach State and his PhD. in economics from the University of California at Santa Barbara.

Oscar Williams – Executive Vice President

Oscar is Executive Vice President of Communications Xchange, providing specific support in the areas of administration, account and finance. Oscar J. Williams has over 30 years of telecommunications experience. Oscar spent his early years with ITT Latin American Group where he gained experience both in the operations and financial management of a local telephone company. Oscar was Comptroller and Treasurer of the Virgin Islands Telephone Company, an ITT subsidiary. During the early 1980's, Oscar was Vice President and Treasurer of Associated Utility Services, a large utility consulting firm headquartered in New Jersey. While there Oscar was responsible for accounting and income tax consulting in rate applications before Public Service Commission in 13 states for both privately held companies and Public Service Commissions. In Delaware, the District of Colombia and Arizona Oscar provided expert testimony as a staff member of the Commissions. Oscar has filed testimony in over 25 cases. In 1991 Oscar joined Intermedia Communications holding a number of increasingly responsible positions from Vice President of Finance to acting Chief Financial Officer. Oscar was also a founding stockholder of 2nd Century Communications, where he served as Chief Financial Officer and Senior Vice President of Business Operations. Over the last several years Oscar has served as a founding general partner in Intellysis, where he has lead the partnership in its relationships with other firms for financing its portfolio companies with additional equity and debt financing. Oscar received his BS degree in accounting from Central State University of Ohio.

Patricia Kurlin – Business Administration

Patricia is responsible for the Business Administration department, which includes Legal and Human Resources (HR). Prior to joining Communications Xchange, Ms. Kurlin served as Senior Vice President and General Counsel at Intermedia Communications from 1996 until the company was sold in July 2001. As general counsel at Intermedia she was a key member of the senior management team that grew the Company from \$7 million in annual revenue to nearly \$1 billion, acquired 6 companies, completed numerous debt and equity offerings, and completed the IPO of a web hosting subsidiary. In 1999 she assumed responsibility for the Company's Human Resources department, focusing on executive hiring, retention, compensation and stock options. From 1993 until 1996 Ms. Kurlin was in-house counsel and Director of Regulatory Affairs for Intermedia. Prior to 1993 she was a Senior Staff Attorney for the Telecommunications Bureau at the Florida Public Service Commission. She received a BS from the University of South Florida and a JD from the Florida State University. She is a member of the Florida and American Bar Associations.

Sarah E. Keener – Marketing and Sales

Sarah Keener has responsibility for the marketing, sales and regulatory functions within Communications Xchange. Prior to joining Communications Xchange, Sarah was an associate with the Intellysis Group. As an associate Sarah consulted in the areas of business plan, product and market development. Sarah was an Assistant Vice President of Industry Services Management for 2nd Century Communications, where she was a key contributor to the organization and

development of the ISM function and, particularly, its vendor management responsibility. Prior to 2nd Century, she was Director of Special Projects at Intermedia Communications Inc., holding a number of technical and analytical positions of increasing importance in Operations, Information Systems, Sales and Marketing. Sarah earned a BS in Mathematics, with a minor in Business Administration from the University of Florida.

Beverly Privette – Accounting

Beverly Privette has responsibility for all accounting functions within Communications Xchange. Beverly K. Privette has over 10 years telecommunications experience. Beverly was an Assistant Vice President and Controller for 2nd Century communications. Prior to 2nd Century, Beverly held various positions with Intermedia Communications Inc., including Controller and Director positions in regulatory relations, marketing, strategic planning, and finance. Beverly has served as Controller and Accounting and Finance Manager in service, finance, and international corporations. Beverly, a CPA, is a graduate of East Tennessee State University.

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.

Mike Viren – President

Mike is the President of Communications Xchange, providing specific support in the areas of strategy, marketing, engineering and technology. Prior to Communications Xchange, Mike was a founding general partner in Intellysis Consulting Group (Intellysis), where lead the partnership in the understanding of the communications technology and its economic impact on communications startup ventures of the next generation. Before starting Intellysis Mike was a founding stockholder in 2nd Century Communications, where he served as President, Chief Executive Officer, and Chairman of the Board. Mike also held several leadership positions with Intermedia Communications, Inc. most recently as Senior Vice President, Strategic Planning. Earlier, he was a professor of economics at University of Missouri and the University of Kansas and a member of the Missouri Public Service Commission. Mike received his BS degree in mechanical engineering from Long Beach State and his PhD. in economics from the University of California at Santa Barbara.

Al LaBorde – Information Technology (IT) and Billing

Al LaBorde is responsible for the IT department within Communications Xchange, providing specific support in the area of billing. Al was a founding general partner in Intellysis providing leadership in the new technology of the dot-com revolution. Al comes to Intellysis after serving as the first Chief Information Officer of 2nd Century Communications, Inc. Al is a Management Information Specialist of varied experience who also served as Vice President of MIS and Human Resources for the Virgin Islands Telephone Co., and President of an interconnect subsidiary VITELCOM. Al is a graduate of the IBM Systems Science Institute, and attended Hampton University and City College of New York.

Paul Kratz – Information Technology (IT)

Paul has responsibility for the IT function within Communications Xchange. Prior to joining Communications Xchange, Paul provided consulting services for the selection and design of operational support systems as an associate of the Intellysis Group. Paul served as a Senior Manager of Operational Support Systems for 2nd Century Communications. He has 9 years experience in the telecommunications industry and 20 years in information technology. As an IT consultant in telecommunications he has lead the selection, installation and integration of various operational support systems.

Mr. Kratz held technical positions at Cray Research (Super Computing), the Australian Mutual Provident Society (Insurance), Digital Equipment Corporation (Manufacturing) and SysteMethods (Software Engineering) prior to entering the telecommunications industry. He received his Bachelor of Science degree in Computer Science, with minors in Mathematics and Psychology, and his postgraduate Honors degree in Artificial Intelligence from the University of the Witwatersrand Johannesburg South Africa.

Doug Ventura – Customer Service and Operations

Doug Ventura has responsibility for customer service and operations within Communications Xchange. He is responsible for the delivery and support of services to end-user customers. Doug was previously a consultant for the Intellysis Group which provided consulting services for telecommunications companies in the areas of financial management and accounting, strategic business planning, technology review and development, contract negotiations and management, sales and marketing and organizational leadership. Prior to Intellysis, Doug held various technical and management positions within the telecommunications industry. He was the Director of Network Operations for 2nd Century Communications, where he was responsible for network infrastructure and end-user support and the commissioning of 2nd Century's switching platform. Doug also held several management positions at Intermedia Communications in areas of network operations, customer service delivery, and performance management. Prior to Intermedia, Doug was responsible for the operational integrity of Frontier Corporation's voice and data network. He began his telecommunications career with the U.S. Air Force where he spent three years operating and maintaining a fixed site communications facility located in Western Germany. He has a BA in Business Administration and a total of 17 years of experience in the telecommunications industry.

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 pages 14 – 25 for items 1 - 3

Chief Executive Officer:  and
Mike Viren

Chief Financial Officer:  and
Oscar Williams

Affirm that the projected or forecasted financial statements are true and correct.

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.

CommX will provide local, long distance and enhanced voice services through voice over Internet protocol technology. CommX will initially serve small and medium sized businesses (“Target Market”) in the Tampa Bay area (“Operating Area”). The Tampa Bay area consists of the Tampa, FL and St. Petersburg, FL metropolitan service areas (MSAs). The expansion of CommX into additional MSAs will not be considered unless and until CommX reaches financial profitability and such expansion can be funded by existing cash

flow.

CommX's initial capital requirements to fund and execute its business plan are significantly lower than many prior competitive local exchange carriers due to its smaller geographical service area and its utilization of more advanced and efficient technology such as voice over internet protocol. Assuming a conservative 2-3% penetration (approximately 170 customers) of our Target Market within our Operating Area, an initial \$600,000 in funding is all that is required for cash flow positive status. CommX reaches cash flow positive status within 15-18 months of its service launch (September/October 2002). CommX will finance its business through internal investors, which have committed the funds, thereby eliminating the need for public sector financing.

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

CommX will obtain local services by interconnecting with an existing competitive local exchange carrier. This strategy allows CommX to eliminate the initial start-up cost associated with interconnecting to an incumbent local exchange carrier (ILEC). Once its growth warrants interconnection with the ILEC, CommX will evaluate this option. CommX will also partner with a local broadband Internet service provider (ISP) for connectivity to customers. CommX's service will be provided over the same connection as a customer's Internet service.

In the past, the vast majority of competitive local exchange carriers failed due to the high cost of capital and the grand scale on which those companies attempted to grow. These factors precluded such companies from ever becoming free cash flow positive. As a result, they were dependent upon the raising of additional equity or debt to continue operations.

Because of our low cost of capital required for entry, and the focus on two local markets for sales, CommX will be able to achieve cash flow positive status within 18 months. This provides CommX with sufficient revenue and cash to support its customers and sustain the on-going operations of the company.

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

CommX will have 10 full time equivalent employees with growth to 20. The square footage required for operating is small, estimated to be 6,500 to start with growth to approximately 10,000 square feet. Since CommX will not purchase property, up front cash will not be required, other than the security deposit.

The equipment required for the internal operations of the company as staffed today (10 employees) exists and has been paid for. Since the growth of employees is minimal,

additional equipment required for internal operations will be purchased from the internal funding or existing cash flow.

CommX will collocate its service providing equipment with a collocation provider. The initial amount of space required will be one (1) rack. Our growth will take us to approximately six (6) racks. With collocation dropping in price our rent obligations will be minimal.

The equipment required to provide service will be purchased through a lease. Based upon our projections the lease will be paid within 12 to 16 months. Additional equipment will be purchased, as required, through existing cash flow.

The combination of these factors allows CommX to aggressively manage the company's financial position and therefore fulfill all necessary lease and ownership obligations associated with the business.

Communications XChange
Balance Sheet
\$ 000's

	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02
	Plan	Plan	Plan	Plan	Plan	Plan	Plan
Assets							
Current Assets							
Cash and cash equivalents	\$ 53.7	\$ 19.0	\$ 9.2	\$ 10.9	\$ 11.6	\$ 15.8	\$ 14.6
Accounts receivable, net	-	-	9.3	20.3	33.2	43.5	59.4
Total Current Assets	53.7	19.0	18.4	31.2	44.8	59.3	74.0
Fixed assets, net	5.0	14.1	71.1	70.1	69.2	81.2	86.3
Total Assets	\$ 58.7	\$ 33.2	\$ 89.5	\$ 101.3	\$ 114.1	\$ 140.5	\$ 160.3
Liabilities							
Accounts payable	\$ 5.0	\$ 16.5	\$ 89.2	\$ 58.6	\$ 52.3	\$ 66.1	\$ 72.6
Accrued expenses	.3	.7	1.5	2.7	4.4	6.8	9.6
Capital lease	-	5.0	14.2	71.7	69.7	67.7	78.7
Partner debt	50.0	50.0	80.0	130.0	220.0	295.0	345.0
Total Liabilities	55.3	72.2	185.0	263.0	346.4	435.5	505.9
Stockholders' Equity							
Distribution to investors	-	-	-	-	-	-	-
Retained earnings (deficit)	3.4	(39.1)	(95.5)	(161.6)	(232.4)	(295.1)	(345.5)
Total Stockholders' Equity	3.4	(39.1)	(95.5)	(161.6)	(232.4)	(295.1)	(345.5)
Total Liabilities and Stockholders' Equity	\$ 58.7	\$ 33.2	\$ 89.5	\$ 101.3	\$ 114.1	\$ 140.5	\$ 160.3

Communications XChange
Cash Flow
\$ 000's

	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02	Total
	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
Operating Activities								
Net income (loss)	\$ 3.4	(\$42.5)	(\$56.4)	(\$66.2)	(\$70.7)	(\$62.7)	(\$50.5)	(\$345.5)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities								
Depreciation and amortization	-	.2	.9	.9	.9	1.1	1.2	5.3
Provision for doubtful accounts	-	-	.1	.2	.4	.5	.7	1.9
Changes in operating assets and liabilities:	5.3	11.9	64.2	(40.7)	(17.9)	5.2	(7.2)	20.9
Accounts receivable	-	-	(9.4)	(11.2)	(13.3)	(10.8)	(16.6)	(61.3)
Accounts payable	5.0	11.5	72.7	(30.6)	(6.3)	13.7	6.5	72.6
Accrued taxes, expenses and interest	.3	.4	.8	1.2	1.7	2.3	2.8	9.6
Net Cash Provided (Used) By Operating Activities	8.7	(30.3)	8.8	(105.7)	(87.3)	(55.9)	(55.8)	(317.5)
Investing Activities								
Capital expenditures	(5.0)	(9.4)	(57.9)	-	-	(13.0)	(6.4)	(91.6)
Net Cash Used In Investing Activities	(5.0)	(9.4)	(57.9)	-	-	(13.0)	(6.4)	(91.6)
Financing Activities								
Proceeds from debt and equity offerings	50.0	-	30.0	50.0	90.0	75.0	50.0	345.0
Principal payment of partner debt	-	-	-	-	-	-	-	-
Principal payments of capital lease	-	-	(.1)	(.4)	(2.0)	(2.0)	(2.0)	(6.6)
Capital lease financing	-	5.0	9.4	57.9	-	-	13.0	85.2
Distribution to investors	-	-	-	-	-	-	-	-
Net Cash Provided By (Used) In Financing Activities	50.0	5.0	39.2	107.5	88.0	73.0	61.0	423.7
Increase (decrease) in cash and cash equivalents	53.7	(34.7)	(9.9)	1.7	.7	4.1	(1.2)	14.6
Cash and cash equivalents at beginning of period	-	53.7	19.0	9.2	10.9	11.6	15.8	-
Cash and cash equivalents at end of period	\$ 53.7	\$ 19.0	\$ 9.2	\$ 10.9	\$ 11.6	\$ 15.8	\$ 14.6	\$ 14.6

Communications XChange
Income Statement
\$ 000's

	May 02 Plan	Jun 02 Plan	Jul 02 Plan	Aug 02 Plan	Sep 02 Plan	Oct 02 Plan	Nov 02 Plan	Dec 02 Plan	Total Plan
Statement of operations									
Revenues	\$ -	\$ -	\$ -	\$ 10.3	\$ 23.2	\$ 38.7	\$ 51.6	\$ 70.9	\$ 194.7
Direct costs	-	-	-	3.0	6.0	9.1	10.6	13.6	42.2
Gross margin %	0%	0%	0%	71%	74%	77%	80%	81%	78%
Network expense	-	-	.2	.8	1.7	3.3	5.0	7.4	18.3
Sales operations expense	-	-	-	.6	1.3	2.0	2.4	3.2	9.4
Business operations expense	.0	16.3	68.4	87.6	85.0	99.3	99.9	100.6	557.1
Depreciation and amortization	-	-	.2	.9	.9	.9	1.1	1.2	5.3
Capitalization	-	-	-	-	-	-	-	-	-
Total operating expense	.0	16.3	68.8	89.9	88.9	105.5	108.5	112.3	590.1
Operating income (loss)	(\$0)	(\$16.3)	(\$68.8)	(\$82.6)	(\$71.7)	(\$75.8)	(\$67.4)	(\$55.0)	(\$437.6)
Other income (expense)									
Interest expense	-	(.3)	(.4)	(.6)	(1.4)	(1.9)	(2.4)	(2.8)	(9.7)
Intellysis services income	-	20.0	26.6	26.7	6.9	7.0	7.1	7.2	101.5
Other income	-	-	.1	.0	.0	.0	.0	.0	.3
Other income (expense) total	-	19.7	26.4	26.2	5.5	5.1	4.7	4.5	92.1
Net income (loss)	\$ -	\$ 3.4	(\$42.5)	(\$56.4)	(\$66.2)	(\$70.7)	(\$62.7)	(\$50.5)	(\$345.5)
EBITDA	(\$0)	(\$16.3)	(\$68.6)	(\$81.7)	(\$70.8)	(\$74.9)	(\$66.4)	(\$53.8)	(\$432.4)

Communications XChange
Balance Sheet
\$ 000's

	Dec 02	Jan 03	Feb 03	Mar 03	Apr 03	May 03	Jun 03	Jul 03	Aug 03	Sep 03	Oct 03	Nov 03	Dec 03
	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
Assets													
Current Assets													
Cash and cash equivalents	\$ 14.6	\$ 18.8	\$ 20.2	\$ 13.8	\$ 22.0	\$ 40.6	\$ 8.7	\$ 13.9	\$ 11.8	\$ 11.2	\$ 13.6	\$ 22.7	\$ 21.7
Accounts receivable, net	59.4	83.6	97.2	111.0	125.0	139.1	153.3	172.2	187.9	197.3	208.2	218.6	231.2
Total Current Assets	74.0	102.4	117.4	124.9	147.0	179.7	161.9	186.1	199.7	208.5	221.9	241.3	252.9
Fixed assets, net	86.3	98.0	102.9	117.3	135.3	133.9	145.5	149.6	169.4	179.7	183.3	193.3	209.4
Total Assets	\$ 160.3	\$ 200.4	\$ 220.3	\$ 242.1	\$ 282.2	\$ 313.6	\$ 307.4	\$ 335.7	\$ 369.2	\$ 388.3	\$ 405.1	\$ 434.6	\$ 462.3
Liabilities													
Accounts payable	\$ 72.6	\$ 100.2	\$ 99.0	\$ 110.5	\$ 143.8	\$ 142.7	\$ 138.7	\$ 166.7	\$ 190.6	\$ 206.1	\$ 210.5	\$ 211.2	\$ 228.0
Accrued expenses	9.6	12.4	15.6	19.1	22.6	26.1	29.7	33.3	37.0	40.8	44.6	48.4	52.5
Capital lease	78.7	76.3	86.9	90.6	75.6	70.6	67.7	47.7	22.7	12.7	-	-	-
Partner debt	345.0	420.0	475.0	515.0	515.0	515.0	515.0	515.0	515.0	515.0	487.7	447.7	417.7
Total Liabilities	505.9	608.9	676.6	735.1	757.0	754.3	751.0	762.6	765.3	774.5	742.7	707.3	698.1
Stockholders' Equity													
Distribution to investors	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained earnings (deficit)	(345.5)	(408.5)	(456.2)	(492.9)	(474.7)	(440.7)	(443.6)	(426.9)	(396.1)	(386.2)	(337.6)	(272.7)	(235.8)
Total Stockholders' Equity	(345.5)	(408.5)	(456.2)	(492.9)	(474.7)	(440.7)	(443.6)	(426.9)	(396.1)	(386.2)	(337.6)	(272.7)	(235.8)
Total Liabilities and Stockholders' Equity	\$ 160.3	\$ 200.4	\$ 220.3	\$ 242.1	\$ 282.2	\$ 313.6	\$ 307.4	\$ 335.7	\$ 369.2	\$ 388.3	\$ 405.1	\$ 434.6	\$ 462.3

Communications XChange
Cash Flow
\$ 000's

	Jan 03	Feb 03	Mar 03	Apr 03	May 03	Jun 03	Jul 03	Aug 03	Sep 03	Oct 03	Nov 03	Dec 03	Total
	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
Operating Activities													
Net income (loss)	(\$62.9)	(\$47.7)	(\$36.7)	\$ 18.2	\$ 34.0	(\$2.9)	\$ 16.7	\$ 30.8	\$ 9.9	\$ 48.6	\$ 64.9	\$ 36.9	109.7
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities													
Depreciation and amortization	1.3	1.5	1.6	1.3	1.3	1.5	2.2	2.5	2.7	2.8	3.0	3.3	25.2
Provision for doubtful accounts	.9	1.1	1.2	1.4	1.5	1.6	1.8	2.0	2.1	2.3	2.4	2.6	21.0
Changes in operating assets and liabilities:	5.3	(12.7)	(.1)	21.6	(13.2)	(16.2)	10.8	10.0	7.7	(5.0)	(8.3)	5.7	5.5
Accounts receivable	(25.1)	(14.8)	(15.0)	(15.3)	(15.6)	(15.8)	(20.8)	(17.7)	(11.5)	(13.2)	(12.9)	(15.2)	(192.8)
Accounts payable	27.6	(1.1)	11.4	33.4	(1.2)	(4.0)	28.0	23.9	15.4	4.4	.7	16.8	155.4
Accrued taxes, expenses and interest	2.8	3.2	3.5	3.5	3.5	3.6	3.6	3.7	3.8	3.8	3.8	4.1	42.9
Net Cash Provided (Used) By Operating Activities	(55.4)	(57.9)	(34.0)	42.5	23.6	(16.0)	31.6	45.3	22.4	48.8	62.0	48.4	161.3
Investing Activities													
Capital expenditures	(13.0)	(6.4)	(16.0)	(19.4)	-	(13.0)	(6.4)	(22.4)	(13.0)	(6.4)	(13.0)	(19.4)	(148.2)
Net Cash Used In Investing Activities	(13.0)	(6.4)	(16.0)	(19.4)	-	(13.0)	(6.4)	(22.4)	(13.0)	(6.4)	(13.0)	(19.4)	(148.2)
Financing Activities													
Proceeds from debt and equity offerings	75.0	55.0	40.0	-	-	-	-	-	-	-	-	-	170.0
Principal payment of partner debt	-	-	-	-	-	-	-	-	-	(27.3)	(40.0)	(30.0)	(97.3)
Principal payments of capital lease	(2.4)	(2.4)	(2.7)	(15.0)	(5.0)	(2.9)	(20.0)	(25.0)	(10.0)	(12.7)	-	-	(98.0)
Capital lease financing	-	13.0	6.4	-	-	-	-	-	-	-	-	-	19.4
Distribution to investors	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Provided By (Used) In Financing Activities	72.6	65.6	43.6	(15.0)	(5.0)	(2.9)	(20.0)	(25.0)	(10.0)	(40.0)	(40.0)	(30.0)	(6.0)
Increase (decrease) in cash and cash equivalents	4.2	1.4	(6.4)	8.1	18.6	(31.9)	5.2	(2.0)	(.6)	2.4	9.0	(.9)	7.1
Cash and cash equivalents at beginning of period	14.6	18.8	20.2	13.8	22.0	40.6	8.7	13.9	11.8	11.2	13.6	22.7	14.6
Cash and cash equivalents at end of period	\$ 18.8	\$ 20.2	\$ 13.8	\$ 22.0	\$ 40.6	\$ 8.7	\$ 13.9	\$ 11.8	\$ 11.2	\$ 13.6	\$ 22.7	\$ 21.7	\$ 21.7

Communications XChange
Income Statement
\$ 000's

	Jan 03 Plan	Feb 03 Plan	Mar 03 Plan	Apr 03 Plan	May 03 Plan	Jun 03 Plan	Jul 03 Plan	Aug 03 Plan	Sep 03 Plan	Oct 03 Plan	Nov 03 Plan	Dec 03 Plan	Total Plan
Statement of operations													
Revenues	\$ 92.8	\$ 107.0	\$ 121.2	\$ 135.3	\$ 149.4	\$ 163.6	\$ 182.8	\$ 198.2	\$ 213.6	\$ 228.9	\$ 244.2	\$ 259.6	\$ 2,096.6
Direct costs	16.6	16.6	16.5	16.5	16.5	16.5	18.0	18.0	17.9	17.9	17.9	17.9	206.8
Gross margin %	82%	85%	86%	88%	89%	90%	90%	91%	92%	92%	93%	93%	90%
Network expense	10.1	12.9	15.7	18.6	21.4	24.0	33.6	37.9	37.5	42.6	45.8	48.7	348.9
Sales operations expense	3.9	4.2	4.4	4.6	4.8	5.0	5.5	5.7	5.9	6.2	6.4	6.6	63.0
Business operations expense	128.0	123.4	123.1	79.5	75.1	123.2	110.5	107.2	143.6	114.9	110.7	150.8	1,390.0
Depreciation and amortization	1.3	1.5	1.6	1.3	1.3	1.5	2.2	2.5	2.7	2.8	3.0	3.3	25.2
Capitalization	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expense	143.4	141.9	144.8	104.0	102.5	153.7	151.8	153.3	189.8	166.5	165.8	209.4	1,827.0
Operating income (loss)	(\$67.1)	(\$51.5)	(\$40.2)	\$ 14.7	\$ 30.4	(\$6.6)	\$ 13.0	\$ 26.9	\$ 5.8	\$ 44.5	\$ 60.5	\$ 32.2	\$ 62.7
Other income (expense)													
Interest expense	(3.2)	(3.6)	(3.9)	(3.9)	(3.8)	(3.7)	(3.7)	(3.6)	(3.4)	(3.3)	(3.0)	(2.8)	(42.1)
Intellysis services income	7.4	7.4	7.4	7.4	7.4	7.3	7.4	7.4	7.4	7.4	7.4	7.4	88.6
Other income	.0	.0	.0	.0	.0	.1	.0	.0	.0	.0	.0	.0	4
Other income (expense) total	4.2	3.8	3.5	3.5	3.6	3.7	3.7	3.9	4.1	4.1	4.4	4.7	47.0
Net income (loss)	(\$62.9)	(\$47.7)	(\$36.7)	\$ 18.2	\$ 34.0	(\$2.9)	\$ 16.7	\$ 30.8	\$ 9.9	\$ 48.6	\$ 64.9	\$ 36.9	\$ 109.7
EBITDA	(\$65.8)	(\$50.0)	(\$38.6)	\$ 16.1	\$ 31.7	(\$5.1)	\$ 15.2	\$ 29.5	\$ 8.5	\$ 47.3	\$ 63.5	\$ 35.5	\$ 87.9

Communications XChange
Balance Sheet
\$ 000's

	Dec 03	Jan 04	Feb 04	Mar 04	Apr 04	May 04	Jun 04	Jul 04	Aug 04	Sep 04	Oct 04	Nov 04	Dec 04
	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
Assets													
Current Assets													
Cash and cash equivalents	\$ 21.7	\$ 44.4	\$ 42.7	\$ 44.3	\$ 42.3	\$ 42.3	\$ 41.1	\$ 39.8	\$ 40.2	\$ 41.9	\$ 44.0	\$ 44.3	\$ 45.1
Accounts receivable, net	231.2	247.4	263.9	280.5	297.3	314.2	335.9	354.4	372.9	379.5	389.4	398.8	412.3
Total Current Assets	252.9	291.7	306.6	324.8	339.6	356.5	377.0	394.1	413.1	421.4	433.4	443.1	457.4
Fixed assets, net	209.4	207.3	227.3	237.8	241.5	251.7	271.0	267.9	283.8	293.3	308.8	304.9	323.1
Total Assets	\$ 462.3	\$ 499.1	\$ 533.9	\$ 562.7	\$ 581.2	\$ 608.3	\$ 648.0	\$ 662.0	\$ 696.9	\$ 714.7	\$ 742.1	\$ 748.1	\$ 780.5
Liabilities													
Accounts payable	\$ 228.0	\$ 224.1	\$ 222.2	\$ 246.7	\$ 221.5	\$ 213.6	\$ 248.0	\$ 251.2	\$ 255.3	\$ 288.5	\$ 295.9	\$ 189.5	\$ 173.9
Accrued expenses	52.5	55.4	57.9	59.8	61.2	61.8	62.3	62.8	63.4	64.0	64.9	65.7	67.1
Capital lease	-	-	-	-	-	-	-	-	-	-	-	-	-
Partner debt	417.7	342.7	252.7	157.7	32.7	-	-	-	-	-	-	-	-
Total Liabilities	698.1	622.2	532.7	464.2	315.3	275.3	310.2	314.0	318.7	352.5	360.8	255.2	241.0
Stockholders' Equity													
Distribution to investors	-	-	-	-	-	(112.3)	(237.3)	(397.3)	(547.3)	(707.3)	(892.3)	(997.3)	(1,162.3)
Retained earnings (deficit)	(235.8)	(123.1)	1.3	98.5	265.8	445.3	575.1	745.3	925.6	1,069.5	1,273.7	1,490.2	1,701.9
Total Stockholders' Equity	(235.8)	(123.1)	1.3	98.5	265.8	332.9	337.8	348.0	378.2	362.1	381.4	492.8	539.6
Total Liabilities and Stockholders' Equity	\$ 462.3	\$ 499.1	\$ 533.9	\$ 562.7	\$ 581.2	\$ 608.3	\$ 648.0	\$ 662.0	\$ 696.9	\$ 714.7	\$ 742.1	\$ 748.1	\$ 780.5

Communications XChange
Cash Flow
\$ 000's

	Jan 04	Feb 04	Mar 04	Apr 04	May 04	Jun 04	Jul 04	Aug 04	Sep 04	Oct 04	Nov 04	Dec 04	Total
	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
Operating Activities													
Net income (loss)	\$ 112.8	\$ 124.3	\$ 97.2	\$ 167.3	\$ 179.5	\$ 129.8	\$ 170.3	\$ 180.2	\$ 143.9	\$ 204.2	\$ 216.5	\$ 211.7	\$ 1,937.7
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities													
Depreciation and amortization	2.0	2.4	2.5	2.6	2.8	3.1	3.1	3.4	3.6	3.9	3.9	4.2	37.5
Provision for doubtful accounts	2.7	2.9	3.1	3.2	3.4	3.6	3.7	3.9	4.1	4.2	4.4	4.6	43.7
Changes in operating assets and liabilities:	(19.9)	(18.9)	6.8	(43.8)	(27.6)	9.6	(18.4)	(17.7)	23.2	(5.9)	(119.4)	(32.3)	(264.2)
Accounts receivable	(18.9)	(19.4)	(19.7)	(20.0)	(20.3)	(25.3)	(22.1)	(22.5)	(10.6)	(14.2)	(13.8)	(18.0)	(224.7)
Accounts payable	(3.9)	(1.9)	24.6	(25.2)	(8.0)	34.4	3.2	4.1	33.2	7.4	(106.4)	(15.6)	(54.1)
Accrued taxes, expenses and interest	2.9	2.5	1.9	1.4	6	5	5	6	7	8	8	1.4	14.6
Net Cash Provided (Used) By Operating Activities	97.6	110.7	109.6	129.4	158.0	146.1	158.7	169.8	174.7	206.4	105.3	188.2	1,754.6
Investing Activities													
Capital expenditures	-	(22.4)	(13.0)	(6.4)	(13.0)	(22.4)	-	(19.4)	(13.0)	(19.4)	-	(22.4)	(151.2)
Net Cash Used In Investing Activities	-	(22.4)	(13.0)	(6.4)	(13.0)	(22.4)	-	(19.4)	(13.0)	(19.4)	-	(22.4)	(151.2)
Financing Activities													
Proceeds from debt and equity offerings	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal payment of partner debt	(75.0)	(90.0)	(95.0)	(125.0)	(32.7)	-	-	-	-	-	-	-	(417.7)
Principal payments of capital lease	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital lease financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution to investors	-	-	-	-	(112.3)	(125.0)	(160.0)	(150.0)	(160.0)	(185.0)	(105.0)	(165.0)	(1,162.3)
Net Cash Provided By (Used) In Financing Activities	(75.0)	(90.0)	(95.0)	(125.0)	(145.0)	(125.0)	(160.0)	(150.0)	(160.0)	(185.0)	(105.0)	(165.0)	(1,580.0)
Increase (decrease) in cash and cash equivalents	22.6	(1.6)	1.6	(2.0)	.0	(1.3)	(1.3)	.4	1.7	2.0	.3	.8	23.4
Cash and cash equivalents at beginning of period	21.7	44.4	42.7	44.3	42.3	42.3	41.1	39.8	40.2	41.9	44.0	44.3	21.7
Cash and cash equivalents at end of period	\$ 44.4	\$ 42.7	\$ 44.3	\$ 42.3	\$ 42.3	\$ 41.1	\$ 39.8	\$ 40.2	\$ 41.9	\$ 44.0	\$ 44.3	\$ 45.1	\$ 45.1

Communications XChange
Income Statement
\$ 000's

	Jan 04 Plan	Feb 04 Plan	Mar 04 Plan	Apr 04 Plan	May 04 Plan	Jun 04 Plan	Jul 04 Plan	Aug 04 Plan	Sep 04 Plan	Oct 04 Plan	Nov 04 Plan	Dec 04 Plan	Total Plan
Statement of operations													
Revenues	\$ 274.9	\$ 290.1	\$ 305.4	\$ 320.7	\$ 335.9	\$ 356.3	\$ 372.8	\$ 389.3	\$ 405.8	\$ 422.2	\$ 438.6	\$ 455.1	\$ 4,367.1
Direct costs	17.9	17.9	17.8	17.8	17.8	19.3	19.3	19.3	19.2	19.2	19.2	19.2	223.9
Gross margin %	94%	94%	94%	94%	95%	95%	95%	95%	95%	95%	96%	96%	95%
Network expense	56.0	59.1	62.1	54.3	57.3	68.7	70.5	74.7	82.7	80.0	83.2	94.5	843.1
Sales operations expense	6.8	7.0	7.3	7.5	7.7	8.2	8.5	8.7	9.0	9.2	9.4	9.7	99.1
Business operations expense	84.2	84.8	124.4	77.6	78.2	134.7	108.8	110.5	155.0	113.2	114.0	123.4	1,308.7
Depreciation and amortization	2.0	2.4	2.5	2.6	2.8	3.1	3.1	3.4	3.6	3.9	3.9	4.2	37.5
Capitalization	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expense	149.1	153.3	196.3	142.0	145.9	214.8	190.8	197.3	250.2	206.3	210.5	231.7	2,288.3
Operating income (loss)	\$ 107.9	\$ 119.0	\$ 91.3	\$ 160.8	\$ 172.2	\$ 122.2	\$ 162.7	\$ 172.7	\$ 136.3	\$ 196.7	\$ 208.9	\$ 204.1	\$ 1,854.9
Other income (expense)													
Interest expense	(2.6)	(2.1)	(1.6)	(1.0)	(.2)	-	-	-	-	-	-	-	(7.5)
Intellysis services income	7.4	7.4	7.4	7.4	7.4	7.5	7.5	7.5	7.5	7.5	7.5	7.5	89.4
Other income	.0	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	1.0
Other income (expense) total	4.8	5.4	5.9	6.5	7.3	7.6	7.6	7.6	7.6	7.6	7.6	7.6	82.9
Net income (loss)	\$ 112.8	\$ 124.3	\$ 97.2	\$ 167.3	\$ 179.5	\$ 129.8	\$ 170.3	\$ 180.2	\$ 143.9	\$ 204.2	\$ 216.5	\$ 211.7	\$ 1,937.7
EBITDA	\$ 109.9	\$ 121.3	\$ 93.8	\$ 163.5	\$ 175.0	\$ 125.4	\$ 165.8	\$ 176.1	\$ 139.9	\$ 200.5	\$ 212.8	\$ 208.3	\$ 1,892.3

Communications XChange
Balance Sheet
\$ 000's

	Dec 04	Jan 05	Feb 05	Mar 05	Apr 05	May 05	Jun 05	Jul 05	Aug 05	Sep 05	Oct 05	Nov 05	Dec 05
	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
Assets													
Current Assets													
Cash and cash equivalents	\$ 45.1	\$ 44.3	\$ 41.4	\$ 41.2	\$ 41.5	\$ 42.8	\$ 39.3	\$ 39.1	\$ 41.6	\$ 44.6	\$ 44.0	\$ 44.6	\$ 41.5
Accounts receivable, net	412.3	424.3	443.8	463.4	487.8	508.9	530.2	551.7	573.3	576.6	585.4	593.6	608.0
Total Current Assets	457.4	468.7	485.2	504.6	529.3	551.8	569.5	590.8	614.9	621.2	629.4	638.3	649.5
Fixed assets, net	323.1	333.9	338.0	348.5	368.1	384.3	381.2	441.6	450.5	468.5	470.3	478.6	493.1
Total Assets	\$ 780.5	\$ 802.6	\$ 823.2	\$ 853.1	\$ 897.3	\$ 936.1	\$ 950.8	\$ 1,032.3	\$ 1,065.4	\$ 1,089.7	\$ 1,099.7	\$ 1,116.9	\$ 1,142.6
Liabilities													
Accounts payable	\$ 173.9	\$ 183.0	\$ 170.7	\$ 190.6	\$ 174.8	\$ 185.2	\$ 199.2	\$ 229.2	\$ 217.9	\$ 236.0	\$ 205.2	\$ 202.3	\$ 235.4
Accrued expenses	67.1	67.4	67.7	68.0	68.4	68.9	69.4	70.1	70.9	71.9	72.9	74.0	75.6
Capital lease	-	-	-	-	-	-	-	-	-	-	-	-	-
Partner debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	241.0	250.4	238.3	258.7	243.3	254.2	268.6	299.3	318.8	307.8	278.0	276.3	311.0
Stockholders' Equity													
Distribution to investors	(1,162.3)	(1,362.3)	(1,562.3)	(1,827.3)	(2,077.3)	(2,387.3)	(2,697.3)	(2,782.3)	(3,107.3)	(3,397.3)	(3,702.3)	(4,042.3)	(4,387.3)
Retained earnings (deficit)	1,701.9	1,914.5	2,147.2	2,421.7	2,731.4	3,069.3	3,379.5	3,515.4	3,853.9	4,179.2	4,524.0	4,883.0	5,218.9
Total Stockholders' Equity	539.6	552.2	584.8	594.4	654.0	681.9	682.2	733.0	746.6	781.8	821.7	840.6	831.5
Total Liabilities and Stockholders' Equity	\$ 780.5	\$ 802.6	\$ 823.2	\$ 853.1	\$ 897.3	\$ 936.1	\$ 950.8	\$ 1,032.3	\$ 1,065.4	\$ 1,089.7	\$ 1,099.7	\$ 1,116.9	\$ 1,142.6

Communications XChange
Cash Flow
\$ 000's

	Jan 05	Feb 05	Mar 05	Apr 05	May 05	Jun 05	Jul 05	Aug 05	Sep 05	Oct 05	Nov 05	Dec 05	Total
	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
Operating Activities													
Net income (loss)	\$ 212.6	\$ 232.6	\$ 274.6	\$ 309.6	\$ 337.9	\$ 310.2	\$ 135.9	\$ 338.6	\$ 325.3	\$ 344.8	\$ 358.9	\$ 335.9	\$ 3,517.0
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities													
Depreciation and amortization	2.2	2.3	2.5	2.8	3.1	3.1	3.9	4.1	4.4	4.5	4.7	5.0	42.5
Provision for doubtful accounts	4.7	4.9	5.0	5.3	5.4	5.6	5.8	6.0	6.1	6.3	6.5	6.7	68.3
Changes in operating assets and liabilities:	(7.3)	(36.4)	(4.3)	(45.0)	(15.7)	(12.4)	3.4	(8.0)	(20.5)	(44.9)	(16.4)	13.7	(193.9)
Accounts receivable	(16.8)	(24.3)	(24.7)	(29.7)	(26.6)	(26.9)	(27.2)	(27.6)	(9.5)	(15.1)	(14.7)	(21.0)	(264.0)
Accounts payable	9.1	(12.4)	20.0	(15.8)	10.4	14.0	29.9	18.7	(11.9)	(30.8)	(2.9)	33.1	61.5
Accrued taxes, expenses and interest	3	.3	4	4	.5	5	7	8	9	1.0	1.2	1.6	8.6
Net Cash Provided (Used) By Operating Activities	212.2	203.4	277.8	272.6	330.7	306.5	149.0	340.5	315.3	310.7	353.7	361.3	3,433.8
Investing Activities													
Capital expenditures	(13.0)	(6.4)	(13.0)	(22.4)	(19.4)	-	(64.2)	(13.0)	(22.4)	(6.4)	(13.0)	(19.4)	(212.4)
Net Cash Used In Investing Activities	(13.0)	(6.4)	(13.0)	(22.4)	(19.4)	-	(64.2)	(13.0)	(22.4)	(6.4)	(13.0)	(19.4)	(212.4)
Financing Activities													
Proceeds from debt and equity offerings	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal payment of partner debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal payments of capital lease	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital lease financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution to investors	(200.0)	(200.0)	(265.0)	(250.0)	(310.0)	(310.0)	(85.0)	(325.0)	(290.0)	(305.0)	(340.0)	(345.0)	(3,225.0)
Net Cash Provided By (Used) in Financing Activities	(200.0)	(200.0)	(265.0)	(250.0)	(310.0)	(310.0)	(85.0)	(325.0)	(290.0)	(305.0)	(340.0)	(345.0)	(3,225.0)
Increase (decrease) in cash and cash equivalents	(.8)	(2.9)	(.2)	.3	1.4	(3.5)	(.2)	2.5	3.0	(.6)	.7	(3.1)	(3.6)
Cash and cash equivalents at beginning of period	45.1	44.3	41.4	41.2	41.5	42.8	39.3	39.1	41.6	44.6	44.0	44.6	45.1
Cash and cash equivalents at end of period	\$ 44.3	\$ 41.4	\$ 41.2	\$ 41.5	\$ 42.8	\$ 39.3	\$ 39.1	\$ 41.6	\$ 44.6	\$ 44.0	\$ 44.6	\$ 41.5	\$ 41.5

Communications XChange
Income Statement
\$ 000's

	Jan 05	Feb 05	Mar 05	Apr 05	May 05	Jun 05	Jul 05	Aug 05	Sep 05	Oct 05	Nov 05	Dec 05	Total
	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
Statement of operations													
Revenues	\$ 471.5	\$ 487.9	\$ 504.2	\$ 525.7	\$ 543.4	\$ 561.0	\$ 578.6	\$ 596.2	\$ 613.7	\$ 631.3	\$ 648.8	\$ 666.3	\$ 6,828.5
Direct costs	19.2	19.1	19.1	20.6	20.6	20.6	20.6	20.5	20.5	20.5	20.5	20.5	242.3
Gross margin %	96%	96%	96%	96%	96%	96%	96%	97%	97%	97%	97%	97%	96%
Network expense	94.0	97.1	108.6	93.3	96.8	116.4	110.3	114.6	131.1	120.5	124.0	135.5	1,342.1
Sales operations expense	9.9	10.2	10.4	10.9	11.2	11.4	11.7	12.0	12.2	12.5	12.7	13.0	138.1
Business operations expense	141.2	134.0	96.7	96.1	81.4	106.9	303.8	114.0	127.9	136.1	135.6	164.1	1,637.9
Depreciation and amortization	2.2	2.3	2.5	2.8	3.1	3.1	3.9	4.1	4.4	4.5	4.7	5.0	42.5
Capitalization	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expense	247.2	243.7	218.1	203.1	192.5	237.8	429.8	244.7	275.5	273.6	277.0	317.6	3,160.5
Operating income (loss)	\$ 205.1	\$ 225.1	\$ 267.0	\$ 302.0	\$ 330.3	\$ 302.6	\$ 128.2	\$ 330.9	\$ 317.7	\$ 337.2	\$ 351.3	\$ 328.3	\$ 3,425.7
Other income (expense)													
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Intellysis services income	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	90.2
Other income	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	1.1
Other income (expense) total	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	91.3
Net income (loss)	\$ 212.6	\$ 232.6	\$ 274.6	\$ 309.6	\$ 337.9	\$ 310.2	\$ 135.9	\$ 338.6	\$ 325.3	\$ 344.8	\$ 358.9	\$ 335.9	\$ 3,517.0
EBITDA	\$ 207.3	\$ 227.4	\$ 269.5	\$ 304.8	\$ 333.4	\$ 305.7	\$ 132.1	\$ 335.0	\$ 322.0	\$ 341.7	\$ 356.0	\$ 333.2	\$ 3,468.2

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:

M A VIREY
Print Name

PRESIDENT
Title

813 984-6631 SAMP
Telephone No. Fax No.


Signature

Date 7/9/02

Address: 9252 N 56TH ST
TEMPLO TRACE
FL 33617

THIS PAGE MUST BE COMPLETED AND SIGNED

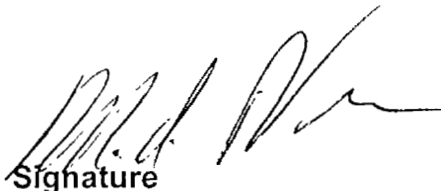
AFFIDAVIT

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:

M. A. VIREN
Print Name


Signature

PRESIDENT
Title

Date 7/2/02

813-984-6631 SAND
Telephone No. Fax No.

Address: 9252 N 56TH ST
TOWARD TRINACE
FL 33617

INTRASTATE NETWORK (if available)

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

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

1) _____ 2)

3) _____ 4)

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

1) _____ 2)

3) _____ 4)

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

POP-to-POP

OWNERSHIP

1) _____

2) _____

3) _____

4) _____

CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT

I, (Name)
(Title) _____ N/A _____ 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:

() sale

() transfer

() assignment

of the above-mentioned certificate.

UTILITY OFFICIAL:

Print Name

Signature

Title

Date

Telephone No.

Fax No.

Address:

Communications Xchange, LLC

9252 North 56th Street
2nd Floor
Tampa, Florida 33617

**LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES
PRICE LIST**

This price list contains the description, regulations and rates for the furnishing of services and facilities for local exchange telecommunications services provided by Communications Xchange with principal offices at 9252 N. 56th Street, 2nd Floor, Tampa, Florida 33617. This price list applies for service 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 in Tampa, Florida.

Issued: July 9, 2002

Effective: _____

By: Sarah E. Keener
Director
9252 N. 56th Street, 2nd Floor
Tampa, Florida 33617

Communications Xchange, LLC

Florida P.S.C. Price List No. 1
Original Sheet No. 2

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 indicated below.

<u>Sheet</u>	<u>Revision</u>	<u>Sheet</u>	<u>Revision</u>
1	Original	16	Original
2	Original	17	Original
3	Original	18	Original
4	Original	19	Original
5	Original	20	Original
6	Original	21	Original
7	Original	22	Original
8	Original	23	Original
9	Original	24	Original
10	Original	25	Original
11	Original	26	Original
12	Original	27	Original
13	Original	28	Original
14	Original		
15	Original		

* = New or revised sheet

Issued: July 9, 2002

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9252 N. 56th Street, 2nd Floor
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TABLE OF CONTENTS

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9252 N. 56th Street, 2nd Floor
Tampa, Florida 33617

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 Price list Location
- (N) New
- (R) Change Resulting in a Reduction to a Customer's Bill
- (T) Change in Text or Regulation but no Change in Rate or Charge

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Tampa, Florida 33617

PRICE LIST FORMAT

- A. Sheet Numbering** - Page numbers appear in the upper right corner of the sheet. Pages are numbered sequentially. However, new pages are occasionally added to the price list. When a new page is added between existing pages with whole numbers, a decimal is added. For example, a new page added between pages 34 and 35 would be page 34.1.
- B. Sheet Revision Numbering** - Revision numbers also appear in the upper right corner of the page. These numbers are used to determine the most current page version on file with the Commission. For example, 4th Revised Page 34 cancels the 3rd Revised Page 34. Consult the check sheet for the page currently in effect.
- C. Paragraph Numbering Sequence** - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2
 - 2.1
 - 2.1.1
 - 2.1.1.A
 - 2.1.1.A.1
 - 2.1.1.A.1.(a)
 - 2.1.1.A.1.(a).I
 - 2.1.1.A.1.(a).I.(i)
 - 2.1.1.A.1.(a).I.(i).(1)
- D. Check Sheet** - When a price list is filed with the Commission, an updated check sheet accompanies the price list filing. The check sheet lists the price list pages, with a cross reference to the current revision number. When new sheets are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this sheet if these are the only changes made. The price list user should refer to the latest check sheet to find out if a particular page is the most current on file with the Commission.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

1.1 Definitions

Busy Hour - The two consecutive half hours during which the greatest volume of traffic is handled.

Call - A completed connection between the calling and called parties.

Calling Station - The telephone number from which a Call originates.

Called Station - The telephone number called.

Commission - The Florida Public Service Commission.

Company - Communications Xchange, unless specifically stated otherwise.

Customer - A person, firm, corporation, partnership or other entity, including affiliates or divisions of the Customer, in whose name the telephone number of the Calling Station is registered with the underlying local exchange company. The Customer is responsible for payment of charges to the Company and compliance with all terms and conditions of this price list.

Day - The period of time from 8:00 a.m. to (but not including) 5:00 p.m., Monday through Friday, as measured by local time at the location from which the Call is originated.

Disconnect - To render inoperable or to disable circuitry thus preventing outgoing and incoming toll communications service.

Evening - The period of time from 5:00 p.m. to (but not including) 11:00 p.m., Sunday through Friday and any time during a Holiday, as measured by local time at the location from which the Call is originated.

Incomplete - Any Call where voice transmission between the Calling and Called station is not established.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (cont'd)

1.1 Definitions (cont'd)

Holiday - For the purposes of this price list recognized holidays are New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Message - A completed telephone Call by a Customer or User.

Normal Business Hours - The hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding holidays.

Premises - The space occupied by an individual Customer in a building, in adjoining buildings occupied entirely by that Customer, or on contiguous property occupied by the Customer separated only by a public thoroughfare, a railroad right of way, or a natural barrier.

Rate - Money, charge, fee or other recurring assessment billed to Customers for services or equipment.

State - Florida

Terminal Equipment - Telephone instruments, including pay telephone equipment, the common equipment of large and small key and PBX systems and other devices and apparatus, and associated wiring, which are intended to be connected electrically, acoustically, or inductively to the telecommunication system.

User or end User - Customer or any authorized person or entity that utilizes the Company's services.

1.2 Abbreviations

PBX - Private Branch Exchange

POP - Point of Presence

V&H - Vertical and Horizontal Coordinates

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9252 N. 56th Street, 2nd Floor
Tampa, Florida 33617

SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of the Company

- 2.1.1 The Company provides local exchange telecommunications to Customers for the direct transmission of voice, data and other types of telecommunications. The Company provides service to multi-line business Customers only.
- 2.1.2 The Company installs, operates and maintains the communications services provided herein in accordance with the terms and conditions set forth in this price list. 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 Company's network. The Customer shall be responsible for all charges due for such service arrangements.
- 2.1.3 The Company's services are provided on a monthly basis, unless otherwise stated in this price list. Services are available twenty-four (24) hours per day, seven (7) days per week.

2.2 Limitations of Service

- 2.2.1 Service is offered subject to the availability of facilities and provisions of this price list.
- 2.2.2 Service is furnished to the User for any lawful purpose. Service shall not be used for any unlawful purpose, nor used in such a manner as to interfere unreasonably with the use of service by any other Users.
- 2.2.3 The use of the Company's services without payment for service or attempting to avoid payment for service by fraudulent means or devices, false or invalid numbers, or false calling or credit cards is prohibited.
- 2.2.4 The Company's services may be denied for nonpayment of charges or for other violations of the terms and conditions set forth in this price list.
- 2.2.5 The use of the Company's services to make Calls which might reasonably be expected to frighten, abuse, torment, or harass another is prohibited.

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SECTION 2 - RULES AND REGULATIONS (cont'd)

2.2 Limitations of Service (cont'd)

- 2.2.6 Service temporarily may be refused or limited because of system capacity limitations.
- 2.2.7 Service is subject to transmission limitations caused by natural (including atmospheric, geographic or topographic) or artificial conditions adversely affecting transmission.
- 2.2.8 Service to any or all Customers may be temporarily interrupted or curtailed due to equipment modifications, upgrades, relocations, repairs and similar activities necessary for proper or improved operations.
- 2.2.9 The Company reserves the right to discontinue furnishing service where the Customer is using the service in violation of the law or the provisions of this price list.
- 2.2.10 Customers reselling or rebilling the Company's services must be certificated by the Commission.

2.3 Limitations of Liability

- 2.3.1 Because the Company has no control of communications content transmitted over its system, and because of the possibility of errors incident to the provision and use of its service, service furnished by the Company is subject to the terms, conditions and limitations herein specified.
- 2.3.2 The Company is not liable to Users for interruptions in service except as set forth in Section 2.5 of this price list.
- 2.3.3 The liability of the Company for errors in billing that result in overpayment by the Customer shall be limited, unless otherwise ordered by the Commission, to a credit equal to the dollar amount erroneously billed or, in the event that payment has been made and service has been discontinued, to a refund of the amount erroneously billed.

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Tampa, Florida 33617

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.3 Limitations of Liability (cont'd)

- 2.3.4 With the exception of billing disputes, the Company shall not be liable for and the User shall indemnify and hold the Company harmless against any claims for loss or damages involving:
- 2.3.4.A Any act or omission of: (i) the User; or (ii) any other entity furnishing service, equipment or facilities for use in conjunction with services or facilities provided by the Company;
 - 2.3.4.B Interruptions or delays in transmission, or errors or defects in transmission, or failure to transmit when caused by or as a result of acts of God, fire, war, riots, government authorities or causes beyond the Company's control;
 - 2.3.4.C Any unlawful or unauthorized use of the Company's facilities and services;
 - 2.3.4.D Libel, slander or infringement of copyright arising directly or indirectly from content transmitted over facilities provided by the Company;
 - 2.3.4.E Infringement of patents arising from combining apparatus and systems of the User with facilities provided by the Company;
 - 2.3.4.F Claims arising out of any act or omission of the User in connection with service provided by the Company.
 - 2.3.4.G Breach in the privacy or security of communications transmitted over the Company's facilities;
 - 2.3.4.H Changes in any of the facilities, operations or procedures of the Company that: (1) render any equipment, facilities or services provided or utilized by the User obsolete; (2) require modification or alteration of such equipment, facilities or services; or (3) otherwise affect use or performance of such equipment, facilities or services except where reasonable notice is required by the Company and is not provided to the Customer.

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Tampa, Florida 33617

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.3 Limitations of Liability (cont'd)

- 2.3.4.I Defacement of or damage to the Customer's Premises or personal property resulting from the furnishing of services or equipment on such Premises or the installation or removal thereof.
- 2.3.4.J Any wrongful act of a Company employee where such act is not authorized by the Company and is not within the scope of the employee's responsibilities for the Company;
- 2.3.4.K Any noncompleted Calls due to network busy conditions; and
- 2.3.4.L Any Calls not actually attempted to be completed during any period that service is unavailable.
- 2.3.5 The User shall reimburse the Company for all costs, expenses and fees (including reasonable attorneys' fees and costs) incurred by the Company in its defense against claims set forth in Section 2.3.4.
- 2.3.6 The Company assumes no responsibility for the availability or performance of any facilities under the control of other entities that are used to provide service to the User, even if the Company has acted as the User's agent in arranging for such facilities or services.
- 2.3.7 With the exception of billing disputes, any claim against the Company shall be deemed waived unless presented in writing to the Company within thirty (30) days after the date of the occurrence that gave rise to the claim.
- 2.3.8 The Company makes no express representations or warranties regarding the service and disclaims any implied warranties, including, but not limited to, warranties of title or implied warranties of merchantability or fitness for a particular purpose. The Company does not authorize anyone to make a warranty of any kind on its behalf and the User should not rely on any such statement.

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SECTION 2 - RULES AND REGULATIONS (cont'd)

2.3 Limitations of Liability (cont'd)

- 2.3.9 Any liability of the Company for loss or damages arising out of mistakes, omissions, interruptions, delays, errors or defects in the service, the transmission of the service, or failures or defects in facilities furnished by the Company, occurring in the course of furnishing service shall in no event exceed an amount equivalent to the proportionate fixed monthly charge to the Customer for service, during the period of time in which such mistakes, omissions, interruptions, delays, errors or defects in the service, its transmission or failure or defect in facilities furnished by the Company occurred, unless the Commission orders otherwise.
- 2.3.10 In no event shall the Company be liable for special, incidental, consequential, indirect or punitive damages including but not limited to loss of revenue or profits, loss of use of any property cost of substitute equipment or service, downtime costs and claims of Customer damages.

2.4 Responsibilities of the Customer

- 2.4.1 The Customer is responsible for placing any necessary orders, complying with price list regulations and assuring that Users comply with price list regulations. The Customer shall ensure compliance with any applicable laws, regulations, orders or other requirements of any governmental entity relating to services provided by the Company to the Customer or made available by the Customer to another User. The Customer also is responsible for the payment of charges for all Calls originated at the Customer's numbers which are not collect, third party, calling card, or credit card calls.
- 2.4.2 The Customer is responsible for charges incurred for special construction and/or special facilities which the Customer requests and which are ordered by the Company on the Customer's behalf.
- 2.4.3 If required for the provisioning of the Company's services, the Customer must provide the Company, free of charge, with any necessary equipment space, supporting structure, conduit and electrical power.
- 2.4.4 The Customer is responsible for arranging access to its Premises at times mutually agreeable to the Company and the Customer when required for Company personnel to

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Communications Xchange, LLC

Florida P.S.C. Price List No. 1
Original Sheet No. 13

install, repair, maintain, program, inspect or remove equipment associated with the provision of the Company's services.

Issued: July 9, 2002

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Tampa, Florida 33617

SECTION 2 - RULES AND REGULATIONS (cont'd)

2.4 Responsibilities of the Customer (cont'd)

- 2.4.5 The Customer must pay the Company for replacement or repair of damage to the Company's equipment or facilities caused by negligent or improper use on the part of the Customer, Users, or others.
- 2.4.6 The Customer must indemnify the Company for the theft of any Company equipment or facilities installed at the Customer's Premises.
- 2.4.7 The Customer agrees, except where the events, incidents or eventualities set forth in this sentence are the result of the Company's gross negligence or willful misconduct, to release, indemnify and hold harmless the Company against any and all loss, claims, demands, suits or other action or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or person, for any personal injury to or death of any person or persons, or for any loss of or damage to any property, whether owned by the Customer or others. The Customer shall reimburse the Company for all costs, expenses and fees (including reasonable attorneys' fees and costs) incurred by the Company in its defense against such actions.

2.5 Allowances for Interruptions in Service

2.5.1 General

- 2.5.1.A A service is interrupted when it becomes unusable to the User, *e.g.*, the User is unable to transmit or receive communications due to the failure of a component furnished by the Company under this price list.
- 2.5.1.B An interruption period begins when the User reports a service, facility or circuit to be inoperative and releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative.
- 2.5.1.C If the User reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, the service, facility or circuit is considered to be impaired but not interrupted. No credit allowances will be made for a service facility or circuit considered by the Company to be impaired.

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SECTION 2. RULES AND REGULATIONS (cont'd)

2.5 Allowances for Interruptions in Service (cont'd)

2.5.2 Application of Credits for Interrupted Services

2.5.2.A At the Customer's request, a credit allowance for a continuous interruption of service for more than twenty-four (24) hours will be made in an amount to be determined by the Company on a case-by-case basis.

2.5.2.B Any such interruption will be measured from the time it is reported to or detected by the Company, whichever occurs first.

2.5.2.C In the event the User is affected by such interruption for a period of less than twenty-four (24) hours, no adjustment will be made. No adjustments will be earned by accumulating non-continuous periods of interruption.

2.5.2.D When an interruption exceeds twenty-four (24) hours, the length of the interruption will be measured in twenty-four (24) hour days. A fraction of a day consisting of less than twelve (12) hours will not be credited and a period of twelve (12) hours or more will be considered an additional day.

2.5.3 Limitations on Allowances

2.5.3.A No credit allowance will be made for any interruption of service:

2.5.3.A.1 due to the negligence of, or noncompliance with the provisions of this price list by, any person or entity other than the Company, including but not limited to the Customer or other entities or carriers connected to the service of the Company;

2.5.3.A.2 due to the failure of power, equipment, systems or services not provided by the Company;

2.5.3.A.3 due to circumstances or causes beyond the control of the Company;

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Tampa, Florida 33617

SECTION 2. RULES AND REGULATIONS (cont'd)

2.5 Allowances for Interruptions in Service (cont'd)

2.5.3 Limitations on Allowances (cont'd)

- 2.5.3.A.4 during any period in which the Company is not given full and free access to the Customer's or Company's facilities and equipment for the purpose of investigating and correcting the interruption;
- 2.5.3.A.5 during any period in which the User continues to use the service on an impaired basis;
- 2.5.3.A.6 during any period in which the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
- 2.5.3.A.7 that occurs or continues due to the Customer's failure to authorize replacement of any element of special construction; and
- 2.5.3.A.8 that was not reported to the Company within thirty (30) days of the date that service was affected.

2.6 Termination of Service

- 2.6.1 A Customer may terminate service, with or without cause, by giving the Company thirty (30) days written notice. The Company may terminate service with cause by giving the Customer five (5) business days' written notice. The Company may terminate service without notice in the event of the Customer maintaining and/or operating its own equipment in a manner that may cause imminent harm to the Company's equipment.
- 2.6.2 The Customer is responsible for all charges incurred to the Access Number regardless of which party terminates the service. The Customer shall reimburse the Company for all costs, expenses and fees (including reasonable attorneys' fees and costs) incurred by the Company in collecting such charges.

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SECTION 2. RULES AND REGULATIONS (cont'd)

2.7 Payment of Charges

- 2.7.1 The Customer is responsible for payment of all charges for service furnished to the User.
- 2.7.2 The Company reserves the right to assess late payment charges for Customers whose account(s) carries principal owing from the prior billing period. Any charges not paid in full by the due date indicated on the billing statement may be subject to a late fee of 1.5% per month.
- 2.7.3 Recurring monthly charges may be invoiced one month in advance. Invoicing cycles are approximately 30 days in length.
- 2.7.4 Customers must notify the Company either verbally or in writing of any disputed charges within sixty (60) days of the billing date, otherwise all charges on the invoice will be deemed accepted. All charges remain due and payable at the due date, although a Customer is not required to pay disputed charges while the Company conducts its investigation into the matter.

2.8 Deposits

The Company will not require deposits from Customers.

2.9. Advance Payments

The Company will not require advance payments from Customers.

2.10 Contested Charges

All bills are presumed accurate, and shall be binding on the Customer unless objection is received by the Company no more than sixty (60) days after such bills are rendered. In the event that a billing dispute between the Customer and the Company for service furnished to the Customer cannot be settled with mutual satisfaction, the Customer may take the following course of action:

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SECTION 2. RULES AND REGULATIONS (cont'd)

2.10 Contested Charges (cont'd)

2.10.1 First, the Customer may request, and the Company will provide, an in-depth review of the disputed amount. (The undisputed portion and subsequent bills must be paid on a timely basis or the service may be subject to disconnection.)

2.10.2 Second, if there is still a disagreement about the disputed amount after investigation and review by the Company, the Customer may file an appropriate complaint with the Florida Public Service Commission. The address of the Commission is:

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0864

2.11 Taxes

State and local sales, use and similar taxes are billed as separate items and are not included in the quoted rates for service.

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SECTION 3 - DESCRIPTION OF SERVICE

3.1 Timing of Calls

- 3.1.1 The Customer's monthly usage charges for the Company service are based upon the total number of minutes the Customer uses and the service options to which the Customer subscribes. Chargeable time begins at the time the called party answers (*i.e.* when two-way communications is possible), and ends when either party hangs up.
- 3.1.2 No charges apply if a Call is not completed.
- 3.1.3 For billing purposes, all Calls are rounded up to the nearest minute and billed in increments of one minute. The minimum call duration is 1 minute for a connected Call.
- 3.1.4 Where applicable, charges will be rounded up to the nearest penny.
- 3.1.5 Usage begins when the called party picks up the receiver (*i.e.* when two-way communication is possible). A Call is terminated when the calling or called party hangs up. The Company utilizes software answer supervision, which permits up to 60 seconds of ringing before the Call becomes billed usage. Where answer supervision is not available, any Call for which the duration exceeds 60 seconds shall be presumed to have been answered and becomes billed usage.
- 3.1.6 The Company will not knowingly charge for Incomplete Calls. Upon the Customer's request and proper verification, the Company shall promptly adjust or credit the Customer's account for charges or payments for any unanswered Call inadvertently billed due to the unavailability of Feature Group D or due to another carrier's failure to provide answer supervision. Upon the Customer's request and proper verification, the Company also shall promptly adjust or credit the Customer's account for charges or payments for Calls placed to a wrong number.

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SECTION 3 - DESCRIPTION OF SERVICE (cont'd)

3.2 Start of Billing

For billing purposes, the start of service is the day following acceptance by the Customer of the Company's service or equipment, or another date mutually agreed-upon by the Customer and the Company. The end of service date is the last day of the minimum notification of cancellation or any portion of the last day, after receipt by the Company of notification of cancellation as described in Section 2 of this price list.

3.3 Calculation of Distance

3.3.1 Where applicable, usage charges for all mileage sensitive products are based on the airline distance between rate centers associated with the originating and terminating points of the Call.

3.3.2 Where applicable, the airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. The Company uses the rate centers that are produced by Bell Communications Research in their NPA-NXX V&H Coordinates Tape and Bell's NECA Tariff No. 4.

3.4 Minimum Call Completion Rate

The Customer can expect a Call completion rate of at least 90% per 100 Calls attempted during peak use periods for all Feature Group D (1+) services. The Company will engineer its switching systems on the basis that at least ninety percent (90%) of the Customers accessing their system will be served during the Busy Hour.

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SECTION 3 - DESCRIPTION OF SERVICE (cont'd)

3.5 Service Offerings

Where technically and economically feasible, the Company offers local exchange telecommunications services to business Customers pursuant to contractual arrangements. The Customer's total monthly use of the Company's service is charged at the applicable rates, in addition to any monthly service charges. None of the service offerings are time-of-day sensitive.

3.5.1 Dialtone Local Exchange Services

3.5.1.A Local Service

Local Service provides the Customer with basic business local service allowing connectivity to the local service network and features. This service requires a broadband Internet connection with one of the Company's Internet Service Provider partners and is sold as a packaged product together with the Company's Long Distance services.

3.5.2 Local Operator Service / Directory Service

The Company will provide access to Local Operator Services and Directory Services through arrangements with other telecommunications carriers.

3.5.2.A Station-to-Station – Collect / 3rd Party Service

Station-to-Station – Collect / 3rd Party Service provides the Customer with the ability to use an operator's assistance to make a collect Call or a bill-to-third-party Call. This service is sold as a packaged product together with the Company's Dialtone Local Exchange Services.

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SECTION 3 - DESCRIPTION OF SERVICE (cont'd)

3.5 Service Offerings (cont'd)

3.5.2 Local Operator Service / Directory Service (cont'd)

3.5.2.B Person-to-Person – Collect/ 3rd Party / Sent Paid Service

Person-to-Person – Collect/ 3rd Party / Sent Paid Service provides the Customer with the ability to use a live operator to assist in placing a Call to a specific party. This service is sold as a packaged product together with the Company's Dialtone Local Exchange Services.

3.5.2.D Directory Assistance Service

Directory Assistance Service provides the Customer with the ability to use a directory assistance operator to provide listing information. This service is sold as a packaged product together with the Company's Dialtone Local Exchange Services.

3.5.2.E Directory Assistance Call Completion Service

Directory Assistance Call Completion Service provides the Customer with the ability to use a directory assistance operator to provide listing information and to automatically dial the number requested. This service is sold as a packaged product together with the Company's Dialtone Local Exchange Services.

3.5.3 Local Number Portability

Local Number Portability is a service that enables the end User to retain use of the existing local exchange carrier's number after choosing the Company as its local exchange carrier, provided that the Customer's location remains the same after the switch.

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SECTION 3 - DESCRIPTION OF SERVICE (cont'd)

3.5 Service Offerings (cont'd)

3.5.4 General Service Charges

The Customer will be charged a non-recurring fee for each Order Change, Record Order Change, Telephone Number Change and Reconnection, as defined below:

3.5.4.A Order Change

An Order Change is a change in the Customer's service requested subsequent to installation.

3.5.4.B Record Order Change

A Record Order Change is a change in the Customer's directory listing or a change in the responsibility for payment of the Customer's bills.

3.5.4.C Telephone Number Change

A Telephone Number Change is a change in the Customer's telephone number.

3.5.4.D. Reconnection

Reconnection charges occur where service to an existing Customer has been discontinued for proper cause, and the Customer desires to resume service with the Company. Where a Customer desires reconnection, the Customer will be charged a fee to cover the cost to the Company of restoring service to the Customer.

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SECTION 4 - RATES AND CHARGES

4.1 Dialtone Local Exchange Service Rates

4.1.1 Local Service

Flat Rate Service:

Recurring monthly charge:	\$40.90
Non-recurring charge:	\$68.90

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SECTION 4 - RATES AND CHARGES (Cont'd)

4.2 Local Operator Service/Directory Services Rates

4.2.1 Station-to-Station – Collect / 3rd Party Service

Per Call charge: \$2.50

4.2.2 Person-to-Person – Collect/ 3rd Party / Sent Paid Service

Per Call charge: \$5.00

4.2.3 Directory Assistance Service

Per Call charge: \$0.75

4.2.4 Directory Assistance Call Completion Service

Per Call charge: \$0.75, *plus*
\$0.75 for Call completion

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SECTION 4 - RATES AND CHARGES (Cont'd)

4.3 Local Operator Service/Directory Services Rates (cont'd)

4.3.1. Directory Assistance for Individuals with Disabilities

4.3.1.A Directory Assistance Calls Within Local Calling Area

There will be no charge for Directory Assistance Calls made from lines or trunks serving Customers with disabilities as defined in Chapter 25-4.115 of the Commission's rules, provided that such Directory Assistance Calls are made within the local calling area serving the disabled Customer's lines or trunks.

4.3.1.B Directory Assistance Calls Outside of the Local Calling Area

There will be no charge for up to fifty (50) Calls per billing cycle for Calls made to Directory Assistance from lines or trunks serving Customer's with disabilities where such Directory Assistance Calls are outside of the Customer's local calling area. The Directory Assistance charges specified in Sections 4.3.4 and 4.3.5 of this price list will apply for every Call outside of the disabled Customer's local calling area in excess of 50 Calls per billing cycle.

4.4 Local Number Portability Charge

Where applicable, the Company will assess on end User Customers a monthly Local Number Portability ("LNP") fee or fees to recover the Company's costs of porting the Customer's number/s from its existing carrier to the Company.

Per month charges: Per line: \$6.00

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SECTION 4 - RATES AND CHARGES (Cont'd)

4.5 General Service Charges

4.5.1 Change Order Charge

The Customer will be charged a non-recurring fee of \$25.00 for each order change requested following installation.

4.5.2 Record Change Charge

The Customer will be charged a non-recurring fee of \$25.00 for each directory listings change and payment responsibility change.

4.5.3 Telephone Number Change Charge

The Customer will be charged a non-recurring fee of \$25.00 for each telephone number change.

4.5.4 Reconnect Charge

If service has been discontinued for proper cause, the Company will charge a non-recurring fee of \$25.00 to defray the cost of restoring service to the Customer.

4.6 Miscellaneous Charges

4.6.1 Bad Check Charge

If payment for service is made by a check, draft, or similar instrument (collectively "Check") that is returned to the Company unpaid by a bank or another financial institution for any reason, the Company will bill the Customer a \$25.00 charge if the face value of the check does not exceed \$50.00, a \$30.00 charge if the face value of the check exceeds \$50.00 but does not exceed \$300.00, and a \$40.00 charge if the face value of the check exceeds \$300.00, or 5% of the value of the check, whichever is greater. In addition, the Customer may be required to replace the returned Check with a payment in cash or equivalent to cash, such as cashier's check, certified check or money order.

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SECTION 4 - RATES AND CHARGES (cont'd)

4.6 Miscellaneous Charges (cont'd)

4.6.2 Payphone Surcharge

The Customer will be charged a fee of \$.26 per Call for each Call made to the Company's toll-free number from a payphone.

4.6.3 National Connection Charge

The Customer will be charged the following monthly fee for access to the Public Switched Telephone Network ("PSTN").

Single line Business Customer: \$ 4.00
Double line Business Customer: \$9.00

4.7 Promotional Service Offering Charges

From time to time, the Company may offer services or waive or vary service rates for promotional, market research or other similar business purposes.

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