

ORIGINAL

October 24, 2002

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

To Whom It May Concern:

021089-TI

The undersigned Chief Executive Officer and Chief Financial Officer hereby affirm that the financial statements included with this Application Form for Authority to Provide Interexchange Telecommunications Service Between Points Within the State of Florida are true and correct.

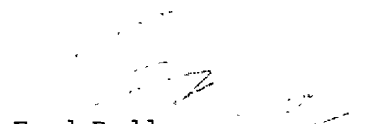
The undersigned further warrants that applicant has sufficient financial capability to provide the requested service in the geographic are proposed to be served, has sufficient financial capability to maintain the requested service and sufficient financial capability to meet its lease or ownership obligations.

Please feel free to call Brad Weinstock on 805 560 8900 x10 with any questions you may have.

Very truly yours,



Brad Weinstock  
Chief Financial Officer



Fred Buddemeyer  
Chief Executive Officer

DOCUMENT NUMBER-DATE

11700 OCT 25 2002

FPSC-COMMISSION CLERK

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

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

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

021089-TI

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Instructions

- ◆ This form is used as an application for an original certificate and for approval of assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Page 16).
- ◆ Print or Type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.
- ◆ Use a separate sheet for each answer which will not fit the allotted space.
- ◆ Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of **\$250.00** to:

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

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

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

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

1. This is an application for  (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:

bigredwire.com, Inc.

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

bigredwire.com, Inc.

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

25 East Mason Street

Third Floor

Santa Barbara, CA 93101

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

N/A

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

- Facilities-based carrier** - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.

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

7. Structure of organization;

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

8. **If individual**, provide:

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
City/State/Zip: \_\_\_\_\_

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

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

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

\_\_\_\_\_

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

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

filing concurrently with this application

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

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

\_\_\_\_\_

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

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

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

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

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

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

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

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

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

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

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

(a) **The Florida registration number:** \_\_\_\_\_

15. Provide **F.E.I. Number** (if applicable): \_\_\_\_\_

16. Provide the following (if applicable):

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

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

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

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

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

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

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

(c) How is this information provided?

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

17. Who will receive the bills for your service?

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

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

(a) The application:

Name: Brad Weinstock

Title: President

Address: 25 East Mason St., Third Floor

City/State/Zip: Santa Barbara, CA 93101

Telephone No.: 805 560 8900 Fax No.: 805 560 8901

Internet E-Mail Address: bweinstock @ bigredwine.com

Internet Website Address: www.bigredwine.com



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

Name: Brad Weinstock  
Title: President  
Address: same as above  
City/State/Zip: \_\_\_\_\_  
Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_  
Internet E-Mail Address: \_\_\_\_\_  
Internet Website Address: \_\_\_\_\_

(c) Complaints/Inquiries from customers:

Name: Melanie Brakes  
Title: Customer Service Manager  
Address: same as above  
City/State/Zip: \_\_\_\_\_  
Telephone No.: N/A Fax No.: \_\_\_\_\_  
Internet E-Mail Address: mbrakes@bigredwine.com  
Internet Website Address: \_\_\_\_\_

19. List the states in which the applicant:

(a) has operated as an interexchange telecommunications company.

CA, NY, NJ, TN

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

GA, TX, MN, VT, SC, NC



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

CA, NY, NJ, TN

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

N/A

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

Florida

Docket 020664 - TI

(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

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

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

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.

N/A  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

a. \_\_\_\_\_ **MTS with distance sensitive per minute rates**

\_\_\_\_\_ Method of access is FGA  
\_\_\_\_\_ Method of access is FGB  
\_\_\_\_\_ Method of access is FGD  
\_\_\_\_\_ Method of access is 800

b.  **MTS with route specific rates per minute**

\_\_\_\_\_ Method of access is FGA  
\_\_\_\_\_ Method of access is FGB  
\_\_\_\_\_ Method of access is FGD  
\_\_\_\_\_ Method of access is 800

c. \_\_\_\_\_ **MTS with statewide flat rates per minute (i.e. not distance sensitive)**

- \_\_\_\_\_ Method of access is FGA
- \_\_\_\_\_ Method of access is FGB
- \_\_\_\_\_ Method of access is FGD
- \_\_\_\_\_ Method of access is 800

d. \_\_\_\_\_ **MTS for pay telephone service providers**

e. \_\_\_\_\_ **Block-of-time calling plan (Reach Out Florida, Ring America, etc.).**

f. \_\_\_\_\_ **800 service (toll free)**

g. \_\_\_\_\_ **WATS type service (bulk or volume discount)**

- \_\_\_\_\_ Method of access is via dedicated facilities
- \_\_\_\_\_ Method of access is via switched facilities

h. \_\_\_\_\_ **Private line services (Channel Services)**  
(For ex. 1.544 mbs., DS-3, etc.)

i. \_\_\_\_\_ **Travel service**

- \_\_\_\_\_ Method of access is 950
- \_\_\_\_\_ Method of access is 800

j. \_\_\_\_\_ **900 service**

k. \_\_\_\_\_ **Operator services**

- \_\_\_\_\_ Available to presubscribed customers
- \_\_\_\_\_ Available to non presubscribed customers (for example, to patrons of hotels, students in universities, patients in hospitals).
- \_\_\_\_\_ Available to inmates

1. **Services included are:**

- \_\_\_\_\_ Station assistance
- \_\_\_\_\_ Person-to-person assistance
- \_\_\_\_\_ Directory assistance
- \_\_\_\_\_ Operator verify and interrupt
- \_\_\_\_\_ Conference calling

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

23. Submit the following:

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

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

**C. Financial capability.**

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

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

1. the balance sheet;
2. income statement; and
3. statement of retained earnings.

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

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

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

**THIS PAGE MUST BE COMPLETED AND SIGNED**

**APPLICANT ACKNOWLEDGMENT STATEMENT**

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

**UTILITY OFFICIAL:**

Brad Weinstock  
Print Name

BLW  
Signature

CFO  
Title

10-24-02  
Date

805 560 8900 x10  
Telephone No.

805 560 8901  
Fax No.

Address: 25 East Mason Street  
Third Floor  
Santa Barbara, CA 93101

**THIS PAGE MUST BE COMPLETED AND SIGNED**

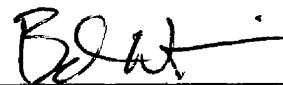
**CUSTOMER DEPOSITS AND ADVANCE PAYMENTS**

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

- (  ) The applicant will **not** collect deposits nor will it collect payments for service more than one month in advance.
  
- (  ) The applicant intends to collect deposits and/or advance payments for more than one month's service and will file and maintain a surety bond with the Commission in an amount equal to the current balance of deposits and advance payments in excess of one month.  
(The bond must accompany the application.)

**UTILITY OFFICIAL:**

Brad Winstocke  
Print Name

  
Signature

CFO  
Title

10-24-02  
Date

805 560 8900 x 10  
Telephone No.

805 560 8901  
Fax No.

Address: 25 East Mason Street  
Third Floor  
Santa Barbara, CA 93101

**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 interexchange telecommunications 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:**

<u>Brod Weinstock</u> Print Name	<u>BW</u> Signature
<u>CFo</u> Title	<u>10-24-02</u> Date
<u>805 560 8900 x 10</u> Telephone No.	<u>805 560 8901</u> Fax No.
Address:	<u>25 East Mason Street</u>
	<u>Third Floor</u>
	<u>Santa Barbara, CA 93101</u>



**CURRENT FLORIDA INTRASTATE SERVICES**

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

If the answer is has, fully describe the following:

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

Inter + Intra state exchange services.  
It dialing. Services began in January, 2000.

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

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

UTILITY OFFICIAL:

Brook Weinstock  
Print Name

BDW  
Signature

CF0  
Title

10-24-02  
Date

805 560 8900 x10  
Telephone No.

805 560 8901  
Fax No.

Address: 25 East Mason Street  
Third Floor  
Santa Barbara, CA 93101

**CERTIFICATE TRANSFER, OR ASSIGNMENT STATEMENT**

N/A

I, (Name) \_\_\_\_\_,

(Title) \_\_\_\_\_ of \_\_\_\_\_  
(Name of Company)

and current holder of Florida Public Service Commission Certificate Number

# \_\_\_\_\_, have reviewed this application and join in the petitioner's request for a:

( ) transfer

( ) assignment

of the above-mentioned certificate.

**UTILITY OFFICIAL:**

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

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

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

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

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

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

**Address:**

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

**bigredwire.com, Inc.**  
**Managerial and Technical Resumes**

**Fred Buddemeyer** is Chairman and Chief Executive Officer of bigredwire and heads our Marketing and Software Development departments. Mr. Buddemeyer is a co-founder of Northgate Communications where he successfully obtained private cable television franchises for the company throughout Southern California and public cable and telephone franchises in Australia. Mr. Buddemeyer headed the development of Northgate Communications' voice over frame relay and e-commerce platforms that precede bigredwire. Prior to Northgate Mr. Buddemeyer was an analyst at Smith Barney Harris Upham in New York. Mr. Buddemeyer is a graduate of the University of California, San Diego and the Amos Tuck School of Business at Dartmouth College.

**J. Bradley Weinstock** is Chief Financial Officer. As a co-founder of Northgate Communications Mr. Weinstock was responsible for the successful deployment of a proprietary voice over frame relay network in over 20 countries, the world's first commercial deployment of voice over a cable television system, and a pioneering microwave video network in Southern California. Prior to Northgate, Mr. Weinstock was a project analyst for Goldrich & Kest Industries, a leading U.S. real estate development concern. Mr. Weinstock is a graduate of the University of Southern California.

**Stephen M. Davis** is our Controller and our Vice President of Administration. Before joining bigredwire, Mr. Davis was Chief Financial Officer for The Grid, a leading regional Internet Service Provider. He has served several successful start up companies in the technology and biomedical industries, including Uniface, where he served as CFO. Mr. Davis is a graduate of the University of California, Santa Barbara and the Graduate School of Business at the University of Santa Clara.

**Chris Cheshire** is our Manager, Software Development and Network Operations. Before joining bigredwire, Mr. Cheshire was IP Network Manager for Cable and Wireless Optus, Australia's second largest telecommunications carrier. Mr. Cheshire has previously worked with The Cooperative Research Center for Distributed Systems Technology, Squirrel Software and Pegasus Networks, Australia's oldest National ISP. Mr. Cheshire graduated with a Bachelors degree from the University of Central Queensland, Australia.

**bigredwire.com**  
**Profit and Loss**  
 January through December 2000

	<u>Jan - Dec '00</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
telecom revenue-usa	526,914.74
telecom revenue-aus	812,125.92
telecom revenue-hk	363,188.49
advertising revenue	55,921.92
other revenue - net	(26,976.09)
<b>Total Income</b>	<u>1,731,174.98</u>
<b>Cost of Goods Sold</b>	
zap allocation	771,997.73
wholesale carriers	934,148.01
card processing-	46,473.22
<b>Total COGS</b>	<u>1,752,618.96</u>
<b>Gross Profit</b>	(21,443.98)
<b>Expense</b>	
Facilities	176,602.31
Staff expense	921,605.06
Office-santa barbara	60,435.80
Office-hong kong	11,780.06
Travel & Housing expense	41,997.19
General expense	4,461.56
Professional expense	32,382.64
Operations expense	39,235.69
data base expense	72,845.89
Depreciation	48,065.95
<b>Total Expense</b>	<u>1,388,712.05</u>
<b>Net Ordinary Income</b>	(1,420,156.03)
<b>Other Income/Expense</b>	
<b>Other income</b>	
Revenue-interest	10,533.66
Revenue-other/misc	750.00
exchange adjustment	6,047.07
<b>Total Other Income</b>	<u>17,130.73</u>
<b>Other Expense</b>	
Marketing	100,303.67
member acquisition	16,613.52
Regulatory expense	14,282.88
Investment acquisition	69,198.84
Finance expense	154,107.98
account write down	149,503.22
Leased equipment	66,797.25
Amortization cust base	445,489.00
Accounting adjustments	(567,639.12)
allocation	0.00
<b>Total Other Expense</b>	<u>448,657.01</u>
<b>Net Other Income</b>	(431,526.28)
<b>Net Income</b>	<u>(1,851,682.31)</u>

**bigredwire.com**  
**Balance Sheet**  
As of December 31, 2000

	Dec 31, '00
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
accounts payable-lines	317,688.87
accounts payable-general	12,432.14
accounts payable-technology	77,244.62
accounts payable-marketing	37,362.08
accounts payable-other	82,356.89
accounts payable-leases	59,358.15
accounts payable-allocation	422,403.60
accounts payable-equity	63,784.84
<b>Total Accounts Payable</b>	1,072,651.19
<b>Other Current Liabilities</b>	
accrued pay-processing	16,465.33
payable-chargebacks	1,018.22
contract pay-cna	197.60
accrued line expense	26,930.65
accrued payroll	11,901.30
payroll tax pay-cal	14,330.46
payroll tax pay-fed	89,533.13
Deferred compensation	25,000.00
Notes payable-	255,453.78
customer accounts	85,728.51
<b>Total Other Current Liabilities</b>	528,660.16
<b>Total Current Liabilities</b>	1,599,311.37
<b>Long Term Liabilities</b>	
accrued liabilities	196,237.82
payable-investors	460,248.00
Note payable-wainstock	92,389.41
Note payable-bear sterna	1,416,825.57
<b>Total Long Term Liabilities</b>	2,165,700.80
<b>Total Liabilities</b>	3,765,012.17
<b>Equity</b>	
common stock	3,394,950.78
preferred stock	900,000.00
preferred stock warrants	450,000.00
Net Income	(1,851,682.31)
<b>Total Equity</b>	2,893,268.47
<b>TOTAL LIABILITIES &amp; EQUITY</b>	6,658,280.64

**bigredwire.com**  
**Balance Sheet**  
As of December 31, 2000

	Dec 31, '00
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Cash-avb general	11,546.71
Cash-Investments	216.15
<b>Total Checking/Savings</b>	11,762.86
<b>Other Current Assets</b>	
card processing-other	5,473.16
card processing-deposits	118,609.80
accounts rec-out base	56,667.79
accounts rec-revenue	28,158.93
Deposit-office	18,200.00
Deposits-other	5,664.40
<b>Total Other Current Assets</b>	234,814.08
<b>Total Current Assets</b>	246,576.94
<b>Fixed Assets</b>	
Equipment-furniture & fixtures	88,447.48
accum depr-furn & fixture	(26,439.70)
Equipment-computer	101,022.64
Accum depr-computer	(21,826.25)
<b>Total Fixed Assets</b>	141,404.14
<b>Other Assets</b>	
receivable-northgate	33,453.56
Acquired member base	6,236,846.00
<b>Total Other Assets</b>	6,270,299.56
<b>TOTAL ASSETS</b>	6,658,280.64

**bigredwire.com**  
**Profit and Loss**  
 January through December 2001

	Jan - Dec '01
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
telecom revenue-usa	1,426,606.88
telecom revenue-aus	247,353.52
telecom revenue-hk	23,727.26
membership fees	286,428.51
advertising revenue	7,255.17
other revenue - net	35,542.01
<b>Total Income</b>	2,026,913.37
<b>Cost of Goods Sold</b>	
zap allocation	636,353.22
wholesale carriers	866,644.21
card processing-	79,601.17
<b>Total COGS</b>	1,582,498.60
<b>Gross Profit</b>	444,414.77
<b>Expense</b>	
Facilities	124,767.56
Staff expense	646,076.32
Office-santa barbara	17,034.41
Travel & Housing expense	11,377.39
General expense	5,944.90
Professional expense	60,175.62
Operations expense	24,078.24
data base expense	17,904.19
Depreciation	64,188.14
<b>Total Expense</b>	972,133.77
<b>Net Ordinary Income</b>	(527,719.00)
<b>Other Income/Expense</b>	
<b>Other Income</b>	
Revenue-interest	3.77
exchange adjustment	(2,323.90)
<b>Total Other Income</b>	(2,320.13)
<b>Other Expense</b>	
Marketing	35,670.52
member acquisition	3,626.47
Regulatory expense	1,446.55
Finance expense	143,780.53
account write down	58,859.63
Leased equipment	70,788.14
Amortization cust base	445,489.00
<b>Total Other Expense</b>	759,660.84
<b>Net Other Income</b>	(761,980.97)
<b>Net Income</b>	(1,289,699.97)

**bigredwire.com**  
**Balance Sheet**  
As of December 31, 2001

	Dec 31, '01
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Cash-svb general	(6,293.04)
Cash-nexity bank	16,271.95
Cash-midstate	140.89
<b>Total Checking/Savings</b>	<b>11,119.80</b>
<b>Other Current Assets</b>	
card processing-current	(2,767.08)
accounts rec-cust base	17,971.02
Deposit-qwest	30,000.00
Deposit-office	18,200.00
Deposits-other	2,773.98
<b>Total Other Current Assets</b>	<b>65,578.62</b>
<b>Total Current Assets</b>	<b>76,698.32</b>
<b>Fixed Assets</b>	
Equipment-furniture & fixtures	88,447.46
accum depr-furn & fixture	(56,950.72)
Equipment-computer	101,022.84
Accum depr-computer	(55,300.37)
<b>Total Fixed Assets</b>	<b>77,219.00</b>
<b>Other Assets</b>	
receivable-northgate	33,763.56
Acquired member base	6,791,357.00
<b>Total Other Assets</b>	<b>5,825,120.56</b>
<b>TOTAL ASSETS</b>	<b>6,979,037.88</b>



**bigredwire.com**  
**Balance Sheet**  
As of December 31, 2001

	Dec 31, '01
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
accounts payable-lines	456,583.49
accounts payable-general	59,588.83
accounts payable-technology	73,886.92
accounts payable-marketing	60,666.63
accounts payable-other	106,578.40
accounts payable-leases	49,821.88
accounts payable-allocation	422,403.80
accounts payable-equity	83,719.41
<b>Total Accounts Payable</b>	<b>1,293,327.96</b>
<b>Other Current Liabilities</b>	
accrued pay-processing	841.31
accrued line expense	50,626.43
payable-uf tax	19,021.21
payable-fed tax	11,346.95
payroll tax pay-cal	29,719.11
payroll tax pay-fed	163,032.11
Deferred compensation	204,200.00
Notes payable-	273,915.89
customer accounts	16,048.80
<b>Total Other Current Liabilities</b>	<b>768,750.81</b>
<b>Total Current Liabilities</b>	<b>2,062,078.77</b>
<b>Long Term Liabilities</b>	
accrued liabilities	218,951.22
payable-investors	188,775.51
Note payable-weinstock	97,422.29
Note payable-bear sterna	1,509,128.86
<b>Total Long Term Liabilities</b>	<b>2,014,277.88</b>
<b>Total Liabilities</b>	<b>4,076,356.65</b>
<b>Equity</b>	
common stock	3,614,063.51
preferred stock	900,000.00
preferred stock warrants	450,000.00
options	80,000.00
3900 - Retained Earnings	(1,851,682.31)
Net income	(1,289,699.97)
<b>Total Equity</b>	<b>1,902,681.23</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>5,979,037.88</b>

**bigredwire.com**  
**Profit and Loss**  
 January through June 2002

	Jan - Jun '02
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
telecom revenue-usa	382,875.28
membership fees	81,358.60
other revenue - net	4,181.94
referral revenue	2,000.00
<b>Total Income</b>	450,413.82
<b>Cost of Goods Sold</b>	
zap allocation	62,911.67
wholesale carriers	183,012.65
card processing-	23,531.02
<b>Total COGS</b>	269,455.34
<b>Gross Profit</b>	180,958.48
<b>Expense</b>	
<b>Facilities</b>	40,810.62
Office-santa barbara	3,835.64
Travel & Housing expense	815.38
General expense	1,950.09
Professional expense	175,991.75
Operations expense	2,048.77
data base expense	374.40
Depreciation	31,732.44
<b>Total Expense</b>	263,559.07
<b>Net Ordinary Income</b>	(82,600.59)
<b>Other Income/Expense</b>	
<b>Other Expense</b>	
Marketing	3,091.23
Finance expense	42,427.50
account write down	4,052.77
Leased equipment	3,925.00
Amortization cust base	222,744.00
allocation	2,519.24
<b>Total Other Expense</b>	278,759.74
<b>Net Other Income</b>	(278,759.74)
<b>Net Income</b>	(361,360.33)

**bigredwire.com**  
**Balance Sheet**  
 As of June 30, 2002

	<u>Jun 30, '02</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Cash-avb general	(6,436.79)
Cash-naxlty bank	9,150.48
Cash-midstate	311.05
<b>Total Checking/Savings</b>	<u>3,024.74</u>
<b>Other Current Assets</b>	
card processing-current	(2,576.21)
accounts rec-cust base	17,371.62
Deposit-qwest	19,723.84
Deposit-office	18,200.00
Deposits-other	2,773.98
employee advance	250.00
<b>Total Other Current Assets</b>	<u>55,743.23</u>
<b>Total Current Assets</b>	<u>58,767.97</u>
<b>Fixed Assets</b>	
Equipment-furniture & fixtures	88,447.45
accum depr-furn & fixture	(71,846.08)
Equipment-computer	101,022.84
Accum depr-computer	(72,137.45)
<b>Total Fixed Assets</b>	<u>45,486.58</u>
<b>Other Assets</b>	
receivable-northgate	33,868.63
Acquired member base	5,568,613.00
<b>Total Other Assets</b>	<u>5,602,501.63</u>
<b>TOTAL ASSETS</b>	<u><u>6,708,756.16</u></u>

**bigredwire.com**  
**Balance Sheet**  
As of June 30, 2002

	Jun 30, '02
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
accounts payable-lines	445,749.42
accounts payable-general	100,133.61
accounts payable-technology	73,885.92
accounts payable-marketing	59,816.63
accounts payable-other	106,578.40
accounts payable-leases	49,821.88
accounts payable-allocation	422,403.60
accounts payable-equity	60,719.41
<b>Total Accounts Payable</b>	<b>1,319,208.87</b>
<b>Other Current Liabilities</b>	
accrued pay-processing	4,345.74
accrued line expense	54,462.78
payable-usf tax	29,773.26
payable-fed tax	18,064.32
payroll tax pay-cal	29,719.11
payroll tax pay-fed	163,032.11
Deferred compensation	204,200.00
Notes payable-clearing-payments/refunds	122.50
customer accounts	16,048.80
<b>Total Other Current Liabilities</b>	<b>805,608.51</b>
<b>Total Current Liabilities</b>	<b>2,124,817.38</b>
<b>Long Term Liabilities</b>	
accrued liabilities	215,951.22
payable-investors	188,775.51
Note payable-weinstock	97,422.20
Note payable-bear sterna	1,538,468.88
<b>Total Long Term Liabilities</b>	<b>2,040,617.88</b>
<b>Total Liabilities</b>	<b>4,165,435.26</b>
<b>Equity</b>	
common stock	3,614,063.51
preferred stock	900,000.00
preferred stock warrants	450,000.00
options	80,000.00
3900 - Retained Earnings	(3,141,382.28)
Net Income	(361,360.33)
<b>Total Equity</b>	<b>1,541,320.90</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>5,706,756.16</b>

October 24, 2002

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

To Whom It May Concern:

The undersigned Chief Executive Officer and Chief Financial Officer hereby affirm that the financial statements included with this Application Form for Authority to Provide Interexchange Telecommunications Service Between Points Within the State of Florida are true and correct.

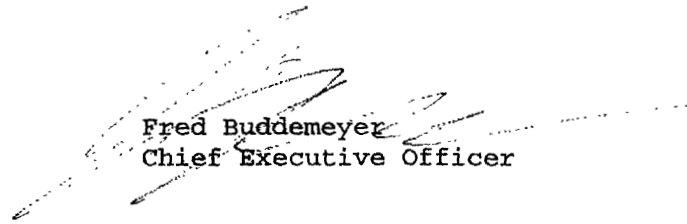
The undersigned further warrants that applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served, has sufficient financial capability to maintain the requested service and sufficient financial capability to meet its lease or ownership obligations.

Please feel free to call Brad Weinstock on 805 560 8900 x10 with any questions you may have.

Very truly yours,



Brad Weinstock  
Chief Financial Officer



Fred Buddemeyer  
Chief Executive Officer