

ORIGINAL



030574-TX

A Division of Camarato Distributing, Inc.
900 Camarato Drive
Herrin, IL 62948

Tel: 618-988-1491
Fax: 618-942-6181

June 24, 2003

Florida Public Service Commission
Division of The Commission Clerk and Administrative Services
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

RECEIVED FPSC
JUN 25 PM 1:59
COMMISSION
CLERK

RE: Application for Authority to Provide
Alternative Local Exchange Service
Within the State of Florida

Dear Commission:

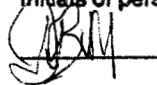
Pursuant to the above captioned, please note herewith: Camarato Distributing, Inc.'s original and six (6) exact copies of our application. Further, we have enclosed our check in the amount of two-hundred fifty dollars (\$250) for the required application fee.

Thank you,


Steve Frattini
General Manager

Check received with filing and forwarded
to Fiscal for deposit. Fiscal to forward
deposit information to Records.

Initials of person who forwarded check



03 JUN 25 AM 11:11

DISTRIBUTION CENTER

DOCUMENT NUMBER-DATE

65666 JUN 25 8

FPSC-COMMISSION CLERK

APPLICATION

D30574-TX

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:

CAMARATO DISTRIBUTING, INC.

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

NEX-PHON

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

**CAMARATO DISTRIBUTING, INC. / NEX-PHON
P.O. BOX 2050
900 CAMARATO DRIVE
HERRIN, IL 62948**

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

Business Filings Incorporated
1000 West Avenue
Suite 1114
Miami Beach, FL 33139

6. 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 _____ | |

7. If individual, provide:

Name: N/A

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

Internet E-Mail Address: _____

Internet Website Address: _____

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

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

N/A

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

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

F03000001067

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:

G03167700157

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

(a) The Florida Secretary of State registration number:

N/A

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

Name: N/A

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

Internet E-Mail Address: _____

Internet Website Address: _____

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

(a) The Florida registration number: N/A

14. Provide F.E.I. Number(if applicable): 37-1148006

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: **Steve Frattini**

Title: **General Manager**

Address: **P.O. Box 2050 – 900 Camarato Drive**

City/State/Zip: **Herrin, IL 692948**

Telephone No.: **618-988-1491** Fax No.: **618-942-6181**

Internet E-Mail Address: **steve@ nexphon.com**

Internet Website Address: _____

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

Name: **Steve Frattini**

Title: **General Manager**

Address: **P.O. Box 2050 – 900 Camarato Drive**

City/State/Zip: **Herrin, IL 62948**

Telephone No.: **618-988-1491**

Fax No.: **618-942-6181**

Internet E-Mail Address: **steve@nexphon.com**

Internet Website Address: _____

(c) Complaints/Inquiries from customers:

Name: **Terri Maurizio**

Title: **Customer Service Manager**

Address: **P.O. Box 2050 – 900 Camarato Drive**

City/State/Zip: **Herrin, IL 62948**

Telephone No.: **618-988-1491**

Fax No.: **618-942-6181**

Internet E-Mail Address: **terri@nexphon.com**

Internet Website Address: _____

17. List the states in which the applicant:

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

Illinois, Indiana, Wisconsin and Missouri

(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.

Illinois, Indiana, Wisconsin, Missouri, Kansas and Nevada

(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.**

See Attachment A

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

See Attachment B

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.

Applicant does not have audited financial statements.

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:

See Attachment C Unaudited Financial Statements and Affirmation

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

THIS PAGE MUST BE COMPLETED AND SIGNED

APPLICANT ACKNOWLEDGMENT STATEMENT

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.

2. **APPLICATION FEE:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

UTILITY OFFICIAL:

Keith L. Camarato
Print Name

Keith L. Camarato
Signature

President

June 24, 2003

Title

Date

618-988-1491

618-942-6181

Telephone No.

Fax No.

Address: P.O. Box 2050

900 Camarato Drive

Herrin, IL 62948

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:

Keith L. Camarato

Print Name



Signature

President

Title

June 24, 2003

Date

618-988-1491

Telephone No.

618-942-6181

Fax No.

Address: P.O. Box 2050

900 Camarato Drive

Herrin, IL 62948

MANAGERIAL QUALIFICATIONS

With four different operating divisions of the company, the company has a broad base of revenue sources. The Applicant's experience in the telecommunications began in 1995 as a provider of prepaid long distance calling cards. Present operations include distribution in seventeen states through approximately three hundred retail locations. The long distance calling cards are vended and sold through point of sale personnel.

The Applicant is certified to provide local access services in six (6) states. They are as follows:

Illinois Case No. 98-0051
Effective Date: July 8, 1998

Indiana Case No. 41914
Effective Date: April 11, 2001

Wisconsin Case No. 7538
Effective Date: January 10, 2001

Missouri Case No. TA-99-152
Effective Date: June 1, 1999

Kansas Case No. 2969889
Effective Date: January 11, 2001

Nevada Case No. 01-4034
Effective Date: June 6, 2001

Provisioning of service commenced in November of 1998 in Illinois and has continued into other states on a controlled growth basis. The company continues to meet the Quality of Service Standards in those states where business is conducted. There have been no formal complaints against the company, filed with any regulatory authority. There are no past or pending actions against the company by any regulatory authority.

At present the Applicant has resale and/or inter-connection agreements with the following incumbent carriers: Verizon on a multi-state basis, Illinois Consolidated Telephone Company, and through a thirteen state agreement with SBC, formerly known as, Southwestern Bell/ Ameritech, Illinois Bell Telephone Company, Indiana Bell Telephone Company Incorporated, Michigan Bell Telephone Company, Nevada Bell Telephone Company, The Ohio Bell Telephone Company, Pacific Bell Telephone Company, The Southern New England Telephone Company, Southwestern Bell Telephone Company and Wisconsin Bell, Inc, as well as Sprint United.

Key personnel possess vast managerial and technical experience both in sound business management and in operations within the telecommunications industry and are a part of a multidimensional management and operations matrix utilized by the company.

Keith Camarato, President of Camarato Distributing, Inc., incorporated the company in November of 1983 and has experienced a successful business record of accomplishment since inception. He is directly involved in the day to day operations of the company.

Steve Frattini, a graduate of Southern Illinois University, serves as General Manager of the Nex-Phon Division. He has over thirty years of business experience as both an owner and in executive management. He most recently served as an Executive Analysis for George S. May Company, a leading management consulting firm with offices in Chicago Illinois, Milan Italy, Toronto Canada and Los Angeles California, before joining the company in June of 1998.

R. Anthony Camarato serves as the Corporate Information Systems Manager. He is responsible for the general oversight and administration of all corporate computerized and networked assets, telecommunications infrastructure, internal OSS, billing, and database systems, as well as connectivity to external vendor networks, OSS portals, the public internet, and any other electronic interfaces.

Anthony draws upon over 10 years of direct experience with computer networking and programming in both the Windows OS and MacOS environments. His computer specific skills include SQL, MySQL, PHP, ODBC, Visual Basic, HTML, Microsoft Access, expertise with most TCP/IP-based networks and applications, including FTP, HTTP, SMTP, and POP3, and is experienced with all Windows OS's, including NT, 2000 Server, and XP, as well as UNIX, and maintains awareness and compliance with ATIS-OBF ordering and billing standards.

Before joining the company, Anthony studied at the Olin School of Business at Washington University in St. Louis prior to founding with partners his own successful multimedia development company, Evolution Multimedia, which currently provides web-based marketing and infrastructure services to blue-chip firms throughout the Midwest.

Andrew Camarato, a graduate of Southern Methodist University, joined the company during May of 2002 as Customer Service and Billing Manager. Previously he was employed with:

UniSite, Inc. – Richardson, TX - Systems & Telecommunications Analyst – Responsible for all PC and LAN setup, installation and support. Company liason to SWB regarding companies telecom needs. Handled all internal wiring, moves, adds, changes, disconnects, oversaw installation of PBX and was trained to do MACD's on the ROLM switch. Also in charge of all facility security and fire alarm systems.

MobileStar, Inc. – Richardson, TX – Project manager that oversaw and conducted on-site, field surveys for our wireless internet access antenna installation.

MCI – Richardson, TX - Systems Manager for internal provisioning system. Worked as a go-between for internal users of the system and IT Dept. to coordinate changes, improvements, modifications.

WorldCom – Program Manager in the Strategic Technology Dept. – Richardson, TX – PM'd rollout of new global products from design phase through implementation. Worked with teams in Europe and Asia to ensure products would be delivered on time and within budget. Heavy focus on ATM and IP protocols.

Joseph Robertson, is a graduate of Murray State University with a Bachelor of Science in Telecommunications Systems Management with an emphasis on Network Administration and E-commerce. He serves the company as Manager of Provisioning and Repair and is responsible for the electronic communications and data sharing with the incumbent carriers that transact business with the company.

TECHNICAL QUALIFICATIONS

The company has demonstrated sufficient technical experience by having provisioned service since 1999, as noted in Attachment A, and utilizes much of the same management staff in key technical areas. The physical aspect of providing service, repair and maintenance is contracted through the respective incumbent carriers, while customer premise work is conducted by a number of independent telecommunications contractors, in each of the companies markets. This manner of dealing with the technical aspect of providing service will continue in Florida as well.

The Applicant has sufficient financial capability to provide and maintain service in the geographic area proposed to be served. This ability is demonstrated by the applicant's successful continuation of business in those states where the applicant provides like service.

Additionally, the applicant's corporate structure has multiple revenue streams that provide an overall stable financial stature as reflected by the Financial Statement contained hereinabove.

A cornerstone to the Applicant's financial capabilities is the Applicant's business model for the conduct of business. The thrust is that the financial resources necessary to propagate growth and expansion shall come from within the corporation. Although the Applicant has excellent banking relations, self-funding of a controlled growth program eliminates the need for debt service on borrowed funds, thereby contributing to the overall financial capability and strength of the company.

Other aspects of the Applicant's financial capability and strength is derived from cost sharing across division lines within the corporation, effective cash flow management and the ownership of real property where business is administered and managed.

Further evidence of the Applicant's financial capability and strength is that the Applicant has an excellent payment history, open revolving credit terms and no requirement for deposits or security by any of the incumbent carriers that the Applicant does business with.

Additional information related to the Applicants capability and financial strength may be obtained from the following source:

Carl Goodwin, President
Bank of Herrin
101 South Park Avenue
Herrin, IL 62948

618-942-6666



Certified Public Accountants

804 West Main Street
Post Office Box 3070
Carbondale, IL 62902-3070
Phone 618-549-3344

Members of:
Illinois Society of Certified Public Accountants
American Institute of Certified Public Accountants

205 South Market
Marion, IL 62959
Phone 618-993-8724
FAX 618-549-3346

Camarato Distributing, Inc.
Herrin, Illinois

We have compiled the accompanying balance sheets of Camarato Distributing, Inc. (a corporation) as of March 31, 2003, 2002 and 2001, and the related statements of income and retained earnings for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of the management of Camarato Distributing, Inc. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures and the statements of cash flows required by generally accepted accounting principles. If the omitted disclosures and statements of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Dycus, Bradley & Draves, p.c.
Certified Public Accountants

June 3, 2003

CAMARATO DISTRIBUTING, INC.

BALANCE SHEETS

March 31, 2003, 2002 and 2001

	<u>2003</u>	<u>2002</u>	<u>2001</u>
ASSETS			
CURRENT ASSETS			
Cash	\$0	\$122,643	\$5,018
Accounts Receivable	476,776	499,209	610,516
Inventories	2,006,231	2,033,491	1,828,995
TOTAL CURRENT ASSETS	<u>2,483,007</u>	<u>2,655,343</u>	<u>2,444,529</u>
 PROPERTY AND EQUIPMENT			
Buildings and equipment	2,604,539	2,557,559	2,491,179
Less: Accumulated depreciation	(2,259,498)	(2,143,834)	(1,958,690)
TOTAL PROPERTY AND EQUIPMENT	<u>345,041</u>	<u>413,725</u>	<u>532,489</u>
 OTHER ASSETS			
Employee receivable	890	(2,407)	2,832
Shareholder receivable	247,269	247,269	227,175
TOTAL OTHER ASSETS	<u>248,159</u>	<u>244,862</u>	<u>230,007</u>
TOTAL ASSETS	<u><u>\$3,076,207</u></u>	<u><u>\$3,313,930</u></u>	<u><u>\$3,207,025</u></u>

	<u>2003</u>	<u>2002</u>	<u>2001</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts Payable	\$396,852	\$582,844	\$442,590
Accrued payroll taxes	17,118	14,532	16,874
Accrued pension contributions	0	2,428	1,978
Accrued sales taxes	6,844	9,184	12,073
Accrued federal income taxes	22,247	22,247	18,127
Accrued state income taxes	7,116	5,312	3,676
Note Payable - K & J, Inc.	66,220	66,220	66,220
Current portion of long-term debt	37,841	75,985	64,837
TOTAL CURRENT LIABILITIES	<u>554,238</u>	<u>778,752</u>	<u>626,375</u>
LONG-TERM LIABILITIES			
Long-term debt, less current portion	63,280	44,790	108,381
TOTAL LONG-TERM LIABILITIES	<u>63,280</u>	<u>44,790</u>	<u>108,381</u>
TOTAL LIABILITIES	617,518	823,542	734,756
STOCKHOLDERS' EQUITY			
Common stock	5,000	5,000	5,000
Retained earnings	2,453,689	2,485,388	2,467,269
TOTAL STOCKHOLDERS' EQUITY	<u>2,458,689</u>	<u>2,490,388</u>	<u>2,472,269</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$3,076,207</u>	<u>\$3,313,930</u>	<u>\$3,207,025</u>

See Accountants' report.

CAMARATO DISTRIBUTING, INC.
 STATEMENTS OF INCOME AND RETAINED EARNINGS
 March 31, 2003, 2002 and 2001

	<u>2003</u>	<u>2002</u>	<u>2001</u>
GROSS RECEIPTS	\$5,532,632	\$5,992,989	\$5,709,587
Cost of goods sold	<u>2,901,307</u>	<u>3,153,069</u>	<u>2,672,865</u>
GROSS PROFIT	2,631,325	2,839,920	3,036,722
OTHER INCOME			
Interest Income	47	9,653	15,751
Net gain (loss) on sale of equipment	<u>5,095</u>	<u>0</u>	<u>4,646</u>
	5,142	9,653	20,397
OTHER EXPENSES			
Wages	1,221,804	1,192,529	1,138,491
Rent	160,411	158,926	157,312
Payroll, sales and real estate taxes	222,700	227,614	191,431
Depreciation	162,482	202,184	216,890
Professional Fees	44,507	29,597	341,961
Repair and maintenance	46,442	67,523	103,536
Telephone	88,648	79,709	93,787
Commissions	165,496	240,217	203,252
Insurance	104,729	123,095	99,412
All other expenses	<u>448,682</u>	<u>503,529</u>	<u>449,993</u>
	2,665,901	2,824,923	2,996,065
NET INCOME BEFORE INCOME TAXES	(29,434)	24,650	61,054
Income tax provision(benefit)	<u>2,265</u>	<u>6,531</u>	<u>18,778</u>
NET INCOME	(31,699)	18,119	42,276
RETAINED EARNINGS AT			
BEGINNING OF YEAR	<u>2,485,388</u>	<u>2,467,269</u>	<u>2,424,993</u>
RETAINED EARNINGS AT END OF YEAR	<u><u>\$2,453,689</u></u>	<u><u>\$2,485,388</u></u>	<u><u>\$2,467,269</u></u>

See Accountants' report.

AFFIRMATION

I, Keith L. Camarato, as Owner and President of Camarato Distributing, Inc. do hereby affirm that the Financial Statement contained herewith as Attachment C, is true and correct to the best of my knowledge.

Keith L. Camarato

Date: 6-24-03

Keith L. Camarato, President
Camarato Distributing, Inc.

Subscribed and sworn to before me this date as affixed hereinbelow:

Merry Jo Arvai

6-24-03

Notary

Date

SEAL:

