



ORIGINAL

030654 - TY

RECEIVED-FPSC
03 JUL 21 AM 9:47
COMMISSION
CLERK

17 July 2003

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

RE: EO Telecom of Florida, LLC Application for Authority to Provide Alternative Local Exchange Service within the State of Florida

Dear Commission:

Please accept EO Telecom of Florida, LLC's application for authority to provide alternative local exchange service within the state of Florida. Should you have any questions or require further clarification regarding this application, please don't hesitate to call me anytime at (404) 242-7796.

I appreciate your prompt attention to this matter.

Regards,

Scott P. Burkholder
EO Telecom of Florida, LLC

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

Initials of person who forwarded check

DOCUMENT NUMBER - DATE
06485 JUL 21 03
FPSC-COMMISSION CLERK

Orig Tariff to CYP
03 JUL 21 AM 9:29

DISTRIBUTION CENTER

ORIGINAL

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

DIVISION OF COMPETITIVE MARKETS AND ENFORCEMENT **CERTIFICATION**

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

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 the Commission Clerk and Administrative Services
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 Competitive Markets and Enforcement
Certification
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6600

APPLICATION

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

Original certificate (new company).

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

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

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

2. Name of company:

EO Telecom of Florida, LLC

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

EO Telecom of Florida, LLC

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

EO Telecom of Florida, LLC

P.O. Box 1081

Cumming, GA 30028

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

EO Telecom of Florida, LLC
110 Glenbriar Circle
Daytona Beach, FL 32114

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 type="checkbox"/> Limited Partnership |
| <input checked="" type="checkbox"/> Other <u>LLC</u> | |

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:**

LO3000022394

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:

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): Pending

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: Scott P. Burkholder

Title: Member/Consultant

Address: P.O. Box 1081

City/State/Zip: Cumming, GA 30028

Telephone No.: (404) 242-7796 Fax No.: (678) 947-4363

Internet E-Mail Address: theeogroup@yahoo.com

Internet Website Address: www.eotelecom.net

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

Name: Scott P. Burkholder

Title: Member/Consultant

Address: P.O. Box 1081

City/State/Zip: Cumming, GA 30028

Telephone No.: (404) 242-7796 Fax No.: (678) 947-4363

Internet E-Mail Address: theeogroup@yahoo.com

Internet Website Address: _____

(c) Complaints/Inquiries from customers:

Name: Customer Service

Title: _____

Address: P.O. Box 1081

City/State/Zip: Cumming, GA 30028

Telephone No.: 1-888-622-5536 Fax No.: (678) 947-4363

Internet E-Mail Address: customerservice@eotelecom.net

Internet Website Address: www.eotelecom.net

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.**

See Exhibit 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 Exhibit A

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: *See Exhibit B*
2. income statement: and *See Exhibit B*
3. statement of retained earnings. *See Exhibit B*

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.

For 1-3: *See Exhibit C*

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:

Judy C. Burkholder
Print Name

Judy C Burkholder
Signature

Managing Member
Title

7/17/03
Date

(404) 242-7796
Telephone No.

(678) 947-4363
Fax No.

Address: P.O. Box 1081
Cumming, GA 30028

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:

Judy C. Burkholder
Print Name

Judy C Burkholder
Signature

Managing Member
Title

7/17/03
Date

(404) 242-7796
Telephone No.

(678) 947-4363
Fax No.

Address: P.O. Box 1081
Cumming, GA 30028

EXHIBIT A

Scott P. Burkholder

4020 River Club Drive, Cumming, GA 30041 (T) 678-343-1404
taftheights@yahoo.com

Highlights of Past Experience

- ⇒ 10+ years of experience in sales and marketing of telecommunications services (local and long haul) and fiber optic equipment and component manufacturing.
- ⇒ Co-founder and President for a Inc. 500 (#380 – 2000) high-tech fiber optic integration and construction company
- ⇒ Deep as well as broad business and technical skills in all the functional areas within a business or organization – sales & marketing, accounting and finance, strategy and business development, operations, information technology, human resources, training, management and leadership.
- ⇒ Technical expertise in optical networking, network design and architecture, local, metro, and long-haul communications systems, and security/video applications.
- ⇒ Proficient with BellSouth's LENs interface for Pre-ordering, Ordering, Managing and Supplementing Local Service Requests.
- ⇒ A highly motivated, self-starter with extensive contacts within the telecommunications industry indicating an immediate and positive impact to any organization with high quality people, good products and services and smart strategic direction.

Professional Experience

THE EO GROUP, LLC

January 2002-Present

Principal/Consultant

- Telecommunications and management professional services firm specializing in network infrastructure design and implementation services, telecommunications cost reduction via audit services, and legal/regulatory/marketing support for competitive local exchange carriers.
- Responsible for the creation and implementation of all legal/regulatory certifications and licenses, interconnection agreements, provisioning, sales/marketing, dealer/distribution channel programs, and customer service/call center setup and implementation.

FIBERWORKS, INC.

November 1994-August 2001

Founder, President and Chief Executive Officer

- High technology fiber optic infrastructure provider and carrier's carrier (wholesale access provider) with experience in turnkey fiber local and wide area networks, long-haul and metropolitan fiber construction services, emergency restoration, video and security systems, and central office installations.
- Customers included over 100 K-12 school districts, municipal governments, utility companies, real estate developers, metro and long-haul fiber infrastructure providers, CLECs/BLECs, and private enterprises; over \$6 million in sales with 60+ employees; #380 on Inc. Magazine' 2000 List of the Fastest Growing Private Companies in the United States.
- Raised over \$5 million in private and institutional investments from angels and strategic partners

AMP, INC. (now TYCO INTERNATIONAL)

September 1992-November 1994

Sales Engineer

- Major account sales for a Fortune 500 manufacturer in a 9-state territory in the southeastern U.S. focusing on fiber optic components, LAN and long-haul cable, and data networking equipment.

Education

Syracuse University, Syracuse, New York (B.S. Mathematics & Economics)

May 1987

Registered Communications Distribution Designer (RCDD)

1994 to Present

EXHIBIT B

EXHIBIT B

EO Telecom of Florida, LLC NOTES AND ASSUMPTIONS

Introduction

The following schedules, which have not been audited or reviewed by an independent CPA, provide detailed financial projections for years one through three of EO Telecom's operation. The projections represent management's best estimates of future financial performance.

In summary, EO expects to have a positive cash flow within the 3rd quarter of year 1 and to be profitable shortly thereafter. By the end of year 2, the company anticipates operating at a 50.1 percent gross margin and a 10 percent pre-tax profit.

Attached are the following assumptions:

- Notes and assumptions for financial projections
- Projected statement of operations (income statements)
- Summary of historical financial data
- Current estimated balance sheet
- Projected cash flow statements
- Projected balance sheets

All financial statements have been projected on an annual basis and summarized.

Schedule 1: Projected Annual Income

Net Sales

Rather than seek the outside investment necessary to mount a multi-market, national campaign, the company plans to focus exclusively on the Florida market. Equity investment, cash flows from the Florida market, and perhaps debt secured by accounts receivable, future discounted cash flows and owner collateral will provide the funds necessary for launch and further expansion. Sales were projected using assumptions on the number of customers, average contracted amount per customer and average optional features per customer.

EXHIBIT B

EO Telecom of Florida, LLC NOTES AND ASSUMPTIONS

For each month the following formula was used:

of Customers x Ave. Contract = Total Sales Per Customer

- Anticipated Discount from ILEC (for Florida only): 21.83% - residence; 16.81% - business
- # of Prepaid Customers at Year End (Residence) Year 1: 800
- # of Prepaid Customers at Year End (Residence) Year 2: 2000
- # of Prepaid Customers at Year End (Residence) Year 3: 3200
- # of Prepaid Customers (Businesses) 2002: 0
- # of Prepaid Customers (Businesses) 2003: 0
- # of Prepaid Customers (Businesses) 2004: 0
- Year 1 sales: \$139,653
- Year 2 sales: \$579,721
- Year 3 sales: \$1,040,260
- Gross Margin Target: 50%
- Net Income (Before Taxes): 8-14%
- A/R Terms: Prepaid
- A/P Terms: 30 Days

Operating Expenses

Because of the relatively uncomplicated nature of a prepaid telecommunications service provider model, the company assumes a limited number of resources are required to operate the business. Billing, collections, provisioning, and customer service will be automated to the greatest extent possible with the company budgeting \$50,000 for software and system integration (years 2 and 3). Further, the company's marketing budget includes \$1,000-5,000/month for print/radio advertisements, \$1,000 for printed posters, and a small amount for dealer sales tools.

Two, bilingual customer service representatives are planned for years 2 and 3 with inbound call center operations outsourced to a 3rd party customer service organization.

EXHIBIT B

EO Telecom of Florida, LLC NOTES AND ASSUMPTIONS

Interest Income

For planning purposes, interest income was not computed in this model.

Income Tax Expense

Income taxes are calculated at 28% of net income before taxes, less any tax-loss carry-forwards, and assumed to be paid in the quarter in which they are incurred. Tax-loss carry-forwards are estimated on a quarterly basis by adding retained earnings last quarter, if negative, to the current quarter's net income.

Schedules 2: Balance Sheets

Assets

Cash does include short-term investments in certificates of deposit and/or money market funds. A minimum cash balance is assumed to be maintained through borrowing of short-term funds as necessary. Fixed assets include capital expenditures which are depreciated on a straight-line basis over three years.

Liabilities

Accounts payable include all trade payables and non-income tax expenses. On average these expenses are paid within 30 days. Short-term debt is projected to finance cash shortfalls in year 1 to maintain a minimum \$12,000 cash balance.

Owner's Equity

Projected equity is comprised of initial equity of investment by the principals of \$12,000. Retained earnings include income and losses beginning in year one.

Schedule 3: Cash Flow Statement

A minimum cash balance of \$12,000 is assumed for the purposes of these projections.

Cash Receipts

Collections are assumed to be prepaid.

EXHIBIT B

EO Telecom of Florida, LLC NOTES AND ASSUMPTIONS

Cash Disbursements

Projected cost of goods sold relates entirely to resale of ILEC products and services. Direct costs including labor are assumed to be paid as they are incurred; all other expenses are assumed paid within 30 days.

The plan **does not** include offering telecommunications services using company owned and operated telecommunications facilities, networks or systems. All models are based on reselling the ILEC's services only.

Income tax expense is paid after it is incurred.

Schedule 1-1: EO Telecom of Florida, LLC
Detailed Income Statement - Year 1

	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL YEAR 1
Net Sales													
Prepaid Local Phone Service	\$ -	\$ 300	\$ 749	\$ 1,498	\$ 2,995	\$ 5,990	\$ 8,985	\$ 11,980	\$ 14,975	\$ 17,970	\$ 20,965	\$ 23,960	\$ 110,367
Processing/Setup Fees	\$ -	\$ 290	\$ 435	\$ 725	\$ 1,450	\$ 2,900	\$ 2,900	\$ 2,900	\$ 2,900	\$ 2,900	\$ 2,900	\$ 2,900	\$ 23,200
Prepaid Long Distance Calling Cards	\$ -	\$ 250	\$ 288	\$ 331	\$ 380	\$ 437	\$ 503	\$ 578	\$ 685	\$ 765	\$ 879	\$ 1,011	\$ 6,087
Total Sales	\$ -	\$ 840	\$ 1,472	\$ 2,554	\$ 4,825	\$ 9,327	\$ 12,388	\$ 15,458	\$ 18,540	\$ 21,635	\$ 24,744	\$ 27,871	\$ 139,654
Cost of Sales													
Prepaid Phone Service	\$ -	\$ 82	\$ 204	\$ 408	\$ 815	\$ 1,630	\$ 2,445	\$ 3,260	\$ 4,075	\$ 4,890	\$ 5,705	\$ 6,520	\$ 30,034
Local Service Request (LSR) Setup	\$ -	\$ 315	\$ 472	\$ 787	\$ 1,575	\$ 3,149	\$ 3,149	\$ 3,149	\$ 3,149	\$ 3,149	\$ 3,149	\$ 3,149	\$ 25,192
Licensing Fees	\$ -	\$ 10	\$ 25	\$ 50	\$ 100	\$ 200	\$ 300	\$ 400	\$ 500	\$ 600	\$ 700	\$ 800	\$ 3,685
Prepaid Long Distance Calling Cards	\$ -	\$ 188	\$ 216	\$ 248	\$ 285	\$ 328	\$ 377	\$ 434	\$ 499	\$ 574	\$ 660	\$ 759	\$ 4,568
LD/Home Phone Promotions	\$ -	\$ 108	\$ 162	\$ 271	\$ 541	\$ 1,082	\$ 1,082	\$ 1,082	\$ 1,082	\$ 1,082	\$ 1,082	\$ 1,082	\$ 8,656
Dealer Compensation	\$ -	\$ 30	\$ 75	\$ 150	\$ 300	\$ 600	\$ 900	\$ 1,200	\$ 1,500	\$ 1,800	\$ 2,100	\$ 2,400	\$ 11,055
Total Cost of Goods Sold	\$ -	\$ 733	\$ 1,154	\$ 1,914	\$ 3,616	\$ 6,989	\$ 8,253	\$ 9,525	\$ 10,805	\$ 12,095	\$ 13,396	\$ 14,710	\$ 83,190
Gross Profit	\$ -	\$ 107	\$ 318	\$ 640	\$ 1,209	\$ 2,338	\$ 4,135	\$ 5,933	\$ 7,735	\$ 9,540	\$ 11,348	\$ 13,161	\$ 56,464
		13%	22%	25%	25%	25%	33%	38%	42%	44%	46%	47%	40%
Operating Expenses													
Sales & Marketing	\$ -	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 10,000
Gen. & Administrative	\$ 210	\$ 584	\$ 749	\$ 859	\$ 1,519	\$ 1,604	\$ 2,097	\$ 2,598	\$ 3,508	\$ 3,630	\$ 4,164	\$ 5,113	\$ 26,635
Research, development & engineering	\$ 50	\$ 70	\$ 100	\$ 150	\$ 250	\$ 450	\$ 650	\$ 850	\$ 1,050	\$ 1,250	\$ 1,450	\$ 1,650	\$ 7,970
Total Operating	\$ 260	\$ 654	\$ 1,849	\$ 2,009	\$ 2,769	\$ 3,054	\$ 3,747	\$ 4,448	\$ 5,558	\$ 5,880	\$ 6,614	\$ 7,763	\$ 44,605
Operating Earnings (EBIT)	\$ (260)	\$ (547)	\$ (1,531)	\$ (1,369)	\$ (1,560)	\$ (716)	\$ 388	\$ 1,485	\$ 2,177	\$ 3,660	\$ 4,734	\$ 5,398	\$ 11,859
		-65%	-104%	-54%	-32%	-8%	3%	10%	12%	17%	19%	19%	8%
Interest Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest expense	\$ 44	\$ 44	\$ 43	\$ 43	\$ 42	\$ 41	\$ 41	\$ 40	\$ 40	\$ 39	\$ 38	\$ 38	\$ 493
Net Income (loss) Before Tax	\$ (304)	\$ (591)	\$ (1,574)	\$ (1,412)	\$ (1,602)	\$ (757)	\$ 347	\$ 1,445	\$ 2,137	\$ 3,621	\$ 4,696	\$ 5,380	\$ 11,366
Assumed Price for Basic Service	\$ 29.95												
Assumed Setup Fee	\$ 29.00												
# of Prepaid Phone Lines	0	10	25	50	100	200	300	400	500	600	700	800	

NOTES:

- Income Statement does not include pass-through charges (Universal Service Fund, Fed/State/Local Taxes, 911, FCC Local Number Portability Charge, Telecom. Relay Service Fund)
- Assumes \$3.50 (electronic) LSR fees
- Assumes NO optional feature.
- Does not include depreciation expense
- All figures have been rounded to the nearest dollar or whole percentage

Schedule 1-2: EO Telecom of Florida, LLC
Detailed Income Statement - Year 2

	Total 1st QTR	Total 2nd QTR	Total 3rd QTR	Total 4th QTR	TOTAL YEAR 2
Net Sales					
Prepaid Local Phone Service	\$ 89,850	\$ 116,805	\$ 143,760	\$ 170,715	\$ 521,130
Processing/Setup Fees	\$ 8,700	\$ 8,700	\$ 8,700	\$ 8,700	\$ 34,800
Prepaid Long Distance Calling Cards	\$ 3,683	\$ 4,902	\$ 6,524	\$ 8,683	\$ 23,792
Total Sales	\$ 102,233	\$ 130,407	\$ 158,984	\$ 188,098	\$ 579,722
Cost of Sales					
Prepaid Phone Service	\$ 24,450	\$ 31,785	\$ 39,120	\$ 46,455	\$ 141,810
Local Service Request (LSR) Setup	\$ 9,588	\$ 9,588	\$ 9,588	\$ 9,588	\$ 38,352
Licensing Fees	\$ 3,000	\$ 3,900	\$ 4,800	\$ 5,700	\$ 17,400
Prepaid Long Distance Calling Cards	\$ 2,762	\$ 3,677	\$ 4,893	\$ 6,512	\$ 17,844
LD/Home Phone Promotions	\$ 3,246	\$ 3,246	\$ 3,246	\$ 3,246	\$ 12,984
Dealer Compensation	\$ 9,000	\$ 11,700	\$ 14,400	\$ 17,100	\$ 52,200
Total Cost of Goods Sold	\$ 52,046	\$ 63,896	\$ 76,047	\$ 88,601	\$ 280,590
Gross Profit	\$ 50,187	\$ 66,512	\$ 82,937	\$ 99,497	\$ 299,132
	49%	51%	52%	53%	52%
Operating Expenses					
Sales & Marketing	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 60,000
Gen. & Administrative	\$ 35,609	\$ 39,605	\$ 43,538	\$ 47,471	\$ 166,223
Research, development & engineering	\$ 5,400	\$ 5,400	\$ 5,400	\$ 5,400	\$ 21,600
Total Operating	\$ 56,009	\$ 60,005	\$ 63,938	\$ 67,871	\$ 247,823
Operating Earnings (EBIT)	\$ (5,822)	\$ 6,507	\$ 18,999	\$ 31,626	\$ 51,309
	-6%	5%	12%	17%	9%
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -
Interest expense	\$ 109	\$ 103	\$ 97	\$ 91	\$ 400
Net Income (loss) Before Tax	\$ (5,931)	\$ 6,404	\$ 18,902	\$ 31,535	\$ 50,909

NOTES:

1. Income Statement does not include pass-through charges (Universal Service Fund, Fed/State/Local Taxes, 911, FCC Local Number Portability Charge, Telecom. Relay Service Fund)
2. Assumes \$3.50 (electronic) LSR fees
3. Assumes NO optional features
4. Does not include depreciation expense
5. All figures have been rounded to the nearest dollar or whole percentage

Schedule 1-3: EO Telecom of Florida, LLC
Detailed Income Statement - Year 3

	Total 1st QTR	Total 2nd QTR	Total 3rd QTR	Total 4th QTR	TOTAL YEAR 3
Net Sales					
Prepaid Local Phone Service	\$ 197,670	\$ 224,625	\$ 251,585	\$ 278,535	\$ 952,415
Processing/Setup Fees	\$ 8,700	\$ 8,700	\$ 8,700	\$ 8,700	\$ 34,800
Prepaid Long Distance Calling Cards	\$ 10,508	\$ 12,163	\$ 14,080	\$ 16,299	\$ 53,050
Total Sales	\$ 216,878	\$ 245,488	\$ 274,365	\$ 303,534	\$ 1,040,265
Cost of Sales					
Prepaid Phone Service	\$ 53,790	\$ 61,125	\$ 68,460	\$ 75,795	\$ 259,170
Local Service Request (LSR) Setup	\$ 9,588	\$ 9,588	\$ 9,588	\$ 9,588	\$ 38,352
Licensing Fees	\$ 6,600	\$ 7,500	\$ 8,400	\$ 9,300	\$ 31,800
Prepaid Long Distance Calling Cards	\$ 7,881	\$ 9,122	\$ 10,560	\$ 12,224	\$ 39,788
LD/Home Phone Promotions	\$ 3,246	\$ 3,246	\$ 3,246	\$ 3,246	\$ 12,984
Dealer Compensation	\$ 19,800	\$ 22,500	\$ 25,200	\$ 27,900	\$ 95,400
Total Cost of Goods Sold	\$ 100,905	\$ 113,081	\$ 125,454	\$ 138,053	\$ 477,494
Gross Profit	\$ 115,973	\$ 132,407	\$ 148,911	\$ 165,481	\$ 562,772
	53%	54%	54%	55%	54%
Operating Expenses					
Sales & Marketing	\$ 22,500	\$ 22,500	\$ 22,500	\$ 22,500	\$ 90,000
Gen. & Administrative	\$ 67,083	\$ 71,153	\$ 75,170	\$ 79,186	\$ 292,592
Research, development & engineering	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 28,800
Total Operating	\$ 96,783	\$ 100,853	\$ 104,870	\$ 108,886	\$ 411,392
Operating Earnings (EBIT)	\$ 19,190	\$ 31,554	\$ 44,041	\$ 56,595	\$ 151,380
	9%	13%	16%	19%	15%
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -
Interest expense	\$ 84	\$ 78	\$ 72	\$ 65	\$ 299
Net income (loss) before tax	\$ 19,106	\$ 31,476	\$ 43,969	\$ 56,530	\$ 151,081

NOTES:

1. Income Statement does not include pass-through charges (Universal Service Fund, Fed/State/Local Taxes, 911, FCC Local Number Portability Charge, Telecom. Relay Service Fund)
2. Assumes \$3.50 (electronic) LSR fees
3. Assumes NO optional features
4. Does not include depreciation expense
5. All figures have been rounded to the nearest dollar or whole percentage

Schedule 2: EO Telecom of Florida, LLC
 Projected Annual Balance Sheet - Year-end

	Opening Balance	YEAR 1	YEAR 2	YEAR 3
Assets:				
Cash	\$ 12,000	\$ 8,960	\$ 44,028	\$ 101,225
Accounts Receivable	\$ -	\$ -	\$ -	\$ -
Deposits	\$ -	\$ 2,020	\$ 2,041	\$ 2,062
Fixed Assets	\$ 1,500	\$ 2,900	\$ 5,500	\$ 53,667
Accumulated Depreciation	\$ -	\$ (900)	\$ (1,833)	\$ (17,889)
Deferred Startup Costs	\$ 8,150	\$ 8,150	\$ 8,150	\$ 8,150
Total Assets	\$ 21,650	\$ 21,130	\$ 57,886	\$ 147,215
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Short-term Debt	\$ 6,000	\$ 4,505	\$ 3,010	\$ 1,515
Taxes Payable	\$ -	\$ -	\$ -	\$ -
Long-term Debt	\$ 7,250	\$ 7,250	\$ 7,250	\$ 7,250
Total Liabilities	\$ 13,250	\$ 11,755	\$ 10,260	\$ 8,765
Owner's Equity:				
Capital Stock	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400
Retained Earnings	\$ -	\$ 975	\$ 39,226	\$ 130,050
Total Equity	\$ 8,400	\$ 9,375	\$ 47,626	\$ 138,450
Total liabilities & equity	\$ 21,650	\$ 21,130	\$ 57,886	\$ 147,215

Notes: All figures have been rounded to the nearest dollar
 1. All accounts are considered 'prepaid'
 2. Accrual method of accounting
 3. Taxes are assumed paid

Schedule 3: EO Telecom of Florida, LLC
Projected Annual Cash Flow

	YEAR 1	YEAR 2	YEAR 3
Beginning Cash Balance	\$ 12,000	\$ 8,960	\$ 44,028
Cash receipts:			
Collections	\$ 139,652	\$ 579,721	\$ 1,040,260
Interest	\$ -	\$ 20	\$ -
Long-term Debt	\$ -	\$ -	\$ -
Equity Financing	\$ -	\$ -	\$ -
Total receipts	\$ 139,652	\$ 579,741	\$ 1,040,260
Disbursements:			
Operating expenses	\$ 44,605	\$ 247,823	\$ 411,392
Cost of goods sold	\$ 83,188	\$ 280,589	\$ 477,493
Deposits/escrow accts.	\$ 2,000	\$ -	\$ -
Capital expenditures	\$ 7,500	\$ -	\$ 50,000
Long-term debt	\$ -	\$ -	\$ -
Interest expense	\$ 583	\$ 400	\$ 299
Income tax expense	\$ 3,321	\$ 14,366	\$ 42,384
Total disbursements:	\$ 141,197	\$ 543,178	\$ 981,568
Net cash flow	\$ (1,545)	\$ 36,563	\$ 58,692
Cash before loans	\$ 10,455	\$ 45,523	\$ 102,720
Short-term borrowing	\$ -	\$ -	\$ -
Short-term repayments	\$ (1,495)	\$ (1,495)	\$ (1,495)
Ending cash balance	\$ 8,960	\$ 44,028	\$ 101,225

NOTE: All figures have been rounded to the nearest dollar

NOTES:

1. A minimum cash balance of \$12,000 per year is assumed for the purposes of these projections.
2. Collections are assumed to be Prepaid.

EXHIBIT C

EXHIBIT C

To date, EO Telecom, LLC (Daytona Beach, FL) has financed the company's operations using personal funds of the members as well as profits and cash flow from current operations. Any additional funding for working capital and investment needs will come from the member's personal savings and guarantees as well as from equity lines of credit and term loans from commercial lenders. There are currently no plans to seek outside funding from venture capitalist firms, professional investors (i.e. registered angels) or institutions like investment banks and/or mutual funds.

Any losses, if they occur, will be funded to a certain extent using the personal funds of the company's members and/or cash flow from other operations like professional consulting services, network integration, and other related sales.

The company (and its members) has the sufficient financial capability to meet and/or exceed all its ownership and service obligations for the geographic areas it hopes to serve.

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

TITLE PAGE

This tariff applies to Local Exchange Services furnished by EO TELECOM OF FLORIDA, LLC, with principal offices at 110 Glenbriar Circle, Daytona Beach, FL 32114, between one or more points within the State of Florida. This tariff is on file with the Florida Public Service Commission, and copies may be inspected, during normal business hours, at the company's principal place of business.

Issued: July 17, 2003

Issued By:
Scott P. Burkholder
EO TELECOM OF FLORIDA, LLC
110 Glenbriar Circle
Daytona Beach, FL 32114

Effective: December 1, 2003
DOCUMENT NUMBER-DATE
06485 JUL 21 8
F.P.S.C.-COMMISSION CLERK

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

CHECK SHEET

The Title Page and pages 1 through 30 inclusive of this Tariff are effective as of the date shown.

<u>Page</u>	<u>Title</u>	<u>Number of Revisions</u> <u>Except as Indicated</u>
1		Original
2		Original
3		Original
4		Original
5		Original
6		Original
7		Original
8		Original
9		Original
10		Original
11		Original
12		Original
13		Original
14		Original
15		Original
16		Original
17		Original
18		Original
19		Original
20		Original
21		Original
22		Original
23		Original
24		Original
25		Original
26		Original
27		Original
28		Original
29		Original
30		Original

The information contained in this tariff is new

Issued: July 17, 2003

Issued By:
Scott P. Burkholder
EO TELECOM OF FLORIDA, LLC
110 Glenbriar Circle
Daytona Beach, FL 32114

Effective: December 1, 2003

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

TABLE OF CONTENTS

	<u>Page No.</u>
TITLE PAGE.....	1
CHECK SHEET	1
TABLE OF CONTENTS	2
TARIFF FORMAT	4
1.0 APPLICATION OF TARIFF	6
2.0 DEFINITIONS.....	7
3.0 RULES AND REGULATIONS.....	10
3.1 Undertaking of the Company	10
3.2 Limitations	10
3.3 Use of Service.....	11
3.4 Liabilities of EO TELECOM OF FLORIDA	11
3.5 Responsibilities of the Customer	13
3.6 Interruption of Service.....	15
3.7 Restoration of Service.....	16
3.8 Application for Service.....	16
3.9 Establishing Credit, Deposits and Advance Payments	16
3.10 Taxes, Surcharges and Utility Fees	17
3.11 Payment of Charges.....	17
3.12 Late Payment and Returned Check Charges.....	18
3.13 Customer Billing Inquiries.....	19
3.14 Cancellation for Cause.....	20
3.15 Disconnection of Service.....	22
3.16 Title to Facilities.....	22
3.17 Access to Telephone Relay Service	22
4.0 DESCRIPTION OF SERVICES OFFERED	23
4.1 Service Offerings.....	23
4.2 Access Options	23
4.3 Service Contract Terms	23
5.0 RATES.....	24
5.1 Rates for Resold Local Exchange Service.....	24
5.2 Individual Case Basis	25
6.0 PROMOTIONAL OFFERINGS AND DISCOUNTS.....	26
6.1 Overview	27
7.0 INDIVIDUAL CASE BASE ARRANGEMENTS.....	27

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

7.1 Special Services or Arrangements..... 27

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

TARIFF FORMAT

A. Sheet Numbering - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.

B. Sheet Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc. the Commission follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff page in effect. Consult the Check Sheet for the sheet 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 Sheets - When a tariff filing is made with the Commission, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new pages 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 page if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on the some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the Commission.

E. Explanation of Symbols

- | | | |
|---|---|--|
| C | - | to signify changed regulation |
| D | - | to signify discontinued rate or regulation |
| I | - | to signify a rate increase |
| M | - | to signify matter relocated without change |

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

- N - to signify a new rate or regulation
- R - to signify a rate reduction
- S - to signify a reissued matter
- T - to signify a change in text but no change in rate or regulation
- Z - to signify a correction

Issued: July 17, 2003

Issued By:
Scott P. Burkholder
EO TELECOM OF FLORIDA, LLC
110 Glenbriar Circle
Daytona Beach, FL 32114

Effective: December 1, 2003

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

1.0 APPLICATION OF TARIFF

This Tariff contains the regulations and rates applicable to the provision of pre-paid resale of local telecommunications services by EO TELECOM OF FLORIDA, LLC (hereinafter referred to as "EO TELECOM" or "Carrier" or "Company"). These services are furnished between points contained within the same local exchange area in the State of Florida. Service is furnished subject to transmission, atmospheric and like conditions.

Issued: July 17, 2003

Issued By:
Scott P. Burkholder
EO TELECOM OF FLORIDA, LLC
110 Glenbriar Circle
Daytona Beach, FL 32114

Effective: December 1, 2003

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

2.0 DEFINITIONS

Account - Either a Customer's physical location or individual Service represented by a unique account number. Multiple Services each with a unique account number may be part of one physical location.

Application for Service - The EO TELECOM order process that includes technical, billing and other descriptive information provided by the Customer that allows EO TELECOM to provide requested communications Services for the Customer. Upon acceptance by EO TELECOM, the Application for Service becomes a binding contract between the Customer and EO TELECOM for the provision and acceptance of Services.

Commission - Florida Public Service Commission.

Company - EO TELECOM, the issuer of this tariff, which is a Florida corporation.

Customer - The person, firm, company, corporation, or other entity, having a communications requirement of its own that is responsible for the payment of charges and for compliance with this Tariff.

Delinquent or Delinquency - An account for which payment has not been made in full on or before the last day for timely payment.

Exchange Area - A geographically defined area wherein a local exchange company provides service using one or more central offices.

FCC - The Federal Communication Commission.

FPSC - Florida Public Service Commission.

Incomplete Call - Any call where voice transmission between the calling and the called station is not established.

Individual Case Basis or ICB - A service arrangement in which the regulations, rates and charges are developed based on the specific circumstances of the case.

Interexchange Carrier (IXC) - A common carrier that provides long distance communication services to the public.

LATA - Local Access and Transport Area

Local Exchange Company (LEC) - A company which furnishes local exchange telephone services.

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

Location - A physical premises to or from which EO TELECOM provides Service. In instances where a Customer obtains Service from EO TELECOM at multiple locations, each of these locations will be designated as either "associated" or "non-associated." An "associated" location is a location that a Customer owns or leases, or that is occupied by a business enterprise in which the Customer has an equity interest of twenty (20) percent or more or which is occupied by a franchisee of the Customer. All locations other than "associated" locations will be considered "non-associated."

Mega Bits Per Second (Mbps) - The number of one-million bits transmitted in a one second interval.

Minimum Service Period- the minimum period of time to which customer subscribes, usually one month.

Normal Work Hours - The time after 8:00 AM and before 5:00 PM Monday through Friday excluding Carrier-observed Holidays.

Premises - The space occupied by a Customer or authorized user in a building or buildings on contiguous property (except railroad rights-of-way, etc.) not separated by a highway.

Regular Billing - A standard bill sent in the normal monthly EO TELECOM billing cycle. This billing consists of one bill for each account assigned to the Customer with explanatory detail showing the derivation of the charges.

Resale Tariff(s)- the tariff(s) of one or more of underlying carriers

Services - EO TELECOM'S offerings under this tariff.

Switch - The term "switch" denotes an electronic device that is used to provide circuit sharing, routing, and control.

Timely Payment - A payment on a Customer's account made on or before the due date.

T-1 - A 1.544 Mbps digital transmission system equivalent to 24 voice frequency circuits/channels.

Third Party Billing Companies- any company who bills EO TELECOM'S customers on behalf of EO TELECOM.

Underlying Carrier- the LEC or other carrier whose service is resold pursuant to this tariff

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

This page is intentionally left blank

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

3.0 RULES AND REGULATIONS

3.1 Undertaking of the Company

- 3.1.1 EO TELECOM provides Local Exchange Services to Customers for the transmission of voice, data and facsimile, and other special service on a dedicated basis. Except to the extent otherwise agreed between Customer and EO TELECOM, all Services are to be provided in accordance with the terms and conditions set forth in this Tariff.
- 3.1.2 EO TELECOM installs, operates and maintains the communication Services provided hereunder in accordance with the terms and conditions set forth under this Tariff. It may act as the Customer's agent for ordering facilities provided by other carriers or entities when authorized by the Customer. The Customer shall be responsible for all charges due for such service arrangements.
- 3.1.3 EO TELECOM'S services and facilities are available twenty-four (24) hours per day, seven (7) days per week.

3.2 Limitations

- 3.2.1 Service is offered subject to the availability of the necessary facilities or equipment, or both facilities and equipment, and subject to the provisions of this Tariff. The obligation of EO TELECOM to provide Service is dependent upon its ability to procure and maintain facilities that are required to meet the Customer's order for Service. EO TELECOM will make all reasonable efforts to secure the necessary facilities.
- 3.2.2 EO TELECOM reserves the right to limit or to allocate the use of existing facilities, or to additional facilities offered by EO TELECOM, when necessary because of lack of facilities, relevant resources, or due to causes beyond EO TELECOM'S control. In addition, EO TELECOM reserves the right to discontinue Service when the Customer is using the Service in violation of law or the provisions of this Tariff.
- 3.2.3 EO TELECOM does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission nor for failure to establish connections.
- 3.2.4 EO TELECOM reserves the right to refuse service to Customers due to insufficient or invalid billing information.

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

-
- 3.2.5 EO TELECOM may block calls that are made to certain cities, or central office exchanges, or use certain authorization codes as EO TELECOM, in its sole discretion, deems reasonably necessary to prevent unlawful or fraudulent use of service.
- 3.2.6 EO TELECOM will use reasonable efforts to maintain the facilities and equipment that it furnishes to the Customer. EO TELECOM may substitute, change, or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the Customer. EO TELECOM shall have the right to make necessary repairs or changes in its facilities at any time and will have the right to suspend or interrupt service temporarily for the purpose of making the necessary repairs or changes in its system. When such suspension or interruption of service for any appreciable period is necessary, EO TELECOM will give the Customers who may be affected reasonable notice thereof as circumstances will permit, and will prosecute the work with reasonable diligence, and if practicable at times that will cause the least inconvenience. When EO TELECOM is repairing or changing its facilities, it shall take appropriate precautions to avoid unnecessary interruptions of Customer's service.
- 3.3 Use of Service
- 3.3.1 Services provided under this Tariff may be used only for the transmission of communications in a manner consistent with the terms of this Tariff and regulations of the Florida Public Service Commission.
- 3.3.2 Services provided under this Tariff shall not be used for unlawful purposes. Service will not be furnished if any law enforcement agency, acting within its jurisdiction, advises that such services are being used in violation of the law.
- 3.4 Liabilities of EO TELECOM
- 3.4.1 EO TELECOM'S liability for damages arising out of mistakes, omissions, interruptions, delays, errors or defects in the installation, provision, termination, maintenance, repair or restoration occurring in the course of furnishing service, channels or other facilities, and not caused by the negligence of the subscribers, commences upon activation of service. In no event does EO TELECOM'S liability exceed an amount equivalent to the proportionate charge to the Customer for the period of service during which such mistakes, omissions, interruptions, delays, errors or defects occur. For the purposes of computing such amount, a month is considered to have thirty (30) days.
- 3.4.2 When the facilities of other carriers are used in establishing connections to points not reached by EO TELECOM'S facilities, EO TELECOM is not liable for any act or omission of the other

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

carrier(s). The Customer will indemnify and save harmless EO TELECOM from any third-party claims for such damages referred to in Section 3.4.1.

- 3.4.3 In no event will EO TELECOM be responsible for consequential damages or lost profits suffered by a Customer as a result of interrupted or unsatisfactory service. EO TELECOM will not be liable for claims or damages resulting from or caused by: (i) Customer's fault, negligence or failure to perform Customer's responsibilities; (ii) claims against Customer by any other party; (iii) any act or omission of any other party; or (iv) equipment or service furnished by a third party.
- 3.4.4 EO TELECOM does not guarantee or make any warranty with respect to any equipment provided by it where such equipment is used in locations containing an atmosphere which is explosive, prone to fire, dangerous or otherwise unsuitable for such equipment. The Customer shall indemnify and hold Carrier harmless from any and all loss, claims, demands, suits or other actions, or any liabilities whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or persons, for any personal injury or death of any person or persons, and for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of such equipment so used.
- 3.4.5 EO TELECOM is not liable for any defacement of, or damage to, the premises of a Customer resulting from the furnishing of services or the attachment of equipment, instruments, apparatus and associated wiring furnished by EO TELECOM on such Customer's premises or by the installation or removal thereof, when such defacement or damage is not the result of EO TELECOM negligence. No agents or employees of other participating carriers shall be deemed to be agents or employees of EO TELECOM without written authorization. The Customer will indemnify and save harmless EO TELECOM from any claims of the owner of the Customer's premises or other third party claims for such damages.
- 3.4.6 EO TELECOM and Customer shall be excused from performance under this Tariff and under the application for service for any period, and to the extent that the party is prevented from performing any service pursuant hereto, in whole or in part, as a result of delays caused by the other party or an Act of God, governmental agency, war, civil disturbance, court order, labor dispute, third party nonperformance (including the failure of performance for reasons beyond the control of common carriers, interexchange carriers, local exchange carriers, suppliers and subcontractors), or other cause beyond its reasonable control, including failures or fluctuations in electrical equipment, and such nonperformance shall not be deemed a violation of this Tariff or of the application for service or grounds for termination of service. Both parties retain all rights of recourse against any third parties for any failures which may create a force majeure

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

condition for the other party. With respect to the services, materials and equipment provided hereunder, EO TELECOM hereby expressly disclaims all warranties, expressed or implied, not stated in this Tariff, and in particular disclaims all warranties of merchantability and fitness for a particular purpose.

- 3.4.7 EO TELECOM is not liable for any damages, including toll usage charges, that the Customer may incur as a result of the unauthorized use of its telephone facilities. This unauthorized use of the Customer's facilities includes, but is not limited to, the placement of calls through Customer-provided equipment that are transmitted or carried on the EO TELECOM network. EO TELECOM may work with Customers to recommend possible solutions to reduce unauthorized use of their facilities. However, EO TELECOM does not warrant or guarantee that its recommendations will prevent all unauthorized use, and the Customer is responsible for controlling access to, and use of, its own telephone facilities.
- 3.4.8 Where there is a connection via Customer-provided terminal equipment or Customer-provided communications systems, the point of demarcation shall be defined as the EO TELECOM facility that provides interconnection. EO TELECOM shall not be held liable for Customer-provided equipment. Any maintenance service or equipment arrangements shall be addressed on an individual case basis.
- 3.4.9 In no event will EO TELECOM be liable for protection of Customer's equipment from unauthorized access, or for any unauthorized access to or alteration, theft or destruction of Customer's data files, programs, procedure or information through accident, fraudulent means or devices or any other method.

3.5 Responsibilities of the Customer

- 3.5.1 The Customer is responsible for taking all necessary steps for connecting the Customer-provided equipment or communications systems with EO TELECOM'S services. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the facilities or equipment installed by EO TELECOM, except upon the written consent of EO TELECOM.
- 3.5.2 The Customer shall ensure that the equipment and/or system is properly interfaced with EO TELECOM'S facilities or services.
- 3.5.3 If the Customer fails to maintain the equipment and/or system properly, with resulting imminent harm to EO TELECOM'S personnel or the quality of service to other Customers, EO TELECOM may, upon written notice, terminate the Customer's service.

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

- 3.5.4 The Customer shall be responsible for securing its communications equipment against being used to make fraudulent connections or calls using EO TELECOM'S service. The Customer shall be responsible for payment of all applicable charges for services provided by EO TELECOM and charged to the Customer's accounts, even where those connections or calls are originated by fraudulent means either from Customer's premises or from remote locations.
- 3.5.5 EO TELECOM shall be indemnified and held harmless by the Customer against claims of liable, slander, or the infringement of copyright, or for the unauthorized use of any trademark, trade name, or service mark, arising from the material transmitted over EO TELECOM' service. The Customer shall be liable for:
- 3.5.5.A Loss due to theft, fire, flood, or other destruction of EO TELECOM'S equipment or facilities on Customer's premises.
 - 3.5.5.B Reimbursing EO TELECOM for damages to facilities or equipment caused by the negligence or willful acts of the Customer's officers, employees, agents or contractors.
 - 3.5.5.C Charges incurred with interconnect or local operating companies for service or service calls made to the Customer's premises or on the Customer leased or owned telephonic equipment unless EO TELECOM specifically authorizes said visit or repairs in advance of the occurrence and EO TELECOM agrees in advance to accept the liability for said repairs or visit.
 - 3.5.5.D Payment for all EO TELECOM service charges incurred through usage or direct action on the part of the Customer.
- 3.5.6 The Customer may be required to verify in writing that it is duly authorized to order service at all locations designated by the Customer for service, and assumes financial responsibility for all locations designated by the Customer to receive EO TELECOM'S services. If the verification (i.e., a letter of authorization) cannot be produced within 5 (five) calendar days of the request, the presubscription of the Customer's locations are considered unauthorized.
- 3.5.7 The Customer shall not use the EO TELECOM name, logo or trademark in any promotional materials without expressed written authorization from EO TELECOM. The Customer is prohibited from using EO TELECOM' name or trademark on any of the Customer's products or services.

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

- 3.5.8 In instances where EO TELECOM is connecting its service to the Customer's own customer-provided communications system or equipment or to any service or equipment provided by others, the Customer must ensure that the equipment or system must provide answer supervision upon the delivery of the call to the switching equipment or to the equipment connected to the communications system. When service is directly connected to a communications system at a Customer's premises, answer supervision must be provided when the call terminates in or passes through the first Customer premise equipment on that communications system, such as but not limited to when a call is (1) answered by a local station; (2) answered by an attendant; (3) routed to a recorded announcement; or (4) routed elsewhere by the switching system.
- 3.5.9 Customer may not assign or transfer any of its rights or services ordered without the prior written consent of EO TELECOM. EO TELECOM may assign any service orders to its parent company or any affiliate. EO TELECOM will notify Customers of any such assignment.
- 3.6 Interruption of Service
- 3.6.1 Credit allowances for the interruption of service that is not due to EO TELECOM'S testing or adjusting, negligence of the Customer or to the failure of equipment provided by the Customer, are subject to the general liability provisions set forth herein. It shall be the obligation of the Customer to notify EO TELECOM immediately of any interruption in service for which a credit allowance is desired. Before giving such notice, the Customer or end user shall ascertain that the trouble is not being caused by any action or omission by the Customer within his or her control, or is not in wiring or equipment, if any, furnished by the Customer and connected to EO TELECOM'S service.
- 3.6.2 For purposes of credit computation, every month shall be considered to have 720 hours. The Customer shall be credited for an interruption of 12 hours or more. The amount of the credit will be equal to of 1/720th of the monthly charge for the facilities affected for each hour or major fraction thereof that the interruption continues.
- Credit Formula:
- $$\text{Credit} = \frac{A}{720} \times B$$
- "A" - outage time in hours
"B" - total monthly charge for affected service
- 3.6.3 The credit will appear on the subsequent bill for service. A check in the amount of the credit will be issued if the interruption occurs during the Customer's final billing cycle and the Customer's final bill shows no amount owed. If written notice of a dispute as to charges is not received by

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

the Company within 30 days of the date a bill is issued, such charges shall be deemed to be correct and binding on the Customer.

3.7 Restoration of Service

3.7.1 The use and restoration of service shall be in accordance with the priority system specified in part 64, Subpart D of the Rules and Regulations of the Federal Communications Commission.

3.8 Application for Service

3.8.1 Applicants wishing to obtain service may apply for service orally with EO TELECOM or pursuant to a completed and signed written service order.

3.8.2 An Application for Service may be changed by Customer upon written notice to EO TELECOM, subject to acceptance and confirmation by EO TELECOM, provided that a charge shall apply to any change when the request is received by EO TELECOM after notification by EO TELECOM of the acceptance and confirmation. Such charge shall be the sum of the charges and costs for services and features and the lessor of (i) the monthly recurring rate for each service component that has been canceled as a result of the change times the appropriate minimum service period, plus the applicable installation or non-recurring charges, and (ii) the costs incurred by EO TELECOM in accommodating each change, less net salvage. The costs incurred by EO TELECOM will include the direct and indirect cost of services specifically provided or used, the costs of installation, supply expense, labor and supervision, general and administrative, and any other costs resulting from the preparation, installation and removal effort.

3.8.3 Where the Customer or applicant cancels an Application for Service prior to the start of installation of service, or prior to the start of special construction, no charge applies. Where installation of service has been started prior to the cancellation, a cancellation charge equal to the costs incurred by EO TELECOM shall apply, but in no case shall such charge exceed the charge for the minimum period of the service ordered, including applicable installation charges, if any. The costs incurred by EO TELECOM will include the direct and indirect costs of services specifically provided or used; the cost of installation, supply expense, labor and supervision, general and administrative, and any other costs resulting from the preparation, installation and removal effort. If EO TELECOM should assume a termination liability or other obligation for an access facility, that liability or obligation shall be the responsibility of the Customer.

3.9 Establishing Credit, Deposits and Advance Payments

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

-
- 3.9.1 Each applicant for service will not be required to establish credit. The service is to be issued on a pre-paid basis and paid for in advance of the use of the service. For a pre-paid local carrier, customers pay in advance the monthly flat rate charge for local service. Customers will be billed prior to the expiration of their current pre-paid service period. If payment is not received by the due date for the next pre-paid service period, service may be disconnected. While it is the Company's intent not to offer the customer usage sensitive services (including Directory Assistance), if the customer does incur usage sensitive charges, the customer will be billed as soon as practical and the customer may be disconnected if payment is not received as provided.
- 3.9.2 At the time an Application for service is made, an applicant may be required to pay an amount equal to one month's service charges and/or any non-recurring charges and/or equipment charges that may be applicable. The amount of the first month's service is credited to the Customer's account on the first bill rendered.
- 3.9.3 There will be no deposit required so long as the applicant/ customer complies with the requirements set forth in 3.9.1 and 3.9.2.
- 3.10 Taxes, Surcharges and Utility Fees
- 3.10.1 Customer is responsible for the payment of all state, local, and E911 taxes, surcharges, utility fees, or other similar fees (*i.e.*, gross receipts tax, sales tax, municipal utilities tax) that may be levied by a governing body or bodies in conjunction with or as a result of the service furnished under this Tariff. These charges will appear as separate line items on the Customer's bill and are not included in the rates contained in this Tariff. There shall be added to the Customer's bill for service, an additional charge equal to the pro rata share of any occupation, franchise, business, license, excise privilege or other similar charge or tax, now or hereafter imposed upon the gross receipts or revenue of EO TELECOM by any municipal taxing body or municipal authority whether by statute, ordinance, law or otherwise, and whether presently due or to hereafter become due. The charge applicable to each Customer will appear as a separate line item on the Customer's regular monthly bill and shall be determined on a basis equal to the tax levied by each municipal taxing body or municipal authority.
- 3.11 Payment of Charges
- 3.11.1 For billing of fixed charges, service is considered to be established upon the day in which EO TELECOM notifies the Customer of installation and testing of the Customer's service.

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

-
- 3.11.2 The Customer is responsible for the payment of all charges for services furnished by EO TELECOM to the Customer and to all users of the services, regardless of whether those services are used by the Customer itself or are shared with other persons.
- 3.11.3 Non-recurring charges are due and payable as specified in section 3.9.
- 3.11.4 When billing is based on customer usage, charges will be billed monthly for the usage in preceding billing periods. When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have 30 days. Customer will be billed for all usage accrued beginning immediately upon access to the service. The rates charged to a Customer for usage charges will be the rates in effect on the first day of the Customer's billing cycle.
- 3.11.5 For billing of monthly charges, service is considered to be established upon the day in which EO TELECOM notifies the Customer of installation and testing of the Customer's service. A Customer's first invoice may contain monthly recurring charges from previous periods for service provided from the date of installation through the current invoice period. EO TELECOM shall present invoices for recurring charges monthly to the Customer, in advance of the month in which service is provided, and recurring charges shall be due and payable as specified on the bill.
- 3.11.6 Bills are due and payable as specified on the bill. Bills may be paid by mail at the business office of EO TELECOM or an agency authorized to receive such payment. All charges for service are payable only in United States currency. Payment may be made by money order, cashier's check, or electronic funds transfer, credit card, or bank draft. Customer payments are considered prompt when received by EO TELECOM or its agent by the due date on the bill. If the Customer remits to EO TELECOM on more than one occasion during a twelve (12) month period a check, draft, or other instrument that is dishonored, EO TELECOM may refuse acceptance of future instruments and place the Customer on a "cash basis," pursuant to which EO TELECOM has the right to refuse acceptance of anything as payment other than United States currency in the form of electronic funds transfer, United States Postal Service money orders, or cashier's check.
- 3.11.7 Bills that remain unpaid 30 days beyond the due date on the bill will incur a late payment charge of 1.5% - or the maximum permitted by law, whichever is lower - of the outstanding unpaid balance for each month or part of a month that the bill remains unpaid after the specified due date.
- 3.12 Late Payment and Returned Check Charges

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

3.12.1 EO TELECOM may assess interest charges based on the maximum lawful rate under applicable state law on all overdue balances. In addition, EO TELECOM may assess up to a twenty-five dollar (\$25) charge, or the maximum permitted under applicable state law, whichever is lower, for each returned or dishonored payment instrument.

3.13 Customer Billing Inquiries

3.13.1 Any Customer who has a question regarding his/her telephone bill may contact EO TELECOM, LLC at (888) 622-5536 or in writing at P.O. Box 1081, Cumming, GA 30028.

3.13.2 Any disputed charge may be brought to EO TELECOM'S attention by written notification. In the case of a billing dispute between the Customer and EO TELECOM that cannot be settled to their mutual satisfaction, the undisputed portion and subsequent bills must be paid on a timely basis, or the service may be subject to discontinuance pursuant to this tariff. The Customer may request an in depth investigation into the disputed amount and a review by an EO TELECOM manager. During the period that the disputed amount is under investigation, EO TELECOM shall not pursue any collection procedures or assess late fees with regard to the disputed amount. The Customer shall be required to pay the undisputed part of the bill, and if not paid, EO TELECOM may discontinue service pursuant to the terms of this tariff. If there is still a disagreement after investigation and review by EO TELECOM supervisory personnel, the Customer has the option to pursue the matter with the Florida Public Service Commission. A complaint may be submitted pursuant to the Florida Public Service Commission procedures. The Commission's address is:

**Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850**

3.13.3 All requests for call credits due to bad connection, disconnection, etc. shall be made through EO TELECOM'S business office. Carrier will make no refund of overpayments unless the claim for such, together with proper evidence is submitted within one (1) year from the date of alleged overpayment. In calculating refunds, usage discounts will be adjusted based on total usage after all credits or adjustments have been applied. In the event of a billing error resulting in an overbilling or overcharge to its Customers, EO TELECOM may refund the amount overbilled or overcharged, with interest from the date of overpayments, by means of a pro-rata credit to the account of all existing Customers on a date certain, or by check if the account is final, or if so request by the Customer.

3.13.4 EO TELECOM will charge a processing fee to a Customer who requests a copy of a bill that has already been issued to such Customer, unless the Customer informs EO TELECOM within thirty

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

(30) days of the issuance of the bill that the original bill was not received. If a Customer or the Customer's representative thereafter requests additional copies of bills the following fees will be charged:

Bills dated within 90 days prior to receipt of the request	\$5 per bill
Bills dated more than 90 days but less than twelve months previously	\$10 per bill
Bills dated more than 12 months but less than 48 months previously	\$50 per bill

EO TELECOM shall charge a processing fee to any party that subpoenas or otherwise lawfully seeks to compel the provision of a copy or copies of a bill(s) in connection with any lawful investigation or lawsuit. The processing fee for any requested bill(s) is \$5.00 per bill if the invoice date is less than ninety (90) days prior to the date of the request, \$10.00 per bill if the invoice date is more than ninety (90) days and less than twelve (12) months prior to the date of the request and \$50.00 per bill if the invoice date is more than twelve (12) months prior to the date of the request.

EO TELECOM will not provide a copy of a bill that is over four (4) years old.

3.14 Cancellation for Cause

3.14.1 EO TELECOM may discontinue or refuse service for any of the reasons stated below:

- 3.14.1.A For failure to make timely payment;
- 3.14.1.B For failure to pay a due bill owed to EO TELECOM, including one for the same class of service furnished to the Customer at the same or another location, or where the Customer voluntarily assumed, in writing, responsibility for the bills of another applicant or customer;

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

- 3.14.1.C For rendering payment for services with a check which is returned as nonsufficient funds
 - 3.14.1.D When EO TELECOM has reason to believe that a Customer has used a device or scheme to obtain service without payment and where EO TELECOM has so notified the Customer prior to disconnection;
 - 3.14.1.E For violation of or noncompliance with any Commission order or rule;
 - 3.14.1.F For violation of or noncompliance with the terms of this tariff;
 - 3.14.1.G For violation of or noncompliance with municipal ordinances and/or other laws pertaining to service;
 - 3.14.1.H The Customer's use of equipment adversely affects EO TELECOM'S service to others. This disconnection may be done without notice to the Customer or use; or
 - 3.14.1.I EO TELECOM confirms that both a phone number and mailing address are no longer valid for the Customer.
- 3.14.2 Discontinuance Procedures
- 3.14.2.A EO TELECOM may discontinue service to a Customer after it has mailed or delivered by other means a written notice of discontinuance but no earlier than the due date. Except as otherwise provided in this Tariff, Service shall not be discontinued until at least five days after the postmark date on a mailed notice. The notice of discontinuance will be delivered separately from any other written matter or bill.
 - 3.14.2.B Notice of discontinuance will not be mailed before the due date shown on the bill.
 - 3.14.2.C In addition to the written notice, the company shall attempt to advise the Customer when service is schedule for discontinuance. EO TELECOM shall not deliver additional notices of discontinuance for past due bill without engaging in collection activity with the Customer.
- 3.14.3 Nothing in this Section shall be construed to prevent immediate discontinuance of service without notice or the refusal of service for reasons of public safety or health.

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

-
- 3.14.4 If service is disconnected for non-payment, the Customer may restore service by full payment. There is a charge of \$15.00 for restoration of service after discontinuation. When service has been discontinued for nonpayment and payment has not been received within ten (10) calendar days, EO TELECOM will consider service terminated. Reconnection will be considered as a new installation.
- 3.14.5 If service is terminated by EO TELECOM for any cause set forth above and the Customer has subscribed to service under a term plan, the Customer will be charged the termination liability associated with the term plan.
- 3.14.6 Service may also be discontinued if the Customer fails to post the deposit required by the Tariff.
- 3.15 Disconnection of Service
- 3.15.1 By giving advance written notice, Customer may disconnect service at any time following its minimum service requirement(s).
- 3.15.2 EO TELECOM will have up to 30 days to complete disconnect. Customer will be responsible for all charges for 30 days or until disconnect is effected, whichever is sooner. This 30 day period will begin upon receipt of the written notification from the Customer. However, in the event that Customer continues to utilize EO TELECOM'S services beyond the date upon which the services are to be disconnected, the Customer will be liable for the usage charges incurred.
- 3.15.3 For non-usage sensitive charges Customers will be liable for the entire monthly recurring charge during the month Customer's service terminates.
- 3.15.4 If the Customer disconnects service prior to the end of a term plan, the termination liabilities associated with the term plan will apply.
- 3.16 Title to Facilities
- Title to all facilities provided by EO TELECOM in accordance with this Tariff remains with EO TELECOM.
- 3.17 Access to Telephone Relay Service
- When required by the Commission, EO TELECOM will participate in telephone relay service for handicapped or hearing impaired Customers, and will comply with all regulations and requirements relating thereto.

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

4.0 DESCRIPTION OF SERVICES OFFERED

- 4.1 Service Offerings - EO TELECOM offers resold local exchange service through the resale of service provided by the underlying carrier as authorized by the Commission.
- 4.1.1 Prepaid Service- EO TELECOM will provide basic local exchange service including a telephone number and a directory listing. The prepaid service permits a customer to (i) place calls within the local calling area (ii) access 911 emergency service where available in the customer's local calling area (iii) place calls to toll free NPAs (ie 800, 888, 877, 866, etc.). The service does not allow the customer to originate direct dial toll calls (1+ or 0+) or calls to caller paid services (900, 976, etc.).
- 4.1.2 Optional Features- EO TELECOM will provide the following services on a non-discriminatory basis to customers subject to an approved agreement with the underlying carrier: (i) unpublished number (ii) voice mail (iii) call forwarding (iv) call waiting (v) three-way calling (vi) speed calling (vii) call block (viii) caller ID.
- 4.1.3 Directory Listing Service- EO TELECOM will provide a single directory listing consisting of customer's name, address, and telephone number in the telephone directory published by the dominant exchange service provider in the customer's exchange area. Directory listing is subject to agreement with, implementation by, and pursuant to rules and regulations of the dominant exchange service provider.
- 4.1.4 911 Emergency Service- Customers will be provided access to 911 Emergency Service to reach emergency services including police, fire, and medical services. The service will be issued pursuant to rules and regulations of the Underlying Carrier. EO TELECOM will not be responsible for inspection, monitoring, errors, defects, or malfunctions in 911 Emergency Service.
- 4.2 Access Options
- 4.2.1 EO TELECOM will provide each customer with local exchange service only.
- 4.3 Service Contract Terms
- 4.3.1 EO TELECOM'S services are available in contract terms of a minimum of one month / 30 days with subsequent automatic renewals for equal terms unless discontinued by company or Customer. Other contract terms may be arranged on an individual case basis with 30 days notice to the Commission.

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

5.0 RATES5.1 Rates for Resold Local Exchange Service5.1.1 Prepaid Residential Service5.1.1.A Non-Recurring Charges

Processing/ application fee	\$29.00
Installation	N/A
Directory Listing	Included
Caller ID set up fee	\$10.00

5.1.1.B Recurring Charges

Monthly Prepaid Service	\$29.95 + taxes and fees
Directory Listing	Included
911 Service	\$ 0.00

5.1.1.C Optional Features- monthly fee

Unpublished Number	\$4.00
Voice Mail	\$10.00
Call Waiting	\$6.00
Call Forwarding	\$6.00
Three-Way Calling	\$6.00
Speed Calling	\$5.00
Call Block	\$5.00
Caller ID	\$9.00

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

5.1.2 Prepaid Business Service5.1.2.A Non-Recurring Charges

Processing/ application fee	\$59.00
Installation	N/A
Directory Listing	Included

5.1.2.B Recurring Charges

Monthly Prepaid Service	\$59.00 + taxes and fees
Directory Listing	Included
911 Service	\$0.0

5.1.2.C Optional Features

Unpublished Number	\$5.00
Voice Mail	\$6.00
Call Waiting	\$5.00
Call Forwarding	\$5.00
Three-Way Calling	\$5.00
Speed Calling	\$5.00
Call Block	\$5.00

5.2 Individual Case Basis.

Where EO TELECOM furnishes a service for which a rate is not specified in its tariff, charges will be determined on an Individual Case Basis ("ICB"), with 30 days notice to the Commission.

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

6.0 PROMOTIONAL OFFERINGS AND DISCOUNTS**6.1 Overview**

From time-to-time, EO TELECOM will provide promotional offerings to its Customers. Such offerings will be limited to certain dates, times and locations. The specified terms and conditions of each promotional offering will be described herein. All such offers are subject to facility availability. EO TELECOM will notify the Commission within 30 days of implementation of all temporary promotional programs.

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

7.0 INDIVIDUAL CASE BASE ARRANGEMENTS

- 7.1 Special Services or Arrangements. When EO TELECOM furnishes a service for which a rate is not specified in its tariff, charges will be determined on an individual case basis, with 30 days notice to the Commission. Special Services or Arrangements may be provided by EO TELECOM, at the request of a Customer, on an individual case basis if such services or arrangements are not offered elsewhere in this tariff. This offering is subject to the availability of the necessary facilities and equipment and subject to the provisions of this tariff. EO TELECOM may decline applications for services to or from a location where the necessary facilities or equipment are not available.

Issued: July 17, 2003

Issued By:
Scott P. Burkholder
EO TELECOM OF FLORIDA, LLC
110 Glenbriar Circle
Daytona Beach, FL 32114

Effective: December 1, 2003