



July 17, 1997
Overnight

210 N. Park Ave.
P.O. Drawer 200
Winter Park, FL
32790-0200

Tel: 407-740-8575
Fax: 407-740-0613

Mr. Walter D'Haeseleer
Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oaks Boulevard
Gerald L. Gunter Bldg. Room 270
Tallahassee, FL 32399-0850
904-488-4733

DEPOSIT
D570

DATE
JUL 18 1997

910904-TX

RE: Initial Alternative Local Exchange Carrier Application of IDS Long Distance, Inc.

Dear Mr. D'Haeseleer:

Enclosed for filing are the original and six (6) copies of the above referenced application of IDS Long Distance, Inc. to provide Alternative Local Exchange Carrier Service in Florida.

Also enclosed is the applicant's check in the amount of \$250 for the filing fee. Questions pertaining to this application or tariff should be directed to my attention at (407) 740-8575.

Please acknowledge receipt of this filing by returning, file-stamped, the extra copy of this cover letter in the self-addressed, stamped envelope enclosed for this purpose.

Thank you for your assistance.

Sincerely,

Mark G. Lamme
Consultant to IDS Long Distance, Inc.

Enclosures

cc: Eileen Turpin
File: IDS Long Distance, Inc. - FL ALEC

tms: FLL9700

RECEIVED
JUL 19 11 21 AM '97

DEPOSIT

07258 JUL 18 97

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FLORIDA PUBLIC SERVICE COMMISSION
Division of Communications, Certification & Compliance Section
2450 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850
(904) 413-6600

APPLICATION FORM

for

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

INSTRUCTIONS

1. This form is used for an original application for a certificate and for approval of sale, assignment, or transfer of an existing alternative local exchange certificate. In case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or transferee.
2. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.
3. Use a separate sheet for each answer which will not fit the allotted space.
4. Any questions regarding completion, contact above.
5. Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$250 made payable to the Florida Public Service Commission at the above address.

DOCUMENT NUMBER DATE

07258 JUL 18 5

FPSC-RECORDS/MANAGING

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

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

- Original authority (new company)
- Approval of transfer (to another certificated company)
Example: a certificated company purchases an existing company and desires to retain the original certificate authority.
- Approval of assignment of existing certificate (to a noncertificated company)
Example: a non-certificated company purchases an existing company and desires to retain the certificate of authority rather than apply for a new certificate.
- Approval for transfer of control (to another certificated company)
Example: a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of applicant:

IDS Long Distance, Inc.

3. A. National Mailing Address including street name, number, post office box, city, state, zip code and phone number.

Street: 1525 Northwest 167th Street, Suite 200
PO Box
City: Miami
State: Florida
Zip: 33169
Phone: (305) 620-1620

B. Florida Mailing Address including street name, number, post office box, city, state, zip code and phone number.

Street: 1525 Northwest 167th Street, Suite 200
PO Box
City: Miami
State: Florida
Zip: 33169
Phone: (305) 620-1620

10. Please provide the title, address, telephone number, internet address and facsimile number of the person serving as ongoing liaison with the Commission, and if different, the liaison responsible for this application:

Application contact:

Name: Connie Wightman
Title: Consultant to IDS Long Distance, Inc.
P.O. Box: P.O. Drawer 200
City: Winter Park
State: Florida
Zip: 32790-0200
Phone: (407) 740-8575
Fax: (407) 740-0613
Internet Address:

Ongoing Liaison:

Name: Eileen Turpin
Title: General Manager
P.O. Box:
Street: 1525 Northwest 167th Street, Suite 200
City: Miami
State: Florida
Zip: 33169
Phone: (305) 620-1620
Fax: (305) 628-7474
Internet Address:

11. Please list other states in which the applicant is currently providing or has applied to provide local exchange or alternative local exchange service.

None

12. Has the applicant been denied certification in any other state?

Yes() No(X)

If so, please list the state and reason for denial.

13. Have penalties been imposed against the applicant in any other state:

Yes() No(X)

If so, please list the state and reason for penalty.

14. Please indicate how a customer can file a service complaint with your company.

Customers may call the company at its toll-free customer service number: 1-800-335-4437. In addition, customers may contact the company in writing at 1525 Northwest 167th Street, Suite 200, Miami, Florida 33169.

15. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide alternative local exchange service in Florida.

A. Financial capability (Exhibit II)

Regarding the showing of financial capability, the following applies:

The application should contain the applicant's financial statements, including:

1. the balance sheet
2. income statement
3. statement of retained earnings for the most recent 3 years

If available, the financial statements should be audited financial statements.

If the applicant does not have audited financial statements, it shall be so stated. The unaudited financial statement should then be signed by the applicant's chief executive officer and chief financial officer. The signature should affirm that the financial statements are true and correct.

B. Managerial capability

See Exhibit III

C. Technical capability

See Exhibit IV

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 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.

Official:


signature

Date:

7/14/97

Michael Noshay

Title:

Vice President

Address:

1525 Northwest 167th Street, Suite 200

Miami, FL 33169

Phone:

(305) 620-1620

IDS LONG DISTANCE, INC.

EXHIBIT I

ARTICLES OF INCORPORATION

State of Florida



Department of State

I certify that the attached is a true and correct copy of the Articles of Incorporation of IDS LONG DISTANCE, INC., a corporation organized under the Laws of the State of Florida, filed on December 13, 1989, as shown by the records of this office.

The document number of this corporation is L36732.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
15th day of December, 1989.



Jim Smith

Jim Smith
Secretary of State

**ARTICLES OF INCORPORATION
OF
IDS LONG DISTANCE, INC.**

FILED
DEC 13 12 57 PM '99
SECRETARY OF STATE
TALCAHASSA, FLORIDA

The undersigned subscriber to these Articles of Incorporation, a natural person competent to contract, hereby forms a corporation under the laws of the State of Florida.

ARTICLE I

NAME

The name of this corporation is **IDS LONG DISTANCE, INC.**

ARTICLE II

NATURE OF THE BUSINESS

This corporation shall have the power to transact or engage in any business permitted under the laws of the United States and of the State of Florida.

ARTICLE III

AUTHORIZED SHARES

The capital stock of this corporation shall consist of 10,000 shares of common stock having a par value of \$.01 per share and 5,000 shares of Preferred Stock, \$.01 par value per share.

The Preferred Stock may be issued from time to time, with such designations, preferences, conversion rights, cumulative, relative, participating, optional or other rights, qualifications, limitations, restrictions thereof as shall be stated and expressed in the resolution or resolutions provided for the issuance of such Preferred Stock adopted by the Board of Directors pursuant to the authority in this paragraph given.

ARTICLE IV

INITIAL CAPITAL

The amount of capital with which this corporation shall commence business shall be not less than One Hundred (\$100.00) Dollars.

ARTICLE V

TERM OF EXISTENCE

This corporation shall have perpetual existence.

ARTICLE VI

INITIAL ADDRESS

The initial address of the principal place of business of this corporation in the State of Florida shall be 20255 N.E. 15th Court, North Miami Beach, Florida 33179. The Board of Directors may at any time and from time to time move the principal office of this corporation to any location within or without the State of Florida.

ARTICLE VII

DIRECTORS

The business of this corporation shall be managed by its Board of Directors. The number of such directors shall be not be less than one (1) and, subject to such minimum may be increased or decreased from time to time in the manner provided in the By-Laws. The number of persons constituting the initial Board of Directors shall be 2.

ARTICLE VIII

INITIAL DIRECTORS

The names and addresses of the initial Board of Directors are as follows:

20261	Burriss Millstone 30265 N.E. 10th Court North Miami Beach, Florida 33179	President/Director
20261	Michael Noshay 30265 N.E. 15th Court North Miami Beach, Florida 33179	Secretary/Director

ARTICLE IX

SUBSCRIBER

The name and address of the person signing these Articles of Incorporation as subscriber is:

Eric P. Littman
Suite 202
1428 Brickell Avenue
Miami, FL 33131

ARTICLE X

VOTING FOR DIRECTORS

The Board of Directors shall be elected by the Stockholders of the corporation at such time and in such manner as provided in the By-Laws.

ARTICLE XI

CONTRACTS

No contract or other transaction between this corporation and any person, firm or corporation shall be affected by the fact that any officer or director of this corporation is such other party or is, or at some time in the future becomes, an officer, director or partner of such other contracting party, or has now or hereafter a direct or indirect interest in such contract.

ARTICLE XII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

This corporation shall have the power, in its By-Laws or in any resolution of its stockholders or directors, to undertake to indemnify the officers and directors of this corporation against any contingency or peril as may be determined to be in the best interests of this corporation and in conjunction therewith, to procure, at this corporation's expense, policies of insurance.

ARTICLE XIII

FLORIDA STATUTES

The corporation expressly elects not to be governed by the provisions of Sections 607.103 and 607.109, Florida Statutes.

ARTICLE XIV

RESIDENT AGENT

The name and address of the initial resident agent of this corporation is:

Berlit Corporate Services, Inc.
1428 Brickell Avenue, Suite 202
Miami, FL 33181

IN WITNESS WHEREOF, I have hereto subscribed to and executed these Articles of Incorporation this 6th day of December, 1989.



Eric P. Littman, Subscriber

Subscribed and Sworn to this
6th day of December, 1989.
Before me:


Notary Public

My Commission Expires:
Notary Public, State of Florida at Large
My Commission Expires 12/31/1991

**CERTIFICATE DESIGNATING PLACE OF BUSINESS OR
DOMICILE FOR SERVICE OF PROCESS WITHIN THIS STATE
NAMING THE AGENT UPON WHOM PROCESS MAY BE SERVED**

In pursuance of Chapter 48.091 of the Florida Statutes, the following is submitted.

U.S. LONG DISTANCE, INC. desiring to organize a corporation under the laws of the State of Florida with its principal place of business as stated in its Articles of Incorporation has named Berlit Corporate Services, Inc., at Suite 202, 1428 Brickell Avenue, Miami, FL 33131 as its agent upon whom process may be served within this state.

Having been named to accept service of process for the above-stated corporation, I hereby accept to act in this capacity and to comply with the provisions of the Act relative to keeping open said office.

BERLIT CORPORATE SERVICES, INC.

By: 
Eric P. Littman, Secretary

IDS LONG DISTANCE, INC.

EXHIBIT II

FINANCIAL CAPABILITY

A Statement of Financial Capability and the financial statements covering the past three years are submitted in support of the Applicant's financial ability to provide the proposed service.

IDS LONG DISTANCE, INC.

Supplemental Financial Information

1. Please provide documentation that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.

IDS Long Distance, Inc. possesses the financial capability to provide the requested service. The Company's financial statements for 1994, 1995 and 1996 are attached. A review of the financial statements demonstrates that the Company possesses the necessary financial capability. Some of the noteworthy items are:

- Cash & cash equivalent balance of \$28K as of 12/31/96.
- Current ratio of 1.14%.
- Consistent income statement results ... 1994 net income - \$53,827, 1995 net income - \$55,010, 1996 net income - \$149,840. This reflects a strong management capability.
- Strong but controlled revenue growth ... 1994 revenues - \$3.1 MM, 1995 revenues - \$3.7 MM, 1996 revenues - \$4.6 MM. This reflects a strong and growing customer base.
- Positive equity balance of \$204K.
- Existing available line of credit of \$150K. Only \$60K drawn on line of credit as of 12/31/96.
- Accounts receivable balance of \$710K and accounts payable balance of \$541K as of 12/31/96.
- Purchased a telephone system worth approximately \$80K in 1996 and the note payable has been paid down to \$30K as of 12/31/96.

Clearly, IDS Long Distance, Inc. has the financial capability and financial management skills to provide Alternative Local Exchange Service in Florida.

2. Please provide documentation that the applicant has sufficient financial capability to maintain the requested service.

Please see response to question #1.

3. Please provide documentation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

Please see response to question #1.

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.

IDS LONG DISTANCE, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 1996

KANTOR & SCHNEIDER, C.P.A.
200 S. PINE ISLAND ROAD, SUITE 206
PLANTATION, FLORIDA 33324
(954) 474-8500

May 6, 1997

To Stockholders of
IDS Long Distance, Inc.

Dear Stockholders:

The accompanying statement of assets, liabilities, and equity arising from transactions of IDS LONG DISTANCE, INC. as of December 31, 1997 and the related statements of revenue and expense for the year then ended have been compiled by us.

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

Management has elected to omit substantially all financial statement disclosures including, but limited to, the related statements of retained earnings and cash flows. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial status. Accordingly, this financial statement is not designed for those who are not informed about such matters.

Sincerely,

KANTOR & SCHNEIDER
Certified Public Accountants

IDS LONG DISTANCE, INC.
BALANCE SHEET
As of December 31, 1996
(Unaudited)

Assets

Current Assets

Cash in Banks	\$	28,426
Accounts Receivable		710,173
Accounts Rec. - Interconnect		<u>31,200</u>

Total Current Assets

\$ 769,799

Fixed Assets

Equipment & Machines		2,614
Furniture & Fixtures		26,662
Telephone System		79,525
Accum. Depr. - Equip. & Mach.		(2,614)
Accum. Depr. - Furn. & Fixt.		(26,662)
Accum. Depr. - Telephone Syst		<u>(13,254)</u>

Total Fixed Assets

66,271

Other Assets

Security Deposits

41,417

Total Other Assets

41,417

Total Assets

\$ 877,487

Liabilities and Equity

Current Liabilities

Note Payable - Telephone Syst	\$	30,385
Note Payable - Line of Credit		60,100
Accounts Payable		541,072
Sales Tax Payable		34,410
Receipt/Excise Taxes Payable		<u>7,528</u>

Total Current Liabilities

\$ 673,495

Equity

Common Stock		500
Accum. Adj. Acct.-B Millstone		21,884
Accum. Adj. Acct.-M. Noshay		21,884
Accum. Adj. Acct.-J Millstone		21,884
Distributions-B. Millstone		(4,000)
Distributions-M. Noshay		(4,000)
Distributions-J. Millstone		(4,000)
Current Net Income (Loss)		<u>149,840</u>

Total Equity

203,992

Total Liabilities and Stockholder's Equity

\$ 877,487

(See Accompanying Compilation Report)

IDS LONG DISTANCE, INC.
 INCOME STATEMENT
 (Unaudited)

	12 Months Ended <u>Dec. 31, 1996</u>	<u>Pct</u>
<u>Revenues</u>		
Sales	4,614,270	(100.00)
<u>Cost of Sales Long Distance Sales</u>		
Long Distance Purchases	<u>3,076,110</u>	<u>(66.67)</u>
Gross Profit	<u>1,538,160</u>	<u>(33.33)</u>
<u>Other Revenues</u>		
Sales Income - 0+	<u>417,775</u>	<u>(9.05)</u>
<u>Total Gross Profit</u>	<u><u>1,955,935</u></u>	<u><u>(42.39)</u></u>
<u>Operating Expenses</u>		
(See Schedule)	1,809,894	(39.22)
<u>Other Income & Expense</u>		
Interest Income	1,034	(0.02)
Bad Debt Recovery	<u>2,765</u>	<u>(0.06)</u>
Total Other Income & Expenses	3,799	(0.08)
<u>Net Income (Loss)</u>	<u>\$ 149,840</u>	<u>(3.25)</u>

(See Accompanying Compilation Report)

IDS LONG DISTANCE, INC.
SUPPORTING STATEMENT OF OPERATING EXPENSES

Advertising	5,558	(0.12)
Auto Expenses	80,004	(1.73)
Billing	48,829	(1.06)
Computer Expense	20,649	(0.45)
Commissions	186,501	(4.04)
Contract Work	28,668	(0.62)
Credit Reports	9,791	(0.21)
Depreciation Expense	13,492	(0.29)
Donations	200	0.00
Dues and Subscriptions	1,428	(0.03)
Entertainment	14,094	(0.31)
Expense Reimbursement	1,603	(0.03)
Insurance	68,867	(1.49)
Interconnect	17,303	(0.37)
Interest Expense	10,006	(0.22)
Leased Equipment	102,198	(2.21)
Legal & Professional	13,919	(0.30)
Maintenance & Repairs	16,095	(0.35)
Miscellaneous Expenses	788	(0.02)
Office Expense	74,771	(1.62)
Payroll processing fee	2,116	(0.05)
Payroll Taxes	79,902	(1.73)
Postage	6,663	(0.14)
Printing	2,117	(0.05)
Rent	94,210	(2.04)
Sales Expense	11,634	(0.25)
Salaries	824,543	(17.87)
Security	599	(0.01)
Taxes & Licenses	1,522	(0.03)
Telemarketing	2,245	(0.05)
Telephone	68,332	(1.48)
Trade Shows/Seminars	1,227	(0.03)
Total Operating Expenses	<u>1,809,894</u>	<u>(39.22)</u>

(See Accompanying Compilation Report)

IDS Long Distance, Inc.

FINANCIAL STATEMENTS

DECEMBER 31, 1995

J. Schneider
President

IDS Long Distance, Inc.
BALANCE SHEET
As of December 31, 1995
(Unaudited)

Assets

Current Assets

Cash in Banks	\$ 54,457
Accounts Receivable-Employees	<u>10,000</u>

Total Current Assets \$ 64,457

Fixed Assets

Equipment & Machines	2,614
Furniture & Fixtures	26,662
Accum. Depr. - Equip. & Mach.	(2,614)
Accum. Depr. - Furn. & Fixt.	<u>(26,424)</u>

Total Fixed Assets 238

Other Assets

Security Deposits	<u>10,382</u>
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Total Other Assets 10,382

Total Assets \$ 75,077

Liabilities and Equity

Current Liabilities

Note Payable - Line of Credit	\$ 525
Commission Advances	<u>8,400</u>

Total Current Liabilities \$ 8,925

Equity

Common Stock	500
Retained Earnings	(25,187)
Accum. Adj. Acct.-B. Millston	11,941
Accum. Adj. Acct.-M. Noshay	11,941
Accum. Adj. Acct.-J. Millston	11,947
Current Net Income (Loss)	<u>55,010</u>

Total Equity 66,152

Total Liabilities and Stockholder's Equity \$ 75,077

(See Accompanying Compilation Report)

IDS Long Distance, Inc.
INCOME STATEMENT
(Unaudited)

	12 Months Ended	
	<u>Dec. 31, 1995</u>	<u>Pct</u>
Sales	\$ 3,659,328	100.00
Operating Expenses		
Advertising	17,233	0.47
Auto Expenses	66,207	1.81
Bank Charges	84	0.00
Billing	42,442	1.16
Cancellation Fee	14,500	0.40
Computer Expense	13,206	0.36
Commissions	104,859	2.87
Contract Work	18,685	0.51
Credit Reports	6,474	0.18
Depreciation Expense	343	0.01
Depreciation Section 179	17,500	0.48
Contributions Political	386	0.01
Dues and Subscriptions	1,326	0.04
Entertainment	16,216	0.44
Insurance	45,946	1.26
Interest Expense	530	0.01
Leased Equipment	17,629	0.48
Legal & Professional	6,733	0.18
Long Distance Purchased	1,931,508	52.78
Maintenance & Repairs	8,749	0.24
Office Expense	37,205	1.02
Payroll processing fee	1,256	0.03
Payroll Taxes	50,354	1.38
Penalties	85	0.00
Postage	5,204	0.14
Rent	39,266	1.07
Salaries - Office	131,920	3.61
Salaries - Service	71,674	1.96
Salaries - Sales Agents	24,477	0.67
Salaries - Sales	224,073	6.12
Security	1,914	0.05
Taxes & Licenses	3,974	0.11
Excise Tax-Form 720	79,261	2.17
Taxes - Gross Receipts	8,232	0.22
Taxes - State Sales	189,203	5.17
Telemarketing	370	0.01
Telephone	68,317	1.87
Trade Shows/Seminars	6,168	0.17
Travel Expenses	<u>1,419</u>	<u>0.04</u>
Total Operating Expenses	<u>3,274,928</u>	<u>89.50</u>
Operating Income	384,400	10.50
Other Income and Expenses		
Interest Income	2,349	0.06
Miscellaneous Income	<u>8,751</u>	<u>0.24</u>
Income Before Officers Sal	395,500	10.81
Salaries - Officers'	<u>340,490</u>	<u>9.30</u>
Net Income (Loss)	<u>\$ 55,010</u>	<u>1.50</u>

(See Accompanying Compilation Report)

IDS Long Distance, Inc.

FINANCIAL STATEMENTS

DECEMBER 31, 1994

Kantor and Schneider
Certified Public Accountants

Kantor and Schneider
Certified Public Accountants

Steven M. Kantor, P.A.
Paul F. Schneider, P.A.

February 11, 1995

Burriss Millstone, President
IDS Long Distance, Inc.
2450 Hollywood Boulevard, Suite 702
Hollywood, Florida 33020

Dear Mr. Millstone:

The accompanying statement of assets, liabilities, and equity arising from transactions of IDS Long Distance, Inc. as of December 31, 1994 and the related statements of revenue and expense for the one month and twelve months then ended have been compiled by us.

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

Management has elected to omit substantially all financial statement disclosures including, but limited to, the related statements of retained earnings and cash flows. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial status. Accordingly, this financial statement is not designed for those who are not informed about such matters.

Sincerely,



PAUL F. SCHNEIDER
Certified Public Accountant

IDS Long Distance, Inc.
BALANCE SHEET
 As of December 31, 1994
 (Unaudited)

Assets

Current Assets		
Cash in Banks	\$	14,005
Accounts Receivable-Employees		10,000
Exchange		<u>4,092</u>
Total Current Assets		\$ <u>28,097</u>
Fixed Assets		
Equipment & Machines		2,614
Furniture & Fixtures		8,581
Accum. Depr. - Equip. & Mach.		(2,614)
Accum. Depr. - Furn. & Fixt.		<u>(8,581)</u>
Total Assets		\$ <u>28,097</u>

Liabilities and Equity

Current Liabilities		
Note Payable - Line of Credit	\$	100
Payroll Taxes Payable		307
Commission Advances		<u>16,550</u>
Total Current Liabilities		\$ 16,957
Equity		
Common Stock		500
Retained Earnings		(25,187)
Distributions-B. Millstone		(6,000)
Distributions-M. Noshay		(6,000)
Distributions-J. Millstone		(6,000)
Current Net Income (Loss)		<u>53,827</u>
Total Equity		<u>11,140</u>
Total Liabilities and Stockholder's Equity		\$ <u>28,097</u>

(See Accompanying Compilation Report)

IDB Long Distance, Inc.
 INCOME STATEMENT
 (Unaudited)

	12 Months Ended	
	<u>Dec. 31, 1994</u>	<u>Pct</u>
Sales	<u>\$ 3,070,462</u>	<u>100.00</u>
Operating Expenses		
Advertising	6,516	0.21
Auto Expenses	46,909	1.53
Bank Charges	357	0.01
Billing	34,099	1.11
Computer Expense	8,614	0.28
Commissions	132,348	4.31
Contract Work	12,882	0.42
Contributions Political	100	0.00
Dues and Subscriptions	1,016	0.03
Entertainment	14,534	0.47
Group Health Insurance	8,433	0.27
Insurance	21,533	0.70
Interest Expense	356	0.01
Legal & Professional	15,508	0.51
Long Distance Purchased	1,888,016	61.49
Maintenance & Repairs	6,929	0.23
Office Expense	43,203	1.41
Payroll Taxes	29,265	0.95
Penalties	54	0.00
Postage	2,712	0.09
Rent	25,692	0.84
Salaries - Office	100,578	3.28
Salaries - Service	26,282	0.86
Salaries - Sales Agents	18,774	0.61
Salaries - Sales	16,290	0.53
Taxes & Licenses	2,034	0.07
Excise Tax-Form 720	63,446	2.07
Taxes - Gross Receipts	8,123	0.26
Taxes - State Sales	145,123	4.73
Telephone	23,732	0.77
Trade Shows/Seminars	5,196	0.20
Travel Expenses	6,652	0.22
Total Operating Expenses	<u>2,716,306</u>	<u>88.47</u>
Operating Income	354,156	11.53
Other Income and Expenses		
Interest Income	<u>1,275</u>	<u>0.04</u>
Income Before Officers Sal	355,431	11.58
Salaries - Officers'	<u>301,604</u>	<u>9.82</u>
Net Income (Loss)	<u>\$ 53,827</u>	<u>1.75</u>

(See Accompanying Compilation Report)

IDS Long Distance, Inc.
INCOME STATEMENT
(Unaudited)

	1 Month Ended		1 Month Ended		12 Months Ended		12 Months Ended	
	Dec. 31, 1994	Pct	Dec. 31, 1993	Pct	Dec. 31, 1994	Pct	Dec. 31, 1993	Pct
Sales	\$ 262,404	100.00	\$ 193,814	100.00	\$ 3,070,462	100.00	\$ 1,865,254	100.00
Operating Expenses								
Advertising	497	0.19	150	0.08	6,516	0.21	10,816	0.58
Auto Expenses	4,645	1.77	2,312	1.19	46,909	1.53	26,736	1.43
Bank Charges	97	0.04	6	0.00	357	0.01	159	0.01
Billing	2,158	0.82	2,284	1.18	34,099	1.11	14,181	0.76
Computer Expense	122	0.05	0	0.00	8,614	0.28	6,099	0.33
Commissions	(1,496)	(0.57)	11,257	5.81	132,348	4.31	91,646	4.91
Contract Work	2,242	0.85	0	0.00	12,882	0.42	4,489	0.24
Depreciation Expense	0	0.00	3,353	1.73	0	0.00	3,353	0.18
Donations	0	0.00	0	0.00	0	0.00	180	0.01
Contributions Political	0	0.00	0	0.00	100	0.00	400	0.02
Dues and Subscriptions	0	0.00	0	0.00	1,016	0.03	2,832	0.15
Entertainment	1,410	0.54	2,086	1.08	14,534	0.47	6,245	0.33
Group Health Insurance	4,278	1.63	0	0.00	8,433	0.27	0	0.00
Insurance	718	0.27	1,718	0.89	21,533	0.70	10,117	0.54
Interest Expense	40	0.02	0	0.00	356	0.01	0	0.00
Legal & Professional	1,985	0.76	125	0.06	15,508	0.51	3,132	0.17
Long Distance Purchased	176,502	67.26	123,973	63.96	1,888,016	61.49	1,253,967	67.23
Maintenance & Repairs	513	0.20	0	0.00	6,929	0.23	10,118	0.54
Miscellaneous Expenses	0	0.00	0	0.00	0	0.00	9,055	0.49
Office Expense	6,804	2.59	2,635	1.36	43,203	1.41	62,608	3.36
Payroll Taxes	2,249	0.86	(330)	(0.17)	29,265	0.95	22,624	1.21
Penalties	0	0.00	5	0.00	54	0.00	50	0.00
Postage	498	0.19	62	0.03	2,712	0.09	1,580	0.08
Rent	3,373	1.29	1,008	0.52	25,692	0.84	13,633	0.73
Salaries - Office	8,623	3.29	8,166	4.21	100,578	3.28	58,683	3.15
Salaries - Service	5,975	2.28	0	0.00	26,282	0.86	0	0.00
Salaries - Sales Agents	8,273	3.15	0	0.00	18,774	0.61	0	0.00
Salaries - Sales	1,366	0.52	2,467	1.27	16,290	0.53	31,567	1.69
Taxes & Licenses	0	0.00	591	0.30	2,034	0.07	7,395	0.40
Excise Tax-Form 720	4,826	1.84	4,165	2.15	63,446	2.07	16,847	0.90
Taxes - Gross Receipts	592	0.23	0	0.00	8,123	0.26	0	0.00
Taxes - State Sales	11,015	4.20	8,449	4.36	145,123	4.73	31,365	1.68
Telephone	2,817	1.07	1,495	0.77	23,732	0.77	21,468	1.15
Trade Shows/Seminars	0	0.00	0	0.00	6,196	0.20	2,584	0.14
Travel Expenses	0	0.00	0	0.00	6,652	0.22	2,614	0.14
Total Operating Expenses	250,122	95.32	175,977	90.80	2,716,306	88.47	1,726,543	92.56
Operating Income	12,282	4.68	17,837	9.20	354,156	11.53	138,711	7.44
Other Income and Expenses								
Interest Income	270	0.10	87	0.04	1,275	0.04	1,042	0.06
Miscellaneous Income	0	0.00	33,885	17.48	0	0.00	142,271	7.63
Income Before Officers Sal	12,552	4.78	51,809	26.73	355,431	11.58	282,024	15.12
Salaries - Officers'	18,500	7.05	5,175	2.67	301,604	9.82	228,710	12.26
Net Income (Loss)	\$ (5,948)	(2.27)	\$ 46,634	24.06	\$ 33,827	1.11	\$ 53,314	2.86

(See Accompanying Compilation Report)

IDS LONG DISTANCE, INC.

EXHIBIT III

MANAGERIAL CAPABILITY

IDS LONG DISTANCE, INC.
Managerial Capability

IDS Long Distance, Inc.'s management team includes the following individuals:

Michael Noshay - Vice President - Finance and Operations
Joe Millstone - Vice President - Sales and Operations
Eileen Turpin - General Manager
Raffaella Assisa - Operations Manager
Larry Morava - Switching & Network Operations
Keith Kramer - Director of Sales
Burriss Millstone - Technical Consultant

The profiles of the each member of the management team are noted on the following pages.

The team consists of members who possess experience in primary business disciplines of managing a successful local exchange and interexchange telecommunications company. The individuals on the team have experience in the provision of quality telecommunications services and successful business management.

The IDS management team is committed to quality and friendly service along with competitive prices in their provision of local exchange service.

IDS LONG DISTANCE, INC.
Profiles of Key Personnel

IDS Long Distance, Inc. has been in the business of providing long distance telecommunications services since 1990. The company has a proven track record for providing high quality services and responsive customer service. The company intends to operate as a reseller of local telecommunications services and will rely on the underlying facilities based carrier(s) for the operation and maintenance of the local exchange facilities.

IDS Long Distance, Inc. employs individuals with considerable telecommunications experience. Some of these individuals include:

Michael Noshay, Vice President - Finance and Operations

Mr. Noshay has been the Vice President of Finance and Operations of IDS Long Distance, Inc. since its inception in 1989. In the capacity of Vice President - Finance and Operations, Mr. Noshay is responsible for the strategic direction of the Company, evaluating, negotiating and executing contracts, promoting the financial health of the Company and ensuring the Company's network and technical support is impeccable.

Prior to joining IDS Long Distance, Inc., Mr. Noshay worked in similar roles with other enterprises and has been a real estate developer since 1971.

Joe Millstone, Vice President - Sales and Operations

Mr. Millstone has been the Vice President of Sales and Operations of IDS Long Distance, Inc. since its inception in 1989. In the capacity of Vice President - Sales and Operations, Mr. Millstone is responsible for the strategic direction of the Company, evaluating and implementing market and service strategies, preparing market and product projections, establishing the sales and customer service policies of the Company and ensuring the products and services of the Company are properly supported by the Network and Technical staff.

Prior to joining IDS Long Distance, Inc., Mr. Millstone was President of Stereo Etc. and held various sales and marketing capacities with several companies in South Florida.

Eileen Turpin, General Manager

Ms. Turpin has been the General Manager of IDS Long Distance, Inc. since 1996. In the capacity of General Manager, Ms. Turpin is responsible for implementing customer service procedures, overseeing sales commissioning process, managing the financial team, reviewing the product/service cost and pricing analysis, managing the new customer ordering and provisioning process, and overseeing the billing and collection activities.

Prior to IDS Long Distance, Inc., Ms. Turpin held similar responsibilities with TeleCable Communications, Monbac International and American Network Exchange.

IDS LONG DISTANCE, INC.
Profiles of Key Personnel, continued

Raffaella Assisa, Operations Supervisor

Ms. Assisa has been the Operations Supervisor of IDS Long Distance, Inc. since 1996. In the capacity of Operations Supervisor, Ms. Assisa is responsible for Customer Service. The responsibilities under Customer Service are accepting new customers and provisioning service, creating new products/services, overseeing the customer service representatives, issuing credits on customer invoices and ensuring the Customer Service team is providing quality service. One of Ms. Assisa's responsibilities is to ensure that the Customer Service staff is available to service English and Spanish speaking customers.

Prior to IDS Long Distance, Inc., Ms. Assisa held similar responsibilities with LDDS Long Distance, Inc. and Teltec.

Larry Morava, Switching and Network Operations Manager

Mr. Morava has been the Switching and Network Operations Manager of IDS Long Distance, Inc. since 1996. In the capacity of Switching and Network Operations Manager, Mr. Morava is responsible for network management, provisioning of service, and the management information systems of the Company. Mr. Morava is responsible for the engineering and operations support staff along with the computer system designers and programmers. In addition, Mr. Morava is responsible for daily communications with the Company's local and long distance underlying carriers.

Prior to IDS Long Distance, Inc., Mr. Morava held similar responsibilities with LDDS/Worldcom and T&N Telecommunications, Inc.

IDS LONG DISTANCE, INC.
Profiles of Key Personnel, continued

Keith Kramer, Director of Sales

Mr. Kramer has been the Director of Sales of IDS Long Distance, Inc. since 1994. In the capacity of Director of Sales, Mr. Kramer is responsible for the performance of sales managers and the entire sales team. Mr. Kramer is also responsible for designing and implementing the company's strategic plans for new products/services and penetrating new markets.

Prior to joining IDS Long Distance, Inc., Mr. Kramer held similar responsibilities with Stereos Etc., Luskin Hi Fi and Southern Wine and Spirits.

Burris Millstone, Technical Consultant

Mr. Millstone has been a Technical Consultant of IDS Long Distance, Inc. since 1996. In the capacity of Technical Consultant, Mr. Millstone is responsible for staying current on the technical changes in the industry, providing a synopsis of the technical changes in the industry and how they impact IDS Long Distance, Inc., assisting the Mr. Joe Millstone and Mr. Michael Noshay chart the strategic direction of the Company and providing engineering/network support.

Prior to being a Technical Consultant, Mr. Millstone served as President of IDS Long Distance, Inc. since its inception in 1989.

IDS LONG DISTANCE, INC.

EXHIBIT IV

TECHNICAL CAPABILITY

TECHNICAL CAPABILITY

IDS Long Distance, Inc. has been in the business of providing long distance telecommunications services since 1990. The company has a proven track record for providing high quality services and responsive customer service. The company's technical capabilities as a reseller of local exchange service are evidenced by its strong track record of providing quality interexchange service in Florida.

The company intends to provide local exchange service in South Florida as a reseller of the incumbent local exchange company's facilities. As a reseller, IDS Long Distance, Inc. will rely on its facilities-based underlying carriers for the operation and maintenance of the local exchange network. The company will use only reputable underlying carriers to ensure that high quality service is provided to customers. IDS Long Distance's resale experience in the interexchange services market will enable it to competently manage the technical aspects of its resold local exchange services. In its expansion into the local exchange market, to the benefit of its customers, the company will take advantage of many of its existing operations including billing arrangements, customer service and network management.

The profiles of key personnel provided in Exhibit II of this application provide further evidence of the company's technical capability to provide local services.



July 17, 1997
Overnight

210 N. Park Ave.
P.O. Drawer 200
Winter Park, FL
32790-0200

Tel: 407-740-8575
Fax: 407-740-0613

Mr. Walter D'Haeseleer
Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oaks Boulevard
Gerald L. Gunter Bldg. Room 270
Tallahassee, FL 32399-0850
904-488-4733

DEPOSIT DATE
D 5 7 0 JUL 18 1997

RE: Initial Alternative Local Exchange Carrier Application of IDS Long Distance, Inc.

Dear Mr. D'Haeseleer:

Enclosed for filing are the original and six (6) copies of the above referenced application of IDS Long Distance, Inc. to provide Alternative Local Exchange Carrier Service in Florida.

Also enclosed is the applicant's check in the amount of \$250 for the filing fee. Questions pertaining to this application or tariff should be directed to my attention at (407) 740-8575.

Please acknowledge receipt of this filing by returning, file-stamped, the extra copy of this cover letter in the self-addressed, stamped envelope enclosed for this purpose.

Thank you for your assistance.

Sincerely,

IDS LONG DISTANCE, INC.
1525 NORTHWEST 167TH STREET, SUITE 200
MIAMI, FL 33186
PH. (305) 620-1620

THE SKYLAKE STATE BANK
1550 Miami Gardens Drive
North Miami Beach, Florida 33179

012977
12977

CHECK NO.

7/15/97

**250.00-

DATE

AMOUNT

Two Hundred Fifty And 00/100 Dollars***

FLORIDA PUBLIC SERVICE COMMISSION
ATTENTION: FISCAL SERVICES
2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FL 32399

2 SIGNATURES REQUIRED IF OVER \$2500.00
VOID AFTER 90 DAYS

PAY
TO THE
ORDER
OF