



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE : July 20, 1998
TO : Blanca Bayo, Director, Division of Records and Reporting
FROM : Louis J. Yambor, Division of Communications
RE : Docket Nos. 980665-TI & ~~980786TX~~; Application(s) name change

Attached are the revised applications for Z-Tel Communications, Inc. They have changed their d/b/a name to Z-Line, Inc. on both applications.

Please use these as replacements for the originals. Both are amended copies that reflect the corrected name changes.

Thanks.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____ Copy to: Legal (Pena)
- CRG _____
- EAG _____
- EEG _____
- LIN _____
- WFO _____
- RCH _____
- SEC 1
- WAS _____

DOCUMENT NUMBER - DATE
07621 JUL 20 1998
 PSC-RECORDS/REPORTING

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

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

(X) 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:

Z-Tel Communications, Inc.

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

Street: 777 South Harbour Island Boulevard, Suite 990
PO Box
City: Tampa
State: Florida
Zip: 33602
Phone: 813 - 273-6261

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

Street: 777 South Harbour Island Boulevard, Suite 990
PO Box
City: Tampa
State: Florida
Zip: 33602
Phone: 813 -273-6261

RE 980786

ALEC

C. Physical Address of alternative local exchange service in Florida including street name, number, post office box, city, state, zip code and phone number.

Street: 777 South Harbour Island Boulevard, Suite 990
PO Box
City: Tampa
State: Florida
Zip: 33602
Phone: 813 - 273-6261

4. Structure of organization:

- | | |
|---|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Corporation |
| <input checked="" type="checkbox"/> Foreign Corporation | <input type="checkbox"/> Foreign Partnership |
| <input type="checkbox"/> General Partnership | <input type="checkbox"/> Limited Partnership |
| <input type="checkbox"/> Joint Venture | <input type="checkbox"/> Other, Please explain _____ |

5. If incorporated, please provide proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

Corporate charter number: 97000002080

6. Name under which the applicant will do business (d/b/a):

Z-Line

7. If applicable, please provide proof of fictitious name: (d/b/a) registration.

See Exhibit IV

8. If applicant is an individual, partnership, or joint venture, please give name and address of each legal entity.

Not applicable

9. State whether any of the officers, directors, or any of the ten largest stockholders have previously been adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. If so, please explain.

Not applicable.

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: Monique Byrne
 Title: Consultant to Z-Tel Communications, Inc. d/b/a Z-Line
 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: D. Gregory Smith
 Title: Chief Executive Officer
 P.O. Box:
 Street: 777 South Harbour Island Boulevard, Suite 990
 PO Box
 City: Tampa
 State: Florida
 Zip: 33602
 Phone: 813 - 273-6261
 Fax: 813 - 273-6861
 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.

The Company has authority to offer local exchange service in New York, New Jersey and Massachusetts. The Company has not yet begun to offer local exchange service. The Company has embarked on a program to obtain authority for local exchange service in an additional 23 states.

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(X) No()

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

Z-Tel Communications, Inc. has not had any penalties imposed against it in Florida or any other state. However, D. Gregory Smith (Chief Executive Officer of Z-Tel Communications, Inc) was a principal of another telecommunications company certified in the state of Florida that was assessed a penalty for failure to file an annual report. The company, Olympus Telecommunications was a pay telephone company that is no longer operating. All

penalties have been paid for and filed with the Florida Public Service Commission. There are no outstanding issues with that company.

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: 1-800-759-9987. In addition, Customers may contact the Company in writing at 777 South Harbour Island Boulevard, Suite 990, Tampa, Florida 33602.

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

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.

See Exhibit I

B. Managerial capability

See Exhibit II

C. Technical capability

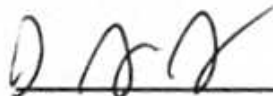
See Exhibit III

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:

7/15/98

D. Gregory Smith

Title:

Chief Executive Officer

Address:

777 South Harbour Island Boulevard

Suite 990

Tampa, Florida 33602

Phone:

(813) 254-8224

Z-Tel Communications, Inc.
d/b/a Z-Line

EXHIBIT I

FINANCIAL CAPABILITY

Z-Tel Communications, Inc.

Statement of Financial Capability

Z-Tel Communications, Inc. has sufficient financial capability to provide the requested telecommunication services in [State], the financial capability to maintain these services, and the financial capability to meet its lease and ownership obligations. Attached is the balance sheet of Z-Tel Communications, Inc. as of March 31, 1998.

Z-Tel Communications, Inc. has been in the development phase since its inception in January 1998 and therefore does not have an income statement.

Some of Z-Tel Communications, Inc.'s highlights are:

- Current asset ratio of 5.79. %
- Cash & cash equivalents of \$1,347,757 along with a \$50,000 deposit classified as Other Assets.
- Approximately 78% of the Company's assets are very liquid.
- Property, plant & equipment balance of \$383,193 which consists of the Company's investment in infrastructure to commence operations.
- Positive equity balance of \$1,547,985.

The balance sheet displays in excess of \$1.3 million in cash & cash equivalents as of March 31, 1998. The Company does not have any long term debt as the Company is 100% financed through equity ... a capital infusion by the shareholders. The Company has access to additional sources of cash via lines of credits and additional capital infusions by the shareholders.

The Company has established a team of professionals with telecommunications experience to support its venture into the telecommunications market. The Company will outsource business functions to obtain expertise and provide a financial and technical competitive advantage in the industry.

Summary

As noted in the analysis documented above, the Company is prepared for its venture into the telecommunications business. The Company is positioned to add significant revenue growth with low fixed costs. The Company has sufficient financial capability to provide the requested telecommunication services, sufficient financial capability to meet all lease and ownership obligations, and sufficient financial capability to maintain a large Customer base.

Z-Tel Communications, Inc.
Balance Sheet
March 31, 1998

ASSETS**Current Assets**

Cash - Operating Account	\$	169,124
Cash - Money Market		1,178,633
Total Current Assets		1,347,757

Property and Equipment

Furniture		31,438
Computer Equipment - General		102,353
Software		85,398
Switching Equipment		164,005
Accumulated Depreciation		
Total Property and Equipment		383,193

Other Assets

Deposits		50,000
Total Other Assets		50,000
Total Assets	\$	1,780,951

LIABILITIES AND CAPITAL**Current Liabilities**

Accounts Payable	\$	232,966
Interest Payable		
Total Current Liabilities		232,966

Long-Term Liabilities

Total Long-Term Liabilities		0
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Total Liabilities		232,966
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Capital

Common Stock		1,850,000
Net Income		(302,015)
Total Capital		1,547,985
Total Liabilities & Capital	\$	1,780,951

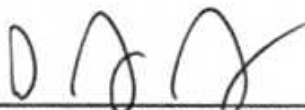
Unaudited - For Management Purpose Only

CERTIFICATION STATEMENT

I, D. Gregory Smith, Chief Executive Officer of Z-Tel Communications, Inc. d/b/a Z-Line,, certify that the financial statements presented herein for the year ended December 31, 1996 are, to the best of my knowledge, accurate and correct.

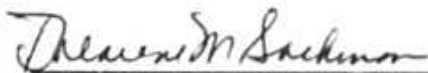
Executed on this 15th day of July, 1998 at _____, Tampa, Florida.

By:



D. Gregory Smith, Chief Executive officer
Z-Tel Communications, Inc.
d/b/a Z-Line

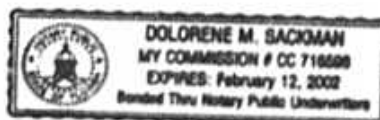
SWORN TO AND SUBSCRIBED before me on this 15th day of July, 1998.



Notary Public

My commission expires:

February 12, 2002



**Z-Tel Communications, Inc.
d/b/a Z-Line**

EXHIBIT II

MANAGERIAL CAPABILITY

Z-Tel Communications, Inc.
d/b/a Z-Line

MANAGERIAL AND TECHNICAL CAPABILITIES

D. Gregory Smith

Mr. Smith is a founder of the Company and has served as a Director and Chief Executive Officer since its inception in January 1998. From 1991 to 1997 he served as Director, Executive Vice President and Vice President of Premiere Technologies, Inc., a publicly held telecommunications company. From 1989 to 1991, Mr. Smith provided managerial and financial consulting services to clients that included Elcotel, Inc., a manufacturer of pay telephones, call processor and other telecommunications equipment.. Since 1991 he has been President and Director of Olympus Telecommunications Corporation, an owner and operator of pay telephones and since 1990 he has been President and a director of Public Communications Managers, Inc., a pay telephone management company. Additionally, Mr. Smith has served as Vice-President of corporate banking for Chase Bank of Florida, a subsidiary of Chase Manhattan Bank and President and CEO of Intergroup Video Systems, Inc., an advanced video electronics manufacturer.

Jeffrey A. Bowden

Mr. Bowden, a founder of the Company, serves as Senior Vice President/Chief Financial Officer of the Company. He was a Vice President of Bell Atlantic Corporation from 1996 to 1998 and Vice President of Nynex Corporation from 1994 to 1996. From 1988 to 1994, Mr. Bowden was Vice President and a Director of The Boston Consulting Group.

Z-Tel Communications, Inc.

d/b/a Z-Line

MANAGERIAL AND TECHNICAL CAPABILITIES, Cont'd.

James Kitchen

Mr. Kitchen is a co-founder of the Company and serves as the Company's Senior Vice President/Engineering. Prior to joining Z-Tel, he was, from 1992 to 1997, a Senior Design Engineer with Premiere Technologies, Inc., a provider of long distance telecommunications services. From 1990 to 1992, he was Senior Staff Engineer for Melita International Corporation where he managed the Voice Processor Group. Additionally, Mr. Kitchen was a Senior Software Engineer for Voice Computer Technologies, where he designed, coded, maintained and documented application software, including a proprietary telephone transaction oriented interpreter.

Russell T. Alba

A co-founder of the Company, Mr. Alba serves as Senior Vice President/Business Development and Chief Legal Officer. He was a partner in the law firm of Foley & Lardner from 1994 to 1998 and an associate in the law firm of Annis, Mitchell, Cockey, Edwards & Roehn from 1992 to 1994.

Z-Tel Communications, Inc.
d/b/a Z-Line

EXHIBIT III

TECHNICAL CAPABILITY

The Company intends to provide local services as a reseller of other carriers' facilities. Z-Line does propose to install several switches throughout the state of Florida. Current plans call for switch deployment in Orlando, Tampa and the Miami metropolitan area.

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 and maintain its switch network.

Z-Tel Communications, Inc.
d/b/a Z-Line

EXHIBIT IV

SECRETARY OF STATE REGISTRATION



FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

April 13, 1998

CT CORPORATION SYSTEM

Qualification documents for Z-TEL COMMUNICATIONS, INC. doing business in Florida as Z-TEL COMMUNICATIONS OF DELAWARE, INC. were filed on April 7, 1998 and assigned document number F98000002080. Please refer to this number whenever corresponding with this office.

Your corporation is now qualified and authorized to transact business in Florida as of the file date.

A corporation annual report will be due this office between January 1 and May 1 of the year following the calendar year of the file date. A Federal Employer Identification (FEI) number will be required before this report can be filed. If you do not already have an FEI number, please apply NOW with the Internal Revenue by calling 1-800-829-3676 and requesting form SS-4.

Please be aware if the corporate address changes, it is the responsibility of the corporation to notify this office.

Should you have any questions regarding this matter, please telephone (850) 487-6091, the Foreign Qualification/Tax Lien Section.

Jennifer Sindt
Document Examiner
Division of Corporations

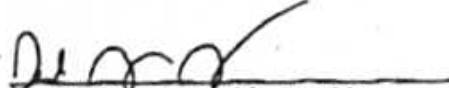
Letter Number: 798A00019604

RESOLUTION OF BOARD OF DIRECTORS

I, David Gregory Smith, do hereby certify that the following resolution of the Board of Directors of Z-Tel Communications, Inc., a corporation duly organized and existing under the laws of the State of Delaware, was duly adopted on April 8, 1998:

RESOLVED, that Z-Tel Communications, Inc., organized and existing in the State of Delaware, hereby adopts the name Z-Tel Communications of Delaware, Inc. for use in Florida.

Dated effective this 8th day of April, 1998.


David Gregory Smith, President

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SECRETARY OF STATE
DIVISION OF CORPORATIONS
98 APR -7 PM 12:23

APPLICATION BY FOREIGN CORPORATION FOR AUTHORIZATION TO TRANSACT BUSINESS IN FLORIDA

IN COMPLIANCE WITH SECTION 607.1503, FLORIDA STATUTES, THE FOLLOWING IS SUBMITTED TO REGISTER A FOREIGN CORPORATION TO TRANSACT BUSINESS IN THE STATE OF FLORIDA:

1. Z-Tel Communications, Inc.
(Name of corporation: must include the word "INCORPORATED", "COMPANY", "CORPORATION", or words or abbreviations of like import in language as will clearly indicate that it is a corporation instead of a natural person or partnership if not so contained in the name at present.)
2. Delaware
(State or country under the law of which it is incorporated)
3. applied for
(FEI number, if applicable)
4. January 15, 1998
(Date of incorporation)
5. Perpetual
(Duration: Year corp. will cease to exist or "perpetual")
6. Upon qualification
(Date first transacted business in Florida. (See sections 607.1501, 607.1502, and 617.156, F.S.))
7. 777 S. Harbour Island Blvd., Suite 990, Tampa, Florida 33602
(Current mailing address)
8. to provide telecommunication services
(Purpose(s) of corporation authorized in home state or country to be carried out in the state of Florida)
9. Name and street address of Florida registered agent:
 Name: C T Corporation System
 Office Address: c/o C T Corporation System, 1200 South Pine Island Road
Plantation, Florida, 33324
 (Zip Code)

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DIVISION OF CORPORATIONS
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10. Registered agent acceptance:
Having been named as registered agent and to accept service of process for the above stated corporation at the place designated in this application, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties, and I am familiar with and accept the obligation of my position as registered agent.

C T Corporation System



(Registered agent's signature) (Officer)
PETER F. SOUZA
ASSISTANT SECRETARY

(Type Name and Title of Officer)

11. Attached is a certificate of existence duly authenticated, not more than 90 days prior to delivery of this application to the Department of State, by the Secretary of State or other official having custody of corporate records in the jurisdiction under the law of which it is incorporated.

12. Names and addresses of officers and/or directors:

A. DIRECTORS

Chairman: D. Gregory Smith

Address: 777 S. Harbour Island Blvd., Suite 990
Tampa, Florida 33602

Vice Chairman: _____

Address: _____

Director: _____

Address: _____

Director: _____

Address: _____

B. OFFICERS

President: see attached list of officers

Address: _____

Vice President: _____

Address: _____


Secretary: _____

Address: _____

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DIVISION OF CORPORATIONS
98 APR - 7 PM 12: 23

Treasurer: _____
 Address: _____

NOTE: If necessary, you may attach an addendum to the application listing additional officers and/or directors.

13. 
 (Signature of Chairman, Vice Chairman, or any officer listed in number 12 of the application)

14. D. Gregory Smith, President
 (Typed or printed name and capacity of person signing application)

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 SECRETARY OF STATE
 DIVISION OF CORPORATIONS
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Appendix to Florida
Application by Fgn. Corp. for Authorization to Transact Business in Florida

Officers of
Z-Tel Communications, Inc.

1. D. Gregory Smith, P/S/T
777 S. Harbour Island Blvd., Suite 990
Tampa, Florida 33602

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