

### APPLICATION

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

991264-TX

**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:

Teletyne Incorporated

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

Teletyne Incorporated

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

4286 Woodbine Road, Ste B  
Pace, FL 32571

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

4286 Woodbine Road, Ste B  
Pace, FL 32571

6. Structure of organization:

- ( ) Individual (  ) Corporation  
( ) Foreign Corporation ( ) Foreign Partnership  
( ) General Partnership ( ) Limited Partnership  
( ) Other \_\_\_\_\_

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:**

\_\_\_\_\_

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

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

\_\_\_\_\_ F97000006459 \_\_\_\_\_

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:**

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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): 63-1194114

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.

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(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.

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

(a) The application:

Name: Chris Stevens

Title: Office Manager

Address: 4286 Woodbine Rd Srk B

City/State/Zip: Pae FL 32571

Telephone No.: 850-995-8807 Fax No.: 850-995-8372

Internet E-Mail Address: Teletype (&) @ AOL . com

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

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

Name: Chris Stevens

Title: Office Manager

Address: 4286 Woodbine Rd, Srk B

City/State/Zip: Pae FL 32571

Telephone No.: 850-995-8807 Fax No.: 850-995-8372

Internet E-Mail Address: Teletype (&) @ AOL . com

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

(c) Complaints/Inquiries from customers:

Name: Chris Stevens

Title: Office Manager

Address: 4276 Woodbine Rd Ste B

City/State/Zip: Pace FL 32571

Telephone No.: 850-995-8801 Fax No.: 850-995-8372

Internet E-Mail Address: TeleType Cs @ AOL.com

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

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

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

none

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(f) has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

none

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18. Submit the following:

A. Financial capability.

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

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

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

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

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

1. **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.
- B. Managerial capability: give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.
- C. 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.

**\*\* 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. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
4. **APPLICATION FEE:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

**UTILITY OFFICIAL:**

|           |                                |               |                     |
|-----------|--------------------------------|---------------|---------------------|
| Signature | <u><i>Beller</i></u>           | Date          | <u>P-30-99</u>      |
| Title     | <u>President</u>               | Telephone No. | <u>850-995-8807</u> |
| Address:  | <u>4286 Woodlane Rd, Ste B</u> | Fax No.       | <u>850-995-8372</u> |
|           | <u>Pace, FL 32571</u>          |               |                     |

**ATTACHMENTS:**

- A - CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT
- B - INTRASTATE NETWORK
- C - AFFIDAVIT



**CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT**

I, (Name) Jorge Bellas

(Title) President of (Name of Company)

Teletyne Incorporated

and current holder of Florida Public Service Commission Certificate Number # T-9 70449

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

- ( ) sale
- ( ) transfer
- ( ) assignment

of the above-mentioned certificate.

**UTILITY OFFICIAL:**

Jorge Bellas  
Signature

8-30-99  
Date

President  
Title

850-995-8807  
Telephone No.

Address: 4286 Woodbine Rd, Ste B  
Paq, FL 32571

850-995-8372  
Fax No.

**INTRASTATE NETWORK** (if available)

Chapter 25-24.825 (5), Florida Administrative Code, requires the company to make available to staff the alternative local exchange service areas only upon request.

**1. POP:** Addresses where located, and indicate if owned or leased.

1) 555 Cassidy Ave 2) Owned  
Jacksonville, FL \_\_\_\_\_  
3) \_\_\_\_\_ 4) \_\_\_\_\_  
\_\_\_\_\_

**2. SWITCHES:** Address where located, by type of switch, and indicate if owned or leased.

1) 555 Cassidy Ave 2) \_\_\_\_\_  
Jacksonville, FL NACT-owned  
3) \_\_\_\_\_ 4) \_\_\_\_\_  
\_\_\_\_\_

**3. TRANSMISSION FACILITIES:** POP-to-POP facilities by type of facilities (microwave, fiber, copper, satellite, etc.) and indicate if owned or leased.

| <u>POP-to-POP</u> | <u>OWNERSHIP</u> |
|-------------------|------------------|
| 1) <u>Fiber</u>   | <u>leased</u>    |
| 2) _____          | _____            |
| 3) _____          | _____            |
| 4) _____          | _____            |

**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:

|           |                         |               |                     |
|-----------|-------------------------|---------------|---------------------|
| Signature | <u><i>J. Baker</i></u>  | Date          | <u>8-30-99</u>      |
| Title     | <u>President</u>        | Telephone No. | <u>850-995-8807</u> |
| Address:  | <u>4286 Woodbine Rd</u> | Fax No.       | <u>850-995-8372</u> |
|           | <u>Ste B</u>            |               |                     |
|           | <u>Pace, FL 32571</u>   |               |                     |
|           |                         |               |                     |
|           |                         |               |                     |



4286 Woodbine Rd., Ste. B • Pace, FL 32571  
Office (850) 995-8807 • Fax (850) 995-8372

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

August 30, 1999

Dear Public Service Commission,

Telefyne Incorporated financial records are true and correct

Telefyne Incorporated

A handwritten signature in black ink, appearing to read "Jorge Bellas", is written over the printed name. The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Jorge Bellas  
President



4286 Woodbine Rd., Ste. B • Pace, FL 32571  
Office (850) 995-8807 • Fax (850) 995-8372

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

August 30, 1999

Dear Public Service Commission,

We are enclosing our financials for Telefyne Incorporated. As you can see we have significant cash flow, and are able to meet our expense and our sales are continuing to increase.

We are applying for CLEC so Telefyne can provide relay services. We are contracting the relay service through DiscoverTec.

Sincerely,

A handwritten signature in black ink, appearing to read "Jorge Bellas". The signature is written in a cursive style with a prominent flourish at the end.

Jorge Bellas  
President

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COMPILED FINANCIAL STATEMENTS--INCOME TAX BASIS  
AND OTHER FINANCIAL INFORMATION

TELEFYNE, INC.

JULY 31, 1999



TELEFYNE, INC.  
STATEMENTS OF ASSETS, LIABILITIES, AND EQUITY (INCOME TAX BASIS)  
JULY 31, 1999

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LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

|                              |    |         |
|------------------------------|----|---------|
| Accounts payable             | \$ | 136,182 |
| Accounts payable--Amex       |    | 9,039   |
| Payroll taxes & withholdings |    | 6,127   |

|                           |  |                |
|---------------------------|--|----------------|
| TOTAL CURRENT LIABILITIES |  | <u>151,348</u> |
|---------------------------|--|----------------|

OTHER LIABILITIES

|                              |  |         |
|------------------------------|--|---------|
| Note payable-Shareholders    |  | 44,137  |
| Note payable-SouthTrust Bank |  | 100,000 |
| Note payable-Dell            |  | 1,607   |
| Note payable-Union Planters  |  | 24,037  |

|  |  |                |
|--|--|----------------|
|  |  | <u>169,781</u> |
|--|--|----------------|

SHAREHOLDERS' EQUITY

|  |  |                |
|--|--|----------------|
| Common Stock   |  | 1,000          |
| par value \$1.00 per share,<br>authorized 1,000 shares,<br>issued and outstanding 1,000 shares |  |                |
| Paid in Capital  |  | 49,000         |
| Retained earnings  |  | <u>209,884</u> |

|  |  |                |
|--|--|----------------|
|  |  | <u>259,884</u> |
|--|--|----------------|

|  |    |                |
|--|----|----------------|
|  | \$ | <u>581,013</u> |
|--|----|----------------|

See accountant's compilation report



TELEFYNE, INC.  
STATEMENT OF REVENUES AND EXPENSES (INCOME TAX BASIS)  
PERIOD ENDED JULY 31, 1999

|                          | 1 Month Ended     |              | 7 Months Ended    |              |
|--------------------------|-------------------|--------------|-------------------|--------------|
|                          | July 31, 1999     | Pct          | July 31, 1999     | Pct          |
| <b>SALES</b>             | \$ 493,771        | 100.00       | \$ 1,421,966      | 100.00       |
| <b>COST OF SALES</b>     | <u>304,031</u>    | <u>61.57</u> | <u>875,647</u>    | <u>61.58</u> |
| <b>GROSS PROFIT</b>      | 189,740           | 38.43        | 546,319           | 38.42        |
| <b>EXPENSES</b>          |                   |              |                   |              |
| Salaries                 | 21,828            | 4.42         | 135,488           | 9.53         |
| Advertising              | 82                | 0.02         | 1,020             | 0.07         |
| Auto and truck expense   | 0                 | 0.00         | 126               | 0.01         |
| Bank charges             | 146               | 0.03         | 5,609             | 0.39         |
| Consulting fees          | 1,000             | 0.20         | 1,000             | 0.07         |
| Commissions              | 1,867             | 0.38         | 12,855            | 0.90         |
| Depreciation             | 2,808             | 0.57         | 16,139            | 1.13         |
| Dues and subscriptions   | 22                | 0.00         | 22                | 0.00         |
| Entertainment            | 63                | 0.01         | 170               | 0.01         |
| Engineering expense      | 2,803             | 0.57         | 18,749            | 1.32         |
| Equipment rental         | 0                 | 0.00         | 46,374            | 3.26         |
| Continued education      | 0                 | 0.00         | 774               | 0.05         |
| Gifts and flowers        | 149               | 0.03         | 160               | 0.01         |
| Insurance                | 1,101             | 0.22         | 10,418            | 0.73         |
| Interest                 | 322               | 0.07         | 2,661             | 0.19         |
| Legal and accounting     | 773               | 0.16         | 4,792             | 0.34         |
| Licenses and permits     | 40                | 0.01         | 1,827             | 0.13         |
| Meals                    | 165               | 0.03         | 546               | 0.04         |
| Miscellaneous            | 774               | 0.16         | 1,264             | 0.09         |
| Office supplies          | 249               | 0.05         | 4,296             | 0.30         |
| Postage and shipping     | 1,970             | 0.40         | 7,237             | 0.51         |
| Renewal commissions      | 0                 | 0.00         | 5,056             | 0.36         |
| Rent                     | 1,149             | 0.23         | 12,733            | 0.90         |
| Repair and maintenance   | 15                | 0.00         | 15                | 0.00         |
| Supplies                 | 131               | 0.03         | 176               | 0.01         |
| Taxes                    | 16,611            | 3.36         | 33,427            | 2.35         |
| Telephone                | 4,314             | 0.87         | 18,195            | 1.28         |
| Travel                   | 2,417             | 0.49         | 6,137             | 0.43         |
| Utilities                | 194               | 0.04         | 793               | 0.06         |
| Total other expenses     | <u>60,993</u>     | <u>12.35</u> | <u>348,059</u>    | <u>24.48</u> |
|                          | 128,747           | 26.07        | 198,260           | 13.94        |
| Total other income--net  | <u>1</u>          | <u>0.00</u>  | <u>49</u>         | <u>0.00</u>  |
| <b>NET INCOME (LOSS)</b> | <u>\$ 128,748</u> | <u>26.07</u> | <u>\$ 198,309</u> | <u>13.95</u> |

See accountant's compilation report

TELEFYNE, INC.  
STATEMENT OF RETAINED EARNINGS  
SEVEN MONTHS ENDED JULY 31, 1999

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|  |    |                 |
|--|----|-----------------|
| Retained earnings beginning of year                | \$ | 29,353          |
| Current period income (loss)                       |    | 198,309         |
| Distributions                                      |    | <u>(17,778)</u> |
| Retained earnings seven months ended July 31, 1999 | \$ | <u>209,884</u>  |

See accountant's compilation report

TELEFYNE, INC.  
 STATEMENT OF CASH FLOWS--INCOME TAX BASIS  
 FOR THE SEVEN MONTHS ENDED JULY 31, 1999  
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

|   |                   |
|---|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                       |                   |
| Net income  | \$ 198,309        |
| Adjustments to reconcile net income to net cash provided by operating activities: |                   |
| Depreciation and amortization   | 16,139            |
| Changes in operating assets and liabilities:                                      |                   |
| Decrease in accounts receivable   | 50,608            |
| Increase in inventories   | (33,199)          |
| Decrease in prepaid expenses  | 1,495             |
| Increase in accounts payable and accrued expenses                                 | 129,758           |
| Decrease in interest and taxes payable  | (6,365)           |
|   | <u>158,436</u>    |
| Total adjustments   | 158,436           |
| Net cash provided by operating activities   | 356,745           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                       |                   |
| Purchases of property and equipment   | (56,772)          |
|   | <u>(56,772)</u>   |
| Net cash used in investing activities   | (56,772)          |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                       |                   |
| Proceeds from borrowings  | 2,285             |
| Principal payments on borrowings  | (13,178)          |
| Dividends paid  | (17,778)          |
|   | <u>(28,671)</u>   |
| Net cash used in financing activities   | (28,671)          |
| Net increase in cash and cash equivalents   | 271,302           |
| Cash and cash equivalents at beginning of year                                    | <u>61,885</u>     |
| Cash and cash equivalents at July 31, 1999  | <u>\$ 333,187</u> |

See accountant's compilation report

**OTHER FINANCIAL INFORMATION**

## TELEFYNE, INC.

STATEMENTS OF REVENUES AND EXPENSES (INCOME TAX BASIS) --SUPPORTING SCHEDULE  
PERIOD ENDED JULY 31, 1999

|                              | 1 Month Ended<br>July 31, 1999 |               | 7 Months Ended<br>July 31, 1999 |               |
|------------------------------|--------------------------------|---------------|---------------------------------|---------------|
|                              |                                | Pct           |                                 | Pct           |
| <b>SALES:</b>                |                                |               |                                 |               |
| Sales                        | \$ 493,774                     | 100.00        | \$ 1,421,996                    | 100.00        |
| Sales returns and allowances | (3)                            | 0.00          | (30)                            | 0.00          |
| TOTAL                        | <u>\$ 493,771</u>              | <u>100.00</u> | <u>\$ 1,421,966</u>             | <u>100.00</u> |
| <b>COST OF SALES:</b>        |                                |               |                                 |               |
| Phone card production        | \$ 15,439                      | 3.13          | \$ 41,485                       | 2.92          |
| T-1 call processing          | 9,871                          | 2.00          | 60,641                          | 4.26          |
| Long-distance                | 278,721                        | 56.45         | 773,521                         | 54.40         |
| TOTAL                        | <u>\$ 304,031</u>              | <u>61.57</u>  | <u>\$ 875,647</u>               | <u>61.58</u>  |
| <b>SALARIES:</b>             |                                |               |                                 |               |
| Salaries--officers           | \$ (11,300)                    | (2.29)        | \$ 28,850                       | 2.03          |
| Salaries                     | 33,128                         | 6.71          | 106,638                         | 7.50          |
| TOTAL                        | <u>\$ 21,828</u>               | <u>4.42</u>   | <u>\$ 135,488</u>               | <u>9.53</u>   |
| <b>INSURANCE:</b>            |                                |               |                                 |               |
| Insurance--group             | \$ 551                         | 0.11          | \$ 4,851                        | 0.34          |
| Insurance--other             | 550                            | 0.11          | 5,567                           | 0.39          |
| TOTAL                        | <u>\$ 1,101</u>                | <u>0.22</u>   | <u>\$ 10,418</u>                | <u>0.73</u>   |
| <b>TAXES:</b>                |                                |               |                                 |               |
| Taxes--payroll               | \$ 1,666                       | 0.34          | \$ 12,256                       | 0.86          |
| Taxes--other                 | 14,945                         | 3.03          | 21,171                          | 1.49          |
| TOTAL                        | <u>\$ 16,611</u>               | <u>3.36</u>   | <u>\$ 33,427</u>                | <u>2.35</u>   |
| <b>OTHER INCOME--NET:</b>    |                                |               |                                 |               |
| Interest income              | \$ 1                           | 0.00          | \$ 49                           | 0.00          |
|                              | <u>\$ 1</u>                    | <u>0.00</u>   | <u>\$ 49</u>                    | <u>0.00</u>   |
| TOTAL                        | <u>\$ 0</u>                    | <u>0.00</u>   | <u>\$ 0</u>                     | <u>0.00</u>   |

See accountant's compilation report



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COMPILED FINANCIAL STATEMENTS--INCOME TAX BASIS  
AND OTHER FINANCIAL INFORMATION

TELEFYNE, INC.

DECEMBER 31, 1998

TELEFYNE, INC.

STATEMENTS OF ASSETS, LIABILITIES, AND EQUITY (INCOME TAX BASIS)

DECEMBER 31, 1998

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ASSETS

CURRENT ASSETS

|                         |    |              |
|-------------------------|----|--------------|
| Cash-Nations Bank       | \$ | 54,392       |
| Cash-SouthTrust Bank    |    | 7,493        |
| Accounts receivable     |    | 142,175      |
| Inventory-Phone Cards   |    | 14,259       |
| Inventory-Long Distance |    | 9,800        |
| Prepaid expenses        |    | <u>2,350</u> |
| TOTAL CURRENT ASSETS    |    | 230,469      |

OTHER ASSETS

|                   |  |               |
|-------------------|--|---------------|
| Security deposits |  | 10,368        |
|                   |  | <u>10,368</u> |

PROPERTY AND EQUIPMENT

|                               |    |                |
|-------------------------------|----|----------------|
| Furniture & fixtures          |    | 758            |
| Equipment                     |    | 76,668         |
|                               |    | <u>77,426</u>  |
| Less accumulated depreciation |    | <u>30,280</u>  |
|                               |    | <u>47,146</u>  |
|                               | \$ | <u>287,983</u> |

See accountant's compilation report



TELEFYNE, INC.

STATEMENTS OF ASSETS, LIABILITIES, AND EQUITY (INCOME TAX BASIS)  
DECEMBER 31, 1998

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LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

|                              |    |       |
|------------------------------|----|-------|
| Accounts payable             | \$ | 8,145 |
| Accounts payable--other      |    | 8,475 |
| Payroll taxes & withholdings |    | 4,970 |
| Accrued liabilities          |    | 6,366 |

TOTAL CURRENT LIABILITIES 27,956

OTHER LIABILITIES

|                              |                |
|------------------------------|----------------|
| Note payable-Shareholders    | 44,137         |
| Note payable-SouthTrust Bank | 100,000        |
| Note payable-First Union     | 1,200          |
| Note payable-Union Planters  | 35,337         |
|                              | <u>180,674</u> |

SHAREHOLDERS' EQUITY

|  |                   |
|--|-------------------|
| Common Stock   | 1,000             |
| par value \$1.00 per share,<br>authorized 1,000 shares,<br>issued and outstanding 1,000 shares |                   |
| Paid in Capital  | 49,000            |
| Retained earnings  | <u>29,353</u>     |
|  | <u>79,353</u>     |
|  | <u>\$ 287,983</u> |

See accountant's compilation report

TELEFYNE, INC.  
 STATEMENT OF REVENUES AND EXPENSES (INCOME TAX BASIS)  
 PERIOD ENDED DECEMBER 31, 1998

|                          | 12 Months Ended<br>Dec. 31, 1998 | Pct          |
|--------------------------|----------------------------------|--------------|
| <b>SALES</b>             | \$ 1,373,496                     | 100.00       |
| <b>COST OF SALES</b>     | <u>1,000,577</u>                 | <u>72.85</u> |
| <b>GROSS PROFIT</b>      | 372,919                          | 27.15        |
| <b>EXPENSES</b>          |                                  |              |
| Salaries                 | 134,971                          | 9.83         |
| Advertising              | 1,727                            | 0.13         |
| Auto and truck expense   | 84                               | 0.01         |
| Bad debt                 | 19,500                           | 1.42         |
| Bank charges             | 7,495                            | 0.55         |
| Consulting fees          | 13,310                           | 0.97         |
| Commissions              | 13,451                           | 0.98         |
| Contract labor           | 2,000                            | 0.15         |
| Depreciation             | 30,280                           | 2.20         |
| Dues and subscriptions   | 13                               | 0.00         |
| Engineering expense      | 9,543                            | 0.69         |
| Equipment rental         | 572                              | 0.04         |
| Insurance                | 4,833                            | 0.35         |
| Interest                 | 9,225                            | 0.67         |
| Legal and accounting     | 12,987                           | 0.95         |
| Licenses and permits     | 313                              | 0.02         |
| Meals                    | 111                              | 0.01         |
| Miscellaneous            | 250                              | 0.02         |
| Office supplies          | 4,709                            | 0.34         |
| Postage and shipping     | 12,294                           | 0.90         |
| Renewal commissions      | 9,837                            | 0.72         |
| Rent                     | 19,154                           | 1.39         |
| Taxes                    | 13,393                           | 0.98         |
| Telephone                | 20,806                           | 1.51         |
| Travel                   | 2,044                            | 0.15         |
| Utilities                | <u>921</u>                       | <u>0.07</u>  |
| Total other expenses     | <u>343,823</u>                   | <u>25.03</u> |
| Total other income--net  | 29,096                           | 2.12         |
| <b>NET INCOME (LOSS)</b> | <u>\$ 29,351</u>                 | <u>2.14</u>  |

See accountant's compilation report

TELEFYNE, INC.  
STATEMENT OF RETAINED EARNINGS  
TWELVE MONTHS ENDED DECEMBER 31, 1998

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|  |    |                      |
|--|----|----------------------|
| Retained earnings beginning of year                | \$ | 2                    |
| Current period income (loss)                       |    | <u>29,351</u>        |
| Retained earnings twelve months ended Dec. 31, 199 | \$ | <u><u>29,353</u></u> |

See accountant's compilation report

TELEFYNE, INC.  
 STATEMENT OF CASH FLOWS--INCOME TAX BASIS  
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1998  
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

|   |                  |
|---|------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                   |                  |
| Net income  | \$ 29,351        |
| Adjustments to reconcile net income to net cash used in operating activities: |                  |
| Depreciation and amortization   | 30,280           |
| Changes in operating assets and liabilities:                                  |                  |
| Increase in accounts receivable   | (142,175)        |
| Increase in inventories   | (24,059)         |
| Increase in prepaid expenses  | (2,350)          |
| Increase in accounts payable and accrued expenses                             | 21,592           |
| Increase in interest and income taxes payable                                 | 6,366            |
| Total adjustments   | <u>(110,346)</u> |
| Net cash used in operating activities   | (80,995)         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                   |                  |
| Purchases of property and equipment   | (77,426)         |
| Security deposits paid  | (10,368)         |
| Net cash used in investing activities   | <u>(85,284)</u>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                   |                  |
| Proceeds from borrowings  | 185,597          |
| Principal payments on borrowings  | (4,923)          |
| Proceeds from stock sales   | 50,000           |
| Net cash provided by financing activities                                     | <u>230,674</u>   |
| Net increase in cash and cash equivalents                                     | 64,396           |
| Cash and cash equivalents at beginning of year                                | <u>0</u>         |
| Cash and cash equivalents at December 31, 1998                                | <u>\$ 61,885</u> |

See accountant's compilation report

**OTHER FINANCIAL INFORMATION**

TELEFYNE, INC.

STATEMENTS OF REVENUES AND EXPENSES (INCOME TAX BASIS) -- SUPPORTING SCHEDULE  
 PERIOD ENDED DECEMBER 31, 1998

|                              | 12 Months Ended<br>Dec. 31, 1998 | Pct           |
|------------------------------|----------------------------------|---------------|
| <b>SALES:</b>                |                                  |               |
| Sales                        | \$ 1,373,516                     | 100.00        |
| Sales returns and allowances | (20)                             | 0.00          |
| TOTAL                        | <u>\$ 1,373,496</u>              | <u>100.00</u> |
| <b>COST OF SALES:</b>        |                                  |               |
| Purchases                    | \$ 998,095                       | 72.67         |
| Customer Service Expense     | 2,482                            | 0.18          |
| TOTAL                        | <u>\$ 1,000,577</u>              | <u>72.85</u>  |
| <b>SALARIES:</b>             |                                  |               |
| Salaries--officers           | \$ 37,913                        | 2.76          |
| Salaries                     | 97,058                           | 7.07          |
| TOTAL                        | <u>\$ 134,971</u>                | <u>9.83</u>   |
| <b>INSURANCE:</b>            |                                  |               |
| Insurance--group             | \$ 2,883                         | 0.21          |
| Insurance--other             | 1,950                            | 0.14          |
| TOTAL                        | <u>\$ 4,833</u>                  | <u>0.35</u>   |
| <b>TAXES:</b>                |                                  |               |
| Taxes--payroll               | \$ 12,504                        | 0.91          |
| Taxes--other                 | 889                              | 0.06          |
| TOTAL                        | <u>\$ 13,393</u>                 | <u>0.98</u>   |
| <b>OTHER INCOME--NET:</b>    |                                  |               |
| Interest income              | \$ 255                           | 0.02          |
|                              | <u>\$ 255</u>                    | <u>0.02</u>   |
| TOTAL                        | <u>\$ 0</u>                      | <u>0.00</u>   |

See accountant's compilation report

**TELEFYNE, INC.**  
**STATEMENT OF CASH FLOWS--INCOME TAX BASIS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 1999**  
**INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**

|   |                  |
|---|------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                       |                  |
| Net income  | \$ 31,370        |
| Adjustments to reconcile net income to net cash provided by operating activities: |                  |
| Depreciation and amortization   | 6,118            |
| Changes in operating assets and liabilities:                                      |                  |
| Decrease in accounts receivable   | 33,295           |
| Decrease in inventories   | 1,870            |
| Decrease in prepaid expenses  | 641              |
| Decrease in accounts payable and accrued expenses                                 | (7,602)          |
| Decrease in interest and income taxes payable                                     | (6,366)          |
| Total adjustments   | <u>27,956</u>    |
| Net cash provided by operating activities   | 59,326           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                       |                  |
| Purchases of property and equipment   | (30,412)         |
| Net cash used in investing activities   | <u>(27,902)</u>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                       |                  |
| Principal payments on borrowings  | (5,117)          |
| Net cash used in financing activities   | <u>(5,117)</u>   |
| Net increase in cash and cash equivalents   | 26,308           |
| Cash and cash equivalents at beginning of year                                    | <u>61,885</u>    |
| Cash and cash equivalents at March 31, 1999                                       | <u>\$ 85,682</u> |

See accountant's compilation report

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

SERVICE COMMISSION

Original certificate (new company).

99 AUG 31 AM 8:45

MAIL ROOM

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.

DEPOSIT

DATE

2. Name of company:

D192

AUG 31 1999

Teletyne Incorporated

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

Teletyne Incorporated

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

4286 Woodbine Road, Ste B  
Pace, FL 32571

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

4286 Woodbine Road Ste B  
Pace FL 32571

|   |  |   |   |
|---|--|---|---|
| <p><b>TELEFYNE INCORPORATED</b><br/>         PH. 850-995-8807<br/>         4286 WOODBINE RD., STE. B<br/>         PACE, FL 32571</p>          |  | <p>NationsBank, N.A.<br/>         ACH R/T 083000047</p> | <p>4013<br/>         834/630 FL<br/>         1648</p> |
| <p>PAY TO THE ORDER OF Public Service Commission</p>  |  | <p>08/30/99</p>   |   |
| <p>**Two Hundred Fifty And 00/100 Dollars*****</p>  |  | <p>\$ 250.00</p>  |   |
| <p>Public Service Commission<br/>         Division Records &amp; Reporting, 2540 Shumard Oak Blvd<br/>         Tallahassee, FL 32399-0850</p> |  | <p>Christine Steven</p>                                 |   |
| <p>MEMO _____</p>   |  |   |   |