



210 N. Park Ave.  
Winter Park, FL  
32789

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

Tel: 407-740-8575  
Fax: 407-740-0613  
tmi@tminc.com

September 8, 1999  
**Overnight**

Blanca Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0870

991360-TJ

RE: Initial Application and Tariff for Authority to Provide Interexchange  
Telecommunications Services within the State of Florida  
**P.D.S., Inc., d/b/a Phone Debit Systems, Inc.**

Dear Ms. Bayo:

Enclosed for filing are the original and six (6) copies of the above-referenced application of P.D.S., Inc., d/b/a Phone Debit Systems, Inc. Also enclosed is a \$250 check to cover the filing fee.

Please acknowledge receipt of this filing by returning, filed stamped, the extra copy of this letter in the self-addressed stamped envelope.

I may be reached at (407) 740-8575 with any questions, comments or correspondence regarding this application. Thank you for your assistance.

Sincerely,

Monique Byrnes  
Consultant to  
P.D.S., Inc., d/b/a Phone Debit Systems, Inc.

cc: J. Clinger, PDS  
file: PDS - FL  
tms: fld9900

PAY TO THE ORDER OF  
~~Check received with filing and forwarded to Fiscal for deposit.~~  
Fiscal to forward a copy of check to R.A. [unclear] ONLY  
STATE TREASURER OF FLORIDA  
~~Initial of person who submitted check.~~  
INVOICE & ACCOUNTING  
LOCATION #6103000000  
1009062681

RECEIVED  
FLORIDA PUBLIC  
SERVICE COMMISSION  
99 SEP -9 AM 11:46  
MAIL ROOM

DOCUMENT NUMBER-DATE  
10869 SEP-9 98  
FPSC-RECORDS/REPORTING



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Florida Public Service Commission  
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Tallahassee, FL 32399-0870

DEPOSIT  
D194 \*\*  
DATE  
SEP 09 1999

991360-7

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**P.D.S., Inc., d/b/a Phone Debit Systems, Inc.**

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Please acknowledge receipt of this filing by returning, filed stamped, the extra copy of this letter in the self-addressed stamped envelope.

I may be reached at (407) 740-8575 with any questions, comments or correspondence regarding this application. Thank you for your assistance.

Sincerely,

*(M. ... Bayo)*

<b>TECHNOLOGIES MANAGEMENT, INC.</b> P.O. BOX 200 WINTER PARK, FL 32790-0200 (407) 740-8575		<b>BANK OF AMERICA</b> WINTER PARK, FL 32789 83-27/631	24105
PAY TO THE ORDER OF <b>Florida Public Service Commission</b>		\$ **250.00	9/8/1999
Two Hundred Fifty and 00/100*****			
Florida Public Service Commission Records & Reporting 2540 Shumard Oaks Blvd. Tallahassee, FL 32302-1500		10869-99 9/9/99	<b>TECHNOLOGIES MANAGEMENT, INC.</b> <i>C. W. ...</i> DOLLAR Security feature included. Details on back
MEMO	florida Public Service Commission		
#024105#			

**FLORIDA PUBLIC SERVICE COMMISSION  
DIVISION OF COMMUNICATIONS  
BUREAU OF SERVICE EVALUATION**

**APPLICATION FORM  
for  
AUTHORITY TO PROVIDE  
INTEREXCHANGE TELECOMMUNICATIONS SERVICE  
WITHIN THE STATE OF FLORIDA**

---

**Instructions**

- A. This form is used for an original application for a certificate and for approval of sale, assignment or transfer of an existing certificate. In case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or transferee (See Appendix A).
- B. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.
- C. Use a separate sheet for each answer which will not fit the allotted space.
- D. If you have questions about completing the form, contact:

**Florida Public Service Commission  
Division of Communications  
Bureau of Service Evaluation  
2540 Shumard Oak Boulevard  
Gunter Building  
Tallahassee, Florida 32399-0850  
(904) 413-6600**

- E. Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$250.00 to:

**Florida Public Service Commission  
Division of Administration  
2540 Shumard Oak Blvd.  
Gunter Building  
Tallahassee, Florida 32399-0850  
(904) 413-6251**

1. Select what type of business your company will be conducting (check all that apply):

- Facilities based carrier** - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.
- Operator Service Provider** - company provides or plans to provide alternative operator services for IXCs; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.
- Reseller** - company has or plans to have one or more switches but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.
- Switchless rebiller** - company has no switch or transmission facilities but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carrier. Rebills end users at a rate above its discount but generally below the rate end users would pay for unaggregated traffic.
- Multi-Location Discount Aggregator** - company contracts with unaffiliated entities to obtain bulk/volume discounts under multi-location discount plans from certain underlying carriers. Then offers the resold service by enrolling unaffiliated customers.
- Prepaid Debit Card Provider** - any person or entity that purchases 800 access from an underlying carrier or unaffiliated entity for use with prepaid debit card service and/or encodes the cards with personal identification numbers.

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

**Original Authority** (New company)

**Approval of transfer** (To another certificated company)

**Approval of assignment of existing certificate** (To a noncertificated company)

**Approval for transfer of control** (To another certificated company.)

3. Name of corporation, partnership, cooperative, joint venture or sole proprietorship:

**P.D.S., Inc.**

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

**Phone Debit Systems, Inc.**

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

Street: **17400 Dallas Parkway, Suite 114**

P.O. Box:

City, State: **Dallas, Texas**

Zip Code: **75287-7305**

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

Street: **5380 Hoffner Avenue**  
P.O. Box:  
City, State: **Dallas, Texas**  
Zip Code: **75287-7305**

7. Structure of organization:

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

8. If applicant is an individual or partnership, please give name, title and address of sole proprietor or partners.

**Not Applicable**

- (a) Provide proof of compliance with the foreign partnership statute (Chapter 620.169 FS), if applicable.
- (b) Indicate if the individual or any of the partners have previously been:
- (1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings.
  - (2) 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 the company, give reason why not.

9. If incorporated, please give:

- (a) Proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

Corporate charter number: **F9900003908**

- (b) Name and address of the company's Florida registered agent.

**NRAI Services, Inc.  
526 E. Park Avenue  
Tallahassee, FL 32301**

- (c) Provide proof of compliance with the fictitious name statute (Chapter 865.09 FS), if applicable.

Fictitious name registration number: **F9900003908**

- (d) Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

- (1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings.

**No officer, director or stockholder of the Company has been adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime. No officer, director or stockholder of the Company are involved in proceedings which may result in such action.**

- (2) 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 the company, give reason why not.

**No officer, director, partner or stockholder of the Company is an officer, director or stockholder in any other Florida certificated telephone company.**

10. Who will serve as liaison with the Commission in regard to (please give name, title, address and telephone number):

(a) The application:

**Monique Byrnes**  
**Consultant to P.D.S., Inc. d/b/a Phone Debit Systems, Inc.**  
**Technologies Management, Inc.**  
**P.O. Drawer 200**  
**Winter Park, FL 32790-0200**  
**Telephone: (407) 740-8575**  
**Facsimilie: (FAX) 740-0613**

(b) Official Point of Contact for the ongoing operations of the company:

**Joyce Clinger**  
**P.D.S., Inc., d/b/a Phone Debit Systems, Inc.**  
**17400 Dallas Parkway, Suite 114**  
**Dallas, Texas 75287-7305**  
**(972) 250-0383**

(c) Tariff:

**Monique Byrnes**  
**Consultant to P.D.S., Inc. d/b/a Phone Debit Systems, Inc.**  
**Technologies Management, Inc.**  
**P.O. Drawer 200**  
**Winter Park, FL 32790-0200**  
**Telephone: (407) 740-8575**  
**Facsimilie: (FAX) 740-0613**

(d) Complaints/Inquiries from customers:

**Joyce Clinger**  
**P.D.S., Inc., d/b/a Phone Debit Systems, Inc.**  
**17400 Dallas Parkway, Suite 114**  
**Dallas, Texas 75287-7305**  
**(972) 250-0383**



11. List the states in which the applicant:

(a) Has operated as an interexchange carrier.

**Colorado, Michigan, Montana, New Jersey, North Carolina**

(b) Has applications pending to be certificated as an interexchange carrier.

**Indiana,**

(c) Is certificated to operate as an interexchange carrier.

**Colorado, Michigan, Montana, New Jersey, North Carolina**

(d) Has been denied authority to operate as an interexchange carrier and the circumstances involved.

**Not applicable**

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

**Not applicable**

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

**None**

12. What services will the applicant offer to other certified telephone companies:

- |                                     |   |                          |           |
|-------------------------------------|---|--------------------------|-----------|
| <input type="checkbox"/>            | Facilities                                  | <input type="checkbox"/> | Operators |
| <input type="checkbox"/>            | Billing and Collection                      | <input type="checkbox"/> | Sales     |
| <input type="checkbox"/>            | Maintenance                                 |                          |           |
| <input checked="" type="checkbox"/> | Other: <b>None anticipated at this time</b> |                          |           |

13. Do you have a marketing program?

**Yes**

14. Will your marketing program:

- Pay commissions?
- Offer sales franchises?
- Offer multi-level sales incentives?
- Offer other sales incentives?

15. Explain any of the offers checked in question 14 (to whom, what amount, type of franchise, etc.).

**Phone Debit will offer prepaid debit cards through retail establishments.**

16. Who will receive the bills for your service (check all that apply)?

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Residential customers  | <input checked="" type="checkbox"/> Business customers |
| <input type="checkbox"/> PATS providers  | <input type="checkbox"/> PATS station end-users        |
| <input type="checkbox"/> Hotels & motels   | <input type="checkbox"/> Hotel & motel guests          |
| <input type="checkbox"/> Universities  | <input type="checkbox"/> Univ. dormitory residents     |
| <input checked="" type="checkbox"/> Other:(specify) <u>Anyone who uses the company's services.</u> |  |

17. Please provide the following (if applicable):

- (a) Will the name of your company appear on the bill for your services, and if not, who will the billed party contact to ask questions about the bill (provide name and phone number) and how is this information provided?

**The company proposes to offer prepaid card services initially, for which there is no customer billing.**

- (b) The name and address of the firm who will bill for your service.

**Not applicable**

18. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide interexchange telecommunications service in Florida.

A. Financial Capability

Regarding the showing of financial capability, the following applies:

The application should contain the applicant's financial statements for the most recent 3 years, including:

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

**See Attachment III.**

Further, a **written explanation**, which can include supporting documentation, regarding the following should be provided to show financial capability.

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

**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.

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 statements should then be signed by the applicant's chief executive officer and chief financial officer. The signatures should affirm that the financial statements are true and correct.

B. Managerial capability.

**See Attachment IV.**

C. Technical capability.

**As a reseller, Applicant relies on the technical expertise of its underlying carrier for maintenance of the network.**

19. Please submit the proposed tariff under which the company plans to begin operation. Use the format required by Commission Rule 25-24.485 (example enclosed).

**See Attachment II.**

20. The applicant will provide the following interexchange carrier services (Check all that apply):

**MTS with distance sensitive per minute rates**

- Method of access is FGA  
 Method of access is FGB  
 Method of access is FGD  
 Method of access is 800

**MTS with route specific rates per minute**

- Method of access is FGA  
 Method of access is FGB  
 Method of access is FGD  
 Method of access is 800

**MTS with statewide flat rates per minute (i.e. not distance sensitive)**

- Method of access is FGA  
 Method of access is FGB  
 Method of access is FGD  
 Method of access is 800

**MTS for pay telephone service providers.**

**Block of time calling plan (Reach Out Florida, Ring America, etc.)**

**800 Service (Toll free)**

**WATS type service (Bulk or volume discount)**

- Method of access is via dedicated facilities  
 Method of access is via switched facilities

**Private line services (Channel Services) (For ex. 1.544 mbps, DS-3, etc.)**

(x ) **Travel service**

( ) Method of access is 950

( x ) Method of access is 800

( ) **900 service**

( ) **Operator Services**

( ) Available to presubscribed customers

( ) Available to non presubscribed customers (for example, patrons of hotels, students in universities, patients in hospitals.

( ) Available to inmates

**Services included are:**

( ) Station assistance

( ) Person to person assistance

( ) Directory assistance

( ) Operator verify and interrupt

( ) Conference calling

21. What does the end user dial for each of the interexchange carrier services that were checked in services included (above).

**800 access number, plus identification number, plus the destination telephone number.**

22. Other:

**\*\* 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 its 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:**

A non-refundable application fee of \$250.00 must be submitted with the application.

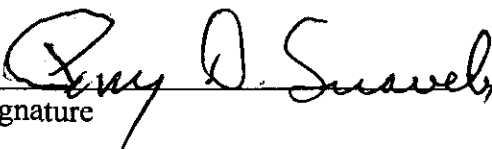
**5. RECEIPT AND UNDERSTANDING OF RULES:**

I acknowledge receipt and understanding of the Florida Public Service Commission's Rules and Orders relating to my provision of interexchange telephone service in Florida. I also understand that it is my responsibility to comply with all current and future Commission requirements regarding interexchange service.

**7. ACCURACY OF APPLICATION:**

By my signature below, I the undersigned owner or officer of the named utility in the application, attest to the accuracy of the information contained in this application and associated attachments. I have read the foregoing and declare that to the best of my knowledge and belief, the information is a true and correct statement. **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

8-21-99  
Date

\_\_\_\_\_  
Perry D. Snavely

\_\_\_\_\_  
(972) 250-0383

**APPENDICES:**

- A - CERTIFICATE TRANSFER STATEMENT
- B - CUSTOMER DEPOSITS AND ADVANCE PAYMENTS
- C - INTRASTATE NETWORK
- D - FLORIDA TELEPHONE EXCHANGES AND EAS ROUTES

**ATTACHMENTS:**

- I - AUTHORITY TO OPERATE IN FLORIDA
- II - PROPOSED TARIFF
- III - FINANCIAL STATEMENTS
- IV - MANAGERIAL AND TECHNICAL CAPABILITIES

**\*\* APPENDIX A \*\***

**CERTIFICATE OF TRANSFER STATEMENT**

I, \_\_\_\_\_ of \_\_\_\_\_, and current holder of certificate number \_\_\_\_\_, have reviewed this application and join in the petitioner's request for a transfer of the above-mention certificate.

**Not Applicable**

**UTILITY OFFICIAL:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
Telephone



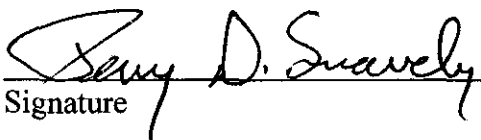
**\*\* APPENDIX B \*\***

**CUSTOMER DEPOSITS AND ADVANCE PAYMENTS**

A statement of how the Commission can be assured of the security of the customer's deposits and advance payments may be responded to in one of the following ways (applicant please check one):

- The applicant will not collect deposits nor will it collect payments for service more than one month in advance.**
  
- The applicant will file with the Commission and maintain a surety bond in an amount equal to the current balance of deposits and advance payments in excess of one month. (Bond must accompany application.)**

UTILITY OFFICIAL:

  
Signature

8-21-99  
Date

Perry D. Snavelly, President  
P.D.S., Inc. d/b/a Phone Debit Systems, Inc.  
17400 Dallas Parkway, Suite 114  
Dallas, Texas 75287-7305  
(972) 250-0383

**\*\* APPENDIX C \*\***

**INTRASTATE NETWORK**

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

- 1) None.
- 2)
- 3)
- 4)

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

- 1) None.
- 2)
- 3)
- 4)

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

<b>POP-to-POP</b>	<b>TYPE</b>	<b>OWNERSHIP</b>
-------------------	-------------	------------------

- 1) None.
- 2)
- 3)

**4. ORIGINATING SERVICE: Please provide the list of exchanges where you are proposing to provide originating service within thirty (30) days after the effective date of the certificate. (Appendix D)**

Statewide

**5. TRAFFIC RESTRICTIONS: Please explain how the applicant will comply with the EAEA requirements contained in Commission Rule 25-24.471 (4)(a) (copy enclosed).**

Not applicable

6. **CURRENT FLORIDA INTRASTATE SERVICES:** Applicant has ( ) or has not (X) previously provided intrastate telecommunications in Florida. If the answer is has, fully describe the following:

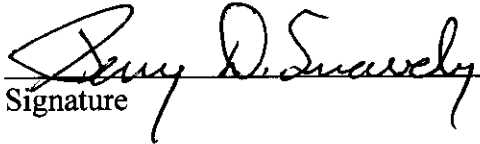
(a) What services have been provided and when did these service begin?

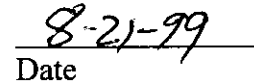
**Not applicable**

(b) If the services are not currently offered, when were they discontinued?

**Not applicable.**

**UTILITY OFFICIAL:**

  
Signature

  
Date

Perry D. Snavelly, President  
P.D.S., Inc. d/b/a Phone Debit Systems, Inc.  
17400 Dallas Parkway, Suite 114  
Dallas, Texas 75287-7305  
(972) 250-0383

**\*\* APPENDIX D \*\***

**FLORIDA TELEPHONE EXCHANGES  
AND  
EAS ROUTES**

Describe the service area in which you hold yourself out to provide service by telephone company exchange. If all services listed in your tariff are not offered at all locations, so indicate.

In an effort to assist you, attached is a list of major exchanges in Florida showing the small exchanges with which each has extended area service (EAS).

**\*\* FLORIDA EAS FOR MAJOR EXCHANGES \*\***

Extended Service Area with These Exchanges

PENSACOLA:	Cantonment, Gulf Breeze, Pace, Milton Holley-Navarre.
PANAMA CITY:	Lynn Haven, Panama City Beach, Youngstown-Fountain and Tyndall AFB.
TALLAHASSEE:	Crawfordville, Havana, Monticello, Panacea, Sopchoppy and St. Marks.
GAINESVILLE:	Alachua, Archer, Brooker, Hawthorne, High Springs, Melrose, Micanopy, Newberry and Waldo.
OCALA:	Bellevue, Citra, Dunnellon, Forest Lady Lake (B21), McIntosh, Iklawaha, Orange Springs, Salt Springs and Silver Springs Shores.
DAYTONA BEACH:	New Smyrna Beach.
TAMPA:	Central           None East               Plant City North              Zephyrhills South              Palmetto West               Clearwater
CLEARWATER:	St. Petersburg, Tampa-West and Tarpon Springs.

ST. PETERSBURG: Clearwater.

LAKELAND: Bartow, Mulberry, Plant City, Polk City and Winter Haven.

ORLANDO: Apopka, East Orange, Lake Buena Vista, Oviedo, Windermere, Winter Garden, Winter Park, Montverde, Reedy Creet, and Oviedo-Winter Springs.

WINTER PARK: Apopka, East Orange, Lake Buena Vista, Orlando, Oviedo, Sanford, Windermere, Winter Garden, Oviedo-Winter Springs, Reedy Creek, Geneva and Montverde.

TITUSVILLE: Cocoa and Cocoa Beach.

COCOA: Cocoa Beach, Eau Gallie, Melbourne and Titusville.

MELBOURNE: Cocoa, Cocoa Beach, Eau Gallie and Sebastian.

SARASOTA: Bradenton, Myakka and Venice.

FT. MYERS: Cape Coral, Ft. Myers Beach, North Cape Coral, North Ft. Myers, Pine Island, Lehigh Acres and Sanibel-Captiva Islands.

NAPLES: Marco Island and North Naples.

WEST PALM BEACH: Boynton Beach and Jupiter.

POMPANO BEACH: Boca Raton, Coral Springs, Deerfield Beach and Ft. Lauderdale.

FT. LAUDERDALE: Coral Springs, Deerfield Beach, Hollywood and Pompano Beach.

HOLLYWOOD: Ft. Lauderdale and North Dade.

NORTH DADE: Hollywood, Miami and Perrine.

MIAMI: Homestead, North Dade and Perrine.

**The company intends to offer service throughout the State of Florida.**

**ATTACHMENT I**

**AUTHORITY TO OPERATE IN FLORIDA**



**FLORIDA DEPARTMENT OF STATE**  
**Katherine Harris**  
**Secretary of State**

July 30, 1999

**BETH PERRIZO**  
**UNISEARCH, INC.**  
**1295 BANDANA BLVD. N., SUITE 300**  
**ST. PAUL, MN 55108**

Qualification documents for PDS, INC. doing business in Florida as PHONE DEBIT SYSTEMS, INC. were filed on July 28, 1999 and assigned document number F99000003908. 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.

**Michelle Hodges**  
**Document Specialist**  
**Division of Corporations**

**Letter Number: 299A00038844**

RESOLUTION

WHEREAS, the name of this corporation is presently being used by another corporation or business in the State of Florida,

WHEREAS, the corporation cannot obtain the use of this name,

THEREFORE, BE IT RESOLVED, that this corporation shall use the assumed name Phone Debit Systems, Inc. for transacting business in the State of Florida.

APPROVED on July 21, 1999, by the 100% vote of the Directors of PDS, Inc.

Joyce Clinger  
Joyce Clinger, Corporate Secretary

FILED  
SECRETARY OF STATE  
DIVISION OF CORPORATIONS  
99 JUL 28 AM 9:33



### 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. PDS, 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. Texas 3. 75-1387125  
(State or country under the law of which it is incorporated) (FEI number, if applicable)
- 4. 1-20-71 5. Perpetual  
(Date of incorporation) (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 817.155, F.S.)
- 7. 17400 Dallas Parkway, Suite 114  
Dallas, TX 75287  
(Current mailing address)

8. Telecommunication Services  
(Purpose(s) of corporation authorized in home state or country to be carried out in state of Florida)

9. Name and street address of Florida registered agent: (P.O. Box or Mail Drop Box **NOT** acceptable)

Name: NRAI Services, Inc.

Office Address: 526 E. Park Avenue  
Tallahassee, Florida, 32301  
(Zip code)

FILED  
SECRETARY OF STATE  
DIVISION OF CORPORATIONS  
99 JUL 28 AM 9:33

10. Registered agent's 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 obligations of my position as registered agent.*

*Both Ry*  
(Registered agent's signature) **Asst. Secretary**

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: (Street address ONLY - P.O. Box NOT acceptable)

**ATTACHMENT II**

**PROPOSED TARIFF**

TITLE PAGE  
FLORIDA TELECOMMUNICATIONS TARIFF  
OF  
**P.D.S., Inc.**  
**d/b/a Phone Debit Systems, Inc.**

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of resold telecommunication services provided by P.D.S., Inc. d/b/a Phone Debit Systems, Inc. with principal offices located at 17400 Dallas Parkway, #114, Dallas Texas 75287-7305. This tariff applies to services furnished within the State of Florida. This tariff is on file with the Florida Public Service Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business.

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**CHECK SHEET**

This tariff contains Sheets, as listed below, each of which is effective as of the date shown on each sheet. Original and revised sheets as named below comprise all changes from the original tariff.

<b>SHEET</b>	<b>REVISION</b>	<b>SHEET</b>	<b>REVISION</b>
1	Original *	21	Original *
2	Original *	22	Original *
3	Original *	23	Original *
4	Original *	24	Original *
5	Original *	25	Original *
6	Original *	26	Original *
7	Original *	27	Original *
8	Original *		
9	Original *		
10	Original *		
11	Original *		
12	Original *		
13	Original *		
14	Original *		
15	Original *		
16	Original *		
17	Original *		
18	Original *		
19	Original *		
20	Original *		

\* Indicates new or revised sheet with this filing

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**SYMBOLS**

The following are the only symbols used for the purposes indicated below:

- D** Delete or discontinue
- I** Change resulting in an increase to a Customer's bill
- M** Moved from another tariff location
- N** New
- R** Change resulting in a reduction to a Customer's bill
- T** Change in text or regulation but no change in rate or charge

When changes are made in any tariff sheet, a revised sheet will be issued canceling the tariff sheet affected. Changes will be identified on the revised sheet(s) through the use of the above mentioned symbols.

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## TARIFF FORMAT

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

**B. Sheet Revision Numbers** - Revision numbers also appear in the upper right corner of each sheet. These numbers are used to determine the most current sheet version on file with the FPSC. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc. the FPSC follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff sheet in effect. Consult the check sheet for sheet currently in effect.

**C. Paragraph Numbering Sequence** - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

- 2.
- 2.1.
- 2.1.1.
- 2.1.1.A.
- 2.1.1.A.1.
- 2.1.1.A.1.(a).
- 2.1.1.A.1.(a).I.
- 2.1.1.A.1.(a).I.(i).
- 2.1.1.A.1.(a).I.(i).(1).

**D. Check Sheets** - When a tariff filing is made with the FPSC, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new sheets are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (\*). There will be no other symbols used on the check sheet if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some sheets). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the FPSC.

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**SECTION 1.0 - TECHNICAL TERMS AND ABBREVIATIONS**

**1.1 Abbreviations**

The following abbreviations are used herein only for the purposes indicated below:

FCC	-	Federal Communications Commission
FPSC	-	Florida Public Service Commission
Phone Debit	-	P.D.S., Inc. d/b/a Phone Debit Systems, Inc.
IXC	-	Interexchange Carrier
LEC	-	Local Exchange Carrier

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**SECTION 1.0 - TECHNICAL TERMS AND ABBREVIATIONS, (Cont'd)**

**1.2 Definitions**

**Authorization Code** - A pre-defined series of numbers to be dialed by the Customer or End User upon access to the Company's system to notify the caller and validate the caller's authorization to use the services provided. The Customer is responsible for charges incurred through the use of his or her assigned Authorization Code.

**Available Usage Balance** - The amount of usage remaining on a Prepaid Account at any particular point in time. Each Prepaid Account has an Initial Account Balance which is stated either in U.S. dollars or Call Units, depending upon the type of service. The Available Balance is depleted as services provided by the Company are utilized by the Customer.

**Commission** - The Florida Public Service Commission.

**Company or Carrier** - P.D.S., Inc. d/b/a Phone Debit Systems, Inc. unless otherwise clearly indicated by the context.

**Customer** - Any person, firm, partnership, corporation, or other entity which uses telecommunications services under the provisions and regulations of this tariff and is responsible for payment of charges.

**Initial Usage Balance** - The amount of usage on a Prepaid Account upon issuance and before any depleting call activity.

**LEC** - Local Exchange Company

**Marks** - A collective term to mean such items as trademarks, service marks, trade names and logos; copyrighted words, artwork, designs, pictures or images; or any other device or merchandise to which legal rights or ownership are held or reserved by an entity.

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**SECTION 1.0 - TECHNICAL TERMS AND ABBREVIATIONS, (Cont'd)**

**1.2 Definitions, (Cont'd)**

**Personal Identification Number (PIN)** - A numeric or alpha-numeric sequence which uniquely identifies a travel card or Prepaid card account. See Authorization Code.

**Prepaid Account** - An account which consists of a pre-paid usage balance depleted on a real-time basis during each Prepaid Service call.

**Prepaid Card** - A card issued by the Company which provides the Customer with a Personal Identification Number (PIN) and instructions for accessing the Carrier's network.

**Prepaid Service Call** - A service accessed via a "1-800" or other access code dialing sequence whereby the Customer or Authorized User dials all of the digits necessary to route a call. Network usage for each call is deducted from the available usage balance on a Company issued Prepaid Account.

**Renewal** - A method of replenishing a Prepaid Account's Available Usage Balance with additional minutes of usage as authorized and paid for by the Customer.

**Sponsor** - A corporation or other legal entity that exclusively permits the use of its Marks to the company for use with telephone cards or other merchandise, and contracts with the company for the marketing of the services described herein.

**Subscriber** - The person or legal entity which enters into arrangements for the Company's telecommunications services on behalf of him/her self or on behalf of a transient third party. A Subscriber may also be an End User when he/she utilizes the telecommunications services of P.D.S., Inc.

**Phone Debit** - P.D.S., Inc. d/b/a Phone Debit Systems, Inc., issuer of this tariff.

**V & H Coordinates** - Geographic points which define the originating and terminating points of a call in mathematical terms so that the airline mileage of the call may be determined. Call mileage is used for the purpose of rating calls.

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**SECTION 2.0 - RULES AND REGULATIONS**

**2.1 Undertaking of the Company**

Phone Debit's services and facilities are furnished for communications originating at specified points within the state of Florida under terms of this tariff. Phone Debit installs, operates, and maintains the communications services provided hereinunder in accordance with the terms and conditions set forth under this tariff.

**2.2 Applicability of Tariff**

This tariff is applicable to telecommunications services provided by Phone Debit within the state of Florida.

**2.3 Limitations of Service**

**2.3.1** Service will be furnished subject to the availability of the necessary facilities and/or equipment and subject to the provisions of this tariff.

**2.3.2** Phone Debit reserves the right to discontinue furnishing service when necessitated by conditions beyond its control, or when the Customer is using the service in violation of the provisions of this tariff, or in violation of law.

**2.3.3** The Company does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission or for failure to establish connections.

**2.3.4** Phone Debit reserves the right to discontinue the offering of service if a change in regulation materially and negatively impacts the financial viability of the service in the best business judgment of the Company.

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**SECTION 2.0 - RULES AND REGULATIONS, (Cont'd)**

**2.4 Liability**

- 2.4.1** The liability of the Company for any claim or loss, expense or damage (including indirect, special, or consequential damage) for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff shall not exceed an amount equivalent to the proportionate charges to the Customer for the period of service or the facility provided during which such interruption, delay, error, omission, or defect occurs.
- 2.4.2** The Company shall not be liable for any claim or loss, expense, or damage (including indirect, special, or consequential damage), for any interruption, delay, error, omission, or other defect in any service facility, or transmission provided under this tariff, if caused by any person or entity other than the Company, by any malfunction of any service or facility provided by any other carrier, by any act of God, fire, war, civil disturbance, or act of government, or by any other cause beyond the Company's direct control, unless ordered by the Commission.
- 2.4.3** The Company shall not be liable for, and shall be fully indemnified and held harmless by Customer and Subscriber against any claim or loss, expense, or damage, (i) for defamation, invasion of privacy, infringement of copyright or patent, unauthorized use of any trademark, trade name, or service mark, unfair competition, interference with or misappropriation or violation of any contract, proprietary or creative right, or any other injury to any person, property, or entity arising from the material data, information, or content revealed to, transmitted, processed, handled, or used by Company under this tariff, or (ii) for connecting, combining, or adapting Company's facilities with Customer's or Subscriber's apparatus or systems, or (iii) for any act or omission of the Customer or Subscriber, or (iv) for any personal injury or death of any person, or for any loss of or damage to Subscriber's or Customer's premises or any other property, whether owned by Customer, Subscriber or others, caused directly or indirectly by the installation, maintenance, location, condition, operation, failure or removal of equipment or wiring provided by the Company if not directly caused by negligence of the Company.

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**SECTION 2.0 - RULES AND REGULATIONS, (Cont'd)**

**2.4 Liability, (Cont'd)**

**2.4.4** The Company shall not be liable for any claim, loss, or refund as a result of loss or theft of Prepaid Cards or Personal Identification Numbers issued for use with the Company's services. Nor will the Company be liable for any claim, loss or refund on any unused balance remaining on a Prepaid Card provided to a Customer before or after the expiration date assigned to each Prepaid Account.

**2.5 Payment and Credit Regulations**

**2.5.1 Payment Arrangements**

For Subscriber Services, all charges due by the Customer are payable to any agency duly authorized to receive such payments. This includes payment for calls or services originated at the Customer's number(s); placed using a Prepaid Card as a form of payment regardless of the purchaser of the card or the originating location of the call; incurred at the specific request of the Customer.

Payments for service provided in association with Company-issued Prepaid Accounts must be received by the Company or its authorized agent prior to the activation of the Customer's Prepaid Account. The Customer shall be responsible for all calls placed via the Prepaid Account as the result of the Customer's intentional or negligent disclosure of their Personal Identification Number (PIN).

Renewal of Customer Account Balances made by charges to commercial credit cards are subject to the terms and conditions of the issuing commercial credit card company and those of Phone Debit's credit card processing agent. Renewals of Customer Account Balances made by cashier's checks are subject to the terms and conditions of the issuing financial institution.

**2.5.2 Deposits**

The Company does not collect deposits from its Customers. The prepayment for services which are immediately available to the Customer does not constitute a deposit.

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**SECTION 2.0 - RULES AND REGULATIONS, (Cont'd)**

**2.5 Payment and Credit Regulations, (Cont'd)**

**2.5.3 Advance Payments**

The Company does not collect advance payments from its Customers. The prepayment of services immediately available does not constitute an Advance Payment.

**2.5.4 Taxes**

Federal, state and local taxes, including but not limited to federal excise tax, state gross receipts taxes, sales taxes, and municipal utilities taxes are listed as separate line items on the bill. For pre-paid services, taxes and fees shall be included in the rates and charges stated in the Company's rate schedule for this service.

**2.5.5 Returned Checks**

The Company reserves the right to assess a return check charge of up to \$20.00 or 5% of the balance due (whichever is greater) whenever a check or draft presented for payment of service is not accepted by the institution on which it is written.

**2.5.6 Late Payment Charge**

A late fee of 1.5% per month will be charged on any past due balance.

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**SECTION 2.0 - RULES AND REGULATIONS, (Cont'd)**

**2.6 Refunds or Credits for Service Outages or Deficiencies**

**2.6.1 Interruption of Service**

Credit allowances for interruptions of service which are not due to the Carrier's testing or adjusting, to the negligence of the Customer, or to the failure of channels, equipment or communications systems provided by the Customer, are subject to the general liability provisions set forth in Section 2.4.2 herein. It shall be the obligation of the Customer to notify Carrier immediately of any interruption in service for which a credit allowance is desired by Customer. Before giving such notice, Customer shall ascertain that the trouble is not within his or her control or is not in wiring or equipment, if any, furnished by the Customer and connected to Carrier's terminal.

Credit allowances for interruptions of service caused by service outages or deficiencies are limited to the initial minimum period call charges for re-establishing the interrupted call.

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**SECTION 2.0 - RULES AND REGULATIONS, (Cont'd)**

**2.7 Refusal or Discontinuance by Company**

Phone Debit. may refuse or discontinue service for non-compliance with and/or violation of any Federal, State or municipal law, ordinance or regulation pertaining to telephone service.

**2.7.1** Service may also be discontinued or refused without notice for the following conditions:

- .1** In the event of Customer use of equipment in such a manner as to adversely affect the company's equipment or the Company's service to others.
- .2** In the event of hazardous conditions or tampering with the equipment furnished and owned by the Company.
- .3** In the event of unauthorized or fraudulent use of service. If service is disconnected for fraudulent use, the Company may require the Customer to make, at his expense, all changes necessary to eliminate illegal use and pay any amount reasonably estimated as the loss in revenues resulting from such fraudulent use.

**2.7.2** Service may be discontinued after five (5) working days written notice for the following conditions:

- .1** For non-compliance with or violation of the Commission's regulations or the Company's rules and regulations on file with the Commission.
- .2** For nonpayment of bills for telephone service.

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**SECTION 2.0 - RULES AND REGULATIONS, (Cont'd)**

**2.7 Refusal or Discontinuance by Company, (Cont'd)**

**2.7.3** Service may be discontinued after notice and a reasonable time to comply with any rules or remedy any deficiency for the following conditions:

- .1** For non-compliance with or violation of any state or municipal law, ordinance or regulation pertaining to telephone service.
- .2** For the use of telephone service for any other property or purpose than described in this tariff.
- .3** For failure or refusal to provide the Company with a deposit.
- .4** For neglect or refusal to provide reasonable access to the Company for inspection and maintenance of equipment owned by the Company.

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**SECTION 2.0 - RULES AND REGULATIONS, (Cont'd)**

**2.8 Use of Service**

Service may be used for any lawful purpose for which it is technically suited. Customers reselling Phone Debit's Florida intrastate service must have a Certificate of Public Convenience and Necessity as an interexchange carrier from the Florida Public Service Commission.

**2.9 Applicable Law**

This tariff shall be subject to and construed in accordance with Florida law.

**2.10 Other Rules**

The Company may temporarily suspend service without notice to the Customer, by blocking traffic to certain cities or NXX exchanges, or by blocking calls using certain Personal Identification Numbers when the Company deems it necessary to take such action to prevent unlawful use of its service. The Company will restore service as soon as service can be provided without undue risk.

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**SECTION 3.0 - DESCRIPTION OF SERVICE**

**3.1 General**

Phone Debit provides Debit Card Services for communications originating and terminating within the State of Florida under terms of this tariff.

**3.2 Quality and Grade of Service Offered**

Minimum Call Completion Rate - Customers can expect a call completion rate of not less than 90% during peak use periods. The call completion rate is calculated as the number of calls completed (including calls completed to a busy line or to a line which remains unanswered by the called party) divided by the number of calls attempted.

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**SECTION 3.0 - DESCRIPTION OF SERVICE, (Cont'd)**

**3.3 Timing of Calls**

**3.3.1** Timing for all calls begins when the called party answers the call (i.e. when two way communications are established.) Answer detection is based on standard industry answer detection methods, including hardware and software answer detection.

**3.3.2** Chargeable time for all calls ends when either one of the parties disconnects from the call.

**3.3.3** Minimum call duration and additional billing increments are specified in Section 4.

**3.3.4** There is no billing applied for incomplete calls.

**3.4 Calculation of Distance**

The company does not offer distance sensitive rates.

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**SECTION 3.0 - DESCRIPTION OF SERVICE, (Cont'd)**

**3.5 Public Telephone Surcharge**

In order to recover the Company's expenses to comply with the FCC's pay telephone compensation plan effective on October 7, 1997 (FCC 97-371), an undiscountable per call charge is applicable to all interstate, intrastate and international calls that originate from any domestic pay telephone used to access the Company's services. This surcharge, which is in addition to standard tariffed usage charges and any applicable service charges and surcharges associated with the Company's service, applies for the use of the instrument used to access The Company service and is unrelated to the Company service accessed from the pay telephone.

Pay telephones include coin-operated and coinless phones owned by local telephone companies, independent companies and other interexchange carriers. The Public Pay Telephone Surcharge applies to the initial completed call and any reoriginated call (i.e., using the "#" symbol).

Whenever possible, the Public Pay Telephone Surcharge will appear on the same invoice containing the usage charges for the surcharged call. In cases where proper pay telephone coding digits are not transmitted to the Company prior to completion of a call, the Public Pay Telephone Surcharge may be billed on a subsequent invoice after the Company has obtained information from a carrier that the originating station is an eligible pay telephone.

The Public Pay Telephone Surcharge does not apply to calls placed from pay telephones at which the Customer pays for service by inserting coins during the progress of the call.

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**SECTION 3.0 - DESCRIPTION OF SERVICE, (Cont'd)**

**3.6 Phone Debit Prepaid Card Service**

Phone Debit Prepaid Card Service is a prepaid card service available to the general public and offered in conjunction with interstate service. Phone Debit Prepaid Card Service is a non-refundable service subject to the terms and conditions contained herein. Phone Debit Prepaid Card Service is available in rechargeable and non-rechargeable formats.

**3.6.1 General Terms and Conditions**

- .1 Calls may originate from standard residential, business or pay telephone access lines and may terminate to any interstate or intrastate location via a toll free access number. Calls are billed in one (1) minute increments. The minimum call duration for billing purposes is one (1) minute. Service is available 24 hours a day, 7 days per week. The number of available cards is subject to technical limitations. Cards will be offered to customers on a first come, first served basis.
- .2 Calls to 500, 700, 800/888, 900 and 976 numbers and calls requiring operator assistance and the quotation of time and charges cannot be completed using the Phone Debit Prepaid Card. Air to ground and high seas service may not be completed. Calls may not be completed using rotary telephone service.
- .3 All calls must be charged against a Prepaid Card that has sufficient available balance. A Customer's call will be interrupted with an announcement one minute before the balance is about to be depleted. Calls in progress will be terminated by the Company if the balance on the Phone Debit Prepaid Card is insufficient to continue the call.

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**SECTION 3.0 - DESCRIPTION OF SERVICE, (Cont'd)**

**3.6 Phone Debit Prepaid Card Service**

**3.6.2 Discontinuance of Service**

Phone Debit Prepaid Card Service may also be discontinued or refused without notice for the following conditions:

- .1 For non-payment of any amount past due to the Company by the Customer, including non-payment of a Customer Card Account Renewal of a fully-depleted balance.
- .2 When the Available Account Balance of a non-renewable account is Depleted to a level insufficient to place a one-minute call to the location of least cost.
- .3 When the established expiration date of the Customer Account is reached.

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**SECTION 3.0 - DESCRIPTION OF SERVICE, (Cont'd)**

**3.6 Phone Debit Prepaid Card Service, (Cont'd)**

**3.6.3 Toll Free Access Prepaid Card Service**

Calls are originated by dialing the toll free access number printed on the card, followed by a Personal Identification Number. Prepaid card accounts maintain a balance which is depleted on a real-time basis as calls are placed. Customers are notified of their remaining account balance at the beginning of each call.

**3.6.4 Local Access Prepaid Service**

Calls are originated by dialing the local access number printed on the card, followed by a Personal Identification Number. Prepaid card accounts maintain a balance which is depleted on a real-time basis as calls are placed. Customers are notified of their remaining account balance at the beginning of each call.

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**SECTION 3.0 - DESCRIPTION OF SERVICE, (Cont'd)**

**3.7 Sponsor Prepaid Card Service**

Sponsor Prepaid Card Service is a prepaid card service offered to organizations or commercial entities for distribution to their members or patrons. The marketing vehicle and expiration period is selected by the Sponsor upon joint agreement between the Company and the Sponsor. The Sponsor is responsible for obtaining all necessary permissions for the use of any trade mark, trade name, service mark or other image on the card. The Sponsor may distribute the Carrier's Prepaid card free of charge or at reduced rates to end users for promotional purposes. Cards may contain a face value in dollars, units or minutes. At the option of the Sponsor, these cards may be renewable. The Company reserves the right to approve or reject any image and to specify the Customer information language and use of the Carrier's trade mark, trade name, service mark or other image on the card.

The card operates under the same terms and conditions as Phone Debit Prepaid Card Service.

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**SECTION 4.0 - RATES**

**4.1 General**

Each Customer is charged individually for each call placed through the Company. Charges may vary by service offering, class of call, time of day, day of week and/or call duration.

**4.1.1 Tests, Pilots, Promotional Campaigns and Contests**

The Company may conduct special tests or pilot programs and promotions at its discretion to demonstrate the ease of use, quality of service and to promote the sale of its services. The Company may also waive a portion or all processing fees or installation fees for winner of contests and other occasional promotional events sponsored or endorsed by the Company. From time to time the Company may waive all processing fees for a Customer.

These promotions will be approved by the FPSC and made part of the tariff with specific starting and ending dates with promotions running under no circumstances longer than 90 days in any twelve month period.

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**SECTION 4.0 - RATES, (Cont'd)**

**4.2 Exemptions and Special Rates**

**4.2.1 Discounts for Hearing Impaired Customers**

A telephone toll message which is communicated using a telecommunications device for the deaf (TDD) by properly certified hearing or speech impaired persons or properly certified business establishments or individuals equipped with TDDs for communicating with hearing or speech impaired persons will receive, upon request, credit on charges for certain intrastate toll calls placed between TDDs. Discounts do not apply to surcharges or per call add-on charges for operator services when the call is placed by a method that would normally incur the surcharge.

- A. The credit to be given on a subsequent bill for such calls placed between TDDs will be equal to applying the evening rate during business day hours and the night/weekend rate during the evening rate period.
- B. The credit to be given on a subsequent bill for such calls placed by TDDs with the assistance of the relay center will be equal to 50% of the rate for the applicable rate period. If either party is both hearing and visually impaired, the call shall be discounted at 60% of the applicable rate.

**4.2.2 Emergency Call Exemptions**

The following calls are exempted from all charges: Emergency calls to recognizable authorized civil agencies including police, fire, ambulance, bomb squad and poison control. Phone Debit will only handle these calls if the caller dials all of the digits to route and bill the call. Credit will be given for any billed charges pursuant to this exemption on a subsequent bill after verified notification by the billed Customer within thirty (30) days of billing.

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ISSUED:

EFFECTIVE:

ISSUED BY: Perry D. Snavelly, President  
17400 Dallas Parkway, #114  
Dallas, Texas 75287-7305

fld9900

**SECTION 4.0 - RATES, (Cont'd)**

**4.2 Exemptions and Special Rates, (Cont'd)**

**4.2.3 Directory Assistance Charges for Handicapped Persons**

Phone Debit does not offer Directory Assistance service and the Company does not offer any presubscribed services. However, should the Company offer such service *in the future*, presubscribed residential Customers or authorized users of Customers' services who are certified as handicapped would be exempt from applicable Directory Assistance charges for the first 50 directory assistance calls per month.

**4.2.4 Operator Assistance for Handicapped Persons**

Operator station surcharges will be waived for operator assistance to a caller who identifies him or herself as being handicapped and unable to dial the call because of the handicap.

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ISSUED:

EFFECTIVE:

ISSUED BY: Perry D. Snavely, President  
17400 Dallas Parkway, #114  
Dallas, Texas 75287-7305

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## **ATTACHMENT III**

### **FINANCIAL STATEMENTS**

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

**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.

**P.D.S., Inc. d/b/a Phone Debit Systems, Inc.**  
**Statement of Financial Capability**

PDS has a strong balance sheet with no current liabilities, and current assets in excess of \$380,000.00. The company's income statement indicates a positive net income. PDS anticipates continued growth.

Currently, PDS does not have a line of credit with any financial institution. The Company is in the process of installing a switch in the state of Texas for tracking debit card amounts, and is just beginning its certification process to offer service nationwide.

**P.D.S., Inc.**

**Income Statement/Income Tax Basis  
For the Period Ending December 31, 1998**

	<b>Year-to-Date</b>
<b>Total Sales</b>	1,818,024.22
<b>Total Cost of Sales</b>	1,224,901.87
<b>Total Sales, General &amp; Administrative Expenses</b>	<u>463,430.57</u>
<b>Operating Profit (Loss)</b>	129,691.78
<b>Net Income (Loss)</b>	<u><u>129,691.78</u></u>



**P.D.S., Inc.**

**Balance Sheet/Income Tax Basis  
as of December 31, 1998**

**ASSETS**

Current Assets		
Cash & Cash Equivalents	329,504.78	
Accounts Receivable	<u>51,356.25</u>	
Total Current Assets		380,861.03
Property and Equipment		
Equipment	17,406.07	
Less Accumulated Depreciation	<u>(17,406.07)</u>	
Net Property and Equipment		0.00
Other Assets		
Security Deposits	<u>200.00</u>	
Total Other Assets		<u>200.00</u>
Total Assets		<u><u>381,061.03</u></u>

**LIABILITIES AND EQUITY**

Current Liabilities		
Accounts Payable & Accrued Liabilities	<u>(32,850.45)</u>	
Total Current Liabilities	(32,850.45)	
Total Liabilities		(32,850.45)
Stockholders' Equity		
Common Stock	4,000.00	
Retained Earnings	280,219.70	
Net Income (Loss) - YTD	<u>129,691.78</u>	
Total Stockholders Equity		<u>413,911.48</u>
Total Liabilities & Equity		<u><u>381,061.03</u></u>

**ATTACHMENT IV**

**MANAGERIAL AND TECHNICAL CAPABILITIES**

# MEDIATEL CORPORATION

## MANAGEMENT PROFILES

### Perry D. Snavely

#### President & Chief Executive Officer

Mr. Snavely has over 40 years experience in the retail industry. In 1955, Mr. Snavely founded V.H.P. of Dallas, Inc., which sells dry goods to the Military Exchange Service. V.H.P. has an international sales force and handles major lines of clothing and accessories. In 1972 he formed P.D.S., Inc., a subsidiary of V.H.P. of Dallas, Inc., to market special products. In 1993, P.D.S., Inc. sold the first interactive Debit Phone Card Program to the Veterans Canteen Service. Mr. Snavely serves on the Board of Directors and is a major stockholder of TelePay, the developer and operator of an interactive telephone system designed to pay bills for major utilities by credit card or debit bank cards. Mr. Snavely graduated from the University of Miami in 1952 and served in the United States Air Force as an Exchange Officer from 1952-1954.

### Terry W. Peterson

#### Senior Vice President

Mr. Peterson has over 29 years experience in the retail/wholesale industry. He joined P.D.S. as a partner in 1994 and is responsible for many of the national sales and marketing programs that lead the Telecard industry today. Mr. Peterson serves as a consultant to several of the national and international switch companies and assists various telecard companies in the development of unique industry associated products. He is a graduate of California State University (1069) and served in the United States Air Force from 1961 to 1965.

### Paul Freiman

#### Vice President

Mr. Freiman was appointed to the P.D.S., Inc. Board of Directors in 1995 as Vice President. He is responsible for business development and operating performance. As an account executive, he acts as a liaison for P.D.s., Inc. in order to maintain solid business relationships. Mr. Freiman has over 20 years of marketing and merchandising experience dealing with major companies and national chain stores.

### Joyce Clinger

#### Chief Financial Officer

Ms. Clinger has 12 years of accounting experience. In 1979 she joined V.H.P. of Dallas, Inc. and has since held various positions at both V.H.P. and P.D.S., Inc. Ms. Clinger was appointed Chief Financial Officer for P.D.S., Inc. in 1993. She is responsible for all accounting and financial functions, information services and personnel. Ms. Clinger graduated from Texas Lutheran college with a degree in Accounting and Business Administration.