

**MCWHIRTER REEVES**  
ATTORNEYS AT LAW

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00 SEP 26 AM 11:48

TAMPA OFFICE:  
400 NORTH TAMPA STREET, SUITE 2450  
TAMPA, FLORIDA 33602  
P. O. BOX 3350 TAMPA, FL 33601-3350  
(813) 224-0866 (813) 221-1854 FAX

PLEASE REPLY TO:  
TALLAHASSEE

TALLAHASSEE OFFICE  
RECORDS AND REPORTING  
TALLAHASSEE, FLORIDA 32301  
(850) 222-2525  
(850) 222-5606 FAX

September 26, 2000

**VIA HAND DELIVERY**

Blanca S. Bayo, Director  
Division of Records and Reporting  
Betty Easley Conference Center  
4075 Esplanade Way  
Tallahassee, Florida 32399-0870

001465-TI

Re: Telepex Long Distance, Inc.

Dear Ms. Bayo:

On behalf of Telepex Long Distance, Inc., enclosed is a \$250.00 fee and the original and 6 copies of the following:

- ▶ Application form for Authority to Provide Interexchange Telecommunications Service Between Points within the State of Florida.

Please acknowledge receipt of the above on the extra copy of each and return the stamped copies to me in the envelope provided. Thank you for your assistance.

Sincerely,

*Vicki Gordon Kaufman*  
Vicki Gordon Kaufman

Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward a copy of check to RAR with proof of deposit.  
Initials of person who received check: *VGK*

VGK/bae  
Enclosure  
cc: Jim Halford  
Brooks Derryberry

RECEIVED & FILED  
*[Signature]*  
FPSC BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

MCWHIRTER, REEVES, MCGLOTHLIN, DAVIDSON, DECKER, KAUFMAN, ARNOLD & STEN, 12115, SEP 26 8

FPSC-RECORDS/REPORTING

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

**DIVISION OF TELECOMMUNICATIONS**  
**BUREAU OF CERTIFICATION AND SERVICE EVALUATION**

Application Form for Authority to Provide  
Interexchange Telecommunications Service  
Between Points Within the State of Florida

001465-TI

Instructions

- ◆ This form is used as an application for an original certificate and for approval of assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Appendix A).
- ◆ Print or Type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.
- ◆ Use a separate sheet for each answer which will not fit the allotted space.
- ◆ Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$250.00 to:

**Florida Public Service Commission  
Division of Records and Reporting  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850  
(850) 413-6770**

Note: **No filing fee is required** for an assignment or transfer of an existing certificate to another certificated company.

- ◆ If you have questions about completing the form, contact:

**Florida Public Service Commission  
Division of Telecommunications  
Bureau of Certification and Service Evaluation  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850  
(850) 413-6600**

SEP 21 2000

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

**Original certificate** (new company).

**Approval of assignment/transfer of existing certificate:**  
Example, a non-certificated company purchases an existing company and desires to retain the certificate of authority rather than apply for a new certificate.

**Approval 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:

Telepex Long Distance, Inc.

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

Telepex Long Distance, Inc.

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

125 South Congress Street, 1100 Capital Towers Building, Jackson, MS 39201-3304

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

None

6. Select 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 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.

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 individual, provide:

Name: N/A

Title: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

Internet E-Mail Address: \_\_\_\_\_

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

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

(a) **The Florida Secretary of State Corporate Registration number:**  
N/A

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

(a) **The Florida Secretary of State Corporate Registration number:**  
F00000002065

11. **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:** N/A

12. **If a limited liability partnership**, provide proof of registration to operate in Florida:

(a) **The Florida Secretary of State registration number:** N/A

13. **If a partnership**, provide name, title and address of all partners and a copy of the partnership agreement.

Name: N/A

Title: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

Internet E-Mail Address: \_\_\_\_\_

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

14. **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: N/A

15. Provide **F.E.I. Number** (if applicable): N/A

16. Provide the following (if applicable):

(a) Will the name of your company appear on the bill for your services?  
(  ) Yes (  ) No

(b) If not, who will bill for your services?

Name: N/A

Title: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

(c) How is this information provided?

N/A

17. Who will receive the bills for your service?

(x) Residential Customers  
( ) PATs providers  
( ) Hotels & motels

(x) Business Customers  
( ) PATs station end-users  
( ) Hotel & motel guests

( ) Universities ( ) Universities dormitory residents  
( ) Other: (specify) \_\_\_\_\_

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

(a) The application:

Name: Vicki Gordan Kaufman

Title: Local Attorney

Address: 117 South Gadsden

City/State/Zip: Tallahassee, Florida 32301

Telephone No.: 850-222-2525 Fax No.: 850-222-5606

Internet E-Mail Address: \_\_\_\_\_

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

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

Name: Brooks Derryberry

Title: Manager

Address: 125 South Congress Street, 1100 Capital Towers

City/State/Zip: Jackson, Mississippi 39201-3304

Telephone No.: 601-355-1522 Fax No.: 601-353-0950

Internet E-Mail Address: lbderry@telepex.com

Internet Website Address: N/A

(c) Complaints/Inquiries from customers:

Name: Customer Care Group

Title: \_\_\_\_\_

**Address:** P. O. Box 219

**City/State/Zip:** Meadville, MS 39653

**Telephone No.:** 888- **Fax No.:** 601-384-2440

**Internet E-Mail Address:** collyn@telapex.com

**Internet Website Address:** N/A

19. List the states in which the applicant:

(a) has operated as an interexchange telecommunications company.

Mississippi and Alabama

(b) has applications pending to be certificated as an interexchange telecommunications company.

Tennessee

(c) is certificated to operate as an interexchange telecommunications company.

Mississippi and Alabama

(d) has been denied authority to operate as an interexchange telecommunications company and the circumstances involved.

None

(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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20. 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. If so, please explain.

N/A

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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.

None

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21. The applicant will provide the following interexchange carrier services  $\checkmark$  (check all that apply):

a.  \_\_\_\_\_

**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

b. \_\_\_\_\_ **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

c.  **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

d. \_\_\_\_\_ **MTS for pay telephone service providers**

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

f.  **800 service (toll free)**

g. \_\_\_\_\_ **WATS type service (bulk or volume discount)**

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

h. \_\_\_\_\_ **Private line services (Channel Services)**  
(For ex. 1.544 mbs., DS-3, etc.)

i.  **Travel service**

- Method of access is 950
- Method of access is 800

j. \_\_\_\_\_ **900 service**

k. \_\_\_\_\_ **Operator services**

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

I. **Services included are:**

- \_\_\_\_\_ Station assistance
- \_\_\_\_\_ Person-to-person assistance
- \_\_\_\_\_ Directory assistance
- \_\_\_\_\_ Operator verify and interrupt
- \_\_\_\_\_ Conference calling

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

23. 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. **A written explanation** that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.

2. **A written explanation** that the applicant has sufficient financial capability to maintain the requested service.

3. **A 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 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:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

**UTILITY OFFICIAL:**

 August 30, 2000  
Signature Date

General Manager 601-355-1522  
Title Telephone No.

Address: 125 South Congress Street, 1100 Capital Towers 601-353-0950  
Jackson, Mississippi 39201-3304 Fax No.

**ATTACHMENTS:**

- A - CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT
- B - CUSTOMER DEPOSITS AND ADVANCE PAYMENTS
- C - CURRENT FLORIDA INTRASTATE NETWORK
- D - AFFIDAVIT

23.A. Telapex Long Distance, Inc. provides with this Application its unaudited financial statements signed by its chief executive officer and chief financial officer. A balance sheet, income statement, and statements of retained earnings for the most recent three (3) years are attached as Exhibit "1." Exhibit "1" shows that the Applicant has sufficient financial capability to provide and maintain the requested service in Florida, and to meet its lease or ownership obligations.

23.B. and C. Telapex Long Distance, Inc. provides with this Application resumes of officers of the company and of employees of its parent company who will provide the Applicant with sufficient managerial and technical experience to perform the services for which this Application is made. These resumes are attached as Exhibit "2."

TELECOMMUNICATIONS SERVICES TARIFF

TITLE SHEET

FLORIDA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service or facilities for intrastate interexchange telecommunications provided by Telapex Long Distance, Inc. ("TLD"), with principal offices at 125 South Congress Street, 1100 Capital Towers Building, Jackson, Mississippi 39201-3304. This tariff applies for services furnished within the State of Alabama. 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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Issued: \_\_\_\_\_, 2000                      Effective: \_\_\_\_\_, 2000

Wade H. Creekmore, President  
Telapex Long Distance, Inc.  
125 South Congress Street  
1100 Capital Towers Building  
Jackson, Mississippi 39201-3304.

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**TELECOMMUNICATIONS SERVICES TARIFF**

**CHECK SHEET**

Sheets 1 through 30 inclusive of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this sheet.

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

Issued: \_\_\_\_\_, 2000                      Effective: \_\_\_\_\_, 2000

**Wade H. Creekmore, President  
Telapex Long Distance, Inc.  
125 South Congress Street  
1100 Capital Towers Building  
Jackson, Mississippi 39201-3304.**





**TELECOMMUNICATIONS SERVICES TARIFF**

Section 4 - Rates	26
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4.2 800 Pin Service - Rates	26
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4.4 1+ Dialing - Specific Rates	28

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**Issued: \_\_\_\_\_, 2000                      Effective: \_\_\_\_\_, 2000**

**Wade H. Creekmore, President  
Telapex Long Distance, Inc.  
125 South Congress Street  
1100 Capital Towers Building  
Jackson, Mississippi 39201-3304.**

**TELECOMMUNICATIONS SERVICES TARIFF**

**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 11 and 12 would be sheet 11.1.

B. Sheet Revision Numbers: Revision numbers also appear in the upper right corner of each sheet where applicable. These numbers are used to indicate the most current sheet version on file with the Commission. For example, 4th Revised Sheet 13 cancels 3rd Revised Sheet 13. Because of various suspension periods, deferrals, etc. the Commission follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff sheet in effect. Consult the Check Sheet for the sheets currently in effect.

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

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

D. Check Sheets: When a tariff filing is made with the Commission, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the sheets contained in the tariff, with a cross reference to the current Revision Number. When new 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 this 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 Commission file.

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TELECOMMUNICATIONS SERVICES TARIFF

SYMBOLS

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

- (C) to signify change in regulation
- (D) to signify a deletion
- (I) to signify a rate increase
- (L) to signify material relocated in the tariff
- (N) to signify a new rate or regulation
- (R) to signify a rate reduction
- (T) to signify a change in text, but no change in rate or regulation

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Issued: \_\_\_\_\_, 2000                      Effective: \_\_\_\_\_, 2000

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TELECOMMUNICATIONS SERVICES TARIFF

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement from a local exchange telephone company or other common carrier, using either dedicated or switched access, which connects a Customer's location to TLD's location or switching center.

Commission - Used throughout this tariff to mean the Florida Public Service Commission.

Common Carrier - A company or entity providing telecommunications services to the public and subject to the jurisdiction of the Commission.

Company - Used throughout this tariff to mean Telapex Long Distance, Inc., a Mississippi corporation.

Customer - The person, firm, corporation or other legal entity which orders the services of TLD and is responsible for the payment of charges and is responsible for compliance with the Company's tariff regulations.

Measured Charge - A charge assessed on a per minute basis in calculating a portion of the long distance charges due for a completed call.

Telecommunications - The transmission of voice communications or, subject to the transmission capabilities of the services, the transmission of data, facsimile, signaling, metering, or other similar communications.

Underlying Carrier - The telecommunications carrier whose network facilities provides the technical capability and capacity necessary for the transmission and reception of customer telecommunications traffic.

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Issued: \_\_\_\_\_, 2000                      Effective: \_\_\_\_\_, 2000

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125 South Congress Street  
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**TELECOMMUNICATIONS SERVICES TARIFF**

**SECTION 2 - RULES AND REGULATIONS**

**2.1 Undertaking of TLD**

This tariff contains the regulations and rates applicable to intrastate resale telecommunications services provided by TLD for telecommunications between points within the State of Florida. Communications may originate and terminate in any area within the State of Florida. Resale services are furnished subject to the availability of facilities and subject to the terms and conditions of this tariff in compliance with limitations set forth in the Commission's rules. The Company services are provided on a statewide basis and are not intended to be limited geographically. The Company offers service to all those who desire to purchase service from the Company consistent with all of the provisions of this tariff. Customers interested in the Company's services shall file a service application with the Company which fully identifies the Customer, the services requested and other information requested by the Company. The Company may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the Customer, to allow connection of a Customer's location to a service provided by the Company. The Customer shall be responsible for all charges due for such service arrangement. The Company does not own any switching, transmission or other physical facilities in Florida.

2.1.1 TLD may, from time to time, offer various enhanced services and information services within the State of Florida. Such services will be provided pursuant to contract and will not be governed by this tariff. TLD will file furnish the Commission with a copy of such offering at least thirty (30) days prior to such implementation.

2.1.2 TLD may also, from time to time, offer switching and transmission services to other telecommunications providers for resale to such companies' Customers. The rates for any such services will be determined pursuant to contract, to the extent authorized by the Commission, and this tariff shall not apply thereto.

Issued: \_\_\_\_\_, 2000 Effective: \_\_\_\_\_, 2000

**Wade H. Creekmore, President  
Telapex Long Distance, Inc.  
125 South Congress Street  
1100 Capital Towers Building  
Jackson, Mississippi 39201-3304.**

**TELECOMMUNICATIONS SERVICES TARIFF**

- 2.1.3 The resale services of TLD are not part of a joint undertaking with any other entity providing telecommunications channels, facilities, or services, but do involve the resale of the Message Toll Services (MTS) of underlying common carriers subject to the jurisdiction of this Commission.
- 2.1.4 The rates and regulations contained in this tariff apply only to the resale services furnished by TLD and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carriers for use in accessing the services of TLD.
- 2.1.5 Service furnished by the Company may be interconnected with services or facilities of other authorized carriers and with private systems, subject to the technical limitations established by the carrier. Any special interface equipment or facilities necessary to achieve compatibility between the facilities of the Company and other carriers shall be provided at the Customer's expense.
- 2.1.6 Interconnection with the facilities or services of other carriers shall be under the applicable terms and conditions of the other carrier's tariffs. The Customer is responsible for taking all necessary legal steps for interconnecting customer-provided terminal equipment or communications systems with the Company's facilities. The Customer shall secure all licenses, permits, right-of-way, and other arrangements necessary for such interconnection.
- 2.1.7 The Company reserves the right to discontinue furnishing service, or limit the use of service necessitated by conditions beyond its control, including, without limitation, the revision, alteration of repricing of the underlying carrier's tariffed offerings; or for Customer non-payment of charges; or when the Customer use of a service becomes or is in violation of the law or the provisions of this tariff.

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**TELECOMMUNICATIONS SERVICES TARIFF**

failure to operate, maintenance, removal, presence, condition, location or use of facilities or equipment provided by TLD which is not the direct result of TLD's gross negligence.

**2.5 Responsibilities of the Customer**

- 2.5.1 The Customer is responsible for payment of all of the charges and for compliance with the regulations set forth in this tariff.
- 2.5.2 The Customer is responsible for placing any necessary orders and complying with tariff regulations.
- 2.5.3 The Customer is responsible for charges incurred for special construction and/or special facilities which the Customer requests and which are ordered by TLD on behalf of the Customer.
- 2.5.4 If required for the provision of TLD's services, the Customer must provide any equipment space, supporting structure, conduit and electrical power without charge to TLD.
- 2.5.5 The Customer is responsible for arranging access to its premises at times mutually agreeable to TLD when required for TLD personnel to install, repair, maintain, program, inspect or remove equipment associated with the provision of TLD's services.
- 2.5.6 The Customer shall cause the temperature and relative humidity in the equipment space provided by Customer for the installation of TLD's equipment to be maintained within the range normally provided for the operation of microcomputers.
- 2.5.7 The Customer shall ensure that the equipment and/or system is properly interfaced with TLD's facilities or services, that the signals emitted into TLD's network are of the proper mode, bandwidth, power and signal level for the intended use of the Customer and in compliance with criteria set forth in

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**TELECOMMUNICATIONS SERVICES TARIFF**

- 2.6.1.C For violation of any law, rule, regulation, policy of any governing authority having jurisdiction over TLD's services, or
- 2.6.1.D By reason of any order or decision of a court, public service commission or federal regulatory body or other governing authority prohibiting TLD from furnishing its services.
- 2.6.2 The Customer may terminate service upon thirty (30) days written notice for the Company's standard month to month contract. Customer will be liable for all usage on any of the Company's service offerings until the Customer actually leaves the service. Customers will continue to have Company usage until the Customer notifies its local exchange carrier and changes its long distance carrier. Until the Customer so notifies its local exchange carrier, it shall continue to generate and be responsible for long distance usage. Cancellation notice requirements will be specified in written contract/service agreement.
- 2.6.3 Without incurring liability, TLD may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of Customer's and TLD's equipment and facilities and may continue such interruption until any items of noncompliance or improper equipment operation so identified are rectified.
- 2.6.4 Service may be discontinued by TLD with 24 hour notice to the Customer pursuant to Commission rules, by blocking traffic to certain countries, cities or NXX exchanges, or by blocking calls using certain Customer authorization codes, when TLD deems it necessary to take such action to prevent unlawful use of its service. TLD will restore service as soon as it can be provided without undue risk, and will, upon request by the Customer affected, assign a new authorization code to replace the one that has been deactivated.

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**TELECOMMUNICATIONS SERVICES TARIFF**

**2.15 Late Charge**

A late fee of 1.5% monthly will be charged on any balances due for more than twenty-eight (28) days.

**2.16 Returned Check Charge**

A fee of twenty dollars (\$20.00) will be charged whenever a check or draft presented for payment for service is not accepted by the institution on which it is written.

**2.17 Reconnection Charge**

A reconnection fee of five dollars (\$5.00) per line per occurrence will be charged when service is reestablished for Customers which have been disconnected due to non-payment. Payment of the reconnection fee and any other outstanding amounts will be due in full prior to reconnection of service.

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Issued: \_\_\_\_\_, 2000                      Effective: \_\_\_\_\_, 2000

**Wade H. Creekmore, President  
Telapex Long Distance, Inc.  
125 South Congress Street  
1100 Capital Towers Building  
Jackson, Mississippi 39201-3304.**









**TELECOMMUNICATIONS SERVICES TARIFF**

**3.5 Calculation of Distance**

Usage charges for all mileage sensitive products are based on the airline distance between the rate center or AT&T central office associated with the originating and terminating points of the call.

The distance between the originating and terminating points is calculated by using the "V" and "H" coordinates of the rate centers or AT&T central office for switched access and special access, respectively, as defined by AT&T in its FCC Tariff No. 10 as filed with the FCC in the following manner:

Step 1 - Obtain the "V" and "H" coordinates for the originating and terminating points of the call.

Step 2 - Obtain the difference between the "V" coordinates. Obtain the difference between the "H" coordinates.

Step 3 - Square the differences obtained in Step 2.

Step 4 - Add the squares of the "V" difference and "H" difference obtained in Step 3.

Step 5 - Divide the sum of the square obtained in Step 4 by ten (10). Round to the next higher whole number if any fraction results from the division.

Step 6 - Obtain the square root of the whole number obtained in Step 5. Round to the next higher whole number if any fraction is obtained. This is the V&H mileage between the originating and terminating points of the call.

Formula:

$$\sqrt{\frac{(V_1 - V_2)^2 + (H_1 - H_2)^2}{10}}$$

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**TELECOMMUNICATIONS SERVICES TARIFF**

**3.6 Rate Periods**

The following rate periods are associated with the specific prices charged by TLD pursuant to Section 4.4.

3.6.1 Day Rate Period - The Day Rate Period is 8AM to, but not including, 5PM Monday through Friday.

3.6.2 Evening Rate Period - The Evening Rate Period is 5PM to, but not including, 11PM Monday through Friday and 5PM to, but not including, 11PM Sunday.

3.6.3 Night/Weekend Rate Period - The Night/Weekend Rate Period is 12 Midnight to, but not including, 8AM and 11PM to Midnight Monday through Friday; All Day Saturday; and 12 Midnight to, but not including, 5PM and 11PM to Midnight Sunday.

3.6.4 Holiday Rate Period - For the following holidays the Evening Rate Period rates are used, unless a lower rate would normally apply:

- |                         |                  |
|-------------------------|------------------|
| New Year's Day**        | Labor Day        |
| Martin Luther King Day* | Columbus Day*    |
| Presidents' Day*        | Veterans' Day**  |
| Memorial Day*           | Thanksgiving Day |
| Independence Day**      | Christmas Day**  |

- \* Applies to Federally observed day only.
- \*\* When this holiday falls on a Sunday, the Holiday calling rate applies to calls placed on the following Monday. When this holiday falls on a Saturday, the Holiday calling rate applies to calls placed on the preceding Friday.

In addition to the holidays listed above, the Night/Weekend Rate Period rate will also apply to Dial Station calls on one additional day each year.

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**TELECOMMUNICATIONS SERVICES TARIFF**

**SECTION 4 - RATES**

**4.1 Travel Cards - Rates.**

Per travel card, TLD will charge a flat rate per minute with no time of day discounts and without regard to mileage for calls originating. The flat rate per minute shall be \$.20 for Florida and continental United States calls.

**Additional Features and Rates and Calling Cards.**

Audiotext	\$ .50 per minute
Voice Mail (applies when leaving and reviewing messages)	
Individual, Group or Guest	\$ .50 per minute
800 Direct in Optional	\$1.40 per month
Conference Calling	\$ .50 per minute
Operator Assistance Surcharge	\$2.00 per call
Voice Message Delivery (recording or message)	\$ .50 per minute
Delivered Message	\$ .50 per minute
Directory Assistance	\$1.38 per call
Operator Assistance	\$2.00 per call

**4.2 800 Pin Service - Rates**

TLD will charge a \$3.00 surcharge per PIN per month plus a flat rate per minute with no time of day discounts and without regard to mileage for calls originating. The flat rate per minute shall be \$.22. (TLD will waive the \$3.00 surcharge for each PIN held by an employee of TLD or any affiliate of TLD. The flat rate, however, will not be waived.) Also, TLD will charge a \$15.00 surcharge for each time that a customer changes the single termination destination phone number.

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TELECOMMUNICATIONS SERVICES TARIFF

**4.3 Optional Long Distance Plan**

TLD will charge a \$4.00 monthly surcharge per account plus a flat rate per minute with no time of day discounts and without regard to mileage for calls originating. The flat rate per minute shall be \$.10 for Florida and continental United States calls.

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125 South Congress Street  
1100 Capital Towers Building  
Jackson, Mississippi 39201-3304.

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125 S. Congress, Suite 1100 / Jackson, MS 39201 / (601) 355-1522 / Fax (601) 353-0950

September 18, 2000

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

Re: Telapex Long Distance, Inc. Application for Florida  
Certificate of Public Convenience and Necessity

Gentlemen:

Transmitted herewith the application for Florida Certificate of Public Convenience and Necessity are unaudited financial statements for years ending December 31, 1997, December 31, 1998 and December 31, 1999.

We, the undersigned, affirm that the financial statements are true and correct to the best of our knowledge.



Larry K. Morrison, Chief Financial Officer  
Telapex, Inc.



L. Brooks Derryberry, General Manager  
Telapex Long Distance, Inc.

dbl  
enclosures

Exhibit 1

BALANCE SHEET  
December 31, 1999

	CURRENT MONTH	% OF TOTAL ASSETS	PRIOR MONTH	% OF TOTAL ASSETS	PRIOR YEAR	% OF TOTAL ASSETS
CASH	441,408	36.21 %	419,080	35.78 %	10,970	0.59 %
ACCTS REC-CUSTOMERS	11,725	0.96 %	6,265	0.53 %	0	0.00 %
ACCTS REC-OTHER	0	0.00 %	0	0.00 %	3,526	0.19 %
ACCTS REC-AFFILIATES	762,756	62.58 %	742,510	63.39 %	257,666	13.85 %
CURRENT DEFERRED TAX ASSE	918	0.08 %	1,222	0.10 %	1,233	0.07 %
<b>TOTAL CURRENT ASSETS</b>	<b>1,216,807</b>	<b>99.83 %</b>	<b>1,169,078</b>	<b>99.82 %</b>	<b>273,395</b>	<b>14.70 %</b>
INVESTMENT IN AFFILIATES	0	0.00 %	0	0.00 %	1,586,800	85.29 %
<b>TOTAL NONCURRENT ASSETS</b>	<b>0</b>	<b>0.00 %</b>	<b>0</b>	<b>0.00 %</b>	<b>1,586,800</b>	<b>85.29 %</b>
TELEPHONE PLANT IN SERVIC	2,293	0.19 %	2,293	0.20 %	0	0.00 %
ORGANIZATION & OTHER INTA	805	0.07 %	805	0.07 %	805	0.04 %
ACCUMULATED DEPRECIATION	(229)	(0.02) %	(206)	(0.02) %	0	0.00 %
ACCUM AMORT-ORG COSTS & O	(738)	(0.06) %	(725)	(0.06) %	(577)	(0.03) %
<b>TOTAL PROPERTY, PLANT, &amp;</b>	<b>2,131</b>	<b>0.17 %</b>	<b>2,167</b>	<b>0.19 %</b>	<b>228</b>	<b>0.01 %</b>
<b>TOTAL ASSETS</b>	<b>1,218,938</b>	<b>100.00 %</b>	<b>1,171,245</b>	<b>100.00 %</b>	<b>1,860,423</b>	<b>100.00 %</b>

BALANCE SHEET  
December 31, 1999

	CURRENT MONTH	% OF TOTAL ASSETS	PRIOR MONTH	% OF TOTAL ASSETS	PRIOR YEAR	% OF TOTAL ASSETS
ACCOUNTS PAYABLE	244,107	20.03 %	259,761	22.18 %	195,396	10.50 %
AFFILIATED ACCOUNTS PAYBA	7,968	0.65 %	10,466	0.89 %	6,464	0.35 %
ACCRUED INCOME TAXES	0	0.00 %	(374,046)	(31.94) %	(18,540)	(1.00) %
OTHER ACCRUED TAXES	7,140	0.59 %	3,416	0.29 %	1,727	0.09 %
<b>TOTAL CURRENT LIABILITIES</b>	<b>259,214</b>	<b>21.27 %</b>	<b>(100,404)</b>	<b>(8.57) %</b>	<b>185,046</b>	<b>9.95 %</b>
NONCURRENT DEFERRED TAX L	(510,505)	(41.88) %	(239,250)	(20.43) %	(19,152)	(1.03) %
<b>TOTAL NONCURRENT LIABILIT</b>	<b>(510,505)</b>	<b>(41.88) %</b>	<b>(239,250)</b>	<b>(20.43) %</b>	<b>(19,152)</b>	<b>(1.03) %</b>
<b>TOTAL LIABILITIES</b>	<b>(251,291)</b>	<b>(20.62) %</b>	<b>(339,654)</b>	<b>(29.00) %</b>	<b>165,894</b>	<b>8.92 %</b>
COMMON STOCK	1,000	0.08 %	1,000	0.09 %	1,000	0.05 %
ADDITIONAL PAID-IN CAPITA	2,230,000	182.95 %	2,230,000	190.40 %	1,362,000	73.21 %
RETAINED EARNINGS	(653,529)	(53.61) %	(653,529)	(55.80) %	310	0.02 %
CURRENT YEAR EARNINGS	(107,243)	(8.80) %	(66,573)	(5.68) %	331,218	17.80 %
<b>TOTAL STOCKHOLDER'S EQUIT</b>	<b>1,470,228</b>	<b>120.62 %</b>	<b>1,510,898</b>	<b>129.00 %</b>	<b>1,694,528</b>	<b>91.08 %</b>
<b>TOTAL LIABILITIES &amp; EQUIT</b>	<b>1,218,937</b>	<b>100.00 %</b>	<b>1,171,244</b>	<b>100.00 %</b>	<b>1,860,422</b>	<b>100.00 %</b>

INCOME STATEMENT  
FOR PERIOD ENDING 12/31/99

	CURRENT MONTH	% OF TOTAL REVENUES	PRIOR MONTH	% OF TOTAL REVENUES	YEAR TO DATE	% OF TOTAL REVENUES
<b>TELEPHONE REVENUE</b>						
LONG DISTANCE REVENUE	241,578.27	98.11 %	254,621.32	97.92 %	3,193,286.56	80.27 %
MISCELLANEOUS TELECOMM RE	4,662.23	1.89 %	5,416.15	2.08 %	99,632.10	2.50 %
<b>TOTAL TELEPHONE REVENUE</b>	<b>246,240.50</b>	<b>100.00 %</b>	<b>260,037.47</b>	<b>100.00 %</b>	<b>3,292,918.66</b>	<b>82.78 %</b>
<b>CABLE AND OTHER REVENUE</b>						
INTERNET REVENUE	0.00	0.00 %	0.00	0.00 %	685,121.86	17.22 %
<b>TOTAL CABLE &amp; OTHER RE</b>	<b>0.00</b>	<b>0.00 %</b>	<b>0.00</b>	<b>0.00 %</b>	<b>685,121.86</b>	<b>17.22 %</b>
<b>TOTAL REVENUES</b>	<b>246,240.50</b>	<b>100.00 %</b>	<b>260,037.47</b>	<b>100.00 %</b>	<b>3,978,040.52</b>	<b>100.00 %</b>
<b>TELEPHONE EXPENSES</b>						
PLANT SPECIFIC EXPENSE	130.30	0.05 %	58.25	0.02 %	5,030.43	0.13 %
PLANT NONSPECIFIC EXPENSE	108,267.42	43.97 %	120,401.34	46.30 %	1,528,192.88	38.42 %
CUSTOMER OPERATIONS	72,288.07	29.36 %	71,542.83	27.51 %	897,177.55	22.55 %
CORPORATE OPERATIONS	2,789.86	1.13 %	3,087.28	1.19 %	36,617.89	0.92 %
OPERATING TAXES	(3,498.47)	(1.42) %	1,347.80	0.52 %	3,524.74	0.09 %
SPECIAL CHARGES	12.27	0.01 %	1.74	0.00 %	109.95	0.00 %
<b>TOTAL TELEPHONE EXPENS</b>	<b>179,989.45</b>	<b>73.10 %</b>	<b>196,439.24</b>	<b>75.54 %</b>	<b>2,470,653.44</b>	<b>62.11 %</b>
<b>CABLE AND OTHER EXPENSES</b>						
INTERNET EXPENSES	0.00	0.00 %	0.00	0.00 %	1,535,436.63	38.60 %
<b>TOTAL CABLE AND OTHER</b>	<b>0.00</b>	<b>0.00 %</b>	<b>0.00</b>	<b>0.00 %</b>	<b>1,535,436.63</b>	<b>38.60 %</b>
<b>TOTAL OPERATING EXPENS</b>	<b>179,989.45</b>	<b>73.10 %</b>	<b>196,439.24</b>	<b>75.54 %</b>	<b>4,006,090.07</b>	<b>100.71 %</b>
<b>INCOME FROM OPERATIONS</b>	<b>66,251.05</b>	<b>26.91 %</b>	<b>63,598.23</b>	<b>24.46 %</b>	<b>(28,049.55)</b>	<b>(0.71) %</b>
DEPRECIATION EXPENSE	22.93	0.01 %	22.93	0.01 %	95,304.54	2.40 %
AMORTIZATION EXPENSE	13.42	0.01 %	13.42	0.01 %	22,361.07	0.56 %
INTEREST EXPENSE-OTHER	65.16	0.03 %	85.71	0.03 %	1,828.61	0.05 %
INTEREST EXPENSE-AFFILIAT	0.00	0.00 %	0.00	0.00 %	15,873.00	0.40 %
<b>INCOME BEFORE TAXES</b>	<b>66,149.54</b>	<b>26.86 %</b>	<b>63,476.17</b>	<b>24.41 %</b>	<b>(163,416.77)</b>	<b>(4.11) %</b>
FRANCHISE AND ENVIRON TAX	3,726.00	1.51 %	140.00	0.05 %	10,115.00	0.25 %
CURRENT INCOME TAX PROVIS	374,044.00	151.90 %	24,254.24	9.33 %	(0.21)	0.00 %
DEFERRED INCOME TAX PROVI	(270,951.00)	(110.04) %	88.87	0.03 %	(66,288.70)	(1.67) %
<b>NET INCOME (LOSS)</b>	<b>(40,669.46)</b>	<b>(16.52) %</b>	<b>38,993.06</b>	<b>15.00 %</b>	<b>(107,242.86)</b>	<b>(2.70) %</b>

\*Adjustment for Telapex Internet Operations \$607,741

Net Income after adjustment

\$500,498

\*=====

\*Results of Internet Operations transferred to separate Corporation as of 5/31/99. Net Loss of internet operations transferred for five months ended was (607,741)

TELAPEX LONG DISTANCE, INC.  
STATEMENT OF CASH FLOWS  
FOR MONTH ENDED 12/31/99

	CURR MO ACTUAL	YEAR TO DATE ACTUAL
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
NET INCOME (LOSS)	(40,669)	500,498
DEPRECIATION EXPENSE	23	229
AMORTIZATION EXPENSE	13	161
DEFERRED TAX PROVISION	(270,951)	(242,788)
(INCR)DECR IN ACCOUNTS RECEIVABLE	(25,706)	(184,804)
INCR(DECR) IN ACCOUNTS PAYABLE	(18,152)	50,215
INCR(DECR) IN INCOME TAXES PAYABL	374,046	449,506
INCR(DECR) IN OTHER TAXES PAYABLE	3,724	5,413
	-----	-----
TOTAL ADJUSTMENTS TO INCOME	62,997	77,931
	-----	-----
NET CASH FLOWS FROM OPERATING ACT	22,328	578,430
CASH FLOWS FROM INVESTING ACTIVITIES		
ADDITIONAL INVESTMENTS IN SUBSIDIARIES	0	(1,013,700)
PURCHASE OF PROPERTY, PLANT, & EQUIPMENT	0	(2,293)
	-----	-----
NET CASH FLOWS FROM INVESTING ACTIVITIES	0	(1,015,993)
CASH FLOWS FROM FINANCING ACTIVITIES		
ADDITIONAL CAPITAL RECEIVED	0	868,000
	-----	-----
NET CASH INCR(DECR) FROM FINANCING ACTIV	0	868,000
	-----	-----
INCREASE (DECREASE) IN CASH	22,328	430,437
CASH AT BEGINNING OF PERIOD	419,080	10,970
	-----	-----
CASH AT END OF PERIOD	441,408	441,407
	=====	=====



TELAPEX LONG DISTANCE  
BALANCE SHEET  
12/31/98

	CURRENT MONTH	% OF TOT ASSETS	PRIOR MONTH	% OF TOT ASSETS	PRIOR YEAR	% OF TOT ASSETS
<b>ASSETS</b>						
CASH	10,970	0.59 %	64,858	4.26 %	36,963	4.88 %
ALLOWANCE FOR DOUBTFUL ACCOUNTS	4,564	0.24 %	2,405	0.16 %	944	0.12 %
ACCTS REC-OTHER	11,512	0.61 %	7,986	0.53 %	7,986	1.06 %
ACCTS REC-AFFILIATES	257,666	13.76 %	273,224	17.97 %	185,164	24.47 %
CURRENT DEFERRED TAX ASSET	1,331	0.07 %	454	0.03 %	309	0.04 %
<b>TOTAL CURRENT ASSETS</b>	<b>286,043</b>	<b>15.27 %</b>	<b>348,926</b>	<b>22.94 %</b>	<b>231,365</b>	<b>30.57 %</b>
<b>NONCURRENT ASSETS</b>						
INVESTMENT IN AFFILIATES	1,586,800	84.72 %	1,171,600	77.04 %	525,000	69.38 %
<b>TOTAL NONCURRENT ASSETS</b>	<b>1,586,800</b>	<b>84.72 %</b>	<b>1,171,600</b>	<b>77.04 %</b>	<b>525,000</b>	<b>69.38 %</b>
<b>PROPERTY, PLANT, &amp; EQUIPMENT</b>						
ORGANIZATION & OTHER INTANG PLANT	805	0.04 %	805	0.05 %	805	0.11 %
ACCUM AMORT-ORG COSTS & OTHER INTA	(577)	(0.03) %	(564)	(0.04) %	(416)	(0.05) %
<b>TOTAL PROPERTY, PLANT, &amp; EQUIPMENT</b>	<b>228</b>	<b>0.01 %</b>	<b>241</b>	<b>0.02 %</b>	<b>389</b>	<b>0.05 %</b>
<b>TOTAL ASSETS</b>	<b>1,873,071</b>	<b>100.00 %</b>	<b>1,520,767</b>	<b>100.00 %</b>	<b>756,754</b>	<b>100.00 %</b>

TELAPEX LONG DISTANCE  
BALANCE SHEET  
12/31/98

Page 2

	CURRENT MONTH	% OF TOT ASSETS	PRIOR MONTH	% OF TOT ASSETS	PRIOR YEAR	% OF TOT ASSETS
<b>LIABILITIES</b>						
ACCOUNTS PAYABLE	205,882	10.99 %	220,092	14.47 %	147,253	19.46 %
AFFILIATED ACCOUNTS PAYABLE	6,464	0.35 %	6,855	0.45 %	6,990	0.92 %
ACCRUED INCOME TAXES	(19,847)	(1.06) %	9,770	0.64 %	23,865	3.15 %
OTHER ACCRUED TAXES	1,982	0.11 %	214	0.01 %	21	0.00 %
<b>TOTAL CURRENT LIABILITIES</b>	<b>194,481</b>	<b>10.38 %</b>	<b>236,931</b>	<b>15.58 %</b>	<b>178,129</b>	<b>23.54 %</b>
<b>NONCURRENT LIABILITIES</b>						
NONCURRENT DEFERRED TAX LIABILITY	(19,201)	(1.03) %	(9,627)	(0.63) %	(10,685)	(1.41) %
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>(19,201)</b>	<b>(1.03) %</b>	<b>(9,627)</b>	<b>(0.63) %</b>	<b>(10,685)</b>	<b>(1.41) %</b>
<b>TOTAL LIABILITIES</b>	<b>175,280</b>	<b>9.36 %</b>	<b>227,304</b>	<b>14.95 %</b>	<b>167,444</b>	<b>22.13 %</b>
<b>STOCKHOLDER'S EQUITY</b>						
COMMON STOCK	1,000	0.05 %	1,000	0.07 %	1,000	0.13 %
ADD'L PAID-IN	1,362,000	72.71 %	1,005,000	66.09 %	588,000	77.70 %
RET EARNINGS	310	0.02 %	310	0.02 %	(65,088)	(8.60) %
CURRENT YEAR EARNINGS	334,481	17.86 %	287,153	18.88 %	65,398	8.64 %
<b>TOTAL STOCKHOLDER'S EQUITY</b>	<b>1,697,791</b>	<b>90.64 %</b>	<b>1,293,463</b>	<b>85.05 %</b>	<b>589,310</b>	<b>77.87 %</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,873,071</b>	<b>100.00 %</b>	<b>1,520,767</b>	<b>100.00 %</b>	<b>756,754</b>	<b>100.00 %</b>

TELAPEX LONG DISTANCE, INC.  
SHORT FORM INCOME STATEMENT  
FOR THE PERIOD ENDING 12/31/98

Page 1

	CURRENT MONTH	% OF TOT REVS	PRIOR MONTH	% OF TOT REVS	YEAR TO DATE	% OF TOT REVS
TELEPHONE REVENUES						
LONG DISTANCE REVENUE	224,119	99.75%	208,647	92.33%	2,169,995	96.75%
MISCELLANEOUS TELECOMM REVENUES	561	0.25%	17,337	7.67%	72,814	3.25%
TOTAL TELEPHONE REVENUES	224,681	100.00%	225,984	100.00%	2,242,809	100.00%
OTHER REVENUES						
TOTAL REVENUES	224,681	100.00%	225,984	100.00%	2,242,809	100.00%
TELEPHONE EXPENSES						
PLANT SPECIFIC	39	0.02%	41	0.02%	476	0.02%
PLANT NONSPECIFIC	113,525	50.53%	124,555	55.12%	1,173,512	52.32%
CUSTOMER OPERATIONS	60,285	26.83%	55,028	24.35%	538,470	24.01%
CORPORATE OPERATIONS	921	0.41%	1,419	0.63%	19,581	0.87%
OPERATING TAXES	1	0.00%	4	0.00%	263	0.01%
SPECIAL CHARGES	1	0.00%	21	0.01%	36	0.00%
TOTAL TELEPHONE EXPENSES	174,773	77.79%	181,068	80.12%	1,732,338	77.24%
INCOME FROM OPERATIONS	49,908	22.21%	44,916	19.88%	510,471	22.76%
AMORTIZATION EXPENSE	13	0.01%	13	0.01%	161	0.01%
INTEREST EXPENSE-GENERAL	53	0.02%	56	0.02%	625	0.03%
INCOME BEFORE TAXES	49,842	22.18%	44,846	19.84%	509,685	22.73%
FRANCHISE & ENVIRON TAX EXPENSE	3,473	1.55%	144	0.06%	4,760	0.21%
CURRENT INCOME TAX PROVISION	9,491	4.22%	16,750	7.41%	179,983	8.02%
DEFERRED INCOME TAX PROVISION	(10,450)	4.65%	0	0.00%	(9,538)	0.43%
NET INCOME (LOSS)	47,328	21.06%	27,952	12.37%	334,481	14.91%

TELAPEX LONG DISTANCE, INC.  
STATEMENT OF CASH FLOWS  
FOR MONTH ENDED 12/31/98

	CURRENT MONTH	YEAR TO DATE
CASH FLOWS FROM OPERATING ACTIVITIES		
NET INCOME (LOSS)	47,327.67	334,480.83
AMORTIZATION EXPENSE	13.42	161.04
DEFERRED TAX PROVISION	(10,450.00)	(9,538.42)
(INCR)DECR IN ACCOUNTS RECEIVABLE	9,872.53	(79,648.04)
INCR(DECR) IN ACCOUNTS PAYABLE	(14,601.23)	58,103.02
INCR(DECR) IN INCOME TAXES PAYABLE	(29,617.00)	(43,712.04)
INCR(DECR) IN OTHER TAXES PAYABLE	1,767.93	1,960.07
TOTAL ADJUSTMENTS TO INCOME	(43,014.35)	(72,674.37)
NET CASH FLOWS FROM OPERATING ACTIV	4,313.32	261,806.46
CASH FLOWS FROM INVESTING ACTIVITIES		
ADDITIONAL INVESTMENTS IN SUBSIDIARIES	(415,200.00)	(1,061,800.00)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(415,200.00)	(1,061,800.00)
CASH FLOWS FROM FINANCING ACTIVITIES		
ADDITIONAL CAPITAL RECEIVED	357,000.00	774,000.00
NET CASH INCR(DECR) FROM FINANCING ACTIV	357,000.00	774,000.00
INCREASE (DECREASE) IN CASH	(53,886.68)	(25,993.54)
CASH AT BEGINNING OF PERIOD	64,857.66	36,962.52
CASH AT END OF PERIOD	10,970.98	10,968.98

NONCASH INVESTING AND FINANCING ACTIVITIES:

TELAPEX LONG DISTANCE  
BALANCE SHEET  
12/31/97

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	CURRENT MONTH	% OF TOT ASSETS	PRIOR MONTH	% OF TOT ASSETS	PRIOR YEAR	% OF TOT ASSETS
<b>ASSETS</b>						
CASH	36,963	4.88 %	46,816	6.38 %	13,759	8.64 %
ALLOWANCE FOR DOUBTFUL ACCOUNTS	944	0.12 %	0	0.00 %	0	0.00 %
ACCTS REC-OTHER	7,986	1.06 %	7,986	1.09 %	0	0.00 %
ACCTS REC-AFFILIATES	185,164	24.47 %	185,252	25.25 %	79,773	50.08 %
CURRENT DEFERRED TAX ASSET	309	0.04 %	282	0.04 %	43	0.03 %
<b>TOTAL CURRENT ASSETS</b>	<b>231,365</b>	<b>30.57 %</b>	<b>240,335</b>	<b>32.75 %</b>	<b>93,575</b>	<b>58.75 %</b>
<b>NONCURRENT ASSETS</b>						
INVESTMENT IN AFFILIATES	525,000	69.38 %	493,000	67.19 %	65,000	40.81 %
<b>TOTAL NONCURRENT ASSETS</b>	<b>525,000</b>	<b>69.38 %</b>	<b>493,000</b>	<b>67.19 %</b>	<b>65,000</b>	<b>40.81 %</b>
<b>PROPERTY, PLANT, &amp; EQUIPMENT</b>						
ORGANIZATION & OTHER INTANG PLANT	805	0.11 %	805	0.11 %	805	0.51 %
ACCUM AMORT-ORG COSTS & OTHER INTA	(416)	(0.05) %	(403)	(0.05) %	(94)	(0.06) %
<b>TOTAL PROPERTY, PLANT, &amp; EQUIPMENT</b>	<b>389</b>	<b>0.05 %</b>	<b>402</b>	<b>0.05 %</b>	<b>711</b>	<b>0.45 %</b>
<b>TOTAL ASSETS</b>	<b>756,754</b>	<b>100.00 %</b>	<b>733,738</b>	<b>100.00 %</b>	<b>159,286</b>	<b>100.00 %</b>

TELAPEX LONG DISTANCE  
BALANCE SHEET  
12/31/97

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	CURRENT MONTH	% OF TOT ASSETS	PRIOR MONTH	% OF TOT ASSETS	PRIOR YEAR	% OF TOT ASSETS
<b>LIABILITIES</b>						
ACCOUNTS PAYABLE	147,253	19.46 %	148,443	20.23 %	76,365	47.94 %
AFFILIATED ACCOUNTS PAYABLE	6,990	0.92 %	11,642	1.59 %	12,360	7.76 %
ACCRUED INCOME TAXES	23,865	3.15 %	0	0.00 %	0	0.00 %
OTHER ACCRUED TAXES	21	0.00 %	829	0.11 %	118	0.07 %
<b>TOTAL CURRENT LIABILITIES</b>	<b>178,129</b>	<b>23.54 %</b>	<b>160,915</b>	<b>21.93 %</b>	<b>88,843</b>	<b>55.78 %</b>
<b>NONCURRENT LIABILITIES</b>						
NONCURRENT DEFERRED TAX LIABILITY	(10,685)	(1.41) %	10,327	1.41 %	(15,469)	(9.71) %
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>(10,685)</b>	<b>(1.41) %</b>	<b>10,327</b>	<b>1.41 %</b>	<b>(15,469)</b>	<b>(9.71) %</b>
<b>TOTAL LIABILITIES</b>	<b>167,444</b>	<b>22.13 %</b>	<b>171,242</b>	<b>23.34 %</b>	<b>73,374</b>	<b>46.06 %</b>
<b>STOCKHOLDER'S EQUITY</b>						
COMMON STOCK	1,000	0.13 %	1,000	0.14 %	1,000	0.63 %
ADD'L PAID-IN	588,000	77.70 %	588,000	80.14 %	150,000	94.17 %
RET EARNINGS	(65,088)	(8.60) %	(65,088)	(8.87) %	0	0.00 %
CURRENT YEAR EARNINGS	65,398	8.64 %	38,584	5.26 %	(65,088)	(40.86) %
<b>TOTAL STOCKHOLDER'S EQUITY</b>	<b>589,310</b>	<b>77.87 %</b>	<b>562,496</b>	<b>76.66 %</b>	<b>85,912</b>	<b>53.94 %</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>756,754</b>	<b>100.00 %</b>	<b>733,738</b>	<b>100.00 %</b>	<b>159,286</b>	<b>100.00 %</b>

TELAPEX LONG DISTANCE, INC.  
SHORT FORM INCOME STATEMENT  
FOR THE PERIOD ENDING 12/31/97

Page 1

	CURRENT MONTH	% OF TOT REVS	PRIOR MONTH	% OF TOT REVS	YEAR TO DATE	% OF TOT REVS
TELEPHONE REVENUES						
LONG DISTANCE REVENUE	125,802	98.01%	122,146	98.33%	663,285	97.52%
MISCELLANEOUS TELECOMM REVENUES	2,549	1.99%	2,073	1.67%	16,866	2.48%
TOTAL TELEPHONE REVENUES	128,351	100.00%	124,219	100.00%	680,151	100.00%
OTHER REVENUES						
TOTAL REVENUES	128,351	100.00%	124,219	100.00%	680,151	100.00%
TELEPHONE EXPENSES						
PLANT SPECIFIC	31	0.02%	19	0.02%	1,120	0.16%
PLANT NONSPECIFIC	67,749	52.78%	61,280	49.33%	406,470	59.76%
CUSTOMER OPERATIONS	29,896	23.29%	27,879	22.44%	141,286	20.77%
CORPORATE OPERATIONS	1,770	1.38%	1,617	1.30%	34,928	5.14%
OPERATING TAXES	1	0.00%	2	0.00%	649	0.10%
SPECIAL CHARGES	0	0.00%	1	0.00%	20	0.00%
TOTAL TELEPHONE EXPENSES	99,448	77.48%	90,797	73.09%	584,473	85.93%
INCOME FROM OPERATIONS	28,903	22.52%	33,422	26.91%	95,678	14.07%
AMORTIZATION EXPENSE	13	0.01%	13	0.01%	322	0.05%
INTEREST EXPENSE-GENERAL	57	0.04%	35	0.03%	1,653	0.24%
INCOME BEFORE TAXES	28,833	22.46%	33,373	26.87%	93,703	13.78%
FRANCHISE & ENVIRON TAX EXPENSE	10	0.01%	1	0.00%	740	0.11%
CURRENT INCOME TAX PROVISION	23,049	17.96%	0	0.00%	23,049	3.39%
DEFERRED INCOME TAX PROVISION	(21,041)	16.39%	12,448	10.02%	4,516	0.66%
NET INCOME (LOSS)	26,814	20.89%	20,924	16.84%	65,398	9.62%

TELAPEX LONG DISTANCE, INC.  
 STATEMENT OF CASH FLOWS  
 FOR MONTH ENDED 12/31/97

	CURRENT MONTH	YEAR TO DATE
CASH FLOWS FROM OPERATING ACTIVITIES		
NET INCOME (LOSS)	26,814.34	65,398.19
AMORTIZATION EXPENSE	13.42	322.04
DEFERRED TAX PROVISION	(21,040.84)	4,515.77
(INCR)DECR IN ACCOUNTS RECEIVABLE	(856.48)	(114,321.13)
INCR(DECR) IN ACCOUNTS PAYABLE	(5,842.68)	65,517.94
INCR(DECR) IN INCOME TAXES PAYABLE	23,865.00	23,865.00
INCR(DECR) IN OTHER TAXES PAYABLE	(808.00)	(96.39)
TOTAL ADJUSTMENTS TO INCOME	(4,669.58)	(20,196.77)
NET CASH FLOWS FROM OPERATING ACTIV	22,144.76	45,201.42
CASH FLOWS FROM INVESTING ACTIVITIES		
ADDITIONAL INVESTMENTS IN SUBSIDIARIES	(32,000.00)	(460,000.00)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(32,000.00)	(460,000.00)
CASH FLOWS FROM FINANCING ACTIVITIES		
ADDITIONAL CAPITAL RECEIVED	0.00	438,000.00
NET CASH INCR(DECR) FROM FINANCING ACTIV	0.00	438,000.00
INCREASE (DECREASE) IN CASH	(9,855.24)	23,201.42
CASH AT BEGINNING OF PERIOD	46,815.76	13,759.10
CASH AT END OF PERIOD	36,960.52	36,960.52

NONCASH INVESTING AND FINANCING ACTIVITIES:



**Wade H. Creekmore, Jr., *President, Telapex, Inc. and a Director***

Wade H. Creekmore, Jr. has been employed in the telecommunications business since 1960 when he became Vice President and General Manager of Franklin Telephone Company, Inc. headquartered in Meadville, Mississippi. He is presently President of Telapex, Inc. and an officer and director of the various affiliates. He has been responsible for various management and operational duties for all of those companies since they were founded. He is a graduate of the University of Mississippi holding a BBA and a JD. He practiced law in both Meadville and Jackson and has served as a Special Assistant Attorney General for the State of Mississippi.

**James H. Creekmore, Sr., *Vice President and Secretary/Treasurer, Telapex, Inc. and a Director***

James H. Creekmore, Sr. started working as Manager of Delta Telephone Company in 1959. He worked seven years in the Louise commercial office and the switching office and while managing the company also worked outside as a repair and construction person in Louise, Isola, Holly Bluff and Eagle Lake. Jimmy was involved in building new telephone systems in those areas plus Merigold, Ackerman and Chester, also the building of Cable TV systems in Louise, Isola, and Inverness. For the past twelve years he has been involved in the management of Telapex and holds offices in the various affiliates. He holds a BBA and a JD from the University of Mississippi and has served as a Special Assistant Attorney General for the State of Mississippi. He clerked for the Mississippi Supreme Court following law school.

**Carson M. Hughes, *Chief Executive Officer***

Born in 1947 in Charleston, Tallahatchie County, Mississippi, he attended the University of Mississippi (Ole Miss) in Oxford, Mississippi where he earned both his B.B.A. with a major in Accounting and a JD. At Ole Miss he was named to the Hall of Fame having served as Vice President of the Student Body and President of his law school class. In August of 1971 he joined the law firm of Overstreet and Kuykendall where he remained until joining Telapex as CEO in July of 1989. While a partner with the firm he focused on public utility law, telecommunications law and general corporate law. He has served by appointment of the Governor as a special chancery judge and is a member of the

Mississippi State Bar Association and the United States Supreme Court Bar. He is an Elder at Covenant Presbyterian Church PC (USA) in Jackson.

**Larry K. Morrison, *Chief Financial Officer***

Mr. Morrison was born, raised and educated in Kansas. He attended the University of Wichita, where he received his BA, and MS in Physics. After school, he worked as an engineer for Lockheed Missile and Space Company for 10 years. He returned to school at the University of Alabama in Huntsville, Alabama where he completed course work in accounting and finance. He and his family moved to Jackson, Mississippi in 1974 where he worked for a local CPA firm for 14 years, received his CPA certificate, and became a partner in the firm. In 1988, he joined Telapex, Inc. as their Chief Financial Officer, a position he has held for 12 years.

**Brooks Derryberry, *Vice President Special Projects, Telapex, Inc.***

Brooks Derryberry came to Telapex in 1992 from CoBank, where he served as Assistant Vice President and Account Officer of the Rural Electric and Telecommunications Division for Mississippi, Louisiana, and Alabama. He joined Telapex as Vice President and holds the position of General Manager for Delta Telephone Company, Branch Cable, and Telapex Long Distance.