

RG0, ECR, legal

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

THE WASHINGTON HARBOUR
3000 K STREET, NW, SUITE 300
WASHINGTON, DC 20007-5116
TELEPHONE (202) 424-7500
FAX (202) 424-7645
WWW.SWIDLAW.COM

NEW YORK OFFICE
THE CHRYSLER BUILDING
405 LEXINGTON AVENUE
NEW YORK, NY 10174
(212) 973-0111 FAX (212) 891-9598

September 27, 2000

VIA OVERNIGHT DELIVERY

Blanca S. Bayo, Director
Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

001516-TI

**Re: Application of TalkingNets Holdings, LLC
for Authority to Provide Interexchange
Telecommunications Services Within the State of Florida**

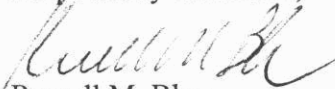
Dear Ms. Bayo:

On behalf of TalkingNets Holdings, LLC ("TalkingNets") or ("Applicant"), attached please find an original and six (6) copies of the above-referenced Application along with a \$250.00 check payable to the Florida Public Service Commission.

Please note that TalkingNets is submitting confidential and proprietary financial information as Exhibit 3 of this filing. Disclosure of such information could be harmful to TalkingNets' business operations. Accordingly, the aforementioned information is enclosed in a sealed envelope labeled "Confidential." TalkingNets respectfully requests confidential treatment of such information pursuant to Section 364.183 of the Florida Statutes.

Please date-stamp the enclosed extra copy of this filing and return in the self-addressed, stamped envelope provided. Should you have any questions concerning this filing, please do not hesitate to contact Ben Arizmendi at (202) 295-8455.

Respectfully submitted,


Russell M. Blau

Counsel for
TalkingNets Holdings, LLC

This claim of confidentiality was filed by or on behalf of a "telco" for Confidential DN 12469-00. The document is in locked storage pending advice on handling. To access the material, your name must be on the CASR. If undocketed, your division director must obtain written EXD/Tech permission before you can access it.

Enclosures

cc: Steve Goodman (TalkingNets)
Benjamin L. Arizmendi

DOCUMENT NUMBER-DATE

12457 OCT-28

FPSC-RECORDS/REPORTING

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Blanca S. Bayo, Director
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2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

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 forwarded check:
[Signature]

001516-TI

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Dear Ms. Bayo:

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Respectfully submitted,

[Signature]
Russell M. Blau

Counsel for
TalkingNets Holdings, LLC

Enclosures

cc: Steve Goodman (TalkingNets)
Benjamin L. Arizmendi

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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**

Instructions

- ◆ This form is used as an application for an original certificate and for approval of the 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**

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

Original certificate (new company).

Approval of transfer of existing certificate:

Example, a certificated company purchases an existing certificated Company and desires to retain the authority of both certificates.

Approval of assignment 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:

TalkingNets Holdings, LLC ("TalkingNets" or "Applicant")

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

TalkingNets

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

1111 Military Cutoff Rd., Suite 221Wilmington, NC 28405

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

TalkingNets does not presently have an office established in Florida.

6. Select what type of business your company will be conducting \sqrt (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.

7. Structure of organization:

- | | |
|-------------------------|-------------------------|
| () Individual | () Corporation |
| (√) Foreign Corporation | () Foreign Partnership |
| () General Partnership | () Limited Partnership |
| () Other _____ | |

8. If individual, provide:

Name: NOT APPLICABLE.

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:**
NOT APPLICABLE. _____

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

A copy of TalkingNets' Certificate of Authority to Transact Business is attached hereto as Exhibit 1.

(a) **The Florida Secretary of State corporate registration number:**
M00000001285 _____

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:**
NOT APPLICABLE. TalkingNets will not use a fictitious name or d/b/a. _____

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

(a) **The Florida Secretary of State registration number:**
NOT APPLICABLE. _____

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

Name: **NOT APPLICABLE.** _____

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:** NOT APPLICABLE.

15. Provide **F.E.I. Number** (if applicable): 52-2203440

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: _____

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ **Fax No.:** _____

(c) How is this information provided?

TalkingNets will bill its customers directly for telecommunications services provided in Florida.

17. Who will receive the bills for your service?

- | | |
|---|--|
| (<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 and Motels | (<input type="checkbox"/>) Hotel and Motel Guests |
| (<input type="checkbox"/>) Universities | (<input type="checkbox"/>) Univ. Dormitory Residents |
| (<input type="checkbox"/>) Other: (specify) _____ | |

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

(a) The application:

Name: Russell M. Blau, Esq.

Title: Counsel for the Applicant; Swidler Berlin Shereff Friedman, LLP

Address: 3000 K Street, N.W., Suite 300

City/State/Zip: Washington, D.C. 20007-5116

Telephone No.: (202) 424-7500 **Fax No.:** (202) 424-7645

Internet E-Mail Address: rmbrau@swidlaw.com

Internet Website Address: http://www.swidlaw.com

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

Name: Steve Goodman

Title: Vice President, Regulatory and Market Planning

Address: 1111 Military Cutoff Rd., Suite 221

City/State/Zip: Wilmington, NC 28405

Telephone No.: (910) 256-0770 **Fax No.:** (901) 256-6979

Internet E-Mail Address: sgoodman@talkingnets.com

Internet Website Address: www.talkingnets.com

(c) Complaints/Inquiries from customers:

Name: Steve Goodman

Title: Vice President, Regulatory and Market Planning

Address: 1111 Military Cutoff Rd., Suite 221

City/State/Zip: Wilmington, NC 28405

Telephone No.: (910) 256-0770 Fax No.: (901) 256-6979

Internet E-Mail Address: sgoodman@talkingnets.com

Internet Website Address: www.talkingnets.com

19. List the states in which the applicant:

(a) has operated as an interexchange telecommunications company.

TalkingNets has not to date operated as an intrastate provider of interexchange service.

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

Applicant is currently in the process of obtaining certification to provide Intrastate interexchange services in Maryland, Virginia, Ohio and Illinois. Applicant plans to file applications for purposes of obtaining certification in numerous other states in the near future.

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

TalkingNets is certificated to operate as an interexchange telecommunications company in Massachusetts, New York, Colorado and the District of Columbia.

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

TalkingNets has not been denied authority to operate as a telecommunications service provider.

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

None.

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

None.

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.

None of TalkingNets' officers, directors, or ten largest stockholders has previously been adjudged bankrupt, mentally incompetent, or found guilty of any felony or crime nor are any such proceedings pending.

- (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.

No.

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

TalkingNets has not yet determined what type of interexchange services it will offer in Florida. Its service offering may include, but will not necessarily be limited to the following:

FEATURE GROUPS: General categories of unbundled tariffs to stipulate related services.

Feature Group A: Line side connections presently serving specialized Common carriers.

Feature Group B: Trunk side connections without equal digit or code dialing.

Feature Group C: Trunk side connections presently serving AT&T-C.

Feature Group D: Equal trunk access with prescription.

PLEASE CONFIRM

- 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. 1.544mbs., 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 (*i.e.*,
to patrons of hotels, students in universities,
patients in hospitals).
 Available to inmates

l. **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).

Please see Exhibit 2.

23. Submit the following:

A. Financial capability.

Please see Exhibit 3.

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.

Please see Exhibit 3.

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

Please see Exhibit 3.

3. **A written explanation** that the applicant has sufficient financial capability to meet its lease or ownership obligations.

Please see Exhibit 3.

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

Please see Exhibit 4.

- 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.

Please see Exhibit 4.

**** APPLICANT ACKNOWLEDGMENT STATEMENT ****

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
4. **APPLICATION FEE:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

UTILITY OFFICIAL



Signature

September 18, 2000
Date

President and CEO
Title

910-256-0770
Telephone No.

Address:

910-256-6979
Fax No.

1111 Military Cutoff Road, Suite 221
Wilmington, NC 28405

ATTACHMENTS:

- A - CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT
- B - CUSTOMER DEPOSITS AND ADVANCED PAYMENTS
- C - CURRENT FLORIDA INTRASTATE NETWORK
- D - AFFIDAVIT
FLORIDA TELEPHONE EXCHANGES AND EAS ROUTES
GLOSSARY

APPENDICES

APPENDIX A	Certificate Sale, Transfer, or Assignment Statement
APPENDIX B	Customer Deposits and Advance Payments
APPENDIX C	Current Florida Intrastate Services
APPENDIX D	Affidavit
	Florida Telephone Exchanges and EAS Routes

CERTIFICATE TRANSFER, OR ASSIGNMENT STATEMENT

*** NOT APPLICABLE. TALKINGNETS HOLDINGS, LLC. IS APPLYING FOR ORIGINAL AUTHORITY.**

I, (Name) Not Applicable.

(Title) Not Applicable.

Not Applicable.
(Name of Company)

and current holder of Florida Public Service Commission Certificate Number

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

- () transfer
- () assignment

of the above-mentioned certificate.

UTILITY OFFICIAL

Not Applicable.
Signature

Date

Not Applicable.
Title

Telephone No.

Address: Not Applicable.

Fax No.

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 provided 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 intends to collect deposits and/or advance payments for more than one month's service and will file and maintain a surety bond with the Commission in an amount equal to the current balance of deposits and advance payments in excess of one month.
(The bond must accompany the application.)

UTILITY OFFICIAL



Signature

September 18, 2000

Date

President and CEO

Title

910-256-0770

Telephone No.

Address:

1111 Military Cutoff Road, Suite 221

910-256-6979

Fax No.

Wilmington, NC 28405

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 services begin?

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

UTILITY OFFICIAL



Signature

September 18, 2000

Date

President and CEO

Title

910-256-0770

Telephone No.

Address:
1111 Military Cutoff Road, Suite 221

910-256-6979

Fax No.

Wilmington, NC 28405

AFFIDAVIT

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the *technical expertise, managerial ability, and financial capability* to provide alternative local exchange company service in the State of Florida. I have read the foregoing and declare that, to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

Further, I am aware that, pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083."

UTILITY OFFICIAL



Signature

September 18, 2000

Date

President and CEO

Title

910-256-0770

Telephone No.

Address:
1111 Military Cutoff Road, Suite 221

Wilmington, NC 28405

910-256-6979

Fax No.

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

<u>Extended Area Service</u>	<u>Exchanges</u>
CLEARWATER:	St. Petersburg, Tampa-West, Tarpon Springs.
ST. PETERSBURG:	Clearwater.
LAKELAND:	Bartow, Mulberry, Plant City, Polk City, Winter Haven.
ORLANDO:	Apopka, East Orange, Lake Buena Vista, Oviedo, Windermere, Winter Garden, Winter Park, Montverde, Reedy Creek, Oviedo-Winter Springs.
WINTER PARK:	Aopoka, East Orange, Lake Buena Vista, Orlando, Oviedo, Sanford, Windermere, Winter Garden, Oviedo-Winter Springs, Reedy Creek, Geneva, Montverde.
TITUSVILLE:	Cocoa and Cocoa Beach.
COCOA:	Cocoa Beach, Eau Gallie, Melbourne, Titusville.
MELBOURNE:	Cocoa, Cocoa Beach, Eau Gallie, Sebastian.
SARASOTA:	Bradenton, Myakka, Venice.
FT. MYERS:	Cape Coral, Ft. Myers Beach, North Cape Coral, North Ft. Myers, Pine Island, Lehigh Acres, Sanibel-Captiva Islands.
NAPLES:	Marco Island and North Naples.

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

Extended Area Service

Exchanges

PENSACOLA:

Cantonment, Gulf Breeze
Milton, Holley-Navarre, Pace.

PANAMA CITY:

Lynn Haven, Panama City Beach,
Youngstown-Fountain, Tyndall AFB.

TALLAHASSEE:

Crawfordville, Havana,
Monticello, Panacea,
Sopchoppy, St. Marks.

JACKSONVILLE:

Baldwin, Ft. George,
Jacksonville Beach, Callahan,
Maxville, Middleburg, Orange Park,
Ponte Vedra, Julington.

GAINESVILLE:

Alachua, Archer, Brooker,
Hawthorne, High Springs,
Melrose, Micanopy, Newberry,
Waldo.

OCALA:

Belleview, Citra, Dunnellon,
Forest, Lady Lake, McIntosh,
Oklawaha, Orange Springs, Salt
Springs, Silver Springs Shores.

DAYTONA BEACH:

New Smyrna Beach.

TAMPA:

Central	None
East	Plant City
North	Zephyrhills
South	Palmetto
West	Clearwater

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

<u>Extended Area Service</u>	<u>Exchanges</u>
WEST PALM BEACH:	Boynton Beach and Jupiter.
POMPANO BEACH:	Boca Raton, Coral Springs, Deerfield Beach, Ft. Lauderdale
FT. LAUDERDALE:	Coral Springs, Deerfield Beach, Hollywood, Pompano Beach.
HOLLYWOOD:	Ft. Lauderdale and North Dade.
NORTH DADE:	Hollywood, Miami, Perrine.
MIAMI:	Homestead, North Dade, Perrine.

TalkingNets seeks authority to originate interexchange telecommunications services throughout the State of Florida at the rates identified in its proposed tariff attached hereto as Exhibit 2.

EXHIBITS

EXHIBIT 1	Certificate of Authority to Transact Business
EXHIBIT 2	Proposed Tariff
EXHIBIT 3	Financial Qualifications
EXHIBIT 4	Managerial and Technical Capability

EXHIBIT 1

Certificate of Authority to Transact Business



FLORIDA DEPARTMENT OF STATE
Katherine Harris
Secretary of State

June 30, 2000

CT SYSTEM
ATTN: CAROL CLARK

Qualification documents for TALKINGNETS HOLDINGS, LLC were filed on June 30, 2000, and assigned document number M00000001285. Please refer to this number whenever corresponding with this office.

Your limited liability company is now qualified and authorized to transact business in Florida as of the file date. In accordance with section 608.406(2), F.S., the name of this limited liability company is filed with the Department of State for public notice only and is granted without regard to any other name recorded with the Division of Corporations.

A limited liability company annual report/uniform business 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 limited liability company address changes, it is the responsibility of the corporation to notify this office.

Should you have any questions regarding this matter, please telephone (850) 487-6051, the Registration and Qualification Section.

Lee Rivers
Document Specialist
Division of Corporations

Letter Number: 400A00037045

**APPLICATION BY FOREIGN LIMITED LIABILITY COMPANY FOR AUTHORIZATION TO
TRANSACT BUSINESS IN FLORIDA**

IN COMPLIANCE WITH SECTION 608.503, FLORIDA STATUTES, THE FOLLOWING IS SUBMITTED TO REGISTER A FOREIGN LIMITED LIABILITY COMPANY TO TRANSACT BUSINESS IN THE STATE OF FLORIDA:

1. TalkingNets Holdings, LLC
(Name of foreign limited liability company)

2. Delaware
(Jurisdiction under the law of which foreign limited liability company is organized)

3. Applied For
(FEI number, if applicable)

4. June 1, 2000
(Date of Organization)

5. perpetual
(Duration: Year limited liability company will cease to exist or "perpetual")

6. upon qualification
(Date first transacted business in Florida. (See sections 608.501, 608.502, and 817.155, F.S.))

7. 1213 Culbreth Drive, Wilmington, NC 28405
(Street address of principal office)

8. If limited liability company is a manager-managed company, check here

9. The usual business addresses of the managing members or managers are as follows:
1213 Culbreth Drive, Wilmington, NC 28405

00 JUN 30 PM 2:11
FILED
SECRETARY OF STATE
TALLAHASSEE FLORIDA

10. Attached is an original certificate of existence, no more than 90 days old, duly authenticated by the official having custody of records in the jurisdiction under the law of which it is organized. (A photocopy is not acceptable. If the certificate is in a foreign language, a translation of the certificate under oath of the translator must be submitted.)

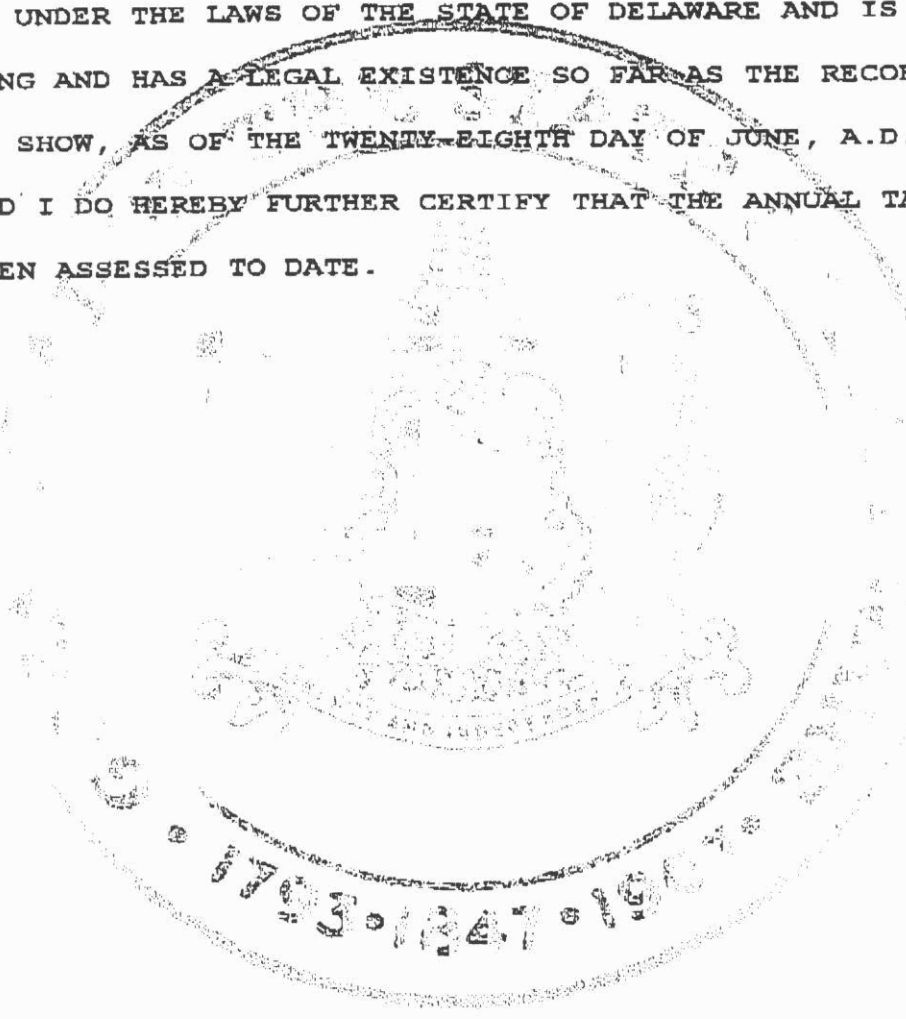
11. Nature of business or purposes to be conducted or promoted in Florida: telecommunication services

John A. Philips, III
Signature of a member or an authorized representative of a member.
(In accordance with section 608.408(3), F.S., the execution of this document constitutes an affirmation under the penalties of perjury that the facts stated herein are true.)
JOHN A. PHILIPS, III
Typed or printed name of signee

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "TALKINGNETS HOLDINGS, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-EIGHTH DAY OF JUNE, A.D. 2000.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE NOT BEEN ASSESSED TO DATE.



Edward J. Freel

Edward J. Freel, Secretary of State

3238149 8300

001328891

AUTHENTICATION:

0527409

DATE:

06-28-00

EXHIBIT 2

Proposed Tariff

TITLE SHEET

TALKINGNETS HOLDINGS, LLC
REGULATIONS AND SCHEDULE OF INTRASTATE CHARGES
APPLYING TO INTEREXCHANGE TELECOMMUNICATIONS
SERVICES WITHIN THE STATE OF FLORIDA

This Tariff applies to the interexchange telecommunications furnished by TalkingNets Holdings, LLC ("Company") 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, 1111 Military Cutoff Rd., Suite 221, Wilmington, N.C. 28405.

Issued:

Effective:

By: Steve Goodman, VP-Regulatory & Market Planning
1111 Military Cutoff Rd., Suite 221
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CHECK SHEET

The Sheets of this Tariff are effective as of the date shown. The original and revised Sheets named below contain all changes from the original Tariff and are in effect on the date shown.

<u>Sheet</u>	<u>Revision</u>	<u>Sheet</u>	<u>Revision</u>
Title	Original		
1	Original		
2	Original		
3	Original		
4	Original		
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EXPLANATION OF SYMBOLS

A revision of a Tariff Sheet is coded to designate the type of change from the previous revision. These symbols, which appear in the right-hand margin of the Page, are used to signify:

- (D) Delete or Discontinue
- (I) Change Resulting In An Increase To a Customer's Bill
- (M) Moved From Another Tariff Location
- (N) New Rate or Regulation
- (R) Change Resulting In a Reduction In a Customer's Bill
- (T) Change In Text or Regulation, But No Change In Rate or Charge

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TARIFF FORMAT

- A. Sheet Numbering - Sheet numbers appear in the upper right corner of the page. 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 page. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. 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 page 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).l.
 - 2.1.1.A.1.(a).l.(i).
 - 2.1.1.A.1.(a).l.(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 pages 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 pages). 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 Commission.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Agent- A person, firm, company, corporation, or other entity who is authorized to distribute Calling Cards to Customers or Users on the Company's behalf.

Application for Service - Refers to Carrier's order form which includes all pertinent technical, billing and other information which will enable TalkingNets to provide service.

Authorization Code - A numerical code, one or more of which may be assigned to a Subscriber, to enable Company to identify the origin of the service User so it may rate and bill the call. All authorization codes shall be the sole property of Company and no subscriber shall have any property or other right or interest in the use of any particular authorization code. Automatic numbering identification (ANI) may be used as or in connection with the authorization code.

Authorized User - A person, firm, corporation, or other entity authorized by the Customer to receive or send communications.

Automatic Numbering Identification (ANI) - A type of signaling provided by a local exchange telephone company which automatically identifies the local exchange line from which a call originates.

Bandwidth - The difference, expressed in Hertz, between the highest and lowest frequencies of a band constituting a channel or circuit.

Central Office - A Local Exchange Carrier switching system where Local Exchange Carrier Customer station loops are terminated for purposes of interconnection to each other and to trunks.

Channel or Circuit - A transmission path or paths between two or more points having a bandwidth or transmission speed suitable to render service to a Customer.

Commission - Refers to the Florida Public Service Commission.

Common Carrier - A company or entity providing telecommunications services to the public.

Company, Carrier or TalkingNets - Refers to TalkingNets Holdings, LLC

Customer - The term "Customer" denotes the person, partnership, association, joint stock Company, trust, corporation, or governmental entity or any other entity, that is responsible for payment of charges and for compliance with this Tariff. A "Carrier Customer" is a Customer that is a Common Carrier (as defined hereinabove).

Customer-Provided Facilities -The term "Customer-Provided Facilities" denotes all communications facilities provided by the customer and/or authorized user other than those provided by Company.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (CONT'D)

Data - Any representation such as characters (digital or analog quantities) to which meaning is assigned.

Dedicated Access - Dedicated access denotes outbound long distance traffic delivered to a Company Point of Presence ("POP") via dedicated facilities and terminated over the Company network.

Direct Dialed Call - The term "Direct Dialed Call" denotes a telephone call which is automatically completed and billed to the telephone number from which the call originated without the automatic or live assistance of an operator. This includes calls forwarded by call forwarding equipment.

Exchange - The term "Exchange" denotes a unit established by the Local Exchange Carrier for the administration of communications service in a specified area which usually embraces a city, town or village and its environs. It consists of one or more central offices together with the associated facilities used in furnishing communications service within that area. One or more designated exchanges comprise a given Local Access and Transport Area (LATA).

Hertz - Cycles per second.

Holiday - New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day.

Installation - The connection of a circuit, dedicated access line, or port for a new, change of, or additional service.

Kbps - Kilobits per second.

Local Access and Transport Area (LATA) - The term "Local Access Transport Area" denotes a geographical area established by the U.S. District Court for the District of Columbia in Civil Action No. 82-0192, within which a local exchange company provides communications services.

Local Exchange Carrier (LEC) - The term "Local Exchange Carrier" denotes any telephone company that has been granted a Certificate of Public Convenience and Necessity by a State Commission which provides local telephone service to Customers within a defined exchange.

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

Month - A month is considered to consist of thirty (30) days.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (CONT'D)

On-Net – Refers to calls carried on the Company's network.

Order Cancellation - A Customer-initiated request to discontinue processing a service order, either in part or in its entirety, prior to commencement of service.

Physical Change - The modification of an existing circuit, dedicated access line or port at the request of a Customer and requiring some physical change or re-termination.

Points of Presence - The term "Points of Presence" denotes the sites where Company provides a network interface with facilities provided by other Common Carriers, Local Exchange Carriers or Customers for access to the local area network.

Premises - The space designated by a Customer at its, or its authorized users, place or places of business for termination of TalkingNets service whether for the Customer's or its authorized user's communications needs.

Service -All telecommunications services provided pursuant to this Tariff.

Service Point - The location or locations where the Company's equipment is interconnected with the facilities provided.

Subscriber/Customer - The person or legal entity which enters into arrangements for Company's telecommunications services and is responsible for payment of Company's services.

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

Terminal Equipment - Devices, apparatus and their associated wiring such as teleprinters, telephone handsets or data sets.

Transmission Speed - Data transmission speed or rate in bits per second (bps).

User - The person(s) utilizing Company's services.

Voice Grade - A communications path between two or more points comprised of any form or configuration of physical plant capable of, and typically used in the telecommunications industry for, the transmission of the human voice and associated telephone signals within the bandwidth of approximately 300 to 3400 Hertz.

Zero Mile Circuit - A circuit between 0 miles and 3/4 of a mile in length.

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SECTION 2 - RULES AND REGULATIONS

2.1 APPLICATION OF TARIFF

This Tariff sets forth the service offerings, rates, terms and conditions applicable to the furnishing of intrastate interexchange telecommunications services to customers within the State of Florida.

2.1.1 Service Territory

TalkingNets Holdings, LLC will provide service within the State of Florida.

2.1.2 Availability

Service is available where facilities permit. Only those services for which Rates are provided are currently available. The rates set forth in this tariff only apply to On-Net services.

2.1.3 Resellers and rebillers of the Company's services must have a Certificate of Public Convenience and Necessity as an interexchange carrier from the Florida Public Service Commission.

2.2 USE OF FACILITIES AND SERVICE

2.2.1 Obligation of the Company

In furnishing facilities and service, the Company does not undertake to transmit messages, but furnishes the use of its facilities to its customers for communications. The Company undertakes to furnish communications service pursuant to the terms of this Tariff in connection with one-way and/or two-way information transmission between points within the State of Florida.

- a. The Company reserves the right to limit or to allocate the use of existing facilities, or of additional facilities offered by the Company, when necessary because of lack of facilities, or due to some other cause beyond the Company's control.

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SECTION 2 - RULES AND REGULATIONS (CONT'D)

2.2 USE OF FACILITIES AND SERVICE (Cont'd)

2.2.1 Obligation of the Company (Cont'd)

- b. The furnishing of service under this Tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities as well as facilities the Company may obtain from other carriers to furnish service from time to time as required at the sole discretion of the Company.

The Company's obligation to furnish facilities and service is dependent upon its ability (a) to secure and retain, without unreasonable expense, suitable facilities and rights for the construction and maintenance of the necessary circuits and equipment; (b) to secure and retain, without unreasonable expense, suitable space for its plant and facilities in the building where service is or will be provided to the customer; or (c) to secure reimbursement of all costs where the owner or operator of a building demands relocation or rearrangement of plant and facilities used in providing service therein.

The Company shall not be required to furnish, or continue to furnish, facilities or service where the circumstances are such that the proposed use of the facilities or service would tend to adversely affect the Company's plant, property or service.

The Company reserves the right to refuse an application for service made by a present or former customer who is indebted to the Company for service previously rendered pursuant to this Tariff until the indebtedness is satisfied.

Whenever facilities are not immediately available to furnish service to all applicants, the order of precedence, by categories, will continue to be that followed under the Civilian Production Administration Utilities Order U-2, as amended August 7, 1946.

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SECTION 2 - RULES AND REGULATIONS (CONT'D)

2.2 USE OF FACILITIES AND SERVICE (Cont'd)

2.2.2 Limitations on Liability

2.2.2.1 The liability of the Company for damages arising out of the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these services or arising out of the failure to furnish the service, whether caused by acts or omission, shall be limited to the extension of allowances for interruption as set forth in this Tariff. The extension of such allowances for interruption shall be the sole remedy of the Customer and the sole liability of the Company. The Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to Customer as a result of any Company service, equipment or facilities, or the acts or omissions or negligence of the Company's employees or agents.

2.2.2.2 The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government, or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state, or local governments, or of any civil or military authority; national emergencies; insurrections; riots; wars; unavailability of rights-of-way or materials; or strikes, lock-outs, work stoppages, or other labor difficulties.

2.2.2.3 The Company shall not be liable for any act or omission of any entity furnishing to the Company or to the Company's Customers facilities or equipment used for or with the services the Company offers

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Wilmington, NC 28405

SECTION 2 - RULES AND REGULATIONS (CONT'D)

2.2 USE OF FACILITIES AND SERVICE (Cont'd)

2.2.2 Limitations on Liability (Cont'd)

2.2.2.4 The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer-provided equipment or facilities.

2.2.2.5 The Company does not guarantee nor make any warranty with respect to installations it provides for use in an explosive atmosphere. The Customer indemnifies and holds the Company harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal presence, condition, location, or use of any installation so provided. The Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this section as a condition precedent to such installations.

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SECTION 2 - RULES AND REGULATIONS (CONT'D)

2.2 USE OF FACILITIES AND SERVICE (Cont'd)

2.2.2 Limitations on Liability (Cont'd)

2.2.2.6 The Company is not liable for any defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof, unless such defacement or damage is caused by negligence or willful misconduct of the Company's agents or employees.

2.2.2.7 The Company is not liable for any claims for loss or damages involving:

- (a) Breach in the privacy or security of communications transmitted over the Company's facilities;
- (b) Injury to property or injury or death to persons, including claims for payments made under Worker's Compensation law or under any plan for employee disability or death benefits arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected or to be connected to the Company's facilities;
- (c) Any representations made by Company employees that do not comport, or that are inconsistent, with the provisions of this Tariff;
- (d) Any act or omission in connection with the provision of 911, E911 or similar services;
- (e) Any noncompletion of calls due to network busy conditions.

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SECTION 2 - RULES AND REGULATIONS (CONT'D)

2.2 USE OF FACILITIES AND SERVICE (Cont'd)

2.2.2 Limitations on Liability (Cont'd)

2.2.2.8 The Company shall be indemnified, defended held harmless by the Customer against any claim, loss, or damage arising from Customer's use of services, involving claims for libel, slander, invasion of privacy, or infringement of copyright arising from the Customer's own communications.

- (a) The Company shall be indemnified, defended and held harmless by the Customer or end user from and against any and all claims, loss, demands, suits, expense, or other action or any liability whatsoever, including attorney fees, whether suffered, made, instituted, or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any Company or Customer equipment or facilities or service provided by the Company.

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Wilmington, NC 28405

SECTION 2 - RULES AND REGULATIONS (CONT'D)

2.2 USE OF FACILITIES AND SERVICE (Cont'd)

2.2.2 Limitations on Liability (Cont'd)

2.2.2.8 (Cont'd)

- (b) The Company does not guarantee nor make any warranty with respect to installations provided by it for use in an explosive atmosphere. The Company shall be indemnified, defended and held harmless by the Customer from and against any and all claims, loss, demands, suits, or other action, or any liability whatsoever, including attorney fees, whether suffered, made, instituted or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any equipment or facilities or the service.
- (c) The Company assumes no responsibility for the availability or performance of any cable or satellite systems or related facilities under the control of other entities, or for other facilities provided by other entities used for service to the Customer, even if the Company has acted as the Customer's agent in arranging for such facilities or services. Such facilities are provided subject to such degree of protection or nonpreemptibility as may be provided by the other entities.
- (d) Any claim of whatever nature against the Company shall be deemed conclusively to have been waived unless presented in writing to the Company within thirty (30) days after the date of the occurrence that gave rise to the claim.

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SECTION 2 - RULES AND REGULATIONS (CONT'D)

2.2 USE OF FACILITIES AND SERVICE (Cont'd)

2.2.2 Limitations on Liability (Cont'd)

2.2.2.9 The liability of the Company for errors in billing that result in overpayment by the Customer shall be limited to credit equal to the dollar amount erroneously billed or, in the event that payment has been made and service has been discontinued, to a refund of the amount erroneously billed.

2.2.2.10 The entire liability for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid Company by Customer for the specific services giving rise to the claim. No action or proceeding against the Company shall be commenced more than one year after the service is rendered.

2.2.2.11 Year 2000 Readiness Disclosure

The Company will operate as specified in these and other applicable Tariffs during the 20th and 21st centuries. The Company will make reasonable efforts to cure any material failure to provide Services caused solely by year 2000 (Y2K) defects in the Company's hardware, software, or systems. Due to the interdependence among telecommunications companies, and the interrelationship with non-Company processes, equipment, and systems, the Company is not responsible for failures caused by circumstances beyond its control including, but not limited to, failures caused by:

1. a local exchange carrier;
2. customer premise equipment; or
3. the user or Customer.

In addition, the Company is not liable for any incompatibility between the Company's Services and any non-Company services used by the Customer or user.

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SECTION 2 - RULES AND REGULATIONS (CONT'D)

2.2 USE OF FACILITIES AND SERVICE (Cont'd)

2.2.2 Limitations on Liability (Cont'd)

2.2.2.12 THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

2.2.3 Use of Service

Any service provided under this Tariff may be resold to or shared (jointly used) with other persons at the customer's option. The customer remains solely responsible for all use of service ordered by it or billed to its telephone number(s) pursuant to this Tariff, for determining who is authorized to use its service, and for promptly notifying the Company of any unauthorized use. The customer may advise its customers that a portion of its service is provided by the Company, but the customer shall not represent that the Company jointly participates with the customer in the provision of the service.

2.2.4 Use and Ownership of Equipment

The Company's equipment, apparatus, channels and lines shall be carefully used. Equipment furnished by the Company shall remain its property and shall be returned to the Company whenever requested, within a reasonable period following the request, in good condition, reasonable wear and tear accepted. The customer is required to reimburse the Company for any loss of, or damage to, the facilities or equipment on the customer's premises, including loss or damage caused by agents, employees or independent contractors of the customer through any negligence.

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SECTION 2 - RULES AND REGULATIONS (CONT'D)

2.3 MINIMUM PERIOD OF SERVICE

The minimum period of service is one month except as otherwise provided in this Tariff. The customer must pay the regular tariff rate for the service they subscribe to for the minimum period of service. If a customer disconnects service before the end of the minimum service period, that customer is responsible for paying the regular rates for the remainder of the minimum service period. When the service is moved within the same building, to another building on the same premises, or to a different premises entirely, the period of service at each location is accumulated to calculate if the customer has met the minimum period of service obligation.

If service is terminated before the end of the minimum period of service as a result of condemnation of property, damage to property requiring the premises to be abandoned, or by the death of the customer, the customer is not obligated to pay for service for the remainder of the minimum period.

If service is switched over to a new customer at the same premises after the first month's service, the minimum period of service requirements are assigned to the new customer if the new customer agrees in writing to accept them. For facilities not taken over by the new customer, the original customer is responsible for the remaining payment for the minimum service period in accordance with the terms under which the service was originally furnished.

2.4 PAYMENT FOR SERVICES RENDERED

2.4.1 Responsibility for All Charges

Any applicant for facilities or service may be required to sign an application form requesting the Company to furnish the facilities or service in accordance with the rates, charges, rules and regulations from time to time in force and effect. The customer is responsible for all local and toll calls originating from the customer's premises and for all calls charged to the customer's line where any person answering the customer's line agrees to accept such charge.

2.4.2 Deposits

The Company does not require a deposit from the Customer.

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SECTION 2 - RULES AND REGULATIONS (CONT'D)**2.4 PAYMENT FOR SERVICES RENDERED (Cont'd)****2.4.3 Payment of Charges**

Charges for facilities and service, other than usage charges, are due monthly in advance. All other charges are payable upon request of the Company. Bills are due on the due date shown on the bill and are payable at any business office of the Company, by U.S. Mail, or at any location designated by the Company. If objection is not received by the Company within three months after the bill is rendered, the items and charges appearing thereon shall be determined to be correct and binding upon the customer. A bill will not be deemed correct and binding upon the customer if the Company has records on the basis of which an objection may be considered, or if the customer has in his or her possession such Company records. If objection results in a refund to the customer, such refund will be with interest at the greater of the unadjusted customer deposit rate or the applicable late payment rate, if any, for the service classification under which the customer was billed. Interest will be paid from the date when the customer overpayment was made, adjusted for any changes in the deposit rate or late payment rate, compounded monthly, until the overpayment is refunded. Notwithstanding the foregoing, no interest will be paid by the Company on customer overpayments that are refunded within 30 days after the overpayment is received by the Company.

Where an objection to the bill involves a superseded service order, the items and charges appearing on the bill shall be deemed to be correct and binding upon the customer if an objection is not received by the Company within two months after the bill is rendered.

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SECTION 2 - RULES AND REGULATIONS (CONT'D)

2.4 PAYMENT FOR SERVICES RENDERED (Cont'd)

2.4.4 Customer Overpayments

The Company will provide interest on customer overpayments that are not refunded within 30 days of the date the Company receives the overpayment. An overpayment is considered to have occurred when payment in excess of the correct charges for service is made because of erroneous Company billing. The customer will be issued reimbursement for the overpayment, plus interest, or, if agreed to by the customer, credit for the amount will be provided on the next regular Company bill. The rate of interest shall be the greater of the customer deposit interest rate or the Company's applicable Late Payment Charge.

Interest shall be paid from the date when overpayment was made, adjusted for any changes in the deposit rate or late payment rate, and compounded monthly, until the date when the overpayment is refunded. The date when overpayment is considered to have been made will be the date on which the customer's overpayment was originally recorded to the customer's account by the Company.

2.4.5 Advance Payments

For Customers whom the Company feels an advance payment is necessary, the Company reserves the right to collect an amount not to exceed one (1) month's estimated charges as an advance payment for service. This will be applied against the next month's charges and if necessary, a new advance payment will be collected for the next month.

2.5 INSTALLATION SERVICE

The Company provides a Half-Day Installation Plan, which offers customers half-day appointments (i.e., morning/afternoon or a rolling interval) for connection of Commission regulated service involving a customer premise visit.

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SECTION 2 - RULES AND REGULATIONS (CONT'D)

2.6 ACCESS TO CUSTOMER'S PREMISES

The customer shall be responsible for making arrangements or obtaining permission for safe and reasonable access for Company employees or agents of the Company to enter the premises of the customer or any joint user or customer of the customer at any reasonable hour for the purpose of inspecting, repairing, testing or removing any part of the Company's facilities.

2.7 TAXES

All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

2.8 SUSPENSION OR TERMINATION OF SERVICE

2.8.1 As applicable, the Company may refuse or discontinue telephone service under the following conditions provided that, unless otherwise stated, the Customer shall be given notice and allowed a reasonable time to comply with any rule or remedy any deficiency:

2.8.1.1 For non-compliance with or violation of any State or municipal law, ordinance, or regulation pertaining to telephone service;

2.8.1.2 For the use of telephone service for any other property or purpose than that described in the application;

2.8.1.3 For failure or refusal to provide the Company with a deposit to insure payment of bills in accordance with the Company's regulations;

2.8.1.4 For neglect or refusal to provide reasonable access to the utility for the purpose of inspection and maintenance of equipment owned by the company;

2.8.1.5 For non-compliance with or violation of the Commission's regulations or the Company's rules and regulations on file with the Commission, provided five (5) working days' written notice is given before termination;

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SECTION 2 - RULES AND REGULATIONS (CONT'D)

2.8 SUSPENSION OR TERMINATION OF SERVICE

2.8.1 (Cont'd)

- 2.8.1.6 For non-payment of bills for telephone service, including the telecommunications access system surcharge referred to in Rule 25-4.160(5), provided that suspension or termination of service shall not be made without five (5) working days' written notice to the Customer, except in extreme cases. The written notice shall be separate and apart from the regular monthly bill for service. The Company will not, however, refuse or discontinue service for non-payment of a dishonored check service charge imposed by the company.
- 2.8.1.7 For purposes of paragraphs 2.8.1.5 and 2.8.1.6, "working day" means any day on which the Company's business office is open and the U.S. Mail is delivered;
- 2.8.1.8 Without notice in the event of customer use of equipment in such manner as to adversely affect the Company's equipment or the Company's service to others;
- 2.8.1.9 Without notice in the event of tampering with the equipment furnished and owned by the Company;
- 2.8.1.10 Without notice in the event of unauthorized or fraudulent use of service. Whenever service is discontinued for fraudulent use of service, the Company may, before restoring service, require the customer to make, at his own expense, all changes in facilities or equipment necessary to eliminate illegal use and to pay an amount reasonably estimated as the loss in revenues resulting from such fraudulent use.

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SECTION 2 - RULES AND REGULATIONS (CONT'D)

2.8 SUSPENSION OR TERMINATION OF SERVICE

- 2.8.1 In the case of refusal to establish service, or whenever service is discontinued, the Company shall notify the customer in writing of the reason for such refusal or discontinuance.
- 2.8.2 Service shall be initiated or restored when cause for refusal or discontinuance has been satisfactorily adjusted.
- 2.8.3 The following shall not constitute sufficient cause for refusal or discontinuance of service to a customer:
- 2.8.3.1 Delinquency in payment for service by a previous occupant of the premises, unless the current customer occupied the premises at the time the delinquency occurred and the previous customer continues to occupy the premises and such previous customer shall benefit from such new service;
- 2.8.3.2 Delinquency in payment for service by a present occupant who was delinquent at another address and subsequently joined the household of the customer in good standing;
- 2.8.3.3 Delinquency in payment for separate telephone service of another customer in the same residence;
- 2.8.3.4 Failure to pay for business service at a different location and a different telephone number shall not constitute sufficient cause for refusal of residence service or vice versa;
- 2.8.3.5 Failure to pay for service rendered by the Company which is not regulated by the Commission;
- 2.8.3.6 Failure to pay the bill of another customer as guarantor thereof;
- 2.8.3.7 Failure to pay a dishonored check service charge imposed by the Company.
- 2.8.4 When service has been discontinued for proper cause, the Company may charge a reasonable fee to defray the cost of restoring service, provided such charge is set out in its approved tariff on file with the Commission.

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SECTION 2 - RULES AND REGULATIONS (CONT'D)

2.9 AUTOMATIC NUMBER IDENTIFICATION

2.9.1 Regulations

The Company will provide Automatic Number Identification (ANI) associated with an intrastate service, by Tariff, to any entity (ANI recipient), only under the following terms and conditions:

- a. The ANI recipient or its designated billing agent may use or transmit ANI information to third parties for billing and collection, routing, screening, ensuring network performance, and completion of a telephone subscriber's call or transaction, or for performing a service directly related to the telephone subscriber's original call or transaction, or for performing a service directly related to the telephone subscriber's original call or transaction.
- b. The ANI recipient may offer to any telephone subscriber with whom the ANI recipient has an established customer relationship, a product or service that is directly related to products or service previously purchased by the telephone subscriber from the ANI recipient.
- c. The ANI recipient or its designated billing agent is prohibited from utilizing ANI information to establish marketing lists or to conduct outgoing marketing calls, except as permitted by the preceding paragraph, unless the ANI recipient obtains the prior written consent of the telephone subscriber permitting the use of ANI information for such purposes. The foregoing provisions notwithstanding, no ANI recipient or its designated billing agent may utilize ANI information if prohibited elsewhere by law.
- d. The ANI recipient or its designated billing agent is prohibited from reselling, or otherwise disclosing ANI information to any other third party for any use other than those listed in Provision 1, unless the ANI recipient obtains the prior written consent of the subscriber permitting such resale or disclosure.
- e. Violation of any of the foregoing terms and conditions by any ANI recipient other than a Telephone Corporation shall result, after a determination through the Commission's complaint process, in suspension of the transmission of ANI by the Telephone Corporation until such time as the Commission receives written confirmation from the ANI recipient that the violations have ceased or have been corrected. If the Commission determines that there have been three or more separate violations in a 24 month period, delivery of ANI to the offending party shall be terminated under terms and conditions determined by the Commission.

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SECTION 2 - RULES AND REGULATIONS (CONT'D)

2.9 AUTOMATIC NUMBER IDENTIFICATION (Cont'd)

2.9.2 Terms and Conditions

Violation of any of the foregoing terms and conditions by a Telephone Corporation may result in Commission prosecution of penalty and enforcement proceedings.

2.10 INTERRUPTION OF SERVICE

2.10.1 Credit allowance for the interruption of service which is not due to the Company's testing or adjusting, negligence or the customer, or to the failure of channels or equipment provided by the customer, are subject to the general liability provisions as set forth in this tariff. It shall be the customer's obligations to notify the company immediately of any service interruption for which a credit allowance is desired. Before giving such notice, the customer shall ascertain that the trouble is not being caused by any action or omission by the customer within his control, if any, furnished by the customer and connected to the Company's facilities. No refund or credit will be made for the time that the Company stands ready to repair the service and the customer does not provide access to the Company for such restoration work.

2.10.2 No credit shall be allowed for an interruption of a continuous duration of less than twenty-four hours after the customer notifies the Company.

2.10.3 The customer shall be credited for an interruption of more than 24 hours as follows:

Credit Formula: $Credit = A/B \times C$

"A" - outage time in hours

"B" - total days in month

"C" - total monthly charge for affected facility

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SECTION 3 - DESCRIPTION OF SERVICES

3.1 TIMING OF CALLS

The Customer's usage charge is based on call duration, without regard to time of day, day of week or distance called. Calls are timed by the underlying carrier, whose services are resold by the Company in accordance with its own tariff.

- (i) On all calls, chargeable time begins when the called party picks up the receiver (i.e., when two-way communication, often referred to as conversation time, begins).
- (ii) A call is terminated when the calling or called party "hangs up." If the called station "hangs up" but the calling station does not, chargeable time ends when the connection is released by the automatic timing equipment in the network.
- (iii) When the Company's services are directly connected to a Customer-provided communications system at the Customer's premises, chargeable time begins when a call terminates in, or passes through, the first Customer equipment on that Customer provided communications system.
- (iv) If a Customer receives a bill for an uncompleted call, the Company will reimburse the customer for the full amount.

3.2 CALCULATION OF RATES AND CHARGES

Rates for the Company's intrastate services are usage sensitive but do not vary according to distance called or the time of day or day of week. In addition, a monthly recurring charge may apply. Unless otherwise indicated, rates are identified in this tariff as per minute rates. Unless otherwise indicated herein, all calls are billed in sixty (60) second initial and sixty (60) second additional billing increments. The usage rate is based on an initial period of sixty (60) seconds plus any additional period. Billing will be rounded up to the nearest penny for each call.

A Customer can expect a call completion rate (number of calls completed/number of calls attempted) of not less than 95% during peak use periods for all FGD services.

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SECTION 3 - DESCRIPTION OF SERVICES (CONT'D)

3.3 RATES BASED UPON CALCULATION OF DISTANCE

Where the charges for service are specified based upon distance, the following rules apply:

The airline mileage between two cities can be calculated by using the Vertical (V) and Horizontal (H) coordinates of the servicing wire centers associated with the Company's POP locations. The method for calculating the airline mileage is obtained by reference to AT&T's Tariff F.C.C. No. 10 in accordance with the following formula:

$$\text{the square root of: } \frac{(V1-V2)^2 + (H1-H2)^2}{10}$$

Where V1 and H1 correspond to the V&H coordinates of City 1 and V2 and H2 correspond to the V&H coordinates of City 2.

Example:	<u>V</u>	<u>H</u>
City 1	5004	1406
City 2	5987	3424

$$\text{the square root of: } \frac{(5004-5987)^2 + (1406-3424)^2}{10}$$

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SECTION 3 - DESCRIPTION OF SERVICES (CONT'D)

3.4 SERVICE OFFERINGS

3.4.1 1+ Long Distance Telecommunications Service

Interexchange telecommunications services offered by the Carrier include 1+ Long Distance telecommunications Service and Private Line Service between exchanges within the state. Services are available on a full time basis, 24 hours a day, seven days a week. Calls are placed by dialing "1" and the destination telephone number, including the area code. Services are available only in equal access areas. Calls are billed in one minute increments. The Service is available to business Customers. There is no minimum monthly usage required.

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SECTION 4 - RATES**4.1 Rate Schedules**

The regulations set forth in this section govern the application of rates for services as set forth in other sections of this tariff.

4.1.1 1+ Long Distance Telecommunications Service

The Company offers 1+ Long Distance service to business customers.

4.1.1.1 Basic 1+ Long Distance Telecommunications ServiceRate Per Minute

24 hours a day, 7 days a week,
365 days a year \$0.0950

With 1-year Contract \$0.0900

With 2-year contract \$0.0850

4.1.1.2 Directory Assistance \$0.95 per request

4.2 Late Payment Charge

Interest charges of 1.5% per month will be assessed on all unpaid balances more than thirty days old.

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SECTION 4 - RATES (CONT'D)**4.3 Return Check Charge**

A return check charge of \$25.00 will be assessed for checks returned for insufficient funds.

4.4 Restoration of Service

A restoration fee of \$25.00 per occurrence is charged when service is re-established for customers who had been disconnected for non-payment.

4.5 Special Promotions

The Company will, from time to time, offer special promotions to its customers waiving certain charges. These promotions will be approved by the Commission with specific starting and ending dates and under no circumstances run for longer than 90 days in any 12 month period, and be made part of this Tariff.

4.6 Special Rates for the Handicapped**4.6.1 Directory Assistance**

There will be no charge for up to fifty (50) calls per billing cycle from lines or trunks serving individuals with disabilities. The Company will charge the prevailing tariff rates for every call in excess of fifty (50) within a billing cycle.

4.6.2 Hearing and Speech Impaired Persons

Intrastate toll message rates for TDD users shall be evening rates for daytime calls and night rates for evening and night calls.

4.6.3 Telecommunications Relay Service

For intrastate toll calls received from the relay service, the Company will when billing relay calls discount relay service calls by 50 percent off of the otherwise applicable rate for a voice nonrelay call except that where either the calling or called party indicated that either party is both hearing and visually impaired, the call shall be discounted 60 percent off of the otherwise applicable rate for a voice nonrelay call. The above discounts apply only to time-sensitive elements of a charge for the call and shall not apply to per call charges such as a credit card surcharge.

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EXHIBIT 3

Financial Qualifications

EXHIBIT 4

Managerial and Technical Qualifications

MANAGERIAL AND TECHNICAL QUALIFICATIONS

John Philips, President & CEO

John Philips co-founded TalkingNets in November 1999 and serves as the company President and CEO. John brings 12 years of telecom expertise and guidance to the company. He is experienced in serving the needs of a variety of telecom industry players, including competitive local exchange carriers (CLECs), regional Bell operating companies and long-distance carriers. Prior to joining TalkingNets, John was vice president of business development at Telco Systems/World Access, a leading supplier of international telecommunications services, switching equipment and transmission/access equipment used by CLECs, Internet service providers (ISPs), and long-distance carriers. At Telco Systems/World Access, he was charged with leading the company's strategic partnerships, OEMs, mergers and acquisitions.

Prior to this role, John was a founder at Synaptyx Corporation, which developed equipment that allowed CLECs to deliver integrated voice and data services across emerging networks. At Synaptyx, John helped orchestrate the sale of Synaptyx to Telco Systems in October 1998 for \$15 million – after only one year of product development at Synaptyx and a marketing investment of \$500,000. Prior to Synaptyx, John spent nine years at TTC, a subsidiary of Dynatech Corporation and the leading provider of operational test and analysis tools and systems for the telecom service provider market. His experience there included serving as leader of the marketing team for the T-BERD products, the leading revenue producer for the company. John graduated Summa Cum Laude from Duke University with a B.S. in Electrical Engineering.

Tony Surak, Executive Vice President of Marketing and Sales

Tony Surak, co-founder of TalkingNets, directs marketing, sales, and business development activities including product strategy, marketing communications, competitive analysis, sales management, channel strategy and sales team development. He is a 17-year veteran of the telecom arena. Tony most recently was vice president of distribution and OEM Sales for Telco Systems/World Access, where he was responsible for all indirect sales through partners. An early investor in Synaptyx, Tony joined the firm to lead the customer trial and sales activities as Vice President of Sales and was instrumental in establishing Telco Systems' acquisition of Synaptyx. Prior to this, Tony held a variety of senior marketing management, sales management and corporate strategy development roles at TTC. In his last role at TTC, Tony lead the development and execution of a plan to sell operational support systems to competitive access providers (CAPs), CLECs, and wireless service providers. Tony holds a B.S. Electrical Engineering from Virginia Tech, an M.S. in Electrical Engineering from the University of Southern California and an M.B.A. from the Wharton School, University of Pennsylvania.

Mitch Black, Director of Network Planning

Mitch Black, co-founder of TalkingNets, is responsible for architecting and engineering TalkingNets' next-generation local exchange network. Mitch has six years of experience in the telecom equipment design arena. Prior to joining TalkingNets, he was a senior software engineer at Telco Systems/World Access. Prior to this role, Mitch was a key contributor to the definition and implementation of the EdgeLink300 – a product that had sales in excess of \$8 million within the first six months of shipment. Through his experience, Mitch has gained key industry knowledge of both emerging and traditional equipment architectures for delivering integrated voice and data services. Mitch's in-depth experience in this area will be key as he leads the design and implementation of the TalkingNets network. Mitch graduated from Pennsylvania State University with a B.S. in Electrical Engineering.

Jim Sanders, Director, Market Deployment

With more than 14 years of business development experience in the telecommunications industry, Jim Sanders, Director of Market Deployment, will manage deployment of the TalkingNets' network in each new market. Most recently, Jim served as the Director of Business Development for CT Communications Inc., overseeing the growth of newly established CT Exchange Services (CLEC). In an earlier position at CTC, Jim managed the establishment of the separate CLEC business unit, including partnership development and facility construction. At initial development, Jim was responsible for the deployment of 1500 access lines to 200 businesses. His extensive involvement eventually led to partnership agreements that accounted for 20,000 new CLEC lines over the next five years. Before joining CTC, Jim was Marketing Manager, then National Account Manager for Time Warner Communications, Inc. Jim's other prior positions include District Sales Manager and Sales Engineer for Telecommunications Techniques Corporation in Maryland, a manufacturer of telecommunications testing equipment. Jim received his BS in Electrical Engineering from North Carolina State University.

Steven Goodman, Vice President of Regulatory and Market Planning

Steven Goodman is a 20-year veteran of the telecommunications industry, specifically regulatory, pricing, marketing and product development. In his role as Vice President of Regulatory and Market Planning, Steven handles TalkingNets' regulatory filings, interconnection agreements, and tariff filings. Prior to joining TalkingNets he was Director of Regulatory and Carrier Services for CFW Communications in Virginia, where he was responsible for all regulatory operations for a three-state region for both wireline and wireless communications companies, as well as the sales and marketing of wholesale services with total billings of \$15 million annually. While at CFW, Steven served as Project Manager for the company's entry into new businesses including Competitive Local Exchange and Long Distance. Previous to CFW, Steven was Regulatory Senior Analyst at Sprint-Centel in Charlottesville, Virginia and owned his own telecommunications consulting business that provided telephone special circuit training to telephone companies in Virginia and North Carolina. Steven graduated from Lynchburg College in Lynchburg, Virginia with a BA in Sociology.