American Telecharge, Inc.

24 Winding Way, Suite One Mullica Hill, NJ 08062

www.atcprepaid.com_

Phone: 856-223-0400
Fax: 856-223-1168
Email - info@atcprepaid.com

June 2, 2005

Florida Public Service Commission

Division of the Commission Clerk and

Administrative Services

2540 Shumard Oak Blvd.

Tallahassee, FL 32399-0850

050388-72

RE: Application and Price List - American Telecharge

Dear Sir/Madam:

Enclosed with this letter are:

- 1. An original and two (2) copies (per Ray Kennedy) of American Telecharge's Application Form for Authority to Provide Alternative Local Exchange Service Within the State of Florida;
- 2. The accompanying Florida Telecommunications Price List;
- 3. Our company's check in the amount of \$250.00 to cover the application fee for our submission;
- 4. A copy of our approval by the Secretary of State of Florida approving our request to do business in the State of Florida as a foreign corporation.

Accordingly, please begin the application process for approval of our company to become a Local Exchange Service Reseller in the State of Florida.

If you should have any questions or concerns, please do not hesitate to contact William Ferrelli at the above telephone number, email, or address. Thank you for your attention and cooperation in this process.

Respectfully Submitted:

William E. Ferrelli, President American Telecharge, Inc.

Original Price hist forwarded to CUP Enclosures

** FLORIDA PUBLIC SERVICE COMMISSION **

DIVISION OF COMPETITIVE MARKETS AND ENFORCEMENT CERTIFICATION

APPLICATION FORM

for

AUTHORITY TO PROVIDE ALTERNATIVE LOCAL EXCHANGE SERVICE 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 Page 12).
- 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 the Commission Clerk and Administrative Services
2540 Shumard Oak Blvd.

Tallahassee, Florida 32399-0850
(850) 413-6770

♦ If you have questions about completing the form, contact:

Florida Public Service Commission
Division of Competitive Markets and Enforcement
Certification
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6600

APPLICATION

1.	Thi	This is an application for √ (check one):					
	(X)	Original certificate (new company).				
	()	Approval of transfer of existing certificate: Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority.				
	()	Approval of assignment of existing certificate: <u>Example</u> , a certificated company purchases an existing company and desires to retain the certificate of authority of that company.				
	()	Approval of transfer of control: Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.				
2.	Na	ımo	e of company:				
	American Telecharge, Inc.						

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

American Telecharge, Inc.

1.

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

24 Winding Way, Suite One, Mullica Hill, NJ 08062

5.	Florida address (including street name & number, post office box, city, state, zip code):					
	1250 Tennis Court , A-33, Sanibel, FL 33957					
	6. Structure of organization:					
	 () Individual (X) Foreign Corporation () General Partnership () Limited Partnership () Other 					
7.	<u>If individual,</u> provide:					
	Name:					
	Title:					
	Address:					
	City/State/Zip:					
	Telephone No.: Fax No.:					
	Internet E-Mail Address:					
	Internet Website Address:					
8.	If incorporated in Florida, provide proof of authority to operate in Florida: (a) The Florida Secretary of State corporate registration number:					

9.	If foreign corporation, provide proof of authority to operate in Florida:
	(a) The Florida Secretary of State corporate registration number:
	Registration Number - F05000002910
10.	If using fictitious name-d/b/a, provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida:
	(a) The Florida Secretary of State fictitious name registration number:
11.	<u>If a limited liability partnership</u> , provide proof of registration to operate in Florida:
	(a) The Florida Secretary of State registration number:
12.	If a partnership, provide name, title and address of all partners and a copy of the partnership agreement.
	Name:
	Title:
	Address:
	City/State/Zip:
	Telephone No.: Fax No.:
	Internet E-Mail Address:
	Internet Website Address:
13	. <u>If a foreign limited partnership,</u> provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable.
	(a) The Florida registration number:

14. Provide <u>F.E.I. Number(if applicable):</u>

15. Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

(a) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. <u>Provide explanation.</u>

<u>No.</u>

(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.

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

(a) The application:

Name: William E. Ferrelli

Title: President

Address: 24 Winding Way, Suite One City/State/Zip: Mullica Hill, NJ 08062 Telephone No.: 856-223-0400

Fax No.: 856-223-1168

Internet E-Mail Address: williamferrelli@atcprepaid.com

Internet Website Address: www.atcprepaid.com

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

Name: William E. Ferrelli

Title: President

Address: 24 Winding Way, Suite One City/State/Zip: Mullica Hill, NJ 08062

Telephone No.: 856-223-0400

Fax No.: 856-223-1168

Internet E-Mail Address: williamferrelli@atcprepaid.com

Internet Website Address: www.atcprepaid.com

(c) Complaints/Inquiries from customers:

Name: William E. Ferrelli

Title: President

Address: 24 Winding Way, Suite One City/State/Zip: Mullica Hill, NJ 08062 Telephone No.: 856-223-0400

Fax No.: 856-223-1168

Internet E-Mail Address: williamferrelli@atcprepaid.com

Internet Website Address: www.atcprepaid.com

17. List the states in which the applicant:

(a) has operated as an alternative local exchange company.

New Jersey, Maryland, & Pennsylvania

(b) has applications pending to be certificated as an alternative local exchange company.

Delaware

(c) is certificated to operate as an alternative local exchange company.

New Jersey, Maryland, & Pennsylvania

(d)	has been denied authority to operate as an alternative local exchange company and the circumstances involved.
	None.
(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.

18. Submit the following:

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

See Attached

B. 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.

See Attached

C. 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:

See Attached

2. income statement: and

See Attached

3. statement of retained earnings.

See Attached

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. <u>written explanation</u> that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.

See Attached

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

See Attached

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

See Attached

THIS PAGE MUST BE COMPLETED AND SIGNED

APPLICANT ACKNOWLEDGMENT STATEMENT

- 1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of <u>.15 of one percent</u> 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. **APPLICATION FEE:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

UTILITY OFFICIAL:

William E. Ferrelli

Print Name

Signature

President

Title

May 26, 2005

Date

856-223-0400

856-223-1168

Telephone No.

Fax No.

Address:

24 Winding Way, Suite One Mullica Hill, NJ 08062

THIS PAGE MUST BE COMPLETED AND SIGNED

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:

William E. Ferrelli

Print Name

President

Title

856-223-0400

Telephone No.

Signature

May 26, 2005

Date

856-223-1168

Fax No.

Address:

24 Winding Way, Suite One Mullica Hill, NJ 08062

INTRASTATE NETWORK (if available)

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

POP: Addresses where located, and indicate if owned or leased.					
1)	2)				
3)	_ 4)				
SWITCHES: Addre	ess where located, by type of switch, and in	idicate if			
1)	_ 2)				
3)	_ 4)				
TRANSMISSION FA (microwave, fiber, c	- ACILITIES: POP-to-POP facilities by type of opper, satellite, etc.) and indicate if owned or	facilities leased.			
POP-to-POP	<u>OWNERSHIP</u>				
1)	_				
2)					
3)					

CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT

I, (T	(Name) itle)	of (Name of Company)
an	nd current holder of Florida Public Service Co have reviewed this applicat	mmission Certificate Number # ion and join in the petitioner's request for a:
() sale	
() transfer	
() assignment	
of	f the above-mentioned certificate.	
<u>U</u>	TILITY OFFICIAL:	
Pi	rint Name	Signature
Ti	itle	Date
T	elephone No.	Fax No.
A	ddress:	

American Telecharge, Inc. 24 Winding Way Suite 1 Mullica Hill NJ 08062

Item: 18 Sufficient Financial Capability To Provide Service and Maintenance

American Telecharge, Inc. has provided telephone service to residential subscribers since 1987 in New Jersey and since 2004 in Maryland and Pennsylvania. We are a reseller of Verizon, which is a regional telephone provider such as BellSouth. We have had interconnection agreements in good standing since our inception. As a matter of fact, it is customary for Verizon to request substantial deposits to secure their receivables but they have been waived for our company. This is attributable to our excellent payment history with them. We have been incorporated in New Jersey since 1987 and provided a letter of good standing which allowed us to become a foreign corporation in Florida.

BellSouth will be providing all our installations for residential customers in Florida and we will utilize their technicians to provide ongoing maintenance when required. The customer is responsible for inside wiring but we offer wire maintenance programs and this is the norm in all instances for residential installations. Though we are a somewhat small company in size of revenue we have a staff whose average employment with our company is 6 years. All our senior staff has extensive backgrounds in sales, marketing, customer service and maintenance. We have never had a situation for an installation or repair that eventually could not come to a satisfactory solution. Our business is built on quality installations and service. We rely heavily on our reputation for future business by referrals from satisfied customers. We have not had a single complaint from the Public Utility Commissions of Pennsylvania and Maryland and in 18 years of business have been called 2 times to satisfy the demands of customers in New Jersey. I think our reputation for customer service and fair pricing is why our average customer has been with us 3 years, which is high in this market place when the customers have many choices.

In summation, we believe that we have the financial capability and the experience to provide quality telephone service in Florida for its residents who desire our service.

William Ferrelli

Sincerely

President, American Telecharge, Inc.

America TeleCharge Management

William E. Ferrelli, President

Mr. Ferrelli has over 20 years experience in the telecommunications industry. As founder and Chief Executive Officer since 1984 of American TeleCharge, his duties include: corporate operations, regulatory affairs, marketing, and administration. Mr. Ferrelli has successfully negotiated inter-connection agreements with Verizon for New Jersey, Pennsylvania, and Maryland as an authorized reseller for local resale service.

Scott D. Smith, Information Technology

Mr. Smith has an impressive resume of technology skills. He is responsible for in-house database management, order provisioning via the Verizon Graphical User Interface, and computer automation. Mr. Smith brings 10 years of computer hardware and software management.

Christine L. Smith, Vice President of Marketing

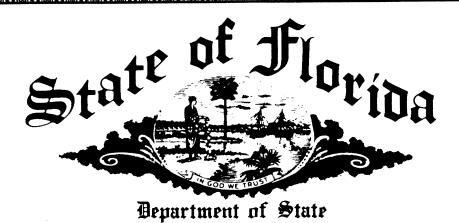
Mrs. Smith has 15 years experience in marketing with various organizations such as BankOne and AT&T, and has developed and managed marketing strategies for many Fortune 500 companies as a consultant. Mrs. Smith has developed and implemented sales and marketing programs throughout the United States. Mrs. Smith's duties include marketing strategies, creation of marketing materials, reporting and forecasting.

William M. Ferrelli, Distribution and Agent Relations

Mr. "Mike" Ferrelli manages all interaction with agents in each state, supplying them with the appropriate materials, solving any issues, payment of agent commissions, and developing new agents for our business.

Clint R. Davis & Rachel Vargas, Customer Relations

Both Mr. Davis and Ms. Vargas manage the day-to-day contact with customers, on both an inbound and outbound basis. Other duties include invoicing, service and/or repair orders, collections, retention, and daily activity reporting.



I certify from the records of this office that AMERICAN TELECHARGE, INC., is a corporation organized under the laws of New Jersey, authorized to transact

The document number of this corporation is F05000002910.

business in the State of Florida, qualified on May 9, 2005.

I further certify that said corporation has paid all fees due this office through December 31, 2005, and its status is active.

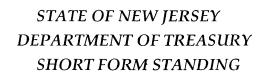
I further certify that said corporation has not filed a Certificate of Withdrawal.

Given under my hand and the Great Seal of the State of Florida at Tallahassee, the Capitol, this the Seventeenth day of May, 2005

CR2EO22 (2-03)

Leada E. Hood Glenda E. Hood

Secretary of State



AMERICAN TELECHARGE, INC. 0100350172

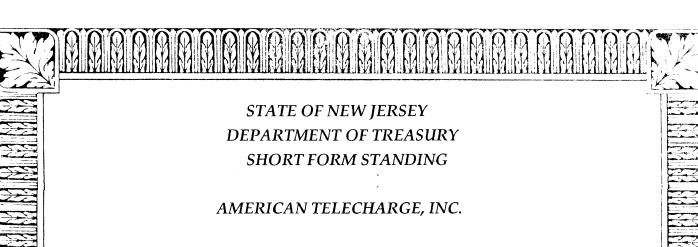
I, the Treasurer of the State of New Jersey, do hereby certify that the above-named New Jersey Domestic Profit Corporation was registered by this office on September 11, 1987.

As of the date of this certificate, said business continues as an active business in good standing in the State of New Jersey, and its Annual Reports are current.

I further certify that the registered agent and registered office are:

William Ferrelli. 24 Winding Way Mullica Hill, NJ 08062

Continued on next page . . .



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this

3rd day of May, 2005

John E McCormac, CPA State Treasurer

Cash Flow Report 1/1/03 Through 6/1/05

Page 1

Category Description	1/1/03 6/1/09	
INFLOWS		
Gr Sales		1,919,272.58
Other Inc		2,692.42
TOTAL INFLOWS		1,921,965.00
OUTFLOWS		
ACCOUNTING		7,661.51 10,299.06
Ads		10,299.00
Auto:	15,068.60	
Fuel Registration	186.00	
Service	613.78	
Auto-Other	14,840.92	
TOTAL Auto		30,709.30
Bank Charge		83.04
CALLING CARD CHARGES		29,702.48
Charity		2,925.00 208,605.17
Commission		155.00
Gifts Given		41,712.14
Insurance Insurance, Bus		886.00
Legal-Prof Fees		895.00
Licenses and Permits		700.00
line charges		1,206.38
line charges ATC Maryland		42,898.34
line charges ATC Pennsylvania		3.43
line charges ATC PREPAID		652,097.40
line charges ATC PREPAID PA		6,800.30 0.00
LOAN		4,966.62
LONG DISTANCE CHARGES		447.00
MARYLAND FRANCHISE TAX		57,366.13
Office PARTS		5,099.45
PENSION CONTRIBUTION		23,000.00
Postage and Delivery		19,741.72
Printing and Reproduction		587.58
REFUND		140,409.84
Rent		11,600.00
Repairs		5,763.50
SALES TAX MD.		1,876.07
SALES TAX PA.		469.41
Tax:	118,563.08	
Fed	27,202.42	
Fed Excise Tax Other	399.44	
State	53,142.05	
State Maryland Franchise Tax	111.75	
State Sales	50,603.13	
TOTAL Tax		250,021.87
Tax, Business:		
Fed	112.00	
State	9,901.75	
TOTAL Tax, Business		10,013.75
Travel, Bus		3,551.18
Utilities:	22 007 04	
Telephone	32,907.81	

Cash Flow Report 1/1/03 Through 6/1/05

Page 2

Category Description	1/1/03- 6/1/05		
TOTAL Utilities Wages Uncategorized Outflows	32,907.81 275,818.48 3,985.66		
TOTAL OUTFLOWS	1,884,965.62		
OVERALL TOTAL	36,999.38		

Form 11205

U.S. Income Tax Return for an S Corporation

▶ Do not file this form unless the corporation has timely filed

Form 2553 to elect to be an S corporation. See separate instructions.

OMB No. 1545 0130

2004

Department	of the l	183500	1	Form 2553 to	elect to be an 3	corporation.				2004
internal Reve	nue Si	rvice	l	▶ See s	eparate instruc	tions.				PURE TELEVISION SERVICES AND SE
For calenda	ar yea	r 2004 or t	ax year begi	nning and endi	ng					
A Effective	date o	18	Use the	Name Number, street and room or		box see page 12 of	the instr)			identification number
election			IRS	AMERICAN TELECHA	RGE INC			2	2-29	922389
9/0	1/9	0	label.						te incorp	
B Business code			Other- wise,	24 WINDING WAY,	SUITE 1				9/11	L/1987
number (see pa	ges	print or	City or town, state, and ZIP code	Calculation for the processed accounts to affiliate the special and programmers and the second secon			E To	tai asset	s (see page 12 of
36-38 of 1	the Inst	r)	type.	,			1	เกร	tructions	s)
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	COMMENSATION OF THE			corporation at end of the tax year income and expenses on lines 1a	through 21 Coo	naga 13 of the in	etructions	for mor	a inforr	
Caution: In	T						,016 _c		1c	651,282
		Gross rept	Valence of Street Co.	653,298 b Less rtn a	nd allowances		,010 61	sa(-		331,283
	2	-		chedule A, line 8)					2	319,999
Income	3	•		line 2 from line 1c					3	313,333
	4	Net gain (loss) from Fo	orm 4797, Part II, line 17 (attach F	orm 4797)	_			4	
	5	Other inco	ome (loss) (a	ittach schedule)		See	Stmt	1	5	300 007
***	6	Total inco	ome (loss). A	Add lines 3 through 5					6	320,007
	7	Compensa	ation of office	ers				İ	7	59,758
	8	Salaries a	nd wages (le	ess employment credits)					8	111,929
	9	Repairs ar	nd maintenai	nce					9	Philosophic in committee and property of the p
	10	Bad debts							10	
	11	Rents							11	7,000
Deductions	12	Taxes and	licenses						12	16,741
	13	Interest							13	506
see page 14	14a	Depreciati	on (attach F	orm 4562)		14a		91		
of the	1	•	•	on Schedule A and elsewhere on r	eturn	14b	•			
instructions	1	•	ne 14b from			-			14c	91
tor	15			fuct oil and gas depletion.)					15	
lumitations)	16	Advertising	•	gao arpressi,					16	4,606
mintations)	17		e profit-sharing	i etc. nlans					17	5,000
	18		benefit prog						18	The second secon
	19			ich schedule)		See	Stmt	2	19	76,957
	20		•	d the amounts shown in the far rigi	nt column for line			•	20	282,588
	21			ome (loss). Subtract line 20 from li		oo , ambaga ,			21	37,419
	1			ssive income tax (attach schedule)		22a		······································		
	22		•	(Form 1120S)		22b				
	b			•		(220)				
	C			(see page 18 of the instructions					220	
		for addition	•			23a			22c	haddadaanii 1994 — 1994
	23	•		nated tax payments and amount applied	rom 2003 return					
Tax and	b	•	sited with Fo			23b				
Payments	C			paid on fuels (attach Form 4136)		23c			224	
	d		23a through					[7]	23d	
	24			(see page 18 of instructions) Che				[]	24	The state of the s
	25			smaller than the total of lines 22c					25	And the second s
	26			23d is larger than the total of lines		er amount overpa	i		26	and the state of t
	27			u want Credited to 2005 estimated to		6 - A 1 A - 1 - 1 - 1	Refunde		27	
ar	nder pe	naities of per e best of my	jury, i declare i knowledge and	that I have examined this return, including I belief, it is rue, correct, and complete. [g accompanying so Declaration of prepa	riedules and stateme arer (other than taxpa	ayer)	•		s this return with the preparer
Sign	based	on all informa	illoner which	reparer flassify knowledge	2/12	INC.	she	own belo		
Here			~, I	~~	10/11	102		Pres	ilde	nt
	Sigi	nature of offic	er Wil	liam Ferrelli	Date		Titl	<u>e</u>		7
		Preparer's		f = f + f + f + f + f + f + f + f + f +	1	Date	1	eck if	j	Preparer's SSN or PTIN
Paid		signature	7 71	1 my from the world to	1.7/	2/17	/05 self	employe	ed	P00173025
Preparer	's	Firm's name	e (or yours	Ball, Buckley ar		, LLP		· · · · · · · · · · · · · · · · · · ·	EIN	and the second s
Use Only		if self-emplo	oyed).	1301 North Broad	d Street				Phon	
		address, an	d ZIP code	Woodbury, NJ		08096		•	85	6-848-6250

COMPANY AT	205 (2004) AMERICAN TELECHARGE INC	44-4344303	and all states are a second polyton and a second deep to	rego
Schedu	40 -f the inctrit	ctions)	11	
	entary at beginning of year		2	g. 100 to the amount of the contract of the co
•	chases		3	
	of labor		4	
	nonal section 263A costs (attach schedule)	Stmt 3	5	331,28
	r costs (attach schedule)	State 3	6	331,28
6 Total.	. Add lines 1 through 5		7	
	tory at end of year	6 3	8	331,28
8 Cost	of goods sold. Subtract line 7 from line 6. Enter here and on page 1.	line Z	1	
9a Check	k all methods used for valuing closing inventory: (i) X Cost as de	74 A		
(n)	Lower of cost or market as described in Regulations section 1 47			
(111)	Other (specify method used and attach explanation)	ations section 1.471-2(c)		•
b Check	k if there was a writedown of subnormal goods as described in Regula	ds (if checked, attach Form 970)		•
c Check	k if the LIFO inventory method was adopted this tax year for any good LIFO inventory method was used for this tax year, enter percentage ((or amounts) of closing		
		(or amount) or orealing	9d	
invent	tory computed under LIFO perty is produced or acquired for resale, do the rules of Section 263A	apply to the corporation?		Yes X
e if prop	there any change in determining quantities, cost, or valuations between	en opening and closing inventory?		Yes X N
Scheduk	es." attach explanation B Other Information (see page 19 of instructions	s)		Yes N
	k method of accounting. (a) X Cash (b) Accrual (c)	Other (specify)		
	pages 36 through 38 of the instructions and enter the			
(a) B	usiness activity Communication (b) Produ	ict or service > Tele serv.		
3 Al the	e end of the tax year, did the corporation own, directly or indirectly, 50)% or more of the voting stock of a domestic	;	
o como	pration? (For rules of attribution, see section 267(c).) If "Yes," attach	a schedule showing(a) name, address, and		
emple	oyer identification number and (b) percentage owned			
4 \M/ac	the cornoration a member of a controlled group subject to the provision	ons of section 1561?		
5 Chec	ck this box if the corporation has filed or is required to fileForm 8264,	Application for Registration of a Tax Shelter		
6 Chec	by this box if the corporation issued publicly offered debt instruments in	with original issue discount ,		
If che	ecked, the corporation may have to fileForm 8281, Information Return	n for Publicly Offered Original Issue Discour	it	
lastri	uments			
7 If the	e corporation (a) was a C corporation before it elected to be an S corp	porationor the corporation acquired an		
asse	et with a basis determined by reference to its basis (or the basis of any	y other property) in the hands of a		
Ссо	propration and (b) has net unrealized built-in gain (defined in section 1	374(d)(1)) in excess of the net recognized		
built-	in gain from prior years, enter the net unrealized built-in gain reduced	by net recognized built-in gain from photo		
year	s			▶ []
8 Chec	ck this box if the corporation had accumulated earnings and profits at	the close of the tax year		
9 Are t	the corporation's total receipts (see page 19 of the instructions) for the	e tax yearnums total assets at the city		
of the	the tax year less than \$250,000? If "Yes," the corporation is not require	or LLS possession it may be required to at	tach	There is a first the second shall be a second shall be second shall be second shall be second shall be second so that the second so that the second shall be second so that the second so the secon
Note: If the	e corporation had assets or operated a business in a foreign country of	rn. See Schedule N for details		
	N (Form 1120), Foreign Operations of U.S. Corporations, to this returned is K. Shareholders' Shares of Income, Deductions	Credits etc.		
Schedu	Shareholders' Pro Rata Share	Items		Total amount
	(least face of line 21)		1	37,4
	(leas) (attach Form 8825)		2	
	tutions and the same (loop)	3a		
	see the sector activities (attach schedule)	3b		
	out and income (loss). Subtract line 3b from line 3a		3с	anne a signi a sa shightainig a signi an anna a b. Sanai ai saniana ga bara ta ta san sani an ais sanii sa san
	1		4	
	4 Interest income 5 Dividends: a Ordinary dividends		5a	CONTRACTOR
Income	5 Dividends: a Ordinary dividends b Qualified dividends	5b		
(Loss)			6	
	6 Royalties 7 Net short-term capital gain (loss)		7	
	a that are sometal gain (loss)		8a	
	2004) (1000)	8b		
	11 and a section 1250 gain (attach schedule)	8c]	
	1004 (1-1-1) (-Mach Form 4707)	Maria	9	the statement of the st
	the state of the s		10	
	10 Other income (loss) (attach schedule)			Form 1120S

F	form 1120S (2004) AMERICAN TELEC	CHARGE INC	22-2	2922389	Ра
	lote: The corporation is not required t				s answered "Yes
	chedule L Balance Sheets per Books		of tax year	the sales, regions account to the sales and particularly accounts to the sales and the sales and the sales and the sales are sales	ftax year
	Assets	(a)	(b)	(c)	(d)
1	Cash	THE	1,1	78	36,6
2 <i>a</i>	Trade notes and accounts receivable			•	1
b	Less allowance for bad debts				1
3	Inventories		announcements of the containing to be an algorithm on more state of the containing and and a state of the cont		
4	U.S. government obligations				And the State of Stat
5	Tax-exempt securities		A contract of the second secon		Add 1 has an it has had been been as a common support over the support of the sup
6	Other current assets		C	· · · · · · · · · · · · · · · · · · ·	4,0
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments				
_		16,620		16 620	
10a	Buildings and other depreciable assets	16,067	55	16,620	
b	Less accumulated depreciation	10,007		16,158	4
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)		***************************************		
13a	Intangible assets (amortizable only)			Manager party and proceedings of party against the contract of the second of the secon	-
þ	Less accumulated amortization	***************************************			
14	Other assets (attach sch.)				
15	Total assets		1,73		41,1
	Liabilities and Shareholders' Equity				
16	Accounts payable				man distributi si o ne sa sassana sama mandah dana samapanyan si magalapa masa ya saman sanggalah diserbaskan
17	Mortgages, notes, bonds payable in less than 1 year		56		
18	Other current liabilities Stmt 4			6	10,0
19	Loans from shareholders		69,79	0	62,7
20	Mortgages, notes, bonds payable in 1 year or more		`		
21	Other liabilities (attach sch.)				
22	Capital stock		2,50	0	2,5
23	Additional paid-in capital		400 00 00 00 00 00 00 00 00 00 00 00 00		
24	Retained earnings		-71,17	5	-34,1
25	Adjustments to shareholders' equity (attach schedule)				
26	Less cost of treasury stock			- Community	the contract of the contract o
27	Total liabilities and shareholders' equity	f	1,73	1	41,1
Sch		ome (Loss) per Book			1
1	Net income (loss) per books	37,026		oks this year not included	
2	Income included on Schedule K, lines 1, 2, 3c, 4,		on Schedule K, lines 1 t		
_	5a, 6, 7, 8a, 9, and 10, not recorded on books this		a Tax-exempt interest		
	year (itemize)		a rax-exempt interest		
3	Expenses recorded on books this year not	6	Doductions includes	t an Cahadula K. linas	
,	included on Schedule K, lines 1 through 12,	•		I on Schedule K, lines	
			-	4l or (14m), not charged	
_	and 14I or (14m) (itemize): Depreciation \$		against book income	e mis year (itemize):	
a b	Travel and	***	a Depreciation \$		
	stmt 5 393	202			
	<u>-</u>	393 7			
4	Add lines 1 through 3	37,419 8		K, line 17e) Line 4 less line 7	37,4
Sch				justments Account, a	
	Undistributed Taxa	Die income Previousi	y laxed (see page	e 32 of the instructions	<u> </u>
		(a) Accumulated	1 ' '	, , , , , , , , , , , , , , , , , , , ,	nareholders undistributed
		adjustments account		count taxabl	e income previously taxed
1	Balance at beginning of tax year	-118,			
2	Ordinary income from page 1, line 21	37,	419		
3	Other additions				
4	Loss from page 1, line 21				
5	Other reductions Stmt 6	{	393		
6	Combine lines 1 through 5	-81,			
7	Distributions other than dividend distributions				The same of the sa
8	Balance at end of tax year Subtract line 7 from line 6	-81,	469		
	The so at one or tax year Gabriact line / normalite o	<u> </u>	<u></u>		

ZTIZ AMEKICAN TELECHANOL II

Federal Statements

22-2922389 FYE: 12/31/2004

Form 1120S, Page 1, Line 1a - Gross Receipts

Description	-	Amount
Gross receipts or sales	\$	653,298
Total	\$	653,298

Returns and Allowances

Description	 Amount
Returns and allowances	\$ 2,016
Total	\$ 2,016

Form 1120S, Page 1, Line 12 - Taxes and Licenses

Description		Amount
State income taxes	\$	1,000
Payroll Taxes		15,221
Licenses and permits		420
Annual report	-	100
Total	\$	16,741

Form 1120S, Page 1, Line 13 - Interest

Description	Ar	mount
Interest expense	\$	506
Total	\$	506

Schedule K-1 2004 (Form 1120S)	P	Part III Shareholder's Sh Deductions, Cred		TCUITENT Y Garling De,
Department of the Treasury Tax year beginning	1	Ordinary business income (loss)		Credits & credit recapture
and ending	2	36,975	-	
Shareholder's Share of Income, Deductions,	2	Net rental real estate income (loss)		
Credits, etc. See back of form and separate instructions.	3	Other net rental income (loss)		
Part I Information About the Corporation	4	Interest income		
A Corporation's employer identification number 22–2922389	5a	Ordinary dividends	-	
B Corporation's name, address, city, state, and ZIP code AMERICAN TELECHARGE INC		Qualified dividends	14	Foreign transactions
24 WINDING WAY, SUITE 1 MULLICA HILL NJ 08062	6	Royalties	+	
C IRS Center where corporation filed return Cincinnati, OH 45999	7	Net short-term capital gain (loss)		
D Tax shelter registration number, if any	8a	Net long-term capital gain (loss)		
E Check if Form 8271 is attached	8b	Collectibles (28%) gain (loss)		
Part II Information About the Shareholder F Shareholder's identifying number	8c	Unrecaptured section 1250 gain		
	9	Net section 1231 gain (loss)		
G Shareholder's name, address, city, state, and ZIP code WILLIAM E. FERRELLI 24 WINDING WAY	10	Other income (loss)	15 A	Alternative minimum tax (AMT) items
MULLICA HILL NJ 08062				
H Shareholder's percentage of stock ownership for tax year 98.814208 %				
MINI MIGH PART HAS MASSINER BY FRANCIBAY DAY DAY HAVE MADERNA SOURCE SHOWS MINI			+	
	11	Section 179 deduction	16 C	Items affecting shareholder basis
	12	Other deductions	E	7,000
F O				
			17	Other information
R S U				
s e				
O n I				
,		* See attached stateme	ent fo	r additional information.

For Privacy Act and Paperwork Reduction Act Notice, see Instructions for Form 1120S.

Schedule K-1 (Form 1120S) 200

E AMERICAN FILE CONTAINS E

22-2922389 FYE: 12/31/2004

Federal Statements

Statement 1 - Form 1120S, Page 1, Line 5 - Other Income

Description	Am	ount
Discounts earned	\$	8
Total	\$	8

Statement 2 - Form 1120S, Page 1, Line 19 - Other Deductions

Description	 Amount
Promotion	\$ 155
Travel	1,372
Insurance	11,628
Utilities and telephone	14,998
Vehicle expense	12,367
Legal and accounting	3,068
Office supplies	24,279
Postage and supplies	9,090
Total	\$ 76,957

ZTIZ AWENIOAN TELECHANOE

Federal Statements

22-2922389 FYE: 12/31/2004

Statement 3 - Form 1120S, Page 2, Schedule A, Line 5 - Other Costs

Description		Amount
Line charges	\$	299,801
Repairs		4,052 14,854
Calling card charges Sales commissions		11,669
Long distance charges	•	907
Total	\$	331,283

		·		Tre Inc	ome Tay	Retur	for an S	S Cor	poration		1	OMB No 1545-0130
Form 11	<i>20</i> S		1	D.S. IIIC	t file this for	n unless t	he corporation	on has t	imely filed			0000
			1	, 20	Form 2553 f	to elect to	be an S corp	poration	١.			2003
Department of Internal Reven	the Trea	asury ice			▶ Se	e separate	instructions	S				
			x year beginn	ing	, and e						•	dentification number
Effective of		1		Name Number,	street, and roon	n or suite no	. (If a P.O. box,	see page	e 12 of the instr.)			dentification number
as an S co			Use the IRS	AMERICAN	TELEC	HARGE	INC			<u> </u>		
9/0:	1/90) [label.								e incorpoi 9/11 ,	
Business of			Other- wise,	24 WINDI	NG WAY	, sui	TE 1					
number (se	ee page:		print or	City or town, state,	and ZIP code					1	al assets ructions)	(see page 12 of
31-33 of th	e Instr.)		type.					0060			uotionio	1,731
51700	00			MULLICA			иј 08		TT.	\$		(5) Amended return
Check ap	plicabl	e boxes:	(1)		2) Final		(3) Nar	me chang	e (4) A	ddress cha	nge	→ 1
	•		ders in the c	orporation at end	of the tax yea	<u>r</u>				r moro inf	ormatio	n
aution: Inc	lude o r	ily trade c	or business ir	ncome and expens	es on lines 1	a through :	21. See page	12 of th	e instructions ic	D-1	1c	218,752
	1a G	ross rept. o	or sales	<u> </u>	52 b Less r	tn. and allow	ances			, Dui - F	2	192,222
	2 (Cost of go	ods sold (Sc	hedule A, line 8)						· · · · · · · · · · · · · · · · · · ·	3	26,530
ncome	3 (Gross prof	fit. Subtract li	ne 2 from line 1c						· · · · · · · · · · · · · · · · · · ·	4	
	4 1	Net gain (I	loss) from Fo	rm 4797, Part II, li	ne 18 (attach	Form 479	7)			· · · · · · · · · · · · · · · · · · ·	5	
	5 (Other inco	me (loss) (al	tach schedule) 👝							6	26,530
	6 7	otal inco	me (loss). A	dd lines 3 through	15						7	10,000
	7	Compensa	ation of office	rs							8	
				ss employment cr							9	
	9 F	Repairs ar	nd maintenar	ice							10	
	10 F	Bad debts									11	
	11	Rents									12	1,494
Deductions	12	Taxes and	licenses								13	10
	13	nterest						144-1		98		
(see page 13	14a	Depreciat	ion (Attach F	orm 4562)				148			1 1	
of the	b	Depreciat	ion claimed o	on Schedule A and	i eisewhere o	m return		140			14c	98
instructions	l c	Subtract I	ine 14b from	line 14a							15	
for	15	Depletion	(Do not ded	luct oil and gas o	lepletion.)						16	
limitations)		Advertisin	ng								17	18,000
	17	Pension,	profit-sharing	, etc., plans							18	
	18	Employee	e benefit prog	ramsch schedule)					See Stm	t 1	19	6,350
	19	Other dec	ductions (atta	ch schedule)				through	10	▶	20	35,95
	20	Total ded	ductions. Ad	d the amounts sh	own in the far	right colur	nn for lines /	n lina 6			21	-9,42
	21	Ordinary	income (loss) from trade or bu	siness activiti	es. Subtra	ct line 20 from	22a				
				assive income tax				22b			1	
	b	Tax from	Schedule D					120			1 1	
	C	Add lines	22a and 22b	(see page 17 of	ine instruction	15					22c	
	1	for addition	onal taxes) .			from	2002 return	23a				
	23			stimated tax paymen				23b			1	
Tax and	b	Tax depo	sited with Fo	orm 7004				23c			7	
Payments	C			paid on fuels (atta							23d	
	d	Add lines	s 23a through	(See page 17 of	natruotions)	Chack if F	orm 2220 is a	attached			24	
	24	Estimate	d tax penalty	smaller than the	total of lines	22c and 24	L enter amou	nt owed			25	
	25	Tax due	. If line 23d is	s smaller than the 23d is larger than	the total of li	20 and 27	nd 24 enter a	mount o	verpaid		26	
	26			· Candidad i	- 2004 octims	tod tax			Refu	nded 🕨	27	
	Linder D			you want: Credited to			companying sch	nedules a	nd statements,	May the IF	₹S discus	s this return with the prepare
]						plete. Decla	aration of prepar	rer (other	tnan taxpayer)	shown bel		
Sign	is based	on all infor	makes of white	preparenhas any k	,,Januage.		अका द	34		Pre	side	ent
Here		<u> </u>	W-	lliam Fe	rrelli	12	Date			Title		
	r Sig	nature of o		7		1 /		Da		Check if	,	Preparer's SSN or PTIN
.		Preparer'	- 	184 Ala	MI	ches/			2/21/04	self-emplo	yed	P00173025
Paid		signature		JUST AND	Buckley	and	Seher,	LLI	?		EIN 2	1-0717247
Prepare			me (or yours	1301 N	orth Bi	coad S	Street				Phone	
Use On	ıy	if self-em	and ZIP code	Woodbu				080	96		856	5-848-6250
		auuless,	and En Code									

Schedule A Cost of Goods Sold (see page 18 of the instructions)		10 T
1 Inventory at beginning of year	1 2	
2 Purchases 2 Cost of labor	3	
4 Additional section 263A costs (attach schedule) Stmt	2 5	192.2
5 Other costs (attach schedule)	6	192,2 192,2
6 Total. Add lines 1 through 5	7	
7 Inventory at end of year	8	192,2
8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2 Chock all methods used for valuing closing inventory: (i) X Cost as described in Regulations section 1 471-		
(ii) Lower of cost or market as described in Regulations section 1.47 1.47 Other (specify method used and attach explanation) ▶		
b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c)		•
c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)		
d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO	9d	
e If property is produced or acquired for resale, do the rules of Section 2007 (apply to the section 2007)		Yes X
f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation.		
Schedule B Other Information (see page 19 of instructions)		Yes
1 Check method of accounting: (a) X Cash (b) Accrual (c) Other (specify)		
AN ENGINEERS OF THEFT AND A COMMISSION OF THE STATE OF TH		1 1
At the end of the tay year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a dome	stic	
corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name, address,	and	
employer identification number and (b) percentage owned		
Were the corporation a member of a controlled group subject to the provisions of section 1561?		
Was the corporation a member of a controlled great to file Form 8264, Application for Registration of a Tax She	eiter	- HI I
		1 1
If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Disc	COURT	
Instruments		
7 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an		
asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a	ed	
Composition and (h) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognize		1
Duilt-in gain from prior years, enter the net ametalized balls 9 ,		
years		>
8 Check this box if the corporation had accumulated earnings and profits at the close of the tax year 9 Are the corporation's total receipts (see page 19 of the instructions) for the tax year and its total assets at the end		
of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1.		
of the tax year less than \$250,000? If Yes, the corporation had assets or operated a business in a foreign country or U.S. possession, it may be required to	attach	
Make If the corneration had access or otherwise a business in a following of other posterior		
Schedule N (Form 1120), Foreign Operations of 0.0. Corporations, to the Schedule K Shareholders' Shares of Income, Credits, Deductions, etc.		
(a) Pro rata share items		(b) Total amount
Ordinary income (loss) from trade or business activities (page 1, line 21)	1	-9,
Net income (loss) from rental real estate activities (attach Form 8825)	2	
3a Gross income from other rental activities 3a		
b Expenses from other remaractivities (attach someonic)	1 .	1
c Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c	+
4 Portfolio income (loss):		
Income a Interest income	4a	
(Loss) b Dividends: (1) Qualified dividends	40(2	1
c Royalty income	4c	
d Net short-term capital gaill (loss). (1) 1 ost-lylay 5, 2005	4012	ī
e Net long-term capital gain (loss): (1) Post-May 5, 2003 (2) Entire year	4e(2	
f Other portfolio income (loss) (attach schedule)	4f	
5 Net section 1231 gain (loss) (attach Form 4797): (a) Post-May 5, 2003 (b) Entire	year ► <u>5(b</u>	
6 Other income (loss) (attach schedule)	<u> </u>	Form 1120

No. of the last provide the last last last last last last last last	22-2922389		Page
Form 1120S			A Company of the Comp
Schedule	(a) Pro rata share items	(b) Tot	at amount
H	Libetions (ottach schedule)	7	
I	7 Charitable contributions (attach schedule)	1 8 1	
	9 Deductions related to portfolio income (loss) (itemize)	у —	
	(-Moch achadule)	10	
	10 Other deductions (attach scriedule)		
Invest-	11a Interest expense on investment debts	11a	
ment	b (1) Investment income included on lines 4a, 4b(2), 4c, and 4f on page 2	11b(1)	
Interest	·	11b(2)	
	12a Credit for alcohol used as a fuel (attach Form 6478)	120	
	by low income housing credit.	12b(1)	
	(1) From partnerships to which section 42(j)(5) applies	401-(2)	
	(2) Other than on line 12h(1)	12G(2)	
Credits	C Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	12d	
		1 120 1	
	e Credits related to other rental activities	13	
	43 Other credits	14a	-3'
	14a Depreciation adjustment on property placed in service after 1986	14b	
Adjust-	b Adjusted gain or loss	14c	
ments	c Depletion (other than oil and gas)	14d(1)	
and Tav	· ·	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
Preterence	(2) Deductions allocable to oil, gas, or geothermal properties	14e	
Items	Other adjustments and tax preference items (attach schedule)		
	15a Name of foreign country or U.S. possession	15b	
	b Gross income from all sources Gross income sourced at shareholder level	15c	
	c Gross income sourced at shareholder level		
	1	1.555.71	and the second s
	(1) Passive (2) Listed categories (attach schedule)	15d(2)	
	A Property of the Control of the Con	15d(3)	
	General limitation Deductions allocated and apportioned at shareholder level:		
Foreign		15e(1)	
Taxes	(1) Interest expense	15e(2)	
	f Deductions allocated and apportioned at corporate level to foreign source income.	1 1	
		15f(1)	
	(ottoch cchedule)	15f(2)	
	(a) Congral limitation	15f(3)	
	Table farsign toyes (check one): Paid Accrued	15g	
	g Total foreign taxes (check one).	15h	
	16 Section 59(e)(2) expenditures: a Type ▶ DATITION OF A PROPERTY OF A	47	
	17 Tax-exempt interest income	17	
	18 Other tax-exempt income	18	
	The state of the support of the supp	20	
Other	20 Total property distributions (including cash) other than dividends reported on line 22 below	20	
Other	20 Total property and apparatoly to shareholders (attach	ı i	
	schedule)	22	
	and profits		
	(Required only if Schedule M-1 must be completed.) Combine lines 1 through	23	-9,
	6 in column (b). From the result, subtract the sum of lines 7 through 11a, 15g, and 16b	<u> </u>	Form 1120S

Sc	hedule L	Balance Sheets per Books	Beginning o	or tax year		End of t	(d)
		Assets	(a)		(b) 956	(c)	1,1
1	Cash	. ,,			956		
2a	Trade notes	and accounts receivable					
		r is a delicated of	1		1	'	· · · · · · · · · · · · · · · · · · ·
3	Inventories						
	U.S. governm	nent obligations					
	_	ecurities					***************************************
		assets					
		eholders					
		I seal catata logge			1		
	Other investm	nents					
		other depreciable assets	16,620			16,620	
	-	lated depreciation	15,970		650	16,067	5
		sets					
b		lated depletion					
		1		: I			
	-	sets (amortizable only)					
		lated amortization					
ļ		(attach sch.)			1,606		1,7
i					- 1,000		
	Liabilities a	nd Shareholders' Equity					
•	Accounte nav	rable		ļ	1		
7	Mortgages, not	es, bonds payable in less than 1 year			202		
8	Other current	liabilities Stmt 3			203		69,7
9	Loans from s	hareholders			60,649		03,
0		es, bonds payable in 1 year or more					
1		es (attach sch.)					
2	Canital stock				2,500		2,
3	Additional pa	id-in capital	1				714
A	Retained ear	nings			-61,746		-71,
5	A diverse anto to	charahalders'					
6		schedule)treasury stock		(
27		s and shareholders' equity			1,606		1,
	ndula M.1	Reconciliation of Inco	ome (Loss) per Book	s With	Income (Loss)	oer Return	
		i i			ne recorded on books this		1
1	•	loss) per books			hedule K, lines 1 through		
2		ded on Schedule K, lines 1			_		
	-	ot recorded on books this year		a lax-c	xempt interest •		
	(itemize):			6 Dedu	uctions included on So	chedule K lines	
					ough 11a, 15g, and 1		
•		corded on backe this year not	1				i i
		Schedule K, lines 1 through		J	nst book income this y	year (iternize).	
	11a, 15g, an	d 16b (itemize):		a Depr	eciation \$		
а	Depreciation						
b	Travel and entertainment	\$			lines 5 and 6	(E - 22) Line 4 long	
	Stmt 4	2 _	2			K, line 23). Line 4 less	-9,
•	Add lines 1 +	brough 3	-9.427	line			
n - 1-		Analysis of Accumu	iialed Adjustineitis A	Account	., Other Adjustin	ents Account, an	u onalendiuelo. V
Scn	redule M-2	Undistributed Taxa	ble Income Previous	sly Taxe	d (see page 29	of the instructions	Shareholders' undistribute
			(a) Accumulated adjustments account	ıt	(b) Other adjust account	ments taxa	ble income previously tax
1	Balance at h	peginning of tax year	-109	,066			
2		ome from page 1, line 21					
2	Other addition						
_				, , ,		i	
4	-	age 1, line 21		1	(
5	Other reduc		-118	3,495			
6		es 1 through 5					
7		other than dividend distributions d of tax year. Subtract line 7 from line 6	_115	3,495			

SCHEDULE K-1 (Form 1120S)	•	of Income, Credits, Deductions, etc. See separate instructions.	OMB No. 1545-0730
Department of the Treasury		alendar year 2003 or tax year	2000
Internal Revenue Service	beginning	, and ending Corporation's identifying number ▶ 22-29	22389
Shareholder's name, address, a	and ZIP code	Corporation's name, address, and ZIP code	

WILLIAM E. FERRELLI 24 WINDING WAY MULLICA HILL

NJ 08062

AMERICAN TELECHARGE INC 24 WINDING WAY, SUITE 1 MULLICA HILL NJ 08062

∆ Shareholde	r's percentage of stock ownership for tax year (see instructions for Schedule K	-1)	****	▶ 100.000000
3 Internal Rev	venue Service Center where corporation filed its return	Cincir	nnati, O	H 45999
				and the second s
	icable boxes: (1) Final K-1 (2) Amended K-1			
GIIGGN GPP.	,	(b)	Amount	(c) Form 1040 filers enter
1	(a) Pro rata share items	(2)	ì	the amount in column (h) on:
	Ordinary income (loss) from trade or business activities	1 1	-9,428	See page 4 of the
1	Net income (loss) from rental real estate activities	2		Shareholder's Instructions for
1	3 Net income (loss) from other rental activities	3		Schedule K-1 (Form 1120S)
Į	4 Portfolio income (loss):			
		4a		Form 1040, line 8a
	a Interest income	AMIAN		Form 1040 line 9h
1	(2) Total ordinary dividends	4b(2)		Form 1040, line 9a
	• •	4c		Sch. E, Part I, line 4
	c Royalty income d (1) Net short-term capital gain (loss) (post-May 5, 2003)	4d(1)		Sch. D, line 5, col. (g)
		4d(2)		Sch. D. line 5, col. (f)
Income	(2) Net short-term capital gain (loss) (entire year)	4e(1)		Sch. D, line 12, col. (g)
(Loss)	e (1) Net long-term capital gain (loss) (post-May 5, 2003)	40/21		Sch D line 12 col (f)
	4 City (Attining a man (loop) (attach schadula)	4f	1	(Enter on applicable In of your rtn
	f Other portfolio income (loss) (attach schedule)	5a		See Shareholder's Instructions
	5a Net section 1231 gain (loss) (post-May 5, 2003)	5b		for Schedule K-1 (Form 1120S)
	b Net section 1231 gain (loss) (entire year)	6		(Enter on applicable in of your rtr
	6 Other income (loss) (attach schedule)	7		Sch. A, line 15 or 16
	7 Charitable contributions (attach schedule)	9		Can page 5 of the Shareholder's
Deductions		9		► Instructions for Schedule K-1
Deductions	9 Deductions related to portfolio income (loss) (attach schedule)	10		(Form 1120S).
	10 Other deductions (attach schedule)			Form 4952, line 1
Investment	11a Interest expense on investment debts	11a		See Shareholder's Instructions
Interest	b (1) Investment income included on lines 4a, 4b(2), 4c, and 4f above	11b(1)		for Schedule K-1 (Form 1120S).
	(2) Investment expenses included on line 9 above	11b(2)		Form 6478 line 10
	The company of the contract of	1 1 2 1		1
	b Low-income housing credit:			П
	(1) From section 42(j)(5) partnerships	12b(1)		Form 8586, line 5
	(2) Other than on line 12b(1)	12b(2)		₩.
	c Qualified rehabilitation expenditures related to rental real estate			\vdash
Credits	activities	12c		See page 6 and 7 of the
	. O the first and the sharing on times 40h and 40a) related	1 1		1
	to rental real estate activities	12d		Schedule K-1 (Form 1120S).
	e Credits related to other rental activities			41
	13 Other credits	13		<u> </u>
				Schodule K-1 (Form 1120S) 20

For Paperwork Reduction Act Notice, see the Instructions for Form 1120S.

Schedule K-1 (Form 11205) 20

Statement 1 - Form 1120S, Page 1, Line 19 - Other Deductions

Description	 Amount
Office supplies Promotion Legal and accounting Annual report	\$ 2,837 700 2,769 50
Total	\$ 6,356

Federal Statements

22-2922389 FYE: 12/31/2003

Statement 2 - Form 1120S, Page 2, Schedule A, Line 5 - Other Costs

Description	Amount		
Location commission Line charges Parts	\$	185,351 3,340 3,531	
Total	\$	192,222	

22-2922389

Federal Statements

FYE: 12/31/2003

Total

Statement 3 - Form 1120S, Page 4, Schedule L, Line 18 - Other Current Liabilities

Description	Beginning of Year			end Year	
Accounts Payable-payroll taxe	\$	203	\$	56	
Total	\$	203	\$	56	
Statement 4 - Form 1120S, Page 4	, Schedule	e M-1, Line 3	- Expense o	n Books Not on Ret	<u>ur</u> n
Description	Amount				
Rounding Adjustment	\$	2			
Total	\$	2			
* -	\$ Page 4, Sc	2 chedule M-2 ,	Line 5(a) - C	Other Reductions	
Description		mount			
Rounding	\$	1			

22-2922389

Federal Statements

· FYE: 12/31/2003

Form 1120S, Page 1, Line 1a - Gross Receipts

\$ 353,752
\$ 353 ⁻ , 752
\$ \$

Returns and Allowances

135,000
135,000

Form 1120S, Page 1, Line 12 - Taxes and Licenses

<i></i>	Amount
\$	500
	994
\$	1,494
	\$ \$

regeral Statements

22-2922389 FYE: 12/31/2003

Form 1120S, P4, Sch L, Line 17 - Mortgages, Notes Bonds Pay in Less Than One Yr

Description	Begin of Ye	ning ear	End f Year
Notes payable - current	\$		\$ 560
Total	\$	0	\$ 560

Form 1120S, Page 4, Schedule L, Line 19 - Loans from Shareholders

Description	E	Beginning of Year	of Year
Loans from stockholders	\$ \$	60,649	\$ 69,790
Total	\$	60,649	\$ 69,790

Form 1120S

Department of the Treasury Internal Revenue Service

U.S. Income Tax Return for an S Corporation

▶Do not file this form unless the corporation has timely filed

Form 2553 to elect to be an S corporation.

See separate instructions.

2002

OMB No. 1545-0130

For calendar	year	2002, or ta	x year beginr	ning		, and	ending							
A Effective of			Use	1			•	x, see p	age 11 of the instr	·.) C			ification no).
as an S co			IRS	AMERIC	AN TE	LECHAP	GE INC					<u> 29223</u>	89	
9/0			label. Other-	OA MITN	DINC I	LTAV C				ا ا		orporated L1/87		
B Business (see page			wise, print or	City or town, st			UITE 1			- =		sets (see p		
5170		''	type.	MULLIC			N.T	080	62	\$	i Utai ass		,606	
		ble boxes:	(1)	Initial return	(2)	Final return		Name o		Address	change	(5)	Amende	ed return
			` ' Land	corporation at e	• • •		(9)	manne c	(4) <u>[</u>] //aa/000	oago	(-)	▶	1
							uah 21. See p	age 11	of the instruction	ns for more	e informa	ation.		
Oudion: in			or sales	565	,401b	less rtn and	allowances	. М	100,62	9 c Bal	▶ 1c	t .	464	,772
	2												429	,572
Income	3												35	,200
	4										4			
	5	• •	•	ttach schedule)					~	tmt 1	5			308
	6	Total inco	me (loss). (Combine lines 3							6			<u>,508</u>
	7	Compensa	ation of office	ers							. 7		68	<u>, 054</u>
	8	Salaries a	nd wages (le	ss employment	t credits)						8			
	9													
	10	Bad debts									10			
	11	Rents	<i>.</i>								11			,200
Deductions	12	Taxes and	l licenses								. 12		5	<u>, 557</u>
	13	Interest									13			
(see page 12	14a			ed, attach Form						11	<u>.U</u>			
of the	j	-		on Schedule A a										110
instructions	С		ne 14b from											110
for	15	Depletion									1 40			,929
limitations)	16	Advertisin											<u> </u>	323
	17										18			
	18		benefit prog							tmt 2			26	,080
	19	Other ded	uctions (atta	ch schedule)					<i></i>		20			, <u>930</u>
	20								ugh 19	· · · · · · · · · · · · · · · · · · ·	21			,422
	21			from trade or t					3					
	22			passive income (Form 1120S)				22			\neg			
	1			(see page 16 o					<u> </u>					
	١										22c			
	23	Paymente	nuitu∧co) s• a 2002 e	estimated tax payr	ments & amo	unt applied fr	om 2001 return	23	a l					
Tax and	Ь		sited with For					22						
Payments	C			paid on fuels (a					С					
. 	d		23a through								23d			
	24			Check if Form						▶ [24			
	25	Tax due.	If the total of	lines 22c and 2	24 is larger	than line 23	Bd, enter amou	nt owe	d. See page		1			
		4 of the in	structions for	r depository me	thod of pay	ment					25			
	26	Overpayr	nent. If line 2	23d is larger tha	an the total	of lines 22d	and 24, enter	amour	t overpaid		26			
	27	Enter amou	int of line 26 yo	ou want: Credited	to 2003 es	timated tax	<u> </u>			funded	27			
	1	Under pena and statem	alties of parjury ents, and to the	, I declare that I h e best of my know	lave examine	ed this return, elief, it is true	including accom , correct, and co	panying mplete. I	schedules Declaration	, , , , ,			with the pre	\Box
Sign		of preparer	(ther than to	e best of my know kpayer) is based of	on all informa	ition of which	preparer has any	y kndwle	dje.		elow (see		X Yes	No
Here	l		vyice					<u> </u>	103		<u>esid</u>	ent		
			ure of officer	Willia	m Fer	LeTII	<u>C</u>	ate		Title		Den	parer's SSN	or PTIN
	1	Preparer's	VIA	Sel Dole	exict.	12ker			Date 2/27/0:	Check if self-emp	ſ	i	001730	
Paid	.	signature	V///			011 25	d Seher	. LI		sen-emp			717247	
Preparer			e (or yours				Street		-d 4		Phon		· / == /	
Use Only	'	if self-empl		Woodbu			POTEEL		3096		1		3-6250)
		address, ai	nd ZIP code	- NOOWIL	4± y / N				, , , , , , , , , , , , , , , , , , , 		1 00			

	edule A Cost of Goods Sold (see page 17 of the instructions)			
<u> </u>	Inventory at beginning of year	1		
	Purchases	2		
	Cost of labor	3		
4	Additional section 263A costs (attach schedule)	5	Δ'	29,572
5	Other costs (attach schedule) Stmt 3	6		29,572
6	Total. Add lines 1 through 5	7		
7	Inventory at end of year	8	4:	29,572
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2 Check all methods used for valuing closing inventory: (i) Cost as described in Regulations section 1.471-3			
9a	Check an moniode access.			
	(ii) Lower of cost or market as described in Regulations section 1.471-4 Other (specify method used and attach explanation)			
	(iii) Other (specify method used and attach explanation) ► Check if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c)			▶ 📙
b	Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)			▶ ∐
C	If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing			
d	inventory computed under LIFO	9d		
_	Do the rules of section 263A (for property produced or acquired for resale) apply to the corporation?		Yes	X No
e	Was there any change in determining quantities, cost, or valuations between opening and closing inventory?		. Yes	X No
f	If "Yes," attach explanation.			
Sch	edule B. Other Information			Yes No
1	Check method of accounting: (a) X Cash (b) Accrual (c) Other (specify)			
2	Refer to the list on pages 29 through 31 of the instructions and state the corporation's principal:			
_	(a) Rusiness activity Communication (b) Product or service Tele Sel	Y		
3	Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic			
	corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name, address, and			x
	employer identification number and (b) percentage owned			X
4	Was the corporation a member of a controlled group subject to the provisions of section 1561?			
5	Check this box if the corporation has filed or is required to file Form 8264, Application for Registration of a Tax Shelter		H	
6	Check this box if the corporation issued publicly offered debt instruments with original issue discount		🗆	
	If so, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount			
	Instruments.			
7	If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a			
	asset with a basis determined by reference to its basis (or the basis of any other property) when the basis of any other property with the net recognized C corporation and (b) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized			
	built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior			
_	years (see page 17 of the instructions) Check this box if the corporation had accumulated earnings and profits at the close of the tax year (see		_	
8			▶ ∐	
_	page 18 of the instructions) Are the corporation's total receipts (see page 29 of the instructions) for the tax year and total assets at the end			
9	of the tax year less than \$250,0002 If "Yes." the corporation is not required to complete Schedules L and M-1			X
Not	e: If the corporation had assets or operated a business in a foreign country or U.S. possession, it may be required to attach	i		
Sch	nedule N (Form 1120), Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.			
	hedule K Shareholders' Shares of Income, Credits, Deductions, etc.			. 4
Tion:	(a) Pro rata share items	+ 1 1	(b) Total an	-77,422
	Ordinary income (loss) from trade or business activities (page 1, line 21)	2		11, 44.
	2 Net income (loss) from rental real estate activities (attach Form 8825)			
	3a Gross income from other rental activities 3a	-		
	b Expenses from other rental activities (attach schedule) 3b	3c		
	c Net income (loss) from other rental activities. Subtract line 3b from line 3a	- 00		
	4 Portfolio income (loss):	4a		4:
Inc	a Interest income	4b		
(Lo	b Ordinary dividends	40		
	c Royalty income d Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	4d		
	d Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	4e(1)		
	e (1) Net long-term capital gain (loss) (attach Schedule D (Form 1120S)) Qualified (2) 28% rate gain (loss) (3) Separation (120S)			
	f Other portfolio income (loss) (attach schedule)	4f		
	4004 pair (leas) (other than due to casualty or theft) (attach Form 4797)	5		
	the state of the s	6		
	6 Other income (loss) (attach schedule)		Form	1120S (200)

Form 1120S	(200	O2) AMERICAN TELECHARGE INC 22-2922389		Page 3
Schedule		Shareholders' Shares of Income, Credits, Deductions, etc. (continued)		
,		(a) Pro rata share items	ļ	(b) Total amount
	7	Charitable contributions (attach schedule)	7	
Deductions	8	Section 179 expense deduction (attach Form 4562)	8	
	9	Deductions related to portfolio income (loss) (itemize)	9	
	10	Other deductions (attach schedule)	10	
Invest-	11a	Interest expense on investment debts	11a	
ment		(1) Investment income included on lines 4a, 4b, 4c, and 4f above	11b(1)	43
Interest		(2) Investment expenses included on line 9 above	11b(2)	
	12a	Credit for alcohol used as a fuel (attach Form 6478)	12a	
1		Low-income housing credit:		
j		(1) From partnerships to which section 42(j)(5) applies	12b(1)	
1		(2) Other than on line 12b(1)	12b(2)	
Credits	_	Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	12c	
1		Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d	
		Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities Credits related to other rental activities	12e	
			13	
		Other credits	14a	-425
Adjust-		Depreciation adjustment on property placed in service after 1986		120
ments		Adjusted gain or loss	14b	
and Tax		Depletion (other than oil and gas)	14c	
Preference	d	(1) Gross income from oil, gas, or geothermal properties	14d(1)	
		(2) Deductions allocable to oil, gas, or geothermal properties	14d(2)	
Items		Other adjustments and tax preference items (attach schedule)	14e	
	15a	Name of foreign country or U.S. possession ▶		
	b	Gross income from all sources	15b	
	С	Gross income sourced at shareholder level	15c	
		Foreign gross income sourced at corporate level:		
		(1) Passive	15d(1)	
		(2) Listed categories (attach schedule)	15d(2)	
		(3) General limitation	15d(3)	
Foreign	е	Deductions allocated and apportioned at shareholder level:		
Taxes		(1) Interest expense	15e(1)	
ruxoo		(2) Other	15e(2)	
	,	Deductions allocated and apportioned at corporate level to foreign source income:		
	٠		15f(1)	
		***************************************	15f(2)	
		(2) Listed categories (attach schedule)	15f(3)	
		(3) General limitation Total foreign taxes (check one): ▶ ☐ Paid ☐ Accrued		
	9		15h	
	h		10.11	
	16	Section 59(e)(2) expenditures: a Type b Amount b	16h	
			16b	
	17	Tax-exempt interest income	17	
	18	Other tax-exempt income	18	308
	19	Nondeductible expenses	19	308
Other	20	Total property distributions (including cash) other than dividends reported on line 22 below	20	
	21	Other items and amounts required to be reported separately to shareholders (attach		
		schedule)		
	22	Total dividend distributions paid from accumulated earnings and profits	22	
	23	Income (loss). (Required only if Schedule M-1 must be completed.) Combine lines 1 through		
		6 in column (b). From the result, subtract the sum of lines 7 through 11a, 15g, and 16b	23	-77,379

Form **1120S** (2002)

Special Companies of the special part of the	Fo	rm 1120S (2002) AMERICAN TELEC	HARGE INC	22-29		Page 4
Assets 4 Cath 5 Cath 6 Cath 7 Cath 1						
1 Cash and accounts receivable bless allowance for bad debts a live structure of the struct	Sch	edule L Balance Sheets per Books				
Trace notes and accounts receivable b case solivance for bad detts inventorities inven			(a)			
b Less allowance for bad debts 3 Invertencies 4 U.S. Government obligations 5 Tax-exempt securities 6 Other current assets 7 Lones to shareholders 8 Mortgage and real estate loans 9 Other evestments 16,620 15,860 760 15,970 650 18 Buildings and other depreciable assets 16,620 1 16,	1	Cash		-3,016		930
3 Internetiones	2a					
4 U.S. Government obligations 5 Tax-exempt securities 6 Other current assets 7 Loans to shareholders 8 Mortgage and real estate Joans 9 Other investments 10a Buddings and other depreciable assets 11b Less socumulated amortzable only) 11b Less socumulated amortzable on	b					
5 Tax-exempt securities 6 Other current assats 7 Loans to shareholders 8 Mortgage and real estate loans 9 Other investments 10a Buttings and other depreciation 10b Less accumulated depreciation 11c Depletable assets 1.6,620 11c Depletable assets 1.6,620 11c Depletable assets 1.6,620 11d Depletable assets 1.6,620 11d Depletable assets 1.6,620 11d Depletable assets 1.6,620 11d Depletable assets 11d (ref of any amortization) 11d Leans from mortization 11d Interpole assets (immortization) 11d Depletable assets (immortization) 11d Depletable assets (immortization) 11d Depletable assets 11d (ref of any amortization) 11d Depletable assets (immortization) 11d Depletable assets 11d (ref of any amortization) 11d Depletable assets 11d (ref of any amortization) 11d Depletable assets 11d (ref of any amortization) 11d	3					
5 Other current assets 7 Clora to shareholders 8 Mortgage and real estate loans 9 Other investments 10 Buildings and other depreciable assets 10 Ess accumulated depreciable assets 10 Ess accumulated depreciable on 15, 960 10 Ess accumulated depreciable on 15, 970 10 Ess accumulated depreciable on 15 Ess accumul	4					
Notingae and real estate loans Security	5	Tax-exempt securities				
8 Mortgage and read estate loans 9 Other investments 16, 620 15, 970 15, 970 650 15, 970 650 15, 970 650 15, 970 650 12 Land (red of any amortization) 13a Intangbile assets (actorist only) 14c Other assets (attorist only) 15 Total assets 16 Lassets 17 Mortgage, note, bonds payable in less than 1 year 18 Other curror II labilities 17 Mortgage, note, bonds payable in less than 1 year 18 Other curror II labilities 17 Mortgage, note, bonds payable in less than 1 year 18 Other curror II labilities 17 Mortgage, note, bonds payable in less than 1 year 18 Other curror II labilities 17 Mortgage, note, bonds payable in less than 1 year 18 Other curror II labilities 18 Labilities and Shaneholders 19 Loans from shareholders 20 Mortgage, note, bonds payable in 1 year or more 21 Capital stock 22 Capital stock 23 Additional parid-in-capital 24 Retained earnings 25 Lass cost of freasury slock 25 Lass cost of freasury slock 26 Lass cost of freasury slock 27 Total labilities and shaneholders' 28 Lass cost of freasury slock 27 Total labilities and shaneholders' equity 38 Expenses recorded on books this year not included on Schedule K, lines 1 through 15, 16, 5g, and 16b, (kines 1 through 15, 15g, and 16b, (kines 1 through 15, 15g, and 16b, (kines 1 through 15, 15g, and 16b, (kines 1 through 16, 16, 15g, and 16b, (kines 2) 3 Expenses recorded on books this year not included on Schedule K, lines 1 through 16, 16g, and 16b, (kines 2) 4 Add lines 1 through 16, 16g, and 16b, (kines 2) 5 Income included on Schedule K, lines 1 through 16, 16g, and 16b, (kines 2) 6 Deductions included on Schedule K, lines 2 through 16, 16g, and 16b, (kines 2) 7 Add lines 1 through 16, 16g, and 16b, (kines 2) 8 Lass from page 1, line 21 8 Lasse on page 1, line 21 9 Ordinary income from pa	6			20 752	1	
9 Other investments 16,620 16,620 16,620 b Less accumulated depreciation 15,860 760 15,970 650 label Buildings and other depreciation 15,860 760 15,970 650 label Less accumulated depreciation 15,860 760 15,970 15,870 15,	7			20,753	-	
to be used the process of the proces	8				-	
b Less accumulated depreciation 15,860 760 15,970 650 15,970 650 12 Land (net of any amortization) 12 Land (net of any amortization) 14 Other assets (attach sch) 15 Total assets Libilities and Sharboliders' Equity 16 Accounts payable 17 Mortgages, notes, bonds payable in less than 1 year 18 Other Current liabilities Stant 4 19 Loans from shareholders Stant 4 19 Loans from shareholders 20 Montgages, notes, bonds payable in 1 year or more 21 Capital stock 22 Capital stock 23 Additional paid-in-capital 24 Retained earnings 25 Agliauments to sharboliders' equity 26 Less cost of reasiny sock 27 Total liabilities and sharboliders' equity 28 Less cost of reasiny sock 29 Total liabilities and sharboliders' equity 29 Less cost of reasiny sock 20 Total liabilities and sharboliders' equity 20 Less cost of reasiny sock 21 Total liabilities and sharboliders' equity 21 Total liabilities and sharboliders' equity 22 Less cost of reasiny sock 23 Total liabilities and sharboliders' equity 24 Retained earnings 25 Less cost of reasiny sock 27 Total liabilities and sharboliders' equity 28 Less cost of reasiny sock 29 Total liabilities and sharboliders' equity 20 Loncer included on Schedule K, lines 1 through 13, 150, and 16b (femize): 3 Expenses recorread on books this year 10 Not income floss of Schedule K, lines 1 through 11a, 150, and 16b (femize): 3 Expenses recorread on books this year 10 Included on Schedule K, lines 1 through 11a, 150, and 16b (femize): 3 Expenses recorread on books this year 10 Included on Schedule K, lines 1 through 11a, 150, and 16b (femize): 3 Expenses recorread on books this year 10 Included on Schedule K, lines 1 through 15a, 15d read (see page 26 of the instructions) 3 Expenses recorread on books this year 10 Included on Schedule K, lines 1 through 15a, 15d read (see page 26 of the instructions) 3 Cyclinary income from page 1, line 21 3 Other additions 5 Total file file file file file file file fil	9		16 600		16 620	
11a Depletable assets 1b Less accumulated depletion 12 Land (net of any amortization) 13a Intangible assets (attach sch.) 15 Total assets (attach sch.) 16 Accounts payable 17 Mortgages, notes, bonds payable in less than 1 year of more 18 Chief current liabilities of Statt 4 19 Leans from Shareholders' Equity 19 Leans from Shareholders' 20 Mortgages, notes, bonds payable in 1 year of more 21 Capital stock 22 Capital stock 23 Additional paid-in capital 24 Retained earnings 25 Less cost of treasury stock 27 Total liabilities and shareholders' equity 26 Less cost of treasury stock 28 Income incuded on Schedule K, lines 1 through 16, not recorded on books this year not included on Schedule K, lines 1 through 11a, 15g, and 19b (temize): 28 Depreciation S 29 Depreciation S 20 Depreciation S 21 Each from the first of the first	10a					
b Less accumulated depletion 12 Land (not of any amortization) 13 Intangible assets (amortization) 14 Other assets (attach sch.) 15 Total assets Liabilities and Shareholders Equity 16 Accounts payable 17 Mortpages, notes, bonds payable in less than 1 year 18 Other current liabilities	b		15,860	780	13,910	000
12 Land (net of any amortization) 13a Intangible assets (amortization b) 14 Other assets (attach sch.) 15 Total assets 16 Accounts payable in less than 1 year 16 Accounts payable in less than 1 year 17 Mortgages, notes, bonds payable in less than 1 year 18 Other current liabilities Start 4 19 Loans from shareholders 20 Mortgages, notes, bonds payable in 1 year or more 21 Other liabilities (att. sch.) 22 Capital stock 23 Additional paid-in capital 24 Retained carrings 25 Adjustments to shareholders 26 Adjustments to shareholders 27 Total liabilities and shareholders' equity 28 Loans from (loss) per books 29 Total liabilities and shareholders' equity 30 Schedule M-1: 31 Reconcilitation of Income (Loss) per Books With Income (Loss) per Return 41 Net Income (loss) per books 42 Income included on Schedule K, lines 1 through 11, 15g, and 15b (itemize): 43 Expenses recorded on books this year 34 Income included on Schedule K, lines 1 through 11, 15g, and 15b (itemize): 44 Add lines 1 through 3 55 Start 5 5 308 5 S						
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WILLIAM 24 WIN	DING	00000	24 W		TELECHARGE NG WAY, SUIT HILL	E 1	8062
B Internal Re	venue Ser r registratio	ntage of stock ownership for tax year (see instruction revice Center where corporation filed its return on number (see instructions for Schedule K-1) xes: (1) Final K-1 (2) Ame	Cinc	inna	ti, OH 4599	9	→ 100.00000% → 1040 filers enter
		(a) Pro rata share items		l	(b) Amount	the am	ount in column (b) on:
Income (Loss)	2 Net 3 Net 4 Port a Inter b Ordi c Roy d Net e (1) (2) (3) f Oth	inary income (loss) from trade or business activities income (loss) from rental real estate activities income (loss) from other rental activities ifolio income (loss): rest inary dividends valties short-term capital gain (loss) Net long-term capital gain (loss) Qualified 5-year gain ter portfolio income (loss) (attach schedule) It section 1231 gain (loss) (other than due to casual ter income (loss) (attach schedule)	ty or theft)	1 2 3 4a 4b 4c 4d 4e(1) 4e(2) 4e(3) 4f 5 6 7	43	See pa Share Sched Sch. Sch. Sch. Sch. Line Sch. (Ente	age 4 of the holder's Instructions for ule K-1 (Form 1120S). B, Part I, line 1 B, Part II, line 5 E, Part I, line 4 D, line 5, col. (f) D, line 12, col. (f) D, line 12, col. (g) 5 of worksheet for D, line 29 r on applicable In. of your rtn.) Shareholder's Instructions chedule K-1 (Form 1120S). r on applicable In. of your rtn.) A, line 15 or 16
Deductions Investment Interest	8 Sec 9 Dec 10 Oth 11a Into b (1) (2) 12a Cre	Investment income included on lines 4a, 4b, 4c, and lines 4a, 4c, and line		7 8 9 10 11a 11b(1) 11b(2) 12a	43	See p Share Sche Form See 3	A, line 13 of 10 pages 5 and 6 of the cholder's Instructions for dule K-1 (Form 1120S). In 4952, line 1 Shareholder's Instructions chedule K-1 (Form 1120S). In 6478, line 10
	1	w-income housing credit: From section 42(i)(5) partnerships		12b(1)			n 8586 line 5

12b(2

12d

12e

For Paperwork Reduction Act Notice, see the Instructions for Form 1120S.

to rental real estate activities

Other credits

e Credits related to other rental activities

(2) Other than on line 12b(1)c Qualified rehabilitation expenditures related to rental real estate

d Credits (other than credits shown on lines 12b and 12c) related

Schedule K-1 (Form 1120S) 2002

See pages 6 and 7 of the

Shareholder's Instructions for

Schedule K-1 (Form 1120S).

Credits

Schedule	e K-1 (F	orm 1120S) 2002 AMERICAN TELECHARGE INC		22-292238			
		(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:		
Adjust-	14a	Depreciation adjustment on property placed in service after 1986	14a	-425	☐ See page 7 of the		
ments	b	Adjusted gain or loss	14b		Shareholder's		
and Tax	С	Depletion (other than oil and gas)	14c		Instructions for Schedule K-1 (Form		
Prefer-	d	(1) Gross income from oil, gas, or geothermal properties	14d(1)		1120S) and		
ence		(2) Deductions allocable to oil, gas, or geothermal properties	14d(2)		Instructions for		
tems	е	Other adjustments and tax preference items	14e		☐ Form 6251		
	15a	Name of foreign country or U.S. possession					
		•					
	b	Gross income from all sources	15b				
	С	Gross income sourced at shareholder level	15c				
	d	Foreign gross income sourced at corporate level:					
		(1) Passive	15d(1)				
		(2) Listed categories (attach schedule)	15d(2)				
		(3) General limitation	15d(3)				
Foreign	е	Deductions allocated and apportioned at shareholder level:			Form 1116, Part I		
-		(1) Interest expense	15e(1)				
Taxes		(2) Other	15e(2)				
	f	Deductions allocated and apportioned at corporate level to foreign					
		source income:					
		(1) Passive	15f(1)				
		(2) Listed categories (attach schedule)					
		(3) General limitation	15f(3)				
	g	Total foreign taxes (check one): ▶ ☐ Paid ☐ Accrued	15g		Form 1116, Part II		
	h	Reduction in taxes available for credit (attach sch.)	15h		See Instructions for Form 1116		
	16	Section 59(e)(2) expenditures:			See Shareholder's Instructions		
	а	Type •			for Schedule K-1 (Form 1120S).		
	b	Amount	16b				
	17	Tax-exempt interest income			Form 1040, line 8b		
	18	Other tax-exempt income	18	200			
Other	19	Nondeductible expenses	19	308	7 1		
	20	Property distributions (including cash) other than dividend			Instructions for Schedule K-1		
		distributions reported to you on Form 1099-DIV			(Form 1120S).		
	21	Amount of loan repayments for "Loans From Shareholders"	21		₽		
	22	Recapture of low-income housing credit:			<u></u>		
	а	From section 42(j)(5) partnerships	22a		Form 8611, line 8		
	b	Other than on line 22a	22b	1.00	if and a sign		
	23	Supplemental information required to be reported separately to each shareh	noider (attach a	additional scriedules	ii more space is		
Su		needed):					
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Schedule K-1 (Form 1120S) 2002

Federal Statements

22-2922389 FYE: 12/31/2002

Statement 1 - Form 1120S, Page 1, Line 5 - Other Income

Description	Aı	<u>mount</u>
Lease inclusion	\$	308
Total	\$	308

Statement 2 - Form 1120S, Page 1, Line 19 - Other Deductions

Description	Amount
Printing and Reproduction Sundry Insurance Utilities and telephone Vehicle expense Legal and accounting Office supplies Postage and supplies	\$ 180 40 1,617 2,781 8,423 2,049 9,286 1,704
Total	\$ 26,080

22-2922389 FYE: 12/31/2002

Statement 3 - Form 1120S, Page 2, Schedule A, Line 5 - Other Costs

Description	Amount	
Location commission	\$	181,868
Line charges		144,276
Polling and Rating		70,711
Repairs		978
Parts		2,257
Calling card charges		1,107
Sales commissions		28,375
Total	\$	429,572

Federal Statements

22-2922389 FYE: 12/31/2002

Statement 4 - Form 1120S, Page 4, Schedule L, Line 18 - Other Current Liabilities

Description	Beginning of Year	End of Year
Accounts Payable-payroll taxe Accounts Payable-payroll taxe	56	203
Total	`56	203

Statement 5 - Form 1120S, Page 4, Schedule M-1, Line 3 - Expense on Books Not on Return

Description	Amount	
Lease inclusion	\$	308
Total	\$	308
1004		

Statement 6 - Form 1120S, Page 4, Schedule M-2, Line 3(a) - Other Additions

Description	Amount
Interest Income	43
Total	43
10041	

Statement 7 - Form 1120S, Page 4, Schedule M-2, Line 5(a) - Other Reductions

Description	Ar	Amount	
Lease inclusion	\$	308	
Total	\$. 308	

22-2922389 FYE: 12/31/2002

Form 1120S, Page 1, Line 1a - Gross Receipts

Description	Amount
Gross receipts or sales	565,401
Total	565,401
_	

Returns and Allowances

Description	Amount	
Returns and allowances	\$	100,629
Total	\$	100,629

Form 1120S, Page 1, Line 12 - Taxes and Licenses

Description	 Amount	
Taxes and licenses expense Payroll Taxes	\$ 350 5 , 207	
Total	\$ 5 , 557	

22-2922303	ederal Statement	5	
YE; 12/31/2002			
		4. Ohavahaldara	
<u>Form 1120S, Page 4</u>	1, Schedule L, Line 7 - Loa		
Description	Beginning of Year	End of Year	
Description Eficer's loan receivable	20,753		
Total	20,753	0	
10041			
<u>Form 1120S, Page 4, </u>	Schedule L, Line 19 - Loa	ns from Shareholders	
	Beginning of Year	End	
Description	of Year	of Year 60,649	
oans from stockholders	0	60,649	
Total		00,013	
		`	

FLORIDA TELECOMMUNICATIONS PRICE LIST

FOR

AMERICAN TELECHARGE, INC. 24 WINDING WAY, SUITE ONE MULLICA HILL, NJ 08062

Between Points Within the State Of Florida

This Price List contains the descriptions, regulations, and rates applicable to the furnishing of resale of service for alternative local exchange telecommunications services provided by American Telecharge, Inc., with principal offices at 24 Winding Way, Suite One, Mullica Hill, NJ 08062. This Price List applies for services furnished within the State of Florida. This Price List is on file with the Florida Public Service Commission (FPSC), and copies may be inspected, during normal business hours, at the Company's principal place of business.

Issued: May 31, 2005

By:

CHECK SHEET

The sheets listed below, which are inclusive of this Price List, are effective as of the date shown on at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original Price List and are currently in effect as of the date on the bottom of this sheet.

Page 1	Number of Revision Original	<u>Page</u> 30	Number of Revision Original
2	Original	31	Original
2 3	Original	32	Original
4	Original	33	Original
5	Original	34	Original
5 6 7	Original	35	Original
	Original	36	Original
8	Original	37	Original
9	Original	38	Original
10	Original	39	Original
11	Original	40	Original
12	Original		
13	Original		
14	Original		
15	Original		
16	Original		
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25	Original		
26	Original		
27	Original		
28	Original		
29	Original		

^{* =} New/Revised Sheet

Issued: May 31, 2005

By:

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Issued: May 31, 2005

By:

APPLICABILITY

This Price List sets forth the service offerings, rates, terms and conditions applicable to the furnishing of intrastate residential communications services by American Telecharge, Inc. to residential Customers within the local exchange service area defined herein.

EXPLANATION OF SYMBOLS

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

- D Delete Or Discontinue
- I Change Resulting In An Increase to A Customer's Bill
- M Moved From Another Price List Location
- N New
- R Change Resulting In A Reduction To A Customer's Bill
- T Change in Text Or Regulation But No Change In Rate Or Charge

Issued: May 31, 2005 By:

PRICE LIST FORMAT

- A. <u>Sheet Numbering</u> Sheet numbers appear in the upper right corner of the sheet. Sheets are numbered sequentially. However, new sheets are occasionally added to the Price List. 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. <u>Sheet Revision Numbers</u> In the future, revision numbers may also appear in the upper right corner of each sheet. These numbers will be used to determine the most current sheet version on file with the Florida Public Service Commission (FPSC). For example, the 4th revised Sheet 14 will cancel the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc. the FPSC follows in their Price List approval process, the most current sheet number on file with the FPSC is not always the Price List sheet in effect. Consult the Check Sheet for the sheet currently in effect.
- C. <u>Paragraph Numbering Sequence</u> There are six levels of paragraph coding. Each level of coding is subservient to its next higher level:
 - 2.
 - 2.1
 - 2.1.1
 - 2.1.1.1
 - 2.1.1.1.1
 - 2.1.1.1.1.1
- D. <u>Check Sheets</u> When a Price List filing is made with the FPSC, an updated Check Sheet will accompany the filing. The Check Sheet will list the sheets contained in the Price List, 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. The Price List user should refer to the latest Check Sheet to find out if a particular sheet is the most current on file with the FPSC.

Issued: May 31, 2005 Effective Date:

1 **DEFINITIONS**

Certain terms used generally throughout this Price List are defined below.

<u>Basic Service</u>: Local telephone service that allows the customer to make unlimited local calls, unlimited toll free calls, and emergency service calls.

<u>Call Block *60</u>: Call Block prevents unwanted calls and interruptions. Call Block *60 lets the customer select up to twelve phone numbers from their local calling area to be blocked from reaching them. They can also block incoming calls placed from the last calling number even if the number is unknown. A blocked caller will hear a voice recording that says the Customer is not presently accepting calls. Dial *60 to turn on and *80 to turn off.

<u>Call Forwarding</u>: Call Forwarding forwards all incoming calls to another telephone number specified by the Customer. Press *72 and enter the phone number where the calls are to be forwarded. Two short tones will verify Call Forwarding is activated. Press *73 to turn it off.

<u>Call Return *69</u>: Activate Call Return by dialing *69. User can turn Call Return off by dialing *89. Call Return will automatically store the number of the last person who called. It can be used to return a call whether the call was answered or not. If the return number is busy, it will ring the number when it is no longer busy for up to thirty minutes. This service will monitor a busy number for one half hour.

<u>Call Waiting</u>: Provides the User with a burst of tone to indicate that another call is waiting. The second call can either be answered by flashing the switch-hook or by hanging up the telephone and being rung back by the caller.

<u>Caller ID</u>: Provides the User with the calling party's name and telephone number. This information will be displayed only if the User provides the appropriate hardware. Such hardware is not available from the Company.

Issued: May 31, 2005

By:

<u>Calling Features</u>: Optional features in addition to "basic service" that include call blocking, call forwarding, call return (*69), call waiting, caller ID, non-published number, and 3 way calling.

<u>Change Order Fee</u>: A fee that is charged to a customer when they either add a feature or change features on an existing phone line. For example, if a customer with existing service decides to add call waiting after their line has already been connected, a change order fee will be charged to the customer.

<u>Company or Carrier</u>: American Telecharge, Inc., a New Jersey foreign corporation that is the issuer of this Price List.

<u>Completed Call</u>: A call that the Company's network has determined to be answered by a person, answering machine, fax machine, computer modem device, or other answering device.

<u>Connection Fee</u>: A one time, non-recurring charge to the customer's account that covers the cost of the initial connection of the customer's new telephone line.

<u>Customer</u>: The person or other entity that ordered service and is responsible for the payment of charges and for compliance with the Company's Price List regulations.

<u>Customer-Provided Equipment</u>: This relates to any wiring and jacks that are inside of the customer's residence that provide service from the outside phone box (company equipment) inside the residence.

Issued: May 31, 2005

By:

<u>Deluxe Package</u>: A package of services that consists of "basic service" and the customer's choice of any three standard calling features (No Caller ID).

<u>Due Date</u>: The date in which a customer's invoice needs to be paid by. Standard invoices are due fifteen (15) days from mailing date. Some invoices for unauthorized usage or repair charges are due upon receipt.

Extended Area Service: A geographic area beyond the local service area to which traffic is classified as local for selected customers, i.e., telephone service that allows subscribers in one exchange to call subscribers of another exchange without a toll charge.

FCC Charge: A charge that goes on every invoice to cover the cost taxes owed to the FCC.

<u>ILEC</u>: The underlying incumbent Local Exchange Carrier, or other alternative carrier, which provides facilities and/or local exchange telephone services to the Company for resale to the Customer.

<u>Invoice</u>: Statements sent to customers on a monthly basis or as needed to let the customer know the amount that they owe for service for the coming month. Amounts vary based on each individual customer services.

Monthly Charges: The monthly charges to the Customer for services that continue for the agreed-upon duration of the service.

Issued: May 31, 2005

Bv:

<u>One-Time Charges</u>: The one-time charges for services including, but not limited to, charges for installation and special fees for which the Customer becomes liable at the time the Service Order is executed.

<u>Premium Package</u>: A package of services that consists of "basic service" and the customer's choice of any four standard calling features (No Caller ID).

<u>Premium Plus Package</u>: A package of services that consists of "basic service" and the customer's choice of any four standard calling features in addition to caller ID.

<u>Proration Fee</u>: Customers can pay a fee to have the due date of their invoice moved to a date that is more convenient for them to make payments. This fee is the amount of the remaining difference between the customers current due date, and the date they wish to prorate to.

Reconnection Fee: A fee charged to re-establish previous Customer's account.

<u>Service Continuation Fee</u>: The amount that each individual customer pays in full on a monthly basis to continue their contract with the Company for local telephone service.

<u>Service Order</u>: The request for local exchange services initiated by the Customer in a format specified by the Company, which is in the form of an application signed by the customer.

Issued: May 31, 2005

By:

<u>Service Suspension Notice</u>: Notification mailed to Customer following the passing of that customer's due date without payment of their current service continuation fee. This notice allows the customer a five (5) day extension of their due date in which to make payment. After this date has passed, the company my temporarily deny, or suspened, the customer's service at any time, requiring a reconnection fee to restore service.

Services: The Company's telecommunication services offered to the Customer.

<u>Standard Calling Features</u>: All calling features except for Caller ID (call blocking, call forwarding, call return (*69), call waiting, non-published number, and 3 way calling).

<u>Station</u>: Telephone equipment from or to which calls are placed.

<u>Three-Way Calling</u>: The User can sequentially call two other people and add them together to make up a three-way call.

<u>Toll Restriction</u>: This feature precludes the user from dialing certain outgoing long distance calls.

<u>Unlimited Long Distance</u>: Service that a customer pays for that allows them to make unlimited domestic (continental United States only) long distance phone calls during their 30 days of service.

<u>Unlimited Bronze Package</u>: A service package that a customer can purchase that will give them basic service and unlimited long distance for one price.

Issued: May 31, 2005 Effective Date:

By:

1 DEFINITIONS (CONT'D)

<u>Unlimited Silver Package</u>: A service package that a customer can purchase that will give them basic service, one standard feature, and unlimited long distance for one price.

<u>Unlimited Gold Package</u>: A service package that a customer can purchase that will give them basic service, their choice of two standard features or Caller ID, and unlimited long distance for one price.

<u>Unlimited Platinum Package</u>: A service package that a customer can purchase that will give them basic service, their choice of either three standard features or two standard features and Caller ID, and unlimited long distance for one price.

<u>Unlisted (Non-Published) Listing</u>: A directory listing which is neither printed in a directory nor available from directory assistance.

<u>User</u>: A Customer or any other person authorized by the Customer to use service provided under this Price List.

Issued: May 31, 2005

By:

2 RULES AND REGULATIONS

2.1 Undertaking of the Company

The Company undertakes to furnish communication service on a resale basis in connection with one-way and/or two-way information transmission between points within the State of Florida under the terms of this Price List.

Customers may use services and facilities provided under this Price List to obtain access to services offered by other service providers. The Company is responsible under this Price List only for the services provided herein, and it assumes no responsibility for any service provided by any other entity.

2.2 Obligations of the Customer

- 2.2.1 The customer shall be responsible for:
 - 2.2.1.1 The payment of all applicable charges pursuant to this Price List;
 - 2.2.1.2 Reimbursing the Company for damage to, or loss of, the Company's facilities or equipment caused by the acts or omissions of the customer; or the noncompliance by the customer, with these regulations, or by fire or theft or other casualty on the customer's premises unless caused by the negligence or willful misconduct of the employees or agents of the Company.
 - 2.2.1.3 Providing at no charge, as specified from time to time by the Company, any needed space and power to operate the Company's facilities and equipment installed on the customer's premises.

- 2.2.1.4 Complying with all laws and regulations regarding the working conditions on the premises at which the Company's employees and agents shall be installing or maintaining the Company's facilities and equipment. The customer may be required to install and maintain the Company's facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company's employees or property might result from installation or maintenance by the Company. The customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material prior to any construction or installation work.
- 2.2.1.5 Complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of the Company's facilities and equipment in any customer premises for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company.
- 2.2.1.6 Making Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the customer. No allowance for interruptions in service will be made for the period during which service is interrupted for such purposes.
- 2.2.2 With respect to any service or facility provided by the Company, the customer shall indemnify, defend and hold harmless the Company from all claims, actions, damages, liabilities, costs and expenses for:
 - 2.2.2.1 Any loss, destruction or damage to property of the Company or any third party, or injury to persons, including, but not limited to, employees or invitees of either the Company or the customer, to the extent caused by or resulting from the negligent or intentional act or omission of the customer, its employees, agents, representatives or invitees; or
 - 2.2.2.2 Any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the customer.

Issued: May 31, 2005 By:

- 2.2.3 The customer is responsible for ensuring that customer-provided equipment connected to company-provided equipment and facilities is compatible with such equipment and facilities and must be in working order. The Company is not responsible for the customer-provided equipment, and will not perform testing, maintenance, or service work to any customer-provided equipment. The connection, operation, testing, or maintenance of such customer-provided equipment shall be such as not to cause damage to the Company-provided equipment and facilities or injury to the Company's employees or other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the customer's expense.
- 2.2.4 The Company's services (as detailed in this Price List) may be connected to the services or facilities or other communications carriers only when authorized by, and in accordance with, the terms and conditions of the Price Lists or contracts that are applicable to such connections.
- 2.2.5 Upon reasonable notification to the customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the customer is complying with the requirements set forth in this Price List for the installation, operation, and maintenance of customer-provided facilities and equipment that is connected to Company-owned facilities and equipment.

2.3 Liability of the Company

In view of the fact that the customer has exclusive control over the use of service and facilities furnished by the Company, and because certain errors incident to the services and to the use of such facilities of the Company are unavoidable, services and facilities are furnished by the Company subject to the terms, conditions and limitations herein specified:

2.3.1 Service Irregularities

- 2.3.1.1 The liability of the Company for damages arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission, or failures or defects in facilities furnished by the Company, occurring in the course of furnishing service or other facilities and not caused by the negligence of the customer, shall in no event exceed an amount equivalent to the proportionate charge to the customer for the service or facilities affected during the period such mistake, omission, interruption, delay, error or defect in transmission, or failure or defect in facilities continues after notice and demand to Company.
- 2.3.1.2 The Company shall not be liable for any act or omission of any connecting carrier, underlying carrier, or local exchange Company except where Company contracts the other carrier; for acts or omission of any other providers of connections, facilities, or service; or for culpable conduct of the customer or failure of equipment, facilities or connection provided by the customer.

2.3.2 Claims of Misuse of Service

2.3.2.1 The Company shall be indemnified and saved harmless by the customer against claims for libel, slander, fraudulent or misleading advertisements or infringement of copyright arising directly or indirectly from material transmitted over its facilities or the use thereof; against claims for infringement of patents arising from combining or using apparatus and systems of the customer with facilities of the Company; and against all other claims arising out of any act or omission of the customer in connection with the services and facilities provided by the Company.

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2.3.2.2 The Company does not require indemnification from the customer where the action for which it is seeking indemnification is based on a claim of negligence by the Company.

2.3.3 Defacement of Premises

- 2.3.3.1 The Company is not liable for any defacement of, or damage to, the customer's premises resulting from the furnishing of service or the attachment of equipment and facilities furnished by the Company on such premises or by the installation or removal thereof, when such defacement or damage is not the result of negligence of the Company. For the purpose of this paragraph, no agents or employees of the other participating carriers shall be deemed to be agents or employees of the Company except where contracted by the Company.
- 2.3.4 Facilities and Equipment in Explosive Atmosphere, Hazardous or Inaccessible Locations
 - The Company does not guarantee nor make any warranty 2.3.4.1 with respect to installations provided by it for use in an explosive atmosphere. 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, 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 and not due to the gross negligence or willful misconduct of the Company.

2.3.5 Service at Outdoor Locations

2.3.5.1 The Company reserves the right to refuse to provide, maintain or restore service at outdoor locations unless the customer agrees in writing to indemnify and save the Company harmless from and against any and all loss or damage that may result to equipment and facilities furnished by the Company at such locations. The customer shall likewise indemnify and save the Company harmless from and against injury to or death of any person that may result from the location and use of such equipment and facilities.

2.3.6 Warranties

- 2.3.6.1 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.
- 2.3.6.2 Acceptance of the provisions of Section 2.3 by the Commission does not constitute its determination that any disclaimer of warrantees or representations imposed by the Company should be upheld in a court of law.

2.3.7 Limitation of Liability

2.3.7.1 Nothing in this Price List shall be construed to limit the Company's liability in cases of gross negligence or willful misconduct.

2.4 Application for Service

2.4.1 Minimum Contract Period

Company does not have a minimum contract period.

2.4.2 Service Order

- 2.4.2.1 Customers fill out a service order that provides Company with the customer's name, address, contact phone number, and the calling features that the customer would like. The service order is a contractual agreement, which describes the service in full and along with the rules and restrictions of service. Company will not accept a service order that is not signed by the customer.
- 2.4.2.2 When the customer fills out and signs his or her service order, the customer will pay his or her connection fee and the fee for any features that the customer is signing up for at that time. A service order will not be processed until the customer has paid the connection fee.
- 2.4.2.3 Service orders are processed within 2 business days of receipt.

2.4.3 Cancellation of Service

- 2.4.3.1 Where the applicant cancels an order for service prior to the submittal of the request for service to Bell South, a \$10.00 processing fee shall apply. The remainder of the customer's connection fee will be refunded to the customer.
- 2.4.3.2 Where submittal of the request for service has been sent to Bell South, and a confirmation of an installation date has been given, a \$20.00 processing and cancellation fee shall apply. The remainder of the customer's connection fee will be refunded to the customer.

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- 2.4.3.3 Where the applicant cancels an order for service after the submittal of the request for service to Bell South, and service has been supplied to the company-provided equipment at the customer's location, there will be no refund of the connection fee to the customer, as service has already been connected.
- 2.4.3.4 Customers can request cancellation of their service at any time.
 All outstanding charges must be paid in full before service is disconnected at customer's request.

2.5 Payment for Service

- 2.5.1 Service will be billed directly by the Company on a monthly basis and is due and payable upon receipt or as specified on the customer's bill. Service will continue to be provided until canceled by the customer or discontinued by the Company as set forth in Section 2.13 of this Price List.
- 2.5.2 Customer's first bill will be sent to the customer on the day that installation of service in the customer's residence is confirmed. This first bill is always for the customer's basic service only for the coming month, and is due 20 days after the date of the bill.
- 2.5.3 The customer is responsible for payment of all charges for service furnished to the customer. All fixed monthly and nonrecurring charges for services and charges for actual usage will be billed on a monthly basis.
- 2.5.4 The Company does not collect advance payments from its customers.

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2.6 Customer Deposits

2.6.1 Company does not collect customer deposits.

2.7 Late Payment Charges

- 2.7.1 Any charges that are disputed by a customer shall not be subject to late payment charges regardless of the outcome of the dispute.
- 2.7.2 The Company will consider delinquent and apply late payment charges on bills not paid within 20 days of the billing invoice date for all residential customers

2.8 Allowance for Interruptions in Service

- 2.8.1 Credit for failure of service or equipment will be allowed only when failure is caused by or occurs in equipment owned, provided, or billed for, by the Company.
- 2.8.2 Customers with interruption of service due to problems with customer-provided equipment will not be given credit. These customers will continue to be billed as long as there is working service to the company-provided equipment.

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2.9 Taxes and Fees

- 2.9.1 All state and local taxes and fees shall be listed as separate line items on the customer's bill.
- 2.9.2 If a municipality, other political subdivision or local agency of government, or the FPSC imposes and collects from the Company a gross receipts tax, occupation tax, license tax, permit fee, franchise fee, or regulatory fee, such taxes and fees shall, as allowed by law, be billed pro rata to the customer receiving service from the Company within the territorial limits of such municipality, other political subdivision or local agency of government.
- 2.9.3 Service shall not be subject to taxes for a given taxing jurisdiction if the customer provides the Company with written verification, acceptable to the Company and to the relevant taxing jurisdiction, that the customer has been granted a tax exemption.

2.10 Returned Check Charge

The charge for a returned check is \$25.00.

2.11 Directory Assistance Call Allowance

- 2.11.1 Company does not provide Directory Assistance for its customers.
- 2.11.2 When a customer attempts to dial directory assistance, they will be connected to a recording that informs them that directory assistance is not a feature that is provided with their service.

2.12 Special Customer Arrangements

In cases where a customer requests special or unique arrangements which may include but are not limited to engineering, conditioning, installation, construction, facilities, assembly, purchase or lease of facilities and/or other special services not offered under this Price List, the Company, may provide the requested services. Appropriate recurring charges and/or nonrecurring charges and other terms and conditions will be developed for the customer for the provisioning of such arrangements.

2.13 Termination of Service

2.13.1 Denial of Service Without Notice

The Company may discontinue service without notice for any of the following reasons:

- 2.13.1.1 Hazardous Condition. For a condition on the customer's premises determined by the Company to be hazardous.
- 2.13.1.2 Adverse Effect on Service. Customer's use of equipment in such a manner as to adversely affect the Company's equipment or the Company's service to others.
- 2.13.1.3 Tampering With Company Property. Customer's tampering with equipment furnished and owned by the Company.
- 2.13.1.4 Unauthorized Use of Service. Customer's unauthorized use of service by any method which causes hazardous signals over the Company's network.
- 2.13.1.5 Illegal use of Service. Customer's use of service or equipment in a manner to violate the law.

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2.13.2 Denial of Service Requiring Notice

- 2.13.2.1 The Company may deny service for any of the following reasons provided it has notified the customer of its intent, in writing, to deny service and has allowed the customer a reasonable time of not less than 10 days in which to remove the cause for denial:
 - 2.13.2.1.A Non-compliance with Regulations. For violation of or non-compliance with regulations of the Florida Public Service Commission, or for violation of or non-compliance with the Company's Price List on file with the FPSC.
 - 2.13.2.1.B Failure on Contractual Obligations. For failure of the customer to fulfill his contractual obligations for service or facilities subject to regulation by the Florida Public Service Commission.
 - 2.13.2.1.C Refusal of Access. For failure of the customer to permit the Company to have reasonable access to its equipment.
 - 2.13.2.1.D Non-payment of Bill.
 - 2.13.2.1.D.1 For non-payment of a bill for service, provided that the Company has made a reasonable attempt to effect collection and has given the customer written notice of its intent to deny service if settlement of his account is not made and provided the customer has at least 5 days, excluding Sundays and holidays in which to make settlement before his service is denied.
 - 2.13.2.1.D.2 Except in cases where a prior promise to pay has not been kept or bankruptcy, receivership, abandoned service, or abnormal toll usage is involved, the Company may not deny service on the day preceding any day on which it is not prepared to accept payment of the amount due and to reconnect service.
 - 2.13.2.1.E Failure to Comply with Service Conditions. For failure of the customer to furnish the service equipment, permits, certificates, or rights-of-way, specified by the Company as a condition to obtaining service, or if the equipment or permissions are withdrawn or terminated.

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2.13.2.1.F	Failure to Comply with Municipal Ordinances. For
	failure to comply with municipal ordinances or other
	laws pertaining to telephone service.

- 2.13.2.2 Service will be denied on a temporary basis, or "suspended," for thirty (30) days in order to give the customer a chance to rectify the cause of service denial and have service restored. After thirty (30) days of the line being suspended, service can be disconnected at any time by the company without notice.
- 2.13.3 Insufficient Reasons for Denial of Service
 - 2.13.3.1 The following may not constitute cause for refusal of service to a present or prospective customer:

2.13.3.1.A	Failure of a prior customer to pay for service at the
	premises to be serviced;

- 2.13.3.1.B Failure to pay for a different class of service for a different entity;
- 2.13.3.1.C Failure to pay the bill of another customer as guarantor of that bill;
- 2.13.3.1.D Failure to pay directory advertising charges or;
- 2.13.3.1.E Failure to pay an outstanding bill that is over 7 years old, unless the:
 - 2.13.3.1.E.1 Customer signed an agreement to pay the outstanding bill before the expiration of this period;
 - 2.13.3.1.E.2 Outstanding bill is for service obtained by the customer by means of tampering with equipment furnished and owned by the Company or by unauthorized use of service by any method; or

2.13.3.1.E.3 Outstanding bill is for service obtained by the customer by means of an application made:

- (i) In a fictitious name,
- (ii) In the name of an individual who is not an occupant of the dwelling unit, without disclosure of the individual's actual address,
- (iii) In the name of a third party without disclosing that fact or without bonafide authority from the third party, or
- (iv) Without disclosure of a material fact or by misrepresentations of a material fact.
- 2.13.3.2 This regulation applies to both residential and nonresidential classes of service.
- 2.13.4 911 Access During Denial of Service

Access to 911 services will be maintained during temporary denials of service for non-payment of a residential subscriber's local service.

2.14 Unlawful Use of Service

- 2.14.1 Service shall not be used for any purpose in violation of law or for any use as to which the customer has not obtained all required governmental approvals, authorizations, licenses, consents, and permits. The Company shall refuse to furnish service to an applicant or shall disconnect the service without notice of a customer when:
 - 2.14.1.1 An order shall be issued, signed by a judge finding that probable cause exists to believe that the use made or to be made of the service is prohibited by law, or
 - 2.14.1.2 The Company is notified in writing by a law enforcement agency acting within its jurisdiction that any facility furnished by the Company is being used or will be used for the purpose of transmitting or receiving gambling information in interstate or foreign commerce in violation of the law.
- 2.14.2 If service has been physically disconnected by law enforcement officials at the customer's premises and if there is not presented to the Company the written finding of a judge, then upon written or verbal request of the subscriber, and agreement to pay restoration of service charges and other applicable service charges, the Company shall promptly restore such service.

2.15 Interference with or Impairment of Service

Service shall not be used in any manner that interferes with other persons in the use of their service, prevents other persons from using their service, or otherwise impairs the quality of service to other customers. The Company may require a customer to immediately shut down its transmission of signals if said transmission is causing interference to others or impairing the service of others.

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2.16 Telephone Solicitation by Use of Recorded Messages

2.16.1 Service shall not be used for the purpose of solicitation by recorded messages when such solicitation occurs as a result of un-requested or unsolicited calls initiated by the solicitor by means of automatic dialing devices. Such devices, with storage capability of numbers to be called or a random or sequential number generator that produces numbers to be called and having the capability, working alone or in conjunction with other equipment, of disseminating a prerecorded message to the number called and which are calling party or called party controlled, are expressly prohibited.

2.17 Incomplete Calls

2.17.1 There shall be no charge for incomplete calls. No charge will be levied for unanswered calls. Customers will receive credit for calls placed to a wrong number if the customer notifies the Company of the error.

2.18 Overcharge/Undercharge

- 2.18.1 Overcharge/undercharge provisions will be in accordance with the Florida Public Service Commission.
- 2.18.2 When a customer has been overcharged, the amount shall be refunded or credited to the customer.

3 SERVICE DESCRIPTIONS

3.1 Local Exchange Service

The Company's local telephone service provides a Customer with the ability to connect to the ILEC's switching network that enables the Customer to, on an unlimited basis:

- a) Place or receive calls to any calling station in the local calling area as defined herein;
- b) Access 911 Emergency Services;
- c) Access Operator Services (Charges may apply depending on the services rendered);
- d) Place or receive calls to 800 telephone numbers;
- e) Access Telecommunications Relay Service.

The Company's service will automatically block originating calls to other telephone companies caller-paid information services (e.g. 900, 976) at no charge. Calls to those numbers and other numbers used for caller paid information services will be unblocked on a per directory number basis only.

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Toll Service

The Company's Basic Local Service neither includes direct-dialing distance calling nor any other toll service. Customers who desire intraLATA and interLATA toll service have the following options:

a) Add the Company's Unlimited Long Distance Package to their service;

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- b) Using prepaid calling cards; or
- c) Using post-paid calling cards.

This Company will provide at no additional charge, via customer service, information and counseling to its customers on how to obtain long distance service.

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3.1.1 Service Area

Where facilities are available, the Company's service area incorporates the geographic regions and exchanges currently served by Bell South FL.

3.1.1.1 <u>Local Calling Areas</u>: Exchanges and zones included in the local calling area for the Customer's exchange or zone may be found as exchange maps in the telephone directory published by Bell South FL in the Customer's exchange area.

3.1.2 Local Line

- 3.1.2.1 <u>Standard Features</u>: Local Line provides the Customer with a single, voice-grade communications channel. Each Local Line will include a telephone number.
- 3.1.2.2 Optional Features: A Local Line Customer may order the following optional features, at the rate specified in Section 3.2.2:

Deluxe Calling Package Premium Package Premium Plus Package Caller ID Call Return *69 Call Forwarding Call Block *60 Call Selector Call Waiting Three Way calling Unlisted (Non-Published) Number **Unlimited Long Distance** Unlimited Long Distance Bronze Package Unlimited Long Distance Silver Package Unlimited Long Distance Gold Package Unlimited Long Distance Platinum Package Voice Mail

3.1.2.2.A

Caller ID Service will allow the Customer to see the name of the caller, in addition to the caller's telephone number of an incoming call displayed on the Customer-provided display unit. The name and telephone number of an incoming call will be displayed between the first and second ring. Caller ID will work only on calls that originate from, and terminate in, the central offices that are equipped to provide this service or between central offices that are equipped and have SS7 connectivity. Caller ID will be available to customers by monthly subscription only, which will provide unlimited use of the service.

The telephone numbers that will be displayed on Caller ID Customer's display unit will include listed, non-listed, and non-published telephone numbers.

The telephone numbers that will not be displayed to a Caller ID Customer are: (1) calls from callers who use Per-Call or Per-Line Blocking; (2) calls from callers located in central offices not a part of the SS7 Signaling System; and (3) calls placed through an operator.

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3.1.2.2.B

Anonymous Call Rejection (ACR) will enable Caller ID subscribers to reject calls from callers who have blocked the display of their telephone numbers on outgoing calls. ACR will be automatically available to all Caller ID services' customers free of charge.

ACR will be initially provided to subscribers in the deactivated mode. It can be activated and deactivated by dialing a special code. When activating or deactivating ACR, subscribers will hear a confirmation tone. ACR will remain either on or off until the subscriber dials the deactivation or activation codes.

Users of Per-Call Blocking or Per-Line Blocking will not be able to complete calls to Caller ID subscribers who have activated the ACR. In this instance, the person placing a call will hear an announcement indicating that the called party does not wish to answer blocked calls. The Caller ID subscribers' telephones will not ring.

Blocked calls routed to the ACR announcement will not be rated as completed calls.

3.1.2.2.B (Cont'd)

Callers who block their telephone numbers and/or names can complete calls to the ACR-activated subscribers by:

- (1) Placing the call by unblocking the telephone number.
- (2) Placing the call through an operator, which may involve charges in addition to the cost of the call.

The live operator surcharge will be waived for the Company's customers who are victims of domestic violence, the staffs of domestic violence program agencies and emergency service personnel, while in the performance of their jobs. If the operator surcharge cannot be waived when the call is being placed, the Company will, upon notification, credit the live operator surcharge to the aforementioned party's telephone bill. Furthermore, should alternative methods become available in the future which permit the aforementioned to access the ACR party without revealing the caller's telephone number, the Company will waive any additional charges associated with some alternative methods.

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3.1.2.2.C

Caller ID Per-Call Blocking (PCB) will be automatically available to all customers served by the Company, free of charge an on an unlimited basis. This blocking option will allow callers to block the passage of their telephone numbers and names on outgoing calls by dialing a special code, prior to making each call. When the caller activates this feature, the Caller ID subscriber's display unit will indicate that the incoming call has been blocked.

PCB will not prevent the delivery of the telephone numbers to 911 emergency service providers.

3.1.2.2.D

Caller ID Per-Line Blocking (PLB) will allow callers to automatically prevent the display of their telephone numbers and names on a permanent basis unless the service is deactivated, on a per call basis, by dialing a special code. If the caller deactivates the PLB before placing a call, PLB will automatically resume after the unblocked call is completed.

PLB will be available to all customers in the Company's serving area and can only be added or removed from a customer's line by placing a service order with the Company. Initial request for PLB will be provided at no charge. Subsequent requests for PLB for the same customer and telephone number at the same address may be charged the applicable non-recurring charge(s). This non-recurring charge will be waived for customers of the Company who are victims of domestic violence, the staff of domestic violence programs and agencies, and emergency services personnel, while performing their jobs.

PLB will not prevent the delivery of telephone numbers to 911 emergency service providers.

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3.2 Local Line Rates and Charges

A Local Line Customer will be charged applicable Non-Recurring and Monthly Recurring Charges as specified in Section 3.1.2.1 and 3.1.2.2 respectively. Local Line charges will vary based on the ILEC providing facilities to the Company in the Customer's exchange.

3.2.1 One-Time Charges

Set-Up Charge (per line)	\$39.00	
Change of Service Charge	\$25.00	
Calling Features are added to t	the customers' service	
during initial connection of the telephone line. If a		
customer wishes to either add	or subtract features after	
their local service is connected	, there will be a fee of	
\$20.00 to make these additions	s/removals from the	
account.		

3.2.2 Monthly Charges (each charge is per line)

Local Line – Basic Service	\$39.95
Caller ID	\$10.00
Call Return *69	\$5.00
Call Forwarding	\$5.00
Call Block *60	\$5.00
Call Selector	\$5.00
Call Waiting	\$5.00
Three Way calling	\$5.00
Unlisted (Non-Published) Number	\$5.00
Voice Mail	\$10.00
Unlimited Long Distance	\$19.95
Deluxe Calling Package	\$49.95
Premium Calling Package	\$54.95
Premium Plus Calling Package	\$59.95
Unlimited Long Distance Bronze Package	\$64.95
Unlimited Long Distance Silver Package	\$69.95
Unlimited Long Distance Gold Package	\$74.95
Unlimited Long Distance Platinum Package	\$79.95

3.3 Miscellaneous Fixed One-Time Charges

Change Telephone Number (Per Line) \$25.00

Transfer Account to New Address (Per Line) \$39.00

Reconnection Fee (Per Line) \$25.00

Late Payment Fee (Per Line) \$10.00

3.4 Miscellaneous One-Time Charges

- 3.4.1 For any incidental charges which appear on the Company's billing from the ILEC (e.g., directory assistance, call tracing, etc.), the charges are passed through to the Customer plus a handling charge in an amount equal to the incidental charges (with a maximum of \$5.00 per handling charge).
- 3.4.2 For any toll or other unauthorized charges appearing on the Company's billing from the ILEC, the charges are passed through to the Customer plus a handling charge in an amount equal to the incidental charges (with a maximum of \$5.00 per handling charge)

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3.5 Directory Listings

The Company shall provide for a single directory listing in the telephone directory published by the ILEC in the Customer's exchange area.

- 3.5.1 In order for listings to appear in an upcoming directory, the Customer must subscribe to service from the Company in time to meet the directory-publishing schedule.
- 3.5.2 Directory listings are provided in connection with each Customer's service as specified herein:
 - 3.5.2.1 <u>Primary Listing</u>: The listing shall include the first initial and last name of the Customer. The listing will not include the Customer's address.
 - 3.5.2.2 <u>Non-published Listings</u>: A Non-published telephone number will be furnished at the Customer's request providing for the omission or deletion of the Customer's telephone listing from the telephone directory and the directory assistance records.
 - 3.5.2.3 Charges for Non-published Listings are specified in Section 3.2.2.

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3.6 Florida Telecommunications Relay Service

- 3.6.1 The Florida Telecommunications Relay Service is a relay telecommunication service for the deaf, hearing and/or speech disabled population of the State. The service permits telephone communications between deaf, hearing and/or speech disabled individuals who must use a Text Telephone and individuals with normal hearing and speech.
- 3.6.2 For 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 non-relay call except that where either the calling or called party indicates 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 non-relay call.

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4 PROMOTIONAL OFFERINGS

The Company, from time to time, may make promotional offerings of its services that may include waiving or reducing the applicable charges for the promoted service. The promotional offerings may be limited as to the duration, the date and times of the offerings and the locations where the offerings are made.

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5 INTRALATA PREFERRED CARRIER FREEZE SELECTION

The Company will offer a preferred carrier freeze option to all customers on a nondiscriminatory basis regardless of the customer's carrier selection at a charge to the end user. The preferred carrier freeze option prevents a change in the end-user's IntraLATA toll provider unless the end users request a change in carrier.

End users may request a preferred carrier freeze on their IntraLATA toll service as a means of protection from unauthorized IntraLATA PIC changes. The Company will only accept preferred carriers freezes either orally or in writing from end users. The preferred carrier freeze will be offered on a per line basis.

The Federal Communications Commission and the Florida Public Service Commission accepted the use of three-way calls to remove PIC freezes when the customer's IntraLATA toll presubscription choice has been frozen. Carriers must still follow the verification procedures for PIC changes of the Federal Communications Commission (e.g., independent 3rd party verification, written letter of agency from customer, electronic authorization) and the Florida Public Service Commission (if issued). The carriers will impose and/or lift preferred carrier freeze request in accordance with Chapter 1 of Title 47 of the Code of Federal Regulation, Section 64.1190

The customer owns the exclusive right to select the PIC freeze option on a per line basis, and may choose to unfreeze their PIC at any time in order to migrate from one carrier to another at any time. The only reason a carrier may refuse to remove a PIC freeze from the line of a customer who has stated their intent to select a different carrier is if that customer has an outstanding balance on their account, or are going to go into a new billing cycle within five (5) days of the request. Once all financial obligations have been met, the PIC Freeze must be removed.

5.1 Marketing of PIC Freeze Option

The Company will not market the PIC freeze option to Customers within a 90-day period after implementation, i.e., 90 days following the Effective Date of this Price List. However, the freeze option is available during that period on Customer request.

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