

ORIGINAL
FILE COPY

Jay Koenigsberg

ATTORNEY AT LAW
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@COMPUSERVE.COM

November 27, 1996

961433-TI

VIA UPS OVERNIGHT DELIVERY

Florida Public Service Commission
Division of Administration
2540 Shumard Oak Blvd.
Gunter Building
Tallahassee, Florida 32399-0850

Re: Application for Authority to Provide Phone Card Services in Florida for USA
Telecard, Inc., a Maryland corporation, authorized to transact business in Florida as
Telecard America, Inc.

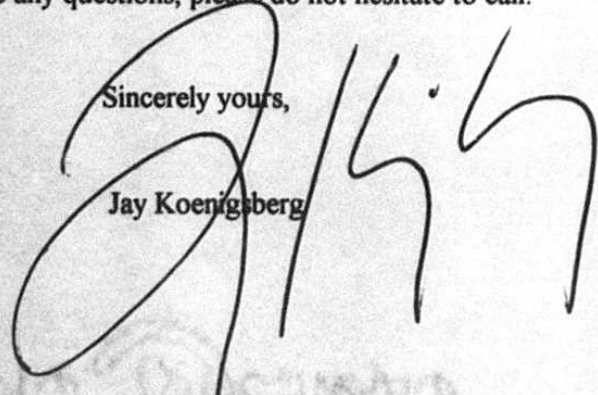
Ladies and Gentlemen:

I have transmitted herewith one original and six copies of the Application for Authority to
Provide Interexchange Telecommunications Service Within The State of Florida for USA Telecard,
Inc., a Maryland corporation, authorized to transact business in Florida as Telecard America, Inc.
("Telecard") Additionally, I have transmitted a Balance Sheet and Income Statement for Telecard
along with a check made payable to the Florida Public Service Commission in the amount of \$250.

Of course, if you have any questions, please do not hesitate to call.

Sincerely yours,

Jay Koenigsberg



cc: USA Telecard, Inc.
Howard Goldstein

RECEIVED
FLORIDA PUBLIC
SERVICE COMMISSION
MAIL ROOM
96 DEC -2 PM 9-31

DOCUMENT NUMBER-DATE
12799 DEC-29
FPSC-RECORDS/REPORTING

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC _____
- WAS _____
- OTH _____

USA TELECARD, INC
BALANCE SHEET
November 30, 1996

ORIGINAL
FILE COPY

ASSETS

CURRENT ASSETS

Cash	\$	271.06
Cash - Nationsbank		4,734.70
Cash - United National Bank		1,174.09
Commission Draw Receivable		2,000.00
Prepaid rent		<u>1,401.25</u>

TOTAL CURRENT ASSETS \$ 9,581.10

PROPERTY AND EQUIPMENT

Fixed Assets	\$	14,563.00
Accumulated Depreciation		<u>(1,058.00)</u>

TOTAL PROPERTY AND EQUIPMENT \$ 13,505.00

TOTAL ASSETS \$ 23,086.10
=====

USA TELECARD, INC
BALANCE SHEET
November 30, 1996

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Accounts Payable	\$	8,500.00
Shareholder Loans		19,351.00
Loan Payable - HLG		138,483.03
Loan Payable - JSR		<u>1,000.00</u>

TOTAL CURRENT LIABILITIES \$ 167,334.03

EQUITY

Common Stock	\$	2,000.00
Retained Earnings		(10,425.00)
NET INCOME (LOSS)		<u>(135,822.93)</u>

TOTAL EQUITY \$ (144,247.93)

TOTAL LIABILITIES AND EQUITY \$ 23,086.10
=====

**** FLORIDA PUBLIC SERVICE COMMISSION ***

DIVISION OF COMMUNICATIONS
BUREAU OF SERVICE EVALUATION POSIT TREAS. REC. DATE

APPLICATION FORM D411. 000000 DEC 02 '90
for

AUTHORITY TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICE
WITHIN THE STATE OF FLORIDA

Instructions

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

**Florida Public Service Commission
Division of Communications
Bureau of Service Evaluation
2540 Shumard Oak Blvd.
Gunter Building
Tallahassee, Florida 32399-0850
(904) 413-6600**
- E. Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$250.00 to:

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

FORM PSC/CMU 31 (11/95)
Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-24.480(2).

DOCUMENT NUMBER-DATE

12799 DEC-2 90

FPSC-RECORDS/REPORTING

961433

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

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

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

- Original authority (New company).
- Approval of Transfer (To another certificated company).
- Approval of Assignment of existing certificate (To an uncertificated company).
- Approval for transfer of control (To another certificated company).

3. Name of corporation, partnership, cooperative, joint venture or sole proprietorship: USA TELECARD, INC., a Maryland corporation authorized to transact business in Florida as Telecard America, Inc.

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

Unknown at this time.

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

1777 Reisterstown Road, Suite 265
Baltimore, Maryland 21208

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

c/o Jay Koenigsberg, Esquire
1101 Brickell Avenue, Suite 704, Miami, Florida 33131

7. Structure of organization;

- Individual
- Foreign Corporation
- General Partnership
- Other, _____
- Corporation
- Foreign Partnership
- Limited Partnership

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

- (a) Provide proof of compliance with the foreign limited partnership statute (Chapter 620.169 FS), if applicable.

Not Applicable

- (b) Indicate if the individual or any of the partners have previously been:

Not Applicable

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

Not Applicable

(2) officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

Not Applicable

9. If incorporated, please give:

(a) Proof from the Florida Secretary of State that the applicant has authority to operate in Florida. Pending, will be provided as soon as available

Corporate charter number: _____

(b) Name and address of the company's Florida registered agent. Jay Koenigsberg, Esquire
1101 Brickell Avenue, Suite 704, Miami, Florida 33131

(c) Provide proof of compliance with the fictitious name statute (Chapter 965.09 FS), if applicable. Not applicable at this time.

Fictitious name registration number: _____

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

(1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. None

(2) officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

None

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

- (a) The application; Jay Koenigsberg, Esquire
1101 Brickell Avenue, Suite 704
Miami, Florida 33131
(305) 569-0600
- (b) Official Point of Contact for the ongoing operations of the company; David Rubinstein
1777 Reisterstown Road, Suite 265
Baltimore, MD 21208
(410) 486-9616
- (c) Tariff; David Rubinstein
(see above)
- (d) Complaints/Inquiries from customers; David Rubinstein
(see above)

11. List the states in which the applicant:

- (a) Has operated as an interexchange carrier.
None
- (b) Has applications pending to be certificated as an interexchange carrier.
None
- (c) Is certificated to operate as an interexchange carrier.
None
- (d) Has been denied authority to operate as an interexchange carrier 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

None

FORM PSC/CMU 31 (11/95)

Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-24.480(2).

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

- Facilities. Operators.
 Billing and Collection. Sales.
 Maintenance.
 Other: Pre-paid phone cards

13. Do you have a marketing program?

Not at this time.

14. Will your marketing program:

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

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

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

- Residential customers. Business customers.
 PATS providers. PATS station end-users.
 Hotels & motels. Hotel & motel guests.
 Universities. Univ. dormitory residents.
 Other: (specify) _____.

17. Please provide the following (if applicable):

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

(b) Name and address of the firm who will bill for your service.

Not applicable

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

A. Financial capability.

Regarding the showing of financial capability, the following applies:

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

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

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

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

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

If available, the financial statements should be audited financial statements.

If the applicant does not have audited financial statements, it shall be so stated. The unaudited financial statements should then be signed by the applicant's chief executive officer and chief financial officer. The signatures should affirm that the financial statements are true and correct.

B. Managerial capability.

C. Technical capability.

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

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

MTS with distance sensitive per minute rates

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

MTS with route specific rates per minute

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

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

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

MTS for pay telephone service providers

Block-of-time calling plan (Reach out Florida, Ring America, etc.).

800 Service (Toll free)

WATS type service (Bulk or volume discount)
 Method of access is via dedicated facilities
 Method of access is via switched facilities

Private Line services (Channel Services)
(For ex. 1.544 mbs., DS-3, etc.)

Travel Service
 Method of access is 950
 Method of access is 800

900 service

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

Services included are:

Station assistance
 Person to Person assistance
 Directory assistance
 Operator verify and interrupt
 Conference Calling

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

22. Other:

**** APPLICANT ACKNOWLEDGEMENT STATEMENT ****

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
4. **APPLICATION FEE:** A non-refundable application fee of \$250.00 must be submitted with the application.
5. **RECEIPT AND UNDERSTANDING OF RULES:** I acknowledge receipt and understanding of the Florida Public Service Commission's Rules and Orders relating to my provision of interexchange telephone service in Florida. I also understand that it is my responsibility to comply with all current and future Commission requirements regarding interexchange service.
6. **ACCURACY OF APPLICATION:** By my signature below, I the undersigned owner or officer of the named utility in the application, attest to the accuracy of the information contained in this application and associated attachments. I have read the foregoing and declare that to the best of my knowledge and belief, the information is a true and correct statement.

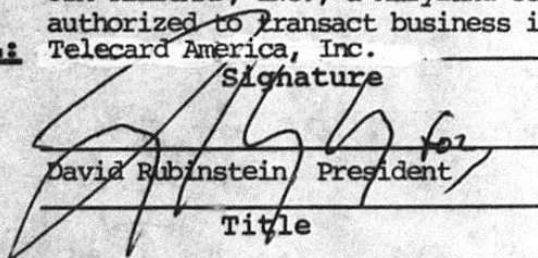
Further, I am aware that pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082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

USA TELECARD, INC., a Maryland corporation
authorized to transact business in Florida as
Telecard America, Inc.

UTILITY OFFICIAL:

Signature

November 26, 1996
Date


David Rubinstein President

Title

(410) 486-9416
Telephone No.

FORM PSC/CMU 31 (11/95)

Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-24.480(2).

**USA TELECARD, INC
INCOME STATEMENT
For The Period**

**January 01, 1996
To
November 30, 1996**

**January 01, 1996
To
November 30, 1996**

SALES

Sales	83,589.80	83,589.80
SALES - AUDIOTECH	<u>322.15</u>	<u>322.15</u>
Total SALES	83,911.95	83,911.95

COST OF SALES

Purchases	34,766.06	34,766.06
Advertising	12,900.00	12,900.00
Brochures	13,524.45	13,524.45
Design Fees	6,617.00	6,617.00
Telephone Time	29,923.64	29,923.64
Internet Connection	1,898.26	1,898.26
Telephone Cards	1,523.50	1,523.50
Vemco Cards	8,591.28	8,591.28
Lamination	2,729.61	2,729.61
Freight and Delivery	<u>546.02</u>	<u>546.02</u>
Total COST OF SALES	<u>113,019.82</u>	<u>113,019.82</u>

Total GROSS PROFIT	(29,107.87)	(29,107.87)
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GENERAL & ADMINISTRATIVE

Rent	7,595.81	7,595.81
Expense Reimbursement	12,963.72	12,963.72
Equipment leasing	1,577.26	1,577.26
Consulting - Pat O'Leary	6,430.00	6,430.00
Consulting - Jonthan Resnick	19,425.00	19,425.00
Consulting - David Rubinstein	22,425.00	22,425.00
Consulting - Gregg Smith	1,100.00	1,100.00
Consulting	7,290.00	7,290.00

**USA TELECARD, INC
INCOME STATEMENT
For The Period**

	<u>January 01, 1996 To November 30, 1996</u>	<u>January 01, 1996 To November 30, 1996</u>
Miscellaneous Expense	120.00	120.00
Consulting - Edgar Hymans	750.00	750.00
Consulting - Brad Gibson	1,200.00	1,200.00
Professional fees	8,335.00	8,335.00
Interest Expense	1,589.05	1,589.05
Legal	612.00	612.00
Seminars	495.00	495.00
Telephone	5,203.08	5,203.08
Temporary Help	231.20	231.20
Travel & Entertainment	2,869.75	2,869.75
Utilities	150.00	150.00
Credit Card Fees	134.16	134.16
Photography	1,417.00	1,417.00
Office/Computer Supplies	<u>4,214.58</u>	<u>4,214.58</u>
 Total GENERAL & ADMINISTRATIVE	 <u>106,127.61</u>	 <u>106,127.61</u>
 Total NET OPERATING INCOME (LOSS)	 (135,235.48)	 (135,235.48)
 OTHER (INCOME) AND EXPENSES		
Bank Charges	878.25	878.25
Interest Income	<u>(290.80)</u>	<u>(290.80)</u>
 Total OTHER (INCOME) AND EXPENSES	 587.45	 587.45
 Total NET INCOME (LOSS)	 (135,822.93)	 (135,822.93)
 Total NET INCOME (LOSS) BEFORE TAX	 <u>=====</u> (135,822.93)	 <u>=====</u> (135,822.93)

**** FLORIDA PUBLIC SERVICE COMMISSION ***

DIVISION OF COMMUNICATIONS

BUREAU OF SERVICE EVALUATION

DEPOSIT TREAS. REC. DATE

APPLICATION FORM

D411 **DEC 02 '96**

for

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

Instructions

- A. This form is used for an original application for a certificate and for approval of sale, assignment or transfer of an existing certificate. In case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or transferee (See Appendix A).
- B. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.
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Division of Communications
Bureau of Service Evaluation
2540 Shumard Oak Blvd.
Gunter Building
Tallahassee, Florida 32399-0850
(904) 413-6600**
- E. Once completed, submit the original and six (6) copies of this form along with a non-refundable application

USA TELECARD, INC.

1777 REISTERSTOWN ROAD, SUITE 285
BALTIMORE, MARYLAND 21208
(410) 486-9416

UNITED NATIONAL BANK

MIAMI, FL 33130-4327

83-984/870

1004

11/25/96

PAY TO THE ORDER OF

The Florida Public Service Commission
Two hundred fifty & 10/100 \$ *250.00*

DOLLARS

Security Features
Included
Details on back.

Mary Goldstein

MEMO