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Of Counsel

October 13, 1997

DEPOSIT

DATE

D684

OCT 14 1997

VIA AIRBORNE EXPRESS

Executive Secretary
Florida Public Service Commission
2450 Schumard Oak Boulevard
Tallahassee, Florida 32399-0850

971322-77

Re: Application of CRG International, Inc.
and Professional Communications
Management Services, Inc. for Approval
of Asset Purchase Agreement

Dear Sir:

On behalf of CRG International, Inc. and Professional Communications Management Services, Inc., enclosed please find an original and thirteen (13) copies of the referenced Application. Also enclosed is a check in the amount of \$250.00 to cover the filing fee.

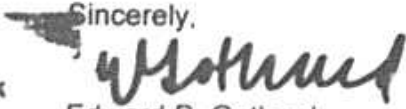
Please date stamp and return the enclosed extra copy of this letter in the envelope provided.

The companies would like to close the deal, with the necessary regulatory approvals in place, as soon as possible. Therefore, we would appreciate if this matter would be considered by the Commission in an expedited fashion.

Please call me should you have any questions concerning this filing. Thank you for your assistance with this matter.

Check received with filing and
forwarded to Fiscal for deposit.
Fiscal to forward a copy of check
to RAR with proof of deposit.

Sincerely,


Edward P. Gothard

EPG/bg Initials of person who forwarded check:
Enclosure A.g.

DOCUMENT NUMBER - DATE

10563 OCT 14 97

FPSC-RECORDS/REPORTING

BEFORE THE PUBLIC SERVICE COMMISSION

STATE OF FLORIDA

APPLICATION OF CRG INTERNATIONAL,
INC. AND PROFESSIONAL
COMMUNICATIONS MANAGEMENT
SERVICES, INC. FOR APPROVAL OF
AN ASSET PURCHASE AGREEMENT

DOCKET NUMBER _____

APPLICATION

CRG International, Inc., d/b/a CRG ("CRG") and Professional Communications Management Services, Inc., d/b/a Procom, Inc., ("Procom")(referred to jointly as "Applicants"), pursuant to the applicable Statutes of Florida and the Commission's Rules and Regulations currently in effect and/or subsequently enacted, hereby request Commission approval of a proposed Asset Purchase Agreement (the "Agreement").¹ As will be described in more detail below, the Agreement sets forth a purchase by CRG of the assets of Procom, to the extent permitted by the Commission and applicable law, including a transfer of customer accounts and an assignment of certificates of authority CRG proposes to acquire these assets and customer accounts and to begin to provide long distance service to the customers of Procom under the Certificate of Public Convenience and Necessity, or other operating authority, previously issued to Procom. As regulated telecommunications providers, CRG and Procom hereby seek Commission approval of the proposed Agreement.

Commission approval of the proposed Asset Purchase Agreement will be beneficial to the involved companies as well as their customers. Following consummation of the Agreement and consolidation of the assets, CRG will be able to provide communications services to its customers

¹ A draft copy of the proposed Asset Purchase Agreement is attached as Exhibit "A."

in a more efficient manner. Approval of the Agreement will not in any way be detrimental to the public interests of the State of Florida. The customers of both CRG and Procom will continue to receive the same high quality service presently rendered to them. Additionally, no party to the Agreement will be given undue advantage over any other party.

In support of this Application, Applicants show the following:

I. THE PARTIES

1. CRG International, Inc., d/b/a CRG is a privately held Georgia corporation with principal offices located at 2000 Riveredge Parkway, Suite 900, Atlanta, Georgia 30328. CRG is a non-dominant carrier that resells domestic and international long distance service purchased from various facilities based carriers pursuant to the FCC's *Competitive Carrier* policies.

2. CRG is authorized by the FCC to offer domestic interstate and international services in all fifty (50) states and the District of Columbia as a non-dominant carrier. CRG currently originates interstate traffic in nineteen (19) states, and provides intrastate service, pursuant to certification, registration or tariff requirements, or on an unregulated basis, in nineteen (19) states. CRG is a certificated carrier in the State of Florida.²

3. Professional Communications Management Services, Inc., d/b/a Procom is a privately held Maryland corporation with principal offices located at Route 3, Box 69G, Bruceton Mills, West Virginia 26526. Procom is a non-dominant carrier that resells domestic and international long distance service from various facilities based carriers pursuant to the FCC's *Competitive Carrier* policies.

² In Florida, CRG provides intrastate telecommunications services pursuant to Certificate of Public Convenience and Necessity issued by Order Number PSC-94-0218-FOF-TI in matter bearing Docket Numbers 931211-TI, 931036-TI, effective date February 24, 1994.

4 Procom is authorized by the FCC to offer domestic interstate and international services in all fifty (50) states and the District of Columbia as a non-dominant carrier. Procom currently originates interstate traffic in thirty-five (35) states, and provides intrastate service, pursuant to certification, registration or tariff requirements, or on an unregulated basis, in thirty-five (35) states Procom is a certificated carrier in the State of Florida.³

II. DESIGNATED CONTACT

5. The designated contact for questions concerning this Application is

Edward P. Gothard, Esquire
Nowalsky, Bronston & Gothard, L. L. P
3500 North Causeway Boulevard
Suite 1442
Metairie, Louisiana 70002
Telephone: (504) 832-1984
Telefax: (504) 831-0892

6. Copies of such correspondence should also be sent to

Gene E. Lane, Jr., President
CRG International, Inc.
d/b/a CRG
2000 Riveredge Parkway
Suite 900
Atlanta, Georgia 30328
Telefax: (770) 980-1122

and

Larry Sisler, President
Professional Communications Management Services, Inc.
d/b/a Procom
3814 White Rock Road
Friendsville, Maryland
Telefax: (800) 297-1401

³ In Florida, Procom provides intrastate telecommunications services pursuant to Certificate of Public Convenience and Necessity Order Number PSC-94-0622-FOF-T1 issued in matter bearing Docket Number 931242-T1, effective date June 16, 1994

III. REQUEST FOR APPROVAL OF THE ASSET PURCHASE AGREEMENT

7. Applicants propose a transaction which will accomplish the following
 - a. Procom shall sell, transfer and assign to CRG all of Procom's right, title and interest in and to Procom's assets, as defined in the Asset Purchase Agreement,
 - b. In consideration for the above transfer and sale of assets, CRG will pay to the current shareholders of Procom the purchase price as described fully in the Asset Purchase Agreement⁴.
 - c. The assets to be sold to CRG include, to the extent permitted by this Commission, the transfer of all of Procom's customer accounts, and
 - d. The transfer of assets to CRG additionally includes, to the extent permitted by this Commission, an assignment of all Certificates of Authority or other operating authority to operate as a public utility

8. CRG currently has annual operating revenues of approximately Seven million eight hundred thousand (\$7,800,000.00) dollars and is thus well-qualified to consummate the transaction which is the subject of this Application. Current financial information for CRG is attached hereto as Exhibit "B".⁵

9. CRG proposes this transaction to transfer and consolidate the customer accounts of Procom in order to create a single, larger long distance carrier operating in a greater number of states. By virtue of these transactions, CRG will realize significant economic, marketing and administrative efficiencies. Procom is an excellent candidate for this acquisition, with a solid financial profile and

⁴ Note that the details of the purchase price have been redacted from Exhibit "A". Should this Commission desire to know the financial details of the transaction, this information will be provided to the Commission for *in camera* inspection.

⁵ Exhibit "B" consists of CRG's Summary Income Statement for Ten Months Ending July 31, 1997, Balance Sheet dated July 31, 1997 and Cash Flow Statement dated July 31, 1997

cash flow resulting from its telecommunications business. Current financial information for Procom is attached hereto as Exhibit "C."⁶

10. Following consummation of the transaction discussed above, CRG will transfer all of the present customer accounts of Procom to CRG, and continue to service these customers through and pursuant to the Certificate of Public Convenience and Necessity presently utilized by Procom in its service of its existing customers in this state, to the extent permitted by this Commission.⁷

11. The technical, managerial and financial personnel of CRG will remain the same after the transaction, and will serve both the existing CRG customers and the transferred Procom customers with the high level of expertise which now collectively operates this national corporation.

IV. PUBLIC INTEREST CONSIDERATIONS

12. Critical to the proposed transaction and consolidation of customer accounts is the need to ensure the continuation of high quality service to all customers currently served by both CRG and Procom. The proposed transaction will serve the public interest for the following reasons:

- a. It will enable CRG to provide a streamlined level of service for all involved customers by creating a single, larger operation to provide long distance service to the customers in this state as well as other states. The transaction will enhance the operating efficiencies, including market efficiencies, of CRG.
- b. It will increase the appeal to present and potential customers because of CRG's larger size and greater variety of service offerings as well as enhance the ability of CRG to appeal to and serve national accounts.

⁶ Exhibit "C" consists of Procom's Income Statement dated July 31, 1997.

⁷ Upon consummation of the proposed transaction, CRG intends to notify all current end users of Procom of the event and also of any change in rates due to the alignment of two or more different rate products into a single rate product for common services, by either a separate mailing or by a bill insert. To the extent that any present Procom rate products are not included in CRG's Tariffs, CRG will amend its Tariffs accordingly. As such, the transaction should not cause any inconvenience or confusion to the pre-existing customers of either Procom or CRG.

- c. Finally, it will result in cost savings as the result of discounts on quantity ordering of materials and services.

13. Accordingly, the requested transaction and consolidation will serve to create a heightened level of operating efficiency which generally will serve to enhance the overall capacity of CRG to compete in the marketplace and to provide telecommunications services for a greater number of Florida customers at competitive rates.

14. Additionally, CRG will possess a greater customer account base as the result of the proposed purchase of assets, and will thus be a stronger carrier to provide high quality service to all customers presently serviced by both CRG and Procom.

V. CONCLUSION

15. WHEREFORE, for the reasons stated herein, Applicants respectfully request that the Commission authorize CRG and Procom to consummate the agreement described above. More specifically, Applicants request that the Commission approve the asset purchase transaction, the assignment of Procom's Certificate of Authority to CRG and the transfer of Procom's current customer accounts to CRG.

DATED this 13 day of October, 1997

Respectfully submitted,



Edward P. Gothard, Esquire
Nowalsky, Bronston & Gothard, L.L.P.
3500 North Causeway Boulevard
Suite 1442
Metairie, Louisiana 70062
(504) 832-1984

STATE OF: Georgia

COUNTY OF: Cobb

VERIFICATION

I, Gene E. Lane, Jr., am President of CRG International, Inc., d/b/a Network One, and am authorized to make this verification on its behalf. The statements made in the foregoing Application are true of my own knowledge, except as to those matters which are therein stated on information and belief, and as to those matters I believe them to be true.

By Gene E. Lane Jr.
Name: Gene E. Lane Jr.
Title: President

Sworn to and subscribed before the Notary Public in and for the State of Georgia, County named above, this 30th day of September, 1997

Wanda A. Wynn
Notary Public

My Commission expires: December 20, 2001

STATE OF:

COUNTY OF:

VERIFICATION

I, Larry Sisler, am President of Professional Communications Management Services, Inc. and am authorized to make this verification on its behalf. The statements made in the foregoing Application are true of my own knowledge, except as to those matters which are therein stated on information and belief, and as to those matters I believe them to be true.

By: [Signature]
Name: Larry Sisler
Title: President

Sworn to and subscribed before me Notary Public, in and for the State and County named above this 3 day of Oct, 1997.

[Signature]
Notary Public

My Commission expires: Aug 25, 03



Official Seal
Notary Public, State of West Virginia
July Ann Mager
7707 Lovell Blvd #4
Tomball, TX 77375
M. D. 11-11-1997

EXHIBIT "A"

ASSET PURCHASE AGREEMENT

DRAFT

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT, is dated as of _____, 1997, by and among CRG INTERNATIONAL, INC., a Georgia corporation, d/b/a NETWORK ONE ("Purchaser"), PROFESSIONAL COMMUNICATIONS MANAGEMENT SERVICES, INC., a Maryland corporation d/b/a PROCOM, INC. ("Seller"), and LARRY SISLER and DON FRAZEE, the sole shareholders of Seller ("Shareholders").

WITNESSETH:

WHEREAS, Seller is engaged in the business of reselling switchless long distance services, selling paging and telephone interconnect services, and selling related equipment and services (the "Business");

WHEREAS, Shareholders are the sole owners of Seller, and

WHEREAS, Purchaser desires to acquire from Seller all of the assets and related rights used in the conduct of the Business (with certain specified exceptions), and Seller desires to sell to Purchaser all of such assets, all on the terms and subject to the conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, the parties hereby agree as follows:

ARTICLE I - DEFINITIONS

1.1 **Definitions.** For purposes of this Agreement, the following terms shall have the meanings set forth below:

"Assumed Liabilities" shall mean (i) all obligations of Seller set forth as liabilities on the Closing Balance Sheet, but only to the extent of the amounts reflected as liabilities on the Closing Balance Sheet, (ii) all obligations of Seller that accrue after the Closing under the express written terms of the Contracts, Leases, and Equipment Leases, and (iii) such other liabilities, if any, as are set forth on Schedule 1.1A. Assumed Liabilities shall not include any liability, obligation, payment, duty, or responsibility of any nature except as expressly described above and specifically shall not include any liabilities or obligations to Richard J. Rice, any "buy-out" or lump-sum payments due to agents as a result of the transactions contemplated herein, or any liabilities or obligations arising under or in connection with the Excluded Contracts.

"Accounts Receivable" shall mean all of Seller's notes, drafts, accounts receivables, and billed and unbilled revenues, including, without limitation, those set forth on Schedule 1.1B, but excluding those arising under or in connection with the Excluded Contracts.

"Assumed Liens" shall mean any Liens which secure only the Assumed Liabilities

and which are set forth on **Schedule 1.1C**.

"Bill of Sale and Assignment Agreement" shall mean an instrument in substantially the form of **Exhibit A-1** hereto pursuant to which the Seller will transfer and assign the Seller Assets (except for the Transferred Real Property which will be transferred by the Deed and related documents) to Purchaser at the Closing and Purchaser will assume and agree to pay the Assumed Liabilities.

"Business" shall have the meaning set forth in the **Preamble** of this Agreement.

"CICs" shall mean carrier identification codes, sub-carrier identification codes, and carrier and subcarrier identification code arrangements, including, without limitation, those set forth on **Schedule 1.1D**.

"Closing" shall mean the consummation of the purchase and sale of the Seller Assets.

"Closing Balance Sheet" shall have the meaning set forth in **Section 2.4** hereof.

"Closing Date" shall mean the time and date the Closing occurs.

"Code" shall mean the United States Internal Revenue Code of 1986, as amended. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of future law.

"Consents" shall mean all consents, approvals, and estoppels of others which are required to be obtained in order to effect the valid assignment, transfer, and conveyance to Purchaser of the Contracts, Leases, Equipment Leases and the other Seller Assets without (i) violating any rights of any third party, (ii) creating a default (whether upon notice, declaration, passage of time, or otherwise) with respect to any Contract, Lease, or Equipment Lease, or other Seller Asset, (iii) creating or permitting the acceleration of the time of performance of any obligation, or increasing the amount or level of such obligation, under any Contract, Lease, Equipment Lease, or other Seller Asset, or (iv) violating any provision of any Contract, Lease, Equipment Lease, or other agreement to which the Seller is a party or by which any of its assets are bound.

"Contracts" shall mean (i) all contracts and agreements that are listed on **Schedule 1.1E** attached hereto and (ii) any other agreement, application form, term contract, letter of agency, and other contractual documents related to the Customer Accounts, including, but not limited to, those entered into after the date hereof and on or before the Closing Date, but excluding the Excluded Contracts.

"Customer Accounts" shall mean all customer accounts (including, but not limited to, those set forth on **Schedule 1.1F**) including all customer lists, records, files, and other data, except those related to the Excluded Contracts.

"Deed" shall mean a special warranty deed (i) conveying fee simple title to the Transferred Real Property to Purchaser free and clear of all Liens, except for Permitted Encumbrances and (ii) sufficient for Purchaser to obtain the Title Policy as defined in Section 5.2 below.

"Environmental Laws" shall mean all applicable federal, state, and local laws, including common law, rules, regulations, codes, ordinances, orders, decrees, permits, licenses, and judgments in effect as of the date of this Agreement and relating to the environment and or the use, generation, storage, disposal, treatment, transportation, recycling, sale, or resale of Hazardous Materials, including, without limitation, CERCLA, RCRA, the Clean Water Act, the Clean Air Act, TSCA, the Hazardous Materials Transportation Act, and the Emergency Planning and Community Right-to-Know Act.

"Environmental Permits" shall mean all permits, licenses, certificates, approvals, authorizations, regulatory plans, or compliance schedules required by applicable Environmental Laws, or issued by a Government pursuant to applicable Environmental Laws, or entered into by agreement of the party to be bound, relating to activities that affect the environment, including without limitation, permits, licenses, certificates, approvals, authorizations, regulatory plans, and compliance schedules for air emissions, water discharges, pesticide and herbicide or other agricultural chemical storage, use or application, and Hazardous Material or Solid Waste generation, use, storage, treatment, and disposal.

"Equipment Leases" shall mean those leases of personal property (including vehicles) described on Schedule 1.1G attached hereto.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"Escrow Agent" shall mean SunTrust Bank, N.A., Atlanta.

"Escrow Agreement" shall mean an agreement in substantially the form attached hereto as Exhibit B among the parties hereto and the Escrow Agent.

"Excluded Contracts" shall mean the contracts, agreements, or arrangements set forth on Schedule 1.1H [RICHARD J. RICE AGREEMENT].

"Excluded Seller Assets" shall mean the following assets of Seller (i) cash, marketable securities, and bank accounts, (ii) rights to any federal, state, or local income or other tax refund, (iii) minute books, stock records, and corporate seals, (iv) rights under this Agreement, (v) the personal items included on Schedule 1.1H attached hereto, and (vi) the Excluded Contracts. Purchaser shall transfer to Shareholders any funds received by Purchaser after the Closing Date arising under or in connection with any Excluded Seller Assets.

"Financial Statements" shall have the meaning set forth in Section 3.12.

"GAAP" shall mean generally accepted accounting principles, consistently applied.

"Government" shall mean any federal, state, local, or municipal government or any department, commission, board, bureau, agency, instrumentality, unit, or taxing authority thereof.

"Hazardous Material" shall mean (i) any and all hazardous substances, pollutants, and contaminants (as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA")); hazardous wastes (as defined by the Resource Conservation and Recovery Act ("RCRA")); hazardous materials (as defined by RCRA); toxic substances (as defined by the Toxic Substances Control Act ("TSCA")); toxic chemicals or extremely hazardous substances (as defined by the Emergency Planning and Community Right-to-Know Act); hazardous air pollutants (as defined by the Clean Air Act); hazardous substances (as defined by the Clean Air Act); (ii) petroleum or petroleum products; polychlorinated biphenyls ("PCBs"); asbestos-containing materials; and (iii) any other toxins, chemicals, wastes, substances, or materials which are regulated under any Environmental Law.

"Knowledge of Seller" (or words of like effect) when used to qualify a representation, warranty, or other statement shall mean (i) the actual knowledge of Shareholders and (ii) the knowledge that Shareholders would have possessed upon the exercise of reasonable diligence in the operation of the Business.

"Law" shall mean all federal, state, local, municipal or foreign constitutions, statutes, rules, regulations, ordinances, acts, codes, legislation, treaties, conventions, judicial decisions, and similar laws and legal requirements.

"Lien" shall mean any mortgage, deed of trust, security deed, security interest, financing statement, pledge, hypothecation, lien, charge, conditional sales agreement, title retention arrangement, easement, use restriction, restrictive covenant, or other encumbrance or claim of any nature on or against any real or personal property including intangibles.

"Leases" shall mean the leases of real property and improvements described on Schedule 1.II attached hereto.

"Permitted Encumbrances" shall mean, in the case of all Transferred Real Property, such easements, restrictions, covenants, and other encumbrances which are shown as exceptions on the Title Commitment referred to in Section 5.2 below, ordinances (municipal and zoning), and survey matters, and such easements, restrictions, covenants, and other encumbrances which become matters of public record after the date of the Title Commitment and before the Closing, to the extent that such are accepted by Purchaser at the Closing either in writing or by Purchaser's acceptance of the marked-up Title Commitment referencing such exceptions. Permitted Encumbrances shall include all liens for taxes not yet due and payable. Permitted Encumbrances shall also include the encumbrances set forth on Schedule 1.IJ.

"Person" shall include an individual, a partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization, a Government, and any other legal entity.

"Seller Assets" shall mean all rights, interests, properties, and assets of Seller of whatever nature, tangible or intangible, real or personal, fixed or contingent, except for the Excluded Seller Assets. Seller Assets shall include, but shall not be limited to, the following:

(i) all vehicles, equipment, appliances, machinery, furniture, furnishings, pagers, autodialers, inventory, other tangible personal property, signage, leasehold improvements, and fixtures, including but not limited to the items listed on Schedule 1.1K;

(ii) all advertising and promotional materials;

(iii) all prepaid items;

(iv) all rights under any patent, trademark, service mark, trade name, or copyright, whether registered, or unregistered used in the operation of the Business, including, but not limited to, those listed on Schedule 1.1L [TO INCLUDE SELLER'S CORPORATE NAME AND ALL D/B/AS];

(v) all methods, technologies, know-how, trade secrets, or other intellectual property;

(vi) all rights, claims, or causes of action, including all rights under express or implied warranties relating to the Seller Assets;

(vii) all files, records, data, and plans, including information related to customers and suppliers, other information of any type useful to the Business, and copies of employee and financial records;

(viii) all rights and interests of Seller in, to, and under the Accounts Receivable, CICs, Contracts, Leases, Equipment Leases, Customer Accounts, and every other contract or arrangement to which Seller is a party which Purchaser elects to assume at any time after the Closing Date by giving written notice to Seller; provided that such election by Purchaser shall not constitute a waiver of any rights of indemnification or other rights under this Agreement which Purchaser may have by virtue of such contract or arrangement, or any of its provisions, constituting a breach of any representation or warranty made by Seller or the Shareholders herein.

(ix) all deposits;

(x) all transferable licenses, permits, and approvals of Seller, including, without limitation, those listed on Schedule 1.1M; and

(xi) the Transferred Real Property.

"Seller Assets Price" shall have the meaning set forth in Section 2.3.

"Solid Waste" shall mean any garbage, refuse, sludge from a waste treatment plant, water supply treatment plant, or air pollution control facility, and other discarded material, including solid, liquid, semisolid, or contained gaseous material resulting from industrial, commercial, mining, and agricultural operations, and from community activities.

"Territory" shall mean the States of Maryland, Ohio, Pennsylvania, Virginia, North Carolina, and West Virginia.

"Trademark Assignments" shall mean instruments in substantially the form attached hereto as Exhibit A-2 pursuant to which Seller will assign Seller's trademarks and service marks to Purchaser at the Closing.

"Transferred Real Property" shall mean the real property described by the legal description set forth in Schedule 1.1N and all buildings, fixtures, and other improvements located thereon and all rights appurtenant thereto.

1.2 Singular/Plural; Gender. Where the context so requires or permits, the use of the singular form includes the plural, and the use of the plural form includes the singular, and the use of any gender includes any and all genders.

ARTICLE II - PURCHASE AND SALE

2.1 Purchase and Sale. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing (i) Seller shall sell, transfer, and assign to Purchaser all of Seller's right, title, and interest in and to the Seller Assets, such assignment to be made free and clear of any Lien except for the Permitted Encumbrances and Assumed Liens and (ii) Purchaser shall assume the Assumed Liabilities in accordance with Section 2.2 and deliver the Seller Assets Price in accordance with Section 2.3 below.

2.2 Assumption of Liabilities. At the Closing, Purchaser shall assume and agree to pay on a timely basis all of the Assumed Liabilities. Except as expressly provided herein, Purchaser does not assume or agree to assume or pay any obligations, liabilities, indebtedness, duties, responsibilities, or commitments of Seller, Shareholders, or any other person or entity, of any nature whatsoever, whether known or unknown, absolute or contingent, due or to become due.

2.3 Purchase Price. (a) The "Seller Assets Price" shall be [REDACTED] as adjusted as follows:

- (i) the Net Worth Adjustment Amount shall be added to, or subtracted from, such amount in accordance with Section 2.4 below;
 - (ii) the Six-Month Adjustment Amount, if any, shall be subtracted from such amount in accordance with Section 2.5 below;
 - (iii) the Tax Adjustment Amount, if any, shall be added to, or subtracted from, such amount in accordance with Section 2.6 below; and
 - (iv) the Accounts Receivable Adjustment Amount, if any, shall be added to, or subtracted from, such amount in accordance with Section 2.7 below.
- (b) The Seller Assets Price shall be paid at the Closing as follows:
- (i) [REDACTED] shall be paid by wire transfer by Purchaser of immediately available funds to an escrow account to be held and disbursed by the Escrow Agent pursuant to the terms of the Escrow Agreement; and
 - (ii) [REDACTED] shall be paid by wire transfer by Purchaser of immediately available funds to an account designated by Seller.

Any payments required to reflect the Net Worth Adjustment Amount, the Six-Month Adjustment Amount, the Tax Adjustment Amount or the Accounts Receivable Adjustment Amount shall be paid at the times specified in Sections 2.4, 2.5, 2.6, and 2.7, respectively.

2.4 Net Worth Adjustment. (a) Purchaser will prepare and will cause KPMG Peat Marwick LLP to audit a balance sheet of Seller as of the Closing Date (the "Closing Balance Sheet"). Purchaser will deliver the Closing Balance Sheet to Shareholders within one hundred twenty (120) days after the Closing Date. The Closing Balance Sheet will be prepared in accordance with GAAP. If within thirty (30) days following delivery of the Closing Balance Sheet, Shareholders have not given Purchaser notice of objection to the Closing Balance Sheet (such notice must contain a statement in reasonable detail of the basis of Shareholders' objection), then the Closing Balance Sheet will be used to calculate Adjusted Net Worth as of the Closing Date. "Adjusted Net Worth" means total assets (except for the Excluded Seller Assets) minus total liabilities of Seller. If Shareholders give such notice of objection, and the Shareholders and Purchaser are unable to resolve the issues in dispute within fifteen (15) days thereafter, then the issues in dispute will be submitted to Arthur Andersen LLP, Atlanta, Georgia, certified public accountants or such other big six accounting firm as shall be mutually agreeable to the parties (the "Accountants"), for resolution. If issues in dispute are submitted to the Accountants for resolution, (i) each party will furnish to the Accountants such workpapers and other documents and information relating to the disputed issues as the Accountants may request and are available to that party (or its independent public accountants), and will be afforded the opportunity to present to the Accountants any material relating to the determination and to discuss the determination with the Accountants; (ii) the determination by the Accountants, as set

forth in a notice delivered to Shareholders and Purchaser by the Accountants, will be binding and conclusive on the parties; and (iii) Shareholders and Purchaser will each bear 50% of the fees of the Accountants for such determination. Once the Accountants have delivered such notice, the Closing Balance Sheet shall reflect any adjustments required by the Accountants and Adjusted Net Worth as of the Closing Date shall be calculated using the Closing Balance Sheet as so adjusted.

(b) The "Net Worth Adjustment Amount" shall be that amount obtained by subtracting [REDACTED] (which is Adjusted Net Worth of Seller as of March 31, 1997 based on the Reference Balance Sheet, defined below) from Adjusted Net Worth as of the Closing Date. If the Net Worth Adjustment Amount is a positive number, Purchaser shall pay such amount to Seller as an increase to the Seller Assets Price. If the Net Worth Adjustment Amount is a negative number, the Seller Assets Price shall be reduced by such amount and Purchaser shall be entitled to receive such amount out of the funds held by the Escrow Agent and to the extent that such funds are insufficient to cover such amount Shareholders shall pay such deficiency to Purchaser. In any such case, the payment due hereunder shall be made within ten (10) days of the final determination of Adjusted Net Worth as of the Closing Date pursuant to subsection (a) above.

2.5 Six-Month Adjustment Amount. (a) The "Six-Month Adjustment Amount" shall be the total reductions, if any, required by the following calculations:

(i) if Average Revenue Per Business Day (defined below) for the Test Billing Cycle (defined below) derived from long distance and 800 services provided to direct bill or retail customers, less credits, is less than 90% of the Average Revenue Per Business Day for the March Billing Cycle (defined below) derived from such services to such customers, less credits (which was \$43,122), then the Seller Assets Price shall be reduced by an amount equal to the difference between the Average Revenue Per Business Day for such periods multiplied by 189;

(ii) if the Average Revenue Per Business Day for the Test Billing Cycle derived from wholesale accounts, less credits, is less than 90% of the Average Revenue Per Business Day for the March Billing Cycle derived from such customers, less credits (which was \$17,370) then the Seller Assets Price shall be reduced by an amount equal to the difference between the Average Revenue Per Business Day for such periods multiplied by 21;

(iii) if the Average Revenue Per Business Day for the Test Billing Cycle derived from all other sources (not including unbilled usage revenues) is less than 90% of the Average Revenue Per Business Day for the March Billing Cycle derived from such sources (which was \$5,811) then the Seller Assets Price shall be reduced by the difference between the Average Revenue Per Business Day for such periods multiplied by 42; and

(b) Capitalized terms used in this Section 2.5 not otherwise defined herein shall have the meanings set forth below:

(i) "Average Revenue Per Business Day" shall mean billed revenues during the applicable period with respect to the Customer Accounts existing as of the Closing Date or other customer accounts generated by sales agents of the Business after the Closing Date (including those agents that are hired by Purchaser for the Business after the Closing Date), divided by the number of Business Days in such period.

(ii) "Business Days" shall mean any day other than a Saturday, Sunday or national holiday.

(iii) "March Billing Cycle" shall mean the monthly billing period ended in the month of March, 1997.

(iv) "Test Billing Cycle" shall mean the most recent monthly billing period ended prior to five months from the Closing Date.

(c) The Seller Assets Price shall be reduced by the Six-Month Adjustment Amount, if any, and Purchaser shall be entitled to receive such amount out of the funds held by the Escrow Agent and to the extent that the funds held in escrow are insufficient to cover such amount, Shareholders shall pay such deficiency to Purchaser. Purchaser shall compute the Six-Month Adjustment Amount as soon as possible following receipt by Purchaser of all information needed to make such calculations, and, if a Six-Month Adjustment Amount is owed to Purchaser, Purchaser shall promptly send the Shareholders a written statement of the Six-Month Adjustment Amount. The Six-Month Adjustment Amount, if any, shall be paid within ten (10) days after the end of the six-month period following the Closing.

2.6 Tax Adjustment. The Seller Assets Price shall be adjusted after the Closing to reflect (i) a proration of personal property taxes with respect to the Seller Assets that constitute personal property and ad valorem property taxes with respect to the Transferred Real Property as of midnight on the day before the Closing Date; and (ii) any reimbursements due under Section 9.2 below (the "Tax Adjustment Amount"). The parties shall complete and execute a document setting forth the mutual calculation of the foregoing adjustment and the party owing a net payment to the other as a result thereof shall make such payment by check within sixty days after the Closing Date. If any tax information is not available by that time, such tax prorations will be based on estimates from the previous year and shall be later adjusted based on actual tax amounts when available by a payment from the party that underpaid its share.

2.7 Accounts Receivable Adjustment. The "Accounts Receivable Adjustment Amount" shall be the aggregate amount of (i) the Accounts Receivables shown on the Closing Balance Sheet, plus (ii) unbilled revenues shown on the Closing Balance Sheet, plus (iii) Accounts Receivables of customers (which were "barter" or "trade" accounts prior to the Closing Date) generated after the Closing Date and not included in subsection (i) or (ii) (provided that Purchaser agrees that if any

such account is not current (paying within 45 days) following the first full billing period after the Closing Date, Purchaser shall terminate its Contract with such customer), in each case that remain uncollected six (6) months from the Closing Date less the amount of the reserve for uncollected receivables shown on the Closing Balance Sheet. If the Accounts Receivable Adjustment Amount is a negative number, Purchaser shall pay such amount to Seller as an increase to the Seller Assets Price. If the Accounts Receivable Adjustment Amount is a positive number, the Seller Assets Price shall be reduced by such amount and paid out of the funds held by the Escrow Agent and to the extent that the funds held by the Escrow Agent are insufficient to cover such amount, Shareholders shall pay such deficiency to Purchaser. In any case, any payment due hereunder shall be made within ten (10) days following the end of the six-month period following the Closing. If any payment is made to Purchaser as a result of this Section, Purchaser shall assign all such accounts receivable uncollected as of such six-month anniversary to Shareholders (and shall transfer any funds to Shareholders collected from such uncollected receivables after such six-month anniversary).

2.8 Allocation of Purchase Price. The Seller Assets Price shall be allocated among the various Seller Assets in accordance with Schedule 2.8 attached hereto. Each party hereby agrees that it will not take a position on any income tax return, before any governmental agency charged with the collection of any income tax or in any judicial proceeding, that is inconsistent with the terms of this Section unless otherwise required by Law or governmental order.

2.9 Further Assurances. Seller and Shareholders from time to time after the Closing, at Purchaser's reasonable request, shall execute, acknowledge, and deliver to Purchaser such other instruments of conveyance and transfer and shall take such other actions and execute and deliver such other documents, certifications and further assurances as Purchaser may reasonably require to vest more effectively in Purchaser or to put Purchaser more fully in possession of any of the Seller Assets, or to better enable Purchaser to complete, perform, and discharge the Assumed Liabilities. Each of the parties hereto will cooperate with the other and execute and deliver to the other party hereto such other instruments and documents and take such other actions as may be reasonably requested from time to time by any other party hereto as necessary to carry out, evidence, and confirm the intended purpose of this Agreement.

ARTICLE III - REPRESENTATIONS AND WARRANTIES OF SELLER AND SHAREHOLDERS

Seller and Shareholders hereby, jointly and severally, represent and warrant to Purchaser as follows:

3.1 Organization, Qualifications, and Corporate Power. (a) Seller is a corporation duly incorporated and organized, validly existing, and in good standing under the Laws of the State of Maryland. Seller has the corporate power and authority to execute, deliver, and perform this Agreement, the Bill of Sale and Assignment Agreement, the Trademark Assignments, the Deed and all other documents to be executed by Seller hereunder (collectively, the "Seller Documents").

(b) **Schedule 3.1** lists every trade name or fictitious name used by Seller at any time over the past five (5) years.

3.2 **Authorization.** The execution, delivery and performance by Seller of the Seller Documents has been duly authorized by all requisite corporate action and will not violate any provision of Law, any order of any court or other agency of government, the articles of incorporation or bylaws of Seller or any provision of any indenture, agreement, or other instrument to which Seller is a party or by which Seller or any of the Seller Assets is bound or affected, or conflict with, result in breach of, or constitute (with due notice or lapse of time, or both) a default under any such indenture, agreement, or other instrument, or result in the creation or imposition of any lien, charge, or encumbrance of any nature, whatsoever, upon any of the Seller Assets.

3.3 **Validity.** This Agreement has been duly executed and delivered by Seller and Shareholders and constitutes the legal, valid, and binding obligation of Seller and Shareholders enforceable against them in accordance with its terms, subject to general equity principles and to applicable bankruptcy, insolvency, reorganization, moratorium, and similar Laws from time to time in effect affecting the enforcement of creditors' rights. When each of the other Seller Documents has been executed and delivered in accordance with this Agreement, each of them will constitute the legal, valid, and binding obligation of Seller, enforceable in accordance with its terms, subject to general equity principles and to applicable bankruptcy, insolvency, reorganization, moratorium, and similar Laws from time to time in effect affecting the enforcement of creditors' rights.

3.4 **Seller Assets.** (a) The Seller Assets are all of the assets used or usable by Seller in connection with the operation of the Business. Except as set forth on Schedule 3.4 hereto, Permitted Encumbrances, Assumed Liens, and Liens which secure obligations to be satisfied at Closing under Section 5.3, the Seller has good and valid title (or in the case of the Transferred Real Property, marketable title) to all of the Seller Assets, free and clear of any Lien, including any assets which may have been acquired or which may be owned by Seller under a name other than Seller's legal name. **Schedule 1.1K** hereto is a complete and correct description of all the tangible personal property of Seller. Each of the trademarks, trade names, and service marks shown on **Schedule 1.1L** as registered has been duly registered on a state or federal basis as shown on **Schedule 1.1L**. No other Person has any rights in or to the service marks, trade names, trademarks, or other intangible property set forth on **Schedule 1.1L**.

(b) Except as set forth on **Schedule 3.4**, all Seller Assets that constitute tangible personal property, all property subject to Equipment Leases, and all improvements owned by Seller located on the Transferred Real Property (including all mechanical, electrical, computerized, and other systems located therein) are in good working condition, subject to normal wear and tear, and, in the case of the improvements, structurally sound, and are located on the Transferred Real Property.

3.5 **Contracts.** (a) Each Contract (including, without limitation, each Contract entered into by Seller under a name other than Seller's legal name) is a valid and subsisting agreement of Seller and the other party or parties thereto, without any default of Seller thereunder, and to the knowledge of Seller, without any material default on the part of the other party thereto, except as

shown on Schedule 3.5. To Seller's knowledge, no event or occurrence has transpired which with the passage of time or giving of notice, or both, will constitute a material default by Seller under any Contract. A true and correct copy of each Contract has been delivered to Purchaser. Except as set forth on the Schedule 3.5, there have been no amendments or modifications to any of the Contracts. Except as set forth on Schedule 3.5, at the time of Closing, Seller shall have paid all amounts and performed all required obligations due from it through the Closing Date under each Contract.

(b) No Contract has been assigned by Seller or any interest granted therein by Seller to any third party, or is subject to any Lien. No other party has any interest in any Contract or rights therein or thereunder, except the other named parties, to the Contracts.

(c) Each Equipment Lease allows the lessee the use of the equipment and other property described on Schedule 1.1G in accordance with the terms of the respective Equipment Lease.

3.6 Transferred Real Property. Except as set forth in Schedule 3.6,

(a) The water, electric, gas, and sewer utility services, and storm drainage facilities currently available to each parcel of Transferred Real Property are legally sufficient for the operation of the facility located thereon, and to Seller's knowledge, there is no condition which will result in the termination of the present access from each parcel of Transferred Real Property to such utility services and facilities.

(b) Seller has obtained all easements, authorizations, and rights-of-way which are necessary to ensure vehicular and pedestrian ingress and egress to and from the site of the Transferred Real Property, all of which are assignable and shall be assigned to Purchaser at the Closing. Other than as contained in such easements, authorizations, and rights of way, there are no restrictions on any existing entrance to or existing exit from any Transferred Real Property to adjacent existing public streets, roadways, or parking lots presently used and, to Seller's knowledge, no conditions exist which will result in the termination of the present access to existing highways and roads and parking lots or private drives presently used.

(c) Seller have received no written notices that any Government having the power of eminent domain over any parcel of Transferred Real Property has commenced or intends to exercise the power of eminent domain with respect to any part of the Transferred Real Property.

(d) To Seller's knowledge, the Transferred Real Property, and the present uses thereof, comply in all material respects with all regulations of all Governments having jurisdiction over the Transferred Real Property, and Seller has received no notices from any Government, and has no knowledge that the Transferred Real Property or any improvements erected or situated thereon, or the uses conducted thereon or therein, violate in any material respect any Laws or regulations of any Government having jurisdiction over the Transferred Real Property.

(e) The Transferred Real Property provides legally sufficient on-site parking for

the current operation of the facility located thereon.

(f) To Seller's knowledge, no assessment for public improvements has been made against the Transferred Real Property which remains unpaid. No written notice from any Government has been served upon the Transferred Real Property or received by Seller requiring or calling attention to the need for any work, repair, construction, alteration, or installation on, or in connection with, the Transferred Real Property which has not been complied with in all material respects.

(g) Seller holds all Environmental Permits necessary for conducting its business and operations and has conducted, and is presently conducting, its business and operations in full compliance with all applicable Environmental Laws and Environmental Permits, including, without limitation, all record keeping and filing requirements. To the knowledge of Seller, there is no existing or pending Environmental Law with a future compliance date that will require operational changes, business practice modifications, or capital expenditures at the Transferred Real Property. All Hazardous Materials and Solid Waste, on, in, or under the Transferred Real Property have been properly removed and disposed of, and no past or present disposal, discharge, spill or other release of, or treatment, transportation, or other handling of Hazardous Materials or Solid Waste on, in, under or off-site from the Transferred Real Property, will subject Seller or any subsequent owner, occupant, or operator of the Transferred Real Property to corrective or compliance action or any other liability. There are no presently pending, or to Seller's knowledge, threatened Actions or Orders involving the Transferred Real Property relating to any alleged past or ongoing violation of any Environmental Laws or Environmental Permits.

3.7 Governmental Approvals. Except as set forth on Schedule 3.7, no registration or filing with, or consent or approval of, or other action by, any federal, state, or other Government or instrumentality is, or will be, necessary for the valid execution, delivery, and performance by Seller and Shareholders of this Agreement that has not been or will not be obtained prior to Closing.

3.8 Litigation. Except as set forth on Schedule 3.8, there are no actions or orders pending or, to the knowledge of Seller, threatened against Seller or affecting the Seller Assets by or before any court or any Governmental body or arbitration board or tribunal.

3.9 Defaults. Seller is not in default under any note, mortgage, lease, contract, agreement, or obligation of any kind that pertains to, or affects, the Seller Assets.

3.10 Compliance with Laws. Seller is not in default under any order of any Government or court to which it is, or was, subject, nor in violation of any Laws.

3.11 Ownership. Shareholders are the record and beneficial owner of all issued and outstanding shares of capital stock of Seller and no other shares or other equity interests in Seller are outstanding. Seller has no subsidiaries or any investment or ownership interest in any other Person.

3.12 Financial Statements. Prior to the date hereof, the Seller has delivered to Purchaser copies of (i) the balance sheet of Seller for the year ended December 31, 1996, and the statements of operations, stockholders' equity and cash flow of the Seller for such period; and (ii) financial statements of the Seller for the three-month period ended March 31, 1997 ("Reference Date"), including a balance sheet of the Seller as of the end of such period (the "Reference Balance Sheet") and statement of operations of the Seller for such period (the financial statements referred to in clauses (i) and (ii) of this Section 3.12 being collectively referred to as the "Financial Statements"). The Financial Statements present fairly the consolidated financial condition of the Seller as at the respective dates thereof and the results of the Seller's operations and cash flows for the periods then ended and are consistent with the books and records of the Seller, which are true, correct, and complete in all material respects.

3.13 Employment and Labor Matters. (a) To Seller's knowledge, no employee, agent, consultant or independent contractor who performs services on a regular basis for the Seller plans not to make his services available to Purchaser after the Closing.

(b) The Seller is not a party to any agreement of any kind which deals with wages, conditions of employment, benefits or other matters affecting the employer/employee relationship with any union, labor organization or employee group. There are no controversies pending, or to the best of each Shareholder's knowledge threatened, between the Seller and any union, labor organization or employee group representing, or seeking to represent, any of its employees, and there has been no attempt by any union, labor organization or employee group to organize any of the Seller's employees at any time in the past five years. The Seller has substantially complied with all applicable Laws relating to wages, hours, health and safety, payment of social security withholding and other taxes, maintenance of workers' compensation insurance, labor and employment relations and employment discrimination.

3.14 Employee Benefit Matters. (a) Schedule 3.14(a) identifies each and every "employee welfare benefit plan" (as defined in Section 3(1) of the ERISA) maintained, contributed to or to which contributions are required to be made by Seller with respect to employees of Seller, either presently or within the previous 36-month period, or any such similar plan related to the Business as to which Seller contributes, is required to contribute or has contributed with respect to its employees.

(b) Schedule 3.14(b) identifies each and every "employee pension benefit plan" (as defined in Section 3(2) of ERISA) maintained, contributed to or to which contributions are required to be made by Seller with respect to employees of Seller either presently or within the previous 36-month period, including any Multi-employer Pension Plan (as defined in either Section 3(37) or Section 4001(a)(3) of ERISA).

(c) Schedule 3.14(c) identifies each and every stock option plan, pension plan, collective bargaining agreement, bonus, incentive award, vacation pay, severance pay, sabbatical or any other material personnel policy, employee benefit plan arrangement, agreement or understanding with respect to present or past employees of Seller, which Seller presently maintains or has maintained in the previous 24-month period or to which Seller is a party or

contributes or has contributed in such period, or has been required to contribute in such period, in each case with respect to employees of Seller, and which is not required to be listed in Schedules 3.14(a) or 3.14(b). Except as set forth on Schedule 3.14(c), Seller has no post-employment liability or obligation of any kind or nature or as required under Section 4980 of the Code.

(d) The plans listed on Schedules 3.14(a), (b) and (c) are collectively referred to as the "Benefit Plans." Except as disclosed on Schedule 3.14(d), there are no contributions or payments due with respect to any of the Benefit Plans. Except as disclosed on Schedule 3.14(d), each Benefit Plan is or will be, within the time permitted by law, in material compliance with the provisions of ERISA and the Code applicable to it. No Benefit Plan which is subject to the minimum funding standards of ERISA or the Code, if any, has incurred any material accumulated funding deficiency within the meaning of ERISA or the Code. Neither the Company nor any Subsidiary has incurred any liability to the Pension Benefit Guaranty Corporation ("PBGC") in connection with any Benefit Plan which is subject to Title IV of ERISA, if any. The assets of each Benefit Plan that is subject to Title IV of ERISA, if any, are sufficient to provide the benefits under such Benefit Plan which the PBGC would guaranty the payment thereof if such Benefit Plan terminated, and are also sufficient to provide all other benefits due under the Benefit Plan. No event which constitutes a "reportable event" as defined in Section 4043 of ERISA has occurred and is continuing with respect to any Benefit Plan covered by ERISA.

(e) Neither the Company nor any Subsidiary has announced any plan or legally binding commitment to amend or modify any existing Benefit Plan or create any additional plan which would be required to be disclosed on Schedules 3.14(a), (b) or (c).

(f) Neither the Company nor any Subsidiary is obligated, contingently or otherwise, under any agreement to pay an amount which would be treated as a "parachute payment" as defined in Section 280G(b) of the I.R.C.

3.15 Absence of Certain Business Practices. Neither the Seller nor any officer, employee or agent of the Seller, nor any other person acting on behalf of the Seller, has, directly or indirectly, within the past five years, given or agreed to give any gift or similar benefit to any Person who is or may be in a position to help or hinder the Seller's business (or assist the Seller in connection with any actual or proposed transaction) which violated any Law or contractual provision by which the Seller is bound or which if discontinued would have an adverse effect upon the Business.

3.16 Absence of Changes. Except as expressly provided for in this Agreement, since the Reference Date:

(a) there has been no change in the business, assets, properties, liabilities, affairs, results of operations condition (financial or otherwise), cash flows or prospects of the Seller or in its relationships with suppliers, customers, employees, lessors, master agents, agents, independent contractors or others, other than changes in the ordinary course of business, none of which have had or will have a material adverse effect on the Seller;

(b) there has been no damage, destruction or loss to the assets, properties, or business of the Seller, whether or not covered by insurance;

(c) the business of the Seller has been operated in the ordinary course and consistent with its prior practices;

(d) the books, accounts and records of the Seller have been maintained in the usual, regular and ordinary manner on a basis consistent with prior years;

(e) there has been no sale, transfer, lease or other disposition of any material asset or assets of the Seller, except in the ordinary course of the Seller's business, and no material debt to, or claim or right of, the Seller has been canceled, compromised, waived or released;

(f) there has been no amendment, termination or waiver of, or any notice of any amendment, termination or waiver of, any material right of the Seller under any Seller Contract or under any franchise, certificate, license, permit or authorization from any Government;

(g) the Seller has not entered into any agreement, contract, lease or license outside the ordinary course of business; and

(h) the Seller has not delayed or postponed the payment of any accounts payable and other liabilities outside the ordinary course of business.

3.17 Ability to Conduct Business and Intellectual Property Rights.

(a) The Seller has the means, rights, and information required to offer and sell the products now being offered and sold by the Seller and to perform the services that are presently being performed by the Seller. The Seller is not a party to, either as a licensor or licensee, and is not bound by or subject to, any license agreement for any patent, process, trademark, service mark, trade name, copyright, trade secret or confidential information. There are no rights of third parties with respect to any trademark, service mark, trade secret, confidential information, trade name, patent, patent application, copyright, invention, device or process which would have an adverse effect on the operations of the Seller.

(b) The Seller has not interfered with, infringed upon, or misappropriated or otherwise come into conflict with any intellectual property rights of any other Person, and neither the Seller nor its officers and directors has ever received any charge, complaint, claim, demand or notice alleging any such interference, infringement, misappropriation or violation. To Seller's knowledge, no Person has interfered with, infringed upon, misappropriated, or otherwise come into conflict with the proprietary inventions, designs, ideas, processes, methods and other know-how of the Seller which are owned or used in the operation of the Business.

3.18 Customers and Suppliers. Seller has not received any notice that, either before or after the Closing, and has no reason to believe that, as a result of the transactions contemplated hereby, (a) any Customer Account of Seller has ceased, or will cease, to use the products, goods or services of Seller or has substantially reduced or will substantially reduce, the use of products, goods or services of Seller, or (b) any supplier will not sell materials, long distance service line access, supplies, merchandise and other goods or services to Purchaser at any time after the Closing on terms and conditions similar to those used in its current sales to Seller, subject to general and customary price increases.

3.19 Accounts. Except as set forth in Schedule 3.19, all Accounts Receivable which constitute part of the Seller Assets are valid and collectible obligations of the respective makers thereof and were not and are not subject to any offset or counterclaim, except for amounts reserved against such receivables which are reflected on the Closing Balance Sheet. All Customer Accounts are cash accounts, and none of the Customer Accounts are "barter" or "trade" accounts.

ARTICLE IV - REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants to Seller and Shareholders as follows:

4.1 Organization, Qualifications, and Corporate Power. Purchaser is a corporation duly incorporated and organized, validly existing, and in good standing under the Laws of the State of Georgia. Purchaser has the power to execute, deliver, and perform this Agreement, the Bill of Sale and Assignment Agreement, the Employment Agreement (defined below) and any other documents required to be executed by Purchaser hereunder (collectively, the "Purchaser Documents").

4.2 Authorization. The execution, delivery, and performance by Purchaser of the Purchaser Documents have been duly authorized by all requisite corporate action and will not violate any provision of Law, any order of any court or other agency of government, the articles of incorporation, or bylaws of Purchaser, or any provision of any indenture, agreement, or other instrument to which Purchaser is a party or by which Purchaser or any of its properties or assets is bound or affected, or conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any such indenture, agreement, or other instrument.

4.3 Validity. This Agreement has been duly executed and delivered by Purchaser, and constitutes the legal, valid, and binding obligation of Purchaser, enforceable in accordance with its terms, subject to general equity principles and to applicable bankruptcy, insolvency, reorganization, moratorium, and similar Laws from, time to time, in effect, affecting the enforcement of creditors' rights. When each of the other Purchaser Documents have been executed and delivered in accordance with this Agreement, each of them will constitute the legal, valid, and binding obligation of Purchaser, enforceable in accordance with its terms, subject to general equity principles and to applicable bankruptcy, insolvency, reorganization, moratorium, and similar Laws from, time to time, in effect, affecting the enforcement of creditors' rights.

ARTICLE V- ACTIONS AND DELIVERIES OF SELLER AND SHAREHOLDERS

At Closing, Seller and Shareholders shall take or cause to be taken the following actions and deliver or cause to be delivered to Purchaser the following items:

5.1 Consents and Approvals. The Consents and all other material consents and approvals required to effectuate the transactions contemplated hereby, all of which consents, waivers, and approvals shall be in form and substance reasonably satisfactory to the Purchaser.

5.2 Survey and Title Commitment. An ALTA survey and title insurance commitment with respect to the Transferred Real Property ("Title Commitment") pursuant to which the Title Seller will agree to issue at Closing an owner's and mortgagee's policy of title insurance ("Title Policy") on American Land Title Association standard Form B-1990 (or comparable form), to be issued by a reputable title insurance company ("Title Seller"), the form and content of each of which shall be acceptable to Purchaser and its lender(s), at the minimum promulgated rate available or otherwise negotiated agreed-upon rates, in an amount equal to the portion of the Seller Asset Price allocated to the Transferred Real Property pursuant to Schedule 2.8. The Title Policy shall insure, upon consummation of the purchase and sale herein contemplated, Purchaser's fee simple, marketable title to the Transferred Real Property, subject only to the Permitted Encumbrances or Assumed Liens.

5.3 Removal of Encumbrances. All the encumbrances related to the Seller Assets listed on Schedule 5.3 shall have been paid, satisfied, removed and released to Purchaser's reasonable satisfaction.

5.4 Certificates. (a) A certificate executed by Seller and Shareholders to the effect that the representations and warranties of Seller and Shareholders contained herein or in any other Seller Documents are true and correct on the Closing Date.

(b) A certificate executed by Seller and Shareholders to the effect that Seller and Shareholders have performed and complied with all conditions and agreements required by this Agreement and in any other Seller Documents to be performed or complied with by them prior to, or at, the Closing.

(c) A certificate executed by Seller and Shareholders to the effect that no action shall be pending or threatened against or affecting any of the Seller Assets or against or affecting any of the transactions contemplated hereby.

(d) A certificate of the Secretary or Assistant Secretary of Seller, dated as of the Closing Date, certifying in such form as Purchaser may reasonably request, (i) that attached thereto is a true and complete copy of (y) Seller's Bylaws and (z) all resolutions adopted by the Board of Directors and Shareholders of Seller authorizing the execution, delivery, and performance of this Agreement and the other Seller Documents, and that all such resolutions are still in full force and effect and are all the resolutions adopted in connection with the transactions contemplated by this Agreement, and (ii) as to the incumbency and specimen signature of the officers of each corporate

Seller executing the Seller Documents, and a certification by another officer of Seller as to the incumbency and signature of the officer signing the certificate referred to in this Section,

5.5 Articles. A true and correct copy of the Seller's Articles of Incorporation, certified by the Secretary of State of Maryland.

5.6 Legal Opinion. The opinion of _____, in substantially the form of Exhibit C hereto;

5.7 Conveyance Documents. The Bill of Sale and Assignment Agreement, the Deed duly executed by Seller and such other documents as are necessary or customary to enable Purchaser to record the Deed and to obtain the Title Policy, the Trademark Assignment, motor vehicle titles and related documents to transfer motor vehicles, and any assignment documents reasonably deemed necessary or appropriate by Purchaser to effect the assignment of the Seller Assets, in each case duly executed by Seller.

5.8 Employment Agreement. Larry Sisler shall have entered into an employment agreement with Purchaser effective as of the Closing Date, the form of which is attached hereto as Exhibit D (the "Employment Agreement").

5.9 Release. A full and unconditional release by Richard J. Rice in favor of Seller and Purchaser as to any and all claims Mr. Rice may have against Seller, the Shareholders or the Business, in form and content reasonably satisfactory to Purchaser.

5.10 [License Agreement]

5.11 Telex Agreement. An agreement duly executed by Telex _____, pursuant to which Purchaser will be the exclusive supplier to Telex of operator and long distance services, in form and content satisfactory to Purchaser (the "Telex Agreement").

5.12 Other. Any other documents or action that Purchaser may reasonably request be delivered or taken at the Closing.

ARTICLE VI - ACTIONS AND DELIVERIES BY PURCHASER

At Closing, Purchaser shall take or cause to be taken the following actions and deliver or cause to be delivered to Purchaser the following items:

6.1 Certificates. (a) A certificate of Purchaser to the effect that the representations and warranties of Purchaser contained herein and in all other Purchaser Documents are true and correct.

(b) A certificate of Purchaser to the effect that Purchaser has performed and complied with all conditions and agreements required by this Agreement and other Purchaser Documents to be performed or complied with by it prior to, or at, the Closing.

(c) A certificate of Purchaser to the effect that no actions shall be pending or threatened against or affecting the transactions contemplated hereby.

(d) A certificate of the Secretary or an Assistant Secretary of the Purchaser, dated as of the Closing Date, certifying in such form as Seller may reasonably request (i) that attached thereto is a true and correct copy of resolutions adopted by the Board of Directors of the Purchaser authorizing the execution, delivery and performance of this Agreement, the other Purchaser Documents, and that all such resolutions are still in full force and effect and are all the resolutions adopted in connection with the transaction contemplated by this Agreement, and (ii) as to the incumbency and specimen signature of each officer of Purchaser executing the Purchaser Documents and a certification by another officer of Purchaser as to the incumbency and signature of the officer signing the certificate referred to in this Section.

6.2 Bill of Sale. The Bill of Sale and Assignment Agreement, duly executed by Purchaser.

6.3 Employment Agreement. The Employment Agreement duly executed by Purchaser.

6.4 Other Documents. Any other documents Seller may reasonably request at, or prior to, the Closing.

6.5 Payment. The funds payable pursuant to Section 2.3(b) hereof.

ARTICLE VII - INDEMNIFICATION

7.1 General Indemnification Obligation of Seller and Shareholders. From and after the Closing, the Seller and Shareholders shall jointly and severally reimburse, indemnify, and hold harmless Purchaser against and in respect of any and all out-of-pocket damages, diminution in value, losses, liabilities, costs, and expenses, including reasonable attorneys fees and amounts paid in settlement, incurred or suffered by Purchaser that result from, relate to, or arise out of:

(a) any and all liabilities and obligations of Seller or Shareholders, of any nature whatsoever, to third parties, except for the Assumed Liabilities;

(b) any breach of any representation or warranty made by Seller or Shareholders in this Agreement (considering for the purpose of this subsection such representations and warranties to be made as of the date hereof and as of the Closing Date), or any nonfulfillment of any agreement or covenant on the part of Seller or Shareholders under this Agreement; and

(c) any and all actions or demands incident to or incurred in investigating or attempting to avoid any indemnifiable third party claims or to avoid the imposition thereof or in enforcing the indemnification set forth in this Section 7.1.

7.2 General Indemnification Obligation of Purchaser From and after the Closing, Purchaser shall reimburse, hold harmless and indemnify Seller and Shareholders against and in respect of any and all damages, losses, liabilities, costs, and expenses, including reasonable attorneys fees and amounts paid in settlement, incurred or suffered by Seller that result from, relate to, or arise out of:

- (a) the Assumed Liabilities, or any guarantees thereof, by Seller or Shareholder;
- (b) any failure of any representation or warranty made by Purchaser in this Agreement to be true and correct as of the Closing Date, or any nonfulfillment of any agreement or covenant on the part of Purchaser under this Agreement; and
- (c) any and all actions incident to any of the foregoing or incurred in investigating or attempting to avoid the same or to impose the imposition thereof or in enforcing this indemnification.

7.3 Payment. Upon the determination by Shareholders and Purchaser, or failing their mutual agreement, by the decision of an arbitrator(s), of the amount of any liability of an indemnifying party under Sections 7.1 or 7.2 hereof, the indemnifying party shall pay to the indemnified party (or if the liability is of the Seller and Shareholders, they may at their election in lieu of paying such amount cause the Escrow Agent to pay such amount out of the funds escrowed if such funds are sufficient to do so) within ten days after such determination, the amount of any claim for indemnification made hereunder. In the event that such amount is not paid when due, Purchaser may in its discretion exercise a contractual right of setoff against any consideration otherwise due and payable under Section 8.3(e).

7.4 Survival. The representations and warranties of the Seller and Shareholders contained in this Agreement shall survive any investigation heretofore or hereafter made by Purchaser and the consummation of the transactions contemplated herein and shall continue in full force and effect for the periods specified below ("Survival Period");

- (a) the representations and warranties relating to environmental matters shall survive until the expiration of any applicable statute or period of limitations, and any extensions thereof; and
- (b) all other representations and warranties of each Shareholder and Seller (other than those contained in Sections 3.1 through 3.4 and 10.1(a), which shall survive indefinitely) shall be of no further force and effect after the expiration of two years from and after the date hereof.

Anything to the contrary notwithstanding, the Survival Period shall be extended automatically to include any time period necessary to resolve a claim for indemnification which was made before expiration of the Survival Period but not resolved prior to its expiration, and any such extension shall apply only as to the claims asserted and not so resolved within the Survival Period. Liability for any such item shall continue until such claim shall have been finally settled, decided or

adjudicated.

7.5 Indemnification of Third-Party Claims. The obligations and liabilities of any party to indemnify any other under this Article VII with respect to claims relating to third parties shall be subject to the following terms and conditions:

(a) Notice and Defense. The party or parties to be indemnified (whether one or more, the "Indemnified Party") will give the party from whom indemnification is sought (the "Indemnifying Party") prompt written notice of any such claim, and the Indemnifying Party will undertake the defense thereof by representatives chosen by it and reasonably acceptable to the Indemnified Party. Failure to give such notice shall not affect the Indemnifying Party's duty or obligations under this Article VII, except to the extent the Indemnifying Party is prejudiced thereby. So long as the Indemnifying Party is defending any such claim actively and in good faith, the Indemnified Party shall not settle such claim. The Indemnified Party shall make available to the Indemnifying Party or its representatives, without additional cost, all records and other materials required by them and in the possession or under the control of the Indemnified Party, for the use of the Indemnifying Party and its representatives in defending any such claim, and shall in other respects give full cooperation in such defense.

(b) Failure to Defend. If the Indemnifying Party, within a reasonable time after notice of any such claim, fails to defend such claim actively and in good faith, the Indemnified Party will (upon further notice) have the right to undertake the defense, compromise, or settlement of such claim or consent to the entry of a judgment with respect to such claim, on behalf of, and for the account and risk of, the Indemnifying Party, and the Indemnifying Party shall thereafter have no right to challenge the Indemnified Party's defense, compromise, settlement, or consent to judgment.

7.6 Exclusivity. The rights and remedies afforded to the parties under this Article VII shall be the sole and exclusive rights and remedies available in the event of a breach or default under this Agreement and shall be in lieu of any other common law or statutory rights; provided, however, that any such rights and remedies as a party may have to seek and obtain injunctive relief or specific performance with respect to any breach of any covenant or failure to fulfill any agreement hereunder shall remain available to the parties, and none of such rights or remedies shall be affected or diminished hereby.

ARTICLE VIII - POST CLOSING MATTERS

8.1 Discharge of Business Obligations. From and after the Closing Date, Seller shall pay and discharge, in accordance with past practice but not less than on a timely basis, all obligations and liabilities incurred prior to the Closing Date with respect to its operations or the Seller Assets, except for the Assumed Liabilities.

8.2 Financial Statements. Seller shall cooperate with Purchaser and allow the auditors, designated by Purchaser, such access, during normal business hours upon reasonable advance notice, to information as may be required for Purchaser to produce on a timely basis the Closing

Balance Sheet. Seller's personnel shall undertake such tasks involved in producing such financial statements and provide such assistance to the auditors as are normally performed and provided by Seller's internal personnel during an audit. The auditors' fees and expenses for preparing such financial statements shall be borne by Purchaser. Seller shall bear the costs of involvement of its internal personnel.

8.3 Covenant Against Competition. (a) In order to induce Purchaser to enter into this Agreement, the Seller and the Shareholders each agree that, for a period of four (4) years commencing on the Closing Date, it or he will not, without the prior written consent of the Purchaser, for its or his own account or jointly with another, directly or indirectly, for or on behalf of any Person, as principal, agent, shareholder, participant, partner, promoter, director, officer, manager, employee, consultant, sales representative, or otherwise, except on behalf of Purchaser or its affiliates:

(i) own, control, manage, assist, or otherwise participate in a business engaged within the Territory in the [DESCRIBE PROHIBITED BUSINESS];

(ii) solicit, or assist in the solicitation of, any Person having an office or place of business anywhere within the Territory and to whom he sold or provided any product or service for Seller on, or during the two-year period prior to, the Closing Date, for the purpose of obtaining the patronage of such Person for the sale of [DESCRIBE SERVICES, PRODUCTS, ETC.];

(iii) solicit or induce, or in any manner assist in the solicitation or inducement of, any Person employed by Purchaser to leave such employment, whether or not such employment is pursuant to a contract and whether or not such employment is at will; or

(iv) employ any Person previously employed by Seller or Purchaser until the expiration of six (6) months after such Person's employment with Seller or Purchaser is terminated.

(b) Notwithstanding anything herein to the contrary, it shall not be a breach of the covenants contained in subsection (a) above for either Shareholder (i) to own up to 3% of any class of publicly traded securities of any Person engaged in any of the activities described in subsection (a) above, so long as such Shareholder holds such securities as a passive investment, or any amount of securities of Purchaser, or (ii) to continue their ownership interest in Telex _____ so long as such ownership does not interfere with their abilities to perform their employment duties with Purchaser and so long as (y) Telex _____ does not compete with Purchaser in any business other than the existing operator (ZERO PLUS) business, and (z) Telex continues to use Purchaser as its exclusive supplier of operator and long distance services under the Telex Agreement.

(c) Although the parties have, in good faith, used their best efforts to make the provisions of this Section 8.3 reasonable in both geographic area and in duration in light of the

financial aspects of the transaction, and it is not anticipated, nor is it intended, by any party hereto that a court of competent jurisdiction or arbitrator would find it necessary to reform the provisions hereof to make it reasonable in both geographic area or in duration, or both or otherwise, the parties understand and agree that if a court of competent jurisdiction or arbitrator determines it necessary to reform the scope of this Section 8.3 in order to make it reasonable in either geographic area or duration, or both or otherwise, it is intended that such provisions be enforced for such shorter duration or with such narrower scope as would render it enforceable, and the parties agree that damages, if any, for a breach hereof, as so reformed, would be deemed to accrue to Purchaser as of and from the date of such a breach only in so far as the damages for such breach relate to an action which occurred within the scope of the geographic area or duration as so reformed. Without limiting the foregoing, the restrictive covenants given by Seller and Shareholders with respect to each county included in the Territory shall be construed as separate covenants, such that, should the inclusion of any county in the Territory be deemed to be illegal, unenforceable or unreasonable with respect to any county by any Tribunal, such restrictive covenants shall remain in full force and effect with respect to all other counties included in the Territory.

(d) This Section 8.3 shall inure to the benefit of, and be enforceable by Purchaser and its respective successors and assigns

(e) As additional consideration for the covenants set forth in this Section 8.3, Purchaser shall pay ██████████ to Mr. Sisler payable in equal monthly payments of ██████████ for a period of forty-eight (48) months, such payment to commence on the last day of the month immediately following the Closing Date; provided, however, that such payments shall immediately terminate in the event that Mr. Sisler breaches any of the covenants contained in this Section 8.3; and provided further, however, that such cessation of payments shall not discharge Mr. Sissler's obligations under subsection (a) above or impair or restrict the Purchaser's ability to specifically enforce such covenants.

8.4 Confidentiality. In connection with the negotiation and performance of this Agreement, a party hereto (the "Disclosing Party") may have disclosed or may in the future disclose Confidential Information, as defined below, to one of the other parties hereto (the "Disclosee"). Each party further agrees to maintain the confidentiality of any and all Confidential Information of a Disclosing Party and not disclose any Confidential Information to any Person or use such Confidential Information for financial gain or in any manner adverse to the Disclosing Party; provided, however, the foregoing obligations shall not apply to (i) any information which was known by the Disclosee prior to its disclosure by the Disclosing Party; (ii) any information which was in the public domain prior to the disclosure thereof; (iii) any information which comes into the public domain through no fault of the Disclosee; (iv) any information which is disclosed to the Disclosee by a third party, other than an affiliate, having the legal right to make such disclosure; or (v) any information which is required to be disclosed by any law or by an order of a court. For purposes of this Section 8.4, "Confidential Information" shall mean the terms hereof and any and all technical, business, and other information which is (a) possessed or hereafter acquired by a Disclosing Party and disclosed to the Disclosee and (b) derives economic value, actual or potential, from not being generally

known to Persons other than the Disclosing Party, including, without limitation, technical or nontechnical data, compositions, devices, methods, techniques, drawings, inventions, processes, financial data, financial plans, product plans, lists of actual or potential customers or suppliers, information regarding the business plans and operations of the Disclosing Party. "Confidential Information" of Purchaser shall be deemed to include all Confidential Information of Seller and the Shareholders, from and after the Closing Date, and shall be subject to the obligations of non-use and non-disclosure contained in this Agreement with respect to all of such information. The restrictions of this Section shall continue indefinitely, except that they shall expire eighteen (18) months from the date hereof with respect to any confidential business information that does not constitute a trade secret under applicable Law.

8.5 Name Change. Promptly after Closing, Seller shall amend its Articles of Incorporation to legally change its name to a name which is not similar in any respect to Seller's corporate name or any other trade names comprising Seller Assets.

ARTICLE IX - MISCELLANEOUS

9.1 Brokers' and Finders' Fees.

(a) Seller and Shareholders, jointly and severally, represent and warrant to Purchaser that all negotiations relative to this Agreement have been carried on by it directly without the intervention of any person who may be entitled to any brokerage or finder's fee or other commission in respect of this Agreement or the consummation of the transactions contemplated hereby, and Seller and Shareholders, jointly and severally, agree to indemnify and hold harmless Purchaser against any and all claims, losses, liabilities and expenses which may be asserted against or incurred by it as a result of any dealings, arrangements, or agreements of Seller with any such person.

(b) Purchaser represents and warrants to Seller that all negotiations relative to this Agreement have been carried on by Purchaser directly without the intervention of any person who may be entitled to any brokerage or finder's fee or other commission in respect of this Agreement or the consummation of the transactions contemplated hereby (other than Concord Hill Enterprises, which shall be paid by Purchaser), and Purchaser agrees to indemnify and hold harmless Seller and Shareholders against any and all claims, losses, liabilities and expenses which may be asserted against, or incurred by them, as a result of Purchaser's dealing, arrangements, or agreements with any such person.

9.2 Expenses. (a) Seller shall pay all federal, state, and local documentary and other transfer taxes, sales taxes and fees, if any, due as a result of the sale or transfer of the Seller Assets in accordance herewith whether imposed by Law on Seller or Purchaser and Seller and Shareholders shall indemnify, reimburse, and hold harmless Purchaser in respect of the liability for payment of, or failure to pay, any such taxes or the filing of, or failure to file, any reports required in connection therewith.

(b) Seller shall pay the real property title search and examination costs and the fees for obtaining the survey and Title Commitment. Purchaser shall pay for the premiums payable for the Title Policy.

(c) Except as otherwise provided herein, each party hereto shall pay its own expenses incidental to the preparation of this Agreement, the carrying out of the provisions of this Agreement, and the consummation of the transactions contemplated hereby.

9.3 Contents of Agreement; Parties in Interest; etc. This Agreement sets forth the entire understanding of the parties hereto with respect to the transactions contemplated hereby. It shall not be amended or modified except by a written instrument duly executed by each of the parties hereto. Any and all previous agreements and understandings among the parties regarding the subject matter hereof, whether written or oral, are superseded by this Agreement.

9.4 Assignment and Binding Effect. This Agreement may not be assigned prior to the Closing by any party hereto without the prior written consent of the other party. Subject to the foregoing, all of the terms and provisions of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by and against the successors and assigns of Seller, Shareholders and Purchaser.

9.53 Notices. Any notice, request, demand, waiver, consent, approval, or other communication which is required or permitted hereunder shall be in writing and shall be deemed given if delivered personally or sent by telecopy or by registered or certified mail, postage prepaid, as follows:

If to Purchaser, to:

CRG International, Inc.
d/b/a Network One
2000 Riveredge Parkway
Suite 900
Atlanta, Georgia 30328
Fax No.: 770-980-1122
Attention: Frank Pazera

With a required copy to (which alone shall not constitute notice):

Kilpatrick Stockton LLP
1100 Peachtree Street
Suite 2800
Atlanta, Georgia 30309
Fax No.: (404) 815-6555
Attention: Larry D. Ledbetter, Esq.

If to Seller, to:

Fax No.: _____
Attention: _____

With a required copy to (which alone shall not constitute Notice):

Fax No.: _____
Attention: _____

or to such other address as the addressee may have specified in a notice duly given to the sender as provided herein. Such notice, request, demand, waiver, consent, approval or other communication will be deemed to have been given as of the date actually delivered or telecopied with confirmation, or if mailed, three days after deposit in the U. S. Mail properly addressed with adequate first class postage affixed.

9.6 Resolution of Disputes.

(a) Arbitration. Any dispute, controversy or claim arising out of or relating to this Agreement or any contract or agreement entered into pursuant hereto or the performance by the parties of its or their terms shall be settled by binding arbitration held in Atlanta, Georgia, in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect, except as specifically otherwise provided herein. Notwithstanding the foregoing, Purchaser may, in its discretion, apply to a court of competent jurisdiction for equitable relief from any violation or threatened violation of the covenants of Seller and/or Shareholders under Sections 8.3 or 8.4 of this Agreement, or any restrictive covenants contained in the Employment Agreement.

(b) Arbitrators. If the matter in controversy (exclusive of attorney fees and expenses) shall appear, as at the time of the demand for arbitration, to exceed \$50,000.00, then the panel to be appointed shall consist of three neutral arbitrators; otherwise, one neutral arbitrator.

(c) Procedures: No Appeal. The arbitrator(s) shall allow such discovery as the arbitrator(s) determine appropriate under the circumstances and shall resolve the dispute as expeditiously as practicable, and if reasonably practicable, within 120 days after the selection of the arbitrator(s). The arbitrator(s) shall give the parties written notice of the decision, with the reasons therefor set out, and shall have 30 days thereafter to reconsider and modify such decision if any party so requests within 10 days after the decision. Thereafter, the decision of the

arbitrator(s) shall be final, binding, and nonappealable with respect to all persons, including (without limitation) persons who have failed or refused to participate in the arbitration process.

(d) Authority. The arbitrator(s) shall have authority to award relief under legal or equitable principles, including interim or preliminary relief, and to allocate responsibility for the costs of the arbitration and to award recovery of attorneys fees and expenses in such manner as is determined to be appropriate by the arbitrator(s); provided, however, that the arbitrator(s) shall not award punitive damages to either party.

(e) Entry of Judgment. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having in personam and subject matter jurisdiction. Seller, Purchaser and Shareholders hereby submit to the in personam jurisdiction of the Federal and State Courts in Atlanta, Georgia, for the purpose of confirming any such award and entering judgment thereon.

(f) Confidentiality. All proceedings under this Section 9.6, and all evidence given or discovered pursuant hereto, shall be maintained in confidence by all parties.

(g) Continued Performance. The fact that the dispute resolution procedures specified in this Section 9.6 shall have been or may be invoked shall not excuse any party from performing its obligations under this Agreement and during the pendency of any such procedure all parties shall continue to perform their respective obligations in good faith, subject to any rights to terminate payments under Section 8.3 (e) and to the right of setoff provided in Section 7.3 hereof.

(h) Tolling. All applicable periods of survivability and statues of limitation shall be tolled while the procedures specified in this Section 9.6 are pending. The parties will take such action, if any, required to effectuate such tolling.

9.7 Georgia Law to Govern. THIS AGREEMENT SHALL BE GOVERNED BY, AND INTERPRETED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF GEORGIA, IRRESPECTIVE OF THE PRINCIPAL PLACE OF BUSINESS, RESIDENCE, OR DOMICILE OF THE PARTIES HERETO, AND WITHOUT GIVING EFFECT TO OTHERWISE APPLICABLE PRINCIPLES OF CONFLICTS OF LAW. ANY AND ALL SERVICE OF PROCESS AND ANY OTHER NOTICE IN ANY ACTION, SUIT, OR PROCEEDING SHALL BE EFFECTIVE AGAINST ANY PARTY IF GIVEN AS PROVIDED IN SECTION 9.5 HEREIN. NOTHING CONTAINED IN THIS SECTION 9.7, OR ELSEWHERE HEREIN, SHALL BE DEEMED TO AFFECT THE RIGHT OF ANY PARTY TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY OTHER PARTY IN ANY JURISDICTION.

9.8 Headings. All section headings contained in this Agreement are for convenience of reference only, do not form a part of this Agreement and shall not affect, in any way, the meaning or interpretation of this Agreement.

PURCHASER:

CRG INTERNATIONAL, INC. d/b/a
NETWORK ONE

By: _____

Title: _____

Attest: _____

Title: _____

[SEAL]

LIST OF EXHIBITS

Bill of Sale and Assignment Agreement	A-1
Trade Mark Assignments	A-2
Escrow Agreement	B
Legal Opinion	C
Employment Agreement	D
[License Agreement]	E

LIST OF SCHEDULES

1.1A	Assumed Liabilities
1.1B	Accounts Receivable
1.1C	Assumed Liens
1.1D	CICs
1.1E	Contracts
1.1F	Customer Accounts
1.1G	Equipment Leases
1.1H	Excluded Contracts and Excluded Seller Assets
1.1I	Leases
1.1J	Permitted Encumbrances
1.1K	Personal Property Listing
1.1L	Intellectual Property
1.1M	Licenses and Permits
1.1N	Real Property
2.8	Allocation of Purchase Price
3.1	Trade Names
3.4	Seller Assets Exceptions
3.5	Contract Exceptions
3.6	Real Property Exceptions
3.7	Governmental Approvals
3.8	Litigation
3.14(a)	Welfare Benefit Plans
3.14(b)	Pension Benefit Plans
3.14(c)	Other Benefit Plans
3.14(d)	Benefit Plan Exceptions
3.19	Account Exceptions

EXHIBIT "B"

**NETWORK ONE
FINANCIAL INFORMATION**

- ▶ **SUMMARY INCOME STATEMENT FOR TEN MONTHS ENDING JULY 31, 1997**
- ▶ **BALANCE SHEET DATED JULY 31, 1997**
- ▶ **CASH FLOW STATEMENT DATED JULY 31, 1997**

9/10/97

9:38am

CRG International, Inc.
Summary Income Statement
For the Ten Months Ending July 31, 1997

CONFIDENTIAL

	July	% of Net Sales	1997 YTD	% of Net Sales
Sales	\$652,268.75	100.00%	\$6,729,500.17	100.00%
Cost of Goods Sold	469,163.08	71.93%	4,592,991.57	68.25%
Gross Profit	183,105.67	28.07%	2,136,508.60	31.75%
Sales and Marketing Expenses			43,809.68	65%
Sales-In House			76,757.14	1.14%
Sales-Agent	9,231.80	1.42%	44,773.00	.67%
Telemarketing Sales			159,055.65	2.36%
Marketing	7,113.09	1.09%		
Total Sales & Marketings Expe	16,344.89	2.51%	324,395.47	4.82%
Operations	19,357.17	2.97%	176,995.40	2.63%
Customer Service	34,901.40	5.35%	340,209.50	5.06%
General & Administrative				
Salaries & Bonuses	38,452.38	5.90%	311,241.40	4.63%
Contract Labor			247.53	
Payroll Taxes	5,583.14	.86%	84,583.24	1.26%
Employment Recruiting	2,825.00	.43%	18,142.98	.27%
Workers Comp Insurance	1,109.97	.17%	16,828.24	.25%
Employee Benefits	4,902.05	.75%	45,068.86	.67%
401K Matching Funds	847.75	.13%	5,642.78	.08%
Accounting	4,051.00	.62%	84,293.56	1.25%
Bad Debts	13,000.00	1.99%	103,196.81	1.53%
Bank Charges	3,109.28	.48%	19,299.59	.29%
Billing	11,727.13	1.80%	133,288.58	1.98%
Collections Expense	3.75		8,701.68	.13%
Consulting/Training			47,948.94	.71%
Contributions	150.00	.02%	660.00	.01%
Dues & Subscriptions	775.00	.12%	20,302.23	.30%
Equipment Rental	3,302.95	.51%	38,770.54	.58%
Insurance	771.00	.12%	9,492.19	.14%
Legal	1,434.30	.22%	70,413.17	1.05%
Miscellaneous & Moving Costs	5,036.83	.77%	6,211.94	.09%
Office Supplies & Expense	2,970.67	.46%	37,482.56	.56%
Postage	2,006.42	.31%	17,368.30	.26%
Rent	13,284.55	2.04%	128,939.77	1.92%
Repairs & Maintenance	487.87	.07%	12,606.35	.19%
Taxes & Licenses	1,068.27	.16%	23,994.01	.36%
Telephone	4,298.69	.66%	51,152.03	.76%
Trade Shows			7,713.46	.11%
Travel & Entertainment	5,874.85	.90%	45,522.43	.68%
Administrative Expense	127,072.85	19.48%	1,349,053.17	20.05%
Total Operations & G&A	181,331.42	27.80%	1,866,258.07	27.73%
Total Operating Expenses	197,676.31	30.31%	2,190,653.54	32.55%
EBITDA	(14,570.64)	(2.23%)	(54,144.94)	(0.80%)
EBITDA -after Bonus	(14,570.64)	(2.23%)	(54,144.94)	(0.80%)
Interest Income	8.80		6,310.45	.09%
Interest Expense	15,197.22	2.33%	151,085.62	2.25%
Earnings before Depr/Amort &	(29,759.06)	(4.56%)	(198,920.11)	(2.96%)
Acquisition Costs	16,000.00	2.45%	52,583.75	.78%
Amortization Expense	42,363.71	6.49%	391,219.14	5.81%
Depreciation Expense	10,500.00	1.61%	59,762.00	.89%
Total	68,863.71	10.56%	503,564.89	7.48%
Earnings before Interest & Tax	(98,622.77)	(15.12%)	(702,485.00)	(10.44%)
Net Income	(598,622.77)	(91.80%)	(5702,485.00)	(84.76%)

9/15/97

3:24pm

CRG International, Inc.
dba Network One
Balance Sheet
 July 31, 1997

CONFIDENTIAL

	7/31/96	7/31/97
ASSETS		
Cash	\$1,340,032.67	\$11,131.58
Accounts Receivable	577,808.23	1,041,582.28
Unbilled Receivables	504,696.54	554,571.71
Allowance For Bad Debts	(151,116.74)	(97,811.71)
Other Receivables		(7,440.56)
Net Accounts Receivable	931,388.03	1,490,901.72
Inventory	20,790.00	23,172.50
Prepaid Assets	2,496.47	15,075.40
Current Assets	2,294,707.17	1,540,281.20
Leasehold Improvements		92,425.33
Office Furniture And Fixtures	6,990.11	49,437.80
Equipment	7,249.43	33,348.60
Computers & Software	81,599.91	252,988.07
Less Accumulated Depreciation	(28,550.74)	(93,044.82)
Net Property Plant & Equipment	67,288.71	335,154.98
Deposits	8,778.27	10,442.43
Deferred Tax Asset	50,000.00	50,000.00
Organization Costs Net	1,608.89	
Acquisition Costs Net	145,762.00	2,151,920.17
Other Assets	206,149.16	2,212,362.60
Total Assets	\$2,568,145.04	\$4,087,798.78
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts Payable	\$21,340.07	\$1,030,358.78
Accrued Liabilities	734,191.00	184,773.14
Line of Credit	0.44	
Payroll Taxes Payable	26,607.20	101.13
Sales & Excise Taxes Payable	144,295.00	214,954.19
Accrued Wages & Commissions	39,700.52	42,396.66
Accrued Interest	8,376.64	7,941.61
Other Payables	(467.74)	4,198.11
Current Portion of Long-Term Debt	103,321.79	283,290.00
Total Current Liabilities	1,077,364.92	1,768,013.62
Leases Payable	30,023.08	162,923.42
Reedy River Sub-Debt		1,000,000.00
Dividends Payable		225,000.00
Other Long-Term Debt	332,090.53	269,751.67
Less Current Portion	(103,074.79)	(283,289.00)
Long-Term Liabilities	259,038.82	1,374,386.09
Total Liabilities	1,336,403.74	3,142,399.71
Capital Stock	515.00	595.00
Preferred Stock	1,845,286.40	2,801,408.40
Additional Paid-In Capital	89,985.00	99,036.00
Dividends on Preferred Stock		(145,000.00)
Retained Earnings (Deficit)	(227,265.70)	(1,108,155.33)
Year-to Date Income (Loss)	(476,779.40)	(702,485.00)
Shareholders' Equity	1,231,741.30	945,399.07
Liabilities and Shareholders' Equity	\$2,568,145.04	\$4,087,798.78

9/10/97

9:41am

CRG International, Inc.
Cash Flow Statement
 July 31, 1997

CONFIDENTIAL

	July	Year to Date
Statement of Cash Flows		
Net Income from Operations	(\$98,623)	(\$702,485)
Add Back Non-Cash Expenses:		
Depreciation & Amortization	53,564	453,781
Gain(Loss) on Retirement of Assets	901	
Net Cash Flow from Operations	<u>(44,158)</u>	<u>(248,704)</u>
Sources (Uses) of Cash:		
Accounts Receivable	(50,477)	(626,119)
Inventory	(952)	(1,883)
Prepaid Expenses	(3,190)	(11,418)
Accounts Payable	107,264	974,590
Accrued Expenses	(22,547)	(372,382)
Accrued Salaries & Commissions	(22,395)	(37,217)
Accrued Sales & Excise Taxes	(1,806)	62,916
Accrued Interest	2,808	(5,362)
Other Liabilities	7,452	38,179
Total Sources (Uses) of Cash:	<u>16,157</u>	<u>21,304</u>
Net Cash Flow from Operating Activities	<u>(28,001)</u>	<u>(227,400)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Additions to Fixed Assets	(5,976)	(112,218)
Customer Bases Acquired		(2,516,823)
Net Cash Flow from Investing Activities	<u>(5,976)</u>	<u>(2,629,041)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Borrowings (Payments) on Long-Term Debt		(142,092)
Subordinated Debt		1,000,000
Capitalized Debt Costs		(12,500)
Capital Lease Borrowings (Payments)	(4,144)	10,713
Sale of Common Stock	(4,600)	(18,708)
Sale of Preferred Stock	4,600	1,078,708
Net Cash Flow from Financing Activities	<u>(4,144)</u>	<u>1,916,121</u>
Net Increase (Decrease) in Cash	(38,121)	(940,320)
Cash at Beginning of Period	<u>50,153</u>	<u>952,351</u>
Cash and Equivalents at End of Period	<u>\$12,032</u>	<u>\$12,031</u>
Check Total - Ending Cash Per Books	<u>\$11,132</u>	<u>\$11,132</u>

EXHIBIT "C"

**PROCOM
FINANCIAL INFORMATION**

- ▶ **INCOME STATEMENT DATED JULY 31, 1997**

CONFIDENTIAL

ProCOM
Final

RUN TIME: 3:04 PM

INCOME STATEMENT FOR PRO COM INC.
FOR THE MONTH ENDING 07/31/97

JURR. PERIOD RATIO: NET REVENUE FTD RATIO.....: NET REVENUE	THIS MONTH	RATIO	7 MONTHS	RATIO
REVENUES				
SALES-LONG DISTANCE	666,544.77	36.2	4,608,341.85	41.7
SALES-800 SERVICE	287,809.91	15.6	1,902,089.79	17.2
SALES-PAGER/ANSWER SER	4,256.17	0.3	28,960.92	0.3
SALES-CONFERENCE CALLS	1,854.30	0.1	8,840.35	0.1
SALES-FIXED CHARGES	6,032.11	0.3	32,908.42	0.3
SALES-WHOLESALE ACCOUNTS	619,131.40	33.6	3,144,764.96	28.5
SALES-LEC PROCOM	33,516.85	1.8	274,663.85	2.5
SALES-LEC CIC	5,630.72	0.3	105,590.43	1.0
SALES-PHONE SYS DIVISION	36,488.00	2.0	114,322.68	1.0
SALES-OPERATOR SERVICES	144,209.71	7.8	664,873.12	6.0
SALES-RETAIL MERCHANTS	282.73	0.0	481.23	0.0
SALES-UNBILLED USAGE	42,000.00	2.3	260,000.00	2.4
CREDITS-DIRECT	5,802.47-	0.3-	95,995.53-	0.9-
CREDITS-WHOLESALE	2,820.67-	0.2-	9,045.74-	0.1-
TOTAL REVENUES	1,841,133.53	100.0	11,040,776.33	100.0
COST OF GOODS SOLD				
LINE COSTS-LONG DISTANCE	471,266.10	25.6	3,032,643.97	27.5
LINE COSTS-800 DIRECT	176,668.46	9.6	1,191,324.46	10.8
LINE COSTS-PAGER/ANSWER	2,955.69	0.2	14,870.87	0.1
LINE COSTS-CONFERENCE	794.40	0.0	3,741.76	0.0
LINE COSTS-WHOLESALE	563,680.51	30.6	2,920,619.08	26.5
LINE COSTS-LEC PROCOM	8,012.69	0.4	68,666.11	0.6
LINE COSTS-LEC CIC	2,674.34	0.1	99,832.14	0.9
LINE COSTS-UNBILLED	27,000.00	1.5	166,000.00	1.5
BILLING FEES & EXPENSES	17,695.39	1.0	112,290.14	1.0
COMMISSIONS -L/D & 800	83,105.77	4.5	581,668.88	5.3
COMMISSIONS -PAGER/ANSWER	459.19	0.0	2,513.39	0.0
COMMISSIONS -LEC PROCOM	226.25	0.0	1,782.45	0.0
COMMISSIONS -OPERATOR SER	128,954.89	7.0	520,217.72	4.7
EPDI/LEC FEES - PROCOM	5,641.41	0.3	133,986.56	1.2
EPDI/LEC FEES - CIC	5,567.35	0.3	22,463.70	0.2
PURCHASES-PHONE SYSTEMS	19,576.21	1.1	57,615.28	0.5
PURCHASES-PAGING EQUIP	3,745.90	0.2	19,783.00	0.2
PURCHASES-REPAIR & MAIN.	61.30	0.0	1,531.16	0.0
WAGES- TECHNICIANS	8,230.40	0.4	64,065.21	0.6
PAYROLL TAXES -TECH'S	0.00	0.0	5,769.01	0.1
PROFIT BEARING -TECH'S	137.55	0.0	983.40	0.0
HEALTH INS. -TECH'S	389.70	0.0	2,088.30	0.0
DEPRECIATION -TECH'S	1,989.85	0.1	11,747.95	0.1
VEHICLES MAINT. -TECH'S	17.80	0.0	1,350.12	0.0
TOTAL COST OF GOODS SOLD	1,528,851.15	83.0	9,037,551.68	81.9
GROSS PROFIT	312,282.38	17.0	2,003,224.65	18.1
GENERAL & ADMINISTRATIVE				
RENT - EQUIPMENT	183.38	0.0	183.38	0.0

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INCOME STATEMENT FOR PRO COM INC.
FOR THE MONTH ENDING 07/31/97

CURR. PERIOD RATIO: NET REVENUE (YTD RATIO.....): NET REVENUE	THIS MONTH	RATIO	7 MONTHS	RATIO
OFFICE EXPENSE	16,468.56	0.9	84,112.58	0.8
UTILITIES	424.53	0.0	7,308.29	0.1
CONSULTING FEES	0.00	0.0	16,000.60	0.1
GAS & OIL	2,530.32	0.1	19,820.35	0.2
VEHICLES MAINT MANAGEMENT	339.23	0.0	6,244.59	0.1
CONTRACT SERVICES	5,742.00	0.3	12,565.41	0.1
WAGES- RETAIL STORE	3,441.16	0.2	8,097.40	0.1
WAGES- OFFICERS	22,996.76	1.2	155,528.70	1.4
SEVERANCE PAY	1,077.00	0.1	7,539.00	0.1
WAGES- OFFICE	60,681.95	3.3	460,936.83	4.2
HEALTH INS.	3,620.15	0.2	18,435.10	0.2
PROFIT SHARING	2,362.45	0.1	16,516.60	0.1
PAYROLL TAXES	8,095.72	0.4	69,011.72	0.6
LESS: ALLOCATED TO COGS	0.00	0.0	5,769.01-	0.1-
WAGES- P.D.O. EXPENSE	1,000.00-	0.1-	21,000.00	0.2
REFUNDS	1,337.39	0.1	8,608.33	0.1
PROMOTION REBATES	4,697.10	0.3	41,055.01	0.4
PROFESSIONAL FEES	28,293.78	1.5	70,368.27	0.6
INSURANCE - GENERAL	2,982.48	0.2	11,482.07	0.1
EDUCATION & TRAINING	0.00	0.0	146.04	0.0
BANK CHARGES	236.70	0.0	1,695.42	0.0
INSERT/LITERATURE/STICKER	0.00	0.0	28,282.15	0.3
DONATIONS	525.00	0.0	6,576.00	0.1
RETAIL STORE - OPERATING	2,290.61	0.1	6,559.30	0.1
DUES & SUBSCRIPTIONS	246.19	0.0	5,005.19	0.0
ADVERTISING / MARKETING	13,453.20	0.7	121,356.51	1.1
TELEPHONE	1,960.25	0.1	11,301.76	0.1
BAD DEBT EXPENSE	8,507.81	0.5	24,574.23	0.2
TRAVEL & LODGING	10,462.10	0.6	28,363.74	0.3
MEALS & ENTERTAINMENT	983.11	0.1	10,849.63	0.1
OTHER TAXES & LICENSES	980.29	0.1	32,673.42	0.3
DEPRECIATION - G&A	6,676.72	0.4	44,703.82	0.4
TOTAL G & A EXPENSES	210,595.94	11.4	1,351,131.83	12.2
OPERATING INCOME/(LOSS)	101,686.44	5.5	652,092.82	5.9
NON-OPERATING REVENUES				
GAIN/LOSS-SALE OF ASSETS	0.00	0.0	3,473.84	0.0
INTEREST INCOME	980.83	0.1	5,488.61	0.0
FINANCE CHARGES	4,560.04	0.2	36,421.89	0.3
OTHER INCOME	1,180.27	0.1	14,890.28	0.1
TOTAL NON-OPER. REVENUES	6,721.14	0.4	60,274.62	0.5
NON-OPERATING EXPENSES				
INTEREST	2,243.85	0.1	6,581.86	0.1
PENALTIES & FINES	476.56	0.0	1,252.64	0.0
TOTAL NON-OPER. EXPENSES	2,720.41	0.1	7,834.50	0.1

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INCOME STATEMENT FOR PRO COM INC.
FOR THE MONTH ENDING 07/31/97

YTD PERIOD RATIO: NET REVENUE	THIS MONTH	RATIO	7 MONTHS	RATIO
NET INCOME/(LOSS)	105,687.17	5.7	704,532.94	6.4

3559

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MONICA R. BORNE
JEFFREY T. GREENBERG
Of Counsel

October 13, 1997

DEPOSIT DATE
D 6 8 4 OCT 14 1997

VIA AIRBORNE EXPRESS

Executive Secretary
Florida Public Service Commission
2450 Schumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Application of CRG International, Inc.
and Professional Communications
Management Services, Inc. for Approval
of Asset Purchase Agreement

Dear Sir:

On behalf of CRG International, Inc. and Professional Communications Management Services, Inc., enclosed please find an original and thirteen (13) copies of the referenced Application. Also enclosed is a check in the amount of \$250.00 to cover the filing fee.

Please date stamp and return the enclosed extra copy of this letter in the envelope provided.

The companies would like to close the deal, with the necessary regulatory approvals in place as soon as possible. Therefore, we would appreciate your prompt response.

NOWALSKY, BRONSTON & GOTHARD, L.L.P. GENERAL ACCOUNT 3500 N. CAUSEWAY, SUITE 1442 METAIRIE, LA 70002 (504) 832-1984	JEFFERSON FEDERAL SAVINGS BANK ORLEANS, LA 70065	1699
		10/13/97
PAY TO THE ORDER OF	FLORIDA PUBLIC SERVICE COMMISSION	\$**250.00
Two Hundred Fifty and 00/100		DOLLARS <small>Security features included. Details on back.</small>
MEMO FILING FEES - CRG	