

STATE OF FLORIDA

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
SUSAN F. CLARK
J. TERRY DEASON
JOE GARCIA
DIANE K. KIESLING



DIVISION OF COMMUNICATIONS
WALTER D'HAESELEER
DIRECTOR
(850) 413-6600

Public Service Commission

DEPOSIT

DATE

D656TM

NOV 17 1997

971514-TX

RECEIVED

Dear Prospective Applicant:

Enclosed you will find the application forms to provide:

NOV 14 1997

CMU

- ALEC Alternative Local Exchange Company;
- IXC Interexchange Telecommunications Service;
- AAV Interexchange Telecommunications Service with Alternative Access Vendor Service;
- OSP Interexchange Telecommunications Service with Operator Service Provider Service;
- STS Shared Tenant Service;
- MLDA Multi-Location Discount Aggregator Telecommunications Service Provider.

Other attachments include relevant information and requirements.

Upon receipt of the completed forms staff will analyze the material and prepare a recommendation to be presented to the Commission. Following its decision, you will be advised of the outcome. If your application is approved you must follow all applicable rules. If your application is not approved you will be notified of further requirements.

Should you have any questions, please do not hesitate to call me at (850) 413 - 6586.

Sincerely,

Thomas E. Williams III, Engineer
Bureau of Service Evaluation

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

Original authority (new company)

Approval of transfer (to another certificated company)

Example, a certificated company purchases an existing company and desires to retain the original certificate authority.

Approval of assignment of existing certificate (to a noncertificated company)

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

Approval for transfer of control (to another certificated company)

Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of applicant:

Direct-Tel, Inc.

3. A. National mailing address including street name, number, post office box, city, state, zip code, and phone number.

1900 Corporate Blvd Suite 400 East
Boca Raton, Florida 33431
(561) 988-2545 Fax (988) 2556

B. Florida mailing address including street name, number, post office box, city, state, zip code, and phone number.

Same as "A"

C. Physical address of alternative local exchange service in Florida including street name, number, post office box, city, zip code and phone number.

Same as "A"

FORM PSC/CMU 8 (07/95)
Required by Chapter 364.337 F.S.

-2-

DOCUMENT NUMBER-DATE

11778 NOV 17 85

FPSC-RECORDS/REPORTING

4. Structure of organization:

- Individual
- Foreign Corporation
- General Partnership
- Joint Venture

- Corporation
- Foreign Partnership
- Limited Partnership
- Other, Please explain _____

5. If incorporated, please provide proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

Corporate charter number: P97000095471

6. Name under which the applicant will do business (d/b/a):

Direct - Tel, Inc.

7. If applicable, please provide proof of fictitious name (d/b/a) registration.

Fictitious name registration number: _____

8. If applicant is an individual, partnership, or joint venture, please give name, title and address of each legal entity.

N/A

9. State whether any of the officers, directors, or any of the ten largest stockholders have previously been adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. If so, please explain.

None

10. Please provide the name, title, address, telephone number, internet address, and facsimile number for the person serving as ongoing liaison with the Commission, and if different, the liaison responsible for this application.

Ronald Kaplan, President
1900 Corporate Blvd Suite 400 East
Boca Raton, Florida 33431
(561) 988-2545 Fax (988) 2556

11. Please list other states in which the applicant is currently providing or has applied to provide local exchange or alternative local exchange service.

None

12. Has the applicant been denied certification in any other state? If so, please list the state and reason for denial.

No

13. Have penalties been imposed against the applicant in any other state? If so, please list the state and reason for penalty.

No

14. Please indicate how a customer can file a service complaint with your company.

Company establishing customer service dept for all service requests and complaints. Emergency repair, 24 hr, Toll Free. Complaints will be handled by upper management personal..

15. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide alternative local exchange service in Florida.

A. Financial capability.

Regarding the showing of financial capability, the following applies:

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

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

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

1. Please provide documentation that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served. See Attached Exhibit

2. Please provide documentation that the applicant has sufficient financial capability to maintain the requested service. See Attached Exhibit

3. Please provide documentation that the applicant has sufficient financial capability to meet its lease or ownership obligations. See Attached Exhibit

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

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

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

B. Managerial capability.

See Attached Exhibit

C. Technical capability.

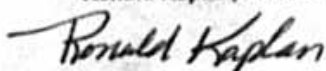
See Attached Exhibit

| Account | 11/ 4/97 Balance |
|-------------------------------------|----------------------|
| ASSETS | |
| CURRENT ASSETS | |
| Cash in bank-Checking Account | 10,000 |
| Deposits-Office, Phones, Equip | 2,780 |
| Goodwill- | 2,000 |
| Inventory-Goods for resale | 150 |
| TOTAL CURRENT ASSETS | <u>14,930</u> |
| FIXED ASSETS | |
| Office Equip-Furniture, equipment | 4,700 |
| TOTAL FIXED ASSETS | <u>4,700</u> |
| TOTAL ASSETS | <u><u>19,630</u></u> |
| LIABILITIES | |
| CURRENT LIABILITIES | |
| Payables-A/P Account | 2,657 |
| TOTAL CURRENT LIABILITIES | <u>2,657</u> |
| TOTAL LIABILITIES | <u>2,657</u> |
| EQUITY | |
| EQUITY ACCOUNTS | |
| Open Bal Equity-Opening Bal Equity | 19,630 |
| TOTAL EQUITY ACCOUNTS | <u>19,630</u> |
| RETAINED EARNINGS | 0 |
| CURRENT EARNINGS | -2,657 |
| TOTAL EQUITY | <u>16,973</u> |
| TOTAL LIABILITIES AND EQUITY | <u><u>19,630</u></u> |

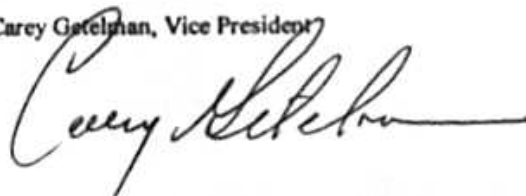
UN-AUDITED

I hereby attest that the financial statements are true and correct.

Ronald Kaplan, President



Carey Getelman, Vice President



DIRECT - TEL
Projected Sales (12 month period)

| Month | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | TOTALS |
|-----------------------------|---|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------|
| Projected increase of sales | 12% after the first 100 customers on line | | | | | | | | | | | | |
| Retained customers | 60% | | | | | | | | | | | | |
| New Customers | 100 | 112 | 125 | 140 | 157 | 176 | 197 | 221 | 248 | 277 | 311 | 348 | 2413 |
| Retained Customers | 60 | 103 | 137 | 167 | 194 | 222 | 252 | 284 | 319 | 358 | 401 | | 401 |
| Total Customers | 100 | 172 | 229 | 278 | 324 | 374 | 420 | 473 | 531 | 596 | 668 | 749 | 4910 |
| Gross Sales (less tax) | 3,996 | 6,873 | 9,136 | 11,096 | 12,945 | 14,810 | 16,773 | 18,898 | 21,233 | 23,821 | 26,703 | 29,922 | 196,206 |
| Cost of Goods | | | | | | | | | | | | | |
| Overhead | 1,976 | 1,976 | 1,976 | 3,130 | 3,130 | 3,130 | 4,750 | 4,750 | 4,750 | 8,756 | 8,756 | 8,756 | 55,836 |
| Gross Profit (less COG) | 2,530 | 4,352 | 5,785 | 7,025 | 8,196 | 9,376 | 10,620 | 11,965 | 13,443 | 15,082 | 16,907 | 18,945 | \$124,225 |
| Net profit | 554 | 2,376 | 3,809 | 3,895 | 5,066 | 6,246 | 5,870 | 7,215 | 8,693 | 6,326 | 8,151 | 10,189 | \$ 68,389 |

DIRECT - TEL, INC.

15 A. Financial Capability

1- Please provide documentation that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.

The initial marketing plan for this ALEC service is based on a Pre Paid Plan. It is estimated that the initial cash flow will provide adequate funds to meet all financial responsibilities.

2- Please provide documentation that the applicant has sufficient financial capability to maintain the requested service.

The anticipated added cash requirements based on a Pre- Paid service are at a minimum. However the shareholders of Direct - Tel, Inc. are prepared to fund the company should additional capital be needed.

3- Please provide documentation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

As a reseller of Telecommunication service (see Reseller Agreement), we do not require the need or use of equipment (i.e. switching devices, etc.) which would call for lease or purchase agreements.

15 B. Managerial capability

Upper management has extensive experience in formulating and operating national companies directly servicing the end user. The companies overall management skills will be able to draw on past performance, where in depth knowledge will be used to develop marketing, sales and maintenance programs.

15 C. Technical capability

We are able to rely on the technical abilities of the carrier with whom we have our Reseller Agreement to provide not only this ALEC, but also our end user with the best of service requiring technical knowledge.



FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

November 7, 1997

AMERILAWYER
343 ALMERIA AVENUE
CORAL GABLES, FL 33134

The Articles of Incorporation for DIRECT-TEL, INC. were filed on November 7, 1997 and assigned document number P97000095471. Please refer to this number whenever corresponding with this office regarding the above corporation.

PLEASE NOTE: COMPLIANCE WITH THE FOLLOWING PROCEDURES IS ESSENTIAL TO MAINTAINING YOUR CORPORATE STATUS. FAILURE TO DO SO MAY RESULT IN DISSOLUTION OF YOUR CORPORATION.

A CORPORATION ANNUAL REPORT MUST BE FILED WITH THIS OFFICE BETWEEN JANUARY 1 AND MAY 1 OF EACH YEAR BEGINNING WITH THE CALENDAR YEAR FOLLOWING THE YEAR OF THE FILING DATE NOTED ABOVE AND EACH YEAR THEREAFTER. FAILURE TO FILE THE ANNUAL REPORT ON TIME MAY RESULT IN ADMINISTRATIVE DISSOLUTION OF YOUR CORPORATION.

A FEDERAL EMPLOYER IDENTIFICATION (FEI) NUMBER MUST BE SHOWN ON THE ANNUAL REPORT FORM PRIOR TO ITS FILING WITH THIS OFFICE. CONTACT THE INTERNAL REVENUE SERVICE TO INSURE THAT YOU RECEIVE THE FEI NUMBER IN TIME TO FILE THE ANNUAL REPORT. TO OBTAIN A FEI NUMBER, CONTACT THE IRS AT 1-800-829-3676 AND REQUEST FORM SS-4.

SHOULD YOUR CORPORATE MAILING ADDRESS CHANGE, YOU MUST NOTIFY THIS OFFICE IN WRITING, TO INSURE IMPORTANT MAILINGS SUCH AS THE ANNUAL REPORT NOTICES REACH YOU.

Should you have any questions regarding corporations, please contact this office at the address given below.

Claretha Golden, Document Specialist
New Filings Section

Letter Number: 797A00053872

AFFIDAVIT

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

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

Official: Ronald Kaplan
Signature

11/13/97
Date

Title: President

561-988-2545
Telephone Number

Address: Direct - Tel, Inc.
1900 Corporate Blvd. Suite 400E
Boca Raton, FL. 33431

STATE OF FLORIDA

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
SUSAN F. CLARK
J. TERRY DEASON
JOE GARCIA
DIANE K. KIESLING



DIVISION OF COMMUNICATIONS
WALTER D'HAESELEER
DIRECTOR
(850) 413-6600

Public Service Commission

DEPOSIT DATE
D656th NOV 17 1997

971514-TX

RECEIVED

NOV 14 1997

Dear Prospective Applicant:

Enclosed you will find the application forms to provide:

- () ALEC Alternative Local Exchange Company; CMU
- () DXC Interexchange Telecommunications Service;
- () AAV Interexchange Telecommunications Service with Alternative Access Vendor Service;
- () OSP Interexchange Telecommunications Service with Operator Service Provider Service;
- () STS Shared Tenant Service;
- () MLDA Multi-Location Discount Aggregator Telecommunications Service Provider.

Other attachments include relevant information and requirements.

Upon receipt of the completed forms staff will analyze the material and prepare a recommendation to be presented to the Commission. Following its decision, you will be advised of the outcome. If your application is approved you must follow all applicable rules. If your application is not approved you will be notified of further requirements.

Should you have any questions, please do not hesitate to call...

DIRECT-TEL, INC.

102

PAY TO THE ORDER OF

FLORIDA Public Service Commission

Nov. 13 1997

\$ 250^{xx}/100

Two Hundred Fifty ^{xx}/100

DOLLARS

First Union National Bank of Florida
Boca Raton, Florida 33496

FOR Application Fee

DOCUMENT NUMBER-DATE
Ronald K... 78 NOV 17 97

FPSC-RECORDS/REPORTING