

GERRY, FRIEND & SAPRONOV, LLP

ATTORNEYS AT LAW

SUITE 1480

THREE RAVINIA DRIVE

ATLANTA, GEORGIA 30346-2181

(770) 399-0500

FACSIMILE (770) 399-0000

EMAIL: gfriend@gfslaw.com

March 17, 1999

99 MAR 19 AM 9 56
MAIL ROOM

via OVERNIGHT DELIVERY

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

990365-TI

Re: Acquisition of Certain Assets of Colorado River Communications, Inc. ("CRC")

Dear Sir or Madam:

Maxxis Communications, Inc. ("Maxxis") hereby notifies the Florida Public Service Commission (the "Commission") of its acquisition of certain assets of CRC. In furtherance thereof, Maxxis states as follows.

I. DESCRIPTION OF MAXXIS

Maxxis is a Georgia corporation headquartered at 1901 Montreal Road, Suite 108, Tucker, Georgia 30084. Maxxis is the primary, regulated, operating telecommunications subsidiary within the Maxxis Group, Inc. family of companies. As such, Maxxis either provides or intends to provide long distance telecommunications resale services, including direct dial ("1+"), toll-free (e.g., "800", "888"), travel card and prepaid calling card services. Maxxis has begun providing these long distance telecommunications services in certain states, and is currently in the process of securing state regulatory authorization to provide intrastate, interexchange telecommunications resale services throughout the United States and in the District of Columbia.

II. DESCRIPTION OF CRC

CRC is a Nevada corporation headquartered at 4275 East Sahara Avenue, Suite 6, Las Vegas, Nevada 89104. CRC, a switched telecommunications reseller, provides intrastate, long distance telecommunications services throughout the United States and in the District of Columbia.

III. DESCRIPTION OF THE TRANSACTION

On February 18, 1997, Maxxis and CRC entered into that certain Agreement for 1 Plus Services (the "Agreement"), whereby, *inter alia*, Maxxis (i) began marketing and selling CRC's long distance services as an independent sales agent of CRC, and (ii) obtained certain rights to the

DOCUMENT NUMBER-DATE

990365-TI MAR 19 99

FPSC-RECORDS/REPORTING

Florida Public Service Commission
March 17, 1999
Page 2

subscriber base it developed for CRC.¹

Specifically, under the Agreement, Maxxis obtained the right to acquire the assets utilized to serve the subscriber base it developed for CRC (*i.e.*, customer accounts, rights under written or oral agreements, customer lists) after generating certain minimum levels of revenue for CRC. In pertinent part, Schedule A to the Agreement states that:

[Maxxis] own[s] the customer base when monthly revenues reach \$750,000 per month. If this is not reached, the customer base reverts to [Maxxis] after 12 months of service on CRC if a minimum monthly billing of \$500,000 is maintained for 8 consecutive months.²

At this time, Maxxis' sales and marketing activities generate monthly revenues for CRC in excess of \$750,000. Consequently, Maxxis and CRC seek the Commission's concurrence or approval, as the case may be, for Maxxis to acquire the assets utilized to serve the subscriber base developed by Maxxis for CRC.

Following the acquisition, Maxxis will own and operate these assets to provide long distance telecommunications resale services to customers in Florida. CRC, moreover, will cease providing long distance telecommunications services to such customers in Florida. CRC, however, will continue offering long distance telecommunications services to other customers not comprising the subscriber base developed by Maxxis for CRC in Florida.

IV. PUBLIC INTEREST

Maxxis' acquisition of the CRC assets utilized to provide telecommunications services to the subscriber base generated by Maxxis is in the public interest. As a result of the acquisition, Maxxis will assume all responsibilities for providing long distance telecommunications services to the former CRC customers. In this regard, Maxxis will incorporate CRC's service offerings in Florida, thereby enabling CRC's customers to obtain service from Maxxis under the same terms and conditions that those customers purchased such services. Maxxis will provide the applicable CRC

¹Agreement for 1 Plus Services by and between Colorado River Communications Inc. and Maxxis Communications, Inc. (d/k/a Maxxis Telecom, Inc.) dated February 18, 1997. A copy of the Agreement is attached hereto at Exhibit "A".

²Agreement at Schedule A.

Florida Public Service Commission
March 17, 1999
Page 3

customers with written notification of its acquisition of the certain CRC assets and with the opportunity to cancel their service at no charge if they choose not to obtain long distance services from Maxxis. Consequently, Maxxis' acquisition of CRC's assets will not result in any interruption or diminution in the quality of service provided to the former CRC customers and will be essentially transparent to such customers.

V. MAXXIS' CONTACT INFORMATION

Maxxis' address for receipt of official notices, and regulatory contact persons are as follows:

1. Address for Official Notices:

The Commission is requested to direct all official notices to the following addresses:

Thomas O. Cordy
President and Chief Executive Officer
Maxxis Communications, Inc.
1901 Montreal Road, Suite 108
Tucker, Georgia 30084

Charles A. Hudak, Esq.
Gerry, Friend & Sapronov, LLP
Three Ravinia Drive, Suite 1450
Atlanta, Georgia 30346-2131

2. Name and Telephone Number of Maxxis' Regulatory Contact Persons:

Maxxis' regulatory contact persons are as follows:

Thomas O. Cordy
President and Chief Executive Officer
Maxxis Communications, Inc.
1901 Montreal Road, Suite 108
Tucker, Georgia 30084
Tel: 770-552-4766

Charles A. Hudak, Esq.
Gerry, Friend & Sapronov, LLP
Three Ravinia Drive, Suite 1450
Atlanta, Georgia 30346-2131
Tel: 770-399-9500

Mr. Hudak should be contacted in connection with questions regarding this notification, as well as any questions regarding rates, terms and conditions of Maxxis' services.

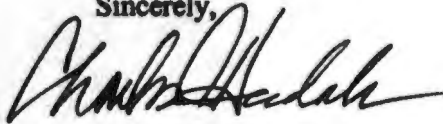
Finally, enclosed are thirteen (13) copies of this letter. Please file this letter in your usual fashion and return one (1) file-stamped copy to us in the enclosed self-addressed, stamped envelope.

GERRY, FRIEND & SAPRONOV, LLP
ATTORNEYS AT LAW

Florida Public Service Commission
March 17, 1999
Page 4

If the Commission requires any further information, please contact the undersigned.

Sincerely,



Charles A. Hudak
Counsel for Maxxis Communications, Inc.

CAH/jh
Enc.

cc: Maxxis Communications, Inc.

VERIFICATION

STATE OF GEORGIA *

COUNTY OF DEKALB *

I am a duly authorized officer of Maxxis Communications, Inc. and am authorized to make this statement on its behalf. I have read the foregoing Application and declare that the statements therein to be true of my own knowledge, except as to matters which are stated on information and belief. As to those matters, I believe them to be true. I so declare under penalty of perjury that the foregoing is true and correct.

By: 

Name: Thomas O. Gray

Title: PRESIDENT / CEO

Date: 2-25-99

SUBSCRIBED AND SWORN to before
me this 25th day of February, 1999.

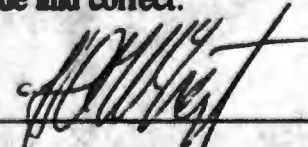

NOTARY PUBLIC in and for said
County and State

Notary Public, Fulton County, Georgia
My Commission Expires Aug. 27, 2002

VERIFICATION

STATE OF Georgia
COUNTY OF Clayton

I am a duly authorized officer of Colorado River Communications, Inc. and am authorized to make this statement on its behalf. I have read the foregoing Application and declare that the statements therein to be true of my own knowledge, except as to matters which are stated on information and belief. As to those matters, I believe them to be true. I so declare under penalty of perjury that the foregoing is true and correct.

By: 
Name: H. Alec McLarty
Title: Chairman/CEO
Date: February 19, 1999

SUBSCRIBED AND SWORN to before
me this 19th day of February, 1999.

Renee C. Aomis
Notary Public in and for said County
and State

My Commission Expires: Notary Public, Clayton County, Georgia
My Commission Expires March 24, 2000

EXHIBIT "A"

AGREEMENT FOR 1 PLUS SERVICES

Agreement for I plus Services

THIS AGREEMENT is made and entered into this 18 day of February, 1997
between

Colorado River Communications Inc. ("CRC")
4275 East Sahara, Suite 6
Las Vegas, Nevada 89104

and

Maxis Telecom, Inc. (MTI)
1080 Holcomb Bridge Rd.
Building 100, Suite 135
Roswell, Georgia 30076

WITNESSETH:

WHEREAS, CRC is in the business of providing telecommunications services and specifically desires to sell Services to hotels, motels, health care facilities, educational entities, military bases, resort rental condominiums, as well as business and individual consumers;

WHEREAS, MTI is in the business of marketing telecommunication services to users and specifically desires to use CRC's Services;

NOW, THEREFORE, in consideration of the material covenants and agreements contained herein, the parties do hereby agree as follows:

1. Appointment of Agents

CRC hereby appoints MTI as an Independent Agent for long distance telephone service, specifically CRC Services ("Services") to those facilities identified by MTI.

2. Term and Termination

The initial term of this Agreement shall be three (3) years from the date first written above provided however, MTI may terminate this Agreement in the event of a material breach of the Agreement by CRC. Such termination will be effective thirty-five (35) days after written notice is mailed by Certified Mail in a properly addressed envelope to the other party. In the event of termination of this Agreement by either party, CRC agrees to continue payments hereunder for so long as CRC is supplying service to properties under contract with MTI.

Further, at the end of the initial term, CRC agrees to extensions of this Agreement as negotiated between the Parties.

3. Services Offered

The Service shall consist of receiving, processing, and completing when possible 1 + and 800 calls originating from MTI customer locations. The calls shall be validated, billed, and revenue collected by CRC. Commissions shall be paid to MTI as per Schedule A.

The services shall be provided only in those areas where permitted by any regulatory agency having jurisdiction, and where CRC or is certified to do business. CRC will endeavor to supply quality Service, equal or better than that offered by its major competitors. Service, operator performance and response time will be within acceptable industry standards. CRC will use its best efforts to keep the Service operational twenty-four hours a day, seven days a week, fifty-two weeks a year.

4. Solicitation of Service

All contracts and other property rights acquired by MTI in pursuit of its rights or obligations hereunder will be and will remain the property of MTI. MTI will obtain a signed Letter of Agency from each location to which Service is to be provided and deliver a copy of it to CRC.

5. Processing of Orders

MTI shall submit all service data and requirements for Service to CRC by means agreeable to both parties. Faxed information, followed by confirming mail delivery, are acceptable to both parties. CRC will use all reasonable efforts to promptly process the MTI orders. CRC will promptly notify MTI of any and all reasons for inability to process the MTI orders on a timely basis (when processing and/or installations may exceed 15 working days). CRC will respond within thirty (15) days of submission of the order as to whether it will accept or reject the order.

6. Limitation of Liability

CRC's liability to an end user or site owner with respect to providing the Service shall be as set forth in the CRC tariffs. CRC's liability for its acts or omissions to end users or site owners with respect to its performance of the non-tariffed terms and conditions of this Agreement shall be limited to direct damages caused by its sole negligence, and will not include consequential, incidental, special, or indirect loss or damage. CRC shall in no event be liable to any person or entity marketing or using the Service supplied under this agreement, for loss of time, inconvenience, consequential, or indirect damages regardless of the basis for such action or claim. CRC's liability shall be limited to direct damages caused by its sole negligence.

7. Regulatory Requirements

Performance of this Agreement by the parties is subject to all applicable existing and future laws, rules and regulations of any duly constituted governmental authority having jurisdiction, and is contingent upon the obtaining and continuance of such approval, consents, governmental authorizations, licenses and permits, as may be required or deemed necessary for the Agreement by the Parties hereto. The Parties shall obtain and maintain such approvals, consents, authorizations, licenses and permits as may be necessary to institute and continue.

agency services as contemplated by this Agreement. In the event that a regulatory authority with jurisdiction over the subject matter of this agreement takes any action which affects CRC's ability to provide Service, CRC shall have the right to redirect intrastate calls to another inter-exchange carrier, or terminate the Service in the particular state. In the event calls are redirected to another inter-exchange carrier, no commissions or revenues will be paid to MTI with respect to such calls. Agent agrees to require customer(s) subscribing to the Service to promptly display notice of CRC's provided Service. CRC will furnish appropriate notice to be distributed by MTI to its customers using the Service. MTI agrees not to block or cause to be blocked access to carriers other than CRC as required by law.

8. Compliance

MTI hereby certifies to CRC that MTI is in compliance with any and all local, state, and federal regulations as to pertain to supplying MTI customers with the Service including, but not limited to, rates, locations surcharges, and end user notification i.e. tent cards, and contract language. CRC agrees to supply the necessary tent cards.

9. Indemnification

MTI will protect, indemnify and hold harmless CRC, its directors, officers, employees and agents, from any and all claims, costs and expenses, including reasonable attorney's fees, arising from Agent's performance under this agreement.

CRC will protect, indemnify and hold harmless MTI, its directors, officers, employees, and agents, from any and all claims, costs and expenses, including reasonable attorney's fees, arising from CRC's performance under this Agreement.

10. General Relationship

Nothing in this Agreement will be construed to imply a joint venture, employer-employee relationship, and MTI will have no right, power or authority to create any obligation, expressed or implied, on behalf of CRC.

11. Assignment and Subcontracting

MTI may not assign any of its rights, and no obligation of MTI may be assumed by any entity other than MTI without prior written consent of CRC. This Agreement may be assigned by CRC in the event of a change of control of CRC, however all terms and conditions of this Agreement will remain in effect.

12. Non-Waiver

No delay or failure of either party in exercising any rights under this Agreement, and no partial or single exercise thereof, will be deemed to constitute a waiver of such right or other rights thereunder.

13. Headings

Headings are inserted for convenience and will not be used in the construction or interpretation of any Article in this Agreement.

14. Governing Law

This Agreement will be construed and enforced in accordance with, and the validity and performance will be governed by the laws of the state of Nevada and it is agreed that any action or suit based on the Agreement must be brought in the City of Las Vegas, Nevada.

15. Entire Agreement

This Agreement sets forth the entire Agreement of the parties with respect to the subject matter hereof, and may not be altered or amended except in writing signed by both parties.

Colorado River Communications, Corp.

Signature: [Handwritten Signature]

Title: [Handwritten Title]

Date: 8-18-97

Mosaic Telecom, Inc.

Signature: [Handwritten Signature]

Title: [Handwritten Title]

Date: 2/20/97

SCHEDULE A CRC-MTI AGREEMENT

Billing Units: Full Minutes for all travel card services; sixty second minimum with six second billing thereafter for all 1-Plus services.

Billing Agents: LEC's (local exchange carriers)

RATES:

Interstate: \$.100

Intrastate: \$.129 (All but five states)
\$.139 (five states)

800 Inbound: \$.109 — \$1.00 int. ser. fee *DEB*

Intrastate: \$.149

Special Intrastate: \$.159

USA Enhanced feature travel card: \$.25 (no bong)

No feature travel card: \$.19 (no bong)

Monthly fees:

CRC/FCC access: \$2.00

Months pass through fee: \$1.00

A 5% bad debt holdback is applied to gross billing before commission is paid.
Plus all taxes and any State or Federal imposed charges.

COMMISSION:

Monthly Billing

Commission

0 to \$500,000

23% — *WAIVED*

\$500,000 to 1,000,000

25%

\$1,000,000 and over

30%

Other:

1. CRC acknowledges that you own the customer base when monthly revenues reach \$750,000 per month. If this is not reached, the customer base reverts to you after 12 months of service on CRC if a minimum monthly billing of \$500,000 is maintained for 8 consecutive months.
2. At one million dollars of monthly billing, CRC will establish Sub carrier identification for Months.
3. CRC requires a 90 day notice before you can move any customer to another carrier, with the exception as provided in this contract of failure of CRC to perform.
4. CRC agrees to allow a 6 month ramp up period at the 25% commission level.