Lance J. M. Steinhart
Attorney At Law
6455 East Johns Crossing
Suite 285
Duluth, Georgia 30097

Also admitted in New York
and Maryland

Telephone: (770) 232-9200
Facsimile: (770) 232-9208

July 18, 2000

VIA OVERNIGHT DELIVERY

Florida Public Service Commission
Tariff Section
2540 Shumard Oak Blvd.
Gunter Bldg.
Tallahassee, Florida 32399
(850) 413-6000

DEPOSIT DATE
D3... JUL 2 ... 2000

Re: oCen Communications, Inc. 000883-TI

Dear Sir/Madam:

Pursuant to our telephone conversation, enclosed please find a check in the amount of $250.00 payable to the Florida Public Service Commission to cover the cost of filing the Application for Authority to Provide Interexchange Telecommunications Service Within the State of Florida for the above-referenced client.

If you have any questions or comments please feel free to call. Thanks.

Sincerely,

Angela Janssen
Legal Assistant to Lance J.M. Steinhart

Enclosures

DOCUMENT NUMBER-DATE
08716 JUL 19 8
FPSC-RECORDS/REPORTING

Lance J. M. Steinhart
Attorney At Law
6455 East Johns Crossing
Suite 285
Duluth, Georgia 30097

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Legal Assistant to Lance J.M. Steinhart

LANCE J. M. STEINHART
ATTORNEY AT LAW
770-232-9200
6455 EAST JOHNS CROSSING, SUITE 285
DULUTH, GA 30097

2582

Date 7-18-00

64-5/610 GA
821

Pay to the order of Florida Public Service Commission $ 250.00

Two Hundred Fifty + no/100 Dollars

Bank of America.

ACH R/T 061000052

For OCEN-FL

DOCUMENT NUMBER-DATE
08716 JUL 19 8

⑆061000052⑆ 0001058195031⑈ 2582

ORIGINAL

Lance J.M. Steinhart
Attorney At Law
6455 East Johns Crossing
Suite 285
Duluth, Georgia 30097

Also Admitted in New York
and Maryland

Telephone: (770) 232-9200
Facsimile: (770) 232-9208

July 15, 2000

VIA OVERNIGHT DELIVERY

Florida Public Service Commission
Tariff Section
2540 Shumard Oak Blvd.
Gunter Bldg.
Tallahassee, Florida 32399
(850) 413-6000

000883-TI

Re: oCen Communications, Inc.

Dear Sir/Madam:

Enclosed please find one original and six (6) copies of oCen Communications, Inc.'s Application for Authority to Provide Interexchange Telecommunications Service Within the State of Florida, along with an original and six (6) copies of oCen Communications, Inc.'s proposed tariff.

I also have enclosed a check in the amount of $250.00 payable to the Florida Public Service Commission to cover the cost of filing these documents.

Please return a stamped copy of the extra copy of this letter in the enclosed preaddressed prepaid envelope.

If you have any questions regarding the application or the tariff, please do not hesitate to call me. Thank you for your attention to this matter.

Sincerely,

Lance J.M. Steinhart, Esq.
Attorney for oCen Communications, Inc.

Enclosures
cc: Chris Au

ORIGINAL

**** FLORIDA PUBLIC SERVICE COMMISSION ****

DIVISION OF COMMUNICATIONS
BUREAU OF SERVICE EVALUATION

APPLICATION FORM
for
AUTHORITY TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICE WITHIN THE STATE OF FLORIDA

Instructions

A. This form is used for an original application for a certificate and for approval of sale, assignment or transfer of an existing certificate. In case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or transferee (See Appendix A).

B. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.

C. Use a separate sheet for each answer, which will not fit the allotted space.

D. If you have questions about completing the form, contact:

> **Florida Public Service Commission**
> **Division of Communications**
> **Bureau of Service Evaluation**
> **2540 Shumard Oak Blvd.**
> **Gunter Building**
> **Tallahassee, Florida 32399-0850**
> **(904) 413-6600**

E. Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of $250.00 to:

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

FORM PSC/CMU 31 (11/91)
Required by Commission Rule Nos. 25-24.471, 25-24.473, 25-24.480(2)

DOCUMENT NUMBER-DATE
08716 JUL 19 8
FPSC-RECORDS/REPORTING

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

(X) **Facilities based carrier** - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.

( ) **Operator Service Provider** - company provides or plans to provide alternative operator services for IXCs; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.

(X) **Reseller** - company has or plans to have one or more switches but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.

( ) **Switchless rebiller** - company has no switch or transmission facilities but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carrier. Rebills end users at a rate above its discount but generally below the rate end users would pay for unaggregated traffic.

( ) **Multi-Location Discount Aggregator** - company contracts with unaffiliated entities to obtain bulk/volume discounts under multi-location discount plans from certain underlying carriers. Then offers the resold service by enrolling unaffiliated customers.

(X) **Prepaid Debit Card Provider** - any person or entity that purchases 800 access from an underlying carrier or unaffiliated entity for use with prepaid debit card service and/or encodes the cards with personal identification numbers.

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

(X)	**Original Authority** (New company).
( )	**Approval of Transfer** (To another certificated company).
( )	**Approval of Assignment of existing certificate** (To a noncertificated company).
( )	**Approval for transfer of control** (To another certificated company).

3. Name of corporation, partnership, cooperative, joint venture or sole proprietorship:

   oCen Communications, Inc.

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

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

   4900 Rivergrade Road, Bldg C110
   Irwindale, California 91706

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

   None

7. Structure of organization;

( )	Individual	(X)	Corporation
( )	Foreign Corporation	( )	Foreign Partnership
( )	General Partnership	( )	Limited Partnership
( )	Other		

8. If applicant is an individual or partnership, please give name, title and address of sole proprietor or partners. **Not Applicable**

   (a) Provide proof of compliance with the foreign limited partnership statute (Chapter 620.160 FS), if applicable.

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

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

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

9. If incorporated, please give:

(a) Proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

Corporate charter number: F00000003198

(b) Name and address of the company's Florida registered agent.

TCS Corporate Services, Inc.
1406 Hays Street, Suite #2
Tallahassee, Florida 32301

(c) Provide proof of compliance with the fictitious name statute (Chapter 865.09 FS), if applicable.

Fictitious name registration number:

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

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

No.

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

No.

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

(a) The application;

Lance J.M. Steinhart, Regulatory Counsel
6455 East Johns Crossing, Suite 285
Duluth, GA 30097
770-232-9200

(b) Official Point of Contact for the ongoing operations of the company;

James Courtney, Chief Operating Officer
oCen Communications, Inc.
4900 Rivergrade Road, Bldg C110
Irwindale, California 91706
(626) 338-6611

(c) Tariff;

Lance J.M. Steinhart, Regulatory Counsel
6455 East Johns Crossing, Suite 285
Duluth, GA 30097
770-232-9200

(d) Complaints/Inquiries from customers;

Anita Chu, Customer Service Manager
oCen Communications, Inc.
4900 Rivergrade Road, Bldg C110
Irwindale, California 91706
(888) 771-0758

11. List the states in which the applicant:

(a) Has operated as an interexchange carrier.

CA and NY

(b) Has applications pending to be certificated as an interexchange carrier.

Applicant is in the process of filing Applications throughout the United States.

(c) Is certificated to operate as an interexchange carrier.

CA, CO, IA, MI, MT, NJ, NY, UT, VA

(d) Has been denied authority to operate as an interexchange carrier and the circumstances involved.

None.

(e) Has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.
None.

(f) Has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

None.

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

( ) Facilities
( ) Billing and Collection
( ) Maintenance
( ) Other:
( ) Operators
( ) Sales

None.

13. Do you have a marketing program?

Yes.

14. Will your marketing program:
(X) Pay commissions?
( ) Offer sales franchises?
( ) Offer multi-level sales incentives?
( ) Offer other sales incentives?

FORM PSC/CMU 31 (11/91)

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

Applicant will pay commissions to sales representatives.

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

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

17. Please provide the following (if applicable):

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

Applicant's name and toll free number will appear on all end-users' bills.

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

The Company intends to direct bill customers utilizing real-time completed call detail information from its underlying carriers.

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

A. Financial capability.

Regarding the showing of financial capability, the following applies:
The application should contain the applicant's financial statements for the most recent 3 years, including:

1. the balance sheet

2. income statement

3. statement of retained earning.

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

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

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

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

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

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

B. Managerial capability.

See Attached.

C. Technical capability.

Applicant will use the network services of its underlying carrier to provide services to customers in the State of Florida.

19. Please submit the proposed tariff under which the company plans to begin operation. Use the format required by Commission Rule 25-24.482 (example enclosed).

See Attached.

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

___ **MTS with distance sensitive per minute rates**
___ Method of access is FGA
___ Method of access is FGB
___ Method of access is FGD
___ Method of access is 800

___ **MTS with route specific rates per minute**
___ Method of access is FGA
___ Method of access is FGB
___ Method of access is FGD
___ Method of access is 800

___ **MTS with statewide flat rates per minute (i.e. not distance sensitive)**
___ Method of access is FGA
___ Method of access is FGB
_X_ Method of access is FGD
_X_ Method of access is 800

___ **MTS for pay telephone service providers**

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

_X_ **800 Service (Toll free)**

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

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

_X_ **Travel Service**
___ Method of access is 950
_X_ Method of access is 800

___ **900 service**

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

Services included are:

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

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

1 (or 101XXXX) +area code+number or 1-800-XXX-XXXX

21. _X_ **Other:**

** APPLICANT ACKNOWLEDGEMENT STATEMENT **

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of $50 is required.

2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.

3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.

4. **APPLICATION FEE:** A non-refundable application fee of $250.00 must be submitted with the application.

5. **RECEIPT AND UNDERSTANDING OF RULES:** I acknowledge receipt and understanding of the Florida Public Service Commission's Rules and Orders relating to my provision of interexchange telephone service in Florida. I also understand that it is my responsibility to comply with all current and future Commission requirements regarding AAV service.

6. **ACCURACY OF APPLICATION:** By my signature below, I the undersigned owner or officer of the named utility in the application, attest to the accuracy of the information contained in this application and associated attachments. I have read the foregoing and declare that to the best of my knowledge and belief, the information is a true and correct statement. Further, I am aware that pursuant to Chapter 837.06, Florida Statutes, whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree.

UTILITY OFFICIAL:

James Courtney

6/5/00
Date

Chief Operating Officer
Title

626-338-6611
Telephone No.

FORM PSC/CMU 31 (11/91)

** APPENDIX B **

CUSTOMER DEPOSITS AND ADVANCE PAYMENTS

A statement of how the Commission can be assured of the security of the customer's deposits and advance payments may be responded to in one of the following ways (applicant please check one):

(X) **The applicant will not collect deposits nor will it collect payments for service more than one month in advance.**

( ) **The applicant will file with the Commission and maintain a surety bond in an amount equal to the current balance of deposits and advance payments in excess of one month. (Bond must accompany application.)**

UTILITY OFFICIAL:

James Courtney

6/5/00
Date

Chief Operating Officer
Title

626-338-6611
Telephone No.

LIST OF ATTACHMENTS

PROPOSED TARIFF

FINANCIAL INFORMATION

MANAGEMENT INFORMATION

STATEMENT OF FINANCIAL CAPABILITY

PROPOSED TARIFF

TITLE SHEET

FLORIDA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service or facilities for Telecommunications Services furnished by oCen Communications, Inc. ("oCen"), with principal offices at 4900 Rivergrade Road, Bldg C110, Irwindale, California 91706. This tariff applies for telecommunications services furnished within the State of Florida. This tariff is on file with the Florida Public Service Commission, and copies may be inspected, during normal business hours, at the company's principal place of business.

CHECK SHEET

The sheets of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom right-hand side of this sheet.

SHEET	REVISION
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original
17	Original
18	Original
19	Original
20	Original
21	Original
22	Original
23	Original
24	Original
25	Original
26	Original
27	Original
28	Original
29	Original

* Original or Revised Sheet Included in the most recent tariff filing

TABLE OF CONTENTS

SYMBOLS

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

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

TARIFF FORMAT

A. Sheet Numbering: Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between pages 11 and 12 would be page 11.1.

B. Sheet Revision Numbers: Revision numbers also appear in the upper right corner of each sheet where applicable. These numbers are used to indicate the most current page version on file with the Commission. For example, 4th Revised Sheet 13 cancels 3rd Revised Sheet 13. Consult the Check Sheet for the sheets currently in effect.

C. Paragraph Numbering Sequence: There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

2.
2.1
2.1.1
2.1.1.A
2.1.1.A.1
2.1.1.A.1.(a)
2.1.1.A.1.(a).I
2.1.1.A.1.(a).I.(i)
2.1.1.A.1.(a).I.(i).(1)

D. Check Sheets: When a tariff filing is made with the Commission, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the sheets contained in the tariff, with a cross reference to the current Revision Number. When new sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some sheets). The tariff user should refer to the latest Check Sheet to find out if a particular sheet is the most current on Commission file.

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement from a local exchange telephone company or other common carrier, using either dedicated or switched access, which connects a Customer's location to the Company's location or switching center.

Authorization Code - A numerical code, one or more of which may be assigned to a Customer, to enable the Company to identify the origin of the Customer so it may rate and bill the call. Automatic number identification (ANI) is used as the authorization code wherever possible.

Commission - Used throughout this tariff to mean the Florida Public Service Commission.

Customer - The person, firm, corporation or other legal entity which orders the services of the Company or purchases a Company Prepaid Calling Card and/or originates prepaid calls using such cards, and is responsible for the payment of charges and for compliance with the Company's tariff regulations.

Company or oCen - Used throughout this tariff to mean oCen Communications, Inc., a Delaware Corporation.

Dedicated Access - The Customer gains entry to the Company's services by a direct path from the Customer's location to the Company's point of presence.

Holiday - New Year's Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Holidays shall be billed at the evening rate from 8 a.m. to 11 p.m. After 11 p.m., the lower night rate shall go into effect.

Prepaid Account - An inventory of Telecom Units purchased in advance by the Customer, and associated with one and only one Authorization Code as contained in a specific Prepaid Calling Card.

Prepaid Calling Card - A card issued by the Company, containing an Authorization Code which identifies a specific Prepaid Account of Telecom Units, which enables calls to be processed, account activity to be logged, and balances to be maintained, on a prepayment basis.

Resp. Org - Responsible Organization or entity identified by an 800 service Customer that manages and administers records in the 800 database and management system.

Switched Access - The Customer gains entry to the Company's services by a transmission line that is switched through the local exchange carrier to reach the Company's point of presence.

Telecom Unit - A measurement of telecommunications service equivalent to one minute of usage between any two points within the State of Florida.

Telecommunications - The transmission of voice communications or, subject to the transmission capabilities of the services, the transmission of data, facsimile, signaling, metering, or other similar communications.

Underlying Carrier - The telecommunications carrier whose network facilities provide the technical capability and capacity necessary for the transmission and reception of Customer telecommunications traffic.

SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of the Company

This tariff contains the regulations and rates applicable to intrastate interexchange telecommunications services provided by the Company for telecommunications between points within the State of Florida. Services are furnished subject to the availability of facilities and subject to the terms and conditions of this tariff in compliance with limitations set forth in the Commission's rules. The Company's services are provided on a statewide basis and are not intended to be limited geographically. The Company offers service to all those who desire to purchase service from the Company consistent with all of the provisions of this tariff. Customers interested in the Company's services shall file a service application with the Company which fully identifies the Customer, the services requested and other information requested by the Company. The Company may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the Customer, to allow connection of a Customer's location to a service provided by the Company. The Customer shall be responsible for all charges due for such service arrangement.

2.1.1 The services provided by the Company are not part of a joint undertaking with any other entity providing telecommunications channels, facilities, or services, but may involve the resale of the Message Toll Services (MTS) and Wide Area Telecommunications Services (WATS) of underlying common carriers subject to the jurisdiction of this Commission.

2.1.2 The rates and regulations contained in this tariff apply only to the services furnished by the Company and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carriers for use in accessing the services of the Company.

2.1.3 The Company reserves the right to limit the length of communications, to discontinue furnishing services, or limit the use of service necessitated by conditions beyond its control, including, without limitation: lack of satellite or other transmission medium capacity; the revision, alteration or repricing of the Underlying Carrier's tariffed offerings; or when the use of service becomes or is in violation of the law or the provisions of this tariff.

2.2 Use and Limitations of Services

2.2.1 The Company's services may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of services, subject to any limitations set forth in this Section 2.2.

2.2.2 The use of the Company's services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another or in such a way as to unreasonably interfere with use by others is prohibited.

2.2.3 The use of the Company's services without payment for service or attempting to avoid payment for service by fraudulent means or devices, schemes, false or invalid numbers, or false calling or credit cards is prohibited.

2.2.4 The Company's services are available for use twenty-four hours per day, seven days per week.

2.2.5 The Company does not transmit messages, but the services may be used for that purpose.

2.2.6 The Company's services may be denied for nonpayment of charges or for other violations of this tariff subject to Section 2.5.1 herein.

2.2.7 Customers shall not use the service provided under this tariff for any unlawful purpose.

2.2.8 The Customer is responsible for notifying the Company immediately of any unauthorized use of services.

2.3 Liability of the Company

2.3.1 The Company shall not be liable for any claim, loss, expense or damage for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff, if caused by an act of God, fire, war, civil disturbance, act of government, or due to any other causes beyond the Company's control.

2.3.2 The Company shall not be liable for, and shall be fully indemnified and held harmless by the Customer against any claim, loss, expense, or damage for defamation, libel, slander, invasion, infringement of copyright or patent, unauthorized use of any trademark, trade name or service mark, proprietary or creative right, or any other injury to any person, property or entity arising out of the material, data or information transmitted.

2.3.3 No agent or employee of any other carrier or entity shall be deemed to be an agent or employee of the Company.

2.3.4 The Company's liability, resulting in whole or in part from or arising in connection with the furnishing of service under this tariff, including but not limited to mistakes, omissions, interruptions, delays, errors, or other defects shall not exceed an amount equal to the charges provided for under this tariff for the long distance call for the period during which the call was affected. No other liability in any event shall attach to the Company, except as ordered by the Commission.

2.3.5 The Company shall not be liable for and shall be indemnified and saved harmless by any Customer or by any other entity from any and all loss, claims, demands, suits, or other action or any liability whatsoever, whether suffered, made, instituted, or asserted by any Customer or any other entity for any personal injury to, or death of, any person or persons, and for any loss, damage, defacement or destruction of the premises of any Customer or any other entity or any other property whether owned or controlled by the Customer or others.

2.3.6 The Company shall not be liable for any indirect, special, incidental, or consequential damages under this tariff including, but not limited to, loss of revenue or profits, for any reason whatsoever, including the breakdown of facilities associated with the service, or for any mistakes, omissions, delays, errors, or defects in transmission occurring during the course of furnishing service.

2.3.7 The remedies set forth herein are exclusive and in lieu of all other warranties and remedies, whether express or implied, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

2.4 Responsibilities of the Customer

2.4.1 The Customer is responsible for placing any necessary orders and complying with tariff regulations. The Customer is also responsible for the payment of charges for services provided under this tariff.

2.4.2 The Customer is responsible for charges incurred for special construction and/or special facilities which the Customer requests and which are ordered by the Company on the Customer's behalf.

2.4.3 If required for the provision of the Company's services, the Customer must provide any equipment space, supporting structure, conduit and electrical power without charge to the Company.

2.4.4 The Customer is responsible for arranging access to its premises at times mutually agreeable to the Company and the Customer when required for Company personnel to install, repair, maintain, program, inspect or remove equipment associated with the provision of the Company's services.

2.4.5 The Customer shall cause the temperature and relative humidity in the equipment space provided by Customer for the installation of the Company's equipment to be maintained within the range normally provided for the operation of microcomputers.

2.4.6 The Customer shall ensure that the equipment and/or system is properly interfaced with the Company's facilities or services, that the signals emitted into the Company's network are of the proper mode, bandwidth, power and signal level for the intended use of the subscriber and in compliance with criteria set forth in this tariff, and that the signals do not damage equipment, injure

Section 2.4.6 Continued

personnel, or degrade service to other Customers. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with the telephone network, the Company will permit such equipment to be connected with its channels without the use of protective interface devices. If the Customer fails to maintain the equipment and/or the system properly, with resulting imminent harm to Company equipment, personnel or the quality of service to other Customers, the Company may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, the Company may, upon written notice, terminate the Customer's service.

2.4.7 The Customer must pay the Company for replacement or repair of damage to the equipment or facilities of the Company caused by negligence or willful act of the Customer or others, by improper use of the services, or by use of equipment provided by Customer or others.

2.4.8 The Customer must pay for the loss through theft of any Company equipment installed at Customer's premises.

2.4.9 If the Company installs equipment at Customer's premises, the Customer shall be responsible for payment of any applicable installation charge.

2.4.10 The Customer must use the services offered in this tariff in a manner consistent with the terms of this tariff and the policies and regulations of all state, federal and local authorities having jurisdiction over the service.

2.5 Cancellation or Interruption of Services

2.5.1 Without incurring liability, upon five (5) working days' (defined as any day on which the company's business office is open and the U.S. Mail is delivered) written notice to the Customer, the Company may immediately discontinue services to a Customer or may withhold the provision of ordered or contracted services:

2.5.1.A For nonpayment of any sum due the Company for more than thirty (30) days after issuance of the bill for the amount due,

2.5.1.B For violation of any of the provisions of this tariff,

2.5.1.C For violation of any law, rule, regulation, policy of any governing authority having jurisdiction over the Company's services, or

2.5.1.D By reason of any order or decision of a court, public service commission or federal regulatory body or other governing authority prohibiting the Company from furnishing its services.

2.5.2 Without incurring liability, the Company may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of Customer and the Company's equipment and facilities and may continue such interruption until any items of noncompliance or improper equipment operation so identified are rectified.

2.5.3 Service may be discontinued by the Company without notice to the Customer, by blocking traffic to certain counties, cities or NXX exchanges, or by blocking calls using certain Customer authorization codes, when the Company deems it necessary to take such action to prevent unlawful use of its service. The Company will restore service as soon as it can be provided without undue risk, and will, upon request by the Customer affected, assign a new authorization code to replace the one that has been deactivated.

2.5.4 The Customer may terminate service upon verbal or written notice for the Company's standard month to month contract. Customer will be liable for all usage on any of the Company's service offerings until the Customer actually leaves the service. Customers will continue to have Company usage and be responsible for payment until the Customer or its agent notifies its local exchange carrier and changes its long distance carrier.

2.6 Credit Allowance - Interruption of Service

2.6.1 Credit may be given for disputed calls, on a per call basis.

2.6.2 Credit shall not be issued for unavailability of long distance services.

2.6.3 The Customer shall be credited for an interruption of two hours or more at the rate of 1/720th of any monthly service charges for each hour or major fraction thereof that the interruption continues.

Credit Formula:

$$\text{Credit} = \frac{A}{720} \times B$$

"A" - outage time in hours
"B" - monthly charge for affected activity

2.7 Deposit

The Company does not require deposits.

2.8 Advance Payments

The Company requires advance payments for recurring and non-recurring charges. This will be applied against the next month's charges, and if necessary, a new advance payment will be collected for the next month.

2.9 Payment and Billing

2.9.1 Service is provided and billed on a billing cycle basis, beginning on the date that service becomes effective. Billing is payable upon receipt.

2.9.2 The customer is responsible for payment of all charges for services furnished to the Customer, as well as to all persons using the Customer's codes, exchange lines, facilities, or equipment, with or without the knowledge or consent of the Customer. The security of the Customer's Authorization Codes, subscribed exchange lines, and direct connect facilities is the responsibility of the Customer. All calls placed using direct connect facilities, subscribed exchange lines, or Authorization Codes will be billed to and must be paid by the Customer. Recurring charges and non-recurring charges are billed in advance. Charges based on actual usage during a month and any accrued interest will be billed monthly in arrears.

2.10 Collection Costs

In the event Company is required to initiate legal proceedings to collect any amounts due to Company for regulated services, or for the enforcement of any other provision of this tariff or applicable law, Customer shall, in addition to all amounts due, be liable to Company for all reasonable costs incurred by Company in such proceedings and enforcement actions, including reasonable attorneys' fees, collection agency fees or payments, and court costs. In any such proceeding, the amount of collection costs, including attorneys' fees, due to the Company, will be determined by the court.

2.11 Taxes

All federal, state and local taxes, assessments, surcharges, or fees, including sales taxes, use taxes, gross receipts taxes, and municipal utilities taxes, are billed as separate line items and are not included in the rates quoted herein.

2.12 Late Charge

A late fee will be charged on any past due balances as set forth in Section 4.10 of this tariff.

2.13 Returned Check Charge

A fee, as set forth in Section 4.6 of this tariff, will be charged whenever a check or draft presented for payment for service is not accepted by the institution on which it is written.

2.14 Location of Service

The Company will provide service to Customers within the State of Florida.

2.15 Sale of Telecommunications Services to Uncertified IXCs Prohibited

Customers reselling or rebilling the Company's telecommunications services must have a Certificate of Public Convenience and Necessity as an interexchange carrier from the Commission.

2.16 Reconnection Charge

A reconnection fee per occurrence as set forth in Section 4.12 of this tariff, will be charged when service is reestablished for Customers which have been disconnected due to non-payment. Payment of the reconnection fee and any other outstanding amounts will be due in full prior to reconnection of service

SECTION 3 - DESCRIPTION OF SERVICE

3.1 Computation of Charges

3.1.1 The total charge for each completed call may be a variable measured charge dependent on the duration, distance and time of day of the call. The total charge for each completed call may also be dependent only on the duration of the call, i.e. a statewide flat rate per minute charge. The variable measured charge is specified as a rate per minute which is applied to each minute. All calls are measured in increments as set forth in the Rates Section of this tariff. All calls are rounded up to the next whole increment.

3.1.2 Usage charges for all mileage sensitive products are based on the airline distance between rate centers associated with the originating and terminating points of the call. The airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. The Company uses the rate centers that are produced by Bell Communications Research in the NPA-NXX V&H Coordinates Tape and Bell's NECA Tariff No. 4.

Formula:

$$\sqrt{\frac{(V1-V2)^2 + (H1-H2)^2}{10}}$$

3.1.3 Timing begins when the called party answers and two way communication is possible, as determined by standard industry methods generally in use for ascertaining answer, including hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. Timing for each call ends when either party hangs up.

3.1.4 The Company will not bill for uncompleted calls.

3.2 Customer Complaints and/or Billing Disputes

Customer inquiries or complaints regarding service or accounting may be made in writing or by telephone to the Company at:

4900 Rivergrade Road, Bldg C110
Irwindale, California 91706
(888) 771-0758

3.2 Continued

Any objection to billed charges should be reported promptly to the Company or its billing agent. Adjustments to Customers' bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate. A Customer who is unable to resolve a billing dispute with the Company may contact the Commission by telephone at 1-800-342-3552 to intervene in the billing dispute.

3.3 Level of Service

A Customer can expect end to end network availability of not less than 99% at all times for all services.

3.4 Billing Entity Conditions

When billing functions on behalf of the Company or its intermediary are performed by local exchange telephone companies or others, the payment of charge conditions and regulations of such companies and any regulations imposed upon these companies by regulatory bodies having jurisdiction apply. The Company's name and toll-free telephone number will appear on the Customer's bill.

3.5 Service Offerings

3.5.1 1+ Dialing

This service permits Customers to originate calls via switched or dedicated access lines, and to terminate intrastate calls. The customer dials "1+" followed by "ten digits" or dials "101XXXX" followed by "1+ ten digits".

3.5.2 Travel Cards

The Customer utilizes an 11 digit "toll-free" access number established by the Company to access a terminal. Upon receiving a voice prompt, the Customer uses push button dialing to enter an identification code assigned by the Company, and the ten digit number of the called party.

3.5.3 800 Service (Toll-Free)

This service is inbound calling only where an 800, 888 or other toll-free prefix number rings into a Customer's premise routed to a specific telephone number or terminated over a dedicated facility.

3.5.4 Company Prepaid Calling Cards

This service permits use of Prepaid Calling Cards for placing long distance calls. Customers may purchase Company Prepaid Calling Cards at a variety of retail outlets or through other distribution channels. Company Prepaid Calling Cards are available at a variety of face values. Company Prepaid Calling Card service is accessed using the Company toll-free number printed on the card. The caller is prompted by an automated voice response system to enter his/her Authorization Code, and then to enter the terminating telephone number. The Company's processor tracks the call duration on a real time basis to determine the number of Telecom Units consumed. The total consumed Telecom Units and applicable taxes for each call are deducted from the remaining Telecom Unit balance on the Customer's Company Prepaid Calling Card.

All calls must be charged against Prepaid Calling Card that has a sufficient Telecom Unit balance. A Customer's call will be interrupted with an announcement when the balance is about to be depleted.

In order to continue the call, the Customer can either call the toll-free number on the back of the Company Prepaid Calling Card and "recharge" the balance on the card using a nationally recognized credit card, or the Customer can throw the card away and purchase a new one. Calls in progress will be terminated by the Company if the balance on the Company Prepaid Calling Card is insufficient to continue the call and the Customer fails to enter the number of another valid Company Prepaid Calling Card prior to termination.

Section 3.5.4 Continued

A card will expire on the date indicated on the card, or if no date is specified, 12 months from the date of first usage, or the date of last recharge, whichever is later. The Company will not refund unused balances.

A credit allowance for Company Prepaid Calling Card Service is applicable to calls that are interrupted due to poor transmission, one-way transmission, or involuntary disconnection of a call. To receive the proper credit, the Customer must notify the Company at the designated toll-free customer service number printed on the Company Prepaid Calling Card and furnish the called number, the trouble experienced (e.g. cut-off, noisy circuit, etc.), and the approximate time that the call was placed.

When a call charged to a Company Prepaid Calling Card is interrupted due to cut-off, one-way transmission, or poor transmission conditions, the Customer will receive a credit equivalent of one Telecom Unit.

Credit allowances for calls pursuant to the Company Prepaid Card Service do not apply for interruptions not reported promptly to the Company or interruptions that are due to the failure of power, equipment or systems not provided by the Company.

Credit for failure of service shall be allowed only when such failure is caused by or occurs due to causes within the control of the Company.

The Company will block all calls beginning with the NPA "900" and NXX "976" calls, therefore such calls can not be completed.

3.5.5 Directory Assistance.

Access to long distance directory assistance is obtained by dialing 1 + (area code) + 555-1212. When more than one number is requested in a single call, a charge will be applicable for each number requested, whether or not the number is listed or published.

3.5.6 Emergency Call Handling Procedures

Emergency "911" calls are not routed to company, but are completed through the local network at no charge.

3.5.7 Promotional Offerings

The Company may offer approved special promotions of new or existing services or products for limited time periods as approved by the Commission. These promotions will include specific tariffed starting and ending dates. All such promotions will be offered on a completely non-discriminatory basis. All such tariffed promotions must be approved by the Commission and must state exactly what charges are being reduced or waived, who is eligible, and what Customers have to do to be eligible.

SECTION 4 - RATES

4.1 1+ & 101XXXX Dialing

$0.15 per minute

A $4.95 per month per number service charge applies.
Billed in one minute increments

4.2 Travel Cards

$.199 per minute

A $.25 per call service charge applies.
Billed in one minute increments

4.3 800 Service (Toll Free)

$0.15 per minute

A $10.00 per month per number service charge applies.

Billed in one minute increments

4.4 Prepaid Calling Cards

$.499 Per Telecom Unit
$.25 Daily Administrative Fee
$3.00 Connection Fee per call
$.99 Payphone Surcharge

4.5 Directory Assistance

$.95 per each number requested

4.6 Returned Check Charge

$25.00

4.7 Rate Periods

	Monday - Friday	Sat.	Sun.
8 a.m. to 5 p.m.*	Daytime Rate Period		
5 p.m. to 11 p.m.*	Evening Rate Period		Evening Rate Period
11 p.m. to 8 a.m.*	Night/Weekend Rate Period		

* To, but not including

When a message spans more than one rate period, total charges for the minutes in each rate period are calculated and the results for each rate period are totaled to obtain the total message charge. If the calculation results in a fractional charge, the amount will be rounded down to the lower cent.

4.8 Rates Applicable for Hearing/Speech Impaired Persons

For intrastate toll messages which are communicated using a telecommunications device for the deaf (TDD) by properly certified business establishments or individuals equipped with TDDs for communications with hearing or speech impaired persons, the rates shall be evening rates for daytime calls and night rates for evening and night calls.
Intrastate toll calls received from the relay service, each local exchange and interexchange telecommunications company billing relay call will be discounted by 50 percent of the applicable rate for a voice nonrelay call except that where either the calling or called party indicates that either party is both hearing and visually impaired, the call will be discounted 60 percent off the applicable rate for voice nonrelay calls.

Florida Public Service Commission Rules and Regulations require the Company to provide the first 50 directory assistance calls initiated per billing cycle by handicapped persons free of charge.

4.9 Employee Concessions

The Company does not offer employee concessions.

4.10 Late Charge

1.5% monthly or the amount otherwise authorized by law, whichever is lower.

4.11 Payphone Dial Around Surcharge

A dial around surcharge of $.50 per call will be added to any completed INTRAstate toll access code and subscriber 800/888 type calls placed from a public or semi-public payphone.

4.12 Reconnection Charge

$25.00

FINANCIAL INFORMATION

The following report is in the form that will be signed upon the completion of the Company's reincorporation in the State of Delaware as described in note 14 of the notes to the consolidated financial statements.

/s/ PricewaterhouseCoopers LLP

Woodland Hills, California

May 8, 2000

Report of Independent Accountants

To the Board of Directors and Stockholders of
oCen Communications, Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, stockholders' equity (deficit) and cash flows present fairly, in all material respects, the financial position of oCen Communications, Inc. and its subsidiaries (the "Company") at September 30, 1998 and 1999, and the results of their operations and their cash flows for the period from October 14, 1997 (Inception) through September 30, 1998 and for the year ended September 30, 1999, in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Woodland Hills, California
February 2, 2000, except as to

Note 14 which is as of May 8, 2000

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OCEN COMMUNICATIONS, INC.

CONSOLIDATED BALANCE SHEETS

(All interim information relating to March 31, 2000 is unaudited)

	September 30, 1998	September 30, 1999	March 31, 2000	Pro Forma Stockholders' Equity March 31, 2000
			(unaudited)	(unaudited)
Assets				
Current assets:				

Cash and cash equivalents..........	$ 26,854	$ 4,310,846	$ 12,000,840
Accounts receivable, less allowance for doubtful accounts of $0, $59,485 and $120,000 respectively..........	13,711	1,055,090	2,408,596
Prepaids and other current assets........	10,000	340,880	1,468,912
Total current assets..............	50,565	5,706,816	15,878,348
Property and equipment, net....................	100,510	3,448,210	7,312,623
Other long-term assets..	26,511	127,833	525,871
Deferred debt issuance costs..................	--	103,218	140,397
Total assets.........	$ 177,586	$ 9,386,077	$ 23,857,239
Liabilities and Stockholders' Equity (Deficit)			
Current liabilities:			
Accounts payable.......	$ 115,642	$ 1,914,206	$ 3,830,896
Accrued expenses and other current liabilities...........	63,677	596,554	1,350,244
Deferred revenues......	66,814	1,487,619	3,050,698
Capital lease obligations...........	--	151,332	295,847
Notes payable..........	--	78,616	2,084,240
Total current liabilities.........	246,133	4,228,327	10,611,925
Capital lease obligations, net of current portion........	--	264,693	470,441
Notes payable, net of current portion........	--	200,718	8,157,416
Convertible notes payable to related parties................	230,000	--	--
Total liabilities....	476,133	4,693,738	19,239,782
Commitments and contingencies (Note 7)			
Stockholders' equity (deficit):			
Convertible preferred stock, $.001 par value; authorized 0, 9,400,000 and 11,700,000 shares at September 30, 1998 and 1999, and March 31, 2000, respectively; issued and outstanding 6,315,644 and 8,406,116 shares at September 30, 1999 and March 31, 2000, respectively; liquidation			

preference of approximately $10,325,000 and $20,953,368 at September 30, 1999 and March 31, 2000, respectively..........	--	6,315	8,406	$ --
Common stock, $ .001 par value; authorized 10,000,000, 26,650,000 and 27,850,000 shares at September 30, 1998 and 1999, and March 31, 2000, respectively; issued and outstanding 6,000,000 shares at September 30, 1998 and 1999, and 6,061,000 at March 31, 2000, and 14,697,885 shares on pro forma basis.......	6,000	6,000	6,061	14,698
Additional paid-in capital..............	774,044	9,917,189	32,050,216	35,049,975
Notes receivable from stockholders..........	(61,040)	(65,709)	(67,387)	(67,387)
Deferred stock compensation..........	(295,437)	(340,638)	(6,732,126)	(6,732,126)
Accumulated deficit....	(722,114)	(4,830,818)	(20,647,713)	(20,647,713)
Total stockholders' equity (deficit)....	(298,547)	4,692,339	4,617,457	$ 7,617,447
Total liabilities and stockholders' equity (deficit)..........	$ 177,586	$ 9,386,077	$ 23,857,239	

The accompanying notes are an integral part of these consolidated financial statements.

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OCEN COMMUNICATIONS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(All interim information relating to the periods ended March 31, 1999 and 2000 is unaudited)

	October 14, 1997 (Inception) through September 30, 1998	For the year ended September 30, 1999	For the six months ended March 31, 1999	For the six months ended March 31, 2000
			(unaudited)	
Revenues................	$ 98,781	$ 2,327,019	$ 163,254	$ 5,816,807

Operating expenses:				
Cost of revenues......	233,373	3,133,230	504,424	9,673,242
General and administrative (excludes stock-based compensation charges of $199,123, $161,814, $49,288 and $241,807 for the period from October 14, 1997 (inception) through September 30, 1998, for the year ended September 30, 1999 and for the six months ended March 31, 1999 and 2000, respectively)........	305,337	1,730,058	448,575	2,526,814
Sales and marketing (excludes stock-based compensation charges of $0, $93,166, $49,288 and $193,446 for the period from October 14, 1997 (Inception) through September 30, 1998, for the year ended September 30, 1999 and for the six months ended March 31, 1999 and 2000, respectively)........	10,850	403,418	59,669	873,789
Product development (excludes stock-based compensation charges of $0, $235,367, $49,289 and $610,564 for the period from October 14, 1997 (Inception) through September 30, 1998, for the year ended September 30, 1999 and for the six months ended March 31, 1999 and 2000, respectively)........	42,031	434,691	88,371	1,880,501
Depreciation and amortization.........	26,970	270,292	46,306	1,121,831
Stock-based compensation.........	199,123	490,347	147,865	1,045,817
Total operating expenses...........	817,684	6,462,036	1,295,210	17,121,994
Loss from operations....	(718,903)	(4,135,017)	(1,131,956)	(11,305,187)
Interest income.........	--	43,462	15,379	145,063
Interest expense........	(3,211)	(17,149)	--	(176,778)
Net loss................	(722,144)	(4,108,704)	(1,116,577)	(11,336,902)
Beneficial conversion feature................	--	--	--	(4,479,993)
Net loss applicable to common stockholders....	$ (722,144)	$(4,108,704)	$(1,116,577)	$(15,816,895)
Basic and diluted net loss per share applicable to common stockholders..........	$ (0.16)	$ (0.75)	$ (0.21)	$ (2.80)

Weighted average shares outstanding used in per-share calculation applicable to common stockholders	4,629,323	5,492,718	5,432,967	5,655,000
Pro forma basic and diluted net loss per share applicable to common stockholders (unaudited)...........		$ (0.54)		$ (0.85)
Weighted average shares outstanding used in pro forma per-share calculation applicable to common stockholders (unaudited)...........		7,582,027		13,282,962

The accompanying notes are an integral part of these consolidated financial statements.

OCEN COMMUNICATIONS, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

	Common Stock		Convertible Preferred Stock		Additional Paid-In Capital	Notes Receivable From Stockholders	Deferred Stock Compensation	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount					
Balance at October 14, 1997 (Inception)....	--	$ --	--	$ --	$ --	$ --	$ --	$ --	$ --
Issuance of common stock...	4,399,920	4,400	--	--	195,600	--	--	--	200,000
Issuance of common stock for services...	488,880	489	--	--	23,955	--	--	--	24,444
Exercise of stock options..	1,111,200	1,111	--	--	59,929	(61,040)		--	--
Deferred stock compensation...	--	--	--	--	494,560	--	(494,560)	--	--
Stock-based compensation...	--	--	--	--	--	--	199,123	-	199,123
Net loss........	--	--	--	--	--	--	--	(722,114)	(722,114)
Balance at September 30, 1998...........	6,000,000	6,000	--	--	774,044	(61,040)	(295,437)	(722,114)	(298,547)
Accrued interest receivable.....	--	--	--	--	--	(3,357)	--	--	(3,357)
Issuance of Series A Preferred......	--	--	1,600,023	1,600	1,215,123	--	--	--	1,216,723
Issuance of Series A warrant........	--	--	--	--	783,277	--	--	--	783,277
Issuance of Series B Preferred......	--	--	3,403,141	3,403	6,496,597	--	--	--	6,500,000
Exercise of Series A warrant........	--	--	1,312,480	1,312	--	(1,312)	--	--	--
Issuance of Series A warrant........	--	--	--	--	112,600	--	--	--	112,600
Deferred stock compensation...	--	--	--	--	535,548	--	(535,548)	--	-
Stock-based compensation...	--		--	--	--	--	490,347	-	490,347
Net loss........	--	--	--	--	--	--	--	(4,108,704)	(4,108,704)
Balance at September 30, 1999...........	6,000,000	6,000	6,315,644	6,315	9,917,189	(65,709)	(340,638)	(4,830,818)	4,692,339

Accrued interest receivable (unaudited)....	--	--	--	--	--	(1,678)	--	--	(1,678)
Exercise of options........	61,000	61	--	--	13,289	--	--	--	13,350
Issuance of Series C Preferred (unaudited)....	--	--	1,023,807	1,024	2,145,976	--	--	--	2,147,000
Issuance of Series D Preferred (unaudited)....	--	--	1,066,665	1,067	7,998,921	--	--	--	7,999,988
Beneficial conversion feature on issuance of Series D Preferred (unaudited)....	--	--	--	--	4,479,993	--	--	(4,479,993)	--
Issuance of Series D warrants (unaudited)....	--	--	--	--	57,543	--	--	--	57,543
Deferred stock compensation (unaudited)....	--	--	--	--	7,437,305	--	(7,437,305)	--	--
Stock-based compensation (unaudited)....	--	--	--	--	--	--	1,045,817	--	1,045,817
Net loss........	--	--	--	--	--	--	--	(11,336,902)	(11,336,902)
Balance at March 31, 2000 (unaudited)....	6,061,000	6,061	8,406,116	8,406	32,050,216	(67,387)	(6,732,126)	(20,647,713)	4,617,457
Conversion of convertible preferred stock (unaudited)....	8,406,116	8,406	(8,406,116)	(8,406)		--	--	--	--
Conversion of convertible notes (unaudited)....	230,769	231	--	--	2,999,759	--	--	--	2,999,990
Balance at March 31, 2000, pro-forma (unaudited)....	14,697,885	$14,698	--	$ --	$35,049,975	$(67,387)	$(6,732,126)	$(20,647,713)	$ 7,617,447

The accompanying notes are an integral part of these consolidated financial statements.

OCEN COMMUNICATIONS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	October 14, 1997 (Inception) through September 30, 1998	For the year ended September 30, 1999	For the six months ended March 31, 1999	2000
			(unaudited)	
Cash flows from operating activities:				
Net loss...............	$ (722,114)	$ (4,108,704)	$(1,116,577)	$(11,336,902)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization........	26,970	270,292	46,306	1,121,831
Bad debt provision...	--	59,485	--	60,515
Accrued interest on				

converted related party notes.........	--	2,790	2,790	--
Accrued interest income on shareholder notes...	--	(3,357)	--	(1,678)
Interest amortized on debt issuance costs..............	--	9,383	--	20,364
Stock-based compensation........	199,123	490,347	147,865	1,045,817
Stock issued for services...........	24,444	--	--	--
Changes in operating assets and liabilities:				
Accounts receivable........	(13,711)	(1,100,864)	(88,331)	(1,414,021)
Prepaids and other assets...........	(36,511)	(432,203)	(59,444)	(1,526,070)
Accounts payable...	115,642	1,798,564	(21,683)	1,916,690
Accrued expense and other current liabilities.......	63,677	532,877	159,141	753,690
Deferred revenues..	66,814	1,420,805	107,634	1,563,079
Net cash used in operating activities........	(275,666)	(1,060,585)	(822,299)	(7,796,685)
Cash flows used in investing activities:				
Purchase of property and equipment.........	(127,480)	(3,118,492)	(273,862)	(4,512,940)
Net cash used in investing activities........	(127,480)	(3,118,492)	(273,862)	(4,512,940)
Cash flows from financing activities:				
Payments under capital lease obligations.....	--	(83,475)	--	(123,041)
Payments under notes payable...............	--	(37,605)	--	(37,678)
Proceeds from notes payable...............	--	316,939	--	10,000,000
Proceeds from issuance of common stock.......	200,000	--	--	--
Proceeds from options exercised............	--	--	--	13,350
Proceeds from issuance of preferred stock....	--	7,483,933	935,223	10,146,988
Proceeds from issuance of preferred warrant...............	--	783,277	783,277	--
Proceeds from convertible notes payable issued to related parties, net..................	230,000	--	--	--
Net cash provided by financing activities........	430,000	8,463,069	1,718,500	19,999,619
Increase (decrease) in cash and cash equivalents...........	26,854	4,283,992	622,339	7,689,994
Cash and cash				

equivalents, beginning of period..............	--	26,854	26,854	4,310,846
Cash and cash equivalents, end of period.................	$ 26,854	$ 4,310,846	$ 649,193	$ 12,000,840
Supplemental cash flow information:				
Cash paid during the period for:				
Income taxes.........	$ 800	$ 1,641	--	--
Interest.............	$ 3,211	$ 25,564	$ 2,230	$ 48,248
Noncash investing and financing activities:				
Purchases of equipment financed under capital leases.............	--	$ 499,500	--	$ 473,304
Notes receivable issued for exercise of stock options and warrant............	$ 61,040	$ 1,312	--	--
Notes receivable issued for purchase of preferred stock..	--	--	$ 48,710	--
Conversion of related party notes to preferred stock.....	--	$ 230,000	$ 230,000	--
Deferred financing costs related to issuance of warrant............	--	$ 112,600	--	57,543

The accompanying notes are an integral part of these consolidated financial statements.

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OCEN COMMUNICATIONS, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All interim information relating to the periods ended March 31, 1999 and 2000 is unaudited)

1. Business and Organization:

oCen Communications, Inc. (the "Company") was incorporated in California in October 1997 under the name Pacific Telekey Network, Inc., and subsequently changed its name to oCen Communications, Inc. in October 1999. The Company provides Internet Protocol ("IP") communication services over a managed IP network.

In December 1998, the Company established a wholly owned subsidiary, Well Signal Development Limited ("Well Signal"), to provide IP communication services in Hong Kong. The subsidiary's name has been legally changed to oCen Communications HK Ltd., effective October 1999.

In September 1999, the Company established a wholly owned subsidiary, oCen Communications Taiwan, Ltd. ("oCen Taiwan"), to provide IP communication services in Taiwan.

The accompanying consolidated financial statements have been prepared on the basis that the Company will continue as a going concern. Since inception, the Company has incurred significant operating losses and has generated negative cash flows from operations; and, from time to time, has had negative working capital. The Company has funded operations primarily through the sale of equity securities and debt borrowings. Management believes that the proceeds received through the sale of equity or debt securities, borrowings from existing credit facilities and revenue generated from operations will be adequate to support the Company's operations for the next twelve months.

2. Summary of Significant Accounting Policies:

Principles of Consolidation and Basis of Presentation

The consolidated financial statements include the accounts of oCen Communications, Inc. and its aforementioned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation. Each of the Company's subsidiaries has a September 30 year end.

Use of Estimates

In the normal course of preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Fair Value of Financial Instruments

The Company's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, capital lease obligations and notes payable are carried at cost, which approximates their fair value because of the short-term maturity of these instruments and the relatively stable interest rate environment.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization is computed using the straight-line method based upon the estimated useful lives of the assets or lease terms, if shorter, which are generally between 3 and 7 years. Useful lives are evaluated regularly by management in order to determine recoverability in light of current technological conditions. Maintenance and repairs are charged to expense as incurred. Upon the sale or retirement of property and equipment, the accounts are relieved of the cost and the related accumulated depreciation, with any resulting gain or loss included in the Consolidated Statement of Operations.

Long-Lived Assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of such assets may not be recoverable. Recoverability of these assets is determined by comparing the forecasted undiscounted cash flows attributable to such assets to their carrying value. If the carrying value of the assets exceeds the forecasted undiscounted cash flows, then the assets are written down to their fair value. Fair value is determined based on discounted cash flows or appraised values, depending upon the nature of the assets. To date, there have been no such impairments.

Revenue Recognition

The Company's revenues are principally derived from the sale of calling cards to distributors, marketed through traditional and online channels. The distributors resell the calling cards to third parties who in turn sell the calling cards to end users. Revenues are recognized as minutes (or fractions thereof) are delivered to end users provided that no significant Company obligations remain and collection of the related receivable from the distributor is probable. The Company also generates revenue from the sale of wholesale minutes to carriers which are recognized as minutes of usage are delivered, assuming no significant Company obligations remain and collection of the related receivable from the carrier is probable.

Customer payments received in advance for prepaid services and services to be supplied under contractual agreements are deferred and recognized as services are provided. Abandoned or unused time on calling cards is recognized as revenue at the time the cards expire according to the varying sales terms, which generally provide for expiration ranging from 6 months to 1 year after activation.

Cost of Revenues

Cost of revenues primarily consist of access, transmission and termination costs, and are expensed as incurred.

General and Administrative

General and administrative expenses include salaries, employee benefits and expenses for executive, finance, and human resources personnel. In addition, general and administrative expenses include fees for professional services and occupancy costs. These costs are expensed as incurred.

Sales and Marketing

Sales and marketing expenses consist primarily of expenses relating to salaries, payroll taxes, benefits, commissions for sales and marketing personnel and advertising costs. These costs are expensed as incurred. For the period from October 14, 1997 (Inception) to September 30, 1998, for the year ended September 30, 1999 and for the six months ended March 31, 1999 and 2000, advertising expenses amounted to approximately $540, $50,725, $13,639 and $333,350, respectively.

Product Development

Product development costs consist primarily of salaries and related expenses for engineers and information technology personnel, software developers, consulting fees, lab costs and market research. These costs are expensed as incurred.

Income Taxes

The Company utilizes the liability method of accounting for income taxes. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement and the tax bases of assets and liabilities using enacted tax rates in effect for the period in which the differences are expected to reverse. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

Net Loss Per Share

Net loss per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding. Shares associated with stock options, warrants and convertible instruments are not included to the extent they are antidilutive.

Unaudited Pro Forma Net Loss Per Share

Unaudited pro forma net loss per share for the year ended September 30, 1999 and for the six months ended March 31, 2000, is computed by dividing the net loss for the period by the weighted average number of shares of common stock outstanding, including the pro forma effects of the automatic conversion of the Company's convertible preferred stock into shares of the Company's common stock effective at the time of the Company's initial public offering as if such conversion occurred on October 1, 1998 and 1999, respectively, or at the date of original issuance, if later.

Stock-Based Compensation

The Company accounts for stock-based employee compensation arrangements in accordance with the provisions of Accounting Principles Board ("APB") No. 25, "Accounting for Stock Issued to Employees," and complies with the disclosure requirements of SFAS No. 123, "Accounting for Stock-Based Compensation." Under APB No. 25, compensation cost, if any, is recognized over the respective vesting period based on the difference, on the date of grant, between the fair value of the Company's common stock and the grant price. The Company accounts for stock issued to non-employees in accordance with the provisions of SFAS No. 123 and Emerging Issues Task Force ("EITF") 96-18.

Comprehensive Income

The Company adopted the provisions of SFAS No. 130, "Reporting Comprehensive Income" in the fiscal year ended September 30, 1999. Comprehensive income generally represents all changes in stockholders' equity (deficit) during the period except those resulting from investments by, or distributions to, stockholders. For the years ended September 30, 1998 and 1999, there were no such significant changes in stockholders' equity (deficit) other than net loss amounts.

is unaudited)

Foreign Currency Translation

During fiscal year 1999, the Company established two foreign subsidiaries. Translation of foreign currencies are accounted for using the US Dollar as the functional currency of the Company's foreign subsidiaries, however, books of record are maintained in the local currencies. Foreign currency translations occur during remeasurement of the books of record into the functional currency. To date, the Company's customer contracts have been denominated in U.S. dollars, and the operating assets and liabilities of the Company's foreign subsidiaries have been minimal. As a result, there have been no significant foreign currency translation adjustments required to be reflected in stockholders' equity (deficit).

Unaudited Interim Financial Information

The interim consolidated financial statements of the Company for the three months ended December 31, 1998 and 1999, included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations relating to interim financial statements. In the opinion of management, the accompanying unaudited interim consolidated financial statements reflect all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the financial position of the Company at March 31, 2000 and the results of its operations and its cash flows for the six months ended March 31, 1999 and 2000.

Recent Accounting Pronouncements

In March 1998, the American Institute of Certified Public Accountants ("AICPA") issued Statement of Position ("SOP") No. 98-1, "Software for Internal Use," which provides guidance on accounting for the cost of computer software developed or obtained for internal use. The SOP is effective for fiscal periods commencing after December 15, 1998. Management does not believe that the implementation of SOP 98-1 will have a material effect on the consolidated financial statements.

In April 1998, the AICPA issued SOP No. 98-5, "Reporting on the Costs of Start-Up Activities." SOP No. 98-5 requires that all start-up costs related to new operations must be expensed as incurred. In addition, start-up costs that were capitalized in the past must be written off when SOP No. 98-5 is adopted. The adoption of SOP No. 98-5 during the third quarter of fiscal 1998 did not have a significant impact on the Company's financial position, results of operations or cash flows.

3. Concentration of Credit Risk, Significant Customers and Geographic Information:

Financial instruments which subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents and trade accounts receivable. The Company maintains its cash and cash equivalents with major financial institutions; at times, such balances with any one financial institution may exceed FDIC insurance limits. The Company's accounts receivable are derived from revenue earned from customers primarily located in the United States. Although a majority of the Company's customers prepay for services, if necessary, the Company extends differing levels of credit to customers and generally does not require collateral. The Company maintains reserves for potential credit losses based upon the expected collectibility of accounts receivable. To date, such losses have been within management's expectations.

OCEN COMMUNICATIONS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

(All interim information relating to the periods ended March 31, 1999 and 2000 is unaudited)

Revenues from significant customers were as follows:

	October 14, 1997 (Inception) Through September 30, 1998		For the year ended September 30, 1999		For the six months ended March 31, 2000	
	Amount	% of Revenues	Amount	% of Revenues	Amount	% of Revenues
Abest International.....	$ 37,224	38%	$1,019,043	44%	--	--
Global 2000............	21,175	21	--	--	--	--
Goldman Network.........	--	--	264,374	11	$ 859,667	15%
STE Communications......	--	--	319,495	14	1,628,574	28
Star Communications.....	--	--	--	--	1,356,616	23

At September 30, 1999, the Company had receivable balances from Abest International and Abest Communications, Inc. ("Abest") and STE Communications approximating 62% and 12% of total accounts receivable, respectively. At March 31, 2000, the Company had receivable balances from Abest, STE Communications and Star Communications approximating 33%, 24% and 10% of total accounts receivable, respectively.

As of March 31, 2000, one of the Company's largest customers, Abest, owed the Company $785,762, all of which was past due. The Company believes that non-payment is a result of a lack of liquidity at Abest. In January 2000, Abest sold substantially all of its assets to Tianrong Internet Products and Services an over-the-counter publicly traded company, in exchange for restricted common stock of Tianrong. However, Tianrong did not assume any of Abest's liabilities. Although the Company is currently negotiating with Abest to collect amounts due the Company, the Company cannot assess the ultimate collectibility of this balance and as such has deferred all revenue relating to the outstanding uncollected receivable balance from Abest at December 31, 1999 as a result of the uncertainty surrounding the collection of such amount and will recognize revenue upon the collection of the receivable balance from Abest. Deferred revenue related to the uncollected Abest receivable at March 31, 2000 represented approximately 26% of total deferred revenue. The Company intends to vigorously continue its collection efforts.

The Company operates in one industry segment providing IP communications services. The Company's business operations are principally based in the United States and there were no foreign operations during the period October 14, 1997 (Inception) though September 30, 1998. For the year ended September 30, 1999, all of the Company's revenues were generated within the United States. For the six months ended March 31, 2000, the Company generated approximately 96% and 4% of its revenues in the United States and Hong Kong, respectively.

Long-lived assets, excluding accumulated depreciation and amortization, by geographical location at September 30, 1999 and March 31, 2000 are as follows:

	September 30, 1999	March 31, 2000

United States	$2,969,773	$5,904,273
Mainland China	--	1,053,814
Taiwan	392,203	748,559
Hong Kong	383,496	1,027,243
Total	$3,745,472	$8,733,889

OCEN COMMUNICATIONS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

(All interim information relating to the periods ended March 31, 1999 and 2000 is unaudited)

4. Credit Facilities and Convertible Notes Payable:

Credit Facilities

In April 1999, the Company executed a $1,000,000 lease line credit facility (the "Facility") with a lender to refinance certain equipment purchases. The Facility is segregated into two $500,000 tranches, one immediately available to the Company and the second subject to certain conditions as set forth in the Facility. In connection with the Facility, the Company issued a warrant to the lender to purchase 80,000 shares of its Series A preferred stock at an exercise price of $1.25 (See Note 12). In June 1999, the Company borrowed under the first tranche by refinancing equipment purchases of approximately $480,000 and $19,000 under two separate lease agreements (See Note 7). These leases bear interest at a rate of approximately 11% per annum, which amounted to interest expense of approximately $11,000 for the year ended September 30, 1999. As of September 30, 1999, the Company had not borrowed under the second tranche of the Facility, and on December 31, 1999, the unused portion of the Facility expired.

In June 1999, the Company executed a Senior Loan and Security Agreement (the "Agreement") with a lender under which the Company could refinance up to $1,000,000 of qualified equipment purchases through December 31, 1999, or April 30, 2000 if extended. The purchase period was not extended and expired on December 31, 1999. In June 1999, the Company borrowed under the credit facility and executed two individual notes in favor of the lender for approximately $169,000 and $148,000. The notes bear interest at approximately 17% per annum, mature in June 2002, are collateralized by the purchased equipment and are payable in 36 monthly installments. Upon maturity of each note, the Company has the option to either extend the note for an additional 12 months or make one final lump sum payment. As of September 30, 1999, the aggregate outstanding principal balance of these notes amounted to approximately $279,000, of which approximately $79,000 is current.

In November 1999, the Company executed a $1,000,000 equipment lease line (the "Line") with a lender. The term of the Line is 36 months with payments due on the first day of each month. The rate is 3.20% of the applicable equipment cost per month. As of March 31, 2000, the Company had no borrowings against the Line.

In February 2000, the Company agreed to a $1,000,000 equipment lease line (the "Equipment Line") with a lender. The Equipment Line may be utilized by the Company through June of 2000 and bears interest at the yield on 36-month U.S. Treasury Notes, as quoted by the bank, plus 300 basis points. In connection with the execution of the Equipment Line, the Company granted warrants to the lender to purchase 5,333 shares of the Company's Series D Preferred at an exercise price of $7.50 per share (see Note 12). As of March 31, 2000, the

Company had no borrowings under the Equipment Line.

Convertible Notes Payable

In January 2000, the Company issued convertible notes (the "Notes") in exchange for $10,000,000. As defined in the agreement, the Notes are convertible into equity securities of the Company upon the occurrence of certain events, bear interest at 6% per annum and mature in January 2005, if not converted. Thirty percent of the outstanding principal shall automatically convert into equity securities of the Company upon the closing of the sale of equity securities in which the Company receives gross proceeds of at least $10,000,000 ("Qualified Financing"). The conversion rate shall be $17.00 per equity security, or if the Qualified Financing is an IPO, the lesser of $17.00 or the IPO price per share. The Company has determined that the portion of the Notes that are subject to automatic conversion, or $3,000,000, upon the closing of a Qualified Financing do not have an associated beneficial conversion feature ("BCF") since the Notes are convertible at a price that appears to be in excess of the estimated deemed fair value of the common stock at the date of issuance.

5. Property and Equipment:

Property and equipment consist of the following:

	September 30, 1998	September 30, 1999	March 31, 2000
Computer and network communications equipment, including assets under capital leases of $499,500 and $972,804 at September 30, 1999 . and March 31, 2000, respectively	$118,028	$3,317,556	$8,075,988
Furniture and fixtures	7,449	44,014	111,351
Leasehold improvements	2,003	383,902	546,550
	127,480	3,745,472	8,733,889
Less: Accumulated depreciation and amortization, including amounts related to assets under capital leases of $41,625 and $149,525 for the year ended September 30, 1999 and for the six months ended March 31, 2000, respectively	26,970	297,262	1,421,266
Total	$100,510	$3,448,210	$7,312,623

6. Related-Party Transactions:

During the period from October 14, 1997 (Inception) through September 30, 1998 and for the year ended September 30, 1999, stockholders and other related parties of the Company loaned the Company $230,000 and $50,000, respectively, in exchange for notes convertible into equity securities of the Company, as defined in the note agreements. The notes are unsecured, bear interest at 5.5%

and mature during various months in the year 2001. During the year ended September 30, 1999, in connection with the Series A preferred stock financing, notes totaling approximately $230,000, plus accrued interest of $2,790, were converted into 186,234 shares of Series A preferred stock. The remaining note for $50,000 was repaid by the Company. At September 30, 1998 and 1999, the Company had outstanding related party notes of approximately $230,000 and $0, respectively.

At September 30, 1998 and 1999, the Company held notes receivable from employees, directors and major stockholders totaling $61,040 and $65,709, respectively, for the purchase of common stock. The notes are unsecured, bear interest at 5.5% per annum and mature on September 29, 2001. The notes are classified as a component of stockholders' equity (deficit).

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OCEN COMMUNICATIONS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

(All interim information relating to the periods ended March 31, 1999 and 2000 is unaudited)

7. Commitments and Contingencies:

Leases

The Company leases its facilities and certain computer equipment under non-cancelable leases for varying periods through 2004, excluding various options to renew. The following are the future minimum commitments under these leases at September 30, 1999:

	Capital Leases	Operating Leases
2000	$190,512	$152,299
2001	190,512	132,613
2002	95,869	112,816
2003	--	101,202
2004	--	25,301
Minimum lease payments	476,893	$524,231
Less: Amount representing interest	(60,868)	
Present value of minimum lease payments	416,025	
Less: Current portion	151,332	
Long-term portion	$264,693	

Rent expense pertaining to operating leases for the period from October 14, 1997 (Inception) through September 30, 1998, for the year ended September 30, 1999 and for the six months ended March 31, 1999 and 2000 was $36,676, $89,226, $34,937 and $199,801, respectively.

In November 1999, the Company relocated its corporate headquarters from West Covina, California to Irwindale, California. In connection with this move, the Company executed a facility lease agreement whereby the Company will make monthly payments ranging from approximately $23,000 to $27,000 through December

2004.

Service Agreements

The Company has entered into various termination, access, Internet connectivity and facility management service agreements with various telecommunication-related companies extending through 2002, excluding various renewal options.

At March 31, 2000, commitments under those service agreements requiring future minimum payments were as follows for the following fiscal years:

2000	$2,482,949
2001	1,764,123
2002	796,158
	$5,043,230

Litigation

From time to time, the Company has been party to various litigation and administrative proceedings relating to claims arising in the normal course of business. To date, the resolution of these matters has not had a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

OCEN COMMUNICATIONS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

(All interim information relating to the periods ended March 31, 1999 and 2000 is unaudited)

8. Asset Purchase Agreements:

In August and September 1999, the Company purchased certain equipment and other fixed assets from Giant Joint International Limited, located in Hong Kong, and from Nations Tech Co., located in Taiwan, respectively, for a total cash consideration of approximately $215,000. The total consideration was allocated to the individual assets based on their estimated fair values at the dates of purchase.

9. Income Taxes:

As a result of net operating losses, the Company has not recorded a provision for income taxes. Significant components of the Company's deferred taxes consisted of the following at September 30, 1998 and 1999:

	September 30,	
	1998	1999
Deferred tax assets:		
Net operating loss carryforwards	$ 181,241	$ 1,166,048
Bad debt expense	--	23,794

Depreciation and amortization........................	910	(166,846)
Deferred revenues....................................	26,725	568,322
Stock-based compensation.............................	67,702	275,788
Other..	272	29,306
Total deferred tax assets............................	276,850	1,896,412
Valuation allowance..................................	(276,850)	(1,896,412)
Net deferred tax assets..............................	$ --	$ --

Due to uncertainty surrounding the realization of the benefits in future tax returns, the Company placed a full valuation allowance against its deferred tax assets as of September 30, 1998 and 1999.

As of September 30, 1999, the Company had federal and state net operating loss carryforwards of approximately $2,915,120 each. The federal net operating loss carryforwards will begin to expire in 2018, and the state net operating loss carryforwards will begin to expire in 2003. The Company's ability to utilize net operating loss carryforwards may be limited in the event that a change in ownership, as defined in the Internal Revenue Code, occurs in the future.

10. Capitalization:

Stock Splits

In August 1998 and April 1999, the Company authorized and effected a 10,000-for-1 and a 3-for-1 stock split, respectively. The share information in the accompanying consolidated financial statements for periods prior to the stock splits have been retroactively restated to reflect the effects of these stock splits.

Convertible Preferred Stock

Convertible preferred stock ("Preferred Stock") at March 31, 2000 consisted of the following:

Series	Shares Authorized	Shares Issued and Outstanding	Liquidation Amount	Value per Share
A	3,750,000	2,912,503	$ 3,876,255	$1.25
B	5,650,000	3,403,141	6,753,381	1.91
C	1,200,000	1,023,807	2,203,745	2.10
D	1,100,000	1,066,665	8,119,987	7.50
Total	11,700,000	8,406,116	$20,953,368	

The holders of Preferred Stock have various rights and preferences as follows:

Dividends

Each share of Series A, Series B, Series C and Series D Preferred Stock provides for discretionary, noncummulative dividends of $0.075, $0.115, $0.126 and $0.45 per share, per annum, respectively.

Conversion

Each share of Preferred Stock is convertible into shares of common stock at the option of the holder at any time after the date of issuance of such shares. Each share of Series A , Series B, Series C and Series D Preferred Stock will automatically convert to common stock upon the consummation of the Company's initial public offering ("IPO") of common stock if the Company receives gross proceeds of at least $10,000,000 and the offering price per share is at least $9.37, or upon approval by 67% of the holders of each class of Preferred Stock.

In connection with the issuance of the Series D Preferred Stock in January 2000, the Company incurred an estimated non-cash charge to equity relating to the BCF on the Series D Preferred Stock. The BCF charge was calculated using the deemed fair value of common stock on the date of issuance, subtracting the conversion price and then multiplying the resulting amount by the number of shares of common stock into which the shares of Series D Preferred Stock are convertible (1,066,665 shares). The Company recorded a BCF charge of $4,479,993. This non-cash equity charge adversely impacted the Company's net loss per share applicable to common stockholders for the six months ended March 31, 2000.

Voting

Each share of Series A, Series B, Series C and Series D Preferred Stock is entitled to the number of votes equal to the number of shares of common stock that could be converted on the date of vote.

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OCEN COMMUNICATIONS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

(All interim information relating to the periods ended March 31, 1999 and 2000 is unaudited)

Redemption

The Preferred Stock is not redeemable.

Liquidation

Upon liquidation (as defined), the holders of Series A, B, C and D Preferred Stock would receive $1.25, $1.91, $2.10 and $7.50 per share, respectively, plus an amount equal to 6% of the Preferred Stock issuance price per annum accruing from the date of original issuance until payment. If at the time of liquidation the assets and funds to be distributed are insufficient to permit the above disbursement, then the entire available assets and funds shall be distributed ratably among the preferred stockholders in proportion to the full amounts to which they would otherwise be entitled.

Shares Issued for Services

In connection with an agreement with a third party, the Company issued 488,880 shares of common stock for services provided in fiscal year 1998. At the date of issuance, the shares were valued at the deemed fair value for accounting purposes, resulting in a charge of $24,444, which is included in general and administrative expense in the accompanying Consolidated Statement of Operations for the period from October 14, 1997 (Inception) through September 30, 1998.

11. Stock Options:

In September of 1998, the Company adopted the 1998 Stock Option/Stock Issuance Plan (the "Plan") which is divided into two separate equity programs, the Option Grant Program and the Stock Issuance Program.

The Option Grant Program provides for the issuance of nonqualified and incentive stock options to employees, non-employee members of the board and consultants. The exercise price per share is not to be less than 85% of the fair market value per share of the Company's common stock on the date of grant for nonqualified stock options. Incentive stock options may not be granted at less than 100% of the fair market value of the Company's common stock on the date of grant (110% if granted to an employee who owns 10% or more of the common stock). Options generally begin vesting six months after the vesting start date, generally the employees date of hire, and generally vest ratably over a four-year period and expire ten years from the date of grant. In addition, certain employees have options that vest immediately. In the event the holder of the option ceases to be employed by the Company, all unvested options are forfeited, all vested options may be exercised within a period of up to 3 months after termination and any options exercised for unvested shares of common stock are subject to repurchase by the Company at the original exercise price. The Company had 416,250 and 338,343 unvested shares of common stock issued and outstanding under the plan at September 30, 1999 and March 31, 2000, respectively, which were subject to repurchase by the Company at the related exercise prices. Under the terms of the Plan, as amended in January 1999, options to purchase 2,611,200 shares of common stock were reserved. As of September 30, 1999, options to purchase 806,230 shares of common stock were available for future grant.

The Stock Issuance Program provides for shares of common stock to be issued directly through either the immediate purchase of shares or as a bonus for services rendered. The purchase price per share is not to be less than 85% of the fair market value per share of the Company's common stock on the date of grant. The purchase price if granted to an employee who owns 10% or more of the common stock must be granted at no

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OCEN COMMUNICATIONS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

(All interim information relating to the periods ended March 31, 1999 and 2000 is unaudited)

less than 110% of the fair market value of the Company's common stock on the date of grant. Vesting of common stock issued is discretionary. In the event the holder ceases to be employed by the Company, all unvested common stock shall be forfeited and any cash paid related to the unvested shares will be repaid by the Company.

A summary of the status of the Company's stock options, as of September 30, 1998 and 1999, and December 31, 1999, and the changes during the respective periods then ended, is presented below:

	Shares	Weighted-Average Exercise Price per Share
Outstanding at October 14, 1997 (Inception)	--	--
Granted	1,111,200	$0.03
Exercised	(1,111,200)	0.03
Canceled	--	--
Outstanding at September 30, 1998	--	--
Granted	994,490	0.19
Exercised	--	--
Canceled	(300,720)	0.19
Outstanding at September 30, 1999	693,770	0.19
Granted	1,661,115	5.14
Exercised	(61,000)	0.22
Canceled	(195,070)	0.19
Outstanding and excercisable at March 31, 2000	2,098,815	$4.11

Options granted for the period from October 14, 1997 (Inception) through September 30, 1998, for the year ended September 30, 1999 and for the six months ended March 31, 2000 resulted in total deferred compensation of $ 494,560, $ 535,548 and $7,437,305 respectively, and were recorded as deferred compensation in stockholder's equity. This deferred compensation represented the difference between the deemed fair value of the Company's common stock for accounting purposes and the exercise price of these options at the date of grant. The deferred stock compensation is recognized as stock-based compensation in the Consolidated Statements of Operations over the related vesting periods of the options.

For the period from October 14, 1997 (Inception) through September 30, 1998, for the year ended September 30, 1999 and for the six months ended March 31, 1999 and 2000, stock-based compensation included in the Consolidated Statements of Operations amounted to $199,123, $490,347, $147,865 and $1,045,817, respectively.

Additional information with respect to the outstanding options as of September 30, 1999 is as follows:

	Options Outstanding and Exercisable			Options Exercised Subject to Repurchase	
Exercise Price	Number of Shares	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number of Shares	Weighted Average Repurchase Price
$0.17	268,000	9.27	$0.17	285,000	$0.03
$0.20	425,770	9.77	$0.20	131,250	$0.17
	693,770			416,250	

OCEN COMMUNICATIONS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

(All interim information relating to the periods ended March 31, 1999 and 2000 is unaudited)

The Company calculated the minimum fair value of each option granted to an employee, officer and/or director of the Company on the date of the grant using the minimum value option pricing model as prescribed by SFAS No. 123 using the following weighted average assumptions:

	1998	1999
Risk-free interest rates	5.5%	5.8%
Expected lives (in years)	4	4
Dividend yield	0	0
Expected volatility	0%	0%

Had compensation costs been determined based upon the methodology prescribed under SFAS No. 123, the Company's net loss and basic and diluted net loss per share applicable to common stockholders would have approximated the following pro forma amounts:

	As Reported	Pro Forma
For the period from October 14, 1997 (Inception) through September 30, 1998:		
Net loss applicable to common stockholders	$ (722,114)	$ (724,368)
Basic and diluted net loss per share applicable to common stockholders	$ (0.16)	$ (0.16)
For the year ended September 30, 1999:		
Net loss applicable to common stockholders	$(4,108,704)	$(4,123,052)
Basic and diluted net loss per share applicable to common stockholders	$ (0.75)	$ (0.75)

The effects of applying SFAS No. 123 in this pro forma disclosure are not indicative of future amounts, and additional awards in future years are anticipated.

During 1999, the Company utilized the Black-Scholes pricing model, assuming a risk-free interest rate of approximately 5.8%, an expected life of 10 years, a 0% dividend yield and forfeiture rate, and an expected volatility rate of approximately 80%, to calculate the fair values of stock options granted to consultants. The stock options are valued at the grant date, and each subsequent reporting period until the options are fully vested, exercisable and noncancelable. Through March 31, 2000, the Company has recorded approximately $1.5 million in deferred stock compensation relating to stock options granted to consultants. As of March 31, 2000, consultants held 140,600 of the total 2,098,815 stock options outstanding.

12. Warrants:

In connection with the issuance of the Series A Preferred Stock as described in Note 10, the Company agreed to issue a warrant to purchase shares of Series A Preferred Stock at $0.001 (par value) per share to an investor if certain revenue milestones were not met by the Company. At the date the warrant was offered, there was uncertainty as to whether the Company could achieve such milestones. Therefore, the Company allocated the proceeds received from the investor of $1,500,000 to the related Series A Preferred Stock shares and the warrant based on their relative fair values, which were determined to be $1,500,000 and $1,639,288, respectively. The amount of the proceeds allocated to the Series A Preferred Stock shares and warrants was $716,723 and $783,277, respectively. The warrant became fully vested, immediately exercisable and nonforfeitable on July 30, 1999 when the Company did not meet the specified milestones. The warrant was exercised in August 1999, and the Company issued 1,312,480 shares of Series A Preferred Stock.

In connection with the execution of the Facility as described in Note 4, the Company issued a warrant to purchase 80,000 shares of Series A Preferred Stock at $1.25 per share to the lender. In June 1999, the warrant became fully vested, exercisable and nonforfeitable as set forth in the Facility. The warrant expires in June 2006. The fair value of the warrant was determined to be approximately $113,000 which will be amortized over the life

of the equipment leases, or 36 months, as additional interest expense. As of September 30, 1999, the Company had recognized related interest expense of approximately $9,000 and the warrant had not been exercised.

In connection with the execution of the Equipment Line as described in Note 4, the Company issued a warrant to purchase 5,333 shares of Series D Preferred Stock at $7.50 per share to the Lender. In February 2000, the warrant became fully vested, excercisable and nonforfeitable as set forth in the Equipment Line. The warrant expires in February 2007. The fair value of the warrant was determined to be approximately $58,000 which will be amortized over the expected lives of the equipment leases, or 36 months, as additional interest expense. As of March 31, 2000, the Company had recognized related interest expenses of approximately $2,000 and the warrant had not been exercised.

13. Net Loss Per Share:

The following table sets forth the computation of basic, diluted and pro forma net loss per share:

	October 14, 1997 (Inception) through September 30, 1998	For the year ended September 30, 1999	For the six months ended March 31, 1999	2000
Historical presentation				
Numerator:				
Net loss applicable to common stockholders....	$(722,114)	$ (4,108,704)	$(1,116,577)	$(15,816,895)
Denominator:				
Weighted average common shares outstanding..........	4,629,323	6,000,000	6,000,000	6,014,047

Adjustment for common shares issued subject to repurchase........	--	(507,282)	(567,033)	(359,047)
Denominator for basic and diluted calculations...........	4,629,323	5,492,718	5,432,967	5,655,000
Basic and diluted net loss per share applicable to common stockholders...........	$ (0.16)	$ (0.75)	$ (0.21)	$ (2.80)
Pro forma presentation				
Numerator:				
Net loss applicable to common stockholders..		$(4,108,704)		$(15,816,895)
Beneficial conversion feature.............		--		4,479,993
Net loss................		$(4,108,704)		$(11,336,902)
Denominator:				
Shares used above.......		5,492,718		5,655,000
Weighted average effect of convertible securities (unaudited):				
Series A convertible preferred stock......		1,632,449		2,912,503
Series B convertible preferred stock......		456,860		3,403,141
Series C convertible preferred stock......		--		720,040
Series D convertible preferred stock......		--		515,355
Convertible notes.....		--		76,923
Denominator for pro forma calculation (unaudited)............		7,582,027		13,282,962
Pro forma basic and diluted net loss per share (unaudited)......		$ (0.54)		$ (0.85)

OCEN COMMUNICATIONS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

(All interim information relating to the periods ended March 31, 1999 and 2000 is unaudited)

As the effect of their inclusion is antidilutive, diluted net loss per share for the period from October 14, 1997 (Inception) through September 30, 1998 and for the year ended September 30, 1999, does not include the effect of options to purchase 0 and 693,770 of common stock, respectively, 0 and 80,000 preferred stock warrants, respectively, approximately 184,000 and 0 shares of preferred stock issuable upon the conversion of related party notes payable, respectively, and 0 and 6,315,644 shares of convertible preferred stock, respectively.

14. Subsequent Events (unaudited):

Stock Option Plan

The Company's Year 2000 Stock Option Plan, which was authorized by the Board in March 2000, will become effective upon the consummation of the IPO. In addition, the Board authorized an additional 1,000,000 stock options to be available for future grants.

Initial Public Offering and Unaudited Pro Forma Stockholders' Equity

In March 2000, the Board of Directors authorized the filing of a registration statement with the Securities and Exchange Commission that would permit the Company to sell shares of the Company's common stock in an IPO. Unaudited pro forma stockholders' equity reflects the conversion of each share of convertible preferred stock into shares of common stock upon the completion of the IPO and the conversion of the portion of the convertible notes payable that will automatically convert into 230,769 shares common stock.

Reincorporation

In March 2000, the Board of Directors approved the reincorporation of the Company in the state of Delaware, and the increase in the number of authorized shares, which will be effected prior to the closing of the IPO. The accompanying consolidated financial statements have been presented to reflect these events.

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3,800,000 Shares

[LOGO]

Common Stock

PROSPECTUS
, 2000

Lehman Brothers

Bear, Stearns & Co. Inc.

ING Barings

Part II

Information Not Required in Prospectus

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the costs and expenses, other than the underwriting discount, payable by the Registrant in connection with the offer and sale of the common stock being registered. All amounts are estimates except the registration fee, the NASD filing fee, and the Nasdaq National Market entry fee.

Registration fee..	$ 23,760
NASD filing fee...	9,500

Blue Sky fees and expenses (including legal fees)................	5,000
Nasdaq National Market entry fee................................	5,000
Accounting fees and expenses....................................	300,000
Other legal fees and expenses...................................	450,000
Transfer agent and registrar fee................................	10,000
Printing and engraving..	250,000
Miscellaneous...	20,000
Total...	$1,073,260

Item 14. Indemnification of Directors and Officers

Section 145 of the Delaware General Corporation Law authorizes a court to award, or a corporation's board of directors to grant, indemnity to directors and officers in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities (including reimbursement for expenses incurred) arising under the Securities Act of 1933, as amended (the "Securities Act"). As permitted by the Delaware General Corporation Law, the Registrant's amended and restated certificate of incorporation includes a provision that eliminates the personal liability of its directors for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Registrant or its stockholders, (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (iii) under section 174 of the Delaware General Corporation Law (regarding unlawful dividends and stock purchases) or (iv) for any transaction from which the director derived an improper personal benefit. As permitted by the Delaware General Corporation Law, the bylaws of the Registrant provide that (i) the Registrant is required to indemnify its directors and officers to the fullest extent permitted by the Delaware General Corporation Law, subject to certain very limited exceptions, (ii) the Registrant may indemnify its other employees and agents as set forth in the Delaware General Corporation Law, (iii) the Registrant is required to advance expenses, as incurred, to its directors and executive officers in connection with a legal proceeding to the fullest extent permitted by the Delaware General Corporation Law, subject to certain very limited exceptions, and (iv) the rights conferred in the bylaws are not exclusive. At present, there is no pending litigation or proceeding involving a director, officer or employee of the Registrant regarding which indemnification is sought, nor is the Registrant aware of any threatened litigation that may result in claims for indemnification. Reference is also made to Section of the Underwriting Agreement, which provides for the indemnification of officers, directors and controlling persons of the Registrant against certain liabilities. The indemnification provisions in the Registrant's amended and restated certificate of incorporation and in its bylaws may be sufficiently broad to permit indemnification of the Registrant's directors and executive officers for liabilities arising under the Securities Act. Reference is made to the following documents filed as exhibits to this registration statement regarding relevant indemnification provisions described above and elsewhere herein:

Document	Exhibit Number
Form of Underwriting Agreement............................	1.1
Form of Amended and Restated Certificate of Incorporation of Registrant...	3.3
Form of Bylaws of Registrant..............................	3.4

The Company has entered into indemnification agreements with each of the Company's directors, a form of which is attached as an exhibit hereto and is incorporated herein by reference.

The Registrant may obtain insurance for the protection of its directors and officers against any liability asserted against them in their official capacities. The rights of indemnification described above are not exclusive of any other rights of indemnification to which the persons indemnified may be entitled under any bylaw, agreement, vote of stockholders or directors or otherwise.

Item 15. Recent Sales of Unregistered Securities

From our inception, we have funded losses and capital expenditures from cash provided from financing activities. These activities included the private placement of the following:

- Common Stock. Common stock sold to our founders for an aggregate amount of approximately $200,000 in October 1997; the cumulative exercise of options to purchase 61,000 shares for an aggregate exercise price of approximately $13,000.

- Convertible Notes. Convertible notes with an aggregate principal amount of approximately $280,000 sold to a group of private investors during fiscal years 1998 and 1999.

- Series A. Convertible preferred stock sold to Baring Private Equity Partners, under the BAPEF Investments IV fund, and private investors for an aggregate amount of approximately $2 million in November 1998.

- Series B. Convertible preferred stock sold to Excel-Foundation, a wholly owned subsidiary of New World Cyberbase, and Anderson Information Technology, for an aggregate amount of approximately $6.5 million in September 1999.

- Series C. Convertible preferred stock sold to existing stockholders, Lotus Asset Management under the Lotus Liberator Fund, and private investors for an aggregate amount of approximately $2.2 million in November 1999.

- Series D. Convertible preferred stock sold to existing stockholders for an aggregate amount of approximately $8 million in January 2000.

- Convertible Notes. Convertible notes with an aggregate principal amount of $10 million sold to a group of private investors in January 2000.

The number of shares of common stock and convertible preferred stock below reflects a 10,000 for one stock split in August 1998 and a 3-for-1 stock split in April 1999.

In October 1997, we issued an aggregate of 4,888,800 shares of common stock for an aggregate purchase price of approximately $200,000 to our founders. We also issued convertible notes with an aggregate principal amount of approximately $280,000 during fiscal years 1998 and 1999. These notes bear interest at the rate of 5.5% annually and expire in July 2001. In the event of a qualified financing of at least $1 million in gross proceeds, the noteholders have the option to convert these notes into equity securities at the same price as the securities issued in the qualified financing. Approximately $230,000 of the notes outstanding were converted into 186,234 shares of Series A preferred stock in November 1998.

In November 1998, we issued 1,600,023 shares of Series A convertible preferred stock for $2 million, which included the conversion of some promissory notes in November 1998. In connection with this offering, we issued a warrant to purchase shares of Series A preferred stock if we did not meet certain revenue milestones. The warrant became fully vested, immediately exercisable and unable to be forfeited on July 31, 1999, when we did not meet these milestones. The warrant was exercised in August 1999, and we issued 1,312,480 shares of Series A preferred stock.

In connection with our credit facility, we issued to the lender a warrant to purchase 80,000 shares of Series A convertible preferred stock at $1.25 per share, which would be equivalent to 80,000 shares of common

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stock upon consummation of this offering. In June 1999, the warrant became fully vested, exercisable, and unable to be forfeited.

In September 1999, we issued 3,403,141 shares of Series B convertible preferred stock for $6.5 million to a subsidiary of New World Cyberbase and to Anderson Information Technology.

In November 1999, we issued 1,023,807 shares of Series C convertible preferred stock for $2.2 million to Lotus Asset Management, a group of private investors, and existing stockholders.

In January 2000, we issued 1,066,665 shares of Series D convertible preferred stock to existing stockholders for approximately $8 million.

In January 2000, we issued $10 million in aggregate principal amount of convertible notes bearing interest at 6% annually to a group of private investors. If we receive gross proceeds of at least $10 million in another round of financing, then 30% of the outstanding principal amount of each note will convert into our capital stock of the Company with the rest of the balance paid out by us. If we consummate an initial public offering prior to January 2005, receive gross proceeds of at least $10 million in another round of financing, or default under the terms of the notes, then we, in our sole discretion, can convert the entire outstanding amounts of the notes into our capital stock.

In connection with our equipment lease line, in January 2000 we issued to the lender a warrant to purchase 5,333 shares of Series D convertible preferred stock at $7.50 per share, which would be equivalent to 5,333 shares of common stock upon consummation of this offering.

Item 16. Exhibits and Financial Statement Schedules

A.Exhibits

*1.1	Form of Underwriting Agreement
**3.1	Amended and Restated Certificate of Incorporation
**3.2	Amended and Restated Bylaws
**4.1	See Article II of Exhibit 3.1 and Article I of Exhibit 3.2
*5.1	Opinion of Brobeck, Phleger & Harrison, LLP
**10.1	1998 Stock Option/Stock Issuance Plan
**10.2	Form of Stock Option Agreement
**10.3	Form of Stock Issuance Agreement
*10.4	Carrier Services Agreement between Registrant and New World Telephone, dated as of January 3, 2000
*10.5	Office Building Lease between Registrant and Capital & Counties USA, Inc., dated as of January, 11, 1999
*10.6	Office Building Lease between Registrant and West Covina Lakes Associates, dated as of October 1, 1997
*10.7	Tenancy Agreement between Registrant and Sun Hung Kai Real Estate Agency on behalf of Kai Carouse Company Limited, dated as of September 1, 1999
*10.8	Office Building Lease between Registrant and Washington Mutual Bank,

	FA, dated as of October 10, 1999
*10.9	System License Agreement between Registrant and Synapsis, dated as of September 9, 1999
**10.10	2000 Stock Incentive Plan
**10.11	2000 Employee Stock Purchase Plan
*10.12	Form of Indemnification Agreement
**10.13	Amended and Restated Investor Rights Agreement, dated as of January 4, 2000

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*10.14	Lease Agreements between Registrant and Chen, Tse-Lin, dated as of December 14, 1998
+10.15	Memorandum of Understanding between Registrant and NetStar International Holding Limited, dated as of March 15, 2000
10.16	Indemnification Agreement between Registrant and Chris Au, dated as of January 11, 2000
**21.1	List of Subsidiaries
*23.1	Consent of Pricewaterhouse Coopers LLP
*23.2	Consent of Brobeck, Phleger & Harrison LLP (included in Exhibit 5.1)
*24.1	Power of Attorney (included on signature page)
*27.1	Financial Data Schedule

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* To be filed by amendment.

** Filed previously.

+ Confidential treatment requested as to portions of this exhibit.

B.Financial Statement Schedules

Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions described in Item 14, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the Underwriting Agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the

MANAGEMENT INFORMATION

Officers.

Ron Higgins. Mr. Higgins has served as chairman since February 2000. He has been an advisor to oCen since it was founded in 1997 and has been an active board member since 1998. Mr. Higgins is the founder and former chairman and chief executive officer of Digital Island, a global e-business delivery network for business-critical applications. For nearly two decades, Mr. Higgins has helped build successful technology companies in the networking, communications, desktop publishing, and multimedia areas. With an extensive background in international strategy and marketing, he has developed and implemented sales and marketing programs for a variety of companies ranging from start-ups to large corporations with revenues in excess of $500 million. Before founding Digital Island in February 1994, Mr. Higgins held senior marketing positions at Tut Systems, Mobius Technologies, Radius, Letraset, and General Parametrics.

Alex Liu. Mr. Liu became chief executive officer of oCen in April 2000, having served as managing director of Asia since February 2000. Mr. Liu has over 20 years of experience marketing professional and information services to corporate and carrier customers around the world, and over 10 years of direct work experience with these enterprises in Asia. Some of his corporate and carrier customers in the region have included traditional and wireless service providers, manufacturers of computer and electronic equipment, software companies, and Internet-based enterprises. Previously, Mr. Liu was the officer-in-charge of the Asia and Americas Communications and Electronics practice of A.T. Kearney, the management consulting arm of EDS, an integrated information technology services firm. He joined A.T. Kearney in 1997 to lead the practice in Asia and relocated to Silicon Valley in 1999 to co-lead the Americas practice. Before joining A.T. Kearney, he worked for the Boston Consulting Group in the United States during the 1980s and in Asia, as a partner and co-founder of the Asia practice, during the 1990s. Mr. Liu holds a B.A. in economics, magna cum laude and Phi Beta Kappa, from Yale University and an M.B.A. from Harvard Business School.

Steven San Eng. Mr. Eng has served as vice-chairman and executive vice-president of corporate development since April 2000 and as a director since January 2000. Prior to that, he served as chief executive officer, chief financial officer, vice-president of business development, and vice-president of marketing and sales for oCen. Mr. Eng has nearly 10 years of strategy and operations consulting, venture capital, and start-up experience. In 1996, Mr. Eng served as an investment manager at AIG Investment Corp. where he helped manage the $1.1 billion Asian Infrastructure Fund, focusing on private equity telecom investments throughout Asia. Before AIG, Mr. Eng joined Asia Online, one of Hong Kong's largest Internet service providers at the time, to manage their customer service and technical support departments. From October 1994 to September 1996, he was a management consultant with AT Kearney in Asia. From May 1992 to October 1994, he was a consultant with the strategic services group of Anderson Consulting based in New York. Mr Eng has a B.S.E. degree from the Wharton School of the University of Pennsylvania, and speaks fluent Cantonese, Mandarin, and Hakkanese.

James Courtney. Mr. Courtney has served as chief operating officer since November 1999. Before joining oCen, Mr. Courtney held executive positions in several international joint ventures in communications. From March 1997 to July 1998, Mr. Courtney served as group executive of information systems at Mobile Telephone Networks, a subsidiary of Cable & Wireless. From January 1996 to February 1997, Mr. Courtney served as chief operating officer for M-Tel, a GSM cellular operator and another subsidiary of Cable & Wireless in Johannesburg, South Africa, where he was responsible for a staff of 800. There, he grew M-Tel's operations to over 230,000 subscribers. Before that, Mr. Courtney was with Mobile Telephone Networks from March 1995 to December 1995, Occell Cellular in Columbia from July 1994 to March 1995, and RTC Mobfion in Bulgaria from October 1992 to June 1994, holding positions in business development, information technology, and business operations, respectively. In the United States, Mr. Courtney held several management and engineering positions with GTE Corporation from July 1986 to July 1990. Mr. Courtney has an M.B.A. from the University of Chicago, where he graduated cum laude. He also holds an M.S. in economics from the London School of Economics, as well as B.S. degrees in both electrical engineering and physics from the University of South Florida.

Mark Keithley. Mr. Keithley has served as chief financial officer since April 2000. He has over 15 years of financial management experience with several major telecommunications companies around the world. Before joining oCen, Mr.

Keithley was chief financial officer for Global One Communications Limited responsible for the Asia, Middle East and Africa division. He joined Global One in 1996 to take over financial management of their Asian operations. Before joining Global One, Mr. Keithley led the development of Sprint International's Asia/Pacific Finance Infrastructure. His previous corporate positions also include various roles of increasing management and leadership responsibility in budgeting, accounting, audit and treasury for U.S.-based Sprint and United Telecommunications. Mr. Keithley holds a B.S. in accounting with a minor in finance from University of Illinois at Urbana-Champaign, and a M.B.A. with scholar distinction in international business and markets analysis from the University of Kansas.

Thomas Bao. Mr. Bao is a co-founder and investor in oCen, and has served as president and director since October 1997 and as vice-president of Greater China since November 1998. Before founding oCen, he founded, funded, and managed Pacific Sunrise, a real estate development company in Los Angeles from October 1994 to October 1996. From February 1993 to September 1994, Mr. Bao worked for Transamerica and from February 1993 to September 1994 for Chung Shing Textiles in various management capacities. Mr. Bao attended the University of San Francisco and is fluent in Mandarin.

William Haner. Mr. Haner has served as vice-president of sales since April 2000 and has over 15 years experience in the telecommunications industry. He has extensive experience in international sales to carriers and commercial customers. Prior to oCen, Mr. Haner was senior vice president at Pacific Gateway Exchange, where he helped launch the company's international wholesale services. From 1993 to 1994, Mr. Haner served in a similar position with IDB Communications Group, Inc., an international telecommunications company, which has since been acquired by WorldCom. From 1985 to 1993, Mr. Haner was a director of sales for TRT International, Inc., where he was responsible for international data services and implementing enhanced facsimile services.

Eckhart Gouras Mr. Gouras became vice-president of business development in August 1999. Before joining oCen, from August 1997 to July 1999, Mr. Gouras founded and developed one of Europe's first and largest Internet communications service providers, POPTEL Telecommunications AG in Berlin, Germany. Before his pioneering efforts at POPTEL, Mr. Gouras served as managing director of Silk Road International Limited from August 1993 to July 1997, advising European companies on doing business in China. He also advised the German Privatization Agency on the sale of state-owned enterprises from 1991 to 1992.Mr. Gouras is a member of the New York bar and worked as a lawyer for Coudert Brothers, an international law firm based in New York. He holds B.A. (Phi Beta Kappa) and J.D. degrees from Columbia University and speaks German, Italian, and Mandarin.

Gunther Gee. Mr. Gee became vice-president of technology in February 1999. From October 1994 to January 1999, Mr. Gee was the vice-president of operations (and de facto vice-president of technology) at DirectNet Telecommunications, an alternative international telecommunications carrier, where he managed the operations during the company's growth from the start-up stage to $80 million in sales and 150 employees. Mr. Gee oversaw the design and deployment of DirectNet's large-scale wholesale and retail networks in the United States and Europe. Prior to DirectNet, Mr. Gee was a senior consultant with PricewaterhouseCoopers bankruptcy and litigation consulting group. Mr. Gee holds a B.S. in business finance, magna cum laude, from the University of the Pacific.

Chris Au. Mr. Au became vice-president of legal in August 1998, secretary in January 1999, and vice-president of Asia operations in October 1999. He served as the chief operating officer at oCen from December 1998 to October 1999. Mr. Au is an attorney with over 10 years of law and entrepreneurial experience. Before joining oCen, from September 1995 to June 1998, Mr. Au founded and managed the New York law firm of Au & Yuen, P.C. Before Au & Yuen, he served externships with the Honorable Sonia M. Sotomayor, a Federal District Court Judge, from January 1994 to May 1994 and the New Jersey Attorney General's Office from September 1993 to December 1993. Mr. Au holds a B.S. in finance and international business from New York University and a J.D. from Rutgers University School of Law. He also studied the legal systems of Hong Kong and China at Hong Kong University. Mr. Au is a member of the New York and New Jersey bars and speaks Cantonese.

Lloyd Fischer. Mr. Fischer became a director of oCen in November 1998. Mr. Fischer is a managing director of ING Barings. Prior to joining ING Barings in October 1999, Mr. Fischer was head of regional telecommunications research for Salomon Smith Barney from March 1998 to October 1999, and held a similar position at Barclays de Zoete Wedd during February 1996 to March 1998. From January 1993 to January 1996, Mr. Fischer was the Asian director of corporate finance for NYNEX Network Systems. Mr. Fischer holds B.S. and J.D. degrees from the University of Illinois and is accredited with a C.F.A. and C.P.A.

Chan Ki. Mr. Chan became a director of oCen in August 1999. Mr. Chan founded Anderson Group Limited, a real estate and technology corporation, in 1993 and developed it into a HK$1 billion enterprise involved in properties and high technology. Anderson Group is based in Hong Kong with investments in the United States, Hong Kong, and China. An Anderson Group company, Anderson Data Transmission Limited, is an investor in oCen. Mr. Chan is a member of the Tianjin Political Consultative Conference, Life Chairman of the Tianjin University Chan Ki Scholarship, Life Chairman of Tianjin Shing Kin College Chan Ki Scholarship, Life Chairman of Xi'an Transportation College Chan Ki Scholarship, Honorary President of Tianjin Chinese Culture Association, and Honorary President of Chaoshan District Galaxy Award Fund.

Simon Lo. Mr. Lo became a director of oCen in August 1999. Mr. Lo has over 19 years of experience in the financial, securities, and futures industries. He has been a member of the Chicago Mercantile Exchange since 1986 and holds memberships in the Index & Option Market and the International Monetary Market. He is currently the deputy chairman of Tai Fook Securities Group Limited, managing director of New World CyberBase Limited and executive director of Huey Tai International Limited, The Kwong Sang Hong International Limited and Pacific Ports Company Limited, each of which is a listed company on the Stock Exchange of Hong Kong. New World Cyberbase is the Internet investment arm of the New World group of companies and an investor in oCen.

Jean Salata. Mr. Salata became a director of oCen in November 1998. Mr. Salata is the founder and the managing member of the general partner of the $305 million Baring Asia Private Equity Fund, an Asia-focused and Asian-based venture fund advised by Baring Private Equity Partners Asia, which belongs to the ING Group, a leading integrated financial services institution. Mr. Salata has regional responsibility for the fund's investment activities. The fund has closed over 20 investments throughout the region since its inception in 1997, including management-led buyouts in the technology sector and early-stage Internet investments. Mr. Salata is chairman of NetStar, a pan-Asian network integrator, in which the fund holds a controlling interest. He is also a director of ActionAce.com, an interactive entertainment software applications and service provider. Mr. Salata has previously worked for the Asian private equity arm of AIG from 1995 to 1997, for Shiu Wing Steel Limited, an Asian industrial group, from 1991 to 1995, and for Bain & Company, the management consulting firm, from 1988 to 1991. He graduated with honors with a B.S. in economics from the Wharton School of the University of Pennsylvania.

STATEMENT OF FINANCIAL CAPABILITY

oCen Communications, Inc. has sufficient financial capability to provide the requested service in the State of Florida and has sufficient financial capability to maintain the requested service and to meet its lease or ownership obligations. In support of oCen Communications, Inc.'s stated financial capability, a copy of its Balance sheets as of September 30, 1998, September 30, 1999 and March 31, 2000; and income statements for the years ended September 30, 1998 and September 30, 1999, and the six months ended March 30, 2000 is attached to its application. oCen Communications, Inc. intends to fund the provision of service through internally generated cash flow and equity financing. oCen Communications, Inc. also has the ability to borrow funds, if required, based upon its financial capabilities.