

# NEW APPLICATION



0000012583

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2000 NOV -9 A 11: 18

AZ CORP COMMISSION  
DOCUMENT CONTROL  
Telephone: (770) 232-9200  
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November 8, 2000

## VIA OVERNIGHT DELIVERY

Docket Control Center  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007  
(602) 542-2237

DOCKET NO. T-03958A-00-0914

Re: TeleCents Communications, Inc.  
Requirements for Certified Switchless Resellers

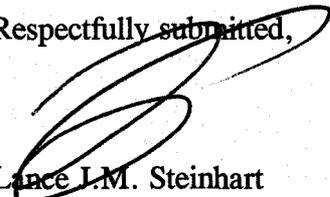
Dear Sir/Madam:

Enclosed please find for filing an original and ten (10) copies of TeleCents Communications, Inc.'s Application and Petition for Certificate of Public Convenience and Necessity to Provide Competitive Intrastate Telecommunications as a Reseller.

I have also enclosed an extra copy of this letter to be date stamped and returned to me in the enclosed, self addressed, postage prepaid envelope.

If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me. Thank you for your attention to this matter.

Respectfully submitted,

  
Lance J.M. Steinhart  
Attorney for TeleCents Communications, Inc.

Enclosures

cc: Jeffrey P. Lauzon

RECEIVED  
FORM A

2000 NOV -9 A 11: 18

ARIZONA CORPORATION COMMISSION

Application and Petition for Certificate of Convenience and Necessity to Provide  
Competitive Intrastate Telecommunications Services as a Long Distance Reseller

ARIZONA CORPORATION COMMISSION  
DOCUMENT CONTROL

Mail original plus 10 copies  
of completed application to:

For Docket Control Only:  
(Place Stamp Here)

Docket Control Center  
Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007

If you have current applications  
pending in Arizona for provision  
of reseller, AOS, or other  
telecommunication services,  
please identify:

DOCKET NO. T-03958A-00-0914

Type of Service:

Docket No.:

Date:

Docket No.:

Type of Service:

Docket No.:

Date:

Date Docketed:

**A. Company and Telecommunications Service Information**

(A-1) The name, address, and telephone number (including area code) of the applicant (company):

**TeleCents Communications, Inc.**  
**8615 Richardson Road; Suite 200**  
**Walled Lake, Michigan 48390**  
**(248) 366-7777**

(A-2) If doing business (dba) under a name other than the applicant (company) name listed above, specify:

(A-3) The name, address, telephone number, and facsimile number and email address of the management contact:

**Jeffrey P. Lauzon**

**President**  
**TeleCents Communications, Inc.**  
**8615 Richardson Road; Suite 200**  
**Walled Lake, Michigan 48390**  
**(248) 366-7777/Phone**  
**(248) 366-9912/Fax**  
**telecents@aol.com**

(A-4) The name, address, and telephone, facsimile number and email address of the attorney, if any, representing the applicant:

**Lance J.M. Steinhart**  
**Attorney at Law**  
**6455 East Johns Crossing**  
**Suite 285**  
**Duluth, Georgia 30097**  
**770-232-9200/Phone**  
**770-232-9208/Fax**  
**lsteinhart@telecomcounsel.com**

(A-5) What type of legal entity is the applicant?

- Sole proprietorship
- Partnership  limited,
- general,  
 Arizona,  
 Foreign
- Limited liability company
- Corporation  "S",  
 "C",  
 non-profit,  
 Arizona,  
 Foreign
- Other, specify:

(A-6) Include "Attachment A." Attachment A must list names of all owners, partners, limited liability company managers, or corporation officers and directors (specify), and indicate percentages of ownership.

(A-7) 1. Is your company currently reselling telecommunication service in Arizona? If yes, provide the date or the approximate date that you began reselling service in Arizona.

*Application and Petition for Competitive Reseller CC&N*

**No.**

2. If the answer to 1. is "yes", identify the types of telecommunications services you resell; whether operator services are provided or resold and whether they are provided or resold to traffic aggregators (as defined in A.A.C. Rule R14-2-1001(3), a copy of which is attached); the number of customers in Arizona for each type of service; and the total number of intrastate minutes resold in the latest 12 month period for which data is available. Note: The Commission rules require that a separate CC&N, issued under Article 10, be obtained in order to provide operator services to traffic aggregators.
3. If the answer to 1. is "no", when does your company plan to begin reselling service in Arizona?

**Upon acceptance of application.**

(A-8) Include "Attachment B." Attachment B, your proposed tariff, must include proposed rates and charges for each service to be provided, state the tariff (maximum) rate as well as the price to be charged, and state other terms and conditions, including deposits, that will apply to provision of the service(s) by your company.

The Commission provides pricing flexibility by allowing competitive telecommunications service companies to price their services at levels equal to or below the tariff (maximum) rates. The prices to be charged by the company are filed with the Commission in the form of price lists. See the "Illustrative Tariff/Price List Example" attached. Note: Price list rate changes that result in rates that are lower than the tariff rate are effective upon concurrent notice to the Commission (See Rule R14-2-1109(B)(2)). See Rule R14-2-1110 for the procedures to make price list changes that result in rates that are higher than the tariff rate.

(A-9) The geographic market to be served is:

- statewide.  
 other, describe and provide a map depicting the area.

(A-10) List the states in which you currently resell services similar to those you intend to resell in Arizona.

**All states except Alabama, Alaska, Connecticut, Nebraska, New Mexico, Oklahoma, South Carolina, and West Virginia.**

*Application and Petition for Competitive Reseller CC&N*

(A-11) Provide the name, address, and telephone number of the company's complaint contact person.

**Elizabeth Eberhart  
TeleCents Communications, Inc.  
8615 Richardson Road; Suite 200  
Walled Lake, Michigan 48390  
Phone: (800) 899-8555**

(A-12) Provide a list of states in which you have sought authority to resell telecommunications services and in which the state granted the authority with major changes and conditions or did not grant your application for those services. For each state listed, provide a copy of the Commission's decision modifying or denying your application for authority to provide telecommunications services.

**None.**

(A-13) Has the company been granted authority to provide or resell telecommunications services in any state where subsequently the authority was revoked? If "yes", provide copies of the State Regulatory Commission's decision revoking its authority.

**No.**

(A-14) Has the company been or is the company currently involved in any formal complaint proceedings before any state or Federal Regulatory Commission? If "yes", in which states is the company involved in proceedings and what is the substance of these complaints. Also, provide copies of Commission orders that have resolved any of these complaints.

**No.**

(A-15) Has the applicant been involved in any civil or criminal investigations related to the delivery of telecommunications services within the last five years? If "yes", in which states has the applicant been involved in investigations and why is the applicant being investigated?

**No.**

(A-16) Has the applicant had judgment entered against it in any civil matter or been convicted of criminal acts related to the delivery of telecommunications services within the last five years? If yes, list the states where judgment or conviction was entered and provide a copy of the court order.

**No.**

*Application and Petition for Competitive Reseller CC&N*

**B. Technical Information**

(B-1) If your company is a switchless reseller, provide the name of the company or companies whose services you resell and skip to question (B-2). If you are not a switchless reseller, complete the remainder of this section.

**Yes, the company intends to resell services provided by Qwest & AT&T.**

Include "Attachment C." Attachment C should provide the following information: A diagram of the applicant's basic call network used to complete Arizona intrastate telecommunications traffic. This diagram should show how a typical call is routed in both its originating and terminating ends (i.e. show the access network and call completion network).

Also include on the diagram the carrier(s) used for each major network component and indicate if the carrier is facilities-based or not. If the carrier is not facilities-based, indicate who owns the facilities (within the State of Arizona) that are used to originate and terminate the applicant's intrastate telecommunications traffic (i.e. provide a list of the Arizona facilities-based long distance carriers whose facilities are used to complete the applicant's intrastate traffic).

(B-2) Will your customers be able to access alternative toll service providers or resellers via 1+ or 101XXXX access, if your system becomes non-operational?

**Yes.**

*Application and Petition for Competitive Reseller CC&N*

**C. Financial Information**

(C-1) Include "Attachment D." Attachment D **must** include copy of your Company's balance sheet, income statement, audit report (if audited) and all related notes to these financial statements for the two most recent years your Company has been in business. **See Attachment D**

(C-2) If your Company does not have financial statements for the two most recent years, please give the date your Company began operations. **1997**

(C-3) If the balance sheets you submit do not have retained earnings accounts, please provide this account information on a separate sheet for each of the two years. **N/A**

(C-4) If your Company is a subsidiary, please provide your Parent Company's financial statements, in addition to your Company's financial statements. **N/A**

(C-5) If your Company intends to rely on the financial resources of its Parent Company, please provide a written statement from your Parent Company attesting that it will provide complete financial backing if your Company experienced a net loss or a business failure and that it will guarantee to payment of customers, advances, prepayments or deposits held by your Company if, for some reason, your Company cannot provide service or repay the deposits. **N/A**

(C-6) Will your customers be required to (or have the option to) pay advances, prepayments, or deposits for any of your products or services.

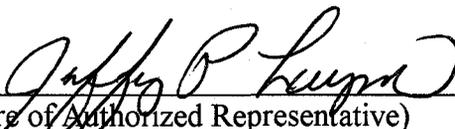
YES  (If yes, provide an explanation of how and when these customers advances, prepayments, or deposits will be applied of reference the terms and conditions section of your Company's tariffs with this explanation. If this information is not explained in the tariff of this application, please provide it on a separate sheet.)

**See sheets 25 and 26 of the Company's tariff.**

NO  (Note: If at a later date, your Company decides it wants to offer or require customer advances, prepayments or deposits, it must submit financial statements as part of the tariff amendment process.)

*Application and Petition for Competitive Reseller CC&N*

I certify that if the applicant is an Arizona corporation, a current copy of the Articles of Incorporation is on file with the Arizona Corporation Commission and the applicant holds a Certificate of Good Standing from the Commission. If the company is a foreign corporation or partnership, I certify that the company has authority to transact business in Arizona. I certify that all appropriate city, county and/or State agency approvals have been obtained. Upon signing of this application I attest that I have read the Commission's rules and regulations relating to the regulations of telecommunications services and that the company will abide by Arizona State Law including the Arizona Corporation Commission Rules and Regulations. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.

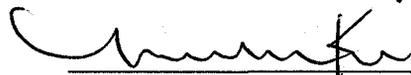
  
\_\_\_\_\_  
(Signature of Authorized Representative)

4-7-00  
\_\_\_\_\_  
(Date)

Jeffrey P. Lauzon  
(Printed Name of Authorized Representative)

President  
(Title)

SUBSCRIBED AND SWORN to before me this 7<sup>th</sup> day of April, 2000.

  
\_\_\_\_\_  
NOTARY PUBLIC MARILYN M. KORNTAS

My Commission Expires: 11-17-2003

## ATTACHMENTS

### A - Officers and Directors                      Percentage Ownership

#### Officers:

Jeffrey P. Lauzon	President/Treasurer
Mark Lauzon	Vice-President
Cynthia Brown	Secretary

#### Directors:

Jeffrey P. Lauzon	100% Shareholder
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**B - Proposed Tariff**

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TITLE SHEET

ARIZONA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service or facilities for Telecommunications Services furnished by TeleCents Communications, Inc. ("TeleCents"), with principal offices at 8615 Richardson Road; Suite 200, Walled Lake, Michigan 48390. This tariff applies for services furnished within the State of Arizona. This tariff is on file with the Arizona Corporation Commission, and copies may be inspected, during normal business hours, at the company's principal place of business.

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ISSUE DATE: November 9, 2000 EFFECTIVE DATE:  
ISSUED BY: Jeffrey P. Lauzon, President  
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CONCURRING, CONNECTING OR  
OTHER PARTICIPATING CARRIERS

1. Concurring Carriers - None
2. Connecting Carriers - None
3. Other Participating Carriers - None

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**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.

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SYMBOLS

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

- (C) to signify change in regulation
- (D) to signify a deletion
- (I) to signify a rate increase
- (L) to signify material relocated in the tariff
- (N) to signify a new rate or regulation
- (R) to signify a rate reduction
- (T) to signify a change in text, but no change in rate or regulation

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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 Arizona.

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.

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- 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 of Services**

- 2.2.1 The Company 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 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.

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**Jeffrey P. Lauzon, President  
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Walled Lake, Michigan 48390**

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- 2.2.3 The use of the Company 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 services are available for use 24 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 services may be denied for nonpayment of charges or for other violations of this tariff.
- 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 the Underlying Carrier, 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.

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- 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 for damages, 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 or misrepresentations 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.
- 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.

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2.3.7 The remedies set forth herein are exclusive and in lieu of all other warranties and remedies, whether express, implied, or statutory, 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 equipment to be maintained within the range normally provided for the operation of microcomputers.

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- 2.4.6 The Customer shall ensure that the equipment and/or system is properly interfaced with the Company facilities or services, the signals emitted into the Company 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, the signals do not damage equipment, injure personnel, or degrade service to other Customers. If the FCC or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, 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 the 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.

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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 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.

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- 
- 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 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 countries, 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 thirty (30) days 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 until the Customer notifies its local exchange carrier and changes its long distance carrier. Until the Customer so notifies its local exchange carrier, it shall continue to generate and be responsible for long distance usage.

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**2.7 Restoration of Service**

The use and restoration of service shall be in accordance with the priority system specified in part 64, Subpart D of the Rules and Regulations of the Federal Communications Commission.

**2.8 Deposit**

The Company does not require deposits.

**2.9 Advance Payments**

The Company does not require advance payments.

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**2.10 Payment and Billing**

- 2.10.1 Service is provided and billed on a billing cycle basis, beginning on the date that service becomes effective. Billing is payable upon receipt.
- 2.10.2 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.
- 2.10.3 All bills are presumed accurate, and shall be binding on the customer unless objection is received by the Company in writing within 30 days after such bills are rendered. No credits, refunds, or adjustments shall be granted if demand therefore is not received by the Company in writing within such 30 day period.

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**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 Where mileage bands appear in a rate table, rates for all calls are based upon the airline distance between the originating and terminating points of the call, as determined by the vertical and horizontal coordinates associated with the exchange (the area code and three digit central office code) associated with the originating and terminating telephone numbers. If the Customer obtains access to the Company's network by a dedicated access circuit, that circuit will be assigned an exchange for rating purposes based upon the Customer's main telephone number at the location where the dedicated access circuit terminates. The vertical and horizontal (V & H) coordinates for each exchange and the airline distance between them will be determined according to industry standards.

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**8615 Richardson Road; Suite 200**  
**Walled Lake, Michigan 48390**

3.1.3 Timing begins when the called station is answered 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. Recognition of answer supervision is the responsibility of the Underlying Carrier. Timing for each call ends when either party hangs up. 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:

8615 Richardson Road; Suite 200  
Walled Lake, Michigan 48390  
(800) 899-8555

Any objection to billed charges should be reported promptly to the Company. 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. Where overbilling of a subscriber occurs, due either to Company or subscriber error, no liability exists which will require the Company to pay any interest, dividend or other compensation on the amount overbilled.

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**ISSUE DATE: November 9, 2000    EFFECTIVE DATE:**  
**ISSUED BY:                    Jeffrey P. Lauzon, President**  
**8615 Richardson Road; Suite 200**  
**Walled Lake, Michigan 48390**



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**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.

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**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 ranging from five dollars (\$5.00), in one dollar (\$1.00) increments. 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.

When the balance is depleted, 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.

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3.5.5 Directory Assistance.

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

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3.5.6 Specialized Pricing Arrangements.

Customized service packages and competitive pricing packages at negotiated rates may be furnished on a case-by-case basis in response to requests by Customers to the Company for proposals or for competitive bids. Service offered under this tariff provision will be provided to Customers pursuant to contract. Unless otherwise specified, the regulations for such arrangements are in addition to the applicable regulations and prices in other sections of the tariff. Specialized rates or charges will be made available to similarly situated Customers on a non-discriminatory basis. Discounts may apply based upon volume, affinity group plans, or term plan commitments.

3.5.7 Emergency Call Handling Procedures

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

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3.5.8 Promotional Offerings

The Company may, from time to time, make promotional offerings to enhance the marketing of its services. These offerings may be limited to certain dates, times and locations. The Company will notify the Commission of such offerings as required by Commission rules and regulations.

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**Jeffrey P. Lauzon, President  
8615 Richardson Road; Suite 200  
Walled Lake, Michigan 48390**

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

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**4.3 800 Service (Toll Free)**

\$0.15 per minute

A \$10 per month per number service charge applies.  
Billed in one minute increments

**4.4 Prepaid Calling Cards  
Program**

A	\$.015	Per Telecom Unit
B	\$.019	Per Telecom Unit
C	\$.025	Per Telecom Unit
D	\$.029	Per Telecom Unit
E	\$.032	Per Telecom Unit
F	\$.035	Per Telecom Unit
G	\$.039	Per Telecom Unit
H	\$.045	Per Telecom Unit
I	\$.05	Per Telecom Unit
J	\$.06	Per Telecom Unit
K	\$.07	Per Telecom Unit
L	\$.08	Per Telecom Unit
M	\$.09	Per Telecom Unit
N	\$.10	Per Telecom Unit
O	\$.11	Per Telecom Unit
P	\$.12	Per Telecom Unit
Q	\$.13	Per Telecom Unit
R	\$.14	Per Telecom Unit
S	\$.15	Per Telecom Unit
T	\$.19	Per Telecom Unit
U	\$.20	Per Telecom Unit
V	\$.25	Per Telecom Unit
W	\$.29	Per Telecom Unit
X	\$.30	Per Telecom Unit
Y	\$.33	Per Telecom Unit
Z	\$.35	Per Telecom Unit
AA	\$.39	Per Telecom Unit
BB	\$.40	Per Telecom Unit
CC	\$.50	Per Telecom Unit

A \$.59 per call service charge applies.

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**4.5 Directory Assistance**

\$ .95

**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.

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**4.8 Payphone Dial Around Surcharge**

A dial around surcharge of \$.35 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.

**4.9 Universal Service Fund Assessment & Presubscribed Interexchange Carrier Charge**

The Customer will be assessed a monthly Universal Service Fund Contribution charge on all telecommunications services, which in no event shall be less than the prevailing contribution percentage rate charged the Company on intrastate traffic by the Universal Service Administrative Company (or any successor) or any state agency or its administrator. A Presubscribed Interexchange Carrier Charge ("PICC") applies on a monthly basis to all Customer monthly bills at the prevailing rate.

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SECTION 5 - MINIMUM/MAXIMUM RATES

**5.1 1 + Dialing**

\$0.04 per minute Minimum

\$0.40 per minute Maximum

**5.2 Travel Cards**

\$0.05 per minute Minimum

\$0.40 per minute Maximum

**5.3 800 Service (Toll-Free)**

\$0.04 per minute Minimum

\$0.40 per minute Maximum

**5.4 Prepaid Calling Cards**

\$0.01 per minute Minimum

\$1.00 per minute Maximum

**5.5 Directory Assistance**

\$0.50 Minimum

\$1.50 Maximum

**5.6 Payphone Dial Around Surcharge**

\$0.35 Minimum

\$1.00 Maximum

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ISSUE DATE: November 9, 2000 EFFECTIVE DATE:  
ISSUED BY: Jeffrey P. Lauzon, President  
8615 Richardson Road; Suite 200  
Walled Lake, Michigan 48390

**D - Financial Statements**

**TELECENTS COMMUNICATIONS, INC.**  
**(a Michigan S-corporation)**  
**WALLED LAKE, MICHIGAN**

**FINANCIAL**  
**STATEMENTS**

**FOR THE THREE MONTHS ENDED MARCH 31, 2000**

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**PFEFFER • HANNIFORD • PALKA**  
*Certified Public Accountants*

**John M. Pfeffer, C.P.A.**  
**Patrick M. Hanniford, C.P.A.**  
**Kenneth J. Palka, C.P.A.**

*Members:*  
*AICPA Private Practice Companies Section*  
*MACPA*

**225 E. Grand River - Suite 104**  
**Brighton, Michigan 48116-1575**  
**(810) 229-5550**  
**FAX (810) 229-5578**

June 27, 2000

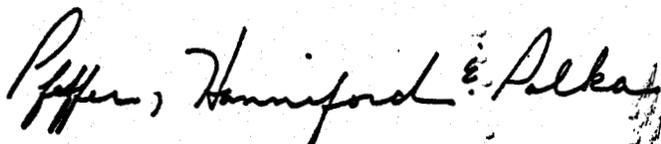
To the Stockholder  
Telecents Communications, Inc.  
8615 Richardson Road  
Walled Lake, Michigan 48390

We have compiled the accompanying balance sheet of Telecents Communications, Inc. (an S-corporation) as of March 31, 2000, and the related statement of operations for the three months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures, and the statement of cash flows required by generally accepted accounting principles. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The company, with the consent of its shareholder, has elected under the Internal Revenue Code, to be an S corporation. In lieu of corporation income taxes, the shareholders of an S corporation are taxed on their proportionate share of the company's taxable income. Therefore, no provision or liability for federal income taxes has been included in these financial statements.



**PFEFFER, HANNIFORD & PALKA**  
Certified Public Accountants

TELECENTS COMMUNICATIONS, INC.  
BALANCE SHEET  
MARCH 31, 2000

ASSETS

CURRENT ASSETS

Cash	\$ 72,450	
Employee advances	<u>6,000</u>	
Total current assets		\$ 78,450

FURNITURE AND EQUIPMENT

Office furniture and equipment	29,538	
Operating equipment	<u>263,096</u>	
	292,634	
Less accumulated depreciation	<u>105,991</u>	
Net furniture and equipment		<u>186,643</u>

Total assets		<u>\$ 265,093</u>
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See accountants' report

PFEFFER • HANNIFORD • PALKA  
Certified Public Accountants

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 35,525	
Note payable - National City Bank	<u>6,981</u>	

Total current liabilities		\$ 42,506
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LONG TERM LIABILITIES

Note payable - National City Bank	31,300	
Note payable - officer	<u>55,622</u>	<u>86,922</u>

Total liabilities		129,428
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STOCKHOLDER'S EQUITY

Common stock	1,000	
Retained earnings	<u>134,665</u>	

Total stockholder's equity		<u>135,665</u>
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Total liabilities and stockholder's' equity		<u>\$ 265,093</u>
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TELECENTS COMMUNICATIONS, INC.  
STATEMENT OF OPERATIONS  
FOR THE THREE MONTHS ENDED MARCH 31, 2000

	<u>Amount</u>	<u>Percent</u>
<b>REVENUE</b>		
Sales	\$ <u>779,612</u>	<u>100.00</u>
<b>COST OF SALES</b>		
Card costs	33,351	4.30
Phone lines	437,368	56.10
Licenses, fees, permits	24,802	3.20
Depreciation	13,530	1.70
Freight	<u>3,675</u>	<u>.50</u>
Total cost of sales	<u>512,726</u>	<u>65.80</u>
Gross profit	<u>266,886</u>	<u>34.20</u>
<b>SELLING AND ADMINISTRATIVE EXPENSES</b>		
Advertising	514	.10
Auto expenses	3,150	.40
Bank charges	200	
Contracted services	17,918	2.30
Depreciation	2,050	.30
Entertainment and meals	471	.10
Insurance	4,730	.60
Legal and accounting	25,855	3.30
Lease - equipment and vehicle	7,999	1.00
Office expense	5,949	.80
Rent building	4,225	.50
Phone - office and cellular	4,319	.60
Taxes	5,068	.70
Wages	<u>51,753</u>	<u>6.50</u>
Total general and administrative expenses	<u>134,201</u>	<u>17.20</u>
Operating income	132,685	17.00
<b>OTHER INCOME (EXPENSES)</b>		
Miscellaneous income	11,460	1.50
Interest expense	<u>(945)</u>	<u>(.20)</u>
Total other income	<u>10,515</u>	<u>1.30</u>
Net income	<u>\$ 143,200</u>	<u>18.30</u>

See accountants' report