

NEW APPLICATION



0000040466

ORIGINAL



February 7, 2006
Via Overnight Delivery

210 N. Park Ave.
Winter Park, FL
32789

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007-2927
T-20439A-06-0076

P.O. Drawer 200
Winter Park, FL
32790-0200

RE: **Cordia Communications Corp.** - Application and Petition for Certificate of Convenience and Necessity to Provide Intrastate Telecommunications Services

Tel: 407-740-8575
Fax: 407-740-0613
tmi@tminc.com

Docket Control:

Enclosed for filing are the original and thirteen (13) copies of the application and proposed Facilities-based Local Exchange Telecommunications Services tariff submitted on behalf of Cordia Communications Corp. The Company respectfully requests the earliest possible effective date for this filing.

Please acknowledge receipt of this filing by date stamping the extra copy of this cover letter and returning it in the self - addressed, stamped envelope enclosed for this purpose.

Any questions you may have regarding this filing may be directed to me at 407-740-3008 or via email to cneeld@tminc.com. Thank you for your assistance.

Sincerely,

Craig Neeld
Consultant to Cordia Communications Corp.

CN/ks

cc: Maria Abbagnaro - Cordia
file: Cordia - AZ local
tms: AZi0600

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2006 FEB - 8 P 2:31
AZ CORP COMMISSION
DOCUMENT CONTROL

ARIZONA CORPORATION COMMISSION

**Application and Petition for Certificate of Convenience and Necessity to Provide
Intrastate Telecommunications Services**

Mail original plus 13 copies of completed application to: For Docket Control Only:
(Please Stamp Here)

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007-2927

Please indicate if you have current applications pending
in Arizona as an Interexchange reseller, AOS provider,
or as the provider of other telecommunication services.

Type of Service: _____

Docket No.: _____ Date: _____ Date Docketed: _____

Type of Service: _____

Docket No.: _____ Date: _____ Date Docketed: _____

A. COMPANY AND TELECOMMUNICATION SERVICE INFORMATION

(A-1) Please indicate the type of telecommunications services that you want to provide in Arizona and answer the appropriate numbered items:

- Resold Long Distance Telecommunications Services (Answer Sections A, B).
- Resold Local Exchange Telecommunications Services (Answer Sections A, B, C).
- Facilities-Based Long Distance Telecommunications Services (Answer Sections A, B, D).
- Facilities-Based Local Exchange Telecommunications Services (Answer Sections A, B, C, D, E)
- Alternative Operator Services Telecommunications Services (Answer Sections A, B)
- Other: _____ (Please attach complete description)

(A-2) The name, address, telephone number (including area code), facsimile number (including area code), e-mail address, and World Wide Web address (if one is available for consumer access) of the Applicant:

Cordia Communications Corp.
445 Hamilton Avenue, Suite 408
White Plains, New York 10601
Phone: 914-682-6197
Fax: 800-445-1750

(A-3) The d/b/a ("Doing Business As") name if the Applicant is doing business under a name different from that listed in Item (A-2):

Not applicable

(A-4) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Management Contact:

**Maria Abbagnaro, General Counsel
Cordia Communications Corp.
445 Hamilton Avenue, Suite 408
White Plains, New York 10601
Phone: 914-948-5550
Fax: 800-714-9950**

(A-5) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Attorney and/or Consultant:

**Craig Neeld, Consultant
Technologies Management, Inc.
210 N. Park Avenue, 2nd Floor
Winter Park, FL 32789
Phone: 407-740-8575
Fax: 407-740-0613
E-Mail: cneeld@tminc.com**

(A-6) The name, address, telephone number (including area code), facsimile number (including area code), E-mail address of the Applicant's Complaint Contact Person:

**Maria Abbagnaro, General Counsel
Cordia Communications Corp.
445 Hamilton Avenue, Suite 408
White Plains, New York 10601
Phone: 914-948-5550
Fax: 800-714-9950**

(A-7) What type of legal entity is the Applicant?

- Sole proprietorship
- Partnership: _____ Limited, _____ General, _____ Arizona, _____ Foreign
- Limited Liability Company: _____ Arizona, _____ Foreign
- Corporation: "S" , "C", Non-profit
- Other, specify: _____

(A-8) Please include "Attachment A":

Attachment "A" must include the following information:

1. A copy of the Applicant's Certificate of Good Standing as a domestic or foreign corporation, LLC, or other entity in the State of Arizona.
2. A list of the names of all owners, partners, limited liability company managers (or if a member managed LLC, all members), or corporation officers and directors (specify).
3. Indicate percentages of ownership of each person listed in A-8.2.

See Attachment A for Cordia Communications Corp.'s Articles of Incorporation, Certificate of Good Standing and listings of the Company Officers, Directors and Stockholders

(A-9) Include your Tariff as "Attachment B".

Your Tariff must include the following information:

1. Proposed Rates and Charges for each service offered (reference by Tariff page number).
2. Tariff Maximum Rate and Prices to be charged (reference by Tariff page number).
3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number).
4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number).
5. The proposed fee that will be charged for returned checks (reference by Tariff page number).

See Attachment B for Cordia Communications Corp.'s proposed local exchange tariff.

(A-10) Indicate the geographic market to be served:

- Statewide. (Applicant adopts statewide map of Arizona provided with this application).
- Other. Describe and provide a detailed map depicting the area.

(A-11) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any formal or informal complaint proceedings pending before any state or federal regulatory commission, administrative agency, or law enforcement agency.

Describe in detail any such involvement. Please make sure you provide the following information:

1. States in which the Applicant has been or is involved in proceedings.
Not Applicable
2. Detailed explanations of the Substance of the Complaints.
Not Applicable
3. Commission Orders that resolved any and all Complaints.
Not Applicable
4. Actions taken by the Applicant to remedy and/or prevent the Complaints from re-occurring.
Not Applicable

(A-12) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any civil or criminal investigation, or had judgments entered in any civil matter, judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years.

Describe in detail any such judgments or convictions. Please make sure you provide the following information:

1. States involved in the judgments and/or convictions.
2. Reasons for the investigation and/or judgment.
3. Copy of the Court order, if applicable.

Not applicable. See answer to previous question.

(A-13) Indicate if the Applicant's customers will be able to access alternative toll service providers or resellers via 1+101XXXX access.

Yes No

(A-14) Is applicant willing to post a Performance Bond? Please check appropriate box(s).

For Long Distance Resellers, a \$10,000 bond will be recommended for those resellers who collect advances, prepayments or deposits.

Yes No

If "No", continue to question (A-15).

For Local Exchange Resellers, a \$25,000 bond will be recommended.

Yes No

If "No", continue to question (A-15).

For Facilities-Based Providers of Long Distance, a \$100,000 bond will be recommended.

Yes No

If "No", continue to question (A-15).

For Facilities-Based Providers of Local Exchange, a \$100,000 bond will be recommended.

Yes No

If "No", continue to question (A-15).

Note: Amounts are cumulative if the Applicant is applying for more than one type of service.

(A-15) If No to any of the above, provide the following information. Clarify and explain the Applicant's deposit policy (reference by tariff page number). Provide a detailed explanation of why the applicant's superior financial position limits any risk to Arizona consumers.

Not Applicable

(A-16) Submit copies of affidavits of publication that the Applicant has, as required, published legal notice of the Application in all counties where the applicant is requesting authority to provide service.

Note: For Resellers, the Applicant must complete and submit an Affidavit of Publication Form as Attachment "C" before Staff prepares and issues its report. Refer to the Commission's website for Legal Notice Material (Newspaper Information, Sample Legal Notice and Affidavit of Publication). For Facilities-Based Service Providers, the Hearing Division will advise the Applicant of the date of the hearing and the publication of legal notice. Do not publish legal notice or file affidavits of publication until your are advised to do so by the Hearing Division.

See Attachment C for Cordia Communications Corp.'s affidavit of publication.

(A-17) Indicate if the Applicant is a switch less reseller of the type of telecommunications services that the Applicant will or intends to resell in the State of Arizona:

Yes No

If "Yes", provide the name of the company or companies whose telecommunications services the Applicant resells.

(A-18) List the States in which the Applicant has had an application approved or denied to offer telecommunications services similar to those that the Applicant will or intends to offer in the State of Arizona: **None Denied**

Note: If the Applicant is currently approved to provide telecommunications services that the Applicant intends to provide in Arizona in less than six states, excluding Arizona, list the Public Utility Commission ("PUC") of each state that granted the authorization. For each PUC listed provide the name of the contact person, their phone number, mailing address including zip code, and e-mail address.

CO, FL, IL, MA, MI,; NJ, NY, OH, PA, WA and OR.

(A-19) List the States in which the Applicant currently offers telecommunications services similar to those that the Applicant will or intends to offer in the State of Arizona.

Note: If the Applicant currently provides telecommunication services that the Applicant intends to provide in Arizona in six or more states, excluding Arizona, list the states. If the Applicant does not currently provide telecommunications services that the Applicant intends to provide in Arizona in five or less states, list the key personnel employed by the Applicant. Indicate each employee's name, title, position, description of their work experience, and years of service in the telecommunications services industry.

The Company currently offers services in the states of NY, NJ, PA, WA & MA.

(A-20) List the names and addresses of any alternative providers of the service that are also affiliates of the telecommunications company, as defined in R14-2-801.

The Company does not have any affiliates.

B. FINANCIAL INFORMATION

(B-1) Indicate if the Applicant has financial statements for the two (2) most recent years.

Yes No

If "No," explain why and give the date on which the Applicant began operations.

(B-2) Include "Attachment D".

Provide the Applicant's financial information for the two (2) most recent years.

1. A copy of the Applicant's balance sheet.
2. A copy of the Applicant's income statement.
3. A copy of the Applicant's audit report.
4. A copy of the Applicant's retained earnings balance.
5. A copy of all related notes to the financial statements and information.

Note: Make sure "most recent years" includes current calendar year or current year reporting period.

Please see Attachment D for the Company's current financial information.

(B-3) Indicate if the Applicant will rely on the financial resources of its Parent Company, if applicable.

Cordia Communications Corp. is submitting the most current Form 10-QSB, of its parent company, Cordia Corporation and subsidiaries.

(B-4) The Applicant must provide the following information.

1. Provide the projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval. Adjusted revenues may be calculated as the number of units sold times the maximum charge per unit.
2. Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.
3. Provide the net book value (original cost less accumulated depreciation) of all Arizona jurisdictional assets expected to be used in the provision of telecommunications service to Arizona customers at the end of the first twelve months of operation. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.
4. If the projected value of all assets is zero, please specifically state this in your response.
5. If the projected fair value of the assets is different than the projected net book value, also provide the corresponding projected fair value amounts.

See Attachment E for the Company's revenue and asset projections.

C. RESOLD AND/OR FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(C-1) Indicate if the Applicant has a resale agreement in operation,

Yes No

If "Yes", please reference the resale agreement by Commission Docket Number or Commission Decision Number.

D. FACILITIES-BASED LONG DISTANCE AND/OR FACILITIES BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(D-1) Indicate if the Applicant is currently selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in the State of Arizona. This item applies to an Applicant requesting a geographic expansion of their CC&N:

Yes No

If "Yes," provide the following information:

1. The date or approximate date that the Applicant began selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services for the State of Arizona.
2. Identify the types of facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services that the Applicant sells in the State of Arizona.

If "No," indicate the date when the Applicant will begin to sell facilities-based long distance telecommunications AND/OR facilities-based local exchange telecommunications services in the State of Arizona:

Cordia Communications Corp. plans to be operational as a facilities-based carrier as soon as authority is granted.

(D-2) Check here if you wish to adopt as your petition a statement that the service has already been classified as competitive by Commission Decision:

- | | | |
|-------------------------------------|------------------|--------------------------------|
| <input checked="" type="checkbox"/> | Decision # 64178 | Resold Long Distance |
| <input checked="" type="checkbox"/> | Decision # 64178 | Resold LEC |
| <input type="checkbox"/> | Decision # 64178 | Facilities Based Long Distance |
| <input checked="" type="checkbox"/> | Decision # 64178 | Facilities Based LEC |

E. FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(E-1) Indicate whether the Applicant will abide by the quality of service standards that were approved by the Commission in Commission Decision Number 59421:

Yes No

(E-2) Indicate whether the Applicant will provide all customers with 911 and E911 service, where available, and will coordinate with incumbent local exchange carriers ("ILECs") and emergency service providers to provide this service:

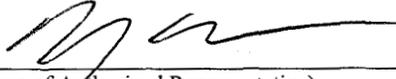
Yes No

(E-3) Indicate that the Applicant's switch is "fully equal access capable" (i.e., would provide equal access to facilities-based long distance companies) pursuant to A.A.C. R14-2-1111 (A):

Yes No

The plan switch will be fully equal access capable.

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 (A.A.C. Title 14, Chapter 2, Article 11) and that the company will abide by Arizona state law including the Arizona Corporation Commission Rules. 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)

2/1/06

(Date)

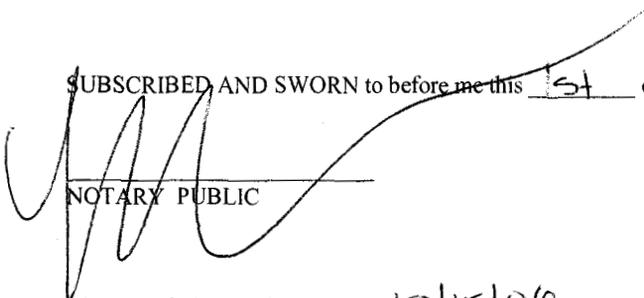
Wesly Minella

(Print Name of Authorized Representative)

President

(Title)

SUBSCRIBED AND SWORN to before me this 1st day of February 2006.



NOTARY PUBLIC

My Commission Expires:

10/15/06

MARIA A. ABBAGNARO
Notary Public, State of New York
No. 01AB6081978
Qualified in Westchester County
Commission Expires October 15, 2006

Cordia Communications Corp.

Attachment A

Articles of Incorporation

Certificate of Good Standing

Directors and Stockholders

SECRETARY OF STATE



CORPORATE CHARTER

I, DEAN HELLER, the duly elected and qualified Nevada Secretary of State, do hereby certify that **CORDIA COMMUNICATIONS CORP.** did on **July 6, 2001** file in this office the original Articles of Incorporation; that said Articles are now on file and of record in the office of the Secretary of State of the State of Nevada, and further, that said Articles contain all the provisions required by the law of said State of Nevada.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office, in Carson City, Nevada, on July 9, 2001.



Dean Heller

Secretary of State

By

Angela Clark

Certification Clerk

FILED # C18057-01

JUL 06 2001

IN THE OFFICE OF
Dean Miller
DEAN MILLER SECRETARY OF STATE

ARTICLES OF INCORPORATION

OF

CORDIA COMMUNICATIONS CORP.

FIRST: The name of the corporation is CORDIA COMMUNICATIONS CORP.

SECOND: The registered agent is Paracorp Incorporated. The registered office of the Corporation shall be located at 318 N. Carson Street, Suite 208, Carson City, Nevada, 89701 in Carson City County.

THIRD: The purpose or purposes for which the corporation is organized are:

The transaction of any or all lawful business for which corporations may be incorporated under the Nevada Revised Statutes.

FOURTH: The aggregate number of shares which the corporation shall have authority to issue is 200 common shares all of which shall be without par value.

FIFTH: The corporation shall have one director. The name and post office address of the director is as follows:

Craig Girona
509 Westport Avenue
Norwalk, Connecticut 06851

SIXTH: The capital stock is not subject to assessment to pay the debts of the corporation.

SEVENTH: The period of its duration shall be perpetual.

EIGHTH: The name and mailing address of the incorporator is:

Lawrence A. Kirsch
90 State Street
Albany, New York 12207

IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of Incorporation this 5th day of July, 2001.

By: Lawrence A. Kirsch
LAWRENCE A. KIRSCH
Incorporator

DO NOT PUBLISH THIS SECTION

AZ CORPORATION COMMISSION APPLICATION FOR AUTHORITY TO TRANACT BUSINESS IN ARIZONA
FILED

1. The corporate name must contain a corporate ending which may be "corporation," "association," "company," "limited," "incorporated" or abbreviation of any of these words. If you are the holder or assignee of a tradename or trademark, attach Declaration of Tradename Holder form. If your name is not available for use in Arizona, you must adopt a fictitious name and provide a resolution adopting the name, which must be executed by the corporation Secretary.

3. You must provide the total duration in years for which your corporation was formed to endure. If perpetual succession, so indicate in this section. Do not leave blank, or state not applicable.

5. The statutory agent must provide both a physical and mailing address. If statutory agent has a P.O. Box, then they must also provide a physical description of their street address/location.

OCT 12 2004

The name of the corporation is: Cordia Communications Corp.

A(n) Nevada Corporation
DOCS. SUBJECT TO REVIEW (State, Province or Country)

FILE NO. F-1158148-1

We are a foreign corporation applying for authority to transact business in the state of Arizona.

We are a foreign corporation currently authorized to transact business in Arizona and must now file this Application for New Authority pursuant to A.R.S. § 10-1504 because we have changed the following in our domicile jurisdiction:

- Our actual corporate name (or the name under which we originally obtained authority in Arizona).
- The period of our duration.
- The state, province or country of our incorporation.

1. The exact name of the foreign corporation is:

Cordia Communications Corp. AK

If the exact name of the foreign corporation is not available for use in this state, then the fictitious name adopted for use by the corporation in Arizona is:

_____ (FN).

2. The name of the state, province or country in which the foreign corporation is incorporated is:

Nevada

3. The foreign corporation was incorporated on the 6th day of July

2001 and the period of its duration is: perpetual

4. The street address of the principal office of the foreign corporation in the state, province or country of its incorporation is:

445 Hamilton Avenue, Suite 408
White Plains, New York 10601

5. The name and street address of the statutory agent for the foreign corporation in Arizona is:

National Registered Agents, Inc.
1850 N. Central Avenue, Suite 1160
Phoenix, AZ 85004

DO NOT PUBLISH THIS SECTION

5.a. The street address of the known place of business of the foreign corporation in Arizona IF DIFFERENT from the street address of the statutory agent is:

5.b. Indicate to which address the Annual Report should be mailed.

5.b. The Annual Report and general correspondence should be mailed to the address specified above in section 4 X or 5a _____.

6. If the purpose of your corporation has any limitations with regard to this section, so indicate. If not, state no limitations or leave blank.

6. The purpose of the corporation is to engage in any and all lawful business in which corporations may engage in the state, province or country under whose law the foreign corporation is incorporated, with the following limitations if any:

7. The names and usual business addresses of the current directors and officers of the foreign corporation are: (Attach additional sheets if necessary.)

Name: Patrick Freeman, Pres., CEO, & Dir. [title]
 Address: 2500 Silverstar Road, Suite 500
 City, State, Zip: White Plains, New York 10601

Name: Lorie Guerrero, Treasurer, CAO [title]
 Address: 445 Hamilton Avenue, Suite 408
 City, State, Zip: White Plains, New York 10601

Name: Wesly Minella, Secretary [title]
 Address: 445 Hamilton Avenue, Suite 408
 City, State, Zip: White Plains, New York 10601

8. The total number of authorized shares cannot be "zero" or "N/A". Include authorized, not issued shares in this section.

8. The foreign corporation is authorized to issue 200 shares, itemized as follows: (Attach additional sheets if necessary.)

200 shares of Common [class or series] stock at
X no par value or par value of \$ _____ per share.
 _____ shares of _____ [class or series] stock at
 _____ no par value or par value of \$ _____ per share.
 _____ shares of _____ [class or series] stock at
 _____ no par value or par value of \$ _____ per share.

DO NOT PUBLISH THIS SECTION

9. The total number of issued shares cannot be "N/A".

The Application must be accompanied by the following: A Certificate of Disclosure, executed within 30 days of delivery to the Commission, by a duly authorized officer

Attach a certified copy of your articles of incorporation, all amendments and mergers (AZ Const. Art. XIV, §8) and a certificate of existence or document of similar import duly authenticated (within 60 days) by the official having custody of corporate records in the state, province or country under whose laws the corporation is incorporated.

The agent must consent to the appointment by executing the consent.

9. The foreign corporation has issued 200 shares, itemized as follows:

200 shares of common [class or series] stock at X no par value or par value of \$ _____ per share.
_____ shares of _____ [class or series] stock at _____ no par value or par value of \$ _____ per share.
_____ shares of _____ [class or series] stock at _____ no par value or par value of \$ _____ per share.

10. The character of business the foreign corporation initially intends to conduct in Arizona is:

telecom service provider

DATED this 7th day of October, 2004

Cordia Communications Corp.

[Name of Corporation]

Executed by

[Signature]
Duly authorized Officer or Director

Patrick Freeman, President

[print name]

[title]

PHONE _____

FAX _____

[optional]

[optional]

ACCEPTANCE OF APPOINTMENT BY STATUTORY AGENT

The undersigned hereby acknowledges and accepts the appointment as statutory agent of this corporation

effective this 5 day of October, 2004

Signature

[Signature]
[Print Name]

National Registered Agents, Inc.

[If signing on behalf of a company serving as statutory agent, print company name here]

Cordia Communications Corp.

The following officers, directors and stockholders of Cordia Communications Corp., except for Patrick Freeman, may be reached at 445 Hamilton Avenue, Suite 408, White Plains, New York 10601, Phone: 914-682-6197. Mr. Freeman is located at 13275 W. Colonial Drive, Winter Garden, Florida 34787, Phone: 407-313-7090:

Wesly Minella
Lorie M. Guerrero
Patrick Freeman
John Scagnelli

President, Secretary, COO
Treasurer
CEO, Director
Director

Cordia Communications Corp.

Attachment B

Proposed Local Exchange Tariff

ARIZONA
LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES TARIFF
OF
Cordia Communications Corp.

This tariff contains the descriptions, regulations, and rates applicable to the provision of local exchange telecommunications services provided by Cordia Communications Corp., with principal offices at 445 Hamilton Avenue, Suite 408, White Plains, New York 10601, 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.

Issued: February 8, 2006

Effective:

Issued by: Mr. Wesly Minella, President
445 Hamilton Avenue, Suite 408
White Plains, NY 10601

AZL0600

CHECK SHEET

Pages of this tariff, as indicated below, are effective as of the date shown at the bottom of the respective pages. Original and revised pages, as named below, comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

| PAGE | REVISION | | PAGE | REVISION | | PAGE | REVISION | |
|-------------|-----------------|---|-------------|-----------------|---|-------------|-----------------|---|
| Title | Original | * | 31 | Original | * | 61 | Original | * |
| 1 | Original | * | 32 | Original | * | 62 | Original | * |
| 2 | Original | * | 33 | Original | * | 63 | Original | * |
| 3 | Original | * | 34 | Original | * | 64 | Original | * |
| 4 | Original | * | 35 | Original | * | 65 | Original | * |
| 5 | Original | * | 36 | Original | * | 66 | Original | * |
| 6 | Original | * | 37 | Original | * | 67 | Original | * |
| 7 | Original | * | 38 | Original | * | 68 | Original | * |
| 8 | Original | * | 39 | Original | * | 69 | Original | * |
| 9 | Original | * | 40 | Original | * | 70 | Original | * |
| 10 | Original | * | 41 | Original | * | 71 | Original | * |
| 11 | Original | * | 42 | Original | * | 72 | Original | * |
| 12 | Original | * | 43 | Original | * | 73 | Original | * |
| 13 | Original | * | 44 | Original | * | 74 | Original | * |
| 14 | Original | * | 45 | Original | * | 75 | Original | * |
| 15 | Original | * | 46 | Original | * | 76 | Original | * |
| 16 | Original | * | 47 | Original | * | 77 | Original | * |
| 17 | Original | * | 48 | Original | * | 78 | Original | * |
| 18 | Original | * | 49 | Original | * | 79 | Original | * |
| 19 | Original | * | 50 | Original | * | 80 | Original | * |
| 20 | Original | * | 51 | Original | * | 81 | Original | * |
| 21 | Original | * | 52 | Original | * | 82 | Original | * |
| 22 | Original | * | 53 | Original | * | 83 | Original | * |
| 23 | Original | * | 54 | Original | * | 84 | Original | * |
| 24 | Original | * | 55 | Original | * | 85 | Original | * |
| 25 | Original | * | 56 | Original | * | 86 | Original | * |
| 26 | Original | * | 57 | Original | * | 87 | Original | * |
| 27 | Original | * | 58 | Original | * | 88 | Original | * |
| 28 | Original | * | 59 | Original | * | | | |
| 29 | Original | * | 60 | Original | * | | | |
| 30 | Original | * | | | | | | |

* - indicates those pages included with this filing

Issued: February 8, 2006

Effective:

Issued by: Mr. Wesly Minella, President
445 Hamilton Avenue, Suite 408
White Plains, NY 10601

AZL0600

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Issued: February 8, 2006

Effective:

Issued by: Mr. Wesly Minella, President
445 Hamilton Avenue, Suite 408
White Plains, NY 10601

AZL0600

EXPLANATION OF SYMBOLS

The following symbols shall be used in this tariff for the purpose indicated below:

- (C) - To signify changed regulation.
- (D) - To signify discontinued rate or regulation.
- (I) - To signify increased rate.
- (M) - To signify a move in the location of text.
- (N) - To signify new rate or regulation.
- (R) - To signify reduced rate.
- (S) - To signify reissued matter.
- (T) - To signify a change in text but no change in rate or regulation.

Issued: February 8, 2006

Effective:

Issued by: Mr. Wesly Minella, President
445 Hamilton Avenue, Suite 408
White Plains, NY 10601

AZL0600

APPLICATION OF TARIFF

This tariff sets forth the service offerings, rates, terms and conditions applicable to the furnishing of intrastate end-user local exchange communications services by Cordia Communications Corp., hereinafter referred to as the Company, to Customers within the State of Arizona. Cordia services are furnished subject to the availability of facilities and subject to the terms and conditions set forth herein.

This tariff is on file with the Arizona Corporation Commission. In addition, this tariff is available for review at the main office of Cordia Communications Corp. at 445 Hamilton Avenue, Suite 408, White Plains, New York 10601.

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TARIFF FORMAT

- A. Page Numbering** - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between pages 14 and 15 would be 14.1.
- B. Page Revision Numbers** - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the Commission. For example, the 4th Revised Page 14 cancels the 3rd Revised Page 14. Because of various suspension periods, deferrals, etc., the most current page number on file with the Commission is not always the tariff page in effect. Consult the Check Sheet for the page 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 pages contained in the tariff, with a cross-reference to the current revision number. When new pages 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 page if these are the only changes made to it (i.e., the format, etc. remain the same, just revised revision levels on some pages). The tariff user should refer to the latest Check Sheet to find out if a particular page is the most current on file with the Commission.

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SECTION 1 - DEFINITIONS

Advance Payment BPayment of all or part of a charge required before the start of service.

Authorization Code - A numerical code, one or more of which may be assigned to a Customer, to enable Carrier to identify the origin of service of the Customer so it may rate and bill the call. All authorization codes shall be the sole property of Carrier and no Customer shall have any property or other right or interest in the use of any particular authorization code. Automatic numbering identification (ANI) may be used as or in connection with the authorization code.

Authorized User - A person, corporation or other entity who is authorized by the Company's customer to utilize service provided by the Company to the customer. The customer is responsible for all charges incurred by an Authorized

Automatic Numbering Identification (ANI) - A type of signaling provided by a local exchange telephone company which automatically identifies the local exchange line from which a call originates.

Commission - Refers to the Arizona Corporation Commission.

Common Carrier - An authorized company or entity providing telecommunications services to the public

Company BRefers to Cordia Communications Corp., the issuer of this tariff.

Cordia - Refers to Cordia Communications Corp., the issuer of this tariff.

Customer - The person, firm or corporation that orders service and is responsible for the payment of charges and compliance with the terms and conditions of this tariff.

Customer Premises - A location designated by the Customer for the purposes of connecting to the Company's services.

Customer Terminal Equipment - Terminal equipment provided by the Customer.

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SECTION 1 – DEFINITIONS, (CONT'D.)

Deposit - Refers to a cash or equivalent of cash security held as a guarantee for payment of the charges.

End Office - The LEC switching system office or serving wire center where Customer station loops are terminated for purposes of interconnection to each other and/or to trunks.

Equal Access - A form of dialed access provided by local exchange companies whereby interexchange calls dialed by the Customer are automatically routed to the Company's network. Presubscribed Customers may also route interexchange calls to the Company's network by dialing an access code supplied by the Company.

Exchange Telephone Company or Telephone Company - Denotes any individual, partnership, association, joint-stock company, trust, or corporation authorized by the appropriate regulatory bodies to engage in providing public switched communication service throughout an exchange area, and between exchange areas within the LATA.

Individual Case Basis (ICB) - A service arrangement in which the regulations, rates and charges are developed based on the specific circumstances of the Customer's situation.

IXC or Interexchange Carrier - A long distance telecommunications services provider.

Interruption - The inability to complete calls due to equipment malfunctions or human errors. Interruption shall not include, and no allowance shall be given for service difficulties such as slow dial tone, circuits busy or other network and/or switching capability shortages. Nor shall Interruption include the failure of any service or facilities provided by a common carrier or other entity other than the Carrier. Any Interruption allowance provided within this Tariff by Carrier shall not apply where service is interrupted by the negligence or willful act of the Customer, or where the Carrier, pursuant to the terms of this Tariff, terminates service because of non-payment of bills, unlawful or improper use of the Carrier's facilities or service, or any other reason covered by this Tariff or by applicable law.

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SECTION 1 – DEFINITIONS, (CONT'D.)

Joint User - A person, firm or corporation designated by the Customer as a user of local exchange service furnished to the Customer by the Company, and to whom a portion of the charges for such facilities are billed under a joint use arrangement.

LATA - A Local Access and Transport Area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192; or any other geographic area designated as a LATA in the National Exchange Carrier Association, Inc. Tariff F.C.C. No. 4, or its successor tariff(s).

LEC - Local Exchange Company refers to the dominant, monopoly local telephone company in the area also served by the Company.

Local Calling - A completed call or telephonic communication between a calling Station and any other Station within the local service area of the Calling Station.

Monthly Recurring Charges - The monthly charges to the Customer for services, facilities and equipment, which continue for the agreed upon duration of the service.

MOU - Minutes of Use.

NECA - National Exchange Carriers Association.

Network Access Charge - This is a fee that reimburses the Company for costs associated with building a network, connecting customers to the network, and updating related Company systems.

Non-Recurring Charge (NRC@) - The initial charge, usually assessed on a one-time basis, to initiate and establish service.

PIN - Personal Identification Number. See Authorization Code.

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SECTION 1 – DEFINITIONS, (CONT'D.)

Point of Presence (APOP@)- Point of Presence

Premises - The space occupied by a customer or authorized user in a building or buildings or contiguous property not separated by a public right of way.

Recurring Charges - Monthly charges to the Customer for services, and equipment, which continues for the agreed upon duration of the service.

Service - Any means of service offered herein or any combination thereof.

Service Commencement Date - The first day following the date on which the Company notifies the Customer that the requested service or facility is available for use, unless extended by the Customer's refusal to accept service which does not conform to standards set forth in the Service order or this tariff, in which case the Service Commencement Date is the date of the Customer's acceptance of service. The parties may mutually agree on a substitute Service Commencement Date.

Service Order - The written or verbal request for Company services by the Customer and the Company in the format devised by the Company. A Service Order initiates the respective obligations of the parties as set forth therein and pursuant to this tariff.

Services - The Company's telecommunications services offered on the Company's network.

Shared Inbound Calls - Refers to calls that are terminated via the Customer's Company-provided local exchange line.

Shared Outbound Calls - Refers to calls in Feature Group (FGD) exchanges whereby the Customer's local telephone lines are presubscribed by the Company to the Company's outbound service such that "1 + 10-digit number" calls are automatically routed to the Company's or an IXC's network. Calls to stations within the Customer's LATA may be placed by dialing "10XXX" or "101XXXX" with 1 + 10-digit number."

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SECTION 1 – DEFINITIONS, (CONT'D.)

Station - The network control signaling unit and any other equipment provided at the Customer's premises that enables the Customer to establish communications connections and to effect communications through such connections.

Subscriber - The person, firm, partnership, corporation, or other entity who orders telecommunications service from the Company. Service may be ordered by, or on behalf of, those who own, lease or otherwise manage the pay telephone, PBX, or other switch vehicle from which an End User places a call utilizing the services of the Company.

Switched Access Origination/Termination - Where access between the Customer and the interexchange carrier is provided on local exchange company Feature Group circuits and the connection to the Customer is a LEC-provided business or residential access line. The cost of switched Feature Group access is billed to the interexchange carrier.

Terminal Equipment - Any telecommunications equipment other than the transmission or receiving equipment installed at a Company location.

Usage Charges - Charges for minutes or messages traversing over local exchange facilities.

User or End User - A Customer, Joint User, or any other person authorized by a Customer to use service provided under this tariff.

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SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of the Company

2.1.1 Scope

The Company undertakes to furnish communications service pursuant to the terms of this tariff in connection with one-way and/or two-way information transmission between points within the state of Arizona.

The Company is responsible under this tariff only for the services and facilities provided hereunder, and it assumes no responsibility for any service provided by any other entity that purchases access to the Company network in order to originate or terminate its own services, or to communicate with its own customers.

2.1.2 Shortage of Equipment or Facilities

- A. The Company reserves the right to limit or to allocate the use of existing facilities, or of additional facilities offered by the Company, when necessary because of lack of facilities, or due to some other cause beyond Company control.
- B. The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities as well as facilities the Company may obtain from other carriers to furnish service from time to time as required at the sole discretion of the Company.

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.3 Terms and Conditions

- A. Minimum Period** - Service is provided on a term basis only. The minimum term period is one (1) year unless otherwise specified in this tariff or mutually agreed upon by contract. Penalties may apply for early termination of the term agreement.
- B.** Except as otherwise stated in this tariff, Customers may be required to enter into written service orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this tariff. Customers will also be required to execute any other documents as may be reasonably requested by the Company.
- C.** In any action between the parties to enforce any provision of this tariff, the prevailing party shall be entitled to recover its legal fees and court costs from the non-prevailing party in addition to other relief a court may award.
- D.** Service may be terminated upon written notice to the Customer if:
 - .1** the Customer is using the service in violation of this tariff; or
 - .2** the Customer is using the service in violation of the law.
- E.** This tariff shall be interpreted and governed by the laws of the state of Arizona regardless of its choice of laws provision.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.3 Terms and Conditions, (cont'd.)

- F.** Any other telephone company may not interfere with the right of any person or entity to obtain service directly from the Company. No person or entity shall be required to make any payment, incur any penalty, monetary or otherwise, or purchase any services in order to have the right to obtain service directly from the Company.
- G.** To the extent that either the Company or any other telephone company exercises control over available cable pairs, conduit, duct space, raceways, or other facilities needed by the other to reach a person or entity, the party exercising such control shall make them available to the other on terms equivalent to those under which the Company makes similar facilities under its control available to its Customers. At the reasonable request of either party, the Company and the other telephone company shall join the attempt to obtain from the owner of the property access for the other party to serve a person or entity.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.4 Limitations on Liability

- A.** Except as otherwise stated in this section, the liability of the Company for damages arising out of either: (1) the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these services or (2) the failure to furnish its service, whether caused by acts or omission, shall be limited to the extension of allowances to the Customer for interruptions in service as set forth in Section 2.9.
- B.** Except for the extension of allowances to the Customer for interruptions in service as set forth in Section 2.9, the Company shall not be liable to a Customer or third party for any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages, including loss of revenue or profits, for any reason whatsoever, including, but not limited to, any act or omission, failure to perform, delay, interruption, failure to provide any service or any failure in or breakdown of facilities associated with the service.
- C.** The liability of the Company for errors in billing that result in overpayment by the Customer shall be limited to a credit equal to the dollar amount erroneously billed or, in the event that payment has been made and service has been discontinued, to a refund of the amount erroneously billed.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.4 Limitations on Liability, (cont'd.)

- D.** The Company shall be indemnified and saved harmless by the Customer from and against all loss, liability, damage and expense, including reasonable counsel fees, due to:
- .1** Any act or omission of: (a) the Customer, (b) any other entity furnishing service, equipment or facilities for use in conjunction with services or facilities provided by the Company; or (c) common carriers or warehousemen, except as contracted by the Company;
 - .2** Any delay or failure of performance or equipment due to causes beyond the Company's control, including but not limited to, acts of God, fires, floods, earthquakes, hurricanes, or other catastrophes; national emergencies, insurrections, riots, wars or other civil commotions; strikes, lockouts, work stoppages or other labor difficulties; criminal actions taken against the Company; unavailability, failure or malfunction of equipment or facilities provided by the Customer or third parties; and any law, order, regulation or other action of any governing authority or agency thereof;
 - .3** Any unlawful or unauthorized use of the Company's facilities and services;
 - .4** Libel, slander, invasion of privacy or infringement of patents, trade secrets, or copyrights arising from or in connection with the material transmitted by means of Company-provided facilities or services; or by means of the combination of Company-provided facilities or services;
 - .5** Breach in the privacy or security of communications transmitted over the Company's facilities;

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.4 Limitations on Liability, (cont'd.)

D. (continued)

- .6** Changes in any of the facilities, operations or procedures of the Company that render any equipment, facilities or services provided by the Customer obsolete, or require modification or alteration of such equipment, facilities or services, or otherwise affect their use or performance, except where reasonable notice is required by the Company and is not provided to the Customer, in which event the Company's liability is limited as set forth in paragraph A. of this Subsection 2.1.4.
- .7** Normal or unavoidable defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof;
- .8** Injury to property or injury or death to persons, including claims for payments made under Workers' Compensation law or under any plan for employee disability or death benefits, arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected, or to be connected to the Company's facilities;
- .9** Any non-completion of calls due to network busy conditions;
- .10** Any calls not actually attempted to be completed during any period that service is unavailable;
- .11** And any other claim resulting from any act or omission of the Customer or patron(s) of the Customer relating to the use of the Company's services or facilities.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.4 Limitations on Liability, (cont'd.)

- E.** The Company does not guarantee nor make any warranty with respect to installations provided by it for use in an explosive atmosphere.
- F.** The Company makes no warranties or representations, EXPRESS OR IMPLIED, either in fact or by operation of law, statutory or otherwise, including warranties of merchantability or fitness for a particular use, except those expressly set forth herein.
- G.** Failure by the Company to assert its rights pursuant to one provision of this tariff does not preclude the Company from asserting its rights under other provisions.
- H. Directory Errors** - In the absence of gross negligence or willful misconduct, no liability for damages arising from errors or mistakes in or omissions of directory listings, or errors or mistakes in or omissions of listing obtainable from the directory assistance operator, including errors in the reporting thereof, shall attach to the Company. An allowance for errors or mistakes in or omissions of published directory listings or for errors or mistakes in or omissions of listing obtainable from the directory assistance operator shall be at the monthly tariff rate for each listing, or in the case of a free or no-charge directory listing, credit shall equal two times the monthly tariff rate for an additional listing, for the life of the directory or the charge period during which the error, mistake or omission occurs.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.4 Limitations on Liability, (cont'd.)

I. With respect to Emergency Number 911 Service:

- .1** This service is offered solely as an aid in handling assistance calls in connection with fire, police and other emergencies. The Company is not responsible for any losses, claims, demands, suits or any liability whatsoever, whether suffered, made instituted or asserted by the Customer or by any other party or person for any personal injury or death of any person or persons, and for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused by: (1) mistakes, omissions, interruptions, delays, errors or other defects in the provision of service, or (2) installation, operation, failure to operate, maintenance, removal, presence, condition, local or use of any equipment and facilities furnishing this service.
- .2** Neither is the Company responsible for any infringement, nor invasion of the right of privacy of any person or persons, caused or claimed to have been caused directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, occasion or use of emergency 911 service features and the equipment associated therewith, or by any services furnished by the Company, including, but not limited to the identification of the telephone number, address or name associated with the telephone used by the party or parties accessing emergency 911 service, and which arise out of the negligence or other wrongful act of the Company, the Customer, its users, agencies or municipalities, or the employees or agents of any one of them.
- .3** When a Customer with a nonpublished telephone number, as defined herein, places a call to the emergency 911 service, the Company will release the name and address of the calling party, where such information can be determined, to the appropriate local governmental authority responsible for emergency 911 service upon request of such governmental authority. By subscribing to service under this tariff, the Customer acknowledges and agrees with the release of information as described above.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.5 Notification of Service-Affecting Activities

The Company will provide the Customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventative maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers' services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notification requirements. With some emergency or unplanned service-affecting conditions, such as an outage resulting from cable damage, notification to the Customer may not be possible.

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.6 Provision of Equipment and Facilities

- A.** The Company shall use reasonable efforts to make available services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with, the regulations contained in this tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.
- B.** The Company shall use reasonable efforts to maintain only the facilities and equipment that it furnishes to the Customer. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.
- C.** The Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the Customer.
- D.** Equipment the Company provides or installs at the Customer Premises for use in connection with the services the Company offers shall not be used for any purpose other than that for which it was provided.
- E.** The Customer shall be responsible for the payment of service charges as set forth herein for visits by the Company's agents or employees to the Premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.
- F.** The Company shall not be responsible for the installation, operation, or maintenance of any Customer-provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Subject to this responsibility, the Company shall not be responsible for:

 - .1** the transmission of signals by Customer-provided equipment or for the quality of, or defects in, such transmission; or
 - .2** the reception of signals by Customer-provided equipment.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.7 Non-routine Installation

At Customer request, installation and/or maintenance may be performed outside the regular business hours of the Company or in hazardous locations. In such cases, charges based on cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours, but, at Customer request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.8 Special Construction

Subject to the agreement of the Company and to all of the regulations contained in this tariff, special construction of facilities may be undertaken on a reasonable efforts basis at the request of the Customer. Special construction is that construction undertaken:

- A. where facilities are not presently available, and there is no other requirement for the facilities so constructed;
- B. of a type other than that which the Company would normally utilize in the furnishing of its services;
- C. over a route other than that which the Company would normally utilize in the furnishing of its services;
- D. in a quantity greater than that which the Company would normally construct;
- E. on an expedited basis;
- F. on a temporary basis until permanent facilities are available;
- G. involving abnormal costs; or
- H. in advance of its normal construction.

2.1.9 Ownership of Facilities

Title to all facilities provided in accordance with this tariff remains in the Company, its partners, agents, contractors or suppliers.

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.2 Prohibited Uses

- 2.2.1** The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.
- 2.2.2** The Company may require applicants for service who intend to use the Company's offerings for resale and/or for shared use to file a letter with the Company confirming that their use of the Company's offerings complies with relevant laws and Commission regulations, policies, orders, and decisions.
- 2.2.3** The Company may block any signals being transmitted over its Network by Customers that cause interference to the Company or other users. Customer shall be relieved of all obligations to make payments for charges relating to any blocked Service and shall indemnify the Company for any claim, judgment or liability resulting from such blockage.
- 2.2.4** A Customer, joint user, or authorized user may not assign, or transfer in any manner, the service or any rights associated with the service without the written consent of the Company. The Company will permit a Customer to transfer its existing service to another entity if the existing Customer has paid all charges owed to the Company for regulated communications services. Such a transfer will be treated as a disconnection of existing service and installation of new service, and non-recurring installation charges as stated in this tariff will apply.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.3 Obligations of the Customer****2.3.1 General**

The Customer is responsible for making proper application for service; placing any necessary order, complying with tariff regulations; payment of charges for services provided. Specific Customer responsibilities include, but are not limited to the following:

- A. the payment of all applicable charges pursuant to this tariff;
- B. damage to or loss of Company facilities or equipment caused by the acts or omissions of the Customer; or the noncompliance by the Customer, with these regulations; or by fire or theft or other casualty on the Customer Premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company;
- C. providing at no charge, as specified from time to time by the Company, any needed personnel, equipment space and power to operate Company facilities and equipment installed on the premises of the Customer, and the level of heating and air conditioning necessary to maintain the proper operating environment on such premises;
- D. obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduits necessary for installation of fiber optic cable and associated equipment used to provide Communication Services to the Customer from the cable building entrance or property line to the location of the equipment space described in 2.3.1(C.) Any and all costs associated with obtaining and maintaining the rights-of-way described herein, including the costs of altering the structure to permit installation of the Company-provided facilities, shall be borne entirely by, or may be charged by the Company to, the Customer. The Company may require the Customer to demonstrate its compliance with this section prior to accepting an order for service;

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.3 Obligations of the Customer, (Cont'd.)

2.3.1 General, (cont'd.)

- E.** providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company opinion, injury or damage to Company employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material (e.g. asbestos) prior to any construction or installation work;
- F.** complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of Company facilities and equipment in any Customer premises or the rights-of-way for which Customer is responsible under Section 2.3.1D.; and granting or obtaining permission for Company agents or employees to enter the premises of the Customer at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company;
- G.** not creating, or allowing to be placed, any liens or other encumbrances on Company equipment or facilities; and
- H.** making Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer. No allowance will be made for the period during which service is interrupted for such purposes.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.3 Obligations of the Customer, (Cont'd.)

2.3.2 Liability of the Customer

- A.** The Customer will be liable for damages to the facilities of the Company and for all incidental and consequential damages caused by the negligent or intentional acts or omissions of the Customer, its officers, employees, agents, invites, or contractors where such acts or omissions are not the direct result of the negligent or intentional acts of the Company.
- B.** To the extent caused by any negligent or intentional act of the Customer as described in A., preceding, the Customer shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees, for (1) any loss, destruction or damage to property of any third party, and (2) any liability incurred by the Company to any third party, pursuant to this or any other tariff of the Company, or otherwise, for any interruption of, interference to, or other defect in any service provided by the Company to such third party.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.4 Customer Equipment and Channels

2.4.1 General

A User may transmit or receive information or signals via the facilities of the Company. Company services are designed primarily for the transmission of voice-grade telephonic signals, except as otherwise stated in this tariff. A User may transmit any form of signal that is compatible with Company equipment, but the Company does not guarantee that its services will be suitable for purposes other than voice-grade telephonic communication except as specifically stated in this tariff.

2.4.2 Station Equipment

- A.** Terminal equipment on Customer Premises and the electric power consumed by such equipment shall be provided by and maintained at the expense of the Customer. The Customer is responsible for the provision of wiring or cable to connect its terminal equipment to the Company Point of Connection.
- B.** The Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to Company employees or to other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at Customer expense, subject to prior Customer approval of the equipment expense.

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.4 Customer Equipment and Channels, (Cont'd.)

2.4.3 Interconnection of Facilities

- A.** Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing Communication Services and the channels, facilities, or equipment of others shall be provided at the Customer's expense.
- B.** Communication Services may be connected to the services or facilities of other communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communications carriers that are applicable to such connections.
- C.** Facilities furnished under this tariff may be connected to Customer-provided terminal equipment in accordance with the provisions of this tariff. All such terminal equipment shall be registered by the Federal Communications Commission pursuant to Part 68 of Title 47, Code of Federal Regulations; and all Customer-provided wiring shall be installed and maintained in compliance with those regulations.
- D.** Users may interconnect communications facilities that are used in whole or in part for interstate communications to services provided under this tariff only to the extent that the user is an "End User", as defined in Section 69.2(m), Title 47, Code of Federal Regulations (1992 edition).

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.4 Customer Equipment and Channels, (Cont'd.)

2.4.4 Inspections

- A.** Upon suitable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in Section 2.4.2.A. for the installation, operation, and maintenance of Customer-provided facilities, equipment, and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment.
- B.** If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice, the Customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.5 Payment Arrangements

2.5.1 Payment for Service

The Customer is responsible for the payment of all charges for facilities and services furnished by the Company to the Customer and to all Authorized Users by the Customer, regardless of whether those services are used by the Customer itself or are resold to or shared with other persons.

The Customer is responsible for payment of any sales, use, gross receipts, excise, access or other local, state, federal and 911 taxes, charges or surcharges (however designated) (excluding taxes on Company net income) imposed on or based upon the provision, sale or use of Network Services.

The security of the Customer PIN is the responsibility of the Customer. All calls placed using a PIN shall be billed to and shall be the obligation of the Customer. The Customer shall not be responsible for charges in connection with the unauthorized use of PINs arising after the Customer notifies the Company of the loss, theft, or other breach of security of such PINs.

Customers will only be charged once, on either an interstate or intrastate basis, for any nonrecurring charges.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.5 Payment Arrangements, (Cont'd.)

2.5.2 Billing and Collection of Charges

The Customer is responsible for payment of all charges incurred by the Customer or other Authorized Users for services and facilities furnished to the Customer by the Company.

- A. Nonrecurring charges are due and payable within thirty (30) days after the invoice date, unless otherwise agreed to in advance.
- B. The Company shall present invoices for recurring charges monthly to the Customer, in advance of the month in which service is provided, and Recurring Charges shall be due and payable within thirty (30) days after the invoice date. When billing is based on customer usage, charges will be billed monthly for the preceding billing periods.
- C. When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have thirty (30) days.
- D. Billing of the Customer by the Company will begin on the Service Commencement Date, which is the first day following the date on which the Company notifies the Customer that the service or facility is available for use, except that the Service Commencement Date may be postponed by mutual agreement of the parties, or if the service or facility does not conform to standards set forth in this tariff or the Service Order. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.5 Payment Arrangements, (Cont'd.)

2.5.2 Billing and Collection of Charges, (cont'd.)

- E.** If any portion of the payment is not received by the Company, or if any portion of the payment is received by the Company in funds that are not immediately available, within twenty (20) days of the mail date on the bill, then a late payment penalty shall be due the Company. The late payment penalty shall be that portion of the payment not received by the date due minus any charges billed as local taxes multiplied by 1.5%.
- F.** The Customer will be assessed a maximum charge of thirty-five (\$35.00) for each check submitted by the Customer to the Company that a financial institution refuses to honor. See Section 11, Page 1 for current charges.
- G.** If service is disconnected by the Company in accordance with Section 2.6 following and later restored, restoration of service will be subject to all applicable installation charges.
- H. End of Cycle Billing** – For billing purposes only, if a customer cancels or terminates service and is in a bundled rate plan, the cancellation/termination will not be deemed effective until the final day of the billing cycle and the Company will retain all amounts paid by the customer for that month of service.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.5 Payment Arrangements, (Cont'd.)****2.5.3 Disputed Bills**

- A.** In the event that a billing dispute occurs concerning any charges billed to the Customer by the Company, the Company may require the Customer to pay the undisputed portion of the bill to avoid discontinuance of service for non-payment. The Customer must submit a documented claim for the disputed amount. The Customer will submit all documentation as may reasonably be required to support the claim. All claims must be submitted to the Company within 90 days of receipt of billing for those services. If the Customer does not submit a claim as stated above, the Customer waives all rights to filing a claim thereafter.
- B.** Unless disputed the invoice shall be deemed to be correct and payable in full by the Customer. If the Customer is unable to resolve any dispute with the Company, then the Customer may file a complaint with the Arizona Corporation Commission, 1200 West Washington Street, Phoenix, Arizona 85007.
- C.** If the dispute is resolved in favor of the Customer and the Customer has withheld the disputed amount, no interest, credits or penalties will apply.

2.5.4 Advance Payments

To safeguard its interests, the Company may require a Customer to make an advance payment before services and facilities are furnished. The advance payment will not exceed an amount equal to the non-recurring charge(s) and one month's charges for the service or facility. In addition, where special construction is involved, the advance payment may also include an amount equal to the estimated non-recurring charges for the special construction and recurring charges (if any) for a period to be set between the Company and the Customer. The advance payment will be credited to the Customer's initial bill. An advance payment may be required in addition to a deposit.

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.5 Payment Arrangements,. (Cont'd.)

2.5.5 Deposits

- A.** The Company may, in order to safeguard its interests, require a Customer which has a proven history of late payments to the Company or does not have established credit or has a bad credit rating to make a deposit prior to or at any time after the provision of service to the Customer to be held by the Company as a guarantee of the payment of rates and charges. No such deposit will be required of a Customer which has established satisfactory credit and has no history of late payments to the Company.
- B.** The amount of the deposit which may be required of a Customer for the purpose of establishing credit shall not exceed two times the average monthly bill for residential Customers whose bills are payable in advance. The amount of deposit may be adjusted at the request of the Customer at any time when the character, purpose, or degree of the Customer's use of the service has materially changed, or when it is indicated that it will change.
- C.** The making of a deposit shall not relieve any Customer of the obligation to pay current bills when due. A deposit shall only be applied to the indebtedness of the Customer for jurisdictional telecommunications services of the provider.
- D.** The Company will pay interest on deposits, to accrue from the date the deposit is made until it has been refunded, or until a reasonable effort has been made to effect refund. The Company will pay interest at the rate prescribed by the Commission.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.5 Payment Arrangements,. (Cont'd.)

2.5.5 Deposits, (cont'd.)

- E.** The Company shall keep a record of each cash deposit until the deposit is returned. The record will show the name of each Customer making a deposit; the premises occupied by the Customer when making the deposit and each successive premises occupied while the deposit is retained by the Company; the amount and date of making the deposit; and a record of each transaction, such as the payment of interest, interest credited, etc., concerning the deposit. Concurrently with receiving a deposit, the Company will provide the Customer a receipt showing the deposit date, the name and billing address of the Customer and the deposit amount.
- F.** Upon discontinuance of service, or when a Customer has established credit by other means, the Company will promptly refund any deposit, plus accrued simple interest, or the balance, if any, in excess of the unpaid bills for the services furnished by the company. A transfer of service from one location to another within the Company's serving area shall not be deemed a discontinuance with the Company if the character of the service remains unchanged.
- G.** Deposits will be refunded after twelve months of timely payment, with interest as specified above.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.6 Discontinuance of Service

- 2.6.1** Upon nonpayment of any amounts owing to the Company, the Company may, by giving five (5) days written notice to the Customer, discontinue or suspend service without incurring any liability.
- 2.6.2** Upon violation of any of the other material terms or conditions for furnishing service the Company may, by giving five (5) days written notice to the Customer, discontinue or suspend service without incurring any liability if such violation continues during that period.
- 2.6.3** Upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.6 Discontinuance of Service, (Cont'd.)

- 2.6.4** Upon Customer insolvency, assignment for the benefit of creditors, filing for bankruptcy or reorganization, or failing to discharge an involuntary petition within the time permitted by law, the Company may immediately discontinue or suspend service without incurring any liability.
- 2.6.5** Upon any governmental prohibition or required alteration of the services to be provided or any violation of an applicable law or regulation, the Company may immediately discontinue service without incurring any liability.
- 2.6.6** In the event of fraudulent use of the Company's network, the Company will discontinue service without notice and/or seek legal recourse to recover all costs involved in enforcement of this provision.
- 2.6.7** Upon Company discontinuance of service to the Customer under Section 2.6.1. or 2.6.2 above, the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff, may declare all future monthly and other charges that would have been payable by the Customer during the remainder of the term for which such services would have otherwise been provided to the Customer to be immediately due and payable (discounted to present value at six percent).
- 2.6.8** Without notice in the event of Customer use of equipment or services in such a manner as to adversely affect the Company's service to others.
- 2.6.9** Without notice in the event of tampering with the equipment or services furnished by the Company.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.7 Cancellation of Application for Service

- 2.7.1** Applications for service cannot be canceled without Company agreement. Where the Company permits a Customer to cancel an application for service prior to the start of service or prior to any special construction, no charges will be imposed except for those specified below.
- 2.7.2** Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs incurred by the Company, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of services ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service commenced (all discounted to present value at six percent).
- 2.7.3** Where the Company incurs any expense in connection with special construction, or where special arrangements of facilities or equipment have begun, before the Company receives a cancellation notice, a charge equal to the costs incurred by the Company, less net salvage, applies. In such cases, the charge will be based on such elements as the cost of the equipment, facilities, and material, the cost of installation, engineering, labor, and supervision, general and administrative expense, other disbursements, depreciation, maintenance, taxes, provision for return on investment, and any other costs associated with the special construction or arrangements.
- 2.7.4** The special charges described in 2.7.1 through 2.7.3 above, will be calculated and applied on a case-by-case basis.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.8 Changes in Service Requested

If the Customer makes or requests material changes in circuit engineering, equipment specifications, service parameters, premises locations, or otherwise materially modifies any provision of the application for service, the Customer's installation fee shall be adjusted accordingly.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.9 Allowances for Interruptions in Service**

Interruptions in service that are not due to the negligence of, or noncompliance with the provisions of this tariff by, the Customer or the operation or malfunction of the facilities, power or equipment provided by the Customer, will be credited to the Customer as set forth in 2.9.1 for the part of the service that the interruption affects.

2.9.1 General

- A.** A credit allowance will be given when service is interrupted, except as specified below. A service is interrupted when it becomes inoperative to the Customer, e.g., the Customer is unable to transmit or receive, because of a failure of a component furnished by the Company under this tariff.
- B.** An interruption period begins when the Customer reports a service, facility or circuit to be inoperative and, if necessary, releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative.
- C.** If the Customer reports a service, facility or circuit to be interrupted but declines to release it for testing and repair, or refuses access to its premises for test and repair by the Company, the service, facility or circuit is considered to be impaired, but not interrupted. No credit allowances will be made for a service, facility or circuit considered by the Company to be impaired.
- D.** The Customer shall be responsible for the payment of service charges as set forth herein for visits by the Company's agents or employees to the premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.9 Allowances for Interruptions in Service, (Cont'd.)

2.9.2 Limitations of Allowances

No credit allowance will be made for any interruption in service:

- A. Due to the negligence of or noncompliance with the provisions of this tariff by any person or entity, including but not limited to the Customer;
- B. Due to the failure of power, equipment, systems, connections or services not provided by the Company;
- C. Due to circumstances or causes beyond the reasonable control of the Company;
- D. During any period in which the Company is not given full and free access to its facilities and equipment for the purposes of investigating and correcting interruptions;
- E. A service will not be deemed to be interrupted if a Customer continues to voluntarily make use of such service. If the service is interrupted, the Customer can get a service credit, use another means of communications provided by the Company (pursuant to Section 2.9.3), or utilize another service provider;
- F. During any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
- G. That occurs or continues due to Customer failure to authorize replacement of any element of special construction; and
- H. That was not reported to the Company within thirty (30) days of the date that service was affected.

2.9.3 Use of Another Means of Communications

If the Customer elects to use another means of communications during the period of interruption, the Customer must pay the charges for the alternative service used.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.9 Allowances for Interruptions in Service, (Cont'd.)

2.9.4 Application of Credits for Interruptions in Service

- A.** Credits for interruptions in service that is provided and billed on a flat rate basis for a minimum period of at least one month, beginning on the date that billing becomes effective, shall in no event exceed an amount equivalent to the proportionate charge to the Customer for the period of service during which the event that gave rise to the claim for a credit occurred. A credit allowance is applied on a pro rata basis against the rates specified hereunder and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit.
- B.** For calculating credit allowances, every month is considered to have thirty (30) days.
- C.** A credit allowance will be given for interruptions of thirty (30) minutes or more. Two or more interruptions of fifteen (15) minutes or more during any one 24-hour period shall be combined into one cumulative interruption.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.9 Allowances for Interruptions in Service, (Cont'd.)

2.9.4 Application of Credits for Interruptions in Service, (cont'd.)

D. Interruptions of 24 Hours or Less

| Length of Interruption | Amount of Service To Be Credited |
|--|---|
| Less than 30 minutes | None |
| 30 minutes up to but not including 3 hours | 1/10 Day |
| 3 hours up to but not including 6 hours | 1/5 Day |
| 6 hours up to but not including 9 hours | 2/5 Day |
| 9 hours up to but not including 12 hours | 3/5 Day |
| 12 hours up to but not including 15 hours | 4/5 Day |
| 15 hours up to but not including 24 hours | One Day |

E. Interruptions Over 24 Hours and Less Than 72 Hours

Interruptions over 24 hours and less than 72 hours will be credited 1/5 day for each 3-hour period or fraction thereof. No more than one full day's credit will be allowed for any period of 24 hours.

F. Interruptions Over 72 Hours

Interruptions over 72 hours will be credited 2 days for each full 24-hour period. No more than thirty (30) days credit will be allowed for any one month period.

2.9.5 Cancellation For Service Interruption

Cancellation or termination for service interruption is permitted only if any circuit experiences a single continuous outage of 8 hours or more or cumulative service credits equaling 16 hours in a continuous 12-month period. The right to cancel service under this provision applies only to the single circuit that has been subject to the outage or cumulative service credits.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.10 Use of Customer Service by Others

2.10.1 Joint Use Arrangements

Joint use arrangements will be permitted for all services provided under this tariff. From each joint use arrangement, one member will be designated as the Customer responsible for the manner in which the joint use of the service will be allocated. The Company will accept orders to start, rearrange, relocate, or discontinue service only from the designated Customer. Without affecting ultimate Customer responsibility for payment of all charges for the service, each joint user shall be responsible for the payment of the charges billed to it.

2.11 Cancellation by Customer

Customers may cancel service verbally or in writing. The company shall hold the Customer responsible for payment of all charges, including fixed fees, surcharges, etc., which accrue up to the cancellation date. Customers that cancel the primary local exchange line will have the entire Account disconnected, including any secondary line and all associated features. In the event the Customer executes a term commitment agreement with the Company, the Customer must cancel service and terminate the agreement in accordance with the agreement terms.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.12 Cancellation of Service/Termination Liability

If a Customer cancels a Service Order or terminates services before the completion of the term for any reason whatsoever other than a service interruption (as defined in Section 2.9.1 above), the Customer agrees to pay to the Company termination liability charges, as defined below. These charges shall become due as of the effective date of the cancellation or termination and be payable within the period, set forth in Section 2.5.2.

2.12.1 Termination Liability

Customers may cancel service without termination liability during the first forty-five (45) days of each new term. After that grace period, the Customer's termination liability for cancellation of service shall be equal to:

- A. all unpaid Non-Recurring charges reasonably expended by the Company to establish service to the Customer; plus
- B. any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by the Company on behalf of the Customer; plus
- C. 90% of the Monthly Recurring Charge for the service under the term agreement, multiplied by the number of lines, multiplied by the months remaining in the term agreement.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.13 Transfers and Assignments

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company without the written consent of the other party, except that the Company may assign its rights and duties:

- 2.13.1 to any subsidiary, parent company or affiliate of the Company; or
- 2.13.2 pursuant to any sale or transfer of substantially all the assets of the Company; or
- 2.13.3 pursuant to any financing, merger or reorganization of the Company.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.14 Customer Liability for Unauthorized Use of the Network

Unauthorized use of the network occurs when a person or entity that does not have actual, apparent, or implied authority to use the network, obtains Company services provided under this tariff.

2.14.1 Customer Liability for Fraud and Unauthorized Use of the Network

- A. The Customer is liable for the unauthorized use of the network obtained through the fraudulent use of a Company calling card, if such a card is offered by the Company, or an accepted credit card, provided that the unauthorized use occurs before the Company has been notified.
- B. A Company calling card is a telephone calling card issued by the Company at Customer request, which enables the Customer or user(s) authorized by the Customer to place calls over the Network and to have the charges for such calls billed to the Customer account.

An accepted credit card is any credit card that a cardholder has requested or applied for and received, or has signed, used, or authorized another person to use to obtain credit. Any credit card issued as a renewal or substitute in accordance with this paragraph is an accepted credit card when received by the cardholder.

- C. The Customer must give the Company written or oral notice that an unauthorized use of a Company calling card or an accepted credit card has occurred or may occur as a result of loss, and/or theft.
- D. The Customer is responsible for payment of all charges for calling card services furnished to the Customer or to users authorized by the Customer to use service provided under this tariff, unless due to the negligence of the Company. This responsibility is not changed due to any use, misuse, or abuse of the Customer's service or Customer-provided equipment by third parties, Customer employees, or the public.

The liability of the Customer for unauthorized use of the Network by credit card fraud will not exceed the lesser of fifty dollars (\$50.00) or the amount of money, property, labor, or services obtained by the unauthorized user before notification to the Company.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.15 Notices and Communications

- 2.15.1** The Customer shall designate on the Service Order an address to which the Company shall mail or deliver all notices and other communications, except that the Customer may also designate a separate address to which Company bills for service shall be mailed.
- 2.15.2** The Company shall designate on the Service Order an address to which the Customer shall mail or deliver all notices and other communications, except that Company may designate a separate address on each bill for service to which the Customer shall mail payment on that bill.
- 2.15.3** Except as otherwise stated in this tariff, all notices or other communications required to be given pursuant to this tariff will be in writing. Notices and other communications of either party, and all bills mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following placement of the notice, communication or bill with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.
- 2.15.4** The Company or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.16 Taxes, Fees and Surcharges

The Company reserves the right to bill any and all applicable taxes, fees and surcharges in addition to normal rates and charges for services provided to the Customer. Taxes and fees include, but are not limited to: Federal Excise Tax, State Sales Tax, Municipal Tax, and Gross Receipts Tax. Unless otherwise specified in this tariff, such taxes, fees and surcharges are in addition to rates as quoted in this tariff and will be itemized separately on Customer invoices.

2.16.1 Arizona Universal Service Fund (AUSF)

In addition to all other taxes and fees that are listed herein or passed through in the normal course of business (e.g. sales tax), the Company shall also add an amount to be collected to each bill for recovery of the Arizona Universal Service Fund (AUSF).

Towards the ultimate goal that basic service be available and affordable to all citizens of the state, the Arizona Corporation Commission has created support mechanisms to assist in the provision of such service in high-cost areas. Pursuant to Arizona Administrative Code, R14-2, Article 12, the Rule directs that the surcharge will be levied on all telecommunications service purchased by end-users.

The Arizona Universal Service Fund (AUSF) surcharge will be the amount set forth in the Arizona Administrative Code, R14-2, Article 12. The percentage and amounts set forth will be subject to periodic adjustment by the Company.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.17 Miscellaneous Provisions

2.17.1 Telephone Number Changes

Whenever any Customer telephone number is changed after a directory is published, the Company shall intercept all calls to the former number for at least one hundred and twenty (120) days and give the calling party the new number provided existing central office equipment will permit, and the Customer so desires.

When service in an existing location is continued for a new Customer, the existing telephone number may be retained by the new Customer only if the former Customer consents in writing, and if all charges against the account are paid or assumed by the new Customer.

2.17.2 Maintenance and Operations Records

Records of various tests and inspections, to include non-routine corrective maintenance actions or monthly traffic analysis summaries for network administration, necessary for the purposes of the Company or to fulfill the requirements of Commission rules shall be kept on file in the office of the Company as required under Commission rules.

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SECTION 3 - SERVICE AREAS

3.1 Exchange Service Areas

Local exchange services are provided, subject to availability of facilities and equipment, in areas currently served by the following Incumbent LECs:

- 1) Qwest Communications, Inc.

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SECTION 4 - SERVICE CHARGES AND SURCHARGES

4.1 Service Order and Change Charges

4.1.1 General

Non-recurring charges apply to processing Service Orders for new service and for changes in service.

New Installation Charge - applies to requests for initial connection or establishment of telephone service to the Company. This charge applies to each line installed.

Technician Dispatch Charge - applies, in addition to all other charges for the visit, when a visit to the Customer's premises is necessary to move, add, change or install service, or to isolate a problem reported to the Company which cannot be handled remotely. This charge also applies when the Customer fails to meet the Company agent or employees for the prearrangement appointment as requested.

Service Order Change Charge - applies to work associated with Customer-requested changes to existing services, including adding or deleting line features, directory listing changes or additions and billing or contact information changes to Customer accounts. One Service Order Change Charge applies for each change order requested by the Customer. If multiple changes are requested by the Customer and occur on the same order, only one charge applies.

Move Charge - applies when a Customer requests a move or change in physical location of each line. This charge applies whether a Customer changes a telephone number or not. In addition, if the Customer requests a telephone number change, a separate charge may apply.

Telephone Number Change Charge - applies to each Customer-initiated change in telephone number.

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SECTION 4 - SERVICE CHARGES AND SURCHARGES, (CONT'D.)**4.1 Service Order and Change Charges, (Cont'd.)**

| | MAXIMUM Business | MAXIMUM Residential |
|---|-----------------------------|--------------------------------|
| New Installation, initial line | \$150.00 | \$150.00 |
| New Installation, additional line | \$100.00 | \$100.00 |
| Service Order Charge, Move/Installation, initial line | \$150.00 | \$150.00 |
| Service Order Charge, Move/Installation, additional line | \$100.00 | \$100.00 |
| Premises Work Charge, per hour | \$130.00 | \$130.00 |
| Hourly rate applied to labor & travel time; Customer responsible for parts. | | |
| Misdirect Charges | | |
| Dispatch out (no trouble found) | \$218.00 | \$218.00 |
| Dispatch out (no access to NID) | \$140.00 | \$140.00 |

4.2 Restoral Fees

A restoral charge applies each time a service is reconnected after suspension or termination for nonpayment but before cancellation of the service, as deemed in Section 1 of this Tariff.

| | MAXIMUM Business | MAXIMUM Residential |
|------------------------|-----------------------------|--------------------------------|
| Restoration, per line: | \$100.00 | \$60.00 |

4.3 Network Surcharge

| | MAXIMUM Business | MAXIMUM Residential |
|------------------------------|-----------------------------|--------------------------------|
| Network Surcharge, per line: | \$7.00 | \$7.00 |

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SECTION 4 - SERVICE CHARGES AND SURCHARGES, (CONT'D.)**4.4 Carrier Presubscription****4.4.1 General**

Carrier Presubscription is a procedure whereby a Customer designates to the Company the carrier that the Customer wishes to be the carrier of choice for intraLATA and interLATA toll calls. Such calls are automatically directed to the designated carrier, without the need to use carrier access codes or additional dialing to direct the call to the designated carrier. Presubscription does not prevent a Customer who has presubscribed to an IntraLATA or InterLATA toll carrier from using carrier access codes or additional dialing to direct calls to an alternative long distance carrier on a per call basis.

4.4.2 Presubscription Options - Customers may select the same carrier or separate carriers for intraLATA and interLATA long distance. The following options for long distance Presubscription are available:

- Option A:** Customer selects the Company as the presubscribed carrier for IntraLATA and InterLATA toll calls subject to presubscription.
- Option B:** Customer may select the Company as the presubscribed carrier for IntraLATA calls subject to presubscription and some other carrier as the presubscribed carrier for interLATA toll calls subject to presubscription.
- Option C:** Customer may select a carrier other than the Company for intraLATA toll calls subject to presubscription and the Company for interLATA toll calls subject to presubscription.
- Option D:** Customer may select the carrier other than the Company for both intraLATA and interLATA toll calls subject to presubscription.
- Option E:** Customer may select two different carriers, neither being the Company for intraLATA and interLATA toll calls. One carrier to be the Customer's primary intraLATA interexchange carrier. The other carrier to be the Customer's primary interLATA interexchange carrier.
- Option F:** Customer may select a carrier other than the Company for no presubscribed carrier for intraLATA toll calls subject to presubscription or which will require the Customer to dial a carrier access code to route all intraLATA toll calls to the carrier of choice for each call.

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SECTION 4 - SERVICE CHARGES AND SURCHARGES, (CONT'D.)

4.4 Carrier Presubscription, (Cont'd.)

4.4.3 Rules and Regulations

Customers of record will retain their primary interexchange carrier(s) until they request that their dialing arrangements be changed.

Customers of record or new Customers may select either Options A, B, C, D, E or F for intraLATA Presubscription.

Customers may change their selected Option and/or presubscribed toll carrier at any time subject to charges specified in 4.4.5 below:

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SECTION 4 - SERVICE CHARGES AND SURCHARGES, (CONT'D.)

4.4 Carrier Presubscription, (Cont'd.)

4.4.4 Presubscription Procedures

A new Customer will be asked to select intraLATA and interLATA toll carriers at the time the Customer places an order to establish local exchange service with the Company. The Company will process the Customer's order for service. All new Customers' initial requests for intraLATA toll service presubscription shall be provided free of charge.

If a new Customer is unable to make selection at the time the new Customer places an order to establish local exchange service, the Company will read a random listing of all available intraLATA and interLATA carriers to aid the Customer in selection. If selection is still not possible, the Company will inform the Customer that he/she will be given 90 calendar days in which to inform the Company of his/her choice for primary toll carrier(s) free of charge. Until the Customer informs the Company of his/her choice of primary toll carrier, the Customer will not have access to long distance services on a presubscribed basis, but rather will be required to dial a carrier access code to route all toll calls to the carrier(s) of choice. Customers who inform the Company of a choice for toll carrier presubscription within the 90 day period will not be assessed a service charge for the initial Customer request.

Customers of record may initiate a intraLATA or interLATA presubscription change at any time, subject to the charges specified in 4.4.5 below. If a Customer of record inquires of the Company of the carriers available for toll presubscription, the Company will read a random listing of all available intraLATA carriers to aid the Customer in selection.

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SECTION 4 - SERVICE CHARGES AND SURCHARGES, (CONT'D.)

4.4 Carrier Presubscription, (Cont'd.)

4.4.5 Presubscription Charges

A. Application of Charges

After a Customer's initial selection for a presubscribed toll carrier and as detailed in Paragraph 4.4.4 above, for any change thereafter, an Presubscription Change Charge, as set for the below will apply. Customers who request a change in intraLATA and interLATA carriers with the same order will be assessed a single charge per line.

B. Nonrecurring Charges

| | MAXIMUM Business | MAXIMUM Residential |
|--|-----------------------------|--------------------------------|
| Per business or residence line, trunk, or port | | |
| Initial Line, or Trunk or Port | \$10.00 | \$10.00 |
| Additional Line, Trunk or Port | \$10.00 | \$10.00 |

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SECTION 4 - SERVICE CHARGES AND SURCHARGES, (CONT'D.)**4.5 Public Telephone Surcharge**

In order to recover Company expenses to comply with the FCC's pay telephone compensation plan effective on October 7, 1997 (FCC 97-371), an undiscountable per call charge is applicable to all intrastate calls that originate from any pay telephone used to access Company provided services. This surcharge, which is in addition to standard tariffed usage charges and any applicable service charges and surcharges associated with service, applies for the use of the instrument used to access Company provided service and is unrelated to the service accessed from the pay telephone.

Pay telephones include coin-operated and coinless phones owned by local telephone companies, independent companies and interexchange carriers. The Public Pay Telephone Surcharge applies to the initial completed call and any reoriginated call (e.g., using the #@symbol). The Public Pay Telephone Surcharge does not apply to calls placed from pay telephones at which the Customer pays for service by inserting coins during the progress of the call.

Whenever possible, the Public Pay Telephone Surcharge will appear on the same invoice containing the usage charges for the surcharged call. In cases where proper pay telephone coding digits are not transmitted to the Company prior to completion of a call, the Public Pay Telephone Surcharge may be billed on a subsequent invoice after the Company has obtained information from a carrier that the originating station is an eligible pay telephone.

Rate Per Call:

MAXIMUM
\$1.00

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SECTION 5 – NETWORK SERVICE DESCRIPTIONS

5.1 General

The following Network Services are available to Customers as specified in the individual service description:

- Basic Local Exchange Service
- Cordia Business Premium Plan
- Cordia Business Local Premium Plan
- Cordia Residential Unlimited Plan
- Cordia Residential Local Unlimited Plan
- Optional Calling Features
- Listing Services
- Directory Assistance
- Operator Services
- IntraLATA Long distance Services

5.1.2 Application of Rates and Charges

All services offered in this tariff are subject to service order and change charges where the Customer requests new services or changes in existing services, as well as indicated Non-Recurring and Monthly Recurring Charges.

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SECTION 5 – NETWORK SERVICE DESCRIPTIONS, (CONT'D.)**5.2 Basic Local Exchange Service**

Basic Local Exchange Service provides Customers with analog, voice-grade telephonic communications channels that can be used to place or receive one call at a time. Lines are provided for the connection of Customer-provided wiring, telephone, facsimile machines or other station equipment. Intrastate and interstate direct dial outbound and inbound toll and long distance calling is available as an option.

5.2.1 Flat Rate Service

Customers receive unlimited calling within their local calling area. No usage charges apply to calls placed to or received from areas within the local calling area.

Flat Rate Service Rates , per month, per line:

| | MAXIMUM Business | MAXIMUM Residential |
|-----------------|-----------------------------|--------------------------------|
| Initial Line | \$60.80 | \$26.36 |
| Additional Line | \$60.80 | \$20.00 |

5.2.2 Message Rate Service

Message Rate Service consists of two components:

- 1. Access Line Charge** - The Access Line provides Customers with access to the telephone network.
- 2. Local Usage** - Customers receive a message allowance per month per line for calls placed to areas within the local calling area. Usage in excess of the allowance is billed on a per call basis.

| | MAXIMUM Business | MAXIMUM Residential |
|---|-----------------------------|--------------------------------|
| Message Monthly Usage Rates, per line: | | |
| Initial Line | N/A | \$17.00 |
| Additional Line | N/A | \$17.00 |

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SECTION 5 – NETWORK SERVICE DESCRIPTIONS, (CONT'D.)

5.3 Cordia Business Premium Plan

With the Cordia Business Plan, the business Customer receives up to 4000 local minutes when combined with regional minutes, with overage minutes charged at \$0.038 per minute, and up to 2000 minutes of intrastate long distance calls when combined with interstate calls, with overage minutes charges at \$0.098 per minute.

Calling features included in the plan are Call Waiting, Caller ID, 3-Way Calling and Speed Dial 8. Additional calling features may be added at \$11.90 each or Business Premium Plan customers may add the Cordia Feature Package.

| | MAXIMUM Monthly Rate |
|--|---------------------------------|
| Cordia Business Premium Plan | \$100.00 |
| Cordia Business Premium Plan – Additional Line | \$80.00 |

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SECTION 5 – NETWORK SERVICE DESCRIPTIONS, (CONT'D.)

5.4 Cordia Business Local Premium Plan

With the Cordia Business Local Plan, the business Customer receives up to 4000 local minutes when combined with regional minutes, with overage minutes charged at \$0.038 per minute, and up to 2000 minutes of intrastate long distance calls when combined with interstate calls, with overage minutes charges at \$0.098 per minute.

Calling features included in the plan are Call Waiting, Caller ID, 3-Way Calling and Speed Dial 8. Additional calling features may be added at \$11.90 each or Business Premium Plan customers may add the Cordia Feature Package.

| | MAXIMUM Monthly Rate |
|--|---------------------------------|
| Cordia Business Local Premium Plan | \$90.00 |
| Cordia Business Local Premium Plan – Additional Line | \$70.00 |

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SECTION 5 – NETWORK SERVICE DESCRIPTIONS, (CONT'D.)

5.5 Cordia Business Feature Package

The Cordia Business Feature Package includes Voicemail, Inside Wire Maintenance, Call Return (*69), 3-Way Calling, Distinctive Ring, and Remote Access Call Forwarding. This package is billed monthly.

| | MAXIMUM Monthly Rate |
|------------------------|---------------------------------|
| Cordia Feature Package | \$30.00 |

5.6 Cordia Residential Unlimited Plan

With the Cordia Residential Unlimited Plan, the residential Customer receives unlimited local and regional voice calling, unlimited inter and intrastate domestic long distance calling, 1000 minutes of regional data calls with overage minutes charged at \$0.02 per minute, and 100 minutes of long distance data calls with overage minutes charges at \$0.04 per minute.

Voicemail may be added at an additional monthly rate of \$3.95, and calling features included in the plan are Call Waiting, Caller ID and Speed Dial 8. Additional calling features may be added at \$3.95 each or Residential Unlimited Plan customers may add the Cordia Feature Package.

| | MAXIMUM Monthly Rate |
|---|---------------------------------|
| Cordia Residential Unlimited Plan | \$80.00 |
| Cordia Residential Unlimited Plan – Additional Line | \$60.00 |

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SECTION 5 – NETWORK SERVICE DESCRIPTIONS, (CONT'D.)

5.7 Cordia Residential Local Unlimited Plan

With the Cordia Residential Unlimited Plan, the residential Customer receives unlimited local and regional voice calling, interstate long distance calling charges at \$0.059 per minute and intrastate domestic long distance calling charged at \$0.049 per minute, 1000 minutes of regional data calls with overage minutes charged at \$0.01 per minute, intrastate long distance data calls at \$0.059 per minute and interstate long distance data calls at \$0.049 per minute.

Voicemail may be added at an additional monthly rate of \$3.95, and calling features included in the plan are Call Waiting, Caller ID and Speed Dial 8. Additional calling features may be added at \$3.95 each or Residential Unlimited Plan customers may add the Cordia Feature Package.

| | MAXIMUM Monthly Rate |
|---|---------------------------------|
| Cordia Residential Local Unlimited Plan | \$34.95 |
| Cordia Residential Local Unlimited Plan – Additional Line | \$29.95 |

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SECTION 5 – NETWORK SERVICE DESCRIPTIONS, (CONT'D.)

5.8 Cordia Residential Feature Package

The Cordia Residential Feature Package includes Voicemail, Inside Wire Maintenance, Call Return (*69), 3-Way Calling, Distinctive Ring, and Remote Access Call Forwarding. This package is billed monthly.

| | MAXIMUM Monthly Rate |
|------------------------|---------------------------------|
| Cordia Feature Package | \$20.00 |

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SECTION 5 – NETWORK SERVICE DESCRIPTIONS, (CONT'D.)

5.9 Cordia Toll Free Number Plan

Cordia Toll Free Number Pan is available to both Residential and Business Customers at the following rates:

| Per Minute Rates: | MAXIMUM Business | MAXIMUM Residential |
|--|-----------------------------|--------------------------------|
| Toll Free Number Plan, monthly | \$4.00 | \$4.00 |
| Local Voice Calls, per minute | \$0.118 | \$0.118 |
| Regional Voice Calls, per minute | \$0.118 | \$0.118 |
| Intrastate Long Distance Calls, per minute | \$0.118 | \$0.118 |
| Interstate Long Distance Calls, per minute | \$0.118 | \$0.118 |
| Local and Regional Data Calls, per minute | \$0.118 | \$0.118 |
| Long Distance Data Calls, per minute | \$0.098 | \$0.098 |

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SECTION 5 – NETWORK SERVICE DESCRIPTIONS, (CONT'D.)

5.10 Optional Calling Features

Call Waiting - Signals the Customer with a burst of tone to indicate that another call is waiting. The second call can either be answered by flashing the switch hook or hanging up the phone and being rung back by the caller.

Caller ID Number - Provides for the display of the calling party telephone number on Caller ID compatible customer premises equipment.

Speed Calling 8 - Allows the Customer to dial an abbreviated code to originate a call to any of 8 programmed telephone numbers.

Call Return (*69) - Automatically redials the last incoming call.

Call Trace - Allows a called party to initiate an automatic trace of the last call received. Call Trace is available on a usage basis only. After receiving the call which is to be traced, the Customer dials a code and the traced telephone number is automatically sent to the Company for action. The Customer originating the trace will not receive the traced telephone number. The results of the trace will be furnished only to legally constituted law enforcement agencies or authorities upon proper request by them.

3 – Way Calling - Allows the Customer to add a third party to an existing conversation.

Distinctive Ring - Provides the Customer with separate telephone numbers, each with a distinctive ring, associated with one line.

Remote Access Call Forwarding – Allows all incoming calls to be forwarded to another telephone number.

5.10.1 Optional Calling Features Monthly Charges

| | MAXIMUM Business | MAXIMUM Residential |
|-------------------------------|-----------------------------|--------------------------------|
| Voicemail | \$12.00 | \$8.00 |
| Inside Wire Maintenance | \$12.00 | \$8.00 |
| Call Return (*69) | \$12.00 | \$8.00 |
| 3-Way Calling | \$12.00 | \$8.00 |
| Distinctive Ring | \$12.00 | \$8.00 |
| Remote Access Call Forwarding | \$12.00 | \$8.00 |

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SECTION 5 – NETWORK SERVICE DESCRIPTIONS, (CONT'D.)**5.10 Optional Calling Features, (Cont'd.)****5.10.2 Optional Calling Features Per Use Rates**

| | MAXIMUM PER USE | |
|---|------------------------|--------------------|
| | Business | Residential |
| Call Return | \$1.90 | \$1.90 |
| Call Return Complete | \$1.90 | \$1.90 |
| Call Trace | \$1.90 | \$1.90 |
| 3-Way Calling | \$1.90 | \$1.90 |
| Repeat Dialing | \$1.90 | \$1.90 |
| DA Call Complete (in addition to DA fee | \$1.00 | \$1.00 |
| DA – Local | \$2.50 | \$2.50 |
| DA - Interstate | \$1.90 | \$1.90 |

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SECTION 6 – DIRECTORY ASSISTANCE AND LISTING SERVICES
6.1 Directory Assistance Services**6.1.1 Local Directory Assistance**

A Customer may obtain Directory Assistance in determining telephone numbers by calling the Directory Assistance operator. The Customer may request a maximum of two (2) telephone numbers per call to Directory Assistance service without additional charges.

The rates specified following apply when Customers request company assistance in determining telephone numbers of Customers who are located in the same local service area or who are not located in the same local service area but who are located within the same NPA.

Charges will not apply for calls placed from hospital services or calls placed from telephones where the Customer or, in the case of residence service, a member of the Customer's household, has been affirmed in writing as unable to use a Company provided directory because of a visual, physical or reading handicap.

Unless one of the exceptions listed above applies, the charges as shown below apply for each request made to the Directory Assistance operator:

| Per Query | MAXIMUM |
|----------------------------|----------------|
| Local Directory Assistance | |
| Direct dialed | \$4.60 |
| Operator Assisted | \$13.80 |

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SECTION 6 – DIRECTORY ASSISTANCE AND LISTING SERVICES, (CONT'D.)

6.2 Directory Listing Service

6.2.1 General Terms and Conditions

- A. The Company shall provide for a single directory listing, termed the primary listing, in the telephone directory published by the dominant exchange service provider in the Customer's exchange areas of the Station number which is designated as the Customer's main billing number. Directory listings of additional Company Station numbers, other than the Customer's main billing number, associated with a Customer's service will be provided for a monthly recurring charge per listing.
- B. The Company reserves the right to limit the length of any listing in the directory by the use of abbreviations when, in its judgment, the clearness of the listing, or the identification of the Customer is not impaired thereby. Where more than one line is required to properly list the Customer, no additional charge is made.
- C. The Company may refuse a listing which is known not to constitute a legally authorized or adopted name, obscenities in the name, or any listing which, in the opinion of the Company, is likely to mislead or deceive calling persons as to the identity of the listed party, or is a contrived name used for advertising purposes or to secure a preferential position in the directory or is more elaborate than is reasonably necessary to identify the listed party. The Company, upon notification to the Customer, will withdraw any listing which is found to be in violation of its rules with respect thereto.

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SECTION 6 – DIRECTORY ASSISTANCE AND LISTING SERVICES, (CONT'D.)

6.2 Directory Listing Service, (Cont'd.)

6.2.1 General Terms and Conditions, (cont'd.)

- D.** Each listing must be designated Government or Business to be placed in the appropriate section of the directory. In order to aid the user of the directory, and to avoid misleading or deceiving the calling party as to the identity of the listed party, only business listings may be placed in the Business Section and only residential listings in the Residential section. The Company, upon notification to the Customer, will withdraw any listing which is found to be in violation of its rules with respect thereto.
- E.** In order for listings to appear in an upcoming directory, the Customer must furnish the listing to the Company in time to meet the directory publishing schedule.
- F.** Rates and regulations for listing service are applicable only to listings in the alphabetical directories.
- G.** Directory listings are limited to such information as is essential to the identification of the listed party. The listing of a service, commodity, or trade name is not permitted unless it is the name, or an integral part of the name, under which the Customer does business.
- H.** A listing is limited to one line in the directory, except where in the judgment of the Company, more than one line is required to identify the Customer properly. In such cases, the additional lines required are provided at no extra charge.
- I.** Listing services are available with all classes of main telephone exchange service.

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SECTION 6 – DIRECTORY ASSISTANCE AND LISTING SERVICES, (CONT'D.)

6.2 Directory Listing Service, (Cont'd.)

6.2.2 Listings

A. Primary Listing

One listing, termed the initial listing is included with each Customer's service, and with the initial line of a line hunting group.

B. Additional Listings

At a charge, additional listings may be included in the alphabetical directory and on directory assistance records, or appear on directory assistance records only. The monthly rate for additional listings apply when the listings appear in Directory Assistance records in accordance with the date requested by the Customer.

If an additional listing is ordered discontinued by the Customer after the closing of the directory, the monthly rate continues through that issue of the directory and up to the date for rates to be effective for the next directory. If the additional listing is ordered discontinued before the closing date of the directory in which it would first appear the monthly rate continues only to the date of cancellation by the Customer, with a minimum service period of one month.

C. Foreign Listing

Where available, a listing in a telephone directory which is not in the Customer's immediate calling area. The Customer will be charged the rates specified in the tariff published by the specific local exchange carrier providing the Foreign Listing.

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SECTION 6 – DIRECTORY ASSISTANCE AND LISTING SERVICES, (CONT'D.)

6.2 Directory Listing Service, (Cont'd.)

6.2.2 Listings, (cont'd.)

D. Nonpublished Service

Nonpublished service means that the Customer's telephone number is not listed in the directory, nor does it appear in the Company Directory Assistance Records. However, such information may be displayed on a call-by-call basis at Public Safety Answering Point locations where Enhanced Universal Emergency Number service is provided (E911).

The Company will complete calls to a non-published number only when the caller dials direct or gives the operator number. No exceptions will be made, even if the caller says it is an emergency.

When the Company agrees to keep a number unlisted, it does so without any obligation. Except for cases of gross negligence or willful misconduct, the Company is not liable for any damages that might arise from publishing a non-published number in the directory or disclosing it to some. If, in error, the telephone number is published in the directory, the only obligation of the Company is to credit or refund any monthly charges the Customer paid for non-published service.

The subscriber indemnifies (i.e., promises to reimburse the Company for any amount the Company must pay as a result of) and save the Company harmless against any and all claims for damages caused or claimed to have been caused, directly or indirectly, by the publication of a non-published service or the disclosing of said number to any person.

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SECTION 6 – DIRECTORY ASSISTANCE AND LISTING SERVICES, (CONT'D.)

6.2 Directory Listing Service, (Cont'd.)

6.2.2 Listings, (cont'd.)

E. Non-directory Listed Service

Non-directory listed service means that the Customer's telephone number is not listed in the directory, but does it appear in the Company Directory Assistance Records.

This service is subject to the rules and regulations for E911 service, where applicable. The Company will complete calls to a non-listed number.

When the Company agrees to keep a number unlisted, it does so without any obligation. Except for cases of gross negligence or willful misconduct, the Company is not liable for any damages that might arise from publishing a non-listed number in the directory or disclosing it to some. If, in error, the telephone number is listed in the directory, the only obligation of the Company is to credit or refund any monthly charges the Customer paid for non-listed service.

The subscriber indemnifies (i.e., promises to reimburse the Company for any amount the Company must pay as a result of) and save the Company harmless against any and all claims for damages caused or claimed to have been caused, directly or indirectly, by the publication of a non-directory listed service or the disclosing of said number to any person.

6.2.3 Listings Monthly Rates

| | MAXIMUM Business | MAXIMUM Residential |
|---------------------|-----------------------------|--------------------------------|
| Non-Listed | \$4.80 | \$5.20 |
| Non-Published | \$6.20 | \$6.60 |
| Additional Listings | \$10.00 | \$5.00 |
| Foreign Listings | \$10.00 | \$5.00 |

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White Plains, NY 10601

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SECTION 7 – OPERATOR SERVICES**7.1 Operator Service****7.1.1 General**

Company operator services, available to presubscribed Customers, are accessible on a twenty-four (24) hour per day seven (7) days per week basis. In addition to the per call service charge, usage rates apply. The types of calls handled are as follows:

Customer Dialed Calling/Credit Card Call – This charge applies in addition to usage charges for station to station calls billed to an authorized Calling Card or Commercial Credit Card. The Customer must dial the destination telephone number where the capability exists for the Customer to do so. A separate rate applies in the event operator assistance is requested for entering the Customer's card number for billing purposes.

Operator Dialed Calling/Credit Card Call – This charge applies in addition to usage charges for station to station calls billed to an authorized telephone Calling Card or Commercial Credit Card and the operator dials the destination telephone number at the request of the Customer.

Operator Station – These charges apply in addition to usage charges for non-Person-to-Person calls placed using the assistance of a Company operator and billed Collect, to a Third Party, or via some method other than a Calling Card or Commercial Credit Card.

Person-to-Person – This charge applies in addition to usage charges for calls placed with the assistance of a Company operator to a particular party at the destination number. This charge applies regardless of billing method, including but not limited to billing to a Calling Card, Commercial Credit Card, Collect or to a Third Party. Charges do not apply unless the specified party or an acceptable substitute is available.

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SECTION 7 – OPERATOR SERVICES, (CONT'D.)

7.1 Operator Service, (Cont'd.)

7.1.2 Rates

A. Usage Charges

Usage charges for operator assisted calls are those usage charges that would normally apply to the calling party's service.

B. Per Call Service Charges

| | MAXIMUM Business | MAXIMUM Residential |
|---|-----------------------------|--------------------------------|
| Customer Dialed Calling Card, automated | \$8.00 | \$8.00 |
| Customer Dialed Calling Card, operator assisted | \$12.00 | \$12.00 |
| Operator Assisted Station-to-Station, partially | \$9.20 | \$9.20 |
| Operator Assisted Station-to-Station, fully | \$11.20 | \$11.20 |
| Operator Assisted Person-to-Person, partially | \$18.00 | \$18.00 |
| Operator Assisted Person-to-Person, fully | \$24.00 | \$24.00 |

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SECTION 8 - SUPPLEMENTAL SERVICES

8.1 Busy Line Verification and Interrupt Service

Upon request of a calling party the Company will verify a busy condition on a designated local service line. The operator will determine if the line is clear or in use and report to the calling party. At the request of the Customer, the operator will interrupt the call on the busy line. Emergency Interruption is only permitted in cases where the calling party indicates an emergency exists and requests interruption.

A Verification Charge will apply when:

- a. The operator verifies that the line is busy with a call in progress, or
- b. The operator verifies that the line is available for incoming calls.

Both a Verification Charge and an Emergency Interrupt Charge will apply when the operator verifies that a called number is busy with a call in progress and the Customer requests interruption. The operator will interrupt the call advising the called party of the name of the calling party and the called party will determine whether to accept the interrupt call. Charges will apply whether or not the called party accepts the interruption.

No charge will apply when the calling party advises that the call is to or from an official public emergency agency. Busy Verification and Emergency Interrupt Service is furnished where and to the extent that facilities permit.

The Customer shall identify and save the Company harmless against all claims that may arise from either party to the interrupted call or any person.

7.1.1 Rates

| | MAXIMUM Business | MAXIMUM Residential |
|---|-----------------------------|--------------------------------|
| Busy Verification Charge, each request: | \$12.00 | \$12.00 |
| Busy Line Interrupt, each request: | \$24.00 | \$24.00 |

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SECTION 9 – SPECIAL ARRANGEMENTS

9.1 Special Construction

9.1.1 Basis for Charges

Basis for Charges where the Company furnishes a facility or service for which a rate or charge is not specified in Company tariffs, charges will be based on the costs incurred by the Company (including return) and may include:

- a) nonrecurring charges;
- b) recurring charges;
- c) termination liabilities; or
- d) combinations of (a), (b), and (c).

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SECTION 9 – SPECIAL ARRANGEMENTS, (CONT'D.)

9.1 Special Construction, (Cont'd.)

9.1.2 Basis for Cost Computation

The costs referred to in 9.1.1 preceding may include one or more of the following items to the extent they are applicable:

- A. Costs to install the facilities to be provided including estimated costs for the rearrangements of existing facilities. These costs include:
 - 1. equipment and materials provided or used;
 - 2. engineering, labor, and supervision;
 - 3. transportation; and
 - 4. rights of way and/or any required easements.
- B. Cost of maintenance
- C. Depreciation on the estimated cost installed of any facilities provided, based on the anticipated useful service life of the facilities with an appropriate allowance for the estimated net salvage.
- D. Administration, taxes, and uncollectible revenue on the basis of reasonable average cost for these items.
- E. License preparation, processing, and related fees.
- F. Tariff preparation, processing and related fees.
- G. Any other identifiable costs related to the facilities provided; or
- H. An amount for return and contingencies.

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SECTION 9 – SPECIAL ARRANGEMENTS, (CONT'D.)

9.1 Special Construction, (Cont'd.)

9.1.3 Termination Liability

To the extent that there is no other requirement for use by the Company, a termination liability may apply for facilities specially constructed at the request of a Customer.

- A.** The period on which the termination liability is based is the estimated service life of the facilities provided.
- B.** The amount of the maximum termination liability is equal to the estimated amounts (including return) for:
 - .1 Costs to install the facilities to be provided including estimated costs for the rearrangements of existing facilities. These costs include:
 - (a.) equipment and materials provided or used;
 - (b.) engineering, labor, and supervision;
 - (c.) transportation; and
 - (d.) rights of way and/or any required easements;
 - .2 license preparation, processing, and related fees;
 - .3 tariff preparation, processing and related fees;
 - .4 cost of removal and restoration, where appropriate; and
 - .5 any other identifiable costs related to the specially constructed or rearranged facilities.
- C.** The termination liability method for calculating the unpaid balance of a term obligation is obtained by multiplying the sum of the amounts determined as set forth in Section 9.1.3.B preceding by a factor related to the unexpired period of liability and the discount rate for return and contingencies. The amount determined in Section 9.1.3.B preceding shall be adjusted to reflect the predetermined estimated net salvage, including any reuse of the facilities provided. This amount shall be adjusted to reflect applicable taxes.

SECTION 9 – SPECIAL ARRANGEMENTS, (CONT'D.)**9.2 Non-Routine Installation and/or Maintenance**

At the Customer's request, installation and/or maintenance may be performed outside Company regular business hours, or (in sole discretion of the Company and subject to any conditions it may impose) in hazardous locations. In such cases, charges based on the cost of labor, material, and other costs incurred by or charged to the Company will apply. If installation is started during regular business hours but, at the Customer's request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

9.3 Individual Case Basis (ICB) Arrangements

Rates for ICB arrangements will be developed on a case-by-case basis in response to a bona fide request from a Customer or prospective Customer for service which vary from tariffed arrangements. Rates quoted in response to such requests may be different for tariffed service than those specified for such service in the Rate Attachment. ICB rates will be offered to Customers in writing and will be made available to similarly situated Customers. A summary of each ICB contract pricing arrangement offered pursuant to this paragraph will be filed as an addendum to this Tariff within 30 days after the contract is signed by both the Company and the Customer. The following information will be included in the summary:

- a. LATA and type of switch
- b. The V&H distance from the central office to the Customer's premises
- c. Service description
- d. Rates and charges
- e. Quantity of circuits
- f. Length of the agreement.

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SECTION 10 – PROMOTIONAL OFFERINGS

10.1 Special Promotions

The Company may, from time to time, offer services in this Tariff at special promotional rates and/or terms. Such promotional arrangements shall be filed with the Commission when so required. All rates and terms contained in this Tariff shall continue to apply unless specifically addressed in the promotional agreements.

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SECTION 11 – CURRENT PRICE LIST

11.1 Service Charges and Surcharges

| | Business | Residential |
|---|-----------------|--------------------|
| New Installation, initial line | \$75.00 | \$75.00 |
| New Installation, additional line | \$50.00 | \$50.00 |
| Service Order Charge, Move/Installation, initial line | \$75.00 | \$75.00 |
| Service Order Charge, Move/Installation, additional line | \$50.00 | \$50.00 |
| Premises Work Charge, per hour | \$65.00 | \$65.00 |
| Hourly rate applied to labor & travel time; Customer responsible for parts. | | |
| Misdirect Charges | | |
| Dispatch out (no trouble found) | \$109.00 | \$109.00 |
| Dispatch out (no access to NID) | \$70.00 | \$70.00 |

11.2 Restoral Fee

| | Business | Residential |
|------------------------|-----------------|--------------------|
| Restoration, per line: | \$50.00 | \$30.00 |

11.3 Network Access Surcharge

| | Business | Residential |
|-------------------------------------|-----------------|--------------------|
| Network Access Surcharge, per line: | \$3.50 | \$3.50 |

11.4 Carrier Presubscription Charges

| | Business | Residential |
|--|-----------------|--------------------|
| Per business or residence line, trunk, or port | | |
| Initial Line, or Trunk or Port | \$5.00 | \$5.00 |
| Additional Line, Trunk or Port | \$5.00 | \$5.00 |

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SECTION 11 – CURRENT PRICE LIST, (CONT'D.)

11.5 Public Telephone Surcharge

Rate Per Call: \$0.60

11.6 Basic Local Exchange Service

11.6.1 Flat Rate Service

| Per month, per line | Business | Residential |
|---------------------|-----------------|--------------------|
| Initial Line | \$30.40 | \$13.18 |
| Additional Line | \$30.40 | \$10.00 |

11.6.2 Message Rate Service

| Per month, per line | Business | Residential |
|---------------------|-----------------|--------------------|
| Initial Line | N/A | \$8.50 |
| Additional Line | N/A | \$8.50 |

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SECTION 11 – CURRENT PRICE LIST, (CONT'D.)

11.7 Cordia Business Premium Plan

With the Cordia Business Local Plan, the business Customer receives up to 4000 local minutes when combined with regional minutes. Overage minutes for local and regional calls are charged at \$0.019 per minute. Customers also receive up to 2000 minutes of intrastate long distance calls when combined with interstate calls, with overage minutes charges at \$0.049 per minute.

Calling features included in the plan are Call Waiting, Caller ID, 3-Way Calling and Speed Dial 8. Additional calling features may be added at \$5.95 each or Business Premium Plan customers may add the Cordia Feature Package.

| | Monthly Rate |
|--|---------------------|
| Cordia Business Local Premium Plan | \$44.95 |
| Cordia Business Local Premium Plan – Additional Line | \$34.95 |

11.8 Cordia Business Local Premium Plan

With the Cordia Business Local Plan, the business Customer receives up to 4000 local minutes when combined with regional minutes. Overage minutes for local and regional calls are charged at \$0.019 per minute. Customers also receive up to 2000 minutes of intrastate long distance calls when combined with interstate calls, with overage minutes charges at \$0.049 per minute.

Calling features included in the plan are Call Waiting, Caller ID, 3-Way Calling and Speed Dial 8. Additional calling features may be added at \$5.95 each or Business Premium Plan customers may add the Cordia Feature Package.

| | Monthly Rate |
|--|---------------------|
| Cordia Business Local Premium Plan | \$44.95 |
| Cordia Business Local Premium Plan – Additional Line | \$34.95 |

11.9 Cordia Business Feature Package

| | Monthly Rate |
|------------------------|---------------------|
| Cordia Feature Package | \$14.95 |

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SECTION 11 – CURRENT PRICE LIST, (CONT'D.)**11.10 Cordia Residential Unlimited Plan**

With the Cordia Residential Unlimited Plan, the residential Customer receives unlimited local and regional voice calling, unlimited inter and intrastate domestic long distance calling, 1000 minutes of regional data calls with overage minutes charged at \$0.01 per minute, and 100 minutes of long distance data calls with overage minutes charges at \$0.02 per minute.

Voicemail may be added at an additional monthly rate of \$3.95, and calling features included in the plan are Call Waiting, Caller ID and Speed Dial 8. Additional calling features may be added at \$3.95 each or Residential Unlimited Plan customers may add the Cordia Feature Package.

| | Monthly Rate |
|---|---------------------|
| Cordia Residential Unlimited Plan | \$39.95 |
| Cordia Residential Unlimited Plan – Additional Line | \$29.95 |

11.11 Cordia Residential Local Unlimited Plan

With the Cordia Residential Unlimited Plan, the residential Customer receives unlimited local and regional voice calling, interstate long distance calling charges at \$0.059 per minute and intrastate domestic long distance calling charged at \$0.049 per minute, 1000 minutes of regional data calls with overage minutes charged at \$0.01 per minute, intrastate long distance data calls at \$0.059 per minute and interstate long distance data calls at \$0.049 per minute.

Voicemail may be added at an additional monthly rate of \$3.95, and calling features included in the plan are Call Waiting, Caller ID and Speed Dial 8. Additional calling features may be added at \$3.95 each or Residential Unlimited Plan customers may add the Cordia Feature Package.

| | Monthly Rate |
|---|---------------------|
| Cordia Residential Local Unlimited Plan | \$34.95 |
| Cordia Residential Local Unlimited Plan – Additional Line | \$29.95 |

11.12 Cordia Residential Feature Package

| | Monthly Rate |
|------------------------|---------------------|
| Cordia Feature Package | \$9.95 |

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 White Plains, NY 10601

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SECTION 11 – CURRENT PRICE LIST, (CONT'D.)**11.13 Cordia Toll Free Number Plan**

Cordia Toll Free Number Pan is available to both Residential and Business Customers at the following rates:

| Per Minute Rates: | Business | Residential |
|--|-----------------|--------------------|
| Toll Free Number Plan, monthly | \$1.95 | \$1.95 |
| Local Voice Calls, per minute | \$0.059 | \$0.059 |
| Regional Voice Calls, per minute | \$0.059 | \$0.059 |
| Intrastate Long Distance Calls, per minute | \$0.059 | \$0.059 |
| Interstate Long Distance Calls, per minute | \$0.059 | \$0.059 |
| Local and Regional Data Calls, per minute | \$0.059 | \$0.059 |
| Long Distance Data Calls, per minute | \$0.049 | \$0.049 |

11.14 Optional Calling Feature MONTHLY Rates

| | Business | Residential |
|-------------------------------|-----------------|--------------------|
| Voicemail | \$5.95 | \$3.95 |
| Inside Wire Maintenance | \$5.95 | \$3.95 |
| Call Return (*69) | \$5.95 | \$3.95 |
| 3-Way Calling | \$5.95 | \$3.95 |
| Distinctive Ring | \$5.95 | \$3.95 |
| Remote Access Call Forwarding | \$5.95 | \$3.95 |

11.15 Optional Calling Features PER USE Rates

| | PER USE | |
|--|-----------------|--------------------|
| | Business | Residential |
| Call Return | \$0.95 | \$0.95 |
| Call Return Complete | \$0.95 | \$0.95 |
| Call Trace | \$0.95 | \$0.95 |
| 3-Way Calling | \$0.95 | \$0.95 |
| Repeat Dialing | \$0.95 | \$0.95 |
| DA Call Complete (in addition to DA fee) | \$0.50 | \$0.50 |
| DA – Local | \$1.25 | \$1.25 |
| DA - Interstate | \$0.95 | \$0.95 |

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SECTION 11 – CURRENT PRICE LIST, (CONT'D.)**11.16 Local Directory Assistance, per query**

Local Directory Assistance

Direct dialed

\$1.15

Operator Assisted

\$3.45

11.17 Directory Listings Monthly Rates

| | Business | Residential |
|---------------------|-----------------|--------------------|
| Non-Listed | \$1.20 | \$1.30 |
| Non-Published | \$1.55 | \$1.65 |
| Additional Listings | \$2.50 | \$1.25 |
| Foreign Listings | \$2.50 | \$1.25 |

11.18 Operator Services**Per Call Service Charges**

| | Business | Residential |
|---|-----------------|--------------------|
| Customer Dialed Calling Card, automated | \$2.00 | \$2.00 |
| Customer Dialed Calling Card, operator assisted | \$3.00 | \$3.00 |
| Operator Assisted Station-to-Station, partially | \$2.30 | \$2.30 |
| Operator Assisted Station-to-Station, fully | \$2.80 | \$2.80 |
| Operator Assisted Person-to-Person, partially | \$4.50 | \$4.50 |
| Operator Assisted Person-to-Person, fully | \$6.00 | \$6.00 |

11.19 Busy Line Verification

| | Business | Residential |
|---|-----------------|--------------------|
| Busy Verification Charge, each request: | \$3.00 | \$3.00 |
| Busy Line Interrupt, each request: | \$6.00 | \$6.00 |

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Cordia Communications Corp.

Attachment C

Affidavit of Publication

Cordia's Affidavit of Publication will be forwarded to the Commission shortly.

Cordia Communications Corp.

Attachment D

Financial Information

Cordia Communications Corp.'s parent company's Form 10-QSB for period ending 09/30/05 is attached.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-QSB

(Mark One)

Quarterly report under Section 13 or 15(d) of the Securities exchange Act of 1934

For the quarterly period ended September 30, 2005

Transition report under Section 13 or 15(d) of the Exchange Act

For the transition period from _____ to _____.

Commission File Number:

CORDIA CORPORATION

(Exact Name of Small Business Issuer as Specified in Its Charter)

Nevada

11-2917728

(State or Other Jurisdiction of
Incorporation or Organization)

(I.R.S. Employer Identification No.)

2500 Silverstar Road, Suite 500, Orlando, Florida 32804

(Address of Principal Executive Offices)

866-777-7777

(Issuer's Telephone Number, Including Area Code)

Check whether the registrant filed all documents and reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the preceding 12 months and has been subject to such filing requirements for the past 90 days.

Yes No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS
DURING THE PRECEDING FIVE YEARS

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 or the Exchange Act).

Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

As of November 11, 2005, there were 5,215,410 shares of the issuer's common stock outstanding.

CORDIA CORPORATION

FORM 10-QSB

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Item 1. Financial Statements.

**CORDIA CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS**

| ASSETS | September 30, 2005 (unaudited) | December 31, 2004 |
|--|--------------------------------------|----------------------|
| Current Assets | | |
| Cash and cash equivalents | \$ 626,597 | \$ 300,119 |
| Cash - restricted | 1,390,784 | - |
| Accounts receivable, less allowance for doubtful accounts of \$4,133,423 (2005) and \$627,158 (2004) | 6,614,287 | 4,423,423 |
| Prepaid expenses | 785,620 | 324,420 |
| Accrued usage receivable | 442,725 | 263,014 |
| TOTAL CURRENT ASSETS | 9,860,013 | 5,310,976 |
| Property and equipment, at cost | | |
| Office and computer equipment | 608,735 | 236,597 |
| Computer software | 457,603 | - |
| Leasehold Improvements | 252,426 | - |
| | 1,318,764 | 236,597 |
| Less: Accumulated depreciation/amortization | (239,791) | (59,182) |
| NET PROPERTY AND EQUIPMENT | 1,078,973 | 177,415 |
| Other Assets | | |
| Security deposits and other assets | 194,483 | 59,064 |
| TOTAL ASSETS | \$ 11,133,469 | \$ 5,547,455 |
| LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT) | | |
| Current Liabilities | | |
| Accounts payable | \$ 3,643,363 | \$ 3,316,121 |
| Accrued expenses | 4,061,675 | 2,154,910 |
| Unearned income | 1,374,283 | 867,728 |
| Loans payable - other | 57,000 | 57,000 |
| TOTAL CURRENT LIABILITIES | 9,136,321 | 6,395,759 |
| Noncurrent Liabilities | | |
| Deferred rent | 44,985 | 2,840 |
| Commitments and Contingencies | | |
| Stockholders' Equity (Deficit) | | |
| Preferred stock, \$0.001 par value; 5,000,000 shares authorized, 1,275,000 shares issued and outstanding | 1,275 | - |
| Common stock, \$0.001 par value; 100,000,000 shares authorized, 4,832,210 (2005) and 4,541,210 (2004) shares issued and outstanding | 4,832 | 4,541 |
| Additional paid-in capital | 5,304,938 | 3,660,087 |
| Accumulated deficit | (3,262,884) | (4,459,774) |
| | 2,048,161 | (795,146) |
| Less: Treasury stock, at cost, 117,694 (2005) and 77,694 (2004) common shares | (95,998) | (55,998) |
| TOTAL STOCKHOLDERS' EQUITY (DEFICIT) | 1,952,163 | (851,144) |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT) | \$ 11,133,469 | \$ 5,547,455 |

See notes to condensed consolidated financial statements.

CORDIA CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

| | Nine Months Ended September 30, | | Three Months Ended September 30, | |
|--|------------------------------------|--------------|-------------------------------------|--------------|
| | 2005 | 2004 | 2005 | 2004 |
| | Revenues | | | |
| Telecommunications Revenue | \$ 30,453,742 | \$ 6,674,533 | \$ 11,516,174 | \$ 3,276,862 |
| Other | 570,521 | 450,661 | 195,808 | 134,945 |
| | 31,024,263 | 7,125,194 | 11,711,982 | 3,411,807 |
| Operating Expenses | | | | |
| Resale and Wholesale Line Charges | 15,965,714 | 3,217,955 | 5,962,601 | 1,619,574 |
| Sales and Marketing | 3,520,247 | 1,333,616 | 1,392,772 | 685,285 |
| Provision for Doubtful Accounts | 3,766,457 | 262,826 | 1,457,057 | 193,117 |
| General and Administrative | 6,239,013 | 2,403,067 | 2,322,939 | 880,415 |
| Depreciation | 183,734 | 31,119 | 94,954 | 13,087 |
| | 29,675,165 | 7,248,583 | 11,230,323 | 3,391,478 |
| Operating Income (Loss) | 1,349,098 | (123,389) | 481,659 | 20,329 |
| Other Income (Expenses) | | | | |
| Other (expense) | (47,792) | (17,808) | (33,326) | (16,554) |
| Net Interest Income (expense) | 17,999 | (7,843) | 10,169 | (2,096) |
| | (29,793) | (25,651) | (23,157) | (18,650) |
| Net Income (Loss) | \$ 1,319,305 | \$ (149,040) | \$ 458,502 | \$ 1,679 |
| Basic Income (Loss) per share | \$ 0.29 | \$ (0.03) | \$ 0.10 | \$ - |
| Weighted Average Common Shares Outstanding | 4,530,397 | 4,806,579 | 4,580,580 | 4,504,808 |
| Diluted Income (Loss) per share | \$ 0.21 | \$ (0.03) | \$ 0.07 | \$ - |
| Weighted Average Common and Common Equivalent Shares Outstanding | 6,183,236 | 4,806,579 | 6,585,351 | 4,504,808 |

See notes to condensed consolidated financial statements.

CORDIA CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

| | For the Nine Months Ended September 30, | |
|--|--|------------------|
| | 2005 | 2004 |
| Cash Flows From Operating Activities | | |
| Net Income (Loss) from continuing operations | \$1,319,305 | (\$149,040) |
| Adjustments to reconcile net income (loss) to net cash (used) provided by operations | | |
| Compensatory stock expense | 54,000 | 45,600 |
| Provision for doubtful accounts receivable | 3,766,457 | 252,825 |
| Depreciation expense | 183,734 | 31,119 |
| (Increase) decrease in assets: | | |
| Restricted cash | (1,390,784) | - |
| Accounts receivable | (5,957,321) | (1,685,644) |
| Prepaid expenses and other current assets | (446,200) | (128,612) |
| Accrued usage receivable | (179,709) | (102,737) |
| Security deposits | (101,044) | 18,350 |
| Other long term assets | (37,500) | - |
| Increase (decrease) in liabilities: | | |
| Accounts payable | 327,242 | 937,358 |
| Accrued expenses | 1,906,765 | 807,639 |
| Unearned income | 506,555 | 240,770 |
| Deferred rent | 42,145 | - |
| | <u>(6,355)</u> | <u>267,628</u> |
| NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES | | |
| Cash Flows from Investing Activities | | |
| Capitalized software costs | (457,603) | - |
| Leasehold improvements | (252,425) | - |
| Purchase of property and equipment | (372,139) | (121,370) |
| | <u>(1,082,167)</u> | <u>(121,370)</u> |
| NET CASH USED BY INVESTING ACTIVITIES | | |
| Cash Flows From Financing Activities | | |
| Net Proceeds from issuance of preferred stock | 1,455,000 | - |
| Purchase of treasury stock | (40,000) | (19,194) |
| Proceeds from loans payable to affiliates | - | 20,000 |
| | <u>1,415,000</u> | <u>806</u> |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | | |
| Increase in Cash | 326,478 | 147,064 |
| Cash, beginning | 300,119 | 111,288 |
| Cash, ending | <u>\$626,597</u> | <u>\$258,352</u> |
| Supplemental Disclosures of Cash Flow Information | | |
| Cash paid during the quarter for: | | |
| Interest | \$1,250 | \$7,843 |
| Income Tax | \$47,792 | \$17,809 |
| | <u>\$49,042</u> | <u>\$25,652</u> |
| Non Cash Items: | | |
| Restricted common stock issued: | | |
| 36,000 shares for investor relations agreement valued at \$45,000 | | |
| Prepaid portion | \$ 22,500 | \$ - |
| Stock received by Company to satisfy: | | |
| Note receivable due of \$595,000 | | |
| Accrued interest on note receivable of \$33,750 | | |
| License fee payments due of \$30,000 | \$ - | \$658,750 |

See notes to condensed consolidated financial statements.

CORDIA CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2005
(Unaudited)

Note 1: Basis of Presentation

Our unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-QSB and do not include all of the information and disclosures required by accounting principles generally accepted in the United States of America. Therefore, these financial statements should be read in conjunction with the financial statements and related footnotes included in our Annual Report on Form 10-KSB for the most recent year-end. These financial statements reflect all adjustments that are, in the opinion of management, necessary to fairly state the results for the interim periods reported. The results of operations for the nine and three-month periods ended September 30, 2005 are not necessarily indicative of the results to be expected for the full year.

The condensed consolidated financial statements include the accounts of Cordia Corporation ("Cordia") and the accounts of our wholly owned subsidiaries Cordia Communications Corp. ("CCC"), My Tel Co, Inc ("My Tel"), Cordia International Corp. ("CIC") and CordiaIP Corp. ("CordiaIP") for the nine and three months ended September 30, 2005. The condensed consolidated financial statements include the accounts of Cordia and CCC for the nine and three months ended September 30, 2004. Cordia Corporation and its subsidiaries are collectively referred to herein as the "Company." All material intercompany balances and transactions have been eliminated.

Certain amounts in the 2004 condensed consolidated financial statements have been reclassified to conform with the current period presentation.

Note 2: Restricted Cash

At September 30, 2005, the Company held four Certificates of Deposit ("CD's") totaling \$1,367,000 and accrued interest on the CD's of \$23,784. The CD's secure four Letters of Credit ("LOC's"), which were required as a result of our new contract with Verizon Communications. The CD's mature in March, April and July 2006, and we are unable to withdraw the funds held in these accounts without penalty until the maturity dates are reached.

Note 3 – Sale of Unregistered Securities

On March 7, 2005, the Company consummated a private placement with Barron Partners, L.P., ("Barron") a Delaware limited partnership in which the Company issued 1,500,000 shares of Series A Convertible Preferred Stock, and issued warrants to purchase 750,000 shares of its common stock at \$2.00 per share and warrants to purchase 750,000 shares of its common stock at \$4.00 per share. Barron's cash consideration for the Series A Convertible Preferred Stock and warrants aggregated \$1,500,000.

The 3,000,000 shares of common stock underlying the Series A Convertible Preferred Stock and warrants were registered on Form SB-2, registration number 333-124996, effective August 31, 2005. As of September 30, 2005, Barron converted 225,000 shares of Series A Convertible Preferred Stock into common stock.

The fair value of the warrants issued was estimated on the date of grant at \$122,415, using the Black-Scholes option pricing model including expected volatility of 75% and average risk free rate of 3.71% and an expected life of three to four years.

CORDIA CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2005
(Unaudited)

Note 4: Stockholders' Equity

On May 23, 2003, Cordia's shareholders voted to amend the 2001 Equity Incentive Plan (the "Plan") by authorizing an additional 1,000,000 shares. The total number of shares of Cordia's common stock authorized for issuance under the Plan is 6,000,000, subject to adjustment for events such as stock dividends and stock splits.

A committee of the board of directors having full and final authority and discretion to determine when and to whom awards should be granted administers the Plan. The committee will also determine the terms, conditions and restrictions applicable to each award. Transactions under the Plan are summarized as follows:

| | <u>Stock Options</u> | <u>Exercise Price</u> |
|-----------------------------|----------------------|-----------------------|
| Balance, December 31, 2004 | 937,000 | \$.40 to 7.50 |
| Granted | 185,000 | \$1.80 to 1.85 |
| Exercised | - | - |
| Expired | - | - |
| Balance, September 30, 2005 | 1,122,000 | \$.40 to 7.50 |

As of September 30, 2005, there were 1,027,250 options outstanding that were exercisable.

In electing to follow APB 25 for expense recognition purposes, the Company is obliged to provide the expanded disclosures required under FAS No. 123(R) for stock-based compensation granted in 1996 and thereafter. The fair value of the employee stock options granted for the nine months ended September 30, 2005 and 2004 was approximately \$117,000 and \$85,000, respectively, based on the Black-Scholes option valuation model. For purposes of pro forma disclosures, stock-based compensation is recognized over the vesting period as vesting requirements are fulfilled.

The following table compares the results for the nine months ended September 30, 2005 and 2004 had the Company adopted the expense recognition provisions of FAS No. 123(R):

| | <u>As reported</u> | <u>Pro Forma</u> |
|--------------------------|--------------------|------------------|
| 2005 | | |
| Net Income | \$1,319,305 | \$1,202,611 |
| Basic Income per share | \$0.29 | \$0.26 |
| Diluted Income per share | \$0.21 | \$0.19 |
| 2004 | | |
| Net Loss | (\$149,040) | (\$233,634) |
| Basic Loss per share | (\$0.03) | (\$0.05) |
| Diluted Loss per share | (\$0.03) | (\$0.05) |

The fair value of each option grant was estimated on the date of the grant using the Black-Scholes option-pricing model with the following weighted-average assumptions for 2005 and 2004 respectively, expected volatility between 75% and 300%; risk-free rate between 3.82% and 2.67%; and expected life between 3 and 4 years.

The effects of applying SFAS 123(R) in the above pro forma disclosures are not necessarily indicative of future amounts as future amounts are likely to be affected by the number of grants awarded and since additional awards are generally expected to be made at varying prices.

CORDIA CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2005
(Unaudited)

Note 5: Income Taxes

A full valuation allowance was provided for certain deferred tax assets, since, in management's opinion, the realizability of such assets was uncertain in light of operating losses incurred through December 31, 2004. The Company periodically reviews the adequacy of the valuation allowance and will recognize benefits only if a reassessment indicates that it is more likely than not that the benefits will be realized.

Through December 31, 2004, the Company and its subsidiaries have generated net operating loss carryforwards aggregating approximately \$2,000,000. These carryforwards are available to offset current and future taxable income and expire at various years through 2023.

Note 6: Commitments

Operating Leases

As of September 30, 2005, the Company leased property in White Plains, New York; Orlando, Florida; and Winter Garden, Florida.

In White Plains, New York we lease (1) approximately 2,840 square feet of office space at a rental price of \$4,970 per month plus utilities with incremental annual increases in rent commencing in year three of the lease term and (2) approximately 4,725 square feet at a rental price of \$8,663 per month plus utilities with incremental annual increases in rent commencing in year three of the lease term. Both leases are for a term of five years and expire on November 30, 2008 and July 31, 2010, respectively. The rent commencement date on the lease expiring in 2010, was August 1, 2005.

In Orlando, Florida we lease approximately 4,000 square feet of office space at a rental price of \$3,302 per month plus utilities, on a month-to-month basis.

In Winter Garden, Florida we lease approximately 32,000 square feet of office space at a rental price of \$18,849 per month plus utilities. Incremental increases in rent commence in year two of the seven and ½ year lease term. The lease term commenced on April 1, 2005 and the rent commencement date was September 1, 2005. We anticipate moving our operations to this location in November 2005, and anticipate terminating our month-to-month lease in Orlando, Florida after we are operational in our new location.

Future minimum rental commitments under the New York leases from October 1, 2005 to December 31, 2005 are \$40,899 and for years subsequent to December 31, 2005 are as follows:

| <u>Year Ending</u> <u>December 31:</u> | | |
|---|----|----------------|
| 2006 | \$ | 166,430 |
| 2007 | | 173,995 |
| 2008 | | 173,995 |
| 2009 | | 178,720 |
| 2010 | | <u>113,400</u> |
| | \$ | <u>806,540</u> |

CORDIA CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2005
(Unaudited)

Note 6: Commitments (Continued)

Future minimum rental commitments under the Winter Garden, Florida lease from October 1, 2005 to December 31, 2005 is \$56,550 and for years subsequent to December 31, 2005 are as follows:

| Year Ending December 31: | | | |
|-----------------------------|-----------|------------------|--|
| 2006 | \$ | 208,479 | |
| 2007 | | 212,648 | |
| 2008 | | 216,901 | |
| 2009 | | 241,243 | |
| 2010 | | 246,068 | |
| 2011 | | 251,405 | |
| 2012 | | <u>169,823</u> | |
| | <u>\$</u> | <u>1,441,321</u> | |

Note 7: Employee Benefit Plan

Employee Benefit Plan

In 2004, the Company began the "Cordia Corporation 401(k) Profit Sharing Plan" (the "Plan") covering all eligible employees. Under the Plan, the Company matches on an elective basis, 50% of the first 6% contributed by the employee, for an aggregate maximum of 3%. Participating employees shall become fully vested in employer contributions after three (3) years of service. If a participating employee is terminated or resigns before the three (3) year vesting period employer contributions shall be forfeited. The Plan became effective January 1, 2004, and employee and employer contributions commenced April 16, 2004. For the three-months ended September 30, 2005, employee contributions totaled \$17,480 and employer contributions totaled \$8,471 as compared to \$17,584 and \$7,731, respectively, for the same period in 2004. For the nine-months ended September 30, 2005, employee contributions totaled \$68,186 and employer contributions totaled \$25,249 as compared to \$49,377 and \$14,249 respectively, for the same period in 2004. Total contract assets at September 30, 2005, were \$200,142 as compared to \$65,000 for the same period in 2004.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Certain statements in this Report constitute "forward-looking statements." Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that might cause such a difference include, among others, uncertainties relating to general economic and business conditions; industry trends; changes in demand for our products and services; uncertainties relating to customer plans and commitments and the timing of orders received from customers; announcements or changes in our pricing policies or that of our competitors; unanticipated delays in the development, market acceptance or installation of our products and services; changes in government regulations; availability of management and other key personnel; availability, terms and deployment of capital; relationships with third-party equipment suppliers; and worldwide political stability and economic growth. The words "believe", "expect", "anticipate", "intend" and "plan" and similar expressions identify forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statement was made.

Critical Accounting Policies and Estimates

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the unaudited Condensed Consolidated Financial Statements and accompanying notes. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from these estimates under different assumptions or conditions. The Company believes there have been no significant changes during the nine-month period ended September 30, 2005, to the items disclosed as significant accounting policies in management's Notes to Consolidated Financial Statements in the Company's Annual Report on Form 10-KSB for the year ended December 31, 2004.

Overview

Cordia Corporation is a communications services firm generating a majority of our revenue through our wholly owned subsidiary Cordia Communications Corp. and the telecommunications products and services we offer our customers. We currently provide Internet access, local exchange, Voice over Internet Protocol ("VoIP"), and domestic and international long distance telecommunications services on a bundled basis. As of this filing, we serve approximately 8,000 small businesses and approximately 52,000 residential consumers primarily in Massachusetts, New Jersey, New York and Pennsylvania. We also provide, on a contractual basis and on a month to month basis, web-based operating support systems ("OSS") and related services to several competitive local exchange carriers who rely on our systems, services and experience in the industry in the management of their telecommunications operations.

We provide our service by leasing a portion of the network owned by other larger telecommunications carriers known in the industry as Incumbent Local Exchange Carriers ("ILEC's"); an alternative made available to small carriers through the Telecommunications Act of 1996 ("Telecom Act"). Recent changes in the regulatory environment led to the Federal Communications Commission's ("FCC") decision to limit the availability of the unbundled network elements we lease, commonly referred to as UNE-P. Generally, new entrants to the telecommunications market utilize UNE-P because Competitive Local Exchange Carriers ("CLECs"), such as Cordia, can offer telecommunications service by leasing the underlying network of ILEC's, such as Verizon Communications, Inc. ("Verizon") BellSouth Corporation ("Bellsouth"), Qwest Communications International Inc. ("Qwest") and SBC Communications Inc. ("SBC"), without incurring capital expenditures associated with building their own facilities. The FCC's recent ruling, eliminating the obligation of ILEC's to offer access to various elements of their networks, specifically, the portion of the network required to provide local service, has we believe, threatened the viability of CLECs in this industry by removing a cost effective means of start up companies to offer telecommunications service.

As a result of the FCC's decision, it became necessary for us to execute multi-year term commercial services agreements with ILEC's to have continued access to their underlying network. To this end, we executed agreements with Verizon and Qwest. These agreements provide for surcharges and higher costs than our previous arrangements, which were federally mandated for all small telecommunications providers, and will affect our profit margin; however we believe we can maintain a level of profitability. Our agreement with Verizon is for a term of five (5) years and our agreement with Qwest is for a term of three and one half (3.5) years. Both agreements may be terminated for material breach, including, but not limited to default in payment, upon written notice and defaulting party's failure to cure. These agreements are pivotal in ensuring our survival and continued growth in the market place and allow us to continue growing our customer base in existing territories and enter new territories. We believe, our recently executed commercial services agreements mitigate the potential negative effects of the FCC's decision by providing us with continued access to underlying network elements and access to new additional services, which will allow us to continue competing in this industry.

In addition to our suite of telecommunications service offerings we generate revenue from our web-based service offerings, which include the solutions we provide on an outsourced basis to other telecommunications service providers. We provide secure Internet enabled software systems through user-friendly web client front ends, which we refer to as Workspaces that serve as an interface for integration with our software systems. Through our Workspaces, clients are able to outsource tasks incident to the provision of telecommunications services such as provisioning, order entry, repair, customer service, collections, margin integrity and purchase local telecommunications services directly from us for retail purposes. An additional, but lesser source of revenue is derived from Carrier Access Billing Services ("CABS"), which is compensation we receive from other telecommunications carriers who utilize a portion of our loop to complete long distance calls to our customers.

We believe our OSS services are a sensible and cost effective means of running a telecommunications business because clients do not have to purchase and install software. We offer process driven software in which client required modification to OSS are made at the server level and then instantly passed onto the client's end users. This method promotes continuous development and improvement of our Workspaces while allowing us to focus on the most efficient and effective underlying processes to enhance the performance of each core function of services provided while adapting our systems to those processes.

We believe the success of this aspect of our business is a result of the rapid growth and acceptance of the Internet as a global medium for communications, information, and commerce. The Internet has revolutionized the way organizations function and has created opportunities to perform business operations more efficiently and effectively through the utilization of standardized Internet technologies, databases, and applications. We believe, our advanced technology and specialized expertise in systems development allows us to offer outsourced solutions at lower costs and with higher quality while giving our customers the freedom and ability to focus on providing telecommunications services. Extending our service offerings to include outsourced solutions, we believe is the logical extension of our current business model and based on our knowledge and experience it is a cost effective means of generating additional revenue.

In response to the rapid global acceptance of the Internet and standardized Internet Protocol ("IP") technologies, and in recognition of the opportunity created to globally deliver voice communications service over the Internet and IP networks, we decided to broaden the scope of our offerings to include VoIP services. We believe that VoIP is the logical extension of our current telecommunications service offerings and have developed and continued to enhance our own proprietary VoIP platform. We are currently offering a voice over broadband solution enabling delivery of voice services over any broadband IP connection. Our initial development and deployment of VoIP services began during the second quarter of 2004 and after a period of internal and external beta testing, we concluded the integration of our back office platform allowing us to commence service offerings to VoIP customers. We commenced our initial commercial roll-out of this product during June 2005 and are currently developing and fine tuning our 911 dialing capabilities expecting successful deployment by year end. As a result, we expect full roll-out, and marketing, of VoIP by first quarter 2006.

In addition, we are developing a "business-grade" VoIP service that will include enhanced business related features and functionality and dedicated Internet access. To carry out these plans for a business-grade VoIP service, we renewed our nationwide agreement with Covad Communications Group Inc. for an additional term so that we can continue offering our customer's dedicated DSL and T-1 Internet access services. This agreement may be terminated if we fail to pay for service within forty (40) days after the date of the invoice or for other material breach. In addition, all terms and conditions of the agreement will survive expiration of the agreement with respect to end user circuits that are in service or for pending orders.

In providing VoIP it is our goal to provide increased productivity, enhanced quality of service and next generation integrated services to our consumers. We believe that as VoIP technology evolves and continues to improve it will gain widespread acceptance as a competitive alternative to traditional telecommunications service offerings. We believe that the acceptance of VoIP will provide us with a strategic advantage in years to come, specifically the opportunity to convert our customer base to a VoIP network as an alternative to renegotiating our commercial services agreements upon their expiration, as well as expand our marketing footprint from a regional carrier to a global carrier. In furtherance of our global strategy, our wholly owned Hong Kong subsidiary, Cordia HK Limited, established a network Point of Presence ("POP") in October of 2005. We expect to begin marketing VoIP services from our Hong Kong POP during the fourth quarter of 2005.

Regulatory Issues

The Telecom Act opened the local exchange market to competition and created an attractive opportunity for CLECs such as Cordia. The Telecom Act required ILECs, such as Verizon, BellSouth, Qwest and SBC, to offer access to various elements of their networks, specifically, the elements necessary to provide local telephone service in a cost effective manner, which is known as UNE-P. During 2003, the FCC reviewed the rules and policies promulgated in the Act, which is the basis for pricing and availability of UNE-P, the leased portion of the ILEC's network allowing us to provide telecommunications services, and released its Triennial Review Order ("Review Order"). The outcome of the FCC's review was the determination that due to increased competition in the telecommunications industry, which was the motivation behind the Act, ILEC's were no longer required to offer various elements of UNE-P to CLECs. The FCC developed interim rules promulgating a twelve-month transition plan governing unbundled access by CLECs to the network elements of ILEC's. During the twelve-month transitional period ILECs are required to continue to provide unbundled access to switching, enterprise market loops and dedicated transport under the same rates, terms and conditions that applied under interconnection agreements between the CLEC and ILEC as of June 15, 2004. The aforementioned rates, terms and conditions were effective until March 11, 2005 when the FCC's final rules on the matter became effective except to the extent they have been replaced by a voluntarily negotiated commercial agreement between the ILEC and CLEC, an intervening commission order, or state public utility commission order that increases rates charged to CLECs to purchase network elements.

Cordia has successfully negotiated commercial agreements with Verizon and Qwest thus eliminating the effects the Review Order has on our ability to offer our consumers services utilizing UNE-P. These multi-year term agreements allow us to continue growing our consumer base in existing territories and foster market entrance into new territories. We are currently negotiating with other ILECs in an effort to secure the means to enter markets throughout the contiguous United States. While our cost associated with providing service will rise under the pricing terms of commercial agreements, we believe we will continue to generate sufficient gross margins to result in profits from our competitive telecommunications service offerings.

In contrast to the FCC's regulatory involvement in the provision of telecommunications services using UNE-P the FCC does not currently regulate VoIP. While the FCC has initiated a proceeding to examine its role in our Internet based environment for voice services its current position will allow us entrance into this newly emerging marketplace to grow our VoIP business both domestically and internationally. We believe the ubiquitous nature of the Internet and open standards of both Session Internet Protocol ("SIP") and IP will allow us to deploy an efficient and economical VoIP network so we may provide retail and wholesale VoIP services to our consumers.

It is important to note, that although VoIP is an unregulated activity, the FCC has required VoIP providers to supply enhanced 911 emergency calling capabilities to customers as a mandatory feature of service. The FCC requires compliance with this requirement as of November 28, 2005, as evidenced by the submission of a compliance report describing the VoIP provider's 911 solution. Providers who fail to meet this deadline must include in their compliance letter a commitment not to accept new interconnected VoIP customers in areas where the provider cannot provide 911 service. In essence, failure to meet the 911 requirement will not result in a VoIP provider's discontinuance of service to its existing customer base, but will affect the provider's ability to market its services and accept new customers until the requirement is met. We anticipate fully deploying our 911 dialing capabilities by this deadline or at the very latest by year end. Additionally, there is uncertainty with respect to the future direction of the FCC and future regulations and their impact on our business operations. We would however anticipate any regulation to increase our costs associated with providing VoIP and our profit margin.

Subsidiaries

Cordia Communications Corp. ("CCC")

In July 2001, we formed CCC, which currently provides local exchange, local access, domestic and international long distance telephone, DSL, and a full suite of local features and calling plans to small business and residential consumers in New Jersey, New York and Pennsylvania. On or about August 1, 2005, we commenced our initial service offering in Massachusetts. We are also licensed to provide local and long distance telecommunications services in Colorado, Florida, Illinois, Massachusetts, Michigan, Ohio and Washington and expect to commence an initial service offering in Colorado and Washington during the fourth quarter of 2005. Washington will be our first service offering in the Qwest territory. Upon successful testing of our bonding with Qwest's systems and processes in Washington, we will commence an offering in Colorado. In addition, we are preparing applications for authorization to operate as a telecommunications carrier in Arizona and Minnesota.

CCC also offers an outsourced service product line, which includes wholesale telecommunications services. Customers who utilize this service have access to our secure Internet enabled software systems in which user-friendly web client front-ends called workspaces serve as an interface for integration with our software systems. Our operations support systems referred to as a Telecom Account Management System or simply ("TAMS") represent the suite of services available to telecommunications service providers that wish to outsource tasks incident to operating as a full service telecommunications carrier. Services available through TAMS include data interconnection, which provides call detail and cost data for line level margin analysis, revenue integrity and wholesale bill auditing; rate plan administration, which includes all the tools necessary to create, edit and enable rate plans; rating and invoicing, which allows for rating on a near real time basis with resulting data being passed to revenue integrity and invoicing systems; and ticketing and transaction posting, which provides for real time transaction posting and an integrated ticketing and messaging system. TAMS was developed to facilitate our Professional Outsourced Telecommunications Solutions ("POTS") service offering, which is a suite of services designed around our Workspaces and includes Billing, New Order Provisioning, Repair in which customer service representatives can run tests from within the workspace to determine if a technician needs to be sent to the customer's location, Level I Customer Service, which includes all inbound calls from end-users, Secondary Provisioning, Collections, which involves management of the collection process and real time collection status and Regulatory services. During 2005, we anticipate the introduction of an updated version of TAMS that will include Workspaces and software functionality designed to support VoIP and wireless services.

We use the same operations support systems offered to our outsourced clientele to serve as the backbone for the provision of telecommunications services to our own local and long distance consumers. We believe that clients will find TAMS and POTS attractive because it is not a pre-packaged all or nothing product, the customer has the power to assess their organization and then adopt and utilize only the functions they believe will increase their own profitability. Our goal is to tailor our services to our client's needs and create a mutually beneficial and profitable relationship. To that end, we also offer emergency backup and transitional services that will allow our customers to outsource these functions during times of unplanned facilities outages, loss of key personnel or rapid growth. By utilizing our suite of outsourced services our clients are able to maximize profitability because they are in a position to provide telecommunications services with less investment and capital expenditures and with greater efficiency and expertise. Our client's ability to rely on our expertise while saving money entering the market place makes our outsourced telecommunications services a valuable option for any new entrant's business strategy.

CordiaIP Corp. ("CordiaIP")

CordiaIP was formed in April 2004, for the purpose of operating as a VoIP services provider. In June 2004, we commenced our initial deployment and testing of VoIP services utilizing wholesale offerings and network sharing arrangements from other VoIP-enabled carriers. Since that time, we have been continually developing our own VoIP service platform and hired additional employees dedicated to this purpose. Beta testing of our VoIP service platform began during the second quarter of 2004. During the first quarter of 2005, we began hiring additional personnel to support the continued development and sales and marketing of our VoIP service both domestically and internationally in preparation of our commercial roll-out. We successfully launched customers both domestically and internationally in June 2005 and expect full roll-out and marketing of VoIP by first quarter 2006.

Cordia International Corp. ("CIC")

Cordia International Corp. was formed in May 2005, for the purpose of acquiring and operating traditional and VoIP telecom assets, customers and services outside the United States. To carry out our strategy to expand the geographic distribution of our telecommunications services globally we have been active in fostering bilateral relationships with international carriers in Europe, the Asia Pacific region, South Asia, and the Middle East which will allow us to deliver high quality, low cost global voice services to our domestic and international customers by gaining low cost access to these carrier's networks. Specifically, the purpose of these relationships are to directly source international Direct Inward Dial ("DID") telephone numbers, to lay the foundation for potential future partnerships at the local level and establish VoIP peering relationships with VoIP companies in the region, reduce our network costs by circumventing costs of United States wholesalers for DID's and termination costs, and develop relationships with equipment manufacturers for direct sourcing in an effort to save on equipment costs. During the first nine-months of 2005, we expanded our beta test to include test customers in approximately thirteen (13) countries outside the United States. We believe the global acceptance of the Internet and VoIP has created a significant opportunity to expand the geographic distribution of our telecommunications services. We also believe that VoIP can deliver even greater value to internationally based customers as compared to United States customers through the greatly reduced cost of international calls and especially calls to and from the United States. We also believe that by offering regional VoIP companies access to our engineers and consulting services we will promote global expansion. We expect to focus a portion of our VoIP sales resources on international sales during the remainder of 2005; however, we do not expect any revenues earned to be significant in the short term.

In September 2005, to facilitate global expansion, CIC acquired a 100% ownership interest in Cordia HK Limited ("CordiaHK"), formally known as Transcom Technology Limited, a Hong Kong Company holding no assets, formed for the purpose of CIC's acquisition. At the direction of CIC management, an application for Public Non-Exclusive Telecommunications Service ("PNETS") License was filed on behalf of CordiaHK with the Office of Telecommunications Authority in Hong Kong. The application was approved and a license was issued in September 2005. The license grants us the authority to provide external public telecommunications services ("ETS") in Hong Kong. We anticipate the commencement of ETS in Hong Kong utilizing our VoIP network during fourth quarter 2005 as we recently established a Point of Presence ("POP") in Hong Kong.

My Tel Co, Inc. ("My Tel")

My Tel was formed in June 2002 and although licensed to operate as a competitive local exchange carrier in New York, is not currently an active telecommunications service provider. My Tel however, has never operated under the authority granted to it by the State of New York. It is our intention that My Tel operate as a reseller of wireless services and to that end we filed an application to operate as a wireless reseller with Verizon Wireless. The application is currently on hold while we attempt to negotiate for more favorable terms with other wireless carriers.

Employees

As of November 3, 2005, subsequent to the balance sheet date, we had 116 employees, 104 of whom were employed on a full-time basis. At such date, 33 of our employees were located at our offices in White Plains, New York and 83 were located at our principal office in Orlando, Florida. As of this date, none of our employees occupied our Winter Garden, Florida location. None of our employees are represented under a collective bargaining agreement. We believe our relations with our employees to be good.

Plan of Operation

During 2004, our business model required aggressive rapid growth of our customer base to ensure Cordia's viability in the wake of the FCC's Review Order, which eliminated the ILECs obligation to offer UNE-P. The Review Order limited a CLEC's ability to provision new customers utilizing UNE-P, absent a commercial agreement with the ILEC, once the Review Order became effective. Our focus was to grow our customer base rapidly prior to the cut-off date. As a result of these efforts, at September 30, 2005, we had approximately 64,000 lines as compared to approximately 28,000 lines at September 30, 2004. Additionally, we established commercial agreements with Verizon and Qwest to secure our position in light of the Review Order. While these agreements ensure our ability to offer telecommunications services utilizing UNE-P, our costs associated with providing service will rise under the pricing terms of these agreements. We do, however, believe that the fixed nature of the pricing terms will allow us to continue to generate sufficient gross margins resulting in continued profitability from these services. These agreements will also allow us to expand our retail service offerings into new territories during 2005 by giving us access to leased network elements in additional Qwest and Verizon states.

Although our audit for the fiscal year ended December 31, 2004, resulted in the report containing a going concern qualification and we have incurred losses in the past, we were able to generate net income for the nine-months ended September 30, 2005. In an effort to eventually have the qualification removed, and generate additional cash flow, we began instituting the second phase of our business model at the beginning of the first quarter of 2005. Prior to 2005, we were focused on rapid growth of our customer base prior to the effectiveness of the Review Order. Although these growth activities resulted in losses, as we emphasized growth over profitability, we were able to reach a sufficient scale of growth that has allowed us to support our current operations and commence our VoIP service offering. In addition, we believe that it will allow us to expand our telecommunications service offerings into additional states such as Colorado and Washington. While growth is still a driving force for our business model for the coming year, we have instituted new management objectives aimed at improving profits and cash flow while focusing on limiting churn and building a superior customer base in effort to reduce bad debts.

After assessing our operations and functionality, Cordia's management team determined that our viability in this industry requires an improvement of our ability to reduce customer churn and bad debts. Additionally, we want to expand service offerings while growing our customer base. To meet this goal, we have developed a business model, which includes cost controls, bad debt controls, customer service reorganization, and new service offerings which we believe will lead to a reduction in bad debt as a percentage of revenue during the balance of 2005.

Our cost controls involve avoiding service areas with high loop and port charges, the charges we pay to the ILEC so that we could provide services to end users. By limiting our offerings to service areas with lower charges, we maximize our ability to earn profits on the services we offer. To reduce bad debt we have ceased telemarketing in service areas in which, historically, we have had difficulty in collecting payment from customers. To that end, we have designed our internal provisioning system to reject orders erroneously submitted by our telemarketers in these areas. This prevents us from incurring the cost associated with provisioning the customer and paying the commission to the telemarketing firm on a so-called "bad" account. Additionally, we now supply our telemarketing firms with credit scored leads and only accept orders from this lead base. In addition, by analyzing credit scores, in a given area, we have the ability to improve the quality of targeted customers and in essence our resulting customer base. To implement this we have engaged the services of a third party credit reporting agency that combines local and long-distance telecommunications performance data with information from credit reporting databases and calculates a score to determine the probability of payment ranking for new and existing customer accounts.

We anticipate the completion of a major reorganization of our customer service center during first quarter of 2006. The purpose of the reorganization is to ensure a better customer service experience for our customers. Our reorganization involves a new "single point of contact" method, which replaces the former departmentalized service center approach previously utilized by the Company. A new single point means that customer calls will be answered and addressed by one representative without the need to transfer customers to different departments. We believe that providing our customers with a single point of contact who will be accountable for addressing our customer's concerns will have an impact on reducing customer churn and increasing customer satisfaction. We believe these controls will lead to a reduction in bad debt as a percentage of revenue during 2006.

The aforementioned measures and our ability to reach commercial agreements with Verizon and Qwest allows us to focus on continued growth while narrowing the scope of our growth plans focusing more on the quality of our customer base rather than just quantity as we did during 2004. To that end, we market our retail telecommunications service offerings through two channels. The first includes utilizing, on a non-contractual basis, three unaffiliated third party telemarketing firms to solicit potential customers. The second includes the development of a network of independent sales agents to sell our telecommunications services.

The telemarketing firms are paid on a per sale commission basis that varies by the type, size, and location of the customer sold. Telemarketing represents one of our most significant expenses as it has been the primary means of growing our customer base. During the third quarter of 2005, we spent approximately \$1,228,000 on telemarketing. Absent contractual relationships, we can reduce or discontinue our telemarketing efforts if necessary without serious consequence other than slower customer growth.

To support the development of our independent sales agent network, we developed an agent module to our Workspaces systems and a related Internet site located at agents.cordia.us to assist us in attracting and maintaining a network of qualified independent sales agents. Through agents.cordia.us, our agents can track all customer activities on a real time basis. These activities include order tracking, billing, payments and ticketing systems that allow an agent to actively participate in our mutual customer's telecommunications status and requirements. We generally pay our independent agents both initial upfront commissions and residual commissions based on customer payments. We believe our ability to provide universal access to customer account information and transactions will provide us with a competitive advantage in the acquisition and retention of customers for our telecommunications services. In addition, we are investigating additional channels of distribution for our wireline and VoIP telecommunications services including online marketing, television and radio advertisements, direct mail solicitation and direct response marketing programs.

We are also investigating channels of distribution for international sales of VoIP. We have been testing our VoIP services internationally and at September 30, 2005, we had test customers in approximately thirteen (13) countries including locations in Europe, North America, South America and Asia and recently established a Point of Presence ("POP") in Hong Kong in an effort to deploy our global VoIP network targeting the Asia Pacific region. We believe that a significant opportunity exists in providing VoIP to international customers who need to communicate with consumers and businesses in the United States and other countries. We expect to focus a portion of our resources towards the international distribution of our VoIP services during the remainder of 2005 and in future years.

We believe that our traditional bundled wire line service offerings will represent over 96% of our revenue, our outsourced services will represent approximately 2%, and VoIP service offerings will represent less than 2% of overall revenue for the fiscal year 2005. Of this anticipated revenue we believe that our expansion into the Qwest territory will represent approximately 2% to 3% of our traditional bundled wire line revenue. In the future we expect VoIP services to increase as a percentage of revenue and believe that VoIP revenue will be comprised of both international and domestic customers with approximately a 50/50 split between the two.

The Results of Operations that follows provides detailed results of operations for the three and nine-month periods ended September 30, 2005, as compared to the same periods during 2004. In reviewing our results of our operations, caution should be used in assuming prior growth for large percentage increases as indicative of future results. In instances where there is a dramatic increase or decrease from the prior year it should be noted that these results are typical in the fast paced growth environment undertaken by us throughout 2004. During 2005, we anticipate continued growth results, as we continually improve our telecommunications infrastructure and expand our customer base. We believe that we will reach both economies of scale and scope with our anticipated telecommunications growth and VoIP rollout, thereby improving our financial position and profitability ratios. The dramatic increase or decrease in percentages should not however, be relied upon as a forecast of future revenues and costs.

Results of Operations

Three and Nine Months Ended September 30, 2005 vs. September 30, 2004

OPERATING REVENUES

| | Nine Months Ended September 30, | | Three Months Ended September 30, | |
|----------------------------|---------------------------------|--------------------|----------------------------------|--------------------|
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| Telecommunications Revenue | \$30,453,742 | \$6,674,533 | \$11,516,174 | \$3,276,862 |
| Other | <u>570,521</u> | <u>450,661</u> | <u>195,808</u> | <u>134,945</u> |
| | <u>\$31,024,263</u> | <u>\$7,125,194</u> | <u>\$11,711,982</u> | <u>\$3,411,807</u> |

Revenues for the three and nine months ended September 30, 2005, increased by approximately \$8,300,000 and \$23,899,000, respectively to approximately \$11,712,000 and \$31,024,000, respectively as compared to approximately \$3,413,000 and \$7,125,000, respectively reported during the three and nine months ended September 30, 2004.

Our primary source of revenue is through our telecommunications related business and is earned through the provisioning of services to business, residential and wholesale customers for basic telephone service, including local and long distance service, as well as ancillary services such as voice mail and call waiting. Of the revenues reported for the three- and nine-month periods ended September 30, 2005, approximately \$10,711,000 and \$28,257,000 respectively, was generated from retail telecommunications services, and approximately \$789,000 and \$2,181,000 was generated from CABS for the same periods.

Since 2004, we have focused on the aggressive growth of our retail customer base and increased our line count to approximately 64,000 lines at September 30, 2005, as compared to approximately 28,000 lines at September 30, 2004. We anticipate a steady and continued growth rate in the customer base of our retail telecommunications operations as we expand into new territories, such as Colorado and Washington, and commence new service offerings, such as new bundled plans and our VoIP service offering, during 2005. Except for the growth associated with entry into new territories, we are narrowing the scope of our growth plans as we focus on implementing cost and bad debt controls and increasing customer satisfaction, through our customer service reorganization, in an effort to improve the quality of our customer base. As a result, we do not anticipate our line count to increase as rapidly as in prior periods, however, we believe that profit margin per customer will improve allowing us to compete more effectively in this industry.

Other revenue consists primarily of income earned through our outsourcing of data and website technology and our wholesale telecommunications services. The increase in other revenue is primarily due to increases in our wholesale customers operations, which was offset by the termination of our licensing agreement with our discontinued insurance operation, which represented approximately \$74,000 for the nine months ended September 30, 2004. Other revenue for the three and nine months ended September 30, 2005 represented approximately \$196,000 and \$571,000 respectively or approximately 2% of our total revenue for each period, as compared to approximately \$135,000 and \$451,000, respectively or approximately 4% and 6%, respectively of our total revenue generated during the three- and nine-month periods ended September 30, 2004.

OPERATING EXPENSES

| | Nine Months Ended September 30, | | Three Months Ended September 30, | |
|-----------------------------------|---------------------------------|--------------------|----------------------------------|--------------------|
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| Resale and Wholesale Line Charges | \$15,965,714 | \$3,217,955 | \$5,962,601 | \$1,619,574 |
| Sales and Marketing | 3,520,247 | 1,333,616 | 1,392,772 | 685,285 |
| Provision for Doubtful Accounts | 3,766,457 | 262,826 | 1,457,057 | 193,117 |
| General and Administrative | 6,239,013 | 2,403,067 | 2,322,939 | 880,415 |
| Depreciation | 183,734 | 31,119 | 94,954 | 13,087 |
| | <u>\$29,675,165</u> | <u>\$7,248,583</u> | <u>\$11,230,323</u> | <u>\$3,391,478</u> |

Consolidated operating expenses increased by approximately \$7,839,000 and \$22,427,000, respectively to approximately \$11,230,000 and \$29,675,000, respectively during the three and nine months ended September 30, 2005 respectively, as compared to approximately \$3,391,000 and \$7,429,000, respectively during the comparable periods ended 2004. These increases relate directly to the growth of our telecommunications business.

Resale and Wholesale Line Charges

Resale and wholesale line charges are direct costs associated with our telecommunications subsidiaries, CCC and CordiaIP, and represent our network access fees paid in order to provide local and long distance telephone service to our customers. These expenses will rise or fall in direct correlation to the size of our telecommunications customer base. We have experienced an increase of approximately \$4,343,000 and \$12,748,000, respectively for the three- and nine-month periods ended September 30, 2005 over the same periods ended 2004. This increase is a result of aggressively growing our customer base.

By successfully negotiating commercial agreements with Verizon and Qwest we eliminated the effects the Review Order has on our ability to offer our consumers services utilizing UNE-P, while creating an environment of certainty because the agreements provide us with a known cost quantity. We anticipate that our costs associated with providing service will increase approximately 10% under the pricing terms of these commercial agreements. In light of this increase, we were able to generate sufficient gross margins to result in profits from these services for the three- and nine-month periods ended September 30, 2005.

Sales and Marketing

We have experienced an increase of approximately \$707,000 and \$2,187,000, respectively for the three- and nine-months ended September 30, 2005, compared to the prior year, in our sales and marketing costs, which consist of advertising, marketing, travel and telemarketing expenses. This increase is primarily due to our use of telemarketers to aggressively grow our customer base for CCC and the expenses related to our launch of our VoIP service offering, which amounted to approximately \$37,000 and \$82,000, respectively for the three- and nine-months ended September 30, 2005. As our primary means of marketing is through third party telemarketing firms we expect this trend to continue.

Provision for Doubtful Accounts

Our bad debt expense increased by approximately \$1,264,000 and \$3,504,000, respectively for the three- and nine-months ended September 30, 2005, compared to the prior year, which is primarily due to our rapid growth in revenues and increase in our percentage of residential customers as compared to the business customers in our base. We have experienced higher bad debts from our residential customers, and expect bad debts as a percentage of sales to decline during 2006, due to the credit monitoring, customer services reorganization and geographical targeting we began to implement during 2005 and expect to complete by the end of first quarter 2006.

General and Administrative

Other general and administrative expenses consist of expenses such as salaries, rent, office expenses, insurance, commissions, telephone, bank and credit card processing fees, license expense and registration fees, among others. We experienced an increase of approximately \$1,443,000 or approximately 164% and \$3,836,000 or 160% for the three and nine months ended September 30, 2005, respectively, compared to the prior year. This is due primarily to our expenses related to our growth, with the largest of these expenses being salary related; we have fifty-six (56) more employees for the period ended September 30, 2005 than we had for the same period ended 2004. We expect this trend to level off as we begin to implement the second phase of our business model.

Depreciation/Amortization

We experienced an increase of approximately \$82,000 and \$153,000, respectively for the three- and nine-month periods ended September 30, 2005, compared to the prior year, due to additions of depreciable office equipment, time associated with our rollout of VoIP and our expenditures relating to leasehold improvements which were made during the build-out of our Florida office. The expenditures related to office equipment and leasehold improvement were necessary to facilitate our growth.

Liquidity and Capital Resources

At September 30, 2005, we had cash and cash equivalents of approximately \$627,000, an increase of approximately \$326,000 from amounts reported at December 31, 2004. In addition, we have \$1,367,000 of restricted cash plus accrued interest of approximately \$24,000, held in Certificates of Deposits that mature in March, April, and July 2006 related to our Verizon Agreement. We have positive working capital of approximately \$724,000, which represented an increase of working capital of approximately \$1,809,000 from the deficit reported at December 31, 2004 of approximately \$1,085,000. The increase in our working capital is primarily related to funds received as a result of the completion of a private placement of Series A Convertible Preferred Stock in which we raised \$1,500,000 offset against expenditures and resulting accounts payable, which were necessary to grow our telecommunications business. The completion of this transaction has allowed us to strengthen our financial position enabling us to continue to maintain and promote our growth rate. In addition, our revenue stream has allowed us to continue to meet our existing and new financial obligations while achieving a level of profitability.

Net cash used in operating activities aggregated approximately \$6,000 for the nine-month period ended September 30, 2005 as compared to net cash provided of approximately \$268,000 for the nine month period ended September 30, 2004. The principal use of cash reported for the nine-month period ended September 30, 2005 was the increase in accounts receivable of approximately \$5,957,000 and the use of cash necessary to post the required LOC's, (offset against accrued interest), with Verizon, which totaled approximately \$1,391,000. These amounts were offset against the increase in accrued expenses of approximately \$1,907,000.

Net cash used by investing activities for the nine-month period ended September 30, 2005 aggregated approximately \$1,082,000 as compared to net cash used of approximately \$121,000 for the comparable period ended 2004. Cash applied to investing activities consisted of purchases of computer equipment amounting to approximately \$372,000 and \$121,000 for the nine-month periods ended September 30, 2005 and September 30, 2004, respectively, approximately \$252,000 for leasehold improvements, and approximately \$458,000 for capitalized expenses relating to internally developed software during the 2005 period.

Net cash provided by financing activities aggregated approximately \$1,415,000 for the nine months ended September 30, 2005, as compared to net cash provided by financing activities of approximately \$800 during the nine-month period ended September 30, 2004. The principal source provided by financing activities in the 2005 period, was \$1,455,000 attributed to our private placement of Series A Convertible Preferred Stock and Warrants as discussed in Note 3. This was offset against our purchase of treasury stock aggregating \$40,000.

During the nine months ended September 30, 2005, we had sales and marketing expenses of approximately \$3,520,000, or approximately 11% of revenues. We expect our sales and marketing expenses to continue to grow in the future predominantly due to the anticipated higher cost per sale as a result of us requiring higher credit standards. We also expect to incur additional marketing expenses associated with our recent commercial launch of VoIP service. Sales and marketing expenses are primarily outsourced telemarketing expenses. We have not entered into volume commitments with any of our third party sales organizations. By avoiding volume commitments, we are better able to control our levels of advertising expenditures. We believe that this flexibility affords us the opportunity to aggressively grow our revenues while maintaining the short-term ability to adjust our expenditures based on our available working capital and liquidity.

At September 30, 2005, a significant portion of our working capital was restricted cash in the form of certificates of deposit totaling \$1,367,000 plus accrued interest of approximately \$24,000. The certificates of deposits mature in March, April, and July 2006, and secure four (4) separate LOC's for Massachusetts, New York, New Jersey, and Pennsylvania, which we were required to post with Verizon in conjunction with our new long-term wholesale agreement. In addition to the LOCs, our new agreement with Verizon requires payment within 20 days of our receipt of Verizon's bills. Prior to our entering into the new agreement, Verizon had allowed us more than 30 days to pay our bills. We have now satisfied the credit and payment terms related to the new Verizon agreement and do not expect the agreement's terms to have a material impact on our ongoing uses of cash other than a strict requirement to maintain current payments in the future.

Our new wholesale agreements' requirements to maintain current payments in the future, and the significant portion of our working capital that is restricted and held in certificates of deposit reduces our financial flexibility and limits our ability to grow aggressively. Despite our limited financial resources and flexibility, we believe that our current cash and cash equivalent assets plus our anticipated profits will provide us with sufficient liquidity to continue to grow our telecommunications operations and develop, deploy and market our VoIP services.

At our current run rate we are profitable and believe that we will be able to sufficiently cover the total of our current expenses. During the first quarter of 2005, we used cash in operations to establish deposits with Verizon and pay down our past due invoices. At this filing, we are current with Verizon and will not need to use cash from operations to pay past due invoices, therefore we believe that our operations will generate sufficient cash for the remainder of the year at our current growth rate. Sufficient liquidity is dependent on our ability to maintain the number of our customer accounts, inclusive of churn, reducing our bad debts, and continuing our current pattern of growth, which we believe can be sustained through our current levels of sales and marketing. In addition, because we use third party telemarketing firms we have the ability to control our sales and marketing expenses, by reducing our marketing efforts as necessary, to combat liquidity issues that may arise during the normal course of business.

In order to grow our telecommunications operations more quickly, we will have to raise cash from additional sources and management may have to seek other short-term funding, such as receivables financing, to cover the short-term cash deficiencies which may arise due to the 20 day payment obligations under our wholesale service agreements and the current typical 45 day receipt of payment from our customers. The primary cost and use of cash for rapid growth are increased marketing expenses and the initial funding of increased customer receivables with increased sales rates.

We also expect to continue to invest capital in our VoIP softswitch development, which will continue at approximately the same rate as in the third quarter. As we grow we also use cash for capital expenditures related to computer and office facilities to support increased staffing. We recently executed a lease for an additional 32,000 square feet of office space in Winter Garden, Florida and anticipate one-time capital expenditures for this increase to be approximately \$500,000.

Recognizing the limiting affect that our liquidity has on our ability to reach the aforementioned goals it may become necessary for management to consider other sources of funding to counterbalance this limitation. In addition, our ability to raise capital through other means will affect our ability to reach our anticipated growth results throughout the year ending 2006.

Item 3. Controls and Procedures.

(a) Based upon an evaluation of the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this report, our Chief Executive Officer ("CEO") and Chief Accounting Officer ("CAO"), who serves as our principal financial officer, have each concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed in our reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Commission's rules and forms and are also effective to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is accumulated and communicated to the Company's management, including the Company's principal executive and principal financial officers to allow timely decisions regarding required disclosure and that our internal controls are effective to provide reasonable assurances that our financial condition, results of operations and cash flows are fairly presented in all material respects.

(b) The CEO and CAO each note that, since the date of his/her evaluation that occurred during the last fiscal quarter there have been no changes in internal controls or in other factors that could materially affect, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

Item 6. Exhibits

(a) Exhibits. The following exhibits are filed herewith.

| Exhibit No. | Description |
|-------------|--|
| 11.1 | Computation of per share earnings (loss) |
| 31.1 | Certification of Principal Executive Officer Pursuant to 18 U.S.C. 1350 (Section 302 of the Sarbanes-Oxley Act of 2002) |
| 31.2 | Certification of Principal Financial Officer Pursuant to 18 U.S.C. 1350 (Section 302 of the Sarbanes-Oxley Act of 2002) |
| 32.1 | Certification of Cordia Corporation's Principal Executive Officer, Joel Dupré, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2 | Certification of Cordia Corporation's Principal Financial Officer, Lorie M. Guerrero, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CORDIA CORPORATION

Date: November 14, 2005

By: /s/ Joel Dupré

Joel Dupré
Chief Executive Officer

Date: November 14, 2005

By: /s/ Lorie M. Guerrero

Lorie M. Guerrero
Chief Accounting Officer

EXHIBIT 11.1

Cordia Corporation
 Computation of Per Share Earnings (Loss)
 (Unaudited)

| | Nine Months Ended | | Three Months Ended | |
|---|--------------------|--------------------|--------------------|------------------|
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| Net Income (Loss) | <u>\$1,319,305</u> | <u>\$(149,040)</u> | <u>\$458,502</u> | <u>\$ 1,679</u> |
| BASIC EARNINGS: | | | | |
| Weighted average number of common shares outstanding | <u>4,530,397</u> | <u>4,806,579</u> | <u>4,580,580</u> | <u>4,504,808</u> |
| Basic earnings (loss) per common share | <u>\$ 0.29</u> | <u>(\$0.03)</u> | <u>\$0.10</u> | <u>\$ -</u> |
| DILUTED EARNINGS: | | | | |
| Weighted average number of common shares outstanding | 4,530,397 | 4,806,579 | 4,580,580 | 4,504,808 |
| Assumed conversion of preferred stock | 1,140,110 | 0 | 1,426,630 | 0 |
| Assumed exercise of stock options | <u>512,729</u> | <u>0</u> | <u>578,141</u> | <u>0</u> |
| Weighted average number of common shares outstanding - as adjusted | <u>6,183,236</u> | <u>4,806,579</u> | <u>6,585,351</u> | <u>4,504,808</u> |
| Diluted earnings (loss) per common share | <u>\$ 0.21</u> | <u>(\$0.03)</u> | <u>\$0.07</u> | <u>\$ -</u> |

Certification of Principal Executive Officer
Pursuant to 18 U.S.C. 1350
(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Joel Dupré, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of CORDIA CORPORATION;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
 - (a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - (c) Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors, any material weaknesses in internal controls; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 14, 2005

/s/ Joel Dupré _____
Chief Executive Officer

A signed original of this written statement required by Section 302 of the Sarbanes-Oxley Act of 2002 has been provided by the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or at staff upon request.

Certification of Principal Executive Officer
Pursuant to 18 U.S.C. 1350
(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Lorie M. Guerrero, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of CORDIA CORPORATION;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
 - (a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - (c) Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors, any material weaknesses in internal controls; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 14, 2005

/s/ Lorie M. Guerrero
Chief Accounting Officer

A signed original of this written statement required by Section 302 of the Sarbanes-Oxley Act of 2002 has been provided by the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or at staff upon request.

Certification of Principal Executive Officer
Pursuant to 18 U.S.C. 1350
(Section 906 of the Sarbanes-Oxley Act of 2002)

I, Joel Dupré, Chief Executive Officer of Cordia Corporation (the "Registrant") do hereby certify, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge, based upon a review of the Quarterly Report on Form 10-QSB for the period September 30, 2005 of the Registrant, as filed with the Securities and Exchange Commission on the date hereof (the "Report"):

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

By: /s/ Joel Dupré
Joel Dupré
Chief Executive Officer

November 14, 2005

* A signed original of this written statement required by Section 906 has been provided to Cordia Corporation and will be retained by Cordia Corporation and furnished to the Securities Exchange Commission or its staff upon request

Certification of Principal Executive Officer
Pursuant to 18 U.S.C. 1350
(Section 906 of the Sarbanes-Oxley Act of 2002)

I, Lorie M. Guerrero, Chief Accounting Officer of Cordia Corporation (the "Registrant") do hereby certify, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge, based upon a review of the Quarterly Report on Form 10-QSB for the period September 30, 2005 of the Registrant, as filed with the Securities and Exchange Commission on the date hereof (the "Report"):

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

By: /s/ Lorie M. Guerrero
Lorie M. Guerrero
Chief Accounting Officer

November 14, 2005

* A signed original of this written statement required by Section 906 has been provided to Cordia Corporation and will be retained by Cordia Corporation and furnished to the Securities Exchange Commission or its staff upon request

Cordia Communications Corp.

Attachment E

Revenue and Asset Projections for First Twelve Months

Cordia Communications Corp.

| | | |
|----|--|------------------|
| 1. | Projected total revenue for the first 12 months: | <u>\$500,000</u> |
| 2. | Operating expenses during the first 12 months: | |
| | Cost of Goods: | <u>\$275,000</u> |
| | SG&A: | <u>\$150,000</u> |
| 3. | Net book value of Arizona assets used to provide service in Arizona: | <u>\$10,000</u> |
| 4. | Not Applicable. | \$0 |
| 5. | Projected fair value of assets: | <u>\$10,000</u> |