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LAW OFFICES OF THOMAS K. CROWE, P.C. RECEIVED  
2300 M STREET, N.W.  
SUITE 800  
WASHINGTON, D.C. 20037

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TELEPHONE (202) 973-2890  
FAX (202) 973-2891  
E-MAIL tkcrowe@bellatlantic.net

AZ CORP COMMISSION  
DOCUMENT CONTROL

July 26, 2001

**BY OVERNIGHT DELIVERY (602-542-4251)**

**T-04041A-01-0599**

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

Re: Optical Telephone Corporation

Dear Sir or Madam:

Please find enclosed an original and eleven (11) copies of Optical Telephone Corporation's Application and Petition for Certificate of Convenience and Necessity to Provide Intrastate Interexchange Services as a Reseller in Arizona.

Please acknowledge receipt of this filing by file-stamping and returning the extra copy of this application in the self addressed, stamped envelope provided for this purpose. Should you require further information, please contact the undersigned.

Sincerely,

C. Jeffrey Tibbels  
Daron T. Threet,  
Counsel for Optical Telephone  
Corporation

Enclosures

FORM B

ARIZONA CORPORATION COMMISSION

Application and Petition for Certificate of Convenience and Necessity to Provide  
Intrastate Interexchange Services as a Reseller

Mail original plus 10 copies of completed application to:

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

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: \_\_\_\_\_

Type of Service: \_\_\_\_\_  
Docket No.: \_\_\_\_\_ Date: \_\_\_\_\_

For Docket Control Only:  
(Please Stamp Here)

Docket No. \_\_\_\_\_

Date Docketed \_\_\_\_\_

A. Company and Telecommunications Service Information

(A-1) The name, address, and telephone number (including area code) of the Applicant:  
Optical Telephone Corporation (256) 705-3522  
600 Blvd. South, Suite 104  
Huntsville, AL 35802

(A-2) If doing business (d/b/a) under a name other than the Applicant's name listed above, specify:  
No trade name will be used.

(A-3) The name, address, telephone number, facsimile number, and Email address of the management contact:  
John Ross, Vice President Telephone: (256) 705-3522  
600 Blvd. South, Suite 104 Facsimile: (256) 705-3513  
Huntsville, AL 35802 Email: Ross@Emforum.com

(A-4) The name, address, telephone number, facsimile number, and Email address of the Attorney and/or Consultant, if any, representing the Applicant:  
Thomas K. Crowe, Daron T. Threet, Law Offices of Thomas K. Crowe, P.C.  
2300 M Street, NW, Suite 800  
Washington, D.C. 20037  
Telephone: (202) 973-2890 Email: tkcrowe@bellatlantic.net  
Facsimile: (202) 973-2891.

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

Sole proprietorship

Partnership: \_\_\_ limited, \_\_\_ general, \_\_\_ Arizona, \_\_\_ Foreign

Limited liability company

Corporation: \_\_\_ "S",  "C", \_\_\_ non-profit, \_\_\_ Arizona, \_\_\_ Foreign

Other, specify:

(A-6) Include Attachment "A". Attachment "A" must include a copy of the Applicant's authority to transact business in the State of Arizona, as well as a list of the names of all owners, partners, limited liability company managers, or corporation officers and directors (specify), and indicate percentages of ownership. See Attachment A.

- (A-7) (a) Is your company currently reselling telecommunication services in Arizona? If "yes", provide the date or the approximate date that you began reselling service in Arizona.  
No.
- (b) If the answer to question (a) is "yes", identify the types of telecommunications services you resell; whether operator services are provided or resold and whether they are provided or resold to traffic aggregators (as defined in A.A.C. Rule R14-2-1001(3), a copy of which is attached) (there is no copy of this attached); the number of customers in Arizona for each type of service; and the total number of intrastate minutes resold in the latest 12 month period for which data is available. Note: The Commission rules require that a separate CC&N, issued under Article 10, be obtained in order to provide operator services to traffic aggregators.
- (c) If the answer to question (a) is "no", when does your company plan to begin reselling service in Arizona? Upon certification.

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

The Arizona Corporation Commission provides pricing flexibility by allowing competitive telecommunications service companies to price their services at levels equal to or below the tariff (maximum) rates. The prices to be charged by the company are filed with the Commission in the form of price lists. For rates, see original sheets Nos. 32-34 of enclosed tariff.

Note: Price list rate changes that result in rates that are lower than the tariff rate are effective upon concurrent notice to the Commission (see Rule R14-2-1109 (B)(2)). See Rule R14-2-1110 for procedures to make price list changes that result in rates that are higher than the tariff rate.

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

Statewide. (Entire State of Arizona)

Other. Describe the area.

(A-10)

(a) List the states in which you currently offer services similar to those you intend to resell in Arizona. None.

(b) List the states in which you have been approved to offer services similar to those you intend to resell in Arizona. AR, CO, ID, IN, IA, MI, MT, NJ, NY, NC, OR, RI, TX UT, VA.

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

John Ross, Vice President  
600 Blvd. South, Suite 104  
Huntsville, AL 35802  
(866) 318-5480

(A-12) Provide a list of states in which you have sought authority to resell telecommunications services and were either granted the authority with major changes and conditions, or had grant your application for those services denied. For each state listed, provide a copy of the Commission's decision modifying or denying your application for authority to provide telecommunications services.

None.

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

No.

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

No.

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

No.

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

No.

B. Technical Information

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

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

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

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

Yes.

C. Financial Information

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

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

Applicant is not yet operational.

(C-3) If the balance sheets you submit do not have retained earnings accounts, please provide this account information on a separate sheet. See Attachment D.

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

Applicant has no parent, subsidiary, or affiliated companies.

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

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

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

NO X (Note: If at a later date, your Company decides it wants to offer or require customer advances, prepayments, or deposits, it may be required to submit updated financial statements as part of the tariff amendment process.) See Attachment E.

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 and Regulations. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.

Mark Frost  
(Signature of Authorized Representative)

7-18-01  
(Date)

Mark Frost  
(Print Name of Authorized Representative)

President  
(Title)

SUBSCRIBED AND SWORN to before me this 18 day of July, 2001

Juliana Ferguson  
NOTARY PUBLIC

My Commission Expires Jan 10, 2005

ARIZONA CORPORATION COMMISSION

COMPETITIVE TELECOMMUNICATIONS SERVICES REQUESTED

Please check all of the telecommunications services for which you are requesting certification

- Facilities-based local exchange services
- Facilities-based interexchange services
- Resold local exchange services
- Resold interexchange services
- Access services provided to other telecommunications companies

I certify that to the best of my knowledge, the information provided above is true and correct.

Mark Frost 7-18-01  
Signature of Authorized Representative Date

Mark Frost President  
Print Name of Authorized Representative Title

**ATTACHMENT A**

## **OPTICAL TELEPHONE CORPORATION – OWNERSHIP AND OFFICERS**

Mark Frost is the President, sole owner and shareholder of Optical Telephone Corporation.

Mark Frost  
President  
Optical Telephone Corporation  
600 Blvd. South, Suite 104  
Huntsville, AL 35802  
(256) 705-3522 Telephone  
(256) 705-3513 Facsimile

Ownership interest: 100%

John Ross is Vice President of Optical Telephone Corporation.

John Ross  
Vice President  
Optical Telephone Corporation  
600 Blvd. South, Suite 104  
Huntsville, AL 35802  
(256) 705-3522 Telephone  
(256) 705-3513 Facsimile

AZ. CORP. COMMISSION

DELIVERED

APPLICATION FOR AUTHORITY  
TO TRANSACT BUSINESS  
IN ARIZONA

JUN 04 2001

DO NOT PUBLISH  
THIS SECTION

1. The corporate name must contain a corporate ending which may be "corporation," "association," "company," "limited," "incorporated" or an 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 address cannot be a P.O. Box. It must be a physical address in Arizona. Include City, State and Zip code

FILED BY M. Foley-Bastels  
TERM  
DATE 6.4.01

the corporation is: OPTICAL TELEPHONE CORPORATION  
A(n) Alabama Corporation  
F-0991323-9 (State, Province or Country)

X 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:

OPTICAL TELEPHONE CORPORATION

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:

Alabama

3. The foreign corporation was incorporated on the 16th day of March

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:

600 Boulevard South, Suite 104  
Huntsville, Alabama  
35802

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

National Registered Agents, Inc.  
302 North First Avenue, Suite 440  
Phoenix, Arizona 85003

**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 we are incorporated.

The agent may consent to the appointment by either executing the consent, attaching a cover letter, or if paying by check, executing the check.

9. The foreign corporation has issued 10,000 shares, itemized as follows:  
10,000 shares of Common [class or series] stock at No Par Value 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:

\_\_\_\_\_  
DATED this 16th day of March, 2001.

OPTICAL TELEPHONE CORPORATION

[Name of Corporation]

Executed by Mark Frost

Duly Authorized Officer or Director

Mark Frost, 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 16th day of March, 2001

William B. Snodgrass Asst Secy

Signature WILLIAM B. SNODGRASS

National Registered Agents, Inc.  
[Print Name]

ATTACHMENT

OPTICAL TELEPHONE CORPORATION  
Officers and Directors List

OFFICERS

Mark Frost, President  
600 Boulevard South  
Suite 104  
Huntsville, AL 35802

John Ross, Vice President  
600 Boulevard South  
Suite 104  
Huntsville, AL 35802

DIRECTORS

Mark Frost, Director  
600 Boulevard South  
Suite 104  
Huntsville, AL 35802

John Ross, Director  
600 Boulevard South  
Suite 104  
Huntsville, AL 35802

**ATTACHMENT B**

ARIZONA TELECOMMUNICATIONS TARIFF

OF

**Optical Telephone Corporation**

600 Blvd. South, Suite 104  
Huntsville, AL 35802

RESALE INTEREXCHANGE TELECOMMUNICATIONS SERVICE

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of telecommunications services provided by Optical Telephone Corporation within the State of Arizona. This tariff is on file with the Arizona Corporation Commission ("Commission"). Copies may be inspected during normal business hours at the Company's principal place of business; 600 Blvd. South, Suite 104, Huntsville, AL 35802.

Optical Telephone Corporation is a provider of interexchange telecommunications services on a 24-hour basis. Service is provided for the direct transmission and reception of voice and data communications between points within the State of Arizona as an adjunct to Optical Telephone Corporation's interstate service.

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Issued: July 27, 2001

Issued By:

Mark Frost  
Optical Telephone Corporation  
600 Blvd. South, Suite 104  
Huntsville, AL 35802  
(256) 705-3522

Effective Date: \_\_\_\_\_

**CHECK SHEET**

The Title Sheet and Sheets 1 through 34 inclusive of this tariff are effective as of the date shown at the bottom of the respective sheet(s).

<u>SHEET</u>	<u>REVISION</u>
Title	Original
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original
17	Original

Issued: July 27, 2001

Effective Date: \_\_\_\_\_

Issued By:

Mark Frost  
Optical Telephone Corporation  
600 Blvd. South, Suite 104  
Huntsville, AL 35802  
(256) 705-3522

**CHECK SHEET (CONT'D.)**

<u>SHEET</u>	<u>REVISION</u>
18	Original
19	Original
20	Original
21	Original
22	Original
23	Original
24	Original
25	Original
26	Original
27	Original
28	Original
29	Original
30	Original
31	Original
32	Original
33	Original
34	Original

Issued: July 27, 2001

Effective Date: \_\_\_\_\_

Issued By:

Mark Frost  
Optical Telephone Corporation  
600 Blvd. South, Suite 104  
Huntsville, AL 35802  
(256) 705-3522

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Huntsville, AL 35802  
(256) 705-3522

Effective Date: \_\_\_\_\_

**CONCURRING CARRIERS**

None

**CONNECTING CARRIERS**

None

**OTHER PARTICIPATING CARRIERS**

None

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(256) 705-3522

Effective Date: \_\_\_\_\_

**EXPLANATION OF SYMBOLS**

- (C) To signify **changed** condition or regulation.
- (D) To signify **deleted or discontinued** rate, regulation or condition.
- (I) To signify a change resulting in an **increase** to a customer's bill.
- (M) To signify that material has been **moved from** another tariff location.
- (N) To signify a **new** rate, regulation condition or sheet.
- (R) To signify a change resulting in a **reduction** to a customer's bill.
- (T) To signify a change in **text** but no change to rate or charge.

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Effective Date: \_\_\_\_\_

**TARIFF FORMAT**

- A. **Sheet Numbering** - Sheet numbers appear in the upper right corner of the sheet. Sheets are numbered sequentially. However, occasionally, when a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. **Sheet Revision Numbers** - Revision numbers also appear in the upper right corner of each sheet. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th revised Sheet 14 cancels the 3rd Revised Sheet 14. Because of various suspension periods, deferrals, etc. the Commission follows in their tariff approval process, the most current sheet number on file with the Commission is not always the sheet in effect. Consult the Check Sheet for the sheet currently in effect.

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Issued: July 27, 2001

Effective Date: \_\_\_\_\_

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(256) 705-3522

**TARIFF FORMAT (CONT'D.)**

- C. **Paragraph Numbering Sequence** - There are four levels of paragraph coding. Each level of code is subservient to its next higher level:
- 2.
  - 2.1.
  - 2.1.1.
  - 2.1.1.1.
- D. **Check Sheets** - When a tariff filing is made with the Commission, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the sheets contained in the tariff with a cross reference to the current revision number. When new sheets are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (\*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc., remains the same, just revised revision levels on some sheets). The Tariff user should refer to the latest Check Sheet to find if a particular sheet is the most current on file with the Commission.

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Issued: July 27, 2001

Effective Date: \_\_\_\_\_

Issued By:

Mark Frost  
Optical Telephone Corporation  
600 Blvd. South, Suite 104  
Huntsville, AL 35802  
(256) 705-3522

**APPLICATION OF TARIFF**

This tariff contains the rates applicable to the provision of specialized intrastate resale common carrier telecommunications services by Optical Telephone Corporation between various locations within the State of Arizona. All services are interstate offerings. Intrastate service is an add on service available only if the Customer subscribes to the Company's interstate offerings.

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**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS**

Account Code:

A numerical code, one or more of which are available to a customer to enable identification of individual users or groups of users on an account and to allocate costs of service accordingly.

Called Station:

The terminating point of a call (i.e., the called number).

Calling Card:

A card issued by Company containing such account numbers assigned to its Customer which enables the charges for calls made to be properly billed on a pre-arranged basis.

Commission:

The Arizona Corporation Commission.

Company:

Optical Telephone Corporation.

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**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (CONT'D.)**

Customer:

The person, firm, corporation or other entity which orders or uses service and is responsible for payment of charges and compliance with tariff regulation.

Disconnect or Disconnection:

The termination of a circuit connection between the Originating Station and the Called Station or the Company's operator.

Measured Service:

The provision of long distance measured time communications telephone service to customers who access the Company's service at its contracted interexchange carriers' switching and call processing equipment by means of access facilities obtained from local exchange common carrier(s). Company contracted interexchange carrier is responsible for arranging the access lines.

Originating Station:

The originating point of a call.

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**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (CONT'D.)**

Point of Presence:

The point of physical interconnection between the local exchange company's local network and the interexchange carrier's network ("POP").

Postpaid Service:

Presubscribed service where subscribers are billed for and remit payment subsequent to the provision of service.

Subscriber:

See "Customer" definition.

Travel Card:

See "Calling Card" definition.

V & H Coordinates:

Geographic Points which define the originating and terminating points of a call in mathematical terms so that the airline mileage of the call may be determined. Call mileage is used for the purpose of rating calls.

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(256) 705-3522

**SECTION 2 - RULES AND REGULATIONS**

**2.1. Undertaking of Company**

- 2.1.1. Company's services are furnished for telecommunications originating and/or terminating in any area within the State of Arizona.
- 2.1.2. Company is a non-facilities based provider of interexchange telecommunications to Customers for their direct transmission and reception of voice, data, and other types of communications.
- 2.1.3. Company resells access, switching, transport and termination services provided by interexchange carriers.
- 2.1.4. Customer's monthly charges for Company's service are based on the total time Customer actually uses the service. For billing purposes, the duration of each call will be rounded up in sixty (60) second increments unless otherwise specified.
- 2.1.5. Subject to availability, the Customer may use authorization codes to identify the users or user groups on an account. The numerical composition of the codes shall be set by Company to assure compatibility with the Company's accounting and billing systems and to avoid the duplication of codes.
- 2.1.6. The Company's services are provided on a monthly basis unless otherwise provided, and are available twenty-four (24) hours per day, seven (7) days per week.

---

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Issued By:

Mark Frost  
Optical Telephone Corporation  
600 Blvd. South, Suite 104  
Huntsville, AL 35802  
(256) 705-3522

Effective Date: \_\_\_\_\_

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

**2.2. Limitations**

- 2.2.1. Service is offered subject to availability of the necessary facilities and/or equipment and subject to the provisions of this tariff. Company reserves the right not to remove service to or from a location where the necessary facilities or equipment are not available.
- 2.2.2. Company reserves the right to immediately disconnect service upon its written notice when necessitated by conditions beyond the Company's control, or when the Customer is using the service in violation of either the provisions of this tariff, or in violation of the law pursuant to Section 2.3.
- 2.2.3. The Company does not undertake to transmit messages, but offers the use of its facilities when available.
- 2.2.4. Title to all facilities provided by Company under these regulations remains in Company's name.
- 2.2.5. Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions of service.

---

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Issued By:

Effective Date: \_\_\_\_\_

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Optical Telephone Corporation  
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Huntsville, AL 35802  
(256) 705-3522

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

**2.3. Use**

- 2.3.1. Service may be used for the transmission of communications by the customer.
- 2.3.2. Service may not be used for any unlawful purpose or for any purpose for which any payment or other compensation is received by the Customer, except when the Customer is a duly authorized and regulated common carrier. This provision does not prohibit an arrangement between the Customer, authorized user or joint user to share the cost of service.
- 2.3.3. The Company strictly prohibits use of the Company's services without payment or an avoidance of payment by the Customer by fraudulent means or devices including providing falsified calling card numbers or invalid calling card numbers to the Company, providing falsified or invalid credit card numbers to the Company or in any way misrepresenting the identity of the Customer.

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Issued By:

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(256) 705-3522

Effective Date: \_\_\_\_\_

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

**2.4. Liabilities of the Company**

2.4.1. The liability of the Company for damages arising out of 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 arising out of the failure to furnish the service, whether caused by acts or omission, shall be limited to the extension of allowances for interruption as set forth in 2.6. The extension of such allowances for interruption shall be the sole remedy of the Customer and the sole liability of the Company. The Company shall not be liable for any direct, indirect, consequential, special, actual or punitive damages, or for any lost profits of any kind or nature whatsoever arising out of any defects or any other cause.

2.4.2. Company shall be indemnified and held harmless by the customer against:

- A. Claims for libel, slander, infringement of copyright or unauthorized use of any trademark, trade name or service mark arising out of the material, data, information or other content transmitted over company's facilities; and
- B. Claims for patent infringement arising from combining or connecting company's facilities with apparatus and systems of the Customer; and
- C. All other claims arising out of any act or omission of the Customer in connection with any service provided by Company.

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

**2.4. Liabilities of the Company (Cont'd.)**

- 2.4.3. The Company is not liable for any defacement of, or damage to, the equipment or premises of a customer resulting from the furnishing of services when such defacement or damage is not the result of the Company's negligence.

No agents or employees of connecting, concurring or other participating carriers or companies shall be deemed to be agents or employees of the Company without written authorization.

- 2.4.4. Company shall not be liable for and the Customer indemnifies and holds harmless from any and all loss claims, demands, suits, or other actions or liabilities whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or person, for any personal injury to, death of any person or persons, and for any loss, damage, defacement or destruction of the premises of the customer or any other property, whether owned by the Customer or by others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of equipment or wiring provided by company where such installation, operation, failure to operate, maintenance, condition, location or use is not the direct result of the Company's negligence.

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

**2.4. Liabilities of the Company (Cont'd.)**

- 2.4.5. The Company is not liable for any failure of performance hereunder due to causes beyond its control, including, but not limited to, unavoidable interruption in the working of its circuits or those of another common carrier; acts of God, storms, fire, floods, or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government, or any other governmental entity having jurisdiction over the company or of any department, agency, commission, bureau, corporation, or other instrumentality or any one or more of such instrumentality or any one or more of such governmental entities, or of any civil or military authority; national emergencies, insurrections, riots, rebellions, wars, strikes, lockouts, work stoppages, or other labor difficulties; or notwithstanding anything in this tariff to the contrary, the unlawful acts of the Company's agents and employees, if committed beyond the scope of their employment.
- 2.4.6. The Company shall not be liable for damages or adjustments, refunds, or cancellation of charges unless the Customer has notified the Company, in writing, of any dispute concerning charges, or the basis of any claim for damages, after the invoice is rendered by the company for the call giving rise to such dispute or claim, unless ordered by the Commission pursuant to Arizona law. Any such notice must set forth sufficient facts to provide the Company with a reasonable basis upon which to evaluate the Customer's claims or demands.

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

**2.4. Liabilities of the Company (Cont'd.)**

- 2.4.7. The Company shall not be liable for any damages, including usage charges, that the Customer may incur as a result of the unauthorized use of its communications equipment. The unauthorized use of the Customer's communications equipment includes, but is not limited to, the placement of calls from the Customer's premises and the placement of calls through Customer-controlled or Customer-provisioned equipment that are transmitted or carried over the Company's network services without the authorization of the Customer. The Customer shall be fully liable for all such charges.

**2.5. Prepaid Subscriber Responsibilities**

(Reserved for Future Use)

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

**2.6. Interruption of Service**

- 2.6.1. Credit allowance for interruptions of service which are not due to Company's testing or adjusting, to the negligence of the customer, or to the failure of channels, equipment and/or communications equipment provided by the Customer, are subject to the general liability provisions set forth in Section 2.4, herein. It shall be the obligation of the Customer to notify Company of any interruptions of service. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission of the Customer, not within the Customer's control.
- 2.6.2. No credit allowances will be allowed for an interruption of services for continuous duration of less than two hours.
- 2.6.3. The subscriber shall be credited for an interruption of two hours or more at the rate of 1/160th for each hour over two (2) such hours of interruption up to a maximum of 6/160th multiplied by the average monthly usage bill of the Customer. If service is activated for less than one (1) month, the monthly usage amount shall be determined by extending the actual usage for the days of service to thirty (30) days.
- 2.6.4. In the event of foreknowledge of an interruption in service for a period exceeding two hours, the subscribers will be notified in writing , by mail, at least one week in advance.

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

**2.7. Restoration of Service**

The use and restoration of service in emergencies shall be in accordance with part 64, Subpart D of the Federal Communications Commission's Rules and Regulations which specifies the priority system for such activities.

**2.8. Minimum Service Period**

The minimum service period is one month (30 days).

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

**2.9. Payments and Billing for Postpaid Services**

- 2.9.1. Charges for service are applied on a recurring and nonrecurring basis. Service is provided and billed on a monthly (30 day) basis. The billing date is dependent on the billing cycle assigned to the subscriber. Service continues to be provided until canceled by the Customer with no less than 30 days notice.
- 2.9.2. The Customer is responsible for the payment of all charges for services furnished to the Customer. Charges are based on actual usage and are billed monthly in arrears.
- 2.9.3. Billing will be payable upon receipt and deemed past due ten (10) days after issuance and posting of invoice. Bills not paid within thirty (30) days after the date of posting are subject to a 1.5% late payment charge for the unpaid balance, or the maximum allowable under state law. Each account shall be granted not less than one complete forgiveness of late payment charge, pursuant to Commission rules. Customers shall be notified by letter when eligibility for forgiveness of late payment charge has been utilized.
- 2.9.4. The name(s) of the Customer(s) desiring to use the service must be set forth in the application for service.

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

**2.10. Billing Disputes**

2.10.1. Billing disputes should be addressed to Company's Customer Service Organization via telephone to (866) 318-5480. Customer Service is available twenty-four hours per day, seven days per week.

2.10.2. In the case of a dispute between the Customer and the Company for service furnished to the Customer, which cannot be settled with mutual satisfaction, the Customer can take the following course of action:

2.10.2.1. First, the Customer may request the Company perform an in-depth review of the disputed amount. (The undisputed portion and subsequent bills must be paid on a timely basis or the service may be subject to disconnection).

2.10.2.2. Second, if there is still a disagreement about the disputed amount after the investigation and review by a manager of the Company, the Customer may appeal to the Commission for its investigation and decision. The address of the Commission is:

Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007  
Telephone: (602) 542-3477

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

**2.11. Cancellation by Customer**

- 2.11.1. Customer may cancel service by providing written notice to Company 30 days prior to cancellation.
- 2.11.2. Customer is responsible for usage charges while still connected to the Company's service and the payment of associated local exchange company charges, if any, for service charges.
- 2.11.3. Any non-recoverable cost of Company expenditures shall be borne by the customer if:
- A. The Customer orders service requiring special facilities dedicated to the Customer's use and then cancels the order before such service begins, before completion of the minimum period or before completion of some period mutually agreed with the Customer for the non-recoverable portions of expenditures; or
  - B. Liabilities are incurred expressly on behalf of the customer by Company and not fully reimbursed by installation and monthly charges; and
  - C. Based on an order for service and construction has either begun or has been completed, but no service provided.

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

**2.12. Cancellation by Company**

2.12.1. Company reserves the right to immediately discontinue furnishing the service to customers without incurring liability:

- A. In the event of a condition determined to be hazardous to the customer, to other customers of the utility, to the utilities equipment, to the public or to employees of the utility; or
- B. By reason of any order or decision of a court or any other governmental authority which prohibits the Company from furnishing such service; or
- C. If the Company deems such refusal necessary to protect itself or third parties against fraud or to otherwise protect its personnel, agents, facilities or services without notice; or
- D. For unlawful use of the service or use of the service for unlawful purposes; or
- E. If the Customer provides false information to the Company regarding the Customer's identity, address, credit-worthiness, past, current or planned use of Company's services.

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

**2.12. Cancellation by Company (Cont'd.)**

2.12.2. Company may discontinue service according to the following conditions upon ten (10) days written notice:

- A. For violation of Company's filed tariff.
- B. For the non-payment of any proper charge as provided by Company's tariff.
- C. For Customer's breach of the contract for service between the utility and Customer.
- D. When necessary for the Company to comply with any order or request of any governmental authority having jurisdiction.

2.12.3. The discontinuance of Service(s) by the Company pursuant to this section does not relieve the Customer of any obligations to pay the Company for charges due and owing for Service(s) furnished up to the time of discontinuance. The remedies set forth herein shall not be exclusive and the company shall at all times be entitled to all the rights available to it under law or equity.

2.12.4. The Company may refuse to permit collect calling, calling card, third number billing which it determines to be fraudulent and/or may limit the use of these billing options or services.

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

**2.13. Interconnection**

2.13.1. Service furnished by Company may be interconnected with services or facilities of other authorized communications common carriers and with private systems, subject to the technical limitations established by Company. Any special interface of facilities necessary to achieve compatibility between the facilities of Company and other participating carriers shall be provided at the Customer's expense.

2.13.2. Interconnection between the facilities or services of other carriers shall be under the applicable terms and conditions of the other carriers' tariffs. The Customer is responsible for taking all necessary legal steps for interconnecting Customer provided terminal equipment or communications equipment with Company's facilities. The Customer shall secure all licenses, permits, rights-of-way, and other such arrangements necessary for interconnection.

**2.14. Deposits**

The Company does not require a deposit from the Customer.

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

**2.15. Taxes and Surcharges**

2.15.1. Taxes

Taxes are not included in the tariffed rates.

2.15.2. Public Payphone Surcharge

In order to recover the Company's expenses and to comply with the FCC's pay telephone compensation plan (FCC CC Dkt. No. 96-128), a non-discountable per call charge is applicable to all completed dial-around calls which originate from public pay telephones. This surcharge is in addition to standard tariffed usage charges and any applicable service charges and surcharges. The Public Pay Telephone Surcharge will, whenever possible, appear as a separate line item on monthly bills to customers.

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**SECTION 3 - DESCRIPTION OF SERVICE**

**3.1. Timing of Calls**

- 3.1.1. The subscriber's long distance usage charge is based on the actual usage of Company's service. Usage begins when the receiver of the called number is answered. The moment of the called party's answer is determined by hardware supervision in which the local telephone company sends a signal to the underlying carrier's switch or the software utilizing audio tone detection. The timing of the call occurs when called party answers and terminates when either party hangs up.
- 3.1.2. Unless otherwise specified in this tariff, the minimum call duration for billing purposes is sixty (60) seconds with sixty (60) second billing increments thereafter.
- 3.1.3. Any portion of an applicable increment, after the appropriate minimum time for the call, will be rounded upward to the next increment. Calls less than the minimum length will be rounded to the minimum length.
- 3.1.4. There is no billing for incomplete calls.

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**SECTION 3 - DESCRIPTION OF SERVICE (CONT'D.)****3.2. Calculation of Distance**

Usage charges for all mileage sensitive products are based on the airline distance between the serving wire center locations associated with the originating and terminating points of the call. The airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. The Company uses the rate centers and associated vertical and horizontal coordinates that are produced by Bell Communications Research in the V & H Coordinates Tape and appear in National Exchange Carriers Association Tariff No.4.

FORMULA:

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

EXAMPLE: Distance between Miami and New York City:

	<u>V</u>	<u>H</u>
Miami	8,351	529
New York	<u>4,997</u>	<u>1,406</u>
Difference	3,354	(877)

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**SECTION 3 - DESCRIPTION OF SERVICE (CONT'D.)**

**3.2. Calculation of Distance (Cont'd.)**

Square and add:  $11,249,316 + 769,129 = 12,018,445$

Divide by 10 and round:  $12,018,445/10 = 1,201,844.5$   
1,201,844

Take the square root and round:  $1,201,844 = 1,096.2$   
1,096 miles

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**SECTION 3 - DESCRIPTION OF SERVICE (CONT'D.)**

**3.3. Optical Telephone Corporation's Telecommunications Services**

- 3.3.1. One Plus Service – enables a caller to complete calls within the State of Arizona. The Customer may access the service by dialing “1”, plus the Numbering Plan Area (“NPA”) code and telephone number (Central Office (“CO”) code and station line).
- 3.3.2. Calling Card Service – is offered either alone or in conjunction with the One Plus Service as an optional feature. Remote Access to One Plus Service is utilized by Customers when off the network by dialing a toll-free number and entering an authorization code and dialing the number to which the Customers desire to be connected

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**SECTION 4 - RATES**

**4.1. Service Charges**

4.1.1. One Plus Service

	TIMING	
	Initial 60 Sec.	Add'l 60 Sec.
Intrastate	\$0.12	\$0.12

4.1.2. Calling Card Service

Rate per minute: \$0.18

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**SECTION 4 - RATES (CONT'D.)**

**4.2. Surcharges**

4.2.1. Public Pay Telephone Surcharge

The following charge is assessed on a per-completed call basis: \$0.85

4.2.2. Return Check Fee

The following is assessed for each returned check: \$20.00

4.2.3. Directory Assistance

The following charge is assessed for each directory assistance call: \$0.85

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**SECTION 5 - MAXIMUM RATES**

**5.1. Service Charges**

5.1.1. One Plus Service

	TIMING	
	Initial 60 Sec.	Add'l 60 Sec.
Intrastate	\$0.25	\$0.25

5.1.2. Calling Card Service

Rate per minute: \$0.25

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**ATTACHMENT C**

## **TELECOMMUNICATIONS NETWORK**

Optical Telephone Corporation (“OTC”) is a switchless reseller that does not own, operate, or lease any telecommunications facilities. As such, OTC cannot provide a diagram of its telecommunications network because it does not have one. OTC will provide its telecommunications services by means of the networks of its underlying facilities-based carriers, Touch America, AT&T and WorldCom.

**ATTACHMENT D**

## **DEMONSTRATION OF FINANCIAL COMPETENCE**

Optical Telephone Corporation was incorporated in March 2001. As such, it does not have audited financial statements. Despite this, as demonstrated in the Balance Sheet attached hereto, OTC maintains a current balance of \$183,694.41. Such capitalization is adequate to finance OTC's initial telecommunications service offerings.

As Optical Telephone Corporation is a switchless reseller and does not own, operate or lease telecommunications facilities, it has no lease or ownership obligations at this time.

10:21 AM  
07/24/01  
Accrual Basis

**Optical Telephone Corporation**  
**Balance Sheet**  
As of June 30, 2001

	<u>Jun 30, 01</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
Regions Bank	550.41
<b>Total Checking/Savings</b>	<u>550.41</u>
<b>Total Current Assets</b>	550.41
<b>Fixed Assets</b>	
<b>Equipment</b>	
Cost - Equipment	148,562.00
<b>Total Equipment</b>	<u>148,562.00</u>
<b>Furniture</b>	
Cost - Furniture	34,582.00
<b>Total Furniture</b>	<u>34,582.00</u>
<b>Total Fixed Assets</b>	<u>183,144.00</u>
<b>TOTAL ASSETS</b>	<u><u>183,694.41</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Long Term Liabilities</b>	
Loan From Shareholder	228,144.00
<b>Total Long Term Liabilities</b>	<u>228,144.00</u>
<b>Total Liabilities</b>	228,144.00
<b>Equity</b>	
Net Income	-44,449.59
<b>Total Equity</b>	<u>-44,449.59</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>183,694.41</u></u>

10:21 AM  
07/24/01  
Accrual Basis

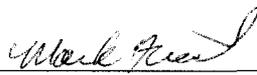
**Optical Telephone Corporation**  
**- Profit & Loss**  
January through June 2001

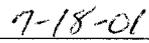
	<u>Jan - Jun 01</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
<b>Services</b>	40,000.00
<b>Total Income</b>	<u>40,000.00</u>
<b>Expense</b>	
<b>Licenses and Permits</b>	17,291.60
<b>Postage and Delivery</b>	561.48
<b>Professional Fees</b>	
<b>Legal Fees</b>	40,000.00
<b>Total Professional Fees</b>	<u>40,000.00</u>
<b>Rent</b>	1,042.49
<b>Telephone</b>	554.02
<b>Traffic deposit</b>	25,000.00
<b>Total Expense</b>	<u>84,449.59</u>
<b>Net Ordinary Income</b>	<u>-44,449.59</u>
<b>Net Income</b>	<u><u>-44,449.59</u></u>

**ATTACHMENT E**

**ATTESTATION**

I, Mark Frost, President of Optical Telephone Corporation ("OTC"), hereby attest that OTC does not, and will not in the future, require deposits, advances and/or prepayments from its customers.

  
\_\_\_\_\_  
Mark Frost

  
\_\_\_\_\_  
Date