



VALUE-ADDED
COMMUNICATIONS



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FAX COVER SHEET

DATE: 7/24/03

PLEASE DELIVER TO: Arizona Corporation Commission Attn: Adam

FAX NUMBER: (602) 542-2129

FROM: Cheryl Cook

SUBJECT: SecondSet of Data Requests - Value-Added Communications, Inc

NUMBER OF PAGES: 4 (Including cover page)

MESSAGE:

Please find attached the additional information you requested. If you have any other questions please call me at (972) 808-3319 or email: Cheryl.cook@vacicom.com.

Thank You,
Cheryl Cook
Value-Added Communications, Inc.

Arizona Corporation Commission
DOCKETED

JUL 24 2003

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ARIZONA CORPORATION COMMISSION
DOCUMENT CONTROL

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3001 SUMMIT AVE. SUITE 400
PLANO, TEXAS 75074
972-479-1919

1601 N. COLLINS BLVD.
RICHARDSON, TEXAS 75080
972-479-1919

Form #: 100-8009-003, Rev. A

(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).

(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.

Graham County, Pima County and Maricopa County

(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.
2. Detailed explanations of the Substance of the Complaints.
3. Commission Orders that resolved any and all Complaints.
4. Actions taken by the Applicant to remedy and/or prevent the Complaints from re-occurring.

No convictions of criminal acts.

(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.

No convictions of criminal acts.

(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

07/14/03

(A-17) Indicate if the Applicant is a switchless 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:

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.

(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.

(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.

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.

VAC HOLDING, INC.
 CONSOLIDATED INCOME STATEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2002

Sales	\$ 7,653,624
Costs of sales	<u>2,190,692</u>
Gross Profit	<u>5,462,932</u>
Selling, general and administrative expenses	5,280,942
Depreciation and amortization	<u>640,611</u>
	<u>5,921,553</u>
Operating loss before income taxes	<u>(458,621)</u>
Other income (expense):	
Other income	277,985
Interest income	36,181
Interest expense	<u>(43,040)</u>
	<u>271,126</u>
Net loss before income taxes	(187,495)
Income tax (expense) benefit:	
Current tax benefit	178,000
Deferred tax expense	<u>(125,411)</u>
	<u>52,589</u>
Net loss	<u>\$ (134,906)</u>

See auditors' report and accompanying notes