

NEW APPLICATION

ORIGINAL



0000074335

Lance J.M. Steinhart, P.C.
Attorney At Law
1720 Windward Concourse
Suite 115
Alpharetta, Georgia 30005

Also Admitted in New York
and Maryland

Telephone: (770) 232-9200
Facsimile: (770) 232-9208
Email: lsteinhart@telecomcounsel.com

July 2, 2007

VIA OVERNIGHT DELIVERY

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

RECEIVED
2007 JUL - 5 P 1: 56
AZ CORP COMMISSION
DOCKET CONTROL

Re: i-wireless, LLC **T-20538A-07-0413**

Dear Sir/Madam:

Enclosed please find for filing an original and thirteen (13) copies of i-wireless, LLC's Application and Petition for Certificate of Public Convenience and Necessity to Provide Competitive Resold Long Distance Telecommunications Services.

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

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

Respectfully submitted,

Lance J.M. Steinhart
Attorney for i-wireless, LLC

Enclosures

cc: Mr. Patrick McDonough
Christa Fallin (w/o enc.)

Arizona Corporation Commission
DOCKETED
JUL - 5 2007

DOCKETED BY

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:

i-wireless, LLC
1 Levee Way, Suite 3104
Newport, Kentucky 41071
Telephone: (513) 621-4975
Fax: (513) 421-2717
E-Mail Address: pat.mcdonough@iwirelesshome.com
Web Address: www.iwirelesshome.com

(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):

(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:

Paul McAleese, Chief Executive Officer
1 Levee Way, Suite 3104
Newport, Kentucky 41071
Telephone: (513) 621-4975
Fax: (513) 421-2717
E-Mail Address: pat.mcdonough@iwirelesshome.com

(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:

Lance J.M. Steinhart, Esq.
Lance J.M. Steinhart, P.C.
1720 Windward Concourse, Suite 115
Alpharetta, Georgia 30005
Telephone: (770) 232-9200
Fax: (770) 232-9208
E-Mail Address: lsteinhart@telecomcounsel.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:

John Willis, Director of Customer Care
1 Levee Way, Suite 3104
Newport, Kentucky 41071
Telephone: (513) 621-4975
Fax: (513) 421-2717
E-Mail Address: john.willis@iwirelesshome.com

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

- Sole proprietorship
- Partnership: _____ Limited, _____ General, _____ Arizona, _____ Foreign
- Limited Liability Company: _____ Arizona, X 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.

(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).
See Sheets 29 – 32 of the Company's Tariff.
2. Tariff Maximum Rate and Prices to be charged (reference by Tariff page number).
See Sheet 33 of the Company's Tariff.
3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number).
See Sheets 9 – 24 of the Company's Tariff.
4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number).
See Sheets 18 of the Company's Tariff.
5. The proposed fee that will be charged for returned checks (reference by Tariff page number).
See Sheet 20 of the Company's 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.
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.

Neither Applicant nor 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.

(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.

Neither Applicant nor 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.

(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 any box in (A-14) is marked "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 any box in (A-14) is marked "No", 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.

(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.

(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 Arizona:

Yes

No

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

The company intends to resell services provided by Sprint

(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 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.

Approved: **None**

(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.

None

(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.

None.

(A-21) Check here if you wish to adopt as your petition a statement that the service has already been classified as competitive by Commission Decision:

- Decision # 64178 Resold Long Distance
- Decision # 64178 Resold LEC
- Decision # 64178 Facilities Based Long Distance
- Decision # 64178 Facilities Based LEC

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.

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

Not Applicable.

(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"

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 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 in 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 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 Arizona:

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 59241:

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

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.

X *Patrick M. McDonough*
(Signature of Authorized Representative)

X _____
(Date)

Patrick McDonough
(Print Name of Authorized Representative)

Chief Financial Officer
(Title)

X SUBSCRIBED AND SWORN to before me this 2nd day of May, 2007.

Rita S. Hodgson
NOTARY PUBLIC

My Commission Expires 10/30/09



ATTACHMENTS

- A - Certificate of Good Standing, List of Officers and Directors or Owners and Percentage of Ownership
- B - Proposed Tariff
- C - Legal Notice
- D - Financial Information
- E - Arizona Projections

A - Certificate of Good Standing and

Officers, Directors and Owners

Percentage Ownership

Officers:

Paul McAleese	Chief Executive Officer and Member
Kent Thexton	Chief Operating Officer and Member
Patrick McDonough	Chief Financial Officer

Directors:

None

Owners:

Genie, LLC	85%
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STATE OF ARIZONA



Office of the
CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Director of the Arizona Corporation Commission, do hereby certify that

*****I-WIRELESS, LLC*****

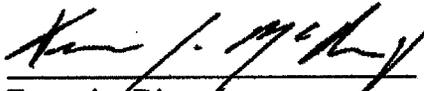
a foreign limited liability company organized under the laws of the jurisdiction of North Carolina did obtain a Certificate of Registration in Arizona on the 22nd day of February 2007.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said limited liability company has not had its Certificate of Registration revoked for failure to comply with the provisions of A.R.S. section 29-601 et seq., the Arizona Limited Liability Company Act; and that the said limited liability company has not filed a Certificate of Cancellation as of the date of this certificate.

This certificate relates only to the legal authority of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 2nd Day of March, 2007, A. D.




Executive Director

By 

B - Proposed Tariff

TITLE SHEET

ARIZONA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service or facilities for Telecommunications Services furnished by i-wireless, LLC ("i-wireless"), with principal offices at 1 Levee Way, Suite 3104, Newport, Kentucky 41071. This tariff applies for services furnished within the State of Arizona. This tariff is on file with the Arizona Corporation Commission, and copies may be inspected, during normal business hours, at the company's principal place of business.

ISSUE DATE: July 5, 2007

EFFECTIVE DATE: , 2007

ISSUED BY: Patrick McDonough, Chief Financial Officer

**1 Levee Way, Suite 3104
Newport, Kentucky 41071**

CONCURRING, CONNECTING OR OTHER PARTICIPATING CARRIERS

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

ISSUE DATE: July 5, 2007

EFFECTIVE DATE: , 2007

**ISSUED BY: Patrick McDonough, Chief Financial Officer
1 Levee Way, Suite 3104
Newport, Kentucky 41071**

CHECK SHEET

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

<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>
1	Original	24	Original
2	Original	25	Original
3	Original	26	Original
4	Original	27	Original
5	Original	28	Original
6	Original	29	Original
7	Original	30	Original
8	Original	31	Original
9	Original	32	Original
10	Original	33	Original
11	Original	34	Original
12	Original		
13	Original		
14	Original		
15	Original		
16	Original		
17	Original		
18	Original		
19	Original		
20	Original		
21	Original		
22	Original		
23	Original		

* New or Revised Sheet

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1 Levee Way, Suite 3104
Newport, Kentucky 41071

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1 Levee Way, Suite 3104
Newport, Kentucky 41071

TARIFF FORMAT

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

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

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

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

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

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SYMBOLS

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

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

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

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

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

Commission - Used throughout this tariff to mean the Arizona Corporation Commission.

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

Company or i-wireless - Used throughout this tariff to mean i-wireless, LLC, a North Carolina Limited Liability Company.

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

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

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

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Resp. Org - Responsible Organization or entity identified by a Toll-Free service Customer that manages and administers records in the toll free number database and management system.

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

Telecommunications - The transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received.

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

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SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of the Company

This tariff contains the regulations and rates applicable to intrastate interexchange telecommunications services provided by the Company for telecommunications between points within the State of Arizona. Services are furnished subject to the availability of facilities and subject to the terms and conditions of this tariff in compliance with limitations set forth in the Commission's rules. The Company's services are provided on a statewide basis and are not intended to be limited geographically. The Company offers service to all those who desire to purchase service from the Company consistent with all of the provisions of this tariff. Customers interested in the Company's services shall file a service application with the Company which fully identifies the Customer, the services requested and other information requested by the Company. The Company reserves the right to examine the credit record and check the references of all applicants and Customers prior to accepting the service order. The service application shall not in itself obligate the Company to provide services or to continue to provide service if a later check of applicant's credit record is, in the opinion of the Company, contrary to the best interest of the Company. The Company may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the Customer, to allow connection of a Customer's location to a service provided by the Company. The Customer shall be responsible for all charges due for such service arrangement.

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Patrick McDonough, Chief Financial Officer

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Newport, Kentucky 41071

- 2.1.1 The services provided by the Company are not part of a joint undertaking with any other entity providing telecommunications channels, facilities, or services, but may involve the resale of the Message Toll Services (MTS) and Wide Area Telecommunications Services (WATS) of underlying common carriers subject to the jurisdiction of this Commission.
- 2.1.2 The rates and regulations contained in this tariff apply only to the services furnished by the Company and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carriers for use in accessing the services of the Company.
- 2.1.3 The Company reserves the right to limit the length of communications, to discontinue furnishing services, or limit the use of service necessitated by conditions beyond its control, including, without limitation: lack of satellite or other transmission medium capacity; the revision, alteration or repricing of the Underlying Carrier's tariffed offerings; or when the use of service becomes or is in violation of the law or the provisions of this tariff.

2.2 Use of Services

- 2.2.1 The Company services may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of services, subject to any limitations set forth in this Section 2.2.
- 2.2.2 The use of the Company services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another or in such a way as to unreasonably interfere with use by others is prohibited.

ISSUE DATE: July 5, 2007

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Patrick McDonough, Chief Financial Officer

**1 Levee Way, Suite 3104
Newport, Kentucky 41071**

- 2.2.3 The use of the Company services without payment for service or attempting to avoid payment for service by fraudulent means or devices, schemes, false or invalid numbers, or false calling or credit cards is prohibited.
- 2.2.4 The Company services are available for use 24 hours per day, seven days per week.
- 2.2.5 The Company does not transmit messages, but the services may be used for that purpose.
- 2.2.6 The Company services may be denied for nonpayment of charges or for other violations of this tariff.
- 2.2.7 Customers shall not use the service provided under this tariff for any unlawful purpose.
- 2.2.8 The Customer is responsible for notifying the Company immediately of any unauthorized use of services.

2.3 Liability of the Company

- 2.3.1 The Company shall not be liable for any claim, loss, expense or damage for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff, if caused by the Underlying Carrier, an act of God, fire, war, civil disturbance, act of government, or due to any other causes beyond the Company's control.
- 2.3.2 The Company shall not be liable for, and shall be fully indemnified and held harmless by the Customer against any claim, loss, expense, or damage for defamation, libel, slander, invasion, infringement of copyright or patent, unauthorized use of any trademark, trade name or service mark, proprietary or creative right, or any other injury to any person, property or entity arising out of the material, data or information transmitted.

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Newport, Kentucky 41071**

- 2.3.3 No agent or employee of any other carrier or entity shall be deemed to be an agent or employee of the Company.
- 2.3.4 The Company's liability for damages, resulting in whole or in part from or arising in connection with the furnishing of service under this tariff, including but not limited to mistakes, omissions, interruptions, delays, errors, or other defects or misrepresentations shall not exceed an amount equal to the charges provided for under this tariff for the long distance call for the period during which the call was affected. No other liability in any event shall attach to the Company.
- 2.3.5 The Company shall not be liable for and shall be indemnified and saved harmless by any Customer or by any other entity from any and all loss, claims, demands, suits, or other action or any liability whatsoever, whether suffered, made, instituted, or asserted by any Customer or any other entity for any personal injury to, or death of, any person or persons, and for any loss, damage, defacement or destruction of the premises of any Customer or any other entity or any other property whether owned or controlled by the Customer or others.
- 2.3.6 The Company shall not be liable for any indirect, special, incidental, or consequential damages under this tariff including, but not limited to, loss of revenue or profits, for any reason whatsoever, including the breakdown of facilities associated with the service, or for any mistakes, omissions, delays, errors, or defects in transmission occurring during the course of furnishing service.

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EFFECTIVE DATE: , 2007

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Patrick McDonough, Chief Financial Officer

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

2.4 Responsibilities of the Customer

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

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

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

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

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

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- 2.4.6 The Customer shall ensure that the equipment and/or system is properly interfaced with the Company facilities or services, the signals emitted into the Company network are of the proper mode, bandwidth, power and signal level for the intended use of the subscriber and in compliance with criteria set forth in this tariff, the signals do not damage equipment, injure personnel, or degrade service to other Customers. If the FCC or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, the Company will permit such equipment to be connected with its channels without the use of protective interface devices. If the Customer fails to maintain the equipment and/or the system properly, with resulting imminent harm to the Company equipment, personnel or the quality of service to other Customers, the Company may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, the Company may, upon written notice, terminate the Customer's service.
- 2.4.7 The Customer must pay the Company for replacement or repair of damage to the equipment or facilities of the Company caused by negligence or willful act of the Customer or others, by improper use of the services, or by use of equipment provided by Customer or others.
- 2.4.8 The Customer must pay for the loss through theft of any Company equipment installed at Customer's premises.
- 2.4.9 If the Company installs equipment at Customer's premises, the Customer shall be responsible for payment of any applicable installation charge.

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

2.5 Cancellation or Interruption of Services

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

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

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

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

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

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- 2.5.2 Without incurring liability, the Company may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of Customer and the Company equipment and facilities and may continue such interruption until any items of noncompliance or improper equipment operation so identified are rectified.
- 2.5.3 Service may be discontinued by the Company without notice to the Customer, by blocking traffic to certain countries, cities or NXX exchanges, or by blocking calls using certain Customer authorization codes, when the Company deems it necessary to take such action to prevent unlawful use of its service. The Company will restore service as soon as it can be provided without undue risk, and will, upon request by the Customer affected, assign a new authorization code to replace the one that has been deactivated.
- 2.5.4 The Customer may terminate service upon thirty (30) days written notice for the Company's standard month to month contract. Customer will be liable for all usage on any of the Company's service offerings until the Customer actually leaves the service. Customers will continue to have Company usage until the Customer notifies its local exchange carrier and changes its long distance carrier. Until the Customer so notifies its local exchange carrier, it shall continue to generate and be responsible for long distance usage.

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2.6 Credit Allowance

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

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

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2.7 Restoration of Service

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

2.8 Deposit

The Company does not require deposits.

2.9 Advance Payments

The Company does not require advance payments.

2.10 Payment and Billing

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

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

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EFFECTIVE DATE: , 2007

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2.10.3 All bills are presumed accurate, and shall be binding on the customer unless objection is received by the Company in writing within 30 days after such bills are rendered. No credits, refunds, or adjustments shall be granted if demand therefore is not received by the Company in writing within such 30 day period.

2.11 Billing Terms and Procedures

2.11.1 The billing date shall be printed on the bill and the date rendered shall be the mailing date.

2.11.2 Bills for telephone services may be considered delinquent 15 days after the date the bill is rendered.

2.11.3 Delinquent accounts for which payment has not been received may be terminated 22 days after the date the bill is rendered.

2.11.4 All payments shall be made at or mailed to the office of the Company or to the utility's duly authorized representative.

2.12 Collection Costs

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

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2.13 Taxes

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

2.14 Late Charge

A late fee of 1.5% per month or the amount otherwise authorized by law, whichever is lower, will be charged on any past due balances.

2.15 Returned Check Charge

A fee of \$25 will be charged whenever a check or draft presented for payment for service is not accepted by the institution on which it is written.

2.16 Reconnection Charge

A reconnection fee of \$25 per occurrence will be charged when service is reestablished for Customers which have been disconnected due to non-payment. Payment of the reconnection fee and any other outstanding amounts will be due in full prior to reconnection of service.

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SECTION 3 - DESCRIPTION OF SERVICE

3.1 Computation of Charges

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

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

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3.1.3 Timing begins when the called station is answered and two way communication is possible, as determined by standard industry methods generally in use for ascertaining answer, including hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. Recognition of answer supervision is the responsibility of the Underlying Carrier. Timing for each call ends when either party hangs up. The Company will not bill for uncompleted calls.

3.2 Customer Complaints and/or Billing Disputes

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

1 Levee Way, Suite 3104
Newport, Kentucky 41071
(866) 594-3466

Any objection to billed charges should be reported promptly to the Company. Adjustments to Customers' bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate. Where overbilling of a subscriber occurs, due either to Company or subscriber error, no liability exists which will require the Company to pay any interest, dividend or other compensation on the amount overbilled.

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If a Customer accumulates more than One Dollar of undisputed delinquent the Company 800 Service charges, the Company Resp. Org. reserves the right not to honor that Customer's request for a Resp. Org. change until such undisputed charges are paid in full.

3.3 Level of Service

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

3.4 Billing Entity Conditions

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

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3.5 Service Offerings

3.5.1 1+ Dialing

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

3.5.2 Travel Cards

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

3.5.3 Toll-Free Service

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

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3.5.4 Company Prepaid Calling Cards

This service permits use of Prepaid Calling Cards for placing long distance calls. Customers may purchase Company Prepaid Calling Cards at a variety of retail outlets or through other distribution channels. Company Prepaid Calling Cards are available at a variety of face values ranging from five dollars (\$5.00), in one dollar (\$1.00) increments. Company Prepaid Calling Card service is accessed using the Company toll-free number printed on the card. The caller is prompted by an automated voice response system to enter his/her Authorization Code, and then to enter the terminating telephone number. The Company's processor tracks the call duration on a real time basis to determine the number of Telecom Units consumed. The total consumed Telecom Units and applicable taxes for each call are deducted from the remaining Telecom Unit balance on the Customer's Company Prepaid Calling Card.

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

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

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A card will expire on the date indicated on the card, or if no date is specified, 6 months from the date of purchase, or the date of last recharge, whichever is later. The Company will not refund unused balances.

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

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

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

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

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

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3.5.5 Directory Assistance.

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

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3.5.6 Specialized Pricing Arrangements.

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

3.5.7 Emergency Call Handling Procedures

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

3.5.8 Promotional Offerings

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

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SECTION 4 - RATES

4.1 Customer Dialed Station-To-Station Calls

Residential

Day		Evening		Night	
First Minute	Add'l Minute	First Minute	Add'l Minute	First Minute	Add'l Minute
\$0.2400	\$0.2400	\$0.1500	\$0.1500	\$0.1500	\$0.1500

Business

Day		Evening		Night	
First Minute	Add'l Minute	First Minute	Add'l Minute	First Minute	Add'l Minute
\$0.2600	\$0.2600	\$0.2600	\$0.2600	\$0.2600	\$0.2600

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

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4.2 Toll Free Service

\$0.25 per minute

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

4.3 Prepaid Calling Cards

Program

A	\$.015 Per Telecom Unit
B	\$.019 Per Telecom Unit
C	\$.025 Per Telecom Unit
D	\$.029 Per Telecom Unit
E	\$.032 Per Telecom Unit
F	\$.035 Per Telecom Unit
G	\$.039 Per Telecom Unit
H	\$.049 Per Telecom Unit
I	\$.05 Per Telecom Unit
J	\$.059 Per Telecom Unit
K	\$.06 Per Telecom Unit
L	\$.08 Per Telecom Unit
M	\$.09 Per Telecom Unit
N	\$.10 Per Telecom Unit
O	\$.11 Per Telecom Unit
P	\$.12 Per Telecom Unit
Q	\$.13 Per Telecom Unit
R	\$.14 Per Telecom Unit
S	\$.15 Per Telecom Unit
T	\$.19 Per Telecom Unit
U	\$.20 Per Telecom Unit
V	\$.25 Per Telecom Unit
W	\$.29 Per Telecom Unit
X	\$.30 Per Telecom Unit
Y	\$.33 Per Telecom Unit

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Z \$.35 Per Telecom Unit
AA \$.39 Per Telecom Unit
BB \$.40 Per Telecom Unit
CC \$.50 Per Telecom Unit
DD \$.005 Per Telecom Unit
EE \$.01 Per Telecom Unit
FF \$.07 Per Telecom Unit

A \$.99 per call service charge applies.

A one-time maintenance fee of \$1.00 applies after the 1st call.

4.4 Directory Assistance

\$1.15 per call

4.5 Returned Check Charge

\$25.00

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4.6 Rate Periods

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

* To, but not including

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

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4.7 Payphone Dial Around Surcharge

A dial around surcharge of \$.60 per call will be added to any completed intrastate toll access code and subscriber toll-free 800/888 type calls placed from a public or semi-public payphone.

4.8 Universal Service Fund Assessment & Presubscribed Interexchange Carrier Charge

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

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Newport, Kentucky 41071**

SECTION 5 - MINIMUM/MAXIMUM RATES

5.1 Customer Dialed Station-To-Station Calls

Residential

\$0.05 per minute Minimum

\$0.40 per minute Maximum

Business

\$0.05 per minute Minimum

\$0.40 per minute Maximum

5.2 Toll-Free Service

\$0.04 per minute Minimum

\$0.40 per minute Maximum

5.3 Prepaid Calling Cards

\$0.01 per minute Minimum

\$1.00 per minute Maximum

5.4 Directory Assistance

\$0.50 Minimum

\$1.50 Maximum

5.5 Payphone Dial Around Surcharge

\$0.35 Minimum

\$0.60 Maximum

ISSUE DATE: July 5, 2007

EFFECTIVE DATE: , 2007

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C - Legal Notice

Will be submitted when Docket No. Assigned by Commission.

D - Financial Information

i-wireless, LLC

FINANCIAL STATEMENTS

December 31, 2006

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To the Board of Directors
i-wireless, LLC

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying balance sheet of i-wireless, LLC as of December 31, 2006 and the related statements of operations, changes in members' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of i-wireless, LLC, as of December 31, 2006 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Circleville, Ohio
January 11, 2007

i-wireless, LLC

BALANCE SHEET

December 31, 2006

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,156,892
Accounts receivable	45,851
Inventory	758,805
Prepaid expenses	<u>167,722</u>
TOTAL CURRENT ASSETS	<u>2,129,270</u>

PROPERTY AND EQUIPMENT

Computers, network equipment, and software	134,573
Less: Accumulated depreciation	<u>(30,941)</u>
NET PROPERTY AND EQUIPMENT	<u>103,632</u>

OTHER ASSETS

Security deposits	<u>28,561</u>
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TOTAL ASSETS \$ 2,261,463

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 932,198
Accrued liabilities	225,540
Accrued payroll and related benefits	16,978
Deferred revenue	14,754
Dividends payable	<u>209,121</u>
TOTAL CURRENT LIABILITIES	<u>1,398,591</u>

MEMBERS' EQUITY

Memberships	5,000,000
Retained deficit	<u>(4,137,128)</u>
TOTAL MEMBERS' EQUITY	<u>862,872</u>

TOTAL LIABILITIES AND EQUITY \$ 2,261,463

The accompanying notes are an integral part of these financial statements

I-WIRELESS, LLC

STATEMENT OF OPERATIONS

For the Year Ended December 31, 2006

SERVICE REVENUE	
Voice	\$ 26,985
Data	2,313
	<u>29,298</u>
EQUIPMENT REVENUE	
Handset	57,381
Accessories	4,177
	<u>61,558</u>
TOTAL REVENUE	90,856
EXPENSES	
Cost of providing services	1,120,191
Selling and marketing	769,834
General and administrative	2,126,546
	<u>4,016,571</u>
LOSS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTIZATION	(3,925,715)
OTHER INCOME/(EXPENSE)	
Depreciation and amortization	(30,941)
Interest income, net of expense	28,649
	<u>(2,292)</u>
NET LOSS	\$ <u>(3,928,007)</u>

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

i-wireless, LLC

STATEMENT OF CHANGES IN MEMBERS' EQUITY

For the Year Ended December 31, 2006

	Series A Preferred Membership Interests	Series B Preferred Membership Interests	Total Memberships	Retained Deficit
Balance, January 1, 2006	\$ -	\$ -	\$ -	\$ -
Net loss				(3,928,007)
Dividends declared				(209,121)
Capital contributions	2,500,000	3,000,000	5,500,000	
Distributions	(500,000)	-	(500,000)	
Balance, December 31, 2006	<u>\$ 2,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ (4,137,128)</u>

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

I-WIRELESS, LLC

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2006

CASH FLOW FROM OPERATING ACTIVITIES	
Net loss	\$ (3,928,007)
Adjustments to reconcile net loss to net cash used by operating activities:	
Depreciation and amortization	30,941
Changes in assets and liabilities:	
Accounts receivable	(45,851)
Inventory	(758,805)
Prepaid expense	(167,722)
Other assets	(28,561)
Accounts payable	932,198
Accrued liabilities	225,540
Accrued payroll and related benefits	16,978
Deferred revenue	14,754
Net cash used by operating activities	<u>(3,708,535)</u>
 CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of property and equipment	<u>(134,573)</u>
Net cash used by investing activities	<u>(134,573)</u>
 CASH FLOW FROM FINANCING ACTIVITIES	
Capital contributions	5,500,000
Distributions	<u>(500,000)</u>
Net cash provided by financing activities	<u>5,000,000</u>
 Net increase in cash and cash equivalents	 1,156,892
Cash and cash equivalents at beginning of year	<u>-</u>
Cash and cash equivalents at end of year	<u>\$ 1,156,892</u>

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

i-wireless, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

NATURE AND SCOPE OF ORGANIZATION

i-wireless LLC (the Company) was originally incorporated as Cinthex, LLC in November 2005 in the state of Delaware. Subsequent to that date, the Company reincorporated in North Carolina as i-wireless, LLC.

i-wireless, LLC is a mobile virtual network operator (MVNO) providing easy and affordable prepaid wireless services. The Company distributes its services through a national retailer and over the web, utilizing a national wireless carrier to carry its voice and data communications. The Company currently offers its services in select markets in Kentucky and Tennessee through its distribution relationship.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of i-wireless, LLC conform to generally accepted accounting principles. Following is a summary of the significant accounting policies and practices of the Company, which affect significant elements of the accompanying financial statements.

Revenue Recognition - Revenues consist of wireless service revenues from the usage of prepaid wireless minutes and equipment revenues generated from handset and accessory sales. The Company collects customer payments for prepaid wireless service revenues in advance, but the revenue is not recognized until the wireless services are rendered. Service revenues consist of variable usage charges and miscellaneous fees such as directory assistance, text messaging, and operator-assisted calling.

Equipment revenues are recognized as handsets and accessories are sold to customers.

Accounts Receivable - Accounts receivable consist of customer receipts due to the Company from the Company's distribution partners, currently a national retailer and a national card distribution company. Wireless services and equipment is sold primarily through these partners to the customer. The Company's distribution partners collect the cash receipts and remit payment, less commission, to the Company. Accounts receivable are recorded net of any commissions.

Because all wireless service revenues are prepaid and cash is collected upon sale of equipment, the Company is of the opinion that all receivables due from the Company's distribution partners are collectible and, accordingly, no allowance for doubtful accounts is provided.

Inventory - Inventories of handsets and accessories are stated at the lower of cost or market. The Company determines cost by the FIFO (first-in, first-out) method. Handset costs in excess of the revenues generated from handset sales, or handset subsidies, are expensed at the time of sale. The Company does not recognize the expected handset subsidies prior to the time of sale because the promotional discount decision is made at the point of sale and because the Company expects to recover the handset subsidies through service revenue.

Property and Equipment - Property and equipment are carried at cost, less accumulated depreciation computed on the straight-line method. Major renewals and betterments are capitalized and depreciated; maintenance and repairs which do not improve or extend the life of the respective assets are charged to expense as incurred. Upon disposal of property and equipment, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is included in income.

Property and equipment, which consist of computer equipment and software, are depreciated over their estimated useful lives of 1 to 3 years. Depreciation expense charged to operations during the year ended December 31, 2006 was \$30,941.

i-wireless, LLC

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 2006

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Advertising and Market Research Expense - The Company expenses the cost of advertising and market research as incurred. Advertising and market research costs charged to operations for the year ended December 31, 2006 amounted to \$158,143.

Shipping & Handling Costs - The Company reports shipping and handling expenses as a cost of providing services. Total shipping and handling expense included in cost of sales for the year ended December 31, 2006 was \$43,949.

Statement of Cash Flows - For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments with a maturity of three months or less at the date of purchase to be cash equivalents.

There were no cash payments for interest during the period ended December 31, 2006.

Use of Estimates - The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

CONCENTRATIONS

Certain Risks and Concentrations - At various times throughout the year, the Company may have on deposit in financial institutions, cash in excess of the federally insured limits.

Major Suppliers - The operating nature of an MVNO requires that the Company enter into outsourced agreements with various vendors to provide services that are essential to the Company's prepaid wireless service offering. See Contracts and Commitments footnote for further discussion of vendor relationships.

LEASES

The Company currently leases office space in Cincinnati, Ohio for \$1,156 per month, on a month-to-month basis. The Company expects to move out of this office space in early 2007. Rent expense related to this lease totaled \$5,202 for the year period December 31, 2006.

The Company has entered into a lease agreement for office space in Newport, Kentucky and will move into this office space in early 2007. The landlord required the Company to prepay \$106,575 for the first year of the lease agreement. The lease term expires seven years after the Company moves into the office space. Future minimum rental payments required, net of prepayment, under this operating lease are expected to be as follows:

2007	\$	-
2008		65,544
2009		115,170
2010		118,049
2011		121,000
Thereafter		<u>251,151</u>
Total	\$	<u>670,914</u>

i-wireless, LLC

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 2006

CONTRACTS AND COMMITMENTS

As noted previously, the operating nature of a MVNO requires the Company to enter long-term, exclusive agreements with various vendors to provide services essential to the Company's product offering. The following vendor agreements are significant to the Company:

To provide a wireless network to carry customer voice and data communications, the Company has entered into an agreement with a national wireless network carrier.

To provide a national distribution arm for the Company's products, the Company has entered into an agreement with one of the largest retailers in the United States.

To provide handsets and logistical services in connection with the delivery of handsets and accessories, the Company has entered into a five-year agreement with a global wireless distribution and supply chain management company. The Company has entered into extended payment terms that provide the Company with payment terms of up to 180 days. Interest begins to accrue on the balance due after 45 days.

To produce, deliver, and provide management services for prepaid wireless cards, the Company has entered into a three-year agreement with a provider of prepaid card technology and solutions.

To provide customer care and billing solutions for the Company's customers, the Company has entered into agreements with multiple service providers. These agreements have terms of up to five years.

One of these agreements commits the Company to minimum obligations that gradually increase each year, starting at \$1.5 million over the first two years and reaching a maximum of \$2.1 million in year five. Total commitment for the five years is \$7 million. The Company also has the ability to earn discounts with some of these vendors if certain volumes are reached.

The loss of any one of these suppliers would have a significant impact on the operations of the Company; however, management does not anticipate the loss of any of them in the future. In addition, management believes there are alternative sources for these services and products available in the market should any of these vendor relationships be terminated.

RETIREMENT PLAN

The Company sponsors a 401(k) plan covering all employees older than twenty-one. The Company matches 100% of the first 2% of wages contributed by the employee and 50% of the subsequent 4% of wages contributed by the plan. Vesting begins after 2 years and the participant becomes fully vested after year 6. Plan contributions charged to operations were \$17,650 in 2006.

INCOME TAXES

The Company is organized as a limited liability company. As a result, taxable income for federal and state purposes is passed through to the individual members and claimed on their personal income tax returns. City income taxes are determined and paid at the entity level. There were no taxes due for the year ended December 31, 2006.

i-wireless, LLC

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 2006

LIMITED LIABILITY COMPANY

Since the Company is a limited liability company, no member, manager, agent, or employee of the Company shall be personally liable for the debts, obligations, or liabilities of the Company, whether arising in contract, tort, or otherwise, or for the acts or omissions of any other member, director, manager, agent, or employee of the Company, unless the individual has signed a specific personal guarantee. The duration of the Company is perpetual.

Equity owners of LLC's are referred to as members and the separate classification of equity common to corporations is replaced with members' equity. The Company's members' equity consist of Common Membership Interests, Series A Preferred Membership Interests, and Series B Preferred Membership Interests.

The Series A and Series B Preferred Membership Interests are entitled to a 15% dividend annually. For the period from January 1, 2007 to December 31, 2008, the Series A Preferred dividend will be reduced to 7.5%. The Series B Preferred dividend will not be paid until the latter of August 28, 2008 and the Company is profitable or the Company has paid all Series A Preferred dividends. No Series B Preferred dividends shall be paid until all accrued dividends on the Series A Preferred Membership Interests have been paid.

RELATED PARTY TRANSACTIONS

The Company pays a management fee to Genie, LLC, the holders of the Common Membership Interests and the Series B Preferred Membership Interests. During the year ended December 31, 2006, management fees paid to Genie, LLC were \$363,527.

E - Arizona Projections

- A. Projected total intrastate revenue for the first 12 months of service: \$1,000
- B. Projected value of total intrastate operating expenses for the first 12 months of service: \$800.00
- C. Projected net book value of all Arizona jurisdictional assets to be used to provide telecommunications services to Arizona customers for the first 12 months of service: \$100.00
- D. Current net book value: \$0.00