

ORIGINAL

NEW APPLICATION

MILLER ISAR INC.

REGULATORY CONSULTANTS



ANDREW O. ISAR

7901 SKANSIE AVENUE,
SUITE 240
GIG HARBOR, WA 98335
TELEPHONE: 253.851.6700
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HTTP://WWW.MILLERISAR.COM

Via Overnight Delivery

October 19, 2007

Docket Control Center
Arizona Corporation Commission
1200 W. Washington Street, Room 108
Phoenix, Arizona 85007-2996

Arizona Corporation Commission
DOCKETED
OCT 22 2007
DOCKETED BY *MM*

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

Dear Sir/Madam: **T-20559A-07-0613**

Enclosed for filing with the Arizona Corporation Commission are an original and thirteen (13) copies of Consumer Telcom, Inc.'s *Application and Petition for Certificate of Convenience and Necessity to Provide Intrastate Telecommunications Services* ("Application") to provide competitive telecommunications services throughout the State of Arizona. A Docket Control Form is also attached.

Please acknowledge receipt of this filing by file-stamping and returning the additional copy of this Application and transmittal letter in the self-addressed, postage-paid envelope provided for this purpose.

Questions may be directed to the undersigned.

Sincerely,

MILLER ISAR, INC.

Andrew O. Isar

Enclosures

Regulatory Consultants to
Consumer Telcom, Inc.

AZ CORP COMMISSION
DOCKET CONTROL

2007 OCT 22 P 12: 09

RECEIVED

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: Applicant has no pending applications before the Arizona Corporation Commission.

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 mark the appropriate box(s).

- 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:

Consumer Telcom, Inc.
701 N. Green Valley Parkway, Suite 200
Henderson, Nevada, 89014
Telephone: 800.872.3811
Facsimile: 800.872.1562
Web Site: http://www.consumertelcom.com/
E-mail: joen@consumertelcom.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):

Applicant will not use a fictitious, Doing Business As name.

(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:

Joseph A. Nicotra
701 N. Green Valley Parkway, Suite 200
Henderson, Nevada, 89014
Telephone: 800.872.3811
Facsimile: 800.872.1562
Web Site: <http://www.consumertelcom.com/>
Electronic mail: joen@consumertelcom.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:

Andrew O. Isar
Miller Isar, Inc.
7901 Skansie Avenue, Suite 240
Gig Harbor, Washington 98335
Telephone: 253.851.6700
Facsimile: 253.851.6474
Electronic Mail: aisar@millerisar.com

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

Joseph A. Nicotra
701 N. Green Valley Parkway, Suite 200
Henderson, Nevada, 89014
Telephone: 800.872.3811
Facsimile: 800.872.1562
Web Site: <http://www.consumertelcom.com/>
Electronic mail: joen@consumertelcom.com

(A-7) What type of legal entity is the Applicant? Mark the appropriate box(s) and category.

- Sole proprietorship
- Partnership: _____ Limited, _____ General, _____ Arizona, _____ Foreign
- Limited Liability Company: _____ Arizona, _____ Foreign
- Corporation: _____ "S", **X** "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 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.

Please refer to Attachment 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).

Please refer to Attachment B.

(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.

Nether Applicant or any of its officers, directors, partners, or managers have 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 have been or are currently involved in any civil or criminal investigation, nor have 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.

Applicant is an established entity that is profitable and financially viable. Applicant has extensive experience in providing telecommunications services and has been granted intrastate operating authority as a competitive interexchange carrier in 24 states. Further, Applicant does not collect deposits or advanced payments. Imposition of a bond is unnecessary to protect users of Applicant's service as Applicant imposes no risk to the Public.

(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 you are advised to do so by the Hearing Division.

Please refer to draft publication Notice, attached hereto as Attachment C.

(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.

Global Crossing and Qwest Corporation

(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.

In no instance has Applicant had an application approved or denied to offer telecommunications services similar to those that the Applicant will or intends to offer in Arizona.

(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 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.

Applicant has been a successful provider of telecommunications services since its inception in 1998. Applicant maintains authority to provide, and provides, interexchange telecommunications services in Arkansas, California, Georgia, Iowa, Maryland, Massachusetts, Minnesota, Mississippi, Montana, North Carolina, New Jersey, New Mexico, New York, Nevada, Oregon, Pennsylvania, Tennessee, Texas, Utah, Virginia, Washington, Wisconsin, West Virginia, and Wyoming.

(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.

Applicant is not affiliated with any entity, as defined in R14-2-801, that is an alternative provider of services provided by applicant.

(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.

Please refer to attachment D.

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

Applicant is not owned by a parent corporation and will not rely on the financial resources of a parent company, accordingly.

(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.

Applicant projects total revenue generated by the provision of interexchange telecommunications services generated from Arizona for the first twelve months following certification to be \$5,000.00.

2. Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.

Applicant projects operating expenses to be incurred during the first twelve months of providing telecommunications to be a minimum of \$4,000.00.

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.

Applicant's estimated assets located in the State of Arizona for the first twelve months of operation is zero, as Applicant will not maintain facilities or assets in Arizona.

4. If the projected value of all assets is zero, please specifically state this in your response.

Please refer to response to item B-4(3), *supra*.

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.

Inapplicable.

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 59421:

Yes No

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

Yes

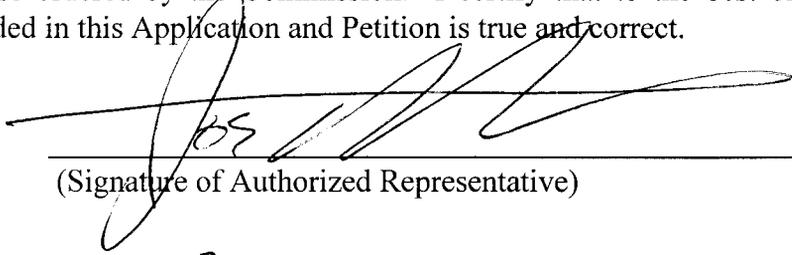
No

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

Yes

No

I certify that if the applicant is an Arizona corporation, a current copy of the Articles of Incorporation is on file with the Arizona Corporation Commission and the applicant holds a Certificate of Good Standing from the Commission. If the company is a foreign corporation or partnership, I certify that the company has authority to transact business in Arizona. I certify that all appropriate city, county, and/or State agency approvals have been obtained. Upon signing of this application, I attest that I have read the Commission's rules and regulations relating to the regulations of telecommunications services (A.A.C. Title 14, Chapter 2, Article 11) and that the company will abide by Arizona state law including the Arizona Corporation Commission Rules. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.



(Signature of Authorized Representative)

~~August~~ ^{October 17}, 2007

(Date)

Joseph A. Nicotra

(Print Name of Authorized Representative)

President

(Title)

SUBSCRIBED AND SWORN to before me this 17th day of ~~August~~ ^{OCTOBER}, 2007

(See attached Jurat)


NOTARY PUBLIC

My Commission Expires 11/02/07

JURAT

State of California

County of Orange

Subscribed and sworn to (or affirmed) before me on

this 17th day of OCTOBER, 2007,

by JOSEPH A. NICOTRA

~~personally known to me or~~ proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



(seal)

Signature

A handwritten signature in black ink, appearing to read "Joseph A. Nicotra", written over a horizontal line.

RE: ARIZONA APPLICATION AND PETITION FOR
CERTIFICATE OF CONVENIENCE AND NECESSITY
TO PROVIDE INTRASTATE TELECOMMUNICATIONS SERVICES

ARIZONA CORPORATION COMMISSION

**Application and Petition for Certificate of Convenience and Necessity to Provide
Intrastate Telecommunications Services
Of
Consumer Telcom, Inc.**

ATTACHMENT A

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.

A copy of Applicant's Certificate of Good Standing as a Foreign Corporation is attached hereto.

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).

The names and titles of Applicant's directors and officers are:

DIRECTOR

Mr. Joseph A. Nicotra

OFFICER

Mr. Joseph A. Nicotra

OWNERSHIP

<u>Owner</u>	<u>Shares</u>	<u>Percentage of Ownership</u>
Mr. Joseph A. Nicotra	100	100%

COMMISSIONERS
MIKE GLEASON - Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE



BRIAN C. MCNEIL
Executive Director

LINDA FISHER
Director, Corporations Division

ARIZONA CORPORATION COMMISSION

September 13, 2007

NATIONAL REGISTERED AGENTS INC
638 N FIFTH AVE
PHOENIX, AZ 85008

RE: CONSUMER TELCOM, INC.
File Number: F13929312

We are pleased to notify you that your Application for Authority to transact business in Arizona HAS BEEN APPROVED for the entity referenced above.

You must publish a copy of your Application for Authority. The publication must be in a newspaper of general circulation in the county of the known place of business in Arizona, as filed with the Commission for three (3) consecutive publications. A list of acceptable newspapers in each county is attached and is also posted on the Commission web site. Publication must be completed WITHIN SIXTY (60) DAYS and an affidavit from the newspaper, evidencing such publication, must be delivered to the Commission for filing WITHIN NINETY (90) DAYS from September 13, 2007, which is the date the document was processed and approved for filing by the Commission.

Most corporations transacting business in Arizona are required to file an Annual Report with the Commission, on the anniversary of the date of incorporation. Should the report fail to arrive approximately two months prior to the due date, contact the Commission. Corporations must notify the Commission immediately (in writing) if they change their corporate address, statutory agent or agent address. Address change orders must be executed (signed) by a corporate officer. Postal forwarding orders are not sufficient.

Periodically check Commission records regarding your corporation at: www.azcc.gov/corp. If you have questions or need of further information, please contact us at (602) 542-3026 in Phoenix, (520) 628-6560 in Tucson, or Toll Free (Arizona residents only) at 1-800-345-5819.

Sincerely,
Linda CJohnson
Examiner, Corporations Division

CF:07
REV. 11/2006



02149751

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 trademark or trademark, attach Declaration of Tradename Holder form. If your name is not available for use in Arizona, you must adopt a fictitious name and provide a resolution adopting the name, which must be executed by the corporation Secretary.

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

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

APPLICATION FOR AUTHORITY TO TRANSACT BUSINESS IN ARIZONA

The name of the corporation is: Consumer Telcom, Inc.
A(n) California Corporation
(State, Province or Country)

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:

Consumer Telcom, Inc.

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:

California

3. The foreign corporation was incorporated on the 23rd day of September 1998 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:

2030 Main Street, Suite 1030
Irvine, CA 92614

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

National Registered Agents, Inc.
638 North Fifth Avenue
Phoenix, AZ 85008

**AZ CORPORATION COMMISSION
FILED**

SEP 10 2007

FILE NO. F-1392931-2

DO NOT PUBLISH THIS SECTION

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

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

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

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

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

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

Name:
Address:
City, State, Zip:
Name:
Address:
City, State, Zip:
Name:
Address:
City, State, Zip:

Joseph A. Nicotra Director [title]
701 North Green Valley Pkwy., Ste. 200
Henderson, NV 89014
Joseph A. Nicotra President [title]
701 North Green Valley Pkwy., Ste. 200
Henderson, NV 89014
Joseph A. Nicotra Secretary [title]
701 North Green Valley Pkwy., Ste. 200
Henderson, NV 89014

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

8. The foreign corporation is authorized to issue 100,000 shares, itemized as follows: (Attach additional sheets if necessary.)

100,000 shares of Common [class or series] stock at
0 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.

ARIZONA CORPORATION COMMISSION
CORPORATIONS DIVISION

Phoenix Address: 1300 West Washington
Phoenix, Arizona 85007-2929

Tucson Address: 400 West Congress
Tucson, Arizona 85701-1347

PROFIT
CERTIFICATE OF DISCLOSURE
A.R.S. §10-202.D

Consumer Telecom, Inc.

EXACT CORPORATE NAME

A. Has any person serving either by election or appointment as officer, director, trustee, incorporator and persons controlling or holding over 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporation:

1. Been convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate?
2. Been convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses, or restraint of trade monopoly in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate?
3. Been or are subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven-year period immediately preceding the execution of this Certificate wherein such injunction, judgment, decree or permanent order:
 - (a) Involved the violation of fraud or registration provisions of the securities laws of that jurisdiction?; or
 - (b) Involved the violation of the consumer fraud laws of that jurisdiction?; or
 - (c) Involved the violation of the antitrust or restraint of trade laws of that jurisdiction?

Yes _____ No X

B. IF YES, the following information MUST be attached:

1. Full name, prior name(s) and aliases, if used.
2. Full birth name.
3. Present home address.
4. Prior addresses (for immediate preceding 7-year period).
5. Date and location of birth.
6. Social Security number.
7. The nature and description of each conviction or judicial action, date and location, the court and public agency involved and file or cause number of case.

Has any person serving as an officer, director, trustee or incorporator of the corporation served, in any such capacity or held or controlled over 20% the issued and outstanding common shares, or 20% of any other proprietary, beneficial or membership interest in any other corporation which has been placed in bankruptcy, receivership or had its charter revoked, or administratively or judicially dissolved by any state or jurisdiction?

Yes _____ No X

IF YOUR ANSWER TO THE ABOVE QUESTION IS "YES", YOU MUST ATTACH THE FOLLOWING INFORMATION FOR EACH CORPORATION:

1. Name and address of the corporation.
2. Full name (including aliases) and address of each person involved.
3. State(s) in which the corporation:
 - (a) Was incorporated. (b) Has transacted business.
4. Date of corporate operation.
5. Date and case number of Bankruptcy or date of revocation/administrative dissolution.

D. The fiscal year end adopted by the corporation is _____

Under penalties of law, the undersigned incorporator(s)/officer(s) declare(s) that I(we) have examined this Certificate, including any attachments, and to the best of my(our) knowledge and belief it is true, correct and complete, and hereby declare as indicated above. THE SIGNATURE(S) MUST BE DATED WITHIN THIRTY (30) DAYS OF THE DELIVERY DATE.

BY [Signature]
PRINT NAME Joseph A. Nicotra
TITLE President DATE 8/17/07

BY _____
PRINT NAME _____
TITLE _____ DATE _____

DOMESTIC CORPORATIONS: ALL INCORPORATORS MUST SIGN THE INITIAL CERTIFICATE OF DISCLOSURE. If within sixty days, any person becomes an officer, director, trustee or person controlling or holding over 10% of the issued and outstanding shares or 10% of any other proprietary, beneficial or membership interest in the corporation and the person was not included in this disclosure, the corporation must file an AMENDED certificate signed at least one duly authorized officer of the corporation.

FOREIGN CORPORATIONS: MUST BE SIGNED BY AT LEAST ONE DULY AUTHORIZED OFFICER OF THE CORPORATION.
CF: 0022 - Business Corporations
Rev: 04/04

**AFFIDAVIT OF PUBLICATION
for Corporation Commission**



ARIZONA CAPITOL TIMES

P.O. Box 2260
Phone: (602) 258-7026

Phoenix, AZ 85002
Fax: (602) 258-2504

CONSUMER TELCOM, INC.

STATE OF ARIZONA)
County of Maricopa) ss

I, Ginger Lamb as Vice President and Publisher of the Arizona Capitol Times, am authorized as agent to make this affidavit of publication. Under oath, I state that the following is true and correct.

The Arizona Capitol Times is a newspaper which is published weekly, is of general circulation and is in compliance with Arizona Revised Statutes §§ 10-140.34 & 39-201.A & B. The notice will be/has been published 3 consecutive times in the newspaper listed above.

DATES OF PUBLICATION:
09/28/2007, 10/05/2007, 10/12/2007

THE NAME OF THE CORPORATION: CONSUMER TELCOM, INC.

CORPORATE FILE NUMBER: F-1392931-2

TYPE OF DOCUMENT: APPLICATION FOR AUTHORITY TO
TRANSACT BUSINESS IN ARIZONA

AUTHORIZED
SIGNATURE: _____

SUBSCRIBED AND SWORN TO BEFORE ME
ON THE 28th day of September, 2007

NOTARY SIGNATURE: _____



**APPLICATION FOR AUTHORITY TO TRANSACT BUSINESS
IN ARIZONA**

The name of the corporation is: Consumer Telcom, Inc., A(n) California Corporation.

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: Consumer Telcom, Inc. 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: (blank) (FN).

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

3. The foreign corporation was incorporated on the 23rd day of September, 1998 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: 2030 Main Street, Suite 1030, Irvine, CA 92614.

5. The name and street address of the statutory agent for the foreign corporation in Arizona is: National Registered Agents, Inc., 638 North Fifth Avenue, Phoenix, AZ 85003.

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

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

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

7. The names and usual business addresses of the current directors and officers of the foreign corporation are: (Attach additional sheets if necessary.) Joseph A. Nicolra, Director [title], 701 North Green Valley Pkwy., Ste. 200, Henderson, NV 89014; Joseph A. Nicolra, President [title], 701 North Green Valley Pkwy., Ste. 200, Henderson, NV 89014; Joseph A. Nicolra, Secretary [title], 701 North Green Valley Pkwy., Ste. 200, Henderson, NV 89014.

8. The foreign corporation is authorized to issue 100,000 shares, itemized as follows: (Attach additional sheets if necessary.) 100,000 shares of Common [class or series] stock at no par value or par value of \$(blank) per share.

9. The foreign corporation has issued 1,000 shares, itemized as follows: (Attach additional sheets if necessary.) 1,000 shares of Common [class or series] stock at no par value or par value of \$(blank) per share.

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

DATED this (blank) day of (blank), Consumer Telcom, Inc. [Name of Corporation], Executed by /s/ Joseph A. Nicolra, President.

ACCEPTANCE OF APPOINTMENT BY STATUTORY AGENT
The undersigned hereby acknowledges and accepts the appointment as statutory agent of this corporation effective this 7th day of September, 2007, National Registered Agents, Inc., /s/ Carol Shelton, Asst. Secretary.

9/28, 10/5, 10/12, 2007 editions Arizona Capitol Times

RECEIVED

OCT 01 2007

ARIZONA CORP. COMMISSION
CORPORATIONS DIVISION

ARIZONA CORPORATION COMMISSION

**Application and Petition for Certificate of Convenience and Necessity to Provide
Intrastate Telecommunications Services
Of
Consumer Telcom, Inc.**

ATTACHMENT B

Applicant's interexchange tariff is attached.

Proposed Rates and Charges for each service offered appear in Applicant's proposed Effective Rate Schedule No. 1.

Tariff Maximum Rate and Prices to be charged appear beginning at tariff Sheet No. 26.

Terms and Conditions Applicable to provision of Service appear beginning at tariff Sheet No. 8.

Deposits, Advances, and/or Prepayments Applicable to provision of Service do not appear in the Tariff as these provisions are inapplicable to Applicant's Service.

The proposed fee that will be charged for returned checks appears beginning at tariff Sheet No. 14.

ARIZONA TELECOMMUNICATIONS TARIFF

OF

Consumer Telcom, Inc.

**701 N. Green Valley Parkway, Suite 200
Henderson, Nevada, 89014**

RESALE INTEREXCHANGE TELECOMMUNICATIONS SERVICE

This Tariff contains the descriptions, regulations, and rates applicable to the furnishing of interexchange telecommunications services provided by Consumer Telcom, Inc. 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; 701 N. Green Valley Parkway, Suite 200, Henderson, Nevada, 89014.

Issued: October 22, 2007

Effective Date:

Issued By:

Joseph A. Nicotra, President
Consumer Telcom, Inc.
701 N. Green Valley Parkway, Suite 200
Henderson, Nevada, 89014
Telephone: 800.872.3811

CHECK SHEET

The Title Sheet and Sheets 1 through 47 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>	<u>SHEET</u>	<u>REVISION</u>
Title	Original	29	Original
1	Original	30	Original
2	Original	31	Original
3	Original	32	Original
4	Original	33	Original
5	Original	34	Original
6	Original	35	Original
7	Original	36	Original
8	Original	37	Original
9	Original	38	Original
10	Original	39	Original
11	Original	40	Original
12	Original	41	Original
13	Original	42	Original
14	Original	43	Original
15	Original	44	Original
16	Original	45	Original
17	Original	46	Original
18	Original	47	Original
19	Original		
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25	Original		
26	Original		
27	Original		
28	Original		

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TABLE OF CONTENTS

Title Sheet	Title
Check Sheet.....	1
Table of Contents	2
Concurring, Connecting and Participating Carriers	3
Explanation of Symbols	3
Tariff Format.....	4
Application of Tariff	5
Section 1 - Technical Terms and Abbreviations	6
Section 2 - Rules and Regulations.....	8
Section 3 - Description of Service	21
Section 4 – Rates and Charges	26
Section 5 – Effective Rate Schedule.....	37

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CONCURRING CARRIERS

None

CONNECTING CARRIERS

None

OTHER PARTICIPATING CARRIERS

None

EXPLANATION OF SYMBOLS

- (C) To signify **changed** condition or regulation.
- (D) To signify **discontinued** rate, regulation or condition.
- (I) To signify a change resulting in an **increase** to a Customer's bill.
- (M) To signify that text has been relocated (**moved**) without change.
- (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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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.
- 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.
 - 2.1.1.1.A.
- 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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APPLICATION OF TARIFF

This Tariff contains the rates applicable to the provision of intrastate resale interexchange telecommunications services by Consumer Telcom, Inc. between various locations within the State of Arizona.

All services are interstate offerings. Intrastate service is an additional service available only if the Customer subscribes to the Company's interstate offerings. This Tariff is governed and interpreted according to the Laws of Arizona.

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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.

Company:

Consumer Telcom, Inc. ("Consumer Telcom "), the issuer of this Tariff.

Commission:

The Arizona Corporation Commission

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.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

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.

Monthly Bill Statement Fee:

The monthly fee applied to Customers when they receive their long distance charges as part of their local telephone company bills.

Monthly Service Fee:

The monthly fee applied to Customers for account maintenance.

Presubscribe or Presubscription:

The Customer's order for Company's calling services through the Company, which involves the Local Exchange Carrier PIC change process.

Point of Presence:

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

Subscribe or Subscription:

The Customer's order for Company's calling services directly through the Company and not involving the Local Exchange Carrier PIC change process.

Subscriber:

See "Customer" definition.

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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 between points within the State of Arizona.
- 2.1.2. Company is a provider of interexchange telecommunications to Customers for 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.
- 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.
- 2.1.7. This Tariff shall be interpreted and governed by the laws of the state of Arizona regardless of its choice of laws provision.

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.
- 2.2.2. Company reserves the right to immediately disconnect service 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 the laws, rules, regulations, or policies of the jurisdiction of the originating station or terminating station, or the laws of the United States including rules, regulations and policies of the Commission.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.2. LIMITATIONS, Continued

- 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.

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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SECTION 2 - RULES AND REGULATIONS, Continued

2.4. LIABILITIES OF THE COMPANY

2.4.1. The liability of the Company for damages arising out of mistakes, omissions, interruptions, delays, errors, or defects in transmission occurring in the course of furnishing service or other facilities and not caused by the negligence of the Customer, commences upon activation of service and in no event exceeds an amount equivalent to the proportionate charge to the Customer for the period of service during which such mistakes, omissions, interruptions, delays, errors, or defects in transmission occur. In no event will the Company be responsible for consequential damages for lost profits suffered by a Customer or end user as the result of interrupted or unsatisfactory service. For the purpose of computing such amount a month is considered to have 30 days.

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

1. 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
2. Claims for patent infringement arising from combining or connecting company's facilities with apparatus and systems of the Customer; and
3. All other claims arising out of any act or omission of the Customer in connection with any service provided by Company.

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.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.4. LIABILITIES OF THE COMPANY, Continued

- 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.
- 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.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.4. LIABILITIES OF THE COMPANY, Continued

- 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. 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.
- 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.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.5. INTERRUPTION OF SERVICE

- 2.5.1. 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.
- 2.5.2. No credit allowances will be allowed for an interruption of services for continuous duration of less than two hours.
- 2.5.3. 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. RESTORATION OF SERVICE

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

2.7. MINIMUM SERVICE PERIOD

- 2.7.1 The minimum service period for all services, unless otherwise stated is one month. Service retained for less than the minimum service period will be billed for a full month of service.
- 2.7.2. For minimum service periods less than one month, except those involving the minimum billing period, the monthly recurring charge is prorated and a bill rendered for the actual days in service.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.8. PAYMENTS AND BILLING

- 2.8.1. The Company will comply with the provisions of R14-2-508(B) and (C) with respect to billing format and billing terms for Service.
- 2.8.2. 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 thirty (30) days notice.
- 2.8.3. 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.
- 2.8.4. Billing will be payable upon receipt and deemed past due thirty (30) days after issuance and posting of invoice. Bills not paid within thirty-one (31) days after the date of posting are subject to a 1.5% late payment charge for the unpaid balance. Each account shall be granted not less than one complete forgiveness of late payment charge. Customers shall be notified by letter when eligibility for forgiveness of late payment charge has been utilized.
- 2.8.5. The name(s) of the Customer(s) desiring to use the service must be set forth in the application for service.
- 2.8.6. Customer checks returned for insufficient funds will be subject to a \$25.00 return check charge.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.9. BILLING DISPUTES

2.9.1. Billing disputes should be addressed to Company's customer service organization via telephone to 800.872.3811. Customer service representatives are available twenty-four (24) hours per day, seven (7) days per week.

2.9.2. 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 may take the following course of action:

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. 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
Consumer Services Section
1200 West Washington Street
Phoenix, Arizona 85007

Telephone number: 602.542.4251
Toll Free: 800.222.7000

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SECTION 2 - RULES AND REGULATIONS, Continued

2.10. CANCELLATION BY CUSTOMER

- 2.10.1 To effectively cancel all services with Company, the Customer must call or write the Company's Customer service Department and notify the Company of the Customer's desire to terminate all services, whether Presubscribed or Subscribed. Cancellation by the Customer of Presubscribed intrastate and interstate long distance services will not automatically result in the cancellation of casual calling, travel card and other Subscribed services. The Customer must notify the Company of the cancellation of Presubscribed and Subscribed services.
- 2.10.2 The Customer will remain responsible to pay for all monthly fees and charges incurred through the date that the Customer first directly notifies the Company of his or her desire to cancel Presubscribed and Subscribed service(s). Failure to cancel all services will result in the imposition of a monthly fees and charges for the services not cancelled.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.10. CANCELLATION BY CUSTOMER, Continued

- 2.10.3. If a Customer either voluntarily cancels their services with the Company or if the Company cancels the Customer's Presubscribed long distance services for any reason set forth in this Tariff, the Company will have no obligation whatsoever to assist the Customer in any respect in switching from the Company to another carrier.
- 2.10.4. Any non-recoverable cost of company expenditures shall be borne by the Customer if:
1. 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
 2. Liabilities are incurred expressly on behalf of the Customer by Company and not fully reimbursed by installation and monthly charges; and
 3. 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, Continued

2.11. CANCELLATION BY COMPANY

2.11.1. Nonpermissible Reasons to Disconnect Service

Pursuant to R14-2-509(A), the Company may not disconnect Service for any of the reasons stated below:

1. Delinquency in payment for Services rendered to a prior Customer at the Premises where Service is being provided, except in the instance where the prior Customer continues to reside on the Premises.
2. Failure of the Customer to pay for Services or equipment which are not regulated by the Commission.
3. Residential Service may not be disconnected due to nonpayment of a bill related to another class of Service.
4. Failure to pay for a bill to correct a billing error if the Customer agrees to pay over a reasonable period of time.
5. Failure to pay the bill of another Customer as guarantor thereof unless guarantor does not make acceptable payment arrangements.
6. Disputed bills where the Customer has complied with the Commission's rules on complaints.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.11. CANCELLATION BY COMPANY, Continued

2.11.2. Disconnection of Service Without Notice

Pursuant to the provisions of R14-2-509(B), the Company may terminate the Service of Customers without notice under the following circumstances:

1. The existence of an obvious hazard to the safety or health of the consumer or the general population or the Company's personnel or facilities; or
2. The Company has evidence of tampering or evidence of fraud.

The Company will not be required to restore Service until the conditions that resulted in the termination have been corrected to the Company's satisfaction.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.11. CANCELLATION BY COMPANY, Continued

2.11.3. Disconnection of Service With Notice

The Company may disconnect a Customer's Service upon five (5) days written notice according to the provisions of R14-2-509(C), below:

1. The Company may disconnect Service to any Customer for any reason stated below provided the Company has met the notice requirements established by the Commission:
 - A. Customer violation of any of the Company's tariffs filed with the Commission and/or violation of the Commission's rules and regulations.
 - B. Failure of the Customer to pay a bill for Service.
 - C. Failure to meet or maintain the Company's credit and Deposit requirements.
 - D. Failure of the Customer to provide the Company reasonable access to its equipment and property.
 - E. Customer breach of Contract for Service between the Company and Customer.
 - F. When necessary for the Company to comply with an order of any governmental agency having such jurisdiction.
 - G. Unauthorized resale of equipment or Service

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SECTION 2 - RULES AND REGULATIONS, Continued

2.11. CANCELLATION BY COMPANY, Continued

2.11.4. Termination Notice Requirements

1. The Company will not terminate Service to any of its Customers without providing advance written notice to the Customer of the Company's intent to disconnect Service, except under those conditions specified where advance written notice is not required.
2. Pursuant to the provisions of R14-2-509(D), such advance written notice will contain, at a minimum, the following information:
 - A. The name of the person whose Service is to be terminated and the telephone number where Service is being rendered.
 - B. The Company rule or regulation that was violated and explanation thereof or the amount of the bill which the Customer has failed to pay in accordance with the payment policy of the Company, if applicable.
 - C. The date on or after which Service may be terminated.
 - D. A statement advising the Customer to contact the Company at a specific phone number for information regarding any deferred billing or other procedures which the Company may offer or to work out some other mutually agreeable solution to avoid termination of the Customer's Service.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.11. CANCELLATION BY COMPANY, Continued

2.11.5. Timing of Terminations with Notice

1. Termination notice shall be considered to be given to the Customer when a copy thereof is left with the Customer or posted first class in the United States mail, addressed to the Customer's last known address.
2. If after the period of time allowed by the notice has elapsed and the delinquent account has not been paid nor arrangements made with the Company for the payment thereof, or in the case of a violation of the Company's rules, the Customer has not satisfied the Company that such violation has ceased, the Company may then terminate Service on or after the day specified in the notice without giving further notice.
3. The Company may terminate Service on a temporary basis by discontinuing the Customer's line access at the Central Office.
4. The Company has the right (but not the obligation) to remove any or all of its property installed on the Customer's Premises upon the Termination Of Service.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.12. INTERCONNECTION

- 2.12.1. 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.
- 2.12.2. 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.

2.13. ADVANCED PAYMENTS AND DEPOSITS

The Company does not require a deposit from the Customer.

2.14. TAXES

The Customer is responsible for payment of all federal, state and local taxes, franchise, excise and other fees applicable to the Services, including, but not limited to: sales, use, excise, franchise, access, universal service, 911 services and handicapped services.

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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. The minimum call duration for billing purposes differs between rate plans.
- 3.1.3. Usage is measured and rounded up to the next billing increment.
- 3.1.4. There is no billing for incomplete calls.

3.2. CONSUMER TELCOM TELECOMMUNICATIONS SERVICES

- 3.2.1. Company provides switched access, incumbent local exchange carrier-billed telecommunications services which allow commercial and residential Customers to establish a communications path between two stations by using uniform dialing plans. Services may be either Presubscribed or Subscribed. The minimum service period for all services is one (1) month (30 days).

3.2.2 Commercial Long Distance Service - Switched

Company's "**1 Plus**" **Commercial Long Distance Service - Switched** is a switched access service, offering commercial users outbound interLATA "1 plus" long distance telecommunications services from points originating and terminating within the State of Arizona.

3.2.3 Residential Long Distance Service - Switched

- 1. **Residential Long Distance Service – Switched** is provided to Customers who also have Presubscribed to the Company's interstate Residential Long Distance Service – Switched. Presubscribed service is provided with the Company's Calling Card, Casual Dialing and other Subscribed Services as set forth in this Tariff. The minimum service period for all services is one (1) month (30 days).

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SECTION 3 - DESCRIPTION OF SERVICE, Continued**3.2. CONSUMER TELCOM TELECOMMUNICATIONS SERVICES, Continued****3.2.3 Residential Long Distance Service - Switched, Continued**

- 2. Residential Casual Calling Service** – is a switched service permitting Customers access to casual calling via the Company's Carrier Identification Codes (CIC), 1010-444. Customers must register all applicable telephone numbers with the Company to Subscribe to this service. The minimum service period for all services is one (1) month (30 days).
- 3. Residential Calling Card Service** permits residential Customers to charge a principal location for interLATA and intraLATA long distance calls placed while the caller is away from the principal location. The Customer may place calls from any dual tone multi-frequency phone in the United States by dialing a toll free number and entering a personal identification code, followed by the desired telephone number. Calling Card calls appear on the Customer's monthly long-distance bill. The minimum service period is one (1) month (30 days).

3.2.4. Promotions

The Company may conduct special tests or pilot programs and promotions at its discretion to demonstrate the ease of use, quality of service and to promote the sale of its services. The Company may also waive a portion or all processing fees or installation fees for winners of contests and other occasional promotional events sponsored or endorsed by the Company. From time to time, the Company may waive all processing fees for a Customer. The Company will notify the Commission regarding specific promotions and contests.

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SECTION 4 - RATES AND CHARGES

4.1. SERVICE CHARGES**4.1.1. "1 Plus" Commercial Long Distance Service – Switched****1. Consumer Telcom Commercial Rate Plan I**

This plan is offered to Customers with call volumes of less than \$200.00 per month and provides for an eighteen (18) second minimum call duration and six (6) second additional billing increments.

	DAY		EVENING		NIGHT	
	Initial 18 Sec.	Add'l 6 Sec.	Initial 18 Sec.	Add'l 6 Sec.	Initial 18 Sec.	Add'l 6 Sec.
Intrastate min.	\$0.50	\$0.060	\$0.40	\$0.050	\$0.40	\$0.050
Intrastate max.	\$0.01	\$0.001	\$0.01	\$0.001	\$0.01	\$0.001

Monthly Access Fee: \$3.78

2. Consumer Telcom Commercial Rate Plan II

This plan is offered to Customers with call volumes of more than \$200.00 per month and provides for an eighteen (18) second minimum call duration and six (6) second additional billing increments.

	DAY		EVENING		NIGHT	
	Initial 18 Sec.	Add'l 6 Sec.	Initial 18 Sec.	Add'l 6 Sec.	Initial 18 Sec.	Add'l 6 Sec.
Intrastate min.	\$0.50	\$0.060	\$0.40	\$0.050	\$0.40	\$0.050
Intrastate max.	\$0.01	\$0.001	\$0.01	\$0.001	\$0.01	\$0.001

Monthly Access Fee: \$3.78

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SECTION 4 - RATES AND CHARGES, Continued**4.1. SERVICE CHARGES, Continued****4.1.1. "1 Plus" Commercial Long Distance Service – Switched, Continued****3. Consumer Telcom Commercial Rate Plan III**

This plan is offered to Customers with call volumes of less than \$200.00 per month and provides for one (1) minute billing increments.

	DAY		EVENING		NIGHT	
	Initial Minute	Add'l Minute	Initial Minute	Add'l Minute	Initial Minute	Add'l Minute
Intrastate min.	\$0.60	\$0.060	\$0.50	\$0.060	\$0.50	\$0.060
Intrastate max.	\$0.01	\$0.001	\$0.01	\$0.001	\$0.01	\$0.001

Monthly Access Fee: \$3.78

4. Consumer Telcom Commercial Rate Plan IV

This plan is offered to Customers with call volumes of more than \$200.00 per month and provides for one (1) minute billing increments.

	DAY		EVENING		NIGHT	
	Initial Minute	Add'l Minute	Initial Minute	Add'l Minute	Initial Minute	Add'l Minute
Intrastate min.	\$0.50	\$0.060	\$0.40	\$0.050	\$0.40	\$0.050
Intrastate max.	\$0.01	\$0.001	\$0.01	\$0.001	\$0.01	\$0.001

Monthly Access Fee: \$3.78

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SECTION 4 - RATES AND CHARGES

4.1. SERVICE CHARGES, Continued

4.1.1. "1 Plus" Commercial Long Distance Service – Switched, Continued

5. Consumer Telcom Commercial Rate Plan V

This plan is offered to Customers with call volumes of less than \$200.00 per month and provides for thirty (30) second billing increments.

	DAY		EVENING		NIGHT	
	Initial 30 Sec.	Add'l 30 Sec.	Initial 30 Sec.	Add'l 30 Sec.	Initial 30 Sec.	Add'l 30 Sec.
Intrastate min.	\$0.50	\$0.060	\$0.40	\$0.050	\$0.40	\$0.050
Intrastate max.	\$0.01	\$0.001	\$0.01	\$0.001	\$0.01	\$0.001

Monthly Access Fee: \$3.78

6. Consumer Telcom Commercial Rate Plan VI

This plan is offered to Customers with call volumes of more than \$200.00 per month and provides for thirty (30) second billing increments.

	DAY		EVENING		NIGHT	
	Initial 30 Sec.	Add'l 30 Sec.	Initial 30 Sec.	Add'l 30 Sec.	Initial 30 Sec.	Add'l 30 Sec.
Intrastate min.	\$0.50	\$0.060	\$0.40	\$0.050	\$0.40	\$0.050
Intrastate max.	\$0.01	\$0.001	\$0.01	\$0.001	\$0.01	\$0.001

Monthly Access Fee: \$3.78

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SECTION 4 - RATES AND CHARGES, Continued

4.1. SERVICE CHARGES, Continued**4.1.2. Residential Long Distance Service****Consumer Telcom 10 Minute Plan**

Customers who subscribe to the Company's 10 Minute Plan will receive 10 minutes of intrastate interLATA and interstate long distance calling per month for a flat fee. Minutes are not carried forward. All additional minutes used are billed at a per-minute rate. Service will begin on the first day of the month after the date of subscription. Customers who cancel service prior to the end of a month will be billed the monthly recurring charge. The Company's 10 Minute Plan is offered only to Customers who have previously subscribed to the Company's intrastate long distance service and have cancelled that service. The following fees and charges apply.

	Maximum	Minimum
Monthly recurring charge:		
10 minutes of intrastate interLATA and interstate long distance calling, per month	\$3.00	\$1.00
Per minute rate after 10 minutes	\$0.20	\$0.01

4.1.3. Consumer Telcom Half Hour Value Plan

Customers who subscribe to Company's Half Hour Value Plan receive 30 minutes of intrastate interLATA and interstate long distance calling per month for a flat fee. Minutes are not carried forward. All additional minutes used are billed at a per-minute rate. Service will begin on the first day of the month after the date of subscription. Customers who cancel service prior to the end of a month will be billed for all monthly recurring fees and charges. The following fees and charges apply.

	Maximum	Minimum
Monthly recurring charge,		
30 minutes of intrastate interLATA and interstate long distance calling per month	\$4.00	\$1.00
Per minute rate after 30 minutes	\$0.20	\$0.01

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SECTION 4 - RATES AND CHARGES, Continued**4.1. SERVICE CHARGES, Continued****4.1.4. Consumer Telcom 10 Minute Total Value Plan**

Customers who subscribe to the Company's 10 Minute Total Value Plan will receive 10 minutes of intrastate interLATA and intraLATA and interstate long distance calling per month for a flat fee. Minutes are not carried forward. All additional minutes used are billed at a per-minute rate. Service will begin on the first day of the month after the date of subscription. Customers who cancel service prior to the end of a month will be billed the monthly recurring charge. The Company's 10 Minute Plan is offered only to Customers who have previously subscribed to the Company's intrastate long distance service and have cancelled that service. The following fees and charges apply.

	Maximum	Minimum
Monthly recurring charge, 10 Minutes of intrastate interLATA and intraLATA and Interstate long distance calling, per month	\$6.00	\$1.00
Per minute rate after 10 minutes	\$0.20	\$0.01

4.1.5. Consumer Telcom Half Hour Total Value Plan

Customers who subscribe to Company's Half Hour Total Value Plan receive 30 minutes of intrastate interLATA and intraLATA and interstate long distance calling per month for a flat fee. Minutes are not carried forward. All additional minutes used are billed at a per-minute rate. Service will begin on the first day of the month after the date of subscription. Customers who cancel service prior to the end of a month will be billed for all monthly recurring fees and charges. The following fees and charges apply.

	Maximum	Minimum
Monthly recurring charge, 30 minutes of intrastate interLATA and intraLATA and interstate long distance calling per month	\$7.00	\$2.00
Per minute rate after 30 minutes	\$0.20	\$0.01

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SECTION 4 - RATES AND CHARGES, Continued

4.1. SERVICE CHARGES, Continued**4.1.6. Basic 10 Minute Casual Calling Service**

Customers who subscribe to the Company's Basic 10 Minute Casual Calling Plan receive 10 minutes of intrastate, interLATA and interstate long distance casual calling per month for a flat fee. Minutes are not carried forward. All additional minutes used are billed at a per-minute rate. To subscribe, the Customer must contact the Company to register all applicable telephone numbers. The minimum service period is one (1) month (30 days). Service will begin on the first day of the month after the date of subscription. Customers who cancel service prior to the end of a month will be billed the monthly recurring charge. To access the Company's casual calling Service, the Customer must dial the either of the following Company Carrier Identification Codes (CIC) or 1010-444.

	Maximum	Minimum
Monthly recurring charge		
30 minutes of intrastate and interstate long distance calling per month	\$4.00	\$1.00
Per minute rate after 10 minutes	\$0.20	\$0.01

The monthly fees set forth above are billed only to Customers who are no longer Presubscribed to the Company's interstate and interstate long distance services.

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SECTION 4 - RATES AND CHARGES, Continued

4.1. SERVICE CHARGES, Continued**4.1.7. Basic Half Hour Casual Calling Plan**

Customers who subscribe to the Company's Basic Half Hour Casual Calling Plan receive 30 minutes of intrastate, interLATA, and interstate long distance casual calling per month for a flat fee. Minutes are not carried forward. All additional minutes used are billed at a per-minute rate. To subscribe, the Customer must contact the Company to register all applicable telephone numbers. The minimum service period is one (1) month (30 days). Service will begin on the first day of the month after the date of subscription. Customers who cancel service prior to the end of a month will be billed the monthly recurring charge. To access the Company's casual calling Service, the Customer must dial the either of the following Company Carrier Identification Codes (CIC) or 1010-444.

	Maximum	Minimum
Monthly recurring charge, 30 minutes of intrastate and interstate long distance calling per month	\$5.00	\$1.00
Per minute rate after 30 minutes	\$0.20	\$0.01

The monthly fees set forth above are billed only to Customers no longer Presubscribed to the Company's interstate and interstate long distance services.

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SECTION 4 - RATES AND CHARGES, Continued

4.1. SERVICE CHARGES, Continued**4.1.8. Basic Residential Calling Card Service Plan I**

Customers are eligible to enroll in the Company's Basic Residential Calling Card Service Plan I at the following rates and charges:

	Maximum	Minimum
Access Charge, per call	\$3.00	\$0.50
Rate per minute, all time periods	\$0.30	\$0.01
Monthly Service Fee*	\$7.00	\$1.00

A surcharge is added to Customer bills when calling card calls are place using pay telephones. The pay telephone surcharge is in addition to the calling card service per call access charge and per minute rate.

	Maximum	Minimum
Pay telephone access charge	\$0.70	\$0.10

*The monthly fee set forth above is billed only to Customers who are no longer Presubscribed to the Company's interstate and interstate long distance services.

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SECTION 4 - RATES AND CHARGES, Continued**4.1. SERVICE CHARGES, Continued****4.1.9. Basic Residential Calling Card Service Plan II**

Customers with less than \$25.00 in long distance calling, including non-calling card calls, are eligible to enroll in the Company's Basic Residential Calling Card Service Plan II at the following rates and charges:

	Maximum	Minimum
Access Charge, per call	\$3.00	\$0.50
Rate per minute, all time periods	\$0.30	\$0.01
Monthly Service Fee*	\$7.00	\$1.00

The monthly fee set forth above is billed only to Customers who are no longer Presubscribed to the Company's interstate and interstate long distance services.

A surcharge is added to Customer bills when calling card calls are place using pay telephones. The pay telephone surcharge is in addition to the calling card service per call access charge and per minute rate.

	Maximum	Minimum
Pay telephone access charge	\$0.70	\$0.10

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SECTION 4 - RATES AND CHARGES, Continued**4.1. SERVICE CHARGES, Continued****4.1.10. Cost Recovery Charge**

Customers will be assessed a monthly Cost Recovery Fee. The is fee permits the Company to recover the costs associated with interstate access charges, property taxes, and the expenses associated with regulatory proceedings and compliance and is applied each month in which the Customer has interstate or international calling charges. The fee is applied in full whether or not the Customer's billing period covers an entire month.

	Maximum	Minimum
Cost Recovery Charge, per presubscribed line	\$4.00	\$0.75

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SECTION 4 – RATES AND CHARGES, Continued**4.2. TIME PERIODS**

	MON	TUE	WED	THUR	FRI	SAT	SUN
8:00 AM to 4:59 PM	Day	Day	Day	Day	Day	Night	Night
5:00 PM to 10:59 PM	Evening	Evening	Evening	Evening	Evening	Night	Evening
11:00 PM to 7:59 AM	Night	Night	Night	Night	Night	Night	Night

Calls are billed at the rate in effect for the actual time period(s) during which the call occurs. Calls that cross rate period boundaries are billed at the rates in effect for each portion of the call.

4.3. RECONNECTION FEE

At the Customer's request, and upon payment of all outstanding non-disputed amounts owed by Customer to the Company for Service, Company will reconnect Customer whose Service has been disconnected for non-payment.

	Maximum	Minimum
Service Reconnection Fee (per occurrence)	\$60.00	\$10.00

4.4. INTRASTATE CONNECTION FEE

A monthly service charge as set forth below will be applied to Customers to recover the costs charged by the local telephone company to carry in-state long distance calls over its lines.

	Maximum	Minimum
Monthly Intrastate Connection Fee	\$6.00	\$1.00

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SECTION 5 – EFFECTIVE RATE SCHEDULE**5.1. SERVICE CHARGES****5.1.1. "1 Plus" Commercial Long Distance Service – Switched****1. Consumer Telcom Commercial Rate Plan I**

This plan is offered to Customers with call volumes of less than \$200.00 per month and provides for an eighteen (18) second minimum call duration and six (6) second additional billing increments.

	DAY		EVENING		NIGHT	
	Initial 18 Sec.	Add'l 6 Sec.	Initial 18 Sec.	Add'l 6 Sec.	Initial 18 Sec.	Add'l 6 Sec.
Intrastate	\$0.121	\$0.040	\$0.108	\$0.036	\$0.108	\$0.036

Monthly Access Fee: \$3.78

2. Consumer Telcom Commercial Rate Plan II

This plan is offered to Customers with call volumes of more than \$200.00 per month and provides for an eighteen (18) second minimum call duration and six (6) second additional billing increments.

	DAY		EVENING		NIGHT	
	Initial 18 Sec.	Add'l 6 Sec.	Initial 18 Sec.	Add'l 6 Sec.	Initial 18 Sec.	Add'l 6 Sec.
Intrastate	\$0.100	\$0.033	\$0.090	\$0.030	\$0.090	\$0.030

Monthly Access Fee: \$3.78

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SECTION 5 – EFFECTIVE RATE SCHEDULE, Continued**5.1. SERVICE CHARGES, Continued****5.1.1. "1 Plus" Commercial Long Distance Service – Switched, Continued****3. Consumer Telcom Commercial Rate Plan III**

This plan is offered to Customers with call volumes of less than \$200.00 per month and provides for one (1) minute billing increments.

	DAY		EVENING		NIGHT	
	Initial Minute	Add'l Minute	Initial Minute	Add'l Minute	Initial Minute	Add'l Minute
Intrastate	\$0.404	\$0.404	\$0.363	\$0.363	\$0.363	\$0.363

Monthly Access Fee: \$3.78

4. Consumer Telcom Commercial Rate Plan IV

This plan is offered to Customers with call volumes of more than \$200.00 per month and provides for one (1) minute billing increments.

	DAY		EVENING		NIGHT	
	Initial Minute	Add'l Minute	Initial Minute	Add'l Minute	Initial Minute	Add'l Minute
Intrastate	\$0.333	\$0.333	\$0.299	\$0.299	\$0.299	\$0.299

Monthly Access Fee: \$3.78

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SECTION 5 – EFFECTIVE RATE SCHEDULE, Continued**5.1. SERVICE CHARGES, Continued****5.1.1. "1 Plus" Commercial Long Distance Service – Switched, Continued****5. Consumer Telcom Commercial Rate Plan V**

This plan is offered to Customers with call volumes of less than \$200.00 per month and provides for thirty (30) second billing increments.

	DAY		EVENING		NIGHT	
	Initial 30 Sec.	Add'l 30 Sec.	Initial 30 Sec.	Add'l 30 Sec.	Initial 30 Sec.	Add'l 30 Sec.
Intrastate	\$0.202	\$0.202	\$0.181	\$0.181	\$0.181	\$0.181

Monthly Access Fee: \$3.78

6. Consumer Telcom Commercial Rate Plan VI

This plan is offered to Customers with call volumes of more than \$200.00 per month and provides for thirty (30) second billing increments.

	DAY		EVENING		NIGHT	
	Initial 30 Sec.	Add'l 30 Sec.	Initial 30 Sec.	Add'l 30 Sec.	Initial 30 Sec.	Add'l 30 Sec.
Intrastate	\$0.167	\$0.167	\$0.150	\$0.150	\$0.150	\$0.150

Monthly Access Fee: \$3.78

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SECTION 5 – EFFECTIVE RATE SCHEDULE, Continued**5.1. SERVICE CHARGES, Continued****5.1.2. Residential Long Distance Service****Consumer Telcom 10 Minute Plan**

Customers who subscribe to the Company's 10 Minute Plan will receive 10 minutes of intrastate interLATA and interstate long distance calling per month for a flat fee. Minutes are not carried forward. All additional minutes used are billed at a per-minute rate. Service will begin on the first day of the month after the date of subscription. Customers who cancel service prior to the end of a month will be billed the monthly recurring charge. The Company's 10 Minute Plan is offered only to Customers who have previously subscribed to the Company's intrastate long distance service and have cancelled that service. The following fees and charges apply.

Monthly recurring charge:

10 minutes of intrastate interLATA and interstate long distance calling, per month	\$1.65
Per minute rate after 10 minutes	\$0.16

5.1.3. Consumer Telcom Half Hour Value Plan

Customers who subscribe to Company's Half Hour Value Plan receive 30 minutes of intrastate interLATA and interstate long distance calling per month for a flat fee. Minutes are not carried forward. All additional minutes used are billed at a per-minute rate. Service will begin on the first day of the month after the date of subscription. Customers who cancel service prior to the end of a month will be billed for all monthly recurring fees and charges. The following fees and charges apply.

Monthly recurring charge,

30 minutes of intrastate interLATA and interstate long distance calling per month	\$2.95
Per minute rate after 30 minutes	\$0.14

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SECTION 5 – EFFECTIVE RATE SCHEDULE, Continued**5.1. SERVICE CHARGES, Continued****5.1.4. Consumer Telcom 10 Minute Total Value Plan**

Customers who subscribe to the Company's 10 Minute Total Value Plan will receive 10 minutes of intrastate interLATA and intraLATA and interstate long distance calling per month for a flat fee. Minutes are not carried forward. All additional minutes used are billed at a per-minute rate. Service will begin on the first day of the month after the date of subscription. Customers who cancel service prior to the end of a month will be billed the monthly recurring charge. The Company's 10 Minute Plan is offered only to Customers who have previously subscribed to the Company's intrastate long distance service and have cancelled that service. The following fees and charges apply.

Monthly recurring charge,

10 Minutes of intrastate interLATA and intraLATA and Interstate long distance calling, per month	\$3.65
Per minute rate after 10 minutes	\$0.16

5.1.5. Consumer Telcom Half Hour Total Value Plan

Customers who subscribe to Company's Half Hour Total Value Plan receive 30 minutes of intrastate interLATA and intraLATA and interstate long distance calling per month for a flat fee. Minutes are not carried forward. All additional minutes used are billed at a per-minute rate. Service will begin on the first day of the month after the date of subscription. Customers who cancel service prior to the end of a month will be billed for all monthly recurring fees and charges. The following fees and charges apply.

Monthly recurring charge,

30 minutes of intrastate interLATA and intraLATA and interstate long distance calling per month	\$4.95
Per minute rate after 30 minutes	\$0.14

Issued: October 22, 2007

Effective Date:

Issued By:

Joseph A. Nicotra, President
Consumer Telcom, Inc.
701 N. Green Valley Parkway, Suite 200
Henderson, Nevada, 89014
Telephone: 800.872.3811

SECTION 5 – EFFECTIVE RATE SCHEDULE, Continued**5.1. SERVICE CHARGES, Continued****5.1.6. Basic 10 Minute Casual Calling Service**

Customers who subscribe to the Company's Basic 10 Minute Casual Calling Plan receive 10 minutes of intrastate, interLATA and interstate long distance casual calling per month for a flat fee. Minutes are not carried forward. All additional minutes used are billed at a per-minute rate. To subscribe, the Customer must contact the Company to register all applicable telephone numbers. The minimum service period is one (1) month (30 days). Service will begin on the first day of the month after the date of subscription. Customers who cancel service prior to the end of a month will be billed the monthly recurring charge. To access the Company's casual calling Service, the Customer must dial the either of the following Company Carrier Identification Codes (CIC) or 1010-444.

Monthly recurring charge

30 minutes of intrastate and interstate long distance calling per month	\$1.65
Per minute rate after 10 minutes	\$0.16

The monthly fees set forth above are billed only to Customers who are no longer Presubscribed to the Company's interstate and interstate long distance services.

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SECTION 5 – EFFECTIVE RATE SCHEDULE, Continued**5.1. SERVICE CHARGES, Continued****5.1.7. Basic Half Hour Casual Calling Plan**

Customers who subscribe to the Company's Basic Half Hour Casual Calling Plan receive 30 minutes of intrastate, interLATA, and interstate long distance casual calling per month for a flat fee. Minutes are not carried forward. All additional minutes used are billed at a per-minute rate. To subscribe, the Customer must contact the Company to register all applicable telephone numbers. The minimum service period is one (1) month (30 days). Service will begin on the first day of the month after the date of subscription. Customers who cancel service prior to the end of a month will be billed the monthly recurring charge. To access the Company's casual calling Service, the Customer must dial the either of the following Company Carrier Identification Codes (CIC) or 1010-444.

Monthly recurring charge,

30 minutes of intrastate and interstate long distance calling per month	\$2.95
Per minute rate after 30 minutes	\$0.14

The monthly fees set forth above are billed only to Customers no longer Presubscribed to the Company's interstate and interstate long distance services.

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SECTION 5 – EFFECTIVE RATE SCHEDULE, Continued**5.1. SERVICE CHARGES, Continued****5.1.8. Basic Residential Calling Card Service Plan I**

Customers are eligible to enroll in the Company's Basic Residential Calling Card Service Plan I at the following rates and charges:

Access Charge, per call	\$1.25
Rate per minute, all time periods	\$0.12
Monthly Service Fee*	\$4.95

A surcharge is added to Customer bills when calling card calls are place using pay telephones. The pay telephone surcharge is in addition to the calling card service per call access charge and per minute rate.

Pay telephone access charge	\$0.30
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*The monthly fee set forth above is billed only to Customers who are no longer Presubscribed to the Company's interstate and interstate long distance services.

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SECTION 5 – EFFECTIVE RATE SCHEDULE, Continued**5.1. SERVICE CHARGES, Continued****5.1.9. Basic Residential Calling Card Service Plan II**

Customers with less than \$25.00 in long distance calling, including non-calling card calls, are eligible to enroll in the Company's Basic Residential Calling Card Service Plan II at the following rates and charges:

Access Charge, Per Call	\$1.25
Rate Per Minute, all time periods	\$0.18
Monthly Service Fee	\$4.95

The monthly fee set forth above is billed only to Customers who are no longer Presubscribed to the Company's interstate and interstate long distance services.

A surcharge is added to Customer bills when calling card calls are place using pay telephones. The pay telephone surcharge is in addition to the calling card service per call access charge and per minute rate.

Pay telephone access charge	\$0.30
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SECTION 5 – EFFECTIVE RATE SCHEDULE, Continued**5.1. SERVICE CHARGES, Continued****5.1.10. Cost Recovery Charge**

Customers will be assessed a monthly Cost Recovery Fee. The is fee permits the Company to recover the costs associated with interstate access charges, property taxes, and the expenses associated with regulatory proceedings and compliance and is applied each month in which the Customer has interstate or international calling charges. The fee is applied in full whether or not the Customer's billing period covers an entire month.

Cost Recovery Charge, per presubscribed line \$1.44

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SECTION 5 – EFFECTIVE RATE SCHEDULE, Continued**5.3. RECONNECTION FEE**

At the Customer's request, and upon payment of all outstanding non-disputed amounts owed by Customer to the Company for Service, Company will reconnect Customer whose Service has been disconnected for non-payment.

Service Reconnection Fee (per occurrence) \$30.00

5.4. INTRASTATE CONNECTION FEE

A monthly service charge as set forth below will be applied to Customers to recover the costs charged by the local telephone company to carry in-state long distance calls over its lines.

Monthly Intrastate Connection Fee \$2.49

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ARIZONA CORPORATION COMMISSION

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

**Of
Consumer Telcom, Inc.**

ATTACHMENT C

Draft Publication Notice
(Attached)

**NOTICE OF APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE RESOLD
INTEREXCHANGE TELECOMMUNICATIONS SERVICES BY
CONSUMER TELCOM, INC.**

Consumer Telcom, Inc. ("Applicant") has filed with the Arizona Corporation Commission ("Commission") an application for a Certificate of Convenience and Necessity ("Certificate") to provide discretionary interexchange telecommunications services in the State of Arizona. Applicant will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission.

A.R.S. § 40-282 provides that the Commission may act on an application for a Certificate to provide telecommunications services without a hearing, or with a hearing, if one is requested by any party. Applicant or any other party must request a hearing within twenty (20) days of the date of this notice, or the Commission will rule on the application without a hearing.

The application, report of the Commission's Utilities Division Staff, and any written exceptions to the Staff report prepared by the applicant are available for inspection during regular business hours at the offices of the Commission located at 1200 West Washington Street, Phoenix, Arizona, 85007, and at the offices of Applicant's Regulatory Consultants, Miller Isar, Inc., 7901 Skansie Avenue, Suite 240, Gig Harbor, Washington 98335.

Under appropriate circumstances, interested parties may intervene in the proceedings, and participate as a party. Intervention shall be in accordance with the A.A.C. R 14-3-105, except that all motions to intervene must be filed on or within twenty (20) days of the date of this notice. You may have the right to intervene in the proceedings, or you may make a statement for the record. If you have any comments, mail them to:

The Arizona Corporation Commission
Attention Docket Control
Re: Consumer Telcom, Inc.
Docket No. T-05NNNA-02-NNNN
1200 West Washington Street
Phoenix, Arizona 85007

All Comments should be received within twenty (20) days of the date of this notice.

If you have any questions about this application or have any objections to its approval, you may contact Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona, 85007, or call 1-800-222-7000.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request reasonable accommodations such as sign language interpreter, as well as request this document in an alternative format Shelley Hood, ADA Coordinator, voice phone number (602) 542-3931, E-Mail shood@cc.state.az.us. Requests should be made as early as possible to allow time to arrange the accommodation.

ARIZONA CORPORATION COMMISSION

**Application and Petition for Certificate of Convenience and Necessity to Provide
Intrastate Telecommunications Services
Of
Consumer Telcom, Inc.**

ATTACHMENT D

**Applicant's audited financial statements for the two (2) most recent years is attached,
including**

A copy of the Applicant's balance sheet.

A copy of the Applicant's income statement.

A copy of the Applicant's audit report.

A copy of the Applicant's retained earnings balance.

A copy of all related notes to the financial statements and information.

Applicant does not maintain, nor does it require, audited financial statements. Applicant submits the following financial statements:

Attachments

Balance Sheet: - a/o December 31, 2006 and December 31, 2005;

Income Statement: - a/o December 31, 2006 and December 31, 2005;

Audit Report As Applicant does not maintain nor require audited financial statements, no audit report is available.

Applicant's retained earnings balance is \$319,632.00 (Balance Sheet a/o December 2006).

Consumer Telcom, Inc.
Balance Sheet
As of December 31, 2006

Dec 31, 06

ASSETS	
Current Assets	
Checking/Savings	
Union Bank of CA	10,675.60
Union Bank Payroll	5,955.41
Total Checking/Savings	16,631.01
Total Current Assets	16,631.01
Fixed Assets	
Accumulated Drpreciation	-14,210.03
Computer Hardware	4,500.00
Softwares	9,710.03
Total Fixed Assets	0.00
Other Assets	
Deposit	
Global Crossing	303,001.00
Total Deposit	303,001.00
Total Other Assets	303,001.00
TOTAL ASSETS	<u>319,632.01</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
State Income Tax Payable	-2,757.00
Total Other Current Liabilities	-2,757.00
Total Current Liabilities	-2,757.00
Long Term Liabilities	
Note Payable-ACRA	49,684.00
Total Long Term Liabilities	49,684.00
Total Liabilities	46,927.00
Equity	
Common Stock	1,000.00
Paid in Capital	3,500.00
Retained Earnings	-41,065.66
Net Income	309,270.67
Total Equity	272,705.01
TOTAL LIABILITIES & EQUITY	<u>319,632.01</u>

Profit & Loss

January through December 2006

Jan - Dec 06

Ordinary Income/Expense	
Income	
Regular Income	2,667,800.00
Sales	20,994.67
Total Income	<u>2,688,794.67</u>
Expense	
ADP Fees	8,212.47
Advertising	62.10
Bank Service Charges	1,942.00
Dues and Subscriptions	0.00
Fees	1,553.33
Insurance	
EPL	8,099.00
Liability Insurance	1,617.78
Medical	2,942.00
Work Comp	16,264.78
Total Insurance	<u>28,923.56</u>
Late Fees	33.63
Licenses and Permits	10.00
Miscellaneous	43,592.92
Network Service Fee	727,911.50
Outside Services	892.00
Phone	3,122.54
Postage and Delivery	1,682.48
Professional Fees	
Legal	20,346.39
Total Professional Fees	<u>20,346.39</u>
refund	36.17
Regulatory Fees	545.00
Rent	3,365.20
Taxes	
Illinois	100.00
payroll	325,924.73
Total Taxes	<u>326,024.73</u>
Wages	<u>1,211,267.98</u>
Total Expense	<u>2,379,524.00</u>
Net Ordinary Income	<u>309,270.67</u>
Net Income	<u><u>309,270.67</u></u>

Consumer Telcom, Inc.
Balance Sheet
As of December 31, 2005

Dec 31, 05

ASSETS	
Current Assets	
Checking/Savings	
Union Bank of CA	618.34
Total Checking/Savings	618.34
Total Current Assets	618.34
Fixed Assets	
Accumulated Dprpreciation	-14,210.03
Computer Hardware	4,500.00
Softwares	9,710.03
Total Fixed Assets	0.00
Other Assets	
Deposit	
Global Crossing	12,500.00
Total Deposit	12,500.00
Total Other Assets	12,500.00
TOTAL ASSETS	13,118.34
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Note Payable-ACRA	49,684.00
Total Long Term Liabilities	49,684.00
Total Liabilities	49,684.00
Equity	
Common Stock	1,000.00
Paid in Capital	3,500.00
Retained Earnings	-40,487.34
Net Income	-578.32
Total Equity	-36,565.66
TOTAL LIABILITIES & EQUITY	13,118.34

Consumer Telcom, Inc.
Profit & Loss
January through December 2005

Jan - Dec 05

Ordinary Income/Expense	
Income	
Consulting Income	0.00
Sales	31,650.00
Total Income	31,650.00
Expense	
Fees	9.00
Late Fees	46.62
Office Supplies	1,196.66
Outside Services	17,490.60
Postage and Delivery	141.81
Professional Fees	
Legal	10,712.38
Total Professional Fees	10,712.38
Regulatory Fees	100.00
Rent	1,199.25
Taxes	
MA	1,082.00
State	250.00
Total Taxes	1,332.00
Total Expense	32,228.32
Net Ordinary Income	-578.32
Net Income	-578.32