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ORIGINAL

April 23, 2014

Brian McNeil, Executive Secretary
Telecommunications Division
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED

APR 25 2014

DOCKETED BY

RE: BCN TELECOM, INC.
T-04057A-13-0270

Dear Mr. McNeil:

In accordance with Staff Member, Lori Morrison's request, please find an original and thirteen (13) copies of the above captioned corporation's AMENDED APPLICATION AND PETITION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE RESOLD AND FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES within the State of Arizona.

In addition, enclosed is a duplicate copy of this letter. Please date-stamp the duplicate and return same in the enclosed postage-paid envelope.

Should you have any questions concerning this filing, please contact the undersigned.

Very truly yours,

Patrick D. Crocker

PDC/tld

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2014 APR 25 A 11:31
AZ CORP COMMISSION
DOCKET CONTROL

ARIZONA CORPORATION COMMISSION

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

Mail original plus 13 copies of completed application to:

For Docket Control Only:
(Please Stamp Here)

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

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

Type of Service: _____

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

Type of Service: _____

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

A. Company and Telecommunications 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, C).
- 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, D, E).
- Alternative Service Provider 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), email address, and World Wide Web address (if one is available for consumer access) of the Applicant:

BCN TELECOM, INC.
550 Hills Drive, Suite 110, 1st Floor
Bedminster, NJ 07921
Telephone: (908) 470-4700
Facsimile: (908) 470-4707
Toll Free Number: (800) 768-2852
Website: www.bcntele.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):

Not applicable

(A-4) The name, address, telephone number (including area code), facsimile number (including area code), and email address of the Applicant's management contact:

Kathleen Gorey, Regulatory Manager
BCN TELECOM, INC.
550 Hills Drive, Suite 110, 1st Floor
Bedminster, NJ 07921
Telephone: (908) 470-4700
Facsimile: (908) 470-4707
Email: Kgorey@bcntele.com

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

Patrick D. Crocker
CROCKER & CROCKER
107 W Michigan Avenue, 4th Floor
Kalamazoo, MI 49007
Telephone: (269) 381-8893
Facsimile: (269) 381-4855
Email: patrick@crockerlawfirm.com

(A-6) The name, address, telephone number (including area code), facsimile number (including area code), and email address of the Applicant's complaint contact person:

Kelly McKinlay, Director of Customer Service
BCN TELECOM, INC.
550 Hills Drive, Suite 110, 1st Floor
Bedminster, NJ 07921
Telephone: (908) 470-4700
Facsimile: (908) 470-4707
Toll Free: (800) 768-2852
Email: kmckinlay@bcntele.com

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

- | | | | | |
|--|----------------------------------|---|-------------------------------------|----------------------------------|
| <input type="checkbox"/> Sole proprietorship | | | | |
| <input type="checkbox"/> Partnership: | <input type="checkbox"/> limited | <input type="checkbox"/> general | <input type="checkbox"/> Arizona | <input type="checkbox"/> Foreign |
| <input type="checkbox"/> Limited liability company | <input type="checkbox"/> Arizona | <input type="checkbox"/> Foreign | | |
| <input checked="" type="checkbox"/> Corporation: | <input type="checkbox"/> "S" | <input checked="" type="checkbox"/> "C" | <input type="checkbox"/> non-profit | |
| <input type="checkbox"/> Other, specify: _____ | | | | |

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

Attachment A must include the following information:

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

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

Your Tariff must include the following information:

1. Proposed Rates and Charges for each service offered (reference by Tariff page number).
Tariff Page(s) No.:

Section 7, page 1
Section 9, page 2

2. Tariff Maximum Rate and prices to be charged (reference by Tariff page number).
Tariff Page(s) No.:

Section 7, page 1
Section 9, page 2

3. Terms and Conditions Applicable to provision of service (reference by Tariff page number).
Tariff Page(s) No.:

Section 2, pages 1 - 27

4. Deposits, Advances, and/or Prepayments Applicable to provision of service (reference by Tariff page number).
Tariff Page(s) No.:

Section 2, page 17

5. The proposed fee that will be charged for returned checks (reference by Tariff page number).
Tariff Page(s) No.:

Section 2, page 16, 2.5.2.F.

(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.

Attached as Attachment C-1.

(A-12) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or is currently involved in any civil or criminal investigations, or had judgment 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.

Attached as Attachment C-2.

(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 (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.

Please see proposed Tariff No. 2, Section 2, Page 17.

(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 services will be provided.

Applicant will publish legal notice prior to authorization

Note: For Resellers. The Applicant must complete and submit an Affidavit of Public 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.

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

Yes No

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

QWEST Corporation d/b/a CenturyLink QC

(A-18) List the States in which the Applicant has had an application approved or denied to offer telecommunications services similar to those that the Applicant will or intends to offer in the State of Arizona:

Attached as Attachment C-3.

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

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

Attached as Attachment C-3.

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

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

Applicant currently has no affiliates providing service in Arizona.

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

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

B. FINANCIAL INFORMATION

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

Yes No

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

(B-2) Include "Attachment D".

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

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

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

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

Not applicable.

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

1. Provide the projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval. Adjusted revenues may be calculated as the number of units sold times the maximum charge per minute.

Applicant's expected revenue for the next 12 months is approximately \$10,000.00.

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

Applicant's expected operating expenses during the first 12 months are approximately \$5,000.00.

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.

The net book value of all Arizona jurisdictional assets is zero.

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

The projected value of all assets is zero.

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.

The projected fair value is zero.

C. RESOLD LONG DISTANCE AND/OR 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 of Commission Decision Number.

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

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

Yes No

If "Yes," provide the following information:

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

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

E. FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(E-1) Indicate whether the Applicant will abide by the quality of service standards that were approved by the Commission in Commission Decision Number 59241:

Yes No

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

Yes No

(E-3) Indicate that the Applicant's switch is "full 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 and Regulations. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.

Richard G. Schmeling
(Signature of Authorized Representative)

JANUARY 2, 2014
(Date)

Richard G Schmeling
(Print Name of Authorized Representative)

CFO
(Title)

SUBSCRIBED AND SWORN to before me this 2 day of JANUARY 2014.

Kathleen Harey
NOTARY PUBLIC

My Commission Expires November 24, 2015

ATTACHMENT A

(1) Certificate of Good Standing

(2) The Name, Address, and Telephone Number of Each Owner, Officer and/or Director:

Richard M. Boudria 550 Hills Drive, Suite 110, 1 st Floor Bedminster, NJ 07921	CEO/Director - Chairman
---	-------------------------

John Kean Jr. <i>(same as above)</i>	President/Director
---	--------------------

Claudia K. Tiger <i>(same as above)</i>	Secretary
--	-----------

Richard G. Schmeling <i>(same as above)</i>	Treasurer
--	-----------

Thomas McCrosson <i>(same as above)</i>	Director
--	----------

(3) Percentage of Ownership of Each Shareholder Listed in (2):

Telecom Acquisition Company, LLC 550 Route 202-206, 2 nd Floor Bedminster, NJ 07921	100%
--	------

ATTACHMENT B

Proposed Tariff No. 2 – Local Exchange Services Tariff

ARIZONA
LOCAL TELECOMMUNICATIONS SERVICES TARIFF
OF
BCN TELECOM, INC.

This tariff contains the descriptions, regulations, and rates applicable to the provision of local exchange telecommunications services provided by BCN TELECOM, INC. with principal offices at 550 Hills Drive, Suite 110, 1st Floor, Bedminster, NJ 07921 for services furnished within the State of Arizona. This tariff is on file with the Arizona Corporation Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business.

Issued:

Effective:

Issued by: Richard M. Boudria, CEO
BCN Telecom, Inc.
550 Hills Drive, Suite 110, 1st Floor
Bedminster, NJ 07921

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Issued:

Effective:

Issued by: Richard M. Boudria, CEO
BCN Telecom, Inc.
550 Hills Drive, Suite 110, 1st Floor
Bedminster, NJ 07921

CHECK SHEET

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

SECTION	PAGE	REVISION	SECTION	PAGE	REVISION
Title	Title	Original	2	19	Original
Preface	1	Original	2	20	Original
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1	1	Original	2	26	Original
1	2	Original	2	27	Original
1	3	Original	3	1	Original
1	4	Original	4	1	Original
1	5	Original	5	1	Original
1	6	Original	6	1	Original
1	7	Original	7	1	Original
1	8	Original	8	1	Original
2	1	Original	8	2	Original
2	2	Original	8	3	Original
2	3	Original	9	1	Original
2	4	Original	9	2	Original
2	5	Original	10	1	Original
2	6	Original	10	2	Original
2	7	Original	10	3	Original
2	8	Original	10	4	Original
2	9	Original			
2	10	Original			
2	11	Original			
2	12	Original			
2	13	Original			
2	14	Original			
2	15	Original			
2	16	Original			
2	17	Original			
2	18	Original			

* - indicates those pages included with this filing

Issued:

Effective:

Issued by: Richard M. Boudria, CEO
 BCN Telecom, Inc.
 550 Hills Drive, Suite 110, 1st Floor
 Bedminster, NJ 07921

CHECK SHEET, (CONT'D.)

SECTION	PAGE	REVISION	SECTION	PAGE	REVISION
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* - indicates those pages included with this filing

Issued:

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Issued by: Richard M. Boudria, CEO
BCN Telecom, Inc.
550 Hills Drive, Suite 110, 1st Floor
Bedminster, NJ 07921

EXPLANATION OF SYMBOLS

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

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

Issued:

Effective:

Issued by: Richard M. Boudria, CEO
BCN Telecom, Inc.
550 Hills Drive, Suite 110, 1st Floor
Bedminster, NJ 07921

APPLICATION OF TARIFF

This tariff sets forth the service offerings, rates, terms and conditions applicable to the furnishing of intrastate end-user local exchange communications services by BCN TELECOM, INC., hereinafter referred to as the Company, to Customers within the state of Arizona. The Company's services are furnished subject to the availability of facilities and subject to the terms and conditions set forth herein.

This tariff is on file with the Arizona Corporation Commission. In addition, this tariff is available for review at the main office of BCN TELECOM, INC. at 550 Hills Drive, Suite 110, 1st Floor, Bedminster, NJ 07921.

Issued:

Effective:

Issued by: Richard M. Boudria, CEO
BCN Telecom, Inc.
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Bedminster, NJ 07921

TARIFF FORMAT

- A. Page Numbering** - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between pages 14 and 15 would be 14.1.
- B. Page Revision Numbers** - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the Commission. For example, the 4th Revised Page 14 cancels the 3rd Revised Page 14. Because of various suspension periods, deferrals, etc., the most current page number on file with the Commission is not always the tariff page in effect. Consult the Check Sheet for the page currently in effect.
- C. Paragraph Numbering Sequence** - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2.
 - 2.1.
 - 2.1.1.
 - 2.1.1.A.
 - 2.1.1.A.1.
 - 2.1.1.A.1.(a).
 - 2.1.1.A.1.(a).I.
 - 2.1.1.A.1.(a).I.(i).
 - 2.1.1.A.1.(a).I.(i).(1).
- D. Check Sheets** - When a tariff filing is made with the Commission, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the pages contained in the tariff, with a cross reference to the current revision number. When new pages are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remain the same, just revised revision levels on some pages.) The tariff user should refer to the latest Check Sheet to find out if a particular page is the most current on file with the Commission.

Issued:**Effective:**

Issued by: Richard M. Boudria, CEO
BCN Telecom, Inc.
550 Hills Drive, Suite 110, 1st Floor
Bedminster, NJ 07921

SECTION 1 – DEFINITIONS

Advance Payment - Part or all of a payment required before the start of service.

ANALOG - Analog technology refers to electronic transmission accomplished by adding signals of varying frequency or amplitude to carrier waves of a given frequency of alternating electromagnetic current. Broadcast and phone transmission have conventionally used analog technology.

APARTMENTS - A building or group of buildings used primarily to provide complete residential apartments but not lodging on a day-to-day basis.

ASCII - American Standard Code for Information Interchange. An eight-level code for data transfer adopted by the American Standards Association.

ASYNCHRONOUS - Transmission in which each information character is individually synchronized usually by the use of start-stop elements. The gap between each character is not of a fixed length.

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

Authorized User - A person, firm or corporation authorized by the Customer to be an end-user of the service of the Customer.

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

BILLING PERIOD - A telephone service consumption period that typically lasts one month.

BIT - The smallest unit of information in the binary system of notation.

BUILDING - A structure enclosed within exterior walls or firewalls, built, erected and framed of component structural parts and designed for permanent occupancy.

BUSINESS SERVICE – A switched network service that provides for dial station communications that is described as a business or commercial rate.

CALL INITIATION - The point in time when the exchange network facility are initially allocated for the establishment of a specific call.

Issued:

Effective:

Issued by: Richard M. Boudria, CEO
BCN Telecom, Inc.
550 Hills Drive, Suite 110, 1st Floor
Bedminster, NJ 07921

SECTION 1 – DEFINITIONS

CALL TERMINATION - The point in time when the exchange network facility allocated to a specific call is released for reuse by the network.

CHANNEL CONVERSION - The termination of 1.544 Mbps Service at a Customer's location with conversion of the digital signal to 24 analog voice grade circuits. Channel Conversion can be furnished by the Customer.

CHANNEL SERVICE UNIT ("CSU") - The equipment located at the Customer's premises which terminates each 1.544 Mbps Digital Loop and performs such functions as proper termination of facilities, regeneration of signals, recognition and correction of signal format errors and provides remote loop-back capability.

Commission – Arizona Corporation Commission.

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

COMMUNICATIONS SERVICES - The intrastate end user communication services offered in this tariff by the Company.

COMMUNICATIONS SYSTEMS - Channels and other facilities which are capable of two-way communications between subscriber -provided terminal equipment or Telephone Company stations, even when not connected to exchange and message toll communications service.

Company - Whenever used in this tariff, "Company" refers to BCN TELECOM, INC., unless otherwise specified or clearly indicated by the context.

COMPANY FACILITIES - Equipment, cabling, and/ or connections owned, leased or otherwise used by the Company or by the Company's agents to provide service to the Customer pursuant to this tariff.

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

Customer Premises - Telecommunications gear and associated arrangements that the Customer purchases or leases from its suppliers, connects to Company Facilities as defined above and maintains.

Customer Terminal Equipment - Terminal equipment provided by the Customer.

DEMARCATIION POINT - The physical dividing point between the Company Facilities and the Customer's Premises Equipment and/ or cabling.

Issued:

Effective:

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BCN Telecom, Inc.
550 Hills Drive, Suite 110, 1st Floor
Bedminster, NJ 07921

SECTION 1 – DEFINITIONS

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

DIGITAL - A method of storing, processing and transmitting information through the use of distinct electronic or optical pulses that represent the binary digits (bits) 0 and 1. Digital transmission/ switching technologies employ a sequence of discrete, individually distinct pulses to represent information, as opposed to the continuously variable signal of analog technologies.

DISCONTINUANCE OF SERVICE - The temporary cessation of telephone service caused by the Company and not voluntary requested by a Customer.

End Office - With respect to each NPA-NXX code prefix assigned to the Company, the location of the Company's "end office" for purposes of this tariff shall be the point of interconnection associated with that NPANXX code in the Local Exchange Routing Guide ("LERG"), issued by BellCore.

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

ERROR - A discrepancy or unintentional deviation by the Company from what is correct or true. An "error" can also be an omission in records.

EXCHANGE - A unit established by a utility for communication service in a specific geographic area, which unit usually embraces a city, town or community and its environs. It usually consists of one or more central offices together with the associated plant used in furnishing communication service to the general public within that area.

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

GROUND START - Describes the signaling method between the PBX/ key system interface and the Company's switch. It is the signal requesting service.

INCOMING SERVICE GROUP - Two or more central office lines arranged so that a call to the First line is completed to a succeeding line in the group when the first line is in use.

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

Issued:

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SECTION 1 – DEFINITIONS

Interexchange Carrier (“IXC”) - A long distance telecommunications services provider.

INTEROFFICE MILEAGE - The segment of a line which extends between the central offices serving the originating and terminating points.

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

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

KILOBIT - One thousand bits.

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

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

LEASED CHANNEL - A non-switched electrical path used for connection of equipment furnished by the subscriber to equipment furnished by the subscriber or the Company for a specific purpose.

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

LOCAL EXCHANGE AREA - The specific area served by, or purported to be served by an exchange.

LOCAL EXCHANGE CARRIER - A company authorized to provide local exchange communications service.

LOOP START - Describes the signaling between the terminal equipment or PBX/ key system interface and the Company's switch. It is the signal requesting service.

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SECTION 1 – DEFINITIONS

MATR - Minimum Average Time Requirement.

MEASURED RATE SERVICE - A type of exchange service provided with additional charges for local calling based on usage on the local network. Charges for local usage are calculated on time of day, calendar day, distance of call and duration of call.

MEGABIT - One million bits.

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

MOU - Minutes of Use.

MULTI-FREQUENCY (“MF”) - An inter-machine pulse-type used for signaling between telephone company switches, or between telephone company switches and PBX/key systems.

N/A - Represents "Not Applicable."

N/C - Represents "No Charge."

NETWORK CONTROL SIGNALING

The transmission of signals used in the telecommunications system which perform functions such as supervision (control, status and charging signals), address signaling (e.g. dialing), calling and called number identification, audible tone signals (call progress signals indicating re-order or busy conditions, alerting) to control the operation of switching machines in the telecommunications system.

NETWORK CONTROL SIGNALING UNIT

The terminal equipment furnished, installed and maintained by the Telephone Company for the provision of network control signaling.

NODE

The location to which digital channels are routed and where access is provided to such lines and associated equipment for testing.

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

PBX - A private branch exchange.

PIN - Personal Identification Number. See Authorization Code.

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SECTION 1 – DEFINITIONS

Point of Presence (“POP”) - Point of Presence

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

RECURRING RATES AND CHARGES - The rates and charges that, unless otherwise stated herein, apply each month for services that the Company provides to the Customer. Such rates and charges shall continue to apply for each month that the Customer continues to obtain service(s) from the Company.

REMOVAL OF ACCOUNT - A permanent cessation of telephone service caused by the Company and not voluntarily requested by a Customer.

RESALE OF SERVICE - The subscription to communications service and facilities by one entity and the reoffering of communications service to others (with or without 'adding value') for profit.

SAME PREMISES - All space in the same building in which one subscriber has the right of occupancy, and all space in different buildings on contiguous property when occupied solely by the same subscriber. Foyers, hallways and other space for the common use of all occupants of a building are considered the premises of the operator of the building.

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

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

Service Order - The written request for Company services executed by the Customer and the Company in the format devised by the Company. The signing of a Service Order Form by the Customer and acceptance by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this tariff.

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

SERVING CENTRAL OFFICE - The central office from which local service is furnished.

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

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SECTION 1 – DEFINITIONS

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

SHARING - An arrangement in which several users collectively use communications service and facilities provided by a carrier, with each user paying a pro-rata share of the communication related costs.

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

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

SUSPENSION - Suspension of service for nonpayment is interruption of incoming and outgoing service. Suspension of service at the subscriber's request is interruption of both incoming and outgoing service.

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

SYNCHRONOUS - Transmission in which there is a constant time interval between bits, characters or events.

T-1 SYSTEM - A type of digital carrier system transmitting voice or data at 1.544 Mbps. A T-1 carrier can handle up to 24 multiplexed 64 Kbps digital voice/ data channels. A T-1 carrier system can use metallic cable, microwave radio or optical fiber as transmission media.

TELEPHONE CALL - A voice connection between two or more telephone stations through the public switched exchange system.

TELEPHONE GRADE LINES - Lines furnished for voice transmission or for certain signaling purposes.

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

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SECTION 1 – DEFINITIONS

TIE LINE - A dedicated line connecting two switchboards or dial systems.

TONE DIAL SIGNALING (“TD”) - An electronic signal emitted by the circuitry of Touch-Tone-type push-button dials to represent a dialed digit.

TWO WAY - A service attribute that includes DOD for outbound calls and can also be used to carry inbound calls to a central point for processing.

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

User (or End User) - Any person or entity that obtains the Company's services provided under this tariff, regardless of whether such person or entity is so authorized by the Customer.

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SECTION 2 - REGULATIONS

2.1 Undertaking of the Company

2.1.1 Scope

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

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

2.1.2 Shortage of Equipment or Facilities

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

2.1.3 Terms and Conditions

- A. Service is provided on the basis of a minimum period of thirty (30) days, 24-hours per day. For the purpose of computing charges in this tariff, a month is considered to have 30 days.
- B. Except as otherwise stated in this tariff, Customers may be required to enter into written service orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this tariff. Customers will also be required to execute any other documents as may be reasonably requested by the Company.

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SECTION 2 - REGULATIONS

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

2.1.3 Terms and Conditions, (Cont'd.)

- C.** At the expiration of the initial term specified in each Service Order, or in any extension thereof, service shall continue on a month-to-month basis at the then current rates unless terminated by either party upon notice. Any termination shall not relieve the Customer of its obligation to pay any charges incurred under the service order and this tariff prior to termination. The rights and obligations that by their nature extend beyond the termination of the term of the service order shall survive such termination.
- D.** In any action between the parties to enforce any provision of this tariff, the prevailing party shall be entitled to recover its legal fees and court costs from the non-prevailing party in addition to other relief a court may award.
- E.** Service may be terminated upon written notice to the Customer if:

 - .1 the Customer is using the service in violation of this tariff; or
 - .2 the Customer is using the service in violation of the law.
- F.** This tariff shall be interpreted and governed by the laws of the state of Arizona regardless of its choice of laws provision.
- G.** Any other Telephone Company may not interfere with the right of any person or entity to obtain service directly from the Company. No person or entity shall be required to make any payment, incur any penalty, monetary or otherwise, or purchase any services in order to have the right to obtain service directly from the Company.
- H.** To the extent that either the Company or any other telephone company exercises control over available cable pairs, conduit, duct space, raceways, or other facilities needed by the other to reach a person or entity, the party exercising such control shall make them available to the other on terms equivalent to those under which the Company makes similar facilities under its control available to its customers. At the reasonable request of either party, the Company and the other telephone company shall join the attempt to obtain from the owner of the property access for the other party to serve a person or entity.

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SECTION 2 - REGULATIONS

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

2.1.4 Liability of the Company, (Cont'd.)

- A. Except as otherwise stated in this section, the liability of the Company for damages arising out of either: (1) the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these services or (2) the failure to furnish its service, whether caused by acts or omission, shall be limited to the extension of allowances to the Customer for interruptions in service as set forth in Section 2.7.
- B. Except for the extension of allowances to the Customer for interruptions in service as set forth in Section 2.7, the Company shall not be liable to a Customer or third party for any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages, including, but not limited to, loss of revenue or profits, for any reason whatsoever, including, but not limited to, any act or omission, failure to perform, delay, interruption, failure to provide any service or any failure in or breakdown of facilities associated with the service.
- C. The liability of the Company for errors in billing that result in overpayment by the Customer shall be limited to a credit equal to the dollar amount erroneously billed or, in the event that payment has been made and service has been discontinued, to a refund of the amount erroneously billed.
- D. The Company shall be indemnified and saved harmless by the Customer from and against all loss, liability, damage and expense, including reasonable counsel fees, due to:
 - .1 Any act or omission of: (a) the Customer, (b) any other entity furnishing service, equipment or facilities for use in conjunction with services or facilities provided by the Company; or (c) common carriers or warehousemen, except as contracted by the Company;

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SECTION 2 - REGULATIONS

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

2.1.4 Liability of the Company, (Cont'd.)

D. (Cont'd.)

- .2 Any delay or failure of performance or equipment due to causes beyond the Company control, including but not limited to, acts of God, fires, floods, earthquakes, hurricanes, or other catastrophes; national emergencies, insurrections, riots, wars or other civil commotions; strikes, lockouts, work stoppages or other labor difficulties; criminal actions taken against the Company; unavailability, failure or malfunction of equipment or facilities provided by the Customer or third parties; and any law, order, regulation or other action of any governing authority or agency thereof;
- .3 Any unlawful or unauthorized use of Company facilities and services;
- .4 Libel, slander, invasion of privacy or infringement of patents, trade secrets, or copyrights arising from or in connection with the material transmitted by means of Company-provided facilities or services; or by means of the combination of Company-provided facilities or services;
- .5 Breach in the privacy or security of communications transmitted over Company facilities;
- .6 Changes in any of the facilities, operations or procedures of the Company that render any equipment, facilities or services provided by the Customer obsolete, or require modification or alteration of such equipment, facilities or services, or otherwise affect their use or performance, except where reasonable notice is required by the Company and is not provided to the Customer, in which event the Company liability is limited as set forth in paragraph A. of this Subsection 2.1.4.
- .7 Defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof;

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SECTION 2 - REGULATIONS

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

2.1.4 Liability of the Company, (Cont'd.)

D. (Cont'd.)

- .8 Injury to property or injury or death to persons, including claims for payments made under Workers' Compensation law or under any plan for employee disability or death benefits, arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected, or to be connected to Company facilities;
- .9 Any non-completion of calls due to network busy conditions;
- .10 Any calls not actually attempted to be completed during any period that service is unavailable;
- .11 And any other claim resulting from any act or omission of the Customer or patron(s) of the Customer relating to the use of Company services or facilities.

E. The Company does not guarantee nor make any warranty with respect to installations provided by it for use in an explosive atmosphere.

F. THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

G. Failure by the Company to assert its rights pursuant to one provision of this rate sheet does not preclude the Company from asserting its rights under other provisions.

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SECTION 2 - REGULATIONS

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

2.1.4 Liability of the Company, (Cont'd.)

- H. Directory Errors - In the absence of gross negligence or willful misconduct, no liability for damages arising from errors or mistakes in or omissions of directory listings, or errors or mistakes in or omissions of listing obtainable from the directory assistance operator, including errors in the reporting thereof, shall attach to the Company. An allowance for errors or mistakes in or omissions of published directory listings or for errors or mistakes in or omissions of listing obtainable from the directory assistance operator shall be at the monthly tariff rate for each listing, or in the case of a free or nocharge directory listing, credit shall equal two times the monthly tariff rate for an additional listing, for the life of the directory or the charge period during which the error, mistake or omission occurs.

- I. With respect to Emergency Number 911 Service:
 - .1 This service is offered solely as an aid in handling assistance calls in connection with fire, police and other emergencies. The Company is not responsible for any losses, claims, demands, suits or any liability whatsoever, whether suffered, made instituted or asserted by the Customer or by any other party or person for any personal injury or death of any person or persons, and for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused by: (1) mistakes, omissions, interruptions, delays, errors or other defects in the provision of service, of (2) installation, operation, failure to operate, maintenance, removal, presence, condition, local or use of any equipment and facilities furnishing this service.

 - .2 Neither is the Company responsible for any infringement, nor invasion of the right of privacy of any person or persons, caused or claimed to have been caused directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, occasion or use of emergency 911 service features and the equipment associated therewith, or by any services furnished by the Company, including, but not limited to the identification of the telephone number, address or name associated with the telephone used by the party or parties accessing emergency 911 service, and which arise out of the negligence or other wrongful act of the Company, the Customer, its users, agencies or municipalities, or the employees or agents of any one of them.

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SECTION 2 - REGULATIONS**2.1 Undertaking of the Company, (Cont'd.)****2.1.4 Liability of the Company, (Cont'd.)****I. With respect to Emergency Number 911 Service, (Cont'd.)**

- .3 When a Customer with a nonpublished telephone number, as defined herein, places a call to the emergency 911 service, the Company will release the name and address of the calling party, where such information can be determined, to the appropriate local governmental authority responsible for emergency 911 service upon request of such governmental authority. By subscribing to service under this rate sheet, the Customer acknowledges and agrees with the release of information as described above.

2.1.5 Notification of Service-Affecting Activities

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

2.1.6 Provision of Equipment and Facilities

- A. The Company shall use reasonable efforts to make available services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with, the regulations contained in this tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.
- B. The Company shall use reasonable efforts to maintain only the facilities and equipment that it furnishes to the Customer. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.

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SECTION 2 - REGULATIONS

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

2.1.6 Provision of Equipment and Facilities, (Cont'd.)

- C. The Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the Customer.
- D. Equipment the Company provides or installs at the Customer Premises for use in connection with the services the Company offers shall not be used for any purpose other than that for which it was provided.
- E. The Customer shall be responsible for the payment of service charges as set forth herein for visits by the Company's agents or employees to the Premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.
- F. The Company shall not be responsible for the installation, operation, or maintenance of any Customer-provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Subject to this responsibility, the Company shall not be responsible for:
 - .1 the transmission of signals by Customer-provided equipment or for the quality of, or defects in, such transmission; or
 - .2 the reception of signals by Customer-provided equipment.

2.1.7 Non-routine Installation

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

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SECTION 2 - REGULATIONS

2.1.8 Special Construction

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

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

2.1.9 Ownership of Facilities

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

2.2 Prohibited Uses

- 2.2.1 The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.
- 2.2.2 The Company may require applicants for service who intend to use the Company's offerings for resale and/or for shared use to file a letter with the Company confirming that their use of the Company's offerings complies with relevant laws and Commission regulations, policies, orders, and decisions.

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SECTION 2 - REGULATIONS**2.2 Prohibited Uses, (Cont'd.)**

2.2.3 The Company may block any signals being transmitted over its Network by Customers that cause interference to the Company or other users. Customer shall be relieved of all obligations to make payments for charges relating to any blocked Service and shall indemnify the Company for any claim, judgment or liability resulting from such blockage.

2.2.4 A Customer, joint user, or authorized user may not assign, or transfer in any manner, the service or any rights associated with the service without the written consent of the Company. The Company will permit a Customer to transfer its existing service to another entity if the existing Customer has paid all charges owed to the Company for regulated communications services. Such a transfer will be treated as a disconnection of existing service and installation of new service, and non-recurring installation charges as stated in this tariff will apply.

2.3 Obligations of the Customer**2.3.1 General**

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

- A.** the payment of all applicable charges pursuant to this tariff;
- B.** damage to or loss of Company facilities or equipment caused by the acts or omissions of the Customer; or the noncompliance by the Customer, with these regulations; or by fire or theft or other casualty on the Customer Premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company;
- C.** providing at no charge, as specified from time to time by the Company, any needed personnel, equipment space and power to operate Company facilities and equipment installed on the premises of the Customer, and the level of heating and air conditioning necessary to maintain the proper operating environment on such premises;

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SECTION 2 - REGULATIONS**2.3 Responsibilities of the Customer, (Cont'd.)****2.3.1 General, (Cont'd.)**

- D.** obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduits necessary for installation of fiber optic cable and associated equipment used to provide Communication Services to the Customer from the cable building entrance or property line to the location of the equipment space described in 2.3.1(C.) Any and all costs associated with obtaining and maintaining the rights-of-way described herein, including the costs of altering the structure to permit installation of the Company provided facilities, shall be borne entirely by, or may be charged by the Company to, the Customer. The Company may require the Customer to demonstrate its compliance with this section prior to accepting an order for service;
- E.** providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents shall be installing or maintaining Company facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company opinion, injury or damage to Company employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material (e.g. asbestos) prior to any construction or installation work;
- F.** complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of Company facilities and equipment in any Customer premises or the rights-of-way for which Customer is responsible under Section 2.3.1D.; and granting or obtaining permission for Company agents or employees to enter the premises of the Customer at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company;
- G.** not creating, or allowing to be placed, any liens or other encumbrances on Company equipment or facilities; and

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SECTION 2 - REGULATIONS

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

2.3.1 General, (Cont'd.)

- H. making Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer. No allowance will be made for the period during which service is interrupted for such purposes.

2.3.2 Liability of the Customer

- A. The Customer will be liable for damages to the facilities of the Company and for all incidental and consequential damages caused by the negligent or intentional acts or omissions of the Customer, its officers, employees, agents, invites, or contractors where such acts or omissions are not the direct result of the Company's negligence or intentional misconduct.
- B. To the extent caused by any negligent or intentional act of the Customer as described in A., preceding, the Customer shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees, for (1) any loss, destruction or damage to property of any third party, and (2) any liability incurred by the Company to any third party pursuant to this or any other rate sheet of the Company, or otherwise, for any interruption of, interference to, or other defect in any service provided by the Company to such third party.
- C. The Customer shall not assert any claim against any other Customer or user of the Company's services for damages resulting in whole or in part from or arising in connection with the furnishing of service under this rate sheet including but not limited to mistakes, omissions, interruptions, delays, errors or other defects or misrepresentations, whether or not such other Customer or user contributed in any way to the occurrence of the damages, unless such damages were caused solely by the negligent or intentional act or omission of the other Customer or user and not by any act or omission of the Company. Nothing in this rate sheet is intended either to limit or to expand Customer's right to assert any claims against third parties for damages of any nature other than those described in the preceding sentence.

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SECTION 2 - REGULATIONS**2.4 Customer Equipment and Channels****2.4.1 General**

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

2.4.2 Station Equipment

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

2.4.3 Interconnection of Facilities

- A. Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing communications services and the channels, facilities or equipment of others shall be provided at the Customer's expense.
- B. Communications services may be connected to the services or facilities of other communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of other communications carriers that are applicable to such connections.

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SECTION 2 - REGULATIONS

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

2.4.3 Interconnection of Facilities, (Cont'd.)

- C. Facilities furnished under this tariff may be connected to Customer-provided terminal equipment in accordance with the provisions of this tariff. All such terminal equipment shall be registered by the Federal Communications Commission pursuant to Part 68 of Title 47, Code of Federal Regulations; and all user-provided wiring shall be installed and maintained in compliance with those regulations.
- D. Customers may interconnect communications facilities that are used in whole or in part for interstate communications to services provided under this tariff only to the extent that the user is an "End User" as defined in Section 69.2(m), Title 47, Code of Federal Regulations (1992 edition).

2.4.4 Inspections

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

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SECTION 2 - REGULATIONS**2.5 Payment Arrangements****2.5.1 Payment for Service**

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

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

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

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

2.5.2 Billing and Collection of Charges

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

- A. Nonrecurring charges are due and payable upon receipt of the Company's invoice by the Customer.
- B. The Company shall present invoices for recurring charges monthly to the Customer, in advance of the month in which service is provided, and recurring charges shall be due and payable upon receipt. When billing is based on customer usage, charges will be billed monthly for the preceding billing periods.
- C. When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have thirty (30) days.

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SECTION 2 - REGULATIONS**2.5 Payment Arrangements, (Cont'd.)****2.5.2 Billing and Collection of Charges, (Cont'd.)**

- D. Billing of the Customer by the Company will begin on the Service Commencement Date, which is the first day following the date on which the Company notifies the Customer that the service or facility is available for use, except that the Service Commencement Date may be postponed by mutual agreement of the parties, or if the service or facility does not conform to standards set forth in this tariff or the Service Order. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.
- E. If any portion of the payment is not received by the Company, or if any portion of the payment is received by the Company in funds that are not immediately available, thirty (30) days following the invoice date, then a late payment penalty shall be due the Company. The late payment penalty shall be that portion of the payment not received by the date due minus any charges billed as local taxes multiplied by 1.5%.
- F. The Customer will be assessed a *maximum* charge of thirty five dollars (\$35.00) for each check submitted by the Customer to the Company that a financial institution refuses to honor. See Section 13 of this tariff for current charges,
- G. If service is disconnected by the Company in accordance with Section 2.6 following and later restored, restoration of service will be subject to all applicable installation charges.

2.5.3 Disputed Bills

- A. In the event that a billing dispute occurs concerning any charges billed to the Customer by the Company, the Company may require the Customer to pay the undisputed portion of the bill to avoid discontinuance of service for non-payment. The Customer must submit a documented claim for the disputed amount. The Customer will submit all documentation as may reasonably be required to support the claim. All claims must be submitted to the Company within 90 days of receipt of billing for those services. If the Customer does not submit a claim as stated above, the Customer waives all rights to filing a claim thereafter.

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SECTION 2 - REGULATIONS

2.5 Payment Arrangements, (Cont'd.)

2.5.3 Disputed Bills, (Cont'd.)

- B. Unless disputed the invoice shall be deemed to be correct and payable in full by the Customer. If the Customer is unable to resolve any dispute with the Company, then the Customer may file a complaint with the Arizona Corporation Commission, 1200 West Washington Street, Phoenix, AZ 85007.

Customers may also file complaints with Arizona Corporation Commission's Consumer Services, Utilities Division. Customers may file a complaint online by going to: <http://www.azcc.gov/divisions/utilities/consumerservices.asp>

Customer may contact the Commission writing or by phone at:

Arizona Corporation Commission
Consumer Services, Utilities Division
1200 W. Washington Street
Phoenix, Arizona, 85007
Phoenix Office: 602-452-4251 or (800) 222-7000
Tucson Office: 520-628-6550 or (800) 535-0148

- C. If the dispute is resolved in favor of the Customer and the Customer has withheld the disputed amount, no interest credits or penalties will apply.

2.5.4 Advance Payments

Company will not require deposits or advance payments by Customers for Services.

2.5.5 Deposits

Company will not require deposits or advance payments by Customers for Services.

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SECTION 2 - REGULATIONS**2.6 Discontinuance of Service****2.6.1 Cancellation by Customer**

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

2.6.2 Discontinuance by the Company

- A. Company may, by giving five (5) days written notice to the Customer, discontinue or suspend service without incurring any liability for any of the following reasons:
- .1 Failure of the Customer to pay a bill for utility service;
 - .2 Customer violation of any of the Company tariffs on file with the Commission;
 - .3 Customer violation of the Commission's rules and regulations;
 - .4 Failure to meet or maintain the Company's credit and deposit requirements;
 - .5 Failure of the Customer to provide the Company reasonable access to its equipment and property;
 - .6 Customer breach of contract for service between the Company and the Customer;
 - .7 When necessary for the Company to comply with an order from any governmental agency having jurisdiction, or;
 - .8 Unauthorized resale of the equipment or services of the Company.

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SECTION 2 - REGULATIONS

2.6 Discontinuance of Service, (Cont'd.)

2.6.2 Discontinuance by the Company, (Cont'd.)

B. The Company may disconnect service without advance written notice for any of the following:

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

2.7 Cancellation of Application for Service

2.7.1 Applications for service cannot be canceled without Company agreement. Where the Company permits a Customer to cancel an application for service prior to the start of service or prior to any special construction, no charges will be imposed except for those specified below.

2.7.2 Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs incurred by the Company, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of services ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service commenced (all discounted to present value at six percent).

2.7.3 Where the Company incurs any expense in connection with special construction, or where special arrangements of facilities or equipment have begun, before the Company receives a cancellation notice, a charge equal to the costs incurred by the Company, less net salvage, applies. In such cases, the charge will be based on such elements as the cost of the equipment, facilities, and material, the cost of installation, engineering, labor, and supervision, general and administrative expense, other disbursements, depreciation, maintenance, taxes, provision for return on investment, and any other costs associated with the special construction or arrangements.

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SECTION 2 - REGULATIONS**2.7 Cancellation of Application for Service, (Cont'd.)**

2.7.4 Special charges described in 2.7.1 through 2.7.3 above, will be calculated and applied on a case-by-case basis.

2.8 Changes in Service Requested

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

2.9 Allowances for Interruptions in Service

Interruptions in service that are not due to the negligence of, or noncompliance with the provisions of this tariff by, the Customer or the operation or malfunction of the facilities, power or equipment provided by the Customer, will be credited to the Customer as set forth in 2.7.1 for the part of the service that the interruption affects.

2.9.1 General

- A.** A credit allowance will be given when service is interrupted, except as specified below. A service is interrupted when it becomes inoperative to the Customer, e.g., the Customer is unable to transmit or receive, because of a failure of a component furnished by the Company under this rate sheet.
- B.** An interruption period begins when the Customer reports a service, facility or circuit to be inoperative and, if necessary, releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative.
- C.** If the Customer reports a service, facility or circuit to be interrupted but declines to release it for testing and repair, or refuses access to its premises for test and repair by the Company, the service, facility or circuit is considered to be impaired but not interrupted. No credit allowances will be made for a service, facility or circuit considered by the Company to be impaired.

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SECTION 2 - REGULATIONS

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

2.9.1 General, (Cont'd.)

- D. The Customer shall be responsible for the payment of service charges as set forth herein for visits by Company agents or employees to the premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.

2.9.2 Limitations of Allowances

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

- A. Due to the negligence of or noncompliance with the provisions of this rate sheet by any person or entity other than the Company, including but not limited to the Customer;
- B. Due to the failure of power, equipment, systems, connections or services not provided by the Company;
- C. Due to circumstances or causes beyond the reasonable control of the Company;
- D. During any period in which the Company is not given full and free access to its facilities and equipment for the purposes of investigating and correcting interruptions;
- E. A service will not be deemed to be interrupted if a Customer continues to voluntarily make use of the service. If the service is interrupted, the Customer can get a service credit, use another means of communications provided by the Company (pursuant to Section 2.7.3), or utilize another service provider;
- F. During any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
- G. That occurs or continues due to the Customer's failure to authorize replacement of any element of special construction; and
- H. That was not reported to the Company within thirty (30) days of the date that service was affected.

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SECTION 2 - REGULATIONS

2.9.3 Use of Another Means of Communications

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

2.9.4 Application of Credits for Interruptions in Service

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

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

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SECTION 2 - REGULATIONS

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

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

E. Interruptions Over 24 Hours and Less Than 72 Hours

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

F. Interruptions Over 72 Hours

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

2.9.5 Cancellation For Service Interruption

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

2.10 Use of Customer's Service by Others

2.10.1 Joint Use Arrangements

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

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SECTION 2 - REGULATIONS

2.11 Cancellation of Service/Termination Liability

Customers may cancel service verbally or in writing. the Company shall hold the Customer responsible for payment of all charges, including fixed fees, surcharges, etc. which accrue up to the cancellation date. Customers that cancel the primary local exchange line will have the entire Account disconnected, including any secondary line(s) and all associated features. If a Customer cancels a Service Order or terminates services before the completion of the term for any reason whatsoever other than a service interruption (as defined in Section 2.7.1 above), the Customer agrees to pay to the Company termination liability charges, as defined below. These charges shall become due as of the effective date of the cancellation or termination and be payable within the period, set forth in Section 2.5.2.

2.11.1 Termination Liability

The Customer's termination liability for cancellation of service shall be equal to:

- A. all unpaid Non-Recurring charges reasonably expended by the Company to establish service to the Customer; plus
- B. any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by the Company on behalf of the Customer; plus
- C. all Recurring Charges specified in the applicable Service Order Tariff for the balance of the then current term discounted at the prime rate announced in the Wall Street Journal on the third business day following the date of cancellation;
- D. minus a reasonable allowance for costs avoided by the Company as a direct result of the Customer's cancellation.

2.12 Transfers and Assignments

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

2.12.1 to any subsidiary, parent company or affiliate of the Company; or

2.12.2 pursuant to any sale or transfer of substantially all the assets of the Company; or

2.12.3 pursuant to any financing, merger or reorganization of the Company.

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SECTION 2 - REGULATIONS

2.13 Customer Liability for Unauthorized Use of the Network

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

2.13.1 Customer Liability for Fraud and Unauthorized Use of the Network

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

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

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

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

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SECTION 2 - REGULATIONS

2.14 Notices and Communications

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

2.15 Taxes, Fees and Surcharges

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

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SECTION 2 - REGULATIONS

2.16 Miscellaneous Provisions

2.16.1 Telephone Number Changes

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

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

2.16.2 Maintenance and Operations Records

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

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SECTION 3 - SERVICE AREAS

3.1 Exchange Service Areas

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

- 1) Qwest Corporation d/b/a CenturyLink QC

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SECTION 4 - LONG DISTANCE SERVICES AND RATES

4.1 General

Rates and regulations for the Company's Long Distance Services may be found in the Company's Arizona Tariff No. 1 – Interexchange Telecommunications Tariff.

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SECTION 5 – SPECIAL ARRANGEMENTS

5.1 Individual Case Basis (ICB) Arrangements

Arrangements will be developed on a case-by-case basis in response to a bona fide request from a customer or prospective customer to develop a competitive bid for a service not generally offered under this tariff. Rates quoted in response to such competitive requests may be different than those specified for such services in this tariff. ICB rates will be offered to the Customer in writing on a nondiscriminatory basis.

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SECTION 6 – PROMOTIONAL OFFERINGS

6.1 Special Promotions

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

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SECTION 7 - SERVICE CHARGES AND SURCHARGES

7.1 New Line Installation and Existing Line Migration Charges

Non-recurring charges apply to processing Service Orders for new service, for changes in service. Move or change existing service and equipment or add new or additional service and equipment other than access lines.

a) New Line Installation Charges

The installation of new line number and dial-tone services. Pricing varies depending upon service address and line location requirements. Non-recurring pricing per new local line installation can be up to:

<u>CURRENT</u>	<u>MAXIMUM</u>
<u>Non-recurring Charge</u> \$60.00	\$180.00

b) Existing Line Migration Charges

The migration/transfer of existing line number and dial-tone services from another local telephone service provider to the Company. Pricing varies based up service term length agreed upon by customer. For Month-To-Month service the local line migration charges per local line migrated:

<u>Non-recurring Charge</u> \$35.00	\$105.00
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SECTION 8 – NETWORK SERVICES DESCRIPTIONS

8.1 General

8.1.1 Services Offered

The following Services are available to business Customers:

Standard Business Line Service
Optional Calling Features

8.1.2 Application of Rates and Charges

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

8.1.3 Emergency Services Calling Plan

Access (at no additional charge) to the local operator or emergency services bureau by dialing 0- or 9-1-1 is offered at no charge to the Customer.

Message toll telephone calls, to governmental emergency service agencies as set forth in (A) following, having primary or principal responsibility with respect to the provision of emergency services to persons and property in the area from which the call is made, meeting the definition and criteria of an emergency call as set forth in (B) following are offered at no charge to Customers:

Governmental fire fighting, State Highway Patrol, police, and emergency squad service (as designated by the appropriate governmental agency) qualify as governmental emergency service agencies provided they answer emergency service calls on a personally attended (live) twenty-four (24) hour basis, three hundred sixty-five (365) days a year, including holidays.

An emergency is an occurrence or set of circumstances in which conditions pose immediate threat to human life, property, or both and necessitate that prompt action be taken. An emergency call is an originated call of short duration to a governmental emergency services agency in order to seek assistance for such an emergency.

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SECTION 8 – NETWORK SERVICES DESCRIPTIONS**8.2 Standard Business Line**

The Standard Business Line provides a Customer with a single, analog, voice-grade telephonic communications channel, which can be used to place or receive one call at a time. Standard Business Lines are provided for the connection of Customer-provided wiring and single station sets or facsimile machines. An optional per line Hunting feature is available for multi-line Customers which routes a call to an idle station line in a prearranged group when the called station line is busy.

8.3 Optional Calling Features**8.3.1 Features Descriptions**

- (A) **Call Forwarding - Busy Line:** Allows a customer to have incoming calls forwarded to another number when the called number is busy.
- (B) **Call Waiting – Basic:** Call Waiting provides a tone signal to indicate to a Customer already engaged in a telephone call that a second caller is attempting to dial in. It permits the Customer to place the first call on hold, answer the second call and then alternate between both callers. Cancel Call Waiting is provided with the feature and allows a Call Waiting end-user to disable the Call Waiting feature for the duration of a single outgoing telephone call. Cancel Call Waiting is activate by dialing a special code prior to placing a call, and is automatically deactivated when the Customer disconnects from the call.
- (C) **Call Forwarding - No Answer:** Permits the forwarding of incoming calls when the end-user's line remains unanswered after a pre-designated ringing interval. The ringing interval before forwarding and the forward-to number are fixed by the service order.
- (D) **Call Forwarding - Variable:** Permits the end-user to automatically forward (transfer) all incoming calls to another telephone number, and to restore it to normal operation at their discretion. The end-user must dial an activation code from his/her exchange line along with the forward-to number in order to turn the feature on. A separate code is dialed by the end-user to deactivate the feature.
- (E) **Caller ID:** Permits the end-user to view a Directory Number of the calling party on incoming telephone calls. Information is displayed on a specialized CPE not provided by the Company. The feature also provides the date and time of each incoming call. It is the responsibility of the Customer to provide the necessary CPE.

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SECTION 8 – NETWORK SERVICES DESCRIPTIONS**8.3 Optional Calling Features (continued)****8.3.1 Features Descriptions (continued)**

- (F) **Distinctive Ring:** Provides the Customer with separate telephone numbers, each with a distinctive ring, associated with one line.
- (G) **Repeat Dialing:** Allows a customer to dial a code that will cause the feature to automatically redial the last number the customer dialed. If the called number is busy, the feature will redial the called number for a limited period of time. A tone alerts the customer when the called number becomes available. This service is available on a usage or subscription basis.
- (H) **Three Way Calling:** Permits the end-user to add a third party to an established connection. When the third party answers, a two-way conversation can be held before adding the original party for a three-way conference. The end-user initiating the conference controls the call and may disconnect the third party to reestablish the original connection or establish a connection to a different third party. The feature may be used on both outgoing and incoming calls.
- (I) **Voicemail Services:** Voice Mail can answer incoming calls, placed to the customer's telephone line, when the called number is busy or if the called number is not answered. The service greet incoming caller with a personal or standard greeting. It then receives and saves the caller's messages for review by the customer. Customers can retrieve messages left for them from any tone signaling telephone.

8.4 Listing Services

For each Customer of Company-provided Exchange Service(s), the Company shall arrange for the listing of the Customer's main billing telephone number in the directory(ies) published by the dominant Local Exchange Carrier in the area at no additional charge.

8.5 Miscellaneous Services**8.5.1 Hunting Service**

Hunting Service is an optional arrangement available to customers with two or more individual line or trunk services. Where facilities permit, such lines will be arranged so that incoming calls to a busy line/trunk will overflow to other available lines/trunks for that customer.

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SECTION 9 – LOCAL EXCHANGE SERVICES

9.1 General

Local Exchange Services are provided through the use of resold facilities obtained from Other Telephone Companies and the Company's facilities.

The rates, terms and conditions set forth in the section are applicable where the Company provides specified local exchange services to Customers.

All rates set forth in this Section are subject to change and may be changed by the Company pursuant to notice requirements established by the Commission.

9.2 Standard Business Local Exchange Service

Standard Business Local Exchange Service provides the Customer with a single, analog, voice-grade telephonic communications channel, which can be used to place or receive one call at a time. Standard Business Local Exchange Service lines are provided for the connection of Customer-provided wiring, telephones, facsimile machines or other station equipment. An optional per line Hunting feature is available for multi-line Customers which routes a call to the next idle line in a prearranged group when the called line is busy.

Local exchange service lines and trunks are provided on a single party (individual) basis only. No multi-party lines are provided. Service is available on a flat rate basis depending on the service plan selected by the Customer. Not all service plans will be available in all areas. Recurring charges for Standard Business Local Exchange Service are billed monthly in advance. Usage charges, if applicable are billed in arrears. Usage charges may apply for calls placed from the Customer's line. No usage charges will apply to calls received by the Customer. Non-recurring charges for installation or rearrangement of service are billed on the next month's bill immediately following work performed by the Company.

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SECTION 9 – LOCAL EXCHANGE SERVICES

9.2.1 Monthly Recurring Charges

The following charges apply to Standard Business Local Exchange Service lines per month. Rates and charges include Touchtone Service for each line. The rates and charges below apply to service provided on a month-to-month basis.

	<u>CURRENT</u>	<u>MAXIMUM</u>
	<u>Monthly Recurring Charge</u>	
Per Local Line	\$37.95	\$113.85

- Includes:
- Unlimited local calling
 - Caller ID
 - Line Hunting Service

Additional Line Features are provided in feature packages at an additional cost:

	<u>Monthly Recurring Charge</u>	
One Feature Package	\$3.00	\$9.00
Two Feature Package	\$5.00	\$15.00
All Feature Package	\$7.00	\$21.00

- Additional Line features available such as:
- Call Waiting
 - Repeat Dialing
 - Distinctive Ring
 - Three-Way Calling
 - Call Forwarding – Variable, Busy Line, No Answer
 - Voicemail Services

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SECTION 10 – SPECIAL CONSTRUCTION

10.1 SPECIAL CONSTRUCTION

10.1.1 General

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

- a. where facilities are not presently available, and there is no other requirement for the facilities so constructed; or
- b. of a type other than that which the Company would normally utilize in the furnishing of its services; or
- c. over a route other than that which the Company would normally utilize in the furnishing of its services; or
- d. in a quantity greater than that which the Company would normally construct;
- e. on an expedited basis; or
- f. on a temporary basis until permanent facilities are available;
- g. involving abnormal costs; or
- h. in advance of its normal construction; or
- i. when the Company furnishes a facility or service for which a rate or charge is not specified in the Company's tariff.

10.1.2 Customer Acceptance

Rates and charges for special construction shall be determined and presented to the Customer for its approval prior to the start of construction. No construction will commence until and unless the Customer accepts in writing the rates and charges as presented by the Company.

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SECTION 10 – SPECIAL CONSTRUCTION**10.1 SPECIAL CONSTRUCTION, (Cont'd.)****10.1.3 Cost Computation**

Special Construction costs may include one or more of the following items to the extent that they are applicable:

- a. The installed cost of the facilities to be provided including estimated costs for the rearrangements of existing facilities. The installed cost includes but may not be limited to the cost of:
 - (1) equipment and materials provided or used;
 - (2) engineering, labor and supervision;
 - (3) transportation;
 - (4) rights of way; and
 - (5) shipping and delivery.
- b. cost of maintenance;
- c. depreciation on the estimated cost installed of any facilities provided, based on the anticipated useful service life of the facilities with an appropriate allowance for the estimated net salvage;
- d. administration, taxes and uncollectible revenue on the basis of reasonable average costs for these items;
- e. license preparation, processing and related fees;
- f. tariff preparation, processing and related fees;
- g. any other identifiable costs related to the facilities provided; or
- h. an amount for return and contingencies.

10.1.4 Termination Liability

To the extent that there is no other requirement for use by the Company and where the Company cannot fully recover its cost(s) if the Customer disconnects a specially-constructed facility or service, a termination liability shall apply for facilities specially constructed at the request of the Customer.

- a. The termination liability period is the estimated service life of the facilities provided.

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SECTION 10 – SPECIAL CONSTRUCTION

10.1 SPECIAL CONSTRUCTION, (continued)

10.1.4 Termination Liability, (continued)

- b. The amount of the maximum termination liability is equal to the estimated amounts for:
- (1) Installed cost of the facilities provided including estimated costs for rearrangements of existing facilities and/ or construction of new facilities as appropriate, less net salvage. The installed cost includes but may not be limited to the cost of:
 - equipment and materials provided or used;
 - engineering, labor and supervision;
 - transportation;
 - rights of way; and
 - shipping and delivery.
 - (2) license preparation, processing and related fees;
 - (3) tariff preparation, processing and related fees;
 - (4) cost of removal and restoration, where appropriate; and
 - (5) any other identified costs related to the specially constructed or rearranged facilities.
- c. Calculating Termination Charges – Termination charges shall be computed in accordance with tariffed regulations in Section 7.1.4a and 7.1.4b or contractual agreements in effect. The termination liability method for calculating the unpaid balance of a term obligation is obtained by multiplying the sum of the amounts determined as set forth herein by a factor related to the unexpired period of liability and the discount rate for return and contingencies. The amount determined herein shall be adjusted to reflect the redetermined estimated net salvage, including any reuse of the facilities provided. This amount shall be adjusted to reflect applicable taxes.

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SECTION 10 – SPECIAL CONSTRUCTION

10.2 NON-ROUTINE INSTALLATION AND/ OR MAINTENANCE

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

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ATTACHMENT C-1

Formal or Informal Complaint Proceedings

(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.

Applicant's officers, directors, partners, or managers are not currently involved in any formal or informal complaint proceedings pending before any State or Federal Regulatory Commission, administrative agency, or law enforcement agency.

Federal Communications Commission

Applicant was involved with an informal complaint filed with the Federal Communications Commission ("FCC") in 2011 in IC No. 09-S0295710. The FCC received a complaint on April 9, 2009, alleging that a Complainant's telecommunications service provider had been changed to WorldCom without the Complainant's authorization. The FCC notified MCI of the complaint because WorldCom no longer existed and MCI responded May 28, 2009. Based on MCI's response the FCC notified Verizon of the complaint and Verizon responded September 17, 2009. Based on Verizon's response the FCC purportedly notified BCN of the complaint. Due to lack of notice, BCN failed to respond. As a result the FCC granted the informal complaint.

Maryland

On October 8, 2012, the Maryland Public Service Commission issued an Order to Show Cause in Case No. 9302, *In the Matter of the Investigation by the Commission of the Telecommunications companies' Failure to Comply with the Commission's May 11, 2012 Notice of Required Tariff Filings*, which included the Applicant. Applicant worked diligently with Staff in order to comply with the Commission Order. In the time period required for the calculations, Applicant had no terminating minutes of use. In fact, the terminating revenues for the period at issue would be zero (\$0.00). Notwithstanding, in an effort to comply with the Commission Order, Applicant submitted Tariff revisions sent via FedEx August 10, 2012; the Commission stamped "Filed" the pages submitted in this matter August 13, 2012.

South Carolina

Petition of the Office of Regulatory Staff for Commission to Order a Rule to Show Cause as to Why the Certificates of Public Convenience and Necessity for Certain Providers of Telecommunications Services Should Not Be Revoked, Docket No. 2011-466-C for failure to file certain State USF reports. Applicant submitted the required reports and was dismissed from the Show Cause proceeding.

West Virginia

West Virginia Public Service Commission entered an Investigation of Failure to File Annual Reports, Case No. 04-1400-T-SC. On August 27, 2004, the West Virginia Public Service Commission opened a docket. Applicant failed to timely file the 2003 Annual Reports. The case was referred to the Division of Administrative Law Judges for further proceedings. On January 26, 2005, Applicant filed its 2003 Annual Report, explaining that it was the company's understanding that since no services were provided in West Virginia, the Annual Report did not need to be filed.

ATTACHMENT C-2

Civil or Criminal Investigations, Judgments or Convictions

(A-12) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or is currently involved in any civil or criminal investigations, or had judgment 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.

John Kean Jr resigned from NUI Energy Brokers in September 2003 due to mounting debt and regulatory probes. At that time, Joseph Principato, chief energy trader, pleaded guilty to one count of "misapplication of entrusted property" before New Jersey State Superior Court Judge Stuart Preim in Elizabeth, New Jersey. Mr. Pricipato faced a maximum of four years in prison and a \$75,000 fine.

Joseph Nacchio resigned as a director of BCN Telecom, Inc. in the summer of 2005 due to being federally indicted on insider-trading charges.

ATTACHMENT C-3

JURISDICTION	APPROVED APPLICATION	OFFERING SERVICE
Alabama	Interexchange and Local Exchange	YES
California	Interexchange and Local Exchange	YES
Colorado	Interexchange and Local Exchange	YES
Connecticut	Interexchange and Local Exchange	YES
Delaware	Interexchange and Local Exchange	YES
Florida	Interexchange and Local Exchange	YES
Georgia	Interexchange and Local Exchange	YES
Illinois	Interexchange and Local Exchange	YES
Kentucky	Interexchange and Local Exchange	YES
Maine	Interexchange and Local Exchange	YES
Massachusetts	Interexchange and Local Exchange	YES
Michigan	Interexchange and Local Exchange	YES
Montana	Interexchange and Local Exchange	YES
Nebraska	Interexchange and Local Exchange	YES
New Hampshire	Interexchange and Local Exchange	YES
New Jersey	Interexchange and Local Exchange	YES
New Mexico	Interexchange and Local Exchange	YES
New York	Interexchange and Local Exchange	YES
North Dakota	Interexchange and Local Exchange	YES
Ohio	Interexchange and Local Exchange	YES
Oregon	Interexchange and Local Exchange	YES
Pennsylvania	Interexchange and Local Exchange	YES
Rhode Island	Interexchange and Local Exchange	YES
South Carolina	Interexchange and Local Exchange	YES
Texas	Interexchange and Local Exchange	YES
Utah	Interexchange and Local Exchange	YES
Virginia	Interexchange and Local Exchange	YES
Washington	Interexchange and Local Exchange	YES

ATTACHMENT D

Financial Information

BCN Telecom Company, Inc.
Income Statement
For the Twelve Months Ending December 31, 2012

	<u>Actual YTD</u>	<u>%</u>
Total Revenue	32,757,503	
Total Cost of Goods Sold	19,494,811	59.5%
Gross Margin	<u>13,262,692</u>	40.5%
Operating Expenses		
Commissions Expense	4,794,107	14.6%
Net Margin	<u>8,468,585</u>	25.9%
Payroll Expense	4,596,903	14.0%
General and Admin Exp	<u>3,341,555</u>	10.2%
Bad Debt Expense	290,675	0.9%
Total Operating Expense	13,023,240	39.8%
EBITDA	<u>239,452</u>	0.7%
Depreciation & Amortization	589,395	1.8%
Operating Income	(349,943)	(1.1%)
Other Income (Expense)		
Other Revenue	192	0.0%
Interest Expense	296,803	0.9%
Income Before Income Taxes	(646,554)	(2.0%)
Income Tax Provision	(61,309)	9.5%
Net Income	<u>(585,245)</u>	(1.8%)

BCN Telecom Company, Inc.
Balance Sheet
For the Twelve Months Ending December 31, 2012

ASSETS

Current Assets	
Cash	404027.49
Accounts Receivable	59895903.35
Allowance for Doubtful Account	-3011509.81
Deferred Tax Asset, Current Portion	1938504
Prepaid Expenses & Other Current Assets	10594385.65
Total Current Assets	<u>69821310.68</u>

Property and Equipment	
Furniture and Fixtures	5773481.16
Leasehold Improvements	931049.16
Computer Equipment	8354723.58
Software License	1149245.64
Customer Phone Equipment	429421.18
Accum. Depreciation - Furniture	-4402511.47
Accum. Depreciation - Leasehold Improvement	-776512.45
Accum. Depreciation - Comp. Eq	-7879549.21
Accum. Depreciation - Software	-1014075.15
Accum. Depreciation - Customer Phone Equipment	-51752.11
Total Property and Equipment	<u>2513520.33</u>

NonCurrent Assets	
Security Deposits	425913.44
Deferred Tax Asset, Net of Current Portion	16978176
Due from Related Party (TAC)	4239744.86
Intangible Asset, Net	25850600.36
Other Long Term Assets	1889481.99
Total NonCurrent Assets	49383916.65

Total Assets	<u>121718747.66</u>
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LIABILITIES AND CAPITAL

Current Liabilities	
Note Payable to Bank	4733333.54
	50058846.37
	0
Accounts Payable	52770322.37
Other Current Payables	120895.56
Sales & Excise Tax Payable	2370317.98
Income Taxes Payable	-5116.87
Deferred Revenue - Internet	470106.03
Total Current Liabilities	<u>60459858.61</u>

Long-Term Liabilities	
Note Payable to Bank	1889166.39
Note Payable to Bank - Revolver	32012055.21
Note Payable to Related Party	2000004
	0
Total Long-Term Liabilities	35901225.6
Total Liabilities	<u>96361084.21</u>

Stockholder's Equity	
Paid-In-Capital	50978538.2
Retained Earnings	-25252069.37
Net Income YTD	-368805.38
Total Capital	25357663.45

Total Liabilities & Capital	<u>121718747.66</u>
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BCN Telecom, Inc.
Statement of Cash Flows
As of December 31, 2012

CASH FLOW ANALYSIS	12/31/2011	12/31/2012
<i>Cash Flow from Operating Activities</i>		
Net Income	765,034	(585,245)
Adjustments to reconcile net income to net cash provided by operating activities		
+ Depreciation	111,883	102,215
+ Amortization of intangibles	482,427	487,180
+ Provision for bad debt	295,000	290,675
- Loss on sale of equipment	-	-
- Deferred tax expense (benefit)	438,610	-
Increase (decrease) in cash attributable to changes in operating assets and liabilities:		
- Trade receivables	(43,138)	(366,374)
+ Accounts Rec.(From Related Parties)	(21,581)	(18,864)
- Prepaid expenses and other assets	(327,264)	(220,883)
+ Accounts payable and accrued expenses	(551,009)	809,573
+ Other current payables	(514,100)	7,848
- Deferred rent	-	-
Total Adjustments	(129,171)	1,091,372
Net Cash provided by operating activities	635,864	506,127
<i>Cash Flow from Investing Activities</i>		
- Note receivable from powercom	-	-
- Payments for purchase of property	(58,202)	(70,653)
+ Proceeds of sale of fixed assets	-	-
<i>Other Assets</i>		
- Investment in NAS	-	-
- Investment in MUSA	-	-
- Investment in WCS	-	-
- Investment in Powercom	-	-
- Investment in LDC	-	(100,000)
- Investment in Groveline	-	-
- Investment in Lambeau	-	-
Net cash used in investing activities	(58,202)	(170,653)
<i>Cash flow from Financing Activities</i>		
+ Activity from term loan	36,862	378,000
- Activity from revolver	132,615	64,109
+ (Payments) proceeds from note payable, related party	(788,840)	-
Distributions to shareholder	-	(777,541)
Repayment of capital	-	-
Net cash used in financing activities	(619,364)	(335,432)
Net Change in Cash and Cash Equivalents	(41,702)	42
Cash and cash Equivalents- Beginning Bal	73,233	31,531
Cash and Cash Equivalents -Ending Bal	31,531	31,572