



TELECOM CERTIFICATION & FILING, INC.

485 MADISON AVENUE

NEW YORK, NEW YORK 10022-5803

TEL (212) 546-9090

FAX (212) 753-8101

e-mail: dklein@telfile.com

VIA FEDERAL EXPRESS

Ms. Susan Hutcherson  
Kentucky Public Service Commission  
Filings Division  
211 Sower Boulevard  
Frankfort, KY 40601

Re: Mercury Long Distance, Inc.

Dear Ms. Hutcherson:

Enclosed for approval and filing, please find one original and ten (10) copies of Mercury Long Distance, Inc.'s Informational Filing for Authority to Operate as a Reseller of Interexchange Telephone Service in the State of Kentucky.

At your earliest convenience, please date stamp the copy of this cover letter and return to me in the enclosed postage prepaid self-addressed envelope.

Should you have any questions or require additional information, please contact me at your convenience.

Sincerely,

Anel Encarnacion  
Director, Business Affairs

Enc.

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RECEIVED  
March 29, 2001

MAR 30 2001

PUBLIC SERVICE  
COMMISSION

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Before the  
PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of the Informational Filing of )  
Mercury Long Distance, Inc. )  
for Authority to Operate as a Reseller of )  
Interexchange Telephone Service in the )  
State of Kentucky )

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

RECEIVED  
MAR 19 2003  
PUBLIC SERVICE  
COMMISSION

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Mercury Long Distance, Inc. hereby submits the following information in accordance with the provisions of Administrative Case No. 359 and its proposed tariff in accordance with 807 KAR 5:011.

1. The name, post office address, telephone number and fax number of the applicant corporation are:

Mercury Long Distance, Inc.  
240 Arch Street, Suite 2000  
Philadelphia, PA 19106  
Tel. (215) 629-0928  
Fax (215) 413-7710  
Toll Free: (888) 948-1930

2. A copy of the Company's Articles of Incorporation and Kentucky Certificate of Authority attached hereto as **Exhibits A and B**.
3. The name, street address, telephone number and fax number of the responsible contact person(s) for customer complaints and regulatory issues:

Customer Service Contact:

Mr. Tyrone Barr  
240 Arch Street, Suite 2000  
Philadelphia, PA 19106  
Tel. (215) 629-0928  
Fax (215) 413-7710  
Toll Free: (888) 948-1930

Regulatory Contact

Mr. Neal D. Saferstein  
Chief Executive Officer/President  
240 Arch Street, Suite 2000  
Philadelphia, PA 19106  
Tel. (215) 629-0928  
Fax (215) 413-7710

4. A notarized statement that the company has not provided or collected for intrastate service in Kentucky prior to filing its tariff is attached as **Exhibit C**.
5. The Company does not seek authority to provide operator assisted services to traffic aggregators as defined in Administrative Case No. 330.
6. The Company's proposed tariff is attached hereto as **Exhibit D**.

WHEREFORE, Mercury Long Distance, Inc. requests that the Public Service Commission of the Commonwealth of Kentucky grant authority to engage in the resale of interexchange telecommunications services to the public in accordance with applicable laws currently in effect or hereinafter enacted by the Commission.

Respectfully submitted this 29<sup>th</sup> day of March, 2001.

Mercury Long Distance, Inc.

By: 

David O. Klein, COO

Telecom Certification & Filing, Inc.

485 Madison Avenue

New York, NY 10022

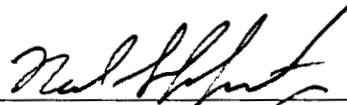
Tel. (212) 546-9090

Representative of Mercury Long Distance, Inc.

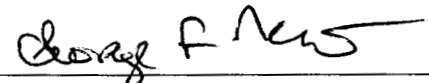
PA  
STATE OF CALIFORNIA )  
Phila )ss  
COUNTY OF LOS ANGELES )

VERIFICATION

I, Neal D. Saferstein, declare that I am the Chief Executive Officer and President of Mercury Long Distance, Inc., the Applicant. I verify that, based upon information and belief, I have knowledge of the statements in the foregoing Application and I declare that they are true and correct. In addition, I hereby assert my willingness to comply with all the rules and regulations that the PSC may lawfully impose upon Mercury's provision of service.

  
\_\_\_\_\_  
Neal D. Saferstein

Sworn to me before, the undersigned Notary Public on this the 26<sup>th</sup> day of February, 2001.

  
\_\_\_\_\_  
Notary Public

Print or Type Name \_\_\_\_\_  

NOTARIAL SEAL GEORGE F. MERO, Notary Public City of Philadelphia, Phila. County My Commission Expires Dec. 18, 2004
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**Exhibit A**  
**Articles of Incorporation**

STATE OF DELAWARE  
 SECRETARY OF STATE  
 DIVISION OF CORPORATIONS  
 FILED 09:00 AM 07/20/2000  
 001368015 - 3262699

CERTIFICATE OF INCORPORATION  
 OF  
 MERCURY LONG DISTANCE, INC.

The undersigned, for the purposes of forming a corporation under the laws of the State of Delaware, do make, file and record this Certificate, and do certify that:

-FIRST: The name of this corporation is MERCURY LONG DISTANCE, INC.

SECOND: Its Registered Office in the State of Delaware is to be located at 9 East Loockerman Street, in the City of Dover, County of Kent, 19901. The Registered Agent in charge thereof is National Registered Agents, Inc.

THIRD: The purpose of the corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of Delaware.

FOURTH: The amount of the total authorized capital stock of the corporation is 200 all of which are of no par value and classified as Common stock.

FIFTH: The name and mailing address of the incorporator are as follows:

NAME	MAILING ADDRESS
David O. Klein	Telecom Certification & Filing, Inc. 485 Madison Avenue New York, NY 10022

SIXTH: The duration of the corporation shall be perpetual.

SEVENTH: When a compromise or arrangement is proposed between the corporation and its creditors or any class of them or between the corporation and its shareholders or any class of them, a court of equity Jurisdiction within the state, on application of the corporation or of a creditor or shareholder thereof, or on application of a receiver appointed for the corporation pursuant to the provisions of Section 291 of Title 8 of the Delaware Code or on application of trustees in dissolution or of any receiver or receivers appointed for the corporation pursuant to provisions of Section 279 of Title 8 of the Delaware Code may order a meeting of the creditors or class of creditors or of the shareholders or class of shareholders to be affected by the proposed compromise or arrangement or reorganization, to be summoned in such manner as the court directs. If a majority in number representing 3/4 in value of the creditors or class of creditors, or of the shareholders or class of shareholders to be affected by the proposed compromise or

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arrangement or a reorganization, agree to a compromise or arrangement or a reorganization of the corporation as a consequence of the compromise or arrangement, the compromise or arrangement and the reorganization, if sanctioned by the court to which the application has been made, shall be binding on all the creditors or class of creditors, or on all the shareholders or class of shareholders and also on the corporation.

EIGHTH: The personal liability of all of the directors of the corporation is hereby eliminated to the fullest extent allowed as provided by the Delaware General Corporation Law, as the same may be supplemented and amended.

NINTH: The corporation shall, to the fullest extent legally permissible under the provisions of the Delaware General Corporation Law, as the same may be amended and supplemented, indemnify and hold harmless any and all persons whom it shall have power to indemnify under said provisions from and against any and all liabilities (including expenses) imposed upon or reasonably incurred by him in connection with any action, suit or other proceeding in which he may be involved or with which he may be threatened, or other matters referred to in or covered by said provisions both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director or officer of the corporation. Such indemnification provided shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any Bylaw, Agreement or Resolution adopted by the shareholders entitled to vote thereon after notice.

Dated on this 19<sup>th</sup> day of July 2000.



David O. Klein, Incorporator

**Exhibit B**  
**Kentucky Certificate of Authority**



COMMONWEALTH OF KENTUCKY  
JOHN Y. BROWN III  
SECRETARY OF STATE

0512840.09



John Y. Brown III  
Secretary of State  
Received and Filed  
03/22/2001 12:08 PM  
Fee Receipt: \$90.00  
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APPLICATION FOR CERTIFICATE OF AUTHORITY

Pursuant to the provisions of KRS Chapter 271B, 273 or 274, the undersigned hereby applies for authority to transact business in Kentucky on behalf of the corporation named below and for that purpose submits the following statements:

- The corporation is  a business corporation (KRS 271B).  a nonprofit corporation (KRS 273).  
 a professional service corporation (KRS 274).
- The name of the corporation is  
Mercury Long Distance, Inc.
- The name of the corporation to be used in Kentucky is  
Mercury Long Distance, Inc.  
(If "real name" is unavailable for use)
- Delaware is the state or country under whose law the corporation is incorporated.
- June 20, 2000 is the date of incorporation and the period of duration is perpetual
- The street address of the corporation's principal office is  
240 Arch Street, Suite 2000, Philadelphia, PA 19106
- The street address of the corporation's registered office in Kentucky is  
400 West Market Street, Suite 1800, Louisville, KY 40202  
and the name of the registered agent at that office is  
National Registered Agents, Inc.
- The names and usual business addresses of the corporation's current officers and directors are as follows:  

President	<u>Neal D. Saferstein</u>	<u>240 Arch Street, Suite 2000, Philadelphia, PA 19106</u>
Vice President	<u></u>	<u>240 Arch Street, Suite 2000, Philadelphia, PA 19106</u>
Secretary	<u>Robyn Saferstein</u>	<u>240 Arch Street, Suite 2000, Philadelphia, PA 19106</u>
Treasurer	<u>Ernie Micciche</u>	<u>240 Arch Street, Suite 2000, Philadelphia, PA 19106</u>
Directors	<u>Ronald Stern</u>	<u>240 Arch Street, Suite 2000, Philadelphia, PA 19106</u>
	<u>Arthur Cohen</u>	<u>240 Arch Street, Suite 2000, Philadelphia, PA 19106</u>

(Attach a continuation sheet, if necessary) See Attachment
- If a professional service corporation, all the individual shareholders, not less than one half of the directors, and all of the officers other than the secretary and treasurer are licensed in one or more states or territories of the United States or District of Columbia to render a professional service described in the statement of purposes of the corporation.
- A certificate of existence duly authenticated by the Secretary of State accompanies this application.
- This application will be effective upon filing, unless a delayed effective date and/or time is specified: \_\_\_\_\_  
(Delayed effective date and/or time)

Neal D. Saferstein  
Signature  
Neal D. Saferstein, President/CEO  
Type or Print Name & Title  
Date: 2/27/, 19 2001

I, National Registered Agents, Inc.  
Type or print name of registered agent, consent to serve as the registered agent on behalf of the corporation.  
Teresa Mayor  
Signature of Registered Agent  
Teresa Mayor, Secretary  
Type or Print Name & Title

**Exhibit C**  
**Notarized Statement**

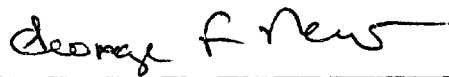
STATEMENT

I, Neal D. Saferstein, President and Chief Executive Officer of Mercury Long Distance, Inc. hereby assert that Mercury Long Distance, Inc. does not and has not provided or collected intrastate service in the State of Kentucky.

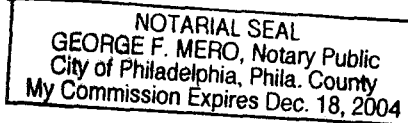


\_\_\_\_\_  
Neal D. Saferstein

Sworn to me before, the undersigned Notary Public on this the 26<sup>th</sup> day of February, 2001.



\_\_\_\_\_  
Notary Public



\_\_\_\_\_  
Print or Type Name

**Exhibit D**  
**Proposed Tariff**

# **Exhibit E**

## **Managerial and Technical Qualification**

**NEAL D. SAFERSTEIN**  
*President, Chief Executive Officer*  
*Member, Board of Directors*  
*GoInternet.Net, Inc.*

As President, Chief Executive Officer (CEO) and member of the Board of Directors for GoInternet.Net, Inc., Neal D. Saferstein has overseen the daily operations of the company since June 1997.

Before joining GoInternet.Net, Saferstein co-founded one of MCI's largest independent agencies/distributors. There, he was responsible for developing and implementing telecom billing, a system for providing interlocking billing between telephone companies. From 1993 to 1997 he worked as CFO and helped develop Habla Facil, a Hispanic 800 operator dial-around service product.

Saferstein attended Temple University. His technical experience and proven success in corporate development are vital to the growth of GoInternet.Net, Inc.

**ERNIE MICCICHE**  
*Treasurer and Chief Financial Officer*  
*GoInternet.Net, Inc.*

Ernie Micciche joined GoInternet.Net, Inc. on November 4, 1999 as Treasurer and Chief Financial Officer (CFO). Before taking this position, Micciche worked as a financial officer for several publicly traded engineering and engineering-related companies, most recently serving as Treasurer and CFO of Certified Environmental Group, Inc.

In addition, since October of 1995, he has attended and completed a KPMG-hosted seminar, "Going Public"; designed to structure the financial reporting requirements of publicly traded companies and companies filing registration statements with the Securities and Exchange Commissions.

Micciche graduated from The University of Pennsylvania's Wharton School of Business with a Bachelor of Science degree in accounting. His experience in Mergers and Acquisitions, and reporting of financial data for publicly traded companies brings an expertise and vision to the development of the GoInternet.Net, Inc. financial strategy.

**FRANK L. TESTA**  
*Chief Operating Officer*  
*GoInternet.Net, Inc.*

Prior to taking on the role of Chief Operating Officer (COO) at GoInternet.Net in October of 1999, Frank L. Testa garnered experience from a long career in sales, marketing and operations. From 1979 to 1984, Testa worked at the Gannett Company, where, as Regional Marketing Manager he helped launch USA Today in the Philadelphia Metropolitan market.

Next, he moved to Group Marketing Communications where he served as Executive Vice President and COO from 1984 to 1996. There, Testa's responsibilities included developing and implementing sales, marketing and operational strategies for the national, multi-location telemarketing firm.

Finally, before joining GoInternet.Net, Inc., Testa served as Vice President Sales & Marketing at USA Phone Centers, a leading provider of telecommunications services in the Tri-State region. Now, as COO of GoInternet.Net Inc., he is responsible for the daily operations of the company, including sales, marketing, production, administration and finance. He also serves as a member on the Board of Directors.



**Vickie L. Davis**  
**Vice President of Sales**  
**And Marketing**

**GoInternet.Net, Inc.**

**As the Vice-President of Sales And Marketing Vickie L. Davis has been overseeing the development and implementation of marketing, sales and training strategies for the entire sales staff since its inception.**

**Prior to joining GOINTERNET.NET, Ms. Davis served as Executive VP at a leading telemarketing company, where her duties included management of marketing and sales besides overseeing human relations for the entire sales staff.**

**With her extensive knowledge Ms. Davis entered the world of entrepreneurship by investing in several start up businesses. She ran five separate locations successfully for over 15 years.**

**After graduating from the Rhode Island School of Design, Vicki joined Barbizon School of Modeling Baltimore & Wilmington as Senior VP to oversee and manage operations including sales, marketing, training, personnel and finance for the entire strength of employees and students.**

**BILLY D. LIGHT**  
*Chief Information Officer*  
*GoInternet.Net, Inc.*

GoInternet.Net's Chief Information Officer, Billy D. Light, is responsible for the company's entire information system, including the design, implementation and maintenance of LAN, WAN, web servers and peripherals.

Prior to joining the GoInternet.Net team, Light served as VP Technical Sales/Marketing for Reiter Associates Web Hosting. There, he oversaw the daily operations of the sales team, as well as the customer and technical support staff.

Light has also worked as Sales Manager and member of the software development team for the G-VOX Company, helping to design, test and market the Guitar 101 CD-ROM. This title, distributed by Fender Music Sales, has sold more than two million copies to date. His extensive knowledge of Internet systems has also led him to do various consulting projects in Internet Implementation and Systems Development.

Light is certified MCSE+I, A+ and MCP. He attended Rowan University.

**Exhibit F**  
**Financial Qualification**

MERCURY LONG DISTANCE SERVICES, INC.  
 FORCASTED STATEMENT OF INCOME  
 FOR FIVE YEARS

IN THOUSANDS  
 000'S OMITTED

	Year 2001	Year 2002	Year 2003	Year 2004	Year 2005
<b>Telecom Service Revenue</b>	\$ 2,280	\$ 11,040	\$ 26,640	\$ 43,926	\$ 61,200
<b>Direct Costs:</b>					
Costs of Sales	1,140	5,520	13,320	21,963	30,600
Billing & Collection Fees	410	1,987	4,795	7,907	11,016
Commissions	228	1,104	2,664	4,393	6,120
<b>Total Direct Costs</b>	<u>1,778</u>	<u>8,611</u>	<u>20,779</u>	<u>34,262</u>	<u>47,736</u>
<b>Gross Profit</b>	502	2,429	5,861	9,664	13,464
<b>Gross Profit Percentage</b>	22%	22%	22%	22%	22%
<b>Marketing &amp; Advertising General &amp; Administrative Costs</b>	23	110	266	439	612
	114	552	1,332	2,196	3,060
<b>EBITDA</b>	<u>365</u>	<u>1,766</u>	<u>4,262</u>	<u>7,028</u>	<u>9,792</u>
<b>Interest</b>					
Depreciation & Amortization	23	110	266	439	612
Total Other Expenses	12	24	36	48	60
	35	134	302	487	672
<b>Pretax Income From Operations</b>	330	1,632	3,960	6,541	9,120
<b>Provision For Income Taxes</b>	132	652.8	1584	2616.36	3648
<b>Net Income</b>	<u>\$ 198</u>	<u>\$ 979</u>	<u>\$ 2,376</u>	<u>\$ 3,925</u>	<u>\$ 5,472</u>

MERCURY LONG DISTANCE SERVICES, INC.  
 FORCASTED STATEMENT OF INCOME  
 FOR FIVE YEARS

IN THOUSANDS  
 000'S OMITTED

	January 2001		February 2001		March 2001		April 2001		May 2001		June 2001		July 2001		August 2001		September 2001		October 2001		November 2001		December 2001		Total	
	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	2001	
<b>SALES FORCE</b>																										
Telcom Services Revenue	10	20	30	40	50	100	150	200	250	300	360	420	480	540	600	660	720	780	840	900	960	1,020	1,080	1,140	1,200	1,260
Direct Costs:																										
Cost of Sales	12	24	36	48	60	120	180	240	300	360	420	480	540	600	660	720	780	840	900	960	1,020	1,080	1,140	1,200	1,260	
Billing and Collection Fees	1	2	3	4	5	10	15	20	25	30	36	42	48	54	60	66	72	78	84	90	96	102	108	114	120	126
Commissions	6	12	18	24	30	60	90	120	150	180	210	240	270	300	330	360	390	420	450	480	510	540	570	600	630	660
Total Direct Costs	19	38	57	76	95	190	285	380	475	570	665	760	855	950	1,045	1,140	1,235	1,330	1,425	1,520	1,615	1,710	1,805	1,900	1,995	2,090
Gross Profit	1	2	3	4	5	10	15	20	25	30	36	42	48	54	60	66	72	78	84	90	96	102	108	114	120	126
Gross Profit Percentage	3%	5%	8%	11%	13%	26%	40%	53%	66%	79%	92%	106%	120%	133%	147%	160%	173%	187%	200%	213%	227%	240%	253%	267%	280%	293%
Marketing & Advertising	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%
General Administrative Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EBITDA	1	2	3	4	5	10	15	20	25	30	36	42	48	54	60	66	72	78	84	90	96	102	108	114	120	126
Interest	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Depreciation & Amortization	2	4	6	8	10	20	30	40	50	60	70	80	90	100	110	120	130	140	150	160	170	180	190	200	210	220
Total Other Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pretax Operation Income	1	2	3	4	5	10	15	20	25	30	36	42	48	54	60	66	72	78	84	90	96	102	108	114	120	126
Provision for Taxes	1	2	3	4	5	10	15	20	25	30	36	42	48	54	60	66	72	78	84	90	96	102	108	114	120	126
Net Income	0	1	2	3	4	10	15	20	25	30	36	42	48	54	60	66	72	78	84	90	96	102	108	114	120	126



MERCURY LONG DISTANCE SERVICES, INC.  
 FORCASTED STATEMENT OF INCOME  
 FOR FIVE YEARS

IN THOUSANDS  
 000'S OMITTED

	January 2003	February 2003	March 2003	April 2003	May 2003	June 2003	July 2003	August 2003	September 2003	October 2003	November 2003	December 2003	Total 2003
<b>SALES FORCE</b>	1,300	1,400	1,500	1,600	1,700	1,800	1,900	2,000	2,100	2,200	2,300	2,400	2,400
Telecom Services Revenue	\$ 1,560	\$ 1,680	\$ 1,800	\$ 1,920	\$ 2,040	\$ 2,160	\$ 2,280	\$ 2,400	\$ 2,520	\$ 2,640	\$ 2,760	\$ 2,880	\$ 26,640
Direct Costs:													
Cost of Sales	780	840	900	960	1,020	1,080	1,140	1,200	1,260	1,320	1,380	1,440	13,320
Billing and Collection Fees	281	302	324	346	367	389	410	432	454	475	497	518	4,795
Commissions	156	168	180	192	204	216	228	240	252	264	276	288	2,664
Total Direct Costs	1,217	1,310	1,404	1,498	1,591	1,685	1,778	1,872	1,966	2,059	2,153	2,246	20,779
Gross Profit	343	370	396	422	449	475	502	528	554	581	607	634	5,861
Gross Profit Percentage	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%
Marketing & Advertising	16	17	18	19	20	22	23	24	25	26	28	29	266
General Administrative Expense	78	84	90	96	102	108	114	120	126	132	138	144	1,332
EBITDA	265	286	306	326	347	367	388	408	428	449	469	490	4,529
Interest	16	17	18	19	20	22	23	24	25	26	28	29	266
Depreciation & Amortization	3	3	3	3	3	3	3	3	3	3	3	3	266
Total Other Expenses	19	20	21	22	23	25	26	27	28	29	31	32	302
Prelax Operation Income	247	266	285	304	323	343	362	381	400	419	439	458	4,226
Provision for Taxes	99	106	114	122	129	137	145	152	160	168	175	183	1,891
Net Income	\$ 148	\$ 159	\$ 171	\$ 183	\$ 194	\$ 206	\$ 217	\$ 229	\$ 240	\$ 252	\$ 263	\$ 275	\$ 2,536

MERCURY LONG DISTANCE SERVICES, INC.  
 FORCASTED STATEMENT OF INCOME  
 FOR FIVE YEARS

	January 2004	February 2004	March 2004	April 2004	May 2004	June 2004	July 2004	August 2004	September 2004	October 2004	November 2004	December 2004	Total 2004
<b>SALES FORCE</b>	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,600
Telecom Services Revenue	\$ 3,000	\$ 3,120	\$ 3,240	\$ 3,360	\$ 3,480	\$ 3,600	\$ 3,720	\$ 3,840	\$ 3,960	\$ 4,080	\$ 4,200	\$ 4,320	\$ 43,920
Direct Costs:													
Cost of Sales	1,500	1,560	1,620	1,680	1,740	1,800	1,860	1,920	1,980	2,040	2,100	2,160	21,960
Billing and Collection Fees	540	562	583	605	626	648	670	691	713	734	756	778	7,906
Commissions	300	312	324	336	348	360	372	384	396	408	420	432	4,392
Total Direct Costs	2,340	2,434	2,527	2,621	2,714	2,808	2,902	2,995	3,089	3,182	3,276	3,370	34,258
Gross Profit	660	686	713	739	766	792	818	845	871	896	924	950	9,662
Gross Profit Percentage	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%
Marketing & Advertising	30	31	32	34	35	36	37	38	40	41	42	43	439
General Administrative Expense	150	156	162	168	174	180	186	192	198	204	210	216	2,196
EBITDA	510	530	551	571	592	612	632	653	673	694	714	734	7,466
Depreciation & Amortization	30	31	32	34	35	36	37	38	40	41	42	43	439
Total Other Expenses	4	4	4	4	4	4	4	4	4	4	4	4	43
Prelax Operation Income	476	495	514	534	553	572	591	610	630	649	668	687	6,979
Provision for Taxes	190	198	206	213	221	229	236	244	252	260	267	275	2,792
Net Income	\$ 286	\$ 297	\$ 309	\$ 320	\$ 332	\$ 343	\$ 355	\$ 366	\$ 378	\$ 389	\$ 401	\$ 412	\$ 4,188

IN THOUSANDS  
 000'S OMITTED



MERCURY LONG DISTANCE SERVICES, INC.  
 FORCASTED STATEMENT OF INCOME  
 FOR FIVE YEARS

IN THOUSANDS  
 000'S OMITTED

	January 2005	February 2005	March 2005	April 2005	May 2005	June 2005	July 2005	August 2005	September 2005	October 2005	November 2005	December 2005	Total 2005
<b>SALES FORCE</b>	3,700	3,800	3,900	4,000	4,100	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,800
Telecom Services Revenue	\$ 4,440	\$ 4,560	\$ 4,680	\$ 4,800	\$ 4,920	\$ 5,040	\$ 5,160	\$ 5,280	\$ 5,400	\$ 5,520	\$ 5,640	\$ 5,760	\$ 61,200
Direct Costs:													
Cost of Sales	2,220	2,280	2,340	2,400	2,460	2,520	2,580	2,640	2,700	2,760	2,820	2,880	30,600
Billing and Collection Fees	799	821	842	864	886	907	929	950	972	994	1,015	1,037	11,016
Commissions	444	456	468	480	492	504	516	528	540	552	564	576	6,120
Total Direct Costs	3,463	3,557	3,650	3,744	3,838	3,931	4,025	4,118	4,212	4,306	4,399	4,493	47,736
Gross Profit	977	1,003	1,030	1,056	1,082	1,109	1,135	1,162	1,188	1,214	1,241	1,267	13,464
Gross Profit Percentage	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%
Marketing & Advertising	44	46	47	48	49	50	52	53	54	55	56	58	612
General Administrative Expense	222	228	234	240	246	252	258	264	270	276	282	288	3,060
EBITDA	755	775	796	816	836	857	877	898	918	938	959	979	10,404
Interest	44	46	47	48	49	50	52	53	54	55	56	58	612
Depreciation & Amortization	5	5	5	5	5	5	5	5	5	5	5	5	60
Total Other Expenses	49	51	52	53	54	55	57	58	59	60	61	63	672
Pretax Operation Income	705	725	744	763	782	801	821	840	859	878	897	917	9,732
Provision for Taxes	282	290	298	305	313	321	328	336	344	351	359	367	3,893
Net Income	\$ 423	\$ 435	\$ 446	\$ 458	\$ 469	\$ 481	\$ 492	\$ 504	\$ 515	\$ 527	\$ 538	\$ 550	\$ 5,839