

Public Service Commission of Kentucky  
211 Sower Blvd.  
Frankfort, Kentucky 40601

05052910  
0505  
(9500)

Re: Application of NationNet Communications Corporation for a Certificate of Convenience and Necessity as a Competing Telecommunications Service Provider.  
Docket No. \_\_\_\_\_

NationNet Communications Corporation ("NationNet Communications Corporation" or "Applicant") hereby submits the enclosed Application, seeking authority to operate as a provider of facilities-based telecommunications services within the State of Kentucky. An original application with an original and four (4) copies of the tariff.

If you have any questions concerning this matter, or if you require additional information, please give me a call at 731-660-6596.

BEFORE THE  
PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of the Application of  
NationNet Communications Corporation  
for a Certificate Public Convenience and  
Necessity to Provide Intrastate Interexchange  
Services and Switched and Special Access  
Local Exchange Services

APPLICATION OF NATIONNET COMMUNICATIONS CORPORATION

1. INTRODUCTION

Pursuant to the provisions of KRS 278.020 and the rules and regulations of the Public Service Commission of Kentucky, ("NationNet Communications Corporation" or "Applicant") respectfully seeks a Certificate of Public Convenience and Necessity to provide intrastate interexchange telecommunications services, local exchange services through the use of its own facilities and special access<sup>1</sup> local exchange services in the areas served by BellSouth Telecommunications, Inc. ("Bell South") as defined by KRS 278.020.

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<sup>1</sup> NationNet Communications Corporation uses the term "special access" primarily to refer to providing customer access to interexchange carriers and interexchange carriers access to NationNet Communications Corporation's customers.

Approval of this Application will promote the public interest by increasing the level of competition in the provision of telecommunications services in Kentucky. Therefore, NationNet Communications Corporation respectfully requests that the Commission grant it a Certificate of Public Convenience and Necessity to provide the various telecommunications services described above. In support thereof, NationNet Communications Corporation provides the following information:

1. Full name and post office and street address, telephone and fax number ( if any) of utility.
  - A. NationNet Communications Corporation  
35 Carriage House Drive # 3  
Jackson, TN 38305  
( 731)-660-6596  
Fax: (731) 664-6601
2. Articles of incorporation or partnership agreement.
  - A. NationNet Communications Corporation is a privately held corporation incorporated under the laws of Delaware. A corporate organizational chart, in addition to a copy of NationNet Communications Corporation's Incorporation and authorization to do business in the State of Kentucky, is attached hereto.
3. Name, street address, telephone number and fax number ( if any) of the responsible contact person for customer complaints and regulatory issues.
  - A. Amalia Marcella  
35 Carriage House Drive # 3  
Jackson, TN 38305  
( 888) 420-7781  
Fax ( 731) 664-6601
4. A notarized statement by an officer of the utility that the utility has not provided or collected for intrastate service in Kentucky prior to filing its tariff or, alternatively, a notarized statement by an officer that the utility has provided intrastate services and that it will refund or credit customer accounts for all monies collected for intrastate service.
  - A. A statement is in this application that NationNet Communications Corporation has not provided or collected for intrastate services in Kentucky.
5. A statement that the utility does not seek to provide operator assisted services to traffic aggregators as defined in Administrative Case No. 330<sup>3</sup> or, alternatively, that the utility does seek to provide operator assisted service to traffic aggregators but that in so doing it is complying with the Commission's mandates in Administrative Case No. 330.
  - A. NationNet Communications Corporation will seek to provide operator assisted services to traffic

aggregators but in doing so it will comply with the Commission's mandates in Administrative Case No. 330.

6. Managerial Qualifications

NationNet Communications Corporation has the managerial qualifications to provide the telecommunications services for which authority is requested in this Application. NationNet Communications Corporation's management team has an extensive telecommunications experience and expertise. NationNet Communications Corporation's management personnel have held executive positions with a number of companies prior to joining NationNet Communications Corporation, which qualifies them to implement and provide the local exchange and interexchange services for which authority is requested. Resumes for the management team are included in this application.

7. Financial Qualifications

NationNet Communications Corporation is financially qualified to provide the telecommunications services for which authority is being requested in Kentucky. In particular, NationNet Communications Corporation has access to the financing and capital necessary to conduct its telecommunications operations as specified in this application. This capital will be available to meet the current and future capital needs of NationNet Communications Corporation's Kentucky operations. In support of NationNet Communications Corporation's application, attached hereto is a copy of NationNet Communications Corporation's most recent financial statements, along with a three-year projected forecast. This is offered to demonstrate NationNet Communications Corporation's financial ability to provide the proposed services.

8. Technical Qualifications

NationNet Communications Corporation has the technical qualifications to provide the telecommunications services for which authority is requested in Kentucky. Applicant will not require customers to purchase Customer Premises Equipment which cannot be used with the Incumbent Local Exchange Carrier's systems. NationNet Communications Corporation will provide high quality (digital wherever possible) service, which will be available on a full time basis, twenty-four hours a day, seven days a week.

NationNet Communications Corporation will employ certified engineering support from both utility companies and engineering firms to produce detailed installation plans. It will then hire certified contractors to install the equipment (electrical contractors to perform work in the electrical space and telecommunications contractors to perform work in the communications space).

9. Proposed Services

NationNet Communications Corporation intends to offer local exchange services, switched and special access services.

10. Local Exchange Services

With respect to its local exchange offerings, NationNet Communications Corporation intends to provide all forms of intrastate telecommunications services including: (1) basic exchange services; (2) custom and CLASS features; (3) ancillary services (911, E911), directory listings, directory assistance, etc.); and (4) special access services.

11. Current Certification

NationNet Communications Corporation is currently seeking authority to provide local telecommunications services in Tennessee, Florida, Arkansas, Alabama, Texas, Indiana, Nevada and

Florida. The Applicant proposes to offer its services throughout the state of Kentucky, in areas that are currently being served by BellSouth, which are designated open to competition.

12. Implementation Timeframe

After receiving Commission approval from the Public Service Commission of Kentucky, NationNet Communications Corporation intends to enter into interconnection agreements with BellSouth. After entering into these interconnection agreements, NationNet Communications Corporation intends to commence providing its telecommunications services in Kentucky as expeditiously as possible.

13. Repair and Maintenance

NationNet Communications Corporation understands the importance of effective customer service for local service customers. NationNet Communications Corporation has made arrangements for its customers to call the company at its toll free customer service number, 1-888-420-7781. In addition, customers may contact the company in writing at the headquarters address. The toll free number will be printed on the customer's monthly billing statements. The Kentucky contact person for this is Amy Marcella and she can be reached at 731-660-6596.

14. Miscellaneous

A sworn pre-filed testimony from Ralph Monroe is provided in this application.

15. Complaints

NationNet Communications Corporation has not had any formal complaints filed against it.

16. Public Interest

The granting of NationNet Communications Corporation's application for local exchange and interexchange authority is in the public interest and will serve the public convenience and necessity. In enacting the Federal Telecommunications Act of 1996, the United States Congress determined that it is in the public interest to promote competition in the provision of telecommunications services, including local exchange services. Experience with competition in other telecommunications markets, such as long distance, competitive access, and customer premise equipment, demonstrates the benefits that competition can bring to consumers. Consumers are enjoying increased services, lower prices, higher quality and greater reliability. This is true not only with respect to the service offerings of the new entrants, but also as a result of the response of incumbent monopoly providers to the introduction of competition.

17. Conclusion

The telecommunications industry is growing and changing at an impressive pace. The entry of NationNet Communications Corporation into the local exchange and interexchange market will promote the public interest by enhancing competition in the provision of telecommunications services within Kentucky. NationNet Communications Corporation will bring significant benefits to telecommunications users in Kentucky. NationNet Communications Corporation's expertise in the telecommunications sector will permit it to select the most economic and efficient services, thereby providing customers with an attractive combination of price, quality, and customer service. Accordingly, NationNet Communications Corporation anticipates its proposed service will provide subscribers with better quality services and will increase consumer choice of innovative, diversified, and reliable service offerings.

WHEREFORE, NationNet Communications Corporation requests that the Public Service Commission of Kentucky grant it a Certificate of Public Convenience and Necessity to provide facilities-based and local exchange services, switched and special access local exchange services in Kentucky.

Respectfully submitted this 20<sup>th</sup> day of June, 2001.

NATIONNET COMMUNICATIONS CORPORATION

By: Ralph Monroe  
Ralph Monroe  
President  
NationNet Communications Corporation

VERIFICATION

State of Tennessee )  
 ) : SS  
County of Madison )

By this application, and participating in all proceedings necessary to effect certification, Applicant hereby asserts its willingness and ability to comply with all rules and regulations that the Public Service Commission may impose subject to Kentucky law as now or hereafter enacted.

NATIONNET COMMUNICATIONS CORPORATION

By: Ralph Monroe

Name: Ralph Monroe

Title: President/CEO

Date: 6/20/2001

Sworn to and subscribed before me, the undersigned authority in and for the jurisdiction aforesaid, the within named Ralph Monroe, this 20 day of June 2001.

Candy Parrish

CANDY PARRISH  
Notary Public, Madison Co., TN  
My Comm. Expires Jan. 18, 2005

My Commission Expires: Jan. 18, 2005

**ARTICLES OF INCORPORATION**

**LIST OF OFFICERS**

**ORGANIZATIONAL CHART**

**CORPORATE STRUCTURE**



**NAMES AND OFFICERS OF NATIONNET COMMUNICATIONS  
CORPORATION**

**RALPH MONROE  
PRESIDENT & CEO  
35 CARRIAGE HOUSE DRIVE  
JACKSON, TN 38305**

**AMALIA MARCELLA  
VICE-PRESIDENT  
35 CARRIAGE HOUSE DRIVE  
JACKSON, TN 38305**

**JAMES HOOPER  
VP OF OPERATIONS  
35 CARRIAGE HOUSE DRIVE  
JACKSON, TN 38305**

**WAYNE GREEN  
CONSULTANT  
5140 WILLOW WAY  
BIRMINGHAM, AL 35242**

## NNC GLOBAL PREPAID SERVICES

We're excited and think you will be too, once you learn more about the creative programs and opportunities we're developing for our distribution partners. Nationnet is literally reinventing the prepaid industry and we'd like to share our vision and opportunity with you. NationNet thinks "outside the box" when it comes to our products, marketing, technology and partners. We invite you to join us today!

NationNet Communications Corporation is an ICP ( Integrated Communications Provider) offering wholesale prepaid local dial tone, long distance calling cards, wireless, paging and internet services including web design, hosting and e-commerce solutions.

NationNet offers a full suite of prepaid products and services on the wholesale level to major distributors throughout the United States. Our focus is on providing a single stop solution for our customers. Through our domestic and international relationships we are able to leverage the purchasing power of many of the largest distribution channels through a single group purchasing alliance. We are seeking partners to join NationNet on all levels and invite you to contact us today.

### NationNet Products & Services

Prepaid Long Distance-NationNet offers the most competitive decks in the industry and can custom design a domestic or international card to your exact specifications.

Prepaid Local Dialtone-Our experience in the local dialtone market is unmatched. We are able to provide postpaid and prepaid local services to business and residential customers nationwide.

Prepaid Cellular-The hottest part of the prepaid industry today, growing fast and we can provide immediate coverage to 97% of the U.S.

Prepaid Internet-With over 1,000 POP's nationwide, NationNet offers among the most complete coverage footprints in the industry. Our international alliances can provide you with a truly global presence.

Prepaid Unlimited Long Distance-A true unlimited flat-rate product using 100% fiber optic lines. For one flat rate, customers can make unlimited domestic long distance 24/7 calls to anywhere in the United States.

Prepaid Point of Sale Activation-NationNet is the acknowledged leader in POSA, offering the first and only turn-key "single source" for all prepaid services. Our experience and innovation is your best partner for success in the expanding POSA industry. We can work with any existing activation system or can offer you a turn-key solution to utilizing proven and tested systems.

NationNet is a service of Telgenics

### EXECUTIVE TEAM

Ralph Monroe  
President & CEO

Amy Marcela  
Treasurer

Gail Sharp  
Secretary

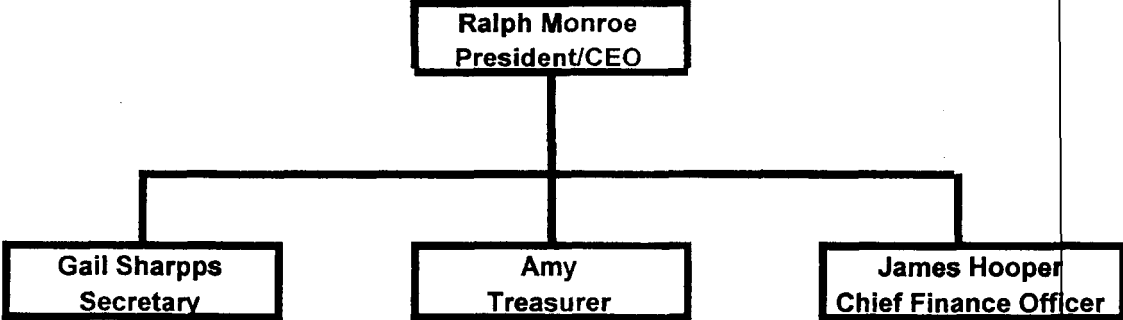
Tina Nieves  
Marketing  
Manager

Candy Parrish  
Accounting Mgr.

James Hooper  
Chief Finance  
Officer

"Prepaid Communication Services is for everyone"

**Corporate Structure for NationNet Communication Communications**



CERTIFICATE OF INCORPORATION  
OF  
NATIONNET COMMUNICATIONS CORPORATION

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FIRST. The name of this corporation shall be:

NATIONNET COMMUNICATIONS CORPORATION

SECOND. Its registered office in the State of Delaware is to be located at 2711 Centerville Road, Suite 400, in the City of Wilmington, County of New Castle, 19808, and its registered agent at such address is THE COMPANY CORPORATION.

THIRD. The purpose or purposes of the corporation shall be:

To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH. The total number of shares of stock which this corporation is authorized to issue is:

One Thousand Five Hundred (1,500) shares without par value.

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

Lynn CannoLongo  
The Company Corporation  
2711 Centerville Road, Suite 400  
Wilmington, DE 19808

SIXTH. The Board of Directors shall have the power to adopt, amend or repeal the by-laws.

IN WITNESS WHEREOF, The undersigned, being the incorporator hereinbefore named, has executed, signed and acknowledged this certificate of incorporation this first day of March, A.D. 2001.

  
Lynn CannoLongo  
Incorporator

*State of Delaware*  
*Office of the Secretary of State* PAGE 1

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I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "NATIONNET COMMUNICATIONS CORPORATION" IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-SIXTH DAY OF APRIL, A.D. 2001.



*Harriet Smith Windsor*  
Harriet Smith Windsor, Secretary of State

3360709 8300

010201064

AUTHENTICATION: 1102022

DATE: 04-26-01

IN THE NAME AND BY THE AUTHORITY OF THE



JOHN Y. BROWN III  
SECRETARY OF STATE

**CERTIFICATE**

I, JOHN Y. BROWN III, Secretary of State for the Commonwealth of Kentucky, do certify that the foregoing writing has been carefully compared by me with the original record thereof now in my official custody as Secretary of State and remaining on file in my office, and found to be a true and correct copy of APPLICATION FOR CERTIFICATE OF AUTHORITY OF NATIONNET COMMUNICATIONS CORPORATION FILED JUNE 27, 2000

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal.

Done at Frankfort this 25TH day of JUNE 20 01

*John Y. Brown III*  
Secretary of State, Commonwealth of Kentucky

LG

**NOTARIZED STATEMENT**

State of Tennessee

County of Madison

By this application, and participating in all proceedings necessary to effect certification, Applicant hereby states that RALPH MONROE as an officer of NationNet Communications Corporation, has not collected for intrastate service in Kentucky prior to filing its tariff.

NATIONNET COMMUNICATIONS CORPORATION

By: Ralph Monroe

Name: Ralph Monroe

Title: President/CEO

Date:

Sworn to and subscribed before me, the undersigned authority in and for the jurisdiction aforesaid, the within named Ralph Monroe, this 20 day of June, 2001

Candy Parrish  
Notary Public

CANDY PARRISH  
Notary Public, Madison Co., TN  
My Comm. Expires Jan. 18, 2005

My Commission Expires: \_\_\_\_\_



**RESUMES**

Ralph Monroe  
1722 Everett Ave.  
Jackson, MS 39204  
601-353-1137

Education: 1970-1973 Provine High School

1973-1977 Jackson State University  
Major: Business/Marketing

Work Experience: 1977-1985 Clarion Ledger News  
Circulation Manager  
Jackson, MS

1985-1992 Quality Construction Corp.  
Vice-President of Marketing  
Jackson

1992-1998 ValueHealth Home Health Agency  
Founder and CEO  
Vicksburg, MS

1998-current NationNet Comm. Corp.  
Founder/CEO  
Jackson, MS

Professional Experience:  
Clarion Ledger News:

Responsible for Circulation and distribution of newspapers city and statewide.

Quality Construction Corp.:

Construction Superintendent and marketing single and multi-family housing.

ValueHealth Home Health Agency:

Developer of Senior Citizen housing and provider of medical services.

NationNet Communications Corp.:

Marketer of telecommunications services.

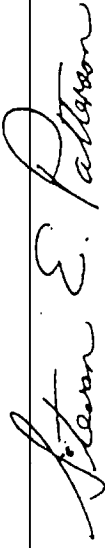
 **BELLSOUTH**<sup>®</sup>

# Training Certificate

Presented To

For Successfully Completing the  
**Competitive Local Exchange Carriers (CLEC) Basic  
Training Course**

Presented May 14, 1999



Instructor

BellSouth Interconnection Services

*Your Interconnection Advantage*<sup>™</sup>



# Training Certificate

Presented To

*Rita ...*

For Successfully Completing the  
**Local Exchange Navigation System (LENS) Application  
Training Course**

Presented May 23, 2001

*Joan Burchhalter*

**BellSouth Interconnection Services**

*Your Interconnection Advantage*

**Instructor**

**James Everett Hooper**  
**8461 Willow Creek Drive**  
**Frisco, Texas 75034**  
**Home Phone: (972) 712-2319**  
**Voice Mail (214) 616-6361**  
**E-mail: JHooper3@airmail.net**

### SUMMARY

Accomplished finance professional with strong technical, accounting, and analytical skills. Good working knowledge of personal computer. Diverse background in long-range financial cash planning, capital expenditures and general accounting. Consistently recognized for ability to show positive changes within immediate group and throughout the company.

### WORK EXPERIENCE

#### **Independent Financial Adviser/Analyst 1997 to Present**

Prepared loan packages, financial statements, credit analysis, US Small business Administration loan forms, and Federal and state income Tax Returns for independent businesses. Converted clients' manual accounting systems to computer. Performing contractual services such as:

- Redesigned and implemented the client's audit program which resulted in a 20% reduction in data keying error and a 25% audit completion turnaround Time. (Southland Corp. - 7-11)
- Reconciliation of client's payroll taxes that included but not limited to Federal Withholding, FICA, Medicare, and Social Security. (Tenet Healthsystem)
- Examined clients database for fixed asset discrepancies. (Principles Financial Group)
- Reviewed, analyzed and updated bank reconciliation for audit purposes. (Old Navy Stores)
- Performed audits on clients accounts payable for quarterly financial statement Purposes. (Control Diabetes Services and U.S. Healthcare Services)

#### **ELECTRONIC DATA SYSTEMS, Plano, Texas 1989 to 1996** *Financial Analyst*

Developed and established a computer system for telecommunication billing which produced monthly credits for client companies on volume discount plans. Down load data from mainframe for account analysis.

- Reviewed competitor discount plans
- Analyzed client voice traffic patterns and prepared proposals.
- Developed billing for non-standard plans

**James E. Hooper**

Page 2

- Functioned as billing liaison between client and service provider.
- Monitored account billing for conformance.
- Initiated a billing procedure for large customers with volumes between \$35 - 100 million annually.
- Built cost models for analytical purposes.
- Developed and proposed a system for electronic filing projected to save \$150,000 the first year.

*Field Auditor, Plano, TX*

1987 to 1989

*Field Auditor, Jackson, MS*

1985 to 1987

Performed desk audits of nursing homes, hospitals and home health care agency cost reports and field audits of long term care facilities and hospital third party provider.

- Revised the audit program to afford clients greater control of cost.
- Cross-reviewed field and desk audits on long term care facilities and hospitals.

**COMMUNITY COUNSELING SERVICES, Starkville, MS**

1982 - 1985

*Business Manager*

Supervised Personnel and coordinated office services.

- Prepared and reviewed budgets
- Computerized accounting operations

**EDUCATION**

**Formal Training**

Bachelor of Science Degree - Accounting  
Jackson State University, Jackson, MS

**Professional Development**

Business Leadership, Career Management, Group Dynamics, Problem Solving, Effective Business Writing, CBS Quality Education System, Presentation Techniques, Introduction to Capital Budgeting, Accounting and Financial Orientation, Successful PAL Management, On-line Financial Reporting, Business of General Motors, Voice Communications Fundamentals, Data Communications, Advanced Lotus 1-2-3, Excel.

**FINANCIAL STATEMENTS**

**BALANCE SHEETS**

# Bank of America



Bank of America, N.A.  
 TN1-200-01-18  
 800 Main Street  
 Nashville, TN 37206-3618

Account Reference Inform  
 Account Number 0897 8328  
 Tax ID Number 838625  
 E D O A Code  
 Statement Date  
 01/11/01

TELGENIC COMMUNICATIONS CORP

## Business Economy Checking

### Withdrawals and Debits - Continued

#### Other Debits

Date Posted	Amount	Description	Reference
01/23	10.00	Wire Transfer Fee	9040 02300100 4
01/23	2.00	Wire Transfer Fee	9040 02300100 5
01/25	39.00	Check ORDER00406;Des = fee ;ID = Eff Date: 010125;Indn:Telegenic Communicatio	9026 02527941 0

### Daily Ledger Balances

Date	Balance	Date	Balance	Date	Balance
01/11	100.00	01/25	16,049.00	01/31	16,588.29
01/23	16,088.00	01/29	14,049.00		

#### Message Center

Make your deposits at the ATM from January 2 through March 3 and you could win triple the amount of your deposit. The larger your deposit, the more you could win. For details and official rules call 1.800.999.6415. No deposit necessary to enter.

Your Business Check Card is free of monthly or annual fees - A part of your Business Checking Account. And, it works like a check only better. No bulky checkbooks to carry. No checks to write. Best of all your Business Check Card is accepted at over 19 million Visa merchant locations worldwide. For more information call 1-888-600-4000.

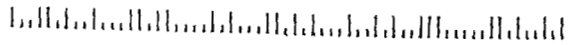


# Bank of America



Bank of America, N.A.  
 TN1-200-01-18  
 800 Main Street  
 Nashville, TN 37206-3618

Account Return Information  
 Account Number: 8409  
 Tax ID Number:  
 P.O. Box:  
 Statement Period: 000  
 01/11/01 through



01406 001 SCM999 I 25 0

TELGECIC COMMUNICATIONS CORP  
 35 CARRIAGE HOUSE DR STE 3  
 JACKSON TN 38305-3944

Customer Service:  
 Bank of America, N.A.  
 P.O. Box 888  
 Atlanta, GA 30302-1899  
 1.800.433.7369

Page 1 of 2

## Business Economy Checking

### Account Summary Information

Statement Period	01/11/01 through 01/31/01	Statement Beginning Balance	0.00
Number of Deposits/Credits	2	Amount of Deposits/Credits	16,100.00
Number of Withdrawals/Debits	5	Amount of Withdrawals/Debits	1,41.71
Number of Deposited Items	0	Statement Ending Balance	14,688.29
Number of Enclosures	0	Average Ledger Balance	1,496.57
Number of Days in Cycle	21	Service Charge	0.00

### Deposits and Credits

Amount	Description	Bank Reference
100.00	Deposit	
16,000.00	Wire Type:Fed IN Date:010123 Time:1354 Fed Ref:000831 Seq:010123011591 Orig:00340007042736 B O Pmt Det:Telegenic Communi- Ations Corp. Ac-003783284409 Sending Bank:First To Nn Mem	813009130109586 9010123011591

### Withdrawals and Debits

Check Number	Amount	Date Posted	Bank Reference	Check Number	Amount	Date Posted	Bank Reference
1002	2,000.00	01/29	813009130109586	1003	3,280.00	01/31	813009130109586

# Bank of America



Bank of America, N.A.  
 TN 1-200-01-18  
 800 Main Street  
 Nashville, TN 37206-3618

Account Reference Information  
 Account Number: 0237 8325 009  
 Tax ID Number: 01183802  
 P.O. Box: 4899  
 Statement Period: 02/01/01  
 Account: 0237891



01406 001 SCH999 I 2 0

TELGENIC COMMUNICATIONS CORP  
 35 CARRIAGE HOUSE DR STE 3  
 JACKSON TN 38305-3944

**Customer Service:**  
 Bank of America, N.A.  
 P.O. Box 4899  
 Atlanta, GA 30302-4899  
 1.800.433.7680

Page 01

## Business Economy Checking

### Account Summary Information

Statement Period	02/01/01 through 02/28/01	Statement Beginning Balance	10,783.29
Number of Deposits/Credits	5	Amount of Deposits/Credits	18,773.00
Number of Withdrawals/Debits	23	Amount of Withdrawals/Debits	18,673.11
Number of Deposited Items	1	Statement Ending Balance	10,883.18
Number of Enclosures	0	Average Ledger Balance	6,226.00
Number of Days in Cycle	28	Service Charge	0.00

### Deposits and Credits

Date Posted	Amount	Description	Bank Reference
02/14	2,251.56	Return Of Posted Check / Item (Received On 02-13)	904202130001704
02/16	711.14	Check #0000001004	
02/16	3,000.00	Return Of Posted Check / Item (Received On 02-15)	904201150001028
		Check #0000001015	
		Wire Type:Fed IN Date:010216 Time:1634	
		Fed Ref:000011 Seq:010216019561	904201169011561
		Orig:D5005531 Amy Marcel Pint Det:Telgenics Communi	
		Cation Co 35 Carriage House Dr Jackson, TN Ac-003	
02/20	10,000.00	83284409 Sending Bank:Mckenzie Bnkg TN	
		Wire Type:Fed IN Date:010220 Time:1550	
		Fed Ref:000009 Seq:010220023199	904202209021499
		Orig:D5005531 Amy Marcel Pint Det:Telgenics Communi	
		ication Corp 35 Carriage House Dr Jackson TN Ac-00	
02/23	2,760.33	3783284409 Sending Bank:Mckenzie Bnkg TN	
		Deposit	81310151084122

# Bank of America

Bank of America, N.A.  
 TN1-200-01-18  
 800 Main Street  
 Nashville, TN 37206-3618



Account Reference Information  
 Account Number: 0007 8328 409  
 Tax ID Number: 021898820  
 R.O. # A.P. #  
 Statement Period: 02/01/00  
 Through: 02/28/00

TELGENIC COMMUNICATIONS CORP

Page 1 of 1

## Business Economy Checking

### Withdrawals and Debits

#### Checks

Check Number	Amount	Date Posted	Bank Reference	Check Number	Amount	Date Posted	Bank Reference
1001	2,600.00	02/06	813002510883092	1009	340.01	02/12	81300251077361
1004 *	2,251.56	02/13	813002510286329	1011 *	148.70	02/29	81300251024417
1004 *	2,251.56	02/28	813002510587630	1013 *	1,000.00	02/10	81300903079217
1005	617.83	02/13	813008130315799	1015 *	711.14	02/16	81300813004120
1006	5,000.00	02/02	813002310346577	1015 *	711.14	02/16	81300221055165
1007	244.00	02/01	813002310092125	1016	1,200.00	02/23	813006323008732
1008	965.00	02/12	813002510786046	1019 *	372.16	02/27	81300251034179

\* Preceding check (or checks) is outstanding, is included in summary listing, or has been included in a previous statement.

#### Other Debits

Date Posted	Amount	Description	Bank Reference
02/14	25.00	Overdraft Fee For Activity Of 02-13	813002310000654
02/15	25.00	Check #0000001004	9541000140001409
02/16	10.00	Overdraft Fee For Activity Of 02-14	
02/16	2.00	Check #0000001013	904000060018000
02/16	25.00	Wire Transfer Fee	904000060018000
02/20	25.00	Overdraft Fee For Activity Of 02-15	9541000150000500
02/20	10.00	Check #0000001015	
02/20	2.00	Wire Transfer Fee	9040000000210
02/28	0.03	Wire Transfer Fee	9040000000210
02/28	11.00	Overdraft Interest Charge	
		Monthly Maintenance Fee	

### Daily Ledger Balances

Date	Balance	Date	Balance	Date	Balance
02/01	10,514.29				
02/02	5,514.29	02/13	1,260.11-	02/20	11,032.61
02/06	2,914.29	02/14	33.55-	02/23	15,592.94
02/12	1,609.28	02/15	769.69-	02/27	15,120.78
		02/16	2,193.31	02/28	10,558.19

**NATIONNET COMMUNICATIONS CORP**  
**Income Statement**  
**for periods ended March 31, 2001**

	4 Months Ended Dec. 31, 2000	3 Months Ended Mar. 31, 2001
Revenue	337,500.00	337,500.00
Cost of sale	236,250.00	236,250.00
Gross Profit	<u>101,250.00</u>	<u>101,250.00</u>
<b>Operating Expenses:</b>		
Bank Charges	37.50	37.50
Commissions	27,000.00	27,000.00
Equipment Rental	0.00	0.00
Interest	0.00	0.00
Legal	0.00	0.00
Printing	3,850.00	3,850.00
Office Expense	0.00	0.00
Origination Fee	20,207.00	20,207.00
Rent	1,950.00	1,950.00
Repairs and Maintenance	0.00	0.00
Salaries - Officers	0.00	0.00
Salaries and Wages	0.00	0.00
Taxes - Payroll	0.00	0.00
Taxes - Other	0.00	0.00
Telephone	0.00	0.00
Termination Fee	18,453.50	18,453.50
Travel	975.00	975.00
Utilities	225.00	225.00
Total Expenses	<u>72,698.00</u>	<u>72,698.00</u>
Operating Income	<u>28,552.00</u>	<u>28,552.00</u>
Net Income (Loss)	<u>(\$4,342.00)</u>	<u>(\$4,342.00)</u>

NATIONNET COMMUNICATIONS CORP  
Income Statement  
For the Period Ended August 31, 2000

	8 Months Ended Aug. 31, 2000	Pct	8 Months Ended Aug. 31, 2000	Pct
Revenue				
Cost of Sales				
Supplies	3,080.00	0.00	3,080.00	0.00
TOOLS & SUPPLIES	<u>222.55</u>	<u>0.00</u>	<u>222.55</u>	<u>0.00</u>
Total Cost of Sales	<u>3,302.55</u>	<u>0.00</u>	<u>3,302.55</u>	<u>0.00</u>
Gross Profit	(3,302.55)	0.00	(3,302.55)	0.00
Operating Expenses				
Accounting	325.00	0.00	325.00	0.00
Bank Charges	16.50	0.00	16.50	0.00
Commissions	8.00	0.00	8.00	0.00
Equipment Rental	3,548.56	0.00	3,548.56	0.00
Interest	631.56	0.00	631.56	0.00
Legal	59,104.03	0.00	59,104.03	0.00
Office Expense	159.40	0.00	159.40	0.00
Rent	19,695.00	0.00	19,695.00	0.00
Repairs and Maintenance	2,134.70	0.00	2,134.70	0.00
Salaries - Officers	2,000.00	0.00	2,000.00	0.00
Salaries and Wages	2,889.24	0.00	2,889.24	0.00
Taxes - Payroll	244.13	0.00	244.13	0.00
Taxes - Other	1,218.50	0.00	1,218.50	0.00
Telephone	8,115.92	0.00	8,115.92	0.00
Travel	17,886.54	0.00	17,886.54	0.00
Utilities	328.55	0.00	328.55	0.00
Warehouse Expense	<u>569.40</u>	<u>0.00</u>	<u>569.40</u>	<u>0.00</u>
Total Expenses	<u>118,875.03</u>	<u>0.00</u>	<u>118,875.03</u>	<u>0.00</u>
Operating Income	<u>(122,177.58)</u>	<u>0.00</u>	<u>(122,177.58)</u>	<u>0.00</u>
Net Income (Loss) \$	<u>(122,177.58)</u>	<u>0.00</u>	<u>(122,177.58)</u>	<u>0.00</u>

See Accompanying Accountant's Compilation Report

**NATIONET COMMUNICATIONS CORP**  
**Statement of Cash Flows**  
**For the Period of December 31, 2000**  
**Increase (Decrease) in Cash or Cash Equivalents**

8 Months Ended  
December 31, 2000

<b>Cash Flow from operating Activities</b>	
Net Income (Loss)	(122,177.58)
<b>Adjustments to Reconcile Cash Flow</b>	
<b>Decrease (Increase) in Current Assets</b>	
Notes Receivable Ralph Monroe and Amy Marcella	(100,000.00)
Start Up Expenses	(33,097.04)
RALPH MONROE EXPENSE	(1,987.27)
<b>Increase (Decrease) in Current Liabilities</b>	
Notes Payable to Ralph Monroe and Amy Marcella	309,500.00
Federal Withholding Payable	604.80
FICA Tax Payable	442.04
State Unemployment Payable	<u>23.11</u>
<b>Total Adjustments</b>	<b>175,485.64</b>
<b>Cash Provided (Used) by Operations</b>	<b>53,308.06</b>
<b>Cash Flow Investing Activities</b>	
<b>Sales (Purchases) of Assets</b>	
Office Equipment	(10,227.83)
Equipment and Tools	(147,080.71)
<b>Cash Provided (Used) by Investing</b>	<b>(157,308.54)</b>
<b>Cash Flow From Financing Activities</b>	
<b>Cash (Used) or provided by:</b>	
Demand Note Payable	36,290.42
Common Stock	1,000.00
Paid in Surplus	<u>100,000.00</u>
<b>Cash Provided (Used) by Financing</b>	<b><u>137,290.42</u></b>
<b>Net Increase (Decrease) in Cash</b>	<b>33,289.94</b>
<b>Cash at End of Period</b>	<b>33,289.94</b>

8 Months Ended  
December 31, 2000

(122,177.58)

(100,000.00)  
(33,097.04)  
(1,987.27)

309,500.00  
604.80  
442.04  
23.11

175,485.64

53,308.06

(10,227.83)  
(147,080.70)

(157,308.53)

36,290.42  
1,000.00  
100,000.00

137,290.42

33,289.94

33,289.94

NATIONNET COMMUNICATIONS CORP  
Income Statement  
For the Period Ended December 31, 2000

	<u>8 Months Ended</u> <u>December 31, 2000</u>	<u>Pct</u>	<u>8 Months Ended</u> <u>December 31, 2000</u>
Revenue			
Cost of Sales			
Supplies	3,080.00	0.00%	3,080.00
TOOLS & SUPPLIES	222.55	0.00%	222.55
Total Cost of Sales	3,302.55	0.00%	3,302.55
Gross Profit	(3,302.55)	0.00%	(3,302.55)
Operating Expenses			
Accounting	325.00	0.00%	325.00
Bank Charges	16.50	0.00%	16.50
Commissions	8.00	0.00%	8.00
Equipment Rental	3,548.56	0.00%	3,548.56
Interest	631.56	0.00%	631.56
Legal	59,104.03	0.00%	59,104.03
Office Expense	159.40	0.00%	159.40
Rent	19,695.00	0.00%	19,695.00
Repairs and Maintenance	2,134.70	0.00%	2,134.70
Salaries--Officers	2,000.00	0.00%	2,000.00
Salaries and Wages	2,889.24	0.00%	2,889.24
Taxes--Payroll	244.13	0.00%	244.13
Taxes--Other	1,218.50	0.00%	1,218.50
Telephone	8,115.92	0.00%	8,115.92
Travel	17,886.54	0.00%	17,886.54
Utilities	328.55	0.00%	328.55
Warehouse Expense	569.40	0.00%	569.40
Total Expense	118,875.03	0.00%	118,875.03
Operating Income	(122,177.58)	0.00%	(122,177.58)
Net Income (Loss)	(122,177.58)	0.00%	(122,177.58)



Pct

0.00%

0.00%

0.00%

0.00%

0.00%

0.00%

0.00%

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0.00%

0.00%

NATIONNET COMMUNICATIONS CORP.  
Balance Sheet  
December 31, 2000

LIABILITIES AND EQUITY

Current Liabilities		
Notes Payable Ralph Monroe and Amy Marcella	309,500.00	
Federal Withholding Payable	604.80	
FICA Tax Payable	442.04	
State Unemployment Payable	23.11	
Total Current Liabilities		<u>\$310,569.95</u>
Long Term Liabilities		
Demand Note Payable	36,290.42	
Total Long Term Liabilities		<u>\$36,290.42</u>
Equity		
Common Stock	1,000.00	
Paid in Surplus	100,000.00	
Current Income (Loss)	(122,177.58)	
Total Equity		<u>(\$21,177.58)</u>
Total Liabilities & Equity		<u>\$325,682.79</u>

NATIONNET COMMUNICATIONS CORP  
Balance Sheet  
December 31, 2000

ASSETS

Current Assets

Cash TRUSTMARK NATIONAL BANK	33,289.94
Notes Receivable Ralph monroe and Amy Marcella	100,000.00
Start Up Expenses	33,097.04
Account Receivable RALPH MONROE	1,987.27

Total Current Assets

Fixed Assets

Fixtures and Equipment	157,308.54
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Total Fixed Assets

Other Assets

Total Assets

\$168,374.25

\$157,308.54

\$325,682.79

**THREE-YEAR FORECAST**

6.7308

- (A) INCOME BASED ON \$0.095 CPM
- (B) PREPAID WIRELESS CARDS AT \$20.00 = 50 MIN, \$50.00 = 150 MIN, \$100.00 = 300 MIN, \$200.00 = 600MIN
- (C) THEREFORE AVERAGE CARD PRICE 1/100 MINUTES = 275 AVG MIN PER CARD.
- (D) PREPAID LD FOR \$20.00 CARD IS 284 MINUTES. IP CHARGE IS .0474 PER MINUTES X284\*1CARD PER MO.
- (E) PROMOTIONAL CARD. PREPAID LONG DISTANCE CARD TO PROMOTED OTHER PRODUCTS.
- (F) PREPAID DIAL TONE. INSTALLATION AND ONE M MONTH SERVICE BASIC PHONE SERVICE FOR CONSUMER
- (G) RECURRING CHARGES FOR PREPAID BASIC PHONE SERVICES
- (H) BUSINESS SERVICES - VIDEO CONFERENCE HIGH SPEED INTERNET DISTANCE LEARNING AND MEDICENCE TO START IN THE 3RD
- (I) CABLE SERVICES - DIRECT TV, ASP (LEASING OF SOFTWARE) SERVICES, E-COMMERCE WEB PAGES, ECT
- (J) 2 LINES PER WEEK @ \$1,500 LINE PER CUSTOMER. EXPENSES IS AVERAGE COST OF \$200.00 PER LINE.
- (K) DIAL-UP INTERNET.
- (L) POST PAID LD IS INCOME FROM FROM POST PAY CUSTOMERS. AVERAGE PER LINE \$2,500 AVERAGE

- (M) (3) BUNDLE INCLUDING LOCAL DIAL TONE, FIVE CLASS FEATURES AND HIGH SPEED INTERNET SERVICES.
- (N) OTHER CARRIER USAGE CHARGE ON OUR NETWORK \$69.95
- (O) RECIPROCAL COMPENSATION INCOME RECEIVED - LEC TERMINATING SERVICES.

**NATIONNET COMMUNICATIONS  
PROJECTED INCOME STATEMENT  
TWELVE MONTH ENDING 2002**

	APRIL	MAY	JUN	JUL	AUG.	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	TWELVE MONTH TOTAL
NET SALES	\$307,099	\$311,598	\$356,082	\$488,592	\$518,577	\$551,359	\$753,689	\$809,941	\$866,193	\$1,105,886	\$1,196,401	\$1,286,317	\$8,551,733
LESS: COST SALES	115,977	115,977	115,977	150,221	150,221	150,221	194,443	194,443	194,443	242,582	242,582	242,582	2,109,689
GROSS SALES	\$191,122	\$195,621	\$240,105	\$338,371	\$368,356	\$401,138	\$559,246	\$615,498	\$671,750	\$863,304	\$953,819	\$1,043,735	\$6,442,064
OPERATING EXPENSES	257,120	242,520	245,920	304,350	317,850	337,525	413,257	440,183	467,109	564,983	607,335	661,687	4,857,839
OTHER INCOME													
INCOME BEFORE TAXES	<u>(\$65,998)</u>	<u>(\$46,900)</u>	<u>(\$5,815)</u>	<u>\$34,021</u>	<u>\$50,506</u>	<u>\$63,613</u>	<u>\$145,990</u>	<u>\$175,315</u>	<u>\$204,641</u>	<u>\$298,321</u>	<u>\$346,484</u>	<u>\$382,047</u>	<u>\$1,584,225</u>





NAIUNNE I COMMUNICATIONS  
PROJECTED EXPENSES  
TWELVE MONTH ENDING 2002

EXPENSES	APRIL	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
ENGINEERS CONSULTANTS	500	500	500	500	500	500	500	500	500	500	500	500	6,000
NET INS HEALTH	0	0	0	0	0	0	0	0	0	0	0	0	0
ROLL TAXES	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	180,000
MANAGEMENT	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	51,840
FOR	0	0	0	0	0	0	0	0	0	0	0	0	0
NSULANTS SOFTWARE	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
RELEASES	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
CHARTERS	0	0	0	0	0	0	0	0	0	0	0	0	0
LOGGION	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
ACCOUNT	0	0	0	0	0	0	0	0	0	0	0	0	0
CONNECTION	5,400	10,800	18,200	29,700	43,200	56,700	83,625	110,552	137,478	178,890	222,182	264,534	1,180,202
PRINTING	0	0	0	0	0	0	0	0	0	0	0	0	0
NOTE 24 MO	0	0	0	0	0	0	0	0	0	0	0	0	0
PHONE FEE	0	0	0	0	0	0	0	0	0	0	0	0	0
AND COLLECTION 10%	400	400	400	400	400	400	400	400	400	400	400	400	4,800
ICE RENT	5,845	5,845	5,845	5,845	5,845	5,845	5,845	5,845	5,845	5,845	5,845	5,845	70,140
EXPENSES	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
TEL	700	700	700	700	700	700	700	700	700	700	700	700	8,400
ITY EXPENSES	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
ERTISING 3%	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	21,000
AND ACCOUNTING	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
POSTAGE, ETC	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
OMER SERVICES	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	78,720
PHONE EXP	700	700	700	700	700	700	700	700	700	700	700	700	8,400
RES AND FURNITURE	20,000	0	0	0	0	0	0	0	0	0	0	0	20,000
E (55725)	200	200	200	200	200	200	200	200	200	200	200	200	2,400
EQUIPMENT	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
NATION FEE	85,860	85,860	85,860	107,325	107,325	107,325	134,228	134,228	134,228	161,989	161,989	161,989	1,468,206
RS	85,860	85,860	85,860	107,325	107,325	107,325	134,228	134,228	134,228	161,989	161,989	161,989	1,468,206
ATING SOFTWARE	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
ERN UNION	0	0	0	0	0	0	0	0	0	0	0	0	0
LATION	0	0	0	0	0	0	0	0	0	0	0	0	0
EXPENSES	\$257,120	\$242,520	\$245,920	\$304,350	\$317,850	\$317,525	\$413,257	\$440,183	\$467,109	\$564,983	\$607,335	\$661,687	\$4,857,893



NATIONNET COMMUNICATIONS  
 PROJECTED INCOME STATEMENT  
 THIRD TWELVE MONTH ENDING 2004

	APRIL	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	TWELVE MONTH TOTAL
ES	\$1,650,868	\$1,754,088	\$1,857,308	\$1,960,528	\$2,063,747	\$2,166,967	\$2,262,102	\$2,373,407	\$2,476,616	\$2,579,926	\$2,683,146	\$2,785,766	\$26,614,479
S COST SALES	311,587	311,587	311,587	317,887	317,887	317,887	327,085	327,085	327,085	339,083	339,083	339,083	3,886,923
GROSS SALES	<u>\$1,339,282</u>	<u>\$1,442,501</u>	<u>\$1,545,721</u>	<u>\$1,642,641</u>	<u>\$1,745,861</u>	<u>\$1,849,080</u>	<u>\$1,935,017</u>	<u>\$2,046,322</u>	<u>\$2,149,531</u>	<u>\$2,240,843</u>	<u>\$2,344,063</u>	<u>\$2,446,684</u>	<u>\$22,727,556</u>
S OPERATING EXPENSES	630,892	626,877	636,062	687,597	678,852	705,939	735,503	770,567	805,630	857,662	909,695	974,927	8,131,655
OTHER INCOME													
CME BEFORE TAXES	<u>\$708,390</u>	<u>\$815,625</u>	<u>\$909,659</u>	<u>\$955,044</u>	<u>\$1,067,009</u>	<u>\$1,143,141</u>	<u>\$1,199,514</u>	<u>\$1,275,755</u>	<u>\$1,343,911</u>	<u>\$1,383,181</u>	<u>\$1,434,368</u>	<u>\$1,471,757</u>	<u>\$14,595,901</u>

NATIONNET COMMUNICATIONS  
PROJECTED EXPENSES  
THIRD TWELVE MONTH ENDING 2004

EXPENSES	APRIL	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
LABOR	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	259,200
MANAGEMENT	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	480,000
PAYROLL TAXES	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	73,200
BENEFITS-INS. HEALTH	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	4,928	54,208
ENGINEERS/CONSULTANTS	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
CONSULTANTS-HARDWARE	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
CONSULTANTS-SOFTWARE	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
WIRELESS	4,950	9,900	14,850	46,200	24,750	29,700	34,650	39,600	44,550	49,500	54,450	59,400	412,500
CO-LOCATION	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
D-Account (PREPAID)	0	0	0	0	0	0	0	0	0	0	0	0	0
D-Account (POST PAY)	5,400	10,800	16,200	29,700	43,200	56,700	81,626	110,552	137,478	179,830	222,182	264,534	1,160,202
T1-DS3 CONNECTION	180	180	180	180	180	180	180	180	180	180	180	180	2,160
T1-8 PRILINES (ELEC CHARGES)	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
T1-8 PRILINES (INSTALLATION)	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
EQUIPMENT NOTE 24 MO	0	0	0	0	0	0	0	0	0	0	0	0	0
CARD PRINTING	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
DEBT 500,000@9% 2 YR	0	0	0	0	0	0	0	0	0	0	0	0	0
PAY PHONE FEE	400	400	400	400	400	400	400	400	400	400	400	400	4,800
TAX AND COLLECTION 10%	5,845	5,845	5,845	5,845	5,845	5,845	5,845	5,845	5,845	5,845	5,845	5,845	70,140
OFFICE RENT	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
OFFICE EXPENSES	700	700	700	700	700	700	700	700	700	700	700	700	8,400
TRAVEL	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
UTILITY EXPENSES	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
ADVERTISING 3%	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
LEGAL AND ACCOUNTING	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
MISC. POSTAGE, ETC	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	78,720
CUSTOMER SERVICES	700	700	700	700	700	700	700	700	700	700	700	700	8,400
OFFICE PHONE EXP	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	16,500
PREPAID SOFTWARE SETUP FEE	10,000	0	0	0	0	0	0	0	0	0	0	0	10,000
SP FEE (55X25)	200	200	200	200	200	200	200	200	200	200	200	200	2,400
POS EQUIPMENT	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
TERMINATION FEE	214,650	214,650	214,650	214,650	214,650	214,650	214,650	214,650	214,650	214,650	214,650	214,650	2,575,800
TOTAL EXPENSES	\$630,892	\$826,877	\$887,587	\$678,852	\$705,939	\$770,587	\$903,630	\$974,927	\$909,695	\$857,662	\$974,927	\$913,655	\$9,131,655

**SWORN PRE-FILED  
TESTIMONY**

SWORN PRE-FILED TESTIMONY  
BEFORE THE  
PUBLIC SERVICE COMMISSION OF KENTUCKY

APPLICATION OF NATIONNET COMMUNICATIONS CORPORATION  
FOR A CERTIFICATE TO PROVIDE COMPETING LOCAL TELEPHONE  
SERVICES

PRE-FILED TESTIMONY OF

I, Ralph Monroe, do hereby testify as follows in support of the application of NationNet Communications Corporation for a Certificate of convenience and necessity as a competing telecommunications services provider to provide telecommunication services throughout the State of Kentucky.

Q: Please state your full name, business address, and position.

Ralph Monroe  
NationNet Communications Corporation  
35 Carriage House Drive Suite 3  
Jackson, TN 38305  
President

Q: Please briefly describe your duties.

I have overall responsibility for the company's telecommunications operations, including the development of business plans. I am the corporate officer responsible for ensuring that NationNet complies with all applicable regulations and regulatory requirements.

Q: Please describe your business experience and educational background.

A profile of my resume which shows I have been in marketing and have had majored in business and marketing at Jackson State University.

Q: Are all statements in NationNet Communications Corporation's true and correct to the best of your knowledge, information and belief?

Yes. All statements are true and correct to the best of my knowledge.

Q: Please describe the current corporate structure of NationNet Communications Corporation.

An Organizational chart of corporate structure is attached in this application.

Q: Does NationNet possess the requisite managerial, financial, and technical abilities to provide the services for which it has applied for authority?

Yes. NationNet does have the financial, managerial and technical abilities to provide services for which it has applied.

Q: Please describe NationNet's financial qualifications.

NationNet is financially able to provide service in Kentucky. As evidence of the viability of its financial status NationNet has provided a copy of its financial statements as Exhibit 2 to this application.

Q: Please describe NationNet's managerial and technical qualifications.

Profiles of key personnel are provided as Exhibit 1 to this application. As shown by these resumes, NationNet possesses sufficient managerial, technical, marketing and administrative experience to operate as a reseller within the state of Kentucky.

Q: What services will NationNet offer?

NationNet will offer resold local exchange services within the Bell South territory of Kentucky. NationNet proposes to provide a variety of telecommunications services, including 1 + direct dialing, in-bound toll free calling and travel card services. NationNet targets its marketing efforts towards residential and business customers.

NationNet's services are provided 24 hours a day, 7 days a week. Intrastate telecommunications services are offered in conjunction with NationNet's interstate service. NationNet proposes to provide originating and terminating service to prospective customers throughout the entire state of Kentucky.

Q: Will NationNet offer services to all consumers within its service area?

Yes. Nation Net intends to provide all services to all consumers within its service area.

Q: Does NationNet plan to offer local exchange telecommunications services in areas served by any incumbent local exchange telephone company with fewer than 100,000 total access lines?

Yes. NationNet does plan to offer local exchange telecommunications services in incumbent local exchange telephone companies.

Q: Will the granting of a certificate of convenience and necessity to NationNet serve the public interest?

Yes. Certification of NationNet will enhance telecommunications competition in Kentucky. Competition encourages technological innovation and efficient use of resources.

Increased competition has proven to benefit consumers by providing a wide variety of services and prices from which consumers can choose. Certification of NationNet will provide Kentucky Consumers with a wider choice of services and providers from which to select their long distance service and service provider.

Q: Does NationNet intend to comply with all Public Service Commission rules, statues, and orders pertaining to the provision of telecommunications services in Kentucky, including those for disconnection and reconnection of service?

Yes. NationNet does intend to comply with all rules and regulations of PSCK and orders pertaining to the provision of telecommunications services in Kentucky.

Q: Has any state ever denied NationNet or one of its affiliates authorization to provide intrastate service?

No. NationNet is a start up company and has never been denied authorization.

Q: Has any state ever revoked the certification of NationNet or one of its affiliates?

No. NationNet is a start up company.

Q: Has NationNet or one of its affiliates ever been investigated or sanctioned by an regulatory authority for service or billing irregularities?

No. NationNet is a start up company and has not billed any consumers.

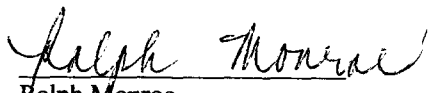
Q: Who is knowledgeable about NationNet's operations and will serve as NationNet's regulatory and customer service contact?

Ralph Monroe, President of the Company and knowledgeable about the company's operations. NationNet's toll free Customer Service telephone number is 1-888-420-7781 for billing and customer service

Q: Does this conclude your testimony?

Yes

I swear that the foregoing testimony is true and correct to the best of my knowledge.

  
Ralph Monroe  
President of NationNet  
NationNet Communications Corporation

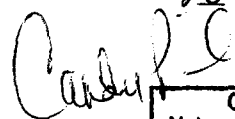
Subscribed and sworn to me this 10 day of June, 2001

Notary Public

State of

County of

My Commission expires



CANDY PARRISH  
Notary Public, Madison Co., TN  
My Comm. Expires Jan. 18, 2005