

WILLIAM D. STEINMEIER, P.C.

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65110-4595

MARY ANN YOUNG
ATTORNEY AT LAW
OF COUNSEL
(573) 634-8109
FAX (573) 634-8224

May 16, 2003

Missouri Public Service Commission
Attn: Secretary of the Commission
200 Madison Street, Suite 100
P. O. Box 360
Jefferson City, MO 65102-0360

FILED³

MAY 1 0 2003

Missouri Public
Service Commission

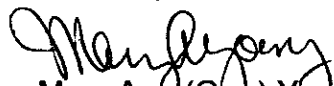
RE: Case No. _____
Metro Communications Company
Application for Authority to Provide Basic Local Exchange Telecommunications
Services

Dear Secretary:

Enclosed please find an original and five copies of the **Application for Certificate of Service Authority and For Competitive Classification** for filing with the Commission on behalf of Metro Communications Company.

Thank you for assistance in the processing this filing. Copies are being served on the Commission's General Counsel and Office of the Public Counsel. If there are any questions concerning this filing, please contact me at 634-8109 or myyoung0654@aol.com.

Sincerely,


Mary Ann (Garr) Young

Enclosures

cc: General Counsel
Office of the Public Counsel
Zachary Horn, MCC

MAY 1 8 2003

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURIMissouri Public
Service Commission

In the matter of the Application of)
 Metro Communications Company)
 for Certificate of Service Authority to Provide)
 Basic Local Exchange Telecommunications)
 Services within the State of Missouri)
 and for Competitive Classification)

Case No. _____

APPLICATION FOR CERTIFICATE OF SERVICE AUTHORITY
AND FOR COMPETITIVE CLASSIFICATION

Comes now Metro Communications Company ("MCC" or "Applicant"), by its undersigned counsel, and hereby applies pursuant to Sections 392.361, 392.410, 392.420 and 392.430, and 392.450 RSMo., the federal Telecommunications Act of 1996 and 4 CSR 240-2.060, for authority to provide basic local exchange telecommunications services within the State of Missouri and for competitive classification. In support of its application, MCC states as follows:

1. Applicant Metro Communications Company is a corporation duly organized and existing under and by virtue of the laws of the State of Missouri with its principal place of business at: 8 S. Washington Street, Sullivan Illinois 61951. The character of business performed by Applicant is telecommunications services. A copy of the MCC's Certificate of Incorporation from the Missouri Secretary of State's Office is attached hereto as Exhibit A. The Officer's Verification was not available at the time of this filing, and it will be late-filed as soon as it is available.

2. All inquiries, correspondence, communications, pleadings, notices, orders and decisions relating to this case should be addressed to:

Mary Ann (Garr) Young
 WILLIAM D. STEINMEIER, P.C.
 2031 Tower Drive, P.O. Box 104595
 Jefferson City MO 65110-4595
 Phone: 573-634-8109
 Fax: 573-634-8224
 Email: myoung0654@aol.com

With a copy to:

Zachary Horn, President
MCC Telecommunications Company
P.O. Box 555
Sullivan IL 61951
Phone: (217) 728-2827
Fax: (217) 728-2927
Email: zakhorn@starband.net

3. MCC proposes to provide basic local exchange telecommunications services on a resold or facilities based or combination basis throughout all exchanges currently served by the incumbent local exchange telecommunications company (ILEC), CenturyTel of Missouri, LLC. The Company does not intend to provide service in any "small" ILEC areas. The specific exchanges within which MCC proposes to offer service are listed in the incumbent provider's local exchange tariff and will be listed in MCC's basic local service tariff. MCC may seek authority to provide basic local service in other areas of the state in a subsequent proceeding.

4. Pursuant to this application, MCC seeks to provide all forms of business basic line service, package services, and individual optional features. Basic local exchange telecommunications services will be provided on resale and facilities basis to the extent that MCC will offer services via an unbundled network elements platform arrangement with the ILEC. Applicant will also provide operator assistance.

5. MCC possesses the technical and managerial expertise to provide the services it proposes. A description of the backgrounds of MCC management, which demonstrate the extensive experience and expertise are attached hereto and incorporated herein by reference as Exhibit B.

6. MCC also possesses the necessary financial resources to provide the services it proposes. Applicant's financial statements are attached hereto and incorporated herein by reference as Exhibit C.

7. MCC seeks classification of itself and its services as competitive pursuant to Sec. 392.361 RSMo. and 4 CSR 240-3.510(1)(A). Applicant believes that its proposed services will be subject to sufficient competition to justify a lesser degree of regulation and that granting this request will allow greater price and service options for telephone users.

8. MCC will offer basic local telecommunications service as a separate and distinct service in accordance with applicable law. MCC will give consideration to equitable access for all Missourians, regardless of where they might reside or their income, to affordable telecommunications services in MCC's proposed service areas in accordance with applicable law.

9. MCC is willing to comply with all applicable Commission rules and is willing to meet all relevant service standards, including, but not limited to billing, quality of service and tariff filing and maintenance. Consistent with the Commission's treatment of other certificated competitive basic local exchange telecommunications companies, MCC requests that the following statutes and regulations be waived for MCC and its basic local exchange service offerings:

Statutory Provisions:

Section 392.210.2
Section 392.240(I)
Section 392.270
Section 392.280
Section 392.290
Section 392.300.2
Section 392.310
Section 392.320
Section 392.330
Section 392.340

Missouri Public Service Commission Rules

4 CSR 240-3.545(2)(C)
4 CSR 240-3.550(5)(C)
4 CSR 240-10.020
4 CSR 240-30.040
4 CSR 240-33.030

10. MCC further requests a temporary waiver of 4 CSR 240-2.060(6)(C). This rule requires that an application for a certificate of service authority to provide interexchange, local exchange or basic local exchange service shall include a proposed tariff with a forty-five (45) day effective date. MCC finds it impossible at this time to develop tariffs to fully comply with this rule since MCC has not yet executed or received Commission approval of a resale or interconnection agreements with ILECs. At such time as all facts necessary for the development of such tariffs are known to MCC, it will promptly file said tariffs bearing no less than a forty-five (45) day effective date with the Commission in a manner consistent with recent Commission practice in similar cases.

11. Furthermore, Applicant agrees that its proposed basic local service tariff will specifically identify the geographic service area in which it proposes to offer basic local service and that such area will follow the exchange boundaries of the ILECs in the same area and be no smaller than an exchange. In any circumstance, Applicant will file its proposed basic local exchange telecommunications service tariff no later than 30 days after Commission approval of Applicant's interconnection and/or resale agreement.

12. Notwithstanding the provisions of Section 392.500 RSMo., as a condition of certification and competitive classification, Applicant agrees that, unless otherwise ordered by the Commission, Applicant's originating and terminating switched exchange access rates will be no greater than the lowest Commission-approved corresponding access rates in effect for each ILEC within whose service area(s) Applicant seeks authority to provide service. Additionally, pursuant to the Commission's Report and Order in Case No. TO-99-596, Applicant agrees that if the ILEC in whose service area Applicant is operating decreases its originating and/or terminating access service rates, Applicant shall file an appropriate tariff amendment to reduce its originating and/or terminating access rates within thirty (30) days of the ILEC's reduction of its originating

and/or terminating access rates in order to maintain the cap on switched exchange access rates.

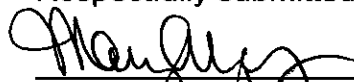
13. Applicant herein states, in accordance with 4 CSR 240-2.060(1)(K), that there are no pending actions or final unsatisfied judgments or decisions against Applicant in any state, federal agency, or court which involve customer service or rates for which action, judgment, or decision has occurred within three (3) years of the date of this Application.

14. Pursuant to 4 CSR 240-2.060(1)(L), Applicant hereby states that the Company does not have any overdue annual reports or fees owed to the Missouri Public Service Commission.

15. MCC submits that the public interest will be served by Commission approval of this application because MCC's proposed services will create and enhance competition and expand customer service options consistent with the federal Telecommunications Act of 1996 and Chapter 392 RSMo. Prompt approval of this application also will expand the availability of innovative, high quality and reliable telecommunications services within the State of Missouri.

WHEREFORE, Applicant MCC Telecommunications, Inc. respectfully requests that the Commission grant it a certificate of service authority to provide basic local exchange telecommunications services as herein requested, grant MCC competitive classification, and grant waiver of the aforesaid statutes and regulations.

Respectfully submitted,

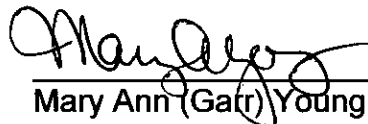


Mary Ann (Garn) Young Mo. Bar #27951
WILLIAM D. STEINMEIER, P.C.
2031 Tower Drive, P.O. Box 104595
Jefferson City MO 65110-4595
Phone: 573-634-8109
Fax: 573-634-8224
Email: myoung0654@aol.com

Attorney for Metro Communications Company

CERTIFICATE OF SERVICE

I hereby certify that a copy of this document has been hand delivered or mailed by first class mail, postage prepaid to the Office of Public Counsel and the General Counsel of the Missouri Public Service Commission on this 16th day of May 2003.



Mary Ann (Garr) Young

Metro Communications Company
Exhibit A to CLEC Certificate Application
Secretary of State Certificate

No. 00488166

STATE OF MISSOURI



Rebecca McDowell Cook
Secretary of State

CORPORATION DIVISION

CERTIFICATE OF INCORPORATION

WHEREAS, duplicate originals of Articles of Incorporation of
METRO COMMUNICATIONS COMPANY

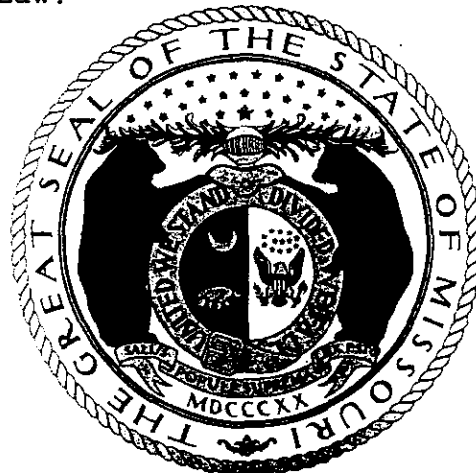
have been received and filed in the office of the Secretary of State, which Articles, in all respects, comply with the requirements of General and Business Corporation Law;

NOW, THEREFORE, I, REBECCA McDOWELL COOK, Secretary of State of the State of Missouri, by virtue of the authority vested in me by law, do hereby certify and declare this entity a body corporate, duly organized this date and that it is entitled to all rights and privileges granted corporations organized under the General and Business Corporation Law.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 20th day of SEPTEMBER, 2000.

Rebecca McDowell Cook
Secretary of State

\$58.00





State of Missouri

Rebecca McDowell Cook, Secretary of State
P.O. Box 778, Jefferson City, Mo. 65102

Corporation Division

Articles of Incorporation

(To be submitted in duplicate by an attorney or an incorporator.)

The undersigned natural person(s) of the age of eighteen years or more for the purpose of forming a corporation under The General and Business Corporation Law of Missouri adopt the following Articles of Incorporation:

Article One

The name of the corporation is Metro Communications Company

Article Two

The address, including street and number, if any, of the corporation's initial registered office in this state is
3044 Shepherd of The Hills Expw. Suite 310 , Branson, Missouri 65616

and the name of its initial agent at such address is Zachary Horn

Article Three

The aggregate number, class and par value, if any, of shares which the corporation shall have authority to issue shall be:

1,500 shares of common stock, at \$1.00 par value per share.

The preferences, qualifications, limitations, restrictions, and the special or relative rights, including convertible rights, if any, in respect to the shares of each class are as follows:

NONE

FILED AND CERTIFICATE OF
INCORPORATION ISSUED

SEP 20 2000

[Handwritten signature]
SECRETARY OF STATE

Article Four

The extent, if any, to which the preemptive right of a shareholder to acquire additional shares is limited or denied.

NONE

Article Five

The name and place of residence of each incorporator is as follows:

<i>Name</i>	<i>Street</i>	<i>City</i>
Philip K. Akalp	30141 Agoura Road, Suite 205,	Agoura Hills, California 91301

Article Six

(Designate which and complete the applicable paragraph.)

☐ The number of directors to constitute the first board of directors is _____. Thereafter the number of directors shall be fixed by, or in the manner provided by the bylaws. Any changes in the number will be reported to the Secretary of State within thirty calendar days of such change.

OR

☒ The number of directors to constitute the board of directors is One (The number of directors to constitute the board of directors must be stated herein if there are to be less than three directors. The person to constitute the first board of directors may, but need not, be named.)

Article Seven

The duration of the corporation is Perpetual

Article Eight

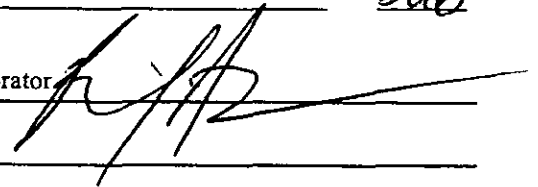
The corporation is formed for the following purposes:

Long Distance Sales all other legal acts permitted general and business corporations.

FILED AND CERTIFICATE OF
INCORPORATION ISSUED
SEP 20 2000
Philip K. Akalp, Inc.
SECRETARY

IN WITNESS WHEREOF, these Articles of Incorporation have been signed this _____ day
of _____, 2000

Philip K. Akalp, Incorporator



State of CALIFORNIA
County of LOS ANGELES I ss.

I DAVID E. McMANUS, a Notary Public, do hereby certify that
on 14TH day of SEPTEMBER, 2000, personally appeared before me
Philip K. Akalp (and _____),

who being by me first duly sworn, (severally) declared that he is (they are) the person(s) who signed the foregoing
document as incorporator(s), and that the statements therein contained are true.

(Notarial Seal)



David E. McManus
Notary Public

My commission expires OCT. 24TH 2003

My County of Commission LOS ANGELES

FILED AND CERTIFICATE OF
INCORPORATION ISSUED
SEP 22 2000
LOS ANGELES

Metro Communications Company
Exhibit B to CLEC Certificate Application
Management Biographies

304 North VanBuren Street
Sullivan, Illinois 61951

Phone 217.254.6302

Zachary Horn

Experience

2000-Present

Metro Communications Company, Inc.

President

- Maintained \$300,000 plus in revenue and reduced debt by 20% annually
- Initiated sales and marketing campaign for high-speed data products
- Increased sales for StarBand, becoming their largest partner

1994-2000

Site Management Company, Inc.

President and Founder

- Added Spectrasite, American Tower, US Cellular and Verizon as clients
- Client relations for the management of 1,000 cellular sites
- Responsible for management of personnel, finances and sales

Education

1996-2000

Saint Louis University, Saint Louis, Missouri

- Bachelor of Science in Economics
- President of Alpha Kappa Psi, Professional Business Fraternity
- Graduated Magna Cum Laude

Training

- Completed Cross Telecommunications Training course, September 2000
- Completed Qwest, MegaPath, AT&T and Savvis Product Training
- Local sales representative for Metro Communications Co. in Branson, MO
- Numerous conferences and telecommunications industry conventions

524 South Main
Sullivan, Illinois 61951

Phone 217.259.8869

Nick Grooms

Experience

2000-Present Metro Communications Company, Inc.

Vice President of Marketing

- Added \$200,000 in annual revenue since January of 2000
- Worked closely with all new clients during their transition to MCC services
- Increased sales for StarBand, becoming their largest dealer

1998-2000 Site Management Company, Inc.

Sales Representative

- Added Spectrasite, Cellular ONE of Illinois and Verizon as clients
- Created and delivered numerous presentations on Site Management's services
- Initiated campaign to expand services to the Electric and Gas industry

1997-1998 Excel Communications

Independent Sales Representative

- Grew revenue from \$0-\$20,000 in less than one year
- Recognized for "Superior Sales Growth"
- Received basic training on telecommunications and networking

Education

1996-1998 Lake Land College

- Associates Degree, Management Information Systems
- President of Computer Science Club

Training

- Completed Cross Telecommunications Training course, September 2000
- 12 hours towards Bachelors in Telecommunications, Eastern Illinois University
- Completed Qwest, MegaPath, AT&T and Savvis Product Training

1021 East Jackson Street
Sullivan, Illinois 61951

Phone 217.728.7049

Marjorie Davis

Experience

2000 - Present Metro Communications Company, Inc.

Manager of Customer Care

- Directs all aspects of customer care including conversion and retention
- Repeatedly achieved goal of reducing attrition rate to less than 5% annually
- Responsible for satellite Internet and high-speed data service order provisioning

1994 - 2001 Site Management Company, Inc.

Financial Manager

- Managed accounts receivable, payable and cash flow for a growing business
- Developed budgets to manage cash for a seasonal enterprise
- Implemented credit checking system resulting in zero bad debt 3 years running

1982 - 1995 Camazi Corporation

Office Manager

- Managed all aspects of accounting and financial management for insurance firm
- Responsible for customer satisfaction, new order and claim processing
- Negotiated with vendors to keep overhead to a minimum

Education

1968 - 1969 Lake Land College, Mattoon, Illinois

- Associates Degree, Applied Science

1969 - 1971 Eastern Illinois University, Charleston, Illinois

- Bachelor of Science Degree, Education

Training

- Completed order provisioning training for: AT&T, WorldCom, Sprint, SBC, Qwest and StarBand

1412 South 14th Avenue
Mattoon, Illinois 69138

Phone 217.280.0138

Nick Hess

Experience

2001-Present

Metro Communications Company, Inc.

Programmer

- Designed software to streamline sales and customer relations processes
- Increased web based marketing and web sales conversion rate every month
- Responsible for managing telecom pricing database containing 10,000 records

2000-Present

Lake Land College

Programmer

- Created back end management tool to manage growing on-line course offerings
- Designed trouble ticket manager to increase efficiency of I.T. trouble reporting
- Managed a number of applications used internally by I.T. help desk staff

Education

1997-2000

Lake Land College, Mattoon, Illinois

- Associates Degree, Computer and Information Technologies
- 12 Hours towards a Bachelors Degree in Computer Science

Training

- Completed Cross Telecommunications Training course, September 2001
- Microsoft Certified
- Cisco Certified

1792 Rustic Acres Road
Kirbyville, Missouri 65679

Phone 417.337.1295

Bob Booth

Experience

1992 – Present The Telephone Booth / Metro Communications Co.

PBX / Key System Technician

- Responsible for all aspects of business including sales, service and finance
- Maintain customer phone and data networks for 80 companies in Branson area
- Experienced in cabling and programming for popular voice/data networks

1990 -1991 Long Distance Discount Service - LDDS

Switch Technician

- Lead switch technician for Harrison, Arkansas long distance switch
- Provisioned new accounts routed through LDDS's Harrison network
- Supervised Field Technicians responsible for installation of customer equipment

1988 -1990 EconoCall

Field Technician

- Programmed and installed various call routing devices at customer locations
- Tested local and long distance circuits required to deliver service to end users
- Assisted Lead Switch Technician in Springfield, Missouri switch maintenance

Education

1977 – 1981 Branson Missouri High School

1981 – 1983 N.A.D.C Technical College

Training

- Certified to install and service: Mitel, Hitachi, Nortel and Comdial systems

Metro Communications Company
Exhibit C to CLEC Certificate Application
Financial Statements

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05/05/03
Cash Basis

METRO COMMUNICATIONS CO

Profit & Loss

January through December 2002

	Jan - Dec 02
Ordinary Income/Expense	
Income	
Starband Installs	599.98
Commissions - Bandwidth	2,222.39
DirecWay Sales	299.97
Commissions - StarBand	1,714.98
StarBand Sales	59,671.26
Shipping & Handling Income	105.00
Commissions - TBI	20,218.78
Commissions - Qwest DSL	118,064.36
Commissions - TMC	5,447.98
Commissions - OSC	122,055.27
Commissions - Other	5,082.49
Interest Income	752.78
Total Income	336,235.24
Cost of Goods Sold	
Starband Equipment	51,316.14
Commissions Paid	15,635.93
Shipping & Handling	289.49
Total COGS	67,241.56
Gross Profit	268,993.68
Expense	
Web Development	411.45
NationwideDSL	1,694.85
Satellite Internet	
Starband Installs	6,753.00
Starband Shipping	4,575.52
Marketing	8,414.88
Satellite Internet Bank Fees	7,313.22
Satellite Internet - Other	1,164.90
Total Satellite Internet	28,221.52
Office Renovation	19,680.06
Donations	400.00
Bandwidth Resource	10,224.51
Qwest DSL Marketing	
Telemarketing	2,266.00
Qwest DSL Marketing - Other	36,952.86
Total Qwest DSL Marketing	39,218.86
Commissions to Agents	30,205.89
Marketing	10.00
Uncategorized Expenses	956.25
Automobile Maint	305.50
Bank Service Charges	1,282.01
Contract Labor	90.00
Dues and Subscriptions	759.95
Insurance	2,914.00
Interest Expense	
Loan Interest	5,281.85
Interest Expense - Other	1,822.45
Total Interest Expense	7,104.30
Licenses and Permits	90.00
Miscellaneous	100.00
Office Supplies & Expense	3,772.44

9:08 PM

05/05/03

Cash Basis

METRO COMMUNICATIONS CO
Profit & Loss
January through December 2002

	Jan - Dec 02
Payroll taxes	
Medicare	159.50
Federal Withholding	682.00
Federal Unemployment	85.80
Social Security/Medicare	399.75
State Unemployment	255.56
Total Payroll taxes	1,582.61
Postage	134.82
Professional Fees	
Accounting	1,250.00
Legal Fees	675.00
Total Professional Fees	1,925.00
Rent	820.00
Seminars & Training	10.70
Service - General	40.00
Telephone	11,547.85
Travel & Ent	
Fuel	2,859.95
Lodging	621.88
Meals	1,728.29
Travel & Ent - Other	1,628.19
Total Travel & Ent	6,838.31
Utilities	1,336.52
Wage Expense	20,806.05
Total Expense	192,483.45
Net Ordinary Income	76,510.23
Net Income	76,510.23

9:09 PM
05/05/03
Cash Basis

METRO COMMUNICATIONS CO
Balance Sheet
As of December 31, 2002

	Dec 31, 02
ASSETS	
Current Assets	
Checking/Savings	
FNB - Money Market	60,708.17
FNB - Checking	19,780.06
Firstar - Checking	5,694.74
Total Checking/Savings	86,182.97
Other Current Assets	
Inventory Asset	6,307.29
Total Other Current Assets	6,307.29
Total Current Assets	92,490.26
Fixed Assets	
Goodwill	436,517.00
Total Fixed Assets	436,517.00
TOTAL ASSETS	529,007.26
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	50.00
Total Accounts Payable	50.00
Other Current Liabilities	
Payroll Liabilities	
Federal Withholding	292.00
Soc Sec/Medicare	470.40
Federal Unemployment	24.59
Payroll Liabilities - Other	9.91
Total Payroll Liabilities	796.90
Total Other Current Liabilities	796.90
Total Current Liabilities	846.90
Long Term Liabilities	
Note Payable - First National	109,761.80
Total Long Term Liabilities	109,761.80
Total Liabilities	110,608.70
Equity	
Initial Investment	174,517.00
Opening Bal Equity	43,465.31
Income Tax Payments	-35,052.00
Retained Earnings	170,551.86
Net Income	64,916.39
Total Equity	418,398.56
TOTAL LIABILITIES & EQUITY	529,007.26

Operating Month's August-03
REVENUES

Local Phone Service

Total Customer Lines	60
Total Local Phone Service Revenue	\$ 1,800.00
CABS	\$ 1,350.00
Gross Local Services Revenue	\$ 3,150.00

Based on adding 60 initially, 20 per month for the next year to total 300 in the first year
Average monthly charge for local service per line \$30.00
Assumed monthly CABS revenue per line \$22.50

Operator Services

Total Operator Service Accounts	80
Average Revenue per Account	\$ 100.00
Gross Operator Services Revenue	\$ 8,000.00

Total Accounts held constant over the prior 18 months
Based on 1% per month decline in Operator Services and 1% per month attrition

Long Distance

Total Long Distance Accounts	120
Average Revenue Per Account	\$ 125.00
Average Percentage Paid to MCC	15%
Total Long Distance Revenue	\$ 2,250.00

Total Number of Business Long Distance accounts
Average Usage Revenue per Long Distance customer
Average Commission Paid per account
Total Commissions received for Long Distance usage

Dedicated Data Revenue - Commission Model

Total Monthly Billed Revenue	\$22,000.00
Average Percentage Received	15%
Total Dedicated Data Revenue	\$3,300.00

Total billed revenue for T1, T3, Frame Relay and DSL services sold through July 2003
Average commission paid to MCC from data service provider
Total monthly revenue received from the sale of dedicated data

Satellite Internet Revenue - Commission Model

Total Monthly Billed Revenue	\$22,000.00
Percentage of Revenue Received	20%
Total Satellite Internet Commission	\$4,400.00
Gross Revenue from Equipment	\$12,000.00
Total Satellite Internet Revenue	\$16,400.00

Total billed revenue for StarBand satellite Internet service for 350 customers
Standard commission paid to MCC from StarBand
Total commission paid to MCC from StarBand
Gross revenue from the sale of StarBand equipment to new customers - 24 x \$500

TOTAL REVENUES \$33,100.00

Total projected monthly revenue

Metro Communications Company, Inc.

Life Item Detail of Assumptions

EXPENSES

Local Service Expenses

Cost of Elements Sold	\$ 1,200.00
Billing Costs	\$ 600.00
Total Local Service Expense	\$ 1,800.00

Total cost of ports, loops and features sold to analog line and PBX trunk subscribers; average \$20/line
Total cost of customer billing (\$150) and CABS billing (\$450)

Operator Service

Cost to Wholesale O+ provider	\$ 3,200.00
Commissions Paid to Customers	\$ 480.00
Misc. Customer Service Cost	\$ 200.00
Total Operator Service Expense	\$ 3,880.00

Total of all elements required to complete Operator service calls each month
Average of 10% of Metro Communication Co.'s net O+ revenue
Average monthly cost for tent cards, PBX programming, etc.

Satellite Internet

Wholesale cost of equipment	\$ 9,000.00
Total Satellite Internet Expense	\$ 9,000.00

Cost of satellite Internet modems, transmitters and reflectors to Channel Master, StarBand, HNS

Payroll

Employees	\$ 5,500.00
Employee Benefits	\$ 200.00
Total Payroll Expense	\$ 5,700.00

Projected monthly cost for 2 executives at \$2,000 ea. and one part time customer representative at \$800; one part time programmer
Health Insurance for two executives

Marketing

Dedicated Data Advertising	\$ 500.00
Satellite Internet Advertising	\$ 1,000.00
Branson Marketing	\$ 500.00
Total Marketing	\$ 2,000.00

Cost of web based marketing for T1, T3, Frame Relay and Businesses DSL products
Cost of web based marketing for StarBand and DirecWay satellite Internet service
Projected monthly recurring to make existing Branson, MO customers aware of CLEC services

Overhead

Office Rent	\$ 300.00
Utilities	\$ 200.00
Licenses and Permits	\$ 100.00
Phone and Internet	\$ 900.00
Interest	\$ 400.00
Total Overhead	\$ 1,900.00

Current monthly rent for Sullivan, IL office
Average utilities based on the last 12 months
Monthly average for licenses and permits
Local lines and long distance \$500; \$200 business class Satellite Internet connection
Interest on First National Bank of Sullivan Note

TOTAL EXPENSES **\$24,280.00**

Total Projected Expenses

NET REVENUES **\$8,820.00**

Total projected net revenues.

CASH RESERVE **\$85,000.00**

Cash from existing operations

ADJ CASH RESERVE **\$93,820.00**

August 2003 - July 2004 ProForma Financials

Operating Month's REVENUES	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04
Telecomm Services												
New Businesses Line	0	20	20	20	20	20	20	20	20	20	20	20
Total Customer Lines	60	80	100	120	140	160	180	200	220	240	260	280
Total Local Phone Service Revenue	\$ 1,800.00	\$ 2,400.00	\$ 3,000.00	\$ 3,600.00	\$ 4,200.00	\$ 4,800.00	\$ 5,400.00	\$ 6,000.00	\$ 6,600.00	\$ 7,200.00	\$ 7,800.00	\$ 8,400.00
CABS	\$ 1,350.00	\$ 1,800.00	\$ 2,250.00	\$ 2,700.00	\$ 3,150.00	\$ 3,600.00	\$ 4,050.00	\$ 4,500.00	\$ 4,950.00	\$ 5,400.00	\$ 5,850.00	\$ 6,300.00
Gross Local Services Revenue	\$ 3,150.00	\$ 4,200.00	\$ 5,250.00	\$ 6,300.00	\$ 7,350.00	\$ 8,400.00	\$ 9,450.00	\$ 10,500.00	\$ 11,550.00	\$ 12,600.00	\$ 13,650.00	\$ 14,700.00
Operator Services												
Total Operator Service Accounts	80	80	80	80	80	80	80	80	80	80	80	80
Average Revenue per Account	\$ 100.00	\$ 98	\$ 96	\$ 94	\$ 92	\$ 90	\$ 89	\$ 87	\$ 85	\$ 83	\$ 82	\$ 80
Gross Operator Services Revenue	\$8,000.00	\$7,840.00	\$7,683.20	\$7,529.60	\$7,378.95	\$7,231.37	\$7,086.74	\$6,945.00	\$6,806.10	\$6,669.98	\$6,536.58	\$6,405.85
Long Distance												
Total Long Distance Accounts	120	120	120	120	120	120	120	120	120	120	120	120
Average Revenue Per Account	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00
Average Percentage Paid to MCC	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Total Long Distance Revenue	\$2,250.00	\$2,250.00	\$2,250.00	\$2,250.00	\$2,250.00	\$2,250.00	\$2,250.00	\$2,250.00	\$2,250.00	\$2,250.00	\$2,250.00	\$2,250.00
Dedicated Data Commission												
Total Monthly Billed Revenue	\$22,000.00	\$25,300.00	\$28,600.00	\$31,900.00	\$35,200.00	\$38,500.00	\$41,800.00	\$45,100.00	\$48,400.00	\$51,700.00	\$55,000.00	\$58,300.00
Average Percentage Paid to MCC	15%	15%	15%	15%	15%	13%	13%	13%	13%	13%	13%	13%
Total Dedicated Data Revenue	\$3,300.00	\$3,785.00	\$4,290.00	\$4,785.00	\$5,280.00	\$5,008.00	\$5,434.00	\$5,863.00	\$6,292.00	\$6,721.00	\$7,150.00	\$7,579.00
Satellite Internet Commission												
Total Monthly Billed Revenue	\$22,000.00	\$24,100.00	\$26,200.00	\$28,300.00	\$30,400.00	\$32,500.00	\$34,600.00	\$36,700.00	\$38,800.00	\$40,900.00	\$43,000.00	\$45,100.00
Percentage of Revenue Received	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Total Satellite Internet Commission	\$4,400.00	\$4,820.00	\$5,240.00	\$5,660.00	\$6,080.00	\$6,500.00	\$6,920.00	\$7,340.00	\$7,760.00	\$8,180.00	\$8,600.00	\$9,020.00
Gross Revenue from Equipment	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00
Total Satellite Internet	\$16,400.00	\$16,820.00	\$17,240.00	\$17,660.00	\$18,080.00	\$18,500.00	\$18,920.00	\$19,340.00	\$19,760.00	\$20,180.00	\$20,600.00	\$21,020.00
TOTAL REVENUES	\$33,100.00	\$34,908.00	\$36,713.20	\$38,524.54	\$40,338.95	\$41,386.37	\$43,140.74	\$44,898.00	\$46,658.10	\$48,420.98	\$50,186.58	\$51,954.85
EXPENSES												\$510,227.31
Local Service Expenses												
Cost of Elements Sold	\$ 1,200.00	\$ 1,800.00	\$ 2,000.00	\$ 2,400.00	\$ 2,800.00	\$ 3,200.00	\$ 3,600.00	\$ 4,000.00	\$ 4,400.00	\$ 4,800.00	\$ 5,200.00	\$ 5,600.00
Billing Costs	\$ 600.00	\$ 800.00	\$ 1,000.00	\$ 1,200.00	\$ 1,400.00	\$ 1,600.00	\$ 1,800.00	\$ 2,000.00	\$ 2,200.00	\$ 2,400.00	\$ 2,600.00	\$ 2,800.00
Total Local Service Expense	\$ 1,800.00	\$ 2,400.00	\$ 3,000.00	\$ 3,600.00	\$ 4,200.00	\$ 4,800.00	\$ 5,400.00	\$ 6,000.00	\$ 6,600.00	\$ 7,200.00	\$ 7,800.00	\$ 8,400.00
Operator Service												
Cost to Wholesale O+ Provider	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00
Commissions Paid to Customers	\$ 480.00	\$ 484.00	\$ 448.32	\$ 432.95	\$ 417.89	\$ 403.14	\$ 388.67	\$ 374.50	\$ 360.61	\$ 347.00	\$ 333.66	\$ 320.59
Misc. Customer Service Cost	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
Total Operator Service Expense	\$ 3,880.00	\$ 3,884.00	\$ 3,848.32	\$ 3,832.95	\$ 3,817.89	\$ 3,803.14	\$ 3,788.67	\$ 3,774.50	\$ 3,760.61	\$ 3,747.00	\$ 3,733.66	\$ 3,720.59
Satellite Internet												
Wholesale cost of equipment	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00
Total Satellite Internet	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00
Payroll												
Employees	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
Employee Benefits	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
Total Payroll	\$ 5,700.00	\$ 5,700.00	\$ 5,700.00	\$ 5,700.00	\$ 5,700.00	\$ 7,700.00	\$ 7,700.00	\$ 7,700.00	\$ 7,700.00	\$ 7,700.00	\$ 7,700.00	\$ 7,700.00
Marketing												
Dedicated Data Advertising	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00
Satellite Internet Advertising	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
Branson Marketing	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
Total Advertising	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00
Overhead												

Metro Communications Company, Inc.

August 2003 - July 2004 ProForma Financials

Office Rent	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00
Utilities	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
Licenses and Permits	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Phone and Internet	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00
Interest	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00
Total Overhead	\$ 1,900.00	\$ 1,900.00	\$ 1,900.00	\$ 1,900.00	\$ 1,900.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00
TOTAL EXPENSES	\$24,280.00	\$24,884.00	\$25,448.32	\$26,032.95	\$26,617.89	\$29,353.14	\$29,938.67	\$30,524.50	\$31,110.61	\$31,697.00	\$32,283.68	\$32,870.68	\$345,021.33
NET REVENUES	\$8,820.00	\$10,041.00	\$11,264.88	\$12,491.58	\$13,721.05	\$12,033.23	\$13,202.07	\$14,373.50	\$15,547.49	\$16,723.98	\$17,902.92	\$19,084.27	
CASH RESERVE	\$ 85,000.00	\$93,820.00	\$103,861.00	\$115,125.88	\$127,617.46	\$141,338.51	\$153,371.74	\$166,573.81	\$180,947.31	\$196,494.81	\$213,218.79	\$231,121.71	\$231,121.71
ADJ CASH RESERVE	\$93,820.00	\$103,861.00	\$115,125.88	\$127,617.46	\$141,338.51	\$153,371.74	\$166,573.81	\$180,947.31	\$196,494.81	\$213,218.79	\$231,121.71	\$250,205.98	

Total Revenues \$510,227.31
Total Expenses \$345,021.33

08/01/2003 -07/31/2003 Net Revenue \$165,205.98

Notes:

- 1) Payroll expense increased by \$1,000 monthly on January of 2004 based on need for full time customer representative
- 2) Monthly expenses are primarily marketing and sales based and can be increased or decreased based on market conditions (we have the cash to meet 4 months of expenses by reducing marketing and sales expense)
- 3) All above numbers are conservative estimates of current performance continuing for the next 14 months

CASH FLOW	Projected Totals
Revenue	\$510,227
Expenses	\$345,021
Net Revenue	\$165,206
Cash Flows Provided By Operations	\$165,206
Cash Provided By Investing Activities	\$0
Debt Service	(\$30,000)
Net Increase In Cash	\$135,206
Cash as of 08/01/2003	\$85,000
Cash as of 07/31/2004	\$220,206

BALANCE SHEET**ASSETS**

Cash	\$220,206
Inventory Assets	\$7,000
Goodwill	\$436,517
Total Assets	\$663,723

LIABILITIES

Payroll Liabilities	\$1,000
Long Term Liabilities - Note Payable	\$60,000
Total Liabilities	\$61,000

EQUITY

Total Equity	\$602,723
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