

**WILLIAM M. SHANSEY**

ATTORNEY AT LAW  
12451 East Englewood Road  
Ashland, Missouri 65010  
Telephone (573) 657-1438

October 25, 1999

Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, Missouri 65102

**FILED<sup>2</sup>**

OCT 26 1999

Missouri Public  
Service Commission

*TO-2000-297*

Re: Motion to Accept Late-Filed Annual Report of Max-Tel Communications Inc.

Dear Mr. Roberts,

Enclosed are an original and fourteen copies of a Motion to Accept Late-Filed Annual Report and an original 1998 Annual Report to be filed on behalf of Max-Tel Communications Inc.

Please do not hesitate to contact me if you have any questions.

Sincerely,

*William M. Shansey*

William M. Shansey, Mobar # 30675  
Attorney at Law  
12451 East Englewood Road  
Ashland, Missouri 65010  
(573) 657-1438

*CC: General Counsel's Office  
Office of Public Counsel  
Karen Adams.*

**R E C E I V E D**

OCT 25 1999

Records  
Public Service Commission

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED<sup>2</sup>

OCT 26 1999

Missouri Public  
Service Commission

In the Matter of the Motion of )  
Max-Tel Communications Inc. to Accept )  
Its Late-Filed Annual Report for 1998. )

Case No. TO 2000-297

**MOTION TO ACCEPT LATE-FILED 1998 ANNUAL REPORT**

Comes now Max-Tel Communications, Inc. ("Max-Tel" or "Movant"), by its undersigned counsel, and hereby moves this Commission to accept as late-filed its 1998 Annual Report for the following reasons.

1. Max-Tel is a reseller of prepaid basic local exchange telecommunications service, authorized by this Commission to serve customers in the state of Missouri by the granting of a certificate of service authority in its Report and Order issued on December 2, 1997 in Case No. TA-97-342.

2. In March of 1999, shortly before the due date for its 1998 Annual Report, Max-Tel lost several of its key personnel, including its operations manager, regulatory administrator and computer analyst. These personnel were essential to assembling the annual reports, specifically as they constituted the only personnel with the knowledge and ability to quickly pull reports from Max-Tel's database for accounting reports to calculate total revenues for 1998.

3. In an effort to assemble the information necessary to file its Annual Reports as expeditiously as possible, Max-Tel sent all reports in May of 1999 to an outside CPA office,

only to have them returned after three months, thus adding to the delay.

4. Max-Tel has now hired a new regulatory staff who have assembled the Annual Report for 1998. Max-Tel assures this Commission that this delay in filing its report was not intentional and that Max-Tel is taking appropriate measures with its new experienced regulatory staff to see to it that all future reports are filed in a timely manner.

WHEREFORE, Movant Max-Tel Communications Inc. respectfully requests that the Commission accept as late-filed its 1998 Annual Report as herein requested.

Respectfully submitted,

William M. Shansey  
William M. Shansey, MoBar #30673  
12451 East Englewood Road  
Ashland, Missouri 65010  
(573) 657-1438

ATTORNEY FOR MOVANT  
MAX-TEL COMMUNICATIONS INC.

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing Motion of Max-Tel Communications, Inc. was served upon the following persons by depositing a true copy thereof in the United States Mail, postage prepaid, or by hand delivery, this 15 day of October, 1999.

William M. Shansey

General Counsel's Office  
Missouri Public Service Commission  
P.O.Box 360  
Jefferson City, Missouri 65102

Martha Hogarty, Esq.  
Public Counsel  
P.O. Box 7800  
Jefferson City, Missouri 65102

**PAX-TEL COMMUNICATIONS, INC.**

(Full Company Name as certificated)

**12 MONTHS ENDED    DECEMBER 31    1998**

**ALTERNATIVE BASIC  
LOCAL EXCHANGE CARRIER  
(ABLEC)**

**FILED**

**OCT 26 1999**

**Missouri Public  
Service Commission**

**ANNUAL REPORT**

**TO THE**

**MISSOURI PUBLIC SERVICE COMMISSION**

Annual Report of MAX-TEL COMM, INC. for the year ended 1998  
(Full Company Name)

1. State in full the exact 'certificated' name of the Company:

MAX-TEL COMMUNICATIONS, INC.

2. State in full the exact mailing address of the Company:

P.O. BOX 280

ALVORD, TEXAS 76225

3. State in full the exact street address of the Company:

105 N. WICKHAM

ALVORD, TX 76225

4. State in full the name, telephone number and street address of the individual to contact concerning information contained in this report:

DAVID SIGSBEE (940) 427-8067

105 N. WICKHAM

ALVORD, TX 76225

5. State in full the name, telephone number, and street address of the individual to contact concerning this company's local exchange operations:

CRAIG BOLIN - VICE PRESIDENT (940) 427-2922

105 N. WICKHAM

ALVORD, TX 76225

6. State the location (street address) where the principal books and records are kept:

MAX-TEL COMMUNICATIONS, INC. ADMINISTRATION DEPT.

103 N. WICKHAM

ALVORD, TX 76225

7. This Company is a (circle one):

Corporation Partnership Proprietorship Other (explain) \_\_\_\_\_

8. Under the laws of what state is this Company organized:

TEXAS



Annual Report of MAX-TEL COMM., INC. for the year ended 1998

12. Provide the following information concerning the directors of the Company:

Name of Director	Address
<u>Mark Maxey</u>	<u>5807 Ficus Ct. Arlington, TX 76017</u>
<u>Craig Bolin</u>	<u>Rt 2 CR 1480 Chico, TX 76431</u>

13. Provide the following information concerning the five largest shareholders, partners, or other owners of the Company:

Full Name of Owner	Percent Ownership
<u>Mark Anthony Maxey</u>	<u>50%</u>
<u>Carrol Craig Bolin</u>	<u>50%</u>

14. Please provide a listing of ALL corporations, business trusts, partnerships or similar organizations which are in any way related to the Company:

<u>Pager Mark, Inc. ( same owners )</u>
<u>Maxey-Bolin Real Estate Management ( same owners )</u>
<u>Maxey-Bolin Consulting Group ( same owners )</u>

15. Please provide a listing of all other business alias' in use in Missouri and/or other states during the reporting period:

<u>None</u>	<u>N/A</u>
-------------	------------

16. Please provide an informational discussion below that includes "Management Discussion and Analysis" as related to your financial statements provided in response to questions 17-19. This discussion should include a description of ALL extraordinary items which affected the total company ABLEC operations during the past year. In addition, for company operations affecting Missouri, please include a listing of all consolidations, reorganizations, major plant changes and lawsuits.

NATURE OF BUSINESS: Max-Tel is a closely held Texas Corporation offering telecommunication services to customers in several states by directly contracting with various incumbent providers.

The company distributes its billings in advance, therefore the collection of receivables are constant and reliable.

PROPERTY & EQUIPMENT: Fixed assets are carried at cost. All depreciation is calculated using the straight-line method for financial reporting purposes at rates based on the following estimated useful lives: Bldg. - 30yrs, Office Equip. - 7 yrs Furn/Fixtures - 7yrs, Comp. Equip. - 5yrs. Max-Tel owns no property within the state of Missouri, nor maintains any employment or offices within the state of Missouri.

TAXES: For Federal income tax purposes, depreciation will be computed using the modified accelerated cost recovery system. Expenses for major renewals and betterments that extend the useful lives are capitalized. Expenditures for maintenance and repair are charged to expense as incurred.

SHAREHOLDERS: As of December 31, 1998, the number of authorized shares of common stock is 100,000 with a par value of \$1.

Notes Receivable consists of a Note Payable from shareholders and is payable on demand at 10% interest.

MISSOURI OPERATIONS: There have been no consolidations, major plant changes, reorganizations or lawsuits affecting Missouri operations.

Annual Report of MAX-TEL COMM., INC. for the year ended 1998

17. Please provide the following information concerning company operations:

	<u>ASSETS</u>	TOTAL COMPANY	MISSOURI ONLY*
ABLEC Plant in Service		\$ <u>85,341</u>	\$ <u>-0-</u>
Depreciation Reserve		\$ <u>-0-</u>	\$ <u>-0-</u>
Net ABLEC Plant		\$ <u>85,341</u>	\$ <u>-0-</u>
Other Telecommunications Company Assets (Net)		\$ <u>393,713</u>	\$ <u>-0-</u>
Other Fixed Assets (Net)		\$ <u>263,001</u>	\$ <u>-0-</u>
Cash and Other Working Funds		\$ <u>(14,598)</u>	\$ <u>-0-</u>
Other Assets		\$ <u>46,428</u>	\$ <u>-0-</u>
Total Assets		\$ <u>773,885</u>	\$ <u>-0-</u>

LIABILITIES & OWNERS EQUITY

EQUITY

Capital Stock		\$ <u>1,200</u>	\$ <u>-0-</u>
Retained Earnings		\$ <u>194,095</u>	\$ <u>-0-</u>
Proprietary Capital		\$ <u>4,400</u>	\$ <u>-0-</u>
Other Equity (explain)    *net income		\$ <u>(781,409)</u>	\$ <u>-0-</u>

LIABILITIES

Long Term Debt		\$ <u>22,004</u>	\$ <u>-0-</u>
Short Term Debt		\$ <u>84,691</u>	\$ <u>-0-</u>
Deferred Taxes		\$ <u>68,039</u>	\$ <u>-0-</u>
Other Liabilities		\$ <u>1,180,865</u>	\$ <u>-0-</u>

Total Liabilities & Owners' Equity		\$ <u>773,885</u>	\$ <u>-0-</u>
------------------------------------	--	-------------------	---------------

**\*If this amount was calculated (allocated) please provide the basis used.**

Notes to Balance Sheet (use additional sheets as necessary) \_\_\_\_\_  
Calculated on a cash basis method.

Annual Report of MAX-TEL COMM., INC. for the year ended 1998

18. Please provide the following information concerning company operations.

### INCOME STATEMENT

	Total Company	Missouri Only
Operating Revenues from ABLEC Services	\$9,418,508	\$5,363,016
Access Revenues	\$	\$
Federal USF Subsidies	\$	\$
State USF Subsidies	\$	\$
Other Revenues	\$ 660	\$
Total Revenues	\$9,419,168	\$5,363,016
Access Fees	\$ 8,368	\$
Federal USF	\$	\$
State USF	\$	\$
Lease/contract Fees Paid to LEC	\$6,676,969	\$2,182,165
Other Operation and Maintenance Expenses	\$3,023,620	\$
Depreciation Expense	\$ 79,579	\$
Operating Taxes	\$ 230,373	\$
Income Taxes	\$	\$
Interest Expense	\$ 13,508	\$
Other Expenses	\$ 168,159	\$
Total Expenses	\$10,200,576	\$2,182,165
Net Income	\$(781,408)	\$3,180,851

Notes to Income Statement (use additional sheets as necessary) \_\_\_\_\_

Reported on cash basis \_\_\_\_\_

---

---

---

---

---

---

---

---

---

---

Annual Report of MAX-TEL COMM., INC. for the year ended 1998

19. Please provide the following information concerning the company financial operations:

STATEMENT OF CASH FLOWS (Total Company)

Sources of Cash:	
Net Income	\$ <u>(781,409)</u>
from operating activities:	
Depreciation and Amortization	\$ <u>79,579</u>
Deferred Income Taxes	\$ <u>31,242</u>
Investment Tax Credit	\$ <u>-0-</u>
Changes in Assets and Liabilities:	
Receivables, net	\$ <u>216,706</u>
Inventories	\$ <u>-0-</u>
Accounts and Wages Payable	\$ <u>1,180,865</u>
Accrued Taxes	\$ <u>36,797</u>
Accrued Interest and Declared Dividends	\$ <u>-0-</u>
Other (explain) *petty cash drawer	\$ <u>2,996</u>
Other (explain)	\$ <u></u>
Other (explain)	\$ <u></u>
Net Cash Provided by Operating Activities	\$ <u>(766,776)</u>
Cash Flows From Investing:	
Additions to Utility Plant	\$ <u>240,134</u>
Additions to Other Operations	\$ <u>34,046</u>
Purchase of Other Assets	\$ <u>46,428</u>
Sale of Subsidiary Stock	\$ <u>0</u>
Investments In or Advances to Associated and Subsidiary Companies	<u>177,007</u> \$ <u></u>
Net Cash Used in Investing Activities	\$ <u>(497,615)</u>
Cash Flows From Financing:	
Dividends	\$ <u>-0-</u>
Retirement of Long-Term Debt	\$ <u>-0-</u>
Retirement of Short-Term Debt	\$ <u>-0-</u>
Repurchase of Stock	\$ <u>1,200</u>
Issuance of Long-Term Debt	\$ <u>22,004</u>
Issuance of Short-Term Debt	\$ <u>77,885</u>
Other (explain)	\$ <u>-0-</u>
Net Cash Used in Financing Activities	\$ <u>(101,089)</u>
Net Change in Cash and Cash Equivalents	\$ <u>(370,250)</u>
Cash and Cash Equivalents at the Beginning of the Year	\$ <u>355,652</u>
Cash and Cash Equivalents at the End of the Year	\$ <u>(14,598)</u>

Annual Report of MAX-TEL COMM, INC. for the year ended 1998

20. Please provide the number of Missouri access lines (by class and type of service):

	Resale	Partial Facilities Based	Facilities Based	Total by Class
Business	-0-	-0-	-0-	-0-
Residential	11,886	-0-	-0-	11,886
Total by Type	11,886	-0-	-0-	11,886

## VERIFICATION

The foregoing report must be verified by the oath of the President or chief officer of the company. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken.

## OATH

STATE OF TEXAS }  
COUNTY OF WISE } ss:

Craig Bolin makes oath and says that  
(Insert here the name of the affiant.)

he is Vice President  
(Insert here the official title of the affiant.)

of MAX-TEL COMMUNICATIONS, INC.  
(insert here the exact legal title or name of the respondent.)

that he has examined the foregoing report; that to the best of his knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from and including

January 1st, 1998, to and including December 31st, 1998

Craig Bolin  
(Signature of affiant.)

Subscribed and sworn to before me, a notary public in and for the  
State and county above named, this 5th day of October, 1999  
My commission expires December 1st, 2001

Karen J. Adams  
(Signature of officer authorized to administer oaths.)

