### NEWMAN, COMLEY & RUTH

PROFESSIONAL CORPORATION
ATTORNEYS AND COUNSELORS AT LAW
MONROE BLUFF EXECUTIVE CENTER
601 MONROE STREET, SUITE 301

P.O. BOX 537 JEFFERSON CITY, MISSOURI 65102-0537 TELEPHONE: (573) 634-2266 FACSIMILE: (573) 636-3306

April 27, 2000

The Honorable Dale Hardy Roberts Secretary/Chief Regulatory Law Judge Missouri Public Service Commission P.O. Box 360 Jefferson City, MO 65102-0360

Missouri Public Service Commission

APR 2 7 2000

Re:

ROBERT K. ANGSTEAD

CATHLEEN A. MARTIN

STEPHEN G. NEWMAN

D. GREGORY STONEBARGER

MARK W. COMLEY

JOHN A. RUTH

OnSite Access Local, LLC

Interexchange Authority

TA-2000-692

Dear Judge Roberts:

Please find enclosed for filing in the referenced matter an original and fourteen copies of an Application for Certificate of Service Authority and for Competitive Classification. Attached to the application as Exhibit 5 is a set of proposed tariffs, and I enclose the original and three copies of the tariff.

Finally, I enclose the original and fourteen copies of a Motion for Protective Order, along with the original and eight copies of Exhibit 3 to the motion, which is marked highly confidential and filed under seal. The non-proprietary version of Exhibit 3 is attached to the Application.

Please contact me if you have any questions regarding this filing. Thank you.

Very truly yours,

NEWMAN, COMLEY & RUTH P.C.

By:

Mark W. Comley

comleym@ncrpc.com

MWC:ab Enclosure

cc:

Office of Public Counsel

General Counsel's Office

Tony S. Lee

FILED

# APR 2 7 2000 BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI Missouri Public Service Commission

In the Matter of the Application of	)
ONSITE ACCESS LOCAL, LLC	) Case No. <u>TA-2000-692</u>
for a Certificate of Service Authority to	,
Provide Resold and Facilities-based	)
Intrastate Interexchange and Non-Switched	)
Local Exchange Telecommunications	)
Services in the State of Missouri and to	)
Classify Said Services as Competitive	)

# APPLICATION FOR CERTIFICATE OF SERVICE AUTHORITY AND FOR COMPETITIVE CLASSIFICATION

OnSite Access Local, LLC ("OnSite" or "Applicant"), by its undersigned counsel, hereby applies, pursuant to §§ 392.410, 392.430, 392.440, 392.450, and 392.455, RSMo. 1994; 4 CSR 240-2060(4), and the Federal Telecommunications Act of 1996 Pub. L. No. 104-104, 100 Stat. 56, approved February 8, 1996, for a Certificate of Service Authority to provide resold and facilities-based intrastate interexchange and non-switched local exchange telecommunications services in the State of Missouri. Additionally, pursuant to §§ 392.420 and 392.361, RSMo. 1994 OnSite requests that said services be classified as competitive and to waive certain statutes and regulations. In support of its application, OnSite provides the following information.

### I. INTRODUCTION

1. Applicant's legal name is OnSite Access Local, LLC. OnSite maintains its principal place of business at:

OnSite Access Local, LLC 1372 Broadway, Second Floor New York, New York 10018 Telephone: (212) 324-1500 Facsimile: (212) 324-1550

2. Correspondence or communications pertaining to this application should be directed

to:

Mark W. Comley Newman, Comley & Ruth, P.C. 601 Monroe Street, Suite 301 P.O. Box 537 Jefferson City, Missouri 65102 Telephone: (573) 634-2266

Facsimile: (573) 636-3306

and

Russell M. Blau
Tony S. Lee
Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
Telephone: (202) 424-7798
Facsimile: (202) 424-7645

### with a copy to:

Brian M. Benz Senior Vice President, Finance OnSite Access Local, LLC 1372 Broadway, Second Floor New York, New York 10018 Telephone: (212) 324-1500 Facsimile: (212) 324-1550

- 3. Questions concerning the ongoing operations of OnSite following certification should
- 4. Applicant's registered agent in the State of Missouri is:

CT Corporation System

be directed to Mr. Brian M. Benz as provided above.

120 South Central Ave., Suite 400 Clayton, MO 63105 Telephone: (314) 863-5545

5. The following toll free number is available for customer service inquiries: 1-800-362-4672

### II. QUALIFICATIONS

- 6. OnSite, a limited liability company organized under the laws of New York on February 7, 1997, is a wholly-owned subsidiary of OnSite Access, Inc., a Delaware holding company. As of January 3, 2000, OnSite is authorized to transact business in the State of Missouri. OnSite's Articles of Organization and a copy of its Certificate of Authority to Transact Business in Missouri are attached hereto as Exhibit 1 and Exhibit 2, respectively.
- 7. OnSite is financially qualified to provide resold and facilities-based intrastate interexchange and local exchange telecommunications services in the State of Missouri. Through its parent company, OnSite has access to the financing and capital necessary to conduct the telecommunications services as specified in this application. OnSite will rely upon its existing personnel and resources, both technological and financial, to provide intrastate telecommunications services. In support of OnSite's application, attached hereto as Exhibit 3, under seal and subject to a request for confidential treatment, is a copy of the most recent financial statement for OnSite's parent company, OnSite Access, Inc.<sup>1</sup>

The submitted financial documents include the predecessor entities of OnSite Access, Inc., as follows: the parent company was originally formed on July 5, 1996, under the name Veritech Ventures LLC. Effective May 18, 1998, the parent company was reorganized under the name OnSite Ventures LLC (see 1998 financial statements, note 1). On June 30, 1999, OnSite Ventures LLC was merged into a newly formed corporation under the name OnSite Access, Inc. (id., note 9).

- 8. OnSite has the managerial and technical qualifications to provide intrastate telecommunications services in Missouri. OnSite's management team has considerable experience in network operations, financial analysis/accounting, marketing, sales, customer service, training, regulatory, and other relevant areas. Attached hereto as Exhibit 4 is a description of the telecommunications experience and expertise of OnSite's key management personnel. As the biographical information of OnSite's key personnel reflects, these individuals have substantial experience in running major telecommunications operations. Each member of OnSite's management team will draw upon his or her own experience, as well as the collective experience of the entire management team, to ensure that OnSite is managed and operated effectively, efficiently, and profitably. Exhibit 3 describes the technical and managerial experience of OnSite's personnel in greater detail.
- 9. Applicant is currently authorized to provide competitive local exchange telecommunications services in the following states: California, Connecticut, District of Columbia, Illinois, Massachusetts, New Jersey, and New York. Applicant has a pending application to provide competitive local exchange telecommunications services in Florida, Georgia, Maryland, Minnesota, Oregon, Pennsylvania, and Virginia. In addition, OnSite is currently authorized to provide resold intrastate interexchange telecommunications services, by virtue of certification, registration or tariff requirements, or on an unregulated basis, in California, Colorado, Connecticut, Illinois, Iowa, Montana, Massachusetts, New Jersey, New York, Utah, and Virginia. Applicant has pending applications to provide such service in Florida, Georgia, Maryland, Minnesota, North Carolina, Oregon and Pennsylvania. As a non-dominant common carrier, OnSite is not required to hold Federal Communications Commission authorization to provide domestic interstate

telecommunications services. Furthermore, Applicant has never been denied any request for authority to provide telecommunications services.

### III. PROPOSED SERVICES

- 10. OnSite proposes to provide resold and facilities-based intrastate interexchange and non-switched local exchange telecommunications services throughout the State of Missouri and, therefore, seeks statewide authorization.
- 11. OnSite's proposed services include operator service, all forms of 1+ intraLATA and interLATA long distance services, including 800 and calling card service, and private line services. OnSite's telecommunications services will be available on a full-time basis, 24 hours a day, seven days a week.
- 12. OnSite intends to provide the telecommunications services detailed herein over its own facilities, through the use of unbundled network elements purchased from other certified carriers, through the resale of the services of other carriers, or through some combination thereof as determined by market conditions.
- 13. OnSite will be providing its services pursuant to the terms and conditions set out in its tariffs. A proposed tariff, bearing a 45 day effective date, which contains the rules and regulations applicable to its customers and a description of services initially offered is attached as Exhibit 5.

# IV. CLASSIFICATION AS A COMPETITIVE TELECOMMUNICATIONS COMPANY AND WAIVER OF CERTAIN REGULATORY REQUIREMENTS

14. OnSite also seeks classification of its proposed telecommunications services as competitive, pursuant to Mo. Rev. Stat. §392.361, and the accompanying reduced regulation, pursuant to Mo. Rev. Stat. §392.420. Applicant respectfully requests that the Commission suspend,

waive, or modify the application of the following rules and statutory provisions consistent with the Commission's treatment of other competitive interexchange carriers:

#### **Statutes**

Section 392.210.2	~-	Uniform System of Accounts
Section 392.240(1)	_	Setting Just and Reasonable Rates
Section 392.270		Valuation of Property (Ratemaking)
Section 392.280		Depreciation Accounts
Section 392.290.1		Issuance of Stocks and Bonds
Section 392,300.2		Acquisition of Stock
Section 392.310		Stock and Debt Issuance
Section 392.320		Stock Dividend Payment
Section 392.330	~*	Issuance of Securities, Debts and Notes
Section 392.340		Reorganization(s)

### Regulations

4 CSR 240-10.020	_	Income on Depreciation Fund
		Investments
4 CSR 240-30.010(2)(C)		Posting of exchange rates at central operating
		offices
4 CSR 240-30.040		Uniform System of Accounts
4 CSR 240-33.030		Informing Customers of Lowest Priced
		Services
4 CSR 240-35		Reporting of Bypass and Customer-Specific
1		Arrangements
*·		$\boldsymbol{\varepsilon}$

15. The above-referenced statutory provisions or regulations, or previous versions thereof, have been waived with regard to other interexchange carriers in Case Nos. TO-99-0142, TO-99-259, TO-90-128, and/or Case No. TA-91-237. These statutory provisions or regulations are principally designed to apply to noncompetitive telecommunications carriers. It would be inconsistent with the goal and purpose of §392.530 to apply them to a competitive telecommunications carrier such as Applicant.

- 16. OnSite will comply with all orders and regulations of the Commission applicable to providers of competitive interexchange telecommunication services.
- 17. Applicant will not unjustly discriminate among its subscribers, as prohibited by Section 392.200 RSMo.

### V. PUBLIC INTEREST CONSIDERATIONS

Application. Applicant's proposed services will create and enhance competition and expand customer service options, consistent with the legislative goals set forth in Chapter 392 of the Missouri Revised Statutes and the Federal Telecommunications Act of 1996. Approval of this Application also will expand the availability of innovative, high quality, reliable and competitively-priced telecommunications services in the State of Missouri. Through use of Applicant's own facilities, and through access to many facilities-based carriers operating nationwide, OnSite will be able to select the most economical and efficient non-switched local exchange and interexchange services on a route-specific basis and, thus, can provide customers with a better combination of price, quality, and customer services than other carriers. Accordingly, OnSite anticipates that its proposed service will provide its subscribers with better quality services and will increase consumer choice through innovative, diversified, and reliable service and equipment offerings. Thus, grant of Applicant's petition would promote the public interest in the State of Missouri.

WHEREFORE, Applicant, OnSite, requests that the Missouri Public Service Commission grant the requested Certificate of Authority to provide non-switched local and interexchange telecommunications services in the State of Missouri, classify Applicant's proposed services as Competitive, and grant a waiver of the statutes and regulations referenced above.

Respectfully submitted,

Bv:

Mark W. Comley

Newman, Comley & Ruth, P.C. 601 Monroe Street, Suite 301

P.O. Box 537

Jefferson City, Missouri 65102 Telephone: (573) 634-2266 Facsimile: (573) 636-3306

Russell M. Blau Tony S. Lee Swidler Berlin Shereff Friedman, LLP 3000 K Street, N.W., Suite 300 Washington, D.C. 20007 Telephone: (202) 424-7798

Facsimile: (202) 424-7645

Attorneys for OnSite Access Local, LLC

### Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent by U.S. Mail, postage prepaid, or hand delivered, to Office of Public Counsel, P.O. Box 7800, Jefferson City, MO 65102, and General Counsel, P.O. Box 360, Jefferson City, MO 65102 on this day of April, 2000.

Mark W. Comley

# ATTORNEY VERIFICATION

STATE OF MISSOURI	)
	) ss.
COUNTY OF COLE	)
attorney for OnSite Access I read the above and foregoing to the best of my knowledge, the foregoing application by	Mark W. Comley
Subscribed and swori	to before me, a Notary Public, this 27th day of April, 2000.
	Ownette M. BorghardT Notary Public
My Commission expires:	Notary Public
ANNETTE M. BORGHARDT Notary Public State of Missouri Commission Expires 3/11/02 Cole County, MO	

# **EXHIBITS**

EXHIBIT 1	,	ARTICLES OF ORGANIZATION
EXHIBIT 2	·	CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS IN MISSOURI
EXHIBIT 3	; ; ;	FINANCIAL STATEMENT (Submitted under seal)
EXHIBIT 4		TECHNICAL AND MANAGERIAL QUALIFICATIONS
EXHIBIT 5		PROPOSED TARIFFS

# **EXHIBIT 1**

### ARTICLES OF ORGANIZATION

ARTICLES OF ORGANIZATION

**OF** 

ONSITE ACCESS LOCAL LLC

UNDER SECTION 203 OF THE BUSINESS CORPORATION LAW

ies / 3 31 PH '97

Jones, Day, Reavis & Pogue 599 Lexington Avenue New York, NY 10022

2

1

BILLED 970207000634

# **CT-07**

### ARTICLES OF ORGANIZATION

OF

### ONSITE ACCESS LOCAL LLC

Under Section 203 of the Limited Liability Company Law

FIRST:

The name of the limited liability company is Onsite Access Local

LLC.

SECOND:

The office of the limited liability company will be located in

Westchester County, New York.

THIRD:

The Articles of Organization are effective upon filing.

FOURTH:

The limited liability company has no specific date of dissolution.

FIFTH:

The limited liability company is to be managed by 1 or more

members.

SIXTH:

The secretary of state is designated as agent of the limited liability company upon whom process against it may be served. The post office address within or without this state to which the secretary of state shall mail a copy of any process against the limited liability company served upon him or her is: c/o C T CORPORATION

SYSTEM, 1633 Broadway, New York, New York 10019.

SEVENTH:

The name and street address within this state of the registered agent of the limited liability company upon whom and at which process against the limited liability company can be served is: c/o C T CORPORATION SYSTEM, 1633 Broadway, New York, New

York 10019.

IN WITNESS WHEREOF, this certificate has been subscribed this 7th day of February, 1996, by the undersigned who affirms that the statements made herein are true under the penalties of perjury.

SPENCER G. LEVY
Spencer G. Levy, Organizer

NYMAINUI DOC 169647\_1

# State of New York Department of State

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

Witness my hand and seal of the Department of State on

FEB 1 1 1997



Special Deputy Secretary of State

DOS-1266 (5/96)

#### FILING RECEIPT

ENTITY NAME : DNSITE ACCESS LOCAL LLC

DUCUMENT TYPE : ARTICLES OF ORGANIZATION (DOM LLC)

COUNTY: WEST

SERVICE COMPANY : CT CORPORATION SYSTEM

SERVICE CODE: 07

FI) ED: 02/07/1997 DURATION: \*\*\*\*\*\*\*

CASH #: 970207000634 FILM #: 97020706

ADDRESS FOR PROCESS ------

C/O CT CORPORATION SYSTEM 1633 BROADWAY

NEW YORK, NY 10019

RECISTERED AGENT

CT CORPORATION SYSTEM 1633 BRDADWAY NEW YORK, NY 10019

EXIST

02/07/

HIS FILING HAS AN ASSOCIATED PUBLICATION REQUIREMENT. THE NEWSPAPERS IN HICH THIS PUBLICATION IS TO BE MADE ARE DESIGNATED BY THE COUNTY CLERK OF THE COUNTY IN WHICH THE ENTITY'S OFFICE IS COCATED. CONTACT THE RESPECTIVE 'OUNTY CLERK FOR FURTHER INFORMATION.

			========	<b>n</b> = = = =
FILER	FEES	210.00	FAYMENTS	21
JONES, DAY, REAVIS & POGUE	FILING :	200.00	CASH :	
599 LEXINGTON AVENUE	TAX :	0.00	CHECK :	
	CERT :	0.00	BILLED:	21
NEW YORK. NY 10022	COFIES :	10.00		
	HANDLING:	0.00		
			REFUND:	

709-1025 (11/89)

### **EXHIBIT 2**

# CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS IN MISSOURI

STATE OF MISSOURI

# Rebecca McDowell Cook Secretary of State

CERTIFICATE OF GOOD STANDING

FOREIGN LIMITED LIABILITY COMPANY

I, REBECCA McDOWELL COOK, Secretary of State of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

ONSITE ACCESS LOCAL LLC

using in Missouri the name

ONSITE ACCESS LOCAL LLC

a NEW YORK Limited Liability Company filed its application for registration in this office on the 3rd day of JANUARY, 2000, and is in good standing having fully complied with all requirements of this office.

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

Secretary of State



# Rebecca McDowell Cook Secretary of State

MISSOUR

CERTIFICATE OF REGISTRATION FOREIGN LIMITED LIABILITY COMPANY

WHEREAS,
ONSITE ACCESS LOCAL LLC

using in Missouri the name ONSITE ACCESS LOCAL LLC

and existing under the laws of the State of NEW YORK has filed with this state its application for registration and WHEREAS this application for registration conforms to the Missouri Limited Liability Company Act;

NOW, THEREFORE, I, REBECCA McDOWELL COOK, Secretary of State, State of Missouri, by virtue of authority vested in me by law, do certify and declare that on the 3rd day of JANUARY, 2000, the above Foreign Limited Liability Company is duly authorized to transact business in the State of Missouri and is entitled to any rights granted

Limited Liability Companies.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 3rd day of JANUARY, 2000.

Secretary of State

\$105.00





Rebecca McDowell Cook, Secretary of State P.O. Box 778, Jefferson City, MO 65102 Corporation Division

# Application for Registration of a Foreign Limited Liability Company

Limited Liability Company
(Submit in duplicate with registration fee of \$105.00)

FILED
JAN 03 2000

Authorized signature (please sign and print name)

	liability company is:	SECRETARY OF STATE
OnSite Access Local LLC		
	gn limited liability company will conduct business, "L.C.", or "L.L.C.") (must be filled out if differe	in Missouri is (must contain "limited company", "limited ent from name in line (1)):
(3) The foreign limited liability comp	pany was formed under the laws of New York	on the date of (state or jurisdiction)
February 7, 1997	, and is to dissolve on Derpet	ual
		(month/date/year or event)
(4) The purpose of the foreign limite phone service provider	ed liability company or the general character of the	e business it proposes to transact in this state is:
address):		uri is (this line must be completed and include a street
Name System	tem, 120 South Central Avenue, Address	Clayton, Mo 63105  City/State/Zip
The Secretary of State is appointed ages	nt for service of process if the foreign limited liability o	S. I
registered agent constitutes grounds to (6) The address of the registered off.	cancel the registration of the foreign limited liability of	company facts to maintain a registered agent. Note: facture to maintain company.  then the principal office address of the foreign limited
registered agent constitutes grounds to	cancel the registration of the foreign limited liability of	company.
<ul><li>registered agent constitutes grounds to</li><li>(6) The address of the registered offiliability company is:</li></ul>	cancel the registration of the foreign limited liability of the in the jurisdiction organized. If none required,	company.
registered agent constitutes grounds to  (6) The address of the registered offiliability company is:  1372 Broadwa  Name	cancel the registration of the foreign limited liability of the in the jurisdiction organized. If none required, by New York, New York 10018	then the principal office address of the foreign limited  City/State/Zip
registered agent constitutes grounds to  (6) The address of the registered offiliability company is:  1372 Broadwa  Name  (7) For tax purposes, is the limited li	cancel the registration of the foreign limited liability of fice in the jurisdiction organized. If none required, by New York, New York 10018  Address	then the principal office address of the foreign limited  City/State/Zip
registered agent constitutes grounds to  (6) The address of the registered offiliability company is:  1372 Broadwa  Name  (7) For tax purposes, is the limited li	cancel the registration of the foreign limited liability of the in the jurisdiction organized. If none required, by New York, New York 10018  Address  liability company considered a corporation? ——	then the principal office address of the foreign limited  City/State/Zip

# State of New York State State

I hereby certify, that ONSITE ACCESS LOCAL LLC a NEW YORK limited liability company filed a Certificate of Articles of Organization pursuant to section 203 of the Limited Liability Company Law on 02/07/1997, and that the limited liability company is subsisting so far as shown by the records of the Department.

A Certificate of Affidavit of Publication of ONSITE ACCESS LOCAL LLC was filed on 08/01/1997.

A Certificate of Affidavit of Publication of ONSITE ACCESS LOCAL LLC was filed on 08/01/1997.

The limited liability company has filed proofs of publication under section 206 of the Limited Liability Company Law.



Witness my hand and the official seal of the Department of State at the City of Albany, this 24th day of December one thousand nine hundred and ninety-nine.

Special Deputy Secretary of State

199912270137 \* 07

# EXHIBIT 3

# FINANCIAL STATEMENT

(SUBMITTED SEPARATELY UNDER SEAL)

Year ended December 31,

# ONSITE ACCESS, INC. CONSOLIDATED STATEMENTS OF OPERATIONS

	1997	1998	1999
Revenue	*		
Operating expenses:			/
Direct costs of revenue			
Selling, general and administrative (including non-cash equity compensation of \$ * * \$ * * and \$ * *, respectively)			
Depreciation and amortization			
Total operating expenses			
Operating			/
Other income (expense): Interest expense	,		
Preferred return and other, net			
Total other income (expense)			
Provision for income taxes	/		
Accreted and deemed dividends on preferred stock		-	
* *			
Weighted average number of shares outstanding—basic and diluted			<del>*</del>

<sup>\*</sup>Denotes highly confidential material

# Consolidated Financial Statements

OnSite Ventures LLC (formerly Veritech Ventures LLC)

Years ended December 31, 1998 and 1997 with Report of Independent Auditors

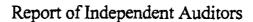
# Consolidated Financial Statements

Years ended December 31, 1998 and 1997

# **Contents**

Report of Independent Auditors	1
Consolidated Balance Sheets	2
Consolidated Statements of Operations	3
Consolidated Statements of Members' (Deficit) Equity.	
Consolidated Statements of Cash Flows	
Notes to Consolidated Financial Statements	





To the Board of Members of OnSite Ventures LLC

We have audited the accompanying consolidated balance sheets of OnSite Ventures LLC (formerly Veritech Ventures LLC) (the "Company") as of December 31, 1998 and 1997, and the related consolidated statements of operations, members' (deficit) equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of OnSite Ventures LLC (formerly Veritech Ventures LLC) at December 31, 1998 and 1997, and the consolidated results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Ernst + Young LLP

February 11, 1999, except for Note 9, as to which the date is July 1, 1999

### Consolidated Balance Sheets

December 31 1998 1997 Assets Current assets: Cash Accounts receivable, net of allowance for doubtful accounts of \$ \* \* (1998) Other current assets Total current assets Property and equipment, net Deposits Other, net Total assets Liabilities and members' (deficit) equity Current liabilities: Accounts payable and accrued expenses Current portion of capital lease obligations Total current liabilities Deferred rent Capital lease obligations \*, including Loan payable to \*. interest of \$ \* \* and \$\* \* respectively Commitments Members' (deficit) equity: Members' capital Accumulated deficit

See accompanying notes.

Total liabilities and members' (deficit) equity

# Consolidated Statements of Operations

Year ended December 31
1998
1997

### Revenue

Direct costs of revenue Selling, general and administrative Depreciation and amortization

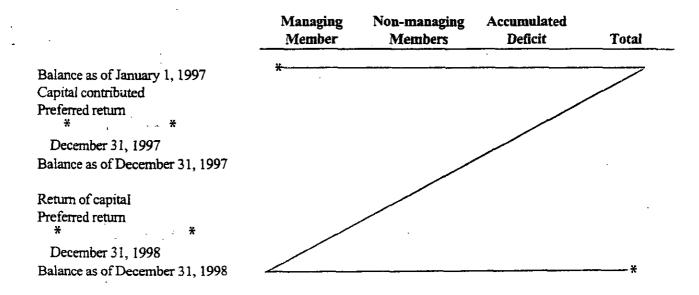
Other income (expenses): Interest expense

Interest expense
Interest income
Preferred return

See accompanying notes.

### Consolidated Statements of Members' (Deficit) Equity

Years ended December 31, 1998 and 1997



See accompanying notes.

### Consolidated Statements of Cash Flows

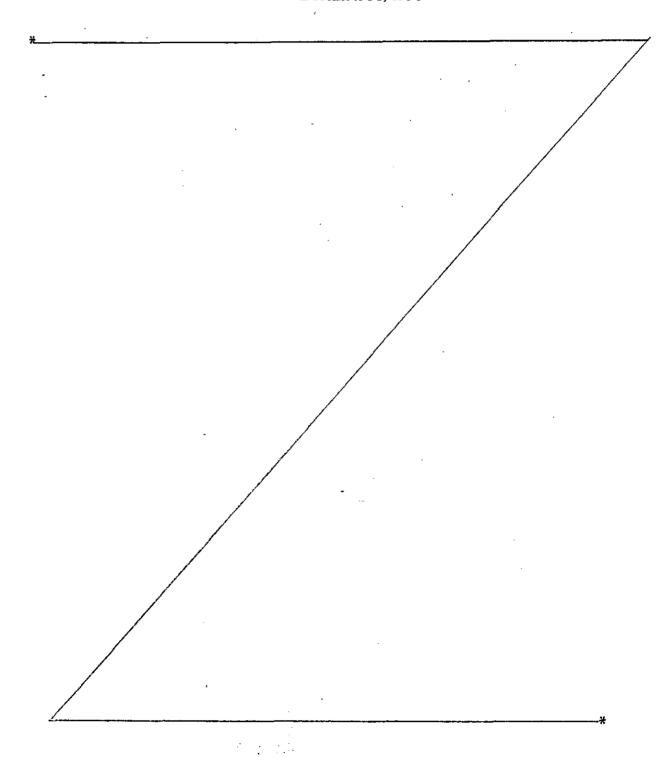
Year ended December 31 1997 Operating activities Adjustments to reconcile \* \* to net cash used in operating activities: Depreciation and amortization Allowance for doubtful accounts Deferred rent Preferred return \* : loan Interest on \* Changes in operating assets and liabilities: Accounts receivable Other current assets **Deposits** Accounts payable and accrued expenses Net cash used in operating activities Cash used in investing activities Acquisition of property and equipment Net cash used in investing activities Cash from financing activities Payment of capital lease obligation Loan from \* Members' contributions Return of capital Net cash provided by financing activities Increase in cash Cash at beginning of year Cash at end of year Supplemental disclosure of cash flow information and

See accompanying notes.

noncash investing and financing activities

# Notes to Consolidated Financial Statements

December 31, 1998



<sup>\*</sup>Denotes highly confidential material

# **EXHIBIT 4**

TECHNICAL AND MANAGERIAL QUALIFICATIONS

### TECHNICAL AND MANAGERIAL QUALIFICATIONS

### **Howard Taylor**

Chairman and Chief Executive Officer

Howard brings over 25 years of management experience in the communications and information services industries to OnSite Access. Prior to joining the company, Howard was the President and COO of WinStar Broadband Services, a provider of business-to-business integrated communications services. He has also served as President of the Custom Business Group for Southern New England Telephone (SNET), and Vice President of Marketing Multinational Accounts for MCI Communications. Howard's leadership and proven track record in building a national broadband service company will strengthen OnSite's rapid national expansion efforts and strengthen its position as the leader in providing voice, high-speed data and enhanced services to the small and medium-sized tenant business community.

### **Scott Jarus**

President and Chief Operating Officer

Scott has over 15 years of management experience in the telecommunications industry, primarily with start-up or early stage. He began his telecommunications career with a company that built one of the world's first public packet-data switching networks. He spent nine years with telecommunications giant Metromedia Communications where he held executive positions in such areas as information systems, sales and loss prevention, and ultimately served as its Vice President of Operations. He was also a co-founder and Vice President of Multimedia Medical Systems, a provider of advanced multimedia applications to the healthcare industry. Just prior to joining OnSite he served as Senior Vice President of Operations at RCN Telecom where he was responsible for directing the operations of the company's telephone, cable TV, and Internet networks. He also oversaw the customer service, order administration, and provisioning functions of the company.

### **Daren Hornig**

Founder and Executive Vice President

Daren oversees all sales and marketing functions for OnSite Access, including real estate acquisitions, sales to end users, advertising, marketing, and public relations. Additionally, he is responsible for OnSite Access' strategic planning, product development, and new market entry initiatives. Daren established OnSite Access to help commercial real estate owners equip their buildings with a state-of-the-art telecommunications and Internet infrastructure, and to provide tenants with technologically-advanced, seamless, and cost-effective voice, data, and Internet connectivity services on an ongoing basis. Daren has an extensive background in commercial real estate, tenant services, and communications technologies. He has held management positions with some of the largest commercial real estate firms in New York, including Newmark and Galbreath.

### **Brandon Knicely**

Executive Vice President and Chief Technology Officer

Brandon brings 15 years of advanced communications experience to OnSite Access. He was most recently founder and managing director of Networked Systems and Consulting Group (NSC)-a New York City-based engineering consulting company. NSC, founded in 1992, specialized in the design, management, and performance of networked systems. Prior to NSC, Brandon worked 8 years for IBM as a specialist in communications technologies and products where he was responsible for building high availability, global networks in the enterprise and service provider markets. Prior to IBM, Brandon worked for Siecor teaching optical communication technology to the RBOCs and IXC's which included fiber optic technology, installation, and acceptance testing.

#### Ken Hall

Executive Vice President and Chief Financial Officier

Prior to joining OnSite, Ken served as Senior Vice President of Finance and Operations and CFO of Qwest Internet Solutions, formed by Qwest Communications acquisition of Icon CMT Corporation. He spearheaded Icon's efforts to successfully complete an Initial Public Offering and private placement raising over \$55 million. He also directed the company's corporate finance, and negotiated mergers, acquisitions and joint ventures with leading global Internet and telecommunications companies. Before he joined Icon, Ken was CFO of Global DirectMail Corp and Vice President of Finance and Administration and served as CFO of National Football League Properties, Inc.

### **Brian Benz**

Senior Vice President, Finance

Prior to joining OnSite Access, Brian was CFO for several successful start-up companies, including Physician's Online—an Internet service provider for the medical community, Advanced Health Corporation—a provider of physician clinical information systems, and Yoyodyne Entertainment—an Internet direct marketing company. Prior to that he was an investment banker at Merrill Lynch Interfunding—a leverage buyout subsidiary of Merrill Lynch. He began his career at Deloitte & Touche and is a CPA. Brian also has an MBA from Columbia University.

#### Lou Martinez

Vice President of Operations

At OnSite Access, Lou is responsible for all network and field operations, customer service, and provisioning of data and voice resources. Prior to joining OnSite Access, Lou was the Director of Corporate Sales for the IDT Corporation-an international telecommunications company. He then became IDT's Director of Network Operations from 1995 through 1998 where he managed IDT's network and field operations, customer service, and provisioned all data resources. He also helped IDT build-out the company's DS3 national backbone infrastructure.