

Lance J.M. Steinhart

Attorney At Law
6455 East Johns Crossing
Suite 285
Duluth, Georgia 30097

Also Admitted in New York
and Maryland

Telephone: (770) 232-9200
Facsimile: (770) 232-9208

September 3, 1999

VIA FEDERAL EXPRESS

Mr. Cecil Wright
Executive Secretary
Missouri Public Service Commission
PO Box 360
Jefferson City, Missouri 65102

FILED²

SEP 7 1999

Missouri Public
Service Commission

Re: MVX.COM Communications, Inc. - LOCAL EXCHANGE

Dear Mr. Wright:

TA 2000-218

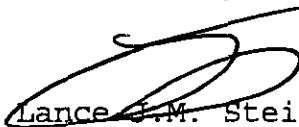
Enclosed please find one original and fourteen (14) copies of MVX.COM Communications, Inc.'s Application for Certificate of Service Authority to Provide Local Exchange Telecommunications Services Within the State of Missouri.

I have also enclosed an extra copy of this letter to be date stamped and returned to me in the enclosed, self addressed, postage prepaid envelope.

If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me.

Please note that this Application is being submitted by myself and Judith A. Rau, Esq., Missouri Counsel, Bar # 24856.

Respectfully submitted,


Lance J.M. Steinhart
GA Bar No. 678222
Attorney for MVX.COM Communications, Inc.

Enclosures

cc: Mr. Edward A. Brinskele
Office of Public Counsel

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²

SEP 7 1999

In the matter of the application
of MVX.COM Communications, Inc.
for a certificate of service authority to
provide Basic Local
Telecommunications Services
in Portions of the State of Missouri and
to Classify Such Services and the Company
as Competitive

) Missouri Public
) Service Commission
) Case No.
) TA 2000-218
)
)
)
)
)

APPLICATION

MVX.COM Communications, Inc. ("Applicant" or "MVX.COM"), a California corporation, files this verified application respectfully requesting that the Missouri Public Service Commission ("Commission") issue an order that:

- (a) grants Applicant a Certificate of Service Authority to provide Basic Local Telecommunications Services in Portions of the State of Missouri pursuant to Sections 392.455 and 392.420 -.44055 of the Revised Statutes of Missouri (RSMo) 1994 and Sections 392.410 and .450, RSMo Supp. 1996.
- (b) grants competitive status to Applicant pursuant to Section 392.361 RSMo Supp 1996.
- (c) waives certain Commission rules and statutory provisions pursuant to Section 392.420, RSMo Cummm. Supp. 1996.

In support of its request, Applicant states:

1. The legal name and principal office or place of business of the Applicant are:

MVX.COM Communications, Inc.
100 Rowland Way, Suite 145
Novato, California 94945
415-893-7180
415-893-0569

A copy of Applicant's Articles of Incorporation, and certificate of authority from the Missouri Secretary of State to transact business in Missouri are attached hereto as Exhibit I.

2. The name and address of Applicant's in-state attorney is:

Judith A. Rau, Esq.
Rau & Rau
1007 Olive Street, 5th Floor
St. Louis, Missouri 63101

3. Applicant proposes to provide basic local telecommunications service as a separate and distinct service within portions of the State of Missouri. Applicant will comply with billing, quality of service and tariff requirements of the Commission. Applicant proposes to provide resold services to prospective customers in all exchanges currently served by Southwestern Bell Telephone Company, GTE Midwest Inc., and United Telephone Company of Missouri d/b/a Sprint.

MVX.COM Communications, Inc., intends to provide all forms of intrastate local exchange telecommunications services including: (1) Basic Residential Services (Local Exchange Flat Rate, Measured Rate Service, operator access, etc.); (2) Residential Custom Calling and Class Features (call waiting, caller ID, call forwarding, etc.); (3) Basic Business Exchange Services; (4) Business Custom Calling and Class Features; (5) Adjunct Provided Features (voice messaging, etc.); and (6) Business and Residentially Ancillary Services (911, directory listing, directory assistance, etc.). MVX.COM Communications, Inc., does not intend to service areas serviced by any LECs which are eligible for a small or rural carrier exemption pursuant to Section 251 of the Federal Telecommunications Act of 1996.

MVX.COM Communications, Inc., does not intend to install any switching equipment for the provision of local exchange service in the State of Missouri. MVX.COM Communications, Inc., intends to provide service by reselling unbundled network services utilizing the facilities of the incumbent LECs.

4. Applicant has the experience in the telecommunications industry and the technical and financial resources to provide telecommunications services within Missouri. A brief description of the qualifications and experience of the key management employees is attached hereto as Exhibit II, including Edward A. Brinskele, President and CEO; Kenneth Holmes, CFO; Jeffrey G. Richards, Secretary; William Horwich, Asst. Secretary, along with a description of the Applicant's telecommunications background. A copy of Applicant's Balance Sheet for the period ended June 30, 1999, Statement of Operations for the period ended June 30, 1999, and a forecasted Income Statement for 1999 through 2000 for the Applicant's parent company, MVX.COM, is attached hereto as Exhibit III.

MVX.COM has been in the telecommunications business since 1997. MVX.COM is a leading provider of internet-based communications management services to the corporate marketplace. Since the introduction of its proprietary, web-based communications management tool, InterAct, the Company has established itself as an innovative new entrant in the rapidly-growing internet e-commerce market. InterAct delivers an unprecedented level of control over the cost of communications services while eliminating the need to deal with multiple service vendors. MVX.COM launched its sales efforts in September of 1998, and has received an overwhelmingly positive response within the California market.

MVX.COM's leading-edge service offering enables its clients to receive one bill, from one point of contact, for all communications services. Through partnerships with leading domestic and international service providers, the Company offers a comprehensive, online suite of communication products, including local, long distance, calling card, integrated services T-1 access, DSL, ISDN, frame relay, paging and cellular, as well as dial-up and dedicated internet services,. The Company's primary source of revenue is through the retail sale of services purchased at wholesale rates from each of its service providers. The Company also derives income through recurring fees associated with the management of its clients' services, location fees for usage of the InterAct system and fees for a variety of value-added services. Such services include 24x7 network monitoring, maintenance, repair dispatch, and technical support, each of which can effectively be provided through the InterAct system.

The Company's proprietary web-based InterAct system enables customers to view account information, place service orders, and break out cost accounting data specific to each business, location, department, or individual. The provision of real time information online, through both web-based and e-mail interfaces, enables the Company to limit its overhead by reducing customer dependence on personnel-based routine customer care.

The Company's ability to successfully partner with leading service providers is a core element of its strategy. In addition to Pacific Bell/Southwestern Bell, the Company has agreements in place with MCIWorldCom, Sprint, Cable & Wireless, T-Net, Star Telecom, Bell South, Level 3, Epoch Internet, CellularOne, NorthPoint Communications, Sprint PCS, AT&T Wireless, Nextel, and GTE Wireless.

The Company is currently focusing its sales efforts within the State of California, with projected expansion into other states over the course of 1999. The Company has established sales offices in Novato, Danville, Sacramento, and San Jose, California, with plans to expand to San Diego and Orange County.

The Company's direct sales force and account management team employ a mix of personnel with experience at Centex, MFS, ICG, Sprint, MCIWorldCom, and other communications service providers.

5. Applicant hereby requests a temporary waiver of 4 CSR 240-2.060 (4) (H) that requires Applicant to file a draft tariff simultaneously with this application on the grounds that it is impossible for Applicant to prepare a tariff until it has executed interconnection agreements with the incumbent LECs and those agreements have been approved by the Commission.

6. Applicant requests classification as a competitive telecommunications company within the State of Missouri and receive a lesser degree of regulation as permitted by Sections 392.361 and 392.420 RSMo. Applicant believes that its proposed services will be subject to sufficient competition to justify a lesser degree of regulation. Granting of this application will allow greater price and service options for telephone users.

7. Applicant also requests, pursuant to Section 392.420 RSMo (Cum. Supp. 1992), that the Commission waive the application of the following rules and statutory provisions as it relates to the regulation of Applicant:

Statutes

392.210.2
392.240(1) Rates-reasonable average return on investment.
392.270 Property valuation.
392.280 Depreciation rates.
392.290. Issuance of stocks and bonds.
392.300.2
392.310 Issuance of stocks and bonds.
392.320 Issuance of stocks and bonds.
392.330 Issuance of stocks and bonds.
392.340 Reorganization.

Commission Rules

4 CSR 240-10.020 Income on depreciation fund investments.
4 CSR 240-30.010(2)(C) Posting exchange rates at central offices.
4 CSR 240-30.040 (1,2,3,5,6) Uniform System of Accounts
4 CSR 240-32.030(1)(B) Exchange boundary maps.
4 CSR 240-32.030(1)(C) Record of access lines.
4 CSR 240-32.030(2) Records kept within state.
4 CSR 240-32.050(3-6) Telephone directories.
4 CSR 240-32.070(4) Coin telephones.
4 CSR 240-33.030 Inform customers of lowest priced service.
4 CSR 240-33.040 (5) Finance Charges
4 CSR 240-35

The above-referenced rules and statutory provisions have been waived to other carriers in prior cases.

8. Applicant, pursuant to Section 386.570, Cum. Supp. 1992, will comply with all applicable Commission rules except those which are specifically waived by the Commission pursuant to a request filed by the Applicant.

9. Correspondence or communications pertaining to this Application should be addressed to:

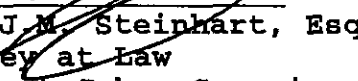
Anthony Cooke
Law Office of Lance J.M. Steinhart
6455 East Johns Crossing
Suite 285
Duluth, Georgia 30097
(770) 232-9200
(770) 232-9208 (Fax)

10. MVX.COM Communications, Inc., submits the following arguments to demonstrate that the public interest will be served by the approval of this Application:


The grant of a certificate to provide competitive basic local telecommunications services to the Applicant will serve the public interest. The Applicant's presence in the market will expand customer choice for telecommunications service. The increased competition brought by the Applicant to the market will have the effect of improving the quality of telecommunications services in Missouri and decreasing the cost of such services through increased innovation and efficiency. The result will be beneficial to economic development in Missouri. The granting of a certificate to the Applicant will contribute to the availability of reasonably affordable local exchange services in the State of Missouri.

WHEREFORE, Applicant, MVX.COM Communications, Inc., respectfully requests that the Missouri Public Service Commission grant it a certificate of service authority to provide Basic Local Telecommunications Services within portions of the State of Missouri. Applicant also requests classification as a competitive telecommunications company. In addition, Applicant requests a waiver of the above-referenced rules and statutory provisions and a temporary waiver of the tariff filing requirement.

Respectfully submitted,


Lance J. M. Steinhart, Esq.
Attorney at Law
6455 East Johns Crossing, Suite 285
Duluth, Georgia 30097
(770) 232-9200
GA Bar No. 678222

and


Judith A. Rau, Esq.
Rau & Rau
1007 Olive Street, 5th Floor
St. Louis, Missouri 63101
(314) 231-3323
MO Bar No. 24856

Attorneys for Applicant

ATTACHED EXHIBITS

- Exhibit I Missouri Secretary of State Authorization
 Articles of Incorporation
- Exhibit II Executive Officers' Qualifications and Experience
 Company's Telecommunications Background
- Exhibit III Financial Information

Exhibit I
Missouri Secretary of State Authorization
&
Articles of Incorporation

See Attached

STATE OF MISSOURI



Rebecca McDowell Cook
Secretary of State

CORPORATION DIVISION

CERTIFICATE OF CORPORATE GOOD STANDING - FOREIGN CORPORATION

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

MVX.COM COMMUNICATIONS, INC.

USING IN MISSOURI THE NAME

MVX.COM COMMUNICATIONS, INC.

A CALIFORNIA CORPORATION FILED ITS EVIDENCE OF INCORPORATION WITH THIS STATE ON THE 21ST DAY OF MAY, 1999, 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 28TH DAY OF MAY, 1999.

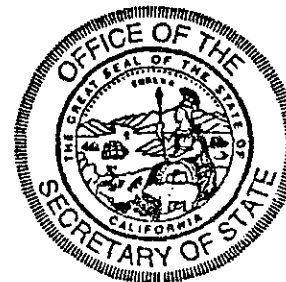
Rebecca McDowell Cook
Secretary of State



State of California

2074425

SECRETARY OF STATE



I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the attached transcript has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this

FEB 17 1999



Secretary of State

2074425

ENDORSED - FILED
IN THE OFFICE OF THE
SECRETARY OF STATE
OF THE STATE OF CALIFORNIA

**ARTICLES OF INCORPORATION
OF
MVX.COM COMMUNICATIONS, INC.**

FEB 17 1999

BILL JONES, SECRETARY OF STATE

**I.
NAME**

The name of this Corporation is MVX.COM COMMUNICATIONS, INC.

**II.
PURPOSE**

The purpose of this Corporation is to engage in any lawful act or activity for which a Corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

**III.
AGENT FOR SERVICE OF PROCESS**

The name and address in the State of California of this Corporation's initial agent for service of process is:

William E. Horwich
Wendel, Rosen, Black & Dean, LLP
1111 Broadway, 24th Floor
Oakland, California 94607

**IV.
CAPITAL STOCK**

This Corporation is authorized to issue only one class of shares of stock, and the total number of shares which this Corporation is authorized to issue is 1,000,000.

**V.
LIABILITY OF DIRECTORS**

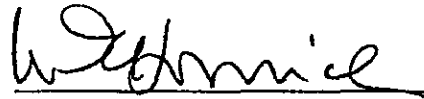
The liability of the directors of this Corporation for monetary damages shall be eliminated to the fullest extent permissible under California Law.

**VI.
INDEMNIFICATION OF AGENTS**

This Corporation is authorized to provide indemnification to its agents (as defined in

Section 317 of the California Corporations Code) through Bylaw provisions, agreements with agents, vote of shareholders or disinterested directors or otherwise, in excess of the indemnification otherwise permitted by Section 317 of the California Corporations Code, subject only to the applicable limits set forth in Section 204 of the California Corporations Code with respect to actions for breach of duty to this Corporation and its shareholders. Any repeal or modification of this Article VI shall only be prospective and shall not affect the rights under this Article VI in effect at the time of the alleged occurrence of any act or omission to act giving rise to liability or indemnification.

Date: February 17, 1999



WILLIAM E. HORWICH, Incorporator



Exhibit II
Executive Officers' Qualifications and Experience
Company's Telecommunications Background

See Attached

MANAGEMENT TEAM AND DIRECTORS**MVX Management Team and Key Personnel****Edward A. Brinskele, President, CEO, and Director**

Mr. Brinskele has more than 25 years experience in the field of telecommunications. Mr. Brinskele founded MTC Corporation in 1987, serving as the Company's Chairman, President and CEO until 1996. Through an international network of switches, MTC provided domestic and international telecommunications services to corporate and individual customers. Prior to MTC, Mr. Brinskele was instrumental in the startup of both Digital Telephone Systems, which was later sold to Harris Corporation, and Centex Telemanagement, one of the pioneering firms in the competitive local telephone market. In addition to his expertise in product development, marketing and international distribution, Mr. Brinskele has an extensive technical background in digital switching, computer telephony, information systems and Internet technology. He has designed global telecommunications networks for companies such as MCI, American Express and a host of other multinational corporations. Mr. Brinskele is a graduate of the OPM program at Harvard Business School.

Jeffrey G. Richards, Vice President of Operations

Prior to joining the Company, Mr. Richards was a management consultant with the Organizational and Strategic Change Practice at Price Waterhouse LLP in San Francisco. In that capacity, he managed client engagements throughout the U.S. and Asia which focused on large-scale consolidation and cost reduction, process efficiency and strategy implementation. While at Price Waterhouse, Mr. Richards' primary engagements were focused on the high technology, banking and durable goods manufacturing sectors. Mr. Richards holds a BA from Dartmouth College in Hanover, NH.

Stacia L. Lindahl, Executive Director of Business Development

Ms. Lindahl has more than 12 years experience in the telecommunications sector, primarily focused on business analysis, product development, wholesale carrier and cellular markets. Prior to joining the Company, Ms. Lindahl served as Director of Business Development at NetSource Communications, Inc./MTC (MTC has since merged with NetSource, Inc.). While at NetSource/MTC, Ms. Lindahl was responsible for establishing carrier relationships, strategic partnerships, product development and implementation, network planning, cost management and reconciliation, product performance analysis, pricing and competitor/market trends. Prior to NetSource/MTC, Ms. Lindahl served as Treasury Manager with General Cellular Corporation (now Western Wireless Corporation), concentrating on financial analysis, risk management, cash management, portfolio management, shareholder relations, M&A work, public & private financings and corporate restructuring. Ms. Lindahl is a graduate of the University of Phoenix and an MBA candidate at the University of California, Davis.

Kenneth P. Holmes, Director of Finance and Accounting

Mr. Holmes has more than 10 years of experience within accounting and finance for technology companies. Prior to joining the Company, Mr. Holmes served as Chief Financial Officer of OMNIS Software, Incorporated. In that capacity he was responsible for worldwide accounting, finance, human resources, legal and information systems. Mr. Holmes served as acting CEO of OMNIS during a period that led to the turn around of the company. Prior to OMNIS, Mr. Holmes served as Assistant Controller of NeXT Software,

MVX.COM

prior to its acquisition by Apple Computer, Inc. While at NeXT, Mr. Holmes was responsible for all SEC-related activity leading up to the company's planned initial public offering (IPO), as well as the accounting and finance activity related to the Apple merger. Prior to NeXT, Mr. Holmes was the corporate Controller of Enlighten Software Solutions, where he played a leadership role in the firm's IPO. Prior to joining Enlighten Software, Mr. Holmes was with KPMG Peat Marwick, where he was primarily focused on the due diligence and preparation for public offerings within the technology sector. Mr. Holmes holds a BBA from the University of San Francisco.

Robert W. Lara, Director of Network Services/Engineering

Mr. Lara has more than 30 years experience in the field of telecommunications. Prior to joining MVX, Mr. Lara served as Director of Network Services for MTC International. For the past nine years with MTC, Mr. Lara has been responsible for the successful implementation and management of the Company's global facilities network. Mr. Lara has extensive experience dealing with carriers and other service providers throughout the U.S., Europe, and Asia. Prior to MTC, Mr. Lara was with Western Union as the Operations and Technical Support Manager for the Western United States.

Brian Buch, Director of Information Systems

Mr. Buch has 6 years of experience in software development and managing software development projects. Prior to joining the Company, Mr. Buch served as a manager within PricewaterhouseCooper's National Telecommunications Consulting Practice. He has managed large scale data warehouse and billing projects for Pacific Bell, DirectTV, US West, and Retevision (a Spanish telecommunications provider). While with PricewaterhouseCoopers, Mr. Buch also played a leadership role within the telecommunications practice through involvement in the firms annual peer review process, recruiting, practice development, and conference speaking engagements. Mr. Buch holds a B.S. in Electrical Engineering from U.C. Santa Barbara.

David T. Seaman, Lead Systems Architect

Prior to joining the Company, Mr. Seaman was with PlayNet Technologies, where he developed systems for the manufacturing, distribution, and play tracking of Internet-based kiosk game units. He has 6 years experience in software development and has designed and programmed large scale systems for IBM Advantis, the U.S. Federal Reserve Bank, and the Environmental Protection Agency. Mr. Seaman holds a B.S. in Mechanical Engineering from U.C. Berkeley and an M.S. in Control Systems from U.C. Santa Barbara.

Directors

Thomas R. Rice, Chairman of the Board of Directors, Director

Dr. Rice has over 25 years of experience as an entrepreneur and venture capitalist. In 1996 Dr. Rice restarted Austin James, the publisher of *Hanes T-ShirtMaker & More*, raised \$5 million of venture capital and built revenues to over \$20 million annualized by the end of 1998. During 1994 - 1995, Dr. Rice led an internal task force when strategic sales stalled for Rasna Corp., a developer of mechanical computer-aided analysis software (MCAE), and succeeded in establishing the software as Hewlett-Packard's mechanical design standard. From 1986 through 1998 Dr. Rice was a general partner of Cornerstone Ventures, a \$21 million

M V X . C O M

venture fund providing hands-on, strategic direction to technology companies. Dr. Rice has a PhD in Engineering Systems from Stanford University, an MS in Mechanical Engineering from M.I.T., and a BS in Mechanical Engineering from Stanford University.

Ronald W. Weiser, Vice Chair, Director

Mr. Weiser is the Founder, Chairman and Chief Executive Officer of McKinley Associates, Inc., a national diversified investment company headquartered in Ann Arbor, Michigan. McKinley - and its two property management subsidiaries, McKinley Properties (residential) and McKinley Commercial (office/retail/industrial) - own or manage real estate valued in excess of \$1 billion. McKinley has regional offices in Ann Arbor and Taylor, Michigan, as well as Oklahoma City and Orlando. Mr. Weiser was recently appointed to the Michigan State Officer's Compensation Commission. He also serves on the Boards of a number of public non-profit organizations including: Chair, McKinley Foundation, a public foundation established in 1985 by he and his wife; Chair, Michigan Theater Board of Trustees; Co-Chair, Washtenaw County United Negro College Fund; Board Executive Committee Member and immediate Past Chair, Michigan Artrain; Director, Purple Rose Theater; and Trustee, Finance Committee Chair, and Treasurer, Henry Ford Museum and Greenfield Village. He also serves as Co-Chair of The University of Michigan's Center for Community Service and Learning, and is a member of The University's President's Advisory Board, the Business School's National Development Board, and the Athletic Department's Development and External Advisory Board. Mr. Weiser received his B.B.A. from The University of Michigan in 1966.

Jeffrey S. Blumenfeld, Director

Mr. Blumenfeld is a partner with Blumenfeld & Cohen, a law firm which specializes in the technology and telecommunications industries. Mr. Blumenfeld was formerly Chief of the *United States v. AT&T* Section at the Justice Department's Antitrust Division. He has lectured, written, and testified extensively on virtually all public policy and competition issues in telecommunications and other high-tech markets. Mr. Blumenfeld has served as special counsel to the Antitrust Division on a number of high-profile merger and antitrust investigations, including serving as a consultant on the early stages of the Department of Justice investigation of the launch of the Microsoft Network. Mr. Blumenfeld frequently works with the FCC, Department of Justice, and state regulatory commissions. Mr. Blumenfeld was a former Director of Centex Telemanagement. Mr. Blumenfeld received an A.B. from Brown University and a J.D. from the University of Pennsylvania Law School.

Daniel T. Carroll, Director

Mr. Carroll currently serves on the Boards of Directors of ten companies throughout the U.S., including eight publicly held corporations. He is the Chairman of the Board of both Comshare, Inc. and OshKosh Truck Corporation. Mr. Carroll is the former President of Booz Allen & Hamilton, Inc.'s Management Consulting Division, Chief Operating Officer of Gould, Inc., and President and Chief Executive Officer of Hoover Universal, Inc. Mr. Carroll is an author and speaker on a wide range of business and corporate issues. Mr. Carroll holds an A.B. from Dartmouth College and an M.A. from the University of Minnesota.

Exhibit III
Financial Information

See Attached



MVX.COM Communications, Inc.
Consolidated Balance Sheet
As of June 30, 1999
Unaudited

Assets

Current Assets:

Cash	\$ 174,076
Net Accounts Receivable, with allowance for doubtful accounts of \$21,000	364,685
Prepaid Expenses	84,394
Deposits	160,875
Total Current Assets:	<u>\$ 784,030</u>

Other Assets:

Intangible Assets	\$ 4,000
Other Assets	39,466
Total Other Assets:	<u>43,466</u>

Property, Plant and Equipment, at cost:

Leasehold Improvements	\$ 94,932
Switch Equipment	591,976
Computer and Office Equipment	1,023,481
Furniture and Fixtures	158,093
Telephone Equipment	112,941
Software	142,335
 Reserve for loss on disposition of assets	 (100,000)
Less Accumulated Depreciation	(487,584)
Total Property, Plant and Equipment:	<u>\$ 1,536,174</u>

Total Assets

\$ 2,363,670



MVX.COM Communications, Inc.
Consolidated Balance Sheet
As of June 30, 1999
Unaudited

Liabilities and Equity

Current Liabilities:

Accounts Payable	\$ 1,243,997
Other Accrued Liabilities	632,187
Current Capitalized Lease Obligation	214,724
Total Current Liabilities:	<u>\$ 2,090,907</u>

Long Term Liabilities:

Capitalized Lease Obligation	\$ 126,753
Other	200
Total Long Term Liabilities:	<u>\$ 126,953</u>

Equity:

Net Income	<u>\$ 145,810</u>
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Total Liabilities and Equity

\$ 2,363,670



MVX.COM

MVX.COM Communications, Inc.
Consolidated Statement of Operations
As of June 30, 1999
Unaudited

	<u>Jun-99</u>	<u>YTD</u>
Net Sales	\$ 165,796	\$ 1,398,722
Total Cost of Sales	\$ 111,401	\$ 875,710
Gross Margin	54,396	523,012
Gross Margin %	32.8%	37.4%
Operating Expenses		
Engineering/Network Services	\$ 1,244	\$ 9,162
Software/Technology Development	14,515	106,885
Marketing	2,903	21,377
Sales and Service	12,441	91,616
General and Administrative	10,368	76,346
Total Operating Expenses	\$ 41,470	\$ 305,385
Income Before Taxes	\$ 12,925	\$ 217,627
Tax Expense	4,265	71,817
Net Income	<u>\$ 8,660</u>	<u>\$ 145,810</u>

MVX.COM
FORECASTED INCOME STATEMENT

	1Q99 projected	2Q99 projected	3Q99 projected	4Q99 projected	1999 projected	1Q00 projected	2Q00 projected	3Q00 projected	4Q00 projected	2000 projected
REVENUES										
Revenue by Product										
InterExchanges Svcs.	\$ 86,882	\$ 371,624	\$ 989,288	\$ 1,897,728	\$ 3,345,520	\$ 3,023,102	\$ 4,290,588	\$ 5,692,383	\$ 7,239,180	\$ 20,245,242
Local Exchange Svcs.	\$ -	\$ 223,323	\$ 842,484	\$ 1,232,444	\$ 2,098,251	\$ 1,983,790	\$ 2,787,811	\$ 3,699,402	\$ 4,705,502	\$ 13,154,506
Wireless	\$ 54,301	\$ 230,348	\$ 611,890	\$ 1,173,758	\$ 2,070,294	\$ 1,870,276	\$ 2,655,058	\$ 3,523,240	\$ 4,481,431	\$ 12,538,005
Data Communications	\$ 59,731	\$ 253,382	\$ 673,079	\$ 1,291,132	\$ 2,277,324	\$ 2,057,304	\$ 2,920,564	\$ 3,875,564	\$ 4,929,574	\$ 13,783,000
Service & Repairing Fees	\$ 13,575	\$ 54,519	\$ 142,708	\$ 273,722	\$ 484,525	\$ 436,909	\$ 621,289	\$ 825,811	\$ 1,051,457	\$ 2,935,267
Affinity Muni	\$ 216,790	\$ 198,965	\$ 192,007	\$ 159,381	\$ 787,123	\$ 136,632	\$ 129,095	\$ 132,822	\$ 113,878	\$ 512,427
Affinity Calling Card	\$ 178,135	\$ 151,014	\$ 129,476	\$ 111,009	\$ 587,634	\$ 95,177	\$ 81,602	\$ 69,963	\$ 59,985	\$ 308,727
Consulting revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pass Throughs	\$ 91,112	\$ 222,478	\$ 507,140	\$ 920,872	\$ 1,741,601	\$ 1,437,479	\$ 2,022,898	\$ 2,672,848	\$ 3,387,153	\$ 9,520,377
Total product revenue	898,527	1,705,632	3,888,070	7,060,022	13,352,272	11,020,669	15,508,885	20,491,834	25,968,170	72,989,557
Revenue by Channel										
Direct Sales Office/Reps	\$ 214,490	\$ 968,816	\$ 2,348,228	\$ 4,321,947	\$ 7,853,481	\$ 6,861,379	\$ 9,798,537	\$ 13,107,273	\$ 18,817,137	\$ 46,584,327
Direct National Account	\$ -	\$ 11,000	\$ 188,000	\$ 581,000	\$ 770,000	\$ 957,000	\$ 1,353,000	\$ 1,749,000	\$ 2,145,000	\$ 6,204,000
Partners/Agents	\$ -	\$ 100,000	\$ 375,000	\$ 756,250	\$ 1,231,250	\$ 1,205,031	\$ 1,689,829	\$ 2,211,903	\$ 2,774,120	\$ 7,880,000
Direct Sales/Internet/Adv.	\$ -	\$ 53,380	\$ 138,220	\$ 229,583	\$ 421,184	\$ 327,971	\$ 433,924	\$ 548,024	\$ 670,897	\$ 1,980,000
Affinity	\$ 392,925	\$ 349,980	\$ 321,482	\$ 270,370	\$ 1,334,757	\$ 231,808	\$ 210,697	\$ 202,785	\$ 173,863	\$ 819,154
Consulting revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pass Throughs	\$ 91,112	\$ 222,478	\$ 507,140	\$ 920,872	\$ 1,741,601	\$ 1,437,479	\$ 2,022,898	\$ 2,672,848	\$ 3,387,153	\$ 9,520,377
Total channel revenue	898,527	1,705,632	3,888,070	7,060,022	13,352,272	11,020,669	15,508,885	20,491,834	25,968,170	72,989,557
EXPENSES										
Cost of revenue	548,845	1,224,751	2,590,201	4,534,166	\$ 8,897,763	7,000,961	9,832,719	13,006,357	16,516,529	\$ 46,358,568
Gross margin	149,683	480,900	1,297,869	2,525,856	4,454,509	4,019,708	5,676,167	7,485,476	9,451,641	26,632,992
% of revenue	21%	28%	33%	36%	33%	36%	37%	37%	36%	36%
Operating Expenses										
ENG./NTWK SVCS.										
Headcount	3	4	5	6	6	7	7	7	8	8
Expenses	\$ 49,732	\$ 66,692	\$ 87,120	\$ 125,187	\$ 338,732	\$ 139,691	\$ 142,392	\$ 143,339	\$ 175,798	\$ 601,220
% of revenue	7%	4%	2%	2%	3%	1%	1%	1%	1%	1%
SOFTWARE/TECH DEV										
Headcount	10	12	14	22	22	24	26	28	29	29
Expenses	\$ 453,065	\$ 528,968	\$ 542,749	\$ 793,894	\$ 2,318,876	\$ 841,237	\$ 861,993	\$ 908,785	\$ 937,561	\$ 3,547,576
% of revenue	65%	31%	14%	11%	17%	8%	6%	4%	4%	5%
MARKETING										
Headcount	5	7	9	10	10	12	14	15	16	16
Expenses	\$ 151,897	\$ 216,242	\$ 295,567	\$ 398,252	\$ 1,062,058	\$ 528,902	\$ 663,460	\$ 759,642	\$ 889,193	\$ 2,841,197
% of revenue	22%	13%	8%	6%	8%	5%	4%	4%	3%	4%
SALES AND SERVICES										
Headcount	39	67	86	91	91	97	102	108	113	113
Expenses	\$ 932,201	\$ 1,604,029	\$ 2,030,806	\$ 2,311,105	\$ 6,878,142	\$ 2,509,034	\$ 2,718,869	\$ 3,044,647	\$ 3,393,305	\$ 11,665,650
% of revenue	133%	94%	52%	33%	52%	23%	18%	15%	13%	18%
GENERAL AND ADMINISTRATION										
Headcount	14	16	17	19	19	22	25	26	27	27
Expenses	\$ 500,839	\$ 570,271	\$ 675,035	\$ 740,066	\$ 2,486,211	\$ 934,588	\$ 999,327	\$ 1,130,770	\$ 1,224,992	\$ 4,289,677
% of revenue	72%	33%	17%	10%	19%	8%	6%	6%	5%	6%
Total Headcount	71	108	131	148	148	162	174	184	193	193
TOTAL OPERATING EXPENSES	2,087,634	2,988,203	3,641,278	4,368,505	\$ 13,083,819	4,953,451	5,385,841	5,965,183	6,620,850	\$ 22,945,325
% of revenue	299%	175%	94%	62%	98%	45%	35%	29%	25%	31%
INCOME BEFORE INTEREST AND TAXES	(1,937,951)	(2,505,302)	(2,343,408)	(1,842,648)	(8,629,310)	(933,744)	290,326	1,500,293	2,830,791	3,687,686
% of revenue	-277%	-147%	-60%	-26%	-65%	-8%	2%	7%	11%	5%
Other income/expense										
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,109	\$ 45,112	\$ 127,730	\$ 268,163	\$ 446,114
Interest expense	187,061	202,363	237,757	262,432	889,613	188,840	150,000	150,000	150,000	638,840
Net other income	(187,061)	(202,363)	(237,757)	(262,432)	(889,613)	(183,731)	(104,888)	(22,270)	118,163	(192,727)
INCOME BEFORE TAXES	(2,125,013)	(2,707,666)	(2,581,165)	(2,105,080)	(9,518,924)	(1,117,475)	185,437	1,478,023	2,948,954	3,494,959
Tax expense										
NET INCOME (LOSS)	\$(2,125,013)	\$(2,707,666)	\$(2,581,165)	\$(2,105,080)	\$(9,518,924)	\$(1,117,475)	\$ 185,437	\$ 1,478,023	\$ 2,948,954	\$ 3,494,959
% of revenue	-304%	-159%	-66%	-30%	-71%	-10%	1%	7%	11%	5%

STATE OF CALIFORNIA)
)
)
COUNTY OF SAN MATEO)
)

VERIFICATION

I, Edward A. Brinskele, being duly sworn, declare that I am the President and CEO of MVX.COM Communications, Inc., the Applicant. I verify that, based upon information and belief, I have knowledge of the statements in the foregoing Application, and I declare that they are true and correct.



Edward A. Brinskele

Sworn to before me, the undersigned Notary Public on this 6th day of August, 1999.



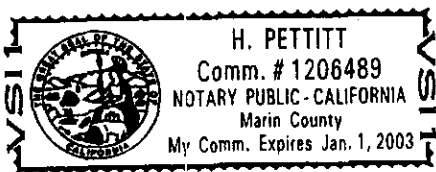
Notary Public

H Pettitt

Print or Type Name

My commission expires:

Jan 1, 2003




BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the application of MVX.COM)
Communications, Inc., for a certificate)
of service authority to provide) Case No. _____
local exchange telecommunications services)

ENTRY OF APPEARANCE

COMES NOW Lance J. M. Steinhart, Attorney at Law and pursuant to rule 4 CSR 240-2.040 herewith files his Entry of Appearance on behalf of Applicant, MVX.COM Communications, Inc., in connection with the above-styled proceeding. With respect to his entry, Mr. Steinhart hereby advises the Commission that he is a member in good standing of the State Bar of Georgia and is admitted to practice before District Courts. He also is on inactive status with the State Bars of New York and Maryland. Neither the undersigned nor any member of his firm is disqualified to appear in any court. I also hereby designate Judith A. Rau, of the law firm of Rau & Rau, 1007 Olive Street, Fifth floor, St. Louis, Missouri 63101 to serve as our local Missouri counsel in this matter.



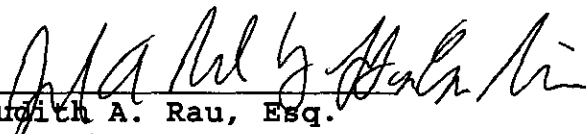
Lance J.M. Steinhart, Esq.
Attorney at Law
6455 East Johns Crossing, Suite 285
Duluth, Georgia 30097
(770) 232-9200
(770) 232-9208 (Fax)
Georgia Bar No. 678222

BEFORE THE PUBLIC SERVICE COMMISSION
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ENTRY OF APPEARANCE

COMES NOW Judith A. Rau of the law firm Rau & Rau, and
pursuant to rule 4 CSR 240-2.040, herewith files his Entry of
Appearance as local Missouri counsel on behalf of Applicant
MVX.COM Communications, Inc., in connection with the above-styled
proceeding.


Judith A. Rau, Esq.
Rau & Rau
1007 Olive Street, 5th Floor
St. Louis, Missouri 63101
(314) 231-3323
Missouri Bar No. 24856