

ORIGINAL

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OF COUNSEL

September 10, 1999

FILED³

SEP 10 1999

Missouri Public
Service Commission

TA-2000-228

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

Re: Ciera Network Systems, Inc.
Basic Local Service Certificate Application

Dear Mr. Roberts:

Please find enclosed for filing in the above-referenced case an original and fourteen copies of Ciera Network Systems, Inc.'s Application For A Certificate Of Service Authority And For Competitive Classification. This Application is for basic local telecommunications service in portions of the state of Missouri and requests the standard statutory and rule waivers.

Copies of this filing have been sent this date to the General Counsel's Office and the Office of the Public Counsel. Thank you.

Sincerely,



Brent Stewart

CBS/bt

Enclosure

cc: General Counsel's Office
Office of the Public Counsel
Robert W. Livingston

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED

SEP 10 1999

Missouri Public
Service Commission

In the Matter of the Application of)
Ciera Network Systems, Inc, for a)
Certificate of Service Authority to)
provide Basic Local Telecommunications)
Service in portions of the State of Missouri)
and for Competitive Classification.)

Case No. TA-2000-228

APPLICATION FOR CERTIFICATE OF SERVICE AUTHORITY
AND FOR COMPETITIVE CLASSIFICATION

Comes now Ciera Network Systems, Inc. ("Applicant" or "Ciera"), by its undersigned counsel, and hereby applies pursuant to sections 392.361, 392.420, and 392.430 RSMo 1994, 392.410, 392.450 RSMo Supp. 1998, and 4 CSR 240-2.060, for authority to provide resold basic local telecommunications service in portions of the State of Missouri and to classify said service as competitive. In support of its Verified Application, Applicant states as follows:

1. Ciera is a corporation duly organized and existing under and by virtue of the laws of the State of Texas and is duly authorized to do business in Missouri. Pursuant to the relevant provisions of 4 CSR 240-2.060, documents from the Missouri Secretary of State's Office are attached hereto and incorporated herein by reference as Appendix A. Applicant's principal place of business is 2630 Fountainview, Suite 300, Houston, Texas 77057 and its telephone number is (713) 914-3850.

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

Charles Brent Stewart
Stewart & Keevil, L.L.C.
1001 Cherry Street, Suite 302
Columbia, Missouri 65201
(573) 499-0635
(573) 499-0638 (FAX)

Robert W. Livingston
Ciera Network Systems, Inc.
2630 Fountainview, Suite 300
Houston, Texas 77057
(713) 914-3850
(713) 914-3851 (FAX)

All inquiries or communications regarding Applicant's ongoing operations should be addressed to Mr. Livingston.

3. By this Application, Applicant requests certificate authority to provide competitive resold basic local exchange services to both residential and business customers throughout all the exchanges currently served by Southwestern Bell Telephone Company ("SWBT"), GTE Midwest, Inc. ("GTE"), and Sprint of Missouri ("Sprint"). A listing of the specific SWBT, GTE and Sprint exchanges within which Applicant proposes to offer service are contained in these companies' general exchange tariffs, relevant copies of which are attached hereto and are incorporated herein by reference as Appendix B. Applicant's proposed service areas will follow the respective exchange boundaries of the stated incumbent LECs and shall be no smaller than an exchange as required by Section 392.455(3) RSMo Supp. 1998. Applicant may seek authorization to provide service in exchanges served by other incumbent LECs in a subsequent proceeding.

Applicant plans to offer basic local service through resale agreements with the above-specified incumbent LECs, although it may offer facilities-based service in the future if business conditions warrant. Applicant is currently in the process of pursuing a resale agreement with SWBT and expects to file same in the immediate future. Once Applicant's Application is granted, Applicant plans to commence offering basic local service upon receiving Commission approval of its resale agreement(s) and related tariffs.

4. Pursuant to this Application, Applicant seeks authority to offer and provide all forms of resold basic local telecommunications service to Missouri residential and business customers. The services Ciera intends to offer include, but are not limited to, the following: basic dial tone, exchange access service, optional features, carrier access services, and other basic local telecommunications services currently offered by the incumbent LECs. On September 3, 1999, Ciera filed its application for a certificate of service authority to provide intrastate interexchange and non-switched local exchange telecommunications services; that case is currently pending in Case No. TA-2000-216. It is Ciera's intent to be able to offer its Missouri customers a "one-stop shop" with a full selection of telecommunications services once its Missouri certificates of service authority are granted.

Ciera provides comprehensive customer service to its customers. Complaints may be reported by the customer via Ciera's toll free number, (888)-467-1844. This number will appear on the customer's bill. Customer service representatives are available twenty-four hours a day, seven days a week. Ciera's customer service representatives are prepared to respond to a broad range of service matters, including inquiries regarding: (1) the types of services offered by Ciera and the rates associated with such services; (2) monthly billing statements; (3) problems or concerns pertaining to a customer's current service; and (4) general telecommunications matters.

5. Applicant possesses the technical and managerial expertise and experience necessary to provide the services it proposes as required by Section 392.455(1) RSMo Supp. 1998. Ciera already has demonstrated this capacity by its successful provision of long distance and international service to customers in nine other states pursuant to authority granted it by federal and other state regulatory commissions. In addition, information regarding Applicant's principals

and their qualifications is attached hereto and incorporated herein as Appendix C.

6. Applicant possesses the necessary financial qualifications to provide the services it proposes as required by Section 392.455(1) RSMo Supp. 1998 and has the necessary capital to conduct its proposed operations in Missouri. Ciera has received the commitment of its investors to provide the financing necessary for Ciera's basic local operations and its Chief Financial Officer, Mr. Lee, has significant experience working with start up and emerging growth companies. A copy of Ciera's unaudited July 1999 financial statements and five year business plan are attached hereto and incorporated herein by reference as Appendix D. Additional financial information can be provided, if necessary, upon request.

7. Pursuant to this Application, Applicant also seeks classification of its new basic local telecommunications service offerings as competitive, with accompanying reduced regulation pursuant to Sections 392.361 and 392.420 RSMo 1994 and 4 CSR 240-2.060(4)(F). The existing monopoly services of SWBT, GTE and Sprint will make the basic local markets Applicant seeks to enter sufficiently competitive to make a lesser degree of regulation for Applicant and its proposed services in the public interest, consistent with the legislative policies established by the federal Telecommunications Act of 1996 and the recent revisions to Chapter 392 RSMo. This Commission already has approved several applications to provide resold and facilities-based basic local telecommunications services filed by new market entrants and has classified those new entrants and their services as competitive.

8. Applicant will offer basic local telecommunications service as a separate and distinct service in accordance with Section 392.455(4) RSMo Supp. 1998. Applicant will provide equitable access for all customers in Missouri, without regard to their income or where they might

reside, to affordable telecommunications services in Applicant's proposed service areas in accordance with Section 392.455(5) RSMo Supp. 1998.

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

STATUTES

392.210.2
392.270
392.280
392.290.1
392.300.2
392.310
392.320
392.330
392.340

REGULATIONS

4 CSR 240-10.020
4 CSR 240-30.040
4 CSR 240-35

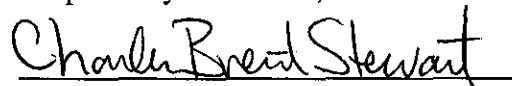
10. Applicant further requests a temporary waiver of 4 CSR 240-2.060(4)(H). This rule requires that an application for a certificate of service authority to provide interexchange, local exchange or basic local exchange service shall include a proposed tariff with a forty-five day effective date. Applicant finds it impossible at this time to develop tariffs to fully comply with this rule since Applicant has not yet executed or received Commission approval of any resale agreement with the incumbent LECs. At such time as all facts necessary for the development of such tariffs are known to Applicant, it will promptly file same bearing a forty-five day effective

date with the Commission in a manner consistent with what Applicant believes to be recent Commission practice in similar cases.

11. Applicant submits that the public interest will be served by Commission approval of this Application because Applicant's proposed services will create and enhance competition and expand customer service options, consistent with the legislative goals set forth in the 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. Customers will benefit by having alternatives from which to choose and from general improvements in price, features and options that are generated by competitive market pressures. In addition, Ciera's customers will benefit from consolidated billing options and a single point of contact for their telecommunications needs.

WHEREFORE, Applicant Ciera Network Systems, Inc. respectfully requests that the Commission grant it a certificate of service authority to provide resold basic local telecommunications service as herein requested, classify Applicant's proposed basic local services as competitive, and grant waivers of the aforesaid statutes and regulations, as expeditiously as possible.

Respectfully submitted,



Charles Brent Stewart #34885
STEWART & KEEVIL, L.L.C.
1001 Cherry Street, Suite 302
Columbia, Missouri 65201
(573) 499-0635

ATTORNEY FOR APPLICANT
CIERA NETWORK SYSTEMS, INC.

CERTIFICATE OF SERVICE

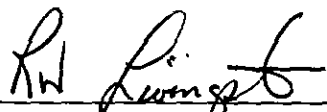
The undersigned hereby certifies that a copy of the foregoing Application, along with its verification and appendices, was sent to the PSC's General Counsel's Office and the Office of the Public Counsel by placing same in the United States Mail, first class postage prepaid, or by hand-delivery, this 10th day of September, 1999.

Charles Brent Stewart

VERIFICATION

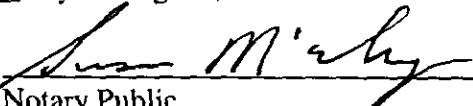
STATE OF TEXAS)
)
COUNTY OF HARRIS)

Robert W. Livingston, being first duly sworn, deposes and states: That he is the Chief Executive Officer for Ciera Network Systems, Inc., the Applicant in the foregoing Application; that he has read the foregoing Application; knows the contents thereof, and is authorized to verify the accuracy of same; and that the statements contained in the Application are true to his best knowledge, information and belief.



Robert W. Livingston
Chief Executive Officer
Ciera Network Systems, Inc.

Subscribed and sworn to before me this 30 day of August, 1999.



Notary Public

(Seal) 

My commission expires: June 29, 2003

Ciera Network Systems, Inc.
CLEC Application
MoPSC Case No. TA-2000-____

APPENDIX A

Secretary of State

Documents

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

CIERA NETWORK SYSTEMS, INC.

USING IN MISSOURI THE NAME

CIERA NETWORK SYSTEMS, INC.

A TEXAS CORPORATION FILED ITS EVIDENCE OF INCORPORATION WITH THIS STATE ON THE 1ST DAY OF JULY, 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 2ND DAY OF SEPTEMBER, 1999.

Rebecca McDowell Cook
Secretary of State





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

FILED
 AND CERTIFICATE OF
 AUTHORITY ISSUED

**Application for Foreign Corporation
 For a Certificate of Authority**

JUL 01 1999

(Submit in duplicate with filing fee of \$155.00)

Rebecca McDowell Cook
 SECRETARY OF STATE

- (1) The corporation's name is Ciera Network Systems, Inc.
 and it is organized and existing under the laws of Ciera Network Systems, Inc.
- (2) The name it will use in Missouri is Ciera Network Systems, Inc.
- (3) The date of its incorporation was 12/28/98, and the period of its duration is PERPETUAL
month/day/year
- (4) The address of its principal place of business 11200 Westheimer, #900 Houston, TX 77042
Address City/State/Zip
- (5) The name and address of its registered agent and office in the State of Missouri is
HIQ Corporate Services, Inc. 300-B East High Street, Jefferson City, MO 65101
Name Address City/State/Zip
- (6) The specific purpose(s) of its business in Missouri are:
RESELL OF COMMUNICATIONS SERVICES

(7) The name of its officers and directors and their business addresses are as follows:

(Officers)	Name	Address	City/State/Zip
President	<u>James Jarrett</u>	<u>11200 Westheimer, #900</u>	<u>Houston, TX 77042</u>
Vice President	<u>N/A</u>		
Secretary	<u>James Jarrett</u>	<u>11200 Westheimer, #900</u>	<u>Houston, TX 77042</u>
CEO	<u>Robert W. Livingston</u>	<u>11200 Westheimer, #900</u>	<u>Houston, TX 77042</u>
Treasurer			

(Board of Directors)

- Director James Jarrett, 11200 Westheimer, #900, Houston, TX 77042
- Director Robert W. Livingston, 11200 Westheimer, #900, Houston, TX 77042
- Director _____
- Director _____

(8) The effective date of this document is the date it is filed by the Secretary of State of Missouri, unless you indicate a future date, as follows: _____

(Date may not be more than 90 days after the filing date in this office)

In affirmation thereof, the facts stated above are true.

Robert W. Livingston CEO 6-17-99
(Authorized signature of officer or chairman of the board) (Title) (Date of Signature)

Note: You must have a current certificate of good standing or certificate of existence with this application.

Ciera Network Systems, Inc.
CLEC Application
MoPSC Case No. TA-2000-____

APPENDIX B

Exchanges to be Served

No supplement to this tariff will be issued except for the purpose of canceling this tariff.

LOCAL EXCHANGE TARIFF
42nd Revised Sheet 9
Replacing 41st Revised Sheet 9

LOCAL EXCHANGE TARIFF

RECEIVED

FEB 29 1996

1.3 EXCHANGES BY RATE GROUP (Continued)

1.3.4 Rate Group D(1)

Kansas City Metropolitan Exchange

St. Louis Metropolitan Exchange
MISSOURI PUBLIC SERVICE COMMISSION

Principal Zone(2)

Principal Zone (2)

Metropolitan
Calling Area-1 Zones
Gladstone(2)
Independence(2)
Parkville(2)
Raytown(2)
South Kansas City(2)

Metropolitan
Calling Area-1 Zones
Ferguson(2)
Ladue(2)
Mehlville(2)
Overland(2)
Riverview(2)
Sappington(2)
Webster Groves(2)

Metropolitan
Calling Area-2 Zones
Belton(2)
Blue Springs(2)
East Independence(2)
Lee's Summit(2)
Liberty(2)
Nashua(2)

Metropolitan
Calling Area-2 Zones
Bridgeton(2)
Creve Coeur(2)
Florissant(2)
Kirkwood(2)
Oakville(2)
Spanish Lake(2)

(CP) Tiffany Springs(2)

(CP) Oakville(2)
Spanish Lake(2)

FILED

MAR 3 0 1996

(1) See Paragraph 1.1.3, preceding.
(2) One-party service only available

MO. PUBLIC SERVICE COMM

Issued FEB 29 1996

Effective: MAR 3 0 1996

By HORACE WILKINS, JR., President-Missouri
Southwestern Bell Telephone
St. Louis, Missouri

P S C. Mo. No. 24

No supplement to this tariff will be issued except for the purpose of canceling this tariff.

LOCAL EXCHANGE TARIFF
32nd Revised Sheet 8
Replacing 31st Revised Sheet 8

LOCAL EXCHANGE TARIFF

(AT) 1.3 EXCHANGES BY RATE GROUP (Continued)

(FC) 1.3.3 Rate Group C(2)

Springfield Metropolitan Exchange

Principal Zone
-Principal Zone Base Rate Area(3)

Metropolitan Calling Area-1 (MCA-1) Zones

- Fair Grove(3)
- Nixa(1)(3)
- Republic(1)(3)
- Rogersville(3)
- Strafford(3)
- Willard(3)

RECEIVED

DEC 10 1994

MO. PUBLIC SERVICE COMM.

- (1) Extended Area Service - See Paragraph 1.4.
- (2) See Paragraph 1.1.3, preceding.
- (3) One-party service only available.

FILED

JAN 11 1995

Issued: DEC 12 1994

Effective:

MISSOURI
JAN 11 1995
Public Service Commission

By HORACE WILKINS, JR., President Missouri
Southwestern Bell Telephone
St. Louis, Missouri

No supplement to this tariff will be issued except for the purpose of canceling this tariff.

LOCAL EXCHANGE TARIFF
65th Revised Sheet 7
Replacing 64th Revised Sheet 7

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LOCAL EXCHANGE TARIFF

1.3 EXCHANGES BY RATE GROUP- (Continued)

FEB 29 1996

1.3.2 Rate Group B(4)

MISSOURI
Public Service Commission

- Camdenton(1) (2) (5)
- Cape Girardeau(1) (2) (5)
- Carthage(2) (5)
- Cedar Hill(1) (2) (5)
- Chesterfield(1) (5)
- Chillicothe(2) (5)
- DeSoto(1) (2) (5)
- Dexter(1) (2) (5)
- Eldon(1) (3) (5)
- Excelsior Springs(5)
- (CP) Farmington(1) (2) (5)
- Fenton(1) (5)
- Festus-Crystal City(1) (2) (5)
- Flat River(1) (2) (5)
- Fulton(2) (5)
- Gravois Mills(1) (2) (5)
- Hannibal(2) (5)
- Harvester(1) (5)
- High Ridge(1) (5)
- Imperial(1) (2) (5)
- Jackson(1) (2) (5)
- Joplin(1) (2) (5)
- Kennett(1) (2) (5)
- Kirksville(2) (5)

- Lake Ozark-Ozark Beach(1) (2) (5)
- Manchester(1) (5)
- Marshall(2) (5)
- Maxville(1) (5)
- Mexico(2) (5)
- Monett(1) (3) (5)
- Moberly(1) (2) (5)
- Neosho(2) (5)
- Nevada(1) (2) (5)
- Pacific(1) (2) (5)
- Perryville(1) (2) (5)
- Pond(1) (5)
- (CP) Poplar Bluff(1) (2) (5)
- St. Charles(1) (2) (5)
- St. Clair(3) (5)
- St. Joseph(1) (5)
- Sedalia(2) (5)
- Sikeston(1) (2) (5)
- Union(1) (2) (5)
- Valley Park(1) (5)
- Washington(3) (5)
- Webb City(1) (2) (5)

FILED

- (1) Extended Area Service - See Paragraph 1.4.
- (2) Message Rate Business Service obsolete-limited to existing customers MAR 30 1996
- (3) Message Rate Business Service not offered.
- (4) See Paragraph 1.1.3, preceding.
- (5) One-party service only available.

MO. PUBLIC SERVICE COMM

Issued: FEB 29 1996

Effective: MAR 30 1996

By HORACE WILKINS, JR., President-Missouri
Southwestern Bell Telephone Company
St. Louis, Missouri

P.S.C. Mo. - No. 24

No supplement to this tariff will be issued except for the purpose of canceling this tariff.

LOCAL EXCHANGE TARIFF
19th Revised Sheet 6.01
Replacing 18th Revised Sheet 6.01

LOCAL EXCHANGE TARIFF

RECEIVED

1.3 EXCHANGES BY RATE GROUP - (Continued)

JAN 19 1996

1.3.1 Rate Group A - (Continued) (4)

MISSOURI
Public Service Commission
Trenton (1) (3) (5)
Tuscumbia (1)
(3) (5)
Versailles (1)
(3) (5)
Vienna (2) (5)
Walnut Grove
(2) (5)
Wardell (1) (2) (5)
Ware (1) (3) (5)
Wellsville (2) (5)
Westphalia (2) (5)
Wyatt (1) (2) (5)

MT) Montgomery City (1) (2) (5)
Morehouse (1) (3) (5)
New Franklin (1) (3) (5)
New Madrid (1) (2) (5)
Oak Ridge (1) (3) (5)
Old Appleton (1) (3) (5)
Oran (1) (2) (5)
MT) Patton (2) (5)
Paynesville (1) (2) (5)
Pierce City (1) (2) (5)
Pocahontas-New Wells (1) (3) (5)
IT) Portage Des Sioux (2) (5)
Portageville (1) (2) (5)
Puxico (2) (5)
Qulin (1) (3) (5)
Richmond (2) (5)
Richwoods (2) (5)
Risco (1) (2) (5)

Rushville (1) (5)
Ste. Genevieve (1) (2) (5)
St. Marys (1) (3) (5)
San Antonio (1) (5)
Scott City (1) (3) (5)
Senath (1) (3) (5)
Slater (2) (5)
Smithville (1) (3) (5)
Stanberry (2) (5)

- (1) Extended Area Service - See Paragraph 1.4.
- (2) Message Rate Business Service not offered.
- (3) Message Rate Business Service obsolete - limited to existing customers.
- (4) See Paragraph 1.1.3, preceding.
- (5) One-party service only available

FILED

FEB 20 1996

Issued: JAN 20 1996

Effective: FEB 20 1996

MO. PUBLIC SERVICE COMM

By HORACE WILKINS, JR., President - Missouri
Southwestern Bell Telephone Company
St. Louis, Missouri

P. S. C. Mo. - No. 24

No supplement to this tariff will be issued except for the purpose of canceling this tariff.

LOCAL EXCHANGE TARIFF
55th Revised Sheet 6
Replacing 54th Revised Sheet 6

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LOCAL EXCHANGE TARIFF

FEB 29 1996

1.2 EXCHANGES BY RATE GROUP

1.3.1 Rate Group A(4)

Adrian(1)(2)(5)
 Advance(1)(2)(5)
 Agency(1)(5)
 Altenburg-Frohna
 (1)(2)(5)
 Antonia(1)(3)(5)
 Archie(1)(2)(5)
 Argyle(2)(5)
 Armstrong(1)(2)(5)
 Ash Grove(2)(5)
 Beaufort(2)(5)
 Bell City(1)(2)(5)
 Benton(1)(3)(5)
 Billings(1)(2)(5)
 Bismarck(1)(3)(5)
 Bloomfield(1)(3)(5)
 Bloomsdale(1)(2)(5)
 Bonne Terre(1)(3)(5)
 Boonville(1)(2)(5)
 Bowling Green(2)(5)
 Brookfield(2)(5)
 Campbell(2)(5)
 Cardwell(1)(2)(5)
 Carl Junction(1)(3)(5)

Carrollton(2)(3)(5)
 Caruthersville(1)(3)(5)
 Center(2)(5)
 Chaffee(1)(3)(5)
 Charleston(1)(3)(5)
 Clarksville(1)(2)(5)
 Clever(1)(3)(5)
 (CP) Climax Springs(2)(5)
 Deering(1)(3)(5)
 DeKalb(1)(5)
 Delta(1)(2)(5)
 Downing(2)(5)
 East Prairie(1)(5)
 Edina(2)(5)
 Elsberry(1)(2)(5)
 Essex(1)(3)(5)
 Eureka(1)(5)
 (CP) Farley(2)(5)
 Fayette(1)(2)(5)
 Fisk(1)(3)(5)
 Frankford(2)(5)
 (CP) Fredericktown(2)(5)
 Freeburg(2)(5)
 Gideon(1)(2)(5)
 Glasgow(1)(2)(5)

MISSOURI
Public Service Commission

Grain Valley
 (1)(3)(5)
 Gray Summit(1)(3)(5)
 (CP) Greenwood(1)(3)(5)
 Hayti(1)(3)(5)
 Herculaneum-Pevely
 (1)(3)(5)
 Higbee(1)(3)(5)
 Hillsboro(1)(3)(5)
 Holcomb(1)(3)(5)
 Hornersville
 (1)(2)(5)
 Jasper(2)(5)
 Knob Noster(2)(5)
 Lamar(2)(5)
 LaMonte(2)(5)
 Lancaster(2)(5)
 Leadwood(1)(3)(5)
 Lilbourn(1)(2)(5)
 (CP) Linn(2)(5)
 Lockwood(2)(5)
 Louisiana(1)(2)(5)
 Macks Creek(2)(5)
 Malden(1)(2)(5)
 (CP) Marble Hill(2)(5)
 Marceline(2)(5)
 Marionville(2)(5)
 Marston(1)(2)(5)
 Meta(2)(5)

- (1) Extended Area Service - See Paragraph 1.4.
- (2) Message Rate Business Service not offered.
- (3) Message Rate Business Service obsolete - limited to existing customers.
- (4) See Paragraph 1.1.3, preceding.
- (5) One-party service only available.

FILED

Issued: FEB 29 1996

Effective: MAR 30 1996

MAR 30 1996

By HORACE WILKINS, JR., President-Missouri
Southwestern Bell Telephone Company
St. Louis, Missouri

MO. PUBLIC SERVICE COMM.

GENERAL AND LOCAL EXCHANGE TARIFF

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AUG 31 1994

LOCAL EXCHANGE SERVICEMISSOURI
Public Service Commission

6. Local Exchange Listings (Cont'd)

1. Exchange Listings (Includes EAS Points, EAS Rate Component, Rate Schedule and Rate Group) (Cont'd)

<u>Exchange Name</u>	<u>EAS Points</u>	<u>EAS Rate Component</u>		<u>Rate Sch./Group</u>
		<u>Bus.</u>	<u>Res.</u>	
Walker	Eldorado Springs, Schell City	\$3.65	\$3.65	A-1
Warrenton	-	-	-	A-3
Washburn	Cassville, Exeter	3.65	3.65	A-1
Wasola	Gainesville, Theodosia	3.65	3.65	A-1
Wayland(*)	Kahoka	.90	.50	A-1
Weaubleau	-	-	-	A-1
Wentzville	-	-	-	Metro
West Plains	-	-	-	A-4
West Quincy	Quincy	3.65	3.65	A-1
Wheatland	-	-	-	A-2
Whitesville	Bolckow, Rosendale, Savannah	10.55	5.70	A-1
Willow Springs	-	-	-	A-2
Winfield	Foley, Old Monroe	2.35	2.35	A-2
Winona	-	-	-	A-1
Woodridge	-	-	-	A-1
Wright City	Foristell	1.90	1.90	A-2

(*) Includes customers in Base Rate Area Alexandria.

Issued: July 1, 1994

Effective: September 15, 1994

Gerald D. Harris
Regional Director-External Affairs
Wentzville, Missouri**FILED**SEP 15 1994
93 - 1
MO. PUBLIC SERVICE COMM.

GENERAL AND LOCAL EXCHANGE TARIFF

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LOCAL EXCHANGE SERVICE

JUL 1 1996

G. Local Exchange Listings (Cont'd)

1. Exchange Listings (Includes EAS Points, EAS Rate, Component Rate, Schedule and Rate Group) (Cont'd)

MISSOURI PUBLIC SERVICE COMMISSION

Exchange Name	EAS Points	EAS Rate Component		Rate Sch./Group
		Bus.	Res.	
Sparta	-	-	-	A-2
Stewartsville	-	-	-	A-1
Stoutsville	-	-	-	A-1
Sturgeon	Centralia, Clark	\$1.95	\$1.05	A-1
Summersville	-	-	-	A-2
Thayer	Koshkonong, Mammoth Springs, AR	2.35	2.35	A-2
Theodosia	Gainesville, Wasola	3.65	3.65	A-1
Thomasville	Alton	3.20	3.20	A-1
Timber	-	-	-	A-1
Trimble	Plattsburg	4.15	2.25	A-1
Troy	Hawk Point, Moscow Mills	2.50	2.50	A-3
Truxton	-	-	-	A-1
Turney	Plattsburg	5.15	2.80	A-1
Urbana	-	-	-	A-2
Van Buren	-	-	-	A-2
Vanzant	-	-	-	A-1
Vichy	-	-	-	A-1

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G. Local Exchange Listings (Cont'd)

1. Exchange Listings (Includes EAS Points, EAS Rate Component, Rate Schedule and Rate Group) (Cont'd)

Exchange Name	EAS Points	EAS Rate Component		Rate Sch./Group
		Bus.	Res.	
Raymondville	Houston	\$3.30	\$3.30	A-1
Reeds Spring	-	-	-	A-2
Revere	Kahoka	2.90	2.90	A-1
Roby	Houston	3.45	3.45	A-1
Rocheport	Columbia	6.15	3.35	A-1
Rockaway Beach	-	-	-	A-2
Rockville	Schell City	2.00	2.00	A-1
Rosendale	Bolckow, Fillmore, Savannah, Whitesville	7.90	4.25	A-1
St. James	Safe	.10	.10	A-3
St. Peters	Harvester	1.00	1.00	Metro
Safe	St. James	.75	.75	A-1
Santa Fe	-	-	-	A-1
Sarcoxie	-	-	-	A-2
Savannah	Amazonia, Avenue City, Bolckow, Cosby, Fillmore, Helena, Rosendale, Whitesville	2.60	1.40	A-3
Schell City	Eldorado Springs, Rockville, Walker	3.65	3.65	A-1
Seymour	-	-	-	A-2
Shelbina	-	-	-	A-2
Shelbyville	-	-	-	A-1
Sheldon	Milo	2.60	2.60	A-1
Shell Knob	-	-	-	A-2

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G. Local Exchange Listings (Cont'd)

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1. Exchange Listings (Includes EAS Points, EAS Rate, Component, Rate Schedule and Rate Group) (Cont'd)

Public Service Commission

Exchange Name	EAS Points	EAS Rate Component		Rate Sch./Group
		Bus.	Res.	
Nebo	-	-	-	A-1
New Melle	-	-	-	Metro
Niangua	-	-	-	A-1
Norwood	-	-	-	A-1
Oates	-	-	-	A-1
O'Fallon	-	-	-	Metro
Old Monroe	Foley, Winfield	\$3.30	\$3.30	A-1
Osborn	-	-	-	A-1
Osceola	-	-	-	A-2
Ozark	Highlandville	2.15	2.15	A-3
Palmyra	-	-	-	A-2
Paris	-	-	-	A-2
Perry	-	-	-	A-1
Pittsburg	-	-	-	A-1
Plattsburg	Gower, Trimble, Turney	1.80	1.00	A-2
Potosi	-	-	-	A-3
Prairie Home	-	-	-	A-1
Preston	-	-	-	A-1
Protem	Forsyth	.75	.75	A-1

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G. Local Exchange Listings (Cont'd)

1. Exchange Listings (Includes EAS Points, EAS Rate Component, Rate Schedule and Rate Group) (Cont'd)

MISSOURI

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Exchange Name	EAS Points	EAS Rate Component		Rate Sch./Group
		Bus.	Res.	
LaBelle	-	-	-	A-1
Ladonia	-	-	-	A-1
LaGrange	-	-	-	A-1
La Plata	Elmer	\$1.80	\$1.80	A-2
Lawson	-	-	-	A-2
Leasburg	-	-	-	A-1
Lesterville	-	-	-	A-1
Lewistown	-	-	-	A-1
Licking	-	-	-	A-2
Louisburg	-	-	-	A-1
Lowry City	-	-	-	A-1
Macon	-	-	-	A-3
Manes	Grovespring, Hartville	3.65	3.65	A-1
Mano	Cassville	3.65	3.65	A-2
Mansfield	-	-	-	A-2
Marshfield	Elkland	.90	.90	A-3
Marthasville	-	-	-	A-1
Maysville	-	-	-	A-2
Milo	Nevada, Sheldon	3.65	3.65	A-1
Monroe City	-	-	-	A-2
Montauk Park	-	-	-	A-1
Monticello	-	-	-	A-1
Morrison	-	-	-	A-1
Moscow Mills	Troy	3.65	3.65	A-1
Mount Sterling	-	-	-	A-1
Mt. Vernon	-	-	-	A-3
Mtn. Grove	-	-	-	A-3
Mtn. View	-	-	-	A-2

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Public Service Commission

G. Local Exchange Listings (Cont'd)

1. Exchange Listings (Includes EAS Points, EAS Rate Component, Rate Schedule and Rate Group) (Cont'd)

Exchange Name	EAS Points	EAS Rate Component		Rate Sch./Group
		Bus.	Res.	
Hermann	-	-	-	A-2
Hermitage	-	-	-	A-1
High Hill	-	-	-	A-1
Highlandville	Ozark	\$2.65	\$2.65	A-2
Holstein	-	-	-	A-1
Houston	Raymondville, Rody	2.80	2.80	A-2
Humansville	-	-	-	A-2
Hunnewell	-	-	-	A-1
Hurley	-	-	-	A-1
Irondale	-	-	-	A-1
Ironton	-	-	-	A-3
Jamestown	-	-	-	A-1
Jenkins	Cassville	3.65	3.65	A-1
Jerico Springs	-	-	-	A-1
Jonesburg	-	-	-	A-1
Kahoka	Luray, Revere, Wayland	.95	.50	A-2
Keytesville	Dalton	2.35	2.35	A-1
Kidder	Cameron, Hamilton	6.10	3.30	A-1
Kimberling City	-	-	-	A-2
Kingston	Hamilton	1.40	.75	A-1
Koshkonong	Thayer	3.15	3.15	A-1

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LOCAL EXCHANGE SERVICE

G. Local Exchange Listings (Cont'd)

I. Exchange Listings (Includes EAS Points, EAS Rate Component, Rate Schedule and Rate Group) (Cont'd)

<u>Exchange Name</u>	<u>EAS Points</u>	<u>EAS Rate Component</u>		<u>Rate Sch./Group</u>
		<u>Bus.</u>	<u>Res.</u>	
Fillmore	Rosendale, Savannah	\$5.60	\$3.05	A-1
Foley	Old Monroe, Winfield	3.45	3.45	A-1
Fordland	-	-	-	A-2
Foristell	Wright City	1.00	1.00	Metro
Forsyth	Bradleyville, Cedar Creek, Protem	1.75	1.75	A-3
Fremont	-	-	-	A-1
Gainesville	Caulfield, Dora, Theodosia, Wasola	3.65	3.65	A-2
Galena	-	-	-	A-2
Golden City	-	-	-	A-1
Gorin	-	-	-	A-1
Gower	Easton, Plattsburg	2.00	1.10	A-1
Greenfield	Arcola	1.80	1.80	A-2
Grovespring	Hartville, Manes	3.65	3.65	A-1
Hallsville	Columbia	3.70	2.00	A-2
Hamilton	Kidder, Kingston	.80	.45	A-2
Hartville	Grovespring, Manes	2.95	2.95	A-2
Hawk Point	Troy	3.65	3.65	A-1
Helena	Avenue City, Cosby, Savannah	5.75	3.10	A-1

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LOCAL EXCHANGE SERVICE

G. Local Exchange Listings (Cont'd)

1. Exchange Listings (Includes EAS Points, EAS Rate Component, Rate Schedule and Rate Group) (Cont'd)

Exchange Name	EAS Points	EAS Rate Component		Rate Sch./Group	
		Bus.	Res.		
Cosby	Avenue City, Helena, Savannah	\$9.45	\$5.10	A-1	
Crane	-	-	-	A-2	
Cross Timbers	-	-	-	A-1	(D)
Cuba	-	-	-	A-3	
Dadeville	-	-	-	A-1	
Dalton	Keytesville	2.35	2.35	A-1	
Dardenne/ Lake St. Louis	-	-	-	Metro	
Defiance	-	-	-	Metro	
Dora	Gainesville	3.65	3.65	A-1	(D)
Easton	Gower	1.10	.60	A-1	(D)
Edgar Springs	-	-	-	A-1	
Eldorado Springs	Schell City, Walker	2.45	2.45	A-3	
Elkland	Marshfield	1.90	1.90	A-1	
Ellsinore	-	-	-	A-1	
Elmer	La Plata	3.20	3.20	A-1	
Eminence	-	-	-	A-1	
Everton	-	-	-	A-1	
Ewing	-	-	-	A-1	
Exeter	Cassville, Washburn	3.65	3.65	A-1	

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GENERAL AND LOCAL EXCHANGE TARIFF

LOCAL EXCHANGE SERVICE

G. Local Exchange Listings (Cont'd)

1. Exchange Listings (Includes EAS Points, EAS Rate Component, Rate Schedule and Rate Group) (Cont'd)

MISSOURI
 Public Service Commission

<u>Exchange Name</u>	<u>EAS Points</u>	<u>EAS Rate Component</u>		<u>Rate Sch./Group</u>
		<u>Bus.</u>	<u>Res.</u>	
Braymer	-	-	-	A-1
Bronaugh-Moundville	-	-	-	A-1
Brunswick (Triplett)	-	-	-	A-1
Buffalo	-	-	-	A-3
Bunker	-	-	-	A-1
Cabool	-	-	-	A-2
Caledonia	-	-	-	A-1
Cameron	Kidder	\$.40	\$.20	A-3
Canton	-	-	-	A-2
Cape Fair	-	-	-	A-2
Cassville	Exeter, Jenkins, Mano, Washburn	2.90	2.90	A-3
Caulfield	Gainesville	3.10	3.10	A-2
Cedar Creek	Forsyth	.75	.75	A-1
Centerville	-	-	-	A-1
Centralia	Clark, Sturgeon	.55	.30	A-2
Chamois	-	-	-	A-1
Clarence	-	-	-	A-1
Clark	Centralia, Sturgeon	3.55	1.90	A-1
Clarksdale	-	-	-	A-1
Collins	-	-	-	A-1
Columbia	Ashland, Hallsville, Rocheport	.30	.15	A-5
Concordia	-	-	-	A-2
Conway	-	-	-	A-2

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GENERAL AND LOCAL EXCHANGE TARIFF

LOCAL EXCHANGE SERVICE

G. Local Exchange Listings

1. Exchange Listings (Includes EAS Points, EAS Rate Component, Rate Schedule and Rate Group)

MISSOURI
Public Service Commission

<u>Exchange Name</u>	<u>EAS Points</u>	<u>EAS Rate Component</u>		<u>Rate Sch./Group</u>
		<u>Bus.</u>	<u>Res.</u>	
Alton	Thomasville	\$ 1.80	\$ 1.80	A-2
Amazonia	Savannah	4.50	2.45	A-1
Annapolis	-	-	-	A-1
Arcola	Greenfield	3.20	3.20	A-1
Ashland	Columbia	2.85	1.55	A-2
Augusta	-	-	-	Metro
Aurora	-	-	-	A-3
Ava	-	-	-	A-3
Avenue City	Cosby, Helena, Savannah	4.90	2.65	A-1
Avilla	-	-	-	A-1
Belgrade	-	-	-	A-1
Belle	-	-	-	A-2
Belleview	-	-	-	A-1
Birch Tree	-	-	-	A-1
Bland	-	-	-	A-1
Blue Eye	-	-	-	A-2
Bolckow	Rosendale, Savannah, Whitesville	6.95	3.75	A-1
Boss	-	-	-	A-1
Bourbon	-	-	-	A-2
Bradleyville	Forsyth	.75	.75	A-1
Branson	Branson West	1.65	1.65	A-4
Branson West	Branson	2.65	2.65	A-2

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Issued: March 1, 1996

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GENERAL EXCHANGE TARIFF

UNITED TELEPHONE COMPANY
OF MISSOURI

First Revised Page 2
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LOCAL EXCHANGE SERVICE RATE GROUPS

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I. ACCESS LIMITS AND EXCHANGES BY RATE GROUPS: (Cont'd)

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B. EXCHANGES IN EACH RATE GROUP IN "A" ABOVE

MISSOURI
Public Service Commission

I

Appleton City	Blackburn	Blairstown	Brazito	(MT)
Calhoun	Camden Point	Centertown	Centerview	
Chilhowee	Clarksburg	Coal	Craig	
Dearborn	Deepwater	Edgerton	Eugene	
Fairfax	Green Ridge	Hardin	Henrietta	
Holt	Hopkins	Houstonia	Ionia	
King City	Kingsville	Leeton	Lincoln	
Malta Bend	Missouri City	Montrose	New Bloomfield	
Newburg	Norborne	Orrick	Otterville	
Pickering	Russellville	St. Thomas	Smithton	
Strasburg	Sweet Springs	Syracuse	Taos	
Tarkio	Tipton	Urich	Waverly	
Wellington				(MT)

II

Buckner	Butler	California	Cole Camp	
Holden	Kearney	Lake Lotawana	Lexington	(MT)
Lone Jack	Mound City	Odessa	Platte City	
Pleasant Hill	Richland	St. Robert	Waynesville	(MT)
Weston	Windsor			

III

Clinton	Ferrelview	Ft. Leonard Wood	Harrisonville	(MT)
Lebanon	Maryville	Oak Grove	Rolla	
Salem	Warrensburg	Warsaw		(MT)

IV

Jefferson City

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MISSOURI
Public Service Commission

ISSUED:
February 3, 1994

BY: John L. Roe
Vice President - Administration
5454 West 110th Street
Overland Park, Kansas 66211

EFFECTIVE:
~~February 3, 1994~~
FEB 21 1994

Ciera Network Systems, Inc.
CLEC Application
MoPSC Case No. TA-2000-____

APPENDIX C

Principals' Qualifications

Robert (Bob) Livingston - Chief Executive Officer

Bob Livingston has over 20 years of experience in the telecommunications industry.

Before forming Ciera, he was employed by Wireless Communications Technology, Inc., a cellular telephone operator in Africa, since September 1997. He served as WCTI's Executive Vice President, Chief Operating Officer, and Secretary/Treasurer. Other positions Bob held while at WCTI included Senior Vice-President, Chief Financial Officer and Treasurer.

Prior to joining WCTI, Bob was Vice President of Card Services for GST Telecommunications, a publicly traded CLEC providing a broad range of integrated telecommunications services. At GST from 1996 to 1997, Bob was responsible for all sales, operations and administrative activities relating to calling card and enhanced communications services.

Before joining GST, he served as the CEO of Texas-Ohio Communications, a switchless reseller of long distance telephone services from 1987 to 1995.

From 1985 to 1986 he was employed by Hi-Tech Communications, a national company that installed phone systems for the Regional Bell Operating Companies where he first served as Vice President / Finance from 1985-1986. In late 1986, then promoted to Executive Vice-President and Chief Operating Officer.

Bob began his career in the telecommunications industry with for Centel Business Systems, Southwest Region, one of the largest interconnect companies in the US. At Centel from 1979 to 1984, Bob served as Director of Finance.

Prior to entering the communications industry, he worked for nine years with Fortune 500 firms in various accounting and financial areas.

James (Sam) Jarrett - President & Chief Operations Officer

Sam Jarrett has more than 20 years of experience in business planning/development; marketing/sales strategies, operations management, accounting, computerization, telecommunications, high technology manufacturing and customer care systems.

He joined Wireless Communications Technology, Inc. in May 1998 as Vice President - U.S. Operations. At WCTI, he was responsible for forming Ciera and developing the business concept upon which Ciera is based.

Prior to joining Wireless Communications Technology, Inc. Sam was the Manager of Wholesale Sales for GST Telecommunications, Inc., a publicly traded CLEC, from 1997 to 1998. At GST, Sam directed National sales staff that sold communication services to high volume retail and commercial accounts.

From 1995 to 1996, he was the Director of Business Development for PC-TEL, Incorporated, a start-up company that provided electronic document imaging/archiving and optical character recognition (OCR) services to medical and legal practitioners wishing to have access to archived/aged client files and other business records at the computer desktop level.

Sam served as the Director of Business Development for X:CELL Communications and LesMarc Communications advising in marketing, sales, and general business re-development of these privately held corporations from 1992 to 1995.

From 1986 to 1992, Sam was President and CEO of AssemblyFAB, Inc., a company that manufactured stenography equipment for the legal industry.

From 1976 to 1986 he held various manufacturing, forecasting and financial planning positions with StorageTEK, Corp., a public Fortune 500 high technology manufacturing company selling high capacity peripheral data storage products worldwide.

Lindsey Lee – Chief Financial Officer

Lindsey Lee has more than 15 years experience in the financial, legal and consulting industries.

Mr. Lee is one of the founding partners of The Polaris Group, a financial advisory firm assisting start up and emerging growth companies.

Prior to joining the Polar Group, Mr. Lee was a practicing attorney with Bon, Taylor & Lee (1995-1998) in Houston providing legal services to growth oriented companies.

Mr. Lee was employed by McFarland, Grossman & Company (1992-1995) as an Associate Director of this NASD Registered broker/dealer company providing investment banking services to middle market companies. Lee participated in more than 10 transaction with an aggregate value exceeding \$175 million.

From 1988-1990 Mr. Lee was an internal auditor for Sugarland Properties, Inc.

Mr. Lee was employed in the public accounting area as a Staff Accountant / Consultant from 1982 – 1987 for Arthur Andersen & Co. and Kenneth Leventhal & Company.

Mr. Lee received his undergraduate in 1976, MBA in 1983 and Doctor of Jurisprudence in 1991.

Les Richter – Chief Technical Officer

Les Richter has over 25 years in the communications industry with 15 of those years in the field of applications and 10 years in the field of management.

Mr. Richter was the President of Infiniti Communications telecommunications services company where he was responsible for all operations, marketing and administration.

Before joining Infiniti Communications, Mr. Richter was employed with Southwestern Bell Telephone Company where he participated in all equipment installation and management of On-going operations and outside plant construction.

Prior to joining Southwestern Bell Telephone Company, Mr. Richter was Journeyman Electrician in the fields of commercial and residential Petrochemical environments.

Ciera Network Systems, Inc.
CLEC Application
MoPSC Case No. TA-2000-_____

APPENDIX D

Financial Information

Ciera Networks, Inc.

2630 Fountainview, Suite 300
Houston, Texas 77057

Balance Sheet

July 1999

8/19/99

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ASSETS	
Cash	\$150,054.16
Accounts Receivable	\$4,855.84
Inventory	\$375.00
Other Assets	\$11,258.76
Fixed Assets	\$71,378.42
Goodwill	\$87,694.45
Total ASSETS	<u>\$325,616.63</u>
LIABILITIES	
Current Liabilities	\$23,967.84
Other Accrued Liabilities	\$42,842.09
Note Payable - Insight Tech	\$7,791.67
Notes Payable - Randolph Furn	\$7,818.82
Total LIABILITIES	<u>\$82,420.42</u>
STOCKHOLDERS EQUITY	
Common Stock	\$167.60
Additional Paid In Capital	\$588,832.40
Current Year Earnings	<u>(\$345,803.79)</u>
Total STOCKHOLDERS EQUITY	<u>\$243,196.21</u>
Total Liability & Equity	<u>\$325,616.63</u>

Ciera Network Systems, Inc.

2630 Fountainview, Suite 300
Houston, Texas 77057

Profit & Loss Statement

January 1999 through July 1999

8/19/99
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	Selected Period	Budgeted	\$ Difference	% Difference
Revenue	\$1,353.95	\$126,202.00	(\$124,848.05)	(98.9%)
Cost of Goods Sold	\$11,943.05	\$171,777.00	(\$159,833.95)	(93.0%)
Gross Profit	(\$10,589.10)	(\$45,575.00)	\$34,985.90	(76.8%)
Overhead Expenses:	\$307,989.34	\$578,366.00	(\$270,376.66)	(46.7%)
Operating Profit	(\$318,578.44)	(\$623,941.00)	\$305,362.56	(48.9%)
Other Income	\$3,467.65	\$0.00	\$3,467.65	NA
Other Expenses	\$30,693.00	\$30,135.00	\$558.00	1.9%
Net Profit / (Loss)	<u>(\$345,803.79)</u>	<u>(\$654,076.00)</u>	<u>\$308,272.21</u>	<u>(47.1%)</u>

Ciera Network Systems, Inc.
5 Year Financial Projections
Balance Sheet

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
ASSETS					
<u>CURRENT ASSETS:</u>					
Cash in Bank	523,226	3,741,668	1,345,205	8,707,737	19,659,057
Cash - Certificate of Deposit	400,000	400,000	400,000	400,000	400,000
Accounts Receivable - Trade	376,640	1,760,037	13,927,136	21,185,505	29,466,195
Less: Allowance for Bad Debts	37,294	934,309	1,771,160	4,472,921	8,153,167
Total Current Assets	1,262,572	4,967,396	13,901,181	25,820,322	41,372,085
<u>FIXED ASSETS:</u>					
Office Furniture & Equipment	48,058	337,882	358,746	388,575	408,527
Computer Equipment	59,744	123,842	206,662	305,434	430,369
Gross Fixed Assets	107,801	461,724	565,408	694,009	836,896
Less: Accum Depreciation	24,338	100,260	273,950	463,902	648,509
Net Fixed Assets	83,463	361,464	291,459	230,107	188,387
TOTAL ASSETS	1,346,035	5,328,861	14,192,639	26,050,429	41,560,472
LIABILITIES & STOCKHOLDERS EQUITY					
<u>CURRENT LIABILITIES:</u>					
Accounts Payable - Trade	805,751	2,716,484	4,686,534	6,863,110	9,139,610
Payroll Taxes Payable	13,907	26,212	38,790	48,245	66,865
Federal Income Tax Payable	0	101,021	243,384	368,056	483,079
Other Accrued Liabilities	314,477	39,484	751,307	474,755	211,189
Total Current Liabilities	1,134,135	2,883,202	5,720,015	7,754,166	9,900,742
<u>STOCKHOLDERS EQUITY:</u>					
Common Stock	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Retained Earnings-cumulative	(988,100)	1,245,660	7,272,624	17,096,263	30,459,730
Total Stockholders Equity	211,900	2,445,660	8,472,624	18,296,263	31,659,730
TOTAL LIABILITIES & STOCKHOLDER EQUITY	1,346,035	5,328,861	14,192,639	26,050,429	41,560,472

Ciera Network Systems, Inc.
5 year Financial Projections
Statement of Earnings

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Revenue	5,138,976	29,900,506	59,038,667	90,058,689	122,674,878
Cost of Goods Sold	<u>4,540,217</u>	<u>23,412,653</u>	<u>45,421,082</u>	<u>69,127,227</u>	<u>94,285,622</u>
GROSS PROFIT	598,759	6,487,853	13,617,584	20,931,462	28,389,256
% of Revenue	11.7%	21.7%	23.1%	23.2%	23.1%
General & Administrative Expenses	1,242,000	1,775,518	2,658,818	3,354,544	4,553,120
Bad Debt Expense	<u>154,169</u>	<u>897,015</u>	<u>1,771,160</u>	<u>2,701,761</u>	<u>3,680,246</u>
Total Departmental Expense	1,396,169	2,672,533	4,429,978	6,056,305	8,233,367
EBIDTA	(797,410)	3,815,320	9,187,606	14,875,157	20,155,889
% of Revenue	-15.5%	12.8%	15.6%	16.5%	16.4%
Total Other Expenses	<u>74,738</u>	<u>342,994</u>	<u>816,822</u>	<u>1,231,214</u>	<u>1,595,519</u>
Income from Operations	(872,148)	3,472,326	8,370,784	13,643,944	18,560,370
% of Revenue	-17.0%	11.6%	14.2%	15.2%	15.1%
Interest Expense	115,952	754,146	0	0	0
Net Income Before Taxes	(988,100)	2,718,179	8,370,784	13,643,944	18,560,370
% of Revenue	-19.2%	9.1%	14.2%	15.2%	15.1%
Income Taxes	<u>0</u>	<u>484,420</u>	<u>2,343,820</u>	<u>3,820,304</u>	<u>5,196,904</u>
Net Income	(988,100)	2,233,760	6,026,964	9,823,639	13,363,467

**Ciera Network Systems, Inc.
5 year Financial Projections
Cash Flow**

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
<u>CASH RECEIVED:</u>					
Factor advance on invoices	4,625,078	26,910,455	0	0	0
Collection of final balance of factored	137,258	1,606,653	708,853	0	0
Collection of receivables without factoring	0	0	46,162,715	82,800,320	122,480,578
Investment	1,200,000	0	0	0	0
Total Cash Received	5,962,336	28,517,109	46,871,568	82,800,320	114,394,189
<u>CASH DISBURSED:</u>					
Cost of network services	3,376,831	20,807,387	41,869,186	64,656,365	88,922,537
Billing Cost	146,125	856,201	1,649,392	2,436,711	3,216,508
Certificate of Deposit for Letter of Credit	400,000	0	0	0	0
Payroll Expenses	714,504	1,427,287	2,270,795	2,931,881	4,091,479
General Expenses	577,895	615,303	1,031,155	1,463,925	1,872,554
Income Taxes	0	484,420	2,343,820	3,820,304	5,196,904
Interest Expense on Factoring	115,952	754,146	0	0	0
Capital Expenditures	107,801	353,923	103,684	128,601	142,887
Total Cash Disbursed	5,439,109	25,298,667	49,268,032	75,437,787	103,442,869
Cash Flow - Current Year	523,226	3,218,442	(2,396,463)	7,362,532	10,951,320
Cash Flow - Cumulative	<u>523,226</u>	<u>3,741,668</u>	<u>1,345,205</u>	<u>8,707,737</u>	<u>19,659,057</u>