

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

TA 2000-217

FILED<sup>2</sup>  
SEP 7 1999  
Missouri Public  
Service Commission

Re: HJN Telecom, Inc. - LOCAL EXCHANGE

Dear Mr. Wright:

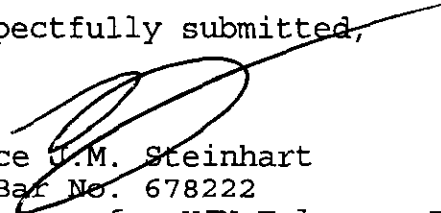
Enclosed please find one original and fourteen (14) copies of HJN Telecom, Inc.'s Application for Certificate of Service Authority to Provide Local Exchange Telecommunications Services Within the State of Missouri.

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 HJN Telecom, Inc.

Enclosures

cc: Mr. Herb J. Newton  
Office of Public Counsel

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED<sup>2</sup>  
SEP 7 1999

In the matter of the application )  
of HJN Telecom, 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.  
TA2000-217

APPLICATION

HJN Telecom, Inc. ("Applicant" or "HJN"), a Georgia 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 Cum. Supp. 1996.

In support of its request, Applicant states:

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

HJN Telecom, Inc.  
3235 Satellite Blvd.  
Building 400 Suite 300  
Duluth, Georgia 30096  
770-291-2121  
770-614-1266

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. HJN 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.). HJN 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.

HJN does not intend to install any switching equipment for the provision of local exchange service in the State of Missouri.

HJN 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 Herb J. Newton, President; P. Bradley Clapp, Secretary / Treasurer; along with a description of the Applicant's telecommunications background. A copy of Applicant's Balance Sheet for the year ended December 31, 1998, and Income Statement for the year ended December 31, 1998, is attached hereto as Exhibit III.

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. HJN Telecom, 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.

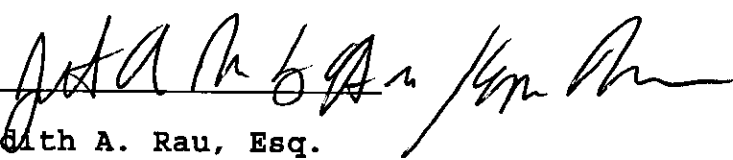
WHEREFORE, Applicant, HJN Telecom, Inc., respectfully requests that the Missouri Public Service Commission grant it a certificate of service authority to provide Basic Local Telecommunications Services within portions of the State of Missouri. Applicant also requests classification as a competitive telecommunications 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 AUTHORITY

WHEREAS,  
HJN TELECOM, INC.

USING IN MISSOURI THE NAME  
HJN TELECOM, INC.

HAS COMPLIED WITH THE GENERAL AND BUSINESS CORPORATION LAW WHICH GOVERNS FOREIGN CORPORATIONS; BY FILING IN THE OFFICE OF THE SECRETARY OF STATE OF MISSOURI AUTHENTICATED EVIDENCE OF ITS INCORPORATION AND GOOD STANDING UNDER THE LAWS OF THE STATE OF GEORGIA.

NOW, THEREFORE, I, REBECCA MCDOWELL COOK, SECRETARY OF STATE OF THE STATE OF MISSOURI, DO HEREBY CERTIFY THAT SAID CORPORATION IS FROM THIS DATE DULY AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE, AND IS ENTITLED TO ALL RIGHTS AND PRIVILEGES GRANTED TO FOREIGN CORPORATIONS UNDER THE GENERAL AND BUSINESS CORPORATION LAW OF MISSOURI.

IN TESTIMONY WHEREOF, I HAVE SET MY  
HAND AND IMPRINTED THE GREAT SEAL OF  
THE STATE OF MISSOURI, ON THIS, THE  
26TH DAY OF JUNE, 1998.

*Rebecca McDowell Cook*  
Secretary of State



\$155.00

**HJN TELECOM, INC.**

**ARTICLES OF INCORPORATION**

**ARTICLE I**

The name of the Corporation is HJN Telecom, Inc.

**ARTICLE II**

The Corporation shall be authorized to issue One Thousand (1,000) shares of stock.

**ARTICLE III**

The initial registered office of the Corporation shall be at 6455 East Johns Crossing, Suite 285, Duluth, Georgia 30097 in Fulton County. The initial registered agent of the Corporation at such address shall be Lance J.M. Steinhart.

**ARTICLE IV**

The name and address of the Incorporator is:

Lance J.M. Steinhart  
6455 East Johns Crossing  
Suite 285  
Duluth, Georgia 30097

SECRETARY OF STATE  
JUN 15 1 59 PM '90

**ARTICLE V**

The mailing address of the initial principal office of the Corporation is:

3235 Satellite Boulevard, Building 400, Suite 300  
Duluth, Georgia 30096

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation.

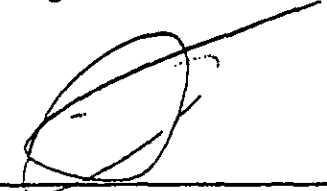
  
\_\_\_\_\_  
Lance J.M. Steinhart  
Incorporator

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

RESUMÉ of  
Herb J. Newton  
2865 Camp Branch Road  
Buford, GA 30515  
770-614-3641 - phone  
770-614-9445 - fax  
HNewton498@aol.com

**BUSINESS EXPERIENCE:**

Present - HJN Telecom, Inc. - Duluth, GA

Founder and President. Recent startup operation.

Nov, 1988 - May, 1997 - Lenox Dodge, Inc. d/b/a Dodge Country - Duluth, GA

Founder and President. Chrysler asked me to purchase this dealership because of my previous experience in turnaround situations. Within a year, this dealership was one of the largest Dodge dealerships in the Atlanta zone, and was one of the largest truck sales outlets. Our dealership's customer satisfaction ratings were always among the top in the zone. Dodge Country was purchased by a public company in May, 1997.

1987 - 1988 - Tampa Bay Toyota, Inc. - Pinellas Park, FL

Founder and President. This Toyota store became the number one Toyota store in the region within a matter of months of our opening this facility. Tampa Bay Toyota was purchased by employees of a major dealer chain out of Baltimore.

1986 - 1987 - Atlanta Toyota, Inc. - Duluth, GA

Founder and President. This was a brand new facility that I built from the ground up, having been awarded this, the first new Toyota point in the Southeast in several years. This store was the number one Toyota sales and service facility in the metro-Atlanta area its first month in business, and was also a leader in the southeast region in Customer Satisfaction as well. Atlanta Toyota was purchased from me by the same mega-dealer from Washington, DC that purchased Carolina Toyota.

1983 - 1991 - Atlanta Advertising & Marketing, Inc. - Duluth, GA

Founder and President. This national advertising agency specializes in direct mail campaigns, primarily in the automotive, computer, and technology industries. The General Manager of the agency bought out my ownership interest, and I am still in contact with this firm to this day.

1981 - 1986 - Carolina Toyota - Asheville Highway - Hendersonville, NC

Founder and President. Under my aggressive leadership, this dealership went from selling 200 cars a year to over 9,000 cars a year in just 3 years. Carolina Toyota was the number 1 truck center in the nation, and the number 2 used car retailer in the nation. Again, our customer satisfaction scores always placed us in the top rankings. Carolina Toyota was purchased from me by a mega-dealer from Washington, DC.

Other - I have also been a major investor in other projects through the years in many different areas, including transportation, construction, and investments.

**REFERENCES:**

Tim Ramsey - attorney - 1800 Peachtree Street #615 - Atlanta, GA  
Wayne Phears - attorney - 4725 Peachtree Corners Circle - Norcross, GA  
Ron Cate - CPA - 300 Gay Street #600 - Knoxville, TN  
Bradley Clapp - CPA - 1588 Macy Lane - Lawrenceville, GA

PHILLIP BRADLEY CLAPP, CPA  
1388 Macy Lane  
Lawrenceville, GA 30043  
Home Phone • 770-963-0091

#### CAREER OBJECTIVE

- \* To utilize my accounting and management skills to an organization's complete benefit.

#### EMPLOYMENT HISTORY

- \* May, 1997 - Current -- Newton Enterprises, HJN Telecom, and related organizations

- \* August, 1985 - January, 1993 -- H.J. Newton Enterprises, Inc., Duluth, GA

My position as Controller/Assistant to the President afforded me the opportunity to use my accounting background, computer skills, and management abilities to work on a variety of projects including preparation of financing proposals, opening new businesses, financial statement analysis, office management, corporate and individual tax return preparation, daily accounting responsibilities, contract negotiation, and various other affiliated activities.

- \* February, 1993 - April, 1997 -- Golden Circle Ford • Lincoln • Mercury, Inc. - Jackson, TN

My position as Controller/Office Manager has given me the day to day responsibility of the accounting office and the staff. I am an integral part of the daily activities, performing all roles in the payroll cycle, coordinating tax and other matters with the banks and outside CPAs, signing contracts and checks on behalf of the dealership, and performing any other tasks either assigned me or that I observe needed doing. I am also the system administrator of our ADP computer system.

- \* September, 1981 - August, 1985 -- Pugh & Company, PC, CPA, Knoxville, TN

I was employed as a staff and a semi-senior accountant in the audit department. These positions allowed me to be in-charge of various types of engagements, including report and tax return preparation. The primary types of clients I was assigned to included contractors, wholesalers, automobile dealerships, and not-for-profit organizations.

I successfully completed the CPA Examination during this time period.

- \* April, 1977 - September, 1981

I was employed by Todd and Armistead Drug Store and the Athletic House, both in Knoxville. I worked 25 - 30 hours a week while attending college, in order to pay for my education. My varied responsibilities included accounting, retail sales, maintenance, and other related tasks.

#### EDUCATION

- \* I graduated with honors from the University of Tennessee with a major in Accounting in June, 1981.

#### CHURCH

\* I am an active member of Old Peachtree Presbyterian Church, PCA in Duluth, GA, serving as a substitute pianist and Sunday School teacher. I have been ordained an Elder and Deacon in the Presbyterian Church, USA. I have twice served as Church Treasurer and on various committees, including Missions, Finance, Worship, and Administrative.

#### PERSONAL HISTORY

- \* I am 39 years old, married, have one son, and am in excellent health.

#### REFERENCES

- \* References, as will any other information you may request, will be furnished upon request.

EXHIBIT II

HJN Telecom, Inc., is authorized to provide interexchange telecommunications service in the forty-eight contiguous states. HJN Telecom, Inc., is authorized to provide local exchange telecommunications service in Alabama, Arizona, Connecticut, Florida, Georgia, Illinois, Indiana, Kentucky, Massachusetts, Minnesota, Montana, New Jersey, New York, North Dakota, Oregon, Rhode Island, South Dakota, and Wisconsin. Applicant is currently in the process of seeking local exchange authority nationwide and has not been denied authority in any state.



**Exhibit III**  
**Financial Information**

**See Attached**

HJN Telecom, Inc.

## Balance Sheet

As Of Date 12/31/98

## Assets

## Current Assets

Regular Checking Account

32,223.52

Certificate of Deposit

200,000.00

## Total Current Assets

232,223.52

## Total Assets

\$ 232,223.52

## Liabilities and Capital

## Current Liabilities

Accounts Payable

530.00

## Total Current Liabilities

530.00

## Long Term Liabilities

Operating Loan - HJN

204,666.30

## Total Long Term Liabilities

204,666.30

## Total Liabilities

205,196.30

## Capital

Common Stock

1,000.00

Paid-in Capital

249,000.00

Net Income

-22,972.78

## Total Capital

27,027.22

## Total Liabilities and Capital

\$ 232,223.52

HJN Telecom, Inc.  
Income Statement  
From 12/1/98 To 12/31/98

Expenses	Reporting Period	% of Revenue	Year to Date	% of Revenue
Bank Charges	0.00	0.00	37.50	0.00
Interest Expense	0.00	0.00	3,166.30	0.00
Rent	795.00	0.00	1,855.00	0.00
Postage & Overnight Delivery	31.40	0.00	56.05	0.00
PSC Universal Funds	529.56	0.00	529.56	0.00
Legal & Professional Expense	739.00	0.00	167,289.87	0.00
Other Expenses	50,038.50	0.00	50,038.50	0.00
Total Expenses	<u>52,133.46</u>	0.00	<u>222,972.78</u>	0.00
Net Income	<u>\$ -52,133.46</u>	0.00	<u>\$ -222,972.78</u>	0.00

HJN Telecom, Inc.  
**Statement of Cash Flow**  
 From 12/1/98 To 12/31/98

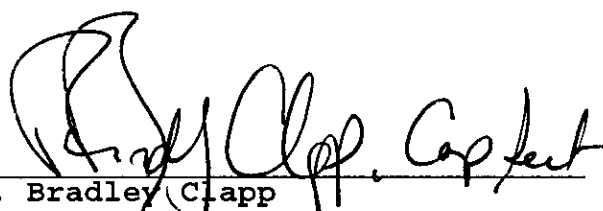
	Reporting Period	Year to Date
<b>Cash Flows from Operating Activities</b>		
Net Income	-52,133.46	-222,972.78
Adjustments to reconcile net income to net cash provided by Operating Activities		
Accounts Receivable	50,000.00	0.00
Accounts Payable	530.00	530.00
Net cash used in Operating Activities	<u>50,330.00</u>	<u>530.00</u>
Net cash provided by Operating Activities	<u>-1,603.46</u>	<u>-222,442.78</u>
<b>Cash Flows from Financing Activities</b>		
Operating Loan - HJN	200,000.00	204,666.30
Common Stock	0.00	1,000.00
Paid-in Capital	0.00	249,000.00
Net cash used in Financing Activities	<u>200,000.00</u>	<u>454,666.30</u>
Net Increase <Decrease> in Cash	<u>\$ 198,396.54</u>	<u>\$ 232,223.52</u>
<b>Summary Cash</b>		
Cash Balance at the End of Period	232,223.52	232,223.52
Cash Balance at Beginning of Period	33,826.98	0.00
Net Increase <Decrease> in Cash	<u>\$ 198,396.54</u>	<u>\$ 232,223.52</u>

STATE OF GEORGIA


COUNTY OF GWINNETT

VERIFICATION

I, P. Bradley Clapp, being duly sworn, declare that I am the Secretary and Treasurer of HJN Telecom, 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.

  
P. Bradley Clapp

Sworn to before me, the undersigned Notary Public on this 20th day of August, 1999.

  
Notary Public

Charlotte E. Lacey  
Print or Type Name

My commission expires:

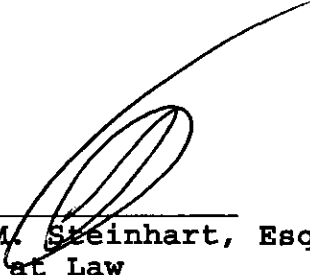
  
Charlotte E. Lacey  
Notary Public, Gwinnett County, Georgia  
My Commission Expires November 26, 2000

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the matter of the application of )  
HJN Telecom, 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, HJN Telecom, 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

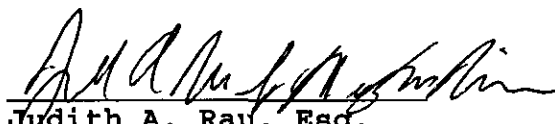
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the matter of the application of )  
HJN Telecom, Inc., for a certificate )  
of service authority to provide )  
local exchange telecommunications services )

Case No. \_\_\_\_\_

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 HJN  
Telecom, 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