BOULT • CUMMINGS
CONNERS • BERRY PLC

Henry Walker
(615) 252-2363
Fax: (615) 252-6363
Email: hwalker@boultcummings.com

RECEIVED
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TN REGULATORY AUTHORITY
DOCKET ROOM

September 12, 2002

Via Hand Delivery
Honorable Sara Kyle
Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

Re: *In the Matter of the Application of Talk America Inc. for Amended Authority to Provide Facilities-Based Competing Local Telecommunications Services*

Docket No. 02-00991

Dear Chairman Kyle:

Please find enclosed the original and six copies of the application of Talk America as described in the above caption. A check in the amount of $25.00 is also enclosed for the filing fee.

If the Staff has any questions or needs further information, please contact me.

Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By: Henry Walker
Henry Walker
414 Union Street, Suite 1600
Nashville, Tennessee 37219
(615)252-2363

Counsel for The Other Phone Company, Inc.

HW/nl
Enclosure

819445 v1
102363-002
9/12/2002

BEFORE THE TENNESSEE REGULATORY AUTHORITY

In the matter of the Application of	)
Talk America Inc. for Amended	)
Authority to Provide Facilities-Based	)
Competing Local Telecommunications	)
Services	)

APPLICATION FOR AMENDED AUTHORITY TO PROVIDE
FACILITIES BASED LOCAL TELECOMMUNICATIONS SERVICES

Pursuant to applicable Tennessee Statutes and the Rules and Regulations of the Tennessee Regulatory Authority and Section 253 of the Federal Telecommunications Act of 1996 ("Act"), Talk America Inc. f/k/a Talk.com Holding Corp. and f/k/a Tel-Save, Inc. ("Talk America" or "Applicant") respectfully requests that the Tennessee Regulatory Authority ("TRA") grant to Talk America amended authority to provide facilities-based competing local telecommunications services, including exchange access telecommunications services, within the State of Tennessee. Talk America (f/k/a Talk.com) was previously granted authority to provide resold local exchange services on September 14, 1999, in Docket Number 99-00610. Talk America is willing and able to comply with all applicable rules and regulations in Tennessee pertaining to the provision of facilities based competing local telecommunications services.

In support of its Application, Talk America submits the following:

1. The full name and address of the Applicant is:

Talk America Inc.
6805 Route 202
New Hope, PA 18938
Telephone: (215) 862-1500
Facsimile: (215) 862-1085

Questions regarding this application should be directed to:

Henry Walker, Esq.
Boult, Cummings, Conners & Berry
414 Union Street, Suite 1600
P.O. Box 198062
Nashville, TN 37219
Telephone: (615) 252-2363
Facsimile: (615) 252-6363

Contact name and address at the Company is:

Frances McComb, Executive Director of Regulatory Affairs
Talk America Inc.
6805 Route 202
New Hope, PA 18938
Telephone: (215) 862-1517
Facsimile: (215) 862-1085

2. Organizational Charge of Corporate Structure:

See **Exhibit A.**

3. Corporate Information:

Talk America Inc. was incorporated in the Commonwealth of Pennsylvania on May 17, 1989. A copy of Talk America's Articles of Incorporation and amendments are provided in **Exhibit B**. A copy of Talk America's Authority to transact business in the State of Tennessee is provided in **Exhibit C**. The names and addresses of the principal corporate officers are in **Exhibit D**. There are no officers in Tennessee. The biographies of the principal offers and any other key technical staff are in **Exhibit E**.

4. Talk America possesses the managerial, technical, and financial ability to provide local telecommunications service in the State of Tennessee as demonstrated below:

A. Financial Qualifications

In support of its financial qualifications, Talk America Inc. submits the year-end 2001 SEC Form 10-K of its parent company, Talk America Holdings, Inc. ("TAHI") in **Exhibit F**. This document includes TAHI's consolidated income statements, balance sheets, and statement of cash flows for the year-ended December 31, 2001. As the parent company of two operating telecommunications subsidiaries, Talk America Inc. and The Other Phone Company, Inc. d/b/a Access One Communications, TAHI served nearly 800,000 local and long distance subscribers and more than 240,000 local access lines throughout the United States as of June 30, 2002, and continues to increase its subscriber base. TAHI, through its operating subsidiaries, is focused on the provision of high-quality local and long distance voice telecommunications services. TAHI's sales of bundled local services grew by approximately 304% from 2000 to 2001. Cash and cash equivalents as of December 31, 2001 exceeded $22 million and increased to more than $30 by June 30, 2002. Key operating highlights of the TAHI's 2002 Second Quarter results of operations are as follows:

- Local revenue of $39.4 million, an increase of 10.9 % from Q1 2002
- Billed bundled lines of 244,000, an increase of 25.8% from Q1 2002
- Reduced G&A expense by 6.3% percent from Q1 2002
- EBITDA of $16.7 million, an increase of 12.8% from Q1 2002
- Net income of $9.4 million, an increase of 15.8% from Q1 2002
- Earnings per share of $0.11
- Cash balance increased to $30.7 million.

TAHI relies on internally generated funds and cash and cash equivalents on hand to fund the capital and financing requirements of its operating subsidiaries, including Talk America Inc.

Talk America expects to continue to increase revenues and reduce its overhead expenses during 2002 as it continues to expand its marketing activities and national footprint, and achieves increased efficiencies through ongoing improvements in operational processes. Talk America also anticipates declines in its costs to lease UNEs from its underlying incumbent local carriers, as many state commissions have recently ordered and/or are considering reductions to the UNE rates.

Because Talk America provides local service by purchasing the UNE Platform (UNE-P) from underlying incumbent local exchange companies such as BellSouth, it does not anticipate the need to incur substantial capital expenditures in order to provide service in Tennessee for the next several years.

Evidence of a Corporate Surety Bond is provided as **Exhibit G**.

Based on the financial information provided herein, Talk America asserts that it has the financial resources necessary to operate as a facilities-based competing local service provider in Tennessee.

B. Managerial Ability:

As shown in **Exhibit E** to this Application, Talk America has the managerial experience to successfully operate a telecommunications enterprise in Tennessee. The backgrounds of these key executives, combined with the telecommunications history of the Talk America, is clear evidence that the Applicant possesses the managerial qualifications required to provide local service.

C. Technical Qualifications:

Talk America's services will satisfy the minimum standards established by the TRA. The Company will file and maintain tariffs in the manner prescribed by the TRA and will meet minimum basic local standards, including quality of service and billing standards required of all LECs regulated by the TRA. Talk America will not require customers to purchase CPE, which cannot be used with the Incumbent Local Exchange Carriers's systems. As noted in **Exhibit E**, Talk America's Senior Vice President of Operations has more than 20 years of technical telecommunications operations management experience, and manages a highly-qualified team which ensures timely and accurate provisioning, maintenance and repair, and billing of service to Talk America's customers.

5. Proposed Service Area:

Applicant is already authorized to provide resold long distance service in all states except Alaska and resold local exchange service in all states except Alaska, Maine, Nebraska, Rhode Island, and Vermont. Applicant is authorized to provide facilities-based local exchange services in Alabama, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Indiana, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Missouri, Mississippi, Montana, Nevada, New Hampshire, New York, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, Texas, Virginia, Washington, and Wisconsin.

Talk America initially intends to offer its services throughout the State of Tennessee in areas currently served by BellSouth. However, in the future, Applicant may expand its offerings into areas served by other incumbent LECs that are open to competition, and therefore requests statewide authority. Talk America intends to provide service initially through a combination of UNE-P and resale of BellSouth services, and does not have plans in the near future to locate any switches in Tennessee.

6. Types of Local Exchange Service to be provided:

Talk America expects to offer a broad variety of local exchange services, primarily to residential customers in Tennessee. Talk America's local service offerings will be comparable to that currently offered by the incumbent LECs, and will include bundled local access line service and long distance services, optional calling features, Directory Assistance, Directory Services, and Operator Services, as well as all services required under Chapter 1220-4-8-.04 (3)(b) and (c), as indicated in the tariff currently on file with the TRA.

7. Repair and Maintenance:

Talk America understands the importance of effective customer service for local exchange customers. Talk America has a well-trained and well-staffed customer service center to respond to all customer inquiries and complaints. Customers are directed to call the company's toll-free customer service number 1-800-291-9699, which is staffed from 7 a.m. to 5 p.m. EST M-F. To report a service problem or outage, customers are directed to call toll free 1-877-349-8660, which is staffed 24 hours/day seven days/week. In addition, customers may contact the company in writing at our customer service center, 2704 Alt. U.S. 19 N., Palm Harbor, FL 34683 ATTN: Customer Relations, or may communicate with customer service via e-mail to cs@talk.com. The toll free customer service number and directions to the Company's website at www.talk.com, are printed on customer's monthly billing statements. The Tennessee contact person knowledgeable about the Applicant's operations is Sharon Thomas, Director of Regulatory Affairs, located at 12001 Science Drive, Suite 130, Orlando, FL 32826, (407) 313-1353, or Frances McComb, Executive Director of Regulatory Affairs at the address provided in item 1 above.

Grant of the Application will further the goals of the Tennessee Legislature and the public interest by expanding the availability of competitive telecommunications services in the State of Tennessee. In addition, intrastate offering of these services is in the public interest because the services will provide Tennessee customers increased efficiencies and cost savings, and greater choice. More specifically, the public will benefit both directly, through the use of the competitive services to be offered by Talk America, and indirectly, because Talk America's presence in Tennessee will increase the incentives for other telecommunications providers to operate more efficiently, offer more innovative services, reduce their prices, and improve their quality of service. Grant of this Application will further enhance the service options available to Tennessee citizens for the reasons set forth above.

8. Small and Minority-Owned Telecommunications Business Participation Plan: (65-5-112):
See **Exhibit H.**

9. Toll Dialing Parity Plan:
See **Exhibit I**.

10. Applicant has served notice of this application to the eighteen (18) incumbent local exchange telephone companies in Tennessee with a statement regarding the company's intention of operating geographically. See **Exhibit J.**

11. Numbering Issues:
Statement provided in **Exhibit K.**

12. Tennessee Specific Operational Issues:
Statements provided in **Exhibit L.**

13. Miscellaneous:

A. Sworn Pre-filed testimony: **Exhibit M.**

B. Applicant does not currently collect customers deposits. If the Applicant collects such deposits, it will comply with the terms contained in its tariff on file with the TRA.

C. Customer Complaints.

Exhibit N identifies all complaints filed with state or federal regulatory agencies involving applicant or its affiliates, Omnicall, Inc. and Talk America Inc. from January 2001 to date. (Note that Omnicall voluntary relinquished its authority in all states during 2001.) The attachment indicates the nature of the complaint, the governmental agency that received the complaint, the state in which the agency is located, and the amount of credit and/or refund issued to the customer as part of the resolution of the complaint. The vast majority of the complaints listed reflect operational issues that the Company has since resolved by making substantial investments in its back-office provisioning, billing, and customer service systems, and by implementing a variety of controls to ensure compliance with regulatory requirements and to enhance the customer experience with Talk America. To the extent that the TRA has questions regarding the Company's success in resolving past concerns that lead to customer complaints, the Company respectfully suggests that Mr. Eddie Roberson, Chief of the TRA's Consumer Services Division, can provide insight from the TRA Staff's perspective, on that issue. Talk America would also be happy to provide any additional information that might be required regarding these issues.

D. A copy of Applicant's current tariff is on file with the TRA.

CONCLUSION:

Talk America respectfully requests that the TRA enter an order granting it an amended certificate of convenience and necessity to operate as a facilities-based competing telecommunications service provider with authority to provide a full range of local exchange services on a facilities-based and resale basis throughout the State of Tennessee in the service areas of BellSouth, GTE, and Sprint and any other ILEC that does not enjoy a rural exemption under Section 251(f) of the Telecommunications Act of 1996. For the reasons stated above, Talk America's provision of these services would promote the public interest by providing high-quality service at competitive prices and by creating greater economic incentives for the development and improvement for all competing providers.

Respectfully submitted this 12 day of September ~~August,~~ 2002.

Henry Walker, Esq.
Counsel for Talk America Inc.

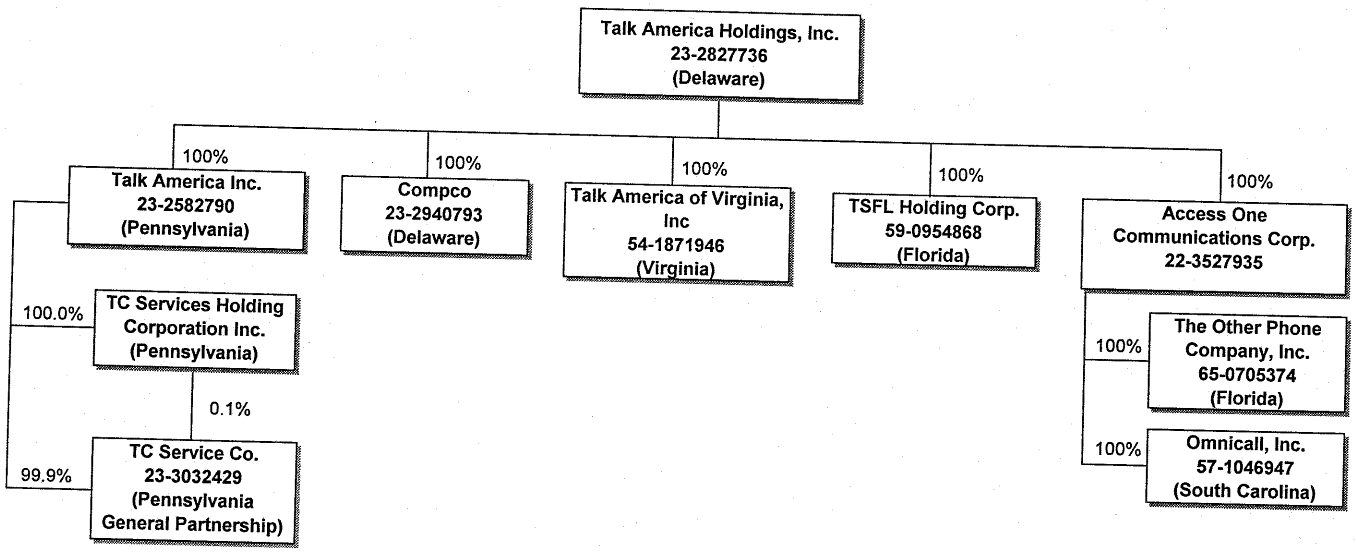
Table of Exhibits

Talk America Inc.

Exhibit A

Corporate Organizational Chart

Corporate Structure Chart



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Corporate Structure Chart
Exhibit A Corporate Chart 080901

Talk America Inc.

Exhibit B

Articles of Incorporation and Amendments

ARTICLES OF INCORPORATION

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE — CORPORATION BUREAU
308 NORTH OFFICE BUILDING, HARRISBURG, PA 17120

PLEASE INDICATE (CHECK ONE):

- [ ] DOMESTIC BUSINESS CORPORATION
- [x] DOMESTIC BUSINESS CORPORATION A CLOSE CORPORATION — COMPLETE BACK
- [ ] DOMESTIC PROFESSIONAL CORPORATION ENTER BOARD LICENSE NO.

FEE $75.00

010 NAME OF CORPORATION (MUST CONTAIN A CORPORATE INDICATOR UNLESS EXEMPT UNDER 15 P.S. 2908 B)
TRU-SAVE, INC.

011 ADDRESS OF REGISTERED OFFICE IN PENNSYLVANIA (P.O. BOX NUMBER NOT ACCEPTABLE)
1017 North York Road - Unit I

012 CITY: Willow Grove | 013 COUNTY: Montgomery | 014 STATE: PA | 015 ZIP CODE: 19090

030 EXPLAIN THE PURPOSE OR PURPOSES OF THE CORPORATION

The purposes for which it was organized are: to engage in and do any lawful business for which corporations may be incorporated under the Pennsylvania Business Corporation Law.

(ATTACH 8½ x 11 SHEET IF NECESSARY)

The Aggregate Number of Shares, Classes of Shares and Par Value of Shares Which the Corporation Shall Have Authority to Issue

040 Number and Class of Shares	041 Stated Par Value Per Share If Any	042 Total Authorized Capital	031 Term of Existence
5000 common	N/A	$10,000	perpetual

The Name and Address of Each Incorporator and the Number and Class of Shares Subscribed to by each Incorporator

060 Name	061, 062, 063, 064 Address (Street, City, State, Zip Code)	Number & Class of Shares
Daniel Borislow	1017 North York Road, Unit I - Willow Grove PA 19090	1000 common

(ATTACH 8½ x 11 SHEET IF NECESSARY)

IN TESTIMONY WHEREOF, THE INCORPORATOR (S) HAS (HAVE) SIGNED AND SEALED THE ARTICLES OF INCORPORATION THIS 11th DAY OF May 19 89

x Dan Bo

— FOR OFFICE USE ONLY —

080 FILED	002 CODE	003 REV BOX	SEQUENTIAL NO.	100 MICROFILM NUMBER
MAY 11 1989	REVIEWED BY	004 SICC	AMOUNT $	8937 808
James J. Haggerty	DATE APPROVED			001 CORPORATION NUMBER 1507863
Secretary of the Commonwealth, Commonwealth of Pennsylvania	DATE REJECTED	CERTIFY TO: [ ] REV. [ ] L&I [ ] OTHER	INPUT BY	LOG IN / LOG IN (REFILE)
	MAILED BY DATE		VERIFIED BY	LOG OUT / LOG OUT (REFILE)

8937 699

1. The following provisions shall regulate the status of the corporation as a close corporation:

(a) (Strike out (i) or (ii) below, whichever is not applicable.)

(i) All of the issued shares of the corporation of all classes, exclusive of treasury shares, shall be held of record by not more than ___10___ (number not to exceed 30) persons.

~~(ii) All of the issued shares of the corporation of all classes, exclusive of treasury shares, shall be held of record by not more than the smaller of twenty-five "shareholders" within the meaning of Subchapter S of the Internal Revenue Code of 1954, as amended, or 30 persons.~~

(b) All of the issued shares of all classes of the corporation shall be subject to one or more of the restrictions on transfer permitted by section 613.1 of the Business Corporation Law (15 P.S. § 1613.1).

(c) The corporation shall make no offering of any of its shares of any class which would constitute a "public offering" within the meaning of the Securities Act of 1933, as amended.

~~2. (Optional: BCL § 372D) A person (other than an estate) who is not an "individual" or who is a "non-resident alien," in either case within the meaning of the Internal Revenue Code of 1954, as amended ("Code"), shall not be entitled to be a holder of record of shares of the corporation. Only a person whose consent is currently in effect to the election of the corporation to be treated as an electing small business corporation under Subchapter S of the Code and a shareholder who has not affirmatively refused to consent to the election within sixty days after he acquires his stock, shall be entitled to be a holder of record of shares of the corporation.~~

~~3. (Optional: BCL § 382) The business and affairs of the corporation shall be managed by the shareholders of the corporation rather than by a board of directors.~~

~~4. (Optional: § 376B) The status of the corporation as a "close corporation" within the meaning of the Business Corporation Law shall not be terminated without the affirmative vote or written consent of (all holders of) (shareholders holding ______ (fraction at least two-thirds) of the) shares of all classes of the corporation.~~

~~5. (Optional: BCL § 384A) (Any shareholder) (shareholders holding ______ (fraction) of the shares) of the corporation may apply for the appointment of a provisional director of the corporation in the manner and upon the circumstances provided by statute.~~

6. (Optional: BCL § 386) (Any shareholder) (shareholders holding ___100%___ (fraction) of the shares) of the corporation shall have the right at will to cause the corporation to be dissolved by proceeding in the manner provided by statute.

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COMMONWEALTH OF PENNSYLVANIA

April 10, 1992

Department of State

TO ALL WHOM THESE PRESENTS SHALL COME, GREETING:

IN RE: "TEL-SAVE, INC."

I, Dr. Brenda K. Mitchell, Secretary of the Commonwealth of the Commonwealth of Pennsylvania do hereby certify that the foregoing and annexed is a true and correct photocopy of Articles and Certificate of Incorporation

which appear of record in this department.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Seal of the Secretary's Office to be affixed, the day and year above written.

B. K. Mitchell

Secretary of the Commonwealth

dp

Commonwealth of Pennsylvania

Department of State

CERTIFICATE OF INCORPORATION

OFFICE OF THE SECRETARY OF THE COMMONWEALTH

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING:

WHEREAS, UNDER THE PROVISIONS OF THE LAWS OF THE COMMONWEALTH, THE SECRETARY OF THE COMMONWEALTH IS AUTHORIZED AND REQUIRED TO ISSUE A "CERTIFICATE OF INCORPORATION" EVIDENCING THE INCORPORATION OF AN ENTITY.

WHEREAS, THE STIPULATIONS AND CONDITIONS OF THE LAW HAVE BEEN FULLY COMPLIED WITH BY

TEL-SAVE, INC. (A CLOSE CORPORATION)

THEREFORE, KNOW YE, THAT SUBJECT TO THE CONSTITUTION OF THIS COMMONWEALTH, AND UNDER THE AUTHORITY OF THE LAWS THEREOF, I DO BY THESE PRESENTS, WHICH I HAVE CAUSED TO BE SEALED WITH THE GREAT SEAL OF THE COMMONWEALTH, DECLARE AND CERTIFY THE CREATION, ERECTION AND INCORPORATION OF THE ABOVE IN DEED AND IN LAW BY THE NAME CHOSEN HEREINBEFORE SPECIFIED.

SUCH CORPORATION SHALL HAVE AND ENJOY AND SHALL BE SUBJECT TO ALL THE POWERS, DUTIES, REQUIREMENTS, AND RESTRICTIONS, SPECIFIED AND ENJOINED IN AND BY THE APPLICABLE LAWS OF THIS COMMONWEALTH.

GIVEN UNDER MY HAND AND THE GREAT SEAL OF THE COMMONWEALTH, AT THE CITY OF HARRISBURG, THIS 17TH DAY OF MAY IN THE YEAR OF OUR LORD ONE THOUSAND NINE HUNDRED AND EIGHTY-NINE AND OF THE COMMONWEALTH THE TWO HUNDRED THIRTEENTH.

SECRETARY OF THE COMMONWEALTH

KATZ MURPHY D'ANIELLO & FARRELL
ATTN: RICHARD B MORELLA
43 EAST MARSHALL ST
NORRISTOWN , PA 19401-0000

1507863
059377
0698-0700

Microfilm Number ______ 9562-150 Filed with the Department of State on SEP 22 1995

Entity Number 1507863

Secretary of the Commonwealth

ARTICLES OF AMENDMENT-ELECTION TO VOLUNTARILY TERMINATE THE STATUTORY CLOSE CORPORATION STATUS OF

TEL-SAVE, INC.
Name of corporation

A STATUTORY CLOSE CORPORATION

DSCB:15-2305 (Rev 90)

In compliance with the requirements of 15 Pa.C.S. § 2307 (relating to voluntarily election of an existing statutory close corporation to terminate its status as a statutory close corporation and to become a business corporation), the undersigned statutory close corporation, desiring to amend its Articles to reflect an election to terminate its status as a statutory close corporation and to become a business corporation, hereby states that:

1. The name of the corporation is: Tel-Save, Inc.

2. The (a) address of this corporation's current registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is (the Department is hereby authorized to correct the following information to conform to the records of the Department):

(a) 22 Village Square, New Hope, Pennsylvania 18938, Bucks
Number and Street, City, State, Zip, County

(b) c/o: ______
Name of Commercial Registered Office Provider, County

For a corporation represented by a commercial registered office provider, the county in (b) shall be deemed the county in which the corporation is located for venue and official publication purposes.

3. The statute by or under which it was incorporated is: Pennsylvania Business Corporation Law of 1988 (15 Pa.C.S. 2301 et seq.)

4. The date of its incorporation is: May 17, 1989

5. (Check, and if appropriate complete, one of the following):

X The amendment shall be effective upon filing these Articles of Amendment in the Department of State.

___ The amendment shall be effective on: ______ at ______
Date, Hour

6. The amendment was adopted by the shareholders (or members) pursuant to 15 Pa.C.S. §§ 1905, 2302 and 2307.

7. The corporation elects to voluntarily terminate its status as a statutory close corporation, pursuant to 15 Pa. C.S. 2307, and elects to become a business corporation.

8. (Check, and if appropriate complete, one of the following):

X The amendment adopted by the corporation, set forth in full, is as follows:

See Exhibit "A" attached hereto.

___ The amendment adopted by the corporation is set forth in full in Exhibit A attached hereto and made a part hereof.

SEP 22 95

PA Dept. of State

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(Check if the amendment restates the Articles):

The restated Articles of Incorporation supersede the original Articles and all amendments thereto.

IN TESTIMONY WHEREOF, the undersigned corporation has caused these Articles of Amendment to be signed by a duly authorized officer thereof this 22nd day of September, 1995.

TEL-SAVE, INC.
(Name of Corporation)

BY: Dan [signature]
(Signature)

TITLE: CEO
Daniel M. Borislow, President-CEO

9562-152

EXHIBIT "A"

"The Corporation hereby voluntarily terminates its status as a statutory close corporation pursuant to 15 Pa.C.S. 2307. The heading of the Articles of Incorporation stating that the Corporation is a statutory close corporation shall be deleted in its entirety. [illegible] Articles 1, 3, 4 and 6 of the Articles of Incorporation shall also be deleted in their entireties."

215 557 1302

Microfilm Number 9941-755

Entity Number 1507863

Filed with the Department of State on MAY 24 1999

Secretary of the Commonwealth

ARTICLES OF AMENDMENT-DOMESTIC BUSINESS CORPORATION
DSCB:15-1915 (Rev 90)

In compliance with the requirements of 15 Pa.C.S. § 1915 (relating to articles of amendment), the undersigned business corporation, desiring to amend its Articles, hereby states that:

1. The name of the corporation is: Tel-Save, Inc.

2. The (a) address of this corporation's current registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is (the Department is hereby authorized to correct the following information to conform to the records of the Department):

(a) 6805 Route 202, New Hope, PA 18938 Bucks
Number and Street City State Zip County

(b) c/o:
Name of Commercial Registered Office Provider County

For a corporation represented by a commercial registered office provider, the county in (b) shall be deemed the county in which the corporation is located for venue and official publication purposes.

3. The statute by or under which it was incorporated is: Pennsylvania Business Corporation Law of 1988

4. The date of its incorporation is: May 17, 1989

5. (Check, and if appropriate complete, one of the following):

X The amendment shall be effective upon filing these Articles of Amendment in the Department of State.

__ The amendment shall be effective on ______ at ______
Date Hour

6. (Check one of the following):

X The amendment was adopted by the shareholders (or members) pursuant to 15 Pa.C.S. § 1914(a) and (b).

__ The amendment was adopted by the board of directors pursuant to 15 Pa.C.S. § 1914(c).

7. (Check, and if appropriate complete, one of the following):

X The amendment adopted by the corporation, set forth in full, is as follows:
"The name of the corporation is: Talk.com Holding Corp."

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DSCB:15-1915 (Rev 90)-3

___ The amendment adopted by the corporation as set forth in full in Exhibit A attached hereto and made a part hereof.

8. ___ The restated Articles of Incorporation supersede the original Articles and all amendments thereto.

IN TESTIMONY WHEREOF, the undersigned corporation has caused these Articles of Amendment to be signed by a duly authorized officer thereof this 20th day of May, 1999.

Tel-Save, Inc.
(Name of Corporation)

BY: Aloysius T. Lawn IV
(Signature)

TITLE: Aloysius T. Lawn IV, Secretary

(PA. - 1427)

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Entity Number 1507663

Filed with the Department of State on APR 11 2001

Secretary of the Commonwealth

ARTICLES OF AMENDMENT-DOMESTIC BUSINESS CORPORATION
DSCB:15-1915 (Rev 90)

In compliance with the requirements of 15 Pa.C.S. § 1915 (relating to articles of amendment), the undersigned business corporation, desiring to amend its Articles, hereby states that:

1. The name of the corporation is: Talk.com Holding, Corp.

2. The (a) address of this corporation's current registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is (the Department is hereby authorized to correct the following information to conform to the records of the Department):

(a) 1017 North York Road, Unit 1, Willow Grove, PA 19090
Number and Street City State Zip County

(b) c/o:
Name of Commercial Registered Office Provider County

For a corporation represented by a commercial registered office provider, the county in (b) shall be deemed the county in which the corporation is located for venue and official publication purposes.

3. The statute by or under which it was incorporated is: Pennsylvania Business Corporation Law of 1988

4. The date of its incorporation is: May 17, 1989

5. (Check, and if appropriate complete, one of the following):

X The amendment shall be effective upon filing these Articles of Amendment in the Department of State.

__ The amendment shall be effective on ____________ at ____________
Date Hour

6. (Check one of the following):

X The amendment was adopted by the shareholders (or members) pursuant to 15 Pa.C.S. § 1914(a) and (b).

__ The amendment was adopted by the board of directors pursuant to 15 Pa.C.S. § 1914(c).

7. (Check, and if appropriate complete, one of the following):

X The amendment adopted by the corporation, set forth in full, is as follows:

"The name of the corporation is : Talk America Inc."

THIS IS A TRUE COPY OF
THE ORIGINAL SIGNED
DOCUMENT FILED WITH
THE DEPARTMENT OF STATE.

___ The amendment adopted by the corporation as set forth in full in Exhibit A attached hereto and made a part hereof.

8. ___ The restated Articles of Incorporation supersede the original Articles and all amendments thereto.

IN TESTIMONY WHEREOF, the undersigned corporation has caused these Articles of Amendment to be signed by a duly authorized officer thereof this 10 day of April, 2001.

Talk.com Holding Corp.
(Name of Corporation)

BY: Aloysius T. Lawn, IV
Aloysius T. Lawn, IV (Signature)

TITLE: Executive Vice President, General Counsel & Secretary

Talk America Inc.

Exhibit C

Certificate of Authority to Transact Business in Tennessee

Secretary of State
Division of Business Services
312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, Tennessee 37243

ISSUANCE DATE: 08/21/2002
REQUEST NUMBER: 02233516
TELEPHONE CONTACT: (615) 741-6488

CHARTER/QUALIFICATION DATE: 06/01/1992
STATUS: ACTIVE
CORPORATE EXPIRATION DATE: PERPETUAL
CONTROL NUMBER: 0253969
JURISDICTION: PENNSYLVANIA

TO:
TALK AMERICA%SHARON THOMAS
12001 SCIENCE DR
SUITE 130
ORLANDO, FL 32826

REQUESTED BY:
TALK AMERICA%SHARON THOMAS
12001 SCIENCE DR
SUITE 130
ORLANDO, FL 32826

CERTIFICATE OF AUTHORIZATION

I, RILEY C DARNELL, SECRETARY OF STATE OF THE STATE OF TENNESSEE DO HEREBY CERTIFY THAT

"TALK AMERICA INC.",

A CORPORATION FORMED IN THE JURISDICTION SET FORTH ABOVE, IS AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE;
THAT ALL FEES, TAXES, AND PENALTIES OWED TO THIS STATE WHICH AFFECT THE AUTHORIZATION OF THE CORPORATION HAVE BEEN PAID;
THAT THE MOST RECENT CORPORATION ANNUAL REPORT REQUIRED HAS BEEN FILED WITH THIS OFFICE; AND
THAT AN APPLICATION FOR CERTIFICATE OF WITHDRAWAL HAS NOT BEEN FILED.

SEP - 3 2002

FOR: REQUEST FOR CERTIFICATE

ON DATE: 08/21/02

FROM:
TECHNOLOGIES MANAGEMENT INC
P.O. BOX 200

WINTER PARK, FL 32790-0000

	FEES	
RECEIVED:	$40.00	$0.00
TOTAL PAYMENT RECEIVED:		$40.00

RECEIPT NUMBER: 00003133372
ACCOUNT NUMBER: 00308944

Riley C Darnell

RILEY C. DARNELL
SECRETARY OF STATE

SS-4458

Talk America Inc.

Exhibit D

Names and Addresses of Principal Corporate Officers

Talk America Inc.
Exhibit D
Names and Addresses of Principal Corporate Officers

Gabe Battista, Chairman and Chief Executive Officer

12020 Sunrise Valley Drive, Suite 250
Reston, VA 20191

Edward B. Meyercord, III, President

6805 Route 202
New Hope, PA 18938

Warren Brasselle, Senior Vice President, Operations

12020 Sunrise Valley Drive, Suite 250
Reston, VA 20191

Jeff Earhart, Senior Vice President, Customer Operations

2704 Alternate U.S. 19 North
Palm Harbor, FL 34863

Kevin Griffo, Executive Vice President, Sales/Marketing

12001 Science Drive, Suite 130
Orlando, FL 32826

Aloysius T. Lawn, IV, Executive Vice President, General Counsel and Secretary

6805 Route 202
New Hope, PA 18938

George Vinall, Executive Vice President, Business Development

12020 Sunrise Valley Drive, Suite 250
Reston, VA 20191

Thomas Walsh, Vice President, Finance

6805 Route 202
New Hope, PA 18938

David Zahka, Chief Financial Officer

6805 Route 202
New Hope, PA 18938

Talk America Inc.

Exhibit E

Biographies of Principal Corporate Officers

Talk America Inc.
Exhibit E
Biographies of Principal Corporate Officers

Gabe Battista, Chairman and Chief Executive Officer
Gabe Battista joined Talk America as its Chairman and Chief Executive Officer in January 1999. Prior to joining Talk America, Mr. Battista served as Chief Executive Officer of Network Solutions Inc., an Internet domain name registration company. Prior to his tenure at Network Solutions, Mr. Battista served both as CEO and as President and Chief Operating Officer of Cable & Wireless North America, Inc., the nation's largest telecommunications provider. His career also included management positions at US Sprint, GTE Telenet and General Electric Information Services. Mr. Battista serves as a director of Capitol College, Systems & Computer Technology Corporation (SCT) and Online Technologies Group, Inc. (OTG), The Greater Washington Board of Trade and VIA Networks. Mr. Battista is a registered Professional Engineer in the State of Pennsylvania and holds a BSEE from Villanova University, an MSEE from Drexel University and an MBA from Temple University.

Edward B. Meyercord, III, President
Edward B. Meyercord currently serves as the President of Talk America. He joined Talk America in September 1996 as the Executive Vice President, Marketing and Corporate Development. Prior to joining the company, Mr. Meyercord served as Vice President in the Global Telecommunications Corporate Finance Group at Salomon Brothers, Inc., based in New York; and prior to Salomon Brothers he worked in the corporate finance department at Paine Webber Incorporated. Mr. Meyercord received a BA from Trinity College and an MBA from New York University's Stern School of Business.

Warren Brasselle, Senior Vice President, Operations
Since April 2000, Warren Brasselle has served as Senior Vice President of Operations for Talk America. Mr. Brasselle has over 20 years of operations management expertise. Prior to joining Talk America, Mr. Brasselle was Vice President of Operations for Cable and Wireless North America, where he was broadly responsible for the design, provisioning, and maintenance of Cable & Wireless' voice, data, and IP network. Mr. Brasselle also held a variety of operational positions at MCI, now MCI WorldCom Inc. and Williams Telecommunications.

Jeff Earhart, Senior Vice President, Customer Operations
Jeff Earhart currently serves as Senior Vice President, Customer Operations of Talk America. Between 1997 and 2000, he served the Company as Vice President, Operations. Mr. Earhart originally joined Talk America as its Director of Retail Sales and Provisioning in 1990, a position he held until 1992. From 1992 - 1997, Mr. Earhart was President of Collective Communications Services, a long distance reseller of phone service. Prior to joining Talk America, he served as a Sales Executive for the Equitable Life Assurance Society, now part of AXA. Mr. Earhart has a BS in Economics from Widener University.

Kevin Griffo, Executive Vice President, Sales/Marketing
Kevin Griffo has served as Talk America's Executive Vice President of Sales/Marketing since March 2000. Prior to joining Talk America, Mr. Griffo was the President and Chief Operating Officer of Access One. Mr. Griffo was also employed by AMNEX from January 1995 to December 1997, holding various positions, including Chief Operating Officer and President of AMNEX's Telecommunications Division. Prior to joining AMNEX, he was southeastern regional Vice President for LDDS WorldCom from August 1992 to December 1994. In such capacity, Griffo had significant operating responsibility, which included responsibility for

operating sales offices and hiring and supervising sales personnel.

Aloysius T. Lawn, IV, Executive Vice President, General Counsel and Secretary
Since January 1996, Aloysius Lawn has served as Executive Vice President, General Counsel and Secretary. Prior to joining Talk America, from 1985 through 1995, Mr. Lawn was an attorney in private practice with extensive experience in private and public financings, mergers and acquisitions, securities regulation and corporate governance. Mr. Lawn graduated from Yale University in 1981 and Temple University School of Law in 1985.

George Vinall, Executive Vice President, Business Development
George Vinall has served as Executive Vice President of Business Development since January 1999. Prior to joining Talk America, Mr. Vinall served as President of International Protocol LLC, a telecommunication consulting business, as General Manager of Cable & Wireless Internet Exchange, an international internet service provider, and as Vice President, Regulatory & Government Affairs of Cable and Wireless North America, an international common carrier. Mr. Vinall is a frequent speaker at industry forums and has published numerous articles in industry journals.

Thomas Walsh, Vice President, Finance
Thomas Walsh has served as Talk America's Vice President of Finance since September 2000. Prior to joining Talk America, Mr. Walsh served as Controller of Comcast Cellular Communications. Mr. Walsh was also employed by Call Technology Corporation from 1992 to 1996 where he was responsible for all finance and accounting functions as Chief Financial Officer. Prior to his tenure with Call Technology Corporation, Mr. Walsh served as Audit Manager for Ernst & Young from 1989 to 1992. Mr. Walsh is a Certified Pubic Accountant and holds a BS from Penn State University. Mr. Walsh is also affiliated with the American and Pennsylvania Institutes of Certified Public Accountants and the Institute of Management Accountants.

David Zahka, Chief Financial Officer
David Zahka joined Talk America in 2001 as its Chief Financial Officer. Prior to joining Talk America, Mr. Zahka spent more than 15 years with PaineWebber Incorporated, and its successor UBS Warburg, where he served most recently as Executive Director of the Financial Sponsors Group. At PaineWebber, Mr. Zahka also served as Senior Vice President of Debt Capital Markets and First Vice President of the Utility Finance Group. Mr. Zahka holds an MBA from the Darden School at The University of Virginia and a BA in Economics from Colgate University.

Talk America Inc.

Exhibit F

Talk America Holdings, Inc. Form 10-K

The following items were the subject of a Form 12b-25 and are included herein: Item 1, Item 6, Item 7, Item 8, Item 14- Financial Statements. In addition, certain additional Exhibits have been included (Exhibit Nos. 10.69-10.74, 23.1 and 23.2).

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-KA

AMENDMENT NO. 1

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2001 Commission File No. 0-26728

TALK AMERICA HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	23-2827736
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
12020 SUNRISE VALLEY DRIVE, SUITE 250 RESTON, VIRGINIA (Address of principal executive offices)	20191 (zip code)

(703) 391-7500
(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
None	Not applicable

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:

COMMON STOCK, PAR VALUE $.01 PER SHARE
RIGHTS TO PURCHASE SERIES A JUNIOR PARTICIPATING PREFERRED STOCK
(Title of class)

Indicate by check mark whether the registrant (1) has filed all documents and reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment of this Form 10-K. [ ]

As of March 29, 2002, the aggregate market value of voting stock held by non-affiliates of the registrant, based on the average of the high and low prices of the Common Stock on March 29, 2002 of $0.43 per share as reported on the Nasdaq National Market, was approximately $34,740,238.36 (calculated by excluding solely for purposes of this form outstanding shares owned by directors and executive officers).

As of March 29, 2002, the registrant had issued and outstanding 81,652,721 shares of its Common Stock, par value $.01 per share.

DOCUMENTS INCORPORATED BY REFERENCE

None.

TALK AMERICA HOLDINGS, INC.

INDEX TO FORM 10-K
FOR THE YEAR ENDED DECEMBER 31, 2001

PART I

ITEM 1. BUSINESS

OVERVIEW

Talk America Holdings, Inc., through its subsidiaries (the "Company"), provides local and long distance telecommunication services to residential and small business customers throughout the United States. The Company has developed integrated order processing, provisioning, billing, payment, collection, customer service and information systems that enable the Company to offer and deliver high-quality, competitively priced telecommunication services to customers.

The Company's telecommunication services offerings primarily include the bundled service offering of local and long distance voice services, which are billed to customers in one combined invoice. Local phone services include local dial tone and unlimited local calling with a variety of features such as voice mail and call waiting. Long distance phone services include traditional 1+ long distance, international and calling cards. The Company uses the unbundled network platform ("UNE-P") incumbent local exchange carriers ("ILECs") network to provide local services and the Company's nationwide network to provide long distance services. The Company attracts new customers through direct marketing channels, advertising, agent and referral programs and marketing arrangements with business partners.

Talk America Inc. (formerly, Talk.com Holding Corp. and Tel-Save, Inc.), the Company's predecessor and now its principal operating subsidiary, was incorporated in Pennsylvania in May 1989. The Company was incorporated in June 1995. The address of the Company's principal current executive offices is 12020 Sunrise Valley Drive, Suite 250, Reston, Virginia 20190, and its telephone number is (703) 391-7500. The Company's web address is www.talk.com. Unless the context otherwise requires, references to the "Company" or to "Talk America" refer to Talk America Holdings, Inc. and its subsidiaries.

COMPANY STRATEGY

By the end of 1999, the Company decided to expand beyond its historical long distance business and utilize UNE-P to pursue the large local telecommunications market and diversify its product portfolio through the bundling of local service with its core long distance service offerings. In connection therewith, the Company acquired Access One Communications Corp. ("Access One") in August 2000. Access One was a private, local telecommunication services provider to nine states in the southeastern United States. The Company encountered a number of operational and business difficulties during the rollout of the Company's bundled service offering. During 2001, the Company worked to address the operational issues that it encountered and focused on improving the overall efficiency of the bundled business model.

The Company has been managing its business to generate free cash flow and to build a highly scaleable nationwide platform to provision, bill and service bundled customers. The Company has lowered product pricing for both local and long distance services and is focusing on delivering better service and value to customers. In conjunction with this pricing change and although the Company is now operational with respect to its local service offering in 25 states, the Company has limited the active marketing of its bundled services to those states where the Company believes it can currently offer services to customers at competitive prices -- Pennsylvania, Michigan, Ohio, Texas, Georgia, Kentucky and Louisiana. The Company will actively market to additional states as the Company's pricing and cost structure permit it to offer services in those states.

Currently, the Company's top operating priorities are to lower bad debt expense, reduce customer turnover, or "churn," and lower its customer acquisition costs. The Company has improved the credit quality of its existing customer base through credit scoring. The Company has slowed its growth until it believes it has achieved operational improvements.

FINANCIAL RESTRUCTURING

Beginning in the third quarter of 2001, the Company embarked upon a comprehensive restructuring of its financial obligations with (i) America Online, Inc. ("AOL"), (ii) MCG Capital Corporation, the Company's senior lender ("MCG"), and (iii) the holders of the Company's convertible subordinated notes.

AOL RESTRUCTURING

In September, 2001, the Company restructured its financial obligations with AOL that arose under the 1999 Investment Agreement between the Company and AOL and ended its marketing relationship with AOL effective September 30, 2001. The Company began marketing and providing telecommunication services to AOL subscribers under the Company's and AOL's brand in 1997. In January, 1999, AOL made a $55 million investment in the Company at $19 per share and the Company provided AOL with the ability to protect the value of that investment for a period of time, permitting AOL, at its election, to require the Company to make certain "make whole" payments to AOL on or before September 30, 2001. As a result of the September 2001 restructuring and the termination of the marketing agreement, the Company issued to AOL $34 million of its 8% Secured Convertible Notes due September 2011 ("2011 Convertible Notes") in exchange for a release of the Company's reimbursement obligations under the 1999 Investment Agreement. The Company also issued 3,078,628 additional shares of its common stock in exchange for warrants to purchase the Company's common stock held by AOL and the Company's related obligations under the 1999 Investment Agreement to repurchase those warrants, bringing the total number of shares of the Company's common stock held by AOL to 7,200,000.

SECURED CREDIT FACILITY RESTRUCTURING

By amendments on February 12, 2002, and April 3, 2002, the Company restructured certain portions of its Credit Facility Agreement with MCG, the Consulting Agreement, and other loan documents between the parties. This restructuring amended the financial covenants for 2002 through 2005 to be consistent with the Company's internal projections. As of and after January 1, 2002, the interest rate payable on the loans under the Credit Facility Agreement was raised to LIBOR plus 7.0% for portions of the loan accruing interest at LIBOR and the Prime Rate plus 6.0% for portions of the loans accruing interest at the Prime Rate. The restructuring also added mandatory prepayment provisions if the Company used a total of $10 million or more of cash to repurchase or otherwise prepay its other debt obligations, including the existing notes and the 2011 Convertible Notes, and a provision effectively requiring the Company to elect to pay in kind, rather than cash, interest on its 2011 Convertible Notes and its new 12% Notes to the fullest extent it is permitted to do so under such notes. In addition, the Company issued 200,000 shares of its stock to MCG and agreed to register such shares in the future. The Credit Facility Agreement, which is guaranteed by the Company, is senior debt and is secured by a pledge of the Company's subsidiaries' assets.

CONVERTIBLE SUBORDINATED NOTES RESTRUCTURING

As of December 31, 2001, the Company had an aggregate amount of $61.8 million in 4 1/2% Convertible Subordinated Notes due in September 2002 ("4 1/2% Notes") and $18.1 million in 5% Convertible Subordinated Notes due in 2004 ("5% Notes"). The Company decided to offer to exchange the 4 1/2% Notes and the 5% Notes ("Existing Notes") for new notes principally to extend the time that the Company has to pay the Existing Notes as part of the Company's efforts to restructure its debt obligations, and maintain sufficient cash to conduct its operations. On February 22, 2002, the Company initiated an Exchange Offer and Consent Solicitation ("the Exchange Offers") for all of the Company's outstanding 4 1/2% Notes and 5% Notes. On April 4, 2002, the Company completed the exchange for $57.9 million principal amount, or 94% of the total amount outstanding, of its 4 1/2% Notes that were tendered for exchange in the Exchange Offers and the approximately $17.4 million principal amount, or 95% of the total amount outstanding, of its 5% Notes that were tendered for exchange in the Exchange Offers. The Company issued $53.2 million in principal amount of its new 12% Senior Subordinated PIK Notes due 2007 ("12% Notes") and $2.8 million in principal amount of its new 8% Convertible Senior Subordinated Notes due 2007 ("8% Notes") (convertible into common stock at $5.00 per share), and paid approximately $0.5 million in cash, in exchange for the tendered 4 1/2% Notes. Interest on the new 12% Notes is payable in cash, except that the Company may, at its election, pay up to one-third of the interest due on any interest payment date through and including the August 15, 2004 interest payment in additional 12% Notes. The Company also issued $17.4 million in principal amount of its 12% Notes in exchange for the tendered 5% Notes. In addition, the holders of the 4 1/2% Notes and 5% Notes consented to amend the respective indentures under which the Existing Notes were issued to eliminate from the indentures the right to require the Company to repurchase such notes should the Company's common stock cease to be approved for trading on an established automated over-the-counter trading market in the United States. After completion of the Exchange Offers, there were outstanding approximately $70.65 million principal amount of the Company's 12% Senior Subordinated PIK Notes due 2007, approximately $2.8 million principal amount of the Company's 8% Convertible Senior Subordinated Notes due 2007, approximately $3.9 million principal amount of the 4 1/2% Notes due September 2002 and approximately $0.7 million principal amount of the 5% Notes due 2004.

LOCAL AND LONG DISTANCE TELECOMMUNICATION SERVICES

The Company offers both local and long distance telecommunication services to residential and small business customers. The Company is focused on providing competitively priced, high quality and reliable voice services to high quality customers. The Company offers local service utilizing the UNE-P of the ILECs, and long distance service principally carried over its own network. The Company believes that it offers and provides consumer value through competitive rates, features and customer service. The Company's bundled local service generally includes: unlimited local usage, free member-to-member calling, long distance service and calling cards, one convenient invoice available both in paper and electronically, and choices among the following features:

```
900 Call Blocking
976 Call Restriction
Anonymous Call Reject
Auto Redial
Automatic Callback
Call Forwarding
Call Block
Call Block Denial
Call Hold
Call Return
Call Trace
Call Trace Denial
Call Waiting
Caller ID
Calling Name Display
Custom Toll Restriction
Distinctive Ring
Priority Call
Priority Ringing
Privacy Manager
Remote Call Forwarding
Repeat Dialing
Return Call ( *69 )
Return Call Block
Ringmaster
Speed Calling / Speed Dialing
Three Way Calling
Touch Tone Service
Voice Mail
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LOCAL

The Company uses the unbundled network element platform, or UNE-P, from, and, to a lesser extent, resale agreements with, the ILECs to provide local telephone services to its customers in 25 states. The Company uses UNE-P to provide local telecommunication services primarily to residential and small business customers, and the Company expects that its experience in providing local telephone service will facilitate nationwide delivery of this product where the Company believes it can offer value to customers through services at competitive prices.

The provision of local telephone service through use of UNE-P generally provides the Company with certain advantages, including: (i) offering local telephone service to customers located virtually anywhere without deploying costly local switching facilities; (ii) minimizing current capital expenditures and at the same time maintaining network and service design flexibility for the next generation of telecommunication technology; (iii) providing practically the same services as the ILECs; (iv) the potential for higher margins than comparable service offered through resale agreements; and (v) eliminating the requirement to pay certain local network access fees while collecting local network access fees for calls delivered to the Company's local telephone customers. In some instances, however, such as customers having high usage volumes, resale may provide the Company with more attractive pricing than the use of UNE-P.

UNE-P became available to the Company and other carriers on November 5, 1999, when the Federal Communications Commission ("FCC") released an order reconfirming that ILECs nationwide must offer to competitors, in an individual or combined form, a series of unbundled network elements, or UNEs, that comprise the most important facilities, features, functions and capabilities of an incumbent local carrier's network. The price at which such elements are offered must correspond to the forward-looking cost of providing these elements. When offered in the combination known as UNE-P, these components include the loop and switching elements needed to provide local telephone service to a customer. Although ILECs have a general obligation to provide UNE-P, the obligation is limited in the central business districts of the top 50 metropolitan statistical areas of the nation. In such markets, the obligation to provide UNE-P currently is limited to carriers serving customers with less than four telephone lines. Because the Company's current focus is on residential and small business markets, the restriction on UNE-P availability in the central business districts of the top 50 metropolitan statistical areas has not been a major impediment to its operations to date. The FCC is currently reviewing whether to expand or further restrict the availability of UNE-P and the availability of combinations of network elements, including UNE-P, is being challenged in the courts. See "Regulation."

The Company's UNE-P strategy presents several risks. In providing local telephone service using UNE-P, the Company must rely on the availability of network elements in combined form from ILECs, the Company's main competitors. The continued ability to obtain those network elements depends on FCC and state regulatory rulings that require ILECs to make UNE-P available to carriers. If those rules were modified or eliminated, the ability to provide local service to customers using UNE-P could be materially adversely affected. The FCC has been asked by several incumbent telephone companies to reconsider its order directing them to provide UNE-P. In addition, ILECs have appealed the FCC's requirement that they provide UNE-P to a federal appeals court, asking the court to overturn the FCC's decision. See "Regulation."

Changes in the cost of the network elements that comprise UNE-P also could materially adversely affect the viability of using UNE-P to provide local service. Last year, a U.S. Court of Appeals partially set aside FCC rules prescribing how ILECs must set rates for network elements, including UNE-P. That decision, which is on appeal to the U.S. Supreme Court, could ultimately lead ILECs to increase the prices of network elements, which would adversely impact the Company. Indeed, before the U.S. Supreme Court, ILECs are asking that the FCC's requirement that network element prices be established using forward looking costs be reversed entirely. If successful, such an appeal likely would lead to a substantial increase in network element prices. If the court rejects the FCC's pricing methodology and that methodology ultimately is replaced with a methodology that imposes higher rates for network elements, the economic efficiency of UNE-P would suffer. See, "Regulation." Similarly, state commissions have the authority to review and modify the prices paid for unbundled network elements, and a state commission decision to change the prices of the local loop and switching elements could materially affect the Company's ability to use UNE-P to provide local service. In addition, state commissions currently are implementing FCC rules that require incumbent telephone companies to file rates for UNE-Ps that are deaveraged by geographic density zone. Such geographic rate deaveraging could result in rates for services using UNE-P that are unattractive or uneconomic in less dense geographic areas.

The Company believes that UNE-P currently provides it with a cost-effective means of adding local service to its existing long distance product offerings. The Company believes that its operational systems are scalable and will allow it to continue to expand its service offerings in the local telecommunication market.

LONG DISTANCE

The Company provides 1+ long distance telecommunication services on a stand-alone basis and bundled with the Company's local services. The Company's long distance voice services include intrastate, interstate, international and calling cards, at rates that are competitive within the industry. The Company generally uses its own nationwide long distance network to provide services directly to its customers. As of December 31, 2001, the Company provisioned over its network approximately 95% of the lines using its long distance services.

The Company's network is comprised of equipment and facilities that are either owned or leased by the Company. The Company contracts for certain telecommunication services with a variety of other carriers. The Company owns, operates and maintains five Lucent 5ESS-2000 switches in its network. These switches are generally considered extremely reliable and feature the Digital Networking Unit--SONET technology. The Digital Networking Unit is a switching interface that is designed to increase the reliability of the 5ESS-2000 and to provide much greater capacity in a significantly smaller footprint.

The switches are connected to each other by connection lines and digital cross-connect equipment that the Company owns or leases. See "Service Agreements with Other Carriers." The Company also has installed lines to connect its long distance switches to switches owned by various local telecommunication service carriers. The Company is responsible for maintaining these lines and has entered into a contract with GTE with respect to the monitoring, servicing and maintenance of this equipment.

The access charges that the Company pays to local exchange carriers to connect customers to the Company's network represent a substantial portion of the total cost of providing long distance services over its network. As a result of regulatory changes and the increasing competitiveness of the local service market, it is expected that access charges will decrease, but there is no assurance that this decrease will occur. Additionally, savings from any such decreases may be offset by universal service contributions imposed on carriers, including the

Company, and further offset by a reduction in the access charges that the Company receives from carriers. See "Competition" and "Regulation."

In addition, the Company maintains contracts with other carriers that provide the Company with a variety of other services. See "Service Agreements with Other Carriers." These contracts include services for assisting with the overflow of telecommunication traffic over its network, for carrying calls internationally and for providing directory assistance and other operator assisted calls. The combination of these contracts permits the Company to obtain a particular type of service from more than one carrier at a given time and gives the Company the flexibility to seek the best rates available for a particular service at a given time.

Since the Company operates its own switches, it is subject to the risk of significant interruption. Fires or natural disasters, for example, could cause damage to the Company's switching equipment or to transmission facilities connecting its switches. Any interruption in the Company's services over its network caused by such damage could have a material adverse impact on the Company's financial condition and results of operations. In such circumstances, the Company could attempt to minimize the interruption of its service by carrying traffic through its overflow and resale arrangements with other carriers.

SERVICE AGREEMENTS WITH OTHER CARRIERS

The Company historically obtained services from AT&T through multiple contract tariffs. With the deployment of its network, the Company requires fewer such services from AT&T to sell its services. The Company has entered into contracts with various other long distance and local carriers of telecommunication services for the provision of both its network and reselling operations further reducing its reliance on AT&T. These services enable the Company to connect the Company's switches to each other, connect the Company's switches to the switches of local telecommunication service carriers, carry overflow traffic during peak calling times, connect international calls and provide directory assistance and other operator assisted services.

With respect to connections to local carriers, overflow, international and operator assisted services, the Company maintains contracts with more than one carrier for each of these services. The Company believes that it is no longer dependent upon any single carrier for these services. Currently, many price differences exist in the market for purchasing these services in bulk. For example, one carrier may offer the lowest international rates to one country while another offers the lowest rates to a different country. Under the terms of the Company's contracts with its various carriers, the Company is able to choose which services and in what volume (with some minimum commitments) the Company wishes to obtain the services from each carrier. This flexibility enables the Company to minimize its costs for such services by purchasing those services that offer the Company the best rates at a given time.

In May 2001, the Company entered into a new Master Carrier Agreement with AT&T. The agreement provides the Company with a variety of services, including transmission facilities to connect the Company's network switches as well as services for international calls, local traffic, international calling cards, overflow traffic and operator assisted calls. Consistent with the Company's desire to expand the sources of its network services, the new contract eliminated a requirement for the Company to purchase the majority of its requirements for these services from AT&T and replaced it with a requirement for the Company to purchase minimum dollar amounts of services from AT&T during the term of the agreement. The Company anticipates that it can satisfy these minimum requirements.

Many of the companies in the telecommunication sector have been adversely affected by recent business trends and some have filed for bankruptcy protection. To the extent that the credit quality of these carriers deteriorates or they seek bankruptcy protection, the Company may have service disruptions and the transition of the Company's customers to its network or another carrier's network may cause potential disruptions for the affected customers' services.

INTEGRATED INFORMATION SYSTEMS

The Company has developed integrated order processing, provisioning, billing, payment, collection, customer service and information systems that enable the Company to offer and deliver high-quality, competitively priced telecommunication services to customers. Through dedicated electronic connections with its long distance network and the ILECs from which the Company purchases local services, the Company has designed its systems to process information on a "real time" basis. In addition, the Company processes millions of call records each day.

In 2001, the Company, in an effort to improve upon the overall efficiency of the bundled business model and increase customer satisfaction, launched the following initiatives with respect to its operational support systems:

- The Company developed and implemented a new proprietary automated order processing system ("OPS"). Since the implementation of OPS, the Company has shortened the customer provisioning time cycle and reduced associated costs. Prior to submitting an order to provision a customer to the Company's service, OPS instantly processes the customer's credit history, and, once the customer's credit is approved, the customer's service record detailing the customer's existing phone service, is immediately verified. In addition, OPS has enabled the Company to significantly increase its customer provisioning rate for qualified and verified orders while reducing the number of orders that are rejected by the ILEC, reducing manual work requirements.

- The Company developed and implemented a new proprietary automated collections management system ("CMS") that is integrated with the Company's billing and customer relationship management system. CMS increases the efficiency of the Company's collection process, accelerates the recovery of accounts receivable and assists in the retention of valuable customers.

- The Company developed a leads database system that the Company uses in the marketing of its telecommunication services. The leads database system enables the Company to alter telemarketing campaigns to track areas where mass advertisements are airing, manage the bundled sales price by customer, zone and state, and maintain customer credit information.

- The Company developed and implemented improvements to its automated service provisioning system, which enhances the Company's ability to add customer lines to the Company's telecommunication service and to create and modify the features associated with that particular customer's service. These system improvements have cut the Company's reject rate for these orders in half, thereby reducing manual work requirements.

- The Company developed and implemented improvements to its billing system, which enable the Company to preview and run a bill cycle each day of the month for the many different, tailored service packages, increasing customer satisfaction while minimizing revenue leakage inherent in the provision of local telecommunication service via UNE-P.

- The Company developed and implemented improvements to its customer relationship manager system, which enables the Company's customer service representatives to access data in a real-time, organized manner, while the representative is speaking with the customer, reducing the length of customer service calls and improving the customer experience.

In addition, the Company maintains its own web site at www.talk.com to provide for customer sign-up and to provide customers and potential customers with information about the Company's products and services as well as billing information and customer service. The Company provides these services and features using the Company's web-enabled technologies that allow it to offer its customers:

- Detailed rate schedules and product and service related information.
- Online sign-up for the Company's telecommunication services. - Credit card billing.
- Real-time and 24 x 7 billing services and online information, providing customers with up to the hour billing information.

With the development of the Company's advanced sign-up and billing systems, customers can purchase the Company's telecommunication and other products or services while online through the Company's own web site. The Company employs its own proprietary provisioning and billing systems to enable efficient provisioning of a customer, online billing and credit card payment. The Company's billing system enables a customer to view his or her bill online or over the Internet on a real-time basis with the call detail and cost for most calls posted within minutes after a customer completes a call. The Company also acquires billing and customer care services from other carriers and third party vendors.

The information functions of the Company's systems are designed to provide easy access to all information about a customer, including volumes and patterns of use. This information can be used to identify emerging customer trends and to respond with services to meet customers' changing needs. This information also allows the Company to identify unusual or declining use by an individual customer, which may indicate fraud or that a customer is switching its service to a competitor. FCC rules, however, may limit the Company's use of customer proprietary network information. See "Regulation."

SALES AND MARKETING

In 2001, the Company's sales and marketing efforts focused both on marketing long distance services and marketing a bundle of local and long distance telecommunication services directly to customers under its own brand. The Company offers a bundle of local and long distance telecommunication services to residential and small business customers in twenty-five states, and is actively marketing the bundle of local and long distance telecommunications services in the seven states through the Company's direct marketing channels where the Company believes that it is currently able to offer services at competitive prices. The termination of the Company's marketing relationship with AOL significantly reduced the Company's marketing costs. During 2001, the Company continued the diversification of its sales and marketing by pursuing a variety of marketing channels and focusing its marketing efforts on acquiring new customers within its targeted markets. In addition, the Company has lowered product pricing for both local and long distance services and is focusing on delivering better service and value to customers. Additional states will be added as the Company's pricing and cost structure permit it to offer services at competitive prices. The Company ended 2001 with approximately 203,000 bundled lines (local and long distance services). Beginning in 2002, the Company has modified the methodology used to calculate customer lines, excluding lines that are either in, or expected to be in, a disconnect cycle from the total line count. On a pro forma basis, reflecting this revised methodology, the Company ended 2001 with approximately 176,000 bundled lines for December 2001. In addition, the Company ended the year with approximately 806,000 long distance subscribers. The Company continues to seek new marketing partners and arrangements to expand both its opportunities to attract other customers to its services and the products and services that it offers to its customer base.

The Company's marketing efforts are now carried out through a variety of scalable, direct marketing programs, including inbound and outbound telemarketing, agent sales and customer referral sales, as well as advertising, online marketing initiatives and through the Company's own web site located at www.talk.com. The Company also continues to evaluate marketing channels, including direct television advertising, that it believes will enable the Company to lower its customer acquisition costs.

The Company also provides, as a small and declining portion of its business, telecommunication services primarily to small and medium-sized businesses through independent resellers known as partitions.

COMPETITION

The telecommunication industry is highly competitive. Major participants in the industry regularly introduce new services and marketing activities. Competition in the telecommunication industry is based upon pricing, customer service, billing services and perceived quality. The Company competes against numerous telecommunication companies that offer essentially the same services as those of the Company. Many of the Company's competitors, including the ILECs, are substantially larger and have greater financial, technical and marketing resources than those of the Company. The Company's success will depend upon its continued ability to provide high quality, high value services at prices generally competitive with, or lower than, those charged by the Company's competitors.

The major carriers, including AT&T, Sprint Corporation, Worldcom, Inc., and the ILECs have targeted price plans at residential customers - the Company's primary target market under its various direct marketing channels, marketing agreements with its partners and its Internet offering - with significantly simplified rate structures and with bundles of local services with long distance, which may lower overall local and long distance prices. Competition is also fierce for the small to medium-sized businesses that the Company also serves. Additional pricing pressure may also come from the introduction of new technologies, such as Internet telephony, which seek to provide voice communications at a cost below that of traditional circuit-switched long distance service. In addition, wireless carriers have marketed their services as an alternative to traditional long distance service, further increasing competition in the long distance sector. Reductions in prices charged by competitors may have a material adverse effect on the Company. In addition, the ability of competitors to develop online billing and information systems that are comparable to the Company's systems may have a material adverse effect on the Company.

Consolidation and alliances across geographic regions and in the local and long distance market and across industry segments may also intensify competition from significantly larger, well-capitalized carriers.

The entry of the ILECs into the long distance market may further heighten competition. Under the Telecommunications Act of 1996 (the "Telecommunications Act"), the ILECs were authorized to provide long distance service that originates outside their traditional services areas, and may gain authority to provide long distance service that originates within their region after satisfying certain market opening conditions. While currently only Verizon and SBC Communications, Inc. have entered the long distance market, a number of others have made proposals to offer such services. ILEC entry into the long distance market means new competition from well-capitalized, well-known companies that have the capacity to "bundle" other services, such as local and wireless telephone services, Internet access and cable television, with long distance telephone services. While the Telecommunications Act includes certain safeguards against anti-competitive conduct by the ILECs, it is impossible to predict whether such safeguards will be adequate or what effect such conduct would have on the Company. Because of the ILECs' name recognition in their existing markets, the established relationships that they have with their existing local service customers, and their ability to take advantage of those relationships, as well as the possibility of interpretations of the Telecommunications Act favorable to the ILECs, it may be more difficult for other providers of long distance and local telecommunication services, such as the Company, to compete.

In addition, access to ILEC UNEs at rates competitive with the ILEC's retail service offerings is critical to the Company's business. The ILEC UNE rates are ordered by individual state commissions, which have only recently begun lowering the ILEC UNE rates to a level that the Company may offer rates competitive with the ILEC for similar services. Failure of the remaining state commissions to lower ILEC UNE rates will have a significant impact upon the Company's ability to offer services at rates competitive with the ILECs. See "Regulation."

Allegedly to combat "slamming," or the unauthorized conversion of a customer's preselected telecommunication carrier, many local exchange carriers have initiated "PIC freeze" programs that, once selected by the customer, require a customer seeking to change long distance or local carriers to contact the local carrier directly instead of having the long distance or local carrier contact the local carrier on the customer's behalf. Many local carriers have imposed burdensome requirements on customers seeking to lift PIC freezes and change carriers, and thereby make it difficult for customers to switch to the Company's telecommunication services. Such activities could have an adverse effect on the Company.

REGULATION

GENERAL

The Company's provision of telecommunication services is subject to government regulation. The FCC regulates interstate and international telecommunications, while the state commissions regulate telecommunications that originate and terminate within the same state. Changes in existing regulations could have a material adverse effect on the Company.

The Company's marketing of telecommunication services directly, with its current marketing partners, over the Internet, the Company's other current and past direct and partner marketing efforts, and the marketing efforts of the Company's partitions all require compliance with relevant federal and state regulations that govern the sale of telecommunication services. The FCC and some states have rules that prohibit switching a customer from one carrier to another without the customer's express consent and specify how that consent must be obtained and verified. Most states also have consumer protection laws that further define the framework within which the Company's marketing activities must be conducted. While directed at curbing abusive marketing practices, unless these rules are carefully designed and enforced, they can have the incidental effect of entrenching incumbent carriers and hindering the growth of new competitors, such as the Company.

The Company's marketing efforts are carried out through a variety of direct marketing programs, including inbound and outbound telemarketing, television advertisements and agent sales, as well as online marketing initiatives. Restrictions on the marketing of telecommunication services are becoming stricter in the wake of widespread consumer complaints throughout the industry about slamming and "cramming" (the unauthorized provision of additional telecommunication services). The Telecommunications Act strengthened penalties against slamming, and the FCC issued and updated rules tightening federal requirements for the verification of orders for telecommunication services and establishing additional financial penalties for slamming. In addition, many states have been active in restricting marketing through new legislation and regulation, as well as through enhanced enforcement activities. The Company's marketing activities have subjected the Company to investigations or enforcement actions by government authorities. The constraints of federal and state regulation, as well as increased FCC, Federal Trade Commission and state enforcement attention, could limit the scope and the success of the Company's marketing efforts and subject them to enforcement action, which may have an adverse effect on the Company.

Statutes and regulations designed to protect consumer privacy also may have the incidental effect of hindering the growth of newer telecommunication carriers such as the Company. For example, the FCC rules that restrict the use of "customer proprietary network information" (information that a carrier obtains about its customers through their use of the carrier's services) may make it more difficult for the Company to market additional telecommunication services (such as local and wireless), as well as other services and products, to its existing customers.

The FCC requires the Company and other providers of telecommunication services to contribute to the universal service fund, which helps to subsidize the provision of local telecommunication services and other services to low-income consumers, schools, libraries, health care providers, and rural and insular areas that are costly to serve. The Telecommunications Act requires every telecommunication carrier that provides interstate telecommunication services to contribute, on an equitable and nondiscriminatory basis, to the specific, predictable, and sufficient mechanisms established by the FCC to preserve and advance universal service. At present, contributions to the FCC's universal service funds are assessed on telecommunication providers' combined interstate and international end user telecommunication revenues, as reported in FCC Forms 499A and 499Q, using a quarterly contribution factor calculated by the FCC. The current contribution factor for the first quarter of 2002 is 6.8%. Accordingly, at present, carriers pay nearly seven percent (7%) of their combined interstate and international end user telecommunication revenues to the federal USF. If the FCC substantially increases the current contribution factor for the USF, the Company's costs of providing telecommunication services will be increased and the Company might not be able to be reimbursed by its customers for all of those costs, which would have a negative impact on the Company's gross margins. Further, it is unclear at this point whether the current methodology of basing carrier contributions on interstate and international end user telecommunication revenues will remain in place. Recently, the FCC has proposed changing this current methodology to assess carrier contributions to the USF based on the number and capacity of connections provided to customers. Moreover, the FCC also recently proposed limiting the flexibility currently afforded carriers in the recovery of their universal service contributions from end user customers by requiring carriers to recover contributions either through their rates or through a line item surcharge, called a "Federal Universal Service Charge," that corresponds precisely to the prescribed contribution factor percentage, per line or per account assessment established by the FCC each quarter. An order implementing the FCC's decisions regarding both of these matters should be released in 2002.

The FCC imposes additional reporting, accounting, record keeping and other regulatory obligations on the Company. The Company must offer interstate services under rates, terms and conditions that are just, reasonable and not unreasonably discriminatory. The Company currently must file tariffs listing the rates, terms and conditions of the Company's service on the Internet or elsewhere. Although the Company's FCC tariffs, and the rates and charges they specify, are subject to review, they are presumed to be lawful and have never been formally contested by customers or other consumers. The Company may be subject to forfeitures and other penalties if it violates the FCC's rules.

The vast majority of the states require the Company to apply for certification to provide local and intrastate telecommunication services, or at least to register or to be found exempt from regulation, before commencing intrastate service. The vast majority of states also require the Company to file and maintain detailed tariffs listing its rates for intrastate service. Many states also impose various reporting requirements and/or require prior approval for transfers of control of certified carriers, corporate reorganizations, acquisitions of telecommunication operations, assignments of carrier assets, including subscriber bases, carrier stock offerings and incurrence by carriers of significant debt obligations. Certificates of authority can generally be conditioned, modified, canceled, terminated or revoked by state regulatory authorities for failure to comply with state law and the rules, regulations and policies of the state regulatory authorities. Fines and other penalties, including the return of all monies received for intrastate traffic from residents of a state, may be imposed for such violations. State regulatory authorities may also place burdensome requirements on telecommunication companies seeking transfers of control for licenses and the like.

The Company's partitions are also subject to the same federal and state regulations as the Company, and any change in those regulations, or any enforcement action, could adversely affect the partitions and their demand for the Company's services. Generally, partitions purchase services from the Company and resell these services under non-exclusive agreements with the Company. Such partitions comprise a small and declining portion of the Company's business. Provisions in the Company's agreements with these partitions require them to comply with federal and state statutes and regulations, including those regulating telemarketing. Because they are independent partitions, however, the Company cannot control their activities. The Company also cannot predict the extent of their compliance with applicable regulations. Federal and state regulatory authorities have, in the past, tried to hold the Company liable for activities of these partitions. There can be no assurance that the use of these partitions will not subject the Company to future liabilities. Similarly, there can be no assurance that the use of direct marketing channels, including telemarketing, will not subject the Company to future liabilities. Actions taken by partitions have subjected the Company to investigations or enforcement actions by government authorities. To the extent that the Company makes additional telecommunication service offerings, the Company may encounter additional regulatory review and constraints.

The Telecommunications Act provides for a significant deregulation of the domestic telecommunication industry, including the long distance industry. The Telecommunications Act remains subject to judicial review and additional FCC rulemaking, and thus it is difficult to predict what effect the legislation will have on the Company and its operations. There are currently many regulatory actions underway and being contemplated by federal and state authorities regarding interconnection pricing and other issues that could result in significant changes to the business conditions in the telecommunication industry. In addition, there has been discussion in Congress of modifying the Telecommunications Act in ways that could prove detrimental to the Company.

Notably, the Telecommunications Act set up a framework by which ILECs could begin providing long distance services to their customers in areas where they provide local telecommunications services. Acting under this authority, the FCC already has granted interstate long distance service authority to Verizon for the Commonwealth of Pennsylvania and the States of New York, Massachusetts, Rhode Island and Connecticut, and to SBC Communications for the States of Texas, Kansas, Oklahoma, Arkansas and Missouri. The Company anticipates that other ILECs shall seek to obtain similar authority on a state-by-state basis. These actions are likely to increase competition within the affected states.

Access to ILEC UNEs at cost-based rates is critical to the Company's business. The Company's local telecommunications services are provided almost exclusively through the use of ILEC UNEs, and it is the availability of cost-based UNE rates that enables the Company to price its local telecommunications services competitively. However, the obligation of ILECs to provide UNEs at such cost-based rates is the subject of on-going litigation and could soon be substantially reduced or eliminated altogether.

PENDING MATTERS AFFECTING THE INDUSTRY

The current UNE pricing rules were established in 1996 in the FCC's Local Competition Order, wherein the FCC concluded that the rates charged to new entrants must be based on the forward-looking costs of providing the interconnection or UNEs ordered. The FCC rejected the use of historical or embedded costs in setting rates that new entrants pay. The FCC further required a specific methodology, "total element long-run incremental cost" ("TELRIC"), to calculate an ILEC's forward-looking costs. The FCC required that TELRIC be measured based on the use of the most efficient telecommunications technology currently available and the lowest cost network configuration, given the existing location of ILEC wire centers.

On remand from the U.S. Supreme Court in AT&T v. Iowa Utilities Board, the Eighth Circuit Court of Appeals concluded that the FCC's UNE pricing rules violated the terms of the Telecommunications Act. The Eighth Circuit determined that the FCC's TELRIC methodology incorrectly based costs on the most efficient technology and configuration available, rather than the actual cost of the particular facilities and equipment deployed by ILECs. The Eighth Circuit ruled that the FCC cannot require that UNE prices be calculated at the cost of a hypothetical network, as opposed to the costs actually incurred, by the ILECs. The Eighth Circuit, however, did not vacate the FCC's decision to use a forward-looking cost methodology. The Court determined that requiring that forward-looking costs be used to establish UNE rates is a matter within the FCC's discretion.

The FCC, ILECs and CLECs (competitive local exchange carriers) all appealed the Eighth Circuit decision to the U.S. Supreme Court. The Supreme Court granted certiorari in these cases, styled Verizon Communications v. FCC, and agreed to consider both: (i) whether the Eighth Circuit erred in ruling that the FCC cannot require that UNE rates be based on the cost of efficient replacement technology; and (ii) whether the Eighth Circuit erred in approving FCC UNE pricing rules that do not permit ILECs' historical costs to be included in their UNE rates.

The Supreme Court heard oral argument in Verizon Communications v. FCC on October 10, 2001, and the Company anticipates a decision in the Spring of 2002. If the Supreme Court rules that UNE rates cannot be based on the cost of efficient replacement technology, or, worse, that UNE rates must allow for recovery of all ILEC historical costs, the result could compel a substantial increase in the prices that the Company pays for ILEC UNEs. The possibility also exists that the FCC will revise its UNE pricing rules in a similar fashion even if the Supreme Court does not require such revisions. In either case, such a spike in UNE rates could make it unaffordable for the Company to provide UNE-based local telecommunication services.

Access to ILEC UNEs in a fashion in which they are combined by the ILECs themselves also is critical to the Company's business. The Company's local telecommunications services are provided through the use of UNE-P, in which UNEs necessary to provide service to end users are combined by the ILECs and then leased to new entrants. Both the U.S. Supreme Court and the FCC currently are considering whether ILECs will continue to be required to provide such UNE combinations to competitors.

The U.S. Supreme Court review arises in the Verizon v. FCC case discussed above. The FCC established its rule 51.315(b) in 1996, which prohibits ILECs from separating already combined network elements. This rule has already been approved by the Supreme Court. However, the FCC also established its so-called "additional combinations rules" in 1996, i.e. rules 51.315(c)-(f), which require ILECs to combine network elements in any technically feasible manner upon request. The Eighth Circuit later vacated the "additional combinations rules" based on the reasoning that the Telecommunications Act requires that new entrants, not ILECs, must do any necessary recombining. The Supreme Court granted certiorari, and has agreed to decide whether the FCC may require ILECs to combine certain previously uncombined network elements upon request by a new entrant. If the Supreme Court upholds the Eighth Circuit, it would adversely affect the Company's ability to add new lines for existing customers or introduce customized service offerings.

In addition, the FCC itself currently is considering whether the discrete elements comprising a UNE-P "platform" must continue to be made available by ILECs. The existing set of UNEs were established by the FCC in its Local Interconnection Order in 1996, and updated in a proceeding on remand from the Supreme Court's Iowa Utilities Board case in 1999. The current rules require ILECs to provide a host of UNEs upon request -- including local loops, local switching and interoffice transport -- which together comprise the UNE-P combination used by the Company to provide local telecommunications services.

On December 12, 2001, the FCC initiated its so-called UNE Triennial Review rulemaking in which it intends to review all UNEs and determine whether ILECs should continue to be required to provide them to competitors. Among other things, the FCC has indicated that it will consider whether ILECs should continue to be required to provide the "local switching" UNE, an essential component of the UNE-P combination. The FCC will determine whether the local switching UNE is necessary for new entrants to provide services, and whether the unavailability of a local switching UNE would impair the ability of new entrants to offer competitive offerings. The FCC could eliminate the local switching UNE entirely, or could further limit its availability by geography, customer density, customer size, service type, customer type, or the like. Any curtailment by the FCC in the availability of the local switching UNE would materially impair our ability to provide local telecommunications services, and could eliminate our capability to provide local telecommunications services entirely. The Company expects the FCC to decide the issue later this year.

EMPLOYEES

As of December 31, 2001, the Company employed approximately 1,178 persons. The Company considers relations with its employees to be good.

ITEM 2. PROPERTIES

The Company leases an approximately 8,000 square foot facility in Reston, Virginia, that serves as the Company's headquarters and is where a number of the Company's executives and marketing personnel are located. The Company owns an approximately 24,000 square foot facility in New Hope, Pennsylvania where the Company's executives, finance, legal and programming personnel are located. The Company also leases properties in the cities in which switches for its network have been installed.

With respect to the Company's sales, provisioning and customer service operations, the Company owns a 32,000 square foot facility located in Clearwater, Florida. The Company also leases the following facilities for sales, provisioning and customer service operations: an approximately 29,000 square foot facility in Orlando, Florida, an approximately 13,000 square foot facility in Greenville, South Carolina, and an approximately 12,000 square foot facility in Fort Myers, Florida.

ITEM 3. LEGAL PROCEEDINGS

The Company is party to a number of legal actions and proceedings, including purported class actions, arising from the Company's provision and marketing of telecommunications services, as well as certain legal actions and regulatory investigations and enforcement proceedings arising in the ordinary course of business. The Company believes that the ultimate outcome of the foregoing actions will not result in liability that would have a material adverse effect on the Company's financial condition or results of operations. However, it is possible that, because of fluctuations in the Company's cash position, the timing of developments with respect to such matters that require cash payments by the Company, while such payments are not expected to be material to the Company's financial condition, could impair the Company's ability in future interim or annual periods to continue to implement its business plan, which could affect the Company's results of operations in future interim or annual periods.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's Common Stock, $.01 par value per share ("Common Stock"), is traded on the Nasdaq National Market under the symbol "TALK". High and low quotations listed below are actual closing sales prices as quoted on the Nasdaq National Market:

COMMON STOCK	PRICE RANGE OF COMMON STOCK	
	HIGH	LOW
2000		
First Quarter	$ 20.63	$ 13.44
Second Quarter	16.50	5.63
Third Quarter	8.06	4.25
Fourth Quarter	4.81	0.56
2001		
First Quarter	2.53	1.28
Second Quarter	2.51	0.91
Third Quarter	1.06	0.33
Fourth Quarter	0.52	0.34
2002		
First Quarter (through March 29, 2002)	0.64	0.37

As of March 29, 2002, there were approximately 1,063 record holders of Common Stock.

The Company has never declared or paid any cash dividends on its capital stock. The Company currently intends generally to retain future earnings to finance the growth and development of its business and, therefore, does not anticipate paying cash dividends in the foreseeable future. In addition, the Company's debt instruments, including the credit facility agreement and related guarantee to MCG Finance Corporation and the 2011 Convertible Notes, prohibit the Company from paying any dividends on its capital stock.

The Company has received notification from NASDAQ that it did not meet the minimum bid price requirement of the NASDAQ's National Marketplace Rules. The Company has 90 calendar days, or until May 15, 2002, to regain compliance with these standards. If at any time before May 15, 2002, the bid price of the Company's stock is at least $3.00 for a minimum of 10 consecutive trading days, NASDAQ staff will provide written notification that the Company has achieved compliance with the rules. If the Company is unable to demonstrate compliance with the rules on or before May 15, 2002, the Company would file an application to list its securities on The Nasdaq SmallCap Market, and if accepted, the Company would have another 90 days, or until August 13, 2002, to comply with Nasdaq's SmallCap listing rules, which only require a minimum bid price of $1.00.

ITEM 6. SELECTED CONSOLIDATED FINANCIAL DATA

The selected consolidated financial data should be read in conjunction with, and are qualified in their entirety by, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Company's Consolidated Financial Statements included elsewhere in this Form 10-K.

	YEAR ENDED DECEMBER 31,				
	2001	2000	1999	1998	1997
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)				
CONSOLIDATED STATEMENTS OF INCOME DATA:					
Sales	$495,470	$544,548	$516,548	$448,600	$304,768
Costs and expenses:					
Network and line costs	235,153	292,931	289,029	321,215	285,145
General and administrative expenses	82,202	65,360	39,954	39,393	29,221
Provision for doubtful accounts	92,778	53,772	28,250	37,789	9,339
Sales and marketing expenses	81,285	170,864	96,264	210,552	60,685
Depreciation and amortization	34,390	19,257	6,214	5,499	5,429
Impairment and restructuring charges	170,571	--	--	--	--
Significant other charges (income)	--	--	(2,718)	91,025	--
Total costs and expenses	696,379	602,184	456,993	705,473	389,819
Operating income (loss)	(200,909)	(57,636)	59,555	(256,873)	(85,051)
Other Income (expenses):					
Interest income	1,220	4,859	3,875	38,876	25,293
Interest expense	(6,091)	(5,297)	(4,616)	(29,184)	(6,212)
Other expense, net	(2,698)	(3,822)	(1,115)	(20,867)	31,634
Income (loss) before provision for income taxes	(208,478)	(61,896)	57,699	(268,048)	(34,336)
Provision for income taxes (1)	--	--	--	40,388	(13,391)
Income (loss) before extraordinary gains and cumulative effect of an accounting change	(208,478)	(61,896)	57,699	(308,436)	(20,945)
Extraordinary gains from extinguishments of debt	20,648	--	21,230	87,110	--
Cumulative effect of an accounting change	(36,837)	--	--	--	--
Net income (loss)	$(224,667)	$(61,896)	$78,929	$(221,326)	$(20,945)
Income (loss) per share - Basic:					
Income (loss) before extraordinary gains and cumulative effect of an accounting change per share	$(2.63)	$(0.88)	$0.94	$(5.20)	$(0.33)
Extraordinary gains per share	0.26	--	0.35	1.47	--
Cumulative effect of an accounting change per share	(0.47)	--	--	--	--
Net income (loss) per share	$(2.84)	$(0.88)	$1.29	$(3.73)	$(0.33)
Weighted average common shares outstanding	79,242	70,527	61,187	59,283	64,168
Income (loss) per share - Diluted:					
Income (loss) before extraordinary gains and cumulative effect of an accounting change per share	$(2.63)	$(0.88)	$0.90	$(5.20)	$(0.33)
Extraordinary gains per share	0.26	--	0.33	1.47	--
Cumulative effect of an accounting change per share	(0.47)	--	--	--	--
Net income (loss) per share	$(2.84)	$(0.88)	$1.23	$(3.73)	$(0.33)
Weighted average common and common equivalent shares outstanding	79,242	70,527	64,415	59,283	64,168

	AT DECEMBER 31,				
	2001	2000	1999	1998	1997
	(IN THOUSANDS)				
CONSOLIDATED BALANCE SHEET DATA:					
Cash and cash equivalents	$ 22,100	$ 40,604	$ 78,937	$ 3,063	$ 316,730
Total current assets	50,698	97,203	150,893	149,769	691,051
Goodwill and intangibles, net	29,672	218,639	1,068	1,150	10,590
Total assets	165,221	407,749	215,008	272,560	814,891
Current portion of long-term debt (3)	14,454	2,822	--	49,621	--
Total current liabilities	87,273	100,271	71,168	136,708	56,263
Contingent obligations	--	114,630	114,630	--	--
Long-term debt (2)(3)	152,370	103,695	84,985	242,387	500,000
Stockholders' equity (deficit)	(74,422)	82,700	(69,375)	(136,785)	222,828

(1) The provision for income taxes in 1998 represents a valuation allowance for deferred tax assets recorded in prior periods and current tax benefits that may result from the 1998 loss. The Company provided the valuation allowances in view of the loss incurred in 1998, the uncertainties resulting from intense competition in the telecommunication industry and the lack of any assurance that the Company will realize any tax benefits. The Company has continued to provide a valuation allowance against its deferred tax assets at December 31, 2000 and December 31, 1999.

(2) Long-term debt includes $31.0 million of future accrued interest in connection with the 2011 Convertible Notes in accordance with SFAS No. 15, "Accounting by debtors and Creditors for Troubled Debt Restructuring."

(3) The Company restructured a substantial portion of the 4 1/2% and 5% Notes in April 2002; accordingly, $57.9 million of the 4 1/2% Notes are classified as long-term debt.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Consolidated Financial Statements included elsewhere in this Form 10-K. Certain of the statements contained herein may be considered forward-looking statements. Such statements are identified by the use of forward-looking words or phrases, including, but not limited to, "estimates," "expects," "expected," "anticipates," and "anticipated." These forward-looking statements are based on the Company's current expectations. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to have been correct.

Forward-looking statements involve risks and uncertainties and the Company's actual results could differ materially from the Company's expectations. In addition to those factors discussed in this Form 10-K and the Company's other filings with the Securities and Exchange Commission, important factors that could cause such actual results to differ materially include, among others, increased price competition for long distance and local services, failure of the marketing of the bundle of local and long distance services and long distance services under its agreements with its various marketing partners and its direct marketing channels, failure to manage the nonpayment of the Company's bills to its customers for bundled and long distance services, attrition in the number of end-users, difficulties in managing the Company's operations, including attracting and retaining qualified personnel, failure of the Company to be able to expand its active offering of local bundled services in a greater number of states, failure to provide timely and accurate billing information to customers, failure of the Company to manage its collection management systems and credit controls for customers, interruption in the Company's network and information systems, failure of the Company to provide adequate customer service, and changes in government policy, regulation and enforcement and/or adverse judicial interpretations and rulings relating to such regulations and enforcement. Except as otherwise required by law, the Company undertakes no obligation to update its forward-looking statements.

RESULTS OF OPERATIONS

The following table sets forth for the periods indicated certain financial data of the Company as a percentage of sales:

	YEAR ENDED DECEMBER 31,		
	2001	2000	1999
Sales	100.0%	100.0%	100.0%
Costs and expenses:			
Network and line costs	47.5	53.8	56.0
General and administrative expenses	16.6	12.0	7.7
Provision for doubtful accounts	18.7	9.9	5.5
Sales and marketing expenses	16.4	31.4	18.6
Depreciation and amortization	6.9	3.5	1.2
Impairment and restructuring charges	34.4	--	--
Significant other charges (income)	--	--	(0.5)
Total costs and expenses	140.5	110.6	88.5
Operating income (loss)	(40.5)	(10.6)	11.5
Other Income (expense):			
Interest income	0.2	0.9	0.8
Interest expense	(1.2)	(1.0)	(0.9)
Other expense, net	(0.6)	(0.7)	(0.2)
Income (loss) before income taxes	(42.1)	(11.4)	11.2
Provision for income taxes	--	--	--
Income (loss) before extraordinary gains and cumulative effect of an accounting change	(42.1)	(11.4)	11.2
Extraordinary gains	4.2	--	4.1
Cumulative effect of an accounting change	(7.4)	--	--
Net income (loss)	(45.3)%	(11.4)%	15.3%

Year Ended December 31, 2001 Compared To Year Ended December 31, 2000

Sales. Sales decreased by 9.0% to $495.5 million in 2001 from $544.5 million in 2000. The decrease in sales reflects lower long distance sales as a result of (i) the Company's decision in 2000 to focus its efforts in the local telecommunication services market by offering local telecommunication services bundled with long distance services and significantly reducing sales and marketing related to the long distance product; (ii) the termination of the AOL marketing agreement as of September 30, 2001; (iii) the Company's election to exit the international wholesale business in the second quarter of 2000; and (iv) a decrease in Company's other sales. The decline in long distance sales was partially offset by an increase in bundled sales.

The Company's long distance sales decreased to $293.7 million for the year ended December 31, 2001 from $494.6 million for the year ended December 31, 2000. Included in long distance revenues for 2000 were international wholesale sales of $29.7 million. The Company elected to exit the international wholesale business in the second quarter of 2000 because of the low gross profit margins associated therewith; consequently, the Company had no international sales in 2001. A significant percentage of the Company's revenues were derived from long distance telecommunication services provided to customers who were obtained under the AOL marketing agreement. Effective June 30, 2001, AOL exercised its right to terminate the Company's long distance exclusivity under the marketing agreement and continue on a non-exclusive basis, which contributed to the decline in long-distance customers and revenues. The AOL marketing relationship was discontinued effective September 30, 2001. See "Liquidity and Capital Resources." Long distance revenues also decreased in 2001 due to customer attrition and are expected to continue to decline so long as the Company continues to focus its marketing efforts on the bundled product. Long distance revenues for the year ended 2002 are expected to be between $135 and $145 million.

The Company's bundled sales for the year ended December 31, 2001 were $201.8 million compared with $50.0 million for year ended December 31, 2000. Bundled sales decreased, however, during the fourth quarter of 2001 after five consecutive quarters of increases. The decrease in bundled sales in the fourth quarter reflects the

Company's decision to slow growth in bundled sales while the Company pursued its plans to improve efficiencies of the Company's bundled business model and improved customer collections. Bundled revenues for the year ended 2002 are expected to be between $140 and $150 million.

Network and Line Costs. Network and line costs decreased by 19.7% to $235.2 million in 2001 from $292.9 million in 2000. The decrease in costs was primarily due to a decrease in network costs as a result of exiting the international wholesale business, a lower number of long distance customers, a reduction in access and usage charges and a reduction in primary interexchange carrier charges ("PICC"). This decrease in network costs was offset by an increase in costs paid to incumbent local telephone companies related to the provision of local telecommunications services in connection with the Company's bundled service.

As a percentage of sales, network and line costs decreased to 47.5% for 2001 as compared to 53.8% for 2000. The decrease in network and line costs as a percentage of sales was primarily due to lower network, partition and billing costs, offset by increased cost associated with the local telecommunications business.

Gross profit, defined as sales less network and line costs, increased by
3.5% in 2001 to $260.3 million from $251.6 million in 2000, and, as a percentage of sales, increased to 52.5% as compared to 46.2% for 2000. Due to the Company's decision to lower its pricing for both local and long distance service and its focus on delivering better service and value to its customers, the growth of local bundled service as a percentage of total revenue and the intensification of price competition for the Company's products, the Company expects to experience a downward trend in gross profits, as a percentage of sales, in the future.

General and Administrative Expenses. General and administrative expenses increased by 25.7% to $82.2 million in 2001 from $65.4 million in 2000, and, as a percentage of sales, increased to 16.6% as compared to 12.0% for 2000. The increase in general and administrative expenses was due primarily to increased personnel costs associated with supporting the Company's growth in the local services business, including customer service, provisioning and collections personnel. This overall increase in general and administrative expenses was offset, in part, by significant workforce reductions and other cost cutting efforts by the Company during the third and fourth quarters of 2001 as it pursued improvements in operating efficiencies of the Company's bundled business model.

Provision for Doubtful Accounts. Provision for doubtful accounts increased by 72.5% to $92.8 million in 2001 from $53.8 million in 2000, and, as a percentage of sales, increased to 18.7% as compared to 9.9% for 2000. A significant portion of the bad debt expense was incurred in connection with bundled service customers acquired through marketing programs that have been discontinued. The Company has taken several steps to reduce bad debt expense, improve the overall credit quality of its customer base and increase its collections of past due amounts, including the following: (a) adoption of more stringent credit controls through the implementation of credit scoring of the existing customer base and pre-screening of new customers based on specific levels and criteria; (b) implementation of a new collections management system in the third quarter of 2001 that is integrated with the billing and payment applications; (c) improved in-house and third party collection efforts; and (d) enhanced credit card and paper invoicing processes.

Sales and Marketing Expenses. During 2001, the Company incurred $81.3 million of sales and marketing expenses as compared to $170.9 million in 2000, a 52.4% decrease, and, as a percentage of sales, a decrease to 16.4% as compared to 31.4% for 2000. The decrease is primarily attributable to the reduction in marketing fees paid to AOL. Several events occurred during 2001 in the relationship between the Company and AOL, including (i) a change in the AOL marketing agreement from an exclusive to a non-exclusive basis on July 1, 2001,
(ii) the cessation of the AOL rewards points program in the second half of 2000 and (iii) the termination of the marketing relationship with AOL effective September 30, 2001. The decline is also attributable to decreased direct promotional and advertising campaigns, partially offset by expanded sales and marketing efforts for the Company's bundled customer base. Sales and marketing expenses declined further in the second half of 2001 as the Company slowed growth as it pursued its plan to improve efficiencies of the Company's bundled business model. The Company intends to increase its sales and marketing expenditures in the first quarter of 2002 as compared to the fourth quarter of 2001.

Depreciation and Amortization. Depreciation and amortization for 2001 was $34.4 million, an increase of $15.1 million compared to $19.3 million for 2000, and, as a percentage of sales, an increase to 6.9% as compared to 3.5% for 2000. This increase is due primarily to a full year of depreciation and amortization of the goodwill, intangibles and property from the Access One acquisition that occurred in August 2000, as well as additional property and equipment that was acquired by the Company in 2001 and 2000. The excess of the purchase price over the fair value of the net assets acquired in the Access One acquisition was approximately $225.9 million and was recorded as goodwill and intangible assets. Intangibles consist primarily of a service mark and purchased customer accounts and workforce. The Company's amortization expense will decrease significantly for 2002 due to the impairment charge of goodwill and intangibles incurred in connection with the write-off of goodwill associated with Access One in the third quarter of 2001. Additionally, the implementation of Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142"), which establishes the impairment approach rather than amortization for goodwill, will result in reduced amortization in 2002. See "Recent Accounting Pronouncements."

Impairment and Restructuring Charges. The Company incurred impairment and restructuring charges of $170.6 million in 2001. Included in the amount for 2001 was an impairment charge of $168.7 million primarily related to the write-down of goodwill associated with the acquisition of Access One, as discussed above. In September 2001, the Company approved a plan to close the call center operation in Sunrise, Florida. The Company incurred expenses of $1.9 million during 2001 to reflect the elimination of approximately 225 positions and lease exit costs in connection with the call center closure. There were no impairment or restructuring charges in 2000. See Note 4 to the Consolidated Financial Statements.

Interest Income. Interest income was $1.2 million in 2001 versus $4.9 million in 2000. Interest income in 2001 was lower due to the Company's lower average cash balances during 2001 as compared with 2000.

Interest Expense. Interest expense was $6.1 million in 2001 versus $5.3 million in 2000. The increase is due to interest on debt assumed with the acquisition of Access One and interest on additional borrowings by the Company in the second half of 2000. As a result of the exchange offers and MCG restructuring, the Company's interest expense will be higher in future periods.

Other Expense, Net. Net other expense was $2.7 million in 2001 compared to $3.8 million in 2000. The amount for 2001 primarily represents a $2.4 million unrealized loss on the increase in fair value of the AOL contingent redemptions in accordance with the fair value accounting treatment under EITF Abstract No. 00-19. This amount will not be recurring, as the AOL contingent redemptions have been restructured effective September 2001. The amount for 2000 primarily reflects a $2.5 million increase in the reserve on a note receivable and AOL investment fees of $1.3 million.

Provision for income taxes. The Company has not recorded any income tax expense or benefit in 2001 or 2000 because the Company incurred losses during these periods. No taxable income was available in prior periods against which the Company could carryback losses. Also, at December 31, 2001 and 2000, a full valuation allowance has been provided against the Company's net operating losses and other deferred tax assets. Since the amounts and extent of the Company's future earnings are not determinable with a sufficient degree of probability to recognize the deferred tax assets in accordance with the requirements of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes", the Company recorded a full valuation allowance on the net deferred tax assets for 2001 and 2000.

Extraordinary Gains. The Company incurred extraordinary gains in 2001 of $20.6 million, of which $16.9 million represents the gain on restructuring of the AOL contingent redemptions in accordance with SFAS No. 15, "Accounting by Debtors and Creditors for Troubled Debt Restructurings," as discussed in Note 2 of the Consolidated Financial Statements. In addition, the Company reacquired $5.0 million of the 4.5% Convertible Subordinated Notes due 2002 at a $3.8 million discount from the face amount, which was reflected as an extraordinary gain in the fourth quarter of 2001.

Cumulative Effect of an Accounting Change. The Company adopted Emerging Issues Task Force (EITF) Abstract No. 00-19, "Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock," in the quarter ended June 30, 2001. The cumulative effect of the adoption of this change in accounting principle resulted in a non-cash charge to operations of $36.8 million in the second quarter of 2001, representing the change in fair value of contingent redemption features of warrants and Common Stock held by AOL from issuance on January 5, 1999 through June 30, 2001. The requirements under EITF 00-19 will not apply to future changes in the value of these instruments, as the AOL contingent redemptions have been restructured effective September 2001.

Year Ended December 31, 2000 Compared To Year Ended December 31, 1999

Sales. Sales increased by 5.4% to $544.5 million in 2000 from $516.5 million in 1999. The increase in sales primarily reflected the Company's entry into the local telecommunication market by offering local telecommunication services bundled with long distance services and the resulting increase in sales from new bundled customers and the revenues of Access One since the date of its acquisition by the Company. The increase in local sales was offset during 2000 by the Company's election to exit the international wholesale business, a decline in the number of long distance customers and a decrease in the Company's other sales. The Company elected to exit the international wholesale business because of the low gross profit margins associated therewith. During the second quarter of 2000, there was also a significant reduction in the principal marketing opportunity provided to the Company by AOL, which resulted in a decline in gross additions of new long distance customers. In addition, the Company instituted new collection procedures in the first quarter of 2000, which the Company believes contributed to customer terminations during the introduction period of the new procedures at a rate greater than the Company's historical churn experience.

A significant percentage of the Company's revenues in 2000 and 1999 was derived from long distance telecommunication services provided to customers who were obtained under the AOL agreement.

Network and Line Costs. Network and line costs increased by 1.4% to $292.9 million in 2000 from $289.0 million in 1999. The increases were primarily due to additional service costs relating to the growth of the local business and the service costs of Access One since the date of its acquisition by the Company. The increase in service costs was offset by a decrease in network costs as a result of exiting the international wholesale business, a lower number of long distance customers, a reduction in local access charges, and a reduction in primary interexchange carrier charges ("PICC"). In addition, partition costs and billing costs were lower.

Gross profit, defined as sales less network and line costs, increased by 10.6% in 2000 to $251.6 million from $227.5 million in 1999. As a percentage of sales, gross profit increased in 2000 to 46.2% as compared to 44.0% for 1999. The increase in gross profit percentage was primarily due to lower network, partition and billing costs, offset by increased cost associated with the growing local business, as discussed above.

General and Administrative Expenses. General and administrative expenses increased by 63.5% to $65.4 million in 2000 from $40.0 million in 1999. As a percentage of sales, general and administrative expenses increased in 2000 to 12.0% as compared to 7.7% for 1999. The increase in general and administrative expenses was due primarily to increased costs associated with hiring additional personnel to support the Company's growth in the local services business and the additional sales, provisioning and customer service support for the local customers. The general and administrative expenses of Access One are also included since the date of its acquisition by the Company.

Provision for Doubtful Accounts. Provision for doubtful accounts increased by 90.1% to $53.8 million in 2000 from $28.3 million in 1999. As a percentage of sales, provision for doubtful accounts increased in 2000 to 9.9% as compared to 5.5% for 1999. The increase in provision for doubtful accounts was due to the provision for certain aged receivables that were deemed not collectible and a change in reserve estimates regarding the Company's non-AOL long distance marketing partners.

Sales and Marketing Expenses. During 2000, the Company incurred $170.9 million of sales and marketing expense as compared to $96.3 million in 1999, a 77.5% increase. As a percentage of sales, sales and marketing expenses increased in 2000 to 31.4% as compared to 18.6% for 1999. This increase relates to the Company's efforts to expand its long distance and local bundled customer base as well as higher promotional costs, an increase in fixed payments to AOL and the addition of Access One marketing and promotional expenses since the date of its acquisition by the Company. Fixed payments to AOL in 2000 were $59.0 million compared to $40.0 million in 1999.

Depreciation and Amortization. Depreciation and amortization for 2000 was $19.3 million, an increase of $13.1 million compared to $6.2 million in 1999. As a percentage of sales, depreciation and amortization increased in 2000 to 3.5% as compared to 1.2% for 1999. This increase is due primarily to the amortization of the goodwill recorded upon the Access One acquisition ($9.4 million of amortization for 2000), and also reflects the continued purchase of property and equipment to support the Company's ongoing growth, particularly with investment in a state-of-the-art billing, provisioning and customer service system platform, along with additional property, equipment and intangibles that were acquired by the Company in the acquisition of Access One. The excess of the purchase price over the fair value of the net assets acquired in the Access One acquisition was approximately $225.9 million and has been recorded as goodwill and intangible assets, which was being amortized on a straight-line basis. Intangibles consist of a service mark and purchased customer accounts and workforce.

Significant Other Charges (Income). During 1999, the Company sold the business units of TSFL Holdings, Inc. (formerly Symetrics Industries, Inc.), resulting in a gain of $2.7 million, which was included in significant other charges (income).

Interest Income. Interest income was $4.9 million in 2000 versus $3.9 million in 1999. During 2000, the interest income increase related to the Company's average cash balance, which was higher during 2000.

Interest Expense. Interest expense was $5.3 million in 2000 versus $4.6 million in 1999. The increase is due to interest on debt assumed with the acquisition of Access One and interest on additional borrowings by the Company in 2000.

Extraordinary Gain. During 1999, the Company recorded an extraordinary gain of $21.2 million from the acquisition of the Company's convertible debt at a discount from its aggregate principal amount.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash requirements arise primarily from the subsidiaries' operational needs, the subsidiaries' capital expenditures, the debt service obligations of Talk America Inc. and of Talk America Holdings, Inc. Since Talk America Holdings, Inc. conducts all of it operations through its subsidiaries, primarily Talk America Inc., it relies on dividends, distributions and other payments from its subsidiaries to fund its obligations. The MCG Credit Facility and related agreements contain certain covenants, including covenants that may restrict such payments by the subsidiaries to Talk America Holdings, Inc.

Contractual obligations of the Company as of December 31, 2001, as adjusted to reflect the exchange offers for the Company's 4 1/2% and 5% Notes as though the exchanges had occurred on such date, are summarized as follows (in thousands):

Contractual Obligations	Total	1 year or less	2 - 3 Years	4 - 5 Years	Thereafter
Talk America Holdings, Inc.:					
4 1/2% Notes due 2002 (2)	$ 3,910	$ 3,910	$ --	$ --	$ --
5% Notes due 2004 (2)	670	--	670	--	--
8% Convertible Notes due 2011 (1)	66,386	2,631	2,981	3,228	57,546
12% Notes due 2007 (2)	70,653	--	--	--	70,653
8% Notes due 2007 (2)(3)	4,234	--	--	--	4,234
Talk America Inc. and other subsidiaries:					
Senior Credit Facility	17,500	5,000	10,000	2,500	--
Capital Lease Obligations	1,123	1,035	88	--	--
Other Long-Term Obligations	1,878	1,878	--	--	--
	166,354	14,454	13,739	5,728	132,433
Operating Leases	6,546	1,815	3,043	1,355	333
Total Contractual Obligations	$172,900	$16,269	$16,782	$7,083	$132,766

(1) The 2011 Convertible Notes include $34.0 million of principal and $32.4 million of future accrued interest (see Note 7 of the Consolidated Financial Statements). The 2011 Convertible Notes are subject to mandatory redemption, at the option of the holder, in September 2006 and September 2008 at par plus accrued interest.

(2) Effective April 4, 2002, the Company completed the exchange of $57.9 million of the $61.8 million principal amount of its 4 1/2% Convertible Subordinated Notes due September 2002 into $53.2 million of new 12% Senior Subordinated PIK Notes due August 2007 ("12% Notes") and $2.8 million of new 8% Convertible Senior Subordinated Notes due August 2007 ("8% Notes") and cash paid of $0.5 million. In addition, the Company exchanged $17.4 million of the $18.1 million principal amount of its 5% Convertible Subordinated Notes due December 2004 into $17.4 million of the new 12% Notes.

(3) The 8% Notes include $2.8 million of principal and $1.4 million of future accrued interest (see Note 16 of the Consolidated Financial Statements).

The Company is also party to various network service agreements which contain certain minimum usage commitments. The largest contract establishes pricing and provides for annual minimum payments as follows: 2002 - $22.2 million, 2003 - $22.8 million and 2004 - $27.9 million. A separate contract with a different vendor establishes pricing and provides for annual minimum payments as follows: 2002 - $3.0 million, 2003 - $6.0 million and 2004 - $3.0 million.

The Company relies on internally generated funds and cash and cash equivalents on hand to fund its capital and financing requirements. The Company had $22.1 million of cash and cash equivalents as of December 31, 2001, and $40.6 million as of December 31, 2000.

Net cash used in operating activities was $5.6 million in 2001 compared to $14.9 million in 2000. In 2001, the major contributors to the net cash used in operating activities were the net loss of $224.7 million, an increase in accounts receivable of $65.8 million, a decrease in accounts payable and other liabilities of $22.3 million and non-cash extraordinary gains of $20.6 million. These amounts were offset by non-cash charges of $335.3 million primarily consisting of provision for doubtful accounts of $92.8 million, depreciation and amortization of $34.4 million, impairment and restructuring charges of $168.7 million and the cumulative effect of an accounting change for contingent redemptions of $36.8 million. For 2000, the net cash used in operating activities was mainly generated by the net loss of $61.9 million, an increase in accounts receivable of $43.4 million, offset by a decrease in prepaid expenses and other current assets of $8.1 million, an increase of accounts payable and other liabilities of $8.6 million and adjustments to net income for non-cash items of $76.3 million.

Net cash used in investing activities of $4.5 million during 2001 related primarily to the purchase of property, equipment and intangibles. For 2000, the net cash used in investing activities related primarily to the purchase of property, equipment and intangibles of $35.4 million and net cash paid in connection with the Access One acquisition of $3.6 million. For 2002, investment in property and equipment is expected to be between $4 and $6 million.

Net cash used in financing activities for 2001 of $8.4 million was primarily attributable to payment of borrowings under the Company's credit facility of $2.5 million, repurchase of convertible bonds of the Company of $1.3 million and payments in connection with the restructuring of the AOL contingent redemptions of $3.5 million. The net cash provided by financing activities for 2000 of $15.6 million reflects proceeds from a credit facility of $20.0 million and the proceeds from exercise of options and warrants and common stock rights of $13.6 million offset by repayments of debt assumed in the Access One acquisition of $18.0 million.

The Company generally does not have a significant concentration of credit risk with respect to net trade accounts receivable, due to the large number of end-users comprising the Company's customer base and their dispersion across different geographic regions. The increase in provision for doubtful accounts was due to the provision for customers acquired through discontinued marketing programs.

Convertible Subordinated Notes and Exchange Offers

In September 1997, the Company sold $300 million of 4 1/2% Notes that mature on September 15, 2002. Interest on the 4 1/2% Notes is due and payable semiannually on March 15 and September 15 of each year. During 2001, the Company reacquired $5.0 million principal amount of the 4 1/2% Notes; no amounts were reacquired during 2000. At December 31, 2001, $61.8 million principal amount of the 4 1/2% Notes remained outstanding.

In December 1997, the Company sold $200 million of 5% Notes that mature on December 15, 2004. Interest on the 5% Notes is due and payable semiannually on June 15 and December 15 of each year. No amounts of the 5% Notes were reacquired 2001 or 2000. At December 31, 2001, $18.1 million principal amount of the 5% Notes remained outstanding.

The 4 1/2% and 5% Notes also contained a repurchase requirement upon a termination of trading of the Company's common stock on a national securities exchange or an established automated over-the-counter trading market. The Company received notice of delisting from the Nasdaq National Market in February 2002 for not meeting the minimum bid price requirement and has 90 days to regain compliance. This requirement to repurchase the 4 1/2% and 5% Notes should the Company's common stock cease to be traded on a national securities exchange or an established automated over-the-counter trading market was eliminated in connection with the exchange offers described below.

The Company was required to repay $61.8 million of its 4 1/2% Notes in September 2002. As of December 31, 2001, the Company did not have cash nor did it believe it had access to new financing sufficient to make such a payment. The Company commenced exchange offers in February 2002 for the 4 1/2% Notes and 5% Notes primarily to extend the maturity of the obligations and to obtain consents to eliminate the requirement to offer to repurchase the notes should there be a termination of trading of the Company's common stock on a national securities exchange or an established automated over-the-counter trading market.

Under the exchange offers, which expired at midnight on April 1, 2002, the Company offered to exchange its new notes for up to the full amount of its currently outstanding 4 1/2% Notes and for up to the full amount of its currently outstanding 5% Notes. Under the terms of the 4 1/2% Notes exchange offer, the Company offered two exchange options:

--$1,000 in principal amount of new 12% Senior Subordinated PIK Notes due 2007 for each $1,000 in principal amount of the existing 4 1/2% Notes that are tendered.

--$600 in principal amount of new 8% Convertible Senior Subordinated Notes due 2007 , convertible into common stock, at $5.00 per share, and $100 in cash, in exchange for each $1,000 in principal amount of the existing 4 1/2% Notes that are tendered.

Under the terms of the 5% Notes exchange offer, the Company offered:

--$1,000 in principal amount of the new 12% Notes for each $1,000 in principal amount of the existing 5% Notes.

The Company completed the exchanges for its 4 1/2% and 5% Notes on April 4, 2002, and issued a total of $70.65 million principal amount of its new 12% Notes and $2.8 million principal amount of its new 8% Notes and paid cash of $0.5 million in exchange for a total of $57.9 million principal amount of the outstanding 4 1/2% Notes and $17.4 million principal amount of the outstanding 5% Notes. $3.9 million principal amount of the 4 1/2% Notes and $0.7 million principal amount of the 5% Notes were not exchanged and remained outstanding after the exchanges. The Company paid accrued interest of $0.4 million in cash on the exchanged old notes upon the exchanges.

The new 12% Notes accrue interest at a rate of 12% per year on the principal amount, payable two times a year on each February 15 and August 15, beginning on August 15, 2002. Interest is payable in cash, except that the Company may, at its option, pay up to one-third of the interest due on any interest payment date through and including the August 15, 2004 interest payment date in additional 12% Notes. The new 8% Notes accrue interest at a rate of 8% per year on the principal amount, payable two times a year on each February 15 and August 15, beginning on August 15, 2002 and are convertible, at the option of the holder, into common stock at $5.00 per share.

As part of the restructuring, the Company amended the indentures governing the 4 1/2% and 5% Notes that were not exchanged to remove the Company's obligation to repurchase the notes on any termination of trading of the Company's common stock on a national securities exchange or an established automated over-the-counter trading market.

In accordance with SFAS No. 15 "Accounting by Debtors and Creditors for Troubled Debt Restructuring," the exchange of $61.8 million of the 4 1/2% Notes into $53.2 million of the 12% Notes and $2.8 million of the 8% Notes is accounted for as a troubled debt restructuring. Since the total liability of $57.4 million ($57.9 million of principal as of the exchange date, less cash payments of $0.5 million) is less than the future cash flows to holders of 8% Notes and 12% Notes of $91.5 million (representing the $56.0 million of principal and $35.5 million of future interest expense), the liability remained on the balance sheet at $57.4 million. The difference between principal and the carrying amount of $1.4 million will be recognized as a reduction of interest expense over the life of the notes.

AOL Agreements

On January 5, 1999, pursuant to an Investment Agreement between AOL and the Company, AOL purchased a total of 4,121,372 shares of common stock of the Company for $55.0 million in cash and the surrender of rights to purchase 5,076,016 shares of common stock of the Company pursuant to various warrants held by AOL. AOL agreed to end further vesting under the outstanding performance warrant and retained vested warrants exercisable for 2,721,984 shares of common stock. Under the terms of the AOL Investment Agreement, the Company agreed to reimburse AOL for losses AOL may incur on the sale of any of the 4,121,372 shares of the Company's common stock held by AOL through September 30, 2001. The maximum amount payable to AOL as reimbursement on the sale of AOL's shares was approximately $54.0 million plus AOL's reasonable expenses incurred in connection with such sale. In addition, AOL had the right, commencing on July 1, 2001, to require the Company to repurchase warrants held by AOL to purchase 2,721,984 shares of Company's common stock for $36.3 million, which could have been paid in common stock or cash (provided that some portion of the repurchase price could be paid in a quarterly amortization, two-year promissory note of the Company if the repurchase price exceeded the then current valuation of the warrants being purchased). In addition, upon the occurrence of certain events, including material defaults by the Company under its AOL agreements and a "change of control" of the Company, the Company may have been required to repurchase for cash all of the shares held by AOL for $78.3 million ($19 per share), and the warrants for $36.3 million.

On September 19, 2001, the Company restructured its financial obligations with AOL that arose under the 1999 Investment Agreement and also ended its marketing relationship with AOL effective September 30, 2001 (collectively the "AOL Restructuring"). In connection with the AOL Restructuring, the Company and AOL entered into a Restructuring and Note Agreement ("Restructuring Agreement") pursuant to which the Company issued to AOL $54.0 million principal amount of its 8% secured convertible notes due September 2011 ("2011 Convertible Notes") and 3,078,628 additional shares of the Company's common stock. See Note 2 of the Consolidated Financial Statements included in this Report.

The 2011 Convertible Notes were issued in exchange for a release of the Company's reimbursement obligations under the Investment Agreement. The 2011 Convertible Notes are convertible into shares of the Company's common stock at the rate of $5.00 per share, may be redeemed by the Company at any time without premium and are subject to mandatory redemption at the option of the holder on the fifth and seventh anniversaries of its issue date. The 2011 Convertible Notes accrue interest at the rate of 8% per year on the principal amount, payable two times a year on each January 1 and July 1; interest is payable in cash, except that the Company may elect to pay up to 50% (100% in the case of the first interest payment) of the interest due on any payment date in kind rather than in cash.

Pursuant to the Restructuring Agreement, in exchange for and in cancellation of the Company's warrants to purchase 2,721,984 shares of common stock and the Company's related obligations under the Investment Agreement to repurchase such warrants from AOL, the Company issued 3,078,628 additional shares of its common stock to AOL, after which AOL held a total of 7,200,000 shares of common stock. The Company agreed to provide certain registration rights to AOL in connection with the shares of common stock issued to it by the Company.

The Restructuring Agreement provided that the Investment Agreement, the Security Agreement securing the Company's obligations under the Investment Agreement and the existing Registration Rights Agreement with AOL were terminated in their entirety and the parties were released from any further obligation under these agreements. In addition, AOL, as the holder of the 2011 Convertible Notes, entered into an intercreditor agreement with the lender under the Company's existing secured credit facility.

In addition to the restructuring of the financial obligations discussed above, the Company and AOL agreed, in a further amendment to their marketing agreement dated as of September 19, 2001, to discontinue, effective as of September 30, 2001, their marketing relationship under the marketing agreement. In connection with this discontinuance, the Company paid AOL $6.0 million under the marketing agreement, payable in two installments - $2.5 million on September 20, 2001 and the remaining $3.5 million on October 4, 2001. AOL, in lieu of any other payment for the early discontinuance of the marketing relationship, paid the Company $20 million by surrender and cancellation of $20.0 million principal amount of the 2011 Convertible Notes delivered to AOL as discussed above, thereby reducing the outstanding principal amount of the 2011 Convertible Notes to $34.0 million. The amendment also provided for the payment by the Company of certain expenses related to marketing services until the discontinuance and for the continued servicing and transition of telecommunications customer relationships after the discontinuance of marketing.

On February 21, 2002, by letter agreement, AOL agreed to waive certain rights that it had under the Restructuring Agreement with respect to the Company's restructuring of its existing 4 1/2% and 5% Notes and the exchange offers therefore. As conditions to the waiver of such rights with respect to the exchange offers, the Company agreed to (i) provide that the new notes to be exchanged for the existing notes have a maturity date after September 19, 2006 and, if convertible, have a conversion price of not less than $5.00, (ii) make a prepayment on the 2011 Convertible Notes equal to forty percent of the amount of cash (excluding accrued interest paid on existing notes which are exchanged) that the Company pays to the holders of the existing notes in the exchange offers and (iii) limit the aggregate amount of cash that the Company pays under the exchange offers and to AOL under the letter agreement to $10 million. Under the letter agreement, the Company also prepaid approximately $1.2 million principal amount of the 2011 Convertible Notes, approximately $0.7 million of which would be credited against amounts, if any, owed AOL under the letter agreement for cash payments in the exchange offers. After giving effect to the prepayment, and taking into account the interest that had been paid on the 2011 Convertible Notes in additional principal amount of the 2011 Convertible Notes, there was outstanding as of March 31, 2002, an aggregate of $33.6 million principal amount of the 2011 Convertible Notes and the Company did not owe AOL any additional payments related to the exchange offers.

Secured Credit Facility

At the time of the Company's acquisition of Access One, Access One and its subsidiaries had approximately $15.0 million of loans outstanding under an existing credit facility with MCG Finance Corporation ("MCG"). The loans under the credit facility were secured by a pledge of all of the assets of Access One and its subsidiaries. In addition, the Company guaranteed the obligations of Access One and its subsidiaries under the credit facility. The $15.0 million loan was repaid on October 20, 2000 when certain subsidiaries of the Company entered into a Credit Facility Agreement with MCG.

The Credit Facility Agreement with MCG provides for a term loan to the Company's subsidiaries of up to $20.0 million and a line of credit facility permitting such subsidiaries to borrow up to an additional $30.0 million. The availability of the line of credit facility is subject, among other things, to the successful syndication of that facility. Loans under the Credit Facility Agreement bear interest at a rate equal to either (a) the Prime Rate, as published by the Board of Governors of the Federal Reserve System, or (b) LIBOR, plus, in each case, the applicable margin. The applicable margin was initially 2.5% for borrowings accruing interest at the Prime Rate and 4% for borrowings accruing interest at LIBOR; during 2000, the applicable margin was based on the ratio of funded debt to trailing twelve-month operating cash flow, determined on a consolidated basis, and varied from 2.0% to 2.5% for borrowings accruing interest at the Prime Rate and from 3.5% to 4.0% for borrowings accruing interest at LIBOR. The Credit Facility Agreement subjects the Company and its subsidiaries to certain restrictions and covenants related to, among other things, liquidity, per-subscriber-type revenue, subscriber acquisition costs, and leverage ratio and interest coverage ratio requirements. The credit facilities under the Credit Facility Agreement were extended by amendment to June 30, 2005 for the term loan facility and to June 30, 2003 for the line of credit facility. The principal of the term loan is required to be repaid in quarterly installments of $1.25 million on the last calendar day of each fiscal quarter, commencing on September 30, 2001. The loans under the Credit Facility Agreement are secured by a pledge of all of the assets of the subsidiaries of the Company that are parties to that agreement. In addition, the Company has guaranteed the obligations of those subsidiaries under the Credit Facility Agreement and related documents; the Company's guarantee subjects the Company to certain restrictions and covenants, including a prohibition against the payment of dividends in respect of the Company's equity securities, except under certain limited circumstances. In connection with the AOL Restructuring, MCG entered into an Intercreditor Agreement with AOL. The Company borrowed $20.0 million under the term loan facility (approximately $15.0 million was used to repay indebtedness of Access One). At December 31, 2001, $17.5 million principal balance remained outstanding under the term loan facility and no amounts were outstanding or available under the line of credit facility.

Upon its execution of the Credit Facility Agreement, the Company also issued warrants to purchase 300,000 shares of its common stock at $4.36 per share, 150,000 of which vested on December 31, 2000 and the balance of which would have vested if the Company failed to exceed certain EBITDA thresholds for the fiscal quarter ended March 31, 2001. The Company exceeded the EBITDA threshold for the quarter ended March 31, 2001 and consequently the balance of the warrants did not vest. However, in connection with the waiver from MCG in the second quarter of 2001 and certain other amendments under the Credit Facility Agreement, the Company issued warrants to purchase 150,000 shares of its common stock at $0.68 per share to such lenders.

By amendments on February 12, 2002 and April 3, 2002, the Company restructured certain portions of the Credit Facility Agreement and the related consulting agreement and other loan documents. This restructuring amended the financial covenants for 2002 through 2005 to be consistent with the Company's internal projections and, among other provisions, effectively require the Company to elect to pay in kind, rather than cash, interest on its 2011 Convertible Notes and its new 12% Notes to the fullest extent it is permitted to do so under such notes. As of and after January 1, 2002, the applicable margin will be 7.0% for borrowings accruing interest at LIBOR and 6.0% for borrowings accruing interest at the Prime Rate. The restructuring also added mandatory prepayment provisions if the Company used a total of $10.0 million or more of cash to repurchase or otherwise prepay our other debt obligations, including the 4 1/2% and 5% Notes, the 2011 Convertible Notes and the new 12% and 8% Notes. In addition, the Company issued 200,000 shares of common stock to MCG with a value of $84,000 upon issuance and agreed to register such shares in the future.

As of December 31, 2001, the Company would have been in default of several of its covenants under the Credit Facility Agreement, but received a waiver from MCG in connection with the MCG restructuring described above. Accordingly, $12.5 million of the loan balance remained in long-term debt at December 31, 2001.

Other Matters

The Company's provision of telecommunication services is subject to government regulation. Changes in existing regulations could have a material adverse effect on the Company including the following: (i) the Company's local telecommunications service are provided almost exclusively through the use of ILEC UNEs, and it is primarily the availability of costs-based UNE rates that enables the Company to price its local telecommunications services competitively. The possibility exists that the courts or the FCC could discontinue use of "total element long-run incremental cost" ("TELRIC") for pricing UNEs based on an ILEC's forward-looking costs, which could compel a substantial increase in the prices that the Company pays for ILEC UNEs and could make it unaffordable for the Company to provide UNE-based local telecommunications services. On December 12, 2001, the FCC initiated its so-called UNE Triennial Review rulemaking in which it intends to review all UNEs and determine whether ILECs should continue to be required to provide them to competitors. Among other things, the FCC has indicated that it will consider whether ILECs should continue to be required to provide the "local switching" UNE, an essential component of the UNE-P combination. Any curtailment by the FCC in the availability of the local switching UNE would materially impair the Company's ability to provide local telecommunications services, and could eliminate the Company's capability to provide local telecommunications services entirely. The FCC requires the Company and other providers of telecommunication services to contribute to the universal service fund, which helps to subsidize the provision of local telecommunication services and other services to low-income consumers, schools, libraries, health care providers, and rural and insular areas that are costly to serve. If the FCC substantially increases the current contribution factor for the USF, the Company's costs of providing telecommunication services will be increased and the Company might not be able to be reimbursed by its customers for all of those costs, which would have a negative impact on the Company's gross margins. See Item 1 Business "Regulation."

At December 31, 2001, the Company had net operating loss (NOL) carryforwards for federal income tax purposes of $262.8 million. Due to the "change of ownership" provisions of the Internal Revenue Code Section 382, the availability of the Company's net operating loss and credit carryforwards may be subject to an annual limitation against taxable income in future periods if a change of ownership of more than 50% of the value of the company's stock should occur within a three-year testing period. Many of the changes that affect these percentage change determinations, such as changes in the Company's stock ownership, are outside the Company's control. A more than 50% cumulative change in ownership for purposes of these Section 382 limitation occurred on August 31, 1998 and October 26, 1999. As a result of such changes, certain of the Company's carryforwards are limited. As of December 31, 2001, approximately $64.0 million are not available to offset income. In addition, as of December 31, 2001, based on information currently available to the Company, the Company believes that the change of ownership percentage was approximately 45% for the applicable three-year testing period. If, during the current three-year testing period, the Company experiences an additional more-than-50% ownership change under Section 382, the amount of the NOL carryforward available to offset future taxable income may be further and substantially reduced. To the extent the Company's ability to use these net operating loss carryforwards against any future income is limited, our cash flow available for operations and debt service would be reduced. There can be no assurance that the Company will realize the benefit of any carryforwards.

On November 12, 2001, the Company received an award of arbitrators awarding Traffix, Inc. approximately $6.2 million in an arbitration concerning the termination of a marketing agreement between the Company and Traffix, payable to Traffix in two installments - $3.7 million paid in November 2001 and the remaining $2.5 million paid on April 1, 2002.

The Company also is a party to a number of legal actions and proceedings, arising from the Company's provision and marketing of telecommunications services, as well as certain legal actions and regulatory investigations and enforcement proceedings arising in the ordinary course of business.

The Company believes that the ultimate outcome of the foregoing actions will not result in liability that would have a material adverse effect on the Company's financial condition or results of operations. However, it is possible that, because of fluctuations in the Company's cash position, the timing of developments with respect to such matters that require cash payments by the Company, while such payments are not expected to be material to the Company's financial condition, could impair the Company's ability in future interim or annual periods to continue to implement its business plan, which could affect its results of operations in future interim or annual periods.

While the Company believes that it has access, albeit limited, to new capital in the public or private markets to fund its ongoing cash requirements, there can be no assurance as to the timing, amounts, terms or conditions of any such new capital or whether it could be obtained on terms acceptable to the Company. Accordingly, the Company anticipates that its cash requirements generally must be met from the Company's cash-on-hand and from cash generated from operations. Based on its current projections for operations and having restructured the MCG facility and most of its outstanding convertible notes indebtedness through the exchange offers, the Company believes that its cash-on-hand and its cash flow from operations will be sufficient to fund its capital expenditures, its debt service obligations, including the increased interest expense of its outstanding indebtedness, and the expenses of conducting its operations for at least the next twelve months. However, there can be no assurance that the Company will be able to realize its projected cash flows from operations, which is subject to the risks and uncertainties discussed above.

CRITICAL ACCOUNTING POLICIIES

The Company's discussion and analysis of its financial condition and results of operations are based upon the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, the Company evaluates its estimates, including those related to bad debt, goodwill and intangible assets, income taxes, contingencies and litigation. The Company bases its estimates and judgments on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Recognition of Revenue. The Company derives its revenues from local and long distance phone services, primarily local services bundled with long distance services, long distance services, inbound toll-free service and dedicated private line services for data transmission. The Company recognizes revenue from voice, data and other telecommunications related services in the period in which subscriber uses the related service. Allowances for doubtful accounts are maintained for estimated losses resulting from the inability of its customers to make required payments and for uncollectible usage.

Deferred revenue represents the unearned portion of local telecommunication services and features that are billed one month in advance. In addition, it includes the amortization of a non-refundable prepayment received in 1997 in connection with an amended telecommunications services agreement with Shared Technologies Fairchild, Inc. The payment is amortized over the five-year term of the agreement which expires October 2002. The amount included in revenue was $7.4 million in each of 2001, 2000 and 1999. The remaining amount of $6.2 million will be included in revenue in 2002. This agreement is terminable by either party on thirty days notice. Termination by either party would accelerate recognition of the deferred revenue.

Allowance for Doubtful Accounts. The Company reviews accounts receivable, historical bad debt, customer credit-worthiness through customer credit scores, current economic trends, changes in customer payment history and acceptance of the Company's calling plans and fees when evaluating the adequacy of the allowance for doubtful accounts. If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The Company's accounts receivable balance was $26.6 million, net of allowance for doubtful accounts of $46.4 million, as of December 31, 2001.

Long-lived Assets and Goodwill and Intangible Assets. The Company continually reviews the recoverability of the carrying value of long-lived assets, including goodwill and intangibles, using the methodology prescribed in Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. When such events occur, the Company compares the carrying amount of the assets to the undiscounted expected future cash flows. Factors the Company considers important that could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results - Significant changes in the manner of the Company's use of the acquired assets or the strategy for the Company's overall business - Significant negative industry or economic trends

- Significant decline in the Company's stock price for a sustained period and market capitalization relative to net book value

If this comparison indicates there is impairment, the amount of the impairment is typically calculated using discounted expected future cash flows. Certain of the Company's long-lived assets were considered impaired during the year ended December 31, 2001, resulting in an impairment charge of $168.7 million in 2001.

The write-down of goodwill and intangibles of $168.7 million was primarily related to the goodwill associated with the acquisition of Access One, which was created by purchase accounting treatment of the merger transaction that closed in August 2000. Management determined that goodwill should be evaluated for impairment in accordance with the provisions of SFAS 121 due to the increased bad debt rate and increased customer churn as well as the AOL Restructuring that occurred in the quarter ended September 30, 2001. The Company has addressed these operational issues by improving credit quality through credit scoring the existing and future customer base, slowing down growth of new expected customers through decreased marketing, and lowering product pricing. These and other actions taken by the Company resulted in lower current and future projected growth of bundled revenues and cash flows than those originally projected at the time of the Access One merger. The write-down of goodwill was based on an analysis of projected discounted cash flows using a discount rate of 18%, which results determined that the fair value of the goodwill was substantially less than the carrying value.

Internal Use Computer Software. Direct development costs associated with internal-use computer software are accounted for under Statement of Position 98-1 "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use" and are capitalized including external direct costs of material and services and payroll costs for employees devoting time to the software projects. Costs incurred during the preliminary project stage, as well as for maintenance and training, are expensed as incurred. Amortization is provided on a straight-line basis over the shorter of 3 years or the estimated useful life of the software.

Income Taxes. Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to the differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled.

The Company records a valuation allowance to reduce its deferred tax assets to the amount that is more likely than not to be realized. The Company has provided a full valuation allowance for the net deferred tax assets for the estimated future tax effects attributable to temporary differences between the basis of assets and liabilities for financial and tax reporting purposes. While the Company has considered future taxable income and ongoing prudent and feasible tax planning strategies in assessing the need for the valuation allowance, in the event the Company were to determine that it would be able to realize its deferred tax assets in the future in excess of its net recorded amount, an adjustment to the deferred tax asset would increase income in the period such determination was made.

Legal Proceedings. The Company is a party to a number of legal actions and proceedings arising from the Company's provision and marketing of telecommunications services, as well as certain legal actions and regulatory investigations and enforcement proceedings arising in the ordinary course of business. Management's current estimated range of liability related to some of the pending litigation is based on claims for which management can estimate the amount and range of loss. The Company recorded the minimum estimated liability related to those claims, where there is a range of loss. Because of the uncertainties related to both the amount and range of loss on the remaining pending litigation, management is unable to make a reasonable estimate of the liability that could result from an unfavorable outcome. As additional information becomes available, the Company will assess the potential liability related to the Company's pending litigation and revise its estimates. Such revisions in the Company's estimates of the potential liability could materially affect its results of operations and financial position.

NEW ACCOUNTING PRONOUNCEMENTS

Effective January 1, 2001, the Company adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 137, "Accounting for Derivatives Instruments and Hedging Activities-Deferral of the Effective Date of FASB Statement No. 133," and SFAS No. 138, "Accounting for Certain

Derivatives Instruments and Certain Hedging Activities." The standards require an entity to recognize all derivatives as either assets or liabilities measured at fair value. The accounting for the changes in fair value of a derivative depends on the use of the derivative. The cumulative effect of adopting these new accounting standards did not have a material effect on the Company's results of operations or its financial position for the periods presented in the financial statements included herein.

The Financial Accounting Standards Board ("FASB") Emerging Issues Task Force ("EITF") has issued Abstract No. 00-19, "Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock," which addresses how such contracts should be classified and measured by the Company. Under this issue, contracts that require net-cash settlement would be initially classified as assets or liabilities, then measured at fair value, with changes in fair value reported in earnings and disclosed in the financial statements as long as the contracts remain classified as assets or liabilities. If contracts classified as assets or liabilities are ultimately settled in shares, any previous gains or losses on those contracts would continue to be included in earnings. This abstract is effective for all contracts that remained outstanding at June 30, 2001, and presented on that date as a cumulative effect of a change in accounting principle. The cumulative effect of the adoption of this change in accounting principle resulted in a non-cash charge to operations of $36.8 million in the year ending December 31, 2001. See Note 2 to the Notes to Consolidated Financial Statements.

In July of 2001, the FASB issued Statements No. 141, "Business Combinations," and No. 142, "Goodwill and Other Intangible Assets" , which eliminate the pooling of interests method of accounting, establish new criteria for identification of separate intangibles acquired, and establish the impairment approach rather than amortization for goodwill. The Company has $18.0 million of net goodwill and $11.7 million of net identifiable intangible assets as of December 31, 2001 (after an impairment charge of $168.7 million taken in the third quarter of 2001) and has recorded $20.8 million of amortization expense in the year ended December 31, 2001. Effective January 1, 2002, the Company will no longer be required to record amortization expense on goodwill, but will instead be required to evaluate these assets for potential impairment on a quarterly basis and to record a charge for any such impairment. Management believes the adoption of the impairment evaluation requirements of SFAS 142 will not have a material effect on the Company's future results of operations and financial position. See Note 4 to the Notes to Consolidated Financial Statements.

In August 2001, the FASB issued SFAS No. 143, "Accounting for Obligations Associated with the Retirement of Long-Lived Assets." SFAS 143 establishes accounting standards for the recognition and measurement of an asset retirement obligation and its associated asset retirement cost. It also provides accounting guidance for legal obligations associated with the retirement of tangible long-lived assets. SFAS 143 is effective in fiscal years beginning after June 15, 2002, with early adoption permitted. The Company expects that the provisions of SFAS 143 will not have a material impact on its results operations and financial position upon adoption.

In October 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS 144 establishes a single accounting model for the impairment or disposal of long-lived assets, including discontinued operations. SFAS 144 superseded SFAS 121, and APB Opinion No. 30, "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." The provisions of SFAS 144 are effective in fiscal years beginning after December 15, 2001, with early adoption permitted, and in general are to be applied prospectively. The Company plans to adopt SFAS 144 effective January 1, 2002 and does not expect that the adoption will have a material impact on its results of operations and financial position.

In November 2001, the Financial Accounting Standards Board Emerging Task Force reached a consensus on EITF Issue 01-09, "Accounting for Consideration Given by a Vendor to a Customer or a Reseller of the Vendor's Products," which is a codification of EITF 00-14, 00-22 and 00-25. This issue presumes that consideration from a vendor to a customer or reseller of the vendor's products to be a reduction of the selling prices of the vendor's products and, therefore, should be characterized as a reduction of revenue when recognized in the vendor's income statement and could lead to negative revenue under certain circumstances. Revenue reduction is required unless consideration relates to a separate identifiable benefit and the benefit's fair value can be established. This issue should be applied no later than in annual or interim financial statements for periods beginning after December 15, 2001, which is the Company's first quarter ended March 31, 2002. Upon adoption the Company is required to reclassify all prior period amounts to conform to the current period presentation. The Company has not yet evaluated the effects of these changes on our consolidated financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK.

In the normal course of business, the financial position of the Company is subject to a variety of risks, such as the collectibility of its accounts receivable and the receivability of the carrying values of its long-term assets. The Company's long-term obligations consist primarily of its own notes and credit facility. The Company does not presently enter into any transactions involving derivative financial instruments for risk management or other purposes due to the stability in interest rates in recent times and because management does not consider the potential impact of changes in interest rates to be material.

The Company's available cash balances are invested on a short-term basis (generally overnight) and, accordingly, are not subject to significant risks associated with changes in interest rates. Substantially all of the Company's cash flows are derived from its operations within the United States and the Company is not subject to market risk associated with changes in foreign exchange rates.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

TALK AMERICA HOLDINGS, INC. AND SUBSIDIARIES

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and
Shareholders of Talk America Holdings, Inc.:

In our opinion, the consolidated financial statements listed in the index appearing under Item 14 (a) (1) on page 68 of this Annual Report on Form 10-KA for the year ended December 31, 2001, present fairly, in all material respects, the financial position of Talk America Holdings, Inc. and subsidiaries at December 31, 2001 and December 31, 2000, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 14 (a) (2) on page 68, present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and the financial statement schedule are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and the financial statement schedule based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
February 12, 2002, except for
Note 16, as to which the date is
April 4, 2002

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors
And Stockholders of Talk America Holdings, Inc.

We have audited the accompanying consolidated statements of operations, stockholders' equity (deficit) and cash flows of Talk America Holdings, Inc., (formerly Talk.com Inc.) and subsidiaries for the year ended December 31, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the results of operations and cash flows of Talk America Holdings, Inc. and subsidiaries for the year ended December 31, 1999, in conformity with accounting principles generally accepted in the United States of America.

BDO Seidman, LLP

New York, New York
February 7, 2000

TALK AMERICA HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT FOR SHARE DATA)

	DECEMBER 31, 2001	DECEMBER 31, 2000
ASSETS		
Current assets:		
Cash and cash equivalents	$ 22,100	$ 40,604
Accounts receivable, trade (net of allowance for uncollectible accounts of $46,404 in 2001 and $29,459 in 2000)	26,647	53,637
Prepaid expenses and other current assets	1,951	2,962
Total current assets	50,698	97,203
Property and equipment, net	77,285	83,656
Goodwill and intangibles, net	29,672	218,639
Other assets	7,566	8,251
	$ 165,221	$ 407,749
LIABILITIES, CONTINGENT OBLIGATIONS AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	$ 43,098	$ 70,794
Sales, use and excise taxes	8,339	7,935
Deferred revenue	10,193	12,997
Current portion of long-term debt	10,544	2,822
Convertible subordinated notes due 2002 (see Notes 7 and 16)	3,910	--
Other current liabilities	11,189	5,723
Total current liabilities	87,273	100,271
Long-term debt:		
Convertible notes due 2011 (principal of $32,773 and future accrued interest of $30,982)	63,755	--
Convertible subordinated notes due 2002 (see Notes 7 and 16)	57,934	66,852
Convertible subordinated notes due 2004	18,093	18,093
Senior credit facility and other long-term debt	12,588	18,750
Total long-term debt	152,370	103,695
Deferred revenue	--	6,200
Other liabilities	--	253
Commitments and contingencies		
Contingent obligations:		
Contingent redemption value of warrants	--	36,324
Contingent redemption value of common stock	--	78,306
Total contingent obligations	--	114,630
Stockholders' equity (deficit):		
Preferred stock - $.01 par value, 5,000,000 shares authorized; no shares outstanding	--	--
Common stock - $.01 par value, 300,000,000 shares authorized; 81,452,721 and 78,445,134 shares issued in 2001 and 2000	815	784
Additional paid-in capital	350,626	286,963
Accumulated deficit	(425,863)	(201,196)
Treasury stock, 274,497 shares at December 31, 2000, at cost	--	(3,851)
Total stockholders' equity (deficit)	(74,422)	82,700
	$ 165,221	$ 407,749

See accompanying notes to consolidated financial statements.

TALK AMERICA HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT FOR PER SHARE DATA)

	YEAR ENDED DECEMBER 31,		
	2001	2000	1999
Sales	$495,470	$544,548	$516,548
Costs and expenses:			
Network and line costs	235,153	292,931	289,029
General and administrative expenses	82,202	65,360	39,954
Provision for doubtful accounts	92,778	53,772	28,250
Sales and marketing expenses	81,285	170,864	96,264
Depreciation and amortization	34,390	19,257	6,214
Impairment and restructuring charges	170,571	--	--
Significant other charges (income)	--	--	(2,718)
Total costs and expenses	696,379	602,184	456,993
Operating income (loss)	(200,909)	(57,636)	59,555
Other Income (expense):			
Interest income	1,220	4,859	3,875
Interest expense	(6,091)	(5,297)	(4,616)
Other expense, net	(2,698)	(3,822)	(1,115)
Income (loss) before provision for income taxes	(208,478)	(61,896)	57,699
Provision for income taxes	--	--	--
Income (loss) before extraordinary gains and cumulative effect of an accounting change	(208,478)	(61,896)	57,699
Extraordinary gains from extinguishments of debt	20,648	--	21,230
Cumulative effect of an accounting change	(36,837)	--	--
Net income (loss)	$(224,667)	$(61,896)	$ 78,929
Income (loss) per share - Basic:			
Income (loss) before extraordinary gains and cumulative effect of an accounting change per share	$ (2.63)	$ (0.88)	$ 0.94
Extraordinary gains per share	0.26	--	0.35
Cumulative effect of an accounting change per share	(0.47)	--	--
Net income (loss) per share	$ (2.84)	$ (0.88)	$ 1.29
Weighted average common shares outstanding	79,242	70,527	61,187
Income (loss) per share - Diluted:			
Income (loss) before extraordinary gains and cumulative effect of an accounting change per share	$ (2.63)	$ (0.88)	$ 0.90
Extraordinary gains per share	0.26	--	0.33
Cumulative effect of an accounting change per share	(0.47)	--	--
Net income (loss) per share	$ (2.84)	$ (0.88)	$ 1.23
Weighted average common and common equivalent shares outstanding	79,242	70,527	64,415

See accompanying notes to consolidated financial statements.

TALK AMERICA HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(IN THOUSANDS)

	COMMON STOCK		ADDITIONAL PAID-IN	ACCUMULATED	TREASURY STOCK		
	SHARES	AMOUNT	CAPITAL	DEFICIT	SHARES	AMOUNT	TOTAL
Balance, December 31, 1998	66,935	$ 669	$ 265,325	$ (218,229)	(12,949)	$(184,550)	$(136,785)
Net income (loss)	--	--	--	78,929	--	--	78,929
AOL investment	--	--	(3,730)	--	4,121	58,730	55,000
Exercise of common stock options	--	--	(47,313)	--	6,773	95,600	48,287
Exercise of common stock rights	38	1	651	--	--	--	652
Acquisition of treasury stock	--	--	--	--	(639)	(7,686)	(7,686)
Issuance of common stock for convertible debt	--	--	(1,328)	--	574	8,186	6,858
Contingent redemption value of common stock and warrants	--	--	(114,630)	--	--	--	(114,630)
Balance, December 31, 1999	66,973	670	98,975	(139,300)	(2,120)	(29,720)	(69,375)
Net income (loss)	--	--	--	(61,896)	--	--	(61,896)
Exercise of common stock options	--	--	(2,274)	--	342	4,802	2,528
Exercise of common stock rights	--	--	1,940	--	653	9,154	11,094
Issued in connection with acquisition	11,472	114	187,926	--	699	9,796	197,836
Warrants issued for consulting	--	--	2,175	--	--	--	2,175
Issuance of common stock for convertible debt	--	--	17	--	3	23	40
Issuance of common stock for compensation	--	--	(1,796)	--	149	2,094	298
Balance, December 31, 2000	78,445	784	286,963	(201,196)	(274)	(3,851)	82,700
Net income (loss)	--	--	--	(224,667)	--	--	(224,667)
Issuance of common stock for compensation	--	--	(2,451)	--	204	2,858	407
Cumulative effect of an accounting change	--	--	65,617	--	--	--	65,617
Issuance of common stock in connection with AOL restructuring	3,008	31	420	--	71	993	1,444
Acquisition of treasury stock	--	--	--	--	(1)	--	--
Issuance of warrants for services	--	--	77	--	--	--	77
Balance, December 31, 2001	81,453	$815	$350,626	$(425,863)	--	$ --	$ (74,422)

See accompanying notes to consolidated financial statements.

TALK AMERICA HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	YEAR ENDED DECEMBER 31,		
	2001	2000	1999
Cash flows from operating activities:			
Net income (loss)	$(224,667)	$(61,896)	$ 78,929
Adjustments to reconcile of net income (loss) to net cash provided by (used in) operating activities:			
Provision for doubtful accounts	92,778	53,772	28,250
Depreciation and amortization	34,390	19,257	6,214
Non-cash compensation	--	706	--
Provision for uncollectible note	77	2,500	--
Loss on retirement of assets	116	68	--
Impairment of goodwill and intangibles	168,684	--	--
Cumulative effect of accounting change of contingent redemptions	36,837	--	--
Extraordinary gain from restructuring of contingent redemptions	(16,867)	--	--
Extraordinary gain from extinguishment of debt	(3,781)	--	(21,230)
Unrealized loss on increase in fair value of contingent redemptions	2,372	--	--
Changes in assets and liabilities, net of acquisitions of businesses:			
Accounts receivable, trade	(65,788)	(43,390)	(41,026)
Prepaid expenses and other current assets	808	8,066	(1,984)
Other assets	322	(1,252)	1,957
Accounts payable	(27,696)	12,763	(23,457)
Deferred revenue	(9,004)	(1,433)	(7,400)
Sales, use and excise taxes	404	84	972
Accrued expenses and other liabilities	5,418	(4,181)	(2,822)
Net cash provided by (used in) operating activities	(5,597)	(14,936)	18,403
Cash flows from investing activities:			
Acquisition of intangibles	(154)	(515)	--
Acquisition of Access One, net of cash acquired	--	(3,617)	--
Capital expenditures	(4,355)	(34,862)	(6,506)
Sale of marketable securities, net	--	--	89,649
Net cash provided by (used in) investing activities	(4,509)	(38,994)	83,143
Cash flows from financing activities:			
Proceeds from borrowings	--	20,000	--
Payments of borrowings	(2,624)	(18,025)	--
Payments of capital lease obligations	(1,022)	--	--
Repayment of margin account indebtedness	--	--	(49,621)
Acquisition of convertible debt	(1,227)	--	(72,304)
Proceeds from exercise of options and warrants	--	2,528	48,287
AOL investment	--	--	55,000
Payments in connection with restructuring contingent redemptions	(3,525)	--	--
Proceeds from exercise of common stock rights	--	11,094	652
Acquisition of treasury stock	--	--	(7,686)
Net cash provided by (used in) financing activities	(8,398)	15,597	(25,672)
Net increase (decrease) in cash and cash equivalents	(18,504)	(38,333)	75,874
Cash and cash equivalents, beginning of year	40,604	78,937	3,063
Cash and cash equivalents, end of year	$ 22,100	$ 40,604	$ 78,937

See accompanying notes to consolidated financial statements.

NOTE 1. SUMMARY OF ACCOUNTING POLICIES

(A) BUSINESS

Talk America Holdings Inc. a Delaware corporation, through its consolidated subsidiaries, primarily Talk America, Inc. (the "Company"), provides local and long distance telecommunication services to residential and small business customers throughout the United States. The Company's telecommunication services offerings include local and long distance phone services, primarily local services bundled with long distance services, long distance service, inbound toll-free service and dedicated private line services for data transmission. The Company seeks to expand its customer base through direct marketing channels and marketing arrangements with business partners.

(B) BASIS OF FINANCIAL STATEMENTS PRESENTATION

The consolidated financial statements include the accounts of Talk America Holdings, Inc. and its wholly owned subsidiaries and have been prepared as if the entities had operated as a single consolidated group since their respective dates of incorporation. All intercompany balances and transactions have been eliminated.

(C) USE OF ESTIMATES

In preparing financial statements in conformity with generally accepted accounting principles in the United States, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

(D) RECLASSIFICATIONS

Certain amounts for 2000 and 1999 have been reclassified to conform to the current year presentation.

(E) RISKS AND UNCERTAINTIES

Future results of operations involve a number of risks and uncertainties. Factors that could affect future operating results and cash flows and cause actual results to vary materially from historical results include, but are not limited to:

- The Company's business strategy with respect to bundled local and long distance services may not succeed - Failure to manage, or difficulties in managing, the Company's growth, operations or restructurings including attracting and retaining qualified personnel and opening up new territories for its services with favorable gross margins - Dependence on the availability or functionality of incumbent local telephone companies' networks, as they relate to the unbundled network element platform or the resale of such services - Increased price competition in local and long distance services - Failure or interruption in the Company's network and information systems
- Changes in government policy, regulation and enforcement - Adverse developments in the Company's relationship with its marketing partners
- Failure of the marketing of the bundle of the Company's local and long distance services under its direct marketing channels and under its agreements with its various marketing partners or failure to successfully add new marketing partners - Failure of the Company's collection management system and credit controls efforts for customers - Inability to adapt to technological change - Competition in the telecommunications industry - Inability to manage customer attrition, bad debt expense and lower customer acquisition costs
- Adverse change in Company's relationship with third party carriers - Failure or bankruptcy of other telecommunications companies whom the Company relies upon for services and revenues

- The Company received a notice of delisting from the Nasdaq National Market; delisting from the Nasdaq National Market may adversely impact the market price and liquidity of the Company's common stock - Ability to realize the benefit of any net operating loss carryforwards on future taxable income generated by the Company

Negative developments in these areas could have a material effect on the Company's business, financial condition and results of operations.

(F) CONCENTRATION OF CREDIT RISK

The Company maintains its cash and cash equivalents in bank deposit accounts, which at times may exceed federally insured limits. The Company generally does not have a significant concentration of credit risk with respect to net trade accounts receivable, due to the large number of end users comprising the Company's customer base and their dispersion across different geographic regions.

(G) RECOGNITION OF REVENUE

The Company recognizes revenue from voice, data and other telecommunications related services in the period in which subscriber uses the related service. Allowances are provided for estimated uncollectible usage.

Deferred revenue represents the unearned portion of local service and features that are billed a month in advance. In addition, deferred revenue includes a non-refundable prepayment received in 1997 in connection with an amended telecommunications services agreement with Shared Technologies Fairchild, Inc. The prepayment is amortized over the five-year term of the agreement, which expires October 2002. The amount included in revenue was $7.4 million in each of 2001, 2000 and 1999. The remaining amount of $6.2 million will be included in revenue in 2002. This agreement is terminable by either party on thirty days notice. Termination by either party would accelerate recognition of the deferred revenue.

The Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin No. 101 "Revenue Recognition in Financial Statements" ("SAB 101") that became effective for the Company in the fourth quarter of 2000 and was adopted retroactively to January 1, 2000. SAB 101 addresses revenue recognition policies and practices of companies that report to the SEC. The Company believes its revenue recognition policies and procedures comply with SAB 101.

(H) CASH AND CASH EQUIVALENTS

The Company considers all temporary cash investments purchased with a maturity of three months or less to be cash equivalents.

(I) PROPERTY AND EQUIPMENT AND DEPRECIATION

Property and equipment are recorded at historical cost. Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the assets from 3 to 39 years. Leasehold improvements are depreciated over the life of the related lease or asset, if shorter. Amortization of assets acquired under capital leases is included in depreciation and amortization expense (see Note 6).

(J) INTERNAL USE COMPUTER SOFTWARE

Direct development costs associated with internal-use computer software are accounted for under Statement of Position 98-1 "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use" and are capitalized including external direct costs of material and services and payroll costs for employees devoting time to the software projects. Costs incurred during the preliminary project stage, as well as for maintenance and training are expensed as incurred. Amortization is provided on a straight-line basis over the shorter of 3 years or the estimated useful life of the software (see Note 6).

(K) GOODWILL AND INTANGIBLES

Goodwill and intangibles were approximately $29.7 million and $218.6 million at December 31, 2001 and 2000, respectively. Goodwill represents the cost in excess of net assets of acquired companies and is amortized on a straight-line basis over periods of 10 and 15 years. Intangibles consist of a service mark and purchased customer accounts and workforce and are amortized on a straight-line basis over periods ranging from 3 to 15 years. Accumulated amortization at December 31, 2001 and 2000 was $4.9 million (which reflects a $26.9 million decrease in accumulated amortization attributed to an impairment charge in 2001) and $11.4 million, respectively. Amortization of goodwill and intangibles was $20.8 million, $9.7 million and $82,000 in 2001, 2000 and 1999, respectively. The Company incurred an impairment charge of $168.7 million in 2001 primarily related to the write-down of goodwill associated with the acquisition of Access One (see Notes 3 and 4).

(L) VALUATION OF LONG-LIVED ASSETS

The Company continually reviews the recoverability of the carrying value long-lived assets, including goodwill and intangibles using the methodology prescribed in the Statement of Financial Accounting Standards No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of." Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. When such events occur, the Company compares the carrying amount of the assets to the undiscounted expected future cash flows. If this comparison indicates there is impairment, the amount of the impairment is typically calculated using discounted expected future cash flows. Certain of the Company's long-lived assets were considered impaired during the year ended December 31, 2001 (see Note 4).

(M) INCOME TAXES

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to the differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled.

Since 1998, the Company has provided a full valuation allowance for the net deferred tax assets for the estimated future tax effects attributable to temporary differences between the basis of assets and liabilities for financial and tax reporting purposes (see Note 11).

(N) NET INCOME (LOSS) PER SHARE

Basic earnings per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects, in periods in which net income is reported, the effect of common shares issuable upon exercise of stock options, warrants and conversion of convertible debt, when such effect is not antidilutive (see Note 15).

(O) FINANCIAL INSTRUMENTS

The carrying values of accounts receivable, prepaid expenses and other current assets and notes receivable, accounts payable and accrued expenses approximate fair values. Convertible debt is recorded at face amount but such debt has traded in the open market at substantial discounts to face amount (see Note 7). The market value of the 4 1/2% and 5% Notes was approximately 25% and 61% of face amount at December 31, 2001 and 2000, respectively.

(P) STOCK-BASED COMPENSATION

The Company accounts for its stock option awards under the intrinsic value based method of accounting prescribed by APB Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations including FASB Interpretation No. 44 "Accounting for Certain Transactions Including Stock Compensation," an interpretation of APB Opinion No. 25. Under the intrinsic value based method, compensation cost is the excess, if any, of the quoted market price of the stock at grant date or other measurement date over the amount an employee must pay to acquire the stock. The Company makes pro forma disclosures of net income and earnings per share as if the fair value based method of accounting had been applied as required by SFAS No. 123, "Accounting for Stock-Based Compensation" (see Note 10).

(Q) COMPREHENSIVE INCOME

The Company has no items of comprehensive income or expense. Accordingly, the Company's comprehensive income (loss) and net income (loss) are equal for all periods presented.

(R) NEW ACCOUNTING PRONOUNCEMENTS

Effective January 1, 2001, the Company adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 137, "Accounting for Derivatives Instruments and Hedging Activities-Deferral of the Effective Date of FASB Statement No. 133," and SFAS No. 138, "Accounting for Certain Derivatives Instruments and Certain Hedging Activities." The standards require an entity to recognize all derivatives as either assets or liabilities measured at fair value. The accounting for the changes in fair value of a derivative depends on the use of the derivative. The cumulative effect of adopting these new accounting standards did not have a material effect on the Company's results of operations or its financial position for the periods presented in the financial statements included herein.

The Financial Accounting Standards Board Emerging Issues Task Force has issued Abstract No. 00-19, "Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock," which addresses how such contracts should be classified and measured by the Company. Under this issue, contracts that require net-cash settlement would be initially classified as assets or liabilities, then measured at fair value, with changes in fair value reported in earnings and disclosed in the financial statements as long as the contracts remain classified as assets or liabilities. If contracts classified as assets or liabilities are ultimately settled in shares, any previous gains or losses on those contracts would continue to be included in earnings. This abstract is effective for all contracts that remained outstanding at June 30, 2001, and presented on that date as a cumulative effect of a change in accounting principle. The cumulative effect of the adoption of this change in accounting principle resulted in a non-cash charge to operations of $36.8 million in the year ending December 31, 2001 (see Note 2).

In July 2001, the FASB issued Statements No. 141, "Business Combinations" and No. 142, "Goodwill and Other Intangible Assets," which eliminate the pooling of interests method of accounting, establish new criteria for identification of separate intangibles acquired, and establish the impairment approach rather than amortization for goodwill. Effective January 1, 2002, the Company will no longer be required to record amortization expense on goodwill, but will instead be required to evaluate these assets for potential impairment on a periodic basis and to record a charge for any such impairment. Management believes the adoption of the impairment evaluation requirements of SFAS 142 will not have a material effect on the Company's future results of operations or financial position (see Note 4).

In August 2001, the FASB issued Statement of Financial Accounting Standards No. 143, "Accounting for Obligations Associated with the Retirement of Long-Lived Assets." SFAS 143 establishes accounting standards for the recognition and measurement of an asset retirement obligation and its associated asset retirement cost. It also provides accounting guidance for legal obligations associated with the retirement of tangible long-lived assets. SFAS 143 is effective in fiscal years beginning after June 15, 2002, with early adoption permitted. The Company expects that the provisions of SFAS 143 will not have a material effect on its results of operations or financial position upon adoption.

In October 2001, the FASB issued Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS 144 establishes a single accounting model for the impairment or disposal of long-lived assets, including discontinued operations. SFAS 144 superseded Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," and APB Opinion No. 30, "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." The provisions of SFAS 144 are effective in fiscal years beginning after December 15, 2001, with early adoption permitted, and in general are to be applied prospectively. The Company plans to adopt SFAS 144 effective January 1, 2002 and does not expect that the adoption will have a material effect on its results of operations or financial position.

In November 2001, the Financial Accounting Standards Board Emerging Task Force reached a consensus on EITF Issue 01-09, "Accounting for Consideration Given by a Vendor to a Customer or a Reseller of the Vendor's Products," which is a codification of EITF 00-14, 00-22 and 00-25. This issue presumes that consideration from a vendor to a customer or reseller of the vendor's products is a reduction of the selling prices of the vendor's products and, therefore, should be characterized as a reduction of revenue when recognized in the vendor's income statement and could lead to negative revenue under certain circumstances. Revenue reduction is required unless the consideration relates to a separate, identifiable benefit and the benefit's fair value can be established. This issue should be applied no later than in annual or interim financial statements for periods beginning after December 15, 2001, which is the Company's first quarter ended March 31, 2002. Upon adoption, the Company is required to reclassify all prior period amounts to conform to the current period presentation. The Company has not yet evaluated the effects of these changes on its consolidated financial statements.

(S) SEGMENT DISCLOSURE

The Company manages its business as one reportable operating segment.

NOTE 2. AOL AGREEMENTS

AOL RESTRUCTURING - SEPTEMBER 2001

On September 19, 2001, the Company restructured its financial obligations with America Online, Inc. ("AOL") that arose under the Investment Agreement entered into on January 5, 1999 and also ended its marketing relationship with AOL effective September 30, 2001 (collectively the "AOL Restructuring"). In connection with the AOL Restructuring, the Company and AOL entered into a Restructuring and Note Agreement ("Restructuring Agreement") pursuant to which the Company issued to AOL $54.0 million principal amount of its 8% secured convertible notes due September 2011 ("2011 Convertible Notes") and 3,078,628 additional shares of the Company's common stock (see Notes 7 and 16).

Pursuant to the Restructuring Agreement, in exchange for and in cancellation of the Company's warrants to purchase 2,721,984 shares of the common stock and the Company's related obligations under the Investment Agreement to repurchase such warrants from AOL, the Company issued 3,078,628 additional shares of its common stock to AOL, after which AOL holds a total of 7,200,000 shares of common stock. The Company agreed to provide certain registration rights to AOL in connection with the shares of common stock issued to it by the Company.

The Restructuring Agreement provided that the Investment Agreement, the Security Agreement securing the Company's obligations under the Investment Agreement and the existing Registration Rights Agreement with AOL were terminated in their entirety and the parties were released from any further obligation under these agreements. In addition, AOL, as the holder of the 2011 Convertible Note, entered into an intercreditor agreement with the lender under the Company's existing secured credit facility.

In addition to the restructuring of the financial obligations discussed above, the Company and AOL agreed, in a further amendment to their marketing agreement, dated as of September 19, 2001, to discontinue, effective as of September 30, 2001, their marketing relationship under the marketing agreement. In connection with this discontinuance, the Company paid AOL $6.0 million under the marketing agreement, payable in two installments - $2.5 million on September 20, 2001 and the remaining $3.5 million on October 4, 2001. AOL, in lieu of any other payment for the early discontinuance of the marketing relationship, paid the Company $20 million by surrender and cancellation of $20 million principal amount of the 2011 Convertible Notes delivered to AOL as discussed above, thereby reducing the outstanding principal amount of the 2011 Convertible Notes to $34 million. The amendment also provided for the payment by the Company of certain expenses related to marketing services until the discontinuance and for the continued servicing and transition of telecommunications customer relationships after the discontinuance of marketing.

In accordance with SFAS No. 15, "Accounting by Debtors and Creditors for Troubled Debt Restructurings," the AOL Restructuring transaction was accounted for as a troubled debt restructuring. The Company combined all liabilities due AOL at the time of the Restructuring Agreement, including the contingent redemption feature of the warrants with a value of $34.2 million and the contingent redemption feature of the common stock with a value of $54.0 million. The total liability of $88.2 million was reduced by the fair value of the 3,078,628 incremental shares provided to AOL of $1.4 million and cash paid in connection with the AOL Restructuring of $3.5 million. Since the remaining value of $83.3 million was greater than the future cash flows to AOL of $66.4 million (representing the $34.0 million of convertible debt and $32.4 million of future interest expense), the liability was written down to the value of the future cash flows due to AOL and an extraordinary gain of $16.9 million was recorded. As a result of this accounting treatment, the Company will record no interest expense associated with these convertible notes in future periods in the Company's statement of operations.

AOL Historical Agreements - 1997 through September 2001

Since 1997, the Company had a number of agreements and amendments to its agreements with AOL for the marketing and sale of telecommunications services to AOL subscribers. A substantial amendment to the AOL agreement in January 1999 provided for: (a) quarterly payments by the Company to AOL during the long distance exclusivity period of the agreement, with fixed quarterly payments ranging from $10.0 to $15.0 million ($19.0 million after July 1, 2000 if AOL had elected to provide certain additional marketing and promotions to the Company) until June 30, 2001 and quarterly payments thereafter at a fixed 5% of the Company's marginable long distance revenues from AOL subscribers in the quarter under the agreement; (b) quarterly payments by the Company to AOL, after termination of the long distance exclusivity period and so long as AOL continued to provide certain levels of marketing and promotions to the Company under the agreement, at an annual declining fixed percentage of the Company's marginable long distance revenues from AOL subscribers under the agreement, starting at 5% and declining by one percentage point each year to 1%; (c) the elimination of the Company's obligation to make bounty and current profit-sharing payments to AOL; (d) alteration of the terms of the online and offline marketing arrangements between the Company and AOL; (e) extension of the term of the AOL agreement, including the exclusivity period, until June 30, 2003, although AOL had the right, in each year beginning in 2000, to elect, on or before May 1 of such year, to end the Company's long distance exclusivity period as of June 30 of such year; (f) elimination of AOL's rights to receive further warrants to purchase common stock based upon customers gained from the AOL subscriber base; (g) AOL's contribution of up to $4.0 million (up to $6.0 million if the Company pays $19.0 million as noted above) per quarter until June 30, 2001, for offline marketing; and (h) establishment of the framework for the Company to offer additional services and products to AOL subscribers. By an amendment dated as of June 30, 2000, AOL agreed to give the Company a $1.0 million credit in each of the second and third quarters of 2000 against amounts otherwise payable by the Company under the AOL agreement. By a further amendment dated as of August 1, 2000, in consideration of AOL's agreement to provide certain additional marketing in the last five months of 2000, the Company agreed to make additional payments to AOL of $3.0 million in August 2000 and $1.0 million in each of the months in the fourth quarter of 2000, which amounts were to be credited against the Company's payment obligations in any quarter for which the Company was required to pay at the quarterly rate of $19.0 million.

AOL elected to exercise its right to terminate the long distance exclusivity as of June 30, 2001 and thereafter the Company had the right, prior to the AOL Restructuring, to offer long distance services on a non-exclusive basis until June 30, 2003.

On January 5, 1999, pursuant to an Investment Agreement between AOL and the Company, AOL purchased a total of 4,121,372 shares of common stock of the Company for $55.0 million in cash and the surrender of rights to purchase 5,076,016 shares of common stock of the Company pursuant to various warrants held by AOL. AOL agreed to end further vesting under the outstanding performance warrant and retained vested warrants exercisable for 2,721,984 shares of common stock. Under the terms of the Investment Agreement entered into with AOL, the Company agreed to reimburse AOL for losses AOL may incur on the sale of any of the 4,121,372 shares of the Company's common stock held by AOL through September 30, 2001. The maximum amount payable to AOL as reimbursement on the sale of AOL's shares was approximately $54.0 million plus AOL's reasonable expenses incurred in connection with such sale. In addition, AOL also had the right, commencing on July 1, 2001, to require the Company to repurchase warrants held by AOL to purchase 2,721,984 shares of Company's common stock for $36.3 million, which could have been paid in common stock or cash (provided that some portion of the repurchase price could have been paid in a quarterly amortization, two-year promissory note of the Company if the repurchase price exceeded the then current valuation of the warrants being purchased). In addition, upon the occurrence of certain events, including material defaults by the Company under its AOL agreements and a "change of control" of the Company, the Company could have been required to repurchase for cash all of the shares held by AOL for $78.3 million ($19 per share), and the warrants for $36.3 million.

The Company had originally recorded the contingent redemption value of the common stock and warrants at $78.3 and $36.3 million, respectively, with a corresponding reduction in additional paid-in capital. In connection with the implementation of EITF 00-19, the contingent redemption feature of the common stock and warrants were recorded as a liability at their fair values of $53.5 and $32.3 million, respectively, as of June 30, 2001. The increase in the fair value of these contingent redemption instruments from issuance on January 5, 1999 to June 30, 2001 was $36.8 million, which has been presented as a cumulative effect of a change in accounting principle in the statement of operations. For the quarter ended September 30, 2001, the Company recorded an unrealized loss of $2.4 million on the increase in the fair value of the contingent redemption instruments, which has been reflected in other (income) expense on the statement of operations. As discussed above, these contingent redemption instruments were satisfied through the Restructuring Agreement entered into with AOL on September 19, 2001.

NOTE 3. ACQUISITIONS

On August 9, 2000, a wholly owned subsidiary of the Company merged with and into Access One Communications Corp., ("Access One"). Access One was a private, local telecommunications service provider to nine states in the southeastern United States. As a result of such merger, Access One became a wholly owned subsidiary of the Company and Access One stockholders received an aggregate of approximately 12.2 million shares of the Company's common stock, and outstanding options and warrants to purchase shares of Access One common stock converted to options and warrants to purchase an aggregate of 2.1 million shares of the Company's common stock. The total purchase price was approximately $201.6 million and the merger was accounted for under the purchase method of accounting for business combinations. Accordingly, the consolidated financial statements include the results of operations of Access One from the merger date. The merger resulted in the recording of intangible assets of approximately $15.9 million and goodwill of $210.0 million, which were being amortized on a straight-line basis over their expected benefit period (see Note 4). The Company acquired $19.6 million of notes payable as part of the acquisition of Access One.

The following unaudited pro forma information presents a summary of the consolidated results of operations of the Company as if the Access One merger had taken place at the beginning of the periods presented.

	(In thousands, except share data) Year Ended December 31,	
	2000	1999
Sales	$575,754	$546,122
Income (loss) before extraordinary gain	$(86,424)	$21,805
Extraordinary gain	--	$21,230
Net income (loss)	$(86,424)	$43,035
Basic earnings (loss) per common share:		
Income (loss) before extraordinary gain	$(1.08)	$0.30
Net income (loss)	$(1.08)	$0.59
Diluted earnings (loss) per common share:		
Income (loss) before extraordinary gain	$(1.08)	$0.28
Net income (loss)	$(1.08)	$0.55

The pro forma consolidated results of operations include adjustments to give effect to amortization of intangibles, consulting fees and shares of common stock issued. These unaudited pro forma results have been prepared for comparative purposes only and do not purport to be indicative of the results of operations which actually would have occurred had the merger been made at the beginning of the periods presented or the future results of the combined operations.

NOTE 4. IMPAIRMENT AND RESTRUCTURING CHARGES AND SIGNIFICANT OTHER CHARGES (INCOME)

In 2001, the Company recorded an impairment charge of $168.7 million primarily related to the write-down of goodwill associated with the acquisition of Access One, which was created by purchase accounting treatment of the merger transaction that closed in August 2000 (see Note 3). SFAS 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of," requires the evaluation of impairment of long-lived assets and identifiable intangibles whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Management determined that goodwill should be evaluated for impairment in accordance with the provisions of SFAS 121 due to the increased bad debt rate and increased customer churn, as well as the AOL Restructuring that occurred in the quarter ended September 30, 2001. The Company addressed these operational issues by improving credit quality through credit scoring the existing and future customer base, slowing down growth of new expected customers through decreased marketing, and lowering product pricing. These and other actions taken by the Company resulted in lower current and future projected growth of bundled revenues and cash flows than those originally projected at the time of the Access One merger. The write-down of goodwill was based on an analysis of projected discounted cash flows using a discount rate of 18%, which results determined that the fair value of the goodwill was substantially less than the carrying value.

In September 2001, the Company approved a plan to close the call center operation in Sunrise, Florida. The Company recorded a charge of $2.5 million in the quarter ended September 30, 2001 to reflect the elimination of approximately 225 positions amounting to $1.0 million and lease exit costs amounting to $1.5 million in connection with the call center closure. The employees identified in the plan were notified in September 2001 and terminated in October 2001. Actual restructuring costs were $1.9 million, comprised of $1.2 million of employee severance costs and $0.7 million of lease termination and other call center closure costs.

During 1999, the Company sold certain business units of TSFL Holdings, Inc. (formerly Symetrics Industries, Inc.), resulting in a gain of $2.7 million, which was included in significant other charges(income) in the statement operations.

NOTE 5. COMMITMENTS AND CONTINGENCIES

(A) LEASE AGREEMENTS

The Company leases office space and equipment under operating lease agreements. Certain leases contain renewal options and purchase options, and generally provide that the Company shall pay for insurance, taxes and maintenance. The Company also leases certain other equipment under capital leases. Total rent expense for all operating leases for the years ended December 31, 2001, 2000 and 1999 was $2.5, $1.37, and $1.0 million, respectively. As of December 31, 2001, the Company had future minimum annual lease obligations under noncancellable operating and capital leases with terms in excess of one year as follows (in thousands):

YEAR	OPERATING LEASES	CAPITAL LEASES
2002	$1,815	$1,098
2003	1,680	65
2004	1,363	27
2005	939	--
2006	416	--
Thereafter	333	--
Total minimum lease payments	$6,546	$1,190
Less: amounts representing interest		67
Present value of minimum capital lease payments		$1,123
Less: current portion		1,035
		$88

(B) LEGAL PROCEEDINGS

On June 16, 1998, a purported shareholder class action was filed in the United States District Court for the Eastern District of Pennsylvania (the "Court") against the Company and certain of its officers alleging violation of the securities laws in connection with certain disclosures made by the Company in its public filings and seeking unspecified damages. Thereafter, additional lawsuits making substantially the same allegations were filed by other plaintiffs in the same court. A motion to dismiss was granted as to certain officers of the Company and denied as to the Company. On July 19, 2000, a class was certified. On July 20, 2001, the Company entered into a Stipulation and Agreement of Settlement, which received final approval from the Court on November 9, 2001. The settlement amount of $5.8 million plus accrued interest since June 2001 was paid by the Company's insurance carrier.

On November 12, 2001, the Company received an award of arbitrators awarding Traffix, Inc. approximately $6.2 million in an arbitration concerning the termination of a marketing agreement between the Company and Traffix, payable to Traffix in two installments - $3.7 million paid in November 2001 and the remaining $2.5 million paid on April 1, 2002.

The Company also is a party to a number of legal actions and proceedings, arising from the Company's provision and marketing of telecommunications services, as well as certain legal actions and regulatory investigations and enforcement proceedings arising in the ordinary course of business.

The Company believes that the ultimate outcome of the foregoing actions will not result in liability that would have a material adverse effect on the Company's financial condition or results of operations. However, it is possible that, because of fluctuations in the Company's cash position, the timing of developments with respect to such matters that require cash payments by the Company, while such payments are not expected to be material to the Company's financial condition, could impair the Company's ability in future interim or annual periods to continue to implement its business plan, which could affect its results of operations in future interim or annual periods.

(C) OTHER COMMITMENTS

The Company is also party to various network service agreements, which contain certain minimum usage commitments. The largest contract establishes pricing and provides for annual minimum payments as follows: 2002 - $22.2 million, 2003 - $22.8 million and 2004 - $27.9 million. A separate contract with a different vendor establishes pricing and provides for annual minimum payments as follows: 2002 - $3.0 million, 2003 - $6.0 million and 2004 - $3.0 million.

NOTE 6. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment, at cost, less accumulated depreciation (in thousands):

	LIVES	DECEMBER 31, 2001	DECEMBER 31, 2000
Land		$ 330	$ 340
Buildings and building improvements	39 years	6,588	6,005
Leasehold improvements	3-10 years	464	345
Switching equipment	15 years	57,991	57,861
Software	3 years	6,036	3,386
Equipment and other	3-10 years	43,963	40,808
		115,372	108,745
Less: Accumulated depreciation		(38,087)	(25,089)
		$ 77,285	$ 83,656

For the years ended December 31, 2001, 2000 and 1999, depreciation expense amounted to $13.6 million, $9.6 million and $5.9 million, respectively.

Included in the December 31, 2001 balance of software is $1.4 million of internally developed computer software costs for internal use that are still in progress. No amortization expense was recognized during the year ended December 31, 2001, with respect to this software.

Included in the December 31, 2001 balances of equipment and other are $2.1 million of assets acquired under lease. Accumulated amortization for these assets was $183,000 at December 31, 2001.

NOTE 7. DEBT

(A) CONVERTIBLE SUBORDINATED NOTES DUE 2002 AND 2004

In September 1997, Talk America Holdings, Inc. sold $300 million of its 4 1/2% Notes that mature on September 15, 2002 . Interest on the 4 1/2% Notes is due and payable semiannually on March 15 and September 15 of each year. The 4 1/2% Notes are convertible, at the option of the holder, into shares of the Company's Common Stock at a conversion price of $24.54 per share, as adjusted for the dilutive effect of the exercise of rights pursuant to the Company's rights offering (see Note 10). The 4 1/2% Notes are redeemable, in whole or in part, at the Company's option, at any time on or after September 15, 2000 at 101.80% of par prior to September 14, 2001 and 100.90% of par thereafter. During 2001, Talk America Holdings, Inc. reacquired $5.0 million principal amount of the 4 1/2% Notes; no amounts were reacquired during 2000. At December 31, 2001, $61.8 million principal amount remained outstanding of the 4 1/2% Notes.

In December 1997, Talk America Holdings, Inc. sold $200 million of the 5% Notes that mature on December 15, 2004. Interest on the 5% Notes is due and payable semiannually on June 15 and December 15 of each year. The 5% Notes are convertible, at the option of the holder, at a conversion price of $25.38 per share, as adjusted for the dilutive effect of the exercise of rights pursuant to the Company's rights offering (see Note 10). The 5% Notes are redeemable, in whole or in part at the Company's option, at any time on or after December 15, 2002 at 101.43% of par prior to December 14, 2003 and 100.71% of par thereafter. At December 31, 2001, $18.1 million principal amount remained outstanding of the 5% Notes.

The 4 1/2% Notes that were reacquired by Talk America Holdings, Inc. in 2001 were reacquired at a $3.8 million discount from face amount. This amount is reported as an extraordinary gain in the consolidated statement of operations.

The 4 1/2% and 5% Notes that were reacquired by Talk America Holdings, Inc. during 1999 were reacquired at a $21.2 million discount from face amount. This amount is reported as an extraordinary gain in the consolidated statement of operations.

The 4 1/2% and 5% Notes contained a repurchase requirement upon a designated event, including change of control or termination of trading of the Company's common stock on a national securities exchange or an established automated over-the-counter trading market. The Company received notice of delisting from the Nasdaq National Market in February 2002 for not meeting the minimum bid price requirements and has 90 days to regain compliance. The requirement to repurchase the 4 1/2% and 5% Notes upon termination of trading of the Company's common stock on a national securities exchange or an established automated over-the-counter trading market was eliminated in connection with the restructuring of the 4 1/2% and 5% Notes (see Note 16).

The debt service of the 4 1/2% and 5% Notes are the obligations of Talk America Holdings, Inc. Since Talk America Holdings, Inc conducts all of its operations through its subsidiaries, primarily Talk America Inc., it relies on dividends, distributions and other payments from its subsidiaries to fund its obligations. Certain of Talk America Inc.'s financing agreements limit the ability of Talk America Inc. to pay dividends and make payments to Talk America Holdings, Inc.

The Company restructured a substantial portion of the 4 1/2% and 5% Notes in April 2002; accordingly, $57.9 million of the 4 1/2% Notes are classified as long-term debt (see Note 16).

(B) SENIOR CREDIT FACILITY

On October 20, 2000, certain subsidiaries of Talk America Holdings, Inc., including Talk America Inc., entered into a Credit Facility Agreement with MCG Finance Corporation providing for a term loan to the Company's subsidiaries of up to $20.0 million and a line of credit facility permitting such subsidiaries to borrow up to an additional $30.0 million. The availability of the line of credit facility is subject, among other things, to the successful syndication of that facility. Loans under the Credit Facility Agreement bear interest at a rate equal to either (a) the Prime Rate, as published by the Board of Governors of the Federal Reserve System, or (b) LIBOR, plus, in each case, the applicable margin. The applicable margin was initially 2.5% for borrowings accruing interest at the Prime Rate and 4% for borrowings accruing interest at LIBOR; during 2000, the applicable margin was based on the ratio of funded debt to trailing twelve-month operating cash flow, determined on a consolidated basis, and varied from 2.0% to 2.5% for borrowings accruing interest at the Prime Rate and from 3.5% to 4.0% for borrowings accruing interest at LIBOR.

The Credit Facility Agreement subjects the Company and its subsidiaries to certain restrictions and covenants related to, among other things, liquidity, per-subscriber-type revenue, subscriber acquisition costs, and leverage ratio and interest coverage ratio requirements. The credit facilities under the Credit Facility Agreement were extended by amendment to June 30, 2005 for the term loan facility and to June 30, 2003 for the line of credit facility. The principal of the term loan is required to be repaid in quarterly installments of $1.25 million on the last calendar day of each fiscal quarter, commencing on September 30, 2001. The loans under the Credit Facility Agreement are secured by a pledge of all of the assets of the subsidiaries of the Company that are parties to that agreement. In addition, the Company has guaranteed the obligations of those subsidiaries under the Credit Facility Agreement and related documents; the Company's guarantee subjects the Company to certain restrictions and covenants, including a prohibition against the payment of dividends in respect of the Company's equity securities, except under certain limited circumstances. In connection with the AOL Restructuring, MCG entered into an Intercreditor Agreement with AOL. The Company borrowed $20.0 million under the term loan facility (approximately $15.0 million was used to repay indebtedness of Access One). At December 31, 2001, $17.5 million principal balance remained outstanding under the term loan facility and no amounts were outstanding or available under the line of credit facility.

By amendments on February 12, 2002 and April 3, 2002, the Company restructured certain portions of the Credit Facility Agreement and the related consulting agreement and other loan documents. This restructuring amended the financial covenants for 2002 through 2005 to be consistent with the Company's internal projections. As of and after January 1, 2002, the applicable margin will be 7.0% for borrowings accruing interest at LIBOR and 6.0% for borrowings accruing interest at the Prime Rate. The restructuring also added mandatory prepayment provisions if the Company used a total of $10.0 million or more of cash to repurchase or otherwise prepay our other debt obligations, including the 4 1/2% and 5% Notes, the 2011 Convertible Notes and the new 8% and 12% Notes and, effectively requires the Company to elect to pay in kind, rather than cash, interest on its 2011 Convertible Notes and its new 12% Notes to the fullest extent it is permitted to do so under such notes. In addition, the Company issued 200,000 shares of common stock to MCG with a value of $84,000 upon issuance and agreed to register such shares in the future.

As of December 31, 2001, the Company would have been in default of several of its covenants under the Credit Facility Agreement, but received a waiver from MCG in connection with the MCG restructuring described above. Accordingly, $12.5 million of the loan balance remained in long-term debt at December 31, 2001.

(C) CONVERTIBLE NOTES DUE 2011

In connection with the AOL Restructuring discussed in Note 2, the Company and AOL entered into a Restructuring Agreement pursuant to which the Company issued to AOL $54.0 million principal amount of its 8% secured convertible notes due September 2011. The 2011 Convertible Notes were issued in exchange for a release of the Company's reimbursement obligations under the Investment Agreement. AOL, in lieu of any other payment for the early discontinuance of the marketing relationship, paid the Company $20.0 million by surrender and cancellation of $20.0 million principal amount of the 2011 Convertible Notes delivered to AOL, thereby reducing the outstanding principal amount of the 2011 Convertible Notes to $34.0 million. The 2011 Convertible Notes are convertible into shares of the Company's common stock at the rate of $5.00 per share, may be redeemed by the Company at any time without premium and is subject to mandatory redemption at the option of the holder on September 15, 2006 and September 15, 2008. The 2011 Convertible Notes accrue interest at the rate of 8% per year on the principal amount, payable two times a year each January 1 and July 1; interest is payable in cash, except that the Company may elect to pay up to 50% (100% in the case of the first interest payment) of the interest due on any payment date in kind rather than in cash. The 2011 Convertible Notes are guaranteed by the Company's principal operating subsidiaries and are secured by a pledge of the Company's and the subsidiaries' assets (see Notes 2 and 16).

(D) MINIMUM ANNUAL PAYMENTS

As of December 31, 2001, the required minimum annual principal reduction of convertible and long-term debt obligations (as adjusted to reflect the 4 1/2% and 5% Notes exchanged for 8% and 12% Notes pursuant to the exchange offer), including capital leases, for each of the next five fiscal years is as follows (in thousands):

Year Ended December 31,	
2002	$14,454
2003	6,522
2004	7,217
2005	4,082
2006	1,646
Thereafter	132,903
	$166,824

NOTE 8. RELATED PARTY TRANSACTIONS

The Company has a note receivable with an officer of the Company with a balance of $1.0 million as of December 31, 2001. The note receivable bears interest at 8.25% and the principal balance together with unpaid accrued interest is payable to the Company in November 2004.

On January 5, 1999, Mr. Daniel Borislow, a founder of the Company and its Chairman of the Board and Chief Executive Officer, resigned as a director and officer of the Company and in connection therewith, the Company entered into various agreements and engaged in various transactions with Mr. Borislow and certain entities in which he or his family had an interest.

In addition, during 1999, the Company (a) purchased from Mr. Borislow, and two trusts for the benefit of Mr. Borislow's children, $85.9 million aggregate principal amount of the Company's Convertible Notes for $72.3 million in cash;
(b) exchanged the remaining $53.7 million principal amount of subordinated notes of Communication TeleSystems International d/b/a WorldxChange Communications to a trust for the benefit of Mr.

Borislow's children for $62.5 million aggregate principal amount of the Company's Convertible Notes and (c) purchased $9.0 million aggregate principal amount of the Company's Convertible Notes for $6.9 million in Common Stock. Also during 1999, pursuant to the agreements with Mr. Borislow as described above the Company purchased from Mr. Borislow approximately 639,000 shares of Common Stock for approximately $7.7 million with proceeds from the exercise of stock options by other employees.

On January 6, 2000, the Company repurchased from Mr. Borislow for $2.5 million real property previously sold to Mr. Borislow constituting the Company's facilities in New Hope, Pennsylvania.

NOTE 9. STOCKHOLDERS' EQUITY (DEFICIT)

(A) AUTHORIZED SHARES

The number of authorized shares of the Common Stock is 300,000,000 shares.

(B) CONTINGENT REDEMPTION VALUE OF WARRANTS

Under the terms of the marketing agreements with AOL and the Company, AOL had the right, commencing on July 1, 2001, to require the Company to repurchase the warrants to purchase 2,721,984 shares of Common Stock of the Company held by AOL for an aggregate price of $36.3 million, which repurchase price could have been paid in Common Stock, cash or a quarterly amortization, two-year promissory note of the Company. Upon the occurrence of certain events, including material defaults by the Company in its AOL agreements and a "change of control" of the Company, the Company may have been required to purchase the warrants for cash. In connection with the AOL Restructuring, the Company restructured the contingent redemption feature of the warrants (see Note 2).

(C) CONTINGENT REDEMPTION VALUE OF COMMON STOCK

Under the terms of the Investment Agreement with AOL, the Company had agreed to reimburse AOL for losses AOL may have incurred on the sale of any of the 4,121,372 shares during the period from June 1, 1999 through September 30, 2001. The Company had the first right to purchase any of the 4,121,372 shares of Common Stock at the market value on the day that AOL notifies the Company of its intent to sell any of the shares plus an amount, if any, equal to the Company's reimbursement obligation described below. The reimbursement amount was determined by multiplying the number of shares, if any, that AOL sold during the applicable period by the difference between the purchase price per share paid by AOL, or $19 per share, and the price per share that AOL sold the shares for, if less than $19 per share. The reimbursement amount was not to exceed $14 per share for 2,894,737 shares or $11 per share for 1,226,635 shares. Accordingly, the maximum amount payable to AOL as reimbursement on the sale of AOL's shares was approximately $54.0 million plus AOL's reasonable expenses incurred in connection with the sale. The Company had the option of issuing a six-month 10% note payable to AOL to satisfy the reimbursement amount or other amounts payable on exercise of its first refusal rights.

Upon the occurrence of certain events, including material defaults by the Company under its AOL agreements and a "change of control" of the Company, the Company also could have been required to repurchase all of the shares at $19 per share. Accordingly, the Company had initially recorded $78.3 million for the contingent redemption value of this Common Stock with a corresponding reduction in additional paid-in capital. In connection with the AOL Restructuring, the Company restructured the contingent redemption feature of the common stock (see Note 2).

(D) STOCKHOLDERS RIGHTS PLAN

On August 19, 1999, the Company adopted a Stockholders Rights Plan designed to deter coercive takeover tactics and prevent an acquirer from gaining control of the Company without offering a fair price to all of the Company's stockholders.

Under the terms of the plan, preferred stock purchase rights were distributed as a dividend at the rate of one right for each share of Common Stock of the Company held as of the close of business on August 30, 1999. Until the rights become exercisable, Common Stock issued by the Company will also have one right attached. Each right will entitle holders to buy one three-hundredth of a share of Series A Junior Participating Preferred Stock of the Company at an exercise price of $55. Each right will thereafter entitle the holder to receive upon exercise Common Stock (or, in certain circumstances, cash, property or other securities of the Company) having a value equal to two times the exercise price of the right.

The rights will be exercisable only if a person or group acquires beneficial ownership of 20% or more of Common Stock or announces a tender or exchange offer which would result in such person or group owning 20% or more of Common Stock, or if the Board of Directors declares that a 15% or more stockholder has become an "adverse person" as defined in the plan.

The Company, except as otherwise provided in the plan, will generally be able to redeem the rights at $0.001 per right at any time during a ten-day period following public announcement that a 20% position in the Company has been acquired or after the Company's Board of Directors declares that a 15% or more stockholder has become an "adverse person." The rights are not exercisable until the expiration of the redemption period. The rights will expire on August 19, 2009, subject to extension by the Board of Directors.

NOTE 10. STOCK OPTIONS, WARRANTS AND RIGHTS

(A) STOCK BASED COMPENSATION PLAN

Incentive stock options, non-qualified stock options and other stock based awards may be granted by a committee of the Board of Directors of the Company to employees, directors and consultants under the 2001 Non-Officer Long Term Incentive Plan ("2001 Plan"), 2000 Long Term Incentive Plan ("2000 Plan"), and 1998 Talk.com Long Term Incentive Plan ("1998 Plan") and otherwise in connection with employment. Generally, the options vest over a three-year period and expire five to ten years from the date of grant. At December 31, 2001, 5,000,000, 2,431,625, and 1,788,300 shares of common stock were available under the 2001 Plan, 2000 Plan and 1998 Plan, respectively, for possible future issuances, including pursuant to the options to acquire approximately 5.5 million shares required to be granted pursuant to the voluntary stock option exchange program discussed below. The exercise price of the options is 100% of the market value of the common stock on the grant date.

Stock options granted in 2001 generally have contractual terms of 10 years. The options granted to employees have an exercise price equal to the fair market value of the stock at grant date. The vast majority of options granted in 2001 vest one-third each year, beginning on the first anniversary of the date of grant.

On August 29, 2001, the Company commenced a voluntary stock option exchange program to certain eligible employees of the Company. Under the program, eligible employees were given the option to cancel each outstanding stock option previously granted to them at an exercise price greater than or equal to $5.50 per share, in exchange for a new option to buy shares of the Company's common stock to be granted on April 5, 2002, six months and one day from October 4, 2001, the date the old options were cancelled. The exercise price of these new options was equal to the fair market value of the Company's common stock on the date of grant. In total, 5.8 million stock options were tendered for exchange and cancelled as a result of this program. As of December 31, 2001, 5,664,633 shares were eligible for exchange on April 5, 2002, which are treated as cancelled in the options shares table below. The exchange program is not expected to result in any additional compensation charges or variable option plan accounting.

Information with respect to options under the Company's plans is as follows:

	OPTIONS SHARES	EXERCISE PRICE RANGE PER SHARE	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding, December 31, 1998	10,230,810	$4.08-$14.00	$ 7.34
Granted	3,549,500	$8.75-$17.25	$ 11.63
Exercised	(6,773,378)	$4.08-$12.78	$ 7.13
Cancelled	(158,000)	$5.75-$11.69	$ 9.67
Outstanding, December 31, 1999	6,848,932	$4.58-$17.25	$ 9.72
Granted	9,678,809	$1.13-$16.18	$ 7.98
Exercised	(342,337)	$4.58-$11.94	$ 7.39
Cancelled	(1,116,085)	$2.63-$15.88	$ 9.03
Outstanding, December 31, 2000	15,069,319	$0.88-$17.25	$ 8.60
Granted	1,097,200	$0.33-$1.98	$ 0.86
Exercised	--	--	--
Cancelled	(8,737,860)	$1.34-$17.25	$ 11.34
Outstanding, December 31, 2001	7,428,659	$0.33-$15.88	$ 4.24

The Company issued 5.6 million stock options on April 5, 2002, at $0.51 per share, market value on the date of issue, in satisfaction of the obligations under the Company's exchange offer.

The following table summarizes options exercisable at December 31, 2001, 2000 and 1999:

	OPTION SHARES	EXERCISE PRICE RANGE PER SHARE	WEIGHTED AVERAGE EXERCISE PRICE
1999	2,541,095	$4.58-$14.00	$ 7.67
2000	5,597,573	$0.88-$17.25	$ 7.31
2001	3,856,525	$0.88-$15.88	$ 5.58

The following table summarizes the status of stock options outstanding at December 31, 2001:

RANGE OF EXERCISE PRICES	NUMBER OUTSTANDING AT DECEMBER 31, 2001	WEIGHTED AVERAGE EXERCISE PRICE	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE (YEARS)	NUMBER EXERCISABLE AT DECEMBER 31, 2001	WEIGHTED AVERAGE EXERCISE PRICE
$0.33 to $3.50	3,423,242	$ 1.59	8.5	1,238,779	$ 1.91
$3.51 to $7.00	2,854,578	$ 5.05	8.3	1,520,239	$ 5.34
$7.01 to $10.00	427,671	$ 9.36	7.2	427,671	$ 9.36
$10.01 to $11.00	529,001	$ 10.11	7.3	528,335	$ 10.11
$11.01 to$15.88	194,167	$ 11.77	7.8	141,501	$ 11.92

The Company applies Accounting Principles Board Opinion No. 25 "Accounting for Stock Issued to Employees" and the related interpretations in accounting for its stock option plans, and disclosure only provisions of SFAS No. 123, "Accounting for Stock Based Compensation". Had compensation cost for the plans been determined based upon the fair value of the options as prescribed by SFAS No. 123, the Company's net income (loss) and earnings (loss) per share would have been as follows:

	YEAR ENDED DECEMBER 31,		
	2001	2000	1999
NET INCOME (LOSS):			
As reported	$(224,667)	$(61,896)	$78,929
Pro forma	$(226,047)	$(99,420)	$68,851
BASIC EARNINGS (LOSS) PER SHARE:			
As reported	$(2.84)	$(0.88)	$1.29
Pro forma	$(2.85)	$(1.41)	$1.13
DILUTED EARNINGS (LOSS) PER SHARE:			
As reported	$(2.84)	$(0.88)	$1.23
Pro forma	$(2.85)	$(1.41)	$1.07

The weighted average estimated fair values of the stock options granted during the years ended December 31 2001, 2000 and 1999 based on the Black-Scholes option pricing model were $0.57, $6.56 and $9.71, respectively. The fair value of stock options used to compute pro forma net income (loss) and basic and diluted earnings (loss) per share disclosures is the estimated fair value at grant date using the Black-Scholes option-pricing model with the following assumptions:

ASSUMPTION	2001	2000	1999
Expected Term	5 years	5 years	1 to 10 years
Expected Volatility	78.95%	87.46%	108%
Expected Dividend Yield	0.00%	0.00%	0.00%
Risk-Free Interest Rate	5.92%	6.27%	5.38% / 5.85%

(B) AOL WARRANTS

On January 5, 1999, after the repurchase from AOL of warrants to purchase 5,076,016 shares of Common Stock, warrants to purchase 2,721,984 shares of Common Stock were held by AOL and were outstanding, with exercise prices from $14.00 to $22.25 and a weighted average exercise price of $17.03. AOL had the right, commencing on July 1, 2001, to require the Company to repurchase all or any portion of these warrants at prices (the "Put Prices") ranging from $10.45 to $16.82 per warrant ($36.3 million aggregate amount). In the event AOL required repurchase of the warrants, the Company at its election could have paid AOL in cash or in shares of Common Stock based on the then current market price for such stock. The Company also could have elected to issue a 10% two-year note for a defined portion of the repurchase price. The Company could have required AOL to exercise its warrants at any time the market price of Common Stock equaled or exceeded two times the then call amount for such warrants. The call amount of a warrant was the Put Price for the warrant increased at a semi-annually compounded rate of 5% on January 5, 1999 and on each six month anniversary thereafter. In addition, upon the occurrence of certain events, including material defaults by the Company in its AOL agreements and a "change of control" of the Company, the Company may have been required to purchase the warrants for cash. The warrants and the related put rights were extinguished in connection with the AOL Restructuring on September 19, 2001 (see Note 2).

(C) OTHER WARRANTS

Pursuant to the terms of the Agreement and Plan of Merger, dated as of March 24, 2000, between a wholly owned subsidiary of the Company and Access One, the Company assumed certain warrants to purchase shares of Access One, which, upon consummation of the Merger, converted to warrants to purchase an aggregate of 871,429 shares of the Company common stock at an exercise price of $2.02. In connection with certain consulting services that MCG Credit Corporation was to provide to the Company, the Company issued a warrant to MCG to purchase 300,000 shares of its common stock, which become exercisable at $4.73. Upon its execution of the Credit Facility Agreement with MCG Finance Corporation in October 2000, the Company issued warrants for 300,000 shares of its common stock, which become exercisable at $4.36 per share, 150,000 of which are already vested and the balance will vest if the Company fails to exceed certain EBITDA thresholds for the fiscal quarter ended March 31, 2001. The Company exceeded the EBITDA threshold for the quarter ended March 31, 2001 and consequently the balance of the warrants did not vest. In connection with the waiver from MCG in the second quarter of 2001 and certain other amendments under the Credit Facility Agreement, the Company issued warrants with a value of $77,000 upon issuance to purchase 150,000 shares of its common stock at an exercise price of $0.68 per share to such lenders.

(D) RIGHTS

The Board of Directors had approved an offering of up to 3,523,285 shares of its Common Stock, $.01 par value, to holders of record of Common Stock and holders of record of options or warrants to purchase Common Stock at the close of business on December 31, 1998. The shares were offered pursuant to nontransferable rights to subscribe for and purchase shares of Common Stock at a price of $17.00 per share. Holders of record on the record date were eligible to receive one such nontransferable right for every 20 shares of Common Stock or underlying options or warrants held on the record date, as applicable. As of December 31, 1999, 38,325 rights totaling $652,000 were exercised, and 652,547 rights totaling $11.1 million were exercised in 2000. These rights expired on February 12, 2000.

NOTE 11. INCOME TAXES

The Company reports the effects of income taxes under SFAS No. 109, "Accounting for Income Taxes". The objective of income tax reporting is to recognize (a) the amount of taxes payable or refundable for the current year and
(b) deferred tax liabilities and assets for the future tax consequences of events that have been recognized in the financial statements or tax returns. Under SFAS No. 109, the measurement of deferred tax assets is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realized. Realization of deferred tax assets is determined on a more-likely-than-not basis.

The Company considers all available evidence, both positive and negative, to determine whether, based on the weight of that evidence, a valuation allowance is needed for some portion or all of a net deferred tax asset. Judgment is used in considering the relative impact of negative and positive evidence. In arriving at these judgments, the weight given to the potential effect of negative and positive evidence is commensurate with the extent to which it can be objectively verified.

At December 31, 2001 and 2000, a full valuation allowance has been provided against the net deferred tax assets since management cannot predict, based on the weight of available evidence, that it is more likely than not that such assets will be ultimately realized.

There were no current or deferred provisions for income taxes for any of the years ended December 31, 2001, 2000 and 1999.

A reconciliation of the Federal statutory rate to the provision (benefit) for income taxes is as follows:

	Year Ended December 31, 2001		2000		1999	
Federal income taxes computed at the statutory rate	$ (78,633)	(35.0)%	$(21,664)	(35.0)%	$ 27,625	35.0%
Increase (decrease) in income taxes resulting from:						
State income taxes less Federal Benefit	--	0.0	(2,338)	(3.8)	3,157	4.0
Goodwill impairment	59,039	26.3	--	--	--	--
Goodwill amortization	7,137	3.2	3,310	5.3	--	--
Cumulative effect of accounting change	12,893	5.7	--	--	--	--
Valuation allowance changes affecting the provision for income taxes	(648)	(0.3)	20,561	33.6	(31,000)	(39.3)
Other	212	0.1	131	0.1	218	0.3
Total provision (benefit) for income taxes	$ --	--	$ --	--	$ --	--

Deferred tax (assets) liabilities at December 31, 2001 and 2000 are comprised of the following elements:

	YEAR ENDED DECEMBER 31, 2001	2000
Net operating loss carryforwards	$ (103,000)	$(102,000)
Deferred revenue not taxable currently	(2,000)	(5,000)
Compensation for options granted below market price	(1,000)	(1,000)
Allowance for uncollectible accounts	(17,000)	(14,000)
Warrants issued for compensation	(1,000)	--
Depreciation and amortization	16,000	13,000
Accruals not currently deductible	(1,000)	(1,000)
Net capital loss carryforwards	(9,000)	(9,000)
Deferred tax (assets) liabilities, net	(118,000)	(119,000)
Less valuation allowance	118,000	119,000
Net deferred tax	$ --	$ --

The Company has net operating loss carryforwards for income tax purposes and other deferred tax benefits that are available to offset future taxable income. Only a portion of the net operating loss carryforwards are attributable to operating activities. The remainder of the net operating loss carryforwards are attributable to tax deductions related to the exercise of stock options.

In accounting for income taxes, the Company recognizes the tax benefits from current stock option deductions after utilization of net operating loss carryforwards from operations (i.e., net operating loss carryforwards determined without deductions for exercised stock options) to reduce income tax expense. Because stock option deductions are not recognized as an expense for financial reporting purposes, the tax benefit of stock option deductions must be credited to additional paid-in capital. Such benefit has not been recorded because of the Company's full valuation allowances.

At December 31, 2001, the Company had net operating loss (NOL) carryforwards for federal income tax purposes of $262.8 million. Due to the "change of ownership" provisions of the Internal Revenue Code Section 382, the availability of the Company's net operating loss and credit carryforwards may be subject to an annual limitation against taxable income in future periods if a change of ownership of more than 50% of the value of the Company's stock should occur within a three-year testing period. Many of the changes that affect these percentage change determinations, such as changes in the Company's stock ownership, are outside the Company's control. A more-than-50% cumulative change in ownership occurred on August 31, 1998 and October 26, 1999. As a result of such changes, certain of the Company's carryforwards are limited, as of December 31, 2001; approximately $64 million are not available to offset income. In addition, as of December 31, 2001, based on information currently available to the Company, the change of ownership percentage was approximately 45% for the applicable three-year testing period. If, during the current three-year testing period, the Company experiences an additional more-than-50% ownership change under Section 382, the amount of the NOL carryforward available to offset future taxable income may be substantially reduced. There can be no assurance that the Company will realize the benefit of any carryforwards.

NOTE 12. SUPPLEMENTAL CASH FLOW INFORMATION

	2001	2000	1999
Supplemental disclosure of cash flow information:			
Cash paid for interest	$5,620	$4,864	$4,218

(A) NON-CASH INVESTING AND FINANCING ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2001 ARE AS FOLLOWS:

In November 2001, the Company acquired the assets and assumed certain liabilities of two teleservices centers located in Fremont, Nebraska and Fort Myers, Florida from Furst Group, Inc. for $1. The fair values of the assets acquired were $835,000 and liabilities assumed were $889,000.

In connection with the implementation of EITF 00-19, the contingent redemption features of the common stock and warrants were adjusted by $28.8 million to reflect the liability at their fair values of $85.8 million as of June 30, 2001, with a corresponding increase in additional paid-in capital of $65.6 million and a cumulative effect of a change in accounting principle reflected in the statement of operations of $36.8 million.

For the quarter ended September 30, 2001, the Company recorded an unrealized loss of $2.4 million on the increase in the fair value of the contingent redemption instruments, which has been reflected in other (income) expense on the statement of operations.

In September 2001, the Company restructured the contingent redemption feature of the warrants and common stock of $88.2 million, which was reduced by the fair value of the 3,078,628 incremental shares provided to AOL of $1.4 million and cash paid in connection with the AOL Restructuring of $3.5 million. Since the remaining value of $83.3 million was greater than the future cash flows to AOL of $66.4 million (representing the $34.0 million of convertible debt and $32.4 million of future interest expense), the liability was written down to the value of the future cash flows due to AOL and an extraordinary gain of $16.9 million was recorded.

Computer equipment of $2.1 million was acquired in 2001 through capital leases.

Also, during 2001, the Company issued 150,000 warrants to MCG with a value of approximately $77,000.

(B) NON-CASH INVESTING AND FINANCING ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2000 ARE AS FOLLOWS:

In August 2000, the Company completed the acquisition of Access One. The Company issued 11,472,174 shares and 698,382 shares of Common Stock and Treasury Stock, respectively, with a value of approximately

$170.4 million in connection with the acquisition. A summary of the transaction is as follows (in thousands):

Fair value of assets acquired	$ 21,718
Goodwill	$ 209,978
Fair value of stock issued	$ 170,388
Fair value of options/warrants issued	$ 27,448
Liabilities assumed	$ 30,243
Cash Paid, net of cash acquired	$ (3,617)

Also, during 2000, the Company issued 300,000 warrants to MCG with a value of approximately $2.2 million.

The Company also declared a stock bonus with a value of $706,000 in 2000 to be paid using Treasury Stock. At the election of certain employees, the bonus payment could be deferred until 2001. Therefore, 149,300 shares and 203,750 shares were issued out of Treasury Stock in 2000 and 2001, respectively.

(C) NON-CASH INVESTING AND FINANCING ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 1999 ARE AS FOLLOWS:

During 1999, the Company issued 574,482 shares of Common Stock with a value of approximately $6.9 million, in connection with the repurchase of the Company's Convertible Notes.

Also, during 1999, the Company assigned to a trust for the benefit of Mr. Borislow's children the Company's interest in $53.7 million principal amount of subordinated notes of Communications TeleSystems International d/b/a WorldXChange Communications, in exchange for $62.5 million aggregate principal amount of the Company's Convertible Notes.

In addition, the Company recorded $114.6 million for the contingent redemption value of the AOL warrant and common stock with a corresponding reduction in additional paid in capital.

NOTE 13. QUARTERLY FINANCIAL DATA (UNAUDITED)

(In thousands, except per share data)	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
2001				
Sales	$ 137,831	$ 133,706	$ 126,335	$ 97,598
Operating income (loss)	(8,735)	(24,888)	(175,404)	8,118
Income (loss) before extraordinary gains and cumulative effect of an accounting change	(10,148)	(25,850)	(179,166)	6,686
Extraordinary gains	--	--	16,867	3,781
Cumulative effect of an accounting change	--	(36,837)	--	
Net income (loss)	(10,148)	(62,687)	(162,299)	10,467
Net income (loss) per share - Basic	(0.13)	(0.80)	(2.06)	0.13
Weighted average common shares outstanding - Basic	78,372	78,374	78,742	81,453
Net income (loss) per share - Diluted	(0.13)	(0.80)	(2.06)	0.13
Weighted average common and common equivalent shares outstanding - Diluted	78,372	78,374	78,742	81,466
2000				
Sales	$ 156,043	$ 135,737	$ 121,233	$ 131,535
Operating income (loss)	13,666	(959)	(33,625)	(36,718)
Net income (loss)	13,380	(891)	(34,770)	(39,615)
Net income per share - Basic	0.20	(0.01)	(0.48)	(0.51)
Weighted average common shares outstanding - Basic	65,302	65,822	72,839	78,037
Net income per share - Diluted	0.20	(0.01)	(0.48)	(0.51)
Weighted average common and common equivalent shares outstanding - Diluted	68,401	65,822	72,839	78,037

NOTE 14. EMPLOYEE BENEFIT PLANS

During 1999, the Company established an Employee Savings Plan that permits eligible employees to contribute funds on a pre-tax basis. The Plan qualifies as a deferred salary arrangement under Section 401(k) of the Internal Revenue Code. Eligible employees may contribute up to 15% of their compensation (subject to Internal Revenue Code limitations). The Plan allows employees to choose among a variety of investment alternatives. The Company is not required to contribute to the Plan. During the years ended December 31, 2001 and 2000, the Company elected to contribute $108,000 and $85,000 to the Plan, respectively. No significant administration costs were incurred during 2001 or 2000.

NOTE 15. PER SHARE DATA

Basic earnings per common share is calculated by dividing net income by the average number of common shares outstanding during the year. Diluted earnings per common share is calculated by adjusting outstanding shares, assuming conversion of all potentially dilutive stock options, warrants and convertible bonds. Earnings per share are computed as follows (in thousands):

	YEAR ENDED DECEMBER 31,		
	2001	2000	1999
Income (loss) before extraordinary gains and cumulative effect of an accounting change	$ (208,478)	$(61,896)	$ 57,699
Extraordinary gains	20,648	--	21,230
Cumulative effect of an accounting change	(36,837)	--	--
Net income (loss)	$ (224,667)	$(61,896)	$ 78,929
Average shares of common stock outstanding used to compute basic earnings per common share	79,242	70,527	61,187
Additional common shares to be issued assuming exercise of stock options and warrants, net of shares assumed reacquired and conversion of convertible bonds *	--	--	3,228
Shares used to compute dilative effect of stock options	79,242	70,527	64,415
Income (loss) per share - Basic:			
Income (loss) before extraordinary gains and cumulative effect of an accounting change per share	$ (2.63)	$ (0.88)	$ 0.94
Extraordinary gains per share	0.26	--	0.35
Cumulative effect of an accounting change per share	(0.47)	--	--
Net income (loss) per share	$ (2.84)	$ (0.88)	$ 1.29
Weighted average common shares outstanding	79,242	70,527	61,187
Income (loss) per share - Diluted:			
Income (loss) before extraordinary gains and cumulative effect of an accounting change per share	$ (2.63)	$ (0.88)	$ 0.90
Extraordinary gains per share	0.26	--	0.33
Cumulative effect of an accounting change per share	(0.47)	--	--
Net income (loss) per share	$ (2.84)	$ (0.88)	$ 1.23
Weighted average common and common equivalent shares outstanding	79,242	70,527	64,415

* The diluted share basis for the years ended December 31, 2001 and 2000 excludes options and warrants to purchase 8,900,088 and 16,390,748 shares, respectively and convertible bonds that are convertible into 3,232,824 and 3,436,891 shares of common stock, respectively. These shares are excluded due to their antidilutive effect as a result of the Company's net loss from continuing operations.

NOTE 16. SUBSEQUENT EVENTS

(a) AOL Amendment

On February 21, 2002, by letter agreement, AOL agreed to waive certain rights that it had under the Restructuring Agreement with respect to the Company's restructuring of its existing 4 1/2% and 5% Notes. As conditions to the waiver of such rights with respect to the restructuring its 4 1/2% and 5% Notes, the Company agreed to (i) provide that the new notes to be exchanged for the existing 4 1/2% and 5% Notes have a maturity date after September 19, 2006 and, if convertible, have a conversion price of not less than $5.00, (ii) make a prepayment on the 2011 Convertible Notes equal to forty percent of the amount of cash (excluding accrued interest paid on existing notes which are exchanged) that the Company pays to the holders of the existing notes in the exchange offers and (iii) limit the aggregate amount of cash that the Company pays under the exchange offers and to AOL under the letter agreement to $10 million. Under the letter agreement the Company also paid AOL approximately $1.2 million as a prepayment on the 2011 Convertible Note, approximately $0.7 million of which will be credited against monies the Company owes AOL under the letter agreement for cash payments in the exchange offers and the Company did not owe AOL any additional payments related to the exchange offers.

(b) Secured Credit Facility

By amendments on February 12, 2002 and April 3, 2002, the Company restructured certain portions of the Credit Facility Agreement and the related consulting agreement and other loan documents. This restructuring amended the financial covenants for 2002 through 2005 to be consistent with the Company's internal projections. As of and after January 1, 2002, the applicable margin will be 7.0% for borrowings accruing interest at LIBOR and 6.0% for borrowings accruing interest at the Prime Rate. The restructuring also added mandatory prepayment provisions if the Company used a total of $10.0 million or more of cash to repurchase or otherwise prepay our other debt obligations, including the 4 1/2% and 5% Notes, the 2011 Convertible Notes and the new 8% and 12% Notes and, effectively requires the Company to elect to pay in kind, rather than cash, interest on its 2011 Convertible Notes and its new 12% Notes to the fullest extent it is permitted to do so under such notes. In addition, the Company issued 200,000 shares of common stock to MCG with a value of $84,000 upon issuance and agreed to register such shares in the future.

(c) Convertible Debt Exchange Offers

The Company was required to repay $61.8 million of its 4 1/2% Notes in September 2002. As of December 31, 2001, the Company did not have cash nor did it believe it had access to new financing sufficient to make such a payment. The Company commenced exchange offers for the 4 1/2% Notes and 5% Notes primarily to extend the maturity of the obligations and to obtain consents to eliminate the requirement to offer to repay the 4 1/2% Notes and 5% Notes upon a termination of trading of the Company's common stock on a national securities exchange or established automated over-the-counter trading market.

Under the exchange offers, which expired at midnight on April 1, 2002, the Company offered to exchange its new notes for up to the full amount of its currently outstanding 4 1/2% Notes and for up to the full amount of its currently outstanding 5% Notes. Under the terms of the 4 1/2% Notes exchange offer, the Company offered two exchange options:

--$1,000 in principal amount of the new 12% Notes for each $1,000 in principal amount of the existing 4 1/2% Notes that are tendered.

-- $600 in principal amount of the new 8% Notes, convertible into common stock, at $5.00 per share, and $100 in cash, in exchange for each $1,000 in principal amount of the existing 4 1/2% Notes that are tendered.

Under the terms of the 5% Notes exchange offer, the Company offered:

--$1,000 in principal amount of the new 12% Notes for each $1,000 in principal amount of the existing 5% Notes.

The Company completed the exchange for its 4 1/2% and 5% Notes on April 4, 2002, and issued a total of $70.65 million principal amount of its new 12% Notes and $2.8 million principal amount of its new 8% Notes and paid cash of $0.5 million in exchange for a total of $57.9 million principal amount of the outstanding 4 1/2% Notes and $17.4 million principal amount of the outstanding 5% Notes. $3.9 million principal amount of the 4 1/2% Notes and $0.7 million principal amount of the 5% Notes were not exchanged and remained outstanding after the exchanges. The Company paid accrued interest of $0.4 million in cash on the exchanged old notes upon the exchanges.

The new 12% Notes accrue interest at a rate of 12% per year on the principal amount, payable two times a year on each February 15 and August 15, beginning on August 15, 2002. Interest is payable in cash, except that the Company may, at its option, pay up to one-third of the interest due on any interest payment date through and including the August 15, 2004 interest payment date in additional 12% Notes. The new 8% Notes accrue interest at a rate of 8% per year on the principal amount, payable two times a year on each February 15 and August 15, beginning on August 15, 2002 and are convertible, at the option of the holder, into common stock at $5.00 per share.

As part of the restructuring, the Company amended the indentures governing the 4 1/2% and 5% Notes that were not exchanged to remove the Company's obligation to repurchase the notes on the termination of trading of the Company's common stock on a national securities exchange or established automated over-the-counter trading market.

In accordance with SFAS No. 15 "Accounting by Debtors and Creditors for Troubled Debt Restructuring," the exchange of $61.8 million of the 4 1/2% Notes into $53.2 million of the 12% Notes $2.8 million of the 8% Notes is accounted for as a troubled debt restructuring. Since the total liability of $57.4 million ($57.9 million of principal as of the exchange date, less cash payments of $0.5 million) is less than the future cash flows to holders of 8% Notes and 12% Notes of $91.5 million (representing the $56.0 million of principal and $35.5 million of future interest expense), the liability remained on the balance sheet at $57.4 million. The difference between principal and the carrying amount of $1.4 million will be recognized as a reduction of interest expense over the life of the notes.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

DIRECTORS AND EXECUTIVE OFFICERS

The directors and executive officers of the Company as of March 29, 2002 were as follows:

NAME	AGE	POSITION
Gabriel Battista (3)	57	Chairman of the Board of Directors, Chief Executive Officer and Director
Warren Brasselle	44	Senior Vice President, Operations
Jeffrey Earhart	40	Senior Vice President, Customer Operations
Mark S. Fowler (1)	59	Director
Kevin D. Griffo	41	Executive Vice President - Sales and Marketing
Aloysius T. Lawn, IV	43	Executive Vice President - General Counsel and Secretary
Arthur J. Marks (2)	57	Director
Edward B. Meyercord, III (2)	36	President, Treasurer and Director
Ronald R. Thoma (3)	67	Director
George Vinall	46	Executive Vice President - Business Development
Thomas Walsh	42	Senior Vice President - Finance
David G. Zahka	42	Chief Financial Officer

(1) Director whose term expires in 2002.
(2) Director whose term expires in 2003.
(3) Director whose term expires in 2004.

All officers are elected annually by the Board of Directors and hold office until their successors are elected and qualified.

GABRIEL BATTISTA. Mr. Battista currently serves the Company as its Chairman of the Board of Directors and Chief Executive Officer. Prior to joining the Company in January of 1999 as a Director and Chief Executive Officer, Mr. Battista served as Chief Executive Officer of Network Solutions Inc., an Internet domain name registration company. Prior to joining Network Solutions, Mr. Battista served both as CEO and as President and Chief Operating Officer of Cable & Wireless, Inc., a telecommunication provider. His career also included management positions at US Sprint, GTE Telenet and The General Electric Company. Mr. Battista serves as a director of Capitol College, Systems & Computer Technology Corporation (SCTC), Online Technologies Group, Inc. (OTG), and VIA Net.works (VNWI).

WARREN BRASSELLE. Since April 2000, Mr. Brasselle has served as Senior Vice President of Operations for the Company. Prior to joining the Company, Mr. Brasselle was Vice President of Operations for Cable and Wireless

North America since 1996, where he was broadly responsible for the design, provisioning, and maintenance of Cable & Wireless' voice, data, and IP network. Mr. Brasselle also held a variety of operational positions at MCI, now MCI WorldCom Inc. and Williams Telecommunications.

JEFFREY EARHART. Mr. Earhart currently serves as Senior Vice President, Customer Operations of the Company. Between 1997 and 2000, he served the Company as Vice President, Operations. Mr. Earhart originally joined the Company as its Director of Retail Sales and Provisioning in 1990, a position he held until 1992. Prior to rejoining the Company in 1997, Mr. Earhart served as President of Collective Communications Services, an independent long distance reseller of long distance services of the Company.

MARK S. FOWLER. Mr. Fowler has been a director of the Company since September 1999. From 1981 to 1987, he was the Chairman of the FCC. From 1987 to 1994, Mr. Fowler was Senior Communications Counsel at Latham & Watkins, a law firm, and of counsel from 1994 to 2000. From 1991 to 1994, he was the founder, Chairman and Chief Executive Officer of PowerFone Holdings Inc., a telecommunications company. From 1994 to 2000 he was a founder and chairman of UniSite, Inc., a developer of antenna sites for use by multiple wireless operators. From 1999 to date Mr. Fowler has served as a director of Pac-West Telecomm, Inc., a competitive local exchange carrier. From 1999 to date, Mr. Fowler has served as a director of Beasley Broadcast Group, a radio broadcasting company. Mr. Fowler is also a founder and serves as Chairman of the Board of Directors of AssureSat, Inc., a provider of telecommunications satellite backup services.

KEVIN D. GRIFFO. Mr. Griffo has served as the Company's Executive Vice President - Sales and Marketing since March 2000. Prior to joining the Company, Mr. Griffo was the President and Chief Operating Officer of Access One. Mr. Griffo was also employed by AMNEX from January 1995 to December 1997, holding various positions, including Chief Operating Officer and President of AMNEX's Telecommunications Division.

ALOYSIUS T. LAWN, IV. Mr. Lawn joined the Company in January 1996 and currently serves as Executive Vice President - General Counsel and Secretary. Prior to joining the Company, from 1985 through 1995, Mr. Lawn was an attorney in private practice. Mr. Lawn is a director of Stonepath Group, Inc., a global, integrated logistics services organization.

ARTHUR J. MARKS. Mr. Marks has been a director of the Company since August 1999. He is currently a general partner of Valhalla Partners, a private equity fund. From 1984 through 2001, Mr. Marks was a General Partner of New Enterprise Associates, a private equity fund that invests in early stage companies in information technology and medical and life sciences. Mr. Marks serves as a director of two publicly traded software companies, Mobius Management Systems and Progress Software Corp., as well as one publicly traded communications equipment company, Advanced Switching Communications. He is also a director of a number of privately held companies.

EDWARD B. MEYERCORD, III. Mr. Meyercord currently serves as the President, Treasurer and Director of the Company. Mr. Meyercord was elected to the Board of Directors and President of the Company in May 2001. He served as Chief Financial Officer of the Company between August 1999 and December 2001 and Chief Operating Officer of the Company between January 2000 and May 2001. He joined the Company in September of 1996 as the Executive Vice President, Marketing and Corporate Development. Prior to joining the Company, Mr. Meyercord served as Vice President in the Global Telecommunications Corporate Finance Group at Salomon Brothers, Inc., based in New York and prior to Salomon Brothers he worked in the corporate finance department at Paine Webber Incorporated.

RONALD R. THOMA. Mr. Thoma is currently a business consultant, having retired in early 2000 as an Executive Vice President of Crown Cork and Seal Company, Inc., a manufacturer of packaging products, where he had been employed since 1955. Mr. Thoma has served as a director of the Company since 1995.

GEORGE VINALL. Mr. Vinall joined the Company in January of 1999 as Executive Vice President - Business Development. Prior to joining the Company, he served as President of International Protocol LLC, a telecommunication consulting business, as General Manager of Cable & Wireless Internet Exchange, an international Internet service provider, and as Vice President, Regulatory & Government Affairs of Cable and Wireless North America, a telecommunication provider.

THOMAS M. WALSH. Mr. Walsh joined the Company in September of 2000 as Senior Vice President - Finance. Before joining the Company, he served as a director at Comcast Cellular Communications, a telecommunications company, from 1996 to 1999, and Regional Controller of Southwestern Mobil Systems, a successor corporation, from 1999 to 2000. Prior to Comcast Cellular Communications he worked for Call Technology Corporation, a telecommunications company, where he was responsible for all finance and accounting functions as Chief Financial Officer. Prior to his tenure with Call Technology Corporation, Mr. Walsh served as Audit Manager for Ernst & Young. Mr. Walsh is a Certified Public Accountant.

DAVID G. ZAHKA. Mr. Zahka joined the Company in December of 2001 as Chief Financial Officer. Before joining the Company, he spent more than 15 years with PaineWebber Incorporated, and its successor UBS Warburg, where he served most recently as Executive Director of the Financial Sponsors Group. At PaineWebber, Mr. Zahka also served as Senior Vice President of Debt Capital Markets and First Vice President of the Utility Finance Group.

COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

Under Section 16(a) of the Securities Exchange Act of 1934, as amended, the Company's directors and certain officers and persons who are the beneficial owners of more than 10 percent of the Common Stock of the Company are required to report their ownership of the Common Stock, options and certain related securities and any changes in that ownership to the SEC. Specific due dates for these reports have been established, and the Company is required to report any failure to file by such dates in 2001. The Company believes that all of the required filings have been made in a timely manner, except that, due solely to an administrative error by the Company, one transaction by Mr. Fowler was not reported timely. In making this statement, the Company has relied on copies of the reporting forms received by it.

ITEM 11. EXECUTIVE COMPENSATION.

The following table sets forth information for the fiscal years ended December 31, 2001, 2000 and 1999 as to the compensation for services rendered paid by the Company to the Chief Executive Officer and to the four other most highly compensated executive officers of the Company whose annual salary and bonus exceeded $100,000.

Summary Compensation Table

	ANNUAL COMPENSATION			LONG TERM COMPENSATION
NAME AND PRINCIPAL POSITION	YEAR	SALARY (1)	BONUS (1)	SECURITIES UNDERLYING OPTIONS/SARS
Gabriel Battista, Chairman of the Board of Directors, Chief Executive Officer and Director	2001	--(2)	--	--
	2000	--(2)	$ 50,000	500,000(3)
	1999	$1,500,000(2)	$ 750,000	--
Edward B. Meyercord, III, President, Director and Treasurer	2001	$ 300,000	--	--
	2000	$ 298,000	$ 30,000	350,000(3)
	1999	$ 225,385	$ 150,000	450,000(4)(9)
Aloysius T. Lawn, IV, Executive Vice President - General Counsel and Secretary	2001	$ 275,000	--	--
	2000	$ 260,500	$ 27,500	312,500(3)
	1999	$ 233,269	$ 150,000	210,000(4)(9)
Kevin Griffo, Executive Vice President - Sales and Marketing	2001	$ 250,000	$ 16,667(7)	--
	2000	$ 247,345(5)	$ 41,667(7)	1,563,114(3)(8)(9)
	1999	$ 131,885(6)	--	57,143 (6)
George Vinall, Executive Vice President - Business Development	2001	$ 250,000	--	--
	2000	$ 248,000	$ 25,000	245,000(3)
	1999	$ 200,000	$ 150,000	--

(1) The costs of certain benefits not properly categorized as salary or benefits are not included because they did not exceed, in the case of any executive officer named in the table, the lesser of $50,000 or 10% of the total annual salary and bonus reported in the above table.

(2) Under his employment agreement with the Company, Mr. Battista is entitled to a minimum annual salary of $500,000. Mr. Battista's salary shown for 1999 includes, in addition to the $500,000 annual base salary for 1999, $1,000,000 representing a prepayment of $500,000 in salary for each of the years 2000 and 2001 as provided in Mr. Battista's employment agreement with the Company. Therefore, no salary was paid to Mr. Battista in 2001.

(3) Options to purchase the Company's common stock. The options granted to Messrs. Battista, Meyercord, Lawn, Griffo and Vinall were granted under the Company's 2000 Long Term Incentive Plan. In 2000, Mr. Battista was granted (i) options to purchase 250,000 shares of the Company's common stock at an exercise price of $2.00 per share that vest in five years and (ii) options to purchase 250,000 shares of the Company's common stock at an exercise price of $4.75 per share that vest over three years. In 2000, Mr. Meyercord was granted (i) options to purchase 150,000 shares of the Company's common stock at an exercise price of $2.00 per share that vest in five years and (ii) options to purchase 200,000 shares of the Company's common stock at an exercise price of $4.75 per share that vest over three years. In 2000, Mr. Lawn was granted (i) options to purchase 137,500 shares of the Company's common stock at an exercise price of $2.00 per share that vest in five years, (ii) options to purchase 50,000 shares of the Company's common stock at an exercise price of $2.31 half of which vested upon grant and the remainder of which vested six months thereafter and (iii) options to purchase 125,000 shares of the Company's common stock at an exercise price of $4.75 per share that vest over three years. In 2000, Mr. Griffo was granted (i) options to purchase 125,000 shares of the Company's common stock at an exercise price of $2.00 per share that vest

in five years and (ii) options to purchase 105,000 shares of the Company's common stock at an exercise price of $4.75 per share that vest over three years. In 2000, Mr. Vinall was granted (i) options to purchase 125,000 shares of the Company's common stock at an exercise price of $2.00 per share that vest in five years and (ii) options to purchase 120,00 shares of the Company's common stock at an exercise price of $4.75 per share that vested upon grant. Each of the employment agreements for Messrs. Battista, Meyercord, Lawn, Griffo and Vinall provide for immediate vesting of options in event of a "change of control" (as defined in such agreements).

(4) Options to purchase the Company's common stock. The options granted to Messrs. Meyercord and Lawn were granted under the Company's 1998 Long Term Incentive Plan. In 1999, Mr. Meyercord was granted options that vest over three years to purchase 450,000 shares of the Company's common stock at an exercise price of $15.94 per share. In 1999, Mr. Lawn was granted options that vest over three years to purchase 210,000 shares of the Company's common stock at an exercise price of $9.88 per share.

(5) Mr. Griffo commenced his employment with the Company in March, 2000. Prior to that time he was President and Chief Operating Officer of Access One. On August 9, 2000 a wholly owned subsidiary of the Company merged with and into Access One. The amount includes amounts paid to Mr. Griffo by Access One prior to his commencement of employment with the Company.

(6) These amounts were paid to Mr. Griffo by Access One where he was President and Chief Operating Officer.

(7) A portion of this bonus was paid in shares of Access One (which was subsequently converted into shares of the Company common stock pursuant to the merger of Access One and a wholly owned subsidiary of the Company), which vest over three years and were valued at the then fair market value at the time of grant.

(8) Options to purchase the Company's common stock. In connection with his hiring by the Company in 2000, Mr. Griffo was granted options that vest over two years to purchase 1,300,000 shares of the Company's common stock at an exercise price of $13.69 per share. Mr. Griffo was also granted options to purchase 33,114 shares of the Company's common stock in 2000 that were granted under the 1997 and 1999 Access One Stock Option Plans, which plans were assumed by the Company pursuant to the terms of Access One's acquisition by the Company.

(9) Messrs. Meyercord, Lawn, and Griffo offered the following options to purchase the Company's common stock for exchange pursuant to the Company's Options Exchange Offer (described in "STOCK OPTIONS GRANT" below, which options are expected to be reissued on or after April 5, 2002: 450,000, 210,000, and 1,300,000, respectively.

STOCK OPTION GRANTS

On August 29, 2002, the Company commenced a voluntary stock option exchange program (the "Options Exchange Offer") to certain eligible employees of the Company, which included the executive officers named in the Summary Compensation Table above. Under the program, eligible employees were given the option to cancel each outstanding stock option previously granted to them at an exercise price greater than or equal to $5.50 per share, in exchange for a new option to buy shares of the Company's common stock to be granted on or after April 5, 2002, six months and one day from October 4, 2001, the date the old options were cancelled. The exercise price of these new options will be equal to the fair market value of the Company's common stock on the date of grant. In total, 5.8 million stock options were initially cancelled as a result of this program.

Other than as discussed above, the Company granted no options to purchase common stock of the Company during the fiscal year ended December 31, 2001 to the executive officers named in the Summary Compensation Table, above. Further, none of the executive officers named in the Summary Compensation Table above acquired any shares of the Company upon the exercise of options in 2001. On December 31, 2001, the exercise prices of all of the vested options to purchase shares of the Company held by each of the executive officers named in the Summary Compensation Table were above the then market price for the Company's shares.

EMPLOYMENT CONTRACTS

Gabriel Battista is party to an employment agreement with the Company, dated as of November 13, 1998, that was amended as of March 28, 2001 and now expires on December 31, 2004. Under the terms of the agreement, as amended, Mr. Battista received a signing bonus of $3,000,000 at the time of the original agreement and is entitled to a minimum annual base salary of $500,000, plus a discretionary bonus. The initial three years of salary under the original agreement were paid in advance. Mr. Battista is also entitled to other benefits and perquisites. In addition, upon execution of the original agreement in 1998, Mr. Battista was granted options that vested over three years to purchase 1,000,000 shares of the Company common stock at an exercise price of $10.44 per share, and options that vested immediately upon execution of the agreement to purchase an additional 650,000 shares at an exercise price of $7.00 per share.

In the event of certain transactions (including an acquisition of the Company's assets, a merger into another entity or a transaction that results in the Company common stock no longer being required to be registered under the Securities Exchange Act of 1934), Mr. Battista will receive an additional bonus of $1,000,000 if the price per share for the Company common stock in such transaction was less than or equal to $20.00 per share, or $3,000,000 if the consideration is greater than $20.00 per share.

Edward B. Meyercord, III entered into a three-year employment agreement with the Company effective as of March 26, 2001. Commencing in 2002, under the contract, Mr. Meyercord is entitled to a minimum annual base salary of $350,000 and certain other perquisites made generally available by the Company to its senior executive officers.

Aloysius T. Lawn, IV entered into a three-year employment agreement with the Company effective as of March 26, 2001. Under the contract, Mr. Lawn is entitled to a minimum annual base salary of $275,000 and certain other perquisites made generally available by the Company to its senior executive officers.

George Vinall is party to an employment agreement with the Company that was amended as of March 28, 2001 and now expires on December 28, 2004. Under the contract, as amended, Mr. Vinall is entitled to a minimum annual base salary of $250,000 and certain other perquisites made available by the Company to its senior executive officers. In connection with the original agreement, Mr. Vinall was granted an option to purchase 240,000 shares of the Company common stock at an exercise price of $8.56 per share.

Kevin Griffo entered into a three-year employment agreement with the Company effective as of March 24, 2000 that was amended as of March 28, 2001. Under the contract, Mr. Griffo is entitled to a minimum annual base salary of $250,000 and certain other perquisites made available by the Company to its senior executive officers. In addition, upon execution of the agreement, Mr. Griffo was granted options that vest over three years to purchase 1,300,000 shares of the Company common stock at an exercise price of $13.69 per share

Each of the employment agreements for Messrs. Battista, Meyercord, Lawn, Vinall and Griffo provide for immediate vesting of options in event of a "change of control" (as defined in the agreements) of the Company and provide for severance benefits in the event employment is terminated by the Company without cause prior to the end of the term and for a certain period beyond the end of the term in the event of a "change of control." The severance benefits are generally the payment of an amount equal to two years' base salary plus the average annual incentive bonus earned by the executive in the preceding four years, as well as the continuation of various employee benefits for two years.

Each of the above-described agreements requires the executive to maintain the confidentiality of Company information and assign any inventions to the Company. In addition, each of the executive officers has agreed that he will not compete with the Company by engaging in any capacity in any business that is competitive with the business of the Company during the term of his respective agreement and thereafter for specified periods.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

None.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The following table sets forth certain information known to the Company with respect to beneficial ownership of the Company common stock as of March 29, 2002 (except as otherwise noted) by (i) each stockholder who is known by the Company to own beneficially more than five percent of the outstanding common stock, (ii) each of the Company's directors and nominees for director, (iii) each of the executive officers named below and (iv) all current directors and executive officers of the Company as a group. Except as otherwise indicated below, the Company believes that the beneficial owners of the common stock listed below have sole investment and voting power with respect to such shares.

NAME OF BENEFICIAL OWNER OR IDENTITY OF GROUP	NUMBER OF SHARES BENEFICIALLY OWNED (1)	PERCENT OF SHARES BENEFICIALLY OWNED
Legg Mason, Inc. 100 Light Street P. O. Box 1476 Baltimore, MD 21203	5,631,545 (3)	6.9%
AOL Time Warner Inc. 75 Rockefeller Plaza New York, NY 10019	7,200,000 (2)	8.8%
Paul Rosenberg 650 N. E. 5th Avenue Boca Raton, Fl 33432	5,759,985 (4)	7.1%
Gabriel Battista	1,833,334 (5)	2.2%
Mark S. Fowler	216,023 (5)	*
Arthur J. Marks	154,999 (5)	*
Edward B. Meyercord, III	497,797 (5)	*
Ronald R. Thoma	87,934 (5)	*
Kevin Griffo	2,063,828 (5)	2.5%
Aloysius T. Lawn, IV	390,317 (5)	*
George Vinall	360,000 (5)	*
All directors and executive officers as a group (12 persons)	6,020,538 (5)	6.9%

* Less than 1%

(1) The securities "beneficially owned" by a person are determined in accordance with the definition of "beneficial ownership" set forth in the regulations of the SEC and, accordingly, may include securities owned by or for, among others, the spouse, children or certain other relatives of such person. The same shares may be beneficially owned by more than one person. Beneficial ownership may be disclaimed as to certain of the securities.

(2) The foregoing information is derived from the Schedule 13G filed by AOL Time Warner Inc. on February 13, 2002.

(3) Includes 5,574,200 shares of the Company common stock beneficially owned by LMM, LLC, and 57,345 shares beneficially owned by Legg Mason Wood Walker, Inc., according to a Schedule 13G filed by Legg Mason Wood Walker, Inc. on February 14, 2002.

(4) The foregoing information is derived from the Schedule 13D/A filed by Paul Rosenberg, the Rosenberg Family Limited Partnership, PBR, Inc. and the New Millennium Charitable Foundation on February 12, 1999.

(5) Includes shares of the Company common stock that could be acquired upon exercise of options exercisable within 60 days after March 29, 2002 and that have been tendered for exchange and cancelled pursuant to the Company's Option Exchange Offer on the assumption that the new options will be exchanged therefore. Includes shares of Company common stock that could be acquired upon exercise of options exercisable within sixty (60) days after March 29, 2002 as follows: Gabriel Battista-1,733,334; Edward B. Meyercord III-366,667; Aloysius T. Lawn IV-301,667; Kevin Griffo-1,882,400; and George Vinall-360,000.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Not applicable

ITEM 14. EXHIBITS AND REPORTS ON FORM 8-K

(a) The following documents are filed as part of this Annual Report on Form 10-K.

1. Consolidated Financial Statements:

The Consolidated Financial Statements filed as part of this Form 10-K are listed in the "Index to Consolidated Financial Statements" in Item 8.

2. Consolidated Financial Statement Schedule:

The Consolidated Financial Statement Schedule filed as part of this report is listed in the "Index to S-X Schedule."

Schedules other than those listed in the accompanying Index to S-X Schedule are omitted for the reason that they are either not required, not applicable or the required information is included in the Consolidated Financial Statements or notes thereto.

TALK AMERICA HOLDINGS, INC. AND SUBSIDIARIES

INDEX TO S-X SCHEDULE

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors
And Stockholders of Talk America Holdings, Inc.:

The audit referred to in our report dated February 7, 2000, relating to the consolidated financial statements of Talk America Holdings, Inc. (formerly Talk.com Inc.) and subsidiaries, which is contained in Item 8 of this Form 10-k, included the audit of the financial statement schedule listed in the accompanying index for the year ended December 31, 1999. This financial statement schedule is the responsibility of management. Our responsibility is to express an opinion on this schedule based on our audit.

In our opinion, the financial statement Schedule II - Valuation and Qualifying Accounts, presents fairly, in all material respects, the information set forth therein.

BDO Seidman, LLP

New York, New York
February 7, 2000

SCHEDULE II -- VALUATION AND QUALIFYING ACCOUNTS
(IN THOUSANDS)

DESCRIPTION DEDUCTIONS	BALANCE AT BEGINNING OF PERIOD	ADDITIONS CHARGED TO COSTS AND EXPENSES	DEDUCTIONS FOR WRITE-OFFS	BALANCE AT END OF PERIOD
YEAR ENDED DECEMBER 31, 2001:				
Reserve and allowances deducted from asset accounts:				
Allowance for uncollectible accounts	$ 29,429	$ 92,778	$ (75,803)	$ 46,404
YEAR ENDED DECEMBER 31, 2000:				
Reserve and allowances deducted from asset accounts:				
Allowance for uncollectible accounts	$ 5,021	$ 53,772	$ (29,334)	$ 29,459
YEAR ENDED DECEMBER 31, 1999:				
Reserve and allowances deducted from asset accounts:				
Allowance for uncollectible accounts	$ 1,669	$ 28,250	$ (24,898)	$ 5,021

(3) EXHIBITS

Exhibit Number	Description
3.1	Bylaws of the Company (incorporated by reference to Exhibit 3.2 to the Company's registration statement on Form S-1 (File No. 33-94940)).
3.2	Certificate of Designation of Series A Junior Participating Preferred Stock of Company dated August 27, 1999 (incorporated by reference to Exhibit A to Exhibit 1 to the Company's registration statement on Form 8-A (File No. 000-26728)).
3.3	Composite form of Amended and Restated Certificate of Incorporation of the Company, as amended through April 6, 2001 (incorporated by reference to Exhibit 3.1 to the Company's quarterly report on Form 10-Q, dated May 14, 2001).
4.1	Specimen of Talk.com Inc. common stock certificate (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-4 (File No. 333-40980)).
4.2	Form of Warrant Agreement for Elec Communications, Kenneth Baritz, Joel Dupre, Keith Minella, Rafael Scolari, and William Rogers dated August 9, 2000 (incorporated by reference to Exhibit 4.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 2000).
4.3	Form of Warrant Agreement for MCG Credit Corporation dated August 9, 2000 (incorporated by reference to Exhibit 4.3 to the Company's Annual Report on Form 10-K for the year ended December 31, 2000).
4.4	Form of Warrant Agreement for MCG Credit Corporation dated October 20, 2000 (incorporated by reference to Exhibit 4.4 to the Company's Annual Report on Form 10-K for the year ended December 31, 2000).
4.5	Form of Warrant Agreement for MCG Finance Corporation dated October 20, 2000 (incorporated by reference to Exhibit 4.5 to the Company's Annual Report on Form 10-K for the year ended December 31, 2000).
10.1	Employment Agreement between the Company and Aloysius T. Lawn, IV dated March 28, 2001 (incorporated by reference to Exhibit 10.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2000).*
10.2	Employment Agreement between the Company and Edward B. Meyercord, III dated March 28, 2001 (incorporated by reference to Exhibit 10.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 2000).*
10.3	Indemnification Agreement between the Company and Aloysius T. Lawn, IV dated March 28, 2001(incorporated by reference to Exhibit 10.3 to the Company's Annual Report on Form 10-K for the year ended December 31, 2000). *
10.4	Indemnification Agreement between the Company and Edward B. Meyercord, III (incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1996). *
10.5	Tel-Save Holdings, Inc. 1995 Employee Stock Option Plan (incorporated by reference to Exhibit 10.15 to the Company's registration statement on Form S-1 (File No. 33-94940)).*

10.6 Telecommunications Marketing Agreement by and among the Company, Tel-Save, Inc. and America Online, Inc., dated February 22, 1997 (incorporated by reference to Exhibit 10.32 to the Company's Form 10-K for the year ended December 31, 1996).+

10.7 Amendment No. 1, dated as of January 25, 1998, to the Telecommunications Marketing Agreement dated as of February 22, 1997 by and among the Company, Tel-Save, Inc. and America Online, Inc. (incorporated by reference to Exhibit 10.31 to the Company's Form 10-K for the year ended December 31, 1997).+

10.8 Amendment No. 2, dated May 14, 1998, among the Company, Tel-Save, Inc. and America Online, Inc., which amends that certain Telecommunications Marketing Agreement, dated as of February 22, 1997, as corrected and amended by letter, dated April 23, 1997, and amended by an Amendment No. 1, dated January 25, 1998 (incorporated by reference to Exhibit 10.1 to the Company's quarterly report on Form 10-Q, dated August 14, 1998).+

10.9 Amendment No. 3, effective as of October 1, 1998, among the Company, Tel-Save, Inc. and America Online, Inc., which amends that certain Telecommunications Marketing Agreement, dated as of February 22, 1997, as corrected and amended by letter, dated April 23, 1997, and amended by an Amendment No. 1, dated January 25, 1998, and an Amendment No. 2, dated May 14, 1998 (incorporated by reference to Exhibit 10.22 to the Company's Annual Report on Form 10-K for the year ended December 31, 1998).+

10.10 Amendment No. 4, effective as of June 30, 2000, among the Company, Talk.com Holding Corp. and America Online, Inc., which amends that certain Telecommunications Marketing Agreement, dated as of February 22, 1997, as corrected and amended by letter, dated April 23, 1997, and amended by an Amendment No. 1, dated January 25, 1998, an Amendment No. 2, dated May 14, 1998, and an Amendment No. 3, effective October 1, 1998 (incorporated by reference to Exhibit 10.1 to Talk.com's Quarterly Report on Form 10-Q dated August 14, 2000).+

10.11 Amendment No. 5, effective as of August 1, 2000, among the Company, Talk.com Holding Corp. and America Online, Inc., which amends that certain Telecommunications Marketing Agreement, dated as of February 22, 1997, as corrected and amended by letter, dated April 23, 1997, and amended by an Amendment No. 1, dated January 25, 1998, an Amendment No. 2, dated May 14, 1998, an Amendment No. 3, effective October 1, 1998, and an Amendment No. 4, effective June 30, 2000 (incorporated by reference to Exhibit 10.3 to Talk.com's Quarterly Report on Form 10-Q dated August 14, 2000).+

10.12 Amendment No. 6, effective as of September 19, 2001, among Talk America Inc., the Company and America Online, Inc. which amends that certain Telecommunications Marketing Agreement, dated as of February 22, 1997, as corrected and amended by letter, dated April 23, 1997, and amended by an Amendment No. 1, dated January 25, 1998, an Amendment No. 2, dated May 14, 1998, an Amendment No. 3, effective October 1, 1998, an Amendment No. 4, effective June 30, 2000, and an Amendment No. 5, effective August 1, 2000 (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed on September 24, 2001).

10.13 Letter dated August 25, 1999 from America Online, Inc. to the Company (incorporated by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K dated August 27, 1999).

10.14 Indenture dated as of September 9, 1997 between the Company and First Trust of New York, N.A. (incorporated by reference to Exhibit 4.3 to the Company's registration statement on Form S-3 (File No. 333-39787)).

10.15 Indenture dated as of December 10, 1997 between the Company and First Trust of New York, N.A. (incorporated by reference to Exhibit 10.34 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997).

10.16 Employment Agreement, dated as of November 13, 1998, between the Company and Gabriel Battista (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated January 20, 1999).*

10.17 Amendment to Employment Agreement, dated March 28, 2001, between the Company and Gabriel Battista (incorporated by reference to Exhibit 10.16 to the Company's Annual Report on Form 10-K for the year ended December 31, 2000).*

10.18 Indemnification Agreement, dated as of December 28, 1998, between the Company and Gabriel Battista (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated January 20, 1999). *

10.19 Stock Option Agreement, dated as of November 13, 1998, between the Company and Gabriel Battista (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K dated January 20, 1999).*

10.20 Stock Option Agreement, dated as of November 13, 1998, between the Company and Gabriel Battista (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K dated January 20, 1999).*

10.21 1998 Long-Term Incentive Plan of the Company (incorporated by reference to Exhibit 10.14 to the Company's Current Report on Form 8-K dated January 20, 1999).*

10.22 Investment Agreement, dated as of December 31, 1998, as amended on February 22, 1999, among the Company, America Online, Inc., and, solely for purposes of Sections 4.5, 4.6 and 7.3(g) thereof, Daniel Borislow, and solely for purposes of Section 4.12 thereof, Tel-Save, Inc. and the D&K Retained Annuity Trust dated June 15, 1998 by Mark Pavol, Trustee (incorporated by reference to Exhibit 10.41 to the Company's Annual Report on Form 10-K for the year ended December 31, 1998).

10.23 Employment Agreement between the Company and Kevin Griffo dated March 24, 2000 (incorporated by reference to Exhibit 10.7 to the Company's Registration Statement in Form S-4 (File No. 333-40980)).*

10.24 Form of Indemnification Agreement, dated as of January 5, 1999, for George Vinall (incorporated by reference to Exhibit 10.50 to the Company's Annual Report on Form 10-K for the year ended December 31, 1998). *

10.25 Form of Non-Qualified Stock Option Agreement, dated as of December 16, 1998, for George Vinall, (incorporated by reference to Exhibit 10.51 to the Company's Annual Report on Form 10-K for the year ended December 31, 1998).*

10.26 2000 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.31 to the Company's Registration Statement on Form S-4 (No. 333-40980)). *

10.27 Form of Non-Qualified Stock Option Agreement, dated December 12, 2000, for each of Gabriel Battista, Kevin Griffo, Aloysius T. Lawn IV, Edward B. Meyercord, III, and George Vinall (incorporated by reference to Exhibit 10.40 to the Company's Annual Report on Form 10-K for the year ended December 31, 2000).*

10.28 Employment Agreement, dated as of December 16, 1998, between the Company and George Vinall (incorporated by reference to Exhibit 10.62 to the Company's Annual Report on Form 10-K for the year ended December 31, 1998).*

10.29 Rights Agreement dated as of August 19, 1999 by and between the Company and First City Transfer Company, as Rights Agent (incorporated by reference to Exhibit 1 to the Company's registration statement on Form 8-A (File No. 000-26728)).

10.30 Interconnect Agreement between BellSouth and The Other Phone Company (incorporated by reference to Exhibit 10.47 to the Company's Registration Statement in Form S-4 (File No. 333-40980)).

10.31 Agreement between Talk.com Holding Corp. and BellSouth Telecommunications, Inc., dated May 22, 2000 (incorporated by reference to Exhibit 10.46 to the Company's Annual Report on Form 10-K for the year ended December 31, 2000).

10.32 Amendment to Interconnection Agreement between Talk.com Holding Corp. and BellSouth Telecommunications, Inc., dated December 26, 2000 (incorporated by reference to Exhibit 10.47 to the Company's Annual Report on Form 10-K for the year ended December 31, 2000).

10.33 Credit Facility Agreement, among Talk.com Holding Corp., Access One Communications Corp. and certain of their direct and indirect subsidiaries and MCG Finance Corporation dated as of October 20, 2000 (incorporated by reference to Exhibit 10.4 to Talk.com's Quarterly Report of Form 10-Q dated November 14, 2000).

10.34 Guaranty between the Company and MCG Finance Corporation, dated as of October 20, 2000 (incorporated by reference to Exhibit 10.5 to Talk.com's Quarterly Report of Form 10-Q dated November 14, 2000).

10.35 Consulting Agreement dated as of July 5, 2000 between MCG Credit Corporation and Access One Communications Corp. (incorporated by reference to Exhibit 10.55 to the Company's Registration Statement in Form S-4 (File No. 333-40980)).

10.36 Employment Agreement by and between Thomas M. Walsh and the Company dated as of August 7, 2000 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q dated November 14, 2000).*

10.37 Indemnification Agreement by and between Thomas M. Walsh and the Company dated as of August 7, 2000 (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q dated November 14, 2000).*

10.38 Non-Qualified Stock Option Agreement by and Thomas M. Walsh and the Company dated as of August 7, 2000 (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q dated November 14, 2000).*

10.39 Lease by and between Talk.com Holding Corp. and University Science Center, Inc. dated April 10, 2000 (incorporated by reference to Exhibit 10.54 to the Company's Annual Report on Form 10-K for the year ended December 31, 2000).

10.40 Lease by and between The Other Phone Company, dba Access One Communications and University Science Center, Inc. dated December 8, 1999 (incorporated by reference to Exhibit 10.55 to the Company's Annual Report on Form 10-K for the year ended December 31, 2000).

10.41 Letter dated August 2, 2000 from America Online, Inc. to the Company (incorporated by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K dated August 3, 2000).

10.42 Restated Access One Communications Corp. 1997 Stock Option Plan (incorporated by reference to Exhibit 4.2 to the Company's registration statement on Form S-8 (File No. 333-52166).*

10.43 Restated Access One Communications Corp. 1999 Stock Option Plan (incorporated by reference to Exhibit 4.3 to the Company's registration statement on Form S-8 (File No. 333-52166).*

10.44 Amendment to Employment Agreement for Kevin Griffo dated March 28, 2001 (incorporated by reference to Exhibit 10.60 to the Company's Annual Report on Form 10-K for the year ended December 31, 2000).*

10.45 Amendment to Employment Agreement for George Vinall dated March 28, 2001 (incorporated by reference to Exhibit 10.61 to the Company's Annual Report on Form 10-K for the year ended December 31, 2000.*

10.46 Second Amendment to Investment Agreement dated as of August 2, 2000 between the Company and America Online, Inc. (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K dated August 3, 2000).

10.47 Employment Agreement between the Company and Jeffrey Earhart dated October 2, 2001 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q dated November 14, 2001).*

10.48 Employment Agreement between the Company and Warren Brasselle dated March 8, 2000 (incorporated by reference to Exhibit 10.48 to the Company's Annual Report on Form 10-K for the year ended December 31, 2001).*

10.49 Form of Non-Qualified Stock Option Agreement, dated as of March 24, 2000, for Kevin Griffo (incorporated by reference to Exhibit 10.49 to the Company's Annual Report on Form 10-K for the year ended December 31, 2001).*

10.50 Restructuring and Note Agreement, dated as of September 19, 2001, between the Company and America Online, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 24, 2001).

10.51 Registration Rights Agreement, dated as of September 19, 2001, between the Company and America Online, Inc. (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on September 24, 2001).

10.52 Security and Pledge Agreement, dated as of September 19, 2001, among the Company as Grantor, and State Street Bank and Trust Company, N.A., as collateral agent on behalf of America Online, Inc. and America Online, Inc. (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on September 24, 2001).

10.53 Master Subsidiary Guarantee, Security Agreement Collateral Assignment and Equity Pledge, dated as of September 19, 2001, among certain subsidiaries of the Company as Grantors, State Street Bank and Trust Company, N.A., as Collateral Agent on behalf of America Online, Inc., and America Online, Inc. (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on September 24, 2001).

10.54 Intercreditor Agreement, dated as of September 19, 2001, between MCG Finance Corporation, as collateral agent for certain MCG Lenders (as defined therein) and State Street Bank and Trust Company, N.A., as collateral agent (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on September 24, 2001).

10.55 Consent and Amendment to Talk.com Loan Documents, dated as of August 10, 2001 by and among Talk America Inc., Access One Communications Corp., the Company, MCG Finance Corporation and MCG Capital Corporation (incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K filed on September 24, 2001).

10.56 Consent and Amendment to Talk.com Loan Documents, dated as of September 19, 2001 by and among Talk America Inc., Access One Communications Corp., the Company, MCG Finance Corporation and MCG Capital Corporation (incorporated by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K filed on September 24, 2001).

10.57 First Amendment, dated as of September 19, 2001, to the Rights Agreement dated as of August 19, 1999, by and between Talk America Holdings, Inc. and First City Transfer Company, as Rights Agent (incorporated by reference to Exhibit 10.9 to the Company's Current Report on Form 8-K filed on September 24, 2001).

.10.58 Letter Agreement between America Online, Inc. and the Company dated February 21, 2002 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 21, 2002).

10.59 Amendment Number Three to Talk.com Loan Documents, dated as of February 12, 2002, among the Company, Talk America Inc., Access One Communications Corporation, each other Borrower under and as defined in the Credit Agreement (referenced therein), Lenders that are parties thereto, and MCG Capital Corporation (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on February 21, 2002).

10.60 Amended and Restated Consulting Agreement, dated as of February 12, 2002, among the Company and MCG Capital Corporation (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on February 21, 2002).

10.61 2001 Non-Officer Long Term Incentive Plan of the Company (incorporated by reference to Exhibit 4.1 to the Company's registration statement on Form S-8 (File No. 333-74820).*

10.62 Interconnection Agreement under Sections 251 and 252 of the Telecommunications Act of 1996 dated as of July 13, 2000, between Southwestern Bell Telephone Company, Nevada Bell Telephone Company, Pacific Bell Telephone Company, Southern New England Telephone, Ameritech and Talk.com Holding Corp. (incorporated by reference to Exhibit 10.62 to the Company's Annual Report on Form 10-K for the year ended December 31, 2001).

10.63 Mi2A Amendment to the Interconnection Agreement under Section 271 of the Telecommunications Act of 1996 dated as of May 15, 2001, between Ameritech Michigan and Talk.com Holding Corp. (incorporated by reference to Exhibit 10.63 to the Company's Annual Report on Form 10-K for the year ended December 31, 2001).

10.64 Indenture of Lease by and between Woodruff Properties and Omnicall, Inc. dated August 1, 1998 (incorporated by reference to Exhibit 10.64 to the Company's Annual Report on Form 10-K for the year ended December 31, 2001).

10.65 Amendment dated February 9, 2001 to the Indenture of Lease by and between Woodruff Properties and Omnicall, Inc. dated August 1, 1998 (incorporated by reference to Exhibit 10.65 to the Company's Annual Report on Form 10-K for the year ended December 31, 2001).

10.66 Lease Agreement by and between Bridge Plaza Partnership and The Furst Group, Inc. dates as of November 4, 1998 ((incorporated by reference to Exhibit 10.66 to the Company's Annual Report on Form 10-K for the year ended December 31, 2001).

10.67 Option dated July __, 2001 to Renew the Lease Agreement by and between Bridge Plaza Partnership and The Furst Group, Inc. dates as of November 4, 1998 (incorporated by reference to Exhibit 10.67 to the Company's Annual Report on Form 10-K for the year ended December 31, 2001).

10.68 Office Lease by and between Reston Plaza I and II, LLC and Talk.com, Inc. dated as of April 28, 2000 (incorporated by reference to Exhibit 10.68 to the Company's Annual Report on Form 10-K for the year ended December 31, 2001).

10.69 Indenture dated as of April 2, 2002, between Talk America Holdings, Inc. and Wilmington Trust Company (filed herewith).

10.70 Supplemental Indenture No. 1 dated as of April 2, 2002, between Talk America Holdings, Inc. and Wilmington Trust Company, to the Indenture dated as of April 2, 2002, between Talk America Holdings, Inc. and Wilmington Trust Company (filed herewith).

10.71 Supplemental Indenture No. 2 dated as of April 2, 2002, between Talk America Holdings, Inc. and Wilmington Trust Company, to the Indenture dated as of April 2, 2002 (filed herewith).

10.72 First Supplemental Indenture dated as of April 2, 2002, between Talk America Holdings, Inc. and U.S. Bank Trust National Association, to the Indenture dated as of September 9, 1997 (filed herewith).

10.73 First Supplemental Indenture dated as of April 2, 2002, between Talk America Holdings, Inc. and U.S. Bank Trust National Association, to the Indenture dated as of December 10, 1997 (filed herewith).

10.74 Amendment Number Four to Talk.com Loan Documents dated as of April 3, 2002, between the Company, Talk America Inc., Access One Communications Corporation, each other Borrower under and as defined in the Credit Agreement (referenced therein), Lenders that are parties thereto, and MCG Capital Corporation.

21.1 Subsidiaries of the Company (incorporated by reference to Exhibit 10.49 to the Company's Annual Report on Form 10-K for the year ended December 31, 2001).

23.1 Consent of Pricewaterhouse Coopers LLP.

23.2 Consent of BDO Seidman.

* Management contract or compensatory plan or arrangement. + Confidential treatment previously has been granted for a portion of this exhibit.

(b) Reports on Form 8-K.

No Current Reports on Form 8-K were filed by the Company during the three months ended December 31, 2001.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: April 12, 2002

TALK AMERICA HOLDINGS, INC.

By: Gabriel Battista /s/

Gabriel Battista
Chairman of the Board of Directors,
Chief Executive Officer and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
Gabriel Battista /s/ --------------------------- Gabriel Battista	Chairman of the Board of Directors, Chief Executive Officer and Director (Principal Executive Officer)	April 12, 2002
David G. Zahka /s/ --------------------------- David G. Zahka	Chief Financial Officer (Principal Financial Officer)	April 12, 2002
Thomas M. Walsh /s/ --------------------------- Thomas M. Walsh	Vice President - Finance (Principal Accounting Officer)	April 12, 2002
Edward B. Meyercord III /s/ --------------------------- Edward B. Meyercord, III	President, Director and Treasurer	April 12, 2002
Mark S. Fowler /s/ --------------------------- Mark S. Fowler	Director	April 12, 2002
Arthur J. Marks /s/ --------------------------- Arthur J. Marks	Director	April 12, 2002
Ronald R. Thoma /s/ --------------------------- Ronald R. Thoma	Director	April 12, 2002

Talk America Inc.

Exhibit G

Evidence of Surety Bond

The Harleysville Insurance Companies
Harleysville, Pa. 19438

LICENSE AND/OR PERMIT BOND

KNOW ALL MEN BY THESE PRESENTS: BOND NUMBER: BBM039631

That we, TALK.COM HOLDINGS CORP.

as Principal and THE HARLEYSVILLE MUTUAL INSURANCE CO., incorporated under the laws of the State of PENNSYLVANIA, with principal office in PENNSYLVANIA, as Surety, are held and firmly bound unto THE STATE OF TENNESSEE

as Obligee, in penal sum of TWENTY THOUSAND DOLLARS Dollars, lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly, by these presents.

WHEREAS, the above bounden Principal has obtained or is about to obtain from the said Obligee a license or permit for BUSINESS IN THE STATE OF TENNESSEE

; and the term of said license or permit is as indicated opposite the block checked below:

☐ Beginning the ______ day of ______ 19___ and ending the ______ day of ______ 19___.

XX Continuous, beginning the 28th day of July ~~19~~ 2002

WHEREAS, The Principal is required by law to file with THE STATE OF TENNESSEE TENNESSEE REGULATORY AUTHORITY a bond for the above indicated term and conditioned as hereinafter set forth.

NOW THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, That if the above bounden Principal as such licensee or permittee shall indemnify said Obligee against all loss, costs, expenses or damage to it caused by said Principal's non-compliance with or breach of any laws, statutes, ordinances, rules or regulations pertaining to such license or permit issued to the Principal, which said breach or non-compliance shall occur during the term of this bond, then this obligation shall be void, otherwise to remain in full force and effect.

PROVIDED, that if this bond is for a fixed term, it may be continued by Certificate executed by the Surety hereon; and

PROVIDED FURTHER, that regardless of the number of years this bond shall continue or be continued in force and of the number of premiums that shall be payable or paid, the Surety shall not be liable hereunder for a larger amount, in the aggregate, than the amount of this bond; and

PROVIDED FURTHER, that if the Surety shall so elect, this bond may be cancelled by the Surety as to subsequent liability by giving thirty (30) days notice in writing to said Obligee.

Signed, sealed and dated the 28th day of July ~~19~~ 2002

______________________ Principal

______________________ Witness

By: ______________________ (SEAL)

HARLEYSVILLE MUTUAL INSURANCE COMPANY

______________________ Witness

By: ______________________ (SEAL)
Attorney-in-Fact
GARY H. DIX

BBM-4 (Ed. 1-91)

The Harleysville Insurance Companies
Harleysville, PA 19438

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:
The Harleysville Mutual Insurance Company, a Corporation of the Commonwealth of Pennsylvania, does hereby make, constitute and appoint William G. Dix or Gary H. Dix
Philadelphia, PA , of
its true and lawful Attorney-in-Fact, to make, execute, seal and deliver for and on its behalf, and as its act and deed, one of the following bonds:

ADMINISTRATOR, EXECUTOR, PERSONAL REPRESENTATIVE, COMMISSIONER, SALE OF REAL ESTATE, CONSERVATOR COMMITTEE, GUARDIAN, TRUSTEE UNDER WILL, TRUSTEE OR RECEIVER IN BANKRUPTCY or RECEIVER IN STATE COURT in an amount not to exceed	$500,000.00
ANY COURT BOND in an amount not to exceed	$100,000.00
ANY MISCELLANEOUS BOND in an amount not to exceed	$100,000.00
ANY LICENSE AND PERMIT BOND in an amount not to exceed	$100,000.00
ANY PUBLIC OFFICIAL BOND (EXCLUDING SCHEDULE AND BLANKET BONDS) in an amount not to exceed	$100,000.00
ANY BID, PERFORMANCE, PAYMENT AND MAINTENANCE BONDS in an amount not to exceed	$1,000,000.00

Bonds in pursuance of these presents shall be as binding upon said Company, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in Harleysville, Pennsylvania, in their own proper persons.

This appointment is made by and under the authorization of a resolution adopted by the Board of Directors of the Company on February 27, 1979 at Harleysville, Pennsylvania, which Resolution is shown on the reverse side hereof and is now in full force and effect.

IN WITNESS WHEREOF, Harleysville Mutual Insurance Company has caused these presents to be signed and its corporate seal to be hereunto affixed on October 18, 1999

(SEAL) INCORPORATED MARCH 1, 1917

HARLEYSVILLE MUTUAL INSURANCE COMPANY

Attest:

By: David K. Bond, Senior Vice President

By: Bruce C. Bassman, Executive Vice President

ACKNOWLEDGMENT

Commonwealth of Pennsylvania
County of Montgomery } ss

On October 18, 1999, before me appeared the above named officers of HARLEYSVILLE MUTUAL INSURANCE COMPANY, to me personally known, who, being by me duly sworn, did say that they are the individuals and officers described in and who executed the preceding power of attorney, and that the seal affixed to said instrument is the corporate seal of said Company, and that said instrument was signed and sealed on behalf of said Company by authority and direction of said Company, and the said officers acknowledged said instrument to be the free act and deed of said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year above written.

My Commission expires

Notarial Seal
Pamela A. Novak, Notary Public
Lower Salford Twp., Montgomery County
My Commission Expires Sept. 20, 2002

Pamela A. Novak
Notary Public of Pennsylvania

CERTIFICATION

Commonwealth of Pennsylvania
County of Montgomery } ss

I, Andrew M. Tuma, an officer of the HARLEYSVILLE MUTUAL INSURANCE COMPANY, a corporation of the Commonwealth of Pennsylvania, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by the above named officers of the said Company, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company on this 28th day of July, 2002

(SEAL)

HARLEYSVILLE MUTUAL INSURANCE COMPANY

By: Andrew M. Tuma, Assistant Vice President

CONFIRMATION: If the obligee wishes to confirm the validity of the bond attached to this power of attorney, he is invited to call Harleysville Mutual Insurance Company at 215-256-5664.

BBA-37 (Ed. 10-99)

WARNING - Any unauthorized reproduction or alteration of this document is prohibited. This power of attorney is void unless seals are readable and the certification seal at the bottom is embossed. The diagonal imprint, warning and confirmation must be in red ink.

Talk America Inc.

Exhibit H

Small Minority Owned Telecommunications Business Participation Plan

Talk America Inc.
Exhibit H
Small Minority Owned Telecommuncations Business Participation Plan

Pursuant to T.C.A. §65-5-212, as amended, Talk America Inc. submits this small and minority-owned Telecommunications business participation plan (the "Plan") along with its Application for an Amended Certificate of Public Convenience and Necessity to provide competing intrastate and local exchange services in Tennessee.

I. PURPOSE

The purpose of §65-5-212 is to provide opportunities for small and minority-owned businesses to provide goods and services to Telecommunications service providers. Talk America is committed to the goals of §65-5-212 and to taking steps to support the participation of small and minority-owned telecommunications businesses in the telecommunications industry. Talk America will endeavor to provide opportunities for small and minority-owned telecommunications businesses to compete for contracts and subcontracts for goods and services. As part of its procurement process, Talk America will make efforts to identify and inform minority-owned and small businesses that are qualified and capable of providing goods and services to Talk America of such opportunities. Talk America's representatives will contact the Department of Economics and Community Development, the administrator of the small and minority-owned telecommunications assistance program, to obtain a list of qualified vendors. Moreover, Talk America will seek to increase awareness of such opportunities so that companies not otherwise identified will have sufficient information to participate in the procurement process.

II. DEFINITIONS

As defined in §65-5-212.

Minority-Owned Business. Minority-owned business shall mean a business which is solely owned, or at least fifty-one percent (51%) of the assets or outstanding stock of which is owned, by an individual who personally manages and controls daily operations of such business, and who is impeded from normal entry into the economic mainstream because of race, religion, sex or national origin and such business has annual gross receipts of less than four million dollars ($4,000,000).

Small Business. Small business shall mean a business with annual gross receipts of less than four million dollars ($4,000,000).

III. ADMINISTRATION

Talk America's Plan will be overseen and administered by the individual named below, hereinafter referred to as the Administrator, who will be responsible for carrying out and promoting Talk America's full efforts to provide equal opportunities for small and minority-owned businesses. The Administrator of the Plan will be:

Carol Bonello
6805 Route 202
New Hope, PA 18938
Telephone: 215-862-4030
Facsimile: 215-862-1085

The Administrator's responsibilities will include:

(1) Maintaining an updated Plan in full compliance with §65-5-212 and the rules and orders of the Tennessee Regulatory Authority.

(2) Establishing and developing policies and procedures necessary for the successful implementation of the Plan.

(3) Preparing and submitting such forms as may be required by the Tennessee

Regulatory Authority, including the filing of required annual updates.

(4) Serving as the primary liaison to and cooperate with the Tennessee Regulatory Authority, other agencies of the State of Tennessee, and small and minority-owned businesses to locate and use qualified small and minority-owned businesses as defined in §65-5-212.

(5) Searching for and developing opportunities to use small and minority-owned businesses and encouraging such businesses to participate in and bid on contracts and subcontracts.

(6) Providing records and reports and cooperate in any authorized surveys as required by the Tennessee Regulatory Authority.

(7) Establishing a record-keeping system to track qualified small and minority-owned businesses and efforts to use such businesses.

(8) Providing information and educational activities to persons within Talk America and training such persons to seek out, encourage, and promote the use of small and minority-owned businesses.

In performance of these duties, the Administrator will utilize a number of resources, including:

Chambers of Commerce
The Tennessee Department of Economic and Community Development
The United States Department of Commerce
Small Business Administration
Office of Minority Business
The National Minority Supplier Development Counsel
The National Association of Women Business Owners
The National Association of Minority Contractors
Historically Black Colleges, Universities, and Minority Institutions

The efforts to promote and ensure equal opportunities for small and minority-owned businesses are primarily spelled out in the Administrator's duties above. Additional efforts to provide opportunities to small and minority-owned businesses will include offering, where appropriate and feasible, small and minority-owned businesses assistance with technical, insurance, bonding, licensing, production, and deadline requirements.

IV. RECORDS AND COMPLIANCE REPORTS

Talk America will maintain records of qualified small and minority-owned business and efforts to use the goods and services of such businesses. In addition, Talk America will maintain records of educational and training activities conducted or attended and of the internal procurement procedures adopted to support this plan.

Talk America will submit records and reports required by the Tennessee Regulatory Authority concerning the Plan. Moreover, Talk America will cooperate fully with any surveys and studies required by the Tennessee Regulatory Authority.

Talk America Inc.

By: [signature]
Name Frances McComb
Title Executive Director Regulatory Affairs

Dated: August 19, 2002

Talk America Inc.

Exhibit I

Toll Dialing Parity Plan

Talk America Inc.
Toll Dialing Parity Plan
For Tennessee

1. Purpose

The purpose of Talk America's Toll Dialing Parity Plan is to ensure that customers have the ability to select the telecommunications carrier of their choice for routing their intra-lata toll calls.

Because Talk America utilizes the underlying switching facilities of BellSouth to provide local and access services to its customers, its ability to provide intraLATA toll dialing parity and the method of providing such parity is dependent upon the switch capabilities and toll dialing parity procedures of BellSouth.

2. Implementation Date and Areas of Availability

Talk America currently has 2-PIC capability in states where it provides service, including Tennessee. Accordingly, intraLATA dialing parity has already been implemented and is available throughout Talk America's proposed Tennessee service territory. Talk America's provision of intraLATA toll dialing parity mirrors the list of exchanges that BellSouth has filed under its Plan.

3. Method of Selection Process and costs

Talk America follows the 2-PIC method available from BellSouth. With the 2-PIC methodology, customers are able to presubscribe to one telecommunications carrier for all inter-lata toll calls and presubscribe to the same or a different carrier for all intra-lata toll calls. The 2-PIC method has been available for several years, and therefore applies to both existing and new customers who have signed up or may sign up in the future for Talk America's local service. This method does not require that customers be automatically assigned to Talk America or another carrier, but rather gives the customer their choice of intraLATA toll carriers.

4. Customer Education Procedures

Talk America believes that customers have become well informed about their ability to select different carriers for their local, intraLATA, and interLATA toll services, since such choice has been now been available for many years. When customers sign up for Talk America's service, they are informed that they may choose only one carrier for each of these categories of service, and are required to separately authorize their choice of Talk America for each of these services.

5. LATA With Which Talk America Proposes to Associate.

Talk America proposes to offer service in all LATAs in which BellSouth serves as the incumbent LEC in Tennessee.

6. PIC Change Charge Waiver

Because intraLATA toll dialing parity has been available for several years, Talk America does not have plans to establish a waiver period for application of the PIC change charge.

7. Anti-slamming procedures.

Anti-Slamming Measures

Applicant complies with all presubscribed interexchange carrier change rules promulgated by the FCC and all relevant state slamming and cramming requirements. The Company employs a strict, zero-tolerance policy toward slamming, cramming, misrepresentation and any other conduct that violates any applicable law.

Talk America has implemented number of policies to ensure strict enforcement of its customer verification procedures and swift policing action of any violations of these procedures. First, Talk America remotely monitors its telemarketing staff to ensure full compliance with its established verification procedures and policies regarding the solicitation of customers and the unauthorized transfer of service. On November 1, 2000, the Company established an internal monitoring group, responsible for the remote and random monitoring of all telemarketing calls. This group of thirty (30) individuals monitors both internal and third party telemarketers on a random and anonymous basis, in order to ensure the accuracy and validity of Talk America's customer verifications and the full compliance of its telemarketers with state and federal slamming requirements. The Company affords the same scrutiny to all of its direct mail and on-line promotional campaigns.

Second, the Company has consolidated its regulatory department for purposes of reviewing and approving all sales material, including sales and verification scripts and direct mail and promotional materials, to ensure compliance with all applicable laws. To assist in this process, last Spring the Company hired a Director of Regulatory Affairs with seven (7) years experience with the Nevada PUC. The Company has established these centralized groups to ensure strict enforcement of the Company's zero-tolerance policy and to ensure uniform and expeditious Company responses to customer complaints and a heightened awareness of potential verification problems.

Third, on an ongoing basis, Talk America's regulatory department reviews its telemarketing and verification scripts to ensure full compliance with federal and state rules regarding the solicitation of customers and the unauthorized transfer of service. The Company affords the same scrutiny to all of its direct mail and on-line promotional campaigns

Fourth, the Company strictly enforces its zero tolerance policy. Any employee or independent contractor who violates Talk America's zero-tolerance policy is immediately terminated. All independent contractors (telemarketers and third party verification ("TPV") entities) have been notified of this zero-tolerance practice. All direct agents of the Company receive extensive training and monitoring in the Company's compliance procedures and have been separately notified of the zero-tolerance policy. In October, 2000, the Company terminated its relationship with its former telemarketing agent, Traffix (formerly known as Quintel Corporation) due to its belief that the agent engaged in unauthorized marketing promotions and practices. The Company currently is engaged in arbitration with Traffix over its termination and Talk America's related counter-claims.

The Applicant also has recently completed additional efforts to prevent slamming. First, it created a comprehensive sales training manual, which it has distributed to all of its telemarketing agents and employees to provide them with centralized information, including the Company's zero-tolerance policy against slamming and the complaint resolution process with which all of Talk America's sales and customer service personnel must comply. The Company's training manuals and related materials are now available to its personnel online for ease of distribution and modification. Moreover, the Company also has implemented an improved company-wide monitoring and tracking system for customer complaints, which it utilizes to adhere to the FCC's requirements for reporting the number of slamming complaints each carrier receives throughout the calendar year. This system tracks and reports the number of slamming complaints received by the Company; the number of slamming complaints investigated by the Company and found to be valid; and the number of slamming complaints involving local, intrastate and interstate interexchange services, whether investigated or not, that the Company has chosen to resolve with the customer. Prior to the completion of this system in June 2001, the Company manually tracked all slamming complaints, in full accordance with the FCC's rules.

Finally, the Applicant recently completed an internal handbook, Talk America Regulatory Department Complaint Processes and Policies, which includes the Company's slamming and cramming prevention policies and procedures.

Talk America will comply with the rules relating to slamming as indicated in Tennessee Regulatory Authority Rule 1220-4-2-. 56, Sections (2) B (19) and 1220-4-2.58, Sections (1)-(16).

8. Nondiscriminatory Access. Talk America will follow the guidelines established by BellSouth as they relate to nondiscriminatory access to telephone numbers; operator assistance; directory assistance; and directory listings.

9. Statement of Compliance. Talk America will fully comply with all rules and regulations set forth by the FCC and the TRA.

Talk America Inc.

Exhibit J

Listing of Incumbent Local Exchange Service Providers

Exhibit J

LISTING

Incumbent Local Exchange Service Providers Certificated In Tennessee (Facilities-Based)

1) Ardmore Telephone Company, Inc.
P.O. Box 549
517 Ardmore Avenue
Ardmore, TN 38449
(205) 423-2131
(205) 423-2208 (Fax)

2) BellSouth
333 Commerce Street
Nashville, TN 37201-3300
(615) 214-3800
(615) 214-8820 (Fax)

3) Century Telephone of Adamsville
P.O. Box 405
116 N. Oak Street
Adamsville, TN 38310
(901) 632-3311
(901) 632-0232 (Fax)

4) Century Telephone of Claiborne
P.O. Box 100
507 Main Street
New Tazewell, TN 37825
(423) 626-4242
(423) 626-5224 (Fax)

5) Century Telephone of Ooltewah-Collegedale, Inc.
P.O. Box 782
5616 Main Street
Ooltewah, TN 37363
(423) 238-4102
(423) 238-5699 (Fax)

LISTING

INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS
CERTIFICATED IN TENNESSEE
(FACILITIES-BASED)

6) CITIZENS COMMUNICATIONS COMPANY OF TENNESSEE
P.O. Box 770
300 Bland Street
Bluefield, WV 24701

7) CITIZENS COMMUNICATIONS COMPANY OF THE VOLUNTEER STATE
P.O. Box 770
300 Bland Street
Bluefield, WV 24701

8) LORETTO TELEPHONE COMPANY, INC.
P.O. Box 130
Loretto, TN 38469
(931) 853-4351
(931) 853-4329 (Fax)

9) MILLINGTON TELEPHONE COMPANY, INC.
P.O. Box 429
4880 Navy Road
Millington, TN 38083-0429
(901) 872-3311
(901) 873-0022 (Fax)

10) SPRINT-UNITED
112 Sixth Street
Bristol, TN 37620
(423) 968-8161
(423) 968-3148 (Fax)

11) TDS TELECOM-CONCORD TELEPHONE EXCHANGE, INC.
P.O. Box 22610
701 Concord Road
Knoxville, TN 37933-0610
(423) 966-5828
(423) 966-9000 (Fax)

LISTING
Incumbent Local Exchange Service Providers Certificated In Tennessee (Facilities-Based)

12) TDS Telecom-Humphreys County Telephone Company
P.O. Box 552
203 Long Street
New Johnsonville, TN 37134-0552
(931) 535-2200
(931) 535-3309 (Fax)

13) TDS Telecom-Tellico Telephone Company, Inc.
P.O. Box 9
102 Spence Street
Tellico Plains, TN 37385-0009
(423) 671-4600
(423) 253-7080 (Fax)

14) TDS Telecom-Tennessee Telephone Company
P.O. Box 18139
Knoxville, TN 37928-2139
(423) 922-3535
(423) 922-9515 (Fax)

15) TEC-Crockett Telephone Company, Inc.
P.O. Box 7
Friendship, TN 38034
(901) 677-8181

16) TEC-People's Telephone Company, Inc.
P.O. Box 310
Erin, TN 37061
(931) 289-4221
(931) 289-4220 (Fax)

LISTING

INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS
CERTIFICATED IN TENNESSEE
(FACILITIES-BASED)

17) TEC-WEST TENNESSEE TELEPHONE COMPANY, INC.
P.O. Box 10
244 E. Main Street
Bradford, TN 38316
(901) 742-2211
(901) 742-2212 (Fax)

18) UNITED TELEPHONE COMPANY
P.O. Box 38
120 Taylor Street
Chapel Hill, TN 37034
(931) 364-2289
(931) 364-7202 (Fax)

Talk America Inc.

Exhibit K

Statement Regarding Numbering Issues

Talk America Inc.
Exhibit K
Statement Regarding Numbering Issues

1. What is your company's expected demand for NXXs per NPA within a year of approval of your application?

Because the Applicant intends to provide service using UNE-P or resale, it uses the numbers assigned to BellSouth., and does not require its own numbering resources.

2. How many NXXs do you estimate that you will request from NANPA when you establish your service footprint?

None; see response to item 1.

3. When and in what NPA do you expect to establish your service footprint?

The Applicant's footprint will include all areas currently served by BellSouth.

4. Will the Company sequentially assign telephone numbers within NXXs?

N/A.

5. What measures does the Company intend to take to conserve Tennessee numbering resources?

N/A. See response to item 1.

6. When ordering new NXXs for growth, what percentage fill of an existing NXX does the Company utilize to determine when a request for a new NXX will be initiated?

N/A. See response to item 1.

Talk America Inc.

Exhibit L

Statement Regarding Tennessee Specific Operational Issues

Talk America Inc.
Exhibit L
Statement Regarding Tennessee Specific Operational Issues

1. How does the Company intend to comply with TCA § 65-21-114? In its description, please explain technically how the Company will not bill for countywide calls within Tennessee.

The Company utilizes a third-party database produced and distributed by CCMI that defines local calling areas, as established by the incumbent LECs, including BellSouth. CCMI is one of two major suppliers of packaged telecommunications routing data (the other supplier being Telcordia). The original source of the routing information is obtained by CCMI from the ILECs. Accordingly, to the extent that the ILECs in Tennessee comply with the county-wide calling law, the information that Talk America obtains from CCMI will likewise ensure that Talk America also routes and bills in accordance with that law.

2. Is the Company aware of the Tennessee countywide calling database?

See response to Item 1.

3. Is your company aware of the local calling areas provided by the Incumbent Local Exchange Carriers within your proposed service areas?

Yes.

4. Explain the procedures that will be implemented to assure that your customers will not be billed long distance charges for calls within the metro calling areas?

See response to item 1 above. Talk America imports the information obtained from CCMI into its routing and billing tables, which will ensure that calls are billed in accordance with the county-wide calling law and with the same billing method utilized by the underlying ILEC.

5. Does the Company intend to telemarket its services in Tennessee? If yes, is the Company aware of the telemarketing satutes and regulations found in TCA § 65-4-401 et seq. and Chapter 1220-4-11?

The Company may telemarket its services in Tennessee. It is aware of and will fully comply with the state telemarketing statutes and regulations.

Talk America Inc.

Exhibit M

Pre-Filed Testimony of Francie McComb

Exhibit M

BEFORE THE TENNESSEE REGULATORY AUTHORITY

In the matter of the Application of	)	
Talk America Inc. for Amended	)	
Authority to Provide Facilities-Based	)	Docket No.
Competing Local Telecommunications	)	
Services	)	

PRE-FILED TESTIMONY OF FRANCES MCCOMB

I, Frances McComb, do hereby testify as follows in support of the amended application of Talk America Inc. for an amended Certificate of Convenience and Necessity as a competing telecommunications services provider to provide telecommunications services throughout the State of Tennessee.

Q. Please state your full name, business address, and position.

A. My name is Frances McComb. My business address is 6805 Route 202, New Hope, Pennsylvania 18938. My telephone number is (215) 862-1517 and my facsimile number is (215) 862-1085. I hold the positions of Associate General Counsel and Executive Director of Regulatory Affairs for Talk America Inc. ("Talk America " or "the Applicant") and for its sister operating affiliate, The Other Phone Company, Inc. d/b/a Access One.

Q. Please briefly describe your duties.

A. In my capacity as Associate General Counsel and as Executive Director of Regulatory Affairs, I am responsible for providing regulatory and legal counsel to the Company, including counsel regarding advertising, human resources, and telecommunications legal and administrative issues.

Q. Please describe your business experience and educational background.

A. I joined Talk America Inc. (f/k/a Talk.com Holding Corp.) in 1999 as Associate General Counsel. Since that time I also have become Executive Director of Regulatory Affairs. Prior to this position, I worked at e4L, Inc. for approximately 4 years (formerly known as National Media

Corporation) where I held the position of Deputy General Counsel. Before that time, I worked as an Associate at Clarke, Ladner, Fortenbaugh and Young in Philadelphia, PA. I received a BA degree in 1989 from Harvard University and a law degree in 1992 from the Villanova School of Law. I am licensed to practice law in Pennsylvania and New Jersey.

Q. Are all statement's in Talk America's Application true and correct to the best of your knowledge, information and belief?

A. Yes.

Q. Please describe the current corporate structure of Talk America?

A. Talk America Inc. is a wholly-owned operating subsidiary of Talk America Holdings, Inc. Talk America Holdings, Inc. also owns The Other Phone Company, Inc. d/b/a Access One Communications, which is an affiliated operating company of Talk America. **Exhibit A** attached to the Application shows the current corporate organizational structure.

Q. Does Talk America possess the requisite managerial, financial, and technical abilities to provide the services for which it has applied for authority?

A. Yes.

Q. Please describe Talk America's financial qualifications.

A. Through its parent, Talk America Holdings, Inc., Talk America has ample resources for the successful provision of its telecommunications services. The Company's financial capabilities described in the Application and demonstrated through the financial statements provided as **Exhibit F** to the Application. These statements demonstrate that Talk America has sufficient cash flow and capital to provide facilities-based service in Tennessee.

Q. Please describe Talk America's managerial and technical qualifications.

A. The managerial capabilities of Talk America's corporate officers are summarized in **Exhibit E** to the Application and demonstrate the Applicant's ability to provide local service as a facilities-based carrier in Tennessee. Talk America currently facilities-based local services in more than 20 states, clearly demonstrating that the Applicant has both the managerial and technical capability to provide the services for which amended authority is requested.

Q. What services will Talk America offer?

A. Talk America will offer an array of wireline local exchange services, including dial tone, usage, optional calling features, directory and operator services, etc. to predominantly residential and small business customers in Tennessee.

Q. Will Talk America offer services to all consumers within its service area?

A. At this time, Talk America intends to offer service only in areas where BellSouth is the underlying incumbent local exchange. Subject to any limitations set forth in the tariffs, services will be offered to all consumers within that service area.

Q. Does Talk America plan to offer local exchange telecommunications services in areas served by incumbent local exchange companies with fewer than 100,000 total access lines?

A. No, not at this time. However, Talk America is requesting statewide authority.

Q. Will the granting of a certificate of convenience and necessity to Talk America serve the public interest?

A. Yes. As described in the Application, granting Talk America's requested amendment to its operating authority will serve the public interest by allowing the Applicant to compete more efficiently and effectively within the Tennessee local exchange market.

Q. Does Talk America intend to comply with all TRA rules, statutes, and orders pertaining to the provision of telecommunications services in Tennessee, including those for disconnection and reconnection of services?

A. Yes.

Q. Has any state ever denied Talk America or one of its affiliates authorization to provide intrastate service?

A. No.

Q. Has any state ever revoked the certificate of Talk America or one of its affiliates?

A. No.

Q. Has Talk America or one of its affiliates ever been investigated or sanctioned by any regulatory authority for service or billing irregularities?

A. The following states, through their state public service commissions or attorneys general, have conducted inquiries or investigations into service offerings, business practices, and telemarketing activities and customer complaints filed against the Talk America and/or Access One: Alabama, Arkansas, California, Illinois, Indiana, Florida, Georgia, Kansas, Mississippi, New York, North Carolina, Pennsylvania, Tennessee, Texas, West Virginia, and Wisconsin. The Company believes it has resolved or has pending settlements for all the actions with exception of New York and the Tennessee Attorney General. In some cases, the investigations have not moved forward since the Company's initial response (Arkansas, Kansas, Wisconsin, and Florida Attorney General). **Exhibit O** to the Application describes these investigations in more detail.

Q. Who is knowledgeable about Talk America's operations and will serve as Talk America's regulatory and customer service contact?

A. Sharon Thomas, Director of Regulatory Affairs, will serve as Talk America's primary regulatory contact. Her business address is 12001 Science Drive, Suite 130, Orlando, FL 32826, and email address is sthomas@talk.com. Her phone number is 407-313-1353, and fax number is 407-658-6312. Non-regulatory customer service inquiries should be directed to our customer service center, which can be reached by calling 1-800-291-9699, or writing: 2704 Alt. U.S. 19 North, Palm Harbor, FL 34683, ATTN: Customer Relations. Customers may also make inquiries to our customer service department via email to cs@talk.com.

Q. Please explain in detail Talk America's proposed procedures for responding to information requests from the TRA and its staff.

A. Any such requests should be directed to Sharon Thomas at the contact information identified above. Ms. Thomas will gather any information needed to provide a complete response to such requests and provide the information to the TRA in a timely manner.

Q. Does this conclude your testimony?

A. Yes.

I swear that the foregoing testimony is true and correct to the best of my knowledge.

Frances McComb
Executive Director of Regulatory Affairs
Talk America Inc.

Subscribed and sworn to me this 19th day of August, 2002.

Amy McCusker
Notary Public
State of Pennsylvania
County of Buck

NOTARIAL SEAL
AMY McCUSKER, Notary Public
New Hope Boro., Bucks County
My Commission Expires April 27, 2004

My Commission expires ______________

Talk America Inc.

Exhibit N

List of Complaints for Applicant and Affiliated Operating Companies

Agency	State	Credit	Refund	Reason	Received Date
ATTY General	NC	0	0	Alleged Unauth Switch	1/1/2001
FCC	NY	0	0	More Abusive MKTG	1/1/2001
FCC	NC	0	0	No Account	1/2/2001
ATTY General	NY	88.79	0	Alleged Unauth Switch	1/3/2001
FCC	PA	0	0	No Account	1/3/2001
ATTY General	MN	26.6	0	Alleged Unauth Switch	1/4/2001
Dept Agriculture	NC	0	0	Dispute Charges	1/4/2001
Dept Agriculture	FL	28.18	0	Alleged Unauth Switch	1/5/2001
Commerce Commision	IL	0	0	Dispute Charges	1/5/2001
ATTY General	MI	0	20.44	Alleged Unauth Switch	1/5/2001
PSC	NY	74.08	0	Alleged Unauth Switch	1/5/2001
FCC	NY	0	0	No Account	1/8/2001
FCC	NY	0	0	No Account	1/8/2001
ATTY General	PA	0	0	Alleged Unauth Switch	1/8/2001
Consumer Affairs	GA	0	30.69	Alleged Unauth Switch	1/9/2001
Consumer Affairs	GA	39.42	0	Alleged Unauth Switch	1/9/2001
Consumer Affairs	GA	22.86	0	Alleged Unauth Switch	1/9/2001
Consumer Affairs	GA	0	0	Alleged Unauth Switch	1/9/2001
ATTY General	NY	736.11	0	Dispute Charges	1/9/2001
FCC	TX	0	0	No Account	1/9/2001
FCC	VA	0	0	Dispute Charges	1/9/2001
FCC	GA	33.16	0	Dispute Charges	1/10/2001
FCC	MI	36.61	10	Alleged Unauth Switch	1/10/2001
ATTY General	NC	24.2	76.2	Alleged Unauth Switch	1/10/2001
FCC	TX	18.89	0	Dispute Charges	1/10/2001
Dept Agriculture	VT	0	49.26	Alleged Unauth Switch	1/10/2001
ATTY General	MI	0	23.11	Alleged Unauth Switch	1/11/2001
FCC	CA	38.43	0	Dispute Charges	1/12/2001
FCC	CA	0	0	Alleged Unauth Switch	1/12/2001
Consumer Affairs	GA	43.37	0	Dispute Charges	1/12/2001
ATTY General	NY	50.87	0	Alleged Unauth Switch	1/12/2001
Consumer Affairs	NY	0	391.17	Alleged Unauth Switch	1/15/2001
Consumer Protection	NY	0	80.17	Request to Cancel	1/15/2001
FCC	FL	0	0	Alleged Unauth Switch	1/16/2001
Consumer Protection	GA	6.65	0	Alleged Unauth Switch	1/16/2001
ATTY General	IL	44.23	0	Alleged Unauth Switch	1/16/2001
ATTY General	NC	40.31	0	Dispute Charges	1/16/2001
ATTY General	NC	369.11	0	Dispute Charges	1/16/2001
ATTY General	NC	6.06	0	Dispute Charges	1/16/2001
ATTY General	AR	18.66	0	Billed After Cancel	1/17/2001
ATTY General	MA	13.57	0	Dispute Charges	1/17/2001
Consumer Affairs	MD	0	835.28	Dispute Charges	1/17/2001
ATTY General	MI	62.25	213.38	Alleged Unauth Switch	1/17/2001
ATTY General	NC	20	0	Dispute Charges	1/17/2001
Consumer Affairs	NY	37.54	0	Dispute Charges	1/17/2001
ATTY General	PA	65.98	0	Alleged Unauth Switch	1/17/2001
ATTY General	WA	53.97	0	Alleged Unauth Switch	1/17/2001
ATTY General	AZ	0	0	No Info	1/18/2001
Consumer Affairs	GA	18.13	0	Dispute Charges	1/18/2001
Consumer Affairs	GA	6.74	0	Alleged Unauth Switch	1/18/2001
FCC	NY	0	0	Alleged Unauth Switch	1/18/2001

FCC	NY	0	0	Dispute Charges	1/18/2001
FCC	OH	0	0	Dispute Charges	1/18/2001
FCC	VA	0	0	Alleged Unauth Switch	1/18/2001
ATTY General	VT	0	29.67	Alleged Unauth Switch	1/19/2001
FCC	CA	0	0	Alleged Unauth Switch	1/22/2001
FCC	GA	0	0	Alleged Unauth Switch	1/22/2001
FCC	NJ	0	0	Alleged Unauth Switch	1/22/2001
FCC	NY	132.96	16.73	Dispute Charges	1/22/2001
FCC	NY	0	32.09	Alleged Unauth Switch	1/22/2001
ATTY General	AZ	17.23	0	Alleged Unauth Switch	1/23/2001
FCC	KY	69.24	0	Alleged Unauth Switch	1/23/2001
ATTY General	NC	0	0	Alleged Unauth Switch	1/23/2001
FCC	NH	0	0	Request to Cancel	1/23/2001
ATTY General	PA	0	0	Promo	1/23/2001
Consumer Protection	TX	41.43	12.81	Dispute Charges	1/23/2001
FCC	GA	61.35	0	Dispute Charges	1/24/2001
FCC	MN	0	0	Dispute Charges	1/24/2001
FCC	NC	0	0	Alleged Unauth Switch	1/24/2001
Consumer Protection	NY	12.25	0	Alleged Unauth Switch	1/24/2001
ATTY General	RI	0	1537.8	Alleged Unauth Switch	1/24/2001
ATTY General	FL	0	0	Dispute Charges	1/25/2001
ATTY General	MA	19.65	0	Alleged Unauth Switch	1/25/2001
Consumer Affairs	MA	0	20.93	Alleged Unauth Switch	1/25/2001
ATTY General	NY	0	0	Alleged Unauth Switch	1/25/2001
ATTY General	NY	744.99	0	Alleged Unauth Switch	1/25/2001
ATTY General	NY	0	0	Misc.	1/25/2001
ATTY General	NY	0	62.52	Alleged Unauth Switch	1/25/2001
ATTY General	PA	40.03	0	Alleged Unauth Switch	1/25/2001
ATTY General	PA	0	0	Alleged Unauth Switch	1/25/2001
FCC	FL	0	0	Dispute Charges	1/26/2001
FCC	GA	3.34	0	Alleged Unauth Switch	1/26/2001
Dept Agriculture	NC	143.41	0	Alleged Unauth Switch	1/26/2001
FCC	NY	0	0	Dispute Charges	1/26/2001
Dept Agriculture	OH	0	29.88	Alleged Unauth Switch	1/26/2001
FCC	TN	0	0	Dispute Charges	1/26/2001
FCC	FL	0	0	Dispute Charges	1/29/2001
FCC	GA	0	0	Alleged Unauth Switch	1/29/2001
ATTY General	NC	0	0	Request to Cancel	1/29/2001
ATTY General	NC	67.2	0	Promo	1/29/2001
ATTY General	NC	0	78.77	Dispute Charges	1/29/2001
ATTY General	NC	253.27	0	Alleged Unauth Switch	1/29/2001
FCC	NC	0	0	Dispute Charges	1/29/2001
ATTY General	NY	0	0	Alleged Unauth Switch	1/29/2001
FCC	OH	0	0	Dispute Charges	1/29/2001
Consumer Services	OK	0	0	Alleged Unauth Switch	1/29/2001
FCC	PA	0	0	Alleged Unauth Switch	1/29/2001
Dept Agriculture	TN	0	59.07	Dispute Charges	1/29/2001
FCC	TX	0	0	Alleged Unauth Switch	1/29/2001
FCC	VA	0	0	Alleged Unauth Switch	1/29/2001
FCC	VA	0	0	Alleged Unauth Switch	1/29/2001
ATTY General	WV	0	10.54	Alleged Unauth Switch	1/29/2001
Commerce Commision	IL	10.82	10	Alleged Unauth Switch	1/30/2001

ATTY General	MA	0	947.82	Dispute Charges	1/30/2001
ATTY General	NC	9.88	219.41	Dispute Charges	1/30/2001
FCC	NJ	0	0	Alleged Unauth Switch	1/30/2001
FCC	NY	0	12.08	Refund	1/30/2001
Consumer Affairs	SD	3.34	0	Dispute Charges	1/30/2001
ATTY General	WA	29.05	0	Alleged Unauth Switch	1/30/2001
Dept Agriculture	FL	145.14	0	Alleged Unauth Switch	1/31/2001
ATTY General	IL	10.46	17.33	Alleged Unauth Switch	1/31/2001
ATTY General	MA	0	35.71	Alleged Unauth Switch	1/31/2001
ATTY General	MA	37.69	0	Alleged Unauth Switch	1/31/2001
ATTY General	NC	0	59.91	Dispute Charges	1/31/2001
Consumer Protection	NY	78.25	0	Alleged Unauth Switch	1/31/2001
Consumer Protection	NY	0	0	Alleged Unauth Switch	1/31/2001
ATTY General	OH	0	188.78	Dispute Charges	1/31/2001
FCC	CA	0	0	Alleged Unauth Switch	2/1/2001
FCC	CA	66.79	0	Dispute Charges	2/1/2001
PUC	FL	0	0	No Account	2/1/2001
Consumer Affairs	GA	0	10	Alleged Unauth Switch	2/1/2001
FCC	GA	131.02	0	Alleged Unauth Switch	2/1/2001
FCC	GA	0	0	Alleged Unauth Switch	2/1/2001
FCC	MA	0	0	Alleged Unauth Switch	2/1/2001
FCC	ME	0	0	Alleged Unauth Switch	2/1/2001
FCC	NC	0	0	Dispute Charges	2/1/2001
FCC	OK	0	0	Alleged Unauth Switch	2/1/2001
FCC	GA	0	0	Alleged Unauth Switch	2/2/2001
FCC	MD	1779.87	0	Dispute Charges	2/2/2001
ATTY General	MO	0	54.13	Dispute Charges	2/2/2001
ATTY General	NY	0	0	Promo	2/2/2001
ATTY General	NY	0	40.33	Alleged Unauth Switch	2/2/2001
FCC	NY	338.53	0	Alleged Unauth Switch	2/2/2001
FCC	TX	0	0	Alleged Unauth Switch	2/2/2001
FCC	WI	0	0	Dispute Charges	2/2/2001
FCC	FL	0	0	Alleged Unauth Switch	2/5/2001
FCC	GA	91.3	0	Alleged Unauth Switch	2/5/2001
ATTY General	HI	0	0	No Account	2/5/2001
ATTY General	KS	35.91	37.4	Alleged Unauth Switch	2/5/2001
ATTY General	MA	53.08	0	Alleged Unauth Switch	2/5/2001
FCC	MD	446.25	0	Dispute Charges	2/5/2001
ATTY General	NC	74.68	0	Dispute Charges	2/5/2001
ATTY General	NC	352.99	0	Alleged Unauth Switch	2/5/2001
FCC	NC	37.56	0	Alleged Unauth Switch	2/5/2001
FCC	PA	0	0	Alleged Unauth Switch	2/5/2001
Dept Agriculture	FL	0	0	Alleged Unauth Switch	2/6/2001
ATTY General	NC	9.98	10	Alleged Unauth Switch	2/6/2001
FCC	NY	0	0	Alleged Unauth Switch	2/6/2001
FCC	NY	159.65	0	Dispute Charges	2/6/2001
FCC	NY	92.51	0	Alleged Unauth Switch	2/6/2001
ATTY General	AZ	2106.13	0	Alleged Unauth Switch	2/7/2001
Dept Agriculture	FL	0	0	Alleged Unauth Switch	2/7/2001
ATTY General	KY	0	0	Dispute Charges	2/7/2001
ATTY General	NC	115.03	0	Dispute Charges	2/7/2001
Consumer Protection	NY	0	0	Dispute Charges	2/7/2001

Dept Agriculture	NY	0	0	Dispute Charges	2/7/2001
Consumer Council	OH	69.26	0	Billed After Cancel	2/7/2001
ATTY General	MA	0	0	Alleged Unauth Switch	2/8/2001
ATTY General	NC	71.55	116.81	Dispute Charges	2/8/2001
PSC	NC	0	0	Unauthorized Switch	2/8/2001
Consumer Affairs	GA	0	278.53	Dispute Charges	2/9/2001
Consumer Affairs	GA	0	0	Alleged Unauth Switch	2/9/2001
ATTY General	KY	0	0	Misc.	2/9/2001
PSC	NC	0	0	No Account	2/12/2001
PSC	NC	48.76	0	Dispute Charges	2/12/2001
PSC	NC	0	0	Dispute Charges	2/12/2001
Consumer Protection	NY	188.04	0	Dispute Charges	2/12/2001
ATTY General	PA	149.25	0	Alleged Unauth Switch	2/12/2001
PUC	WA	65.1	0	Not Cancelled	2/12/2001
FCC	GA	0	0	Alleged Unauth Switch	2/13/2001
FCC	GA	62.29	0	Alleged Unauth Switch	2/13/2001
PSC	GA	0	0	Calling Card	2/13/2001
FCC	LA	0	0	Alleged Unauth Switch	2/13/2001
Dept Agriculture	MI	16.94	0	Dispute Charges	2/13/2001
PSC	NC	67.59	0	Provisioning	2/13/2001
PSC	NC	256.19	0	Unauthorized Switch	2/13/2001
PSC	NC	0	0	Unauthorized Switch	2/13/2001
PSC	NC	247.13	0	Unauthorized Switch	2/13/2001
PSC	NC	0	0	Unauthorized Switch	2/13/2001
PSC	NC	0	0	Unauthorized Switch	2/13/2001
PSC	NC	0	0	Unauthorized Switch	2/13/2001
PSC	NC	0	0	Unauthorized Switch	2/13/2001
PUC	NC	16135.53	9221.8	Provisioning	2/13/2001
Consumer Protection	NY	78.92	0	Dispute Charges	2/13/2001
FCC	PA	278.13	0	Alleged Unauth Switch	2/13/2001
FCC	PA	70.55	0	Alleged Unauth Switch	2/13/2001
FCC	VA	0	0	Alleged Unauth Switch	2/13/2001
PSC	MS	0	81.15	Billed After Cancel	2/14/2001
PSC	MS	0	0		2/14/2001
ATTY General	NC	81.11	0	Dispute Charges	2/14/2001
ATTY General	NC	92.67	0	Dispute Charges	2/14/2001
Consumer Protection	NY	84.47	0	Dispute Charges	2/14/2001
FCC	NY	0	0	Dispute Charges	2/14/2001
PSC	NY	21.37	0	Not Cancelled	2/14/2001
PSC	NY	0	0	Not Cancelled	2/14/2001
ATTY General	PA	0	0	Dispute Charges	2/14/2001
PSC	WY	0	230.89	Dispute Charges	2/14/2001
PSC	FL	3519.45	0	Unauthorized Switch	2/15/2001
PSC	GA	84.71	0	Promo	2/15/2001
PSC	KY	525.74	0	Unauthorized Switch	2/15/2001
PSC	MI	185.94	0	Misc.	2/15/2001
ATTY General	NC	0	0	Dispute Charges	2/15/2001
ATTY General	NC	217.73	0	Dispute Charges	2/15/2001
Consumer Protection	NC	0	0	Dispute Charges	2/15/2001
PSC	NC	424.71	0	Dispute Charges	2/15/2001
UTC	WA	0	0	Unauthorized Switch	2/15/2001
PSC	AL	50	0	Dispute Charges	2/16/2001

FCC	FC	105.33	0	Dispute Charges	2/16/2001
FCC	FC	0	0	Unauthorized Switch	2/16/2001
FCC	FC	124.49	0	Dispute Charges	2/16/2001
FCC	FC	0	107.13	Dispute Charges	2/16/2001
FCC	FC	40.41	44.38	Unauthorized Switch	2/16/2001
FCC	FC	458.11	0	Dispute Charges	2/16/2001
FCC	FC	250.99	0	Unauthorized Switch	2/16/2001
FCC	FC	0	45.24	Dispute Charges	2/16/2001
FCC	FC	0	0	Dispute Charges	2/16/2001
FCC	FC	0	0	Misc.	2/16/2001
FCC	FC	0	0	Wrong BTN	2/16/2001
FCC	FC	122.76	0	Promo	2/16/2001
FCC	FC	0	0	Provisioning	2/16/2001
Consumer Protection	FL	0	0	Unauthorized Switch	2/16/2001
Dept Agriculture	FL	332.28	0	Unauthorized Switch	2/16/2001
PSC	FL	0	0	Unauthorized Switch	2/16/2001
PSC	FL	491.45	0	Dispute Charges	2/16/2001
PSC	FL	653.75	0	Unauthorized Switch	2/16/2001
PSC	GA	0	0	Dispute Charges	2/16/2001
PSC	MD	60.76	10	Unauthorized Switch	2/16/2001
PSC	MI	23.2	0	Unauthorized Switch	2/16/2001
PUC	NC	0	0	Provisioning	2/16/2001
PSC	NY	61.48	0	Unauthorized Switch	2/16/2001
PSC	NY	163.48	0	Unauthorized Switch	2/16/2001
PSC	NY	250.65	0	Unauthorized Switch	2/16/2001
PSC	NY	24.81	0	Unauthorized Switch	2/16/2001
PSC	NY	63.65	0	Dispute Charges	2/16/2001
PSC	NY	81.78	0	Dispute Charges	2/16/2001
PSC	NY	189.62	0	Unauthorized Switch	2/16/2001
PUC	OH	0	0	Taxes	2/16/2001
PUC	PA	145.1	0	Unauthorized Switch	2/16/2001
PUC	PA	221.38	0	Unauthorized Switch	2/16/2001
PUC	PA	87	0	Unauthorized Switch	2/16/2001
PUC	PA	0	0	Wrong BTN	2/16/2001
PUC	PA	70.55	0	Provisioning	2/16/2001
Reg Auth	TN	0	0	Wrong BTN	2/16/2001
FCC	FC	38.61	34.52	Unauthorized Switch	2/19/2001
FCC	FC	0	0	Unauthorized Switch	2/19/2001
FCC	FC	323.27	0	Dispute Charges	2/19/2001
FCC	FC	0	0	Unauthorized Switch	2/19/2001
FCC	FC	5.95	0	Taxes	2/19/2001
FCC	FC	46.05	0	Unauthorized Switch	2/19/2001
PSC	FL	0	0	Unauthorized Switch	2/19/2001
PSC	FL	202.56	0	Unauthorized Switch	2/19/2001
PSC	FL	130.66	0	Unauthorized Switch	2/19/2001
PSC	GA	0	0	Unauthorized Switch	2/19/2001
PSC	GA	0	0	Unauthorized Switch	2/19/2001
PSC	KS	60.62	0	Dispute Charges	2/19/2001
PUC	NC	146.6	0	Unauthorized Switch	2/19/2001
Consumer Affairs	NV	0	0	Misc.	2/19/2001
PSC	SC	0	0	Dispute Charges	2/19/2001
PSC	SC	0	0	Dispute Charges	2/19/2001

Reg Auth	TN	0	0	Unauthorized Switch	2/19/2001
PSC	AL	371.63	0	Unauthorized Switch	2/20/2001
PSC	AL	132.28	0	Unauthorized Switch	2/20/2001
PSC	AL	0	0	Unauthorized Switch	2/20/2001
PUC	CA	18.94	0	Dispute Charges	2/20/2001
FCC	FC	37.08	0	Not Cancelled	2/20/2001
Dept Agriculture	FL	0	0	Dnc	2/20/2001
PSC	FL	45.48	135.48	Unauthorized Switch	2/20/2001
PSC	FL	81.13	0	Unauthorized Switch	2/20/2001
PSC	FL	0	0	Unauthorized Switch	2/20/2001
PSC	FL	0	0	Provisioning	2/20/2001
PSC	GA	0	0	Not Cancelled	2/20/2001
PSC	GA	2.57	0	Provisioning	2/20/2001
PSC	MI	50.63	0	Intl Rates	2/20/2001
PSC	MS	0	0	Dispute Charges	2/20/2001
PSC	NC	0	94.13	Unauthorized Switch	2/20/2001
ATTY General	NY	1472.37	0	Unauthorized Switch	2/20/2001
ATTY General	NY	447.23	0	Unauthorized Switch	2/20/2001
ATTY General	NY	4.33	0	Unauthorized Switch	2/20/2001
PSC	NY	0	0	Dispute Charges	2/20/2001
PSC	NY	0	0	Provisioning	2/20/2001
PSC	NY	35.71	0	Unauthorized Switch	2/20/2001
PSC	NY	0	0	Unauthorized Switch	2/20/2001
PSC	NY	0	87.22	Unauthorized Switch	2/20/2001
PSC	NY	193.85	0	Unauthorized Switch	2/20/2001
PSC	NY	25.55	0	Unauthorized Switch	2/20/2001
PSC	NY	153.27	0	Unauthorized Switch	2/20/2001
PSC	NY	43.55	0	Dispute Charges	2/20/2001
ATTY General	OH	0	0	Dispute Charges	2/20/2001
ATTY General	PA	98.88	0	Wrong BTN	2/20/2001
PUC	PA	0	0	Not Cancelled	2/20/2001
PUC	PA	239.37	0	Unauthorized Switch	2/20/2001
Reg Auth	TN	0.31	0	Unauthorized Switch	2/20/2001
Reg Auth	TN	493.57	0	Unauthorized Switch	2/20/2001
Reg Auth	TN	66.19	0	Dispute Charges	2/20/2001
PUC	TX	30.89	0	Dispute Charges	2/20/2001
PUC	TX	38.31	0	Unauthorized Switch	2/20/2001
Dept Agriculture	VA	169.05	0	Dispute Charges	2/20/2001
ATTY General	WI	155.38	0	Dispute Charges	2/20/2001
PSC	AL	61.4	0	Unauthorized Switch	2/21/2001
FCC	FC	100	0	Unauthorized Switch	2/21/2001
Dept Agriculture	FL	0	0	Rebuttal	2/21/2001
Dept Agriculture	FL	12.7	33	Promo	2/21/2001
Dept Agriculture	FL	0	0	Dispute Charges	2/21/2001
PSC	FL	0	0	Rebuttal	2/21/2001
PSC	FL	375.85	0	Re-Rates	2/21/2001
PSC	FL	189.73	0	Unauthorized Payment	2/21/2001
PSC	FL	0	0	Unauthorized Switch	2/21/2001
PSC	FL	201.99	0	Unauthorized Switch	2/21/2001
PSC	FL	3.53	0	Unauthorized Switch	2/21/2001
PSC	FL	0	0	Dispute Charges	2/21/2001
PSC	FL	0	0	Dispute Charges	2/21/2001

PSC	FL	0	0	Dispute Charges	2/21/2001
PSC	GA	0	0	Rebuttal	2/21/2001
PSC	GA	61	0	Unauthorized Switch	2/21/2001
Consumer Affairs	MA	0	0	Dispute Charges	2/21/2001
PSC	MI	10.07	10	Unauthorized Switch	2/21/2001
PSC	NC	100.52	0	Unauthorized Switch	2/21/2001
PSC	NE	0	96.1	Not Cancelled	2/21/2001
ATTY General	NY	84.75	0	Unauthorized Switch	2/21/2001
PSC	NY	0	0	Dispute Charges	2/21/2001
PSC	NY	34.97	0	Not Cancelled	2/21/2001
PSC	NY	0	0	Unauthorized Switch	2/21/2001
PSC	NY	100.93	0	Provisioning	2/21/2001
PSC	NY	0	0	Aol Isp	2/21/2001
PSC	NY	126.16	0	Unauthorized Switch	2/21/2001
PSC	NY	243.53	0	Unauthorized Switch	2/21/2001
PSC	NY	41.36	0	Unauthorized Switch	2/21/2001
PSC	NY	131.53	0	Unauthorized Switch	2/21/2001
PSC	NY	63.08	0	Unauthorized Switch	2/21/2001
PSC	NY	38.18	0	Unauthorized Switch	2/21/2001
ATTY General	PA	199.8	0	Provisioning	2/21/2001
PUC	PA	278.87	0	Misc.	2/21/2001
PUC	PA	106.63	0	Dispute Charges	2/21/2001
PUC	PA	40.75	0	Not Cancelled	2/21/2001
PSC	SC	0	0	Dispute Charges	2/21/2001
PUC	SD	0	0	Unauthorized Switch	2/21/2001
Reg Auth	TN	450.73	0	Unauthorized Switch	2/21/2001
Reg Auth	TN	72.88	0	Unauthorized Switch	2/21/2001
PSC	WI	85.1	0	Dispute Charges	2/21/2001
PSC	AL	144.3	0	Dispute Charges	2/22/2001
PSC	AL	72.15	0	Unauthorized Switch	2/22/2001
PUC	CA	733.53	0	Unauthorized Switch	2/22/2001
FCC	FC	31.44	0	View Bill	2/22/2001
FCC	FC	0	0	Dispute Charges	2/22/2001
FCC	FC	0	0	Unauthorized Payment	2/22/2001
PSC	FL	0	0	Request to Cancel	2/22/2001
PSC	FL	204.6	0	Unauthorized Switch	2/22/2001
PSC	FL	0	0	Misc.	2/22/2001
PSC	FL	0	0	Unauthorized Switch	2/22/2001
PSC	FL	0	0	Dispute Charges	2/22/2001
PSC	GA	0	0	Unauthorized Switch	2/22/2001
PSC	GA	0	0	Provisioning	2/22/2001
PSC	GA	15.09	0	Unauthorized Switch	2/22/2001
PSC	MD	68.43	0	Unauthorized Switch	2/22/2001
PSC	MS	288.56	0	Dispute Charges	2/22/2001
PSC	NC	0	0	Unauthorized Switch	2/22/2001
PSC	NC	0	0	Unauthorized Switch	2/22/2001
PUC	NC	0	0	Unauthorized Switch	2/22/2001
PUC	NH	123.63	0	Dispute Charges	2/22/2001
Public Staffing	NM	365.77	0	Wrong BTN	2/22/2001
ATTY General	NY	69.11	0	Promo	2/22/2001
ATTY General	NY	0	0	Dispute Charges	2/22/2001
ATTY General	NY	0	19.7	Not Cancelled	2/22/2001

PSC	NY	0	0	Unauthorized Switch	2/22/2001
PSC	NY	125.56	0	Unauthorized Switch	2/22/2001
PSC	NY	126.68	0	Unauthorized Switch	2/22/2001
PSC	NY	65.87	0	Rebuttal	2/22/2001
PSC	NY	0	0	Misc.	2/22/2001
PUC	OH	111.46	0	Unauthorized Switch	2/22/2001
Commerce Commision	OK	0	0	Unauthorized Switch	2/22/2001
Commerce Commision	OK	0	0	Unauthorized Switch	2/22/2001
PUC	PA	0	0	Provisioning	2/22/2001
PUC	PA	49.95	0	Dispute Charges	2/22/2001
PUC	PA	0	0	Unauthorized Switch	2/22/2001
Reg Auth	TN	43.9	0	Unauthorized Switch	2/22/2001
Reg Auth	TN	1044.39	0	Unauthorized Switch	2/22/2001
Reg Auth	TN	137.76	69.16	Unauthorized Switch	2/22/2001
ATTY General	AR	0	0	Dispute Charges	2/23/2001
PUC	CT	21.22	0	Unauthorized Switch	2/23/2001
FCC	FC	0	0	Unauthorized Switch	2/23/2001
FCC	FC	143.02	0	Unauthorized Switch	2/23/2001
FCC	FC	0	0	Unauthorized Switch	2/23/2001
FCC	FC	215.11	0	Unauthorized Switch	2/23/2001
FCC	FC	22.57	0	Re-Rates	2/23/2001
FCC	FC	4666.49	0	Dispute Charges	2/23/2001
FCC	FC	23.59	0	Unauthorized Switch	2/23/2001
FCC	FC	43.27	268.05	Unauthorized Switch	2/23/2001
FCC	FC	60.12	0	Unauthorized Switch	2/23/2001
FCC	FC	10.66	0	Unauthorized Switch	2/23/2001
FCC	FC	78.18	0	Promo	2/23/2001
FCC	FC	0	0	Unauthorized Switch	2/23/2001
FCC	FC	70.55	0	Promo	2/23/2001
Dept Agriculture	FL	0	0	Unauthorized Switch	2/23/2001
PSC	FL	193.01	0	Unauthorized Switch	2/23/2001
PSC	FL	0	0	Provisioning	2/23/2001
PSC	FL	145.73	0	Unauthorized Payment	2/23/2001
PSC	FL	63.7	0	Rebuttal	2/23/2001
PSC	GA	0	0	Dispute Charges	2/23/2001
PSC	GA	0	0	Unauthorized Switch	2/23/2001
Commerce Commision	IL	114.77	0	Re-Rates	2/23/2001
Reg. Commission	IN	245.64	0	Unauthorized Switch	2/23/2001
Public Staffing	LA	0	0	Unauthorized Switch	2/23/2001
ATTY General	NY	66.55	0	Refund	2/23/2001
PSC	NY	67.96	0	Unauthorized Switch	2/23/2001
PSC	NY	153.4	0	Unauthorized Switch	2/23/2001
PSC	NY	0	0	Unauthorized Switch	2/23/2001
PSC	NY	0	0	Unauthorized Switch	2/23/2001
PUC	PA	0	0	Unauthorized Switch	2/23/2001
PSC	SC	0	184.86	Unauthorized Switch	2/23/2001
PSC	SC	94.71	0	Unauthorized Switch	2/23/2001
PUC	SD	27.41	0	Promo	2/23/2001
PUC	TN	575.6	0	Dispute Charges	2/23/2001
Reg. Commission	TN	0	0	Dnc	2/23/2001
PUC	TX	73.42	0	Provisioning	2/23/2001
PSC	GA	206.28	0	Unauthorized Switch	2/24/2001

PSC	AL	15.1	0	Billed After Cancel	2/26/2001
ATTY General	AR	10	0	Unauthorized Switch	2/26/2001
FCC	CA	0	0	Alleged Unauth Switch	2/26/2001
PUC	CA	30	0	Wrong BTN	2/26/2001
PUC	CA	797.76	0	Dispute Charges	2/26/2001
PUC	CA	0	0	Wrong BTN	2/26/2001
PUC	CA	1945.32	0	Unauthorized Switch	2/26/2001
FCC	FC	0	0	Misc.	2/26/2001
FCC	FC	61.39	0	Unauthorized Switch	2/26/2001
FCC	FC	41.45	0	Dispute Charges	2/26/2001
FCC	FC	188.58	0	Unauthorized Switch	2/26/2001
FCC	FC	116.24	0	Crammed	2/26/2001
FCC	FC	0	4.38	Dispute Charges	2/26/2001
FCC	FC	39.55	0	Dispute Charges	2/26/2001
FCC	FC	0	1927.7	Dispute Charges	2/26/2001
FCC	FC	13.67	0	Unauthorized Switch	2/26/2001
FCC	FC	7081.92	0	Unauthorized Switch	2/26/2001
FCC	FC	0	70.52	Unauthorized Switch	2/26/2001
FCC	FC	44.33	0	Misc.	2/26/2001
FCC	FC	0	116.56	Dispute Charges	2/26/2001
FCC	FC	0	58.89	Unauthorized Switch	2/26/2001
FCC	FC	0	156.65	Re-Rates	2/26/2001
FCC	FC	138.05	0	Delayed Provisioning	2/26/2001
FCC	FC	0	46.46	Billed After Cancel	2/26/2001
FCC	FC	0	0	Aol Isp	2/26/2001
FCC	FC	383.71	0	Promo	2/26/2001
FCC	FC	0	0	Dispute Charges	2/26/2001
FCC	FC	0	262.65	Dispute Charges	2/26/2001
FCC	FC	110.84	0	Dispute Charges	2/26/2001
FCC	FC	89.97	0	Unauthorized Switch	2/26/2001
FCC	FC	85.53	0	Unauthorized Switch	2/26/2001
PSC	FL	43.79	0	Unauthorized Switch	2/26/2001
PSC	FL	0	35.18	Unauthorized Switch	2/26/2001
PSC	FL	76.61	0	Dispute Charges	2/26/2001
PSC	FL	17.6	54.21	Refund	2/26/2001
PSC	FL	62.19	0	Billed After Cancel	2/26/2001
PSC	FL	31.35	0	Unauthorized Switch	2/26/2001
PSC	FL	0	0	Unauthorized Switch	2/26/2001
PSC	GA	0	0	Unauthorized Switch	2/26/2001
PSC	GA	18.34	0	Unauthorized Switch	2/26/2001
PSC	GA	36.86	0	Dispute Charges	2/26/2001
PSC	GA	57.46	0	Unauthorized Switch	2/26/2001
PSC	GA	33.37	0	Unauthorized Switch	2/26/2001
PSC	GA	43.07	0	Unauthorized Switch	2/26/2001
PSC	KY	92.47	0	Unauthorized Switch	2/26/2001
PSC	KY	262.5	0	Dispute Charges	2/26/2001
PSC	KY	0	0	Dispute Charges	2/26/2001
PSC	KY	0	0	Unauthorized Switch	2/26/2001
PSC	KY	44.7	0	Unauthorized Switch	2/26/2001
PSC	KY	0	0	Billed After Cancel	2/26/2001
PSC	LA	0	0	Dispute Charges	2/26/2001
ATTY General	MA	0	23.34	Unauthorized Switch	2/26/2001

Dept Telecom	MA	27.09	75.4	Dispute Charges	2/26/2001
PSC	MD	114.57	0	Dispute Charges	2/26/2001
PSC	MI	0	0	Unauthorized Switch	2/26/2001
PSC	MI	67.2	0	Unauthorized Switch	2/26/2001
ATTY General	NC	0	0	Dispute Charges	2/26/2001
PSC	NC	44.79	0	Unauthorized Switch	2/26/2001
PUC	NC	0	0	Not Cancelled	2/26/2001
ATTY General	NY	44.96	0	Loss Of Service	2/26/2001
ATTY General	NY	7.57	0	Dispute Charges	2/26/2001
ATTY General	NY	134.69	0	Dispute Charges	2/26/2001
PSC	NY	195.51	110.51	Unauthorized Switch	2/26/2001
PSC	NY	84.94	0	Unauthorized Switch	2/26/2001
PSC	NY	408.34	0	Unauthorized Switch	2/26/2001
PSC	NY	0	0	Unauthorized Switch	2/26/2001
PSC	NY	87.07	0	Dispute Charges	2/26/2001
PSC	NY	38.44	0	Unauthorized Switch	2/26/2001
PSC	NY	189.24	0	Unauthorized Switch	2/26/2001
PSC	NY	18.77	0	Unauthorized Switch	2/26/2001
PSC	NY	209.78	0	Unauthorized Switch	2/26/2001
PSC	NY	0	322.65	Billed After Cancel	2/26/2001
PSC	NY	126.16	0	Billed After Cancel	2/26/2001
PUC	PA	0	0	Unauthorized Switch	2/26/2001
PUC	PA	156.59	0	Unauthorized Switch	2/26/2001
PUC	PA	0	0	Misc.	2/26/2001
PUC	PA	0	0	Unauthorized Switch	2/26/2001
PUC	PA	290.35	0	Dispute Charges	2/26/2001
PUC	PA	0	0	Unauthorized Switch	2/26/2001
PSC	SC	368.98	0	Local Service	2/26/2001
PSC	SC	221.68	0	Unauthorized Switch	2/26/2001
PUC	SD	38.92	10	Unauthorized Switch	2/26/2001
Reg Auth	TN	0	0	Dnc	2/26/2001
Reg Auth	TN	330.77	0	Unauthorized Switch	2/26/2001
Reg Auth	TN	0	0	Dnc	2/26/2001
ATTY General	WI	0	0	Billed After Cancel	2/26/2001
PSC	WI	0	0	Dispute Charges	2/26/2001
PSC	WI	0	0	Dispute Charges	2/26/2001
PSC	AL	52.34	0	Unauthorized Switch	2/27/2001
PSC	AL	708.79	0	Rebuttal	2/27/2001
PSC	AL	0	0	Unauthorized Switch	2/27/2001
PUC	CT	0	0	Unauthorized Switch	2/27/2001
PSC	FL	193.07	0	Dispute Charges	2/27/2001
PSC	FL	450.65	0	Dispute Charges	2/27/2001
PSC	FL	15.85	0	Rebuttal	2/27/2001
PSC	GA	0	0	Loss Of Service	2/27/2001
PSC	NC	0	64.55	Unauthorized Switch	2/27/2001
PUC	NC	61.08	0	Dispute Charges	2/27/2001
ATTY General	NY	3422.93	0	Dispute Charges	2/27/2001
ATTY General	NY	4.39	0	Dispute Charges	2/27/2001
ATTY General	NY	0	0	Dispute Charges	2/27/2001
PSC	NY	104.71	0	Unauthorized Switch	2/27/2001
PSC	NY	84.1	0	Unauthorized Switch	2/27/2001
PSC	NY	142.64	0	Unauthorized Switch	2/27/2001

PSC	NY	0	131.96	Unauthorized Switch	2/27/2001
PSC	NY	187.9	0	Unauthorized Switch	2/27/2001
PSC	NY	126.16	0	Unauthorized Switch	2/27/2001
PUC	OH	0	0	Dispute Charges	2/27/2001
PUC	PA	1288.18	0	Unauthorized Switch	2/27/2001
PUC	PA	0	0	Billed After Cancel	2/27/2001
PUC	PA	334.24	0	Service Transfers	2/27/2001
UTC	WA	313.85	0	Dispute Charges	2/27/2001
PSC	WI	10.56	10	Unauthorized Switch	2/27/2001
PSC	AL	0	0	Unauthorized Switch	2/28/2001
PUC	CT	0	0	Unauthorized Switch	2/28/2001
Dept Agriculture	FL	305.51	0	Refund	2/28/2001
Dept Agriculture	FL	0	0	Dnc	2/28/2001
PSC	FL	0	126.97	Refund	2/28/2001
PSC	FL	18.86	0	Dispute Charges	2/28/2001
PSC	FL	68.44	0	Unauthorized Switch	2/28/2001
PSC	FL	0	0	Dispute Charges	2/28/2001
PSC	FL	0	0	Unauthorized Switch	2/28/2001
PSC	FL	15.79	73.96	Unauthorized Switch	2/28/2001
PSC	FL	31.35	0	Unauthorized Switch	2/28/2001
PSC	GA	20.19	0	Unauthorized Switch	2/28/2001
PSC	GA	0	0	Rebuttal	2/28/2001
PSC	GA	26.28	0	Unauthorized Switch	2/28/2001
PSC	GA	129.77	0	Unauthorized Switch	2/28/2001
PSC	GA	133.3	0	Unauthorized Switch	2/28/2001
PSC	GA	102.9	0	Rebuttal	2/28/2001
PSC	KY	166.86	0	Unauthorized Switch	2/28/2001
PSC	KY	25	0	Re-Rates	2/28/2001
PSC	MI	101.43	0	Unauthorized Switch	2/28/2001
PSC	MI	0	0	Unauthorized Switch	2/28/2001
PSC	MO	43.52	0	Delayed Billing	2/28/2001
PSC	MO	2.33	0	Promo	2/28/2001
PSC	MS	24.05	50	Unauthorized Switch	2/28/2001
PSC	MS	0	0	Dispute Charges	2/28/2001
PSC	NY	76.04	0	Unauthorized Switch	2/28/2001
PSC	NY	37.44	228.67	Unauthorized Switch	2/28/2001
PSC	NY	122.47	0	Unauthorized Switch	2/28/2001
PSC	NY	23.44	0	Unauthorized Switch	2/28/2001
PSC	NY	0	0	Unauthorized Switch	2/28/2001
PSC	NY	145.22	0	Unauthorized Switch	2/28/2001
PSC	NY	297.93	0	Wrong BTN	2/28/2001
PSC	SC	0	0	Unauthorized Switch	2/28/2001
PSC	SC	0	0	Re-Rates	2/28/2001
PSC	SC	0	0	Unauthorized Switch	2/28/2001
PSC	SC	0	0	Refund	2/28/2001
Reg Auth	TN	348.99	0	Billed After Cancel	2/28/2001
ATTY General	TX	0	0	Promo	2/28/2001
UTC	WA	0	0	Rebuttal	2/28/2001
FCC	FC	0	0	Unauthorized Switch	3/1/2001
FCC	FC	68.14	0	Unauthorized Switch	3/1/2001
FCC	FC	69.67	0	Unauthorized Switch	3/1/2001
FCC	FC	105.66	0	Unauthorized Switch	3/1/2001

FCC	FC	27.97	0	Unauthorized Switch	3/1/2001
FCC	FC	167.05	0	Unauthorized Switch	3/1/2001
FCC	FC	402.49	0	Unauthorized Switch	3/1/2001
FCC	FC	0	0	Unauthorized Switch	3/1/2001
FCC	FC	0	0	Unauthorized Switch	3/1/2001
FCC	FC	0	0	Unauthorized Switch	3/1/2001
FCC	FC	73.28	4.08	Unauthorized Switch	3/1/2001
FCC	FC	162.43	50	Unauthorized Switch	3/1/2001
FCC	FC	0	11.13	Refund	3/1/2001
FCC	FC	0	0	Dispute Charges	3/1/2001
FCC	FC	156.21	0	Unauthorized Switch	3/1/2001
FCC	FC	0	15.73	Unauthorized Switch	3/1/2001
FCC	FC	1654.07	0	Unauthorized Switch	3/1/2001
FCC	FC	1.17	20	Unauthorized Switch	3/1/2001
FCC	FC	103.45	0	Unauthorized Switch	3/1/2001
FCC	FC	376.48	0	Unauthorized Switch	3/1/2001
FCC	FC	211.34	0	Unauthorized Switch	3/1/2001
PSC	FL	0	0	Unauthorized Switch	3/1/2001
PSC	FL	106.14	0	Unauthorized Switch	3/1/2001
PSC	FL	136.95	0	Misc.	3/1/2001
PSC	FL	774.09	0	Dispute Charges	3/1/2001
PSC	FL	19	115.64	Unauth Switch Intralata	3/1/2001
PSC	GA	0	0	Unauthorized Switch	3/1/2001
PSC	MI	0	0	Unauthorized Switch	3/1/2001
PSC	NC	84.86	0	Unauthorized Switch	3/1/2001
PSC	NC	38.28	0	Unauthorized Switch	3/1/2001
PSC	NY	263.46	0	Unauthorized Switch	3/1/2001
PSC	NY	235.46	0	Unauthorized Switch	3/1/2001
PSC	NY	170.31	0	Unauthorized Switch	3/1/2001
PSC	NY	143.96	0	Wrong BTN	3/1/2001
PSC	NY	0	0	Provisioning	3/1/2001
PSC	NY	0	0	Unauthorized Switch	3/1/2001
PSC	NY	232.99	0	Unauthorized Switch	3/1/2001
PSC	NY	242.25	0	Dispute Charges	3/1/2001
Dept of Justice	OR	10.65	0	Unauthorized Switch	3/1/2001
Dept of Justice	OR	0	0	Unauthorized Payment	3/1/2001
Reg Auth	TN	68.81	0	Unauthorized Switch	3/1/2001
PUC	TX	0	0	Provisioning	3/1/2001
District Attorney	CA	21.39	0	Dispute Charges	3/1/2001
PSC	FL	0	0	Loss Of Service	3/2/2001
PSC	FL	103.37	0	Unauthorized Switch	3/2/2001
PSC	GA	61.35	0	Unauthorized Switch	3/2/2001
PSC	GA	99.02	0	Request to Cancel	3/2/2001
PSC	GA	173.45	20.96	Dispute Charges	3/2/2001
ATTY General	IA	0	0	Unauthorized Switch	3/2/2001
PUC	MS	0	109.44	Local Service	3/2/2001
PSC	NC	128.09	0	Dispute Charges	3/2/2001
PSC	NC	9.35	0	Dispute Charges	3/2/2001
PUC	NC	0	0	Unauthorized Switch	3/2/2001
PSC	NJ	0	0	Dispute Charges	3/2/2001
PRC	NM	26.04	0	Dispute Charges	3/2/2001
PSC	NY	180.62	0	Unauthorized Switch	3/2/2001

PSC	NY	75	0	Unauthorized Switch	3/2/2001
PSC	NY	0	18.56	Unauthorized Switch	3/2/2001
PUC	OH	0	0	Unauthorized Switch	3/2/2001
ATTY General	PA	0	0	Abusive MKTG	3/2/2001
ATTY General	PA	71.72	0	Unauthorized Switch	3/2/2001
ATTY General	PA	0	0	Unauthorized Switch	3/2/2001
ATTY General	PA	0	0	Alleged Unauth Switch	3/2/2001
PUC	PA	68.05	0	Unauthorized Switch	3/2/2001
UTC	WA	0	842.09	Unauthorized Switch	3/2/2001
PUC	CA	6.4	0	Unauthorized Switch	3/5/2001
PUC	CA	48.07	299.4	Unauthorized Switch	3/5/2001
FCC	DC	0	97.17	Not Cancelled	3/5/2001
FCC	FC	0	0	Unauthorized Switch	3/5/2001
FCC	FC	0	9	Refund	3/5/2001
FCC	FC	0	10.04	Unauthorized Switch	3/5/2001
FCC	FC	60.52	0	Unauthorized Switch	3/5/2001
FCC	FC	63.93	0	Dispute Charges	3/5/2001
FCC	FC	0	263.58	Dispute Charges	3/5/2001
FCC	FC	0	0	Unauthorized Switch	3/5/2001
FCC	FC	301.3	206.33	Dispute Charges	3/5/2001
FCC	FC	0	15.04	Dispute Charges	3/5/2001
FCC	FC	0	0	Provisioning	3/5/2001
PSC	FL	0	33.14	Unauthorized Switch	3/5/2001
PSC	FL	171.47	0	Unauthorized Switch	3/5/2001
PSC	FL	171.47	0	Unauthorized Switch	3/5/2001
PSC	FL	108.56	0	Unauthorized Switch	3/5/2001
PSC	FL	0	12.39	Unauthorized Switch	3/5/2001
PSC	FL	45.76	0	Unauthorized Switch	3/5/2001
PSC	FL	28.93	0	Promo	3/5/2001
PSC	GA	0	0	Billed After Cancel	3/5/2001
PSC	GA	470.73	0	Unauthorized Switch	3/5/2001
PSC	GA	49.97	0	Unauthorized Switch	3/5/2001
PSC	GA	93.81	0	Wrong BTN	3/5/2001
PSC	GA	206.28	0	Unauthorized Switch	3/5/2001
PSC	GA	76.43	0	Dispute Charges	3/5/2001
ATTY General	KY	0	0	Rebuttal	3/5/2001
PSC	KY	0	62	Unauthorized Switch	3/5/2001
PSC	KY	0	22.73	Billed After Cancel	3/5/2001
PSC	KY	89.4	0	Unauthorized Switch	3/5/2001
PSC	MD	1048	0	Unauthorized Switch	3/5/2001
PSC	NC	131.26	0	Misc.	3/5/2001
PUC	NC	0	0	Wrong BTN	3/5/2001
PUC	NC	70.51	0	Wrong BTN	3/5/2001
PUC	NC	9.35	0	Wrong BTN	3/5/2001
PUC	NC	0	0	Delayed Billing	3/5/2001
PUC	NC	0	0	Unauthorized Switch	3/5/2001
PUC	NC	0	0	Unauthorized Switch	3/5/2001
ATTY General	NY	0	82.92	Dispute Charges	3/5/2001
PSC	NY	819.23	116.43	Dispute Charges	3/5/2001
PSC	NY	50.85	0	Dispute Charges	3/5/2001
PSC	NY	0	55.54	Unauthorized Switch	3/5/2001
PSC	NY	189.24	0	Unauthorized Switch	3/5/2001

PSC	NY	0	0	Misc.	3/5/2001
PSC	NY	30	0	Dispute Charges	3/5/2001
PUC	PA	382.16	0	Billed After Cancel	3/5/2001
Reg Auth	TN	181.56	0	Unauthorized Switch	3/5/2001
Reg Auth	TN	0	148.6	Unauthorized Switch	3/5/2001
PUC	TX	66.47	0	Rebuttal	3/5/2001
UTC	WA	101.74	0	Unauthorized Switch	3/5/2001
UTC	WA	0	0	Billed After Cancel	3/5/2001
PSC	AL	0	0	Dispute Charges	3/5/2001
PSC	AL	173.95	0	Promo	3/6/2001
PSC	AL	66.49	0	Billed After Cancel	3/6/2001
PSC	AL	0	0	Unauthorized Switch	3/6/2001
Consumer Affairs	CA	0	0	Unauthorized Switch	3/6/2001
PSC	FL	0	0	Rebuttal	3/6/2001
PSC	FL	94.84	0	Re-Rates	3/6/2001
PSC	FL	0	42.33	Dispute Charges	3/6/2001
PSC	FL	100.54	0	Unauthorized Switch	3/6/2001
PSC	GA	0	0	Provisioning	3/6/2001
PSC	GA	0	0	Not Cancelled	3/6/2001
PSC	GA	409.4	0	Unauthorized Switch	3/6/2001
ATTY General	KY	0	0	Unauthorized Switch	3/6/2001
PSC	KY	51.32	0	Dispute Charges	3/6/2001
PSC	KY	658.81	0	Unauthorized Switch	3/6/2001
ATTY General	MD	0	0	Dispute Charges	3/6/2001
PSC	MS	257.03	0	Unauthorized Switch	3/6/2001
PUC	MS	136.98	0	Local Service	3/6/2001
PUC	MS	204.33	17.82	Billed After Cancel	3/6/2001
PUC	MS	0	0	Unauthorized Switch	3/6/2001
PSC	NC	88.57	0	Unauthorized Switch	3/6/2001
PUC	NC	0	0	Not Cancelled	3/6/2001
PUC	NC	0	0	Delayed Provisioning	3/6/2001
PUC	NC	0	0	Local Service	3/6/2001
PUC	NC	99.68	0	Unauthorized Switch	3/6/2001
ATTY General	NY	6.4	0	Billed After Cancel	3/6/2001
ATTY General	NY	0	0	Unauthorized Switch	3/6/2001
PSC	NY	0	63.82	Unauthorized Switch	3/6/2001
PSC	NY	0	0	Billed After Cancel	3/6/2001
PSC	NY	529.53	0	Unauthorized Switch	3/6/2001
PSC	NY	0	0	Dispute Charges	3/6/2001
PSC	NY	0	0	Delayed Provisioning	3/6/2001
PUC	OH	162.33	194.35	Not Cancelled	3/6/2001
PUC	PA	234.92	0	Unauthorized Switch	3/6/2001
PUC	PA	65.1	0	Dispute Charges	3/6/2001
PUC	PA	0	0	Unauthorized Switch	3/6/2001
PUC	PA	0	50.8	Provisioning	3/6/2001
PUC	PA	208.08	0	Unauthorized Switch	3/6/2001
ATTY General	WA	28.43	0	Dispute Charges	3/6/2001
PSC	AL	67.55	0	Unauthorized Switch	3/7/2001
PSC	AL	80.66	0	Unauthorized Switch	3/7/2001
PSC	AL	1325.78	0	Unauthorized Switch	3/7/2001
PSC	AL	90.73	0	Unauthorized Switch	3/7/2001
PUC	CT	0	0	Unauthorized Switch	3/7/2001

PSC	FL	98.51	0	Unauthorized Switch	3/7/2001
PSC	FL	98.51	0	Unauthorized Switch	3/7/2001
PSC	FL	0	0	Unauthorized Switch	3/7/2001
PSC	FL	0	0	Wrong BTN	3/7/2001
PSC	FL	278.81	0	Unauthorized Switch	3/7/2001
PSC	FL	0	66.33	Rebuttal	3/7/2001
PSC	FL	53.33	107.52	Billed After Cancel	3/7/2001
ATTY General	IA	64.26	0	Unauthorized Switch	3/7/2001
PSC	KY	0	0	Unauthorized Switch	3/7/2001
PSC	KY	235.25	0	Dispute Charges	3/7/2001
PSC	KY	0	0	Refund	3/7/2001
PSC	KY	496.29	0	Unauthorized Switch	3/7/2001
Dept Telecom	MA	0	0	Misc.	3/7/2001
PSC	MS	77.57	0	Dispute Charges	3/7/2001
PSC	NC	54.95	0	Dispute Charges	3/7/2001
Consumer Protection	NY	371.88	0	Unauthorized Switch	3/7/2001
PSC	NY	211.03	80	Unauthorized Switch	3/7/2001
PSC	NY	41.86	0	Unauthorized Switch	3/7/2001
PSC	NY	45.35	67.15	Unauthorized Switch	3/7/2001
PSC	NY	67.61	0	Dispute Charges	3/7/2001
PSC	NY	307.53	0	Unauthorized Switch	3/7/2001
PSC	NY	497.61	0	Unauthorized Switch	3/7/2001
PSC	NY	33.53	0	Refund	3/7/2001
PSC	NY	146.73	0	Unauthorized Switch	3/7/2001
PUC	PA	0	0	Unauthorized Switch	3/7/2001
ATTY General	RI	0	0	Dispute Charges	3/7/2001
Dept Agriculture	VA	0	0	Unauthorized Switch	3/7/2001
FCC	DC	4.17	198.44	Unauthorized Switch	3/8/2001
FCC	FC	0	0	Unauthorized Switch	3/8/2001
FCC	FC	0	18.46	Unauthorized Switch	3/8/2001
FCC	FC	126.07	0	Unauthorized Switch	3/8/2001
FCC	FC	90.74	0	Dispute Charges	3/8/2001
FCC	FC	0	0	Unauthorized Switch	3/8/2001
FCC	FC	0	0	Dispute Charges	3/8/2001
FCC	FC	1852.51	0	Unauthorized Switch	3/8/2001
FCC	FC	4.17	198.44	Unauthorized Switch	3/8/2001
FCC	FC	200.68	0	Unauthorized Switch	3/8/2001
FCC	FC	0	0	Unauthorized Switch	3/8/2001
FCC	FC	75.72	0	Crammed	3/8/2001
FCC	FC	83.55	68.07	Unauthorized Switch	3/8/2001
FCC	FC	165.51	0	Unauthorized Switch	3/8/2001
FCC	FC	0	0	Unauthorized Switch	3/8/2001
FCC	FC	199.43	0	Unauthorized Switch	3/8/2001
FCC	FC	0	210	Billed After Cancel	3/8/2001
FCC	FC	0	217.26	Refund	3/8/2001
FCC	FC	764.44	0	Dispute Charges	3/8/2001
FCC	FC	130.2	0	Unauthorized Switch	3/8/2001
FCC	FC	63.68	0	Unauthorized Switch	3/8/2001
FCC	FC	13.01	0	Dispute Charges	3/8/2001
FCC	FC	0	76	Billed After Cancel	3/8/2001
FCC	FC	105.66	0	Unauthorized Switch	3/8/2001
FCC	FC	2370.83	0	Crammed	3/8/2001

PSC	FL	0	459.9	Unauthorized Switch	3/8/2001
PSC	FL	0	0	Unauthorized Switch	3/8/2001
PSC	FL	0	0	Refund	3/8/2001
PSC	FL	259.67	0	Unauthorized Switch	3/8/2001
PSC	GA	296.85	0	Unauthorized Switch	3/8/2001
PSC	GA	50	0	Dispute Charges	3/8/2001
PSC	GA	280.93	0	Billed After Cancel	3/8/2001
PSC	GA	85.61	0	Unauthorized Switch	3/8/2001
PSC	GA	50	0	Misc.	3/8/2001
PSC	GA	0	0	Loss Of Service	3/8/2001
PSC	GA	41.32	0	Unauthorized Switch	3/8/2001
Reg. Commission	IN	0	0	Crammed	3/8/2001
PSC	KY	44.46	0	Not Cancelled	3/8/2001
PSC	LA	112.06	0	Dispute Charges	3/8/2001
Consumer Protection	NC	0	0	Unauthorized Switch	3/8/2001
Consumer Protection	NC	0	46.31	Unauthorized Switch	3/8/2001
PSC	NC	0	0	Dispute Charges	3/8/2001
PSC	NY	0	0	Billed After Cancel	3/8/2001
PSC	NY	129	0	Unauthorized Switch	3/8/2001
PSC	NY	146.31	0	Unauthorized Switch	3/8/2001
PSC	NY	230.68	0	Unauthorized Switch	3/8/2001
PSC	NY	67.46	0	Unauthorized Switch	3/8/2001
PSC	NY	0	25.8	Unauthorized Switch	3/8/2001
PSC	NY	156.29	63.89	Unauthorized Switch	3/8/2001
PSC	NY	44.76	0	Unauthorized Switch	3/8/2001
PSC	NY	297.43	0	Billed After Cancel	3/8/2001
PSC	NY	724.62	0	Billed After Cancel	3/8/2001
PUC	OH	0	0	Unauthorized Switch	3/8/2001
ATTY General	PA	0.81	10	Rebuttal	3/8/2001
PUC	PA	140.1	0	Unauthorized Switch	3/8/2001
PUC	PA	0	0	Dispute Charges	3/8/2001
Reg Auth	TN	0	0	Unauthorized Switch	3/8/2001
Reg Auth	TN	0	72.56	Not Cancelled	3/8/2001
Reg Auth	TN	239.3	0	Loss Of Service	3/8/2001
Reg Auth	TN	372.13	0	Unauthorized Switch	3/8/2001
Reg Auth	TN	234.87	0	Unauthorized Switch	3/8/2001
PUC	TX	0	0	Unauthorized Switch	3/8/2001
PUC	TX	0	0	Dnc	3/8/2001
UTC	WA	0	0	Unauthorized Switch	3/8/2001
PSC	AL	0	0	Unauthorized Switch	3/8/2001
PSC	AL	312.32	0	Unauthorized Switch	3/9/2001
FCC	FC	0	8.93	Unauthorized Switch	3/9/2001
FCC	FC	0	0	Unauthorized Switch	3/9/2001
FCC	FC	118.68	0	Billed After Cancel	3/9/2001
FCC	FC	0	0	Unauthorized Switch	3/9/2001
PSC	FL	289.87	16.52	Dispute Charges	3/9/2001
PSC	FL	0	0	Unauthorized Switch	3/9/2001
PSC	FL	232.87	245.72	Dispute Charges	3/9/2001
PSC	FL	0	208.42	Billed After Cancel	3/9/2001
PSC	KY	198.07	0	Dispute Charges	3/9/2001
Dept of Justice	NC	67.01	0	Dispute Charges	3/9/2001
PSC	NC	7.02	0	Unauthorized Switch	3/9/2001

Consumer Protection	NY	0	299.09	Billed After Cancel	3/9/2001
PSC	NY	10	0	Features	3/9/2001
PSC	NY	0	0	Unauthorized Switch	3/9/2001
PSC	NY	126.16	0	Unauthorized Switch	3/9/2001
PSC	NY	221.81	0	Unauthorized Switch	3/9/2001
PUC	PA	44.72	0	Not Cancelled	3/9/2001
PUC	PA	0	0	Unauthorized Switch	3/9/2001
PUC	PA	130.2	0	Unauthorized Switch	3/9/2001
PUC	PA	129.9	0	Unauthorized Switch	3/9/2001
PUC	PA	106.94	0	Unauthorized Switch	3/9/2001
PUC	CO	22.07	0	Dispute Charges	3/9/2001
FCC	DC	0	0	Unauthorized Switch	3/12/2001
FCC	DC	0	0	Unauthorized Switch	3/12/2001
FCC	FC	7.22	0	Unauthorized Switch	3/12/2001
FCC	FC	0	177.99	Delayed Billing	3/12/2001
FCC	FC	225.51	0	Dispute Charges	3/12/2001
FCC	FC	0	26.68	Unauthorized Switch	3/12/2001
FCC	FC	219.64	106.89	Billed After Cancel	3/12/2001
FCC	FC	0	677.01	Billed After Cancel	3/12/2001
FCC	FC	76.65	0	Billed After Cancel	3/12/2001
FCC	FC	0	0	Dispute Charges	3/12/2001
FCC	FC	6.8	110.22	Dispute Charges	3/12/2001
FCC	FC	10.3	8.28	Unauthorized Switch	3/12/2001
FCC	FC	0	0	Billed After Cancel	3/12/2001
FCC	FC	408.72	0	Dispute Charges	3/12/2001
FCC	FC	0	0	Not Cancelled	3/12/2001
FCC	FC	0	0	Dispute Charges	3/12/2001
FCC	FC	184.57	0	Unauthorized Switch	3/12/2001
FCC	FC	0	0	Unauthorized Switch	3/12/2001
FCC	FC	108.92	0	Refund	3/12/2001
FCC	FC	0	38.42	Wrong BTN	3/12/2001
FCC	FC	0	20.03	Billed After Cancel	3/12/2001
FCC	FC	0	134.09	Unauthorized Switch	3/12/2001
FCC	FC	0	0	Unauthorized Switch	3/12/2001
FCC	FC	146.16	0	Unauthorized Switch	3/12/2001
FCC	FC	0	0	Unauthorized Switch	3/12/2001
FCC	FC	72.11	0	Billed After Cancel	3/12/2001
FCC	FC	41.62	0	Unauthorized Switch	3/12/2001
FCC	FC	0	0	Dispute Charges	3/12/2001
Dept Agriculture	FL	0	0	Dnc	3/12/2001
PSC	FL	86.08	0	Unauthorized Switch	3/12/2001
PSC	FL	163.4	0	Unauthorized Switch	3/12/2001
PSC	FL	0	0	Wrong BTN	3/12/2001
PSC	FL	0	0	Provisioning	3/12/2001
ATTY General	KS	68.39	0	Unauthorized Switch	3/12/2001
ATTY General	KS	59.03	0	Unauthorized Switch	3/12/2001
ATTY General	MA	50.25	0	Dispute Charges	3/12/2001
PSC	MT	27.72	17.45	Misc.	3/12/2001
ATTY General	NC	275.36	0	Unauthorized Switch	3/12/2001
PSC	NC	103.56	0	Dispute Charges	3/12/2001
PSC	NC	0	0	Unauthorized Switch	3/12/2001
PUC	NJ	0	0	Billed After Cancel	3/12/2001

PSC	NY	0	37.02	Unauthorized Switch	3/12/2001
PSC	NY	214.01	0	Unauthorized Switch	3/12/2001
PSC	NY	0	0	Unauthorized Switch	3/12/2001
PSC	NY	4.22	22.06	Unauthorized Switch	3/12/2001
PSC	NY	545.45	0	Unauthorized Switch	3/12/2001
PUC	PA	210.91	0	Unauthorized Switch	3/12/2001
PUC	PA	0	0	Unauthorized Switch	3/12/2001
Reg Auth	TN	305.98	0	Unauthorized Switch	3/12/2001
Reg Auth	TN	43.16	0	Rebuttal	3/12/2001
Reg Auth	TN	0	0	Unauthorized Switch	3/12/2001
PSC	AL	0	0	Unauthorized Switch	3/12/2001
ATTY General	AR	26.88	0	Customer Service	3/13/2001
ATTY General	CA	61.64	0	Wrong BTN	3/13/2001
Dept Agriculture	FL	0	0	Promo	3/13/2001
PSC	FL	294.87	0	Unauthorized Switch	3/13/2001
PSC	FL	131	0	Unauthorized Switch	3/13/2001
PSC	FL	11.81	0	Loss Of Service	3/13/2001
PSC	FL	0	0	Promo	3/13/2001
PSC	FL	319.72	0	Dispute Charges	3/13/2001
PSC	FL	50.5	0	Dispute Charges	3/13/2001
PSC	FL	655.52	0	Unauthorized Switch	3/13/2001
PSC	FL	0	0	Loss Of Service	3/13/2001
PSC	FL	12.27	66.33	Unauthorized Switch	3/13/2001
PSC	FL	457.06	95.88	Dispute Charges	3/13/2001
PSC	FL	155.3	0	Unauthorized Switch	3/13/2001
PSC	FL	24.47	0	Unauthorized Switch	3/13/2001
PSC	FL	5.27	0	Rebuttal	3/13/2001
PSC	GA	0	0	Loss Of Service	3/13/2001
PSC	GA	31.34	0	Unauthorized Switch	3/13/2001
PSC	GA	63.93	0	Unauthorized Switch	3/13/2001
PSC	GA	259.44	0	Dispute Charges	3/13/2001
PSC	GA	0	0	Unauthorized Switch	3/13/2001
PSC	GA	68.15	0	Misc.	3/13/2001
PSC	GA	37.34	0	Unauthorized Switch	3/13/2001
PSC	GA	287.5	0	Unauthorized Switch	3/13/2001
PSC	GA	58.25	0	Refund	3/13/2001
PSC	GA	0	0	Rebuttal	3/13/2001
Reg. Commission	IN	144.39	0	Unauthorized Switch	3/13/2001
PSC	KY	156.16	0	Unauthorized Switch	3/13/2001
PUC	ME	0	0	Unauthorized Switch	3/13/2001
ATTY General	MN	288.66	0	Unauthorized Switch	3/13/2001
PSC	MS	0	0	Dispute Charges	3/13/2001
ATTY General	NC	0	0	Promo	3/13/2001
PSC	NC	70.16	0	Unauthorized Switch	3/13/2001
PSC	NY	190.72	0	Unauthorized Switch	3/13/2001
PSC	NY	185.84	0	Not Cancelled	3/13/2001
PUC	PA	0	0	Unauthorized Switch	3/13/2001
PUC	PA	0	0	Unauthorized Switch	3/13/2001
PUC	PA	10	0	Dispute Charges	3/13/2001
Reg Auth	TN	0	0	Unauthorized Switch	3/13/2001
Reg Auth	TN	88.51	0	Unauthorized Switch	3/13/2001
PUC	TX	0	0	Unauthorized Switch	3/13/2001

PUC	TX	0	0	Loss Of Service	3/13/2001
PSC	WI	20	0	Delayed Billing	3/13/2001
PSC	AL	0	0	Unauthorized Switch	3/14/2001
PSC	AL	56.17	0	Unauthorized Switch	3/14/2001
PSC	FL	8.41	0	Dispute Charges	3/14/2001
PSC	FL	45.96	0	Unauthorized Switch	3/14/2001
PSC	FL	216.48	0	Unauthorized Switch	3/14/2001
PSC	FL	45.96	0	Unauthorized Switch	3/14/2001
PSC	FL	9.19	0	Unauthorized Switch	3/14/2001
PSC	FL	0	0	Unauthorized Switch	3/14/2001
PSC	FL	222.3	0	Rebuttal	3/14/2001
PSC	FL	97.96	0	Unauthorized Switch	3/14/2001
PSC	FL	78.96	0	Unauthorized Switch	3/14/2001
PSC	GA	72.18	0	Dispute Charges	3/14/2001
PSC	GA	65.98	0	Unauthorized Switch	3/14/2001
PSC	GA	0	0	Unauthorized Switch	3/14/2001
ATTY General	NC	314.38	12.29	Dispute Charges	3/14/2001
PSC	NC	0	0	Dispute Charges	3/14/2001
Public Staffing	NC	0	299.61	Unauthorized Switch	3/14/2001
ATTY General	NY	0	0	Dispute Charges	3/14/2001
PSC	NY	65.76	131.23	Unauthorized Switch	3/14/2001
PSC	NY	10.08	0	Unauthorized Switch	3/14/2001
PSC	NY	255.37	0	Unauthorized Switch	3/14/2001
PSC	NY	25	0	Unauthorized Switch	3/14/2001
PSC	NY	66.23	0	Unauthorized Switch	3/14/2001
ATTY General	PA	277.09	0	Refund	3/14/2001
PUC	PA	0	0	Dispute Charges	3/14/2001
PUC	PA	0.27	0	Unauthorized Switch	3/14/2001
PUC	PA	0	0	Loss Of Service	3/14/2001
Reg Auth	TN	280.76	0	Unauthorized Switch	3/14/2001
Reg Auth	TN	55.13	0	Unauthorized Switch	3/14/2001
PUC	TX	0	0	Unauthorized Switch	3/14/2001
PUC	TX	0	0	Dispute Charges	3/14/2001
ATTY General	AR	7.67	0	Dispute Charges	3/14/2001
FCC	FC	131.3	0	Unauthorized Switch	3/15/2001
FCC	FC	41.46	0	Unauthorized Switch	3/15/2001
FCC	FC	0	0	Unauthorized Switch	3/15/2001
FCC	FC	0	0	Wrong BTN	3/15/2001
FCC	FC	206.07	15	Unauthorized Switch	3/15/2001
FCC	FC	86.63	0	Unauthorized Switch	3/15/2001
FCC	FC	0	10	Unauthorized Switch	3/15/2001
FCC	FC	0	70.49	Dispute Charges	3/15/2001
FCC	FC	0	0	Unauthorized Switch	3/15/2001
FCC	FC	0	266.17	Dispute Charges	3/15/2001
FCC	FC	0	0	Misc.	3/15/2001
FCC	FC	518.03	0	Not Cancelled	3/15/2001
FCC	FC	0	0	Dispute Charges	3/15/2001
FCC	FC	3.46	0	Unauthorized Switch	3/15/2001
FCC	FC	132.08	0	Unauthorized Switch	3/15/2001
FCC	FC	0	283.29	Unauthorized Switch	3/15/2001
FCC	FC	0	0	Dispute Charges	3/15/2001
FCC	FC	0	54.53	Unauthorized Payment	3/15/2001

PSC	FL	0	0	Unauthorized Switch	3/15/2001
PSC	FL	0	0	Unauthorized Switch	3/15/2001
PSC	FL	147.91	0	Unauthorized Switch	3/15/2001
PSC	FL	108.05	0	Unauthorized Switch	3/15/2001
PSC	FL	60	0	Unauthorized Switch	3/15/2001
PSC	FL	9	94.13	Unauthorized Switch	3/15/2001
PSC	FL	0	0	Loss Of Service	3/15/2001
PSC	GA	38.68	0	Unauthorized Switch	3/15/2001
PSC	GA	194.54	0	Unauthorized Switch	3/15/2001
PSC	GA	0	0	Loss Of Service	3/15/2001
PSC	GA	0	0	Unauthorized Switch	3/15/2001
PSC	GA	0	0	Unauthorized Switch	3/15/2001
PSC	GA	0	0	Dispute Charges	3/15/2001
ATTY General	NY	0	0	Unauthorized Switch	3/15/2001
PSC	NY	86.51	0	Unauthorized Switch	3/15/2001
PSC	NY	0	199.4	Unauthorized Switch	3/15/2001
ATTY General	PA	0	0	Unauthorized Switch	3/15/2001
PUC	PA	130.2	0	Unauthorized Switch	3/15/2001
PUC	PA	72.16	0	Unauthorized Switch	3/15/2001
PUC	PA	218.87	0	Dispute Charges	3/15/2001
PUC	PA	67.33	0	Dispute Charges	3/15/2001
PUC	PA	187.63	0	Unauthorized Switch	3/15/2001
PUC	PA	0	0	Not Cancelled	3/15/2001
PSC	SC	61.39	0	Dispute Charges	3/15/2001
Reg Auth	TN	23.38	0	Unauthorized Switch	3/15/2001
Reg Auth	TN	76.86	0	Unauthorized Switch	3/15/2001
Reg Auth	TN	4.17	12.87	Unauthorized Switch	3/15/2001
PUC	TX	0	0	Unauthorized Switch	3/15/2001
PUC	TX	15.1	0	Unauthorized Switch	3/15/2001
PUC	TX	100.92	0	Unauthorized Switch	3/15/2001
PUC	TX	0	0	Dispute Charges	3/15/2001
ATTY General	WA	11.2	0	Dispute Charges	3/15/2001
PUC	CA	43.56	43.56	Billed After Cancel	3/16/2001
PUC	CA	24.45	0	Unauthorized Switch	3/16/2001
PUC	CA	0	0	Dispute Charges	3/16/2001
PUC	CA	116.14	0	Unauthorized Switch	3/16/2001
PUC	CA	931.06	0	Unauthorized Switch	3/16/2001
FCC	FC	678.42	0	Unauthorized Switch	3/16/2001
Dept Agriculture	FL	0	86.13	Promo	3/16/2001
PSC	FL	45.71	0	Dispute Charges	3/16/2001
PSC	FL	1343.77	0	Unauthorized Switch	3/16/2001
PSC	FL	0	0	Unauthorized Switch	3/16/2001
PSC	FL	0	0	Unauthorized Switch	3/16/2001
PSC	FL	398.37	0	Unauthorized Switch	3/16/2001
Dept of Justice	NC	30.47	61.38	Billed After Cancel	3/16/2001
ATTY General	NY	0	0	Rebuttal	3/16/2001
PSC	NY	194.47	0	Unauthorized Switch	3/16/2001
PSC	NY	414.64	0	Unauthorized Switch	3/16/2001
PSC	NY	200	0	Unauthorized Switch	3/16/2001
PSC	NY	40.97	0	Unauthorized Switch	3/16/2001
PSC	NY	0	0	Rebuttal	3/16/2001
PSC	NY	72.44	0	Unauthorized Switch	3/16/2001

PSC	NY	180.16	0	Unauthorized Switch	3/16/2001
Dept of Justice	OR	88.28	0	Dispute Charges	3/16/2001
Dept of Justice	OR	0	0	Promo	3/16/2001
PUC	PA	165.8	0	Dispute Charges	3/16/2001
PUC	PA	215.58	0	Dispute Charges	3/16/2001
PUC	PA	184.76	0	Dispute Charges	3/16/2001
PUC	PA	174.36	0	Unauthorized Switch	3/16/2001
PUC	PA	37.51	0	Not Cancelled	3/16/2001
Reg Auth	TN	0	0	Unauthorized Switch	3/16/2001
PUC	TX	176.99	0	Unauthorized Switch	3/16/2001
PUC	TX	0	0	Unauthorized Switch	3/16/2001
PUC	TX	0	0	Dnc	3/16/2001
PSC	AL	0	0	Unauthorized Switch	3/19/2001
PUC	CA	0	0	No Info	3/19/2001
PUC	CA	86.62	0	Unauthorized Switch	3/19/2001
PUC	CA	0	0	Unauthorized Switch	3/19/2001
PSC	FL	99.88	0	Unauthorized Switch	3/19/2001
PSC	FL	0	193.39	Unauthorized Switch	3/19/2001
PSC	FL	0	0	Unauthorized Switch	3/19/2001
PSC	FL	234.52	0	Dispute Charges	3/19/2001
PSC	FL	31.55	0	Unauthorized Switch	3/19/2001
PSC	FL	240.89	0	Dispute Charges	3/19/2001
PSC	FL	0	0	Dispute Charges	3/19/2001
PSC	FL	78.96	0	Loss Of Service	3/19/2001
PSC	GA	4.28	0	Billed After Cancel	3/19/2001
PSC	GA	51.71	0	Unauthorized Switch	3/19/2001
PSC	GA	19.89	0	Billed After Cancel	3/19/2001
PSC	GA	393.32	0	Unauthorized Switch	3/19/2001
PSC	GA	139.66	0	Unauthorized Switch	3/19/2001
PSC	GA	102.63	0	Unauthorized Switch	3/19/2001
PSC	GA	122.78	0	Unauthorized Switch	3/19/2001
PSC	GA	309.47	0	Unauthorized Switch	3/19/2001
PSC	GA	0	0	Refund	3/19/2001
PSC	GA	85.72	0	Unauthorized Switch	3/19/2001
PSC	GA	11.69	0	Dispute Charges	3/19/2001
PSC	GA	61.12	49.23	Dispute Charges	3/19/2001
PSC	GA	0	0	Billed After Cancel	3/19/2001
PSC	GA	33.35	0	Unauthorized Switch	3/19/2001
PSC	KY	152.67	0	Not Cancelled	3/19/2001
PSC	KY	37.22	0	Unauthorized Switch	3/19/2001
PSC	KY	0	0	Unauthorized Switch	3/19/2001
PSC	KY	0	0	Unauthorized Switch	3/19/2001
PSC	MI	10.34	0	Unauthorized Switch	3/19/2001
Public Staffing	NC	267.64	0	Unauthorized Switch	3/19/2001
ATTY General	NY	326.46	0	Dispute Charges	3/19/2001
PSC	NY	130	0	Unauthorized Switch	3/19/2001
PSC	NY	718.3	0	Unauthorized Switch	3/19/2001
PSC	NY	97.04	0	Dispute Charges	3/19/2001
PUC	PA	0	0	Unauthorized Switch	3/19/2001
PUC	PA	0	0	Service Transfers	3/19/2001
PUC	PA	217.28	155.51	Unauthorized Switch	3/19/2001
Reg Auth	TN	196.8	0	Delayed Provisioning	3/19/2001

PUC	TX	0	0	Unauthorized Switch	3/19/2001
UTC	WA	0	0	Unauthorized Switch	3/19/2001
UTC	WA	0	0	Dispute Charges	3/19/2001
PSC	WI	0	0	Dispute Charges	3/19/2001
PSC	AL	71.03	0	Provisioning	3/19/2001
PUC	CA	0	0	Dispute Charges	3/20/2001
FCC	FC	140.28	0	Unauthorized Switch	3/20/2001
FCC	FC	10	0	Refund	3/20/2001
FCC	FC	0	0	Dispute Charges	3/20/2001
FCC	FC	0	0	Dispute Charges	3/20/2001
FCC	FC	0	0	Not Cancelled	3/20/2001
FCC	FC	31.38	0	Dispute Charges	3/20/2001
FCC	FC	0	0	Billed After Cancel	3/20/2001
FCC	FC	653.65	137.48	Dispute Charges	3/20/2001
FCC	FC	213.73	0	Unauthorized Switch	3/20/2001
FCC	FC	0	0	Dispute Charges	3/20/2001
FCC	FC	243.59	0	Dispute Charges	3/20/2001
FCC	FC	0	140.45	Dispute Charges	3/20/2001
FCC	FC	286.01	0	Dispute Charges	3/20/2001
FCC	FC	0	0	Dispute Charges	3/20/2001
FCC	FC	0	730.34	Billed After Cancel	3/20/2001
FCC	FC	0	0	Billed After Cancel	3/20/2001
FCC	FC	0	0	Dispute Charges	3/20/2001
FCC	FC	0	0	Misc.	3/20/2001
PSC	FL	20.16	0	Dispute Charges	3/20/2001
PSC	FL	84.02	0	Unauthorized Switch	3/20/2001
PSC	FL	404.32	0	Billed After Cancel	3/20/2001
PSC	FL	0.55	0	Dispute Charges	3/20/2001
PSC	FL	0	0	Dispute Charges	3/20/2001
PSC	FL	0	0	Unauthorized Switch	3/20/2001
PSC	FL	0	0	Billed After Cancel	3/20/2001
PSC	FL	0	0	Unauthorized Switch	3/20/2001
PSC	FL	0	0	Unauthorized Switch	3/20/2001
PSC	FL	201.28	0	Unauthorized Switch	3/20/2001
PSC	FL	0	0	Unauthorized Switch	3/20/2001
PSC	FL	424.63	0	Unauthorized Switch	3/20/2001
PSC	GA	43.36	37.77	Unauthorized Switch	3/20/2001
PSC	GA	72.71	0	Rebuttal	3/20/2001
PSC	GA	237.81	160.65	Dispute Charges	3/20/2001
PSC	KY	124.25	0	Unauthorized Switch	3/20/2001
PSC	KY	21.82	0	Unauthorized Switch	3/20/2001
PSC	MI	10.01	10	Unauthorized Switch	3/20/2001
ATTY General	NC	67.16	57.65	Dispute Charges	3/20/2001
ATTY General	NC	119.79	0	Rebuttal	3/20/2001
PSC	NC	0	100.99	Dispute Charges	3/20/2001
PSC	NC	58.35	0	Unauthorized Payment	3/20/2001
ATTY General	NY	9.14	39.05	Unauthorized Payment	3/20/2001
Consumer Protection	NY	103.94	0	Dispute Charges	3/20/2001
PSC	NY	212.9	0	Rebuttal	3/20/2001
PSC	NY	315.36	0	Unauthorized Switch	3/20/2001
PSC	NY	0	0	Unauthorized Switch	3/20/2001
PSC	NY	170	82.82	Dispute Charges	3/20/2001

PSC	NY	319.37	0	Billed After Cancel	3/20/2001
PSC	NY	260.27	0	Billed After Cancel	3/20/2001
PSC	NY	126.23	97.55	Unauthorized Switch	3/20/2001
PSC	NY	0	0	Unauthorized Switch	3/20/2001
PSC	NY	12.08	0	Unauthorized Switch	3/20/2001
PSC	NY	217.98	0	Unauthorized Switch	3/20/2001
PUC	OH	12.24	0	Unauthorized Switch	3/20/2001
PUC	OH	0	0	Unauthorized Switch	3/20/2001
PUC	PA	0	0	Unauthorized Switch	3/20/2001
ATTY General	RI	288.56	0	Unauthorized Switch	3/20/2001
Reg Auth	TN	262.69	0	Misc.	3/20/2001
Reg Auth	TN	487.47	0	Dispute Charges	3/20/2001
Reg Auth	TN	0	0	Delayed Provisioning	3/20/2001
Reg Auth	TN	273.93	0	Unauthorized Switch	3/20/2001
PUC	TX	0	0	Billed After Cancel	3/20/2001
PUC	TX	0	0	Unauthorized Switch	3/20/2001
PUC	TX	0	0	Dnc	3/20/2001
PUC	TX	0	0	Dnc	3/20/2001
Dept Agriculture	VA	132.37	0	Dispute Charges	3/20/2001
PSC	AL	134.1	134.1	Unauthorized Switch	3/20/2001
ATTY General	AR	0	0	Unauthorized Switch	3/21/2001
PUC	CO	71.37	121.39	Unauthorized Switch	3/21/2001
Dept Agriculture	FL	0	0	Dispute Charges	3/21/2001
PSC	FL	845.09	0	Unauthorized Switch	3/21/2001
PSC	FL	0	81.59	Billed After Cancel	3/21/2001
PSC	FL	0	0	Dispute Charges	3/21/2001
PSC	FL	0	0	Refund	3/21/2001
PSC	FL	136.88	0	Dispute Charges	3/21/2001
PSC	FL	0	0	Dispute Charges	3/21/2001
PSC	FL	98.06	0	Billed After Cancel	3/21/2001
PSC	FL	0	0	Unauthorized Switch	3/21/2001
PSC	FL	0.31	0	Rebuttal	3/21/2001
PSC	GA	0	0	Dispute Charges	3/21/2001
PSC	GA	200.01	0	Unauthorized Switch	3/21/2001
PSC	MD	0	0	Dispute Charges	3/21/2001
ATTY General	MN	0	59.8	Dispute Charges	3/21/2001
PUC	MN	84	0	Dispute Charges	3/21/2001
PSC	NY	64.77	0	Rebuttal	3/21/2001
PSC	NY	0	0	Unauthorized Switch	3/21/2001
PSC	NY	6.91	0	Unauthorized Switch	3/21/2001
ATTY General	PA	0	43.9	Delayed Billing	3/21/2001
ATTY General	PA	89.97	0	Dispute Charges	3/21/2001
ATTY General	PA	0	0	Dnc	3/21/2001
ATTY General	PA	0	0	Delayed Billing	3/21/2001
ATTY General	PA	0	0	Unauthorized Switch	3/21/2001
PUC	PA	48.64	0	Unauthorized Switch	3/21/2001
PUC	PA	0	0	Unauthorized Switch	3/21/2001
PUC	PA	56.83	0	Unauthorized Switch	3/21/2001
PUC	PA	164.99	0	Unauthorized Switch	3/21/2001
PUC	PA	142.22	0	Dispute Charges	3/21/2001
PUC	PA	0	0	Unauthorized Switch	3/21/2001
PUC	PA	67.2	0	Not Cancelled	3/21/2001

PUC	PA	135	0	Unauthorized Switch	3/21/2001
PUC	PA	42.16	0	Unauthorized Switch	3/21/2001
Reg Auth	TN	0	0	Unauthorized Switch	3/21/2001
PUC	TX	17.98	0	Dispute Charges	3/21/2001
PUC	TX	0	0	Dnc	3/21/2001
UTC	WA	0	0	Unauthorized Switch	3/21/2001
PSC	AL	134.1	134.1	Unauthorized Switch	3/22/2001
PSC	AL	441.65	25	Dispute Charges	3/22/2001
PUC	CA	0	0	Dispute Charges	3/22/2001
PUC	CO	27.73	0	Unauthorized Switch	3/22/2001
PSC	FL	0	0	Provisioning	3/22/2001
PSC	FL	1089.21	0	Unauthorized Switch	3/22/2001
PSC	FL	162.41	0	Unauthorized Switch	3/22/2001
PSC	FL	26.12	0	Unauthorized Switch	3/22/2001
PSC	FL	94.24	0	Unauthorized Switch	3/22/2001
PSC	FL	0	0	Wrong BTN	3/22/2001
PSC	FL	0	31.33	Unauthorized Switch	3/22/2001
PSC	FL	71.96	0	Unauthorized Switch	3/22/2001
Consumer Affairs	GA	0	0	Rebuttal	3/22/2001
PSC	GA	61.56	0	Unauthorized Switch	3/22/2001
PSC	GA	0	0	Unauthorized Switch	3/22/2001
PSC	GA	0	0	Rebuttal	3/22/2001
PSC	GA	0	0	Rebuttal	3/22/2001
PSC	LA	22.59	0	Dispute Charges	3/22/2001
PSC	MS	99.99	0	Unauthorized Switch	3/22/2001
PSC	MS	679.79	0	Dispute Charges	3/22/2001
ATTY General	NC	210.52	0	Unauthorized Switch	3/22/2001
ATTY General	NC	61.36	0	Billed After Cancel	3/22/2001
PSC	NC	0	919.82	Unauthorized Switch	3/22/2001
PSC	NC	79.93	0	Unauthorized Switch	3/22/2001
PSC	NC	0	0	Dispute Charges	3/22/2001
ATTY General	NY	0	0	Billed After Cancel	3/22/2001
PSC	NY	718.78	0	Unauthorized Switch	3/22/2001
PSC	NY	0	28.4	Unauthorized Switch	3/22/2001
PSC	NY	0	260.62	Unauthorized Switch	3/22/2001
PSC	NY	255.83	0	Unauthorized Switch	3/22/2001
PSC	NY	26.57	0	Not Cancelled	3/22/2001
PSC	NY	164.19	0	Unauthorized Switch	3/22/2001
PSC	NY	16.75	0	Dispute Charges	3/22/2001
PSC	NY	255.85	0	Unauthorized Switch	3/22/2001
PUC	PA	0	0	Provisioning	3/22/2001
PUC	PA	164.17	0	Dispute Charges	3/22/2001
Reg Auth	TN	75.3	0	Unauthorized Switch	3/22/2001
Reg Auth	TN	425.25	15.74	Unauthorized Switch	3/22/2001
PSC	AL	0	0	Rebuttal	3/23/2001
PSC	AL	234.95	0	Dispute Charges	3/23/2001
PUC	CA	19.11	19.11	Billed After Cancel	3/23/2001
PUC	CA	0	0	Unauthorized Switch	3/23/2001
PUC	CA	0	0	Unauthorized Switch	3/23/2001
FCC	FC	19.78	0	Unauthorized Switch	3/23/2001
FCC	FC	15	0	Promo	3/23/2001
FCC	FC	0	0	Billed After Cancel	3/23/2001

FCC	FC	64.69	0	Unauthorized Switch	3/23/2001
FCC	FC	269.85	0	Dispute Charges	3/23/2001
FCC	FC	26.66	0	Promo	3/23/2001
FCC	FC	0	0	Dispute Charges	3/23/2001
FCC	FC	0	0	Dispute Charges	3/23/2001
FCC	FC	46.96	9.96	Unauthorized Switch	3/23/2001
FCC	FC	720.62	0	Unauthorized Switch	3/23/2001
FCC	FC	94.63	0	Unauthorized Switch	3/23/2001
Dept Agriculture	FL	128.64	0	Unauthorized Switch	3/23/2001
PSC	FL	10	0	Dispute Charges	3/23/2001
PSC	FL	30	0	Billed After Cancel	3/23/2001
PSC	FL	342.89	0	Dispute Charges	3/23/2001
PSC	FL	24.55	0	Unauthorized Switch	3/23/2001
PSC	FL	249.23	0	Unauthorized Switch	3/23/2001
PSC	FL	75	0	Unauthorized Switch	3/23/2001
PSC	FL	11.62	0	Misc.	3/23/2001
PSC	GA	69	0	Unauthorized Switch	3/23/2001
PSC	KY	25	0	Dispute Charges	3/23/2001
PSC	LA	64.82	0	Unauthorized Switch	3/23/2001
PSC	LA	329.6	0	Dispute Charges	3/23/2001
PSC	LA	59.67	0	Billed After Cancel	3/23/2001
PSC	MD	904.53	0	Unauthorized Switch	3/23/2001
PSC	MI	0	10.5	Unauthorized Switch	3/23/2001
PSC	MS	34.71	0	Dispute Charges	3/23/2001
PSC	MS	21.72	0	Dispute Charges	3/23/2001
Dept of Justice	NC	64.92	23.93	Misc.	3/23/2001
PSC	NC	0	0	Unauthorized Switch	3/23/2001
PSC	NC	134.02	0	Unauthorized Switch	3/23/2001
Consumer Affairs	NY	105.19	0	Unauthorized Switch	3/23/2001
PSC	NY	134.93	0	Unauthorized Switch	3/23/2001
PSC	NY	0	0	Unauthorized Switch	3/23/2001
PSC	NY	43.76	16.39	Unauthorized Switch	3/23/2001
PSC	NY	3.46	0	Unauthorized Switch	3/23/2001
PSC	NY	164.16	0	Unauthorized Switch	3/23/2001
PSC	NY	3.28	0	Delayed Provisioning	3/23/2001
PSC	NY	0	0	Loss Of Service	3/23/2001
PSC	NY	0	0	Misc.	3/23/2001
PSC	NY	16	0	Unauthorized Switch	3/23/2001
PUC	PA	135	0	Dispute Charges	3/23/2001
PUC	PA	116.55	0	Re-Rates	3/23/2001
PUC	PA	194.63	0	Billed After Cancel	3/23/2001
PUC	PA	0	0	Unauthorized Switch	3/23/2001
PUC	PA	162.16	0	Not Cancelled	3/23/2001
PUC	PA	136.1	0	Unauthorized Switch	3/23/2001
Reg Auth	TN	225.29	0	Dispute Charges	3/23/2001
Reg Auth	TN	0	250	Unauthorized Switch	3/23/2001
Reg Auth	TN	187.05	0	Unauthorized Switch	3/23/2001
Reg Auth	TN	282.66	0	Unauthorized Switch	3/23/2001
Reg Auth	TN	0	0	Unauthorized Switch	3/23/2001
Reg Auth	TN	118.73	0	Dispute Charges	3/23/2001
Reg Auth	TN	219.15	0	Dispute Charges	3/23/2001
Reg Auth	TN	199.8	54.85	Billed After Cancel	3/23/2001

PUC	TX	0	0	Unauthorized Switch	3/23/2001
PUC	TX	220.26	0	Dispute Charges	3/23/2001
PUC	TX	0	0	Unauthorized Switch	3/23/2001
PUC	TX	0	0	Loss Of Service	3/23/2001
PUC	TX	0	0	Unauthorized Switch	3/23/2001
PUC	TX	0	0	Dispute Charges	3/23/2001
PSC	MS	0	0	Dispute Charges	3/24/2001
PSC	MS	0	0	Dispute Charges	3/24/2001
PSC	AL	0	0	Unauthorized Switch	3/26/2001
PSC	AL	0	0	Unauthorized Switch	3/26/2001
PSC	FL	38.97	0	Delayed Billing	3/26/2001
PSC	FL	43.55	0	Unauthorized Switch	3/26/2001
PSC	FL	28.94	0	Billed After Cancel	3/26/2001
PSC	FL	65.46	0	Unauthorized Switch	3/26/2001
PSC	FL	504.83	0	Unauthorized Switch	3/26/2001
PSC	FL	20.23	0	Unauthorized Switch	3/26/2001
PSC	FL	382.36	0	Loss Of Service	3/26/2001
PSC	FL	0	266.05	Unauthorized Switch	3/26/2001
PSC	FL	0	0	Unauthorized Switch	3/26/2001
PSC	FL	92.73	0	Unauthorized Switch	3/26/2001
Consumer Affairs	GA	31.82	0	Unauthorized Switch	3/26/2001
PSC	GA	0	0	Dispute Charges	3/26/2001
PSC	GA	113.2	0	Billed After Cancel	3/26/2001
PSC	GA	227.64	0	Unauthorized Switch	3/26/2001
PSC	GA	141.68	0	Unauthorized Switch	3/26/2001
PSC	KY	23.96	0	Not Cancelled	3/26/2001
PSC	KY	123.07	0	Unauthorized Switch	3/26/2001
PSC	KY	184.23	0	Unauthorized Switch	3/26/2001
PSC	KY	99.94	130.01	Unauthorized Switch	3/26/2001
PSC	KY	48.16	142.61	Billed After Cancel	3/26/2001
PSC	MS	0	0	Unauthorized Switch	3/26/2001
PSC	MS	348.11	279.42	Dispute Charges	3/26/2001
PSC	MS	0	0	Dispute Charges	3/26/2001
PSC	MS	0	0	Dispute Charges	3/26/2001
PSC	MS	0	0	Billed After Cancel	3/26/2001
UTC	NC	0	0	Billed After Cancel	3/26/2001
PSC	NY	0	0	Unauthorized Switch	3/26/2001
PSC	NY	249.12	0	Unauthorized Switch	3/26/2001
PSC	NY	3.46	0	Unauthorized Switch	3/26/2001
PSC	NY	21.95	0	Unauthorized Switch	3/26/2001
PSC	NY	316.35	100	Unauthorized Switch	3/26/2001
PSC	NY	0	0	Unauthorized Switch	3/26/2001
PSC	NY	322	0	Unauthorized Switch	3/26/2001
PSC	NY	63.61	0	Dispute Charges	3/26/2001
PSC	NY	61.6	0	Unauthorized Switch	3/26/2001
PUC	PA	0	0	Unauthorized Switch	3/26/2001
PUC	PA	102.41	0	Dispute Charges	3/26/2001
PUC	PA	69.06	13.04	Unauthorized Switch	3/26/2001
PUC	PA	0	0	Not Cancelled	3/26/2001
PUC	PA	0	0	Unauthorized Switch	3/26/2001
PUC	PA	0	0	Billed After Cancel	3/26/2001
PUC	PA	190.25	0	Unauthorized Switch	3/26/2001

PUC	SD	236.55	503.22	Dispute Charges	3/26/2001
Reg Auth	TN	0	0	Rebuttal	3/26/2001
Reg Auth	TN	0	0	Rebuttal	3/26/2001
Reg Auth	TN	0	0	Unauthorized Switch	3/26/2001
PSC	AL	180.02	0	Billed After Cancel	3/27/2001
PSC	AL	0	0	Unauthorized Switch	3/27/2001
PSC	AL	215.99	0	Unauthorized Switch	3/27/2001
PSC	AL	74.44	0	Billed After Cancel	3/27/2001
PSC	AL	16.2	0	Billed After Cancel	3/27/2001
PSC	AL	0	219.39	Promo	3/27/2001
FCC	DC	289.24	0	Billed After Cancel	3/27/2001
FCC	FC	0	62.02	Dispute Charges	3/27/2001
FCC	FC	1100.46	0	Dispute Charges	3/27/2001
FCC	FC	0	0	Dispute Charges	3/27/2001
FCC	FC	48.14	0	Unauthorized Switch	3/27/2001
FCC	FC	11.65	0	Dispute Charges	3/27/2001
FCC	FC	35.96	0	Dispute Charges	3/27/2001
FCC	FC	44.55	0	Dispute Charges	3/27/2001
FCC	FC	0	39.47	Unauthorized Switch	3/27/2001
FCC	FC	0	0	Delayed Billing	3/27/2001
FCC	FC	0	280.32	Billed After Cancel	3/27/2001
FCC	FC	0	37.3	Dispute Charges	3/27/2001
FCC	FC	19.71	0	Billed After Cancel	3/27/2001
FCC	FC	59.88	0	Billed After Cancel	3/27/2001
FCC	FC	77.37	0	Dispute Charges	3/27/2001
FCC	FC	11.09	0	Wrong BTN	3/27/2001
FCC	FC	0	0	Unauthorized Switch	3/27/2001
FCC	FC	0	0	Not Cancelled	3/27/2001
PSC	FL	0	0	Rebuttal	3/27/2001
PSC	FL	159.75	0	Unauthorized Switch	3/27/2001
PSC	FL	144.24	0	Unauthorized Switch	3/27/2001
PSC	FL	455.55	0	Wrong BTN	3/27/2001
PSC	FL	487.25	0	Billed After Cancel	3/27/2001
PSC	FL	127.62	0	Unauthorized Switch	3/27/2001
PSC	FL	359.43	0	Unauthorized Switch	3/27/2001
PSC	FL	23.75	0	Billed After Cancel	3/27/2001
PSC	FL	23.25	738.73	Refund	3/27/2001
PSC	GA	0	0	Unauthorized Switch	3/27/2001
PSC	GA	62.36	0	Billed After Cancel	3/27/2001
PSC	GA	28.24	0	Unauthorized Switch	3/27/2001
PSC	GA	534	0	Dispute Charges	3/27/2001
PSC	GA	5.1	17.98	Dispute Charges	3/27/2001
PSC	GA	0	62.41	Unauthorized Switch	3/27/2001
ATTY General	KY	122.11	0	Dispute Charges	3/27/2001
PSC	MS	572.77	84.13	Dispute Charges	3/27/2001
PSC	MS	0	0	Dispute Charges	3/27/2001
PSC	MS	0	0	Refund	3/27/2001
PSC	MS	0	0	Billed After Cancel	3/27/2001
PSC	NC	0	0	Wrong BTN	3/27/2001
PSC	NC	0	0	Loss Of Service	3/27/2001
ATTY General	NY	0	0	Unauthorized Switch	3/27/2001
ATTY General	NY	0	0	Rebuttal	3/27/2001

PSC	NY	0	0	Unauthorized Switch	3/27/2001
PSC	NY	157.27	0	Unauthorized Switch	3/27/2001
PSC	NY	65.66	0	Unauthorized Switch	3/27/2001
PSC	NY	25.99	0	Unauthorized Switch	3/27/2001
PSC	NY	0	0	Unauthorized Switch	3/27/2001
PSC	NY	0	0	Unauthorized Switch	3/27/2001
PSC	NY	0	269.9	Wrong BTN	3/27/2001
PSC	NY	0	0	Unauthorized Switch	3/27/2001
PSC	NY	138.01	28.14	Unauthorized Switch	3/27/2001
PSC	NY	179.06	0	Unauthorized Switch	3/27/2001
PUC	PA	278.7	0	Billed After Cancel	3/27/2001
PUC	PA	242.94	0	Unauthorized Switch	3/27/2001
PSC	SC	0	0	Dispute Charges	3/27/2001
PSC	SC	0	0	Unauthorized Switch	3/27/2001
Reg Auth	TN	0	0	Unauthorized Switch	3/27/2001
Reg Auth	TN	0	0	Dispute Charges	3/27/2001
Reg Auth	TN	0	0	Unauthorized Switch	3/27/2001
Reg Auth	TN	400.35	0	Unauthorized Switch	3/27/2001
Reg Auth	TN	0	0	Unauthorized Switch	3/27/2001
Reg Auth	TN	447.38	0	Unauthorized Switch	3/27/2001
Reg Auth	TN	2804.02	0	Unauthorized Switch	3/27/2001
Reg Auth	TN	0	0	Unauthorized Switch	3/27/2001
Reg Auth	TN	1815.13	0	Billed After Cancel	3/27/2001
PUC	TX	67.59	0	Unauthorized Switch	3/27/2001
PUC	TX	32.53	0	Unauthorized Switch	3/27/2001
PUC	TX	34.14	9.74	Dispute Charges	3/27/2001
PUC	TX	0	0	Dispute Charges	3/27/2001
PSC	AL	71.11	0	Unauthorized Switch	3/28/2001
PSC	AL	67.05	0	Dispute Charges	3/28/2001
PSC	AL	0	0	Not Cancelled	3/28/2001
FCC	FC	123.56	0	Billed After Cancel	3/28/2001
FCC	FC	0	0	Dispute Charges	3/28/2001
FCC	FC	295.99	152.39	Unauthorized Switch	3/28/2001
FCC	FC	0	0	Dispute Charges	3/28/2001
FCC	FC	0	0	Dispute Charges	3/28/2001
FCC	FC	1.04	0	Unauthorized Switch	3/28/2001
FCC	FC	109.85	0	Dispute Charges	3/28/2001
FCC	FC	369.86	0	Unauthorized Switch	3/28/2001
FCC	FC	0	2.16	Unauthorized Switch	3/28/2001
FCC	FC	95.35	0	Unauthorized Switch	3/28/2001
FCC	FC	10	0	Unauthorized Switch	3/28/2001
FCC	FC	0	0	Unauthorized Switch	3/28/2001
FCC	FC	0	0	Dispute Charges	3/28/2001
FCC	FC	216.09	0	Unauthorized Switch	3/28/2001
FCC	FC	10.6	0	Unauthorized Switch	3/28/2001
Dept Agriculture	FL	25.15	0	Unauthorized Switch	3/28/2001
Dept Agriculture	FL	0	0	Unauthorized Switch	3/28/2001
PSC	FL	0	0	Unauthorized Switch	3/28/2001
PSC	FL	429.66	0	Unauthorized Switch	3/28/2001
PSC	FL	0	4.88	Billed After Cancel	3/28/2001
PSC	FL	0	0	Unauthorized Switch	3/28/2001
PSC	FL	177.57	173.99	Unauthorized Switch	3/28/2001

PSC	FL	530.56	0	Billed After Cancel	3/28/2001
PSC	FL	320.68	0	Unauthorized Switch	3/28/2001
PSC	FL	304.84	0	Unauthorized Switch	3/28/2001
PSC	FL	46.37	0	Dispute Charges	3/28/2001
PSC	FL	0	65.02	Dispute Charges	3/28/2001
PSC	GA	250.2	0	Unauthorized Switch	3/28/2001
PSC	GA	489.22	0	Unauthorized Switch	3/28/2001
PSC	GA	201.12	0	Billed After Cancel	3/28/2001
PSC	GA	334.67	0	Unauthorized Switch	3/28/2001
PSC	GA	0	0	Unauthorized Switch	3/28/2001
PSC	GA	171.42	0	Dispute Charges	3/28/2001
PSC	KY	77.05	0	Unauthorized Switch	3/28/2001
ATTY General	MD	22.11	0	Unauthorized Switch	3/28/2001
PSC	MS	0	0	NSF Fees	3/28/2001
PSC	MS	0	0	Dispute Charges	3/28/2001
PSC	NC	0	0	Promo	3/28/2001
PSC	NC	0	0	Unauthorized Switch	3/28/2001
Consumer Protection	NY	0	402.9	Refund	3/28/2001
PSC	NY	0	64.57	Unauthorized Switch	3/28/2001
PSC	NY	238.8	0	Delayed Provisioning	3/28/2001
PSC	NY	55.14	0	Unauthorized Switch	3/28/2001
PUC	OH	0	0	Dispute Charges	3/28/2001
ATTY General	PA	0	0	Dispute Charges	3/28/2001
PUC	PA	0	0	Dispute Charges	3/28/2001
PUC	PA	0	0	Not Cancelled	3/28/2001
Reg Auth	TN	0	0	Billed After Cancel	3/28/2001
Reg Auth	TN	429.16	0	Unauthorized Switch	3/28/2001
Reg Auth	TN	140.92	65.91	Unauthorized Switch	3/28/2001
Reg Auth	TN	212.05	0	Dispute Charges	3/28/2001
Reg Auth	TN	50	0	Unauthorized Switch	3/28/2001
Reg Auth	TN	82.89	0	Dispute Charges	3/28/2001
Reg Auth	TN	0	129.91	Unauthorized Switch	3/28/2001
Reg Auth	TN	1321.65	0	Unauthorized Switch	3/28/2001
Reg Auth	TN	0	0	Unauthorized Switch	3/28/2001
PUC	TX	48.88	0	Unauthorized Switch	3/28/2001
PUC	TX	34.27	251.3	Unauthorized Switch	3/28/2001
PUC	TX	0	0	Unauthorized Switch	3/28/2001
ATTY General	UT	0	0	Unauthorized Switch	3/28/2001
ATTY General	WV	0	0	Dispute Charges	3/28/2001
PSC	AL	0	0	Dispute Charges	3/29/2001
PSC	AL	80.99	0	Promo	3/29/2001
PSC	AL	161.3	0	Dispute Charges	3/29/2001
PSC	AL	60.6	0	Dispute Charges	3/29/2001
PSC	AL	133.34	0	Unauthorized Switch	3/29/2001
ATTY General	AZ	41.52	0	Dispute Charges	3/29/2001
FCC	FC	0	0	Dispute Charges	3/29/2001
Dept Agriculture	FL	0	0	Dnc	3/29/2001
Dept Agriculture	FL	0	0	Dnc	3/29/2001
PSC	FL	73.73	0	Unauthorized Switch	3/29/2001
PSC	FL	0	0	Billed After Cancel	3/29/2001
PSC	FL	0	0	Unauthorized Switch	3/29/2001
PSC	GA	0	0	Unauthorized Switch	3/29/2001

PSC	GA	10.35	0	Unauthorized Switch	3/29/2001
PSC	GA	0	0	Unauthorized Switch	3/29/2001
PSC	GA	0	0	Dispute Charges	3/29/2001
PSC	GA	38.04	0	Unauthorized Switch	3/29/2001
PSC	GA	0	0	Unauthorized Switch	3/29/2001
PSC	GA	200.55	0	Unauthorized Switch	3/29/2001
PSC	GA	0	0	Unauthorized Switch	3/29/2001
PSC	GA	62.19	0	Dispute Charges	3/29/2001
PSC	KY	0	75.16	Not Cancelled	3/29/2001
PSC	KY	75.47	0	Billed After Cancel	3/29/2001
PSC	KY	10	28.04	Unauthorized Switch	3/29/2001
PSC	MS	199.23	65.67	Unauthorized Switch	3/29/2001
Dept of Justice	NC	203.6	0	Unauthorized Switch	3/29/2001
Dept of Justice	NC	240.3	0	Not Cancelled	3/29/2001
Dept of Justice	NC	191.43	0	Billed After Cancel	3/29/2001
PSC	NC	0	0	Misc.	3/29/2001
PSC	NC	0	0	Wrong BTN	3/29/2001
PSC	NC	0	0	Provisioning	3/29/2001
Public Staffing	NC	73.01	0	Unauthorized Switch	3/29/2001
Public Staffing	NC	134.5	0	Dispute Charges	3/29/2001
Utility Counsel	NC	0	0	Unauthorized Switch	3/29/2001
ATTY General	NY	0	0	Unauthorized Switch	3/29/2001
ATTY General	NY	118.39	0	Dispute Charges	3/29/2001
Consumer Protection	NY	89.68	0	Unauthorized Switch	3/29/2001
PSC	NY	29.81	0	Unauthorized Switch	3/29/2001
PSC	NY	1465.19	0	Unauthorized Switch	3/29/2001
PSC	NY	408.22	0	Unauthorized Switch	3/29/2001
PSC	NY	336.4	18.12	Unauthorized Switch	3/29/2001
PSC	NY	150.99	0	Unauthorized Switch	3/29/2001
ATTY General	OH	0	0	Promo	3/29/2001
ATTY General	PA	0	0	Dispute Charges	3/29/2001
PUC	PA	70.55	0	Unauthorized Switch	3/29/2001
PUC	PA	0	0	Misc.	3/29/2001
PUC	PA	65.1	0	Unauthorized Switch	3/29/2001
PUC	PA	0	0	Unauthorized Switch	3/29/2001
PUC	PA	314.73	0	Unauthorized Switch	3/29/2001
Reg Auth	TN	0	39.73	Unauthorized Switch	3/29/2001
Reg Auth	TN	0	0	Unauthorized Switch	3/29/2001
Reg Auth	TN	0	0	Unauthorized Switch	3/29/2001
PUC	TX	72.68	0	Unauthorized Switch	3/29/2001
PUC	TX	0	68.87	Dispute Charges	3/29/2001
ATTY General	WA	0	25.31	Unauthorized Switch	3/29/2001
FCC	FC	0	0	Unauthorized Switch	3/30/2001
FCC	FC	26.45	0	Unauthorized Switch	3/30/2001
FCC	FC	35.29	0	Billed After Cancel	3/30/2001
Dept Agriculture	FL	0	0	Unauthorized Switch	3/30/2001
PSC	FL	63.89	0	Unauthorized Switch	3/30/2001
PSC	FL	75.39	0	Unauthorized Switch	3/30/2001
PSC	FL	0	0	Dispute Charges	3/30/2001
PSC	FL	199.27	0	Delayed Billing	3/30/2001
PSC	FL	24.24	0	Unauthorized Switch	3/30/2001
PSC	FL	357.39	0	Unauthorized Switch	3/30/2001

PSC	GA	197.66	0	Unauthorized Switch	3/30/2001
PSC	GA	0	0	Dispute Charges	3/30/2001
PSC	GA	0	0	Loss Of Service	3/30/2001
PSC	KY	132.96	0	Unauthorized Switch	3/30/2001
PSC	KY	3.33	0	Unauthorized Switch	3/30/2001
PSC	KY	0	0	Unauthorized Switch	3/30/2001
Dept of Justice	LA	14.43	0	Unauthorized Switch	3/30/2001
PSC	LA	0	0	Unauthorized Switch	3/30/2001
PSC	MS	23.62	0	Misc.	3/30/2001
PUC	NC	8.26	0	Billed After Cancel	3/30/2001
ATTY General	NE	193.11	0	Billed After Cancel	3/30/2001
ATTY General	NY	7.19	0	Unauthorized Switch	3/30/2001
ATTY General	NY	94.74	0	Dispute Charges	3/30/2001
ATTY General	NY	0	0	Unauthorized Switch	3/30/2001
PSC	NY	0	82.06	Unauthorized Switch	3/30/2001
PSC	NY	155.18	0	Unauthorized Switch	3/30/2001
PSC	NY	0	0	Unauthorized Switch	3/30/2001
PUC	OH	0	0	Misc.	3/30/2001
PUC	PA	0	0	Delayed Provisioning	3/30/2001
PUC	PA	293.3	0	Dispute Charges	3/30/2001
PUC	PA	305.71	0	Dispute Charges	3/30/2001
PUC	PA	0	126.93	Dispute Charges	3/30/2001
PSC	SC	0	0	Wrong BTN	3/30/2001
Reg Auth	TN	52.79	0	Unauthorized Switch	3/30/2001
Reg Auth	TN	361.13	143.94	Unauthorized Payment	3/30/2001
Reg Auth	TN	124.52	0	Dispute Charges	3/30/2001
Reg Auth	TN	9.11	0	Dispute Charges	3/30/2001
Reg Auth	TN	0	0	Unauthorized Switch	3/30/2001
PUC	TX	66.47	0	Loss Of Service	3/30/2001
PUC	TX	30.05	0	Unauthorized Switch	3/30/2001
PUC	TX	38.46	0	Unauthorized Switch	3/30/2001
PSC	FL	0	0	Rebuttal	4/1/2001
PSC	FL	156.71	0	Billed After Cancel	4/1/2001
PSC	FL	999.32	0	Delayed Billing	4/1/2001
PSC	FL	19.69	75.56	Unauthorized Switch	4/1/2001
PSC	AL	61.3	0	Unauthorized Switch	4/2/2001
PUC	CA	111.15	94.41	Refund	4/2/2001
FCC	FC	55.89	0	Dispute Charges	4/2/2001
FCC	FC	0	21.66	Billed After Cancel	4/2/2001
FCC	FC	0	0	Dispute Charges	4/2/2001
FCC	FC	0	115.05	Dispute Charges	4/2/2001
FCC	FC	0	1974.5	Unauthorized Switch	4/2/2001
FCC	FC	26.71	8.06	Billed After Cancel	4/2/2001
FCC	FC	165.11	0	Dispute Charges	4/2/2001
FCC	FC	209.05	0	Billed After Cancel	4/2/2001
FCC	FC	22.62	0	Unauthorized Switch	4/2/2001
FCC	FC	0	0	Dispute Charges	4/2/2001
FCC	FC	186.97	0	Dispute Charges	4/2/2001
FCC	FC	14.01	0	Dispute Charges	4/2/2001
FCC	FC	104.87	0	Dispute Charges	4/2/2001
FCC	FC	0	0	Dispute Charges	4/2/2001
FCC	FC	0	0	Dispute Charges	4/2/2001

FCC	FC	0	0	Dispute Charges	4/2/2001
FCC	FC	11.85	0	Dispute Charges	4/2/2001
FCC	FC	103.01	0	Unauthorized Switch	4/2/2001
Dept Agriculture	FL	0	0	Dnc	4/2/2001
PSC	FL	178.32	0	Unauthorized Switch	4/2/2001
PSC	FL	11.36	334.97	Unauthorized Switch	4/2/2001
PSC	FL	21.32	0	Unauthorized Switch	4/2/2001
PSC	FL	35.49	0	Unauthorized Switch	4/2/2001
PSC	FL	0	28.03	Unauthorized Switch	4/2/2001
PSC	GA	0	0	Unauthorized Switch	4/2/2001
PSC	GA	0	0	Unauthorized Switch	4/2/2001
ATTY General	ID	0	0	Delayed Billing	4/2/2001
ATTY General	ID	0	0	Delayed Billing	4/2/2001
PSC	KY	0	0	Unauthorized Switch	4/2/2001
PSC	KY	0	0	Unauthorized Switch	4/2/2001
ATTY General	MD	0	0	Rebuttal	4/2/2001
PSC	MD	134.26	109.21	Unauthorized Switch	4/2/2001
PSC	MS	0	0	Dispute Charges	4/2/2001
Dept of Justice	NC	286.25	0	Not Cancelled	4/2/2001
PSC	NC	0	0	Not Cancelled	4/2/2001
ATTY General	NY	78.27	0	Unauthorized Switch	4/2/2001
PSC	NY	0	0	Not on Files	4/2/2001
PSC	NY	82.96	2246.7	Dispute Charges	4/2/2001
PSC	NY	10.3	0	Rebuttal	4/2/2001
PSC	NY	0	0	Dispute Charges	4/2/2001
PSC	NY	0	0	Rebuttal	4/2/2001
PSC	NY	0	0	Not Cancelled	4/2/2001
PSC	NY	58.43	0	Unauthorized Switch	4/2/2001
ATTY General	PA	0	0	Unauthorized Switch	4/2/2001
ATTY General	PA	88.88	0	Unauthorized Switch	4/2/2001
PUC	PA	139.2	0	Dispute Charges	4/2/2001
PUC	PA	366.92	0	Misc.	4/2/2001
PUC	PA	0	0	Unauthorized Switch	4/2/2001
PUC	PA	34.44	0	Unauthorized Switch	4/2/2001
Reg Auth	TN	151.78	0	Unauthorized Switch	4/2/2001
Reg Auth	TN	153.68	0	Unauthorized Switch	4/2/2001
PUC	TX	0	10	Unauthorized Switch	4/2/2001
PUC	CA	24.45	0	Unauthorized Switch	4/3/2001
Dept Agriculture	FL	0	0	Dnc	4/3/2001
Dept Agriculture	FL	0	0	Dnc	4/3/2001
Dept Agriculture	FL	0	0	Dnc	4/3/2001
PSC	FL	303.7	0	Unauthorized Switch	4/3/2001
PSC	FL	236.16	0	Unauthorized Switch	4/3/2001
PSC	FL	37.26	0	Unauthorized Switch	4/3/2001
PSC	FL	642.93	0	Dispute Charges	4/3/2001
PSC	FL	0	0	Dispute Charges	4/3/2001
PSC	GA	467.05	0	Unauthorized Switch	4/3/2001
PSC	GA	0	0	Unauthorized Switch	4/3/2001
PSC	GA	0	0	Dispute Charges	4/3/2001
PSC	GA	50.31	0	Dispute Charges	4/3/2001
PSC	GA	757.87	0	Dispute Charges	4/3/2001
PSC	GA	23.43	0	Billed After Cancel	4/3/2001

PSC	GA	105.52	40 Unauthorized Switch	4/3/2001
PSC	GA	0	0 Unauthorized Switch	4/3/2001
PSC	GA	0	0 Unauthorized Switch	4/3/2001
PSC	GA	0	0 Unauthorized Switch	4/3/2001
PSC	KY	13.77	0 Billed After Cancel	4/3/2001
PSC	KY	40.26	0 Unauthorized Switch	4/3/2001
Consumer Services	MA	0	0 Unauthorized Switch	4/3/2001
PSC	MS	0	0 Promo	4/3/2001
PUC	NC	0	0 Unauthorized Switch	4/3/2001
ATTY General	NY	34.52	0 Dispute Charges	4/3/2001
PSC	NY	355.87	0 Unauthorized Switch	4/3/2001
PSC	NY	70.84	85.48 Dispute Charges	4/3/2001
PSC	NY	79.06	0 Billed After Cancel	4/3/2001
PSC	NY	1.99	5.78 Unauthorized Switch	4/3/2001
PSC	NY	0	0 Unauthorized Switch	4/3/2001
PSC	NY	124.64	0 Unauthorized Switch	4/3/2001
PSC	NY	0	0 Unauthorized Switch	4/3/2001
Dept of Justice	OR	80.52	609.09 Dispute Charges	4/3/2001
PUC	PA	0	0 Unauthorized Switch	4/3/2001
PUC	PA	0	0 Request to Cancel	4/3/2001
PUC	PA	261.6	0 Request to Cancel	4/3/2001
PUC	PA	11.18	0 Not Cancelled	4/3/2001
PUC	PA	23.5	0 Unauthorized Switch	4/3/2001
ATTY General	RI	0	0 Refund	4/3/2001
Reg Auth	TN	123.29	0 Rebuttal	4/3/2001
Reg Auth	TN	345.7	0 Promo	4/3/2001
PUC	TX	0	0 Unauthorized Switch	4/3/2001
PSC	AL	0	1358.9 Unauthorized Switch	4/4/2001
PUC	CA	0	0 Unauthorized Switch	4/4/2001
PUC	CA	0	0 Unauthorized Switch	4/4/2001
PUC	CA	12.53	0 Unauthorized Switch	4/4/2001
FCC	FC	0	0 Unauthorized Switch	4/4/2001
Dept Agriculture	FL	66	129.39 Billed After Cancel	4/4/2001
PSC	FL	0	25.01 Unauthorized Switch	4/4/2001
PSC	FL	0	0 Unauthorized Switch	4/4/2001
PSC	FL	232.27	0 Unauthorized Switch	4/4/2001
Consumer Affairs	GA	0	0 Unauthorized Switch	4/4/2001
PSC	GA	0	0 Wrong BTN	4/4/2001
PSC	GA	0	0 Unauthorized Switch	4/4/2001
PSC	GA	0	66.86 Misc.	4/4/2001
PSC	GA	0	0 Unauthorized Switch	4/4/2001
PSC	GA	0	122.7 Refund	4/4/2001
PSC	GA	93.9	0 Billed After Cancel	4/4/2001
PSC	GA	0	0 Unauthorized Switch	4/4/2001
PSC	GA	0	0 Dispute Charges	4/4/2001
ATTY General	KY	0	0 Rebuttal	4/4/2001
ATTY General	KY	0	0 Unauthorized Switch	4/4/2001
PSC	KY	0	0 Loss Of Service	4/4/2001
PSC	KY	200.91	0 Unauthorized Switch	4/4/2001
PSC	LA	122.41	0 Unauthorized Switch	4/4/2001
PSC	MS	0	0 Unauthorized Switch	4/4/2001
PSC	NC	0	0 Unauthorized Switch	4/4/2001

Public Staffing	NC	2.61	0	Unauthorized Switch	4/4/2001
PSC	NJ	0	0	Re-Rates	4/4/2001
PSC	NY	319.46	0	Unauthorized Switch	4/4/2001
PSC	NY	25	0	Loss Of Service	4/4/2001
PSC	NY	15	0	Unauthorized Switch	4/4/2001
PUC	OH	9.76	29.93	Unauthorized Switch	4/4/2001
ATTY General	PA	0	0	Rebuttal	4/4/2001
ATTY General	PA	0	0	Dispute Charges	4/4/2001
PUC	PA	145.02	0	Misc.	4/4/2001
PUC	PA	35.01	0	Dispute Charges	4/4/2001
PUC	PA	0	0	Unauthorized Switch	4/4/2001
PUC	PA	0	0	Dispute Charges	4/4/2001
PUC	PA	136.1	0	Unauthorized Switch	4/4/2001
PUC	PA	1469.78	0	Dispute Charges	4/4/2001
PUC	PA	0	0	Unauthorized Switch	4/4/2001
PUC	PA	0	61.77	Unauthorized Switch	4/4/2001
Reg Auth	TN	0	0	Unauthorized Switch	4/4/2001
Reg Auth	TN	65.33	0	Billed After Cancel	4/4/2001
Reg Auth	TN	345.7	0	Unauthorized Switch	4/4/2001
Reg Auth	TN	0	0	Unauthorized Switch	4/4/2001
ATTY General	WV	81.4	0	Promo	4/4/2001
PSC	AL	0	134.1	Unauthorized Switch	4/5/2001
PSC	AL	209.79	0	Unauthorized Switch	4/5/2001
FCC	DC	0	0	Unauthorized Switch	4/5/2001
FCC	FC	0	0	Unauthorized Switch	4/5/2001
FCC	FC	122.89	0	Unauthorized Switch	4/5/2001
FCC	FC	90.7	0	Dispute Charges	4/5/2001
FCC	FC	0	0	Dispute Charges	4/5/2001
FCC	FC	0	80.93	Unauthorized Switch	4/5/2001
FCC	FC	0	0	Unauthorized Switch	4/5/2001
FCC	FC	0	0	Unauthorized Switch	4/5/2001
FCC	FC	0	0	Unauthorized Switch	4/5/2001
FCC	FC	25.84	0	Unauthorized Switch	4/5/2001
FCC	FC	0	0	Dispute Charges	4/5/2001
FCC	FC	0	0	Unauthorized Switch	4/5/2001
FCC	FC	275.46	288.08	Unauthorized Switch	4/5/2001
FCC	FC	122.56	0	Unauthorized Switch	4/5/2001
FCC	FC	0	20	No Info	4/5/2001
FCC	FC	193.15	0	Unauthorized Switch	4/5/2001
FCC	FC	57.85	0	Unauthorized Switch	4/5/2001
FCC	FC	0	0	Unauthorized Switch	4/5/2001
FCC	FC	0	0	Dispute Charges	4/5/2001
Dept Agriculture	FL	0	400.03	Dispute Charges	4/5/2001
FCC	FL	0	0	Alleged Unauth Switch	4/5/2001
PSC	FL	0	0	Unauthorized Switch	4/5/2001
PSC	FL	0	0	Unauthorized Switch	4/5/2001
PSC	FL	192.35	0	Unauthorized Switch	4/5/2001
PSC	FL	339.05	0	Unauthorized Switch	4/5/2001
PSC	FL	0	0	Dispute Charges	4/5/2001
PSC	FL	339.05	0	Unauthorized Switch	4/5/2001
PSC	GA	124.6	60.59	Billed After Cancel	4/5/2001
ATTY General	KY	14.03	0	Promo	4/5/2001

ATTY General	MA	0	0	Dispute Charges	4/5/2001
ATTY General	MI	0	0	Misc.	4/5/2001
ATTY General	MI	48.86	0	Billed After Cancel	4/5/2001
ATTY General	MS	104.16	3.61	Dispute Charges	4/5/2001
ATTY General	MS	50.5	0	Unauthorized Switch	4/5/2001
Dept of Justice	NC	0	0	Unauthorized Switch	4/5/2001
Dept of Justice	NC	45.86	0	Billed After Cancel	4/5/2001
ATTY General	NY	254.76	0	Unauthorized Switch	4/5/2001
ATTY General	NY	21.05	0	Promo	4/5/2001
ATTY General	NY	0	0	Rebuttal	4/5/2001
PSC	NY	0	36.6	Unauthorized Switch	4/5/2001
PSC	NY	497.37	343.09	Unauthorized Switch	4/5/2001
PSC	NY	0	0	Delayed Billing	4/5/2001
PSC	NY	0	0	Unauthorized Switch	4/5/2001
PSC	NY	143.44	0	Dispute Charges	4/5/2001
PSC	NY	358.6	0	Wrong BTN	4/5/2001
PSC	NY	0	0	Misc.	4/5/2001
PSC	NY	63	0	Misc.	4/5/2001
ATTY General	PA	0	0	Unauthorized Switch	4/5/2001
PUC	PA	0	0	Not Cancelled	4/5/2001
PUC	PA	197.24	0	Unauthorized Switch	4/5/2001
PUC	PA	0	0	Unauthorized Switch	4/5/2001
PUC	PA	0	0	Unauthorized Switch	4/5/2001
PUC	PA	29.91	0	Unauthorized Switch	4/5/2001
Reg Auth	TN	0	0	Billed After Cancel	4/5/2001
Reg Auth	TN	357.35	0	Dispute Charges	4/5/2001
Reg Auth	TN	29.77	0	Unauthorized Switch	4/5/2001
Reg Auth	TN	106.61	299.78	Unauthorized Switch	4/5/2001
PUC	TX	0	0	Unauthorized Switch	4/5/2001
PUC	TX	55.76	0	No Info	4/5/2001
UTC	WA	33.98	0	Promo	4/5/2001
FCC	WI	0	0	Alleged Unauth Switch	4/5/2001
PSC	AL	22.23	0	Unauthorized Switch	4/6/2001
PSC	AL	82.12	0	Unauthorized Switch	4/6/2001
PSC	FL	546.78	0	Unauthorized Switch	4/6/2001
PSC	FL	255.6	0	Unauthorized Switch	4/6/2001
PSC	FL	876.42	0	Billed After Cancel	4/6/2001
PSC	GA	0	0	Dispute Charges	4/6/2001
PSC	GA	0	0	Unauthorized Switch	4/6/2001
PSC	GA	0	0	Unauthorized Switch	4/6/2001
PSC	GA	0	0	Dispute Charges	4/6/2001
PSC	GA	0	0	Dispute Charges	4/6/2001
PSC	GA	16.18	0	Unauthorized Switch	4/6/2001
PSC	GA	0	326.32	Refund	4/6/2001
ATTY General	MA	0	251.3	Dispute Charges	4/6/2001
Dept Communications	MA	2012.69	0	Unauthorized Switch	4/6/2001
Dept Telecom	MA	0	65.4	Unauthorized Switch	4/6/2001
PSC	MA	348.22	0	Unauthorized Switch	4/6/2001
Consumer Protection	MI	0	0	Billed After Cancel	4/6/2001
PSC	MI	0	0	Misc.	4/6/2001
PSC	MS	18.08	0	Unauthorized Switch	4/6/2001
Dept of Justice	NC	68.97	0	Unauthorized Switch	4/6/2001

ATTY General	NY	3.76	0	Unauthorized Switch	4/6/2001
ATTY General	NY	7.18	14.11	Dispute Charges	4/6/2001
ATTY General	NY	648.34	0	Dispute Charges	4/6/2001
District Attorney	NY	0	0	Refund	4/6/2001
PSC	NY	0	0	Unauthorized Switch	4/6/2001
PSC	NY	0	0	Dispute Charges	4/6/2001
PUC	PA	75.3	0	Not Cancelled	4/6/2001
PUC	TX	0	0	Unauthorized Switch	4/6/2001
PUC	TX	0	0	Crammed	4/6/2001
PUC	TX	18.61	0	Dispute Charges	4/6/2001
ATTY General	WA	0	0	Dispute Charges	4/6/2001
District Attorney	CA	0	0	Dnc	4/6/2001
PUC	CA	0	0	Unauthorized Switch	4/9/2001
FCC	DC	0	0	Billed After Cancel	4/9/2001
FCC	FC	0	0	Unauthorized Switch	4/9/2001
FCC	FC	246.97	0	Billed After Cancel	4/9/2001
FCC	FC	0	0	Unauthorized Switch	4/9/2001
FCC	FC	0	0	Billed After Cancel	4/9/2001
FCC	FC	471.74	0	Dispute Charges	4/9/2001
FCC	FC	469.02	61.81	Dispute Charges	4/9/2001
FCC	FC	4.04	0	Billed After Cancel	4/9/2001
FCC	FC	163.22	0	Unauthorized Switch	4/9/2001
FCC	FC	0	0	Refund	4/9/2001
FCC	FC	0	0	Promo	4/9/2001
Consumer Affairs	FL	0	0	Dispute Charges	4/9/2001
Dept Agriculture	FL	0	43.62	Rebuttal	4/9/2001
Dept Agriculture	FL	0	0	Dnc	4/9/2001
PSC	FL	78.31	0	Unauthorized Switch	4/9/2001
PSC	FL	0	0	Unauthorized Switch	4/9/2001
PSC	FL	49	0	Unauthorized Switch	4/9/2001
PSC	FL	286.92	0	Unauthorized Switch	4/9/2001
PSC	FL	751.12	0	Unauthorized Switch	4/9/2001
PSC	FL	198.12	199.51	Unauthorized Switch	4/9/2001
PSC	FL	0	0	Billed After Cancel	4/9/2001
PSC	GA	34.45	0	Unauthorized Switch	4/9/2001
PSC	GA	37.13	0	Billed After Cancel	4/9/2001
PSC	GA	0	0	Rebuttal	4/9/2001
Commissioner	LA	0	0	Billed After Cancel	4/9/2001
PSC	LA	85.25	0	Promo	4/9/2001
PSC	LA	0	0	Not Cancelled	4/9/2001
Dept of Justice	NC	0	0	Unauthorized Switch	4/9/2001
Dept of Justice	NC	26.71	0	Unauthorized Switch	4/9/2001
PSC	NC	201.03	0	Unauthorized Switch	4/9/2001
District Attorney	NY	0	0	Unauthorized Switch	4/9/2001
PUC	PA	0	0	Not Cancelled	4/9/2001
PUC	PA	0	0	Dnc	4/9/2001
PUC	PA	0	0	Unauthorized Switch	4/9/2001
Reg Auth	TN	138.38	0	Billed After Cancel	4/9/2001
PUC	TX	0	0	Unauthorized Switch	4/9/2001
PUC	TX	0	0	Dispute Charges	4/9/2001
PSC	FL	350.89	0	Not Cancelled	4/10/2001
PSC	FL	0	0	Unauthorized Switch	4/10/2001

PSC	GA	48.01	0	Billed After Cancel	4/10/2001
PSC	GA	0	68.82	Unauthorized Switch	4/10/2001
PSC	GA	135.82	0	Unauthorized Switch	4/10/2001
PSC	GA	61.95	0	Misc.	4/10/2001
PSC	GA	56.49	0	Unauthorized Switch	4/10/2001
PSC	GA	0	0	Billed After Cancel	4/10/2001
PSC	GA	0	0	Billed After Cancel	4/10/2001
PSC	GA	0	0	Unauthorized Switch	4/10/2001
PSC	MS	0	0	Billed After Cancel	4/10/2001
PSC	MS	2187.37	0	Promo	4/10/2001
ATTY General	NC	0	0	Rebuttal	4/10/2001
Dept of Justice	NC	0	67.01	Unauthorized Switch	4/10/2001
Dept of Justice	NC	112.8	0	Dispute Charges	4/10/2001
Dept of Justice	NC	94.97	0	Unauthorized Switch	4/10/2001
Dept of Justice	NC	0	0	Unauthorized Switch	4/10/2001
ATTY General	NY	0	0	Unauthorized Switch	4/10/2001
ATTY General	NY	77.14	0	Unauthorized Switch	4/10/2001
ATTY General	NY	0	0	Unauthorized Switch	4/10/2001
Consumer Protection	NY	0	0	Billed After Cancel	4/10/2001
PSC	NY	0	0	Unauthorized Switch	4/10/2001
PSC	NY	70.67	0	Unauthorized Switch	4/10/2001
PSC	NY	0	0	Unauthorized Switch	4/10/2001
PSC	NY	406.69	0	Not Cancelled	4/10/2001
PUC	PA	148.61	0	Unauthorized Switch	4/10/2001
PUC	PA	0	0	Dispute Charges	4/10/2001
PUC	PA	69.13	0	Unauthorized Switch	4/10/2001
PUC	PA	194.63	0	Unauthorized Switch	4/10/2001
PUC	TX	0	0	Unauthorized Switch	4/10/2001
PUC	TX	34.84	0	Dispute Charges	4/10/2001
FCC	FC	290.66	0	Unauthorized Switch	4/11/2001
FCC	FC	52.16	0	Unauthorized Switch	4/11/2001
Dept Agriculture	FL	0	135.29	Billed After Cancel	4/11/2001
PSC	FL	0	0	Billed After Cancel	4/11/2001
PSC	FL	164.43	0	Unauthorized Switch	4/11/2001
PSC	FL	125.66	0	Billed After Cancel	4/11/2001
PSC	FL	19.33	0	Unauthorized Switch	4/11/2001
PSC	FL	0	0	Rebuttal	4/11/2001
PSC	GA	68.02	0	Billed After Cancel	4/11/2001
PSC	GA	0	0	Misc.	4/11/2001
PSC	GA	204.78	0	Unauthorized Switch	4/11/2001
PSC	GA	156.51	0	Unauthorized Switch	4/11/2001
PSC	GA	18.35	0	Unauthorized Switch	4/11/2001
PSC	GA	0	504.21	Refund	4/11/2001
PSC	MS	0	0	Dispute Charges	4/11/2001
PSC	MS	0	0	Wrong BTN	4/11/2001
ATTY General	NC	0	0	Unauthorized Switch	4/11/2001
ATTY General	NY	242.77	0	Dispute Charges	4/11/2001
PSC	NY	272.28	0	Unauthorized Switch	4/11/2001
PSC	NY	112.75	0	Dispute Charges	4/11/2001
PUC	OH	15.56	0	Unauthorized Switch	4/11/2001
PUC	PA	67.88	0	Promo	4/11/2001
PUC	PA	0	0	Misc.	4/11/2001

PSC	SC	0	0	Unauthorized Switch	4/11/2001
PSC	SC	0	0	Misc.	4/11/2001
PSC	SC	0	0	Billed After Cancel	4/11/2001
Reg Auth	TN	0	0	Dispute Charges	4/11/2001
Reg Auth	TN	0	0	Unauthorized Switch	4/11/2001
Reg Auth	TN	0	27.33	Dispute Charges	4/11/2001
Reg Auth	TN	99.18	0	Unauthorized Switch	4/11/2001
Reg Auth	TN	0	0	Unauthorized Switch	4/11/2001
Reg Auth	TN	144.76	0	Unauthorized Switch	4/11/2001
Reg Auth	TN	399.08	0	Billed After Cancel	4/11/2001
PUC	TX	217	0	Loss Of Service	4/11/2001
Consumer Protection	WI	0	0	Promo	4/11/2001
PSC	AL	50.79	0	Dispute Charges	4/12/2001
ATTY General	AR	109.49	46.94	Dispute Charges	4/12/2001
Dept Agriculture	FL	0	0	Refund	4/12/2001
PSC	FL	0	0	Misc.	4/12/2001
PSC	FL	0	155.3	Unauthorized Switch	4/12/2001
PSC	FL	286.04	213.33	Dispute Charges	4/12/2001
PSC	FL	176.21	0	Unauthorized Payment	4/12/2001
PSC	FL	0	57.05	Re-Rates	4/12/2001
PSC	FL	69.56	0	Unauthorized Switch	4/12/2001
PSC	FL	0	0	Dispute Charges	4/12/2001
PSC	FL	0	0	Dispute Charges	4/12/2001
PSC	FL	346.6	0	Unauthorized Switch	4/12/2001
PSC	FL	0	43.1	Unauthorized Switch	4/12/2001
PSC	FL	149.07	0	Unauthorized Switch	4/12/2001
PSC	GA	0	0	Unauthorized Switch	4/12/2001
PSC	GA	12.23	0	Wrong BTN	4/12/2001
PSC	KY	34.7	0	Unauthorized Switch	4/12/2001
PSC	NC	0	0	Rebuttal	4/12/2001
PSC	NC	0	0	Unauthorized Switch	4/12/2001
PSC	NC	0	0	Billed After Cancel	4/12/2001
PSC	NC	0	0	Unauthorized Switch	4/12/2001
PSC	NC	0	0	Loss Of Service	4/12/2001
PSC	NC	0	0	Unauthorized Switch	4/12/2001
PSC	NC	0	0	Wrong BTN	4/12/2001
ATTY General	NY	20.91	18.38	Refund	4/12/2001
PSC	NY	0	137.89	Refund	4/12/2001
PSC	NY	348.64	0	Unauthorized Switch	4/12/2001
PSC	NY	0	4.09	Unauthorized Switch	4/12/2001
PSC	NY	170.26	0	Unauthorized Switch	4/12/2001
PUC	OH	11.36	0	Re-Rates	4/12/2001
PUC	PA	0	0	Billed After Cancel	4/12/2001
PUC	PA	91.11	0	Misc.	4/12/2001
PUC	PA	0	0	Misc.	4/12/2001
UTC	WA	0	0	Rebuttal	4/12/2001
Dept Agriculture	WI	45.77	0	Dispute Charges	4/12/2001
PSC	WY	133.39	0	Unauthorized Switch	4/12/2001
Dept Agriculture	FL	0	0	Wrong BTN	4/13/2001
Dept Agriculture	FL	0	0	Dnc	4/13/2001
PSC	FL	142.2	0	Billed After Cancel	4/13/2001
PSC	FL	76.86	0	Refund	4/13/2001

PSC	GA	0	0	Unauthorized Switch	4/13/2001
PSC	GA	61.29	0	Unauthorized Switch	4/13/2001
PSC	MS	0	0	Refund	4/13/2001
ATTY General	NY	26.81	0	Unauthorized Switch	4/13/2001
PSC	NY	44.14	0	Unauthorized Switch	4/13/2001
PSC	NY	115.64	0	Unauthorized Switch	4/13/2001
PSC	NY	0	0	Unauthorized Switch	4/13/2001
PSC	NY	168.78	33.18	Unauthorized Switch	4/13/2001
ATTY General	PA	135	0	Unauthorized Switch	4/13/2001
PUC	PA	0	2.99	Dispute Charges	4/13/2001
PUC	PA	25.85	0	Billed After Cancel	4/13/2001
PUC	PA	0	0	Loss Of Service	4/13/2001
PSC	SC	0	0	Dispute Charges	4/13/2001
PSC	SC	0	0		4/13/2001
PSC	VT	14.47	0	Unauthorized Switch	4/13/2001
PSC	AL	594.6	0	Unauthorized Switch	4/13/2001
PUC	CA	0	0	Wrong BTN	4/16/2001
FCC	FC	160.67	0	Unauthorized Switch	4/16/2001
FCC	FC	0	0	Crammed	4/16/2001
FCC	FC	497.38	0	Dispute Charges	4/16/2001
FCC	FC	95.91	0	Billed After Cancel	4/16/2001
FCC	FC	0	19.17	Dispute Charges	4/16/2001
PSC	FL	0	0	Dispute Charges	4/16/2001
PSC	FL	0	0	Promo	4/16/2001
PSC	FL	0	0	Dispute Charges	4/16/2001
PSC	FL	0	0	Billed After Cancel	4/16/2001
PSC	FL	194.23	194.23	Billed After Cancel	4/16/2001
PSC	FL	0	0	Unauthorized Switch	4/16/2001
PSC	FL	0	0	Unauthorized Switch	4/16/2001
Consumer Affairs	GA	0	0	Dispute Charges	4/16/2001
Consumer Affairs	GA	39.6	0	Promo	4/16/2001
PSC	GA	14.5	93.76	Refund	4/16/2001
PSC	GA	0	0	Unauthorized Switch	4/16/2001
PSC	GA	124.13	0	Billed After Cancel	4/16/2001
PSC	GA	21.13	0	Unauthorized Switch	4/16/2001
PSC	GA	0	0	Misc.	4/16/2001
PSC	GA	0	201.12	Unauthorized Switch	4/16/2001
PSC	GA	0	0	Unauthorized Switch	4/16/2001
PSC	GA	0	0	Dispute Charges	4/16/2001
PSC	KY	5.23	0	Unauthorized Switch	4/16/2001
ATTY General	NC	323.44	0	Unauthorized Switch	4/16/2001
ATTY General	NC	11.62	0	Dispute Charges	4/16/2001
ATTY General	NC	0	0	Unauthorized Switch	4/16/2001
ATTY General	NC	10.68	43.54	Unauthorized Switch	4/16/2001
ATTY General	NC	142.34	0	Unauthorized Switch	4/16/2001
ATTY General	NC	0	0	Dispute Charges	4/16/2001
ATTY General	ND	106.7	0	Dispute Charges	4/16/2001
ATTY General	NY	152.35	0	Promo	4/16/2001
Consumer Protection	NY	0	95.04	Billed After Cancel	4/16/2001
PSC	NY	0.51	0	Dispute Charges	4/16/2001
PSC	NY	2408.68	0	Unauthorized Switch	4/16/2001
PSC	NY	0	0	Dispute Charges	4/16/2001

PSC	NY	0	0	Dispute Charges	4/16/2001
PSC	NY	0	0	Unauthorized Switch	4/16/2001
PSC	NY	0	0	Unauthorized Switch	4/16/2001
PSC	NY	95.56	0	Unauthorized Switch	4/16/2001
PSC	NY	516.29	0	Unauthorized Switch	4/16/2001
PSC	NY	0	0	Unauthorized Switch	4/16/2001
PSC	NY	295.4	0	Unauthorized Switch	4/16/2001
PSC	NY	165.55	0	Unauthorized Switch	4/16/2001
ATTY General	OH	260.33	0	Unauthorized Switch	4/16/2001
PUC	OH	67.98	67.98	Refund	4/16/2001
ATTY General	OR	0	0	Promo	4/16/2001
ATTY General	PA	82.47	0	Dispute Charges	4/16/2001
PUC	PA	23.02	0	Billed After Cancel	4/16/2001
PUC	PA	0	303.05	Unauthorized Switch	4/16/2001
PUC	PA	210.91	0	Unauthorized Switch	4/16/2001
PUC	PA	159.71	0	Unauthorized Switch	4/16/2001
PUC	PA	46.21	0	Dispute Charges	4/16/2001
PUC	PA	0	0	Unauthorized Switch	4/16/2001
PUC	TX	0	0	Crammed	4/16/2001
PUC	TX	0	0	Loss Of Service	4/16/2001
PUC	TX	0	0	Unauthorized Switch	4/16/2001
ATTY General	WA	70.58	98.47	Unauthorized Switch	4/16/2001
Dept Agriculture	WI	0	105.33	Unauthorized Switch	4/16/2001
PSC	AL	0	0	Loss Of Service	4/17/2001
Dept Agriculture	FL	114.32	0	Unauthorized Switch	4/17/2001
PSC	FL	92.39	0	Unauthorized Switch	4/17/2001
PSC	FL	151.6	301.94	Dispute Charges	4/17/2001
PSC	FL	272.36	0	Dispute Charges	4/17/2001
PSC	FL	11.05	0	Dispute Charges	4/17/2001
PSC	FL	2123.2	0	Unauthorized Switch	4/17/2001
PSC	FL	7.57	0	Billed After Cancel	4/17/2001
PSC	FL	105.11	79.51	Billed After Cancel	4/17/2001
PSC	FL	0	0	Dispute Charges	4/17/2001
PSC	FL	0	0	Unauthorized Switch	4/17/2001
PSC	FL	0	0	Dispute Charges	4/17/2001
PSC	GA	0	0	Loss Of Service	4/17/2001
PSC	GA	0	0	Unauthorized Switch	4/17/2001
PSC	GA	0	0	Unauthorized Switch	4/17/2001
PSC	GA	101.34	0	Billed After Cancel	4/17/2001
PSC	GA	0	38.8	Unauthorized Switch	4/17/2001
PSC	GA	0	0	Misc.	4/17/2001
PSC	GA	0	0	Unauthorized Switch	4/17/2001
PSC	GA	179.82	0	Unauthorized Switch	4/17/2001
PSC	KY	0	0	Dispute Charges	4/17/2001
PSC	KY	0	0	Unauthorized Switch	4/17/2001
ATTY General	MD	47.86	0	Unauthorized Switch	4/17/2001
PUC	ME	0	63.26	Dispute Charges	4/17/2001
PSC	MS	0	0	Alleged Unauth Switch	4/17/2001
PSC	NC	0	0	Dispute Charges	4/17/2001
ATTY General	NY	430.27	0	Dispute Charges	4/17/2001
PSC	NY	64.73	0	Dispute Charges	4/17/2001
PSC	NY	264.53	0	Re-Rates	4/17/2001

PSC	NY	4.85	0	Unauthorized Switch	4/17/2001
PSC	NY	296.54	0	Unauthorized Switch	4/17/2001
PUC	OH	0	0	Unauthorized Switch	4/17/2001
PUC	PA	136.77	0	Loss Of Service	4/17/2001
PUC	PA	0	0	Unauthorized Switch	4/17/2001
PUC	PA	40.46	0	Dispute Charges	4/17/2001
Reg Auth	TN	0	0	Promo	4/17/2001
Reg Auth	TN	0	0	Unauthorized Switch	4/17/2001
PUC	TX	283.78	0	Misc.	4/17/2001
PUC	TX	100.33	0	Unauthorized Switch	4/17/2001
PSC	AL	112.84	0	Unauthorized Switch	4/18/2001
PSC	AL	90.31	0	Promo	4/18/2001
PSC	AL	0	0	Billed After Cancel	4/18/2001
PSC	AL	0	0	Unauthorized Switch	4/18/2001
FCC	FC	0	0	Dispute Charges	4/18/2001
Dept Agriculture	FL	0	0	Dispute Charges	4/18/2001
PSC	FL	4.36	0	Unauthorized Switch	4/18/2001
PSC	FL	0	0	Unauthorized Switch	4/18/2001
PSC	FL	80.89	0	Billed After Cancel	4/18/2001
PSC	FL	0	0	Misc.	4/18/2001
PSC	FL	0	0	Billed After Cancel	4/18/2001
PSC	FL	0	0	Dispute Charges	4/18/2001
Consumer Affairs	GA	171.08	0	Unauthorized Switch	4/18/2001
PSC	GA	69.07	0	Rebuttal	4/18/2001
PSC	GA	0	0	Service Transfers	4/18/2001
PSC	GA	0	63.64	Unauthorized Switch	4/18/2001
Dept of Justice	IA	0	0	Unauthorized Switch	4/18/2001
Commerce Commision	IL	0	23.22	Dispute Charges	4/18/2001
ATTY General	KS	27.75	0	Dispute Charges	4/18/2001
ATTY General	KY	0	66.63	Billed After Cancel	4/18/2001
PSC	KY	0	0	Dispute Charges	4/18/2001
PSC	MI	45.63	0	Unauthorized Switch	4/18/2001
PSC	MI	0	0	Rebuttal	4/18/2001
PSC	MI	11.66	0	Unauthorized Switch	4/18/2001
ATTY General	MO	153.22	276.76	Dispute Charges	4/18/2001
PSC	MS	0	0	Wrong BTN	4/18/2001
ATTY General	NY	0	0	Misc.	4/18/2001
PSC	NY	0	0	Dispute Charges	4/18/2001
PSC	NY	0	0	Unauthorized Switch	4/18/2001
PSC	NY	50.61	0	Unauthorized Switch	4/18/2001
PSC	NY	0	0	Billed After Cancel	4/18/2001
PSC	NY	10.36	0	Billed After Cancel	4/18/2001
PUC	OH	0	0	Re-Rates	4/18/2001
ATTY General	OR	0	0	Unauthorized Switch	4/18/2001
PUC	PA	64.66	0	Misc.	4/18/2001
PUC	PA	0	0	Unauthorized Switch	4/18/2001
PUC	PA	6.3	268.8	Unauthorized Switch	4/18/2001
PUC	PA	55	0	Service Transfers	4/18/2001
PUC	PA	0	0	Misc.	4/18/2001
ATTY General	RI	0	0	Unauthorized Switch	4/18/2001
PSC	SC	276.26	0	Unauthorized Switch	4/18/2001
Reg Auth	TN	20	0	Misc.	4/18/2001

Reg Auth	TN	374.54	324.02	Unauthorized Switch	4/18/2001
ATTY General	TX	0	0	Promo	4/18/2001
PUC	TX	0	0	Unauthorized Switch	4/18/2001
FCC	FC	188.34	0	Dispute Charges	4/19/2001
FCC	FC	0	0	Dispute Charges	4/19/2001
FCC	FC	0	236.38	Not Cancelled	4/19/2001
FCC	FC	0	0	Dispute Charges	4/19/2001
FCC	FC	0	0	Dispute Charges	4/19/2001
FCC	FC	0	0	Dispute Charges	4/19/2001
FCC	FC	0	0	Dispute Charges	4/19/2001
FCC	FC	184.29	0	Dispute Charges	4/19/2001
FCC	FC	0	0	Dispute Charges	4/19/2001
FCC	FC	8.21	0	Dispute Charges	4/19/2001
FCC	FC	63.75	0	Dispute Charges	4/19/2001
FCC	FC	145.36	0	Unauthorized Switch	4/19/2001
FCC	FC	1906.75	0	Unauthorized Switch	4/19/2001
FCC	FC	0	0	Unauthorized Switch	4/19/2001
FCC	FC	1375.56	0	Unauthorized Switch	4/19/2001
FCC	FC	0	0	Unauthorized Switch	4/19/2001
FCC	FC	179.22	0	Dispute Charges	4/19/2001
FCC	FC	0	0	Unauthorized Switch	4/19/2001
FCC	FC	133.31	0	Unauthorized Switch	4/19/2001
FCC	FC	0	0	Misc.	4/19/2001
FCC	FC	1397.91	0	Unauthorized Switch	4/19/2001
FCC	FC	21.23	0	Unauthorized Switch	4/19/2001
FCC	FC	260.8	170	Unauthorized Switch	4/19/2001
FCC	FC	106.16	0	Crammed	4/19/2001
FCC	FC	472.71	0	Unauthorized Switch	4/19/2001
PSC	FL	251.45	0	Unauthorized Switch	4/19/2001
PSC	FL	75.48	0	Misc.	4/19/2001
PSC	FL	36.32	29.9	Unauthorized Switch	4/19/2001
PSC	FL	35.11	0	Dispute Charges	4/19/2001
PSC	FL	40.05	0	Dispute Charges	4/19/2001
Consumer Affairs	GA	0	0	Dispute Charges	4/19/2001
PSC	GA	135.99	0	Dispute Charges	4/19/2001
PSC	GA	0	0	Unauthorized Switch	4/19/2001
PSC	GA	0	0	Rebuttal	4/19/2001
PSC	GA	0	0	Dispute Charges	4/19/2001
PSC	GA	282	326.32	Rebuttal	4/19/2001
ATTY General	IL	0	0	Unauthorized Switch	4/19/2001
PSC	KY	268.48	124.51	Billed After Cancel	4/19/2001
PSC	MI	10	0	Unauthorized Switch	4/19/2001
PSC	MI	0	0	Unauthorized Switch	4/19/2001
PSC	MI	0	0	Misc.	4/19/2001
PSC	MS	0	0	Misc.	4/19/2001
ATTY General	NC	0	0	Not Cancelled	4/19/2001
ATTY General	NC	0	0	Rebuttal	4/19/2001
PSC	NY	21.86	0	Unauthorized Switch	4/19/2001
PSC	NY	0	0	Unauthorized Switch	4/19/2001
PSC	NY	86.52	0	Unauthorized Switch	4/19/2001
PSC	NY	0	0	Unauthorized Switch	4/19/2001
PSC	NY	0	0	Dispute Charges	4/19/2001

PSC	NY	0	0	Unauthorized Switch	4/19/2001
ATTY General	PA	35.28	0	Unauthorized Switch	4/19/2001
ATTY General	PA	141.1	0	Unauthorized Switch	4/19/2001
ATTY General	PA	136.1	0	Unauthorized Switch	4/19/2001
PUC	PA	0	0	Unauthorized Switch	4/19/2001
PUC	PA	0	0	Loss Of Service	4/19/2001
PUC	PA	260.4	0	Misc.	4/19/2001
Reg Auth	TN	309.83	0	Unauthorized Switch	4/19/2001
Reg Auth	TN	49.13	0	Unauthorized Switch	4/19/2001
ATTY General	VT	0	0	Promo	4/19/2001
PSC	VT	0	0	Unauthorized Switch	4/19/2001
PSC	DC	69.69	0	Unauthorized Switch	4/19/2001
FCC	FC	0	0	Billed After Cancel	4/20/2001
FCC	FC	0	0	Unauthorized Switch	4/20/2001
Dept Agriculture	FL	94.92	0	Billed After Cancel	4/20/2001
Dept Agriculture	FL	5.78	26.71	Aol Isp	4/20/2001
PSC	FL	113.43	0	Unauthorized Switch	4/20/2001
PSC	FL	801.85	0	Unauthorized Switch	4/20/2001
PSC	FL	37.75	0	Dispute Charges	4/20/2001
PSC	FL	0	0	Dispute Charges	4/20/2001
PSC	FL	0	11.73	Alleged Unauth Switch	4/20/2001
PSC	FL	56.75	0	Unauthorized Switch	4/20/2001
PSC	FL	0	0	Unauthorized Switch	4/20/2001
PSC	FL	95.92	0	Dispute Charges	4/20/2001
PSC	GA	0	0	Dispute Charges	4/20/2001
PSC	KY	0	0	Unauthorized Switch	4/20/2001
ATTY General	MD	0	0	Rebuttal	4/20/2001
ATTY General	MI	0	207.07	Dispute Charges	4/20/2001
PSC	MI	107.77	0	Unauthorized Switch	4/20/2001
PSC	MI	36.14	0	Unauthorized Switch	4/20/2001
ATTY General	NY	234.64	0	Wrong BTN	4/20/2001
ATTY General	NY	7.62	0	Billed After Cancel	4/20/2001
PSC	NY	0	19.59	Unauthorized Switch	4/20/2001
PSC	NY	0	0	Unauthorized Switch	4/20/2001
PSC	NY	251.28	0	Unauthorized Switch	4/20/2001
PUC	OH	27.36	0	Unauthorized Switch	4/20/2001
Dept of Justice	OR	39.34	0	Dispute Charges	4/20/2001
ATTY General	PA	160.67	0	Unauthorized Switch	4/20/2001
Reg Auth	TN	0	0	Unauthorized Switch	4/20/2001
Reg Auth	TN	218.03	0	Dispute Charges	4/20/2001
Reg Auth	TN	1242.89	0	Not Cancelled	4/20/2001
UTC	WA	0	0	Rebuttal	4/20/2001
PUC	CA	12.72	0	Unauthorized Switch	4/23/2001
PUC	CA	0	0	Aol Isp	4/23/2001
FCC	FC	0	0	Unauthorized Switch	4/23/2001
PSC	FL	34.71	0	Int'l Rates	4/23/2001
PSC	FL	89.73	0	Unauthorized Switch	4/23/2001
PSC	FL	0	0	Dispute Charges	4/23/2001
PSC	FL	184.51	0	Unauthorized Switch	4/23/2001
PSC	FL	0	0	Unauthorized Switch	4/23/2001
PSC	FL	0	0	Unauthorized Switch	4/23/2001
PSC	FL	0	15.69	Unauthorized Switch	4/23/2001

PSC	FL	48	0	Unauthorized Switch	4/23/2001
PSC	FL	206.11	0	Dispute Charges	4/23/2001
PSC	GA	462.15	0	Billed After Cancel	4/23/2001
ATTY General	KY	133.95	0	Billed After Cancel	4/23/2001
ATTY General	KY	44.62	0	Billed After Cancel	4/23/2001
PSC	KY	0	0	Unauthorized Switch	4/23/2001
PSC	KY	0	0	Misc.	4/23/2001
PSC	KY	0	0	Misc.	4/23/2001
PSC	KY	0	0	Provisioning	4/23/2001
PSC	KY	0	0	Not Cancelled	4/23/2001
PSC	KY	67.06	0	Unauthorized Switch	4/23/2001
PSC	MD	0	211.85	Unauthorized Switch	4/23/2001
PSC	MI	0	0	Dispute Charges	4/23/2001
PSC	MI	0	6.61	Billed After Cancel	4/23/2001
ATTY General	NC	0	118.61	Unauthorized Switch	4/23/2001
Dept of Justice	NC	0	0	Billed After Cancel	4/23/2001
ATTY General	NY	92.07	0	Unauthorized Switch	4/23/2001
ATTY General	NY	0	73.98	Dispute Charges	4/23/2001
ATTY General	NY	239.11	0	Dispute Charges	4/23/2001
PSC	NY	76.66	0	Unauthorized Switch	4/23/2001
PSC	NY	137.08	0	Dispute Charges	4/23/2001
PSC	NY	77.63	0	Unauthorized Switch	4/23/2001
PSC	NY	88.84	0	Unauthorized Switch	4/23/2001
PSC	NY	0	0	Billed After Cancel	4/23/2001
PUC	PA	0	0	Unauthorized Switch	4/23/2001
PUC	PA	0	85.83	Refund	4/23/2001
PUC	PA	79.94	0	Unauthorized Switch	4/23/2001
PUC	PA	0	0	Misc.	4/23/2001
PUC	PA	38.73	0	Promo	4/23/2001
PUC	PA	0	0	Unauthorized Switch	4/23/2001
PUC	PA	0	0	Unauthorized Switch	4/23/2001
PUC	PA	0	0	Promo	4/23/2001
PSC	SC	10.06	0	Billed After Cancel	4/23/2001
PSC	SC	0	0	Unauthorized Switch	4/23/2001
Reg Auth	TN	5.28	0	Unauthorized Switch	4/23/2001
Reg Auth	TN	5.43	0	Unauthorized Switch	4/23/2001
Dept Of Public Servi	VT	20.3	0	Dispute Charges	4/23/2001
UTC	WA	0	0	Billed After Cancel	4/23/2001
PSC	WV	0	0	Unauth Switch Intralata	4/23/2001
District Attorney	CA	188.4	0	Unauthorized Switch	4/23/2001
FCC	FC	128	0	Unauthorized Switch	4/24/2001
FCC	FC	0	0	Unauthorized Switch	4/24/2001
FCC	FC	161.44	0	Unauthorized Switch	4/24/2001
FCC	FC	0	0	Unauthorized Switch	4/24/2001
FCC	FC	6.74	0	Provisioning	4/24/2001
FCC	FC	0	0	Dispute Charges	4/24/2001
FCC	FC	0	0	Provisioning	4/24/2001
FCC	FC	148.36	0	Dispute Charges	4/24/2001
FCC	FC	64.99	0	Dispute Charges	4/24/2001
FCC	FC	270.08	0	Billed After Cancel	4/24/2001
FCC	FC	0	0	Dispute Charges	4/24/2001
FCC	FC	0	0	Promo	4/24/2001

FCC	FC	0	0	Dispute Charges	4/24/2001
FCC	FC	0	0	Crammed	4/24/2001
FCC	FC	0	0	Promo	4/24/2001
Dept Agriculture	FL	3.62	0	Unauthorized Switch	4/24/2001
Dept Agriculture	FL	0	0	Unauthorized Switch	4/24/2001
PSC	FL	0	0	Unauthorized Switch	4/24/2001
PSC	FL	27.66	108.96	Unauthorized Switch	4/24/2001
PSC	FL	142.92	0	Billed After Cancel	4/24/2001
PSC	FL	0	86.84	Billed After Cancel	4/24/2001
PSC	FL	0	0	Billed After Cancel	4/24/2001
Consumer Affairs	GA	0	0	Unauthorized Switch	4/24/2001
PSC	GA	267.32	0	Delayed Provisioning	4/24/2001
PSC	GA	0	0	Unauthorized Switch	4/24/2001
PSC	KY	0	0	Unauthorized Switch	4/24/2001
PSC	KY	15.83	0	Unauthorized Switch	4/24/2001
PSC	MI	0	0	Unauthorized Switch	4/24/2001
ATTY General	NC	0	0	Unauthorized Switch	4/24/2001
ATTY General	NY	45.82	0	Unauthorized Switch	4/24/2001
ATTY General	NY	194.33	0	Unauthorized Switch	4/24/2001
ATTY General	NY	369.85	224.24	Unauthorized Switch	4/24/2001
ATTY General	NY	0	175.04	Dispute Charges	4/24/2001
ATTY General	NY	50	0	Promo	4/24/2001
Consumer Protection	NY	95.3	0	Unauthorized Switch	4/24/2001
PSC	NY	0	0	Unauthorized Payment	4/24/2001
PSC	NY	763.76	0	Dispute Charges	4/24/2001
ATTY General	PA	103.31	157.3	Unauthorized Switch	4/24/2001
ATTY General	PA	0	156.66	Not Cancelled	4/24/2001
ATTY General	PA	0	0	Promo	4/24/2001
PUC	PA	0	0	Unauthorized Switch	4/24/2001
PUC	PA	0	56.62	Refund	4/24/2001
PUC	PA	130.88	0	Misc.	4/24/2001
PUC	PA	0	0	Unauthorized Switch	4/24/2001
PUC	PA	272.2	0	Unauthorized Switch	4/24/2001
PUC	TX	0	0	Dispute Charges	4/24/2001
PUC	TX	17.07	0	Request to Cancel	4/24/2001
FCC	FC	158.69	0	Dispute Charges	4/25/2001
PSC	FL	0	0	Dispute Charges	4/25/2001
PSC	FL	0	0	Unauthorized Switch	4/25/2001
PSC	FL	0	0	Dispute Charges	4/25/2001
PSC	FL	381.24	347.16	Unauthorized Switch	4/25/2001
PSC	FL	142.32	0	Unauthorized Switch	4/25/2001
PSC	FL	112.14	0	Billed After Cancel	4/25/2001
PSC	FL	147.25	0	Unauthorized Switch	4/25/2001
PSC	FL	0	32.38	Unauthorized Switch	4/25/2001
PSC	FL	91.73	0	Dispute Charges	4/25/2001
PSC	FL	0	0	Unauthorized Switch	4/25/2001
PSC	FL	0	0	Unauthorized Switch	4/25/2001
PSC	FL	491.81	0	Unauthorized Switch	4/25/2001
PSC	FL	0	0	Unauthorized Switch	4/25/2001
PSC	FL	1.49	0	Unauthorized Switch	4/25/2001
PSC	FL	0	0	Unauthorized Switch	4/25/2001
PSC	FL	0	0	Unauthorized Switch	4/25/2001