

#1241.95

APPLICATION FOR CERTIFICATE
TO PROVIDE OPERATOR SERVICES AND/OR
RESELL
TELECOMMUNICATION SERVICES IN TENNESSEE
SECTION A

Application is hereby made for a certificate of authority pursuant to TRA Rule 1220-4-2-.57 to provide telecommunications services in the State of Tennessee.

Part I: General Information

A. Name of Applicant PNG Telecommunications, Inc. d/b/a PowerNet Global Communications
Full exact name of person, corporation, partnership, sole proprietorship, or other entity, for which application is made.

Legal name of applicant, if different from above.

100 Commercial Drive Fairfield OH 45014
Address City State Zip

Tenn. Secretary of State Certificate of Authority ID 0314967

Federal Taxpayer ID Number 31-1358624

Social Security Number for Applicants Applying as Individuals _____

Any trade name(s), assumed name(s) or fictitious name(s) used by applicant:

PowerNet Global Communications

IGEA

If applicant has affiliate(s) engaged in providing telecommunications services, provide the above requested information for each affiliate(s), as well as for the applicant.

Address Aleron Broadband Services LLC, 397 Herndon Parkway City Herndon

State VA Zip Code 20170 Phone No. (866) 835 - 4287

Federal Taxpayer ID Number 02-0599016

Tennessee Secretary of State Certificate of Authority ID 0429948

IMPORTANT INFORMATION

If applicant has affiliate(s) or parent company, or constituency corporations, engaged in providing telecommunications services, or operating under any trade name, assumed name or fictitious name used by the above, provide the above requested information on all parts of this application as well as for the applicant. Provide this information on a separate attachment, if necessary.

THIS SECTION FOR TRA USE ONLY

Docket Number 03-00545

Company ID Number _____

Date Approved _____

Evaluator _____

- B. Describe other businesses or business transactions, if any, at the same location as the principal business address: N/A
- C. Provide the name, business and home address of and a chronological summary of the employment history and business experience over the preceding eight years of:
- (a) The proprietor, if the applicant is an individual;
 - (b) Every member, if the applicant is a partnership;
 - (c) Each Executive Officer, Director and each Key Stockholder if the applicant is a joint stock association or a corporation. (Note: If the applicant is a publicly traded corporation or a subsidiary of such a corporation it does not need to provide this information)
 - (d) Any person in a position to exercise control over or direction of, the business of the applicant, regardless of the form of organization of the applicant.

Information to be included:

NAME

TITLE

BUSINESS ADDRESS

PHONE No.

HOME ADDRESS

PHONE No.

EMPLOYMENT HISTORY

Provide the above requested information on separate attachments.

(See Appendix III)

- D. Has the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, LLC members, directors, officers, five percent (5%) more shareholders or beneficiaries (of a trust) been associated with a business whose authority to transact business was denied, revoked or suspended by a state or federal regulatory or law enforcement entity?
 x Yes No If yes, please explain fully. Applicant's certificate to resell telecommunications services in Tennessee was revoked by the TRA due to its failure to pay regulatory fees.
- E. Has the Tennessee Regulatory Authority, or any other agency of the State of Tennessee, any federal agency or any agency of any other state ever initiated a regulatory action or order against the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, LLC members, directors, officers, five percent (5%) more shareholders or beneficiaries (of a trust)?
 x Yes No If yes, please explain fully. See explanation above.
- (1) Has the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, LLC members, directors, officers, five percent (5%) more shareholders or beneficiaries (of a trust), been enjoined or restrained by order by any court or state or federal regulatory or law enforcement entity from engaging in any conduct or practice related to the telecommunications business? x Yes No If yes, please explain fully. See explanation above.
- F. Has the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, LLC members, directors, officers, five percent (5%) more shareholders or beneficiaries (of a trust) been associated with a business who has ceased providing telecommunications services in any state, describe the circumstances. (Use additional pages if necessary) No.

- G. Has the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, L.L.C. members, directors, officers, five percent (5%) or more shareholders or beneficiaries (of a trust) been convicted of any crime or crimes, or charged in court with any fraudulent or dishonest acts in any transaction of any kind, or confined in any penal institution? If so, list such persons, give details, state results and final outcome. **(Use additional pages if necessary)** No.

(1) Has the applicant or any of its parent companies, subsidiaries, affiliates, owners, partners, L.L.C. members, directors, officers, five percent (5%) or more shareholders or beneficiaries (of a trust) been indicted, convicted, pled guilty or pled nolo contendere to a felony in Tennessee or elsewhere?

_____ YES x NO If yes, please explain fully.

- H. Name and telephone number of contact person authorized to respond to Authority inquiries regarding company operations Monday through Friday.

Robin Kotz (513) 942 - 7900 Ext. 14891 (513) 645 - 4960
Name Phone No. Fax No.

(800) 860-9495 e-mail Address rkotz@pngmail.com

- (1) Name and telephone number of contact person authorized to respond to Authority inquiries regarding this filing Monday through Friday.

Carol Wallace (615) 244 - 2582 () -
Name Phone No. Fax No.

(800) _____ e-mail Address _____

- I. List a toll-free telephone number and mailing address that consumers can call or write to report service problems and/or request refunds or adjustments.

<u>1-800-860-9495</u>		_____	
PHONE NUMBER		ALTERNATE PHONE NUMBER	
<u>P.O. Box 1848</u>	<u>West Chester</u>	<u>OH</u>	<u>45069</u>
ADDRESS	CITY	ST	ZIPCODE

- (J) Provide the name and address of the registered agent for service of process:

CT Corporation System, 530 Gay Street #600, Knoxville, TN 37902

- (K) Identify all authorized agents in the state, if any by name, address, business and home phone numbers and any other businesses conducted by the agent at the same location: (use additional sheets if necessary) (See Appendix IV)

Part II:

- A. Check the type of telecommunication services you plan to provide in Tennessee.

x Resell Interexchange long distance services

___ Operator Services

___ Resell local services

___ Other (describe) _____

- B If providing operator services, list company name, address and contact person for all reseller carriers you serve in Tennessee. **Provide the above information on Appendix I.** N/A

- PNG is authorized to provide Telecommunications services in the other 47 contiguous states and has had such authority since 1996. PNG's subsidiary, Aleron Broadband Services, LLC, since May, 15 2002, provides Internet Backbone Telecommunications services in the 48 contiguous states, which are not subject to federal or state regulation.

If applicant has affiliate(s) or parent company, or constituency corporations, engaged in providing telecommunications services, or operating under any trade name, assumed name or fictitious name used by the above, provide the above requested information for all as well as for the applicant. Provide this information on a separate attachment, if necessary.

- NONE

- Statewide

- a. Business x
b. Residential x
c. Aggregators _____
(e.g. Hotels, Payphones)
d. Other (specify) _____

- K. Does the applicant now have or plan to have any telecommunication's facilities (e.g. switches, fiber lines) in Tennessee? No

4

L. Whose facility-based network(s) will the applicant be reselling? Qwest and Global Crossing Telecommunications, Inc.

M. Will the applicant be utilizing the local telephone company's billing system or billing customers directly²?
Billing Customers directly (See Appendix VI)

N. Describe briefly how the applicant plans to market their services in Tennessee? _____
Independent Agents, Direct mail and website

O. If independent telemarketers are to be used, list the name, contact person, address phone number and federal taxpayer ID for each company. N/A PNG uses Independent Agents who are not telemarketers

COMPANY NAME	CONTACT	ADDRESS	CITY	ST	ZIP	PHONE
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COMPANY NAME	CONTACT	ADDRESS	CITY	ST	ZIP	PHONE
--------------	---------	---------	------	----	-----	-------

COMPANY NAME	CONTACT	ADDRESS	CITY	ST	ZIP	PHONE
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COMPANY NAME	CONTACT	ADDRESS	CITY	ST	ZIP	PHONE
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P. Describe the methods and procedures by which the applicant will use to switch a consumer's preferred interexchange service, and to prevent unauthorized switching of a consumer's interexchange service. Use additional pages if necessary. If you have written procedures or company guidelines, attach copies.

PNG requires that each consumer order for change of primary interexchange carrier be verified according to federal and state rules before the order is submitted to the local exchange carrier for execution.

Q. Applicant has the ability and agrees to honor the form of call blocking that the consumer has subscribed to with their local telephone company. Yes x No _____

R. Applicant gives permission to the local telephone company to provide the Authority a periodic sample of the reseller's intrastate toll calls. The purpose of this analysis is to audit the reseller's rates to assure they are at or below the dominant carrier's tariffed rates. Yes x No _____

² A copy of a bill is required if the applicant is going to bill the customer directly.

A. Applicant's organizational structure

Attach a copy of the trust agreement and Letter of Authorization from Tennessee Secretary of State.

(f) If applicable, attach a copy of the instrument creating the trust and all amendments thereto:

Partnership

_____ General Attach a copy of the partnership agreement along with any amendments.

_____ Limited Attach a copy of the certificate of limited partnership and the partnership agreement along with any amendments.

_____ Other (Explain on separate sheet)

All of the above will be required to submit a valid business license.

(a) Identify the place and date of the applicant's qualifications to provide telecommunications services in this state.

(b) List the full name, social security number and address of the owners, if a sole proprietorship, or all partners identifying the percentage of ownership:

ATTACH ADDITIONAL PAGES AS NECESSARY

C. Number of employees: 300.

Employer Identification Number (E.I.N.) 31-1358624

Part IV: Financial Information

A. Address where business records are kept: 100 Commercial Drive
STREET

<u>Fairfield</u>	<u>OH</u>	<u>45014</u>	<u>800-860-9495</u>
CITY	STATE	ZIP CODE	PHONE NUMBER

B. Attach a copy of the applicant's most recent unconsolidated and consolidated audited financial statements for the immediately preceding three-year period. Provide in detail the applicant's financial condition, including balance sheet and income statement, or a copy of IRS form 1120 or 1065 filed by your business for the previous year. Attach, if available, a copy of your company's 10K and/or stockholder reports. (See Appendix XI)

(1) Fiscal year end: Month 12 Day 31

(2) Date of most recent audited, unconsolidated financial statement of Applicant: None
Consolidated: December 31, 2002 Draft

(3) If applicable, name and address of independent certified public accountant:
Clark, Schaefer, Hackett & Co., 105 E. Fourth Street, Cincinnati, OH 45202

(4) Period covered by financial statement attached: 2000-2002

C. Does the applicant currently have an internal auditor and/or internal audit program? No

If so, Name of internal auditor _____

D. If applicable, provide a history of applicant's material litigation and criminal convictions for the ten-year period prior to the date this application is made. Material litigation is defined as any litigation that, according to generally accepted accounting principles, is deemed significant to a person's financial health and would be required to be referenced in annual audited financial statements, reports to shareholders or similar documents. None for PNG (See Appendix XII for Aleron).

Part VI: Rule Compliance Agreement

- A. Attach a copy of a Small and Minority-Owned Telecommunications Business Participation Plan Pursuant to Tennessee Code Annotated § 65-5-212. (See Appendix XIII).
- B. Have you read and understand the Tennessee Regulatory Authority's (TRA) Rules and Regulations for Resellers, 1220-4-2 located at the TRA's website [http://www.state.tn.us/tra_electronic file room](http://www.state.tn.us/tra_electronic_file_room) in its entirety? (See Appendix XIV and XV)
_____ x _____ Yes _____ No
- C. Do you understand the penalties for non-compliance, and all associated fees to provide such service? _____ x _____ Yes _____ No

Mail the completed application and a check for \$50.00 to: Tennessee Regulatory Authority, P.O. Box 198907, Nashville, TN 37219-8907. Should you have any questions, call (615) 741-7489, ext. 163.

The Reseller or Operator Service Provider applicant, hereby, affirms the following:

Will comply with the TRA Reseller Rules and all other applicable Authority Rules and state laws, including T.C.A. Section 65-5-206 located at the TRA's website [http://www.state.tn.us/tra_electronic file room](http://www.state.tn.us/tra_electronic_file_room) under the External Site of lexis law Publishing.

Having been duly sworn, and under the penalties of perjury, I hereby certify that the representations in this RESELLER APPLICATION and all attachments and appendices are true and correct to the best of my knowledge and belief. I further understand that omissions or inaccuracies may result in denial of the APPLICATION and grounds for revocation of Certificate of Authority.

For Individual and Partners:

Signature

PRINTED NAME

Signature

PRINTED NAME

Signature

PRINTED NAME

Signature

PRINTED NAME

For Corporations
and Other Organizations

BY:

PNT Telecommunications, Inc.
(NAME OF CORPORATION)
[Signature]

SIGNATURE

Dennis Packer
PRINTED NAME

General Counsel
Title

ATTEST:

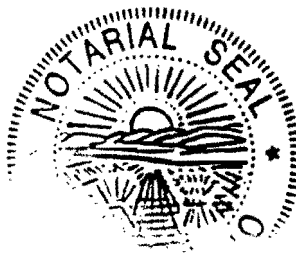
[Signature]

Diane L. Cole

Paralegal
Title

On this the 13th day of August, 2003 before me, a Notary
Public Dennis Packer

known to me to be the person(s) named in, and who executed the foregoing application, being
duly sworn according to law, deposes and says that the statements and representations set
forth in the above application are true and correct to the best of his/her knowledge and belief.



KAREN SUE KOVACH, Attorney at Law
Notary Public, State of Ohio
My Commission Has No Expiration Date
Section 147.03

[Signature]

Karen S. Kovach
Notary Public

seal

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

ISSUANCE DATE: 10/20/2003
REQUEST NUMBER: 03293529

CHARTER/QUALIFICATION DATE: 07/10/1996
STATUS: ACTIVE
CORPORATE EXPIRATION DATE: PERPETUAL
CONTROL NUMBER: 0314967
JURISDICTION: OHIO

TO:
CALLOU WALLACE %BOULT CUMMINGS
414 UNION ST
STE 1600
NASHVILLE, TN 37219

REQUESTED BY:
CALLOU WALLACE %BOULT CUMMINGS
414 UNION ST
STE 1600
NASHVILLE, TN 37219

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

"PNG TELECOMMUNICATIONS INC."

WAS INCORPORATED OR QUALIFIED TO DO BUSINESS IN THE STATE OF TENNESSEE ON THE
ABOVE DATE, AND THAT THE ATTACHED DOCUMENT(S) WAS/WERE FILED IN OFFICE ON THE
DATE(S) AS BELOW INDICATED:

REFERENCE NUMBER	DATE FILED	FILING TYPE	FILING ACTION
3748-1279	09/24/1999	ASSUMED-ADD	NAM DUR STK PRN OFC AGT INC MAL FYC

122619

FOR: REQUEST FOR COPIES

ON DATE: 10/20/03

FEEES

FROM:
BOULT CUMMINGS CONNERS & BERRY/PO 198062
P. O. BOX 198062
NASHVILLE, TN 37219-0000

RECEIVED: \$20.00 \$0.00
TOTAL PAYMENT RECEIVED: \$20.00

RECEIPT NUMBER: 00003373217
ACCOUNT NUMBER: 00000413



Riley C Darnell

RILEY C. DARNELL
SECRETARY OF STATE

3748 1273

APPLICATION FOR REGISTRATION OF ASSUMED CORPORATE NAME

RECEIVED
STATE OF TENNESSEE
99 SEP 24 PM 1:00

Pursuant to the provisions of Section 48-14-101(d) of the Tennessee Business Corporation Act or Section 48-54-101(d) of the Tennessee Nonprofit Corporation Act, the undersigned corporation hereby submits this application.

1. The true name of the corporation is PNG Telecommunications, Inc.

2. The state or country of incorporation is Ohio

3. The corporation intends to transact business in Tennessee under an assumed corporate name.

4. The assumed corporate name the corporation proposes to use is
PowerNet Global Communications

[NOTE: The assumed corporate name must meet the requirements of Section 48-14-101 of the Tennessee Business Corporation Act or Section 48-54-101 of the Tennessee Nonprofit Corporation Act.]

8/31/99
Signature Date

President
Signer's Capacity

PNG Telecommunications, Inc.
Name of Corporation

[Signature]
Signature

Bernard Stevens
Name (typed or printed)



**UNITED STATES OF AMERICA
STATE OF OHIO
OFFICE OF THE SECRETARY OF STATE**

I, J. Kenneth Blackwell, do hereby certify that I am the duly elected, qualified and present acting Secretary of State for the State of Ohio, and as such have custody of the records of Ohio and Foreign corporations; that said records show PNG TELECOMMUNICATIONS INC., an Ohio Corporation, Charter No. 829679, having its principal location in Union Twp. West Chester, County of Butler, was incorporated on October 19, 1992, and is currently in GOOD STANDING upon the records of this office.



Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 9th day of June, A.D. 2003.

J. Kenneth Blackwell
Ohio Secretary of State

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

ISSUANCE DATE: 06/19/03
REQUEST NUMBER: 03170547
TELEPHONE CONTACT: (615) 741-6488

CHARTER/QUALIFICATION DATE: 07/10/1996
STATUS: ACTIVE
CORPORATE EXPIRATION DATE: PERPETUAL
CONTROL NUMBER: 0314967
JURISDICTION: OHIO

TO:
CFS
8161 HWY 100
NASHVILLE, TN 37221

REQUESTED BY:
CFS
8161 HWY 100
NASHVILLE, TN 37221

CERTIFICATE OF AUTHORIZATION

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

"PNG TELECOMMUNICATIONS 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.

FOR: REQUEST FOR CERTIFICATE

ON DATE: 06/19/03

FROM:
CFS
8161 HIGHWAY 100
#172
NASHVILLE, TN 37221-0000

	FEES	
RECEIVED:	\$100.00	\$0.00
TOTAL PAYMENT RECEIVED:		\$100.00

RECEIPT NUMBER: 00003317910
ACCOUNT NUMBER: 00101230



Riley C Darnell

RILEY C. DARNELL
SECRETARY OF STATE

SMALL AND MINORITY OWNED TELECOMMUNICATIONS BUSINESS PARTICIPATION PLAN

Pursuant to T.C.A. §65-5-212, as amended, PNG Telecommunications, Inc. d/b/a PowerNet Global Communications ("PNG") submits this small and minority-owned Telecommunications business participation plan (the "Plan") along with its Application for a Certificate of Public Convenience and Necessity to resell intrastate 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. PNG 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. PNG 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, PNG will make efforts to identify and inform minority-owned and small businesses that are qualified and capable of providing goods and services to PNG of such opportunities. PNG's representatives have already contacted the Department of Economic and Community Development, the administrator of the small and minority-owned Telecommunications assistance program, to obtain a list of qualified vendors. Moreover, PNG 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

PNG'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 PNG's full efforts to provide equal opportunities for small and minority-owned businesses. The Administrator of the Plan will be:

Rich Popper
PNG Telecommunications, Inc.
100 Commercial Drive
Fairfield, OH 45014
Telephone: 513-942-7900 Ext. 14737
Facsimile: 513-645-4960

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 PNG 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.

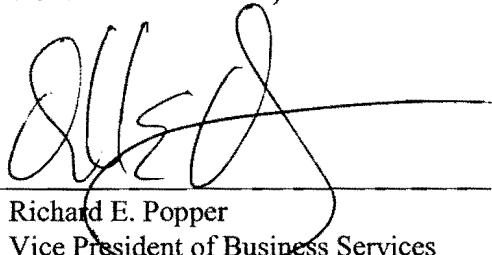
IV. RECORDS AND COMPLIANCE REPORTS

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

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

PNG Telecommunications, Inc.

By: _____


Richard E. Popper
Vice President of Business Services

Dated: August 19, 2003

Appendix XV

Letter of Credit

U.S. BANK NATIONAL ASSOCIATION
INTERNATIONAL DEPT. SL-MO-L2IL
8TH AND LOCUST STREETS
ST. LOUIS, MO 63101

SWIFT: USBKUS44STL
TELEX: 192179
TELEPHONE: 877-716-5696
FACSIMILE: 314-418-1376

DATE: SEPTEMBER 10, 2003

TENNESSEE REGULATORY AUTHORITY
STATE OF TENNESSEE
460 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243-0505

REFERENCE: NAME OF COMPANY AUTHORIZED BY TRA: PNG TELECOMMUNICATIONS,
INC., D/B/A POWERNET GLOBAL COMMUNICATIONS
COMPANY ID # ASSIGNED BY THE TRA:
IRREVOCABLE LETTER OF CREDIT NUMBER: SLCCCTN00759
EFFECTIVE DATE: SEPTEMBER 10, 2003
EXPIRATION DATE: SEPTEMBER 2, 2004

DEAR SIR OR MADAM:

YOU HAVE REQUESTED OF U.S. BANK NATIONAL ASSOCIATION (THE "LENDER") THAT WE ESTABLISH AN IRREVOCABLE LETTER OF CREDIT WHICH WILL REMAIN AVAILABLE ON BEHALF OF PNG TELECOMMUNICATIONS, INC. D/B/A POWERNET GLOBAL COMMUNICATIONS, 100 COMMERCIAL DRIVE, FAIRFIELD, OH 45014 (THE "COMPANY") WHO HAS APPLIED TO THE TENNESSEE REGULATORY AUTHORITY (THE "TRA") FOR AUTHORITY TO PROVIDE TELECOMMUNICATIONS SERVICES IN THE STATE OF TENNESSEE. THE PURPOSE OF THIS LETTER OF CREDIT IS TO SECURE PAYMENT OF ANY MONETARY SANCTION IMPOSED AGAINST THE COMPANY, ITS REPRESENTATIVES, SUCCESSORS OR ASSIGNS, IN ANY ENFORCEMENT PROCEEDING BROUGHT UNDER TITLE 65 OF TENNESSEE CODE ANNOTATED OR THE CONSUMER TELEMARKETING ACT OF 1990, BY OR ON BEHALF OF THE TRA.

WE HEREBY ESTABLISH AND ISSUE, IN FAVOR OF THE TRA, AN IRREVOCABLE LETTER OF CREDIT IN THE AMOUNT OF TWENTY THOUSAND DOLLARS (\$20,000.00) LAWFUL MONEY OF THE UNITED STATES OF AMERICA. THE TRA MAY DRAW UPON THIS LETTER OF CREDIT, AT ANY TIME AND FROM TIME TO TIME, BY DELIVERING A LETTER OF NOTICE, SUBSTANTIALLY IN THE FORM SET FORTH BELOW (A "NOTICE"), WHICH NOTICE SHALL SPECIFY THE AMOUNT (THE "DRAW AMOUNT") TO BE DRAWN AND THE BANK ACCOUNT (THE "BANK ACCOUNT") TO WHICH THE DRAW AMOUNT SHOULD BE DELIVERED AND SHALL BE SIGNED BY AN OFFICIAL DESIGNATED AND DULY AUTHORIZED BY THE TRA, TO LENDER AT THE ADDRESS LISTED BELOW, OR TO SUCH OTHER ADDRESS AS THE LENDER SHALL NOTIFY THE TRA IN WRITING BY CERTIFIED MAIL. PROMPTLY AFTER THE DELIVERY OF EACH NOTICE, THE LENDER HEREBY COVENANTS AND AGREES TO DELIVER, BY WIRE TRANSFER OF IMMEDIATELY AVAILABLE FUNDS, THE DRAW AMOUNT TO THE BANK ACCOUNT.


THIS LETTER OF CREDIT SHALL BE DEEMED AUTOMATICALLY RENEWED WITHOUT AMENDMENT FOR SUCCESSIVE ONE (1) YEAR PERIODS AND MAY BE CANCELLED BY THE LENDER BY GIVING THIRTY (30) DAYS ADVANCED WRITTEN NOTICE BY CERTIFIED MAIL OF SUCH CANCELLATION TO THE TRA AND THE COMPANY, IT BEING UNDERSTOOD THAT THE LENDER SHALL NOT BE RELIEVED OF LIABILITY THAT MAY HAVE ACCRUED UNDER THIS LETTER OF CREDIT PRIOR TO THE DATE CANCELLATION.

THE LENDER HEREBY REPRESENTS AND WARRANTS THAT IT IS QUALIFIED AND AUTHORIZED TO ISSUE THIS LETTER OF CREDIT AND IS A BANK DESIGNATED BY THE TREASURER OF THE STATE OF TENNESSEE AS AN AUTHORIZED DEPOSITARY BANK FOR THE DEPOSIT OF STATE FUNDS.

EXCEPT AS OTHERWISE EXPRESSLY STATED, THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION) INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500, OR ANY REVISIONS THERETO.

VERY TRULY YOURS,

U.S. BANK NATIONAL ASSOCIATION


NAME: JULIE A. WRIGLEY
TITLE: INTERNATIONAL BANKING OFFICER

ADDRESS OF LENDER:

INTERNATIONAL DEPT. SL-MO-L2IL
8TH AND LOCUST STREETS
ST. LOUIS, MO 63101

FORM OF LETTER OF CREDIT NOTICE

U.S. BANK NATIONAL ASSOCIATION
INTERNATIONAL DEPT. SL-MO-L2IL
8TH AND LOCUST STREETS
ST. LOUIS, MO 63101

RE: IRREVOCABLE LETTER OF CREDIT NO. SLCCCIN00759

DEAR SIR OR MADAME:

YOU ARE HEREBY NOTIFIED, AND THE UNDERSIGNED HEREBY CERTIFIES, THAT THE UNDERSIGNED IS AN OFFICIAL DESIGNATED AND DULY AUTHORIZED BY THE TRA TO DELIVER THIS NOTICE AND THAT A MONETARY SANCTION IN THE AMOUNT OF \$ _____ (THE "DRAW AMOUNT") HAS BEEN IMPOSED AGAINST PNG TELECOMMUNICATIONS, INC. D/B/A POWERNET GLOBAL COMMUNICATIONS ITS REPRESENTATIVES, SUCCESSORS OR ASSIGNS, IN AN ENFORCEMENT PROCEEDING BROUGHT UNDER TITLE 65 OF TENNESSEE CODE ANNOTATED OR THE CONSUMER TELEMARKETING ACT OF 1990, BY OR ON BEHALF OF THE TRA.

PURSUANT TO THAT CERTAIN IRREVOCABLE LETTER OF CREDIT REFERENCED ABOVE, WE HERE REQUEST THAT YOU DELIVER PAYMENT OF THE DRAW AMOUNT TO THE BANK ACCOUNT LISTED BELOW BY WIRE TRANSFER OF IMMEDIATELY AVAILABLE FUNDS:

NAME OF BANK ACCOUNT: _____
ACCOUNT NUMBER: _____
ABA ROUTING NUMBER: _____
REFERENCE: _____
NAME OF CONTACT: _____
TELEPHONE NUMBER: _____
FACSIMILE NUMBER: _____

PLEASE CONFIRM RECEIPT OF THIS NOTICE AND THE FEDERAL RESERVE WIRE CONFIRMATION NUMBER OF DELIVERY OF THE DRAW AMOUNT BY SENDING A FACSIMILE TO THE PERSON AT THE NUMBER LISTED ABOVE.

SINCERELY,

TENNESSEE REGULATORY AUTHORITY

NAME:
TITLE: