

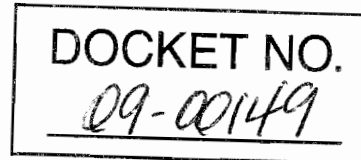


KRISTOPHER E. TWOMEY

TELECOM/INTERNET LAW ■ REGULATORY CONSULTING

September 22, 2009

Via FedEx
Docket Office
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505



RECEIVED
2009 SEP 28 AM 10:12
T.R.A. DOCKET ROOM

Re: Application of Peace Communications, LLC for a Certificate to Provide
Competing Local Telecommunications Services

Dear Sir/Madam:

Enclosed for filing are an original and thirteen (13) copies of the Application of Peace Communications, LLC for a Certificate to Provide Competing Local Exchange Services.

Also enclosed is a check for the filing fee in the amount of \$25.00 and a Letter of Credit issued by our financial institution.

Please contact me at the number below should you have any questions or need additional information.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Kristopher E. Twomey'.

Kristopher E. Twomey
Counsel to Peace Communications, LLC

Enclosures

cc: James Peace

Law Office
1725 I Street, NW, Suite 300
Washington, DC 20006
Phone: 202 250-3413
Fax: 202 517-9175
www.lokt.net



Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

REFERENCE: Name of Company authorized by TRA: Peace Communications. LLC

Company ID # as assigned by the TRA: —
Irrevocable Letter of Credit Number: 60056827
Effective Date: September 25, 2009
Expiration Date: September 25, 2010

Sir/Madam:

You have requested of **Community Trust & Banking Company** (the "Lender") that we establish an irrevocable letter of credit which will remain available on behalf of **Peace Communications, LLC** (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 Credit 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-year periods and may be canceled 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 of 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 depository bank for the deposit of state funds. Except as otherwise expressly stated, this letter of credit is subject to the Uniform Customs and Practice for Documentary Credit (1993 Revision) International Chamber of Commerce Publication No. 500, or any revisions thereto.

Yours Very Truly,

Community Trust & Banking Company
Greg L Farrow
Vice President
9125 Lee Highway P O Box 747
Ooltewah, TN 37363

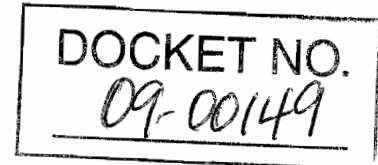
RECEIVED

2009 SEP 28 AM 10:12

T.R.A. DOCKET ROOM

BEFORE THE TENNESSEE REGULATORY AUTHORITY

In the Matter of the Application of)
Peace Communications, LLC for a Certificate to)
Provide Competing Local Telecommunications)
Services)
_____)



**APPLICATION OF PEACE COMMUNICATIONS, LLC FOR A CERTIFICATE TO
PROVIDE COMPETING LOCAL TELECOMMUNICATIONS SERVICES**

Kristopher E. Twomey
LoKT Consulting
1725 I Street, N.W., Ste. 300
Washington, DC 20006
Telephone: (202) 250-3413
Facsimile: (202) 517-9175

Counsel for Peace Communications, LLC

BEFORE THE TENNESSEE REGULATORY AUTHORITY

In the Matter of the Application of)
Peace Communications, LLC for a Certificate to)
Provide Competing Local Telecommunications)
Services)
_____)

RECEIVED
2009 SEP 28 AM 10:12
T.R.A. DOCKET ROOM

**APPLICATION OF PEACE COMMUNICATIONS, LLC FOR A
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

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"), Peace Communications, LLC ("Peace Communications" or "Applicant") respectfully requests that the Tennessee Regulatory Authority ("TRA") grant Peace Communications, LLC authority to provide competing local telecommunications services, including exchange access telecommunications services, within the State of Tennessee. Peace Communications is willing and able to comply with all applicable rules and regulations in Tennessee pertaining to the provision of competing local telecommunications services.
TCA 65-4-201

In support of this Application, Peace Communications shows the following:

I. Administrative Requirements

1. Applicant's full name and address:

Peace Communications, LLC
P.O. Box 909
Chattanooga, TN 37401
Telephone: (423) 664.8600
Toll-free: (888) 540-6893
support@peace-communications.net

2. Questions concerning this application should be directed to:

Kristopher E. Twomey
LoKT Consulting
1725 I Street, N.W., Ste. 300
Washington, DC 20006
Telephone: (202) 250-3413
Facsimile: (202) 517-9175
kris@lokt.net

3. Contact name and address at Applicant:

James E. Peace
CEO
Peace Communications, LLC
6100 Bayswater Lane
Hixson, TN 37343
Telephone: (423) 664.8600
Facsimile: (423-267-2018)
Email: jpeace@peace-communications.net

4. Organizational chart:

See Exhibit 1.

5. The name, number and electronic mailing addresses (if available) of the person(s) designated as a contact for the Commission Staff for resolving complaints, inquiries and matters concerning rates and price lists or tariffs.

Kristopher E. Twomey
LoKT Consulting
1725 I Street, N.W., Ste. 300
Washington, DC 20006
Telephone: (202) 250-3413
Facsimile: (202) 517-9175
Email: kris@lokt.net

6. Corporate information

Applicant was formed as a Tennessee limited liability company on August 7, 2009. A copy of Applicant's articles of organization is attached as Exhibit 2.

7. The names and addresses of the officers and directors of Applicant.

Name	Position
James E. Peace	CEO
Carmen W. Peace	Owner & Board Chair
Joe Freeman	Chief Technical Officer
Bill Chapman	Executive Vice President
Steve Blankenship	Chief Financial Officer
Jennifer Morrison	Manager; not an officer or director
Dean Poi	Executive Consultant/ VPNtranet Owner

All officers and directors may be contacted at Applicant's address. Biographies are attached as Exhibit 3.

8. Description of Business Plan, Service to be Offered

Peace Communications, LLC, with headquarters located in Chattanooga, Tennessee, represents the future of state-of-the-art communication services offering the highest level of service for traditional TDM voice applications with VoIP technology as well as managed Internet and data services to business customers. We will offer a mix of IP PBX and hosted IP solutions. Small- and medium-sized businesses (SMB) and small office/home offices (SOHO), in particular, are eager for productivity-enhancing applications and are open to new hosted solutions that address their needs. We are dedicated to finding the most cost effective solutions for our customers. Through our various platforms, we are able to provide, in addition to IP; data services, traditional voice and long distance services, and web hosting. Our corporate premise is to provide high-level, multi-faceted solutions for our clients. Peace Communications was created with the vision of building a profitable broadband, hosting, and collocation facility that would provide an unparalleled, single-source solution for its users. Through our expertise in providing superior, customized products to each individual organization, our business model allows us to provide scalable, turnkey technology to each business, creating a successful partnership.

Our network will be facilities-based with operations from Chattanooga and fiber-based access from a collocated hotel in Nashville, Tennessee. However, to insure the complete coverage of services to customers outside of the facilities-based areas, we will establish resale agreements with AT&T.

To insure the highest level of customer support, Peace Communications operates a fully manned Network Operations Center (NOC) with completely certified technicians and both Level I and Level II engineering support. From our NOC, we will proactively monitor all network activities.

II. Managerial Requirements

Applicant enjoys decades of combined telecommunications experience, including successfully starting and managing previous CLECs. Bios of the Company's management team are attached as Exhibit 3. Applicant maintains the necessary skill and experience to effectively manage a competitive local telecommunications company.

III. Technical Requirements

1. Facilities to be Used

Services provided by Applicant will be facilities-based where available and through Resale. The facilities will use existing structures and as such will not result in any environmental damage.

2. Description of Network

Peace Communications' network is an IP-Based network. The network core is built upon an Ethernet backbone with multiple gigabits/second capacity and uses a number of technologies at the edge, including xDSL, T-1, etc. The network backbone for inter-city transport is an MPLS network that provides for QoS and privacy for customer traffic across the backbone. IEEE 802.1Q (QinQ) tagging is used heavily throughout the network to help ensure privacy and

3. TRA Standards Will be Met

Peace Communications' 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. Applicant will not require customers to purchase CPE, which cannot be used with the Incumbent Local Exchange Carrier's systems. The biographies in Exhibit 3 attest to the vast experience the management team enjoys, its ability to carry out the plan described above, and that Peace Communications is certainly technically qualified to provide local exchange service in Tennessee.

4. Proposed Service Area

Peace Communications, through this application, is in the process of acquiring authorization to provide telecommunications services in the state of Tennessee. Peace Communications has not applied for certification in any other state. The Applicant proposes to offer its services throughout the State of Tennessee beginning in local exchange areas currently being served by the incumbent AT&T, which is designated open to competition. Applicant does not plan to offer services in areas served by any incumbent local exchange telephone company with fewer than 100,000 total access lines. Peace Communications intends to offer its advanced communications services through the use of its own facilities, resold facilities, and through a combination of these provisioning methods.

5. Types of Local Exchange Service to be provided

Peace Communications expects to offer a broad variety of local exchange services, primarily to wholesale and business customers in Tennessee. Peace Communications' initial line of local services will be comparable to that currently offered by the incumbent LECs. Initially, Peace Communications plans to offer Voice; 1FBs, copper loops, DSL, T1, PRI, DS3, MetroEthernet, OCx. The Applicant will also offer internet via integrated T1s, and DIA from T1 through Gigabit. Directory Assistance, Directory Services, and Operator Services will be provided through a contract with AT&T. All services required under Chapter 1220-4-8-.04 (3) (6) and (2) will be offered.

6. **Repair and Maintenance**

Peace Communications understands the importance of effective customer service for local service customers. Peace Communications has made arrangements for its customers to call the company at its toll-free customer service number, (888) 540-6893. In addition, customers may contact the company in writing at the headquarters address, as well as via email at support@peace-communications.net. The toll free number will be printed on the customer's monthly billing statements. The designated contact person knowledgeable about Peace Communications' operations in Tennessee is James E. Peace, President and CEO.

IV. Financial Requirements

Peace Communications enjoys significant access to capital and the financial resources to operate as a competitive local service provider in Tennessee. Being a newly formed company, Peace does not yet have any financial statements.

Please see Exhibit 4.

V. Small and Minority-Owned Telecommunications Business Participation Plan:

Please see Exhibit 5.

VI. Service of Application

Applicant certifies that it has served notice of its application on the eighteen (18) incumbent local exchange telephone companies in Tennessee with a statement regarding Peace Communications' intention of operating geographically. A certificate of service is attached as Exhibit 6.

VII. Toll Dialing Parity Plan

Applicant's toll dialing parity plan is attached as Exhibit 7

VIII. Numbering Issues

Applicant's expected demand for NXXs per NPA within a year of approval of its Application is as follows:

Chattanooga	423 (5,000)
Nashville	615 (3,000)
Cleveland	423 (1,000)
Dayton	423 (1,000)
Athens	865 (1,000)

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

Chattanooga	423 (2,000)
Nashville	615 (1,000)
Cleveland	423 (1,000)
Dayton	423 (1,000)
Athens	865 (1,000)

3. When and in what NPA do you expect to establish your service footprint?
Chattanooga, Cleveland and Dayton 423 and Nashville 615 immediately, Knoxville/Athens 865 within 6 months of certification.

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

No

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

Peace Communications will not offer blocks of numbers that exceed actual customer needs.

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

75%

IX. 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. Peace Communications will participate in the state-wide TAR file that is maintained by AT&T. We will provide AT&T will bi-weekly updates of all Peace Communications customers in the approved industry format. We will download updated TAR database listings and input to our

billing system for comparison of all originating a terminating calls. Through this process, we will be able to verify county-wide calling for our customers and be in compliance with TCA 65-21-114.

2. Is the company aware of the Tennessee County Wide Calling database maintained by BellSouth and the procedures to enter your telephone numbers on the database?

Peace Communications will cooperate with AT&T to ensure its telephone numbers are accurately placed in the Tennessee County Wide Calling database.

3. Is your company aware of the local calling areas provided by the Incumbent Local Exchange Carriers in 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

Peace Communications' will not bill for any calls originated and terminated within the metro calling areas through NPA-nxx verification in the switch.

5. Please provide the name and telephone number of an employee of your company that will be responsible to work with the TRA on resolving customer complaints.

All customer complaints should be directed first to Peace Communications' Executive Vice President, Bill Chapman. The telephone number is 423-664-8417.

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

Peace Communications will not use telemarketing in Tennessee. Peace Communications will operate with a direct sales force and will also sell through agents. All agents will be responsible for complying with Tennessee TCA §65-4-401 *et seq.* and Chapter 1220-4-11.

X. Public Interest

Grant of the Application will further the goals of the Tennessee Legislature and further 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. Authorizing Peace Communications to provide local exchange telecommunications services will enhance materially the telecommunications infrastructure in the State of Tennessee and will facilitate economic development.

In particular, the public will benefit both directly, through the use of the competitive services to be offered by Peace Communications and indirectly, because Peace Communications' 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.

XI. Miscellaneous Issues

- A. Sworn pre-filed testimony is attached to this Application Exhibit 8.
- B. Tariffs will be filed after this Application is granted.
- C. Applicant is not currently involved in any mergers or acquisitions. Applicant's corporate structure is shown in Exhibit 1.
- D. Applicant does not require customer deposits.
- E. Applicant has never received a slamming or any other complaint filed with a state or federal regulatory agency involving Applicant or its affiliated entities.

F. Applicant will not offer services in areas served by any incumbent local exchange telephone company with fewer than 100,000 total access lines, unless that carrier's rural exemption has been eliminated.

WHEREFORE, Peace Communications, LLC requests that the Commission:

- (a) Grant Applicant authorization to provide facilities-based and resale local exchange services in eligible incumbent local exchange carrier areas service provider throughout the State of Tennessee in the service areas of AT&T and any other ILEC that does not enjoy a rural exemption under Section 251(f) of the Telecommunications Act of 1996;
- (b) Make the grant effective on the date of issuance;
- (c) Authorize the filing of tariffs after the effective date of such a grant, such tariffs to be effective upon approval; and
- (d) Grant such further relief as may be just and reasonable.

Respectfully submitted,

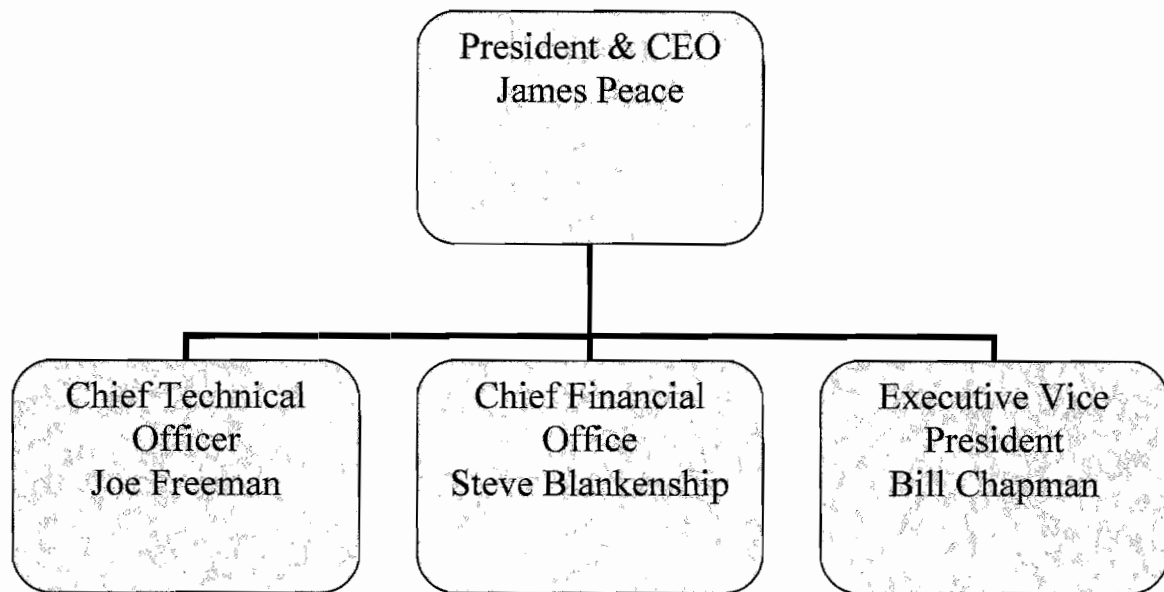


Kristopher E. Twomey
Counsel for Peace Communications, LLC

September 18, 2009

EXHIBIT 1

Organizational Chart and Corporate Affiliate Description



Peace Communications, LLC is the sole owner of the CLEC

EXHIBIT 2

**Articles of Organization
and
Certificate of Status Issued by the Tennessee Secretary of State**

**TENNESSEE DEPARTMENT OF REVENUE****CERTIFICATE OF REGISTRATION**

PEACE COMMUNICATIONS LLC
ATTN: JAMES PEACE
PO BOX 909
CHATTANOOGA TN 37401-0909
|||||

August 26, 2009

Account Type: TV&TELECOM
Account No.: 785174778
Filing Status: MONTHLY

We have received and processed your application for registration. Your valid certificate is attached below. This certificate must be publicly displayed at the location for which it is issued. The account number on this certificate is used by the department to identify your account and must be shown on all reports and correspondence. The reverse side of this certificate contains important information regarding change and/or cancellation instructions.

T.C.A. 67-6-607 Unauthorized Use of Certificate

It is a Class C misdemeanor for any person having a certificate of registration to:

- (1) Use such certificate for the purpose of purchasing tangible personal property subject to the tax herein levied except for resale, unless authorized to do so by other provision of this chapter and the rules and regulations adopted pursuant thereto; or
- (2) Use or consume any tangible personal property purchased or otherwise acquired under the certificate of registration and subject to the privilege taxes herein levied, without paying the privilege taxes.

Reporting Forms

You will receive appropriate reporting forms and instructions based on filing status. You are required to file a monthly, quarterly, or annual return even if no tax is due. If your business opens after the 20th of the month, do not file a separate return covering only the days remaining in the month. Rather, include those days on the return covering your first full period. This does not apply to qualified lease departments and antique mall dealers where the owners of the business collect and report the tax.

Penalty & Interest

In order to avoid penalty and interest all returns must be postmarked on or before the due date of the month following the reporting period.

Electronic Funds Transfer

Persons liable for remitting two thousand five hundred dollars (\$2,500) or more in tax with any return, report or other document are required by law to make tax payments by electronic funds transfer (EFT).

For additional information regarding this account you may call Taxpayer Services between 8:00 a.m. and 4:30 p.m., Monday through Friday, holidays excepted. Please see the back of this notice for our local offices and phone numbers.

DETACH HERE AND DISPLAY IN PUBLIC AREA

**TENNESSEE DEPARTMENT OF REVENUE
CERTIFICATE OF REGISTRATION
TV&TELECOM**

This certificate must be publicly displayed

PEACE COMMUNICATIONS LLC
1100 CENTRAL AVE
CHATTANOOGA, TN 37403

Account Type: TV&TELECOM
Account No.: 785174778
Effective Date: August 1, 2009

Reagan Farr
COMMISSIONER OF REVENUE

EXHIBIT 3

Biographies of Management and Directors

Jim Peace, Chief Executive Officer

Mr. Peace is a successful entrepreneur with a proven track record in building and operating technology businesses. He built a telecommunication company from the ground up and over a period of less than ten years created a multi-million dollar base of business which he sold in 1999. Under Jim's leadership, VPNtranet has built a successful track record in partnering with telecoms providing support services including sales engineering; network operations center support; and network engineering. Jim's ability to assemble and manage talent to develop and maintain superior customer relationships and add customer value is unparalleled in today's market place. As CEO, Jim will have overall responsibility for the management and direction of the company.

Joe Freeman, Chief Technical Officer

Mr. Freeman has more than fifteen years telecommunications service delivery and engineering. While at VPNtranet, he has been responsible for product development, training, engineering, and service consulting to our customers. Prior to VPNtranet, Mr. Freeman lead the CLEC IP Engineering and the IT Network teams for CenturyTel. He was instrumental in the rollout of Voice over IP services within CenturyTel's market areas. Prior to CenturyTel, he was a Network Consulting Engineer for Sprint Paranet, and worked with Fortune 100 customers in the Dallas metro area. Joe will manage all engineering and design aspects of our operations.

Bill Chapman, Executive Vice President

Mr. Chapman has over thirty years of experience in the telecommunications field. He has been instrumental in the development of successful carrier partnerships for VPNtranet. Prior to joining VPNtranet, he started two CLECs. The most recent was EPB Telecommunications, a division of the Electric Power Board of Chattanooga, TN. Mr. Chapman had established Marietta FiberNet for the City of Marietta, GA before orchestrating the EPB startup. He was vice-chairman of Municipal Electric Authority of Georgia's Telecommunications Board of Directors and Charter Director of Georgia Public Web. Bill will oversee all daily technical and customer operations.

Steve Blankenship, Chief Financial Officer

Mr. Blankenship brings a broad-based background of business and financial management to Peace Communications. Spanning over two decades, his experience includes management and consulting roles at companies ranging from small retail sector businesses to Fortune 100 Consumer Goods and Information Technology companies like PepsiCo and EDS. He has also provided financial consulting and valuation services for a number of successful startups.

Jennifer Morrison, Director of Operations

Mrs. Morrison has worked in the telecommunications industry for more than ten years. She has experience in network engineering and design, team leadership, and project management. Prior to VPNtranet, she was employed with CenturyTel and helped manage and maintain the network operations in all CLEC markets. Mrs. Morrison holds customer service in the highest regard and will be responsible for establishing and maintaining customer relations during and after the sale. She will also be responsible for managing the day to day operations as well as the staff in the Network Operations Center

Dean Poi, Executive Consultant/VPNtranet Owner

Mr. Poi has over 25 years of results in consulting, executive management, and technology startups. He developed VPNtranet's SMB-focused managed service provider strategy leveraging 24/365 network operation center capabilities and IP-based network management competencies to grow managed IT service revenues through co-branding relationships. Mr. Poi plays a key leadership role in VPNtranet's continued success. His expertise in technology has enabled business transformation across the enterprise bringing recognition as a change and business process improvement leader. As a Senior IBM Consultant, he sold and provided management consulting services to Fortune 100 firms.

EXHIBIT 4

Financial Statements



September 25, 2009

Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

To whom it may concern,

This letter is to confirm that Peace Communications LLC has established a bank account with a balance as of September 25, 2009 being \$151,500.

If you have any further questions you may contact me at 423-238-8660.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Farrow", written in a cursive style.

Greg Farrow
Vice President
Commercial Lender

Peace Communications
Pro Forma Profit & Loss

Ordinary Income/Expense	Oct-09	Nov-09	Dec-09
beginning recurring sales	90,000	109,000	129,000
New Recurring Sales			
Chattanooga			
Voice & Data	8,000	9,000	10,000
Cdo	1,000	1,000	1,000
Total Chattanooga	9,000	10,000	11,000
Nashville			
Voice & Data	5,000	5,000	5,000
Cdo	5,000	5,000	5,000
Total Nashville	10,000	10,000	10,000
Total recurring sales	109,000	129,000	150,000
Non Recurring Sales			
Setup/Activation Fees	1,900	2,000	2,100
Technical Supt. Services	8,500	8,500	8,500
Consulting Services	1,000	1,000	1,000
Equipment Sales	22,500	22,500	22,500
Telco commissions	3,500	3,500	3,500
Total Non Recurring Sales	37,400	37,500	37,600
Total Sales	146,400	166,500	187,600
Cost of Goods Sold			
Total Cost of Equipment Sold	13,500	13,500	13,500
Total COGS	13,500	13,500	13,500
Gross Profit	132,900	153,000	174,100
Expense			
Advertising	1,500	2,000	3,000
Advertising - Yellow Pages	180	180	180
Alarm - Outside Services	60	-	-
Automobile Expense	350	350	350
Bank Service Charges	25	25	25
billing charge	80	80	80
Contributions	-	-	-
Credit Card Discounts	15	15	15
Domain Registrations	100	100	100
Dues and Subscriptions	1,000	1,000	1,000
Insurance			
Disability Insurance	141	141	141
Health Insurance	4,887	4,887	4,887
Liability Insurance	3,238	-	-
Work Comp	685	-	-
Total Insurance	8,951	5,028	5,028
Late Fees	-	-	-
Licenses and Permits	-	-	-

Peace Communications Pro Forma Profit & Loss

Ordinary Income/Expense	Oct-09	Nov-09	Dec-09
Office Supplies	325	325	350
Outside Services - Consulting	6,250	6,250	6,250
Outside Services - Hosting	4,850	4,850	4,850
Outside Services - Other	-	-	-
Outside Services - Technical	4,058	4,250	4,250
Outside Services _Sales	6,000	6,000	6,000
Parking	-	-	-
Payroll Taxes	4,424	4,424	4,424
Postage and Delivery	125	125	125
Professional Fees			
Accounting	400	200	400
Legal Fees	500	500	500
Total Professional Fees	900	700	900
Reimbursed Expenses	115	115	115
Rent	6,100	6,100	6,100
Repairs			-
Building Repairs	100	100	100
Janitorial Exp	450	450	450
Lawn Maintenance	80	80	80
Total Repairs	630	630	630
Salaries and Wages			
Salaries - Administration	13,600	13,600	13,600
Salaries - Technical	34,000	34,000	34,000
Salaries - Sales	11,500	11,500	11,500
Total Salaries and Wages	59,100	59,100	59,100
Sales Commissions	11,480	14,350	15,050
Shipping and Handling	100	100	200
Small Equipment Expense	250	250	500
Total Telephone	45,701	54,101	63,101
Training	300	300	600
Travel & Ent			
Entertainment	-	-	-
Meals	300	300	600
Travel	500	500	1,000
Total Travel & Ent	800	800	1,600
Utilities			
Cable T.V.	74	74	148
Gas and Electric	3,000	3,000	3,000
Water	175	175	350
Total Utilities	3,249	3,249	3,498
Total Expense	167,018	174,797	187,420
Net Operating Income	(34,118)	(21,797)	(13,320)
Interest Expense			
Finance Charge			
Interest Expense - JEP	1,714	1,714	1,714
Loan Interest	292	11,125	11,008
Total Interest Expense	2,006	12,839	12,722
Depreciation Expense	-	7,667	8,500
EBT	(36,124)	(42,302)	(34,542)

Peace Communications Pro Forma Profit & Loss

Ordinary Income/Expense	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
Beginning recurring sales	150,000	173,500	197,000	220,500	246,000	271,500	297,000	324,500	352,000	379,500	407,000	434,500
New Recurring Sales												
Chattanooga												
Voice & Data	10,000	10,000	10,000	10,000	10,000	10,000	11,000	11,000	11,000	11,000	11,000	11,000
Cable	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Total Chattanooga	11,500	11,500	11,500	11,500	11,500	11,500	12,500	12,500	12,500	12,500	12,500	12,500
Nashville												
Voice & Data	6,000	6,000	6,000	7,000	7,000	7,000	7,500	7,500	7,500	7,500	7,500	7,500
Cable	6,000	6,000	6,000	7,000	7,000	7,000	7,500	7,500	7,500	7,500	7,500	7,500
Total Nashville	12,000	12,000	12,000	14,000	14,000	14,000	15,000	15,000	15,000	15,000	15,000	15,000
Total recurring sales	173,500	197,000	220,500	246,000	271,500	297,000	324,500	352,000	379,500	407,000	434,500	462,000
Non Recurring Sales												
Setup/Activation Fees	2,350	2,350	2,350	2,550	2,550	2,550	2,750	2,750	2,750	2,750	2,750	2,750
Technical Supt. Services	9,000	9,500	10,000	10,500	11,000	11,500	12,000	12,500	13,000	13,500	14,000	14,500
Consulting Services	1,250	1,250	1,250	1,250	1,250	1,250	1,750	1,750	1,750	1,750	1,750	1,750
Equipment Sales	24,500	24,500	24,500	24,500	24,500	24,500	26,500	26,500	26,500	26,500	26,500	26,500
Telco commissions	4,000	4,000	4,000	4,000	4,000	4,000	4,500	4,500	4,500	4,500	4,500	4,500
Total Non Recurring Sales	41,100	41,600	42,100	42,800	43,300	43,800	47,500	48,000	48,500	49,000	49,500	50,000
Total Sales	214,600	238,600	262,600	288,800	314,800	340,800	372,000	400,000	428,000	456,000	484,000	512,000
Cost of Goods Sold												
Total Cost of Equipment Sold	14,700	14,700	14,700	14,700	14,700	14,700	15,900	15,900	15,900	15,900	15,900	15,900
Total COGS	14,700	14,700	14,700	14,700	14,700	14,700	15,900	15,900	15,900	15,900	15,900	15,900
Gross Profit	199,900	223,900	247,900	274,100	300,100	326,100	356,100	384,100	412,100	440,100	468,100	496,100
Expense												
Advertising	3,000	3,000	3,000	3,000	3,000	3,000	3,500	3,500	3,500	3,500	3,500	3,500
Advertising - Yellow Pages	200	200	200	200	200	200	200	200	200	200	200	200
Alarm - Outside Services	60	-	-	60	-	-	60	-	-	60	-	-
Automobile Expense	400	400	400	400	400	400	400	400	400	400	400	400
Bank Service Charges	25	25	25	25	25	25	25	25	25	25	25	25
Billing charge	100	100	100	100	100	100	100	100	100	100	100	100
Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Credit Card Discounts	25	25	25	25	25	25	25	25	25	25	25	25
Domain Registrations	125	125	125	125	125	125	140	140	140	140	140	140
Dues and Subscriptions	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Insurance												
Disability Insurance	141	141	150	150	150	150	150	150	150	150	150	150
Health Insurance	4,887	4,887	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376
Liability Insurance	3,238	-	-	3,500	-	-	3,500	-	-	3,500	-	-
Work Comp	685	-	-	750	-	-	750	-	-	750	-	-
Total Insurance	8,951	5,028	5,526	9,776	5,526	5,526	9,776	5,526	5,526	9,776	5,526	5,526
Late Fees	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-	-	-	-	-	-

**Peace Communications
Pro Forma Profit & Loss**

Ordinary Income/Expense	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
Office Supplies	350	350	350	350	350	350	375	375	375	375	375	375
Outside Services - Consulting	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	7,188	7,188	7,188
Outside Services - Hosting	4,850	4,850	4,850	4,850	4,850	4,850	4,850	4,850	4,850	4,850	4,850	4,850
Outside Services - Other	-	-	-	-	-	-	-	-	-	-	-	-
Outside Services - Technical	4,500	4,750	5,000	5,250	5,500	5,750	6,000	6,250	6,500	6,750	7,000	7,250
Outside Services _Sales	9,900	9,900	9,900	9,900	9,900	9,900	13,200	13,200	13,200	13,200	13,200	13,200
Parking	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Taxes	4,781	4,781	4,781	4,781	4,781	4,781	4,867	4,867	4,867	4,867	4,867	4,867
Postage and Delivery	175	175	175	175	175	175	200	200	200	200	200	200
Professional Fees												
Accounting	583	583	583	583	583	583	583	583	583	583	583	583
Legal Fees	500	500	500	500	500	500	500	500	500	500	500	500
Total Professional Fees	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083
Reimbursed Expenses	150	150	150	150	150	150	150	150	150	150	150	150
Rent	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200
Repairs												
Building Repairs	100	100	100	100	100	100	100	100	100	100	100	100
Janitorial Exp	475	475	475	475	475	475	475	475	475	475	475	475
Lawn Maintenance	100	100	100	100	100	100	100	100	100	100	100	100
Total Repairs	675	675	675	675	675	675	675	675	675	675	675	675
Salaries and Wages												
Salaries - Administration	14,960	14,960	14,960	14,960	14,960	14,960	14,960	14,960	14,960	14,960	14,960	14,960
Salaries - Technical	37,400	37,400	37,400	37,400	37,400	37,400	37,400	37,400	37,400	37,400	37,400	37,400
Salaries - Sales	11,500	11,500	11,500	11,500	11,500	11,500	12,650	12,650	12,650	12,650	12,650	12,650
Total Salaries and Wages	63,860	63,860	63,860	63,860	63,860	63,860	65,010	65,010	65,010	65,010	65,010	65,010
Sales Commissions	15,750	17,763	17,763	17,763	19,338	19,338	19,338	20,825	20,825	20,825	20,825	20,825
Shipping and Handling	125	125	125	125	125	125	150	150	150	150	150	150
Small Equipment Expense	300	300	300	300	300	300	300	300	300	300	300	300
Total Telephone	72,701	82,301	91,901	102,101	112,301	122,501	133,601	144,701	155,801	166,901	178,001	189,101
Training	700	700	700	700	700	700	700	700	700	700	700	700
Travel & Ent												
Entertainment	-	-	-	-	-	-	-	-	-	-	-	-
Meals	325	325	325	325	325	325	325	325	325	325	325	325
Travel	600	600	600	600	600	600	750	750	750	750	750	750
Total Travel & Ent	925	925	925	925	925	925	1,075	1,075	1,075	1,075	1,075	1,075
Utilities												
Cable T.V.	80	80	80	80	80	80	80	80	80	80	80	80
Gas and Electric	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150
Water	368	368	368	368	368	368	368	368	368	368	368	368
Total Utilities	3,598	3,598	3,598	3,598	3,598	3,598	3,598	3,598	3,598	3,598	3,598	3,598
Total Expense	210,858	218,738	229,086	243,846	251,561	262,011	282,947	291,474	302,824	319,422	326,462	337,812
Net Operating Income	(10,958)	5,162	18,814	30,254	48,539	64,089	73,153	92,626	109,276	120,678	141,638	158,288
Interest Expense												
Finance Charge												
Interest Expense - JEP	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714
Loan Interest	10,890	10,770	10,650	10,529	10,407	10,284	10,159	10,034	9,908	9,780	9,652	9,523
Total Interest Expense	12,603	12,484	12,364	12,243	12,121	11,997	11,873	11,748	11,622	11,494	11,366	11,236
Depreciation Expense	9,333	11,833	11,833	13,500	13,500	14,333	15,167	16,000	16,000	16,833	16,833	17,667
EBT	(32,895)	(19,155)	(5,383)	4,511	22,919	37,758	46,113	64,878	81,654	92,351	113,439	129,385

Peace Communications Pro Forma Profit & Loss

Ordinary Income/Expense	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
beginning recurring sales	462,000	492,000	522,000	552,000	583,000	614,000	645,000	678,000	711,000	744,000	777,000	810,000
New Recurring Sales												
Chattanooga												
Voice & Data	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
Celo	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Total Chattanooga	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Nashville												
Voice & Data	8,500	8,500	8,500	9,000	9,000	9,000	10,000	10,000	10,000	10,000	10,000	10,000
Celo	8,500	8,500	8,500	9,000	9,000	9,000	10,000	10,000	10,000	10,000	10,000	10,000
Total Nashville	17,000	17,000	17,000	18,000	18,000	18,000	20,000	20,000	20,000	20,000	20,000	20,000
Total recurring sales	492,000	522,000	552,000	583,000	614,000	645,000	678,000	711,000	744,000	777,000	810,000	843,000
Non Recurring Sales												
Setup/Activation Fees	3,000	3,000	3,000	3,100	3,100	3,100	3,300	3,300	3,300	3,300	3,300	3,300
Technical Supt. Services	15,000	15,500	16,000	16,500	17,000	17,500	18,000	18,500	19,000	19,500	20,000	20,500
Consulting Services	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,750	2,750	2,750	2,750	2,750
Equipment Sales	28,500	28,500	28,500	28,500	28,500	28,500	30,500	30,500	30,500	30,500	30,500	30,500
Telco commissions	5,000	5,000	5,000	5,000	5,000	5,000	5,500	5,500	5,500	5,500	5,500	5,500
Total Non Recurring Sales	53,750	54,250	54,750	55,350	55,850	56,350	60,050	60,550	61,050	61,550	62,050	62,550
Total Sales	545,750	576,250	606,750	638,350	669,850	701,350	738,050	771,550	805,050	838,550	872,050	905,550
Cost of Goods Sold												
Total Cost of Equipment Sold	17,100	17,100	17,100	17,100	17,100	17,100	18,300	18,300	18,300	18,300	18,300	18,300
Total COGS	17,100	17,100	17,100	17,100	17,100	17,100	18,300	18,300	18,300	18,300	18,300	18,300
Gross Profit	528,650	559,150	589,650	621,250	652,750	684,250	719,750	753,250	786,750	820,250	853,750	887,250
Expense												
Advertising	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Advertising - Yellow Pages	210	210	210	210	210	210	210	210	210	210	210	210
Alarm - Outside Services	60	-	-	60	-	-	60	-	-	60	-	-
Automobile Expense	440	440	440	440	440	440	440	440	440	440	440	440
Bank Service Charges	25	25	25	25	25	25	25	25	25	25	25	25
billing charge	110	110	110	110	110	110	110	110	110	110	110	110
Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Credit Card Discounts	30	30	30	30	30	30	30	30	30	30	30	30
Domain Registrations	175	175	175	175	175	175	175	175	175	175	175	175
Dues and Subscriptions	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210
Insurance												
Disability Insurance	150	150	150	160	160	160	160	160	160	160	160	160
Health Insurance	5,376	5,376	5,913	5,913	5,913	5,913	5,913	5,913	5,913	5,913	5,913	5,913
Liability Insurance	3,500	-	3,700	3,700	-	-	3,700	-	-	3,700	-	-
Work Comp	750	-	-	800	-	-	800	-	-	800	-	-
Total Insurance	9,776	5,526	6,063	10,573	6,073	6,073	10,573	6,073	6,073	10,573	6,073	6,073
Late Fees	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and Permits	600	-	-	-	-	-	-	-	-	-	-	-

Peace Communications Pro Forma Profit & Loss

Ordinary Income/Expense	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
Office Supplies	400	400	400	400	400	400	400	425	425	425	425	425
Outside Services - Consulting	7,188	7,188	7,188	7,188	7,188	7,188	7,188	7,188	7,188	7,188	7,188	7,188
Outside Services - Hosting	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Outside Services - Other	-	-	-	-	-	-	-	-	-	-	-	-
Outside Services - Technical	7,500	7,750	8,000	8,250	8,500	8,750	9,000	9,250	9,500	9,750	10,000	10,250
Outside Services _ Sales	14,520	14,520	14,520	14,520	14,520	14,520	14,520	14,520	14,520	14,520	14,520	14,520
Parking	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Taxes	5,259	5,259	5,259	5,259	5,259	5,259	5,353	5,353	5,353	5,353	5,353	5,353
Postage and Delivery	225	225	225	225	225	225	225	225	225	225	225	225
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-
Accounting	642	642	642	642	642	642	642	642	642	642	642	642
Legal Fees	500	500	500	500	500	500	500	500	500	500	500	500
Total Professional Fees	1,142	1,142	1,142	1,142	1,142	1,142	1,142	1,142	1,142	1,142	1,142	1,142
Reimbursed Expenses	175	175	175	175	175	175	175	175	175	175	175	175
Rent	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300
Repairs	-	-	-	-	-	-	-	-	-	-	-	-
Building Repairs	120	120	120	120	120	120	120	120	120	120	120	120
Janitorial Exp	500	500	500	500	500	500	500	500	500	500	500	500
Lawn Maintenance	110	110	110	110	110	110	110	110	110	110	110	110
Total Repairs	730	730	730	730	730	730	730	730	730	730	730	730
Salaries and Wages	-	-	-	-	-	-	-	-	-	-	-	-
Salaries - Administration	16,456	16,456	16,456	16,456	16,456	16,456	16,456	16,456	16,456	16,456	16,456	16,456
Salaries - Technical	41,140	41,140	41,140	41,140	41,140	41,140	41,140	41,140	41,140	41,140	41,140	41,140
Salaries - Sales	12,650	12,650	12,650	12,650	12,650	12,650	13,915	13,915	13,915	13,915	13,915	13,915
Total Salaries and Wages	70,246	70,246	70,246	70,246	70,246	70,246	71,511	71,511	71,511	71,511	71,511	71,511
Sales Commissions	20,825	22,838	22,838	22,838	23,625	23,625	23,625	25,200	25,200	25,200	25,200	25,200
Shipping and Handling	175	175	175	175	175	175	175	175	175	175	175	175
Small Equipment Expense	325	325	325	325	325	325	325	325	325	325	325	325
Total Telephone	200,801	212,501	224,201	236,201	248,201	260,201	272,801	285,401	298,001	310,601	323,201	335,801
Training	800	900	1,000	1,100	1,200	1,300	1,400	1,400	1,400	1,400	1,400	1,400
Travel & Ent	-	-	-	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-	-	-	-
Meals	350	350	350	350	350	350	350	350	350	350	350	350
Travel	850	850	850	850	850	850	850	850	850	850	850	850
Total Travel & Ent	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Utilities	-	-	-	-	-	-	-	-	-	-	-	-
Cable T.V.	90	90	90	90	90	90	90	90	90	90	90	95
Gas and Electric	3,308	3,308	3,308	3,308	3,308	3,308	3,308	3,308	3,308	3,308	3,308	3,308
Water	386	386	386	386	386	386	386	386	386	386	386	386
Total Utilities	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,783	3,788
Total Expense	363,229	372,381	384,969	401,889	410,467	422,817	441,686	451,351	464,201	481,611	489,901	502,756
Net Operating Income	165,421	186,769	204,681	219,361	242,283	261,433	278,064	301,899	322,549	338,639	363,849	384,494
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-
Finance Charge	-	-	-	-	-	-	-	-	-	-	-	-
Interest Expense - JEP	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714
Loan Interest	9,392	9,260	9,128	8,994	8,859	8,723	8,585	8,447	8,307	8,167	8,025	7,882
Total Interest Expense	11,106	10,974	10,841	10,708	10,573	10,436	10,299	10,161	10,021	9,881	9,739	9,596
Depreciation Expense	17,667	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500
EBT	136,649	157,294	175,340	190,153	213,211	232,497	249,265	273,238	294,028	310,258	335,610	356,398

**Peace Communications
Pro Forma Profit & Loss**

Ordinary Income/Expense	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
beginning recurring sales	843,000	876,000	909,000	942,000	975,000	1,008,000	1,041,000	1,074,000	1,107,000	1,140,000	1,173,000	1,206,000
New Recurring Sales												
Chattanooga												
Voice & Data	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
Celo	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Total Chattanooga	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Nashville												
Voice & Data	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Celo	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total Nashville	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total recurring sales	876,000	909,000	942,000	975,000	1,008,000	1,041,000	1,074,000	1,107,000	1,140,000	1,173,000	1,206,000	1,239,000
Non Recurring Sales												
Setup/Activation Fees	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300
Technical Supt. Services	21,000	21,500	22,000	22,500	23,000	23,500	24,000	24,500	25,000	25,500	26,000	26,500
Consulting Services	3,250	3,250	3,250	3,250	3,250	3,250	3,750	3,750	3,750	3,750	3,750	3,750
Equipment Sales	32,500	32,500	32,500	32,500	32,500	32,500	37,500	37,500	37,500	37,500	37,500	37,500
Telco commissions	6,000	6,000	6,000	6,000	6,000	6,000	6,500	6,500	6,500	6,500	6,500	6,500
Total Non Recurring Sales	66,050	66,550	67,050	67,550	68,050	68,550	75,050	75,550	76,050	76,550	77,050	77,550
Total Sales	942,050	975,550	1,009,050	1,042,550	1,076,050	1,109,550	1,149,050	1,182,550	1,216,050	1,249,550	1,283,050	1,316,550
Cost of Goods Sold												
Total Cost of Equipment Sold	19,500	19,500	19,500	19,500	19,500	19,500	22,500	22,500	22,500	22,500	22,500	22,500
Total COGS	19,500	19,500	19,500	19,500	19,500	19,500	22,500	22,500	22,500	22,500	22,500	22,500
Gross Profit	922,550	956,050	989,550	1,023,050	1,056,550	1,090,050	1,126,550	1,160,050	1,193,550	1,227,050	1,260,550	1,294,050
Expense												
Advertising	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Advertising - Yellow Pages	220	230	240	250	260	270	280	290	300	310	320	330
Alarm - Outside Services	60	-	-	60	-	-	60	-	-	60	-	-
Automobile Expense	450	450	450	450	450	450	460	460	460	460	460	460
Bank Service Charges	25	25	25	25	25	25	25	25	25	25	25	25
billing charge	110	110	110	110	110	110	110	110	110	110	110	110
Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Credit Card Discounts	40	40	40	40	40	40	40	40	40	40	40	40
Domain Registrations	200	200	200	200	200	200	200	200	200	200	200	200
Dues and Subscriptions	1,331	1,331	1,331	1,331	1,331	1,331	1,331	1,331	1,331	1,331	1,331	1,331
Insurance												
Disability Insurance	160	160	160	180	180	180	180	180	180	180	180	180
Health Insurance	5,913	5,913	6,505	6,505	6,505	6,505	6,505	6,505	6,505	6,505	6,505	6,505
Liability Insurance	3,700	-	-	3,900	-	-	3,900	-	-	3,900	-	-
Work Comp	800	-	-	900	-	-	900	-	-	900	-	-
Total Insurance	10,573	6,073	6,665	11,485	6,685	6,685	11,485	6,685	6,685	11,485	6,685	6,685
Late Fees	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-	-	-	-	-	-

Peace Communications Pro Forma Profit & Loss

Ordinary Income/Expense	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Office Supplies	425	450	450	450	450	450	450	450	450	450	450	450
Outside Services - Consulting	7,906	7,906	7,906	7,906	7,906	7,906	7,906	7,906	7,906	7,906	7,906	7,906
Outside Services - Hosting	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Outside Services - Other	-	-	-	-	-	-	-	-	-	-	-	-
Outside Services - Technical	10,500	10,750	11,000	11,250	11,500	11,750	12,000	12,250	12,500	12,750	13,000	13,250
Outside Services - Sales	15,972	15,972	15,972	15,972	15,972	15,972	15,972	15,972	15,972	15,972	15,972	15,972
Parking	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Taxes	5,784	5,784	5,784	5,784	5,784	5,784	5,889	5,889	5,889	5,889	5,889	5,889
Postage and Delivery	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-
Accounting	706	706	706	706	706	706	706	706	706	706	706	706
Legal Fees	500	500	500	500	500	500	500	500	500	500	500	500
Total Professional Fees	1,206	1,206	1,206	1,206	1,206	1,206	1,206	1,206	1,206	1,206	1,206	1,206
Reimbursed Expenses	175	175	175	175	175	175	175	175	175	175	175	175
Rent	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300
Repairs	-	-	-	-	-	-	-	-	-	-	-	-
Building Repairs	130	130	130	130	130	130	130	130	130	130	130	130
Janitorial Exp	550	550	550	550	550	550	550	550	550	550	550	550
Lawn Maintenance	125	125	125	125	125	125	125	125	125	125	125	125
Total Repairs	805	805	805	805	805	805	805	805	805	805	805	805
Salaries and Wages	-	-	-	-	-	-	-	-	-	-	-	-
Salaries - Administration	18,102	18,102	18,102	18,102	18,102	18,102	18,102	18,102	18,102	18,102	18,102	18,102
Salaries - Technical	45,254	45,254	45,254	45,254	45,254	45,254	45,254	45,254	45,254	45,254	45,254	45,254
Salaries - Sales	13,915	13,915	13,915	13,915	13,915	13,915	13,915	13,915	13,915	13,915	13,915	13,915
Total Salaries and Wages	77,271	77,271	77,271	77,271	77,271	77,271	77,271	77,271	77,271	77,271	77,271	77,271
Sales Commissions	25,200	25,200	25,200	25,200	25,200	25,200	25,200	25,200	25,200	25,200	25,200	25,200
Shipping and Handling	175	175	175	175	175	175	175	175	175	175	175	175
Small Equipment Expense	350	350	350	350	350	350	350	350	350	350	350	350
Total Telephone	348,401	361,001	373,601	386,201	398,801	411,401	424,001	436,601	449,201	461,801	474,401	487,001
Training	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500
Travel & Ent	-	-	-	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-	-	-	-
Meals	375	375	375	375	375	375	375	375	375	375	375	375
Travel	900	900	900	900	900	900	900	900	900	900	900	900
Total Travel & Ent	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275
Utilities	-	-	-	-	-	-	-	-	-	-	-	-
Cable T.V.	95	95	95	95	95	95	95	95	95	95	95	95
Gas and Electric	3,473	3,473	3,473	3,473	3,473	3,473	3,473	3,473	3,473	3,473	3,473	3,473
Water	405	405	405	405	405	405	405	405	405	405	405	405
Total Utilities	3,973	3,973	3,973	3,973	3,973	3,973	3,973	3,973	3,973	3,973	3,973	3,973
Total Expense	529,228	537,553	551,004	568,744	576,744	589,604	608,830	616,830	629,690	647,410	655,410	666,270
Net Operating Income	393,322	418,497	438,546	454,306	479,806	500,446	517,720	543,220	563,860	579,640	605,140	625,780
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-
Finance Charge	-	-	-	-	-	-	-	-	-	-	-	-
Interest Expense - JEP	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714
Loan Interest	7,738	7,592	7,445	7,298	7,148	6,998	6,846	6,694	6,539	6,384	6,227	6,069
Total Interest Expense	9,451	9,306	9,159	9,011	8,862	8,712	8,560	8,407	8,253	8,098	7,941	7,783
Depreciation Expense	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500
EBT	365,371	390,691	410,887	426,795	452,444	473,234	490,660	516,313	537,107	553,043	578,699	599,497

Peace Communications
Pro Forma Cash Flow Projection

	Oct-09	Nov-09	Dec-09
beginning cash	22,547.18	740,189.16	648,382.84
cash from sales/receivables	124,440.00	160,557.00	183,740.20
cash to vendors/employees	180,518.17	188,296.70	200,920.46
Cash from Loans	1,300,000.00		
Capital Expenditures	460,000.00	50,000.00	50,000.00
Debt Reduction	66,279.85	14,066.62	14,183.83
Cash Increase(Decrease)	717,641.98	(91,806.32)	(81,364.09)
Ending Cash	740,189.16	648,382.84	567,018.74

Peace Communications
Pro Forma Cash Flow Projection

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
beginning cash	567,018.74	386,953.59	373,179.57	272,943.27	283,647.80	262,453.13	256,636.86	258,928.27	330,890.92	369,378.85	469,085.91	539,568.54
cash from sales/receivables	209,795.00	234,084.80	258,090.80	283,912.80	309,850.80	335,802.40	366,170.40	394,494.40	422,496.00	450,440.00	478,384.00	506,328.00
cash to vendors/employees	225,558.11	233,437.61	243,785.70	258,545.70	266,260.70	276,710.70	298,846.79	307,374.29	318,724.29	335,321.79	342,361.79	353,711.79
Cash from Loans												
Capital Expenditures	150,000.00	-	100,000.00	-	50,000.00	50,000.00	50,000.00	-	50,000.00	-	50,000.00	-
Debt Reduction	14,302.04	14,421.22	14,541.40	14,662.57	14,784.77	14,907.97	15,032.20	15,157.47	15,283.78	15,411.15	15,539.58	15,669.07
Cash Increase(Decrease)	(180,065.15)	(13,774.03)	(100,236.30)	10,704.53	(21,194.67)	(5,816.27)	2,291.41	71,962.64	38,487.93	99,707.06	70,482.63	136,947.14
Ending Cash	386,953.59	373,179.57	272,943.27	283,647.80	262,453.13	256,636.86	258,928.27	330,890.92	369,378.85	469,085.91	539,568.54	676,515.69

Peace Communications
Pro Forma Cash Flow Projection

	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
beginning cash	676,515.69	769,546.58	934,109.80	1,116,450.20	1,313,110.73	1,532,490.77	1,770,823.51	2,024,806.31	2,302,798.74	2,601,292.22	2,915,668.00	3,255,044.90
cash from sales/receivables	539,159.50	569,976.00	600,473.50	631,847.50	663,279.50	694,718.30	730,575.30	764,388.30	797,878.90	831,311.90	864,744.90	898,177.90
cash to vendors/employees	380,328.96	389,481.46	402,069.03	418,989.03	427,566.53	439,916.53	459,986.23	469,651.23	482,501.23	499,911.23	508,201.23	521,056.23
Cash from Loans												
Capital Expenditures	50,000.00	-	-	-	-	-	-	-	-	-	-	-
Debt Reduction	15,799.65	15,931.31	16,064.07	16,197.94	16,332.93	16,469.03	16,606.27	16,744.65	16,884.19	17,024.89	17,166.77	17,309.83
Cash Increase(Decrease)	93,030.89	164,563.23	182,340.40	196,660.53	219,380.04	238,332.74	253,982.80	277,992.42	298,493.48	314,375.78	339,376.90	359,811.84
Ending Cash	769,546.58	934,109.80	1,116,450.20	1,313,110.73	1,532,490.77	1,770,823.51	2,024,806.31	2,302,798.74	2,601,292.22	2,915,668.00	3,255,044.90	3,614,856.74

Peace Communications Pro Forma Cash Flow Projection

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
beginning cash	3,614,856.74	3,982,835.99	4,376,167.79	4,789,388.60	5,218,154.52	5,672,204.32	6,146,676.76	6,637,304.93	7,153,993.21	7,691,208.35	8,243,981.05	8,822,030.03
cash from sales/receivables	934,160.90	967,983.90	1,001,470.90	1,034,903.90	1,068,336.90	1,101,769.90	1,140,302.90	1,174,515.90	1,208,056.90	1,241,489.90	1,274,922.90	1,308,355.90
cash to vendors/employees	548,727.57	557,052.57	570,503.90	588,243.90	596,243.90	609,103.90	631,329.57	639,329.57	652,189.57	669,909.57	677,909.57	690,769.57
Cash from Loans												
Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Debt Reduction	17,454.08	17,599.52	17,746.19	17,894.08	18,043.20	18,193.56	18,345.16	18,498.05	18,652.19	18,807.63	18,964.35	19,122.39
Cash Increase(Decrease)	367,979.25	393,331.81	413,220.81	428,765.92	454,049.80	474,472.44	490,628.17	516,688.28	537,215.14	552,772.70	578,048.98	598,463.94
Ending Cash	3,982,835.99	4,376,167.79	4,789,388.60	5,218,154.52	5,672,204.32	6,146,676.76	6,637,304.93	7,153,993.21	7,691,208.35	8,243,981.05	8,822,030.03	9,420,493.97

EXHIBIT 5

Small and Minority-Owned Telecommunications Business Participation Plan

Peace Communications, LLC Small and Minority-owned
Telecommunications Business Participation Plan

Pursuant to T.C.A. §65-5-212, as amended, **Peace Communications, LLC** 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 provide competing intrastate and local exchange services in Tennessee.

I. PURPOSE

The purpose of TCA §65-5-212 is to provide opportunities for small and minority-owned businesses to provide goods and services to Telecommunications service providers.

Peace Communications, LLC 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. **Peace Communications, LLC** 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, **Peace Communications, LLC** will make efforts to identify and inform minority-owned and small businesses that are qualified and capable of providing goods and services to the company of such opportunities. **Peace Communications, LLC** 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, **Peace Communications, LLC** 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 TCA §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

Peace Communications, LLC'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 **Peace Communications, LLC**'s full efforts to provide equal opportunities for small and minority-owned businesses.

The Administrator of the Plan will be:

Steve Blankenship
Chief Financial Officer
P.O. Box 909
Chattanooga TN 37401
Telephone: 423-664-8419
Toll-free: 888-267-0435
sblankenship@vpntranet.com

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 the Company 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:

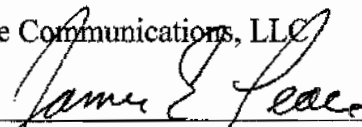
- Chambers of Commerce
- The Tennessee Department of Economic and Community Development
- The United States Department of Commerce
- Small Business Administration
- Office of Minority Business
- The National Minority Supplier Development Counsel
- The National Association of Women Business Owners
- The 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

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

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

Peace Communications, LLC
By: 
James E. Peace
Chief Executive Officer

Dated: September/10/2009

EXHIBIT 6

Certificate of Service

BEFORE THE TENNESSEE REGULATORY AUTHORITY

In the Matter of the Application of Peace) Docket No. _____
Communications, LLC for a Certificate)
to Provide Competing Local)
Telecommunications Services _____)

CERTIFICATE OF SERVICE

The undersigned certifies that on this 18th day of September 2009, copies of the following document: (1) September, 2009 application of Peace Communications, LLC for a Certificate to Provide Competing Local Telecommunications Services was caused to be delivered via U.S. mail, first-class postage prepaid, properly addressed as follows:

Ardmore Telephone Company, Inc. PO Box 549 Ardmore, TN 38449	Frontier Communications of the Volunteer State f/k/a Citizens Communications of the Volunteer State 300 Bland St., PO Box 770 Bluefield, WV 24701	Peoples Telephone Company, Inc. (TEC) C/O TSI Processing Center PO Box 24207 Jackson, MS 39225
BellSouth Telecommunications, Inc. 333 Commerce Street Nashville, TN 37201	Concord Telephone Exchange (TDS Telecom) PO Box 22995 Knoxville, TN 37933	Embarq Communications, Inc. 14111 Capital Blvd. Wake Forest, NC 27587
CenturyTel of Adamsville PO Box 4065 Monroe, LA 71211	Crockett Telephone Company, Inc. (TEC) C/O TSI Processing Center PO Box 24207 Jackson, MS 39225	Tellico Telephone Company (TDS Telecom) PO Box 22995 Knoxville, TN 37933
CenturyTel of Claiborne, Inc. PO Box 4065 Monroe, LA 71211	Humphrey's County Telephone Co. PO Box 22995 Knoxville, TN 37933	Tennessee Telephone Company (TDS Telecom) PO Box 22995 Knoxville, TN 37933
CenturyTel of Ooltewah- Collegedale, Inc. PO Box 4065 Monroe, LA 71211	Loretto Telephone Company, Inc. PO Box 130 Loretto, TN 38469	United Telephone Company PO Box 38 Chapel Hill, TN 37034
Frontier Communications of Tennessee f/k/a Citizens Communications of Tennessee 300 Bland St., PO Box 770 Bluefield, WV 24701	Millington Telephone Company, Inc 4880 Navy Road Millington, TN 38053	West Tennessee Telephone Company (TEC) C/O TSI Processing Center PO Box 24207 Jackson, MS 39225

Carol Lisowski

Carol Lisowski, Regulatory Compliance Manager
Law Office of Kristopher E. Twomey, PC
1725 I Street, N.W., Ste. 300
Washington, DC 20006
Phone: 510/285-8011 Fax: 202/517-9175
Email: carol@lokt.net

EXHIBIT 7
IntraLATA Toll Dialing Parity Plan

Peace Communications, LLC
IntraLATA Toll Dialing Parity Plan

1. Purpose

Peace Communications, LLC (“Peace”) describes herein the process for implementing IntraLATA Toll Dialing Parity in its exchanges located in the State of Tennessee. The intent of this plan is to provide a proposal that, upon implementation, would provide customers with the ability to pre-select the telecommunications carrier of their choice for routing their 1+intraLATA toll calls.

2. IntraLATA Environment

Peace is implementing 1+IntraLATA toll calling. Implementation of 1+IntraLATA toll dialing parity will permit our customers to pre-select the carrier of their choice to provide 1+IntraLATA long distance services.

3. Implementation Schedule

Peace will implement intraLATA toll dialing parity coincident with the approval of its General Subscriber Services tariff and Interexchange Service tariff. Peace will be operating in LATAs 470, 472, and 474. IntraLATA toll dialing parity will be available in all exchanges served by Peace in Tennessee. The implementation date will be the same for all exchanges. Each customer will be notified of availability of the Plan by bill inserts in their first billing. Peace will not charge its customers to recover incremental costs related to IntraLATA toll dialing parity.

4. Carrier Selection Process

Peace will implement the full 2-PIC carrier selection methodology. With the full 2-PIC methodology, customers will be able to pre-subscribe to one telecommunications carrier for interLATA toll calls and pre-subscribe to the same or a different participating telecommunications carrier, including their existing local exchange company for intraLATA toll calls.

Peace employees who communicate with the public, accept customer orders, and serve in customer service capacities will be trained to explain the process to customers for making PIC changes for intraLATA toll calls. Business office personnel will be prepared to make changes in customer records based upon requests from customers or carriers. Processes are in place to provide new customers with an opportunity to choose their intraLATA toll carrier from available carriers.

Peace is a new entrant and thus has no existing customers. The competitively neutral selection process will be provided to all new customers when new service is

initiated. Customers will be assessed a PIC change charge of \$5.00 for changing their intraLATA or interLATA carrier, except for new subscribers to Peace's service. PIC charges will be waived for new subscribers. This is a permanent policy by Peace. Customers who contact Peace requesting new telephone exchange service will be advised of the telecommunications carriers (including Peace) available to provide interLATA toll service. The intraLATA toll carriers will be presented in a competitively neutral manner. Customers who do not make a positive choice for an intraLATA toll carrier or interLATA toll carrier will be identified as a "no-PIC" and will not be automatically defaulted to a carrier. Customers identified as "no-PIC" will be required to dial 101XXXX to place intraLATA or interLATA toll calls until they make an affirmative choice for an intraLATA and/or interLATA toll carrier.

5. Slamming

Peace will not engage in the practice commonly known as "slamming." Customers will have their services switched to Peace's services without a written letter of authorization for new and changes in services. Peace will also employ third party verification for all customers who seek to change their presubscribed carrier to be Peace. All affected Peace employees are aware of these procedures and will be immediately disciplined if the procedures are not followed.

6. Non-discriminatory Access

Peace will provide non-discriminatory access to telephone numbers, operator services, directory assistance, and directory listings.

7. Continued Compliance

Peace will comply with any rules issued by the TRA or FCC.

EXHIBIT 8

Pre-filed Testimony of James Peace, President

BEFORE THE TENNESSEE REGULATORY AUHTORITY

In the Matter of the Application of)
Peace Communications, LLC for a Certificate to)
Provide Competing Local Telecommunications)
Services)
_____)

PREFILED TESTIMONY OF JAMES E. PEACE FILED ON BEHALF OF
PEACE COMMUNICATIONS, LLC

Q: PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS FOR
THE RECORD.

A: My name is James E. Peace and I am the Chief Executive Officer of Peace
Communications, LLC (hereinafter "Applicant"). The company's address is P.O Box
909, Chattanooga, TN 37401.

Q: WHAT ARE YOUR CURRENT JOB RESPONSIBILITIES?

A: In my capacity as Chief Executive Officer of the Applicant, I am ultimately
responsible for all operations of the company. This includes its market entry strategy,
obtaining financing, network configuration, sales and marketing, and back office set-up.

Q: PLEASE GIVE A BRIEF DESCRIPTION OF YOUR BACKGROUND AND
EXPERIENCE.

A: I graduated from the University of Tennessee in 1984 with a Bachelor's of
Science in Business Administration. Upon graduation, I obtained a position with
BellSouth working in the paging and wireless division. My duties and responsibilities

there included sales and marketing within that division. In 1990, I started Cellular Page, a paging and wireless company. As the owner, I had full control of all day-to-day operations. When I sold the company in 1999, there were 125 employees and 70,000 customers with offices in Chattanooga, Knoxville, Tri-Cities and Atlanta. I started VPNtranet, LLC in 2000. This company is a fully functioning Internet and network services provider.

I have over 25 years experience in telecommunications. I have been with Peace Communications/VPNtranet since its inception in 2009;

- Currently, Peace Communications will offer a complete suite of products and services that will truly be a differentiator in the marketplace. Not only will we provide traditional telecommunication and Internet services to the demarc, but we will be able to provide customer network support to the individual router and desktop. Additionally, we will provide collo services, data backup and communications equipment. This will allow our customers to make one call for all their telecommunication product and support needs.

Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A: The purpose of my testimony is to support Peace Communications, LLC's Application for a Certificate of Authority to provide competing local telecommunications services within the State of Tennessee.

Q: ARE YOU FAMILIAR WITH THE APPLICATION FILED ON YOUR COMPANY'S BEHALF AT THIS COMMISSION?

A: Yes.

Q: DO YOU RATIFY AND CONFIRM THE STATEMENTS MADE IN THAT APPLICATION AND ALL RELATED FILINGS?

A: Yes.

Q: PLEASE DESCRIBE THE CURRENT OPERATIONS OF PEACE COMMUNICATIONS, LLC.

A: Peace Communications, LLC was recently formed to offer wholesale and business end users the opportunity to originate and terminate local and long distance telephone calls to other end users through access to the local exchange network in Tennessee. The local exchange services Peace will provide will enable end users to select the long distance carrier of their choice. Peace will offer local exchange services by installing and collocating its switching and ancillary equipment in the central offices of incumbent local exchange carriers. Peace will also, from time to time, purchase unbundled network elements and resold the services of other certificated carriers. Peace also offers long distance services—both intra and inter-LATA—to business customers through the use of its own switching facilities and the resale of services of other certificated carriers.

Q: HAS PEACE COMMUNICATIONS, LLC IN THE PAST, OR IS IT CURRENTLY, PROVIDING ANY TELECOMMUNICATIONS SERVICES IN TENNESSEE?

A: No.

Q: PLEASE DESCRIBE THE MANAGERIAL ABILITIES OF THE APPLICANT.

A: Applicant has a team of managers and support personnel qualified to operate a telecommunications business.

Peace's Chief Technical Officer, Joe Freeman, has more than 15 years in telecommunications service delivery and engineering, and will manage all engineering and design aspects of our operations. Mr. Freeman comes to Peace from our subsidiary, VPNtranet, where he has been responsible for product development, training, engineering, and service consulting to our customers. Prior to VPNtranet, he led the CLEC IP Engineering and the IT Network teams for CenturyTel. He was instrumental in the rollout of Voice over IP services within CenturyTel's market areas. Prior to CenturyTel, he was a Network Consulting Engineer for Sprint Paranet, and worked with Fortune 100 customers in the Dallas metro area.

Bill Chapman will serve as Executive Vice President and oversee all daily technical and customer operations. Mr. Chapman has over 30 years of experience in the telecommunications field. He has been instrumental in the development of successful carrier partnerships for VPNtranet. Prior to joining VPNtranet, he started two CLECs. The most recent was EPB Telecommunications, a division of the Electric Power Board of

Chattanooga, Tennessee. Mr. Chapman had established Marietta FiberNet for the City of Marietta, GA before orchestrating the EPB startup. He was vice-chairman of Municipal Electric Authority of Georgia's Telecommunications Board of Directors and Charter Director of Georgia Public Web.

Dean Poi will serve as Executive Consultant for Peace Communications, LLC. Mr. Poi, owner of VPNtranet, has over 25 years of results in consulting, executive management, and technology startups. He developed VPNtranet's SMB-focused managed service provider strategy leveraging 24/365 network operation center capabilities and IP-based network management competencies to grow managed IT service revenues through co-branding relationships. Mr. Poi plays a key leadership role in VPNtranet's continued success. His expertise in technology has enabled business transformation across the enterprise bringing recognition as a change and business process improvement leader. As a Senior IBM Consultant, he sold and provided management consulting services to Fortune 100 firms.

Steve Blankenship will serve as Chief Financial Officer. Mr. Blankenship brings a broad-based background of business and financial management to Peace Communications. Spanning over two decades, his experience includes management and consulting roles at companies ranging from small retail sector businesses to Fortune 100 Consumer Goods and Information Technology companies like PepsiCo and EDS. Mr. Blankenship has also provided financial consulting and valuation services for a number of successful startups.

Jennifer Morrison will serve as Director of Operations. Mrs. Morrison has worked in the telecommunications industry for more than ten years. She has experience in network engineering and design, team leadership, and project management. Prior to VPNtranet, Mrs. Morrison was employed with CenturyTel and helped manage and maintain the network operations in all CLEC markets. She holds customer service in the highest regard and will be responsible for establishing and maintaining customer relations during and after the sale. She will also be responsible for managing the day to day operations as well as the staff in the Network Operations Center

Through the above-described experience, Applicant expects to immediately begin successful operations for this new telecommunications carrier.

Q: PLEASE DESCRIBE THE APPLICANT'S FINANCIAL ABILITY TO PROVIDE SERVICE.

A: Peace has access to significant capital to fund this project through personal assets as well as securing additional funding from the owner's various lines of credit.

Q: DOES APPLICANT CURRENTLY PROVIDE TELECOMMUNICATIONS SERVICE IN ANY OTHER STATES OR HAVE APPLICATIONS PENDING?

A: No.

Q: HAS APPLICANT OR ANY AFFILIATED ENTITY EVER BEEN DENIED CERTIFICATION IN ANOTHER STATE?

A: No.

Q: HAS APPLICANT OR ANY OF ITS AFFILIATES EVER BEEN SUBJECT TO ANY FEDERAL OR STATE INVESTIGATION REGARDING ITS SERVICES?

A: No.

Q: PLEASE DESCRIBE THE SERVICES APPLICANT INTENDS TO PROVIDE IN TENNESSEE.

A: Applicant will be providing local exchange, intraLATA toll, and interLATA interexchange services via 1FBs, copper loops, DSL, T1, PRI, DS3, MetroEthernet, and OCx.

Q: WILL APPLICANT BE OFFERING ANY PREPAID OR DEBIT-TYPE CALLING CARDS?

A: No.

Q: PLEASE DESCRIBE THE FACILITIES APPLICANT INTENDS TO USE IN PROVIDING ITS PROPOSED SERVICES.

A: Our network will be facilities-based with operations from Chattanooga and fiber-based access from a collocation hotel in Nashville, Tennessee. However, to insure the complete coverage of services to customers outside of the facilities-based areas, we will establish resale agreements with AT&T, and other incumbent local exchange carriers

that are required to engage in interconnection agreements with competitive carriers, as needed.

Q: WILL APPLICANT USE TELEMARKETING TO SELL ITS SERVICES.

A: No.

Q: HOW WILL APPLICANT HANDLE CUSTOMER SERVICE MATTERS?

A: Applicant will provide outstanding customer service via a state-of-the-art back office system. Any disputed bills will be handled expeditiously via Applicant's toll-free number. If the dispute can not be resolved to the customer's full satisfaction, customer service representatives will notify the customer of his/her right to file a complaint at the Tennessee Regulatory Authority.

Q: WHICH CARRIERS WILL SERVE AS YOUR UNDERLYING CARRIERS?

A: For local exchange services, Applicant will be working with AT&T, and/or other incumbent local exchange carriers that are required to engage in interconnection agreements with competitive carriers. For interexchange services, Applicant will contract with AT&T.

Q: HAS YOUR COMPANY BEGUN INTERCONNECTION NEGOTIATIONS WITH ANY INCUMBENT LOCAL EXCHANGE CARRIERS?

A: Once the Application is filed, the Applicant will commence negotiations with AT&T for an Interconnection Agreement.

Q: WILL YOU REMAIN AVAILABLE TO RESPOND TO ANY ADDITIONAL
QUESTIONS REGARDING THIS APPLICATION?

A: Yes.

Q: DOES THIS CONCLUDE YOUR TESTIMONY?

A: Yes.