

TC99-037

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APR 15 1999

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION
Telephone: (770) 232-9200
Facsimile: (770) 232-9208

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

Also Admitted in New York
and Maryland

April 14, 1999

VIA AIRBORNE EXPRESS

Mr. William Bullard
Executive Director
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501-5070
(605) 773-3201

Re: Long Distance America, Inc.

Dear Mr. Bullard:

Enclosed please find one original and ten (10) copies of Long Distance America, Inc.'s Application for Registration of a Telecommunications Company.

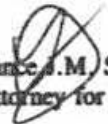
Please note that Exhibit A, the Certificate of Authority from the Secretary of State, is not attached. We have applied for the certificate and will forward a copy to the commission upon receipt.

In order to expedite the processing of this application, I would like to suggest that all requests for information by the analyst be made by either telephone or facsimile. I will make every effort to respond on the day of the request.

I have also enclosed a check in the amount of \$250.00 payable to the "South Dakota Public Utilities Commission" for the filing fee, and an extra copy of this cover letter to be date stamped and returned to me in the enclosed self-addressed prepaid envelope.

If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me.

Respectfully submitted,


Lance J.M. Steinhart
Attorney for Long Distance America, Inc.

Enclosures

cc: Gregory A. Cogen

TC99-037

APPLICATION FOR REGISTRATION
OF LONG DISTANCE AMERICA, INC.
FILED WITH THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

RECEIVED

APR 15 1999

IN THE MATTER OF THE)
APPLICATION OF)
LONG DISTANCE AMERICA, INC.)
FOR AN ORDER) Docket No. _____
AUTHORIZING THE REGISTRATION)
OF APPLICANT AS A)
TELECOMMUNICATIONS COMPANY)

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

APPLICATION

Application is hereby made to the South Dakota Public Utilities Commission for an Order authorizing Long Distance America, Inc. ("Applicant") to register as a telecommunications company within the State of South Dakota. The following information is furnished in support thereof:

1. Name, Address and Telephone Number of Applicant:

Long Distance America, Inc.
5807 North Andrews Way
Fort Lauderdale, Florida 33305
Telephone: (954) 202-5100

2. The name under which the Applicant will provide these services if different than in 1. above:

3. Applicant's corporate information:

Applicant was incorporated in the State of Florida on July 21, 1998. A copy of the Applicant's Articles of Incorporation is attached hereto as Exhibit A. A copy of Applicant's Certificate of Authority to transact business as a foreign corporation in the State of South Dakota is attached hereto as Exhibit B.

The Applicant has no principal office in South Dakota. The name and address of the Applicant's registered agent is:

National Registered Agents, Inc.
300 South Phillips Avenue, Ste. 300
Sioux Falls, SD 57102

The names and address of each corporation, association, partnership, cooperative, or individual holding a 20% or greater ownership or management interest in the Applicant corporation and the amount and character of the ownership or management interest are as follows:

Name and Address	Shares Owned	Percentage of all Shares Issued and Outstanding and Voting Control
Cybercloseout, Inc. 5807 North Andrews Way Fort Lauderdale, Florida 33309	100	100%

4. Partnership Information:

Not Applicable.

5. Description of Services Applicant intends to offer:

Applicant is a reseller which intends to offer 1+ and 101XXXX direct outbound dialing, 800/888 toll-free inbound dialing, and travel card service.

6. Means by which the Applicant intends to provide services:

Applicant does not own or maintain any transmission facilities or switching equipment in the State of South Dakota. The Applicant will provide services through MCI WorldCom and Telehub Network Services, its underlying carriers. As a reseller, Applicant has no points of presence in the State of South Dakota, thus Applicant neither owns, leases, nor operates any switching, transmission, or other physical facilities in the State of South Dakota, and no such facilities will be used by Applicant in providing service in the State of South Dakota. Rather, Applicant will be engaged in reselling services provided by facilities-based carriers within the State of South Dakota.

7. Geographic Areas in which services will be offered:

Applicant intends to provide services on a statewide basis.

8. Financial Qualifications:

Applicant is financially qualified to provide intrastate interexchange telecommunications services within South Dakota. In particular, Applicant has adequate access to the capital necessary to fulfill any obligations it may undertake with respect to the provision of intrastate telecommunications services in the State of South Dakota. See Exhibit C, which is

attached hereto, Cybercloseout's Consolidated Balance Sheet as of March 12, 1999, and the related consolidated statement of operations, stockholders' deficiency, and cash flows from inception (July 21, 1998) to March 12, 1999, which demonstrate that Applicant has the financial ability to provide the services that it proposes to offer.

9. Applicant's complaints and regulatory matters contact and how Applicant handles customer billings and customer service matters.

All inquiries regarding regulatory matters should be addressed to:

Gregory A. Cogen, COO
5807 North Andrews Way
Fort Lauderdale, Florida 33309
Telephone: (954) 202-5100
Facsimile: (888) 397-6786
E-Mail: gacogens@ldanet.com

All inquiries regarding complaints should be addressed to:

Nancy Matson, Customer Service Manager
5807 North Andrews Way
Fort Lauderdale, Florida 33309
Telephone: (954) 202-5100
Facsimile: (888) 397-6786
E-Mail: namatson@ldanet.com

The Applicant's customers will be direct billed utilizing "real-time" completed call detail information from Applicant's underlying carriers. Applicant's toll-free number will be on all invoices and customer service will be provided in-house by the Applicant.

10. Regulatory Status:

Applicant is currently in the process of obtaining all required authorizations from the state regulatory agencies. Applicant is currently authorized to provide service in Arizona, California, Colorado, Florida, Idaho, Indiana, Iowa, Kentucky, Massachusetts, Michigan, Montana, New Hampshire, New Jersey, New York, North Dakota, Ohio, Oregon, Pennsylvania, Texas, Utah, Virginia, Wisconsin and Wyoming.

The Applicant is in good standing with the appropriate regulatory agency in the states where it is registered or certified.

11. Description of Marketing

Applicant intends to market its services to primarily to small to mid-sized businesses and residential customers. All sales personnel will have telecommunications service experience. Applicant will market through direct sales by employees and agents. Applicant does not intend to engage in multilevel marketing. No marketing materials are available at this time.

12. Cost Support:

Applicant intends to provide services at a price above its cost.

13. Federal Tax Identification Number:

65-0852987

14. The Number and Nature of Complaints filed against the Applicant with any state or federal regulatory commission regarding the unauthorized switching of a customer's telecommunications provider and the act of charging customers for services that have not been ordered:

None

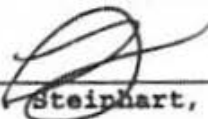
15. Tariff

A copy of Applicant's proposed tariff is attached hereto as Exhibit E.

WHEREFORE, the undersigned Applicant requests that the South Dakota Public Utilities Commission enter an order granting this application.

DATED this 14 day of April, 1999.

Long Distance America, Inc.

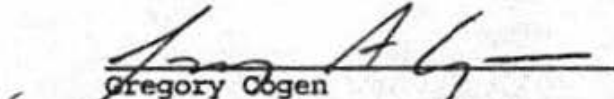
By: 
Lance J.M. Steinhart, Its Counsel

6455 East Johns Crossing
Suite 285
Duluth, Georgia 30097
(770) 232-9200

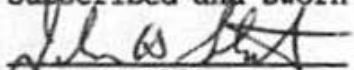
STATE OF FLORIDA

COUNTY OF BROWARD

Gregory Cogen, being first duly sworn, deposes and says that he is the Chief Operating Officer of Long Distance America, Inc., the Applicant in the proceeding entitled above, that he has read the foregoing application and knows the contents thereof; that the same are true of his knowledge, except as to matters which are therein stated on information or belief, and to those matters he believes them to be true.


Gregory Cogen

Subscribed and sworn to before this 1st day of APRIL, 1999.


Notary Public

OFFICIAL NOTARY SEAL
JULIAN H STUTZ
NOTARY PUBLIC STATE OF FLORIDA
COMMISSION NO. CC08657
MY COMMISSION EXP. JUNE 14, 2001

My Commission expires: _____

SD

LIST OF EXHIBITS

- A - ARTICLES OF INCORPORATION
- B - CERTIFICATE OF AUTHORITY
- C - MARKETING MATERIAL
- D - FINANCIAL INFORMATION
- E - PROPOSED TARIFF

EXHIBIT A - ARTICLES OF INCORPORATION

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation, as amended to date, of LONG DISTANCE AMERICA, INC., a corporation organized under the laws of the State of Florida, as shown by the records of this office.

The document number of this corporation is P98000063872.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Sixth day of April, 1999



CR2EQ22 (1-99)

Katherine Harris

Katherine Harris
Secretary of State

**ARTICLES OF INCORPORATION
OF
LONG DISTANCE AMERICA, INC.**

FILED
98 JUL 21 AM 10:00
SECRETARY OF STATE
TALLAHASSEE FLORIDA

The undersigned subscriber to these Articles of Incorporation is a natural person competent to contract and hereby form a Corporation for profit under Chapter 607 of the Florida Statutes.

ARTICLE 1 - NAME

The name of the Corporation is LONG DISTANCE AMERICA, INC., (hereinafter, "Corporation").

ARTICLE 2 - PURPOSE OF CORPORATION

The Corporation shall engage in any activity or business permitted under the laws of the United States and of the State of Florida.

ARTICLE 3 - PRINCIPAL OFFICE

The address of the principal office of this Corporation is 576415 Boca Arbur Way, Boca Raton, Florida 33433 and the mailing address is the same.

ARTICLE 4 - INCORPORATOR

The name and street address of the incorporator of this Corporation is Robert K. Darigo whose address shall be the same as the principal office of the Corporation.

ARTICLE 5 - OFFICERS

The officers of the Corporation shall be:

President:	Robert K. Darigo
Secretary:	Robert K. Darigo
Treasurer:	Robert K. Darigo

whose addresses shall be the same as the principal office of the Corporation.



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<http://www.amerilawyer.com>

ARTICLE 6 - DIRECTOR(S)

The Director(s) of the Corporation shall be:

Robert K. Darigo

whose addresses shall be the same as the principal office of the Corporation.

ARTICLE 7 - CORPORATE CAPITALIZATION

7.1 The maximum number of shares that this Corporation is authorized to have outstanding at any time is ONE THOUSAND (1,000) shares of common stock, each share having the par value of ONE CENT (\$.01).

7.2 No holder of shares of stock of any class shall have any preemptive right to subscribe to or purchase any additional shares of any class, or any bonds or convertible securities of any nature; provided, however, that the Board of Director(s) may, in authorizing the issuance of shares of stock of any class, confer any preemptive right that the Board of Director(s) may deem advisable in connection with such issuance.

7.3 The Board of Director(s) of the Corporation may authorize the issuance from time to time of shares of its stock of any class, whether now or hereafter authorized, or securities convertible into shares of its stock of any class, whether now or hereafter authorized, for such consideration as the Board of Director(s) may deem advisable, subject to such restrictions or limitations, if any, as may be set forth in the bylaws of the Corporation.

7.4 The Board of Director(s) of the Corporation may, by Restated Articles of Incorporation, classify or reclassify any unissued stock from time to time by setting or changing the preferences, conversions or other rights, voting powers, restrictions, limitations as to dividends, qualifications, or term or conditions of redemption of the stock.

ARTICLE 8 - SUB-CHAPTER S CORPORATION

The Corporation may elect to be an S Corporation, as provided in Sub-Chapter S of the Internal Revenue Code of 1986, as amended.



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8.1 The shareholders of this Corporation may elect and, if elected, shall continue such election to be an S Corporation as provided in Sub-Chapter S of the Internal Revenue Code of 1986, as amended, unless the shareholders of the Corporation unanimously agree otherwise in writing.

8.2 After this Corporation has elected to be an S Corporation, none of the shareholders of this Corporation, without the written consent of all the shareholders of this Corporation shall take any action, or make any transfer or other disposition of the shareholders' shares of stock in the Corporation, which will result in the termination or revocation of such election to be an S Corporation, as provided in Subchapter S of the Internal Revenue Code of 1986, as amended.

8.3 Once the Corporation has elected to be an S Corporation, each share of stock issued by this Corporation shall contain the following legend:

"The shares of stock represented by this certificate cannot be transferred if such transfer would void the election of the Corporation to be taxed under Sub-Chapter S of the Internal Revenue Code of 1986, as amended."

ARTICLE 9 - SHAREHOLDERS' RESTRICTIVE AGREEMENT

All of the shares of stock of this Corporation may be subject to a Shareholders' Restrictive Agreement containing numerous restrictions on the rights of shareholders of the Corporation and transferability of the shares of stock of the Corporation. A copy of the Shareholders' Restrictive Agreement, if any, is on file at the principal office of the Corporation.

ARTICLE 10 - POWERS OF CORPORATION

The Corporation shall have the same powers as an individual to do all things necessary or convenient to carry out its business and affairs, subject to any limitations or restrictions imposed by applicable law or these Articles of Incorporation.

ARTICLE 11 - TERM OF EXISTENCE

This Corporation shall have perpetual existence.



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ARTICLE 12 - REGISTERED OWNER(S)

The Corporation, to the extent permitted by law, shall be entitled to treat the person in whose name any share or right is registered on the books of the Corporation as the owner thereto, for all purposes, and except as may be agreed in writing by the Corporation, the Corporation shall not be bound to recognize any equitable or other claim to, or interest in, such share or right on the part of any other person, whether or not the Corporation shall have notice thereof.

ARTICLE 13 - REGISTERED OFFICE AND REGISTERED AGENT

The initial address of registered office of this Corporation is AmeriLawyer®, located at 343 Almeria Avenue, Coral Gables, Florida 33134. The name and address of the registered agent of this Corporation is AmeriLawyer®, 343 Almeria Avenue, Coral Gables, Florida 33134.

ARTICLE 14 - BYLAWS

The Board of Director(s) of the Corporation shall have power, without the assent or vote of the shareholders, to make, alter, amend or repeal the Bylaws of the Corporation, but the affirmative vote of a number of Directors equal to a majority of the number who would constitute a full Board of Director(s) at the time of such action shall be necessary to take any action for the making, alteration, amendment or repeal of the Bylaws.

ARTICLE 15 - EFFECTIVE DATE

These Articles of Incorporation shall be effective immediately upon approval of the Secretary of State, State of Florida.

ARTICLE 16 - INDEMNIFICATION

The Corporation shall indemnify a director or officer of the Corporation who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the director or officer was a party because the director or officer is or was a director or officer of the Corporation against reasonable attorney fees and expenses incurred by the director or officer in connection with the proceeding. The Corporation may indemnify an individual made a party to a proceeding because the individual is or was a director, officer, employee or agent of the Corporation against liability if authorized in the specific case after determination, in the manner required by the board of directors, that indemnification of the director, officer, employee or agent, as the



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case may be, is permissible in the circumstances because the director, officer, employee or agent has met the standard of conduct set forth by the board of directors. The indemnification and advancement of attorney fees and expenses for directors, officers, employees and agents of the Corporation shall apply when such persons are serving at the Corporation's request while a director, officer, employee or agent of the Corporation, as the case may be, as a director, officer, partner, trustee, employee or agent of another foreign or domestic Corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, whether or not for profit, as well as in their official capacity with the Corporation. The Corporation also may pay for or reimburse the reasonable attorney fees and expenses incurred by a director, officer, employee or agent of the Corporation who is a party to a proceeding in advance of final disposition of the proceeding. The Corporation also may purchase and maintain insurance on behalf of an individual arising from the individual's status as a director, officer, employee or agent of the Corporation, whether or not the Corporation would have power to indemnify the individual against the same liability under the law. All references in these Articles of Incorporation are deemed to include any amendment or successor thereto. Nothing contained in these Articles of Incorporation shall limit or preclude the exercise of any right relating to indemnification or advance of attorney fees and expenses to any person who is or was a director, officer, employee or agent of the Corporation or the ability of the Corporation otherwise to indemnify or advance expenses to any such person by contract or in any other manner. If any word, clause or sentence of the foregoing provisions regarding indemnification or advancement of the attorney fees or expenses shall be held invalid as contrary to law or public policy, it shall be severable and the provisions remaining shall not be otherwise affected. All references in these Articles of Incorporation to "director", "officer", "employee" and "agent" shall include the heirs, estates, executors, administrators and personal representatives of such persons.


ARTICLE 17 - AMENDMENT

The Corporation reserves the right to amend, alter, change or repeal any provision contained in these Articles of Incorporation, or in any amendment hereto, or to add any provision to these Articles of Incorporation or to any amendment hereto, in any manner now or hereafter prescribed or permitted by the provisions of any applicable statute of the State of Florida, and all rights conferred upon shareholders in these Articles of Incorporation or any amendment hereto are granted subject to this reservation.



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IN WITNESS WHEREOF, I have hereunto set my hand and seal, acknowledged and filed the foregoing Articles of Incorporation under the laws of the State of Florida, this 20 July 1998.


Robert K. Darigo, Incorporator

**ACCEPTANCE OF REGISTERED AGENT DESIGNATED
IN ARTICLES OF INCORPORATION**

AmeriLawyer®, having a business office identical with the registered office of the Corporation name above, and having been designated as the Registered Agent in the above and foregoing Articles of Incorporation, is familiar with and accepts the obligations of the position of Registered Agent under the applicable provisions of the Florida Statutes.

AmeriLawyer®

By: 
Janice Scinto DiRose, Assistant Secretary

98 JUL 21 AM 10:00
SECRETARY OF STATE
TALLAHASSEE FLORIDA
FILED



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**ARTICLES OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
LONG DISTANCE AMERICA, INC.**

FILED
98 SEP 11 AM 1:23
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to the provisions of section 607.1006, Florida Statutes, this corporation adopts the following Articles of Amendments to its Articles of Incorporation:

FIRST: Article 7 of the Articles of Incorporation of LONG DISTANCE AMERICA, INC. states:

The maximum number of shares that this Corporation is authorized to have outstanding at any time is **ONE THOUSAND (1,000)** shares of common stock, each having the par value of **ONE CENT (\$0.01)**.

SECOND: The corporate capitalization of LONG DISTANCE AMERICA, INC. will be amended to state:

The maximum number of shares that this Corporation is authorized to have outstanding at any time is **TWENTY MILLION SHARES (20,000,000)** shares of common stock, each having the par value of **ONE TENTH OF ONE CENT (0.001)**.

THIRD: The date of the adoption of this amendment is the 1 September 1998.



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FOURTH: The Amendment was approved by the Shareholders. The number of votes cast for the Amendment was sufficient for approval.

FIFTH: This amendment shall be effective upon the filing of these Articles of Amendment to Articles of Incorporation with the Secretary of State of Florida.

Signed this 1 September 1998.


Robert K. Dango, Chairman

AMERILAWYER



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ARTICLES OF MERGER
OF
BCSD, INC.
(a Florida corporation)
WITH AND INTO
LONG DISTANCE AMERICA, INC., INC.
(a Florida corporation)

99 FEB 24 PM 4 14
FILED
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to provisions of the Florida Business Corporation Act, the domestic business corporations herein named do hereby submit the following Articles of Merger.

1. The Plan of Merger (the "Plan"), providing for the merger (the "Merger") of BCSD, Inc. with and into Long Distance America, Inc., is attached hereto as Exhibit "A" and made a part hereof by reference.
2. The stockholders of BCSD, Inc. entitled to vote on the aforesaid Plan approved and adopted the Plan by a Unanimous Written Consent of the Stockholders and Directors in Lieu of a Special Meeting dated February 19, 1999, in accordance with the provisions of Sections 607.0704 and 607.0821 of the Florida Business Corporation Act.
3. The Merger of BCSD, Inc. with and into Long Distance America, Inc. is permitted by the laws of the jurisdiction of organization of Long Distance America, Inc., and has been authorized in compliance with said laws. The date of approval and adoption of the Plan was February 19, 1999, by the shareholders of Long Distance America, Inc..
4. The Merger shall become effective as of the date of filing these Articles of Merger with the Florida Department of State.

IN WITNESS WHEREOF, these Articles of Merger have been executed by a duly authorized officer of each of BCSD, Inc. and Long Distance America, Inc. on this 19th day of February 1999.

BCSD, INC.

By: James A. Brown
James A. Brown, President

Long Distance America, Inc.

By: James A. Brown
James A. Brown, President

PLAN OF MERGER

Plan of Merger (the "Plan"), dated as of February 19, 1999, between Long Distance America, Inc., a Florida corporation ("LDA"), and BCSD, Inc., a Florida corporation ("BCSD") (LDA and BCSD are sometimes referred to herein as the "Constituent Corporations").

LDA, Inc., is a corporation duly organized and validly existing under the laws of the State of Florida with authorized capital stock consisting of 20,000,000 shares of common stock, par value \$0.001 per share ("LDA Common Stock"), of which as of the date of this Plan of Merger there were 1,000 shares issued and outstanding and no shares were held in the treasury of LDA.

BCSD is a corporation duly organized and validly existing under the laws of the State of Florida with authorized capital stock consisting of 100 shares of common stock, par value \$0.01 per share (the "BCSD Common Stock"), all of which shares are issued and outstanding and owned by Cybercloseout, Inc., a Delaware corporation ("Cybercloseout").

The respective Boards of Directors of LDA and BCSD, and BCSD's sole shareholder, Cybercloseout, deem it advisable that BCSD be merged with and into LDA (the "Merger") as provided herein and in the Agreement and Plan of Merger dated as of February 19, 1999 (the "Agreement and Plan"), which sets forth certain representations, warranties and agreements in connection with the Merger and related transactions.

LDA and BCSD, in order to effectuate the foregoing, have adopted a plan of merger in accordance with the provisions of Section 368(a) of the Internal Revenue Code, as amended.

In consideration of the mutual benefits to be derived from this Plan, the Agreement and Plan and the mutual agreements hereinafter contained, LDA and BCSD on the terms and conditions contained herein, and in connection herewith, agree as follows:

ARTICLE I

SURVIVING CORPORATION

In accordance with the applicable provisions of the business corporation laws of the State of Florida ("Corporation Laws"), BCSD shall be merged with and into LDA. LDA shall be and is herein sometimes referred to as the "Surviving Corporation".

ARTICLE II

EFFECTIVENESS OF THE MERGER

Section 2.1 *Effective Time of the Merger.* Subject to the provisions of this Plan and the Agreement and Plan, as soon as practicable on or after the Closing Date (as defined in Article VI of the Agreement and Plan), a certificate/articles of merger (the "Certificate/Articles of Merger"), together with this Plan, shall be executed by LDA and BCSD and delivered to the Department of State of the State of Florida for filing as provided in the Corporation Laws. The Merger shall become effective upon completion of the filing of Certificate/Articles of Merger with the Department of State of the State of Florida (the "Effective Time of the Merger").

Section 2.2 *Effects of the Merger.* At the Effective Time of the Merger: (i) the separate existence of BCSD shall cease and BCSD shall be merged with and into LDA; and (ii) the Merger shall, from and after the Effective Time of the Merger, have all the effects provided by applicable Florida law.

Section 2.3 *Additional Actions.* If, at any time after the Effective Time of the Merger, the Surviving Corporation shall consider or be advised that any further assignments or assurances or any other acts are necessary or desirable: (a) to vest, perfect or confirm, of record or otherwise, in the Surviving Corporation, title to and possession of any property or right of BCSD acquired or to be acquired by reason of, or as a result of, the Merger; or (b) otherwise to carryout the purposes of this Plan, BCSD and its proper officers and directors shall be deemed to have granted to the Surviving Corporation an irrevocable power of attorney to execute and deliver all such proper deeds, assignments and assurances and to do all acts necessary or proper to vest, perfect or confirm title to and possession of such property or rights in the Surviving Corporation and otherwise to carryout the purposes of this Plan; and the proper officers and directors of the Surviving Corporation are fully authorized in the name of BCSD or otherwise to take any and all such action.

ARTICLE III

EFFECT OF MERGER ON CAPITAL STOCK
OF THE CONSTITUENT CORPORATIONS

Section 3.1 *Conversion of Stock of LDA and BCSD.* At the Effective Time of the Merger:

(a) Each share of LDA Common Stock then issued and outstanding shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted into 3,629.835 shares of Cybercloseout common stock, par value \$0.001 per share ("Cybercloseout Common Stock") resulting fractional amounts to be rounded to the nearest whole number (one half to be rounded up to the nearest whole number), and

(b) Each share of BCSD Common Stock then issued and outstanding shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted in to one fully paid and nonassessable share of common stock, par value \$0.001 per share, of the Surviving Corporation.

Section 3.2 Exchange of Certificates. After the Effective Time of the Merger, each holder of a certificate or certificates theretofore evidencing outstanding shares of LDA Common Stock, upon surrender of the same to Greenberg Traurig, P.A. ("Greenberg") as agent for LDA or such other agent or agents as shall be appointed by Cybercloseout shall be entitled to receive in exchange therefor a certificate or certificates representing the number of full shares of Cybercloseout Common Stock for which the shares of LDA Common Stock theretofore represented by the certificate or certificates so surrendered shall have been converted as provided in this Article III. As soon as practicable after the Effective Time of the Merger, Greenberg or such other agent(s), as the case may be, shall mail to each holder of record of an outstanding certificate which immediately prior to the Effective Time of the Merger evidences shares of LDA Common Stock (a "Certificate"), and which is to be exchanged for the Cybercloseout Common Stock as provided in Section 3.1 hereof, a form of letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon delivery of the Certificates to Greenberg), advising such shareholder of the terms of the exchange effected by the Merger and the procedure for surrendering to Greenberg or such other agent(s), as the case may be, such Certificate in exchange for certificates evidencing the Cybercloseout Common Stock. Until so surrendered, each outstanding Certificate will be deemed for all corporate purposes of Cybercloseout to evidence ownership of the number of full shares of Cybercloseout Common Stock; *provided, however*, until such outstanding Certificates are surrendered, no dividend payable to holders of record of Cybercloseout Common Stock as of any record date subsequent to the Effective Time of the Merger or cash payable in lieu of fractional shares pursuant to Section 3.3 hereof shall be paid to the holder of such outstanding Certificates in respect thereof. After the Effective Time of the Merger, there shall be no further registration of transfers on the records or stock transfer books of LDA of shares of LDA Common Stock and, if a Certificate representing such shares is presented, it shall be canceled and exchanged for certificates representing shares of Cybercloseout Common Stock as herein provided. Subject to the provisions of this Section 3.2 and to applicable law, upon surrender of Certificates there shall be paid to the record holder of the certificates of Cybercloseout Common Stock issued in exchange therefor: (i) at the time of such surrender, the amount of any dividends or distributions theretofore paid with respect to such full shares of Cybercloseout Common Stock as of any record date subsequent to the Effective Time of the Merger and the amount of any cash payable to such holder in lieu of fractional shares pursuant to Section 3.3 hereof to the extent the same has not yet been paid to a public official pursuant to abandoned property laws; and (ii) at the appropriate payment date or as soon as practicable thereafter, the amount of dividends or distributions with a record date after the Effective Time of the Merger but prior to surrender and a payment date subsequent to surrender payable with respect to such

full shares of Cybercloseout Common Stock. All such dividends or distributions, and all cash to be paid pursuant to Section 3.3 hereof in lieu of fractional shares, if held by Greenberg, or such other agent(s), as the case may be, for payment or delivery to the holders of unsurrendered Certificates and unclaimed at the end of one-year from the Effective Time of the Merger, shall at such time be paid or re-delivered by Greenberg or such other agent(s), as the case may be, to Cybercloseout acting solely in its corporate capacity, and after such time any holder of a Certificate who has not surrendered such Certificate to Greenberg or such other agent(s), as the case may be, shall, subject to applicable law, look as a general creditor only to Cybercloseout for payment or delivery of such dividends or distributions or cash, as the case may be. No interest shall be payable with respect to the payment of such dividends, distributions or cash in lieu of fractional shares on surrender of outstanding Certificates. All shares of Cybercloseout Common Stock and rights to receive cash, if any, into and for which shares of LDA Common Stock shall have been converted and exchanged pursuant to this Section 3.2 shall be deemed to have been issued in full satisfaction of all rights pertaining to such converted and exchanged shares of LDA Common Stock.

Section 3.3 *No Fractional Shares.* No certificates or scrip for fractional shares of Cybercloseout Common Stock will be issued.

Section 3.4 *Certificates in Other Names.* If any certificate evidencing shares of Cybercloseout Common Stock is to be issued in a name other than that in which the Certificate surrendered in exchange therefor is registered, it shall be a condition of the issuance thereof that the Certificate so surrendered shall be properly endorsed and otherwise in proper form for transfer and that the person requesting such exchange pay to Greenberg or such other agent(s), as the case may be, or Cybercloseout acting solely in its corporate capacity, as the case may be, any transfer or other taxes required by reason of the issuance of a certificate for shares of Cybercloseout Common Stock in any name other than that of the registered holder of the Certificate surrendered or otherwise required or establish to the satisfaction of Greenberg or such other agent(s), as the case may be, or Cybercloseout acting solely in its corporate capacity, as the case may be, that such tax has been paid or is not payable.

ARTICLE IV

CERTIFICATE OF INCORPORATION OF SURVIVING CORPORATION

The Certificate of Incorporation of the Surviving Corporation shall continue to be its Certificate of Incorporation from and after the Effective Time of the Merger until changed in accordance with applicable law.

ARTICLE V

MISCELLANEOUS

Section 5.1 *Termination*. This Plan shall terminate in the event of and upon the termination of the Agreement and Plan.

Section 5.2 *Headings*. The descriptive headings of the several Articles and Sections of this Plan are inserted for convenience only and do not constitute a part of this Plan.

Section 5.3 *Notices*. Any notices or other communications required or permitted hereunder shall be sufficiently given if sent by certified or registered mail, postage prepaid, addressed as follows:

- | | |
|----------------|--|
| (a) If to LDA: | c/o Greenberg Traurig, P.A.
777 S. Flagler Drive
Suite 300-E
West Palm Beach, FL 33401
Attn: Morris C. Brown, Esq. |
| (b) If to BCSD | c/o Greenberg Traurig, P.A.
777 S. Flagler Drive
Suite 300-E
West Palm Beach, FL 33401
Attn: Morris C. Brown, Esq. |

or such other addresses as shall be furnished in writing by either party, and any such notice of communication shall be deemed to have been given as of the date so mailed.

Section 5.4 *Assignment*. This Plan and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but neither this Plan nor any of the rights, interest, or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of the other parties, except that BCSD may assign all of its rights, interests and obligations hereunder to another wholly-owned subsidiary of Cybercloseout, provided that such subsidiary agrees in writing to be bound by all of the terms, conditions and provisions contained herein.

Section 5.5 *Complete Agreement*. This Plan, and the Agreement and Plan, including the schedules, exhibits or other writings referred to therein or delivered pursuant thereto, contain the entire understanding of the parties hereto with respect to the Merger and the related transactions and supersede all prior arrangements or understandings with respect thereto and all letters and other agreements relating to the protection of Confidential Information (as defined in the Agreement and Plan) of LDA and Cybercloseout. There are no restrictions, agreements, promises, warranties,

covenants or undertakings between the parties hereto other than those expressly set forth herein or in the Agreement and Plan.

Section 5.6 *Modifications, Amendments and Waivers.* At any time prior to the Effective Time of the Merger (notwithstanding any shareholder approval), if authorized by their respective Boards of Directors and to the extent permitted by law: (i) the parties hereto may, by written agreement, modify, amend or supplement any term or provision of this Plan and (ii) any term or provision of this Plan may be waived by the party which is, or whose shareholders are, entitled to the benefits thereof. Any written instrument or agreement referred to in this section shall be validly and sufficiently authorized for the purposes of this Plan if signed on behalf of LDA and BCSD by a person authorized to sign this Plan.

Section 5.7 *Counterparts.* This Plan may be executed by facsimile in two or more counterparts all of which shall be considered one and the same agreement and each of which shall be deemed an original.

Section 5.8 *Governing Law.* This Plan shall be governed by the laws of the State of Florida (regardless of the laws that might be applicable under principles of conflicts of law) as to all matters, including but not limited to matters of validity, construction, effect and performance.

IN WITNESS WHEREOF, LDA and BCSD have caused this Plan of Merger to be executed by their duly authorized officers, respectively.

ATTEST:

Secretary

LONG DISTANCE AMERICA, INC.

BY: James A. Brown
James A. Brown, President

ATTEST:

Secretary

BCSD, INC.

BY: James A. Brown
James A. Brown, President

PLAN OF MERGER

Plan of Merger (the "Plan"), dated as of February 19, 1999, between Long Distance America, Inc., a Florida corporation ("LDA"), and BCSD, Inc., a Florida corporation ("BCSD") (LDA and BCSD are sometimes referred to herein as the "Constituent Corporations").

LDA, Inc., is a corporation duly organized and validly existing under the laws of the State of Florida with authorized capital stock consisting of 20,000,000 shares of common stock, par value \$0.001 per share ("LDA Common Stock"), of which as of the date of this Plan of Merger there were 1,000 shares issued and outstanding and no shares were held in the treasury of LDA.

BCSD is a corporation duly organized and validly existing under the laws of the State of Florida with authorized capital stock consisting of 100 shares of common stock, par value \$0.01 per share (the "BCSD Common Stock"), all of which shares are issued and outstanding and owned by Cybercloseout, Inc., a Delaware corporation ("Cybercloseout").

The respective Boards of Directors of LDA and BCSD, and BCSD's sole shareholder, Cybercloseout, deem it advisable that BCSD be merged with and into LDA (the "Merger") as provided herein and in the Agreement and Plan of Merger dated as of February 19, 1999 (the "Agreement and Plan"), which sets forth certain representations, warranties and agreements in connection with the Merger and related transactions.

LDA and BCSD, in order to effectuate the foregoing, have adopted a plan of merger in accordance with the provisions of Section 368(a) of the Internal Revenue Code, as amended.

In consideration of the mutual benefits to be derived from this Plan, the Agreement and Plan and the mutual agreements hereinafter contained, LDA and BCSD on the terms and conditions contained herein, and in connection herewith, agree as follows:

ARTICLE I

SURVIVING CORPORATION

In accordance with the applicable provisions of the business corporation laws of the State of Florida ("Corporation Laws"), BCSD shall be merged with and into LDA. LDA shall be and is herein sometimes referred to as the "Surviving Corporation".

ARTICLE II

EFFECTIVENESS OF THE MERGER

Section 2.1 *Effective Time of the Merger.* Subject to the provisions of this Plan and the Agreement and Plan, as soon as practicable on or after the Closing Date (as defined in Article VI of the Agreement and Plan), a certificate/articles of merger (the "Certificate/Articles of Merger"), together with this Plan, shall be executed by LDA and BCSD and delivered to the Department of State of the State of Florida for filing as provided in the Corporation Laws. The Merger shall become effective upon completion of the filing of Certificate/Articles of Merger with the Department of State of the State of Florida (the "Effective Time of the Merger").

Section 2.2 *Effects of the Merger.* At the Effective Time of the Merger: (i) the separate existence of BCSD shall cease and BCSD shall be merged with and into LDA; and (ii) the Merger shall, from and after the Effective Time of the Merger, have all the effects provided by applicable Florida law.

Section 2.3 *Additional Actions.* If, at any time after the Effective Time of the Merger, the Surviving Corporation shall consider or be advised that any further assignments or assurances or any other acts are necessary or desirable: (a) to vest, perfect or confirm, of record or otherwise, in the Surviving Corporation, title to and possession of any property or right of BCSD acquired or to be acquired by reason of, or as a result of, the Merger; or (b) otherwise to carryout the purposes of this Plan, BCSD and its proper officers and directors shall be deemed to have granted to the Surviving Corporation an irrevocable power of attorney to execute and deliver all such proper deeds, assignments and assurances and to do all acts necessary or proper to vest, perfect or confirm title to and possession of such property or rights in the Surviving Corporation and otherwise to carryout the purposes of this Plan; and the proper officers and directors of the Surviving Corporation are fully authorized in the name of BCSD or otherwise to take any and all such action.

ARTICLE III

EFFECT OF MERGER ON CAPITAL STOCK
OF THE CONSTITUENT CORPORATIONS

Section 3.1 *Conversion of Stock of LDA and BCSD.* At the Effective Time of the Merger:

(a) Each share of LDA Common Stock then issued and outstanding shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted into 3,629.835 shares of Cybercloseout common stock, par value \$0.001 per share ("Cybercloseout Common Stock") resulting fractional amounts to be rounded to the nearest whole number (one half to be rounded up to the nearest whole number), and

(b) Each share of BCSD Common Stock then issued and outstanding shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted in to one fully paid and nonassessable share of common stock, par value \$0.001 per share, of the Surviving Corporation.

Section 3.2 Exchange of Certificates. After the Effective Time of the Merger, each holder of a certificate or certificates theretofore evidencing outstanding shares of LDA Common Stock, upon surrender of the same to Greenberg Traurig, P.A. ("Greenberg") as agent for LDA or such other agent or agents as shall be appointed by Cybercloseout shall be entitled to receive in exchange therefor a certificate or certificates representing the number of full shares of Cybercloseout Common Stock for which the shares of LDA Common Stock theretofore represented by the certificate or certificates so surrendered shall have been converted as provided in this Article III. As soon as practicable after the Effective Time of the Merger, Greenberg or such other agent(s), as the case may be, shall mail to each holder of record of an outstanding certificate which immediately prior to the Effective Time of the Merger evidences shares of LDA Common Stock (a "Certificate"), and which is to be exchanged for the Cybercloseout Common Stock as provided in Section 3.1 hereof, a form of letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon delivery of the Certificates to Greenberg), advising such shareholder of the terms of the exchange effected by the Merger and the procedure for surrendering to Greenberg or such other agent(s), as the case may be, such Certificate in exchange for certificates evidencing the Cybercloseout Common Stock. Until so surrendered, each outstanding Certificate will be deemed for all corporate purposes of Cybercloseout to evidence ownership of the number of full shares of Cybercloseout Common Stock; *provided, however*, until such outstanding Certificates are surrendered, no dividend payable to holders of record of Cybercloseout Common Stock as of any record date subsequent to the Effective Time of the Merger or cash payable in lieu of fractional shares pursuant to Section 3.3 hereof shall be paid to the holder of such outstanding Certificates in respect thereof. After the Effective Time of the Merger, there shall be no further registration of transfers on the records or stock transfer books of LDA of shares of LDA Common Stock and, if a Certificate representing such shares is presented, it shall be canceled and exchanged for certificates representing shares of Cybercloseout Common Stock as herein provided. Subject to the provisions of this Section 3.2 and to applicable law, upon surrender of Certificates there shall be paid to the record holder of the certificates of Cybercloseout Common Stock issued in exchange therefor: (i) at the time of such surrender, the amount of any dividends or distributions theretofore paid with respect to such full shares of Cybercloseout Common Stock as of any record date subsequent to the Effective Time of the Merger and the amount of any cash payable to such holder in lieu of fractional shares pursuant to Section 3.3 hereof to the extent the same has not yet been paid to a public official pursuant to abandoned property laws; and (ii) at the appropriate payment date or as soon as practicable thereafter, the amount of dividends or distributions with a record date after the Effective Time of the Merger but prior to surrender and a payment date subsequent to surrender payable with respect to such

full shares of Cybercloseout Common Stock. All such dividends or distributions, and all cash to be paid pursuant to Section 3.3 hereof in lieu of fractional shares, if held by Greenberg, or such other agent(s), as the case may be, for payment or delivery to the holders of unsurrendered Certificates and unclaimed at the end of one year from the Effective Time of the Merger, shall at such time be paid or redelivered by Greenberg or such other agent(s), as the case may be, to Cybercloseout acting solely in its corporate capacity, and after such time any holder of a Certificate who has not surrendered such Certificate to Greenberg or such other agent(s), as the case may be, shall, subject to applicable law, look as a general creditor only to Cybercloseout for payment or delivery of such dividends or distributions or cash, as the case may be. No interest shall be payable with respect to the payment of such dividends, distributions or cash in lieu of fractional shares on surrender of outstanding Certificates. All shares of Cybercloseout Common Stock and rights to receive cash, if any, into and for which shares of LDA Common Stock shall have been converted and exchanged pursuant to this Section 3.2 shall be deemed to have been issued in full satisfaction of all rights pertaining to such converted and exchanged shares of LDA Common Stock.

Section 3.3 No Fractional Shares. No certificates or scrip for fractional shares of Cybercloseout Common Stock will be issued.

Section 3.4 Certificates in Other Names. If any certificate evidencing shares of Cybercloseout Common Stock is to be issued in a name other than that in which the Certificate surrendered in exchange therefor is registered, it shall be a condition of the issuance thereof that the Certificate so surrendered shall be properly endorsed and otherwise in proper form for transfer and that the person requesting such exchange pay to Greenberg or such other agent(s), as the case may be, or Cybercloseout acting solely in its corporate capacity, as the case may be, any transfer or other taxes required by reason of the issuance of a certificate for shares of Cybercloseout Common Stock in any name other than that of the registered holder of the Certificate surrendered or otherwise required or establish to the satisfaction of Greenberg or such other agent(s), as the case may be, or Cybercloseout acting solely in its corporate capacity, as the case may be, that such tax has been paid or is not payable.

ARTICLE IV

CERTIFICATE OF INCORPORATION OF SURVIVING CORPORATION

The Certificate of Incorporation of the Surviving Corporation shall continue to be its Certificate of Incorporation from and after the Effective Time of the Merger until changed in accordance with applicable law.

ARTICLE V

MISCELLANEOUS

Section 5.1 *Termination.* This Plan shall terminate in the event of and upon the termination of the Agreement and Plan.

Section 5.2 *Headings.* The descriptive headings of the several Articles and Sections of this Plan are inserted for convenience only and do not constitute a part of this Plan.

Section 5.3 *Notices.* Any notices or other communications required or permitted hereunder shall be sufficiently given if sent by certified or registered mail, postage prepaid, addressed as follows:

- | | |
|----------------|--|
| (a) If to LDA: | c/o Greenberg Traurig, P.A.
777 S. Flagler Drive
Suite 300-E
West Palm Beach, FL 33401
Attn: Morris C. Brown, Esq. |
| (b) If to BCSD | c/o Greenberg Traurig, P.A.
777 S. Flagler Drive
Suite 300-E
West Palm Beach, FL 33401
Attn: Morris C. Brown, Esq. |

or such other addresses as shall be furnished in writing by either party, and any such notice of communication shall be deemed to have been given as of the date so mailed.

Section 5.4 *Assignment.* This Plan and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but neither this Plan nor any of the rights, interest, or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of the other parties, except that BCSD may assign all of its rights, interests and obligations hereunder to another wholly-owned subsidiary of Cybercloseout, provided that such subsidiary agrees in writing to be bound by all of the terms, conditions and provisions contained herein.

Section 5.5 *Complete Agreement.* This Plan, and the Agreement and Plan, including the schedules, exhibits or other writings referred to therein or delivered pursuant thereto, contain the entire understanding of the parties hereto with respect to the Merger and the related transactions and supersede all prior arrangements or understandings with respect thereto and all letters and other agreements relating to the protection of Confidential Information (as defined in the Agreement and Plan) of LDA and Cybercloseout. There are no restrictions, agreements, promises, warranties,

covenants or undertakings between the parties hereto other than those expressly set forth herein or in the Agreement and Plan.

Section 5.6 *Modifications, Amendments and Waivers.* At any time prior to the Effective Time of the Merger (notwithstanding any shareholder approval), if authorized by their respective Boards of Directors and to the extent permitted by law: (i) the parties hereto may, by written agreement, modify, amend or supplement any term or provision of this Plan and (ii) any term or provision of this Plan may be waived by the party which is, or whose shareholders are, entitled to the benefits thereof. Any written instrument or agreement referred to in this section shall be validly and sufficiently authorized for the purposes of this Plan if signed on behalf of LDA and BCSD by a person authorized to sign this Plan.

Section 5.7 *Counterparts.* This Plan may be executed by facsimile in two or more counterparts all of which shall be considered one and the same agreement and each of which shall be deemed an original.

Section 5.8 *Governing Law.* This Plan shall be governed by the laws of the State of Florida (regardless of the laws that might be applicable under principles of conflicts of law) as to all matters, including but not limited to matters of validity, construction, effect and performance.

IN WITNESS WHEREOF, LDA and BCSD have caused this Plan of Merger to be executed by their duly authorized officers, respectively.

ATTEST:

Secretary

LONG DISTANCE AMERICA, INC.

BY: James A. Brown
James A. Brown, President

ATTEST:

Secretary

BCSD, INC.

BY: James A. Brown
James A. Brown, President

AGREEMENT AND PLAN

OF

MERGER

among

CYBERCLOSEOUT, INC.

BCSD, INC.

and

LONG DISTANCE AMERICA, INC.

Dated as of February 19, 1999

AGREEMENT AND PLAN OF MERGER

Agreement and Plan of Merger, dated as of February 19, 1999, among CYBERCLOSEOUT, INC., a Delaware corporation ("Cybercloseout"), BCSD, INC., a Florida corporation and a wholly-owned subsidiary of Cybercloseout ("BCSD"), and LONG DISTANCE AMERICA, INC., a Florida corporation ("LDA") (collectively, the "Corporations").

PRELIMINARY STATEMENTS

Pursuant to the provisions and subject to the conditions hereof and the Plan of Merger attached hereto as Composite Exhibit "A" (the "Plan of Merger"), BCSD will be merged with and into LDA (the "Merger"), whereby it is contemplated that each outstanding share of LDA common stock, par value \$0.001 per share ("LDA Common Stock") will be converted into 3,829,835 shares of Cybercloseout common stock ("Cybercloseout Common Stock") and each outstanding share of BCSD common stock, \$0.01 per share par value ("BCSD Common Stock") will be converted into one share of LDA Common Stock (the "Exchange Ratio"). The parties hereto desire to enter into this Agreement and Plan of Merger for the purpose of setting forth certain representations, warranties, covenants and further agreements with respect to the Merger.

In consideration of the mutual benefits to be derived from this Agreement and of the representations, warranties, covenants and agreements contained in it, each of the Corporations represent, warrant and agree as follows:

ARTICLE I

THE MERGER

Subject to the termination provisions contained herein, as soon as practicable after the fulfillment of all conditions contained herein (other than such conditions as shall have been waived), the Articles of Merger (the "Articles of Merger") shall be filed with the Secretary of State of Florida and the Merger shall become effective in accordance with the terms of the Plan of Merger. The time and date of such filing is sometimes hereinafter referred to as the "Effective Time of Merger."

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF LDA

LDA hereby represents and warrants to Cybercloseout and BCSD as follows:

2.1 Corporate Organization. LDA (i) is duly organized, validly existing and in good standing under the laws of the State of Florida, (ii) has all requisite corporate and other appropriate authorization to own, operate and lease its properties and to carry on its business in the manner in which it is currently operated, (iii) is qualified to do business in all jurisdictions in which such qualification is necessary for the operation of its business, other than those jurisdictions where the failure to so qualify would not have a material adverse effect upon its assets or operations, and (iv) has full power and authority to enter into this Agreement, and the Plan of Merger, and to carry out all acts contemplated by them. This Agreement has been duly executed and delivered on behalf of LDA, has received all necessary corporate authorization and is a legal, valid and binding obligation of LDA, enforceable against it in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, merger, moratorium or similar laws affecting the enforcement of creditors' rights generally and general equitable principles regardless of whether such enforceability is considered in a proceeding at law or in equity. Entering into this Agreement and the consummation of the transactions contemplated by it will not (i) violate any provision of the Certificate of Incorporation or Bylaws of LDA or (ii) conflict with or result in any breach in any material respect of any of the provisions of any material agreement to which LDA is a party or by which it or its assets are bound, or (iii) cause a breach of any applicable law, governmental regulation, order, or other decree of any court or governmental agency. The Certificate of Incorporation, all amendments to it as of the date hereof and the Bylaws of LDA, as presently in effect, have previously been delivered to Cybercloseout.

2.2 Capitalization. The authorized capital stock of LDA consists of 20,000,000 shares of LDA Common Stock; par value \$0.001 per share, of which as of the date of this Agreement, there were 1,000 shares issued and outstanding and no shares were held in the treasury of LDA. Since February 9, 1999 there have been no changes in the authorized, issued, outstanding or treasury shares of LDA Common Stock. All outstanding shares of LDA Common Stock have been validly issued by LDA and are fully paid and nonassessable. There are no subscriptions, options, warrants, calls, rights, contracts, commitments, understandings or arrangements relating to the issuance, sale or transfer by LDA of any shares of its capital stock, including any right of conversion or exchange under any outstanding security or other instrument.

2.3 Start-Up Company.

LDA has been organized as of July 21, 1998. It has no liabilities individually in excess of \$5,000 or in the aggregate of more than \$50,000. LDA has not generated any revenue to date.

2.4 Assets of LDA. LDA has good title to all of its assets. All of its assets are owned free and clear of any adverse claims, security interests, or other encumbrances or restrictions, and liens for current taxes not yet due and payable, landlords' liens as

provided for in the relevant leases or by applicable law, or liens or similar security interests granted as part of personal property financing agreements made in the ordinary course of business and which in the aggregate are not material.

2.5 Material Contracts. There are no material contracts relating to LDA's operations.

2.6 Maintenance and Employment Agreements. LDA has not entered into any written agreements between LDA and independent contractors, employees and agents who are employed or engaged in LDA or operation of LDA. There are no material oral agreements in effect for any such services. As of the date of this Agreement: (x) there are no written agreements between any of such contractors, employees or agents and LDA; and (y) there is no party entitled to compensation or remuneration for any such services after the Effective Date.

2.7 Employee Benefit Plans. LDA has not entered into any employee benefit plans (the "Employee Benefit Plans"). LDA does not maintain any profit sharing, pension or other employee benefit plan related to its operations. LDA has no unfunded obligations pursuant to any insurance, retirement, pension, profit sharing or deferred compensation plan or program relating to its operations.

2.8 Labor. There are no existing labor disputes with LDA. None of LDA's employees are covered by any union or collective bargaining agreement.

2.9 Actions Pending. As of the date of this Agreement: (i) there are no actions, suits, proceedings, investigations or claims pending or threatened against LDA; (ii) LDA is not the subject of any pending or threatened investigation relating to any aspect of LDA's operations, by any Federal, state or local governmental agency or authority; (iii) LDA is not and has not been the subject of any formal or informal complaint, investigation or inspection under the Equal Employment Opportunity Act or the Occupational Safety and Health Act (or their state or local counterparts) or by any other Federal, state or local authority.

2.10 No Guaranties. None of LDA's obligations or liabilities are guaranteed by any other person, firm or corporation, nor has LDA guaranteed the obligations or liabilities of any other person, firm or corporation.

2.11 Records. The books of account of LDA are complete and correct in all material respects, and there have been no transactions which properly should have been set forth therein which have not been accurately so set forth.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF CYBERCLOSEOUT

Cybercloseout hereby represents and warrants to LDA as follows:

3.1 Validity of Actions. It is duly organized, validly existing and in good standing under the laws of the State of Delaware and has the authority to carry on its business as currently conducted, and is qualified to do business in all jurisdictions in which such qualification is necessary. It has full power and authority to enter into this Agreement and to carry out all acts contemplated by it. This Agreement and each of the documents provided for in it to be delivered as part of this transaction, have been duly executed and have or will be delivered pursuant to all appropriate corporate authorization on its behalf and is, or will be, its legal, valid and binding obligation and is enforceable against it in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, merger, moratorium or similar laws affecting the enforcement of creditors' rights generally and general equitable principles regardless of whether such enforceability is considered in a proceeding at law or in equity. The execution and delivery of this Agreement, and each of the documents to be executed and delivered by it pursuant to its terms, and the consummation of the transactions contemplated by them will not violate any provision of its Articles of Incorporation, and all amendments thereto, or Bylaws or, violate, conflict with or result in any breach of any of the terms, provisions of or conditions of, or constitute a default or cause acceleration of any indebtedness under, any indenture, agreement or instrument to which it is a party or by which it or its assets may be bound, or, upon filing the Plan of Merger with the appropriate governmental instrumentality, cause a breach of any applicable law or governmental regulation, or any applicable order, judgment, writ, award, injunction or decree of any court or governmental instrumentality.

3.2 Capitalization.

Cybercloseout. The authorized capital stock of Cybercloseout consists of: (i) 30,000,000 shares of Cybercloseout Common Stock, \$0.001 par value per share, of which as of the date of this Agreement, there were 7,370,166 shares issued and outstanding and no shares were held in the treasury of Cybercloseout; and (ii) 2,000,000 shares of preferred stock, \$0.001 par value per share ("Cybercloseout Preferred Stock"), of which as of the date of this Agreement, there were no shares issued and outstanding and no shares were held in the treasury of Cybercloseout. All outstanding shares of Cybercloseout Common Stock have been validly issued by Cybercloseout and are fully paid, nonassessable and free of preemptive rights. There are no subscriptions, options, warrants, calls, rights, contracts, commitments, understandings or arrangements relating to the issuance, sale or transfer by BCSD of any shares of its capital stock, including any right of conversion or exchange under any outstanding security or other instrument. Upon their issuance pursuant to this Agreement, all of the Cybercloseout Common Stock and Cybercloseout Preferred Stock

will be duly issued, fully paid, and non-assessable, provided that there is not a sufficient amount of authorized and unissued common stock necessary to convert the Preferred Stock of Cybercloseout issued pursuant to this Agreement into common stock without amending the Articles of Incorporation of Cybercloseout.

3.3 Actions Pending. There are no actions, suits, proceedings, investigations or claims pending or threatened against it which, if determined adversely to it would (A) have a material adverse effect on its operations, or (B) prevent or delay the consummation of any of the transactions contemplated by this Agreement.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF BCSD

BCSD hereby represents and warrants to LIDA as follows:

4.1 Validity of actions. It is duly organized, validly existing and in good standing under the laws of the State of Florida and has the authority to carry on its business as currently conducted, and is qualified to do business in all jurisdictions in which such qualification is necessary. It has full power and authority to enter into this Agreement and to carry out all acts contemplated by it. This Agreement and each of the documents provided for in it to be delivered as part of this transaction, have been duly executed and have or will be delivered pursuant to all appropriate corporate authorization on its behalf and is, or will be, its legal, valid and binding obligation and is enforceable against it in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, merger, moratorium or similar laws affecting the enforcement of creditors' rights generally and general equitable principles regardless of whether such enforceability is considered in a proceeding at law or in equity. The execution and delivery of this Agreement, and each of the documents to be executed and delivered by it pursuant to its terms, and the consummation of the transactions contemplated by them will not violate any provision of their respective Certificates of Incorporation, and all amendments thereto, or Bylaws or, violate, conflict with or result in any breach of any of the terms, provisions of or conditions of, or constitute a default or cause acceleration of any indebtedness under, any indenture, agreement or instrument to which it is a party or by which it or its assets may be bound, or, upon filing the Plan of Merger with the appropriate governmental instrumentality, cause a breach of any applicable law or governmental regulation, or any applicable order, judgment, writ, award, injunction or decree of any court or governmental instrumentality.

4.2 Capitalization

BCSD. The authorized capital stock of BCSD consists of 100 shares of Common Stock, \$0.01 par value per share, of which as of the date of this Agreement,

there were 100 shares issued and outstanding and no shares were held in the treasury of BCSD. Since February 9, 1999 there have been no changes in the authorized, issued, outstanding or treasury shares of BCSD Common Stock. All outstanding shares of BCSD Common Stock have been validly issued by BCSD and are fully paid, nonassessable and free of preemptive rights. There are no subscriptions, options, warrants, calls, rights, contracts, commitments, understandings or arrangements relating to the issuance, sale or transfer by BCSD of any shares of its capital stock, including any right of conversion or exchange under any outstanding security or other instrument.

4.3 Actions Pending. There are no actions, suits, proceedings, investigations or claims pending or threatened against it which, if determined adversely to it would (A) have a material adverse effect on its operations, or (B) prevent or delay the consummation of any of the transactions contemplated by this Agreement.

ARTICLE V

COVENANTS OF THE PARTIES

5.1 Conduct of Each of the Parties Prior to the Closing. Pending consummation of the Plan of Merger or prior to termination of this Agreement, each of the Parties to this Agreement agrees, without prior written consent of the other parties to this Agreement, given in a letter which specifically refers to this Section of the Agreement:

(a) not to (i) perform any act or omit to take any act that would make any of the representations made above, inaccurate in any material respect or materially misleading as of the Effective Date, or (ii) make any payment or distribution except for the payment of liabilities incurred in the ordinary course of business.

(b) to conduct its business in the ordinary and regular course, and keep its books of account, records and files in substantially the same manner as at present.

5.2 Notice. Pending the consummation of the transactions contemplated in this Agreement or prior to termination of this Agreement, each party agrees that it will promptly advise the others of the occurrence of any condition or event which would make any of its representations contained in this Agreement inaccurate, incorrect, or materially misleading.

5.3 Access. Prior to the Closing, each party shall afford to the other parties to this Agreement (and their respective officers, attorneys, accountants and other authorized representatives) upon reasonable notice, free and full access during usual business hours to its relevant offices, personnel, books and records and other data,

financial or otherwise, so that each such party may have full opportunity to make such investigation as it shall desire of the assets and the business and operations of the other parties, provided that such investigation shall not unreasonably interfere with such parties operations. The scope of the investigation will include, but not be limited to, verification of the accounts, books and records of each party. Duty authorized representatives shall also be entitled to discuss with officers of each party, its counsel, employees and independent public accountants, all of its books, records and other corporate documents, contracts, pricing and service policies, commitments and future prospects. Representatives of each party will furnish to the other parties to this Agreement and such other persons, copies of all materials relating to the business affairs, operations, assets and liabilities of each party which may be reasonably requested from time to time and will cause representatives and employees of each party to assist in such investigation. All information obtained in connection with the transactions contemplated by this Agreement or in the course of their investigations, whether obtained before or after the date of this Agreement (the "Evaluation Material") shall be used only in connection with this Agreement and the subsequent operation of the combined entity and the other parties to this Agreement shall assure that all Evaluation Material will be otherwise kept strictly confidential by each of them and their respective representatives.

5.4 Additional Documents. At the request of any party, each party will execute and deliver any additional documents and perform in good faith such acts as reasonably may be required in order to consummate the transactions contemplated by this Agreement and to perfect the conveyance and transfer of any property or rights to be conveyed or transferred or perfect the assumption of any liabilities assumed under the terms of this Agreement.

5.5 Filing of Returns; Additional Information. Each party will file on a timely basis all tax returns, notices of sale and other documentation required by law in connection with the transactions provided for in this Agreement or otherwise required by law, regulation or pursuant to the terms of any agreement to which it is a party. Each party will supplement any previous filing made by it in accordance with legitimate requests made by applicable agencies or parties to the extent required by the relevant law, regulation or agreement.

5.6 Compliance with Conditions to Closing. Subsequent to the execution and delivery of this Agreement and prior to the Closing Date, each of the parties to this Agreement will execute such documents and take such other actions as reasonably may be appropriate to fulfill the conditions to the Closing Date provided for in Article V of this Agreement.

5.7 Further Assurances. Consistent with the terms and conditions hereof, each party hereto will execute and deliver such instruments and take such other action as the other parties hereto may reasonably require in order to carry out this Agreement and the Plan of Merger and the transaction contemplated hereby and thereby.

5.8 Filing of Merger Documents. Subject to the terms and conditions of this Agreement, as soon as practicable following the approval of the Plan of Merger by the shareholders of each and the approval of the issuance of the shares of Cybercloseout Common Stock pursuant to this Agreement and the Plan of Merger by the Board of Directors of Cybercloseout and BCSD shall cause Articles of Merger to be filed with the Florida Department of State.

ARTICLE VI

CONDITIONS TO THE OBLIGATIONS OF THE PARTIES

The obligation of each of Cybercloseout and BCSD, on the one hand, and LDA, on the other hand, to consummate the transactions contemplated by this Agreement shall be subject to compliance with or satisfaction of the following conditions by the other, to the extent applicable:

6.1 Bring Down. The representations and warranties set forth in this Agreement shall be true and correct in all material respects on and at the Closing as if then made by the relevant party (except for those representations and warranties made as of a given date, which shall continue to be true and correct as of such given date).

6.2 Compliance. Each party shall have complied with all of the covenants and agreements in this Agreement on its or their part, respectively, to be complied with as of or prior to the Closing Date.

6.3 No Material Adverse Change. Since the date of this Agreement, there shall not have occurred any material adverse change in the condition or operations (financial or otherwise) of LDA, on the one hand, or of Cybercloseout and BCSD, on the other.

6.4 BCSD's Certificates. There shall be delivered to LDA:

A good standing certificate and certified charter document of BCSD of recent date, from the Secretary of State of Florida.

The certificate is hereafter referred to collectively as "Disappearing Corporation's Certificate."

6.5 Cybercloseout's Certificates. There shall be delivered to LDA:

A good standing certificate and certified charter document of Cybercloseout of recent date, from the Secretary of State of Delaware.

The certificate is hereafter referred to collectively as "Cybercloseout's Certificate."

6.6 LDA's Certificates. There shall be delivered to Cybercloseout and BCSD:

A good standing certificate and certified charter document of LDA of recent date, from the Secretary of State of Florida.

The certificate is hereafter referred to collectively as "LDA's Certificate."

6.7 No Suits. No action or proceeding shall have been instituted in any court or before any Federal, state or local governmental agency against any party seeking to restrain or prohibit the consummation of the transactions contemplated by this Agreement, or which could have a material adverse effect on any of the parties, which shall not have been dismissed or withdrawn prior to the Effective Time of the Merger.

6.8 Documents. All documents required to be delivered to each of the parties to this Agreement, at or prior to Closing shall have been so delivered.

6.9 Authority. There shall be in full force and effect the resolutions of the Boards of Directors of each of the parties to this Agreement approving this Agreement and the other documents executed and delivered by each of them in connection with this Agreement and the transactions contemplated in it. At or prior to the Closing, each party will deliver to the other a copy of the resolutions of its Board of Directors approving the execution and delivery of this Agreement and the other documents to be delivered pursuant to this Agreement and the consummation of all of the transactions contemplated hereby, duly certified by an appropriate officer.

6.10 Bankruptcy, Dissolution, etc. No petition or other commencement of proceedings in bankruptcy or proceedings for dissolution, termination, liquidation or an arrangement, merger or readjustment of any party's debts under any state or Federal law enacted for the relief of debtors or otherwise, whether instituted by or against a party, has been effected or commenced by or against any party.

ARTICLE VII

CLOSING

7.1 Time and Place of Effective Date. The closing of the transactions provided for in this Agreement shall take place as soon as practicable.

7.2 Deliveries at Closing. At the Closing, Cybercloseout and BCSD shall deliver to LDA and LDA shall deliver to Cybercloseout and BCSD the certificates and other documents and instruments provided to be delivered under the provisions hereof, and LDA shall cause the Certificate of Merger to be filed in accordance with the

provisions of the Delaware Corporation Act and Florida Business Corporation Act (or such other jurisdiction as may be applicable) and shall take any other lawful actions and do any other lawful things necessary to effect the Merger and to enable the Merger to become effective.

ARTICLE VIII

TERMINATION AND RIGHTS AND REMEDIES ON DEFAULT

8.1 Termination. This Agreement may be terminated and the transactions contemplated hereby abandoned prior to the Closing: (i) by the mutual consent of the parties to this Agreement; (ii) by Cyberosecut and BCSD, if any condition to their obligations to close becomes impossible of performance or has not been satisfied in full (in each case other than as a result of a breach of such party's obligations under this Agreement) or previously waived by the other parties to this Agreement in writing at or prior to the Termination Date; or (iii) by L2IA if any condition to its obligations to close becomes impossible of performance or has not been satisfied in full (in each case other than as a result of a breach of such party's obligations under this Agreement) or previously waived by the other parties to this Agreement in writing at or prior to the Termination Date. If this Agreement is terminated pursuant to clause (i) of this Article VIII all obligations of the parties hereunder shall terminate without any further liability or obligation of either party to the other except as limited by the preceding sentence, the exercise by any party of the right to terminate this Agreement shall not terminate or limit any remedy that such party may have pursuant to applicable law, including any rights with respect to damages or specific performance.

8.2 Nature of Remedies Cumulative. Except as otherwise provided in this Agreement, all rights and remedies granted in this Agreement or available under applicable law shall be deemed concurrent and cumulative and not alternative or exclusive remedies, to the full extent permitted by law and this Agreement, and any party may proceed with any number of remedies at the same time or in any order. The exercise of any one right or remedy shall not be deemed a waiver or release of any other right or remedy, and any party, upon the occurrence of an event of default by another party under this Agreement, may proceed at any time, under any agreement, in any order and with any available remedy.

ARTICLE IX

FINDER'S FEES

Each of the parties represents and warrants to the other that such party has not employed any finder or broker in connection with transactions contemplated by this Agreement. Each party agrees to indemnify and hold harmless the others from and

against any claim, damages, liabilities, and expenses (including without limitation, attorneys' fees and disbursements) arising from any claim or demand asserted by any person or entity on the basis of its employment as a finder or broker by the respective party.

**ARTICLE X
NOTICES**

All notices or other communications required or permitted under the terms of this Agreement shall be made in writing and shall be deemed given upon (i) hand delivery or (ii) three days after deposit of same in the Certified Mail, Return Receipt Requested, first class postage and registration fees prepaid and correctly addressed to the parties at the following addresses:

If to Cyberclosure or BCSD: c/o Greenberg Traurig, P.A.
777 S. Flagler Drive, Suite 300-E
West Palm Beach, FL 33401
Attn: Morris C. Brown, Esq.

If to CIA: c/o Greenberg Traurig, P.A.
777 S. Flagler Drive, Suite 300-E
West Palm Beach, FL 33401
Attn: Morris C. Brown, Esq.

or to such other addresses as any of the parties hereto may designate by notice to the others.

ARTICLE XI

MISCELLANEOUS

11.1 Miscellaneous Provisions

(a) **Successors.** This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and permitted assigns. This Agreement may not be assigned prior to Closing without the prior written consent of the other parties hereto.

(b) **Expenses.** Except as otherwise provided in this Agreement, each of the parties to this Agreement shall be responsible for any and all of the respective fees, costs, and expenses incurred by each, in connection with the negotiation, preparation or performance of this Agreement.

(c) Entire Agreement. This Agreement incorporates by this reference the Plan of Merger, all Exhibits hereto and all documents executed and/or delivered at Closing. This Agreement and the documents so incorporated into it contain the parties' entire understanding and agreement with respect to the subject matter hereof, and any and all conflicting or inconsistent discussions, agreements, promises, representations and statements, if any, between the parties or their representatives that are not incorporated in this Agreement shall be null and void and are merged into this Agreement.

(d) Amendments Only in Writing. No amendment, modification, waiver or discharge of this Agreement or any provision of this Agreement shall be effective against any party, unless such party shall have consented thereto in writing.

(e) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original, but all of which together shall constitute a single agreement.

(f) Cooperation. Each of the parties to this Agreement, when requested by another party, shall give all reasonable and necessary cooperation with respect to any reasonable matters relating to the transactions contemplated by this Agreement.

(g) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, exclusive of its choice of law provisions.

(h) Headings. The various section headings are inserted for purposes of reference only and shall not affect the meaning or interpretation of this Agreement or any provision hereof.

(i) Gender Number. All references to gender or number in this Agreement shall be deemed interchangeably to have a masculine, feminine, neuter, singular or plural meaning, as the sense of the context requires.

(j) Severability. The provisions of this Agreement shall be severable, and any invalidity, unenforceability or illegality of any provision or provisions of this Agreement shall not affect any other provision or provisions of this Agreement, and each term and provision of this Agreement shall be construed to be valid and enforceable to the full extent permitted by law.

(k) Survival. Except as otherwise expressly provided in this Agreement, the liabilities and obligations of each party with respect to any and all of its representations, warranties, covenants and agreements set forth in this Agreement and/or in any document incorporated into it shall not be merged into, affected or impaired by the Closing under this Agreement. All of the representations, warranties,

covenants and agreements set forth in this Agreement shall survive the Closing for the period thereafter until two (2) years from the date first above written.

(i) No Third Party Beneficiaries. This Agreement has been entered into solely for the benefit of the parties that have executed it, and not to confer any benefit or enforceable right upon any other party or entity. Accordingly, no party or entity that has not executed this Agreement shall have any right to enforce any of the provisions of it.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed by an officer duly authorized to do so, all as of the day and year first above written.

LONG DISTANCE AMERICA, INC.

By: James A. Brown
James A. Brown, President

CYBERCLOSEOUT, INC.

By: James A. Brown
James A. Brown, President

BCSD, INC.

By: James A. Brown
James A. Brown, President



EXHIBIT "A"
Plan of Merger

001000222

ARTICLES OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
LONG DISTANCE AMERICA, INC.

Pursuant to the provisions of section 607.1006, Florida Statutes, this Florida profit corporation adopts the following articles of amendment to its articles of incorporation:

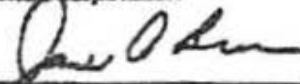
1. The name of the corporation is Long Distance America, Inc. (the "Corporation").

2. Article 7.1 of the Articles of Incorporation of the Corporation is hereby deleted in its entirety and replaced with the following:

7.1 The maximum number of shares that this Corporation is authorized to have outstanding at any time is Ten Thousand (10,000) shares of common stock, each having the par value of One Tenth of One Cent (\$0.001).

3. The foregoing amendment was adopted by consent of action of the Sole Shareholder and all of the Directors on March 29, 1999. The number of votes cast by the shareholder was sufficient for approval.

LONG DISTANCE AMERICA, INC.,
a Florida corporation

By: 
James A. Brown, President

Dated this 30th day of March 1999.

W0821094

Prepared by: Douglas P. Fremont, Esq.
Greenberg Traurig, P.A.
777 South Flagler Drive, Ste 300-2
West Palm Beach, FL 33401
Telephone: 561-650-7900
Fax: 561-655-6222
FL Bar No.: 999880

FILED
99 MAR 30 PM 4:30
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

EXHIBIT B - CERTIFICATE OF AUTHORITY

EXHIBIT C - MARKETING MATERIAL

EXHIBIT D - FINANCIAL INFORMATION

CYBERCLOSEOUT, INC. AND SUBSIDIARY

(A Development Stage Enterprise)

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 12, 1999

CYBERCLOSEOUT, INC. AND SUBSIDIARY
(A Development Stage Enterprise)

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Cybercloseout, Inc. and Subsidiary
Fort Lauderdale, Florida

We have compiled the accompanying consolidated balance sheet of Cybercloseout, Inc. and Subsidiary (a development stage enterprise) as of March 12, 1999, and the related consolidated statement of operations, stockholders' deficiency, and cash flows from inception (July 21, 1998) to March 12, 1999, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

As more fully described in Note 2, the Company is in the development stage and has thus far generated no revenue, which creates an uncertainty as to the ability of the Company to continue as a going concern.

RACHLIN COHEN & HOLTZ LLP

Fort Lauderdale, Florida
March 16, 1999

CYBERCLOSEOUT, INC. AND SUBSIDIARY*(A Development Stage Enterprise)*

CONSOLIDATED BALANCE SHEET

MARCH 12, 1999

(SEE ACCOUNTANTS' COMPILATION REPORT)

ASSETS

Current Assets:	
Cash	\$ 203,912
Escrowed funds receivable	43,000
Total current assets	<u>246,912</u>
Property and Equipment	<u>14,522</u>
Intangible Assets:	
FCC certification licenses	29,685
Deferred private placement costs	25,000
	<u>54,685</u>
Total assets	<u>\$ 316,119</u>

LIABILITIES AND STOCKHOLDERS' DEFICIENCY

Current Liabilities:	
Bridge notes payable	\$ 200,000
Stockholder loans payable	115,587
Accrued expenses	43,000
Total current liabilities	<u>358,587</u>
Commitments and Subsequent Events	-
Stockholders' Deficiency:	
Preferred stock, .001 par value; authorized 2,000,000 shares; none issued and outstanding	-
Common stock, \$.001 par value; authorized 30,000,000 shares; issued and outstanding 11,000,000 shares	11,000
Additional paid-in capital	4,870
Deficit accumulated during the development stage	<u>(58,338)</u>
	<u>(42,468)</u>
Total liabilities and stockholders' deficiency	<u>\$ 316,119</u>

See notes to consolidated financial statements.

CYBERCLOSEOUT, INC. AND SUBSIDIARY
(A Development Stage Enterprise)

CONSOLIDATED STATEMENT OF OPERATIONS
FROM INCEPTION (JULY 21, 1998) TO MARCH 12, 1999
(SEE ACCOUNTANTS' COMPILATION REPORT)

Net Sales	\$ -
General and Administrative Expenses	<u>58,338</u>
Loss Before Income Taxes	(58,338)
Income Taxes	<u>-</u>
Net Loss	<u>\$ (58,338)</u>

See notes to consolidated financial statements.

CYBERCLOSEOUT, INC. AND SUBSIDIARY
(A Development Stage Enterprise)

CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIENCY
FROM INCEPTION (JULY 21, 1998) TO MARCH 12, 1999
(SEE ACCOUNTANTS' COMPILATION REPORT)

	<u>Preferred Stock</u>		<u>Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Deficit Accumulated During the Development Stage</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>			
Sale of founders' shares (\$3.00) per share)	-	\$ -	7,370,165	\$ 7,370	\$ -	\$ -	\$ 7,370
Common stock issued in connection with merger of LDA	-	-	3,629,835	3,630	4,870	-	8,500
Net loss	-	-	-	-	-	(58,338)	(58,338)
Balance, March 12, 1999	-	\$ -	<u>11,000,000</u>	<u>\$ 11,000</u>	<u>\$ 4,870</u>	<u>\$ (58,338)</u>	<u>\$ (42,468)</u>

See notes to consolidated financial statements.

CYBERCLOSEOUT, INC. AND SUBSIDIARY
(A Development Stage Enterprise)

CONSOLIDATED STATEMENT OF CASH FLOWS
FROM INCEPTION (JULY 21, 1998) TO MARCH 12, 1999
(SEE ACCOUNTANTS' COMPILATION REPORT)

Cash Flows from Operating Activities:	
Net loss	\$ (58,338)
Changes in operating assets and liabilities:	
Accrued expenses	43,000
Net cash used in operating activities	<u>(15,338)</u>
Cash Flows from Investing Activities:	
Acquisition of property and equipment	(14,522)
Expenditures for FCC certification licenses	(29,685)
Net cash used in investing activities	<u>(44,207)</u>
Cash Flows from Financing Activities:	
Proceeds from bridge notes payable	157,000
Proceeds from issuance of common stock	15,870
Proceeds from stockholder loans	115,587
Deferred offering costs	(25,000)
Net cash provided by financing activities	<u>263,457</u>
Net Increase (Decrease) in Cash	203,912
Cash, Beginning	<u>-</u>
Cash, Ending	<u>\$ 203,912</u>

See notes to consolidated financial statements.

CYBERCLOSEOUT, INC. AND SUBSIDIARY
(A Development Stage Enterprise)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 12, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Capitalization

Cybercloseout, Inc. (the "Company") was incorporated under the laws of the state of Delaware on February 8, 1999.

The Company has authorized 30,000,000 shares of common stock with a par value of \$.001 and 2,000,000 shares of undesignated preferred stock, with a par value of \$.001. The Board of Directors has the authority to issue the undesignated preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions of designated preferred stock.

On February 24, 1999, the Company sold 7,370,165 shares of common stock to founders and officers for par value of \$.001 per share.

BCSD, Inc. ("BCSD"), a wholly-owned subsidiary of the Company, was incorporated on February 12, 1999 under the laws of the State of Florida. The Articles of Incorporation provide for 100 shares of authorized common stock with a par value of \$.01. On February 24, 1999, BCSD, pursuant to Articles of Merger filed with the Florida Department, merged with and into Long Distance America, Inc.

Long Distance America, Inc. ("LDA") was incorporated on July 21, 1998 under the laws of the State of Florida. The Articles of Incorporation, as amended on September 1, 1998, provide for 20,000,000 shares of authorized common stock with a par value of .001. As of the date of the merger with BCSD (see above), LDA had issued and outstanding 1,000 common shares. Pursuant to the merger agreement, those shares were exchanged for 3,629,835 shares of the Company common stock. LDA was the surviving corporation and the transaction was accounted for as a pooling of interests.

Business

The Company will operate an Internet retailing site offering excess merchandise, close-out, and refurbished products. LDA will resell long distance and other telecommunications service primarily by utilizing professional resale agents.

Principles of Consolidation

These accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary. All material intercompany accounts and transactions have been eliminated.

CYBERCLOSEOUT, INC. AND SUBSIDIARY
(A Development Stage Enterprise)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The accompanying consolidated financial statements have been prepared in conformity with generally accepted accounting principles. In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amount of assets and liabilities as of the date of the balance sheet and operations for the period. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash. The Company maintains its cash, which consists primarily of demand deposits, with high quality financial institutions, which the Company believes limits risk.

Property and Equipment

Property and equipment are stated at cost. Expenditures for major betterments and additions are charged to the asset accounts, while replacements, maintenance and repairs which do not extend the lives of the respective assets are charged to expense currently. As of March 12, 1999, none of the assets have been placed in service and as a result, no depreciation has been recorded.

Once the assets are placed in service, depreciation on property and equipment will be calculated on the straight-line method over the estimated useful lives of the assets. The estimated useful lives of the furniture, fixtures and equipment range generally up to 10 years.

FCC Certification Licenses

LDA is required to secure licenses from the Federal Communications Commission to handle international and interstate long distance services. The costs to date of acquiring these certifications have been capitalized and will be amortized over the estimated life of the licenses once LDA begins operations.

Deferred Private Placement Costs

Costs incurred in connection with the proposed private placement offering of the Company's common stock (see Note 6), consisting of professional fees directly associated with the sale of those securities, have been capitalized and will be charged to additional paid in capital once the offering has been completed.

CYBERCLOSEOUT, INC. AND SUBSIDIARY
(A Development Stage Enterprise)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Company accounts for its income taxes using Statement of Financial Accounting Standards (SFAS) No. 109, *Accounting for Income Taxes*, which requires recognition of deferred tax liabilities and assets for expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

Advertising Costs

Advertising costs are charged to expense as incurred. Advertising costs incurred for the period were not material.

NOTE 2. BASIS OF PRESENTATION

As described above, the Company was incorporated on February 8, 1999, and, since that time, has been primarily involved in organizational activities, developing a strategic plan for the marketing and distribution of its products, and raising capital. Planned operations, as described above, have not commenced. Accordingly, the Company is considered to be in the development stage, and the accompanying consolidated financial statements represent those of a development stage enterprise.

The accompanying consolidated financial statements have been presented in accordance with generally accepted accounting principles, which assume the continuity of the Company as a going concern. However, as discussed above, the Company is in the development stage and, therefore has generated no revenue to date. These conditions create uncertainty as to the ability of the Company to continue as a going concern. The Company is planning a private placement offering of the Company's common stock which, if completed successfully, will result in net proceeds to the Company ranging from approximately \$1,660,000 to \$3,400,000 (see Note 6).

CYBERCLOSEOUT, INC. AND SUBSIDIARY
(A Development Stage Enterprise)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 3. BRIDGE NOTES PAYABLE

The Company has sold \$200,000 of its unsecured non-negotiable promissory notes bearing interest at the rate of 10% per annum, to accredited investors for an aggregate consideration of \$200,000. Related costs amounted to \$26,000, resulting in net proceeds of \$174,000 to the Company. The notes included attached warrants with a five-year term to buy 200,000 shares of the Company's Common Stock at an exercise price of \$1.00 per share. No value has been ascribed to these warrants. The promissory notes will mature and become due and payable, along with all accrued interest, upon the earlier of (i) February 15, 2000, or (ii) completion of a financing transaction in which the Company raises gross proceeds of no less than \$2,000,000 through the issuance of debt or equity. As of March 12, 1999, \$43,000 was held in the closing agent's escrow account and is reflected in these consolidated financial statements as escrow funds receivable.

NOTE 4. STOCKHOLDER LOANS PAYABLE

The loans from stockholders bear no interest and are due the earlier of January 31, 2000, or upon completion of an initial public offering.

NOTE 5. EMPLOYMENT AGREEMENTS

The Company has entered into an Employment Agreement with its President and Chief Executive Officer as of February 17, 1999. The Agreement may be terminated by the Company for cause. The CEO may elect to terminate the Agreement by at least 30 days prior written notice to the Company. The Agreement provides, among other things, for an annual salary of \$120,000 effective January 25, 1999, subject to review on an annual basis by the Board of Directors, and contains a one-year, non-compete provision in case of termination. Included in accrued expenses is accrued salary pursuant to this agreement of \$15,000.

The Company has entered into an Employment Agreement with its Executive Vice President of Operations as of February 17, 1999. The Agreement may be terminated by the Company for cause. The Vice President may elect to terminate the Agreement by at least 30 days' prior written notice to the Company. The Agreement provides, among other things, for an annual salary of \$110,000 effective April 1, 1999, subject to review on an annual basis, by the Board of Directors, and contains a one-year, non-compete provision in case of termination. Included in accrued expenses is accrued salary pursuant to this agreement of \$2,000.

The Company has entered into an Employment Agreement with its Director of Operations commencing March 1, 1999. The agreement provides, among other things, for an annual salary equal to \$50,000 per year, an Executive Incentive Compensation Plan, 40,000 options to purchase shares of the Company's stock at an option price of \$.01 per share vesting over a period of three years, and contains a one-year, non-compete provision in case of termination.

CYBERCLOSEOUT, INC. AND SUBSIDIARY
(A Development Stage Enterprise)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 5. EMPLOYMENT AGREEMENTS (Continued)

The Company has entered into an Employment Agreement with its Chief Technology Officer commencing February 25, 1999. The agreement provides, among other things, for an annual salary of \$100,000 effective May 1, 1999, discretionary bonuses, and contains a one-year, non-compete provision in case of termination.

On March 29, 1999, the Company entered into an Employment Agreement with a Director of Sales commencing March 29, 1999. The agreement provides, among other things, for an annual salary of \$70,000, performance compensation, and contains a one-year, non-compete provision in case of termination.

NOTE 6. PROPOSED PRIVATE PLACEMENT OFFERING

The Company has entered into an agreement (the "Agency Agreement") as of February 12, 1999 with a Placement Agent, pursuant to which the Placement Agent has agreed to act as placement agent to the Company in connection with a proposed private placement offering. The Placement Agent is a related party of the Company. The proposed private placement is for the sale of units for \$100,000 per unit, each unit consisting of 100,000 shares of Company common stock. The units will be offered on a best efforts, all or none basis for a minimum of 20 units and a maximum of 40 units. The Agency Agreement calls for the Company to pay the Placement Agent a placement fee of 10% of the gross proceeds raised in the Offering and an unaccountable expense allowance of 3% of the gross proceeds. In addition, the Company has agreed to sell the Placement Agent, for nominal consideration, a warrant to purchase one share of the Company's common stock for each five shares of common stock sold in the Offering. The exercise price of the warrant will be \$1.20 per share and the expiration date will be April 15, 2005. The Placement Agent also will be paid \$4,000 per month through March 2001 for advisory services.

NOTE 7. INCOME TAXES

The Company accounts for income taxes under the provisions of Statement of Financial Accounting Standards (SFAS) No. 109, Accounting for Income Taxes. SFAS No. 109 is an asset and liability approach for computing deferred income taxes.

The provision for income taxes has been computed on a consolidated return basis. The Company plans to file a consolidated income tax return with LDA.

As of March 12, 1999, on a consolidated return basis, the Company had a net operating loss carryforward for Federal income tax reporting purposes amounting to approximately \$58,000 which will expire in 2019.

CYBERCLOSEOUT, INC. AND SUBSIDIARY
(A Development Stage Enterprise)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 (Continued)

NOTE 7. INCOME TAXES (Continued)

The Company presently has no significant temporary differences between financial reporting and income tax reporting. The components of the deferred tax asset as of March 12, 1999 were as follows:

Benefit of net operating loss carryforwards	\$22,000
Less valuation allowance	<u>22,000</u>
Net deferred tax asset	\$ <u> </u> -0-

As of March 12, 1999, sufficient uncertainty exists regarding the realizability of these operating loss carryforwards and, accordingly, a valuation allowance of \$22,000, which related to the net operating losses, has been established.

In accordance with certain provisions of the Tax Reform Act of 1986, a change in ownership of greater than 50% of a corporation within a three year period will place an annual limitation on the corporation's ability to utilize its existing tax benefit carryforwards. Such a change in ownership could occur in 1999, based upon the private placement sale of common stock. As a result, an annual limitation could apply to the net operating loss carryforward existing as of that date. The Company's utilization of its tax benefit carryforwards may be further restricted in the event of subsequent changes in the ownership of the Company.

NOTE 8. STOCK OPTION PLANS

Non-Employee Directors' Stock Option Plan

On February 16, 1999, the Company adopted, and its stockholders approved, a Non-Employee Director Stock Option Plan (the "Directors' Plan") to attract and retain the services of non-employee members of the Board of Directors. The maximum number of shares of Common Stock with respect to which options may be granted under the Directors' Plan is 250,000 shares. As of March 12, 1999, options covering 250,000 shares were available for future grant under the Directors' Plan.

Each member of the Board of Directors of the Company who otherwise (i) is not currently an employee of the Company, (ii) is not a former employee still receiving compensation for prior services (other than benefits under a tax-qualified pension plan), and (iii) is not currently receiving remuneration from the Company in any capacity other than as a director shall be eligible for the grant of stock options under the Directors' Plan. Currently, none of the directors are eligible to participate in the Directors' Plan.

CYBERCLOSEOUT, INC. AND SUBSIDIARY*(A Development Stage Enterprise)***NOTES TO CONSOLIDATED FINANCIAL STATEMENTS***(Continued)***NOTE 8. STOCK OPTION PLANS (Continued)***Non-Employee Directors' Stock Option Plan (Continued)*

Upon the election of any new non-employee member to the Board of Directors, such member will be granted an option to purchase 10,000 shares of Common Stock at the fair market value at date of grant, which option will be immediately vested. Beginning with the next annual meeting of the stockholders of the Company and provided that a sufficient number of shares remain available under the Directors' Plan, each year immediately following the date of the annual meeting of the Company there automatically will be granted to each non-employee director who is then serving on the Board an option to purchase 10,000 shares of the Common Stock of the Company, which options will be immediately vested. The options to be granted under the Directors' Plan shall be nonqualified stock options.

1999 Performance Incentive Plan

In February 1999, the Board of Directors of the Company (the "Board") authorized, and the stockholders of the Company approved, the 1999 Stock Incentive Plan for executive and other employees of the Company, including a limited number of outside consultants and advisors, effective as of the completion of the Stock Option Plan. Under the Stock Option Plan, employees, outside consultants and advisors (the "Participants") of the Company (as defined in the Stock Option Plan) may receive awards of stock options (both Nonqualified Options and Incentive Options, as defined in the Stock Option Plan), stock appreciation rights or restricted stock. A maximum of 1,500,000 shares of Common Stock are subject to the Stock Option Plan. As of March 12, 1999, options for 1,326,000 shares of Common Stock were available for grant. The purpose of the Stock Option Plan is to provide employees (including officers and directors who are also employees) and non-employee consultants and advisors of the Company ("employees") with an increased incentive to make significant contributions to the long-term performance and growth of the Company.

The Stock Option Plan may be administered by the Board, or in the Board's sole discretion, by the Compensation Committee of the Board (the "Committee," and with the Board, the "Administrator") or such other committee as may be specified by the Board to perform the functions and duties of the Committee under the Stock Option Plan.

The Participants in the Stock Option Plan are those employees, consultants, and advisors of the Company who, in the judgment of the Administrator, are or will become responsible for the direction and financial success of the Company. Employees include officers and directors who are also employees of the Company.

Subject to the terms of the Stock Option Plan, the Administrator may grant to Participants either Incentive Options meeting the definition of an incentive stock option under Section 422 of the Internal Revenue Code or Nonqualified Options not meeting such definition, or any combination thereof. The exercise price for an Incentive Option may not be less than 100% of the fair market value of the stock on the date of grant; however, the exercise price for an Incentive Option granted to an employee who owns more than 10% of the voting stock of the Company, or any subsidiary, may not be less than 110% of the fair market value of the stock on the date of grant.

CYBERCLOSEOUT, INC. AND SUBSIDIARY
(A Development Stage Enterprise)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 7. STOCK OPTIONS PLANS (Continued)

1999 Performance Incentive Plan (Continued)

Subject to the terms of the Stock Option Plan, the Administrator may grant stock appreciation rights to Participants either in conjunction with, or independently of, any stock options. Stock appreciation rights may be granted in conjunction with stock options as an alternative right or as an additional right. Upon exercise of a stock appreciation right, a Participant will generally be entitled to receive an amount equal to the difference between the fair market value of the shares at the time of grant and the fair market value of the shares at the time of exercise. This amount may be payable in cash, shares of common stock, or a promissory note from the Participant, or any combination thereof, as determined in the discretion of the Administrator.

The exercise period for stock options and stock appreciation rights will be determined by the Administrator, but no stock option or stock appreciation right may be exercisable prior to the expiration of six months from the date of grant or after 10 years from the date of grant, subject to certain conditions and limitations.

Subject to the terms of the Stock Option Plan, the Administrator may award shares of restricted stock to Participants. All shares of restricted stock will be subject to the following terms and conditions, among others: (i) at the time of each award of restricted shares, a restricted period of no less than six months and no greater than five years, will be established for the shares. The restricted period may differ among Participants and may have different expiration dates with respect to portions of shares covered by the same award; (ii) shares of restricted stock awarded to Participants may not be sold, assigned, transferred, pledged, hypothecated or otherwise encumbered during the restricted period applicable to such shares. Except for such restrictions on transfer, a Participant will have all of the rights of a shareholder in respect to restricted shares awarded to him or her, including the right to receive any dividends on, and right to vote, the shares; and (iii) if a Participant ceases to be an employee or consultant of the Company for any reason other than death or permanent disability, all shares theretofore awarded to the Participant, which are still subject to the restrictions imposed by provision (ii) above, will upon such termination of employment or consultancy, be forfeited and transferred back to the Company. If such employment or consultancy is terminated by action of the Company without cause, or by agreement between the Company and the Participant, the Administrator may, in its discretion, release some or all of the shares from the restrictions; (iv) if a Participant ceases to be an employee or consultant of the Company by reason of death or permanent disability, the restrictions will lapse with respect to shares then subject to such restrictions, unless otherwise determined by the Administrator.

The Stock Option Plan may be abandoned or terminated at any time by the Board. Unless sooner terminated, the Stock Option Plan will terminate on the date ten years after its adoption by the Board. The termination of the Stock Option Plan will not affect the validity of any stock option, stock appreciation right, or restricted stock outstanding on the date of termination.

CYBERCLOSEOUT, INC. AND SUBSIDIARY
(A Development Stage Enterprise)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 7. STOCK OPTIONS PLANS (Continued)

1999 Performance Incentive Plan (Continued)

The Company has issued options to purchase 174,000 shares of common stock out of the 1,500,000 shares of common stock provided for in the Company's 1999 Performance Incentive Plan.

EXHIBIT E - PROPOSED TARIFF

LONG DISTANCE AMERICA, INC.

ORIGINAL SHEET 1

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

TITLE SHEET

SOUTH DAKOTA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service or facilities for Telecommunications Services furnished by Long Distance America, Inc. ("LDA"), with principal offices at 5807 North Andrews Way, Fort Lauderdale, Florida 33309. This tariff applies for services furnished within the State of South Dakota. This tariff is on file with the South Dakota Public Utilities Commission, and copies may be inspected, during normal business hours, at the company's principal place of business.

ISSUED: April 15, 1999

EFFECTIVE: , 1999

ISSUED BY:

Gregory A. Cogen, COO
5807 North Andrews Way
Fort Lauderdale, Florida 33309

LONG DISTANCE AMERICA, INC.

ORIGINAL SHEET 2

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

RESERVED FOR FUTURE USE

ISSUED: April 15, 1999

EFFECTIVE: , 1999

ISSUED BY:

Gregory A. Cogen, COO
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Fort Lauderdale, Florida 33309

LONG DISTANCE AMERICA, INC.

ORIGINAL SHEET 3

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

CHECK SHEET

The Sheets of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this sheet.

<u>SHEET</u>	<u>REVISION</u>
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original
17	Original
18	Original
19	Original
20	Original
21	Original
22	Original
23	Original
24	Original
25	Original
26	Original
27	Original
28	Original
29	Original
30	Original
31	Original
32	Original

* New or Revised Sheet

ISSUED: April 15, 1999

EFFECTIVE: , 1999

ISSUED BY:

Gregory A. Cogen, COO
5807 North Andrews Way
Fort Lauderdale, Florida 33309

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TELECOMMUNICATIONS SERVICES TARIFFTARIFF FORMAT

A. Sheet Numbering: Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between pages 11 and 12 would be page 11.1.

B. Sheet Revision Numbers: Revision numbers also appear in the upper right corner of each sheet where applicable. These numbers are used to indicate the most current page version on file with the Commission. For example, 4th Revised Sheet 13 cancels 3rd Revised Sheet 13. Consult the Check Sheet for the sheets currently in effect.

C. Paragraph Numbering Sequence: There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

- 2.
- 2.1
- 2.1.1
- 2.1.1.A
- 2.1.1.A.1
- 2.1.1.A.1.(a)
- 2.1.1.A.1.(a).I
- 2.1.1.A.1.(a).I.(i)
- 2.1.1.A.1.(a).I.(i).(1)

D. Check Sheets: When a tariff filing is made with the Commission, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the sheets contained in the tariff, with a cross reference to the current Revision Number. When new sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some sheets). The tariff user should refer to the latest Check Sheet to find out if a particular sheet is the most current on Commission file.

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TELECOMMUNICATIONS SERVICES TARIFF

SYMBOLS

The following are the only symbols used for the purposes indicated below:

- (C) to signify change in regulation
- (D) to signify a deletion
- (I) to signify a rate increase
- (L) to signify material relocated in the tariff
- (N) to signify a new rate or regulation
- (R) to signify a rate reduction
- (T) to signify a change in text, but no change in rate or regulation

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TELECOMMUNICATIONS SERVICES TARIFF

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement from a local exchange telephone company or other common carrier, using either dedicated or switched access, which connects a Customer's location to LDA's location or switching center.

Authorization Code - A numerical code, one or more of which may be assigned to a Customer, to enable LDA to identify the origin of the Customer so it may rate and bill the call. Automatic number identification (ANI) is used as the authorization code wherever possible.

Commission - Used throughout this tariff to mean the South Dakota Public Utilities Commission.

Customer - The person, firm, corporation or other legal entity which orders the services of LDA and is responsible for the payment of charges and for compliance with the Company's tariff regulations.

Company or LDA - Used throughout this tariff to mean Long Distance America, Inc., a Florida corporation.

Dedicated Access - The Customer gains entry to the Company's services by a direct path from the Customer's location to the Company's point of presence.

Holiday - New Year's Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Holidays shall be billed at the evening rate from 8 a.m. to 11 p.m. After 11 p.m., the lower night rate shall go into effect.

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TELECOMMUNICATIONS SERVICES TARIFF

Resp. Org - Responsible Organization or entity identified by an 800 service Customer that manages and administers records in the 800 database and management system.

Switched Access - The Customer gains entry to the Company's services by a transmission line that is switched through the local exchange carrier to reach the Company's point of presence.

Telecommunications - The transmission of voice communications or, subject to the transmission capabilities of the services, the transmission of data, facsimile, signaling, metering, or other similar communications.

Underlying Carrier - The telecommunications carrier whose network facilities provide the technical capability and capacity necessary for the transmission and reception of Customer telecommunications traffic.

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TELECOMMUNICATIONS SERVICES TARIFFSECTION 2 - RULES AND REGULATIONS2.1 Undertaking of the Company

This tariff contains the regulations and rates applicable to intrastate resale telecommunications services provided by LDA for telecommunications between points within the State of South Dakota. Resale services are furnished subject to the availability of facilities and subject to the terms and conditions of this tariff in compliance with limitations set forth in the Commission's rules. The Company's services are provided on a statewide basis and are not intended to be limited geographically. The Company offers service to all those who desire to purchase service from the Company consistent with all of the provisions of this tariff. Customers interested in the Company's services shall file a service application with the Company which fully identifies the Customer, the services requested and other information requested by the Company. The Company reserves the right to examine the credit record and check the references of all applicants and Customers. The Company may examine the credit profile/record of any applicant prior to accepting the service order. The service application shall not in itself obligate the Company to provide services or to continue to provide service if a later check of applicant's credit record is, in the opinion of the Company, contrary to the best interest of the Company. The Company may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the Customer, to allow connection of a Customer's location to a service provided by the Company. The Customer shall be responsible for all charges due for such service arrangement.

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TELECOMMUNICATIONS SERVICES TARIFF

- 2.1.1 The services provided by LDA are not part of a joint undertaking with any other entity providing telecommunications channels, facilities, or services, but may involve the resale of the Message Toll Services (MTS) and Wide Area Telecommunications Services (WATS) of underlying common carriers subject to the jurisdiction of this Commission.
- 2.1.2 The rates and regulations contained in this tariff apply only to the resale services furnished by LDA and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carriers for use in accessing the services of LDA.
- 2.1.3 The Company reserves the right to limit the length of communications, to discontinue furnishing services, or limit the use of service necessitated by conditions beyond its control, including, without limitation: lack of satellite or other transmission medium capacity; the revision, alteration or repricing of the Underlying Carrier's tariffed offerings; or when the use of service becomes or is in violation of the law or the provisions of this tariff.

2.2 Use of Services

- 2.2.1 LDA's services may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of services, subject to any limitations set forth in this Section 2.2.
- 2.2.2 The use of LDA's services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another or in such a way as to unreasonably interfere with use by others is prohibited.

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TELECOMMUNICATIONS SERVICES TARIFF

- 2.2.3 The use of LDA's services without payment for service or attempting to avoid payment for service by fraudulent means or devices, schemes, false or invalid numbers, or false calling or credit cards is prohibited.
- 2.2.4 LDA's services are available for use twenty-four hours per day, seven days per week.
- 2.2.5 LDA does not transmit messages, but the services may be used for that purpose.
- 2.2.6 LDA's services may be denied for nonpayment of charges or for other violations of this tariff.
- 2.2.7 Customers shall not use the service provided under this tariff for any unlawful purpose.
- 2.2.8 The Customer is responsible for notifying the Company immediately of any unauthorized use of services.

2.3 Liability of the Company

- 2.3.1 The Company shall not be liable for any claim, loss, expense or damage for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff, if caused by the Underlying Carrier, an act of God, fire, war, civil disturbance, act of government, or due to any other causes beyond the Company's control.
- 2.3.2 The Company shall not be liable for, and shall be fully indemnified and held harmless by the Customer against any claim, loss, expense, or damage for defamation, libel, slander, invasion, infringement of copyright or patent, unauthorized use of any trademark, trade name or service mark, proprietary or creative right, or any other injury to any person, property or entity arising out of the material, data or information transmitted.

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TELECOMMUNICATIONS SERVICES TARIFF

- 2.3.3 No agent or employee of any other carrier or entity shall be deemed to be an agent or employee of the Company.
- 2.3.4 Reserved for Future Use
- 2.3.5 Reserved for Future Use
- 2.3.6 Reserved for Future Use

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TELECOMMUNICATIONS SERVICES TARIFF

2.3.7 The remedies set forth herein are exclusive and in lieu of all other warranties and remedies, whether express, implied, or statutory, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

2.4 Responsibilities of the Customer

- 2.4.1 The Customer is responsible for placing any necessary orders and complying with tariff regulations. The Customer is also responsible for the payment of charges for services provided under this tariff.
- 2.4.2 The Customer is responsible for charges incurred for special construction and/or special facilities which the Customer requests and which are ordered by LDA on the Customer's behalf.
- 2.4.3 If required for the provision of LDA's services, the Customer must provide any equipment space, supporting structure, conduit and electrical power without charge to LDA.
- 2.4.4 The Customer is responsible for arranging access to its premises at times mutually agreeable to LDA and the Customer when required for LDA personnel to install, repair, maintain, program, inspect or remove equipment associated with the provision of LDA's services.
- 2.4.5 The Customer shall cause the temperature and relative humidity in the equipment space provided by Customer for the installation of LDA's equipment to be maintained within the range normally provided for the operation of microcomputers.

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- 2.4.6 The Customer shall ensure that the equipment and/or system is properly interfaced with LDA's facilities or services, that the signals emitted into LDA's network are of the proper mode, bandwidth, power and signal level for the intended use of the subscriber and in compliance with criteria set forth in this tariff, and that the signals do not damage equipment, injure personnel, or degrade service to other Customers. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, LDA will permit such equipment to be connected with its channels without the use of protective interface devices. If the Customer fails to maintain the equipment and/or the system properly, with resulting imminent harm to LDA equipment, personnel or the quality of service to other Customers, LDA may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, LDA may, upon written notice, terminate the Customer's service.
- 2.4.7 The Customer must pay LDA for replacement or repair of damage to the equipment or facilities of LDA caused by negligence or willful act of the Customer or others, by improper use of the services, or by use of equipment provided by Customer or others.
- 2.4.8 The Customer must pay for the loss through theft of any LDA equipment installed at Customer's premises.
- 2.4.9 If LDA installs equipment at Customer's premises, the Customer shall be responsible for payment of any applicable installation charge.

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TELECOMMUNICATIONS SERVICES TARIFF

2.4.10 The Customer must use the services offered in this tariff in a manner consistent with the terms of this tariff and the policies and regulations of all state, federal and local authorities having jurisdiction over the service.

2.5 Cancellation or Interruption of Services

2.5.1 Without incurring liability, upon five (5) working days' (defined as any day on which the company's business office is open and the U.S. Mail is delivered) written notice to the Customer, LDA may immediately discontinue services to a Customer or may withhold the provision of ordered or contracted services:

2.5.1.A For nonpayment of any sum due LDA for more than thirty (30) days after issuance of the bill for the amount due,

2.5.1.B For violation of any of the provisions of this tariff,

2.5.1.C For violation of any law, rule, regulation, policy of any governing authority having jurisdiction over LDA's services, or

2.5.1.D By reason of any order or decision of a court, public service commission or federal regulatory body or other governing authority prohibiting LDA from furnishing its services.

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TELECOMMUNICATIONS SERVICES TARIFF

- 2.5.2 Without incurring liability, LDA may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of Customer and LDA's equipment and facilities and may continue such interruption until any items of noncompliance or improper equipment operation so identified are rectified.
- 2.5.3 Service may be discontinued by LDA without notice to the Customer, by blocking traffic to certain countries, cities or NXX exchanges, or by blocking calls using certain Customer authorization codes, when LDA deems it necessary to take such action to prevent unlawful use of its service. LDA will restore service as soon as it can be provided without undue risk, and will, upon request by the Customer affected, assign a new authorization code to replace the one that has been deactivated.
- 2.5.4 The Customer may terminate service upon thirty (30) days written notice for the Company's standard month to month contract. Customer will be liable for all usage on any of the Company's service offerings until the Customer actually leaves the service. Customers will continue to have Company usage until the Customer notifies its local exchange carrier and changes its long distance carrier. Until the Customer so notifies its local exchange carrier, it shall continue to generate and be responsible for long distance usage.

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Fort Lauderdale, Florida 33309

TELECOMMUNICATIONS SERVICES TARIFF

2.6 Credit Allowance

- 2.6.1 Credit may be given for disputed calls, on a per call basis.
- 2.6.2 Credit shall not be issued for unavailability of long distance services.

ISSUED: April 15, 1999

EFFECTIVE: , 1999

ISSUED BY:

Gregory A. Cogan, COO
5807 North Andrews Way
Fort Lauderdale, Florida 33309

TELECOMMUNICATIONS SERVICES TARIFF

2.7 Restoration of Service

The use and restoration of service shall be in accordance with the priority system specified in part 64, Subpart D of the Rules and Regulations of the Federal Communications Commission.

2.8 Deposit

The Company does not require deposits to commence service.

2.9 Advance Payments

LDA does not require advance payments.

ISSUED: April 15, 1999

EFFECTIVE: , 1999

ISSUED BY:

Gregory A. Cogen, COO
5807 North Andrews Way
Fort Lauderdale, Florida 33309

TELECOMMUNICATIONS SERVICES TARIFF2.10 Payment and Billing

- 2.10.1 Service is provided and billed on a billing cycle basis, beginning on the date that service becomes effective. Billing is payable upon receipt. A late fee will be assessed on unpaid amounts 30 days after rendition of bills.
- 2.10.2 The customer is responsible for payment of all charges for services furnished to the Customer, as well as to all persons using the Customer's codes, exchange lines, facilities, or equipment, with or without the knowledge or consent of the Customer. The security of the Customer's Authorization Codes, subscribed exchange lines, and direct connect facilities is the responsibility of the Customer. All calls placed using direct connect facilities, subscribed exchange lines, or Authorization Codes will be billed to and must be paid by the Customer. Recurring charges and non-recurring charges are billed in advance. Charges based on actual usage during a month and any accrued interest will be billed monthly in arrears.
- 2.10.3 All bills are presumed accurate, and shall be binding on the customer unless objection is received by the Company in writing within 180 days after such bills are rendered. No credits, refunds, or adjustments shall be granted if demand therefore is not received by the Company in writing within such 180 day period.

ISSUED: April 15, 1999

EFFECTIVE: , 1999

ISSUED BY:

Gregory A. Cogen, COO
5807 North Andrews Way
Fort Lauderdale, Florida 33309

TELECOMMUNICATIONS SERVICES TARIFF**2.11 Collection Costs**

In the event Company is required to initiate legal proceedings to collect any amounts due to Company for regulated or non-regulated services, equipment or facilities, or to enforce any judgment obtained against a Customer, or for the enforcement of any other provision of this tariff or applicable law, Customer shall, in addition to all amounts due, be liable to Company for all reasonable costs incurred by Company in such proceedings and enforcement actions, including reasonable attorneys' fees, collection agency fees or payments, and court costs. In any such proceeding, the amount of collection costs, including attorneys' fees, due to the Company, will be determined a court of competent jurisdiction or by the Commission.

2.12 Taxes

All federal, state and local taxes, assessments, surcharges, or fees, including sales taxes, use taxes, gross receipts taxes, and municipal utilities taxes, are billed as separate line items and are not included in the rates quoted herein.

2.13 Late Charge

A late fee of 1.5% per month or the amount otherwise authorized by law, whichever is lower, will be charged on any past due balances.

2.14 Returned Check Charge

A fee of \$20.00 will be charged whenever a check or draft presented for payment for service is not accepted by the institution on which it is written.

ISSUED: April 15, 1999

EFFECTIVE: , 1999

ISSUED BY:

Gregory A. Cogen, COO
5807 North Andrews Way
Fort Lauderdale, Florida 33309

TELECOMMUNICATIONS SERVICES TARIFFSECTION 3 - DESCRIPTION OF SERVICE3.1 Computation of Charges

3.1.1 The total charge for each completed call may be a variable measured charge dependent on the duration, distance and time of day of the call. The total charge for each completed call may also be dependent only on the duration of the call, i.e. a statewide flat rate per minute charge. The variable measured charge is specified as a rate per minute which is applied to each minute. All calls are measured in increments as set forth in the Rates Section of this tariff. All calls are rounded up to the next whole increment.

3.1.2 Where mileage bands appear in a rate table, rates for all calls are based upon the airline distance between the originating and terminating points of the call, as determined by the vertical and horizontal coordinates associated with the exchange (the area code and three digit central office code) associated with the originating and terminating telephone numbers. If the Customer obtains access to the Company's network by a dedicated access circuit, that circuit will be assigned an exchange for rating purposes based upon the Customer's main telephone number at the location where the dedicated access circuit terminates. The vertical and horizontal (V & H) coordinates for each exchange and the airline distance between them will be determined according to industry standards.

ISSUED: April 15, 1999

EFFECTIVE: , 1999

ISSUED BY:

Gregory A. Cogen, COO
5807 North Andrews Way
Fort Lauderdale, Florida 33309

TELECOMMUNICATIONS SERVICES TARIFF

- 3.1.3 Timing begins when the called station is answered and two way communication is possible, as determined by standard industry methods generally in use for ascertaining answer, including hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. Recognition of answer supervision is the responsibility of the Underlying Carrier. Timing for each call ends when either party hangs up. LDA will not bill for uncompleted calls.

3.2 Customer Complaints and/or Billing Disputes

Customer inquiries or complaints regarding service or accounting may be made in writing or by telephone to the Company at:

5807 North Andrews Way
Fort Lauderdale, Florida 33309
(888) 255-0889

Any objection to billed charges should be reported promptly to LDA. Adjustments to Customers' bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate.

ISSUED: April 15, 1999

ISSUED BY:

Gregory A. Cogen, COO
5807 North Andrews Way
Fort Lauderdale, Florida 33309

EFFECTIVE: , 1999

TELECOMMUNICATIONS SERVICES TARIFF

The Company will respond within seventy two (72) hours of receipt of an inquiry. If the Customer is dissatisfied with the Company's response to a complaint or inquiry, the Customer may file the Commission for resolution of the conflict. The South Dakota Public Utilities Commission can be reached at:

500 East Capitol
Pierre, SD 57501-5070
(605) 773-3201
(800) 332-1782
TTY through Relay Service South Dakota-
(800) 877-1113

If a Customer accumulates more than One Dollar of undisputed delinquent LDA 800 Service charges, the LDA Resp. Org. reserves the right not to honor that Customer's request for a Resp. Org. change until such undisputed charges are paid in full.

3.3 Level of Service

A Customer can expect end to end network availability of not less than 99% at all times for all services.

3.4 Billing Entity Conditions

When billing functions on behalf of LDA or its intermediary are performed by local exchange telephone companies or others, the payment of charge conditions and regulations of such companies and any regulations imposed upon these companies by regulatory bodies having jurisdiction apply. LDA's name and toll-free telephone number will appear on the Customer's bill.

ISSUED: April 15, 1999**EFFECTIVE:** , 1999**ISSUED BY:**

Gregory A. Cogen, COO
5807 North Andrews Way
Fort Lauderdale, Florida 33309

TELECOMMUNICATIONS SERVICES TARIFF3.5 Service Offerings

3.5.1 1+ Dialing

This service permits Customers to originate call via switched or dedicated access lines, and to terminate intrastate calls. The customer dials "1+" followed by "ten digits" or dials "101XXXX" followed by "1+ ten digits".

3.5.2 Travel Cards

The Customer utilizes an 11 digit "toll-free" access number established by the Company to access a terminal. Upon receiving a voice prompt, the Customer uses push button dialing to enter an identification code assigned by the Company, and the ten digit number of the called party.

3.5.3 800 Service (Toll-Free)

This service is inbound calling only where an 800, 888 or other toll-free prefix number rings into a Customer's premise routed to a specific telephone number or terminated over a dedicated facility.

ISSUED: April 15, 1999

EFFECTIVE: , 1999

ISSUED BY:

Gregory A. Cogen, COO
5807 North Andrews Way
Fort Lauderdale, Florida 33309

LONG DISTANCE AMERICA, INC.

ORIGINAL SHEET 25

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

3.5.4 Reserved for Future Use

ISSUED: April 15, 1999

EFFECTIVE: , 1999

ISSUED BY:

Gregory A. Cogen, COO
5807 North Andrews Way
Fort Lauderdale, Florida 33309

LONG DISTANCE AMERICA, INC.

ORIGINAL SHEET 26

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

Reserved for Future Use

ISSUED: April 15, 1999

EFFECTIVE: , 1999

ISSUED BY:

Gregory A. Cogen, COO
5807 North Andrews Way
Fort Lauderdale, Florida 33309

TELECOMMUNICATIONS SERVICES TARIFF

3.5.5 Directory Assistance.

Access to long distance directory assistance is obtained by dialing 1 + 555-1212 for listings within the originating area code and 1 + (area code) + 555-1212 for other listings. When more than one number is requested in a single call, a charge will apply for each number requested. A charge will be applicable for each number requested, whether or not the number is listed or published.

ISSUED: April 15, 1999

EFFECTIVE: , 1999

ISSUED BY:

Gregory A. Cogan, COO
5807 North Andrews Way
Fort Lauderdale, Florida 33309

TELECOMMUNICATIONS SERVICES TARIFF

3.5.6 Specialized Pricing Arrangements.

Customized service packages and competitive pricing packages at negotiated rates may be furnished on a case-by-case basis in response to requests by Customers to the Company for proposals or for competitive bids. Service offered under this tariff provision will be filed with the Commission. Specialized rates or charges will be made available to similarly situated Customers on a non-discriminatory basis. The Company will notify the Commission of such arrangements as required by Commission rules and regulations.

3.5.7 Emergency Call Handling Procedures

Emergency "911" calls are not routed to company, but are completed through the local network at no charge.

3.5.8 Promotional Offerings

The Company may, from time to time, make promotional offerings to enhance the marketing of its services. These offerings may be limited to certain dates, times and locations. The Company will notify the Commission of such offerings as required by Commission rules and regulations.

ISSUED: April 15, 1999

EFFECTIVE: , 1999

ISSUED BY:

Gregory A. Cogen, COO
5807 North Andrews Way
Fort Lauderdale, Florida 33309

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 4 - RATES

4.1 1+ Dialing

\$0.249 per minute

A \$4.95 per month service charge applies.
Billed in one minute increments.

4.2 Travel Cards

\$.249 per minute

A \$.25 per call service charge applies.
Billed in one minute increments.

ISSUED: April 15, 1999

EFFECTIVE: , 1999

ISSUED BY:

Gregory A. Cogen, COO
5807 North Andrews Way
Fort Lauderdale, Florida 33309

TELECOMMUNICATIONS SERVICES TARIFF

4.3 Toll Free

\$0.249 per minute

A \$10 per month per number service charge applies.
Billed in one minute increments.

4.4 Reserved for Future Use

ISSUED: April 15, 1999

EFFECTIVE: , 1999

ISSUED BY:

Gregory A. Cogen, COO
5807 North Andrews Way
Fort Lauderdale, Florida 33309

LONG DISTANCE AMERICA, INC.

ORIGINAL SHEET 31

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

4.5 Directory Assistance

\$.95

4.6 Returned Check Charge

\$20.00

ISSUED: April 15, 1999

EFFECTIVE: , 1999

ISSUED BY:

Gregory A. Cogen, COO
5807 North Andrews Way
Fort Lauderdale, Florida 33309

TELECOMMUNICATIONS SERVICES TARIFF**4.7 Rate Periods**

	Monday - Friday	Sat.	Sun.
8 a.m. to 5 p.m.*	Daytime Rate Period		
5 p.m. to 11 p.m.*	Evening Rate Period		Evening Rate Period
11 p.m. to 8 a.m.*	Night/Weekend Rate Period		

* To, but not including

When a message spans more than one rate period, total charges for the minutes in each rate period are calculated and the results for each rate period are totaled to obtain the total message charge. If the calculation results in a fractional charge, the amount will be rounded down to the lower cent.

4.8 Payphone Dial Around Surcharge

A dial around surcharge of \$.35 per call will be added to any completed INTRASTATE toll access code and subscriber 800/888 type calls placed from a public or semi-public payphone.

4.9 Universal Service Fund Assessment & Presubscribed Interexchange Carrier Charge

The Customer will be assessed a monthly federal Universal Service Fund Contribution charge on all telecommunications services, which in no event shall be less than the prevailing contribution percentage rate charged the Company on intrastate traffic by the Universal Service Administrative Company (or any successor). A Presubscribed Interexchange Carrier Charge ("PICC") applies on a monthly basis to all Customer monthly bills at the prevailing rate.

ISSUED: April 15, 1999

EFFECTIVE: , 1999

ISSUED BY:

Gregory A. Cogen, COO
5807 North Andrews Way
Fort Lauderdale, Florida 33309

LONG DISTANCE AMERICA, INC.

Phone 954-202-5100
5733 N. Andrews Way
Ft. Lauderdale, FL 33309

1043

63-8274570

DATE 3-30-59

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TO THE
ORDER OF

SOUTH DAKOTA PUBLIC UTILITIES Commission

\$ 250.00

TWO HUNDRED FIFTY Dollars ONLY

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South Dakota Public Utilities Commission
WEEKLY FILINGS
For the Period of April 15, 1999 through April 22, 1999

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact
Delaine Kolbo within five business days of this filing.
Phone: 605-773-3705 Fax: 605-773-3809

ELECTRIC

EL99-004 **In the Matter of the Filing by MidAmerican Energy Company for Approval of a New Street Lighting Service.**

MidAmerican Energy Company is filing to revise the South Dakota Electric Tariff No. 1 to include a price code for a 100-watt High Pressure Sodium Victorian style fiberglass pole street light.

Staff Analyst: Keith Senger
Staff Attorney: Karen Cremer
Date Filed: 04/21/99
Intervention Deadline: 05/07/99

TELECOMMUNICATIONS

TC99-030 **In the Matter of the FCC Order Establishing New Deadlines for Implementation of IntraLATA Dialing Parity by Local Exchange Carriers.**

The following local exchange carriers have filed IntraLATA Dialing Parity Implementation Plans: Heartland Telecommunications Company of Iowa on April 20, 1999; Accent Communications, Inc. on April 20, 1999, is requesting Commission approval to send out carrier notification letters in advance of final Commission action on the proposed plan, carrier notifications completed by June 1, 1999; Splitrock Properties, Inc. on April 21, 1999, is requesting Commission approval to send out carrier notification letters in advance of final Commission action on the proposed plan, carrier notifications completed by June 1, 1999; Jefferson Telephone Company on April 21, 1999, is requesting Commission approval to send out carrier notification letters in advance of final Commission action on the proposed plan, carrier notifications completed by May 10, 1999; Venture Communications, Inc. on April 21, 1999, is requesting Commission approval to send out carrier notification letters in advance of final Commission action on the proposed plan, carrier notifications completed by June 1, 1999; Hanson County Telephone Company on April 21, 1999, is requesting Commission approval to send out carrier notification letters in advance of final Commission action on the proposed plan, carrier notifications completed by June 1, 1999; Hanson Communications, Inc. d/b/a McCook Telecom on April 21, 1999, is requesting Commission approval to send out carrier notification letters in advance of final Commission action on the proposed plan, carrier notifications completed by June 1, 1999; Vivian Telephone Company d/b/a Golden West Communications, Inc. on April 21, 1999, is requesting Commission approval to send out carrier notification letters in advance of final Commission action on the proposed plan, carrier notifications completed by June 1, 1999; Stockholm Strandburg Telephone Co. on April 22, 1999, is requesting Commission approval to send out carrier notification letters in advance of final Commission action on the proposed plan, carrier notifications completed by June 1, 1999; AT&T Communications of the Midwest, Inc. on April 22, 1999; Midco Communications on April 22, 1999; Heartland Communications, Inc. on April 22, 1999; Mobridge Telecommunications on April 22, 1999, is requesting Commission approval to send out carrier notification letters in advance of final Commission action on the proposed plan, carrier notifications completed by June 1, 1999; West River Telecommunications Cooperative on April 22, 1999, is requesting Commission approval to

send out carrier notification letters in advance of final Commission action on the proposed plan, carrier notifications completed by June 1, 1999; Dakota Telecommunications Group, Inc., DTG Community Telephone, Inc. and Dakota Telecom, Inc. on April 22, 1999; Stateline Telecommunications, Inc. on April 22, 1999, is requesting Commission approval to send out carrier notification letters in advance of final Commission action on the proposed plan, carrier notifications completed by June 1, 1999; and U S WEST Communications, Inc. on April 22, 1999, "U S WEST will file a waiver with the FCC requesting an extension of time to implement toll dialing parity in the following three exchanges: McIntosh (605-273), Timber Lake (605-865), and Morristown (605-524). These exchanges were the subject of sale of exchanges with the Cheyenne River Tribe, and will be converted at a later date. Customers in these exchanges will be notified separately to inform them of the extension of time and the implementation date."

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Comments Due: 05/07/99
Reply Comments Due: 05/17/99

The following local exchange carriers have completed conversion to intraLATA dialing parity: Fort Randall Telephone Company on April 21, 1999; Mt. Rushmore Telephone Company on April 21, 1999; and CommChoice, LLC on April 22, 1999.

TC99-037 **In the Matter of the Application of Long Distance America, Inc. for a Certificate of Authority to Provide Telecommunications Services in South Dakota.**

Application by Long Distance America, Inc. for a certificate to provide 1+ and 101XXXX direct outbound dialing, 800/888 toll free inbound dialing and travel card interexchange service on a resold basis.

Staff Analyst: Dave Jacobson
Staff Attorney: Camron Hoseck
Date Filed: 04/15/99
Intervention Deadline: 05/07/99

TC99-038 **In the Matter of the Application of FON Digital Network, Inc. for a Certificate of Authority to Provide Telecommunications Services in South Dakota.**

On April 15, 1999, the Commission received an application by FON Digital Network, Inc. for a Certificate of Authority to provide telecommunications services in South Dakota. FON Digital Network, Inc. is a reseller which intends to offer 1+ and 101XXXX direct outbound dialing, 800/888 toll-free inbound dialing, travel card and prepaid calling card service.

Staff Analyst: Bob Knadle
Staff Attorney: Karen Cremer
Date Filed: 04/15/99
Intervention Deadline: 05/07/99

TC99-039 **In the Matter of the Application of Concert Communications Sales LLC for a Certificate of Authority to Provide Local Exchange Services in South Dakota.**

Concert Communications Sales LLC has filed a request for a Certificate of Authority to provide local telecommunications services on a resale basis throughout South Dakota. They plan to provide local telephone service, access service, private line, internet access service and data transmission services.

Staff Analyst: Michele Farris
Staff Attorney: Camron Hoseck

Date Filed: 04/19/99

Intervention deadline: 05/07/99

TC99-040 In the Matter of the Application of Cable & Wireless Global Markets, Inc. for a Certificate of Authority to Provide Telecommunications Services in South Dakota.

Cable & Wireless Global Markets, Inc. is a reseller who intends to offer interexchange interLATA and intraLATA telecommunication services on a statewide basis.

Staff Analyst: Keith Senger

Staff Attorney: Karen Cremer

Date Filed: 04/19/99

Intervention Date: 05/07/99

TC99-041 In the Matter of the Filing by Dickey Rural Telephone Cooperative and its Wholly Owned Subsidiary, Dickey Rural Communications, Inc. for Approval of Petition for Suspension and Modification of Dialing Parity.

Dickey Rural Telephone Cooperative and Dickey Rural Communications, Inc. each have fewer than 2% of the Nation's subscriber lines installed in the aggregate. Pursuant to 47 U.S.C. 251(f)(2), Dickey Rural Telephone Cooperative and Dickey Rural Communications, Inc. petitions the Commission for a suspension and modification of the requirement for implementation of intraLATA dialing parity in its service areas until June 30, 2000. The grounds for the petition are that suspension and modification are: a) necessary to avoid imposing requirements that are unduly economically burdensome and infeasible, and b) consistent with the public interest, convenience and necessity. The compressed schedule mandated by CC Docket No. 96-98, Order adopted March 19 and released March 23, 1999, FCC 99-54 is burdensome and infeasible for small LECs to develop and administer plans for timely notification of their subscribers and interexchange carriers regarding subscribers' selection of intraLATA toll providers, and for small LECs to develop fully compensatory local exchange access rates to replace the current arrangement.

Staff Analyst: Harian Best

Staff Attorney: Karen Cremer

Date Filed: 04/19/99

Comments Due: 05/07/99

Reply Comments Due 05/17/99

TC99-042 In the Matter of the Filing by Consolidated Telephone Cooperative and its Wholly Owned Subsidiary, Consolidated Telcom, Inc. formerly known as CTC Communications, Inc. for Approval of Petition for Suspension and Modification of Dialing Parity.

Consolidated Telephone Cooperative and Consolidated Telcom, Inc. formerly known as CTC Communications, Inc. each have fewer than 2% of the Nation's subscriber lines installed in the aggregate. Pursuant to 47 U.S.C. 251(f)(2), Consolidated Telephone Cooperative and Consolidated Telcom, Inc. formerly known as CTC Communications, Inc. petitions the Commission for a suspension and modification of the requirement for implementation of intraLATA dialing parity in its service areas until June 30, 2000. The grounds for the petition are that suspension and modification are: a) necessary to avoid imposing requirements that are unduly economically burdensome and infeasible, and b) consistent with the public interest, convenience and necessity. The compressed schedule mandated by CC Docket No. 96-98, Order adopted March 19 and released March 23, 1999, FCC 99-54 is burdensome and infeasible for small LECs to develop and administer plans for timely notification of their subscribers and interexchange carriers regarding subscribers' selection of intraLATA toll providers, and for small LECs to develop fully compensatory local exchange access rates to replace the current arrangement.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Filed: 04/20/99
Comments Due: 05/07/99
Reply Comments Due: 05/17/99

TC99-043 In the Matter of the Filing by Kennebec Telephone Company for Approval of Dialing Parity Implementation Plan and Petition for Suspension and Modification of Dialing Parity.

Kennebec Telephone Company filed its intraLATA toll dialing parity implementation plan and, pursuant to ARSD 20:10:32:39 and 47 U.S.C. 251(f)(2), a petition for suspension and modification of the requirement for implementing intraLATA dialing parity until September 19, 1999. Kennebec Telephone Company has fewer than 2% of the Nation's subscriber lines installed in the aggregate. Kennebec Telephone Company's implementation of intraLATA dialing parity in Kennebec and Presho are part and parcel of its implementation of interLATA equal access for the Kennebec and Presho exchanges at the South Dakota Network switch in Sioux Falls. The implementation of Kennebec Telephone Company's dialing parity plan began before the FCC released its order in CC Docket No. 96-98, Order adopted March 19 and released March 23, 1999, FCC 99-54.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Filed: 04/21/99
Comments Due: 05/07/99
Reply Comments Due: 05/17/99

TC99-044 In the Matter of the Application of RDST, Inc. for a Certificate of Authority to Provide Telecommunications Services in South Dakota.

Application by RDST, Inc. for a Certificate of Authority to provide Intrastate Telecommunications Services in South Dakota. RDST, Inc. proposes to offer intrastate, interexchange 1+ and 101XXXX outbound, 800/888 inbound, travel card and prepaid card service in South Dakota.

Staff Analyst: Dave Jacobson
Staff Attorney: Camron Hoseck
Date Filed: 04/21/99
Intervention Deadline: 05/07/99

TC99-045 In the Matter of the Application of DSLnet Communications, LLC for a Certificate of Authority to Provide Telecommunications Services, Including Local Exchange Services, in South Dakota.

On April 21, 1999, the Commission received an application by DSLnet Communications, LLC for a Certificate of Authority to provide resold and facilities-based local exchange and interexchange services to subscribers throughout the state of South Dakota. Initially, DSLnet intends to provide data transmission services only.

Staff Analyst: Bob Knadle
Staff Attorney: Karen Cremer
Date Filed: 04/21/99
Intervention Deadline: 05/07/99

TC99-046 In the Matter of the Filing by Western Telephone Company for Approval of Dialing Parity Implementation Plan and Petition for Suspension and Modification of Dialing Parity.

Western Telephone Company filed its intraLATA toll dialing parity implementation plan and, pursuant to ARSD 20:10:32:39 and 47 U.S.C. 251(f)(2), a petition for suspension and modification of the requirement for implementing intraLATA dialing parity until September 15, 1999. Western Telephone Company has fewer than 2% of the Nation's subscriber lines installed in the aggregate. "Western Telephone Company seeks the suspension and modification because at this time negotiations are ongoing and no decision has yet been reached regarding whether or not intraLATA equal access will be provided by South Dakota Network as centralized equal access, or, if Western Telephone Company will make the requisite changes to provide intraLATA dialing parity from its end offices. It is technically infeasible and, hence, inconsistent with the public interest, to reach this decision and implement either alternative by July 22, 1999, the deadline according to [the FCC order in CC Docket No. 96-98, Order adopted March 19 and released March 23, 1999,] FCC 99-54." Western Telephone Company submitted a centralized intraLATA equal access plan.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Filed: 04/21/99
Comments Due: 05/07/99
Reply Comments Due: 05/17/99

TC99-047 In the Matter of the Filing by Beresford Municipal Telephone Company for Approval of Dialing Parity Implementation Plan and Petition for Suspension and Modification of Dialing Parity.

Beresford Municipal Telephone Company filed its intraLATA toll dialing parity implementation plan and, pursuant to ARSD 20:10:32:39 and 47 U.S.C. 251(f)(2), a petition for suspension and modification of the requirement for implementing intraLATA dialing parity until September 15, 1999. Beresford Municipal Telephone Company has fewer than 2% of the Nation's subscriber lines installed in the aggregate. "Beresford Municipal Telephone Company seeks the suspension and modification because at this time negotiations are ongoing and no decision has yet been reached regarding whether or not intraLATA equal access will be provided by South Dakota Network as centralized equal access, or, if Beresford Municipal Telephone Company will make the requisite changes to provide intraLATA dialing parity from its end offices. It is technically infeasible and, hence, inconsistent with the public interest, to reach this decision and implement either alternative by July 22, 1999, the deadline according to [the FCC order in CC Docket No. 96-98, Order adopted March 19 and released March 23, 1999,] FCC 99-54." Beresford Municipal Telephone Company submitted a centralized intraLATA equal access plan.

Staff Analyst: Harlan Best
Staff Attorney: Karen Cremer
Date Filed: 04/21/99
Comments Due: 05/07/99
Reply Comments Due: 05/17/99

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You may subscribe or unsubscribe to the PUC mailing lists at <http://www.state.sd.us/puc/>

TC99-037

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MAY 11 1999

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Telephone: (770) 232-9200

Facsimile: (770) 232-9208

Lance J.M. Steinhart

Attorney At Law

6455 East Johns Crossing

Suite 285

Duluth, Georgia 30097

Also Admitted in New York
and Maryland

May 9, 1999

VIA AIRBORNE EXPRESS

Mr. Dave Jacobson
Utility Analyst
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501-5070

Re: Long Distance America, Inc.

Dear Dave:

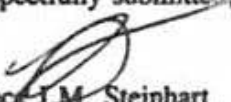
Pursuant to your letter dated May 4, 1999, I provide the following information:

1. Four (4) copies of Long Distance America, Inc.'s Certificate of Authority issued by the Secretary of State is attached hereto.
2. Applicant agrees to restrictions against advance payments, deposits and prepaid calling cards.
3. Applicant has never been denied certification or registration in any state.
4. No complaints have been filed against applicant by any state or federal regulatory commission.
5. An original and three (3) copies of revised tariff sheets 17 and 20 are attached hereto.

I have also enclosed an extra copy of this cover letter to be date stamped and returned to me in the enclosed self-addressed prepaid envelope.

If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me.

Respectfully submitted,


Lance J.M. Steinhart
Attorney for Long Distance America, Inc.

Enclosures

cc: Gregory A. Cogen

State of South Dakota



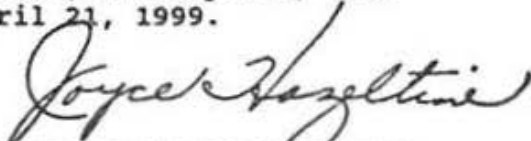
OFFICE OF THE SECRETARY OF STATE

CERTIFICATE OF AUTHORITY

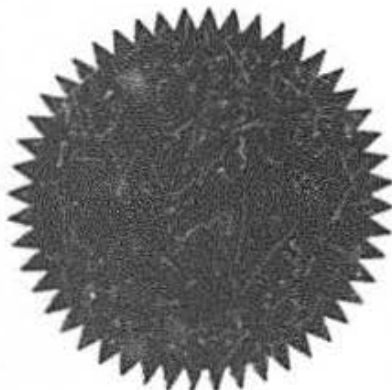
I, JOYCE HAZELTINE, Secretary of State of the State of South Dakota, hereby certify that the Application for a Certificate of Authority of LONG DISTANCE AMERICA, INC. (FL) to transact business in this state duly signed and verified pursuant to the provisions of the South Dakota Corporation Acts, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I hereby issue this Certificate of Authority and attach hereto a duplicate of the application to transact business in this state.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this April 21, 1999.

A handwritten signature in cursive script that reads "Joyce Hazeltine".

JOYCE HAZELTINE
Secretary of State





Secretary of State
 State Capitol
 500 E. Capitol Ave.
 Pierre SD 57501
 Phone 605-773-4845
 Fax 605-773-4550

FILE NO. _____

RECEIPT NO. _____

Handwritten: April 21st 301 of 1999

Application for Certificate of Authority

Pursuant to the provisions of SDCL 47-27, the undersigned corporation hereby applies for a Certificate of Authority to transact business in the State of South Dakota and for that purpose submits the following statement:

RECEIVED
 APR 12 1999
 S.D. SEC. OF STATE
RECEIVED
 APR 21 1999
 S.D. SEC. OF STATE

(1) The name of the corporation is Long Distance America, Inc.
(exact corporate name)

(2) If the name of the corporation does not contain the word "corporation", "company", "incorporated" or "limited" or does not contain an abbreviation of one of such words, then the name of the corporation with the word or abbreviation which it elects to add thereto and use in this state is _____

(3) State where incorporated Florida Federal Taxpayer ID# 65-0852987

(4) The date of its incorporation is 7/21/98 and the period of its duration, which may be perpetual, is perpetual

(5) The address of its principal office in the state or country under the laws of which it is incorporated is 5807 North Andrews Way, Ft Lauderdale, FL Zip Code 33309
 mailing address if different from above is: _____ Zip Code _____

(6) The street address, or a statement that there is no street address, of its proposed registered office in the State of South Dakota is 300 South Phillips Ave, Ste 300, Sioux Falls, SD Zip Code 57102
 and the name of its proposed registered agent in the State of South Dakota at that address is National Registered Agents, Inc.

(7) The purposes which it proposes to pursue in the transaction of business in the State of South Dakota are: (state specific purpose)
to provide telecommunications services

(8) The names and respective addresses of its directors and officers are:

Name	Officer Title	Street Address	City	State	Zip
James Brown (Pres-Dir)		5807 North Andrews Way	Ft Lauderdale	FL	33309
Gregory Cogen (VP/Dir)		5807 North Andrews Way	Ft Lauderdale	FL	33309
Morris Brown (Sec)		5807 North Andrews Way	Ft Lauderdale	FL	33309

(9) The aggregate number of shares which it has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class is:

Number of shares	Class	Series	Par value per share or statement that shares are without par value
10,000	common		\$.001
_____	_____	_____	_____
_____	_____	_____	_____

(10) The aggregate number of its issued shares, itemized by classes, per value of shares, shares without per value, and series, if any, within a class, is:

Number of shares	Class	Series	Per value per share or statement that shares are without per value
100	COMMON		\$.001

(11) The amount of its stated capital is \$ _____
 Shares issued times per value equals stated capital. In the case of no per value stock, stated capital is the consideration received for the issued shares.

(12) This application is accompanied by a CERTIFICATE OF FACT or a CERTIFICATE OF GOOD STANDING duly acknowledged by the Secretary of State or other officer having custody of corporate records in the state or country under whose laws it is incorporated.

(13) That such corporation shall not directly or indirectly combine or make any contract with any incorporated company, foreign or domestic, through their stockholders or the trustees or assigns of such stockholders, or with any copartnership or association of persons, or in any manner whatever to fix the prices, limit the production or regulate the transportation of any product or commodity so as to prevent competition in such prices, production or transportation or to establish excessive prices thereby.

(14) That such corporation, as a consideration of its being permitted to begin or continue doing business within the State of South Dakota, will comply with all the laws of the said State with regard to foreign corporations.

The application must be signed, in the presence of a notary public, by the chairman of the board of directors, or by the president or by another officer.

I DECLARE AND AFFIRM UNDER THE PENALTY OF PERJURY THAT THIS APPLICATION IS IN ALL THINGS, TRUE AND CORRECT.

Dated 4/1 1999

 (Signature)

 (Title)

STATE OF Florida
 COUNTY OF Alachua
 I, Mark H. Stutz, a notary public, do hereby certify that on this 1st day of April 1999, personally appeared before me Gregory C. O'Leary who, being by me first duly sworn, declared that he/she is the VICE PRESIDENT of GENA JOURNAL, and that he/she signed the foregoing document as officer of the corporation, and the statements therein contained are true.

ORIGINAL NOTARY SEAL
 MARK H. STUTZ
 GREAT FLORIDA STATES OF FLORIDA
 COMMISSION NO. 0046857
 MY COMMISSION EXPIRES 11/30/01

 (Notary Public)

Notarial Seal

.....
 This Consent of Appointment below must be signed by the registered agent listed in number six.

Consent of Appointment by the Registered Agent

I, National Registered Agents, Inc, hereby give my consent to serve as the registered

agent for Long Distance America, Inc.
(name of registered agent)

Dated 4-20 1999

Gue Bradford
(Signature of registered agent) AST, Inc

The proper filing fee must accompany the application. Make checks payable to the Secretary of State.

FEE SCHEDULE

Authorized capital stock of		25,000 or less	\$ 90
Over \$25,000 and not exceeding	100,000		110
Over \$100,000 and not exceeding	500,000		130
Over \$500,000 and not exceeding	1,000,000		150
Over \$1,000,000 and not exceeding	1,500,000		200
Over \$1,500,000 and not exceeding	2,000,000		250
Over \$2,000,000 and not exceeding	2,500,000		300
Over \$2,500,000 and not exceeding	3,000,000		350
Over \$3,000,000 and not exceeding	3,500,000		400
Over \$3,500,000 and not exceeding	4,000,000		450
Over \$4,000,000 and not exceeding	4,500,000		500
Over \$4,500,000 and not exceeding	5,000,000		550

For each additional \$500,000, \$40 in addition to \$550.

For purposes only of computing fees under this section, the dollar value of each authorized share having a par value shall be equal to par value and the value of each authorized share having no par value shall be equal to one hundred dollars per share. The maximum amount charged under this subdivision may not exceed sixteen thousand dollars.

FILING INSTRUCTIONS:

The application must be signed, in the presence of a notary public, by the chairman of the board of directors, or its president, or any other officer. One original and one photocopy of the application must be submitted.

The application must be accompanied by an original, currently dated, CERTIFICATE OF FACT or a CERTIFICATE OF GOOD STANDING from the Secretary of State in the state where incorporated. A photocopy of a certificate is not acceptable. It should be dated within ninety (90) days of submitting it to our office.

South Dakota law requires every corporation to continuously maintain a resident of this state as the registered agent (number six on the application). The registered agent's address is considered the registered office address of the corporation in South Dakota. A complete street address must be listed for service of process.

The Consent of Registered Agent portion must be signed by the South Dakota registered agent.

Mail the application, certificate, and filing fee to the Secretary of State, Corporate Division, 500 E. Capitol Avenue, Pierre, SD 57501-5070. The duplicate and a Certificate of Authority will be returned for your records.

TELECOMMUNICATIONS SERVICES TARIFF

2.6 Credit Allowance

- 2.6.1 Credit may be given for disputed calls, on a per call basis.

ISSUED: April 15, 1999

EFFECTIVE: , 1999

ISSUED BY:

Gregory A. Cogen, COO
5807 North Andrews Way
Fort Lauderdale, Florida 33309

TELECOMMUNICATIONS SERVICES TARIFF**2.11 Collection Costs**

In the event Company is required to initiate legal proceedings to collect any amounts due to Company for regulated or non-regulated services, equipment or facilities, or to enforce any judgment obtained against a Customer, or for the enforcement of any other provision of this tariff or applicable law, Customer shall, in addition to all amounts due, be liable to Company for all reasonable costs incurred by Company in such proceedings and enforcement actions, including reasonable attorneys' fees, collection agency fees or payments, and court costs. In any such proceeding, the amount of collection costs, including attorneys' fees, due to the Company, will be determined by a court of competent jurisdiction or by the Commission.

2.12 Taxes

All federal, state and local taxes, assessments, surcharges, or fees, including sales taxes, use taxes, gross receipts taxes, and municipal utilities taxes, are billed as separate line items and are not included in the rates quoted herein.

2.13 Late Charge

A late fee of 1.5% per month or the maximum amount authorized by law, whichever is lower, will be charged on any past due balances.

2.14 Returned Check Charge

A fee of \$20.00 will be charged whenever a check or draft presented for payment for service is not accepted by the institution on which it is written.

ISSUED: April 15, 1999

EFFECTIVE: , 1999

ISSUED BY:

Gregory A. Cogen, COO
5807 North Andrews Way
Fort Lauderdale, Florida 33309

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE APPLICATION OF) LONG DISTANCE AMERICA, INC. FOR A) CERTIFICATE OF AUTHORITY TO PROVIDE) TELECOMMUNICATIONS SERVICES IN) SOUTH DAKOTA)	ORDER GRANTING CERTIFICATE OF AUTHORITY TC99-037
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On April 15, 1999, the Public Utilities Commission (Commission), in accordance with SDCL 49-31-3 and ARSD 20:10:24:02, received an application for a certificate of authority from Long Distance America, Inc. (Long Distance).

Long Distance is a reseller which intends to offer 1+ and, 101XXXX direct outbound dialing, 800/888 toll-free inbound dialing, and travel card service. A proposed tariff was filed by Long Distance. The Commission has classified long distance service as fully competitive.

On April 23, 1999, the Commission electronically transmitted notice of the filing and the intervention deadline of May 7, 1999, to interested individuals and entities. No petitions to intervene or comments were filed and at its June 22, 1999, meeting, the Commission considered Long Distance's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to the condition that Long Distance not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission.

The Commission finds that it has jurisdiction over this matter pursuant to Chapter 49-31, specifically 49-31-3 and ARSD 20:10:24:02 and 20:10:24:03. The Commission finds that Long Distance has met the legal requirements established for the granting of a certificate of authority. Long Distance has, in accordance with SDCL 49-31-3, demonstrated sufficient technical, financial and managerial capabilities to offer telecommunications services in South Dakota. The Commission approves Long Distance's application for a certificate of authority, subject to the condition that Long Distance not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. As the Commission's final decision in this matter, it is therefore

ORDERED, that Long Distance's application for a certificate of authority is hereby granted, subject to the condition that Long Distance not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. It is

FURTHER ORDERED, that Long Distance shall file informational copies of tariff changes with the Commission as the changes occur.

Dated at Pierre, South Dakota, this 25th day of June, 1999.

CERTIFICATE OF SERVICE
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by first class mail, in properly addressed envelopes, with charges prepaid thereon.
By: <u><i>Delvina Kaebe</i></u>
Date: <u>6/25/99</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Ram Nelson
RAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

CERTIFICATE OF AUTHORITY

To Conduct Business As A Telecommunications Company
Within The State Of South Dakota

Authority was Granted June 22, 1999
Docket No. TC99-037

This is to certify that

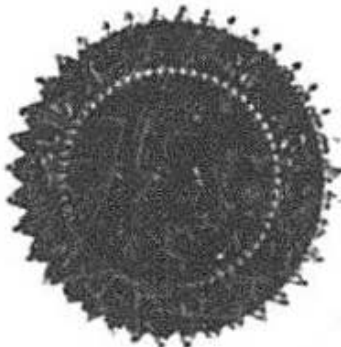
LONG DISTANCE AMERICA, INC.

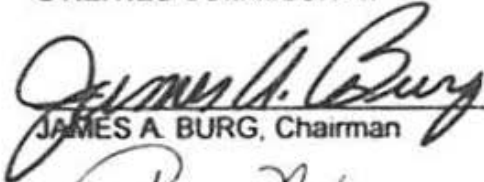
is authorized to provide telecommunications services in South Dakota.

This certificate is issued in accordance with SDCL 49-31-3 and ARSD 20:10:24:02, and is subject to all of the conditions and limitations contained in the rules and statutes governing its conduct of offering telecommunications services.

Dated at Pierre, South Dakota, this 25th day of June, 1999.

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION:

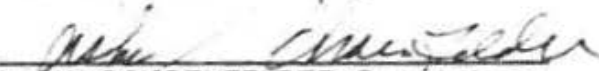




JAMES A. BURG, Chairman



PAM NELSON, Commissioner



LASKA SCHOENFELDER, Commissioner