

CAPTION SHEET

CASE MANAGEMENT SYSTEM

1. REPORT DATE: 00/00/00	:	
2. BUREAU: FUS	:	
3. SECTION(S):	:	4. PUBLIC MEETING DATE:
5. APPROVED BY:	:	00/00/00
DIRECTOR:	:	
SUPERVISOR:	:	
6. PERSON IN CHARGE:	:	7. DATE FILED: 07/07/03
8. DOCKET NO: A-311272	:	9. EFFECTIVE DATE: 00/00/00

PARTY/COMPLAINANT:

RESPONDENT/APPLICANT: AIRESRING, INC.

COMP/APP COUNTY:

UTILITY CODE: 311272

ALLEGATION OR SUBJECT

APPLICATION OF AIRESRING, INC FOR APPROVAL TO OFFER, RENDER, FURNISH OR SUPPLY TELECOMMUNICATION SERVICES AS A RESELLER OF TOLL SERVICES TO THE PUBLIC IN THE COMMONWEALTH OF PENNSYLVANIA.

DOCUMENT
FOLDER

DOCKETED
JUL 09 2003

ORIGINAL

NOWALSKY, BRONSTON & GOTHARD
A Professional Limited Liability Company
Attorneys at Law

Leon L. Nowalsky
Benjamin W. Bronston
Edward P. Gothard

3500 North Causeway Boulevard
Suite 1442
Metairie, Louisiana 70002
Telephone: (504) 832-1984
Facsimile: (504) 831-0892

Monica Borne Haab
EllenAnn G. Sands
Bruce C. Betzer
Philip R. Adams, Jr.

July 7, 2003

RECEIVED

Via Overnight Delivery

JUL 07 2003

Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Bldg.
Second Floor - Room N201
Harrisburg, Pennsylvania 17120

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

RE: Airespring, Inc.

Dear Sir:

A-311272

Enclosed please find an original and three (3) copies of the Application of Airespring, Inc. for approval to offer telecommunication services as a reseller of toll service within the Commonwealth of Pennsylvania. Also enclosed is the required \$250.00 filing fee.

Please note that copies of the application have this day been forwarded to all parties set forth in the Application. (Certificate of Service and Service List attached as Exhibit G.)

If you should have any questions regarding the enclosed material, please do not hesitate to contact me at the above listed address or telephone number.

Sincerely,



Monica Borne Haab

Enclosures

DOCUMENT
FOLDER

127

ORIGINAL

RECEIVED

JUL 07 2003

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

A-311272

Application of:

Airespring, Inc.)
for approval to offer, render, furnish or supply)
telecommunications services to the public in)
the Commonwealth of Pennsylvania.)

1. **IDENTITY OF THE APPLICANT:** The name, address, telephone number, and fax number of the Applicant.

Airespring, Inc.
15350 Sherman Way
Suite 492
Van Nuys, CA 91406
Ph. (818) 786-8990
Fx. (818) 786-9225

Please identify any predecessors of the Applicant and provide other names under which the Applicant has operated within the preceding five years, including name, address, and telephone number.

None.

2. **ATTORNEY:** The name, address, telephone number, and fax number of the Applicant's attorney.

Monica Borne Haab
Nowalsky, Bronston & Gothard
3500 N. Causeway Blvd.
Suite 1442
Metairie, LA 70002
Ph. (504) 832-1984
Fx. (504) 831-0892
E-mail: mhaab@nbglaw.com

DOCKETED
JUL 09 2003

3. CONTACTS:

- A) **APPLICATION:** The name, title, address, telephone number, and fax number of the person to whom questions about this application should be addressed.

**Monica Borne Haab
Nowalsky, Bronston & Gothard
3500 N. Causeway Blvd.
Suite 1442
Metairie, LA 70002
Ph. (504) 832-1984
Fx. (504) 831-0892
E-mail: mhaab@nbglaw.com**

- B) **PENNSYLVANIA EMERGENCY MANAGEMENT AGENCY (PEMA):** The name, title, address, telephone number and FAX number of the person with whom contact should be made by PEMA.

**Avi Lonstein, President
Airespring, Inc.
15350 Sherman Way
Suite 492
Van Nuys, CA 91406
Ph. (818) 786-8990
Fx. (818) 786-9226
E-Mail: avi@airespring.com**

- C) **RESOLVING COMPLAINTS:** Name, address, telephone number, and FAX number of the person and an alternate person responsible for addressing customer complaints. These persons will ordinarily be the initial point(s) of contact for resolving complaints and queries filed with the Public Utility Commission or other agencies.

**Don Greenstein, V.P. Operations
Airespring, Inc.
15350 Sherman Way
Suite 492
Van Nuys, CA 91406
Ph. (818) 786-8990
Fx. (818) 786-9226
E-Mail: don.greenstein@airespring.com**

4. FICTITIOUS NAME:

- The Applicant will not be using a fictitious name.
- The Applicant will be using a fictitious name. Attach to the Application a copy of the Applicant's filing with the Commonwealth's Department of State pursuant to 54 Pa. C.S. §311, Form PA-953.

5. BUSINESS ENTITY AND DEPARTMENT OF STATE FILINGS:

The Applicant is a sole proprietor.

The Applicant is a:

General partnership

Domestic limited partnership (15 Pa. C.S. §8511)

*Foreign limited partnership (15 Pa. C.S. §8582)

Domestic registered limited liability partnership (15 Pa. C.S. §8201)

*Foreign registered limited liability general partnership (15 Pa. C.S. §8211)

*Provide name and address of Corporate Registered Office Provider or Registered Office within PA.

Attach to the application the name and address of partners. If any partner is not an individual, identify the business nature of the partner entity and identify its partners or officers.

The Applicant is a:

Domestic corporation (15 Pa. C.S. §1306)

*Foreign corporation (15 Pa. C.S. §4124) **Dept. of State filing attached as Exhibit A.**

Domestic limited liability company (15 Pa. C.S. §8913)

*Foreign limited liability company (15 Pa. C.S. §8981)

*Provide name and address of Corporate Registered Office Provider or Registered Office within PA.

**National Registered Agents, Inc.
County of Dauphin
(Commercial Registered Agent)**

Additionally, provide a copy of the Applicant's Articles of Incorporation or a Certificate of Organization. The Applicant is incorporated in the State of Delaware.

Articles of Incorporation are attached as Exhibit B.

Give name and address of officers:

Set forth in Exhibit C.

6. AFFILIATES AND PREDECESSORS WITHIN PENNSYLVANIA:

The Applicant has no affiliates doing business in Pennsylvania or predecessors which have done business in Pennsylvania.

The Applicant has affiliates doing business in Pennsylvania or predecessors which have done business in Pennsylvania. Name and address of the affiliates. State whether they are jurisdictional public utilities. Give docket numbers for the authority of such affiliates.

If the Applicant or an affiliates has a predecessor who has done business within Pennsylvania, give name and address of the predecessors and state whether they were jurisdictional public utilities. Give the docket numbers for the authority of such predecessors.

7. AFFILIATES AND PREDECESSORS RENDERING PUBLIC UTILITY SERVICE OUTSIDE PENNSYLVANIA:

- The Applicant has no affiliates rendering or predecessors which rendered public utility service outside Pennsylvania.
- The Applicant has affiliates rendering or predecessors which rendered public utility service outside Pennsylvania. Name and address of the affiliates. Name and address of the predecessors (please specify which).

8. APPLICANT'S PRESENT OPERATIONS: (Select and complete the appropriate statement)

- The applicant is not presently doing business in Pennsylvania as a public utility.
- The applicant is presently doing business in Pennsylvania as a:
 - Interexchange Toll Reseller, InterLATA and/or IntraLATA, (e.g., MTS, 1+, 800, WATS, Travel and Debit Cards)
 - Interexchange Toll Facilities-based carrier, InterLATA and/or IntraLATA, (e.g., MTS, 1+, 800, WATS, Travel and Debit Cards)
 - Competitive Access Provider (dedicated point-to-point or multipoint service; voice or data)
 - Competitive Local Exchange Carrier:
 - Facilities-Based
 - Non-facilities-Based
 - Incumbent Local Exchange Carrier.
 - Other (Identify).

9. **APPLICANT'S PROPOSED OPERATIONS:** The Applicant proposes to operate as a:

- Interexchange Toll Reseller, InterLATA and/or IntraLATA, (e.g., MTS, 1+, 800, WATS, Travel and Debit Cards)
- Interexchange Toll Facilities-based carrier, InterLATA and/or IntraLATA, (e.g., MTS, 1+, 800, WATS, Travel and Debit Cards)
- Competitive Access Provider (dedicated point-to-point or multipoint service; voice or data)
- Competitive Local Exchange Carrier:
 - Facilities-based
 - Non-facilities-based
- Incumbent Local Exchange Carrier
- Other (Identify).

10. **PROPOSED SERVICES:** Describe in detail the services which the Applicant proposes to offer. If proposing to provide more than one category in Item #9, clearly and separately delineate the services within each proposed operation.

The company intends to provide competitive interexchange long distance services on a resale only basis.

11. **SERVICE AREA:** Describe the geographic service area in which the Applicant proposes to offer services. Clearly and separately delineate the service territory for each category listed in Item #9. For Competitive Local Exchange Carrier operations, you must name and serve the Incumbent Local Exchange Carriers in whose territory you request authority.

The Company's interexchange services will be offered statewide.

12. **MARKET:** Describe the customer base to which the Applicant proposes to market its services. Clearly and separately delineate a market for each category listed in Item #9.

Interexchange services will be offered and marketed to residential and business customers.

13. **PROPOSED TARIFF(S):** Each category of proposed operations must have a separate and distinct proposed tariff setting forth the rates, rules and regulations of the Applicant. Every proposed tariff shall state on its cover page the nature of the proposed operations described therein, i.e., IXC R/S, CLEC, CAP, or IXC F/B. A copy of all proposed tariffs must be appended to each original and duplicate original and copy of Form 377.

The Company's proposed Tariff is attached as Exhibit D.

14. FINANCIAL: Attach the following to the Application:

A general description of the Applicant's capitalization and, if applicable, its corporate stock structure;

The Applicant is a privately-held corporation generating sufficient revenue to sustain expanded operations.

Current balance sheet, Income Statement, and Cash Flow Statement of Applicant or Affiliated Company, if relying on affiliate for financial security;

The financial statements of the Applicant are attached hereto as Exhibit E.

A tentative operating balance sheet and a projected income statement for the first year of operation within the Commonwealth of Pennsylvania; provide the name, title, address, telephone number and fax number of the Applicant's custodian for its accounting records and supporting documentation; and indicate where the Applicant's accounting records and supporting documentation are, or will be, maintained.

Attached as Exhibit F.

If available, include bond rating, letters of credit, credit reports, insurance coverage and reports, and major contracts.

None available.

15. START DATE: The Applicant proposes to begin offering services on or about immediately following the granting of provisional authority by the Commission.

16. FURTHER DEVELOPMENTS: Attach to the Application a statement of further developments, planned or contemplated, to which the present Application is preliminary or with which it forms a part, together with a reference to any related proceeding before the Commission. **None.**

17. NOTICE: Pursuant to 52 Pa. Code §5.14, you are required to serve a copy of the signed and verified Application, with attachments, on the below-listed parties, and file proof of such service with this Commission:

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923

Office of Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101

Office of the Attorney General
Office of Consumer Protection
Strawberry Square, 14th Floor
Harrisburg, PA 17120

A certificate of service must be attached to the Application as proof of service that the Application has been served on the above-listed parties. A copy of any Competitive Local Exchange Carrier Application must also be served on any and/or all Incumbent Local Exchange Carrier(s) in the geographical area where the Applicant proposes to offer services.

Certificate of Service Attached as Exhibit G.

18. **FEDERAL TELECOMMUNICATIONS ACT OF 1996:** State whether the Applicant claims a particular status pursuant to the Federal Telecommunications Act of 1996. Provide supporting facts.

No particular status is requested.

19. **COMPLIANCE:** State specifically whether the Applicant, an affiliate, a predecessor of either, or a person identified in this Application has been convicted of a crime involving fraud or similar activity. Identify all proceedings, limited to proceedings dealing with business operations in the last five (5) years, whether before an administrative body or in a judicial forum, in which the Applicant, an affiliate, a predecessor of either, or a person identified herein has been a defendant or a respondent. Provide a statement as to the resolution or present status of any such proceedings.

Neither the Applicant nor any person identified in this Application has been convicted of a crime involving fraud or similar activity.


20. **FALSIFICATION:** The Applicant understands that the making of false statement(s) herein may be grounds for denying the Application or, if later discovered, for revoking any authority granted pursuant to the Application. This Application is subject to 18 Pa. C.S. §§4903 and 4904, relating to perjury and falsification in official matters.

Yes.

21. **CESSATION:** The Applicant understands that if it plans to cease doing business within the Commonwealth of Pennsylvania, it is under a duty to request authority from the Commission for permission prior to ceasing business.

Yes.

Applicant: **Airespring, Inc.**

By:  _____
Avi Lonstein

Title: President

22. **AFFIDAVIT:** Attach to the Application an affidavit as follows:

AFFIDAVIT

State of Louisiana :

: ss.

County of Jefferson :

Avi Lonstein, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

Se is the President of Airespring, Inc. :

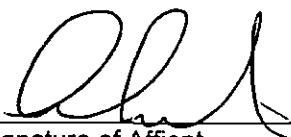
That she is authorized to and does make this affidavit for said corporation;

That Airespring, Inc., the Applicant herein, acknowledges that it may have an obligation to serve or to continue to serve the public by virtue of the Applicant commencing the rendering of service pursuant to this Application consistent with the Public Utility Code of the Commonwealth of Pennsylvania, Title 66 of the Pennsylvania Consolidated Statutes; with the Federal Telecommunications Act of 1996, signed February 6, 1996, or with other applicable statutes or regulations;

That Airespring, Inc., the Applicant herein, asserts that it possesses the requisite technical, managerial, and financial fitness to render public utility service within the Commonwealth of Pennsylvania and that the Applicant will abide by all applicable federal and state laws and regulations and by the decisions of the Pennsylvania Public Utility Commission.


That Airespring, Inc., the Applicant herein, asserts that it has contacted the appropriate 911 Coordinator(s), and that arrangements are under way for the provisioning of emergency 911 service in each of the Counties/Cities where service is to be provided.

That the facts above set forth are true and correct to the best of his knowledge, information and belief, and that he expects said entity to be able to prove the same at any hearing thereof.



Signature of Affiant

Sworn and subscribe before me this 1st day of July, 2003.



Signature of official administering oath

My Commission expires _____
MONICA BORNE HAAB
Notary Public, State of Louisiana
My Commission is for Life.

23. **VERIFICATION STATEMENT:** Attach to the Application a verification statement as follows:

State of Louisiana :

: ss.


County of Jefferson :

Avi Lonstein, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

He is the President of Airespring, Inc.

That he is authorized to and does make this affidavit for said corporation;

That the facts above set forth are true and correct to the best of his knowledge, information, and belief and that he expects said corporation to be able to prove the same at any hearing hereof.



Signature of Affiant

Sworn and subscribed before me this 1st day of July, 2003.



Signature of official administering oath

My Commission expires _____
MONICA BORNE HAAB
Notary Public, State of Louisiana
My Commission is for Life.

EXHIBIT A

DEPARTMENT OF STATE AUTHORITY

PENNSYLVANIA DEPARTMENT OF STATE
CORPORATION BUREAU

Application for Certificate of Authority
(15 Pa.C.S.)

Entity Number
3143524

- Foreign Business Corporation (§ 4124)
- Foreign Nonprofit Corporation (§ 6124)

Name
Sheree West c/o Nowalsky, Bronston & Gothard

Address
3500 North Causeway Blvd., Suite 1442

City State Zip Code
Metairie, Louisiana 70002

Document will be returned to the name and address you enter to the left.



Fee: \$180

Filed in the Department of State on MAY 14 2003

Pedro C. Santos

ACTING Secretary of the Commonwealth

In compliance with the requirements of the applicable provisions of 15 Pa.C.S. (relating to corporations and unincorporated associations), the undersigned, hereby states that:

1. The name of the corporation is:
Airespring, Inc.

2. Complete only when the corporation must adopt a corporate designator for use in Pennsylvania.
The name which the corporation adopts for use in this Commonwealth is:

3. If the name set forth in paragraph 1 or 2 is not available for use in this Commonwealth, complete the following:
The fictitious name which the corporation adopts for use in transacting business in this Commonwealth is:

The corporation shall do business in Pennsylvania only under such fictitious name pursuant to the attached resolution of the board of directors under the applicable provisions of 15 Pa.C.S. (relating to corporations and unincorporated associations) and the attached form DSCB:54-311 (Application for Registration of Fictitious Name).

4. The name of the jurisdiction under the laws of which the corporation is incorporated is:
Delaware

5. The address of its principal office under the laws of the jurisdiction in which it is incorporated is:

15350 Sherman Way, Suite 492, Van Nuys, CA 91406

Number and street City State Zip

Handwritten mark

EXHIBIT B

ARTICLES OF INCORPORATION

Delaware

PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED ARE TRUE AND CORRECT COPIES OF ALL DOCUMENTS ON FILE OF "AIRESRING, INC." AS RECEIVED AND FILED IN THIS OFFICE.

THE FOLLOWING DOCUMENTS HAVE BEEN CERTIFIED:

CERTIFICATE OF INCORPORATION, FILED THE TWENTY-FOURTH DAY OF MAY, A.D. 2001, AT 9 O'CLOCK A.M.

CERTIFICATE OF AMENDMENT, CHANGING ITS NAME FROM "AIRESRING WIRELESS, INC." TO "AIRESRING, INC.", FILED THE FIFTH DAY OF APRIL, A.D. 2002, AT 3 O'CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CERTIFICATES ARE THE ONLY CERTIFICATES ON RECORD OF THE AFORESAID CORPORATION.



Harriet Smith Windsor
Harriet Smith Windsor, Secretary of State

3396215 8100H

AUTHENTICATION: 1714727

020230966

DATE: 04-10-02

CERTIFICATE OF INCORPORATION

OF

AIRESPRING WIRELESS, INC.

I. Name

The name of the Corporation is Airespring Wireless, Inc. (hereinafter sometimes referred to as the "Corporation").

II. Registered Office and Agent

The address of its registered office of the Corporation in the State of Delaware is 9 East Loockerman Street in the City of Dover, County of Kent. The name of its registered agent at such address is National Registered Agents, Inc.

III. Purpose

The nature of the business of the Corporation and the objects or purposes to be transacted, promoted or carried on by it are as follows: To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

IV. Shares

A. Classes of Stock. The total number of shares of all classes of capital stock which the corporation shall have authority to issue is Thirty Six Million (36,000,000) shares, consisting of Twenty Four Million (24,000,000) shares of Common Stock with a par value of \$0.0001 per share and Twelve Million (12,000,000) shares of Preferred Stock with a par value of \$0.0001 per share.

B. Rights, Preferences and Restrictions of Preferred Stock. Any of the shares of Preferred Stock authorized by this Certificate of Incorporation may be issued from time to time in one or more series. The rights, preferences, privileges, and restrictions granted to and imposed on the Series A Preferred Stock, which series shall consist of Three Million (3,000,000) shares (the "Series A Preferred Stock"), are as set forth below in this Article IV(B). Subject to the limitations and restrictions set forth in this Article IV, the Board of Directors by resolution or resolutions, is authorized to create or provide for any such series, and to fix the designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including, without limitation, the authority to fix or alter the dividend rights, dividend rates, conversion rights, exchange rights, voting rights, rights and terms of redemption (including sinking and purchase fund provisions), the redemption price or prices, the dissolution preferences and the rights in respect to any distribution of assets of any wholly unissued series of Preferred Stock and the number of shares constituting any such series, and the designation thereof, or any of them and to increase or decrease the number of shares of any series so created, subsequent to the issue of that series but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be so decreased, the

shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

1. Dividends.

(a) The Series A Preferred Stock shall be entitled to receive dividends when and as declared by the Board of Directors out of funds legally available therefor, on the Common Stock and in parity with such stock.

(b) In the case of any dividend being declared upon the Common Stock, the dividend which shall be declared upon each share of Series A Preferred Stock as a condition to such dividend upon the Common Stock shall be equal in amount to the dividend payable upon that number of shares of Common Stock acquirable upon conversion of a share of Series A Preferred Stock immediately before the declaration of such dividend, with such conversion being based on the applicable "Conversion Price" determined in accordance with Section 4 as of the record date for the declaration of such dividend on the Common Stock.

2. Liquidation, Dissolution Or Winding Up.

(a) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders, after and subject to the payment in full of all amounts required to be distributed to the holders of any Preferred Stock of the Corporation ranking on liquidation prior and in preference to the Series A Preferred Stock (such Preferred Stock that is senior to the Series A Preferred Stock being referred to hereinafter as "*Senior Stock*") upon such liquidation, dissolution or winding up, but before any payment shall be made to the holders of Common Stock or other Preferred Stock, if any, ranking on liquidation after the Series A Preferred Stock ("*Junior Stock*"), an amount equal to \$0.65 per share ("*Liquidation Preference*") plus any declared and unpaid dividends on such share for each share of Series A Preferred Stock then held by them. The Liquidation Preference shall be subject to appropriate adjustment in the event of any stock dividend, stock split, stock distribution or combination with respect to such shares. If upon any such liquidation, dissolution or winding up of the Corporation, the remaining assets of the Corporation available for the distribution to its stockholders after payment in full of amounts required to be paid or distributed to holders of any Senior Stock shall be insufficient to pay the holders of shares of Series A Preferred Stock the full amount to which they shall be entitled, the holders of shares of Series A Preferred Stock, and any class of stock ranking on liquidation on a parity with the Series A Preferred Stock (such Preferred Stock ranking on liquidation on parity with the Series A Preferred Stock being referred to as "*Parity Stock*"), shall share ratably in any distribution of the remaining assets and funds of the Corporation in proportion to the respective amounts which would otherwise be payable with respect to the shares held by them upon such distribution if all amounts payable on or with respect to said shares were paid in full.

(b) After the payment of all preferential amounts required to be paid to the holders of any Senior Stock and Series A Preferred Stock and any other series of Preferred Stock upon the dissolution, liquidation or winding up of the Corporation, any remaining assets

and funds of the Corporation available for distribution to the Company's stockholders shall be distributed pro rata to the Common Stock.

3. Voting Rights. The holder of each share of Series A Preferred Stock shall have the right to one vote for each share of Common Stock into which such Series A Preferred Stock could then be converted, and with respect to such vote, such holder shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock, and shall be entitled, notwithstanding any provision hereof, to notice of any stockholders' meeting in accordance with the Bylaws of this Corporation, and shall be entitled to vote, together with holders of Common Stock, with respect to any question upon which holders of Common Stock have the right to vote. Fractional votes shall not, however, be permitted and any fractional voting rights available on an as-converted basis (after aggregating all shares into which shares of Series A Preferred Stock held by each holder could be converted) shall be rounded to be nearest whole number (with one-half being rounded upward).

4. Conversion.

(a) Conversion Rights. The holders of the outstanding shares of Series A Preferred Stock have the following conversion rights as follows ("Conversion Rights"):

(i) Right to Convert. Each share of Series A Preferred Stock will be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, at the office of the Corporation or any transfer agent for such stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing \$0.65 (the "Original Series A Issue Price") by the Conversion Price applicable to such share, determined as hereinafter provided, in effect on the date the certificate evidencing such share is surrendered for conversion. The initial Conversion Price per share for shares of Series A Preferred Stock shall be the Original Series A Issue Price; provided, however, that the Conversion Price for the Series A Preferred Stock shall be subject to adjustment as set forth in subsection (c) of this Section 4.

(ii) Automatic Conversion. Each share of Series A Preferred Stock shall be automatically converted into shares of Common Stock at the Conversion Price at the time in effect for such Series A Preferred Stock immediately upon the earlier of (i) the Corporation's sale of its Common Stock in a firm commitment underwritten public offering pursuant to a registration statement under the Securities Act of 1933, as amended, the public offering price of which is not less than \$10,000,000 in the aggregate; (ii) the acquisition of the Corporation by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation but, excluding any merger effected exclusively for the purpose of changing the domicile of the Corporation); (iii) a sale of all or substantially all of the assets of the Corporation; unless the Corporation's stockholders of record as constituted immediately prior to such acquisition or sale will, immediately after such acquisition or sale (by virtue of securities issued as consideration for the Corporation's acquisition or sale or otherwise) hold at least 50% of the voting power of the surviving or acquiring entity; or (iv) the date specified by written consent or agreement of the holders of a majority of the then outstanding shares of Series A Preferred Stock.

(b) Mechanics of Conversion. Before any holder of Series A Preferred Stock shall be entitled to convert the same into shares of Common Stock, such holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of this Corporation or of any transfer agent for the Series A Preferred Stock, and shall give written notice to the Corporation at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for shares of Common Stock are to be issued. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series A Preferred Stock, or to the nominee or nominees of such holder, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Series A Preferred Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of such date.

(c) Adjustments to Conversion Price. The Conversion Price of the Series A Preferred Stock shall be subject to adjustment from time to time as follows:

(i) In the event the Corporation should, at any time or from time to time after the date upon which any shares of Series A Preferred Stock were first issued (the "Purchase Date"), fix a record date for the effectuation of a split or subdivision of the outstanding shares of Common Stock or the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in additional shares of Common Stock or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional shares of Common Stock (hereinafter referred to as "Common Stock Equivalents") without payment of any consideration by such holder for the additional shares of Common Stock or the Common Stock Equivalents (including the additional shares of Common Stock issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the Conversion Price of the Series A Preferred Stock shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase of the aggregate of shares of Common Stock outstanding and those issuable with respect to such Common Stock Equivalents.

(ii) If the number of shares of Common Stock outstanding at any time after the Purchase Date is decreased by a combination of the outstanding shares of Common Stock, then, following the record date of such combination, the Conversion Price for the Series A Preferred Stock shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in outstanding shares.

(d) Other Distributions. In the event the Corporation shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by this Corporation or other persons, assets (excluding cash dividends) or options or rights not referred to in subsection 4(c)(i), then, in each such case for the purpose of this subsection 4(d), the holders of the Series A Preferred Stock shall be entitled to a proportionate share of any such

distribution as though they were the holders of the number of shares of Common Stock of the Corporation into which their shares of Series A Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of the Corporation entitled to receive such distribution.

(e) Recapitalizations. If at any time or from time to time there shall be a recapitalization of the Common Stock (other than a subdivision, combination or merger or sale of assets transaction provided for elsewhere in this Section 4) provision shall be made so that the holders of the Series A Preferred Stock shall thereafter be entitled to receive upon conversion of the Series A Preferred Stock the number of shares of stock or other securities or property of the Company or otherwise, to which a holder of Common Stock deliverable upon conversion would have been entitled on such recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 4 with respect to the rights of the holders of the Series A Preferred Stock after the recapitalization to the end that the provisions of this Section 4 (including adjustment of the Conversion Price then in effect and the number of shares purchasable upon conversion of the Series A Preferred Stock) shall be applicable after that event as nearly equivalent as may be practicable.

(f) Fractional Shares. No fractional shares shall be issued upon conversion of any share or shares of the Series A Preferred Stock, and the number of shares of Common Stock to be issued shall be rounded to the nearest whole share. The number of shares issuable upon such conversion shall be determined on the basis of the total number of shares of Series A Preferred Stock the holder is at the time converting into Common Stock and the number of shares of Common Stock issuable upon such aggregate conversion.

(g) Reservation of Stock Issuable Upon Conversion. The Corporation shall reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series A Preferred Stock, such number of its shares of Common Stock as shall from time to time be deemed sufficient to effect the conversion of all outstanding shares of the Series A Preferred Stock.

5. No Redemption Rights. The Series A Preferred Stock shall not be subject to redemption, whether at the option of either the Corporation or any holder of the Series A Preferred Stock.

C. Common Stock

1. Dividends. The holders of shares of Common Stock shall be entitled to receive such dividends as from time to time may be declared by the Board of Directors of the Corporation, subject to the provisions of subdivision B of this Article IV with respect to rights of holders of the Preferred Stock.

2. Liquidation. Upon any liquidation, dissolution or winding up of the Corporation whether voluntary or involuntary, after any preferential amounts to be distributed to the holders of any series of Preferred Stock then outstanding the holders of Common Stock shall

share ratably based upon the number of shares of Common Stock held by them in all of the remaining assets of the Corporation available for distribution to its stockholders.

3. Voting Rights. Except as otherwise required by law and subject to the provisions set forth in this Article IV, the holders of Common Stock issued and outstanding shall be entitled to one vote for each share thereof held.

V. Incorporator

The name and mailing address of the sole incorporator is as follows:

<u>Name</u>	<u>Mailing Address</u>
Jill E. Davis	Morrison & Foerster, LLP 555 West Fifth Street, Suite 3500 Los Angeles, CA 90013-1024

VI. Board of Directors

The Board of Directors is expressly authorized to make, alter, or repeal the Bylaws of the Corporation.

VII. Election of Directors

Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

VIII. Creditors

Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and/or between the Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the Corporation or of any creditor or stockholder thereof, or on the application of any receiver or receivers appointed for the Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for the Corporation under the provisions of Section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of the Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of the Corporation, as the case may be, and also on this Corporation.

IX. Stockholder Action

Effective upon the closing of the Corporation's initial public offering of securities pursuant to a registration statement filed under the Securities Act of 1933, as amended, stockholders of the Corporation may not take action by written consent in lieu of a meeting but must take any such action at a duly called annual or special meeting.

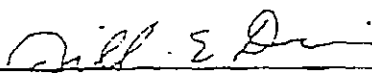
X. Amendments

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

XI. Director Liability

To the fullest extent permitted by Delaware statutory or decisional law, as amended or interpreted, no director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. This Article XI does not affect the availability of equitable remedies for breach of fiduciary duties.

I, the undersigned, being the sole incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, do make this certificate, hereby declaring and certifying that this is my act and deed and the facts herein stated are true, and, accordingly, have hereunto set my hands this 24th day of May, 2001.



Jill E. Davis, Sole Incorporator

APR-05-2002 01:20 PM NBG

FAX NO. 5048310892

P. 02

Apr 04 02 03:14p Airespring Wireless

8189815099

P. 2

APR-04-2002 THU 05:09 PM NBG

FAX NO. 5048310892

P. 02

CERTIFICATE OF AMENDMENT OF CERTIFICATE OF INCORPORATION

OF

AIRESPRING WIRELESS, INC.

Airespring Wireless, Inc. (hereinafter called the "corporation"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify:

1. The name of the corporation is:

Airespring Wireless, Inc.

2. The certificate of incorporation of the corporation is hereby amended by striking out Article I thereof and by substituting in lieu of said Article I the following new Article I:

1. Name

The name of the Corporation is Airespring, Inc. (hereinafter sometimes referred to as the "Corporation")

3. The amendment of the certificate of incorporation herein certified has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

Executed on this 4th day of April, 2002

Avi Lanstein, President & CEO

Delaware Certificate of Amendment After Payment of Capital 1776 - 1

APR-05-2002 FRI 01:20 PM NBC

FAX NO. 5048310892

P. 03

Apr 05 02 10:20a Airespring Wireless

8189815099

P. 2

APR-05-2002 FRI 09:14 AM NBC

FAX NO. 5048310892

P. 02

UNANIMOUS CONSENT OF DIRECTORS

Airespring Wireless, Inc.

Pursuant to the Bylaws of the above corporation, the Board of Directors of the Corporation does hereby adopt the following resolution on this 4th day of April, 2002, which action shall have the same force and effect as if taken by unanimous affirmative vote at a meeting of the Board of Directors of the Corporation, duly called and held, and direct that this written consent to such action be filed with the Minutes and other proceedings of the Corporation:

RESOLVED, that the Board of Directors of Airespring Wireless, Inc hereby authorizes the Corporation name change from Airespring Wireless, Inc. to Airespring, Inc.

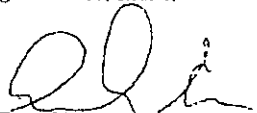

Avi Lonstein, Secretary

EXHIBIT C

LIST OF OFFICERS/DIRECTORS AND ADDRESSES

Avi Lonstein
President/CEO/Treas./Sec./Director
15350 Sherman Way
Suite 492
Van Nuys, CA 91406

Tony Charles Lonstein
Executive Vice President/Director
15350 Sherman Way
Suite 492
Van Nuys, CA 91406

Daniel Lonstein
CFO/V.P.
15350 Sherman Way
Suite 492
Van Nuys, CA 91406

Management Profiles

Avi Lonstein, Chief Executive Officer

As the former President of ADDTEL Communications, Mr. Lonstein was directly responsible for taking ADDTEL from a start-up operation to a nationwide long distance reseller with over \$40 million in annualized revenues, and a highly respected agency network made up of over 140 agents in 17 states. Under Mr. Lonstein's direction, ADDTEL was recognized as one of the industries most innovative and well-managed companies, and experienced substantial growth during Mr. Lonstein's 8 year tenure. Mr. Lonstein is well known in the resale telecommunications industry, and was one of the founding members of the industry's trade association, the Association of Communications Enterprises (ASCENT). Prior to co-founding ADDTEL, Mr. Lonstein held the position of Assistant Controller at Michael Baybak and Company, a corporate public relations firm.

Tony C. Lonstein, Executive Vice President

As the former co-founder and Chairman of ADDTEL Communications, Mr. Lonstein was responsible for the overall strategic direction for ADDTEL. Over and above successfully raising start-up funding at ADDTEL's inception, Mr. Lonstein was involved in extensive negotiations with major carriers, including AT&T and MCI Worldcom, as well as with major customers, which included such companies as Earthlink Network. Mr. Lonstein's prior experience includes the complex structure of several multinational trading agreements, as well as international import/export and commodities trading.

Michael Baybak, Advisory Board

Mr. Baybak is principal of Michael Baybak and Company, Inc., headquartered in the Los Angeles area. The company, founded May 1, 1979, services a diversified North American clientele of financial advisors and public companies.

The company has a distinguished history as the national PR firm acting for the passage of the Balanced Budget/Tax Limitation Amendment in the U.S. Senate, 1981-5, working with Dr. Milton Friedman's National Tax Limitation Committee. Clients have included numerous financial institutions, including Oppenheimer & Co., Imperial Bancorp, Permanent Portfolio Family of Funds, Charles Allmon of GSO Trust, and others. The firm has also been the long-term advisor for many prominent financial advisors. The company has long acted for emerging companies in a variety of industries, many of which it has prominently profiled in U.S. business media.

Mr. Baybak graduated from Columbia University and attended Yale Law School. Before entering the financial public relations field in 1977 as an account executive, he was a business writer for a number of organizations including McGraw-Hill and The Christian Science Monitor.

Dr. Aharon Friedman, Advisory Board

Mr. Friedman co-founded *Fortress Technologies, Inc.*, a wireless network security company with headquarters in Tampa, Florida in 1995. He possesses over 20 years of computer science and networking experience. Formerly, he served as a Senior Scientist at Brookhaven National Laboratory, where he designed and supervised the construction of one of the largest distributed control systems in the world. Formerly, he managed a research and development project on aircraft unstructured modeling for the US Air Force while employed at Science Applications International Corporation. He has been recognized for significant contributions to particle accelerator research and published over 40 papers in various scientific journals. Dr. Friedman holds a doctorate in Physical Electronics and Physics from Tel-Aviv University.

Matthew Feshbach, Advisory Board

Matthew Feshbach was the Managing General Partner of Feshbach Bros., an investment management firm, from 1982 through 1996.

During this time Feshbach Bros. grew assets under management from \$20,000 to a peak of \$1 Billion and performed in the top 1% of all money managers in the United States, equity or debt, according to a survey by Piper Jaffrey. Since 1996 Mr. Feshbach has principally been a private investor. Mr. Feshbach also serves as the chairman of FatpipeU, a broadband outsourced training skills company, headquartered in Orange County, California.

Richard M. Torre, Advisory Board

After twenty years of diversified national and international business experience on both coasts, Dick Torre founded the predecessor to Global Vantage, Ltd., sixteen years ago. The firm specializes in mergers and acquisitions, corporate debt and equity financing, merchant banking, captive finance/leasing and cross-border financing.

Dick is an active board member for a variety of public and private firms and civic organizations. He is currently Vice Chairman, Pacific Mercantile Bank (NASDAQ); Chairman, Exceed Capital Holdings, Ltd. (CDN); Vice-Chairman, JLM Foodservices, Inc.; Vice-Chairman, E-Books Interactive, Inc. and is the former Chairman of the Forum for Corporate Directors. Dick is also a member of the Executive Board, Graduate School of Management at the University of California, Irvine and a member of the Association for Corporate Growth.

A summa cum laude graduate of Fordham University, Physics, in 1963, he has been a guest lecturer or faculty member at Pepperdine University, the U.S. Naval Institute, City College of New York, Woodbury University, the New York Institute of Credit and Melbourne University on topics as diverse as business/finance and the strategy and tactics of the Pacific War 1937-1945.

Pete Summers, Advisory Board

Mr. Summers was the co-founder and director of Anaserve Inc., a California based Web hosting firm. After growing Anaserve to a customer base of more than 10,000 web sites, the company was purchased by Concentric Networks in 1997. Concentric Networks has since been purchased by XO Communications. Prior to his tenure at Anaserve, Mr. Summers founded Software Central, a software distribution firm servicing major business accounts throughout the U.S. Software Central was sold to a consortium of investors in 1987. Mr. Summers is currently a private investor.

EXHIBIT D

PROPOSED TARIFF

INTEREXCHANGE RESELLER TOLL TARIFF

TARIFF APPLICABLE TO
INTEREXCHANGE RESELLER SERVICES
WITHIN THE COMMONWEALTH OF PENNSYLVANIA
PROVIDED BY
AIRESPRING, INC.

ISSUED: July 7, 2003

EFFECTIVE:

ISSUED BY: Avi Lonstein, President
Airespring, Inc.
15350 Sherman Way, Suite 492
Van Nuys, CA 91406



CHECK SHEET

The Title Page and all Pages of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and Revised Pages as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

<u>Page</u>	<u>Number of Revisions</u>	<u>Page</u>	<u>Number of Revisions</u>
Title	Original		
1	Original	21	Original
2	Original	22	Original
3	Original	23	Original
4	Original	24	Original
5	Original	25	Original
6	Original	26	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		

ISSUED: July 7, 2003

EFFECTIVE:

ISSUED BY: Avi Lonstein, President
Airespring, Inc.
15350 Sherman Way, Suite 492
Van Nuys, CA 91406

TABLE OF CONTENTS

Check 01

Table of Contents 02

Application of Tariff 03

Participating Carriers and Billing Agent 04

Symbols 05

Tariff Format 06

Section 1: Definitions and Abbreviations 07

Section 2: Rules and Regulations 09

Section 3: Description of Service 20

Section 4: Rates and Charges 24

ISSUED: July 7, 2003

EFFECTIVE:

ISSUED BY: Avi Lonstein, President
Airespring, Inc.
15350 Sherman Way, Suite 492
Van Nuys, CA 91406

APPLICATION OF TARIFF

This tariff contains the description, regulations, and rates applicable to the furnishing of resold intrastate interexchange telecommunications service provided by **Airespring, Inc.** to business and residential customers within the Commonwealth of Pennsylvania.

ISSUED: July 7, 2003

EFFECTIVE:

ISSUED BY: Avi Lonstein, President
Airespring, Inc.
15350 Sherman Way, Suite 492
Van Nuys, CA 91406

**CONCURRING, CONNECTING OR
OTHER PARTICIPATING CARRIERS
AND BILLING AGENT**

1. Concurring Carriers - Applicant does not use any concurring carriers.
2. Connecting Carrier - Applicant's connecting carrier will be Qwest.
3. Other Participating Carriers - Applicant has no other participating carriers.
4. Billing Agent - None.

ISSUED: July 7, 2003

EFFECTIVE:

ISSUED BY: Avi Lonstein, President
Airespring, Inc.
15350 Sherman Way, Suite 492
Van Nuys, CA 91406

**EXPLANATION OF SYMBOLS
AND ABBREVIATIONS**

A. Symbols:

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

- D - To signify decreased rate
- I - To signify increased rate
- C - To signify all other changes

B. Abbreviations:

LATA - Local Access Transport Area

LEC - Local Exchange Carrier

MTS - Message Toll Service

NSF - Non-Sufficient Funds

PBX - Private Branch Exchange

V&H - Vertical and Horizontal

ISSUED: July 7, 2003

EFFECTIVE:

ISSUED BY: Avi Lonstein, President
Airespring, Inc.
15350 Sherman Way, Suite 492
Van Nuys, CA 91406

TARIFF FORMAT

- A. Sheet Numbering - Sheet numbers appear in the upper-right corner of the sheet. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff.
- B. Sheet Revision Numbers - Revision numbers also appear in the upper-right corner of the sheet. These numbers are used to determine the most current sheet version on file with the Commission. For example, 4th Revised Sheet 14 cancels 3rd Revised Sheet 14.
- C. Paragraph Numbering Sequence - There are various levels of alphanumeric paragraph coding. Each level of coding is subservient to its next higher level of coding.
- 2.
 - 2.1.
 - 2.1.1.
 - 2.1.1.A.
 - 2.1.1.A.1.
 - 2.1.1.A.1.(a)
- 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 sheet on file with the Commission.

ISSUED: July 7, 2003**EFFECTIVE:**

ISSUED BY: Avi Lonstein, President
Airespring, Inc.
15350 Sherman Way, Suite 492
Van Nuys, CA 91406

SECTION 1 - DEFINITIONS AND ABBREVIATIONS

1.1 Definitions:

Application for Service - A standard order form which includes all pertinent billing, technical, and other descriptive information which will enable the carrier to provide the communication service as required.

Authorized User - A person, firm, corporation, or other entity authorized by the customer to receive or send communications.

Carrier - Airespring, Inc., unless specifically stated otherwise.

Company - Airespring, Inc., also referred to as "Carrier."

Completed Calls - Completed calls are calls answered on the distance end.

Customer - The person, firm, corporation, or other entity which orders or uses service and is responsible by law for payment for communication service from the telephone utility.

Customer Provided Equipment - Terminal equipment provided by a customer.

Day Rate Period - 8:00 a.m. through 4:59 p.m., Monday through Friday.

Delinquent Account - An account for which a bill or payment agreement for regulated services or equipment has not been paid in full on or before the last day for timely payment.

ISSUED: July 7, 2003

EFFECTIVE:

ISSUED BY: Avi Lonstein, President
Airespring, Inc.
15350 Sherman Way, Suite 492
Van Nuys, CA 91406

1.1 Definitions: (continued)

Due Date - The last day for payment without unpaid amounts being subject to a late payment charge.

Evening Rate Period - 5:00 p.m. through 10:59 p.m., Sunday through Friday.

Holidays - Carrier's recognized holidays are New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Message - A completed telephone call by a customer or user.

Night/Weekend Rate Period - 11:00 p.m. through 7:59 a.m., Monday through Friday; 8:00 a.m. through 10:59 p.m. Saturday; and 8:00 a.m. through 5:00 p.m. Sunday.

Normal Business Hours - 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding holidays.

Premises - The space occupied by an individual customer in a building, in adjoining buildings occupied entirely by that customer, or on contiguous property occupied by the customer separated only by a public thoroughfare, a railroad right of way or a natural barrier.

Rates - Amounts billed to customers for regulated services.

ISSUED: July 7, 2003

EFFECTIVE:

ISSUED BY: Avi Lonstein, President
Airespring, Inc.
15350 Sherman Way, Suite 492
Van Nuys, CA 91406

SECTION 2 - RULES AND REGULATIONS**2.1 Description of Service**

- A. The Company provides long distance interexchange telephone service to customers for their direct transmission of voice, data and other types of telecommunications.

Communications originate when the customer accesses Carrier directly or through the facilities of the local service carrier via one or more access lines, equal access or on a dial-up basis. Carrier 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 the Carrier network. The customer shall be responsible for all charges due for such service arrangements.

Services are provided on a monthly basis, unless otherwise stated in this tariff and are available twenty-four (24) hours per day, seven (7) days per week. The minimum service period is one month (30 days).

- B. Custom or Enhanced Service Offering: At this time, the Company does not offer any enhanced services, but reserves the right to provide these services at a later date.

2.2 Service Availability

2.2.1 The Company offers service to customers consistent with the provisions of this tariff. Customer interested in the Company's services shall file a service application with the Company which fully identifies the customer and the services requested.

2.2.2 Service is offered subject to the Company's ability to technically provide the service requested and subject to the availability of the necessary facilities and/or equipment.

ISSUED: July 7, 2003**EFFECTIVE:**

ISSUED BY: Avi Lonstein, President
Airespring, Inc.
15350 Sherman Way, Suite 492
Van Nuys, CA 91406

2.2.3 Carrier reserves the right to discontinue furnishing service upon written notice, when necessitated by conditions beyond its control or when the customer is using the service in violation of the provisions of this tariff or in violation of the law.

2.2.4 Title to any equipment provided by the Company under these regulations remains with the Company. Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to any assignee or transferee.

2.3 Nonrecurring Charges

2.3.1 Customers will receive a monthly invoice setting forth the amount of usage and amount owed for such usage. Usage charges are determined by the length of calls and the time of day such calls, unless service is specifically provided on a flat rate basis. Customer is responsible for payment of invoices within 15 days of receipt.

2.3.2 Customers are responsible for any interconnection charges associated with interconnecting the company's premises to the local exchange carrier.

2.3.3 Customers will be billed and are responsible for payment of all applicable federal, state and local taxes assessed in conjunction with services used.

2.3.4 The Company reserves the right to examine the credit record of service applicants and to require a service deposit when determined necessary to assure future payment. Security Deposits required will not exceed more than two (2) months estimated usage as computed by the Company and will in all respects be consistent with Commission regulations at 52 Pa. Code Sections 64.31-64.41.

2.3.5 Customer shall be liable to the Company for all costs of collection.

ISSUED: July 7, 2003

EFFECTIVE:

ISSUED BY: Avi Lonstein, President
Airespring, Inc.
15350 Sherman Way, Suite 492
Van Nuys, CA 91406

2.4 Billing Disputes

2.4.1 Billing disputes shall be processed by the Company or its billing agent(s) in accordance with 52 Pa. Code 64.131-64.182.

2.4.2 Customers unsatisfied with the Company's handling of a dispute may contact the Commission's Bureau of Consumer Services, Pennsylvania Public Utility Commission, Commonwealth Keystone Building, 400 North Street, Harrisburg, PA 17120; Phone 1-800-782-1110; Fax (717) 787-6641.

2.5 Use of Service

Service may not be used for any unlawful purposes. Service is provided on a monthly (30 day) basis, unless otherwise stated in a service agreement.

2.6 Limitation of Liability

2.6.1 Carrier shall not be liable to any person, firm or entity for damages, either direct, indirect, consequential, special, incidental, actual, punitive, or for any other damages or lost profits arising out of mistakes, accidents, errors, omissions, interruptions, delays or defects in transmissions and not caused by the negligence of the Carrier, commencing upon activation of service and in no event exceeding an amount equivalent to the proportionate charge to the customer for the period of service during which mistakes, accidents, errors, omissions, interruptions, delays or defects in transmission occurred.

2.6.2 Carrier makes no warranty, whether express, implied or statutory, as to the description, quality, merchantability, completeness or fitness for any purpose of the service or local access, or as to any other matter, all of which warranties by Carrier are hereby excluded and disclaimed.

ISSUED: July 7, 2003

EFFECTIVE:

ISSUED BY: Avi Lonstein, President
Airespring, Inc.
15350 Sherman Way, Suite 492
Van Nuys, CA 91406

2.4 Limitation of Liability (continued)

2.6.3 Carrier, at its own expense, will indemnify the customer and hold it harmless in respect to any and all loss, damage, liability or expense asserted against the customer by a third party on account of any property damage or personal injury caused by any negligence or willful misconduct of Carrier or its agents or representatives arising out of performance by Carrier of any testing or other activities on the customer's premises pursuant to this tariff. Carrier's obligations under the immediately preceding sentence shall be subject to the customer's full performance of this tariff and subject further to the customer's duty to take reasonable precautions in the location, construction, maintenance and operation of all activities, facilities and equipment for the protection against hazard or injury and to not interfere with the services provided by Carrier.

2.6.4 Carrier shall be indemnified and held harmless by the customer against:

- A. Claims for libel, slander, infringement of copyright or patent infringement, unauthorized use of any trademark, trade name or service mark arising out of the material, data information, or other content transmitted over the carrier's facilities; and
- B. All other claims arising out of any act or omission by the customer in connection with any service provided by Carrier.

ISSUED: July 7, 2003

EFFECTIVE:

ISSUED BY: Avi Lonstein, President
Airespring, Inc.
15350 Sherman Way, Suite 492
Van Nuys, CA 91406

2.7 Interruption and Restoration of Service**2.7.1.** Interruption of Service

A credit allowance for interruptions of service which are not due to Carrier's testing or adjusting, to the negligence of the customer, or to the failure of the channels, equipment, and/or communications systems provided by the customer, are subject to the general liability provisions set forth in this tariff. It shall be the obligation of the customer to notify Carrier of any interruption in service. Before giving such notice, the customer shall ascertain that the trouble is not being caused by any action or omission by or within the customer's control and is not in wiring or equipment connected to the Carrier terminal.

2.7.2. Restoration of Service

The use and restoration of service in emergencies shall be in accordance with the Part 64, Subpart D of the Federal Communications Commission's Rules and Regulations which specifies the priority system for such activities.

ISSUED: July 7, 2003**EFFECTIVE:**

ISSUED BY: Avi Lonstein, President
 Airespring, Inc.
 15350 Sherman Way, Suite 492
 Van Nuys, CA 91406

2.8 Customer Responsibility

2.8.1 All customers are responsible for the following:

- A. The customer is responsible for placing orders for service, paying all charges for service rendered by the Company and complying with all of regulations governing the service. The customer is also responsible for assuring that its users comply with regulations.
- B. When placing an order for service, the customer must provide:
 - 1. The name(s) and address(es) of the person(s) responsible for the payment of service charges.
 - 2. The name(s), telephone number(s), and address(es) of the customer contact person(s).
- C. The customer must pay Carrier for the replacement or repair of Carrier's equipment when the damage results from:
 - 1. The negligence or willful act of the customer or user.
 - 2. Improper use of service.
 - 3. Any use of equipment or service provided by others.
- D. After receipt of payment for the damages, Carrier will cooperate with the customer in prosecuting a claim against any third party causing damage.

ISSUED: July 7, 2003

EFFECTIVE:

ISSUED BY: Avi Lonstein, President
Airespring, Inc.
15350 Sherman Way, Suite 492
Van Nuys, CA 91406

2.8.2 Maintenance, Testing, and Adjustment

Upon reasonable notice, any equipment provided by the Company shall be made available for such tests and adjustments as may be necessary to maintain them in satisfactory condition. No interruption allowance will be granted for the time during which such tests and adjustments are made.

2.8.3 Credit Allowance

Credit for failure of service or equipment will be allowed only when failure is caused by or occurs in equipment owned, provided and billed for, by the Company.

- A. Credit allowances for failure of service or equipment starts when the customer notifies Carrier of the failure or when Carrier becomes aware of the failure and ceases when the operation has been restored and an attempt has been made to notify the customer.
- B. The customer shall notify Carrier of failures of service or equipment and make reasonable attempts to ascertain that the failure is not caused by customer provided facilities, any act, or omission of the customer or in wiring or equipment connected to the terminal.
- C. Only those portions of the service or equipment operation disabled will be credited. No credit allowances will be made for:
 - 1. Interruptions of service resulting from Carrier performing routine maintenance;
 - 2. Interruptions of service for implementation of a customer order for a change in the service;
 - 3. Interruption caused by the negligence of the customer or his authorized user;
 - 4. Interruptions of service because of the failure of service or equipment due to customer or authorized user provided facilities.

ISSUED: July 7, 2003**EFFECTIVE:**

ISSUED BY: Avi Lonstein, President
Airespring, Inc.
15350 Sherman Way, Suite 492
Van Nuys, CA 91406

2.8 Customer Responsibility**2.8.4** Cancellation by Customer

If a customer orders services requiring special equipment and/or facilities dedicated to the customer's use and then cancels his order before the service begins, a charge will be made to the customer for the non-recoverable portions of expenditures or liabilities incurred expressly on behalf of the customer by the Company.

2.8.5 Payment and Charges for Services

Service is provided on a monthly basis as follows:

- A. Payment is due within 20 days after the bill is mailed by the Company to the customer. The bill is considered rendered when deposited in the U.S. mail with postage prepaid.
- B. Service may be disconnected in accordance with 52 Pa. Code 64.71-64.123 for nonpayment of an invoice by its due date. See Section 2.9.3 below.
- C. In the event of a dispute concerning a bill, Customer must pay a sum equal to the amount of the undisputed portion of the bill and proceed with complaint procedures set forth in this tariff.
- D. The customer is responsible for payment of all charges for service furnished to the customer under this tariff. Charges are based on actual usage during a month and will be billed monthly in arrears.

ISSUED: July 7, 2003**EFFECTIVE:**

ISSUED BY: Avi Lonstein, President
Airespring, Inc.
15350 Sherman Way, Suite 492
Van Nuys, CA 91406

2.8.5 Payment and Charges for Services

- E. All state and local taxes (i.e. gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.
- F. Customers will be charged a late payment penalty in the amount of 1.5% of unpaid principal amount or the highest rate allowed by state law.
- G. Customers will be charged a fee on all checks returned to the Company by the issuing institution.

ISSUED: July 7, 2003

EFFECTIVE:

ISSUED BY: Avi Lonstein, President
Airespring, Inc.
15350 Sherman Way, Suite 492
Van Nuys, CA 91406

2.9 Carrier Responsibility

2.9.1 Calculation of Credit Allowance

Pursuant to the limitations set forth herein, when service is interrupted the credit allowance will be computed on the following basis:

- A. No credit shall be allowed for an interruption of less than two hours.
- B. The customer shall be credited for interruptions of two hours or major fraction thereof that an interruption continues beyond two hours.
- C. When a minimum usage charge is applicable and the customer fails to meet a usage minimum credit, the outage shall be applied against that minimum equal to 1/360th of the monthly minimum charges associated with the portion of service disabled for each period of two hours or major fraction thereof that an interruption continued beyond two hours.

2.9.2 Cessation of Service

Service shall cease at the end of the customer's service period, or when the customer transfers service to another long distance carrier, whichever occurs first. No credit shall be given for prepaid services discontinued prior to the end of the service term for which payment was made.

ISSUED: July 7, 2003

EFFECTIVE:

ISSUED BY: Avi Lonstein, President
Airespring, Inc.
15350 Sherman Way, Suite 492
Van Nuys, CA 91406

2.9.3 Disconnection of Service by Carrier

Carrier, upon 10 days written notice to the customer, may discontinue service or cancel an application for service without incurring any liability for any of the following reasons:

- A. Non-payment of any sum due to Carrier for service for more than twenty (20) days from the date of mailing the invoice from the carrier to the customer;
- B. A violation of any regulation governing the service under this tariff;
- C. A violation of any law, rule, or regulation of any government authority having jurisdiction over the service; or
- D. Carrier is prohibited from furnishing services by order of a court or other government authority having jurisdiction.
- E. In circumstances where unlimited access to the network may result in substantial loss of revenue to Carrier.
- F. Service may be discontinued without notice in the event customer uses equipment in such a manner as to adversely affect Carrier's equipment or service to others.

2.9.4 Fractional Charges

Charges for a fractional part of a month are calculated by counting the number of days in the billing period before service was discontinued. That number is divided by thirty days and the resultant fraction is multiplied by the monthly charge to arrive at the fractional monthly charge.

ISSUED: July 7, 2003

EFFECTIVE:

ISSUED BY: Avi Lonstein, President
Airespring, Inc.
15350 Sherman Way, Suite 492
Van Nuys, CA 91406

SECTION 3 - DESCRIPTION OF SERVICE AND RATES**3.1 Timing of Calls**

The customer's monthly usage charges for Carrier service are based upon the total number of minutes the customer uses and service options subscribed to. Chargeable time begins when the connection is established between the calling station and the called station or PBX. Chargeable time ends when either party hangs up. In the event the called station "hangs up" but the calling station does not, chargeable time may end when the connection is released by automatic timing equipment within the telecommunications network.

There are no charges incurred if a call is not completed.

3.2 Start of Billing

For billing purposes, the start of service is the first day on which service is provided to the customer. The end of service date is the last day of the or any portion thereof that service is provided by the Company after notice of cancellation by Customer.

3.3 Interconnection

Service furnished by Carrier may be interconnected with services or facilities of other authorized communications common carriers and with private systems, subject to the technical limitations established by Carrier. Service furnished by Carrier is not part of a joint undertaking with any such other carriers. Any special interface equipment of Carrier and other participating carriers shall be provided at the customer's expense.

Interconnection with the facilities or services of other carriers shall be under the applicable terms and conditions of the other carriers' tariffs. The customer is responsible for taking all necessary legal steps for interconnecting customer-provided terminal equipment or communications systems with the Carrier's. The customer shall secure all necessary licenses, permits and/or right-of-ways.

ISSUED: July 7, 2003**EFFECTIVE:**

ISSUED BY: Avi Lonstein, President
Airespring, Inc.
15350 Sherman Way, Suite 492
Van Nuys, CA 91406

3.4 Terminal Equipment

Carrier's service may be used with or terminated in customer provided terminal equipment or customer provided communication systems, such as teleprinters, handsets, or data sets. Such terminal equipment will be furnished and maintained at the expense of the providing customer, except as otherwise agreed in advance and in writing. The customer is responsible for all costs at their premises, including personnel, wiring, electrical power, and the like incurred in the use of Carrier's service. When such terminal equipment is used, the equipment shall comply with the generally accepted minimum protective criteria of the telecommunications industry.

3.5 Calculation of Distance

Usage charges for all mileage sensitive products are based on the airline distance between rate centers associated with the originating and terminating points of the call.

The airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. The company uses the rate centers and associated vertical and horizontal coordinates that are generally accepted within the telecommunications industry.

Formula:
$$\frac{\sqrt{(V1 - V2)^2 + (H1 - H2)^2}}{10}$$

3.6 Minimum Call Completion Rate

The customer can expect a call completion rate of 99% of calls attempted for all Feature Group D (1+) services.

3.7 Special Services

For the purpose of this tariff, a Special Service is deemed to be any service requested by the customer for which there is no prescribed rate in this tariff. Special Services charges will be developed on an individual case basis and filed in this tariff.

ISSUED: July 7, 2003

EFFECTIVE:

ISSUED BY: Avi Lonstein, President
Airespring, Inc.
15350 Sherman Way, Suite 492
Van Nuys, CA 91406

3.8 Service Offerings

The Company provides the following services:

3.8.1 Message Toll Service (MTS)

Dialing is achieved by customer's telephone lines being programmed by the local telephone company (LEC) to automatically route 1+ calls to the Company's network.

3.8.2 Inbound Service (8XX)

Inbound Service is virtual banded inbound toll service which permits calls to be completed at the subscriber's location without charge to the calling party. Access to the service is gained by dialing a ten digit telephone number which terminates at the customer's location. Inbound services originate via normal shared use facilities and are terminated via the customers' local exchange service access line.

Carrier will accept a prospective service customer's request for up to ten (10) telephone numbers and will reserve such number(s) on a first come first serve basis. All requests for number reservations must be made in writing, dated and signed by a responsible representative of the customer. Carrier does not guarantee the availability of number(s) until assigned. The inbound services telephone number(s) so requested, if found to be available, will be reserved for and furnished to the eligible customer.

If a customer who has received a number does not subscribe to Inbound Service within 90 days, the company reserves the right to make the assigned number available for use by another customer.

ISSUED: July 7, 2003

EFFECTIVE:

ISSUED BY: Avi Lonstein, President
Airespring, Inc.
15350 Sherman Way, Suite 492
Van Nuys, CA 91406

3.8.3 Travel Card Service

Allows subscribers to gain access to the network via a toll free telephone number and personal identification number (PIN) issued by the Company.

3.8.4 Directory Assistance

Listed telephone numbers will be provided to requesting customers at a per call charge.

ISSUED: July 7, 2003

EFFECTIVE:

ISSUED BY: Avi Lonstein, President
Airespring, Inc.
15350 Sherman Way, Suite 492
Van Nuys, CA 91406

SECTION 4 - RATES AND CHARGES

4.1. Usage Charges and Billing Increments

4.1.1 Usage Charges

Usage charges are either flat rated or based on time of day rates as set forth in the individual product rate sections. The rate period is determined by the time and day of call origination at the customer's location.

4.1.2 Billing Increments

Usage is billed in accordance with the billing increments set forth in the individual product rate sections of this tariff. All partial usage will be rounded up to the next highest applicable billing increment.

4.1.3 Rounding

For billing purposes, partial usage will be rounded up to the next highest billing increment. Any partial cents will be rounded up to the next highest whole cent.

ISSUED: July 7, 2003

EFFECTIVE:

ISSUED BY: Avi Lonstein, President
Airespring, Inc.
15350 Sherman Way, Suite 492
Van Nuys, CA 91406

4.2 Switched Access Outbound and Inbound Rates

	<u>Tier A Origination</u>	<u>Tier B Origination</u>
Plan SVR	\$0.0980 per minute	\$0.1560 per minute
Plan VR	\$0.1090 per minute	\$0.1770 per minute

Billed with an initial 18 second increment and in 6 second increments thereafter.

Customers using less than \$15.00 per month will incur a monthly recurring charge of \$2.99.

4.3 Dedicated Access Rates

1. Dedicated Non-Blended (Routing Advantage):

	<u>Outbound</u>	<u>Inbound</u>
Plan SVR	\$0.0680/min	\$0.0670/min
Plan VR	\$0.0760/min	\$0.0750/min

Billed in 6 second increments.

Customers are required to sign a one-year term contract.

Monthly Commitment of \$3,000.00 required.

2. Dedicated Blended (Dedicated Plus):

	<u>Outbound</u>	<u>Inbound</u>
Plan SVR	\$0.0470/min	\$0.0505/min
Plan VR	\$0.0540/min	\$0.0570/min

Billed with an initial 18 second increment and in 6 second increments thereafter.

Customers are required to sign a one-year term contract.

Monthly Commitment of \$3,000.00 required.

ISSUED: July 7, 2003

EFFECTIVE:

ISSUED BY: Avi Lonstein, President
Airespring, Inc.
15350 Sherman Way, Suite 492
Van Nuys, CA 91406

4.4 Directory Assistance

\$0.89 per call. Residential customers are granted two free directory assistance calls per monthly billing cycle.

4.5 Late Payment Penalty

Customers will be charged 1.5% of any amounts owed to the Company beyond the due date as set forth within this tariff.

4.6 Dishonored Check Charge

All customers issuing dishonored check(s) will be charged a fee of \$25.00 per check.

4.7 Special Promotions

Carrier may from time to time offer special promotions to customers upon prior Commission approval of such promotion.

4.8 Pay Telephone (Payphone) Surcharge

A \$0.35 surcharge will be assessed for each call made from a pay telephone to an 8XX number or using a travel card and dialing the carrier prefix in the form 101XXXX.

ISSUED: July 7, 2003

EFFECTIVE:

ISSUED BY: Avi Lonstein, President
Airespring, Inc.
15350 Sherman Way, Suite 492
Van Nuys, CA 91406

EXHIBIT E

FINANCIAL STATEMENTS

Airespring Inc.
Balance Sheet
As of December 31, 2002

	<u>Dec 31, 02</u>
ASSETS	
Current Assets	
Checking/Savings	
Total Checking/Savings	461,388.65
Accounts Receivable	
Accounts Receivable	294,583.20
Bad Debt Setaside	<u>-57,705.45</u>
Total Accounts Receivable	236,877.75
Other Current Assets	
Adjustments & Credits	9,380.25
Deposits	16,409.49
Prepaid Expenses	
Prepaid Expenses - Printing Svc	23,537.55
Prepaid Expenses - Other	<u>1,000.00</u>
Total Prepaid Expenses	24,537.55
Employee Advances	1,000.00
Inventory Asset	
Total Inventory Asset	14,824.98
Rent Security Deposit	<u>2,583.90</u>
Total Other Current Assets	<u>68,736.17</u>
Total Current Assets	767,002.57
Fixed Assets	
Software	2,514.00
Furniture and Fixtures	3,239.31
Computer Equipment	16,135.72
Office Equipment	<u>2,306.04</u>
Total Fixed Assets	<u>24,195.07</u>
TOTAL ASSETS	<u><u>791,197.64</u></u>

Airespring Inc.
Balance Sheet
As of December 31, 2002

Dec 31, 02

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accounts Payable 225,030.88

Total Accounts Payable 225,030.88

Other Current Liabilities

Advance Payments & Deposits 19,584.00

Telecom Taxes 85,361.65

Sales Tax Payable -16.83

Total Other Current Liabilities 104,928.82

Total Current Liabilities 329,959.70

Total Liabilities 329,959.70

Equity

Capital Stock

Stock Warrants & Options 1,080.42

Total Capital Stock 1,080.42

Founders Capital Contribution 1,080.00

Retained Earnings -270,647.16

Series A Preferred Investment 1,395,251.05

Net Income -665,526.37

Total Equity 461,237.94

TOTAL LIABILITIES & EQUITY 791,197.64

Airespring Inc.
Profit & Loss 2002
January through December 2002

	<u>Jan - Dec 02</u>
Ordinary Income/Expense	
Income	
Long Distance Service Income	
Total Long Distance Service Income	788,196.72
Sales	
RIM 850 4MB Inventory Sales	891.00
RIM 857 Inventory Sales	8,760.00
Sales - Other	0.00
Total Sales	9,651.00
Services	
Total RIM Service Charges	9,772.59
Total Services	9,772.59
Shipping & Handling Income	366.00
Total Income	807,986.31
Cost of Goods Sold	
Total COGS - Providers	458,242.88
Commissions	81,537.12
Credit Card/EFT Processing Fees	8,579.12
Bad Debt Expense	57,705.45
Inventory Purchases	
Total Inventory Purchases	11,892.02
Inventory Shipping Costs	634.80
Total COGS	618,591.39
Gross Profit	189,394.92
Expense	
Collection Commissions	42.09
Automobile Expense	23.60
Bank Service Charges	1,524.54
Billing Services	25,572.89
Credit Reports	14,644.25
Dues and Subscriptions	574.85
Finders Fees	6,650.00
Fulfillment Expenses	795.16
Internet Hosting Fees	19,853.51
Insurance	
Fire Insurance	500.00
Medical Ins. - Employee Portion	996.50
Medical Ins. - Employer Contrib	4,100.00
Total Insurance	5,596.50
Marketing Fees	7,544.66
Network Fees	74.73
Payroll Expenses	
Total Payroll Expenses	596,898.47
Plant Services	325.00
Postage and Delivery	7,043.46
Printing and Reproduction	
Total Printing and Reproduction	7,978.52
Professional Fees	
Accounting	4,707.85
Consulting Fees	50,015.64

Airespring Inc.
Profit & Loss 2002
January through December 2002

	<u>Jan - Dec 02</u>
Legal Fees	
Total Legal Fees	<u>26,502.62</u>
Total Professional Fees	81,226.11
Recruiting	44.00
Rent	27,799.25
Repairs	
Janitorial Exp	84.00
Total Repairs	<u>84.00</u>
Supplies	
Total Supplies	17,133.79
Licenses and Permits	
Total Licenses and Permits	2,157.22
Taxes	
Total Taxes	599.42
Telephone	
Total Telephone	19,769.74
TPV Fees	3,019.00
Travel & Ent	
Total Travel & Ent	8,659.03
Utilities	
Total Utilities	<u>3,188.90</u>
Total Expense	<u>858,822.69</u>
Net Ordinary Income	<u>-669,427.77</u>
Net Other Income	<u>3,901.40</u>
Net Income	<u><u>-665,526.37</u></u>

EXHIBIT F

TENTATIVE OPERATING BALANCE SHEET
AND
PROJECTED INCOME STATEMENT

Airespring Inc.
Proforma Income Statement
One Year Period

	<u>Jan - Dec 02</u>
Ordinary Income/Expense	
Income	
Long Distance Service Income	
Total Long Distance Service Income	240,000.00
Cost of Goods Sold	
COGS - Providers	
Total COGS - Providers	163,200.00
Commissions	12,000.00
Credit Card/EFT Processing Fees	4,800.00
Bad Debt Expense	7,920.00
Total COGS	<u>187,920.00</u>
Gross Profit	52,080.00
Expense	
Cost of Sales	1072.00
Agent Fees	408.00
Total Payroll Expenses	32000.00
Postage and Delivery	380.00
Total Printing and Reproduction	432.00
Accounting	255.00
Total Legal Fees	1430.00
Rentals	1501.00
Total Supplies	925.00
Licenses and Permits	107.00
Telephone	1067.00
Utilities	172.00
Total Expense	<u>39,749.00</u>
Net Ordinary Income	<u>12,331.00</u>
	<u><u>12,331.00</u></u>

Airespring Inc.
Proforma Balance Sheet
At end of one year period

	<u>Dec 31, 02</u>
ASSETS	
Current Assets	
Checking/Savings	46,139.00
Accounts Receivable	23,687.00
Other Current Assets	
Total Other Current Assets	<u>6,873.00</u>
Total Current Assets	<u>76,699.00</u>
Fixed Assets	<u>17,759.00</u>
TOTAL ASSETS	<u><u>94,458.00</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	22,503.00
Other Current Liabilities	1,049.00
Total Current Liabilities	<u>23,552.00</u>
Total Liabilities	23,552.00
Equity	
Capital Stock	1,000.00
Net Income	12,331.00
Total Equity	<u>12,331.00</u>
TOTAL LIABILITIES & EQUITY	<u><u>35,883.00</u></u>

1 Month

AIRESPRING, INC. PROFORMA

June 2, 2003

Projected Minutes: Interstate (number/approx revenue)	180301	7100
Projected Minutes: Intrastate (number/approx revenue)	138901	5600
Costs, Taxes, Directory (in proportion)		7300

Percents: Amount: Month 1 Month 2 Month 3 Month 4 Month 5 Month 6 Month 7 Month 8 Month 9 Month 10 Month 11 Month 12

Income		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
Long Distance Service Income														
Total Long Distance Service Income	100.0%	20000	20000	20000	40000	60000	60000	80000	80000	80000	100000	100000	120000	
Cost of Goods Sold														
Total COGS - Providers	68.0%	13600	13600	13600	27200	40800	40800	54400	54400	54400	68000	68000	81600	
Cost of Sales														
Bad Debt Expense	3.3%	660	660	660	1320	1980	1980	2640	2640	2640	3300	3300	3960	
Commissions	5.0%	1000	1000	1000	2000	3000	3000	4000	4000	4000	5000	5000	6000	
Credit Card/EFT Processing Fees	2.0%	400	400	400	800	1200	1200	1600	1600	1600	2000	2000	2400	
Expense: General Administrative	16.6%	3312	3312	3312	6625	9937	9937	13250	13250	13250	16562	16562	19875	
Net Ordinary Income	5.1%	1028	1028	1028	2055	3083	3083	4110	4110	4110	5138	5138	6166	
Profit or Loss	5.1%	1028	1028	1028	2055	3083	3083	4110	4110	4110	5138	5138	6166	
Cumulative Profit or Loss			1028	2055	3083	5138	8221	11303	15414	19524	23634	28772	33910	39048

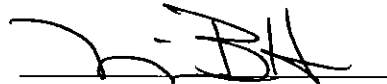
EXHIBIT G

CERTIFICATE OF SERVICE
AND SERVICE LIST

CERTIFICATE OF SERVICE

I, Monica Borne Haab, certify that I have forwarded a copy of the foregoing Application of Airespring, Inc. to all parties listed in the attached Service List via U.S. Mail, postage prepaid, to the address listed.

Executed this 7th day of July 2003, at Metairie, Louisiana.



Monica Borne Haab
Nowalsky, Bronston & Gothard
3500 N. Causeway Blvd.
Suite 1442
Metairie, LA 70002


Service List

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923

Office of the Attorney General
Office of Consumer Protection
Strawberry Square, 14th Floor
Harrisburg, PA 17120

Office of Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101

COMMONWEALTH OF PENNSYLVANIA

DATE: July 9, 2003
SUBJECT: A-311272
TO: Bureau of Fixed Utility Services
FROM:  James J. McNulty, Secretary

DOCUMENT
FOLDER

Application of Airespring, Inc.

We attach hereto a copy of the Application of Airespring, Inc. for approval to provide telecommunication services as a Reseller of Toll Services docketed at A-311272 to the public in the Commonwealth of Pennsylvania, which has been captioned and docketed to the above number.

The Protest period for this application will expire on July 22, 2003.

This matter is being referred to your Bureau to schedule it for consideration by the Commission at Public Meeting.

jih

Attachment

DOCKETED
JUL 09 2003

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P. O. BOX 3265, HARRISBURG PA 17105-3265

July 9, 2003

IN REPLY PLEASE
REFER TO OUR FILE
A-311272

MONICA BORNE HAAB
NOWALSKY, BRONSTON & GOTHARD
3500 N. CAUSEWAY BLVD.
SUITE 1442
METAIRIE LA 70002

DOCUMENT
FOLDER

Dear Ms. Haab:

Please be advised that the Application of Airespring, Inc. to provide telecommunications services as a Reseller of Toll Services docketed at A-311272 to the public in the Commonwealth of Pennsylvania, has been reviewed and found to be in compliance with the filing requirements of the Commission's Opinion and Order entered June 3, 1996, at Docket Number M-00960799.

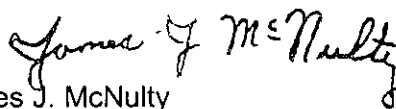
The protest period for this application will expire on July 22, 2003.

This matter is being referred to the Bureau of Fixed Utility Services to schedule it for consideration by the Commission at Public Meeting.

Please be advised that you now have provisional authority to do business in Pennsylvania.

Should you have any further questions concerning this matter, please do not hesitate to contact me.

Sincerely,


James J. McNulty
Secretary

JJM:jih

DOCKETED
JUL 09 2003

PENNSYLVANIA PUBLIC UTILITY COMMISSION

RECEIPT

The addressee named here has paid the PA P.U.C. for the following bill:

AIRESPRING, INC.
15350 SHERMAN WAY SUITE 492
VAN NUYS CA 91406

DATE 7/11/2003
RECEIPT # 201086

IN RE: Application fees for AIRESPRING, INC.

Docket Number A-311272..... \$250.00

REVENUE ACCOUNT: 001780-017601-102

CHECK NUMBER: 6104
CHECK AMOUNT: \$250.00

C. Joseph Meisinger
(for Department of Revenue)

DOCUMENT
FOLDER

DOCKETED

JUL 14 2003