

# F96000003814

## TRANSMITTAL LETTER

TO: Qualification/Tax Lien Section  
Division of Corporations

SUBJECT: Advance Pre-Paid Phone Card, Inc.  
(Name of corporation - must include suffix)

Dear Sir or Madam:

The enclosed "Application by Foreign Corporation for Authorization to Transact Business in Florida", "Certificate of Existence", and check are submitted to register the above referenced foreign corporation to transact business in Florida.

Please return all correspondence concerning this matter to the following:

Carole H. Warren  
(Name of Person)

Advance Pre-Paid Phone Card, Inc.  
(Firm/Company)

2112 Eleventh Ave. S., Suite 520  
(Address)

Birmingham, AL 35205  
(City/State/Zip)

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SECRETARY OF STATE  
DIVISION OF CORPORATIONS  
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Should you need to call someone concerning this matter, please call:

Carole H. Warren at ( 205 ) 801-6080  
(Name of Person) (Area Code & Daytime Telephone Number)

### COURIER ADDRESS:

Qualification/Tax Lien Sec.  
Division of Corporations  
409 E. Gaines St  
Tallahassee, FL 32399

### MAILING ADDRESS:

Qualification/Tax Lien Section  
Division of Corporations  
P. O. Box 6327  
Tallahassee, FL 32314

**APPLICATION BY FOREIGN CORPORATION FOR AUTHORIZATION  
TO TRANSACT BUSINESS IN FLORIDA**

**IN COMPLIANCE WITH SECTION 607.1503, FLORIDA STATUTES, THE FOLLOWING IS  
SUBMITTED TO REGISTER A FOREIGN CORPORATION TO TRANSACT BUSINESS IN THE  
STATE OF FLORIDA:**

1. Advance Pre-Paid Phone Card, Inc.  
(Name of corporation: must include the word "INCORPORATED", "COMPANY", "CORPORATION" or words or abbreviations of like import in language as will clearly indicate that it is a corporation instead of a natural person or partnership if not so contained in the name at present.)
2. Alabama  
(State or country under the law of which it is incorporated)
3. \_\_\_\_\_  
(FBI number, if applicable)
4. September 28, 1993  
(Date of Incorporation)
5. Perpetual  
(Duration: Year corp. will cease to exist or "perpetual")
6. September 1996  
(Date first transacted business in Florida. (SEE SECTIONS 607.1501, 607.1502, AND 817.155, F.S.))
7. 2112 Eleventh Avenue South, Suite 520  
Birmingham, AL 35205  
(Current mailing address)
8. See attached  
(Purpose(s) of corporation authorized in home state or country to be carried out in the state of Florida)
9. Name and street address of Florida registered agent: (P.O. Box or Mail Drop Box **NOT** acceptable)

Name: NRAI Services, Inc.

Office Address: 526 East Park Ave

Tallahassee, Florida, 32301  
(Zip Code)

**10. Registered agent's acceptance:**

*Having been named as registered agent and to accept service of process for the above stated corporation at the place designated in this application, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.*

Sue Gachmann

(Registered agent's signature)

Asst. Secretary

11. Attached is a certificate of existence duly authenticated, not more than 90 days prior to delivery of this application to the Department of State, by the Secretary of State or other official having custody of corporate records in the jurisdiction under the law of which it is incorporated.

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DIVISION OF CORPORATIONS

12. Names and addresses of officers and/or directors: (Street address ONLY- P. O. Box NOT acceptable)

A. DIRECTORS (Street address only- P. O. Box NOT acceptable)

Chairman: George B. Warren, Jr.

Address: 2112 11th Ave. So. Suite 520  
Birmingham, AL 35205

Vice Chairman: \_\_\_\_\_

Address: \_\_\_\_\_

Director: Carole H. Warren

Address: 2112 11th Ave. So., Suite 520  
Birmingham, AL 35205

Director: John C. Nettles

Address: 2112 11th Ave. So., Suite 520  
Birmingham, AL 35205

B. OFFICERS (Street address only- P. O. Box NOT acceptable)

President: George B. Warren, Jr.

Address: \_\_\_\_\_

Vice President: John C. Nettles

Address: \_\_\_\_\_


Secretary: Carole H. Warren

Address: \_\_\_\_\_

Treasurer: \_\_\_\_\_

Address: \_\_\_\_\_

NOTE: If necessary, you may attach an addendum to the application listing additional officers and/or directors.

13.   
(Signature of Chairman, Vice Chairman, or any officer listed in number 12 of the application)

14. GEORGE B WARREN, JR, CHAIRMAN  
(Typed or printed name and capacity of person signing application)

## I. EXECUTIVE SUMMARY

Advance Pre-Paid Phone Card, Inc. ("*Advance*") was founded in Birmingham, Alabama in the fall of 1993 to develop and operate the business of selling and providing telecommunication products and services including *pre-paid phone cards* and *callback services*.

The *Advance Pre-Paid Phone Card* offers a low-cost alternative to the traditional credit card or coin call. It is a debit card used for telephone service from any touchtone phone in the United States and in major areas worldwide, and it offers the consumer substantial savings over present methods of long distance calling. The pre-paid phone card provides control of spending, convenience, and a new method for "*calling card*" use. With access in over 36 countries, Advance's low flat-rate price per minute in the United States and its reduced international rate schedule means a substantial savings over hotels, pay phones, and calling cards worldwide. The savings are significant over typical calling cards such as AT&T, MCI, and Sprint as there are no surcharges, no coins are needed, and no bills are sent. The *Advance Pre-Paid Phone Card* is also a useful tool in controlling spending for students and others in order to avoid charges associated with collect, operator-assisted, and third-party calls. Companies issue corporate pre-paid phone cards to employees, allowing them to make calls without worrying about exorbitant hotel phone bills and surcharges. The pre-paid phone card is simple to use and offers a viable solution for people who do not have long distance service or shy away from public pay phones.

Pre-paid phone cards also offer more than just another way to pay for telephone calls -- they are the gateway to a host of interactive marketing promotions, fund-raising campaigns, and unique collector's items. This new promotional idea has captured the eyes and ears of advertising giants as a way to add value while creating a unique customer/client bond at an unbelievably low cost per promotion. Collectible phone cards are even starting to spill over into other collector markets. It is estimated that 2 million people around the world collect pre-paid phone cards which are distributed in at least 180 countries.

The *Advance Pre-Paid Phone Card* is rechargeable; that is, the PIN number can be reused after the customer has paid for additional minutes on the card. Advance provides 24 hour customer service to enable their customers to conveniently add any amount of time when needed from anywhere in the world where telephone access is available.

Pre-paid phone cards may also be used to record demographic information about the callers. The company providing the pre-paid services can record the number to which the calls are being placed and then perform a reverse directory match. This way, the company can track the region with the highest card use and have handy information for a direct mail campaign or it may create a customer database for a minimal price.

**EXECUTIVE SUMMARY (Continued)**

The *Advance Callback Service* allows corporations or individuals anywhere in the world to utilize the inexpensive telecommunications networks of the United States without incurring major expenses for network establishment. The savings come from international calling. Once an account has been established, the customer is issued an access number which allows him to utilize a circuit originating in the United States through which he may call anywhere in the world at wholesale United States rates.

The pre-paid phone industry has progressed substantially over the last few years. The trend for customer demand and consumption is on an upward spiral, and the market, being determined by this growing demand, is rapidly expanding. There are many users of public pay phones who have discovered the benefit of the pre-paid phone card. Households that do not have credit card or long distance service are big users of the card, and travelers who do not have or do not want to use calling cards benefit from the cost savings and convenience. Students, vacationers, and cost-conscious consumers are growing buyers of these cards.

Advance has become a major contributor to this industry's growth and has made great strides toward achieving the fulfillment of consumer demands. As education and advertisement of pre-paid phone card products and services escalate, the Company will benefit not only from its internal growth, but from the expansion of the industry as well. Management believes that the experience it has gained over the last few years is invaluable and the timing is right to implement its next moves.

Advance has targeted five (5) areas of the pre-paid phone industry:

- Retail and Wholesale
- Network Marketing
- Promotional Campaigns
- Callback Services
- Carrier Services

The Company's long-term plans include networking switches through owned or leased facilities across the globe in order to achieve better pricing and services for its customers so that it may gain a larger share of the pre-paid phone market.

**EXECUTIVE SUMMARY (Continued)**

Advance presently leases the services of a telephone switch located in Denver, Colorado on a shared basis with several other companies. The Company is working with MCI, Sprint, and LDDS to set up rate structures and services to be provided through the switch. Because of the substantial increase in volume over the last six (6) months, Advance has positioned itself to negotiate favorable terms in rate structures and obtain greater access to and from more countries and greater flexibility in voice prompts, value-added services such as teleconferencing and news service, and connection to the Internet.

Pre-paid phone cards applications and consumer markets for their usage are endless. As the market grows, so will the uses for the cards. By 1996, it is estimated that 180 million pre-paid phone cards will be issued in the United States annually, reaching more than \$500 million in sales for the whole industry.



NO. D 03639

State of Alabama  
Department of Revenue

Certificate of Good Standing  
Domestic Corporation


96 JUL 26 AM 10:10  
SECRETARY OF STATE  
DIVISION OF CORPORATIONS

I, Ernest J. Broadhead, Chief of the Corporate Tax Division of the Alabama Department of Revenue, hereby certify that the records of said Alabama Department of Revenue show that ADVANCE PRE PAID PHONE CARD INC, a domestic corporation, incorporated in Jefferson County on September 28, 1993 has to date made all returns and paid all domestic corporation franchise tax and permit fee due as required by Section(s) 40-14-22 and 40-14-40 Code of Alabama 1975, and is in good standing as a domestic corporation.

IN WITNESS WHEREOF, I hereunto set my hand this  
date of June 18, 1996

  
Chief, Corporate Tax Division

ATTEST:

  
Secretary