

# THE HISTORY OF THE EEZINET CORPORATION

## The Beginning

The Eezinet Corporation was established as an internet service provider during the waning years of the “dot com” era. Long before the “digital divide” entered the popular lexicon, Eezinet’s principals realized the power and importance of the internet. The principals realized that access to the internet could empower communities in ways never before known and were keenly aware that the majority of African-American communities were not computer literate, and included many individuals who neither owned a computer nor had access to the internet. Thus, the primary population targeted by Eezinet from its inception was unserved and underserved African-American communities. This commitment has expanded to include geographic areas with certain demographics and socio-economic characteristics that have been identified in the FCC’s National Broadband Plan as especially deserving of affordable access to broadband services, i.e., rural areas, minority/ethnic populations, elderly, low-income or disabled persons, (collectively, “At-Risk Communities”).

Eezinet’s approach, however, was dramatically different than that of certain philanthropic foundations and well established internet service providers, who pledged to bring the internet to unserved and underserved communities by placing computers in local libraries. Eezinet, understanding that most underserved and unserved communities did not have local libraries, developed a strategy more consistent with the reality of those to be served. Eezinet established computer centers at local churches, which are more prevalent in underserved and unserved communities.

The church based computer centers would be local safe havens where:

- Unemployed individuals would have access to the computers and classes to develop skills preparing them for the working world
- Community residents could learn how to use the internet to maximize management of their limited resources by accessing an expanded supplier network
- Students would use after school learning communities with internet access to aid in the completion of academic assignments
- Individuals could use the internet to complete applications for employment, education and other opportunities

## Funding and Auction Strategy

Eezinet realized that, in order to build a loyal subscriber base, it had to offer an incentive. Thus, the principals decided to offer a reduced rate for long distance telephone service through Eezinet's "backbone provider" Qwest Communications. In order to provide long distance service as one other than a reseller, however, Eezinet needed additional certifications. Therefore, Eezinet became a CLEC with tariffs in seven states. However, individual advisors from the telecom industry recommended that Eezinet turn its attention toward wireless service and to enter the Auction #58 for PCS Broadband Services.

Funded initially by Eezinet's principals, friends, and family, Eezinet targeted small and rural BTAs to acquire at Auction #58 to advance its priority goal to provide new service to unserved and underserved communities. While participating in Auction #58, Eezinet relied on advice of a wealthy acquaintance that was unsuccessful in a prior auction who had declined Eezinet's request for assistance because he believed that the auction was skewed for those with "deep pockets" like Verizon, AT&T, Sprint and the other telecom giants. The acquaintance stated that the only way to win anything was to develop a strategy not thought of by the larger companies. With that in mind, Eezinet deliberately set its sights on rural markets. This would keep Eezinet's focus on providing service to underserved and unserved populations, as these areas were not populated to the extent that would make them attractive to the larger companies. This advice proved successful for Eezinet. However, participating in Auction #58, winning several licenses and meeting construction requirements, has required a substantial amount of money, which is now beyond that available from family and friends.

Notwithstanding several setbacks, some historical and unprecedented, Eezinet has persevered and continues to build out its BTAs and work toward its goal of bringing affordable service to At-Risk Communities. Eezinet has recently been able to secure angel investments, but it has not received traditional financing from banks or private/venture equity firms.

## The Greater Good

It has always been and still is Eezinet's belief that:

- Success in provision of services to At-Risk communities will establish a loyal subscriber base
- The Eezinet vision of empowering communities will be realized in more diverse communities
- Access transforms not only the people, but also the businesses of the community
- Access creates the potential for economic development opportunities
- Access becomes a vehicle for every person to maximize their full human potential
- More productive and stronger individuals equal stronger communities
- As an owner of wireless spectrum, Eezinet can more effectively impact the provision of services

## Financial Statements

**Financial Statements Available Upon Request.**