My Tel Co, Inc.
445 Hamilton Avenue, Suite 408
White Plains, New York 10601
(914) 948-5550

RECEIVED
2006 OCT -3 PM 12: 24
IDAHO PUBLIC
UTILITIES COMMISSION

Ms. Jean Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington State House
Boise, ID 83720-0074

MTC-T-06-01

Re: Application to provide facilities-based local exchange and resale interexchange service for My Tel Co, Inc.

Dear Ms. Jewell:

Enclosed for filing please find one original and three copies for the application of **My Tel Co, Inc.** to provide facilities-based local exchange and resale interexchange service within the State of Idaho.

Please acknowledge receipt of this filing by returning one copy of this transmittal letter date stamped in the self-addressed stamped envelope enclosed for that purpose.

Any question regarding this filing may be directed to (914) 948-5550, or mabbagnaro@cordiacorp.com. Thank you for your assistance.

Sincerely,

Matthew Syken
Assistant General Counsel

APPLICATION FOR CERTIFICATION

ON BEHALF OF

MY TEL CO, INC.

I. Proposed Services

Applicant intends on providing local and interexchange services in the geographic area currently served by Qwest Communications, Inc. Applicant will not build its own facilities but rather resell telecommunications services utilizing the underlying network of its affiliate's network. Affliate is a competitive local exchange carrier.

Applicant intends on marketing to residential and small business consumers in the State of Idaho utilizing a third-party telemarketing firm. Applicant may, in the future, conduct in-house telemarketing of its services. Prior to this application, Applicant has not served any consumers within the State of Idaho.

II. Form of Business

1. Applicant is a corporation formed in the State of New York; attached to this application is a certified copy of its Articles of Incorporation. Also attached is Applicant's certificate of authority to do business in the State of Idaho. The legal name and address of applicant are:

My Tel Co, Inc.
445 Hamilton Avenue, Suite 408
White Plains, New York 10601

Applicant intends on operating as a local and long distance telecommunications reseller. Applicant does not intend on maintaining a physical location in the State of Idaho however its registered agent in the State is National Registered Agents, Inc., 10985 Cody, Suite 111, Overland Park, KS 06724. Applicant's principal business address is stated above.

2. Applicant is a wholly-owned subsidiary of Cordia Corporation (CORG.OB).

3. Applicants Officers & Directors:

Patrick Freeman – President/Director
Wesly Minella - Secretary

4. Cordia Corporation owns a 100% interest in Applicant.

5. Applicant does not own or control any subsidiaries.

III. Telecommunication Service

1. Applicant does not propose the construction of facilities, as it will be utilizing the underlying network of its affiliate company to conduct business. Applicant proposes to begin providing service upon the Commission's approval of its application and tariff.

2. Applicant proposes to offer local and long distance telecommunications services to residential and business customers.

IV. Service Territory

1. My Tel Co, Inc. will be offering telecommunications services in the territories within the State of Idaho in which Qwest Communications, Inc. currently offers services. Qwest is the only incumbent local exchange carrier with whom My Tel Co, Inc. is likely to compete.

2. Applicant intends to resell the services of its affiliate company. Applicant will not be constructing facilities and does not anticipate owning property within the State of Idaho.

3. Applicant is likely to compete with Qwest Communications, Inc. and the other competitive local exchange carriers that offer services in the Qwest territories within the State of Idaho.

4. Applicant does not own property related to its services and operation in the State of Idaho.

V. Financial Information

1. Attached is the Applicants Form 10-QSB as filed with the Securities and Exchange Commission for the period ended June 30, 2006 and from 10-KSB as filed with the Securities Exchange Commission for the period ended December 31, 2005.

VI. "Illustrative" Tariff Filings

Illustrative Tariff is attached to this application.

VII. Customer Contacts

1. Customers may contact My Tel Co, Inc. Customer service at 13275 West Colonial Drive, Winter Garden, Florida, 800 871-2250 for inquiries or complaints.

2. The Commission may contact Claude Abbew, My Tel Co, Inc., 445 Hamilton Avenue, Suite 408, White Plains, New York 10601, psc@mytelco.us for complaint resolution.

The Commission may contact Claude Abbew for matters concerning rates and price lists or tariffs at 914-948-5550 x1083 or cabbew@cordiacorp.com.

VIII. Interconnection Agreements

Applicant has not commenced interconnection negotiations with Qwest Communications Inc. It is Applicant's intention to provide services utilizing the network of its affiliate company.

IX. Compliance with Commission Rules

Applicant has reviewed and agrees to comply with all of the Commission's rules.

X. Escrow Account or Security Bond

The company does not require advance deposits by its customers and therefore will not be submitting an executed copy of an escrow account with a bonded escrow agent or a security bond.

MY TEL CO, INC.

V. FINANCIAL INFORMATION

Form 10-QSB Period Ended June 30, 2006

Form 10-KSB Period Ended December 31, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-QSB

(Mark One)

[X] Quarterly report under Section 13 or 15(d) of the Securities exchange Act of 1934

For the quarterly period ended June 30, 2006

[ ] Transition report under Section 13 or 15(d) of the Exchange Act

For the transition period from __________ to __________.

Commission File Number: ______________________

CORDIA CORPORATION

(Exact Name of Small Business Issuer as Specified in Its Charter)

Nevada	11-2917728
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

13275 W. Colonial Drive, Winter Garden, Florida 34787

(Address of Principal Executive Offices)

866-777-7777

(Issuer's Telephone Number, Including Area Code)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes [ ] No [X]

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Check whether the registrant filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes [ ] No [ ]

APPLICABLE ONLY TO CORPORATE ISSUERS

As of August 7, 2006, there were 5,808,774 shares of the issuer's common stock outstanding.

Transitional Small Business Disclosure Format (check one): Yes [ ] No [X]

CORDIA CORPORATION

FORM 10-QSB

TABLE OF CONTENTS

ITEM 1. FINANCIAL STATEMENTS

CORDIA CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS	June 30, 2006 (unaudited)	December 31, 2005
Current Assets		
Cash and cash equivalents	$ 496,889	$ 944,840
Cash – restricted	992,966	1,401,058
Accounts receivable, less allowance for doubtful accounts of $1,091,471 (2006) and $864,827 (2005)	4,526,638	5,992,833
Prepaid expenses	609,910	514,576
Accrued usage receivable	255,000	332,534
Deferred tax assets	350,483	278,000
TOTAL CURRENT ASSETS	7,231,886	9,463,841
Property and equipment, at cost		
Office and computer equipment	1,187,991	787,809
Computer software	993,560	602,012
Leasehold improvements	341,612	255,050
	2,523,163	1,644,871
Less: Accumulated depreciation/amortization	742,600	354,430
NET PROPERTY AND EQUIPMENT	1,780,563	1,290,441
Other Assets		
Goodwill	383,317	-
Security deposits and other assets	278,749	216,358
	662,066	216,358
TOTAL ASSETS	$ 9,674,515	$ 10,970,640
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Current portion, capital lease obligations	$ 11,536	$ 11,099
Accounts payable	2,332,724	2,708,784
Accrued expenses	3,723,612	4,260,304
Income taxes payable	69,690	109,000
Unearned income	1,062,889	1,161,562
Loans payable – other	-	57,000
TOTAL CURRENT LIABILITIES	7,200,451	8,307,749
Noncurrent Liabilities		
Deferred rent	53,518	45,410
Deferred income taxes	86,456	9,000
Capital lease obligation, net of current	44,285	50,165
TOTAL NONCURRENT LIABILITIES	184,259	104,575
COMMITMENT AND CONTINGENCIES		
Stockholders' Equity		
Preferred stock, $0.001 par value; 5,000,000 shares authorized, 707,800 (2006) and 797,800 (2005) shares issued and outstanding	708	798
Common stock, $0.001 par value; 100,000,000 shares authorized, 5,808,774 (2006) and 5,639,410 (2005) shares issued and outstanding	5,809	5,639
Additional paid-in capital	6,025,745	6,054,606
Comprehensive (loss)	(3,881)	-
Accumulated deficit	(3,642,578)	(3,406,729)
	2,385,803	2,654,314
Less: Treasury stock, at cost, 177,694 common shares	(95,998)	(95,998)
TOTAL STOCKHOLDERS' EQUITY	2,289,805	2,558,316
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 9,674,515	$ 10,970,640

See notes to condensed consolidated financial statements.

CORDIA CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Six Months Ended June 30,		Three Months Ended June 30,	
	2006	2005	2006	2005
Revenues				
Telecommunications Revenue	$18,968,420	$18,937,569	$9,070,079	$9,808,379
Other	320,629	374,713	152,651	210,079
	19,289,049	19,312,282	9,222,730	10,018,458
Cost of Revenues				
Resale and wholesale line charges	10,307,422	10,003,113	4,989,481	4,978,400
Gross Profit	8,981,627	9,309,169	4,233,249	5,040,058
Operating Expenses				
Sales and Marketing	1,536,465	2,166,126	818,587	1,291,893
Provision for Doubtful Accounts	1,600,615	2,309,399	780,003	1,237,459
General and Administrative	5,561,774	3,877,426	2,782,580	2,015,916
Depreciation	426,239	88,780	238,263	55,761
	9,125,093	8,441,731	4,619,433	4,601,029
Operating (Loss) Income	(143,466)	867,438	(386,184)	439,029
Other Income (Expenses)				
Interest income	5,913	7,830	1,555	8,878
Interest expense	(3,323)	(14,466)	(1,260)	(9,935)
	2,590	(6,636)	295	(1,057)
(Loss) Income Before Income Taxes	(140,876)	860,802	(385,889)	437,972
Income Tax Provision (Benefit)	94,973	-	(47,030)	-
Net (Loss) Income	$ (235,849)	$ 860,802	$(338,859)	$ 437,972
Basic (Loss) Income per share	$ (0.04)	$ 0.19	$ (0.06)	$ 0.10
Weighted Average Common Shares Outstanding	5,580,740	4,504,890	5,631,080	4,503,254
Diluted (Loss) Income per share	$ (0.04)	$ 0.14	$ (0.06)	$ 0.07
Weighted Average Common and Common Equivalent Shares Outstanding	5,580,740	5,943,675	5,631,080	6,536,092

See notes to condensed consolidated financial statements.

CORDIA CORPORAT1ION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Six Months Ended June 30, 2006	2005
Cash Flows From Operating Activities		
Net (loss) income from continuing operations	$ (235,849)	$ 860,802
Adjustments to reconcile net (loss) income to net cash provided (used) by operations		
Compensatory stock expense	88,027	46,500
Provision for doubtful accounts	1,600,615	2,309,399
Depreciation expense	426,239	88,780
Deferred income taxes	4,973	-
(Increase) decrease in assets, net of acquisition:		
Restricted cash	408,092	(1,361,057)
Accounts receivable	(134,420)	(3,893,745)
Prepaid expenses and other current assets	(102,833)	(225,389)
Accrued usage receivable	77,534	(21,986)
Security deposits	(80,055)	(70,750)
Other long term assets	(29,752)	-
Increase (decrease) in liabilities:		
Accounts payable	(338,930)	(541,195)
Accrued expenses	(536,692)	1,562,113
Income taxes payable	(39,309)	-
Unearned income	(98,673)	389,986
Deferred rent	8,108	1,420
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,017,075	(855,122)
Cash Flows from Investing Activities		
Capitalized software costs	(391,548)	(260,977)
Leasehold improvements	(86,562)	(113,693)
Purchase of property and equipment	(400,182)	(219,972)
Payment for acquisition of Triamis, net of cash acquired	(211,410)	-
NET CASH USED BY INVESTING ACTIVITIES	(1,089,702)	(594,642)
Cash Flows From Financing Activities		
Net proceeds from issuance of preferred stock	-	1,455,000
Principal payments on capital leases	(5,443)	-
Payments of loans payable to affiliates	(57,000)	-
Purchase of stock warrants	(309,000)	-
Purchase of treasury stock	-	(40,000)
NET CASH (USED) PROVIDED BY FINANCING ACTIVITIES	(371,443)	1,415,000
Effect of exchange rate changes on cash	(3,881)	-
Decrease in Cash	(447,951)	(34,764)
Cash, beginning	944,840	300,119
Cash, ending	$ 496,889	$ 265,355
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the quarter for:		
Interest	$ 3,180	$ 1,250
Income Tax	$ 78,315	$ -
Supplemental disclosure of non-cash investing and financing activities:		
Restricted common stock issued:		
36,000 shares for investor relations agreement valued at $45,000 (18,000 shares earned and expensed)	$ -	$ 22,500
Stock issued in Triamis acquisitions	200,000	-
Conversion of preferred stock into common	90,000	-
Purchase accounting adjustment for goodwill	52,001	-

See notes to condensed consolidated financial statements.

CORDIA CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2006
(Unaudited)

Note 1: Basis of Presentation

Our unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-QSB and do not include all of the information and disclosures required by accounting principles generally accepted in the United States of America. Therefore, these financial statements should be read in conjunction with the financial statements and related footnotes included in our Annual Report on Form 10-KSB for the most recent year-end. These financial statements reflect all adjustments that are, in the opinion of management, necessary to fairly state the results for the interim periods reported. The results of operations for the three and six month periods ended June 30, 2006, are not necessarily indicative of the results to be expected for the full year.

The condensed consolidated financial statements include the accounts of Cordia Corporation ("Cordia") and the accounts of our wholly owned subsidiaries Cordia Communications Corp. ("CCC"), My Tel Co, Inc ("My Tel"), Cordia International Corp. ("CIC") and its subsidiaries, and CordiaIP Corp. ("CordiaIP") as of June 30, 2006 and for the six and three months ended June 30, 2006 and 2005. Cordia and its subsidiaries are collectively referred to herein as the "Company." All material intercompany balances and transactions have been eliminated.

Certain amounts in the 2005 condensed consolidated financial statements have been reclassified to conform to the current period presentation.

Note 2: Restricted Cash

At June 30, 2006, the Company held three Certificates of Deposit ("CD's") totaling $967,000 plus accrued interest of approximately $26,000. The CD's secure Letters of Credit ("LOC's"), which were required as a result of the contract with Verizon Communications, Inc. ("Verizon") and are shown as restricted cash on the balance sheet due to the inability to withdraw the funds prior to maturity.

During the quarter a fourth CD representing $400,000 plus accrued interest of $13,000 matured and its accompanying LOC expired. Subsequent to the balance sheet date, in July 2006, a CD representing $17,000 plus accrued interest of approximately $523 matured and its accompanying LOC expired. As of the date of this filing, we have two CD's securing LOC's that mature and expire in March 2007 and total $950,000 plus accrued interest of approximately $25,000. The LOC's are not renewable upon their expiration.

Note 3: Acquisition

On February 15, 2006, the Company, through its subsidiary CIC, completed the acquisition of Triamis Group Limited ("Triamis"), a privately held Hong Kong corporation. We acquired a 100% interest in Triamis by purchasing its outstanding stock, which totaled 10,000 shares, for a cash purchase price of $200,000 and the equivalent of $200,000 in shares of Cordia's common stock, or 79,364 shares of common stock, which at the time had a cash value of $2.52 per share. Triamis is a provider of WiFi and VoIP services in the Asian Pacific region. The results of operations of Triamis have been included in our consolidated results of operations subsequent to its acquisition on February 15, 2006.

Note 3: Acquisition (cont'd.)

The values of assets acquired were estimated at fair market value. The following table presents an allocation of the purchase price based on the estimated fair values of the assets acquired and the liabilities assumed at the date of acquisition:

Total consideration	$	417,162
Less: cash balance acquired		5,751
	$	411,411
Allocated to:		
Other current assets	$	457
Property, plant and equipment, net		40,610
Current liabilities assumed		(12,973)
Goodwill		383,317
	$	411,411

Goodwill was recorded based on the residual purchase price after allocating the purchase price to the fair market value of tangible and intangible assets acquired less liabilities assumed. In accordance with FAS 142 "Goodwill and Other Intangible Assets" ("SFAS 142") goodwill will not be amortized but will be tested at least annually for impairment.

The unaudited pro forma financial information for the six months ended June 30, 2005 was deemed immaterial and has not been provided. Further, unaudited pro forma financial information for the six months ended June 30, 2006 has not been provided as Triamis had minimal operations during the period from January 1, 2006 through February 15, 2006, the date of acquisition.

Note 4: Foreign Currency Transactions

The functional currency of Triamis, is the local currency, the Hong Kong dollar ("HK$"). For this foreign operation, the assets and liabilities have been translated into US dollars using period-end exchange rates in effect as of the balance sheet date and revenue and expenses have been translated using average daily exchange rates for the period. The resulting cumulative translation adjustment is included in comprehensive (loss) as a separate component of stockholders' equity in the condensed consolidated balance sheet for the period from February 15, 2006 (date of acquisition) through June 30, 2006 and aggregated approximately $3,900.

Note 5: Employee Stock Compensation

On May 23, 2003, Cordia's shareholders voted to amend the 2001 Equity Incentive Plan (the "Plan") by authorizing an additional 1,000,000 shares. The total number of shares of Cordia's common stock authorized for issuance under the Plan is 6,000,000, subject to adjustment for events such as stock dividends and stock splits. All stock options under the Plan are granted at the fair market value of the common stock at the grant date. Employee stock options vest ratably over a three or four-year period and generally expire five (5) years from the grant date.

Effective January 1, 2006, the Plan is accounted for in accordance with the recognition and measurement provisions of Statement of Financial Accounting Standards ("FAS") No. 123 (revised 2004), Share-Based Payment ("FAS 123(R)"), which replaces FAS No. 123, Accounting for Stock-Based Compensation, and supersedes Accounting Principles Board Opinion ("APB") No. 25, Accounting for Stock Issued to Employees, and related interpretations. FAS 123(R) requires compensation costs related to share-based payment transactions, including employee stock options, to be recognized in the financial statements. In addition, the Company adheres to the guidance set forth within Securities and Exchange Commission ("SEC") Staff Accounting Bulletin ("SAB") No. 107, which provides the Staff's views regarding the interaction between FAS 123(R) and certain SEC rules and regulations and provides interpretations with respect to the valuation of share-based payments for public companies.

Note 5: Employee Stock Compensation (cont'd.)

Prior to January 1, 2006, the Company accounted for similar transactions in accordance with APB No. 25, which employed the intrinsic value method of measuring compensation cost. Accordingly, compensation expense was not recognized for fixed stock options if the exercise price of the option equaled or exceeded the fair value of the underlying stock at the grant date.

While FAS No. 123 encouraged recognition of the fair value of all stock-based awards on the date of grant as expense over the vesting period, companies were permitted to continue to apply the intrinsic value-based method of accounting prescribed by APB No. 25 and disclose certain pro-forma amounts as if the fair value approach of FAS 123 had been applied. In December 2002, FAS No. 148, Accounting for Stock-Based Compensation-Transition and Disclosure, an amendment of FAS 123, was issued, which, in addition to providing alternative methods of transition for a voluntary change to the fair value method of accounting for stock-based employee compensation, required more prominent pro-forma disclosures in both the annual and interim financial statements. The Company complied with these disclosure requirements for all applicable periods prior to January 1, 2006.

In adopting FAS 123(R), the Company applied the modified prospective approach to transition. Under the modified prospective approach, the provisions of FAS 123(R) are to be applied to new awards and to awards modified, repurchased, or cancelled after the required effective date. Additionally, compensation cost for the portion of awards for which the requisite service has not been rendered that are outstanding as of the required effective date shall be recognized as the requisite service is rendered on or after the required effective date. The compensation cost for that portion of awards shall be based on the grant-date fair value of those awards as calculated for either recognition or pro-forma disclosures under FAS 123.

As a result of the adoption of FAS 123(R), the Company's results of operations for the six and three month periods ended June 30, 2006 include share-based compensation expense totaling approximately $80,500 and $64,400, respectively, and are reflected in the Condensed Consolidated Statements of Operations within general and administrative expense. No deferred tax asset has been recognized in the income statement for share-based compensation arrangements. There was no stock compensation expense reported, under APB No. 25, for the three and six months ended June 30, 2005.

Stock option compensation expense in 2006 is the estimated fair value of options granted amortized on a straight-line basis over the vesting period for the entire portion of the award. The Company has not adjusted the expense by estimated forfeitures, as required by FAS 123(R) for employee options, since the forfeiture rate based upon historical data was determined to be immaterial.

The Plan is administered by a committee of the board of directors having full and final authority and discretion to determine when and to whom awards should be granted. The committee will also determine the terms, conditions and restrictions applicable to each award. Transactions under the Plan for the six months ended June 30, 2006 are summarized as follows:

	Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsi Value
Outstanding at,December 31, 2005	1,148,000	$1.27		
Granted with 3 year vesting	312,500	$1.81		
Exercised	-	-		
Expired	(12,000)	0.89		
Outstanding at June 30, 2006	1,448,500	$1.39	1.80	$433,8
Exercisable at June 30, 2006	1,077,792	$1.24	2.30	$433,4

Note 5: Employee Stock Compensation (cont'd.)

As of June 30, 2006, there were 1,077,792 options outstanding that were exercisable. As of June 30, 2006, there was approximately $461,800 of unrecognized compensation cost, net of estimated forfeitures, related to nonvested stock options, which is expected to be recognized over a weighted average period of approximately two (2) years.

Additional information as of June 30, 2006, with respect to all outstanding options is as follows:

		Options Outstanding		Options Exercisable	
Range of Prices	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$0.40 - $0.60	864,000	1.75	$0.60	863,438	$0.60
$1.22 - $2.36	521,500	1.63	$1.84	151,354	$1.88
$5.00 - $11.25	63,000	4.83	$8.49	63,000	$8.49
TOTAL	1,448,500	1.80	$1.39	1,077,792	$1.24

There were 312,500 options granted during the six months ended June 30, 2006 and 110,000 options granted during the six months ended June 30, 2005, with weighted average fair value of $1.33 and $0.94 respectively.

Pro Forma Information under FAS 123 for Periods Prior to Adoption of FAS 123(R):
The following table illustrates the effect on net income and earnings per share as if the fair value recognition provisions of FAS 123 had been applied to all outstanding and unvested awards in the prior year comparable periods.

	For the Six Months Ended June 30, 2005	For the Three Months Ended June 30, 2005
Net income, as reported	$860,802	$437,972
Add: Stock-based compensation Included in reported net income	-	-
Deduct: Total stock based compensation determined under the fair value based method for all awards (no tax effect)	(61,833)	(36,127)
Pro forma net income	$798,969	$401,845
Net income per share:		
Basic income per share, as reported	$ 0.19	$ 0.10
Diluted income per share, as reported	$ 0.14	$ 0.07
Basic income per share, pro forma	$ 0.18	$ 0.09
Diluted income per share, pro forma	$ 0.13	$ 0.06

The fair value of each option grant was estimated on the date of the grant using the Black-Scholes option-pricing model. The following weighted-average assumptions for 2006 and 2005 issuances averaged an expected volatility of 122% and 75%, respectively; an average risk-free rate of 4.99% and 3.71%, respectively and all have an expected life of three (3) years.

Note 6: Commitments

Operating Leases

The Company is committed for annual rentals under four (4) separate non-cancelable operating leases for its office space. Future minimum rental commitments under these leases from July 1, 2006 to December 31, 2006 are $198,893 and for the years subsequent to December 31, 2006 are as follows:

Year Ending December 31	
2007	$ 424,483
2008	403,014
2009	354,643
2010	312,218
2011	251,406
Thereafter	169,824
	$ 1,915,588

Rent and other occupancy charges included in operating expenses were $351,533 and $101,439 for the six month periods ended June 30, 2006 and 2005, respectively, and $184,059 and $49,847 for the three month periods ended June 30, 2006 and 2005, respectively.

In White Plains, New York we lease (1) approximately 2,840 square feet of office space at a rental price of $4,970 per month plus utilities with incremental annual increases in rent commencing in year three of the lease term and (2) approximately 4,725 square feet at a rental price of $8,663 per month plus utilities with incremental annual increases in rent commencing in year three of the lease term. Both leases are for a term of five years and expire on November 30, 2008 and July 31, 2010, respectively. The rent commencement date on the lease expiring in 2010, was August 1, 2005.

In Winter Garden, Florida we lease approximately 32,000 square feet of office space at a rental price of $18,849 per month plus utilities. Incremental increases in rent commence in year two of the seven and ½ year lease term. The lease term commenced on April 1, 2005 and the rent commencement date was September 1, 2005.

In Hong Kong, we lease office space at a rental price of HK $26,258 or approximately US $3,383 per month plus management fees and air conditioning charges totaling HK $4,146 or approximately US $534. The lease provides for a two (2) month rent-free period with a rent commencement date of May 21, 2006 and an expiration date of March 21, 2008.

Employee Benefit Plan

In 2004, the Company began the Cordia Corporation 401(k) Profit Sharing Plan (the "Plan") covering all eligible employees. Under the Plan, the Company matches on an elective basis, 50% of the first 6% contributed by the employee, for an aggregate maximum of 3%. Participating employees shall become vested in employer contributions after three (3) years of service. If a participating employee is terminated or resigns before the three (3) year vesting period employer contributions shall be forfeited. The Plan became effective January 1, 2004, and employee and employer contributions commenced April 16, 2004.

Note 6: Commitments (cont'd)

For the Plan year beginning on January 1, 2006, the Company implemented a fully-vested safe harbor matching contribution to all eligible participants. Under the safe harbor matching contribution, the Company matches 100% of employee deferrals up to 3% of compensation, plus 50% of cash deferrals in excess of 3% of compensation not to exceed 5% of compensation. For the six months ended June 30, 2006, employee contributions totaled $47,423 and employer contributions totaled $27,761 as compared to $50,705 and $16,777, respectively for the same period in 2005. For three months ended June 30, 2006, employee contributions totaled $22,413 and employer contributions totaled $13,520 as compared to $19,817 and $8,668, respectively, for the same period in 2005.

Note 7: Subsequent Event

Our South American efforts include the recent acquisition of a 51% interest in Canal West Soluções em Informática Ltda. ("Canal West"), a Brazilian limited liability partnership. CIC has agreed to invest US$ 45,000 for its 51% interest in Canal West. This amount is not due to Canal West until its status as a limited liability partnership is transformed into a Sociedade por Ações which is the equivalent to a U.S. corporation. Canal West is a start-up entity, with limited revenue, providing VoIP services in Brazil over its own proprietary VoIP network. We believe this investment is beneficial for our international expansion into the South American VoIP market.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Certain statements in this Report constitute "forward-looking statements." Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that might cause such a difference include, among others, uncertainties relating to general economic and business conditions; industry trends; changes in demand for our products and services; uncertainties relating to customer plans and commitments and the timing of orders received from customers; announcements or changes in our pricing policies or that of our competitors; unanticipated delays in the development, market acceptance or installation of our products and services; changes in government regulations; availability of management and other key personnel; availability, terms and deployment of capital; relationships with third-party equipment suppliers; and worldwide political stability and economic growth. The words "believe," "expect," "anticipate," "intend," "plan," and similar expressions identify forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statement was made.

Critical Accounting Policies and Estimates

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the unaudited Condensed Consolidated Financial Statements and accompanying notes. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from these estimates under different assumptions or conditions. The Company believes there have been no significant changes during the three and six month periods ended June 30, 2006, to the items disclosed as significant accounting policies in management's Notes to Consolidated Financial Statements in the Company's Annual Report on Form 10-KSB for the year ended December 31, 2005, except for the implementation of FAS 123(R) for accounting of share based payments; see Note 5 to the unaudited condensed consolidated financial statements.

Overview

Cordia is a global telecommunications services firm generating revenue from the telecommunications products and services it offers its customers domestically and internationally. We provide business, residential, and wholesale customers with local and long distance voice services utilizing traditional wireline and Voice over Internet Protocol ("VoIP") technologies. We also derive revenue from our web-based service offerings, which include the solutions we offer on an outsourced basis to other telecommunications service providers on a contractual and on a month-to-month basis. An additional, but lesser source of revenue is derived from Carrier Access Billing Services ("CABS"), which is compensation we receive from other telecommunications carriers who utilize a portion of our loop to complete long distance calls to our customers.

Historically, our traditional bundled wireline service offerings represented a majority of our revenue, followed by revenue derived from our outsourced services, and VoIP service offerings, respectively. We believe this trend will continue with respect to our wireline services during the remainder of fiscal year 2006, as we continue our expansion into the Qwest Communications International, Inc ("Qwest") territory in the Western United States, and commence our pre-paid wireline service offering. We believe that revenue derived from our VoIP service offerings will surpass that of our outsourced services as we continue to focus on our VoIP services, in particular our international VoIP initiatives.

Business Services

Wireline Services

We offer small businesses and residential customers wireline service by leasing a portion of the network owned by other larger telecommunications carriers, namely Verizon, Qwest, and AT&T, Inc. ("AT&T"). These leasing arrangements are controlled by multi-state, multi-year interconnection and commercial services agreements that allow us to offer telecommunications services to consumers in the Northeast and Western regions of the United States without incurring the capital expenditures associated with building our own network.

We offer local exchange, local access, domestic and international long distance telephone services, and a full suite of local features and calling plans to small business and residential consumers in Colorado, Idaho, Massachusetts, New Jersey, New York, Oregon, Pennsylvania, and Washington through our wholly-owned subsidiary CCC. We are also licensed to provide local and long distance telecommunications services in Florida, Illinois, Maryland, Michigan, Minnesota, Ohio and Virginia although we are not actively marketing or providing retail telecommunications services in these states at this time. Applications for authorization to operate as a telecommunications carrier are pending before regulatory agencies in Arizona, Iowa, and Utah.

During the second half of 2006, we will commence services as a competitive local exchange carrier through our formerly inactive wholly-owned subsidiary, My Tel. My Tel will operate using tighter credit controls as its target base will be consumers in the secondary consumer credit market. By reducing the invoice due date, accelerating service suspension for non-payment, blocking excessive international calling, and charging a monthly per line service premium we believe we can increase sales with minimum credit exposure. We also anticipate, through My Tel, rolling out a pre-paid wireline service, requiring customers to pay for services prior to them being rendered, during the last half of 2006. This roll out of pre-paid services will allow us to offer services to customers in a sub-prime market who would otherwise have difficulty in obtaining telecommunications service. My Tel is licensed to offer local and long distance services in Massachusetts and New York and we anticipate commencing services in New York during the third quarter of 2006. In addition, we plan on obtaining authority to operate as a pre-paid telecommunications carrier in additional states.

VoIP Services

We offer, through our wholly-owned subsidiary CordiaIP, a voice over broadband solution enabling delivery of voice services over any broadband Internet Protocol ("IP") connection. We believe VoIP is the logical extension of our traditional wireline telecommunications service offerings and after achieving compliance with the Federal Communication Commission's ("FCC") E911 order, requiring that customers have the ability to make 911 calls over our VoIP network, we launched our full commercial roll-out in January 2006. To support this service offering, and the marketing efforts related to this service, we hired additional personnel and built our own proprietary VoIP network including our own network software and operating support systems.

We offer a wide range of service plans including a flat rate plan starting as low as $14.95 per month, combined with a full suite of enhanced features make our service an attractive value proposition to existing and potential customers. We also give customers the option, at no additional cost, of choosing their desired area code, for their telephone number regardless of their physical location creating the ability to make long distance calls local, a feature not available with traditional wireline service. For an additional fee, customers may also choose a telephone number from over thirty countries worldwide. In addition, we offer a fully integrated Spanish language VoIP service. Our Spanish language VoIP service is identical in quality and functionality except its target market is Spanish-speaking customers. The service was designed to be a purely Spanish language experience and includes all Spanish user interfaces, voice prompts, invoices, customer service and targeted country calling plans.

Our service is offered primarily to small business and residential consumers however, we also offer our service on both a wholesale and resale basis.

At present the FCC does not regulate VoIP, although it has commenced a proceeding to examine its role in the new Internet based environment for voice services. In addition, the FCC has however taken a proactive approach with respect to emergency services dialing and accommodating law enforcement wiretaps. The current position of the FCC has allowed for rapid entrance into this newly emerging marketplace. We do however, recognize the uncertainty that exists with respect to the future direction of the FCC and any future regulations it may impose on VoIP providers and the potential impact these regulations may have on our business operations, in particular an increase in our costs associated with providing VoIP thus lower lowering our profit margin.

International Services

We anticipate increased competition as VoIP becomes more widely accepted among consumers. We believe this consumer driven market will result in lowered prices and it will become difficult for a company our size to effectively compete in the domestic marketplace for this service. Therefore our goal is to focus on creating a niche in the international VoIP market by providing value added services and creating partnerships and/or acquiring international VoIP providers allowing us to compete more effectively. Through our wholly-owned subsidiary, CIC, we acquire and operate traditional wireline and VoIP telecom assets outside the United States. To date, we have focused our efforts on the Asia Pacific ("APAC") region and South America.

In the APAC region we offer Wi-Fi services through our recently acquired wholly-owned subsidiary Triamis. In addition, through Cordia HK Limited we have the ability to offer services under the Public Non-Exclusive Telecommunications Services ("PNETS") License and local access codes granted by the Office of Telecommunications Authority ("OFTA") in Hong Kong. We have also requested authority to operate as a VoIP provider from OFTA with our recent submission of a Services Based Operator License application for providers of IP telephony services. We believe the acquisition of Triamis, together with our PNETS service offerings and future VoIP offerings provide us with the opportunity to offer our products and services to several key markets in Asia, which include more than 40% of the world's Internet and broadband subscribers.

Our South American efforts include the recent acquisition of a 51% interest in Canal West Soluções em Informática Ltda. ("Canal West"), a Brazilian limited liability partnership. CIC has agreed to invest US$ 45,000 for its 51% interest in Canal West. This amount is not due to Canal West until its status as a limited liability partnership is transformed into a Sociedade por Ações which is the equivalent to a U.S. corporation. Canal West is a start-up entity, with limited revenue, providing VoIP services in Brazil over its own proprietary VoIP network. We believe this investment is beneficial for our international expansion into the South American VoIP market

In addition to our recent acquisitions we have continued fostering bilateral relationships with international VoIP carriers in an effort to gain low cost access to their networks allowing us to deliver high quality, low cost global voice services to our domestic and international customers. To date, our VoIP network includes international Direct Inward Dial ("DID") telephone numbers from more than thirty (30) countries. We believe blending VoIP technology, DID access and the large disparity between wholesale costs and retail rates, strengthens our ability to actively participate in the international communications market. We believe that by offering a wide range of international numbers coupled with value added services we present an attractive value proposition to customers and we will continue to focus VoIP sales resources and revenue derived from our wireline services toward the development of our international services.

Expanding globally exposes us to additional regulatory requirements. The stance taken by various countries on the provision of VoIP ranges from total prohibition, to limitation and control of the service by requiring licensing or other registration, to no regulation at all. It is our goal to expand our service offerings into regions that treat VoIP as an unregulated service. In addition to compliance with the local regulatory framework in various countries, we must also take into consideration any economic and trade sanctions based on United States foreign policy and national security goals strictly prohibiting us from conducting business or exporting telephone adapters to certain regions.