

TC97-057

DOCKET NO.

TC97-057

7/2/97

In the Matter of IN THE MATTER OF THE APPLICATION OF INMARK, INC. D/B/A PREFERRED BILLING FOR A CERTIFICATE OF AUTHORITY TO PROVIDE TELECOMMUNICATIONS SERVICES IN SOUTH DAKOTA

Public Utilities Commission of the State of South Dakota

| DATE | MEMORANDA |
|---------|---------------------|
| 5/27/97 | Filed and docketed, |
| 5/29/97 | TC Fee Filing, |
| 7/2/97 | Order Granting COA, |
| 7/2/97 | Docket Closed |

*K/0143.12.8

TC97-057

RECEIVED

MAY 27 1997

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Steven C. Clay
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900 Flour Exchange Bldg
310 Fourth Avenue South
Minneapolis, MN 55415

telephone 612.321.9241
facsimile 612.321.9207
sclay@lawx.com

May 21, 1997

South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, SD 57501-5070

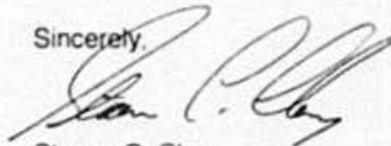
**Re: Application of Inmark, Inc. d/b/a Preferred Billing for a Certificate of
Authority to resell telecommunications services in South Dakota**

To Whom it May Concern:

Enclosed please find an original and ten copies of the Application of Inmark, Inc. d/b/a Preferred Billing for authority to resell intrastate inbound and outbound long distance telecommunications service within and throughout the state of South Dakota. The Company is applying for authority as a switchless reseller only, and will not provide operator services. I have provided an additional application to be stamped as filed and returned to my attention in the enclosed self-addressed envelope.

If you have any questions regarding this application, please call me at 612-321-9241. Thank you.

Sincerely,



Steven C. Clay
Attorney for Applicant

BEFORE THE SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

In the Matter of the Application of Inmark,)
 Inc. d/b/a Preferred Billing for a Certificate)
 of Authority to resell telecommunications)
 services in South Dakota)

Docket No. _____

APPLICATION OF
 INMARK, INC. d/b/a PREFERRED BILLING

Inmark, Inc. d/b/a Preferred Billing (hereinafter "Preferred Billing" or "Applicant") respectfully requests that the South Dakota Public Utilities Commission (hereinafter "Commission") grant it authority to provide intrastate inbound and outbound long distance telecommunications service within and throughout the state of South Dakota. This Application submitted by Preferred Billing demonstrates:

(a) Applicant is a corporation organized and existing under the laws of the state of Minnesota. Applicant's date of incorporation is March 27, 1995. Applicant is authorized to do business in South Dakota, and a copy of Applicant's Certificate of Authority to transact business is attached as Exhibit 1. Applicant's articles of incorporation is attached as Exhibit 2.

(b) The full name, address, and telephone number of the Applicant is:

Inmark, Inc. d/b/a Preferred Billing
 2233 University Avenue
 Suite 440
 St. Paul, MN 55114
 Telephone: (612) 649-3575
 Facsimile: (612) 649-3580

Applicant has no offices located in South Dakota.

(c) Questions concerning this application and tariff should be directed to Jim Holmquist, Applicant's CFO, at the address and telephone number listed above.

(d) The name and address of Applicant's registered agent in South Dakota is:

CT Corporation System
319 South Coteau Street
Pierre, SD 57501

(e) A list of Applicant's executive officers, board of directors, and principle shareholders is attached as Exhibit 3.

(f) Applicant is currently authorized to provide long distance service in the following jurisdictions, as of the dates given:

| | | |
|-----|---------------|----------------|
| 1. | Wisconsin | May, 1997 |
| 2. | Louisiana | April, 1997 |
| 3. | Kentucky | March, 1997 |
| 4. | Oregon | February, 1997 |
| 5. | Washington | February, 1997 |
| 6. | Massachusetts | January, 1997 |
| 7. | North Dakota | January, 1997 |
| 8. | Texas | January, 1997 |
| 9. | Idaho | December, 1996 |
| 10. | Iowa | December, 1996 |
| 11. | Michigan | December, 1996 |
| 12. | New Jersey | December, 1996 |
| 13. | Virginia | December, 1996 |
| 14. | Wyoming | December, 1996 |

Applicant has interstate and international long distance service tariffs on file with the Federal Communications Commission (FCC). Applicant has not been denied certification or registration in any state.

(g) Applicant has no affiliates or subsidiaries.

(h) Applicant intends to resell the telecommunications facilities of the underlying common carriers Frontier Communications and Sprint. Applicant does not own, lease, control or maintain any facilities for the transmission of long distance telecommunications signals, and Applicant is not a facilities-based carrier.

(i) Preferred Billing's service will be offered nationwide. Through its service, customers may originate calls nationwide or in other countries for termination in the

4. 2. 2. 3410
United States or in other countries. Preferred Billing intends to offer its services within and throughout the entire state of South Dakota.

(j) Preferred Billing markets long distance service to small businesses. Preferred Billing offers switched telecommunications services to its customers, twenty-four (24) hours a day, seven (7) days a week. Applicant markets long distance service through salaried employees and independent agents, and has no plans to engage in a multi-level marketing scheme. Applicant's sales representatives undergo specialized training at Applicant's St. Paul, Minnesota Headquarters before being allowed to sell to applicant's customers. Applicant's President has nine years of experience in the telemarketing field. No marketing materials are currently available, but they will be forwarded as they are developed.

(k) Preferred Billing bills customers through agreements with the Regional Bell Operating Companies. Preferred Billing will be listed as the long distance service provider on customer bills. The Applicant has retained the services of USBI, a San Antonio, Texas-based customer service and billing clearinghouse, to handle any problems with customer service and billing. USBI provides twenty-four (24) hour customer service, and a toll-free customer service number for USBI will be printed on each customer's bill. USBI is fully authorized to issue credits on behalf of the Applicant to customers where necessary. Questions regarding customer service matters should be directed to Nancy Thole, Customer Service Manager, at:

2233 Universtiy Avenue
Suite 440
St. Paul, MN 55114
1-800-757-7106

(l) Preferred Billing has ample financial resources to operate as a telecommunications provider. Complete financial statements are provided as Exhibit 4.

(m) A complete tariff reflecting services to be offered, rates applicable to each service and applicable regulations is provided with this application as Exhibit 5.

(n) Preferred Billing does not intend to acquire or construct any facilities for the provision of telecommunications services within South Dakota. Rather, Preferred Billing will resell the facilities of other authorized carriers.

(o) The public interest, convenience and necessity will be served by the grant of this application of Preferred Billing. Through the entry of Preferred Billing into the South Dakota market, consumers will benefit from increased availability of a greater variety of long distance telecommunications service options. The public as a whole will benefit from increased competition within the South Dakota long distance service industry. The entry of Preferred Billing into the South Dakota market will provide South Dakota small businesses with long distance service options not currently offered by other carriers.

WHEREFORE, the Applicant respectfully requests that the Commission grant it authority to resell intrastate inbound and outbound long distance telecommunications service within and throughout the state of South Dakota, and issue an order authorizing Inmark, Inc. d/b/a Preferred Billing to provide such services in South Dakota.

Dated this 21st day of May, 1997.

Respectfully submitted,

Inmark, Inc. d/b/a Preferred Billing
2233 University Avenue
Suite 440
St. Paul, MN 55114
(612) 649-3575

By: 

Steven C. Clay
Attorney at Law
900 Flour Exchange Bldg.
Minneapolis, MN 55415
(612) 321-9241

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Exhibit 1
Certificate of Authority

State of South Dakota



OFFICE OF THE SECRETARY OF STATE

CERTIFICATE OF AUTHORITY

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

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

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this April 16, 1997.



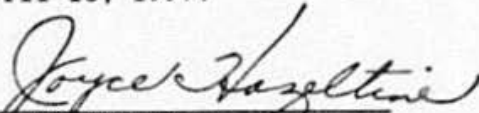

JOYCE HAZELTINE
Secretary of State

Exhibit 2
Articles of Incorporation

0145.12.18

State of Minnesota

6753

SECRETARY OF STATE

CERTIFICATE OF INCORPORATION

I, Joan Anderson Grove, Secretary of State of Minnesota, do certify that: Articles of Incorporation, duly signed and acknowledged under oath, have been filed on this date in the Office of the Secretary of State, for the incorporation of the following corporation, under and in accordance with the provisions of the chapter of Minnesota Statutes listed below.

This corporation is now legally organized under the laws of Minnesota.

Corporate Name: INMARK, INC.

Corporate Charter Number: 8Q-203

Chapter Formed Under: 302A

This certificate has been issued on 03/27/1995.



Joan Anderson Grove
Secretary of State

01431211

XQ-203

6754

ARTICLES OF INCORPORATION
OF

INMARK, INC.

We, the undersigned of full age, for the purpose of forming a corporation under and pursuant to the provisions of Chapter 302A Minnesota Statutes, and laws amendatory thereof and supplementary thereto, do hereby associate ourselves as a body corporate and adopt the following Articles of Incorporation:

ARTICLE I.

The name of this corporation is

INMARK, INC.

ARTICLE II.

The location and post office address of its registered office in this State is
2233 UNIVERSITY AVE, STE 440
ST. PAUL, MN 55114

ARTICLE III.

3.1 The total authorized number of shares of this corporation shall be FIVE THOUSAND (5000).

3.2 Unless otherwise established by the Board of Directors, all shares of this corporation shall be common shares and shall be of one class and one series having equal rights and preferences in all matters.

3.3 All shares of this corporation shall have a par value of one dollar (\$1.00).

070894

84418

NEXT

DOCUMENT (S)

DISREGARD

BACKGROUND

ARTICLE IV.

The purposes of the corporation are general business purposes and the corporation shall possess all powers necessary to conduct any business in which it is authorized to engage, including, but not limited to, all those powers expressly conferred upon business corporations by chapter 302A of the Minnesota Statutes, as amended, together with those powers implied therefrom.

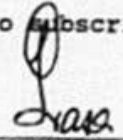
ARTICLE V.

The name and post office address of the incorporator is
ANDREW C. FRASER
6412 BASS LAKE ROAD
CRYSTAL, MN 55428

ARTICLE VI

The corporation shall have perpetual duration.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name this 27TH day of MARCH AD., 1995.



ANDREW C. FRASER

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

MAR 27 1995

James Andrew Fraser
Secretary of State *M*

Am: N... 0428

Exhibit 3

Executive Officers, Board of Directors, Principle Shareholders

DIRECTORS, OFFICERS, AND PRINCIPLE SHAREHOLDERS

Inmark, Inc. Board of Directors

Jim Holmquist
2233 University Avenue
Suite 440
St. Paul, MN 55114
(612) 649-3575

Will Gray
2233 University Avenue
Suite 440
St. Paul, MN 55114
(612) 649-3575

Inmark, Inc. Executive Officers

Jim Holmquist, CFO
2233 University Avenue
Suite 440
St. Paul, MN 55114
(612) 649-3575

Will Gray, President
2233 University Avenue
Suite 440
St. Paul, MN 55114
(612) 649-3575

Inmark, Inc. Principle Shareholders

Jim Holmquist -- 50% Ownership
2233 University Avenue
Suite 440
St. Paul, MN 55114
(612) 649-3575

Will Gray -- 50% Ownership
2233 University Avenue
Suite 440
St. Paul, MN 55114
(612) 649-3575

0143:12:16

Exhibit 4
Financial Statements

Income Vs. Spending
1/1/96 Through 9/30/96

| <u>Category</u> | <u>Total</u> |
|---------------------------------|--------------------------|
| <u>INCOME CATEGORIES</u> | |
| Revenue | 612,728.02 |
| Income - Unassigned | 0.00 |
| TOTAL INCOME CATEGORIES | <u>612,728.02</u> |
| <u>EXPENSE CATEGORIES</u> | |
| Advertising | 2,759.56 |
| Entertainment | 1,602.07 |
| Miscellaneous | 2,446.00 |
| Office Expenses | 172,076.28 |
| Payroll | 269,633.63 |
| Taxes | 71,292.64 |
| Expense - Unassigned | 100.00 |
| TOTAL EXPENSE CATEGORIES | <u>519,910.18</u> |
| GRAND TOTAL | <u>92,817.84</u> |

Innov. Internal Financials 3 quarters
1996

Monthly Cash Flow
1/1/96 Through 9/30/96

| Category | 1/1/96 - 3/31/96 | 4/1/96 - 6/30/96 | 7/1/96 - 9/30/96 | Total |
|-----------------------------|---------------------|---------------------|---------------------|-------------------|
| INCOME | | | | |
| Revenue | 145,807.00 | 200,721.38 | 266,199.64 | 612,728.02 |
| Income - Unassigned | 0.00 | | | 0.00 |
| TOTAL INCOME | <u>145,807.00</u> | <u>200,721.38</u> | <u>266,199.64</u> | <u>612,728.02</u> |
| EXPENSES | | | | |
| Advertising | 703.36 | 500.00 | 1,556.20 | 2,759.56 |
| Entertainment | 500.00 | 278.00 | 824.07 | 1,602.07 |
| Miscellaneous | 1,885.00 | 208.00 | 353.00 | 2,446.00 |
| Office Expenses | 45,134.43 | 51,026.17 | 75,915.68 | 172,076.28 |
| Payroll | 73,926.06 | 90,070.84 | 105,636.73 | 269,633.63 |
| Taxes | 15,941.96 | 25,781.34 | 29,569.34 | 71,292.64 |
| Expense - Unassigned | 25.00 | 75.00 | | 100.00 |
| TOTAL EXPENSES | <u>138,115.81</u> | <u>167,939.35</u> | <u>213,855.02</u> | <u>519,910.18</u> |
| INCOME LESS EXPENSES | <u>7,691.19</u> | <u>32,782.03</u> | <u>52,344.62</u> | <u>92,817.84</u> |

Inno-k Internal Financials - 3 quarters
1996

Monthly Cash Flow
1/1/96 Through 9/30/96

| Category | 1/1/96 - 3/31/96 | 4/1/96 - 6/30/96 | 7/1/96 - 9/30/96 | Total |
|-----------------------------|---------------------|---------------------|---------------------|-------------------|
| INCOME | | | | |
| Revenue | 145,807.00 | 200,721.38 | 266,199.64 | 612,728.02 |
| Income - Unassigned | 0.00 | | | 0.00 |
| TOTAL INCOME | <u>145,807.00</u> | <u>200,721.38</u> | <u>266,199.64</u> | <u>612,728.02</u> |
| EXPENSES | | | | |
| Advertising | 703.36 | 500.00 | 1,556.20 | 2,759.56 |
| Entertainment | 500.00 | 278.00 | 824.07 | 1,602.07 |
| Miscellaneous | 1,885.00 | 208.00 | 353.00 | 2,446.00 |
| Office Expenses | 45,134.43 | 51,026.17 | 75,915.68 | 172,076.28 |
| Payroll | 73,926.06 | 90,070.84 | 105,636.73 | 269,633.63 |
| Taxes | 15,941.96 | 25,781.34 | 29,569.34 | 71,292.64 |
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| INCOME LESS EXPENSES | <u>7,691.19</u> | <u>32,782.03</u> | <u>52,344.62</u> | <u>92,817.84</u> |

Inno.k Internal Financials - 3 quarters
1996

Income Vs. Spending
1/1/96 Through 9/30/96

| <u>Category</u> | <u>Total</u> |
|---------------------------------|-------------------|
| INCOME CATEGORIES | |
| Revenue | 612,728.02 |
| Income - Unassigned | 0.00 |
| TOTAL INCOME CATEGORIES | <u>612,728.02</u> |
| EXPENSE CATEGORIES | |
| Advertising | 2,759.56 |
| Entertainment | 1,602.07 |
| Miscellaneous | 2,446.00 |
| Office Expenses | 172,076.28 |
| Payroll | 269,633.63 |
| Taxes | 71,292.64 |
| Expense - Unassigned | 100.00 |
| TOTAL EXPENSE CATEGORIES | <u>519,910.18</u> |
| GRAND TOTAL | <u>92,817.84</u> |

Innov. Internal Financials - 3 quarters
1996

Exhibit 5

Tariff

SOUTH DAKOTA
TELECOMMUNICATIONS TARIFF
OF
INMARK, INC. d/b/a PREFERRED BILLING

2233 Universtiy Avenue
Suite 440
St. Paul, MN 55114

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of long distance telecommunications services within the state of South Dakota by Inmark, Inc. d/b/a Preferred Billing.

Issued: May 21, 1997

Effective:

Issued by: Jim Holmquist, CFO
Inmark, Inc. d/b/a Preferred Billing
2233 University Avenue, Suite 440
St. Paul, MN 55114

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Issued by: Jim Holmquist, CFO
Inmark, Inc. d/b/a Preferred Billing
2233 University Avenue, Suite 440
St. Paul, MN 55114

EXPLANATION OF SYMBOLS

- C- Changed Regulation
- D- Discontinued rate or regulation
- I- Rate increase
- M- Matter moved or relocated without change
- N- New rate or regulation
- R- Rate reduction
- S- Reissued matter
- C- Change in text, but no change in rate or regulation
- Z- Correction

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Inmark, Inc. d/b/a Preferred Billing
2233 University Avenue, Suite 440
St. Paul, MN 55114

TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement which connects the customer's location to the underlying carrier's central office.

Authorization Code - A numerical code, one or more of which are available to a customer to enable him/her to access the carrier, and which are used by the carrier both to prevent unauthorized access to its facilities and to identify the customer for billing purposes.

Company or Carrier - Inmark, Inc., d/b/a Preferred Billing.

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

Customer Premise - A Customer location from which calls are originated by Company.

FCC or Commission - Federal Communications Commission.

Holidays - The Company's recognized holidays are New Year's Day, July 4th, Labor Day, Thanksgiving Day, and Christmas Day.

LEC - Local Exchange Carrier.

Service - The communications offerings provided by the Company, i.e. resold long-distance voice and data service obtained by the Company from a facilities-based interexchange carrier.

Underlying Carrier - Facilities-based interexchange carrier providing the long-distance service being resold by the Company.

Issued: May 21, 1997

Effective:

Issued by: Jim Holmquist, CFO
Inmark, Inc. d/b/a Preferred Billing
2. 33 University Avenue, Suite 440
St. Paul, MN 55114

1. APPLICATION OF TARIFF

This tariff contains the regulations and rates applicable to the provision of Long Distance Message Telecommunications Service by the Company, consisting of outbound 1+ service and inbound 800 service. Service is furnished subject to transmission, atmospheric, and like conditions.

2. REGULATIONS

2.1 Undertaking of the Company

2.1.1 Scope

The Company undertakes to provide Long Distance Message Telecommunications Service within the state of South Dakota in accordance with the terms and conditions set forth in this tariff. The Company does not own or operate long distance transmission facilities, but rather resells the facilities of underlying carriers.

2.1.2 Shortage of Facilities

All service is subject to the availability of suitable facilities. The Company reserves the right to limit the length of communications or to discontinue furnishing services when necessary because of the lack of satellite or other transmission medium capacity or because of any causes beyond its control.

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Effective:

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Inmark, Inc. d/b/a Preferred Billing
2233 University Avenue, Suite 440
St. Paul, MN 55114

2.1.3 Liability of the Company

(A) Except as stated in this Section 2.1.3, the Company shall have no liability for damages of any kind arising out of or related to events, acts, rights or privileges contemplated in this tariff. This tariff does not limit the liability of the Company for willful misconduct.

(B) The liability of the Company for damages resulting in whole or in part from or arising in connection with the furnishing of service under this tariff, including but not limited to mistakes, omissions, interruptions, delays, errors or other defects or misrepresentations shall not exceed an amount equal to five times the initial minute charge provided for under this tariff for the intrastate long distance call for the period during which the call was affected. No other liability in any event shall attach to the Company.

(C) The Company shall not be liable for any failure of performance hereunder due to causes beyond its control, including but not limited to acts of God, fires, flood or other catastrophes; any law, order, regulation, directive, action or request of the United States Government, or any other government, including state and local governments having jurisdiction over the Company, or of any department, agency, commission, bureau, corporation or other instrumentality of any one or more of said governments, or of any civil or military authority; or national emergencies, insurrections, riots, wars, or strikes or other labor difficulties.

(D) The Company shall not be liable for any act or omission of any other entity furnishing to the Customer facilities, equipment, or services used with the Company's Long Distance Message Telecommunications Service. Nor shall the Company be liable for any damages or losses due to the failure or negligence of the Customer or due to the failure of Customer-provided equipment, facilities or services.

Issued: May 21, 1997

Effective:

Issued by: Jim Holmquist, CFO
Inmark, Inc. d/b/a Preferred Billing
2233 University Avenue, Suite 440
St. Paul, MN 55114

2.1.4 Claims

The Company shall be indemnified and saved harmless by the Customer from and against all loss, liability, damage and expense, including reasonable attorney's fees, due to claims for libel, slander, or infringement of copyright in connection with the material transmitted over the Company's facilities; and any other claim resulting from any act or omission of the Customer or patron(s) of the Customer relating to the use of the Company's facilities.

2.2 Prohibited Uses

Long Distance Message Telecommunications Service shall not be used for any unlawful purpose.

2.3 Use of Service

Long Distance Message Telecommunications Service may be used to transmit communications of the Customer in a manner consistent with the terms of this tariff and the policies and regulations of the FCC.

Use of Long Distance message Telecommunications Service is considered an order for such service.

2.4 Payment Arrangements

2.4.1 Payment for Service

(A) The Customer is responsible for payment of all charges for facilities and services furnished by the Company. Federal, state and local sales, use and excise taxes, where applicable, shall be added to the charges contained herein. It shall be the responsibility of the Customer to pay these taxes and to accept the liability of any such unpaid taxes that may subsequently become applicable retroactively.

Issued: May 21, 1997

Effective:

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Inmark, Inc. d/b/a Preferred Billing
2233 University Avenue, Suite 440
St. Paul, MN 55114

(B) Bills are due and payable upon receipt. If the Customer's net bill is not paid (payment received by the Company) within twenty (20) days after the invoice date listed on the bill it shall become a delinquent bill and interest at the lesser of (1) the rate of one and one-half percent (1.5%) per month or (2) the highest rate allowed by law per month shall accrue upon any unpaid amount. If the Company initiates legal proceedings to collect any amount due hereunder and the Company substantially prevails in such proceedings then the defendant Customer shall pay the reasonable attorney's fees and costs of the Company in prosecuting such proceedings and appeals therefrom.

(C) The Customer will be assessed a charge of twenty-five dollars (\$25.00) for each check submitted by the Customer to the Company which a financial institution refuses to honor for insufficient funds or a non-existent account.

(D) Customers are responsible for any previously unbilled charge for services furnished prior to three months immediately preceding the date of the bill, except for collect calls, credit card calls, third party calls and "Error File" calls (those which cannot be billed due to the unavailability of complete billing information to the company) which shall have a six-month back billing period. In case of fraud, a back billing period of no more than three years will apply.

Issued: May 21, 1997

Effective:

Issued by: Jim Holmquist, CFO
Inmark, Inc. d/b/a Preferred Billing
2233 University Avenue, Suite 440
St. Paul, MN 55114

2.4.2 Discontinuance of Service for Cause

Upon non-payment of any sum owing to the Company for more than 30 days beyond the date of rendition of the bill for service or upon violation of any of the terms or conditions governing the furnishing of service under this tariff, the Company may, after 24 hours advance notice in writing to the Customer, without incurring any liability, discontinue the furnishing of service under this tariff.

These restrictions on Long Distance Message Telecommunications Service may include, but are not limited to, the following: the Company may withhold the use of a specific 800 number or deny its transfer to another carrier for nonpayment of charges due. Such action may be taken without written notice being sent to the Customer. Upon payment of charges by the Customer this restriction on the use of a specific 800 number will be removed.

2.4.3 Customer Inquiries and Complaints

Customer inquiries or complaints regarding the billing or service provided by the Company should be directed to the following toll free number: 1-800-757-7106. The Company may be reached by mail at:

Inmark, Inc.
Customer Service Department
2233 University Avenue, Suite 440
St. Paul, MN 55114

If the Customer is dissatisfied with the Company's response to a complaint or inquiry he or she may file with the South Dakota Public Utilities Commission for resolution of the conflict. The South Dakota Public Utilities Commission may be reached at:

500 East Capitol
Pierre, SD 57501-5070
(605) 773-3201
(800) 332-1782

Issued: May 21, 1997

Effective:

Issued by: Jim Holmquist, CFO
Inmark, Inc. d/b/a Preferred Billing
2233 University Avenue, Suite 440
St. Paul, MN 55114

3. SERVICE OFFERINGS

3.1 Intrastate Message Telecommunications Service

3.1.1(a) Description of Services

The Company offers switched and dedicated access MTS and 800 interexchange services by the resale of the services of Underlying Carriers, currently Frontier Communications and Sprint. Such service is available twenty-four (24) hours a day, seven (7) days a week. MTS and 800 Services are offered on a time and distance sensitive rate basis and an optional flat rate basis.

The company maintains its headquarters in St. Paul, Minnesota.

3.1.1(b) Timing of Calls

The Customer's long distance usage charge is based on the actual usage of the Company's services. Usage begins when the called party picks up the receiver, and ends when the calling party hangs up. Calls are measured by Underlying Carriers, whose services are resold by the Company, in accordance with its own Tariff.

3.1.1(c) Calculation of Distance

The Company uses the V&H coordinate system to calculate the distance of calls.

3.1.1(d) Minimum Call Completion Rate

A Customer can expect a call completion rate (number of calls completed/number of calls attempted) of not less than 99% during peak use periods.

Issued: May 21, 1997

Effective:

Issued by: Jim Holmquist, CFO
Inmark, Inc. d/b/a Preferred Billing
2233 University Avenue, Suite 440
St. Paul, MN 55114

3.1.1(e) Advance Payments

The Company may request any customer to pay in advance for toll services based on a good faith estimate of traffic volumes. At the Company's discretion a surcharge of 10% may be added to usage charges when actual traffic exceeds estimates. When estimates exceed actual usage the customer will be credited on the toll statement.

3.1.2 Rates and Charges

A) Dedicated Access

Dedicated access services have initial set up and monthly charges which are dependent on local exchange carrier tariffs and based on the customer's location and individual needs. The customer's needs and physical location may also affect the rates charged by the Company.

(B) Non-Recurring Charges

| | |
|---|--------|
| Validated Account Codes, per account install | \$5.00 |
| Validated Account Codes, | \$5.00 |

(C) Recurring Charges

| | |
|---|--------|
| Validated Account Codes, per account | \$5.00 |
| 800 Charges | \$5.00 |
| Program Fees | \$5.00 |

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(D) Rates Per Minute

Outbound and Inbound services carry an initial and incremental billing minimum of no greater than one minute.

Switched Access Outbound Service Per Minute
Day, Evening and Night

| | |
|-------------|--------|
| Commercial | \$0.25 |
| Residential | \$0.25 |

Switched Access Inbound Service Per Minute
Day, Evening and Night

| | |
|-------------|--------|
| Commercial | \$0.25 |
| Residential | \$0.25 |

Dedicated Access Outbound Service Per Minute
Day, Evening and Night \$0.089-\$0.125

Dedicated Access Inbound Service Per Minute
Day, Evening and Night \$0.089-\$0.135

Travel Card Service: Access charges are \$0.35 to \$0.60 per access, in addition to a \$0.25 per minute charge for the duration of the call.

Calls are billed in full minute increments with a one minute billing minimum.

(E) Operator Assistance

The Company does not provide alternative operator services. Operator assisted calls are limited to live operator or automated operator functions provided by the Underlying Carriers for the processing of telephone services such as completion of person to person, operator assisted station to station calls, dialing instructions and emergency call handling.

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(F) Directory Assistance

Switched 1+

| | |
|---------------|--------|
| Interstate | \$0.75 |
| Intrastate | \$0.75 |
| International | \$4.00 |

Travel Card

| | |
|---------------|--------|
| Interstate | \$0.80 |
| Intrastate | \$0.80 |
| International | \$4.00 |

(G) Monthly Service Fee

All customers may be charged a minimum monthly service fee for long distance usage not to exceed \$5.00.

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NEXT

DOCUMENT (S)

DISREGARD

BACKGROUND



INMARK, INC.
 2233 UNIVERSITY AVE., #440
 ST. PAUL, MN 55114

5297

17-212
 810

12/26 96

Pay to the ORDER OF

South Dakota Police Service Commission

\$ 250.00

Five hundred fifty dollars

VOID



First Bank Midway
 First Bank National Association
 2263 University Avenue
 Saint Paul, MN 55114

FOR

J. M. [Signature]

⑈005297⑈ ⑆091000022⑆ ⑆26288026084⑈

South Dakota
Public Utilities Commission
State Capitol 500 E. Capitol
Pierre, SD 57501-5070
Phone: (800) 332-1782
Fax: (605) 773-3809

TELECOMMUNICATIONS SERVICE FILINGS

These are the telecommunications service filings that the Commission has received for the period of:

05/16/97 through 05/29/97

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five days of this filing.

| DOCKET NUMBER | TITLE/STAFF/SYNOPSIS | DATE FILED | INTERVENTION DEADLINE |
|---|--|------------|-----------------------|
| NONCOMPETITIVE TELECOMMUNICATIONS FILINGS | | | |
| TC97-054 | The Local Exchange Carriers Association (LECA) filed switched access rate changes in compliance with the Federal Communications Commission orders on pay phone reclassification. The proposed effective date is April 15, 1997. (Staff: HB/KC) | 05/16/97 | 06/13/97 |
| TC97-056 | Kadoka Telephone Co. filed switched access rate changes which reflect the recent Federal Communications Commission pay phone reclassification and deregulation. The requested effective date is April 15, 1997. (Staff: HB/KC) | 05/19/97 | 06/13/97 |
| REQUEST FOR CERTIFICATE OF AUTHORITY | | | |
| TC97-055 | Application by International Charity Network, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/TZ) "Applicant is a switchless reseller which intends to offer 1+ direct dialing, 800 toll free, and travel card (no prepaid calling cards) service through the resale of telephone services provided by facilities-based interexchange carriers." | 05/19/97 | 06/13/97 |
| TC97-057 | Application by Inmark, Inc. d/b/a Preferred Billing for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/TZ) Applicant requests authority to provide intrastate inbound and outbound long distance telecommunications service. | 05/27/97 | 06/13/97 |
| SCHOOLS AND LIBRARIES DISCOUNT DOCKET OPENED | | | |
| TC97-058 | Based on a petition by Staff, the Public Utilities Commission approved the opening of a docket "to adopt the discount rates implemented by the Federal Communications Commission for interstate telecommunications services for schools and libraries as the discount rates for intrastate telecommunications services provided for schools and libraries...Further, due to the seriousness and immediacy of this petition Staff respectfully request expedited handling of this proceeding." (Staff: CB/KC) | 05/20/97 | 06/05/97 |

FILING OF INFORMATIONAL INTRASTATE PAYPHONE TARIFFS

| | | | |
|----|--|----|----|
| NA | Sanborn Telephone Cooperative on May 16, 1997; SANCOM, Inc. on May 16, 1997; Jefferson Telephone Company on May 16, 1997; Sioux Valley Telephone Company on May 19, 1997; Midstate Telephone Company on May 19, 1997; West River Cooperative Telephone Company on May 19, 1997; StateIne Telecommunications, Inc. on May 19, 1997; Brookings Telephone on May 19, 1997; Jefferson Telephone Company on May 19, 1997; Cheyenne River Sioux Tribe Telephone Authority on May 19, 1997; Kadoka Telephone Co. on May 20, 1997; Sully Buttes Telephone Cooperative, Inc. on May 21, 1997; Venture Communications, Inc. on May 21, 1997. | NA | NA |
|----|--|----|----|

Important Notice: The Commission is compiling a list of internet addresses. If you have an internet address please notify the Commission by E-mailing it to Terry Norum at terryn@puc.state.sd.us. Faxing the address to the Commission at 605-773-3809.

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION OF)
INMARK, INC. D/B/A PREFERRED BILLING)
FOR A CERTIFICATE OF AUTHORITY TO)
PROVIDE TELECOMMUNICATIONS)
SERVICES IN SOUTH DAKOTA)

ORDER GRANTING
CERTIFICATE OF
AUTHORITY

TC97-057

On May 27, 1997, the Public Utilities Commission (Commission), in accordance with SDCL 49-31-3 and ARSD 20:10:24.02, received an application for a certificate of authority from Inmark, Inc. d/b/a Preferred Billing (Applicant).

The applicant requested authority to provide intrastate inbound and outbound long distance telecommunications service. A proposed tariff was filed by Applicant. The Commission has classified long distance service as fully competitive.

On May 29, 1997, the Commission electronically transmitted notice of the filing and the intervention deadline of June 13, 1997, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled June 24, 1997, meeting, the Commission considered Applicant's request for a certificate of authority. Commission Staff recommended granting a certificate of authority.

The Commission finds that it has jurisdiction over this matter pursuant to Chapter 49-31, specifically 49-31-3 and ARSD 20:10:24.02 and 20:10:24.03. The Commission finds that Applicant has met the legal requirements established for the granting of a certificate of authority. Applicant has, in accordance with SDCL 49-31-3, demonstrated sufficient technical, financial and managerial capabilities to offer telecommunications services in South Dakota. The Commission approves Applicant's application for a certificate of authority. As the Commission's final decision in this matter, it is therefore

ORDERED, that Applicant's application for a certificate of authority is hereby granted, effective July 27, 1997. It is

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

Dated at Pierre, South Dakota, this 2nd day of July, 1997.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by first class mail in properly addressed envelopes, with charges prepaid thereon.

By Delazie Kalko

Date 7/3/97

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

94. N. 44-8

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

CERTIFICATE OF AUTHORITY

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

Authority was Granted June 24, 1997, effective July 27, 1997
Docket No. TC97-057

This is to certify that

INMARK, INC. D/B/A PREFERRED BILLING

is authorized to provide telecommunications services in South Dakota.

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

Dated at Pierre, South Dakota, this 2nd day of July, 1997.

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION:



James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner