

TC97-171

K5/TS

TC97-171

DOCKET NO.

In the Matter of      IN THE MATTER OF THE  
APPLICATION OF NEW MEDIA  
TELECOMMUNICATIONS, INC. FOR A  
CERTIFICATE OF AUTHORITY TO  
PROVIDE TELECOMMUNICATIONS  
SERVICES IN SOUTH DAKOTA

## Public Utilities Commission of the State of South Dakota

DATE

MEMORANDA

10/27/97 Filed and docketed;  
10/30/97 TC Fee Filing;  
1/26/98 Received Certificate of Authority from Secretary of State;  
5/20/98 Letter Requesting Withdrawal of Application;  
6/1/98 Order Closing Docket;  
6/1/98 Docket Closed.



210 N. Park Ave.  
P.O. Drawer 200  
Winter Park, FL  
32790-0200

Tel: 407-740-8575  
Fax: 407-740-0613

Mr. William Bullard, Jr.  
Executive Director  
South Dakota Public Utilities Commission  
500 East Capitol  
Pierre, South Dakota 57501

Re: Application and Tariff of New Media Telecommunications, Inc.

Dear Mr. Bullard:

Enclosed please find the original and ten (10) copies of the application and tariff for New Media Telecommunications, Inc. Also enclosed is a check for \$250 to cover the filing fee.

Please acknowledge receipt of this filing by returning a date-stamped copy of this letter in the envelope provided.

Should you or your staff have any additional questions, please contact me at (407) 740-8575. Thank you.

Sincerely,

Mark G. Lammert

Consultant to New Media Telecommunications, Inc.

Enclosures

cc: Claire Donovan, New Media Telecommunications, Inc.

File: New Media - SD  
TMS: SDd9700

TC97-171

October 24, 1997  
*Overnight*

RECEIVED

OCT 27 1997

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

BEFORE THE  
SOUTH DAKOTA  
PUBLIC UTILITIES COMMISSION

Registration of  
New Media Telecommunications, Inc., for  
Authority to Provide  
Intrastate Telecommunications  
Services within South Dakota

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Docket No. \_\_\_\_\_

Pursuant to Rule 20:10:24:02 of the Commission's Telecommunications Services Rules, New Media Telecommunications, Inc. ("New Media" or "Applicant") submits the following registration information:

**1. The name, address and telephone number of the applicant.**

New Media Telecommunications, Inc.  
4225 Executive Square, Suite 1070  
LaJolla, California 92037  
Telephone: (619) 558-3333  
Facsimile: (619) 558-3344  
Toll-Free: (800) 900-4968

**2. The name under which the Applicant will provide these services if different than in subdivision (1) of this section;**

Not Applicable.

**3. If the applicant is a corporation:**

- (a) The state in which it is incorporated, the date of incorporation and a copy of its certificate of incorporation or, if it is an out-of-state corporation, a copy of its certificate of authority.

The Company was formed as a Corporation under the laws of the State of Delaware on January 1996. Articles of Organization and Certificate of Qualification from the South Dakota Secretary of State are included as Attachment I.

- (b) **The location of its principal office, if any, in this state and the name and address of its current registered agent.**

Principal office in South Dakota: None

Registered Agent: National Registered Agents, Inc.  
300 South Phillips Avenue, Suite 300  
Sioux Falls, SD 57102

- (c) **A copy of its articles of incorporation which includes a list of the names and addresses of the corporate officers and member of the board of directors at the time of incorporation.**

See Attachment II for Articles of Incorporation.

- (d) **A list of the names and addresses of the current corporate officers and members of the board of directors.**

**Give name and address of officers.**

Jonathan Weisz, President and Secretary  
Claire Donovan, Chief Financial Officer

*All officers and shareholders may be contacted at the corporation's headquarters address.*

- (e) **The names and addresses of the ten common stockholders who own the greatest number of shares of common stock and the number of shares owned by each.**

Weisz Family Trust (Jonathan and Kimberly Weisz - Co-Trustees)	45.4%
Utah Coal & Lumber Co., Ltd., LLP	32.6%
Warren Novick	7.5%
Robert Weisz	5.0%
Israel Family Trust (Burton and Frances Israel - Co-Trustees)	4.8%
Martha E. Leggett	3.7%
Claire Donovan	1.0%



- (f) The names and address of any corporation, association, partnership, cooperative or individual holding a five percent or greater ownership or management interest in the applicant corporation. The amount and character of the ownership interest shall be indicated. A copy of any management agreement shall be attached.

See (e) above.

- (g) The names and addresses of subsidiaries owned or controlled by the applicant.

Not Applicable.

4. If the applicant is a partnership, the name, title and business address of each partner, both general and limited.

Not Applicable.

5. A specific description of the telecommunications services the applicant intends to offer.

New Media, proposes to provide intrastate long distance service in conjunction with its interstate long distance service.

Debit Card service allows customers to use the service by dialing the Company's toll free number (i.e. 1-800 or 1-888), followed by their personal identification number. The Company's computer equipment informs the customer of the amount of available balance remaining each time the customer uses the particular account. Customers can enter any destination telephone number and use the service until such available balance is fully depleted.

Depletion occurs on a real time basis as each call takes place. The Company's computer equipment times the duration of each connected call and deducts from the available balance the tariffed rate per minute for each minute connected. Customers will be provided with a "Usage Remaining" message each time they utilize the card. They will also receive a reminder message when the card has \$2.00 and \$5.00 of value remaining

on the card. Calls in progress will be terminated if the balance on the prepaid card is insufficient to cover the charges associated with the call. Customers can enter a different account code with sufficient balance to continue the call, or, in most cases, renew the balance of the current account with a charge to a commercial credit card, if such charge is approved by the credit card institution.

No customer bills are issued in conjunction with New Media's debit card services. Customer billing is not applicable to the methods by which Applicant's debit card service will be offered. Flat rated service without a per call surcharge proposed by New Media possible, in part, due to the fact that no billing is required. Cost savings associated with not providing a monthly bill are passed on to consumers in the form of lower calling rates. In addition, New Media will not know the billing name and address for parties which use its debit card service as the debit cards are typically purchased through retail outlets or other indirect distribution channels.

6. **A detailed statement of the means by which the applicant will provide its services, including the type and quantity of equipment to be used in the operation, the capacity, and the expected used of the equipment.**

New Media Telecommunications, Inc. does not maintain offices or equipment in the State of South Dakota. New Media does not plan to install any equipment, plant, or facilities within the state of South Dakota.

Applicant operates as a reseller of the underlying carrier's services. Calls originate over local exchange company feature group facilities to the underlying carrier and are switched over that company's long distance network.

7. **The geographic areas in which the services are, or will be, offered, including a map describing the service boundaries.**

New Media Telecommunications, Inc. intends to offer service throughout the entire state of South Dakota.

8. **A current balance sheet and income statement; a copy of the applicant's latest annual report; a copy of the applicant's report to stockholders; the terms and conditions of service; the access charges and a copy of the applicant's tariff book.**

New Media has the financial resources to successfully provide intrastate resale telecommunications services in South Dakota. In support of New Media's financial ability to provide the services it proposes, financial statements are offered as Attachment III. The terms and conditions of service, as well as all rates and charges are provided in New Media's proposed tariff in Attachment IV.

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9. **The names and addresses of the applicant's representatives to whom all inquiries should be made regarding complaints and regulatory matters.**

For correspondence concerning this application:

Mark G. Lammert  
Consultant to New Media Telecommunications, Inc.  
Technologies Management, Inc.  
P.O. Box 200  
Winter Park, Florida 32790-0200  
Telephone: (407) 740-8575  
Facsimile: (407) 740-0613

For correspondence concerning ongoing operations:

Claire Donovan, Chief Financial Officer  
New Media Telecommunications, Inc.  
LaJolla, California 92037  
Telephone: (619) 558-3333  
Facsimile: (619) 558-3344  
Toll-Free: (800) 900-4968

10. **Determination of Competitive Classification.**

New Media Telecommunications, Inc. requests an Emerging Competitive classification for its services. New Media will offer competitive resold intrastate service within the State of South Dakota. These services are similar to and substitutes for telecommunications services provided by numerous other carriers in the state.

11. **Supporting cost data for Initial Filing.**

Cost support information is provided in Attachment V.

12. **Additional information:**

Additional Customer Service Information:

Local service and equipment troubles are directed to the appropriate service providers. Long distance troubles will be reported by the Customer to New Media via its toll free number, Customer service (800) 680-2951. Billing Inquiries may be directed to the same number: (800) 680-2951. Customer service representatives are available to assist customers Monday through Friday from 6:00 AM until 8:30 PM Pacific time and from 10:00 AM until 3:00 PM Pacific time on Saturday and Sunday. After hour calls are routed to an answering service for 24 hour coverage. Answering service messages will be returned the next business day. Technical, customer service and management are available 24 hours a day, 7 days a week for answering service messages that required immediate attention via a pager.

All billing errors will be handled by customer service and will be addressed within 48 hours with final resolution no later than 30 days. In most cases, calls in question will be researched and, if applicable, credits will be applied on the Customer's next bill.

Marketing Plans:

New Media does not market differently from state to state. New Media sells debit cards to distributors and retailers. The Company does not use direct mail or telemarketing.

Certification Status:

New Media is currently approved to provide service in Florida, Colorado, Iowa, Michigan, Utah and Virginia. New Media has applications pending in several other states. New Media plans to file applications in all remaining states within the next thirty (30) days.

0144.55.3

As evidenced by the foregoing application, New Media Telecommunications, Inc. is fully qualified to offer and provide long distance service within the state of South Dakota. Therefore, New Media Telecommunications, Inc. respectfully requests that the Commission grant this application at its earliest convenience.

Dated this 13 day of October, 1997.

Respectfully Submitted,

  
Claire Donovan, Chief Financial Officer  
New Media Telecommunications, Inc.

0144.S5:10

**ATTACHMENT I**

**NEW MEDIA TELECOMMUNICATIONS, INC.**

**AUTHORITY TO OPERATE IN SOUTH DAKOTA**

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1  
1

SECRETARY OF STATE  
STATE CAPITOL  
500 E. CAPITOL  
PIERRE, S.D. 57501-5077  
605-773-4845  
FAX(605) 773-4550

FILE NO. \_\_\_\_\_  
RECEIPT NO. \_\_\_\_\_

### APPLICATION FOR CERTIFICATE OF AUTHORITY

Pursuant to the provisions of SDCL 47-8-7, the undersigned corporation hereby applies for a Certificate of Authority to transact business in the State of South Dakota and for that purpose submits the following statement:

(1) The name of the corporation is New Media Telecommunications, Inc.  
(Exact corporate name)

(2) If the name of the corporation does not contain the word "corporation", "company", "incorporated" or "limited" or does not contain an abbreviation of one of such words, then the name of the corporation with the word or abbreviation which it elects to add thereto for use in this state is \_\_\_\_\_

(3) State where incorporated Delaware Federal Taxpayer ID# 33-0489547

(4) The date of its incorporation is 1-16-96 and the period of its duration, which may be perpetual, is perpetual

(5) The address of its principal office in the state or country under the laws of which it is incorporated is 1209 Orange Street, Wilmington, DE Zip Code 19801

mailing address if different from above is: 4225 Executive Square, Suite 1070,  
LaJolla, CA Zip Code 92037

(6) The street address, or a statement that there is no street address, of its proposed registered office in the State of South Dakota is 300 South Phillips Avenue, Suite 300 Sioux Falls 57102 and the name of its proposed registered agent in the State of South Dakota at that address is National Registered Agents, Inc.

(7) The purposes which it proposes to pursue in the transaction of business in the State of South Dakota are: (state specific purpose) \_\_\_\_\_  
Long Distance Telecommunication Services

(8) The names and respective addresses of its directors and officers are:

Name	Officer Title	Street Address	City	State	Zip
Jonathan L. Weisz	President	4225 Executive Square, Suite 1070, LaJolla, CA	LaJolla	CA	92037
Claire Donovan	V. President	4225 Executive Square, Suite 1070, LaJolla, CA	LaJolla	CA	92037
Jonathan L. Weisz	Secretary	4225 Executive Square, Suite 1070, LaJolla, CA	LaJolla	CA	92037
Jonathan L. Weisz	Chairperson	4225 Executive Square, Suite 1070, LaJolla, CA	LaJolla	CA	92037

(9) The aggregate number of shares which it has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class is:

Number of shares	Class	Series	Par value per share or statement that shares are without par value
1,000,000.	Common		.01



(10) The aggregate number of its issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class, is:

Number of shares	Class	Series	Par value per share or statement that shares are without par value
200,000.	Common		.01

(11) The amount of its stated capital is \$ 2,000.

Shares issued times par value equals stated capital. In the case of no par value stock, stated capital is the consideration received for the issued shares.

(12) This application is accompanied by a CERTIFICATE OF FACT or a CERTIFICATE OF GOOD STANDING duly acknowledged by the secretary of state or other officer having custody of corporate records in the state or country under whose laws it is incorporated.

(13) That such corporation shall not directly or indirectly combine or make any contract with any incorporated company, foreign or domestic, through their stockholders or the trustees or assigns of such stockholders, or with any copartnership or association of persons, or in any manner whatever to fix the prices, limit the production or regulate the transportation of any product or commodity so as to prevent competition in such prices, production or transportation or to establish excessive prices therefor.

(14) That such corporation, as a consideration of its being permitted to begin or continue doing business within the State of South Dakota, will comply with all the laws of the said State with regard to foreign corporations.

The application must be signed, in the presence of a notary public, by the chairman of the board of directors, or by the president or by another officer.

I DECLARE AND AFFIRM UNDER THE PENALTY OF PERJURY THAT THIS APPLICATION IS IN ALL THINGS, TRUE AND CORRECT.

Dated October 17 19 97

(Signature)

Jonathan L. Weisz President  
(Title)

State of California

County of San Diego

On this 17th day of OCTOBER, 19 97, before me AFSHIN AGHAYAN personally appeared Jonathan L. Weisz, known to me, or proved to me, to be the President of the corporation that is described in and that executed the within instrument and acknowledged to me that such corporation executed same.

My Commission Expires: 07/12/2001

AFSHIN AGHAYAN  
(Notary Public)

Notarial Seal



\*\*\*\*\*

The Consent of Appointment has been signed by the registered agent listed in number six.

### CONSENT OF APPOINTMENT BY THE REGISTERED AGENT

I, Connie Purvear-Assst. Sec. for National Registered, hereby give my consent to serve as the (name of registered agent) Agents, Inc.

registered agent for New Media Telecommunications, Inc.  
(corporate name)

Dated 19

(signature of registered agent)

**ATTACHMENT II**

**NEW MEDIA TELECOMMUNICATIONS, INC.**

**ARTICLES OF INCORPORATION**

**NEXT**

**DOCUMENT (S)**

**DISREGARD**

**BACKGROUND**

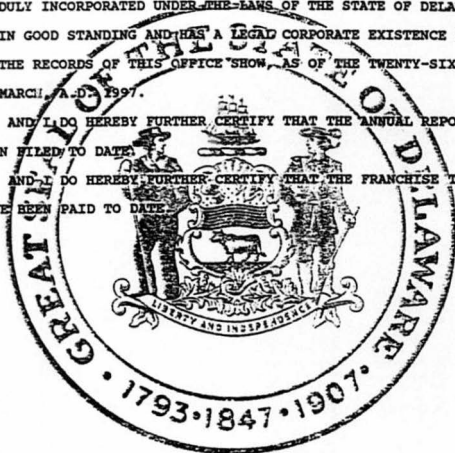
State of Delaware  
Office of the Secretary of State

PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "NEW MEDIA TELECOMMUNICATIONS, INC." IS DULY INCORPORATED UNDER ~~THE LAWS~~ OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND ~~HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-SIXTH DAY OF MARCH, A.D. 1997.~~

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.



  
Edward J. Freel, Secretary of State

2582480 8300

971098911

AUTHENTICATION:

8391886

DATE:

03-26-97

## CERTIFICATE OF INCORPORATION

of

## NEW MEDIA TELECOMMUNICATIONS, INC.

**FIRST:** The name of the corporation is New Media Telecommunications, Inc. (the "Corporation").

**SECOND:** The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street in the City of Wilmington, County of New Castle, 19801. The name of its registered agent at such address is The Corporation Trust Company.

**THIRD:** The purpose of the corporation is to engage in, carry on and conduct any lawful business, act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "DGCL").

**FOURTH:** The aggregate number of shares of capital stock that the Corporation shall have authority to issue is one million (1,000,000) shares of common stock, par value \$0.01 per share ("Common Stock"). Each share of Common Stock shall entitle the holder thereof to one vote at all meetings of the stockholders of the Corporation. Shares of Common Stock may be issued for such consideration and for such corporate purposes as the Board of Directors of the Corporation may from time to time determine. In the event of voluntary or involuntary liquidation, distribution or sale of assets, dissolution or winding-up of the Corporation, the holders of the Common Stock shall be entitled to receive all the assets of the Corporation, tangible and intangible, of whatever kind available for distribution to stockholders, ratably in proportion to the number of shares of Common Stock held by each.

**FIFTH:** The name and mailing address of the incorporator are as follows:

<u>Name</u>	<u>Mailing Address</u>
Ted W. Paris	3000 One Shell Plaza 910 Louisiana Houston, Texas 77002-4995

**SIXTH:** The powers of the incorporator shall terminate upon the filing of this Certificate of Incorporation and the name and mailing address of the person to serve as sole director of the Corporation until the first annual meeting of the stockholders or until his successor or successors are duly elected and qualified are:

## NEW MEDIA TELECOMMUNICATIONS, INC.

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**FIFTH:** The name and mailing address of the incorporator are as follows:

NameMailing Address

Ted W. Paris

3000 One Shell Plaza  
910 Louisiana  
Houston, Texas 77002-4995

**SIXTH:** The powers of the incorporator shall terminate upon the filing of this Certificate of Incorporation and the name and mailing address of the person to serve as sole director of the Corporation until the first annual meeting of the stockholders or until his successor or successors are duly elected and qualified are:

NameMailing Address

Lester H. Smith

P.O. Box 52890  
Houston, Texas 77052

**SEVENTH:** (1) *In General.* The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors of the Corporation. In addition to the authority and powers conferred upon the Board of Directors of the Corporation by the DGCL or by this Certificate of Incorporation, the Board of Directors of the Corporation is hereby authorized and empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject to the provisions of the DGCL, this Certificate of Incorporation and any Bylaws adopted by the stockholders of the Corporation.


(2) *Number, Election and Terms of Directors.* The number of directors that shall constitute the whole Board of Directors of the Corporation shall be as from time to time fixed by, or in the manner provided in, the Bylaws of the Corporation. Election of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide. Each director shall hold office for the full term for which such director is elected and until such director's successor shall have been duly elected and qualified or until his earlier death, resignation or removal.

**EIGHTH:** The Board of Directors of the Corporation is expressly empowered to adopt, amend or repeal the Bylaws of the Corporation.

**NINTH:** A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (a) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) under Section 174 of the DGCL, as the same exists or hereafter may be amended, or (d) for any transaction from which the director derived an improper personal benefit. If the DGCL is amended after the date of filing of this Certificate of Incorporation to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation, in addition to the limitation on personal liability provided herein, shall be limited to the fullest extent permitted by the amended DGCL. Any repeal or modification of this Article NINTH by the stockholders of the Corporation shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director of the Corporation existing at the time of such repeal or modification.

\* \* \*

I, the undersigned, being the incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the DGCL, do make this certificate, hereby declaring that this is my act and deed, and that the facts herein stated are true, and accordingly have hereunto set my hand this 16th day of January, 1996.

  
\_\_\_\_\_  
Ted W. Paris



NEW MEDIA TELECOMMUNICATIONS, INC.

Consent of Sole Director in Lieu  
of Organizational Meeting

Pursuant to Section 108(c) of the General Corporation Law of the State of Delaware, the undersigned, being the sole director of New Media Telecommunications, Inc., a Delaware corporation (the "Company"), waiving all notice, hereby consents to the taking of the following actions without the holding of an organizational meeting and hereby adopts the following resolutions:

Certificate of Incorporation

RESOLVED, that the form, terms and provisions of the Certificate of Incorporation of the Company filed in the office of the Secretary of State of the State of Delaware on the 16th day of January, 1996, are hereby approved in all respects, and that the Secretary of the Company is hereby instructed to file a true and correct copy of said Certificate of Incorporation among the permanent records of the Company.

Bylaws

RESOLVED, that the form, terms and provisions of the Bylaws attached hereto as Exhibit A are hereby approved and adopted in all respects as the Bylaws of the Company.

Directors

RESOLVED, that the number of directors which shall constitute the whole Board of Directors of the Company shall be one until determined otherwise by the Board of Directors or stockholders of the Company in accordance with the Bylaws of the Company.

Officers

RESOLVED, that the following persons are hereby appointed to the offices of the Company set forth opposite their respective names, to serve as officers of the Company until their respective successors to such offices have been duly appointed or until their earlier resignation or removal:

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<u>Name</u>	<u>Office</u>
Jonathan Weisz	President and Secretary
Claire Donovan	Controller

#### Stock Certificates

RESOLVED, that the form of the stock certificate attached hereto as Exhibit B is hereby approved and adopted as the form of certificate representing shares of common stock, par value \$0.01 per share, of the Company ("Common Stock"), and that the Secretary of the Company is hereby instructed to file a specimen thereof among the permanent records of the Company.

#### Issuance of Common Stock

RESOLVED, that the offer of New Media Telecommunications, Inc., a California corporation ("NMT"), to subscribe for 1,000 shares of Common Stock at a total price of \$1,000, is hereby accepted, such consideration being hereby deemed adequate and sufficient; and further

RESOLVED, that, upon receipt of the full amount of the consideration specified in the foregoing resolution, (i) 1,000 shares of Common Stock shall be deemed to have been issued to NMT and NMT shall be a stockholder with respect to said shares, and (ii) the officers of the Company are hereby authorized and directed to issue to NMT one or more stock certificates, in the form approved by this Board of Directors, evidencing such shares of Common Stock; and further

RESOLVED, that said shares, when issued in accordance with these resolutions and for the aforementioned consideration, shall be validly issued and outstanding, fully paid and nonassessable shares of Common Stock, with no liability attaching to the ownership thereof.

#### Fiscal Year

RESOLVED, that the fiscal year of the Company shall end at the close of business on December 31 in each year.

#### Banking Authorization

RESOLVED, that the President and Secretary of the Company are hereby authorized and empowered, for and on behalf of the Company, to designate in writing any commercial bank, investment broker or trust company that any of them shall approve as a depository for the funds of the Company to be carried in an account or accounts as titled by said persons, and that such persons be and each of them singularly is hereby authorized and empowered, for and on behalf of the Company, to deposit or cause to be deposited from time to time the

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funds of the Company in any such account or accounts, all such deposits to be maintained in accounts in the name of the Company, and that such depository is hereby authorized and requested to accept, honor and pay, without further inquiry and until written notice of the revocation of such authority granted it is received by it, all checks, drafts and other orders for payment or withdrawal, whether by computer or electronic means or otherwise (including, but not limited to, means utilizing telegraphic equipment or telephonic instructions), of such funds of the Company, including any instruments payable or endorsed to the order of the Company, when signed and countersigned, if countersignatures are provided for in such written designation, in the name of the Company by the persons designated in writing by the President or Secretary of the Company, or in the case of electronic transfers, wire transfers or other telegraphic, telephonic or electronic methods of transferring funds, such depository is authorized and requested to accept, honor and pay such transfer in accordance with such agreements signed by the President or Secretary of the Company as such depository may require and each of the President and Secretary of the Company be and is hereby authorized and empowered, in the name of and behalf of the Company, to enter into any contracts, agreements or understandings with any depository to establish deposit contracts or to facilitate the transfer of funds of the Company; and further

RESOLVED, that each of the President and Secretary of the Company be and is hereby authorized and empowered, for and on behalf of the Company, to furnish each such depository specimen signatures and specimen facsimile signatures of persons who are authorized to sign the Company's checks, drafts or other orders for the payment or withdrawal of the funds of the Company; and further

RESOLVED, that each of the President and Secretary of the Company be and is hereby authorized and empowered, for and on behalf of the Company, to execute and certify resolutions required by any such depository in connection with any such account or transfer, and such resolutions shall be deemed adopted by this Board of Directors upon affixation hereto.

#### Qualification in Foreign Jurisdictions

RESOLVED, that for the purpose of authorizing the Company to transact business in any state, territory or dependency of the United States or any foreign country in which it is necessary or expedient for the Company to transact business, the officers of the Company are each hereby authorized and empowered, for and on behalf of the Company, to appoint and substitute all necessary agents or attorneys for service of process, to designate and change the location of all necessary statutory offices, and to execute, acknowledge, deliver and file all necessary certificates, reports, powers of attorney and other instruments as may be required by the laws of such state, territory, dependency or country to authorize the Company to transact business therein and, whenever it is expedient for the Company to cease transacting business therein and to withdraw therefrom, to revoke any appointment of agent or attorney for service of process, and to execute, acknowledge, deliver and file such certificates, reports, revocation of appointment or surrender of authority that may be necessary to terminate the authority of the Company to transact business in any such state, territory, dependency or country.

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Organizational Expenses

RESOLVED, that any officer of the Company is hereby authorized to pay from the general funds of the Company any and all fees and expenses related to the organization of the Company and incurred for and on behalf of the Company.

Seal

RESOLVED, that the seal, an impression of which is affixed hereto, is hereby adopted as the corporate seal of the Company.

Miscellaneous

RESOLVED, that the officers of the Company are each hereby authorized and empowered, for and on behalf of the Company, to take or cause to be taken any and all action, to enter into, execute and deliver any and all certificates, agreements, applications, affidavits, acknowledgments, instruments, contracts, statements and other documents and to do any and all things that, in the judgment of the officer taking such action, are necessary or advisable to effectuate and carry out the purposes and intent of the foregoing resolutions, the taking of any such action, the execution of any such documents and the doing of any such other things by any of such officers conclusively to evidence the due authorization and approval thereof by this Board of Directors.

IN WITNESS WHEREOF, the undersigned has executed this Consent as of the 31st day of January, 1996.



Lester H. Smith

**EXHIBIT A**

HOUSE:10731.1

**EXHIBIT B**

HOURLA:331105.1  
062535.0101

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BYLAWS  
OF  
NEW MEDIA TELECOMMUNICATIONS, INC.  
(hereinafter the "Corporation")

ARTICLE I

OFFICES

Section 1. Registered Office. The Corporation's registered office in the State of Delaware shall be located at 1209 Orange Street in the City of Wilmington, County of New Castle, 19801. The name of its registered agent at such address is The Corporation Trust Company.

Section 2. Other Offices. The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. Place of Meetings. Meetings of the stockholders for the election of directors or for any other purpose shall be held at such time and place, either within or without the State of Delaware, as may be designated from time to time by the Board of Directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Annual Meetings. The annual meeting of stockholders shall be held on such date and at such time as may be designated from time to time by the Board of Directors and stated in the notice of the meeting, at which meeting the stockholders shall elect by a plurality vote a Board of Directors, and transact such other business as may properly be brought before the meeting. Written notice of the annual meeting stating the place, date and hour of the meeting shall be given to each stockholder entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting.

Section 3. Special Meetings. Unless otherwise prescribed by law or by the Corporation's Certificate of Incorporation as may be amended and restated from time to time (the "Certificate of Incorporation"), special meetings of stockholders, for any purpose or purposes, may

be called by either (a) the Chairman of the Board of Directors, if there be one, or (b) the President, and shall be called by any officer of the Corporation at the instruction of a majority of the Board of Directors. Written notice of a special meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting.

Section 4. Quorum. Except as otherwise provided by law or by the Certificate of Incorporation, the holders of a majority of the capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted that might have been transacted at the meeting as originally noticed. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder entitled to vote at the meeting.

Section 5. Voting. Unless otherwise required by law, the Certificate of Incorporation or these bylaws, any question brought before any meeting of stockholders shall be decided by the vote of the holders of a majority of the voting power of the stock represented and entitled to vote thereat. Such votes may be cast in person or by proxy but no proxy shall be voted or acted upon after three years from its date, unless such proxy provides for a longer period. The Board of Directors, in its discretion, or the officer of the Corporation presiding at a meeting of stockholders, in his or her discretion, may require that any votes cast at such meeting shall be cast by written ballot.

Section 6. List of Stockholders Entitled to Vote. The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder of the Corporation who is present. The stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by this Section 6 of this Article II or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

ARTICLE III

DIRECTORS

Section 1. Number and Election of Directors. The business and affairs of the Corporation shall be managed by a Board of Directors initially consisting of one director. The number of directors of the Corporation may be increased or decreased from time to time by resolution adopted by the Board of Directors, but no decrease by the Board of Directors shall have the effect of shortening the term of any incumbent director. Except as provided in Section 2 of this Article III, directors shall be elected by a plurality of the votes cast at annual meetings of stockholders and each director so elected shall hold office until the next annual meeting and until his or her successor is duly elected and qualified or until his or her earlier resignation or removal. Any director may resign at any time upon notice to the Corporation. A director need not be a stockholder, a citizen of the United States or a resident of the State of Delaware.

Section 2. Vacancies. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and qualified or until their earlier resignation or removal. If there are no directors in office, then an election of directors may be held in the manner provided by statute.

Section 3. Duties and Powers. The business of the Corporation shall be managed by or under the direction of the Board of Directors, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these bylaws directed or required to be exercised or done by the stockholders.

Section 4. Meetings. Meetings shall be held at such time as the Board of Directors shall fix, except that the first meeting of a newly elected Board of Directors shall be held as soon after its election as the directors may conveniently assemble. Meetings shall be held at such place within or without the State of Delaware as may be fixed by the Board of Directors. No call shall be required for regular meetings for which the time and place have been fixed. Special meetings may be called by or at the direction of the Chairman of the Board, if any, the President or a majority of the directors then in office. No notice shall be required for regular meetings for which the time and place have been fixed. Written, oral or any other mode of notice of the time and place shall be given for special meetings in sufficient time for the convenient assembly of the directors thereat. Notice need not be given to any director or to any member of a committee of directors who submits a written waiver of notice signed by him or her before or after the time stated therein. Attendance of any such person at a meeting shall constitute a waiver of notice of such meeting, except when he or she attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the directors need be specified in any written waiver of notice.

Section 5. Quorum. Except as may be otherwise specifically provided by law, the Certificate of Incorporation or these bylaws, at all meetings of the Board of Directors, a majority of the entire Board of Directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 6. Actions by Written Consent. Unless otherwise provided by the Certificate of Incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all the members of the Board of Directors or committee, as the case may be, consent thereto in writing, in one document or in counterparts, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

Section 7. Meetings by Conference Telephone. Unless otherwise provided by the Certificate of Incorporation or these bylaws, members of the Board of Directors or any committee designated by the Board of Directors may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 7 shall constitute presence in person at such meeting.

Section 8. Committees. The Board of Directors may, by resolution passed by a majority of the entire Board of Directors, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee. In the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of Directors of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any absent or disqualified member. Any committee, to the extent allowed by law and provided in the resolution establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation. Without limitation to the foregoing, any committee shall have the power and authority to declare a dividend, to authorize the issuance of stock or to adopt a certificate of ownership and merger pursuant to Section 253 of the Delaware General Corporation Law. Each committee shall keep regular minutes and report to the Board of Directors when required.

Section 9. Compensation. Directors as such may receive a stated salary for their services, fixed by resolution of the Board of Directors. In addition, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board of Directors or any committee thereof, provided that nothing contained herein shall be construed to

preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 10. Interested Directors. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof that authorizes the contract or transaction, or solely because his, her or their votes are counted for such purpose if (a) the material facts as to his, her or their relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors be less than a quorum, (b) the material facts as to his, her or their relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon and the contract or transaction is specifically approved in good faith by vote of the stockholders or (c) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board of Directors, a committee thereof or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee that authorizes, approves or ratifies the contract or transaction.

## ARTICLE IV

### OFFICERS

Section 1. General. The officers of the Corporation shall be appointed by the Board of Directors and shall be a President and a Secretary. The Board of Directors, in its discretion, may also appoint a Treasurer and one or more Executive Vice Presidents, Vice Presidents, Assistant Secretaries, Assistant Treasurers and other officers. Any number of offices may be held by the same person, unless otherwise prohibited by law, the Certificate of Incorporation or these bylaws. The officers of the Corporation need not be stockholders of the Corporation or directors of the Corporation.

Section 2. Election. The Board of Directors at its first meeting held after each annual meeting of stockholders shall elect the officers of the Corporation, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors; and all officers of the Corporation shall hold office until their successors are chosen and qualified or until their earlier resignation or removal. Any officer elected by the Board of Directors may be removed at any time by the affirmative vote of a majority of the Board of Directors. Any vacancy occurring in any office of the Corporation shall be filled by the Board of Directors. The salaries of all officers of the Corporation shall be fixed by the Board of Directors and may be altered from time to time except as otherwise provided by contract.

Section 3. President. The President shall, subject to the control of the Board of Directors, have general supervision of the business of the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. He or she shall be the Chief Executive Officer of the Corporation and shall execute all bonds, mortgages, contracts and other instruments of the Corporation requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except that the other officers of the Corporation may sign and execute documents when so authorized by these bylaws, the Board of Directors or the President. In the absence or disability of the Chairman of the Board of Directors, or if there be none, the President shall preside at all meetings of the stockholders and the Board of Directors. The President shall also perform such other duties and may exercise such other powers as from time to time may be assigned to him or her by these bylaws or by the Board of Directors. In the absence of the appointment of a Treasurer, the duties of the Treasurer, as described in Section 6 of this Article IV, shall be performed by the President.

Section 4. Executive Vice Presidents and Vice Presidents. At the request of the President or in his or her absence or in the event of his or her inability or refusal to act the Executive Vice President or the Executive Vice Presidents if there be more than one, and the Vice President or the Vice Presidents, if there be more than one (in the order designated by the Board of Directors), shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Each Executive Vice President and each Vice President shall perform such other duties and have such other powers as the Board of Directors from time to time may prescribe. If there be no Executive Vice President or Vice President, the Board of Directors shall designate the officer of the Corporation who, in the absence of the President or in the event of the inability or refusal of the President to act, shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

Section 5. Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of stockholders and record all the proceedings thereat in a book or books to be kept for that purpose; the Secretary shall also perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he or she shall be. If the Secretary shall be unable or shall refuse to cause to be given notice of all meetings of the stockholders and special meetings of the Board of Directors, and if there be no Assistant Secretary, then either the Board of Directors or the President may choose another officer to cause such notice to be given. The Secretary shall have custody of the seal of the Corporation and the Secretary or an Assistant Secretary, if there be one, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by the signature of the Secretary or by the signature of any such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his or her signature. The Secretary shall see that all books, reports, statements, certificates and other documents and records required by law to be kept or filed are properly kept or filed, as the case may be.

Section 6. Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at its regular meeting, or when the Board of Directors so requires, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation. If required by the Board of Directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his or her office and for the restoration to the Corporation, in case of his or her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the Corporation.

Section 7. Assistant Secretaries. Except as may be otherwise provided in these bylaws, Assistant Secretaries, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the President, any Executive Vice President, if there be one, any Vice President, if there be one, or the Secretary, and in the absence of the Secretary or in the event of his or her disability or refusal to act, shall perform the duties of the Secretary, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Secretary.

Section 8. Assistant Treasurers. Assistant Treasurers, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the President, any Executive Vice President, if there be one, any Vice President, if there be one, or the Treasurer, and in the absence of the Treasurer or in the event of his or her disability or refusal to act, shall perform the duties of the Treasurer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Treasurer. If required by the Board of Directors, an Assistant Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his or her office and for the restoration to the Corporation, in case of his or her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the Corporation.

Section 9. Other Officers. Such other officers as the Board of Directors may choose shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors. The Board of Directors may delegate to any other officer of the Corporation the power to choose such other officers and to prescribe their respective duties and powers.



ARTICLE V

STOCK

Section 1. Form of Certificates. Every holder of stock in the Corporation shall be entitled to have a certificate signed in the name of the Corporation (a) by the President, an Executive Vice President or a Vice President and (b) by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation, certifying the number of shares owned by such holder.

Section 2. Signatures. Where a certificate is countersigned by (a) a transfer agent other than the Corporation or its designated employees or (b) a registrar other than the Corporation or its designated employees, any other signature on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

Section 3. Lost Certificates. The Board of Directors may direct a new certificate to be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate, or his or her legal representative, to advertise the same in such manner as the Board of Directors shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 4. Transfers. Stock of the Corporation shall be transferable in the manner prescribed by law and in these bylaws. Transfers of stock shall be made on the books of the Corporation only by the person named in the certificate or by his or her attorney lawfully constituted in writing and upon the surrender of the certificate therefor, which shall be cancelled before a new certificate shall be issued.

ARTICLE VI

NOTICES

Section 1. Notices. Whenever written notice is required by law, the Certificate of Incorporation or these bylaws to be given to any director, member of a committee or stockholder, such notice may be given by mail, addressed to such director, member of a committee or stockholder, at his or her address as it appears on the records of the Corporation, with postage

thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Written notice may also be given personally or by facsimile transmission, telegram, telex or cable.

Section 2. Waivers of Notice. Whenever any notice is required by law, the Certificate of Incorporation or these bylaws to be given to any director, member of a committee or stockholder, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to notice.

## ARTICLE VII

### INDEMNIFICATION

Section 1. General. Each person who at any time shall serve, or shall have served, as a director, officer, employee or agent of the Corporation, or any person who, while a director, officer, employee or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, shall be entitled to indemnification as, and to the fullest extent, permitted by Section 145 of the Delaware General Corporation Law or any successor statutory provision, as from time to time amended. The foregoing right of indemnification shall not be deemed exclusive of any other rights to which those to be indemnified may be entitled as a matter of law or under any agreement, vote of shareholders or disinterested directors, or other arrangement.

Section 2. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise against any liability asserted against him and incurred by him in such capacity or arising out of his status as such a person, whether or not the Corporation would have the power to indemnify him against that liability under this Article VII or the Delaware General Corporation Law.

## ARTICLE VIII

### GENERAL PROVISIONS

Section 1. Dividends. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, and may be paid in cash, in property or in shares of the capital stock. Before payment of any dividend, there may be set aside out of any funds of the

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**ATTACHMENT III**  
**NEW MEDIA TELECOMMUNICATIONS, INC.**  
**FINANCIAL INFORMATION**

**NEW MEDIA TELECOMMUNICATIONS, INC.**  
**STATEMENT OF FINANCIAL CAPABILITY**

The purpose of this document is to highlight the financial strengths of the Company and serve as the Company's Statement of Financial Capability.

New Media Telecommunications, Inc. has sufficient financial capability to provide the requested telecommunication services in the State of South Dakota, the financial capability to maintain these services, and the financial capability to meet its lease and ownership obligations. Please see the accompanying balance sheet and income statement as of June 30, 1997 along with the accompany bank statements as of August 29, 1997.

The Company's revenues for the six months ended June 30, 1997 document sales in excess of \$6.8 million. Even though the Company's is operating at a loss position at this point, the loss is directly attributable to expense control. The Company is presently taking the necessary management steps to reduce expenses to an acceptable level for the Company's venture of being a telecommunications supplier as the primary line of business.

The balance sheet displays \$-0- cash as of June 30, 1997. This is due to the flow of funds as of the balance sheet date along with outstanding checks. Copies of three (3) different bank account statements as of August 29, 1997 are provided as an attachment to the financial statements. The Company's bank accounts are as follows:

<u>Financial Institution</u>	<u>Account #</u>	<u>8/29/97 Balance</u>
Union Bank of California	4000143605	\$41,205.96
Charter Pacific Bank	60507236	\$ 8,285.28
Charter Pacific Bank	60504644	<u>\$ 5,959.55</u>
		\$55,450.79

Summary

As noted in the analysis documented above, the Company is preparing properly for its venture into the telecommunications business. The Company is positioned to add significant revenue growth while having a majority of its expenses fixed in nature. The Company has sufficient financial capability to provide the requested telecommunication services, sufficient financial capability to meet all lease and ownership obligations, and sufficient financial capability to maintain a large Customer base.

New Media Telecommunications Inc.  
Balance Sheet

**ASSETS**

June 30,  
1997

**CURRENT ASSETS**

Cash	\$	0
Accounts receivable - trade		184,510
Accounts receivable - other		76,339
Prepaid Expenses		395,080
Loans to shareholder		62,094
Interest Receivable - shareholder		218
Employee receivable		3,075
Inventory		<u>201,432</u>
Total Current Assets		<u>922,747</u>

**PROPERTY & EQUIPMENT**

Machinery and equipment	76,879
Computer Equipment	896,765
Computer Software	75,086
Furniture and fixtures	88,682
Leasehold improvements	<u>47,817</u>
	1,187,028
Less:	
Accumulated Depreciation	<u>(419,169)</u>
Total Property & Equipment	<u>767,859</u>

**OTHER ASSETS**

Deposits	225,822
Infomercial production costs	20,535
Organization costs	3,581
Other Assets	<u>67,900</u>
Total Other Assets	<u>317,837</u>
TOTAL ASSETS	<u>\$ 2,008,443</u>

New Media Telecommunications, Inc.  
Balance Sheet

LIABILITIES AND STOCKHOLDER'S EQUITY

	June 30, 1997
<b>CURRENT LIABILITIES</b>	
Accounts payable & accrued liabilities	3,020,534
Interest Payable	26,846
Customer deposits on 900 lines	381,896
Deferred revenue - minutes	1,514,858
Deferred revenue - products	186,503
Excise Taxes payable	118,829
Short-term shareholders' loans payable	625,000
Current portion of long-term debt	280,608
	<hr/>
Total Current Liabilities	6,155,474
<b>LONG-TERM LIABILITIES</b>	
Capital leases	82,888
Loans payable	190,988
Notes payable	6,198
Loans payable to shareholders	303,583
	<hr/>
	583,658
	<hr/>
Less current portion	280,608
	<hr/>
Total Long-Term Liabilities	303,050
	<hr/>
<b>TOTAL LIABILITIES</b>	6,458,523
	<hr/>
<b>STOCKHOLDERS' EQUITY</b>	
Common stock par value \$0.01	
1,000,000 shares authorized	
200,000 shares	
issued and outstanding	2,000
Paid-in-capital	166,587
Retained earnings - Prior	(3,491,364)
Retained earnings - Current	(1,127,303)
	<hr/>
Total Stockholder's Equity	(4,450,081)
	<hr/>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<hr/>
	\$ 2,008,443

New Media Telecommunications, Inc.  
Statement of Operations

	Year Ended June 30, 1997
REVENUES	
Products	\$ 2,063,718
Services	\$ 4,795,527
Less: Returns & Allowances	\$ (51,463)
NET REVENUES	6,807,782
COST OF SALES	
Products	\$ 1,004,815
Services	\$ 3,713,833
GROSS PROFIT	2,089,134
OPERATING EXPENSES	
General & Administrative	\$ 1,184,605
Sales & Marketing	\$ 1,743,283
Research & Development	\$ 344,491
Operating Income (Loss)	(1,183,245)
OTHER INCOME AND (EXPENSES)	
Bank charges	\$ (14,619)
Interest expense	\$ (87,562)
Interest income	\$ 2,132
Other income (expense)	\$ (2,421)
Payment to infomercial partner	\$ 161,936
Total Other Income and Expenses	59,466
Loss Before Income Taxes	(1,123,779)
Provision for Income Taxes	\$ 3,525
Net Loss	\$ (1,127,304)
Net Loss Per Share	\$ (5.64)
Weighted Average of Common Shares Outstanding	200,000



**NEXT**

**DOCUMENT (S)**

**BEST IMAGE**

**POSSIBLE**



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P.O. BOX 85324  
SAN DIEGO CA 92186-5324

For Office Inquiries: 800 978-6466

NEW MEDIA TELECOMMUNICATIONS INC  
DBA QUICK START SYSTEMS  
OPERATING ACCOUNT  
4225 EXECUTIVE SQ 1070  
LA JOLLA CA 92037

Account Number: 4000143605  
Type: BASIC BUSINESS CHECKING  
Statement Period  
From: AUGUST 01, 1997  
Through: AUGUST 29, 1997  
Page Number: 1 of 5  
Zero Balance Account Master

IF YOU HAVE A CASH RESERVE ACCOUNT AND YOUR ACCOUNT WAS BILLED A TRANSFER FEE BETWEEN 6/24/96 AND 6/24/97, A REFUND OF THOSE TRANSFER FEES APPEARS AS A CREDIT ON THIS STATEMENT. TRANSFER FEES SHOULD HAVE BEEN DISCLOSED AS A FINANCE CHARGE.

BUSINESS CHECKING SUMMARY

	VOLUME	AMOUNT
PREVIOUS STATEMENT ENDING BALANCE		\$ 5,952.91
DEPOSITS	66	\$ 1,033,153.36
OTHER CREDITS	0	\$ 0.00
CHECKS	108	\$ 398,116.57
OTHER DEBITS	70	\$ 599,783.74
SERVICE FEES AND CHARGES		\$ 0.00
CURRENT STATEMENT ENDING BALANCE		\$ 41,205.96

CHECKS IN CHECK NUMBER SEQUENCE

CHECK NUMBER	DATE POSTED	CHECK AMOUNT	CHECK NUMBER	DATE POSTED	CHECK AMOUNT	CHECK NUMBER	DATE POSTED	CHECK AMOUNT
18542	8/20	84.00	19777	8/21	19.95	19820	8/15	350.86
18744*	8/20	46.25	19779*	8/20	19.85	19821	8/08	30,000.00
19664*	8/15	99.00	19780	8/04	145.46	19822	8/11	18,000.00
19714*	8/01	20,000.00	19781	8/15	264.00	19823	8/25	140.00
19716*	8/28	45,000.00	19782	8/12	24.75	19824	8/12	64,600.00
19728*	8/04	200.00	19783	8/08	504.97	19825	2/13	41,000.00
19729	8/01	546.30	19785*	8/18	150.00	19826*	8/19	304.12
19730	8/01	398.00	19786	8/06	249.40	19830*	8/20	106.67
19731	8/04	529.00	19787	8/11	325.00	19831	8/25	705.00
19732	8/01	310.32	19788	8/14	595.00	19832	8/25	395.19
19733	8/04	733.11	19789	8/12	540.00	19834*	8/26	204.80
19734	8/04	354.60	19790	8/04	1,900.30	19835	8/21	99.00
19738*	8/12	195.00	19791	8/06	344.80	19836	8/19	106.67
19742*	8/26	10.70	19792	8/05	699.30	19837	8/25	380.00
19743	8/05	446.25	19793	8/06	55,000.00	19838	8/19	505.80
19744	8/05	54.00	19794	8/07	35,000.00	19839	8/20	263.99
19745	3/04	4.42	19795	8/13	108.95	19840	8/21	380.00
19746	8/22	133.00	19796	8/12	323.25	19841	8/20	176.38
19747	8/05	106.67	19798*	8/13	453.75	19843*	8/26	400.00
19748	8/04	108.95	19799	8/12	1,550.00	19845*	8/19	210.11
19753*	8/01	344.00	19800	8/13	477.00	19846	8/18	381.95
19754	8/05	499.00	19801	8/14	55.90	19847	8/18	64.22
19755	8/01	234.95	19802	8/13	59.00	19849*	8/25	33.75
19758*	8/12	858.92	19803	8/18	99.00	19850	8/28	214.15
19764*	8/06	140.00	19805*	8/12	686.61	19851	8/18	44.07
19765	8/05	235.90	19806	8/11	415.75	19852	8/26	202.05
19767*	8/08	247.63	19807	8/14	884.89	19853	8/19	373.95
19768	8/06	28.52	19809*	8/18	325.40	19855*	8/28	297.50
19769	8/05	467.76	19810	8/18	22.50	19857*	8/21	38,000.00
19770	8/15	86.45	19811	8/15	741.62	19860*	8/22	22,000.00
19771	8/04	200.00	19812	8/18	140.37	19868*	8/27	682.08
19772	8/28	504.00	19814*	8/11	93.00	19873*	8/29	105.00
19773	8/07	109.92	19815	8/11	116.62	19876*	8/29	309.52
19774	8/11	440.68	19816	8/19	84.30	19878*	8/27	123.25
19775	8/01	103.66	19817	8/15	99.00	19879	8/29	757.79
19776	8/08	27.99	19819*	8/11	187.00	19882*	8/29	100.00

\* - DENOTES A BREAK IN CHECK NUMBER SEQUENCE. V - VALUE DATED ITEM AMOUNT. M - MISCELLANEOUS ITEM AMOUNT. A COMPLETE DESCRIPTION OF THESE ITEMS APPEARS IN THE MISCELLANEOUS ACCOUNT ACTIVITY SECTION.

## Statement

CHARTER PACIFIC BANK  
30141 AGOURA ROAD  
AGOURA HILLS CA 91301

PHONE: 818-597-7488

043 60 01

NEW MEDIA TELECOMM INC  
4225 EXECUTIVE SQUARE STE 1070  
LA JOLLA CA 92037

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0  
0

BANKCARD OPERATING  
ACCOUNT:

60507236

08/01/97 THRU 08/29/97

PAGE 4

BANKCARD OPERATING ACCOUNT 60507236

OTHER DEBITS

DESCRIPTION	DATE	AMOUNT
OUTGOING WIRE TRANSFER	08/27	✓ 24,299.84
WIRE TRANSFER FEE	08/28	15.00
BANKCARD DISCOUNT 465610040200644	08/28	✓ 381.10
OUTGOING WIRE TRANSFER	08/28	✓ 6,688.10
WIRE FEE	08/29	15.00
FAXED ACCOUNT ACTIVITY FEE	08/29	25.00
BANKCARD DISCOUNT 465610040200644	08/29	✓ 294.12
OUTGOING WIRE TRANSFER	08/29	✓ 10,341.63

DAILY BALANCE

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
08/01	9,456.58	08/12	19,732.29	08/21	7,544.30
08/04	11,934.14	08/13	485.00	08/22	15,294.41
08/05	26,576.88	08/14	27,104.06	08/25	6,416.57
08/06	15,581.66	08/15	10,467.67	08/26	24,799.84
08/07	6,009.56	08/18	8,939.07	08/27	7,188.10
08/08	10,649.19	08/19	17,413.57	08/28	10,841.63
08/11	9,249.30	08/20	12,584.39	08/29	6,285.28

- END OF STATEMENT -

## Statement

CHARTER PACIFIC BANK  
30141 AGOURA ROAD  
AGOURA HILLS CA 91301

PHONE: 818-597-7488

043 60 01

NEW MEDIA TELECOMM INC  
4225 EXECUTIVE SQUARE STE 1070  
LA JOLLA CA 92037

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BANKCARD OPERATING  
ACCOUNT:

60504644

08/01/97 THRU 08/29/97

PAGE 6

BANKCARD OPERATING ACCOUNT 60504644

----- OTHER DEBITS -----

DESCRIPTION	DATE	AMOUNT
OUTGOING WIRE TRANSFER	08/28	7,259.62 ✓
WIRE FEE	08/29	15.00 ✓
FAXED ACCOUNT ACTIVITY FEE	08/29	25.00 ✓
CPB BANKCARD C/B Fees 465610040001059	08/29	225.00 ✓
BANKCARD MTOT ADJ 465610040001059	08/29	1,385.52 ✓
OUTGOING WIRE TRANSFER	08/29	9,179.10 ✓

----- DAILY BALANCE -----

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
08/01	6,695.04	08/12	3,748.63	08/21	8,204.06
08/04	18,029.69	08/13	7,637.45	08/22	8,992.97
08/05	6,910.96	08/14	7,253.69	08/25	18,397.35
08/06	9,851.58	08/15	6,300.69	08/26	5,186.62
08/07	9,788.29	08/18	19,628.72	08/27	7,759.62
08/08	5,935.39	08/19	4,790.60	08/28	9,659.10
08/11	16,981.69	08/20	5,416.02	08/29	5,959.55

- END OF STATEMENT -

34, 000, 444, 13

ATTACHMENT IV  
NEW MEDIA TELECOMMUNICATIONS, INC.  
PROPOSED TARIFF

New Media Telecommunications, Inc.

**RESALE INTEREXCHANGE TELECOMMUNICATIONS  
SERVICE TARIFF**

This tariff contains the regulations, rates and charges applicable to the provision of interexchange telecommunications services by New Media Telecommunications, Inc. for the use of Customers transmitting messages within the State of South Dakota.

This tariff is available for public inspection during normal business hours at the main office of New Media Telecommunications, Inc., located at 4225 Executive Square, Suite 1070, LaJolla, California 92037.

ISSUED:

EFFECTIVE:

ISSUED BY: Claire Donovan, Chief Financial Officer  
4225 Executive Square, Suite 1070  
LaJolla, California 92037

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**CHECK SHEET**

The pages of this tariff as listed below are effective as of the date shown at the bottom of the respective pages. Original and revised pages, as named below, comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

<u>Page</u>	<u>Revision</u>	<u>Page</u>	<u>Revision</u>
1	Original	26	Original
2	Original	27	Original
3	Original	28	Original
4	Original	29	Original
5	Original	30	Original
6	Original	31	Original
7	Original	32	Original
8	Original	33	Original
9	Original	34	Original
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25	Original		

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ISSUED BY: Claire Donovan, Chief Financial Officer  
4225 Executive Square, Suite 1070  
LaJolla, California 92037

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LaJolla, California 92037



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TARIFF FORMAT

- A. **Page Numbering** - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added between pages already in effect, a decimal is added.
- B. **Page Revision Numbers** - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the Commission. For example, the 4th revised Page 14 cancels the 3rd revised Page 14. Because of the various suspension periods and deferrals the Commission follows in its tariff approval process, the most current page number on file with the Commission is not always the tariff page in effect. Consult the check sheet for the page currently in effect.
- C. **Paragraph Numbering Sequence** - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2
  - 2.1
  - 2.1.1
  - 2.1.1.A
  - 2.1.1.A.1
  - 2.1.1.A.1.(a)
  - 2.1.1.A.1.(a).1
  - 2.1.1.A.1.(a).1.(i)
  - 2.1.1.A.1.(a).1.(i).1
- D. **Check Sheets** - When a tariff filing is made with the Commission an updated check sheet accompanies the filing. The check sheet lists the pages contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (\*). There shall be no other symbols used on this page if these are the only changes made to it. The tariff user should refer to the latest check sheet to find out if a particular page is the most current on file with the Commission.

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LaJolla, California 92037

9700

### EXPLANATION OF SYMBOLS

Changes to this tariff shall be identified on the revised page(s) through the use of symbols. The following are the only symbols used for the purposes indicated below:

- (D) - To signify a discontinued rate or regulation.
- (I) - To signify an increase in rate or charge.
- (M) - To signify material relocated from one page to another without change.
- (N) - To signify a new rate or regulation.
- (R) - To signify a reduced rate or charge.
- (T) - To signify a change or regulation but no change in rate or charge.

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**SECTION 1 - DEFINITION OF TERMS AND ABBREVIATIONS**

**Access Line** - Local service lines provided by a Local Exchange Carrier to provide access to the public switched network. New Media's service can be utilized from any LEC access line allowing 1-800/888 dialing, however, New Media does not provide its Customers Access Line service.

**Account Code** - A number assigned to each Customer Account which serves as the only means of Customer identification and for proper Depletion of Customer Account Balances.

**Authorized User** - A person, firm, corporation, or any other entity authorized by the Customer to communicate utilizing the Carrier's service under the terms and regulations of this tariff.

**Available Account Balance** - The amount of usage remaining on a Customer Account at any particular point in time. Each Customer Account has an Initial Account Balance which is stated in either U.S. dollars or Call Units, depending on the type of service. The Available Balance is Depleted by the appropriate dollar amount or number of Call Units, respectively, based on the actual usage of the Company's service.

**Called Party** - The person, individual, corporation, or other entity whose telephone number is called by the End user.

**Call Unit** - A Call Unit is a measurement of usage, such that a specified quantity of Call Units equate to one minute of usage. For example, one Call Unit may equate to one minute of interstate usage, while several Call Units may equate to one minute of international usage. Call Units are depleted on a per-call, real time basis.

**Carrier or Company** - New Media Telecommunications, Inc. ("New Media") unless otherwise indicated by the context.

**Commission** - The South Dakota Public Utilities Commission.

**Cost Deductions** - Deductions in the dollar amount remaining on a Subscriber's debit card caused by using the debit card service.

**Customer** - Any person, firm, partnership, corporation, or other entity which uses telecommunications services under the provisions and regulations of this tariff and is responsible for payment of charges.

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**ISSUED:****EFFECTIVE:**

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**SECTION 1 - DEFINITION OF TERMS AND ABBREVIATIONS, CONT'D.**

**Customer Account** - A New Media account which is not associated with a Local Exchange Carrier switched access business or residential line. Customer Accounts consist of prepaid balances which are Depleted on a real time basis during each call placed on each account.

**Debit Card Service** - A communications service provided by New Media. To use debit card service, the Caller must first dial a preassigned toll free (i.e. 800/888) number to obtain access to New Media's network. Once the Caller is connected to the New Media network, the caller must then dial an authorization number and then the ten digit number of the called party.

**Depletion** - Reductions in the Available Balance based on usage of the Customer Account. Depletion of Dollar-Based service occurs on a real time basis at the tarified per minute rates contained herein. Depletion of Unit-Based service occurs on a real time basis at the tarified number of Call Units per minute contained herein.

**Dollar-Based Accounts** - Service where the Initial Balance and Available Balance is expressed in U.S. dollars. The rates per minute contained in this tariff are expressed in U.S. dollars.

**End User** - Any person, firm, corporation, partnership or other entity which uses the services of the Carrier under the provisions of this tariff. The End User is responsible for payment unless the charges for the services utilized are accepted and paid by another Customer.

**Identification Number** - A unique numerical code associated with each debit card.

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**SECTION 1 - DEFINITION OF TERMS AND ABBREVIATIONS, CONT'D.**

**Initial Account Balance** - The Available Balance of a Customer Account upon issuance of an Account Code and before any Depletion for call activity. The Initial Account Balance is expressed in either U.S. Dollars or in Call Units.

**LEC** - Local Exchange Company

**Marketer** - Any person, firm, entity or corporation authorized by New Media to market debit cards to the public.

**New Media Telecommunications, Inc.** - ("New Media") refers to the Company unless otherwise clearly indicated by the context.

**Personal Account Code** - A pre-defined series of numbers to be dialed by the Customer or Authorized User upon access to the Carrier's network which identifies the Debit Account from which charges for service shall be debited and which validates the caller's authorization to use the services provided.

**Renewal** - A method of replenishing the Available Balance with additional quantities as authorized and paid for by the Customer. Renewal of Available Balances may be limited by the amount or the class of service.

**Subscriber** - A party who subscribes to debit card service.

**Unit-Based Accounts** - Service where the Initial Balance and Available Balance is expressed in Call Units. The rates per minute contained in this tariff are expressed in Call Units, inclusive of taxes.

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**SECTION 2 - REGULATIONS**

**2.1 Undertaking of New Media Telecommunications, Inc.**

- 2.1.1 New Media Telecommunications, Inc. ("New Media") is a resale common carrier providing intrastate direct dialed (1+) communication services to Customers for the transmission and reception of voice, data, and other types of communications within the State of [state] under the terms of this Tariff.
- 2.1.2 New Media may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities, when authorized by the Customer, to allow connection of a Customer's location to the New Media services. The Customer shall be responsible for all charges due for such service arrangement.
- 2.1.3 The Company's service is available twenty-four (24) hours per day, seven (7) days per week.
- 2.1.4 No charges apply to incomplete calls.

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**SECTION 2 - REGULATIONS, CONT'D.**

**2.2 Limitations on Service**

- 2.2.1 Service is offered subject to the availability of the necessary facilities and subject to the provisions of this tariff.
- 2.2.2 Company reserves the right to discontinue furnishing Service, or to limit the use of Service, when necessitated by conditions beyond its control, when Customer or an Authorized User is using Service in violation of the law or in violation of the provisions of this tariff, or for non-payment by Customer.
- 2.2.3 Service provided under this tariff is directly controlled by Company, and Customer may not transfer or assign the use of Service, except with the prior written consent of Company. Such transfer or assignment shall only apply where there is no interruption in the use or location of Service, and all regulations and conditions contained in this tariff, as well as all conditions for Service, shall apply to all such permitted assignees or transferees.
- 2.2.4 Customer may, where applicable, request Company to assign one or more sub-accounts for billing purposes and to direct sub-account invoices to affiliates of Customer or other designated entities for payment purposes. Such requests shall not affect the liability of Customer, who shall remain solely liable to Company for payment of all invoices for Service requested and obtained by Customer, whether invoiced by Company to Customer, its affiliates, or other designated entities.
- 2.2.5 Service may not be used for any unlawful purpose.
- 2.2.6 Intrastate Services are provided only in conjunction with interstate Services.

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EFFECTIVE:

ISSUED BY: Claire Donovan, Chief Financial Officer  
4225 Executive Square, Suite 1070  
LaJolla, California 92037

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**SECTION 2 - REGULATIONS, CONT'D.**

**2.3 Limitations on Liabilities**

- 2.3.1** Except as otherwise stated in this section, the liability of the Company for damages arising out of either: (1) the furnishing of its Services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these Services, or (2) the failure to furnish its Service, whether caused by acts or omission, shall be limited to the extension of allowances to the Customer for interruptions in Service as set forth in Section 2.14.
- 2.3.2** Except for the extension of allowances to the Customer for interruptions in Service as set forth in this tariff, the Company shall not be liable to a Customer or third party for any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages, including, but not limited to, loss of revenue or profits, for any reason whatsoever, including, but not limited to, any act or omission, failure to perform, delay, interruption, failure to provide any Service or any failure in or breakdown of facilities associated with the Service.
- 2.3.3** The liability of the Company for errors in billing that result in overpayment by the Customer shall be limited to a credit equal to the dollar amount erroneously billed or, in the event that payment has been made and Service has been discontinued, to a refund of the amount erroneously billed.

ISSUED:

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ISSUED BY: Claire Donovan, Chief Financial Officer  
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LaJolla, California 92037



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SECTION 2 - REGULATIONS, CONT'D.

2.3 Limitations on Liabilities, Cont'd.

2.3.4 The Company shall not be liable for any claims for loss or damages involving:

- A. Any act or omission of: (a) the Customer, (b) any other entity furnishing service, equipment or facilities for use in conjunction with Services provided by the Company; or (c) common carriers or warehousemen;
- B. Any delay or failure of performance or equipment due to causes beyond the Company's control, including but not limited to, acts of God, fires, floods, earthquakes, hurricanes, or other catastrophes; national emergencies, insurrections, riots, wars or other civil commotions; strikes, lockouts, work stoppages or other labor difficulties; criminal actions taken against the Company; unavailability, failure or malfunction of equipment or facilities provided by the Customer or third parties; and any law, order, regulation or other action of any governing authority or agency thereof;
- C. Any unlawful or unauthorized use of the Company's Services;
- D. Libel, slander, invasion of privacy or infringement of trademarks, patents, trade secrets, or copyrights arising from or in connection with the transmission of communications by means of Company provided facilities or Services; or by means of the combination of Company provided facilities or Services with Customer provided services;
- E. Breach in the privacy or security of communications transmitted over the Company's Service;

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ISSUED:

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LaJolla, California 92037

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**SECTION 2 - REGULATIONS, CONT'D.**

**2.3 Limitations on Liabilities, Cont'd.**

**2.3.4 The Company shall not be liable for any claims for loss or damages involving:, cont'd.**

- F. Changes in any of the facilities, operations or procedures of the Company that render any equipment, facilities or services provided by the Customer obsolete, or require modification or alteration of such equipment, facilities or services, or otherwise affect their use or performance, except where reasonable notice is required by the Company and is not provided to the Customer, in which event the Company's liability is limited as set forth in paragraph 2.3.1 of this Subsection;
- G. Defacement of or damage to Customer premises resulting from the furnishing of Services or equipment on such premises or the installation or removal thereof;
- H. Injury to property or injury or death to persons, including claims for payments made under Workers' Compensation law or under any plan for employee disability or death benefits, arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected, or to be connected to the Company's facilities.

ISSUED:

EFFECTIVE:

ISSUED BY: Claire Donovan, Chief Financial Officer  
4225 Executive Square, Suite 1070  
LaJolla, California 92037

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SECTION 2 - REGULATIONS, CONT'D.

2.3 Limitations on Liabilities, Cont'd.

2.3.5 The Company shall be indemnified, defended and held harmless by the Customer from and against any and all claims, loss, demands, suits, expense, or other action or any liability whatsoever, including attorney fees, whether suffered, made, instituted, or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any Company or Customer equipment or facilities or Service provided by the Company.

2.3.6 The Company does not guarantee nor make any warranty with respect to installations provided by it for use in an explosive atmosphere. The Company shall be indemnified, defended and held harmless by the Customer from and against any and all claims, loss, demands, suits, or other action, or any liability whatsoever, including attorney fees, whether suffered, made, instituted or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any equipment or facilities of the Service.

ISSUED:

EFFECTIVE:

ISSUED BY: Claire Donovan, Chief Financial Officer  
4225 Executive Square, Suite 1070  
LaJolla, California 92037

---

SECTION 2 - REGULATIONS, CONT'D.**2.4 Cancellation or Discontinuance of Service by the Company**

Service continues to be provided until canceled by the Customer or until canceled by the Company as set forth below. The Company may render bills subsequent to the termination of service for charges incurred before termination. The Customer shall pay such bills in full in accordance with the payment terms of this tariff. Card Services will not be available in South Dakota when the Customer has been canceled for Service in his/her home state.

- 2.4.1** Service may be suspended by the Company, without notice to the Customer, by blocking traffic to certain cities or NXX exchanges, or by blocking calls using certain Customer Debit Cards when the Company deems it necessary to take such action to prevent unlawful use of its service. New Media will restore services as soon as it can be provided without undue risk, and will upon request by the Customer, assign new Debit Card codes to replace ones that have been deactivated.
- 2.4.2** For nonpayment: The Company, by written notice to the Customer and in accordance with applicable law, may refuse, suspend or cancel service without incurring any liability when there is an unpaid balance for service that is more than 60 days overdue.
- 2.4.3** For returned checks: The Customer whose check or draft is returned unpaid for any reason, after two attempts at collection, shall be subject to refusal, suspension or cancellation of service in the same manner as provided for nonpayment of overdue charges.

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ISSUED:

EFFECTIVE:

ISSUED BY: Claire Donovan, Chief Financial Officer  
4225 Executive Square, Suite 1070  
LaJolla, California 92037

P706

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**SECTION 2 - REGULATIONS, CONT'D.**

**2.4 Cancellation or Discontinuance of Service by the Company, Cont'd.**

- 2.4.4** For lack of use: The Company, by written notice to the Customer, may refuse, suspend or cancel service in the same manner as provided for nonpayment of overdue charges if after three full billing cycles the service has not been used.
- 2.4.5** For violation of law or this tariff: Except as provided elsewhere in this tariff, the Company may refuse, suspend or cancel service, without notice, for any violation of terms of this tariff, for any violation of any law, rule, regulation, order, decree or policy of any government authority of competent jurisdiction, or by reason of any order or decision of a court or other government authority having jurisdiction which prohibits the Company from furnishing such service or prohibits Customer from subscribing to, using, or paying for such service.

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ISSUED:

EFFECTIVE:

ISSUED BY: Claire Donovan, Chief Financial Officer  
4225 Executive Square, Suite 1070  
LaJolla, California 92037

---

**SECTION 2 - REGULATIONS, CONT'D.**

**2.4 Cancellation or Discontinuance of Service by the Company, Cont'd.**

**2.4.6** For the Company to comply with any order or request of any governmental authority having jurisdiction: The Company may refuse, suspend or cancel service, without notice, in order to permit the Company to comply with any order or request of any governmental authority having jurisdiction.

**2.4.7** For unauthorized or unlawful use of Debit Card numbers and Authorization Codes: Debit Card Numbers and Authorization Codes are issued by the Company only to the Customer and may not be sold or otherwise distributed without the written consent of the Company. Any unauthorized or unlawful use of such numbers or Authorization Codes shall result in the immediate refusal, suspension or cancellation of service without notice.

**2.4.8** New Media may refuse or discontinue service under the following conditions provided that, unless otherwise stated in this tariff, the Customer shall be given 15 days notice to comply with any rule or remedy any deficiency:

- A. For neglect or refusal to provide reasonable access to New Media or its agents for the purpose of inspection and maintenance of equipment owned by New Media or its agents.
- B. Without notice in the event of Customer or Authorized User use of equipment in such a manner as to adversely affect New Media's equipment or service to others.
- C. Without notice in the event of tampering with the equipment or services owned by New Media or its agents.
- D. Without notice in the event of unauthorized or fraudulent use of service. Whenever service is discontinued for fraudulent use of service, New Media may, before restoring service, require the Customer to make, at his or her own expense, all changes in facilities or equipment necessary to eliminate illegal use and to pay an amount reasonably estimated as the loss in revenues resulting from such fraudulent use.

---

ISSUED:

EFFECTIVE:

ISSUED BY: Claire Donovan, Chief Financial Officer  
4225 Executive Square, Suite 1070  
LaJolla, California 92037

---

**SECTION 2 - REGULATIONS, CONT'D.**

**2.5 Cancellation or Termination of Service by Customer**

2.5.1 Service shall be canceled by Company promptly upon receipt of a cancellation request from Customer. Upon cancellation a final bill will be prepared, as per the specifications set forth in this tariff. The Customer shall be liable for all recurring charges prior to proper notice if a change in presubscribed carrier is initiated by the Customer.

2.5.2 If Customer, either on behalf of itself or an Authorized User, orders Service from the Company which requires special construction or facilities for Customer's or Authorized User's use, and then cancels its order before Service begins, a charge shall be made to Customer for the non-recoverable portions of the expenditures or liabilities incurred on behalf of Customer or Authorized User by Company.

**2.6 Restoration of Service**

The use and restoration of Service shall in all cases be in accordance with the priority system specified in Part 64, Subpart D, of the Rules and Regulations of the Federal Communications Commission.

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ISSUED:

EFFECTIVE:

ISSUED BY: Claire Donovan, Chief Financial Officer  
4225 Executive Square, Suite 1070  
LaJolla, California 92037

---

**SECTION 2 - REGULATIONS, CONT'D.**

**2.7 Payment and Billing**

- 2.7.1 Service is provided and billed by the Company on a monthly basis. Usage sensitive charges are billed in arrears and fixed monthly recurring charges, if any, are billed one month in advance. The Customer shall pay monthly in advance or on demand all monthly recurring charges for Service and shall pay on demand all charges for usage at any agency duly authorized to receive such payments.
- 2.7.2 Bills are due and payable upon receipt. Interest at the lesser of a rate of one and one-half percent (1.5%) per month, or the maximum rate allowed by law, shall be charged on any amount previously unassessed which remains unpaid at the time the next bill is prepared.
- 2.7.3 Should service be suspended for nonpayment of charges, it will be restored when appropriate payments are made.
- 2.7.4 When service has been disconnected for nonpayment, the service agreement is considered to have been terminated. Reestablishment of service may be made only upon the execution of a new service agreement which is subject to the provisions of this tariff.
- 2.7.5 In its discretion, the Company may restore or reestablish service which has been suspended or disconnected for nonpayment of charges, prior to payment of all charges due. Such restoration or reestablishment shall not be construed as a waiver of any rights to suspend or disconnect service for nonpayment of any such or other charges due and unpaid or for the violation of the provisions of this tariff; nor shall the failure to suspend or disconnect service for nonpayment of any past due account or accounts operate as a waiver or estoppel to suspend or disconnect service for nonpayment of such account or of any other past due account.

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ISSUED:

EFFECTIVE:

ISSUED BY: Claire Donovan, Chief Financial Officer  
4225 Executive Square, Suite 1070  
LaJolla, California 92037



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**SECTION 2 - REGULATIONS, CONT'D.**

**2.7 Payment and Billing, Cont'd.**

- 2.7.6 The Company may demand immediate payment under the following circumstances:
- A. Where Service is terminated or abandoned.
  - B. Where actual usage is two times greater than the Customer's average usage as reflected on the monthly bills for the three months prior to the current bill or, in the case of a new Customer who has been receiving Service for less than four months, where the actual usage is twice the estimated monthly usage charge.
  - C. Where the Company has reason to believe that a Business Customer is about to go out of business or that bankruptcy is imminent for that Customer.
- 2.7.7 A charge of \$20.00 will apply whenever a check, draft, or electronic funds transfer presented for payment for service is not accepted by the institution on which it is written.
- 2.7.8 The security of Authorization Codes used by Customer or its Authorized Users are the responsibility of Customer. All calls placed using such Authorization Codes or using facilities owned or controlled by Customer or its Authorized Users shall be billed to Customer and must be paid by Customer.
- 2.7.9 If notice from Customer of a dispute as to charges is not received in writing by the Company within thirty (30) days after delivery of an invoice to the custody of the U.S. Mail or other standard delivery service, the billing will be considered correct and binding.

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ISSUED:

EFFECTIVE:

ISSUED BY: Claire Donovan, Chief Financial Officer  
4225 Executive Square, Suite 1070  
LaJolla, California 92037

---

**SECTION 2 - REGULATIONS, CONT'D.**

**2.7 Payment and Billing, Cont'd.**

**2.7.10** Customers with billing or service inquiries may contact the Company toll-free by dialing 800-680-2951 or by writing to the following address:

New Media Telecommunications, Inc.  
Attn: Customer Service  
4225 Executive Square, Suite 1070  
La Jolla, California 92037

**2.7.11** Customers dissatisfied with the Company's response to a complaint or inquiry may contact the South Dakota Public Utilities Commission for resolution of the conflict at 500 East Capitol, Pierre, South Dakota, 57501-5070 or toll-free at (800) 332-1782.

**2.8 Deposits**

The Company does not collect deposits for services provided to its Customers. However, the Company reserves the right to examine the credit record of the Customer, using any lawful sources for determining credit standing. If the Customer's financial condition is unknown or unacceptable to the Company, the Customer may be denied service by the Company.

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ISSUED:

EFFECTIVE:

ISSUED BY: Claire Donovan, Chief Financial Officer  
4225 Executive Square, Suite 1070  
LaJolla, California 92037

---

**SECTION 2 - REGULATIONS, CONT'D.**

**2.9 Advance Payments**

The Company does not collect advance payments for services provided to its Customers.

**2.10 Taxes and Fees**

The Company shall charge the Customer an amount sufficient to recover any governmental assessments, fees, license, or other similar taxes or fees imposed upon the Company.

**2.10.1** For Debit Service, taxes or fees shall be included in the rates and charges stated in the Company's rate schedule for this service.

**2.10.1** For all other services offered by the Company, taxes and fees shall be added pro-rata, insofar as practical, to the rates and charges stated in the Company's rate schedules and listed as separate line items on the Customer's bill for services provided.

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ISSUED:

EFFECTIVE:

ISSUED BY: Claire Donovan, Chief Financial Officer  
4225 Executive Square, Suite 1070  
LaJolla, California 92037

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**SECTION 2 - REGULATIONS, CONT'D.**

**2.11 Terminal Equipment**

Service may be used with or terminated in terminal equipment or communications systems, such as a PBX or key telephone system, provided by Customer or its Authorized User. Such terminal equipment or communications systems shall be furnished by and maintained at the expense of Customer or its Authorized User, except as otherwise provided. Customer or its Authorized User is also responsible for all costs at its premises incurred in the use of Service, including but not limited to equipment, wiring, electrical power, and personnel. When such terminal equipment or communications systems are used, they shall in all respects comply with the generally accepted minimum protective standards of the telecommunications industry as endorsed by the Federal Communications Commission.

**2.12 Interconnection**

Service furnished by the Company to Customer or its Authorized Users may be connected with the services or facilities of other carriers. Customer is responsible for all charges billed by other carriers in connection with the use of Service. Any special equipment or facilities necessary to achieve compatibility between carriers are the sole responsibility of Customer.

ISSUED:

EFFECTIVE:

ISSUED BY: Claire Donovan, Chief Financial Officer  
4225 Executive Square, Suite 1070  
LaJolla, California 92037

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**SECTION 2 - REGULATIONS, CONT'D.**

**2.13 Inspection, Testing and Adjustment**

- 2.13.1 The Company may, upon reasonable notice, make such tests and inspections as may be necessary to determine whether tariff requirements are being complied with in the installation, operation, and maintenance of Customer's, Authorized User's, or the Company's equipment. The Company may, without notice, interrupt Service at any time, as necessary, because of a departure from any of these requirements and may continue such interruption until its requirements have been satisfied.
- 2.13.2 Upon reasonable notice, the facilities provided by the Company shall be made available to the Company by Customer or its Authorized Users for such tests and adjustments as may be necessary for their maintenance to a condition satisfactory to the Company.
- 2.13.3 The Company shall not be liable to Customer or its Authorized Users for any damages for Service interruption pursuant to this Section. Neither Customer nor its Authorized Users shall be entitled to any credit for interruption of Service pursuant to this Section when the interruption of Service is less than two (2) hours.

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ISSUED:

EFFECTIVE:

ISSUED BY: Claire Donovan, Chief Financial Officer  
4225 Executive Square, Suite 1070  
LaJolla, California 92037

9700

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SECTION 2 - REGULATIONS, CONT'D.

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## 2.14 Interruption of Service

- 2.14.1 Customer shall be given a credit allowance for any interruption of Service which is not due to (a) Company's inspection, testing or adjustment, if for a period of two (2) hours or less; (b) mistakes or errors of Customer or its Authorized Users; or (c) the failure of facilities or equipment provided by Customer or its Authorized Users.
- 2.14.2 Credit allowances shall be subject to the general liability provisions set forth in Section 2.3 herein. It shall be the obligation of Customer to notify Company immediately of any interruption of Service for which a credit allowance is desired. Before giving such notice, Customer shall ascertain that the trouble is not being caused by action or omission of Customer or its Authorized Users, or is not in facilities or equipment, if any, furnished by Customer or Authorized User and connected to Company's Services.
- 2.14.3 For the purposes of credit computation, every month shall be considered to have seven hundred twenty (720) hours. No credit shall be allowed for any interruption of Service of a continuous duration of less than two (2) hours.
- 2.14.4 Customer shall be credited for an interruption of Service of two (2) hours or more at the rate of 1/720th of the monthly non-usage sensitive charges for the Service affected for each hour or major fraction thereof that the interruption continues. The formula for calculating credit shall be as follows:

$$\text{Credit} = \frac{A}{720} \times B$$

"A" = Outage time in hours

"B" = Total monthly fixed, non-usage sensitive  
charge for affected facility

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ISSUED:

EFFECTIVE:

ISSUED BY: Claire Donovan, Chief Financial Officer  
4225 Executive Square, Suite 1070  
LaJolla, California 92037

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES**

**3.1 General**

New Media offers prepaid card services for communications originating and terminating within the state of South Dakota under terms of this tariff.

Customers are billed based on their use of New Media's network and services. Charges may vary by service offering and/or call duration.

ISSUED: \_\_\_\_\_

EFFECTIVE: \_\_\_\_\_

ISSUED BY: Claire Donovan, Chief Financial Officer  
4225 Executive Square, Suite 1070  
LaJolla, California 92037

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES****3.2 Calculation of Distance**

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

The serving wire centers of a call are determined by the area codes and exchanges of the origination and destination points.

The distance between the Wire Center of the Customer's equipment and that of the destination point is calculated by using the industry standard "V" and "H" coordinates.

- Step 1 -** Obtain the "V" and "H" coordinates for the wire centers serving the Customer and the destination point.
- Step 2 -** Obtain the difference between the "V" coordinates of each of the Wire Centers. Obtain the Difference between the "H" coordinates.
- Step 3 -** Square the differences obtained in Step 2.
- Step 4 -** Add the squares of the "V" difference and "H" difference obtained in Step 3.
- Step 5 -** Divide the sum of the square obtained in Step 4 by ten (10). Round to the next higher whole number if any fraction results from the division.
- Step 6 -** Obtain the square root of the whole number obtained in Step 5. Round to the next higher whole number if any fraction is obtained. This is the distance between the wire centers.

Formula:

$$\sqrt{\frac{(V_1 - V_2)^2 + (H_1 - H_2)^2}{10}}$$

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ISSUED:

EFFECTIVE:

ISSUED BY: Claire Donovan, Chief Financial Officer  
4225 Executive Square, Suite 1070  
LaJolla, California 92037



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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES**

**3.3 Timing of Calls**

Billing for calls placed over the network is based in part on the duration of the call.

**3.3.1** Timing for all calls begins when the called party answers the call (i.e. when two way communications are established). Answer detection is based on standard industry answer detection methods, including hardware and software answer detection.

**3.3.2** Chargeable time for all calls ends when one of the parties disconnects from the call.

**3.3.3** Call timing is rounded up to the nearest one (1) minute increment after the initial minimum period of one (1) minute.

**3.3.4** Usage charges are computed and rounded up to the nearest penny on a per call basis.

**3.3.5** No charges apply for incomplete calls.

**3.4 Rate Periods**

The Company's services are not time of day or day of week sensitive. The same rates apply 24 hours a day, 7 days a week.

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ISSUED:

EFFECTIVE:

ISSUED BY: Claire Donovan, Chief Financial Officer  
4225 Executive Square, Suite 1070  
LaJolla, California 92037

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES****3.5 Prepaid Card Service - Bronze Issue**

Prepaid Card Service - Bronze Issue permits Customers to purchase a prepaid card to which call charges are consumed on a real-time basis. Customers access the service by dialing a Company-specified access code. All calls must be charged against a prepaid card that has a sufficient available balance. Customers will be provided with a "Usage Remaining" message each time they utilize the card. They will also receive a reminder message when the card has \$2.00 and \$5.00 of value remaining on the card. Calls in progress will be terminated if the balance on the prepaid card is insufficient to cover the charges associated with the call. Registered Distributors of New Media PrePaid Cards will receive cards for their personal use at discounted rates set forth below.

For debiting purposes, call timing is rounded up to the nearest one (1) minute increment after the initial minimum period of one (1) minute. Usage charges are computed and rounded up to the nearest penny on a per call basis.

**3.5.1 Prepaid Card Service - Bronze Issue Rates**

Calls are measured and consumed on a per unit basis. A unit equals one minute for the purpose of debiting the card.

Card Type	Per Unit Rate
End User Rate	\$ 0.1900
Distributor Rate	\$ 0.1650

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**ISSUED:****EFFECTIVE:**

ISSUED BY: Claire Donovan, Chief Financial Officer  
4225 Executive Square, Suite 1070  
LaJolla, California 92037

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES**

**3.6 Prepaid Card Service - Silver Issue**

Prepaid Card Service - Silver Issue permits Customers to purchase a prepaid card to which call charges are consumed on a real-time basis. Customers access the service by dialing a Company-specified access code. All calls must be charged against a prepaid card that has a sufficient available balance. Customers will be provided with a "Usage Remaining" message each time they utilize the card. They will also receive a reminder message when the card has \$2.00 and \$5.00 of value remaining on the card. Calls in progress will be terminated if the balance on the prepaid card is insufficient to cover the charges associated with the call.

For debiting purposes, call timing is rounded up to the nearest one (1) minute increment after the initial minimum period of one (1) minute. Usage charges are computed and rounded up to the nearest penny on a per call basis.

**3.6.1 Prepaid Card Service - Silver Issue Rates**

Calls are measured and consumed on a per unit basis. A unit equals one minute for the purpose of debiting the card.

The per minute rate is \$0.25. A per call service charge of \$0.25 per call applies.

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ISSUED:

EFFECTIVE:

ISSUED BY: Claire Donovan, Chief Financial Officer  
4225 Executive Square, Suite 1070  
LaJolla, California 92037

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES**

**3.7 Prepaid Card Service - Gold Issue**

Prepaid Card Service - Gold Issue permits Customers to purchase a prepaid card to which call charges are consumed on a real-time basis. Customers access the service by dialing a Company-specified access code. All calls must be charged against a prepaid card that has a sufficient available balance. Customers will be provided with a "Usage Remaining" message each time they utilize the card. They will also receive a reminder message when the card has \$2.00 and \$5.00 of value remaining on the card. Calls in progress will be terminated if the balance on the prepaid card is insufficient to cover the charges associated with the call.

For debiting purposes, call timing is rounded up to the nearest one (1) minute increment after the initial minimum period of one (1) minute. Usage charges are computed and rounded up to the nearest penny on a per call basis.

**3.7.1 Prepaid Card Service - Gold Issue Rates**

Calls are measured and consumed on a per unit basis. A unit equals one minute for the purpose of debiting the card.

The per minute rate is \$0.40.

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ISSUED:

EFFECTIVE:

ISSUED BY: Claire Donovan, Chief Financial Officer  
4225 Executive Square, Suite 1070  
LaJolla, California 92037

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES****3.8 Debit Card Sponsor Program**

The Debit Card Sponsor Program is offered to individuals, organizations or commercial entities for distribution to their members, patrons, or customers. The marketing channel, marketing vehicle and expiration period is selected by the Sponsor upon joint agreement between the Company and the Sponsor. The Sponsor is responsible for obtaining all necessary permissions for the use of any trade mark, trade name, service mark or other image on the card. The Sponsor may distribute the Carrier's Sponsor Program debit card accounts at reduced rates or free of charge to end users for promotional purposes. At the option of the Sponsor, these cards may not be replenishable.

The service permits Customers to purchase a prepaid card to which call charges are consumed on a real-time basis. Customers access the service by dialing a Company-specified access code. All calls must be charged against a prepaid card that has a sufficient available balance. Customers will be provided with a "Usage Remaining" message each time they utilize the card. They will also receive a reminder message when the card has \$2.00 and \$5.00 of value remaining on the card. Calls in progress will be terminated if the balance on the prepaid card is insufficient to cover the charges associated with the call.

For debiting purposes, call timing is rounded up to the nearest one (1) minute increment after the initial minimum period of one (1) minute. Usage charges are computed and rounded up to the nearest penny on a per call basis.

**Option 1:** Non-renewable Sponsor Account bearing the Sponsor's Marks with an expiration date set for the latter of six months after issuance or six months after the card's last use. The Initial Account Balance of each Customer Account is set by the Sponsor in conjunction with the Company's technical capabilities.

**Option 2:** Renewable Sponsor Account bearing the Sponsor's Marks with expiration at the latter of six months after issuance or six months after the card's last use. The Initial Account Balance and the minimum Renewal amount are set by the Sponsor in conjunction with the Company's technical capabilities.

---

**ISSUED:****EFFECTIVE:**

ISSUED BY: Claire Donovan, Chief Financial Officer  
4225 Executive Square, Suite 1070  
LaJolla, California 92037

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES**

**3.8 Debit Card Sponsor Program, Cont'd.**

**3.8.1 Debit Card Sponsor Program Rates**

Sponsor Service may be provided to Customers as a no-charge complimentary item at the direction and expense of the sponsor and will Deplete at the appropriate rates noted below.

Calls are measured and consumed on a per unit basis. A unit equals one minute for the purpose of debiting the card.

The per minute rate is \$0.40.

ISSUED: \_\_\_\_\_

EFFECTIVE: \_\_\_\_\_

ISSUED BY: Claire Donovan, Chief Financial Officer  
4225 Executive Square, Suite 1070  
LaJolla, California 92037

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**SECTION 4 - PROMOTIONS AND OPTIONAL CALLING PLANS**

**4.1 Promotions - General**

From time to time, the Company shall, at its option, promote subscription or stimulate network usage by offering to waive some or all of the nonrecurring or recurring charges for the Customer (if eligible) of target services for a limited duration. Such promotions shall be made available to all similarly situated Customers in the target market area.

ISSUED:

EFFECTIVE:

ISSUED BY: Claire Donovan, Chief Financial Officer  
4225 Executive Square, Suite 1070  
LaJolla, California 92037

ATTACHMENT V  
NEW MEDIA TELECOMMUNICATIONS, INC.  
COST SUPPORT DATA



**COST SUPPORT DATA****NEW MEDIA TELECOMMUNICATIONS, INC.**

The Company has not prepared detailed cost studies for intrastate South Dakota operations. However, all services are planned to cover costs and generate a reasonable return for the Company.

48. 55. 44. 18

**NEXT**

**DOCUMENT (S)**

**DISREGARD**

**BACKGROUND**

TECHNOLOGIES MANAGEMENT, INC.  
WINTER PARK, FLORIDA 32789

17702

SD PUC  
SOUTH DAKOTA PUBLIC SERVICE CM

17702

10/13/97

INVOICE NUMBER	INVOICE DATE	INVOICE AMOUNT	PREVIOUS PAY/CREDIT	DISCOUNT TAKEN	AMOUNT OF PAYMENT
NEWMEDIA	10/13/97	250.00	0.00	0.00	250.00

TC97-171

250.00



P.O. Drawer 200  
Winter Park, FL  
32790-0200

210 N. Park Avenue  
Winter Park, FL 32789  
(407) 740-8575



250 PARK AVENUE  
WINTER PARK, FLORIDA 32789

63-319/631

17702

NUMBER  
17702

PAY: TWO HUNDRED FIFTY DOLLARS

DATE

10/13/97

AMOUNT

\*\*\*\*\*\$250.00

TO THE  
ORDER  
OF  
SOUTH DAKOTA PUBLIC SERVICE CM  
STATE CAPITAL  
PIERRE, SD 57501-5070

TECHNOLOGIES MANAGEMENT, INC.

*C. M. A. [Signature]*

THE REVERSE SIDE OF THIS DOCUMENT INCLUDES AN ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW

⑈017702⑈ ⑈063103193⑈

2830066505⑈

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:

10/17/97 through 10/30/97

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
<b>REQUEST FOR CERTIFICATE OF AUTHORITY</b>			
TC97-168	Application by Atlas Equity, Inc. d/b/a Performance Telecom for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/CH) "Applicant seeks statewide authority to provide intra- and interLATA interexchange telecommunications services...Applicant intends to provide interexchange intrastate voice message telephone services."	10/27/97	11/14/97
TC97-170	Application by iTELSA (USA), Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/CH) "The Applicant will provide interexchange services as a non-facilities-based reseller. Applicant proposes to offer 1+ and prepaid phone card services to both business and residential users."	10/27/97	11/14/97
TC97-171	Application by New Media Telecommunications, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/CH) "New Media, proposes to provide intrastate long distance service in conjunction with its interstate long distance service."	10/27/97	11/14/97
TC97-172	Application by Long Distance of Michigan, Inc. d/b/a LDMI Long Distance for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: DJ/KC) "LDMI offers outbound telecommunications services to residential and business customers, utilizing switched access. Switched access service is available on a presubscription basis from equal access originating and offices. LDMI will also offer travel card and inbound toll-free services...Service is offered as an add-on to LDMI's interstate service."	10/27/97	11/14/97
<b>FORMAL COMPLAINT FILED</b>			
TC97-169	Avery and Dixie Thompson vs U S WEST Communications, Inc. On October 24, 1997, the Commission received a complaint filed by Avery and Dixie Thompson, Complainants, Reliance, SD, against U S WEST Communications, Inc. (Respondent) regarding delays in the provisioning of new services. According to the complaint, Complainants contacted Respondent in April of 1997, requesting phone service at a new location. Complainants state they were informed by Respondent that they should call the Respondent two weeks prior to the date they wanted service. Complainants indicate that their service at the new residence was needed on September 12, 1997. Complainants contacted Respondent on September 12, 1997, and were informed that Respondent did not have adequate facilities at the Complainants' new location. On or about September 23, 1997, Complainants were told by Respondent that services would not be provisioned until late October, 1997. Respondent provisioned services to Complainants in late October but the complaint does not indicate whether these services are working as of the date of the complaint. Complainants are asking that Respondent provision the services requested; that Respondent reimburse Complainants for certain expenses relating to the delayed service; and that Respondent compensate Complainants for the inconvenience caused by the delay in provisioning service.	10/24/97	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@pub.state.sd.us](mailto:terryn@pub.state.sd.us) Faxing the address to the Commission at: 605-773-3809



210 N. Park Ave  
P.O. Drawer 200  
Winter Park, FL  
32790-0200

Tel: 407-740-8575  
Fax: 407-740-0613  
tmi@tminc.com

RECEIVED

JAN 26 1998

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

January 22, 1998  
*Overnight*

Mr. William Bullard, Jr.  
Executive Director  
South Dakota Public Utilities Commission  
500 East Capitol  
Pierre, South Dakota 57501

Re: Application and Tariff of New Media Telecommunications, Inc.  
Docket TC 97-171

Dear Mr. Bullard:

Enclosed please find the original and ten (10) copies of the certificate from the Secretary of State of South Dakota.

It appears from the November 4, 1997 letter that staff is recommending that the Company post a bond. The Company would like to request the staff to consider the execution of an escrow agreement with a financial institution in South Dakota in lieu of posting a bond. The deposit in the escrow agreement would be restricted for the purposes stated by the Commission.

Please acknowledge receipt of this filing by returning a date-stamped copy of this letter in the envelope provided.

Should you or your staff have any additional questions, please contact me at (407) 740-8575. Thank you.

Sincerely,

Mark G. Lammert  
Consultant to New Media Telecommunications, Inc.

Enclosures

cc: Claire Donovan, New Media Telecommunications, Inc.

File: New Media - SD  
TMS: SDd9700a

# 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 NEW MEDIA TELECOMMUNICATIONS, INC. (DE) 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 NEW MEDIA TELECOMMUNICATIONS, 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 October 21, 1997.

A handwritten signature in cursive script that reads "Joyce Hazeltine".

JOYCE HAZELTINE  
Secretary of State





210 N. Park Ave.  
Winter Park, FL  
32789

P.O. Drawer 200  
Winter Park, FL  
32790-0200

Mr. William Bullard, Jr.  
Executive Director  
South Dakota Public Utilities Commission  
500 East Capitol  
Pierre, South Dakota 57501

Tel: 407-740-8575  
Fax: 407-740-0613  
tmi@tminc.com

Re: Application and Tariff of New Media Telecommunications, Inc.

Dear Mr. Bullard:

Enclosed please find the original and ten (10) copies of this letter to advise the Commission that, New Media Telecommunications, Inc. wishes to withdraw its Application for Authority to Operate as a Reseller of Telephone Service in South Dakota.

Please acknowledge receipt of this filing by returning a date-stamped copy of this letter in the envelope provided.

Should you or your staff have any additional questions, please contact me at (407) 740-8575. Thank you.

Sincerely,

Mark G. Lammert  
Consultant to New Media Telecommunications, Inc.

cc: Claire Donovan, New Media Telecommunications, Inc.

File: New Media - SD  
TMS: SDd9800c

TC97-171  
RECEIVED

MAY 20 1998

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

May 18, 1998  
**Overnight**

IN THE MATTER OF THE APPLICATION OF ) ORDER CLOSING DOCKET  
NEW MEDIA TELECOMMUNICATIONS, INC. )  
FOR A CERTIFICATE OF AUTHORITY TO ) TC97-171  
PROVIDE TELECOMMUNICATIONS SERVICES )  
IN SOUTH DAKOTA )

Dated at Pierre, South Dakota, this 21<sup>st</sup> day of June, 1998.

LASKA SCHOENFELDER, Commissioner