

TC99-033

NOWALSKY, BRONSTON & GOTHARD

A Professional Limited Liability Company
Attorneys at Law

Leon L. Nowalsky
Benjamin W. Bronston
Edward P. Gothard

3500 N. Causeway Boulevard
Suite 1442
Metairie, Louisiana 70002
Telephone: (504) 832-1984
Facsimile: (504) 831-0892

Monica R. Borne
EllenAnn G. Sands

RECEIVED

APR 02 1999

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

March 31, 1999

Via Express Delivery

Executive Secretary
South Dakota Public Utilities Commission
500 E. Capitol Avenue
Pierre, SD 57501

RE: The Free Network, L.L.C.

Dear Sir:

Enclosed herewith for filing please find an original and ten (10) copies of the Application of The Free Network, L.L.C. for authority to provide resold interexchange telecommunications services throughout the State of South Dakota. The requisite \$250.00 filing fee is enclosed.

Please date stamp and return the attached copy of this letter as acknowledgment of your receipt of these documents. A self-addressed, stamped envelope has been provided for this purpose.

If you should have any questions regarding this filing, please do not hesitate to call.

Sincerely,



Monica R. Borne

Enclosure

cc: Vitaliano Terracciano, The Free Network

**BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

IN RE:

APPLICATION OF THE FREE NETWORK,)
L.L.C. FOR AUTHORITY TO PROVIDE)
INTEREXCHANGE TELECOMMUNICATIONS)
SERVICES WITHIN THE STATE OF)
SOUTH DAKOTA)

Docket No. _____

APPLICATION

THE FREE NETWORK, L.L.C. ("Applicant") hereby submits this application for certificate of public convenience and necessity to provide resold intrastate telecommunications service within the State of South Dakota.

In support of its application, Applicant provides the following information:

1. The legal name, principal address and telephone number of the applicant corporation are:

The Free Network, L.L.C.
1607 E. Big Beaver Road
Suite 105
Troy, Michigan 48083
Phone: (248) 526-1000

2. Applicant is a limited liability company organized under the laws of the State of Michigan on July 10, 1997. The Company is authorized to transact business within South Dakota as evidenced by the Certificate of Authority attached hereto as Exhibit A. The Company has no subsidiaries or parent corporation.

3. The Applicant's representative to whom all correspondence regarding this application should be addressed is:

Monica R. Borne, Attorney
Nowalsky, Bronston & Gothard
3500 N. Causeway Blvd., Suite 1442
Metairie, Louisiana 70002
Phone: (504) 832-1984

4. Applicant possesses the management personnel necessary to provide the proposed services as indicated in the Management Profiles attached as Exhibit B. Applicant's officers and members are as follows:

Brad J. Tayles
President/Member
1607 E. Big Beaver Rd.
Suite 105
Troy, MI 48083

David A. Rutz
Vice President/Member
1607 E. Big Beaver Rd.
Suite 105
Troy, MI 48083

Christopher Kollman
Vice President/Member
1607 E. Big Beaver Rd.
Suite 105
Troy, MI 48083

Tara Luzod
Vice President/Member
1607 E. Big Beaver Rd.
Suite 105
Troy, MI 48083

Vitaliano Terracciano
Vice President/Member
1607 E. Big Beaver Rd.
Suite 105
Troy, Michigan 48083

5. Applicant proposes to offer resold intrastate long distance services to the public on a statewide basis in the State of South Dakota. The services to be provided are Message Toll Service, Incoming 800/888 and Travel Card services. The Applicant resells the services of underlying carriers and does not own any facilities, including switches. Applicant will resell the services of Commission certificated underlying carriers.

6. The Company is currently authorized to provide service in Arkansas, Colorado, Iowa, Idaho, Indiana, Kansas, Kentucky, North Carolina, Texas, Utah, Virginia and Wisconsin. A list of states where applications for authority are pending is contained in the Initial Data Request attached as Exhibit C. The Company has not been denied authorization to provide service in any state.
7. The Applicant's proposed initial tariff containing the rules, regulations, terms and conditions of service is attached hereto as Exhibit D.
8. Applicant has adequate and sufficient financial resources to provide the proposed public telecommunications service properly and continuously. The Company's most recent financial statements are attached hereto as Exhibit E.
9. Granting of this application will further the public interest. The resale of telecommunications services expands the availability of telecommunications services to more members of the public at more competitive prices. In addition, by lowering the costs of telecommunications, small and medium sized businesses are able to maintain their communications costs at levels that are closer to those available to larger users. The more competitively equal companies are, the more the public should benefit through products and services made and/or delivered more efficiently and more responsively to consumer needs and desires.

10. The Applicant is willing and able to conform to the Constitution and laws of the State of South Dakota and the Rules and Regulations of the Commission, now in effect or hereinafter enacted.
11. A list of shareholders owning more than a twenty percent (20%) share is attached hereto as Exhibit F.

WHEREFORE, The Free Network, L.L.C. respectfully requests that the Commission Grant Applicant a Certificate of Public Convenience and Necessity, giving Applicant authority to provide public telecommunications service, effective upon approval of this Application.

Respectfully submitted this 31st day of March, 1999.

By: 

Monica R. Borne
Nowalsky, Bronston & Gothard
3500 N. Causeway Blvd.
Suite 1442
Metairie, LA 70002
Ph. (504) 832-1984

AND


Vitaliano Terraciano, Vice President
The Free Network, L.L.C.
1607 E. Big Beaver Rd.
Suite 105
Troy, Michigan 48083

EXHIBIT A

CERTIFICATE OF AUTHORITY

Secretary of State

State Capitol, Ste 204
500 East Capitol Avenue
Pierre, South Dakota
57501-5070
sdsos@state.sd.us



JOYCE HAZELTINE

Secretary of State

TOM LECKEY

Deputy

FROM: Joyce Hazeltine, Secretary of State
Corporations

RE: LIMITED LIABILITY COMPANY ARTICLES OF ORGANIZATION

The documents on behalf of the enclosed Limited Liability Company have been received and filed. Enclosed is the Certificate attached to the duplicate application along with a receipt for the filing fee.

South Dakota law requires the filing of an annual report each year with our office between the anniversary date of filing and prior to the first day of the second month following. The next annual report will be due in 2000. The annual report fee is \$50.

The law also requires that a registered agent be continuously maintained in this state. Any change in the registered agent and/or address must be filed with our office within thirty days.

If this office can be of any assistance in the future, please feel free to contact us.

Thank you.

<http://www.state.sd.us/sos/sos.htm>

Administration
(605) 773-3537
Fax (605) 773-6580
TDD (605) 773-5010

Corporations
(605) 773-4845
Fax (605) 773-4550

Uniform Commercial Code
(605) 773-4422
Fax (605) 773-4550

State of South Dakota



OFFICE OF THE SECRETARY OF STATE

CERTIFICATE OF AUTHORITY

LIMITED LIABILITY COMPANY

I, JOYCE HAZELTINE, Secretary of State of the State of South Dakota, hereby certify that the Application for a Certificate of Authority of THE FREE NETWORK, L.L.C. (MI) to transact business in this state duly signed and verified pursuant to the provisions of the South Dakota Limited Liability Company Act, 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.

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 March 1, 1999.

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

JOYCE HAZELTINE
Secretary of State

SECRETARY OF STATE
STATE CAPITOL
500 E. CAPITOL AVE.
PIERRE, S.D. 57501
(605)773-4845
FAX (605)773-4599

**CERTIFICATE OF AUTHORITY APPLICATION
OF A
FOREIGN LIMITED LIABILITY COMPANY**

RECEIVED
MAR 01 1999
S.D. SEC. OF STATE

1. The name of the foreign Limited Liability Company is: The Free Network, L.L.C.

2. The name of the state or country under whose law it is organized is: Michigan

3. The street address of its principal office is: 1607 E. Big Beaver Rd., Ste. 105
Troy, Michigan 48083

4. The address of its initial designated office in South Dakota is: 300 South Phillips Ave., Ste. 300
Sioux Falls, SD. 57102

5. The name and street address of its initial agent for service of process in South Dakota is: _____
National Registered Agents, Inc.
300 South Phillips Ave., Suite 300, Sioux Falls, SD 57102

6. The date of organization is: July 10, 1997, and the period of duration is: July 10, 2017

7. If the company is manager-managed, rather than member-managed, the name and address of each initial manager:
Vitaliano Terracciano 1607 E. Big Beaver RD., Ste. 105
Troy, Michigan 48083

8. Whether one or more of the members of the company are to be liable for its debts and obligations under a provision similar to SDCL 47-34A-303 (c).
not applicable

The application must be signed by a member if the company is a member-managed company or by a manager if its a manager-managed company.

Date: 2-8-99

[Signature] Manager
(Signature and Title)

FILING INSTRUCTIONS:

- The application for authority must be accompanied by the first Annual Report.
- One original and one exact or conformed copy must be submitted.
- The application must be accompanied by an original, currently dated *Certificate of Good Standing or Existence* from the Secretary of State in the state where it is organized.



RECEIVED

JAN 19 1999

S.D. SEC. OF STATE

MAR 01 1999

S.D. SEC. OF STATE



Lansing, Michigan

This is to Certify That

THE FREE NETWORK, L.L.C.

a Michigan limited liability company, filed Articles of Organization in this office on July 10, 1997.

I FURTHER CERTIFY that the Articles are in full force and effect as of this date, and a Certificate of Dissolution has not been filed.

This certificate is in due form, made by me as the proper officer, and is entitled to have full faith and credit given it in every court and office within the United States.

In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 7th day of January, 1999.

Julie Coll

, Director

7711 0405781
GOLD SEAL APPLICABLE ONLY ON ORIGINAL

Corporation, Securities and Land Development Bureau

EXHIBIT B

MANAGEMENT PROFILES

MANAGEMENT AND OWNERSHIP

The management team at The Free Network brings a unique mixture of experience and talent to the company. These individuals come from successful Network Marketing companies, and have experienced success of their own with network marketing. Added to the team are individuals that have run their own companies with success, along with members who have many years of experience in the telecommunications industry managing and directing large corporations.

Brad J. Tavles, Co-Founder, President

Brad has years of experience not only in telecommunications, but also in operating successful businesses. After graduating from Fanshawe College in London, he developed software programs for oil and chemical companies worldwide. In the mid-'90's Brad was vice-president of operations for ACN, a network marketing company, which grew to almost \$500 million in sales in just four short years. Brad heads up the commission programs for the distributors.

David A. Rutz, Co-Founder, Vice President

David comes to the Free Network with many years of experience in leading, training and motivating organizations nationwide. After graduating from the Business School at the University of Michigan, he achieved top positions in several companies before leaving to start The Free Network. David has nine years of experience in network marketing; he has mentored under some of the wealthiest and most successful network marketing professionals in the industry. He also spent some time as a consultant for ACN. David was essential in the creations of not only the unique compensation plan and the training system, but also the philosophy of the "free" program.

Tara M. Luzod, Co-Founder, Vice President

After graduating from Michigan State University, and determined to be self-employed, Tara became involved in network marketing and developed a large sales organization. Tara has proven to be a motivational and instructional speaker and was able to reach the top 5% of ACN's organization in less than 3 months. She was essential in formulating the compensation plan and training system. Tara also has a complete understanding of what it takes to support the distributors and will bring strength and understanding to The Free Network as head of Distributor support service.

Vitaliano Terracciano, Co-Founder, Vice President

Self employed at a young age, Vito brings with him years of experience running successful businesses primarily as a builder and developer. After researching many Network marketing companies, he became motivated to enter the industry as an investor when presented with the Free Network concept and business plan. Vito's investment in start-up capital and his business expertise are instrumental in the daily operations of the company.

Christopher Kollman, Co-Founder, Vice President

Chris holds a Bachelors Degree in Business Administration and has over twelve years of seasoned experience in running large telecommunications companies. After a two year period in finance management, Chris started a sub chapter S corporation to market security systems which was sold to a larger company. He then entered the telecommunications industry with Alltel Mobile, which was subsequently acquired by USA Mobile. Chris was an operating President for USA Mobile and has managed over 700 employees and 100 million in annual revenues and has a broad scope of knowledge of operations including, regulatory affairs, billing, collections and customer service for paging, cellular and long distance services.

Ownership:

Vitaliano Terracciano	24% membership interest
George Verstraete	24% membership interest
Davis Rutz	24% membership interest
Brad Tayles	10% membership interest
Christopher Kollman	10% membership interest
Tara Luzod	5% membership interest
Alger K. Rutz	3% membership interest

Total 100%

EXHIBIT C

INITIAL DATA REQUESTS

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.

- Q.1. Has the company received a certificate of authority to do business in South Dakota from the Secretary of State? If so, please provide a copy. If not, has the company made application to the Secretary of State for authority?
- A.1. The Company's certificate of authority to do business in South Dakota is attached to its application as Exhibit A.

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

- Q.2. Has the company retained a registered agent for service of process in the State of South Dakota? If so, provide the name, address, and telephone number of the registered agent. If not, is the company in the process of retaining a registered agent?
- A.2. The Company has retained as its registered agent within the State of South Dakota, National Registered Agents, Inc., 300 South Phillips Avenue, Suite 300, Sioux Falls, SD 57102.

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

- Q.4. List the states in which the company is registered or certified to do business by the respective state public utility commission.
- A.4. The company has registered with or obtained certification from the following public utility commission(s) or comparable agencies:

<u>State</u>	<u>Date</u>	<u>State</u>	<u>Date</u>
Arkansas	02/25/99	Kentucky	02/24/99
Colorado	03/02/99	North Carolina	02/25/99
Idaho	02/11/99	Texas	02/19/99
Indiana	03/12/99	Wisconsin	03/11/99
Kansas	02/23/99		

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.

Q.5. Does the company have any registrations or certifications pending before other state public utility commissions? If yes, list the states.

A.5. The company has certifications or registrations pending in the following states:

Alabama	North Dakota	Vermont
Arizona	Nebraska	Wyoming
California	New York	West Virginia
Connecticut	Nevada	
Florida	Ohio	
Louisiana	Oklahoma	
Massachusetts	Oregon	
Maine	Rhode Island	
Minnesota	South Carolina	
Mississippi	Tennessee	

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

Q.6. Has the company been denied registration or certification by public utility commissions in any state? If so, provide the state, docket number, date of denial and reason for denial.

A.6. No.

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

- Q.7. What are the reasons for the company seeking authority to conduct business in South Dakota?
- A.7. The Company wishes to eventually provide service in all or most of the contiguous United States and will, therefore, have customers in other states with long distance needs in South Dakota.

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

- Q 8. Is this registration part of a nationwide or regionwide application process before public utility commissions? If yes, state why South Dakota is included.
- A 8. Yes. The Company does intend to provide service in all of the contiguous United States. South Dakota is included since many customers from other states will also have needs within the state of South Dakota.

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

- Q.9. When does the company intend to provide intrastate service to South Dakota subscribers?
- A.9. The company intends to begin providing service in South Dakota immediately upon certification.

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

Q.10. If the company is providing intrastate service in South Dakota, when was it started?

A.10. No. The company has not and is not currently providing intrastate service in South Dakota.

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

Q.11. How does the company handle customer billings?

A.11. The Company's customers are billed on a monthly basis by its billing agent, UniDial Incorporated.

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

Q.12. How does the company handle customer service matters?

A.12. The Company has Customer Service personnel available via a toll free number which is set forth on all bills.

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

Q.13. Does the company have a toll-free telephone number for customer service? If so, what is it and is it included in the company's tariffs.

A.13. 1-800-393-7300. This toll free number is set forth in the Company's tariff.

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

Q.14 Where is the customer service department located?

A.14 The Company's customer service department is located in Troy, Michigan.

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

- Q.15. How many customer service personnel are available to answer customer concerns?
- A.15. The Company currently has 7 customer service personnel.

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

Q.16. Does the company contract with other companies for customer services? If yes, provide their name, address and telephone number.

A.16. No.

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

Q.17. Does the company own any telecommunications facilities? If so, where and what.

A.17. No. The company does not own any telecommunications facilities.

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

- Q.18. Does the company have in-house service technicians to maintain the facilities? If not, who does the service?
- A.18. No. The company does not have any facilities and, therefore, does not have any in-house service technicians.

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

- Q.19. What types of intrastate telecommunication services will the company provide in South Dakota?
- A.19. The company will provide resold MTS, Inbound 800/888 service, and Travel Card service.

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

Q.20. If the above services are resold services of another carrier, identify the carrier and the type of services purchased from that carrier.

A.20. The Company resells the services of IXC Communications, UniDial Inc. and/or Sprint.

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

Q.21. How does the company intend to market its services in South Dakota?

A.21. The company will market its services via independent agents or sales representatives..

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

Q.22. How will potential customers be contacted?

A.22. Potential customers will be contacted via general print or other forms of media campaigns or by an independent agent or sales representative via telephone.

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

Q.23. Will independent contractors and/or company sales people be selling the company services in South Dakota?

A.23. Yes. The Company will use company sales personnel and independent sales agents.

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

Q.24. If independent contractors are used, how does the company recruit such individuals?

A.24. The Company recruits its contractors by holding educational and promotional seminars.

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

- Q.25. Describe the training method undertaken by the company for independent contractors and company sale persons. Provide any materials used in the training process.
- A.25. The Company holds national training sessions to prepare its sales agents. Informational material about these sessions is attached as **Exhibit C-1**.

The Free Network

Atlanta National

Convention & Training

July 17, 18 & 19, 1998

Atlanta, Georgia

Westin Hotel, 210 Peachtree St., N.W.

Pre-Registration is available
At the Door Registration

Friday

Saturday

Sunday

7:00 am - 8:00 am Registration
 8:00 am - 9:00 am Breakfast
 9:00 am - 1:00 pm Morning Session
 1:00 pm - 2:00 pm Lunch
 2:00 pm - 5:00 pm Afternoon Session
 5:00 pm - 8:00 pm Evening Session
 9:00 am - 1:00 pm Morning Session
 1:00 pm - 5:00 pm Afternoon Session
 5:00 pm - 8:00 pm Evening Session

- Advanced Business Breakfast
- Free Registration
- Free Lunch
- Free Dinner
- Free Lodging
- Free Transportation
- Free Parking
- Free Shuttle
- Free Airport Transfer

Please complete and return this form along with payment via mail or fax to: 1607 E. Big Beaver Rd., Suite 105 • Troy, MI 48063 • Fax (248) 626-1001

Name Type or Print:

Distributor Name		Distributor ID#		Daytime Phone		Distributor Position	
Street Address		City		State		Zip	

Cashier's check, money orders and personal checks are accepted. If you would like to pay by MasterCard or VISA, please complete the following information.

The issuer of the card identified below is authorized to pay the entire amount shown as TOTAL upon proper presentation. I promise to pay such TOTAL (together with any other charges due hereon) subject to and in accordance with the agreement governing the use of such card.

Name on Credit Card _____ Credit Card Number _____

Authorized Signature _____ Expiration Date _____

Total amount to be applied on charge \$ _____

** If you are interested in participating in this event as a volunteer, please check box

Deadline for Pre-Registration is July 10, 1998. Any registration that is received after that date will be subject to "At the Door" registration cost.
* There is no charge for this event if you hold the position of RMD, NMD or BMD at the time of registration.
There are NO cancellations, transfers or refunds for this event.

Network

National

Convention & Training July 17, 18, & 19 1998

Atlanta, Georgia

Westin Peachtree Plaza Hotel • (404) 522-1400
If you would like to reserve a hotel room, reserve it under "The Free Network" 1-800-335-3000.

Pre-Registration is \$79.00!
Register Now & Save!

Hear From Co-Founders *Dennis Rutz,*
Brad Tayles, Tara Luzod and Vito Terracciano

Exciting New Announcements!

DON'T MISS THIS EVENT!
BUILD YOUR FUTURE TODAY!

See inside for more details



HOTEL INFORMATION

Drilling & Training - Plaza Ballroom 5th Level
Registration & Information - Flag Room 7th Level
Leadership Meeting - French Room 7th Level
Sales Aids & Tools - Flag Room 7th Level
NED & NED Branch - Tower Room 22nd level

The Free
Network

1607 E. Big Beaver Rd., Suite 201
Troy, MI 48063

FIRST CLASS MAIL
U.S. POSTAGE
PMO
Troy, MI
PERMIT NO. 285

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

Q.26. If sales are made through independent contractors, is there a written contract or agreement between the company and the independent contractor? If so, please provide a copy of the agreement.

A.26. Yes. A sample contract is attached as Exhibit C-2.



1607 East Big Beaver, Suite 105
 Troy, Michigan 48063
 Phone: (248) 526-1000
 Fax: (248) 526-1001

INDEPENDENT DISTRIBUTOR
AGREEMENT

For office use only Data Entry

--

 Date

--

APPLICANT INFORMATION		
<input type="text"/>	<input type="text"/>	<input type="text"/>
Last Name	First Name	M.I.
<input type="text"/>		
Company Name (if registering as company) State Stamped copy of registration attached		
<input type="text"/>	<input type="text"/>	<input type="text"/>
Applicant Social Security # or Company Tax ID. #	Phone Number	Birthdate of Applicant/Principal
<input type="text"/>	<input type="text"/>	<input type="text"/>
Street Address	Apartment/Suite	
<input type="text"/>	<input type="text"/>	<input type="text"/>
City	State	Zip Code

SPONSOR INFORMATION		
<input type="text"/>	<input type="text"/>	<input type="text"/>
Last Name/Company Name	First Name	M.I.
<input type="text"/>	<input type="text"/>	
Sponsor Social Security # or Company Tax ID. #	Phone Number	
<input type="text"/>	<input type="text"/>	

I understand that to become an Independent Distributor I am only required to submit this Application with an accompanying Letter of Authorization ("LOA") to switch long distance service to a telecommunications company contracting with The Free Network ("TFN") to be its marketing agent. I understand that I am not required to pay any fees or purchase sales or training materials to become an Independent Distributor. I further acknowledge that my advancement in the TFN marketing plan is based solely upon the acquisition of customers for telecommunications services or product usage. My purchase of sales aids or training materials, or attendance at training classes, is strictly optional and at my discretion. I also understand that if I choose to sponsor other individuals to participate in TFN's marketing plan, I will only be compensated based upon the activities of other Independent Distributors to the extent of their sales made to telecommunications customers.

By my signature below, I acknowledge that I have carefully read this Application and I am willing to accept the terms and conditions herein and on the reverse side. I understand that the terms of this Application shall be a binding Agreement between TFN and upon receipt of this Application and a valid LOA by the Company. I have received and understand the TFN Policies and Procedures and Compensation Plan, which are incorporated by reference herein, and agree to abide by them as they may be amended from time to time.

I UNDERSTAND THAT I MAY CANCEL THIS AGREEMENT WITHOUT PENALTY OR OBLIGATION AT ANY TIME, FOR ANY REASON. I UNDERSTAND THAT MY NOTICE OF CANCELLATION MUST BE SUBMITTED IN WRITING TO THE COMPANY AT ITS PRINCIPAL BUSINESS ADDRESS.

PLEASE SEE OTHER SIDE FOR TERMS

<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>
Applicant's Signature	Date

TERMS

1. I acknowledge that I am of legal age to enter into this agreement.
2. I understand and acknowledge that this Agreement is not binding until received and accepted by TFN, along with one (1) valid customer Letter of Authorization ("LOA") for service by a telecommunications carrier selected by TFN.
3. I agree that as an Independent Distributor, I am responsible for determining my own business activities and that I am not an agent, employee or legal representative of TFN. I am responsible for the payment of all federal and state employment taxes and any other tax required under any federal, state or regulatory law, in the event that I fail to provide TFN a valid Social Security Number or employment identification number, TFN may withhold commissions due to me until a valid identification number is provided.
4. I understand that I am not being sold a franchise or business opportunity.
5. I may terminate this Agreement for any reason, at any time, by giving TFN prior written notice. TFN may terminate this Agreement in writing upon violation of policies and procedures or in the event I violate any part of this Agreement. In such event, no further commissions will be paid by TFN. To terminate this Agreement, I must mail, via registered or certified mail, return receipt requested, or deliver personally to TFN, a signed, dated written notice of cancellation sent to: The Free Network, LLC, 1607 East Big Beaver, Suite 105, Troy, Michigan 48063.
6. I agree that as an Independent Distributor, I shall place primary emphasis upon the sale of telecommunications services to non-distributor consumers as a condition of my receipt of commissions. Commissions I receive will be based upon fulfilling certain terms of qualification as set forth by the Marketing Program and Compensation Plans as may be amended from time to time. A Two (\$2.00) Dollar processing fee will apply to all payments.
7. I agree to keep accurate records and to abide by all federal, state, and local laws and regulations governing the sale or solicitation of the products and services marketed by TFN including, but not limited to, any and all permits and licenses required to perform under this Agreement.
8. I understand that no attorney general or other regulatory authority ever reviews, endorses, or approves any product, subscription, compensation program or company, or I will make no such claim to others.
9. I understand that a Twenty-five (\$25.00) Dollar Annual Renewal Fee will be charged after my anniversary date. The fee is for services provided by TFN, which include, but are not limited to, downtime reporting, customer tracking and accounting services. The renewal Application and Fee must be sent to TFN no later than thirty (30) days after my anniversary date or deactivation of my position will occur, resulting in forfeiture of all future commissions and payments.
10. I agree that TFN shall not be liable under any circumstances for any damage or loss of any kind, including indirect, special, punitive, compensatory, or consequential damages, losses or profits which may result from any cause, including but not limited to, breach of warranty, delay, act, error or omission of TFN, or in the event of discontinuation or modification of a product or service offered by TFN. I acknowledge that TFN's liability hereunder shall be limited to a maximum of one (1) months average commission during the ninety (90) day period prior to the event for which liability is claimed.
11. TFN shall periodically make sales literature and/or promotional materials available. However, I am under no obligation to purchase any materials or literature at any time. Refunds shall not be allowed under any circumstances, including, but not limited to, termination of this Agreement, obsolescence of such sales literature or promotional materials, or any other cause.
12. I agree that as an Independent Distributor, this Agreement grants me the limited authority to promote and sell the products and services the TFN markets on behalf of telecommunications companies subject to the terms and conditions established by said companies and/or TFN from time to time.
13. I will not make any false or misleading statements about TFN or its marketing program. I agree that I will operate in a lawful, ethical and moral manner and will not engage in or perform any misleading, deceptive or unethical practices. In the event I violate any of these conditions, my position may be terminated without further payment or compensation of any kind.
14. I acknowledge that I am responsible for supervising and supporting Independent Distributors, sponsor into the program and in my commissionable network. I agree to maintain monthly communication and support to those individuals in my commissionable network through written or verbal communication and attendance at meetings.
15. I acknowledge that TFN expressly reserves all proprietary rights to the company name, logo, trademarks, service marks ("Proprietary Marks") and copyrighted materials. I understand, acknowledge and agree that any monies which I pay TFN are in consideration of my receiving a non-exclusive license, during the term of this Agreement to use the Proprietary Marks of TFN in conjunction with the marketing program provided to me. I further agree that I will not use TFN's Proprietary Marks in any form whatsoever except as permitted in writing by TFN or in advertising or promotional materials provided, designed or published by TFN. I understand that I may not photocopy or duplicate any materials provided by or purchased from TFN without written authorization and that the unauthorized use of any Proprietary Marks is a violation of federal law and this Agreement, constituting grounds for termination of this Agreement by TFN.
16. I understand that as an Independent Distributor, I am free to select my own means, methods and manners of operation and that I am free to choose the hours and location of my activities, under this Agreement, subject only to the terms of this Agreement and TFN Policies and Procedures.
17. I acknowledge that TFN markets business as a Marketing Agent for various telephone and related companies which provide various communication products and services to end customers at rates established by such companies from time to time and that those products, services and rates shall be subject to change without prior notice.
18. I acknowledge that I am not guaranteed any income nor am I assured any profits or success. I certify that no claims of guaranteed profits or representations of expected earnings that might result from my efforts have been made by TFN or my sponsor, in this connection. I shall not represent directly or indirectly that any person may, can or will earn any stated gross or net amount, nor that the sponsorship of others is easy to secure or retain, or that substantially all Independent Distributors will succeed.
19. I acknowledge that I have the right to sign up as many personal customers as I wish. For each personal customer signed, I will receive a commission each month from my personal customer's service usage payments and my downline network in accordance with the TFN Compensation Plan then in effect.
20. I agree to indemnify and hold harmless TFN from any and all claims, losses, damages and expenses, including any attorney's fees, arising out of my actions or conduct in violation of this Agreement, the Marketing Plan, Compensation Plan or any Policy or Procedure of TFN. I agree that in order to recoup any damages and expenses it has incurred due to such violation(s), TFN may offset any commissions or other payments due to me. In the event a dispute arises as to the respective rights, duties and obligations under this Agreement, the Marketing Plan, Compensation Plan or the Policies and Procedures of TFN, it is agreed that such disputes shall be exclusively resolved in the Circuit Court for Oakland County, State of Michigan, or Federal Court located in Detroit, Michigan. Michigan law shall apply to the resolution of all disputes.
21. a. I acknowledge that I have read and fully understand the TFN Policies and Procedures, Marketing Plan and Compensation Plan, which are incorporated herein by reference, and am binding upon me, in order to be eligible to participate in the program and to comply with changes in applicable or local laws of economic conditions. TFN may revise its Marketing Plan, Compensation Plan, Policies and Procedures from time to time. All changes thereto shall be effective upon verbal or written notice to me and become a binding part of this Agreement.
b. All advertisements using the Proprietary Marks of TFN must be approved by the home office prior to use or publication.
22. I acknowledge that this Agreement, the Marketing Plan, Compensation Plan and the Policies and Procedures incorporated herein by reference, constitute the entire Agreement between the parties and shall not be modified or amended except in writing signed by TFN. This Agreement shall be binding upon and inure to the benefit of heirs, successors, and permitted assigns of the parties hereto. If any provision of the Agreement is determined by any authority of competent jurisdiction to be invalid or unenforceable in part or in whole for any reason whatsoever, the validity of the remaining provisions or portions thereof shall not be affected thereby.
23. I agree to abide by the terms of the non-interference and non-disclosure policy of TFN.
24. During the term of this Agreement (and any renewals), and for one (1) year thereafter, I will not solicit or recruit TFN employees or Distributors, whether active or inactive, to participate in a network marketing program, whether or not such marketing company offers telecommunication services. I acknowledge that my violation of this provision will result in immediate termination of all commissions and payments of any kind.

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

Q.27. How are the sales individuals compensated, i.e. commission, salary, etc.?

A.27. Commissions are paid based on volume of sales or level of sales.

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

Q.28. Does the company engage in any multi-level marketing? If yes, provide a detailed explanation of the marketing procedure.

A.28. Yes. The company does use a multi-level marketing approach to recruiting its independent sales agents. Materials setting forth the marketing procedure are attached as Exhibit C-3.

The Free
Network

Creating Financial
Freedom!

1998

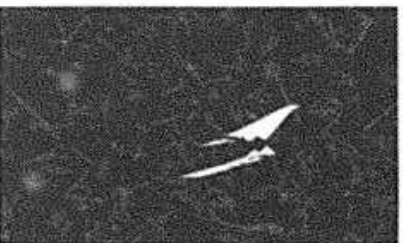
1st & 2nd Quarter Top Performers
Highlights from Southfield
Training Tips
Upcoming National Training
in Atlanta
Newly Promoted Distributors

Network

Staying on Track

With Co-Founder David Rutz

Customer
Acquisition



You are stopped on a mountain 14,754 feet above sea level. There is fear and a half-jest of being sure snow will surround you. The cabin doors are frozen shut and the wind is howling so hard you can imagine the chill deep into your bones. Outside, only heavy steps echo in your head and snow, bright red, and Ford Explorers. The windmills are your only escape. A great sense of relief flows through your body as you realize that you've found your way out. "That truck was designed for this," you think. Just when the bear guide, an expert in mountain climbing and survival, brings you back to reality. "The snow is too deep and the terrain not leveling up. We'd better jump on the snowmobiles and get down to the base of the mountain before we get trapped in permanently."

"What about my truck?" you ask. "Hi mom and hi get your wheel drive!" The guide responds with detachment and seriousness. "Not a chance! It may sound like a good idea, but there's no way that thing is going anywhere." Debatable whether you should question her expertise, you think about the situation and quickly agree with the guide. For the first time, you realize that your vehicle may not give you everything that you thought it would. The commercials make it look doable. It's acceptable by your peers. Everyone you know is

driving a similar vehicle. And you worked hard to get it. Yet it isn't providing you with the freedom you thought it would

Corporate America won't what you strive for. It was exactly where you planned to be. You worked hard to land your job and were excited to build your career. Then you realized it wasn't everything it had been advertised to be. It couldn't provide you with an abundance of money to buy the things you wanted. And it surely didn't provide you an ample way to get more free time. Yes, from the outside, it appeared comfortable and very attractive. Today people in corporate America are trapped, much like on the mountain, and they cannot depend on their current vehicle to pull them out. The walls around them are being burned by smelly judgment and debt. They want to dig themselves out, so they work more hours. Yet they surely have the time (or energy for themselves or their kids as it is). You did what you were taught and followed their around you, yet you still don't have what you want! The vehicle you are depending on just doesn't cut it. You have two choices: First, keep driving the same vehicle, remain trapped, and learn to accept it. Or second, jump on the other vehicle sitting before you, push down the gas pedal and break through the walls surrounding you. The vehicle is strong enough, fast enough, and can take the pressure, you just need to step on the gas.

I truly believe anyone reading this can MAKE IT HAPPEN with The Free Network. Regardless of who you are, where you come from, what you look like, what your gender is or how old you are. It doesn't matter. Books are written about scores of individuals who have come from the depths of despair only to dig deep and literally "pull" themselves up to unbelievable levels of success. These individuals, as Les Brown says, "are willing to do today what others won't do, so they will have tomorrow what others won't have." When others doubt, these special people double their efforts, when others quit giving up, they set goals, when others remained comfortable, they brought courage, when others sat still, they set sail, and when others paid the price, they enjoyed the benefits. People as ordinary as you, yet as special as you, did what it took and today have what they want.

Are you prepared to do today what others aren't? Have you made the commitment to "pull" yourself up to a place of freedom... to an abundance of time and money... to a place where Sunday afternoon is no different than Wednesday afternoon... where YOU have the vacation home, the jets, and the time... where you are successful and at peace? Many people wish, while others make it happen. The Free Network is your vehicle... YOU are the driver. Sort through people until you find 5-10 individuals like yourself who are motivated to improve their lives. Then work at duplicating them as knowledgeable, effective network marketers (the key to industry success with this company is other people's success). The price and checklist on the next page will provide you with a road map to duplicating a massive organization of distributors.

If you haven't followed this process, evaluate your results and implement the process immediately. It has been said, "If you keep doing what you have always done, you will continue to get what you have always got." Is that enough? If not, a better vehicle can give outside your window. Jump on, grab the reins, evaluate the cold winds, and make your own tracks in the snow.

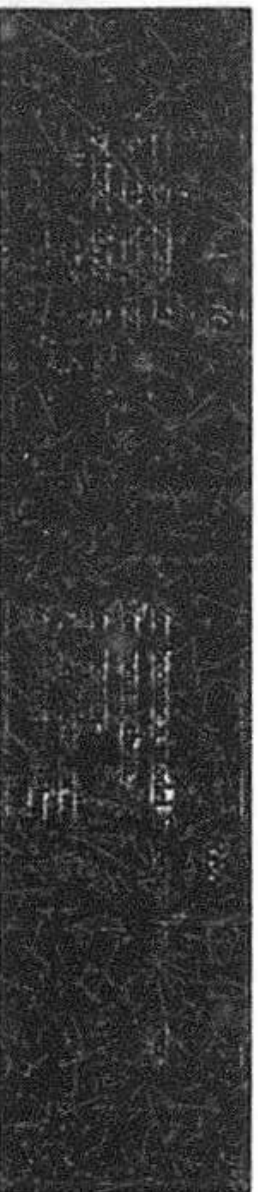
God Bless You and Good Luck.

DAVID RUTZ

Donald A. Rutz
Co-Founder of The Free Network

Training Tips

Process For Duplicating "A Force"



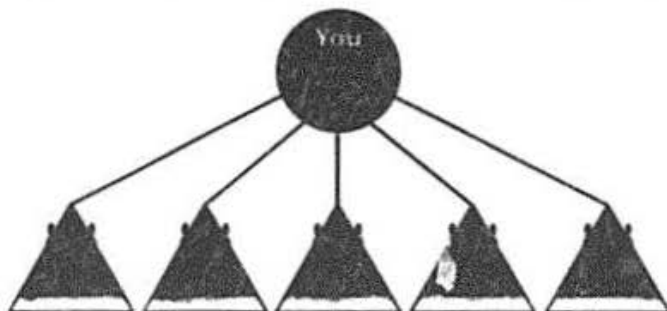
Sponsor Checklist

1. Complete Distributor Agreement and Letter of Authorization.
2. Acquire Appropriate Tools and Supplies
 - a. ID# (Highly Recommended)
 - b. Distributor Appointment
 - c. Letters of Authorization
 - d. Video Tapes and Audio Tapes
 - e. Business Cards
 - f. Brochures
3. Corporate Phone Numbers and Purpose
 - a. Corporate HQ - 248.528.1000
 - b. Corporate Fax - 248.528.1001
 - c. Conference Call Line - 801.428.0099
 - d. Video Mail/Fax On Demand - (801.428.0099
 - e. Web Site - www.businesstoolbox.com
4. Acquiring Customers
 - a. Features of Service (What they are)
 - b. Acquiring Customers (What to say)
 - c. "Turning Up" Customers (How to)
 - d. Retaining Customers (How to)
5. Enrolling Representatives
 - a. List
 - b. Three types of people
 - c. What to say when "Pitching" for interested prospects.
 - d. How to respond to types of people (give an effective presentation).
 1. Uninterested - Ask to be a customer
 2. Outraged -
 - a. Audio Tape - "Answer The Call"
 - b. Brochure - "A Look Inside Our Company"
 - c. Conference Call Line
 3. Motivated -
 - a. Audio or Video Tape - "Answer The Call"
 - b. Three Why Call - with updated qualified individual
 - c. Personal Business Reception or 2 on 1
 - d. Weekly Meeting
6. Plan for achieving the 30 Day Eighth Level Bonus & Area Director Expense Account
 - a. 72 Hour Game Plan (package 7-10 personal call & place 3-6 unqualified people into an effective presentation)
 - b. 2 Week Game Plan (package 20 personal call & place 15-20 unqualified people into an effective presentation)
 - c. 1 Month Game Plan (package 50 personal call & place 5 active qualified representatives who have each earned the position of Area Trainer & customer). This qualifies you for the 30 day 8th level bonus.)
7. Schedule Training - Local, England, Newland, "Fast Start" Tape Series
8. Schedule First Private Business Reception (Normally have 3-15 individuals at their home, etc.)

FAST START
Training System

Network

Area Director Bonus



Available \$250/month

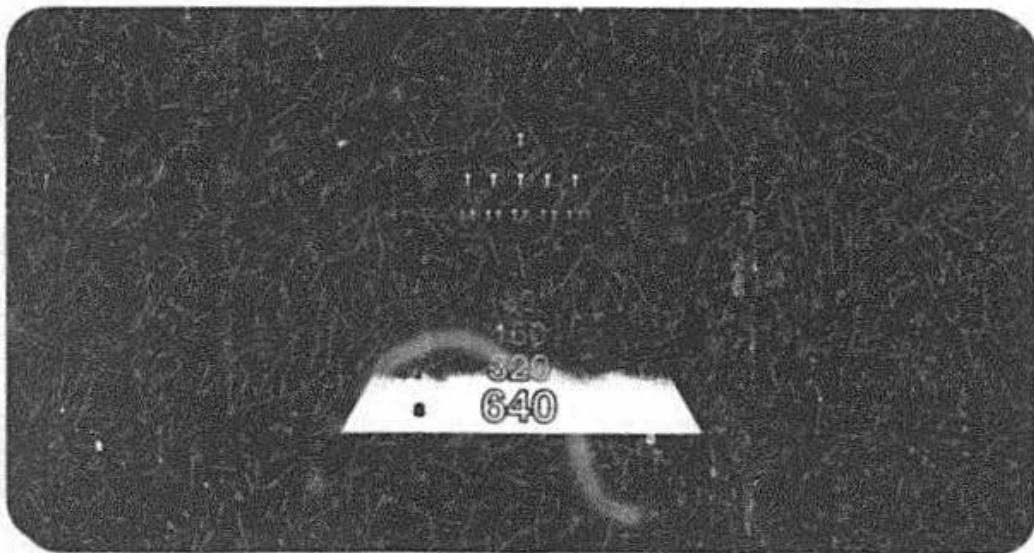
We believe that distributors should be rewarded for reaching certain goals in building their organizations. That's why we have just introduced this bonus to all distributors who meet the following qualifications:

- Hold position of Area Director
- Have 5 legs with 50 customers in each leg
- Maintain \$7,500 monthly in group LDU
(Not under another Area Director Bonus recipient)

Once these qualifications have been met, the distributor will receive a bonus of \$250.00 per month. Distributors who meet these guidelines will continue to receive this bonus as long as qualifications are met.

8th Level Bonus

The Free Network would like to congratulate the new qualifying distributors for having qualified for the additional 1% on the 8th level in their first 30 days.



**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

Q.29. Does the company have a target market?

A.29. The company markets its services to both residential and business customers.

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

Q.30. Does the company market through nonprofit corporations or organizations? If so, please explain the methods used. How is the organization compensated? What types of organizations does the company or its agents solicit for assistance in sales?

A.30. The company does not market through nonprofit corporations or organizations.

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

- Q.31. Provide copies of any company brochures used to assist in the sale of services.
- A.31. Sample brochures to be used in sale of services are attached as Exhibit C-2. Please note that new materials will soon be developed eliminating UniDail Communications from the material. These brochures were printed for use by The Free Network as a UniDial agent.

COMING SOON...

From The Free Network

• Home Access

• Local Phone Service

• Digital Cellular

• Cable TV

• Paging

• Gas and Electric Services

...and any
other future
technologies

UniDial

COMMUNICATIONS

Simplicity,
Service &
Savings

The Free
Network

TFN# 220

GREAT SAVINGS

Great Features You'll Receive...

- No sign up fee
- No monthly fees or surcharges
- No minimum usage requirements
- Flat rates 24 hrs. 7 days a week
- Savings up to 45%
- Fiber Optic Network

On top of that...

- 6-second incremental billing versus full minute*

Plus...

- Calling Cards with 6-second billing and no surcharge*

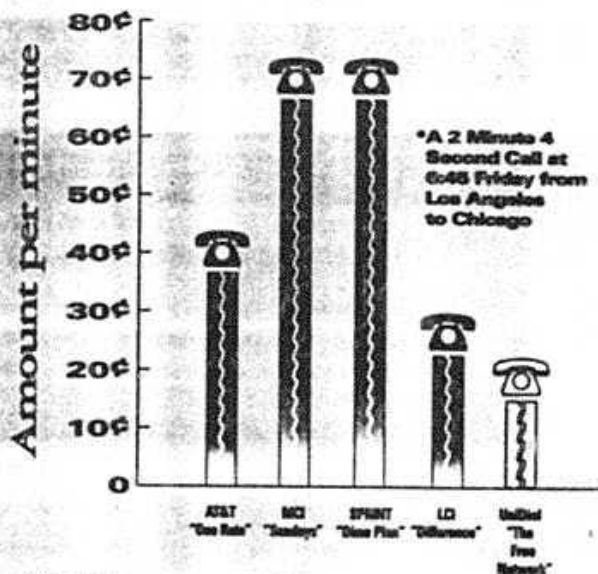
Plus...

- Home Toll-Free Number with 6-second billing and no installation fees or surcharges*

Plus...

- Discounted International Calling

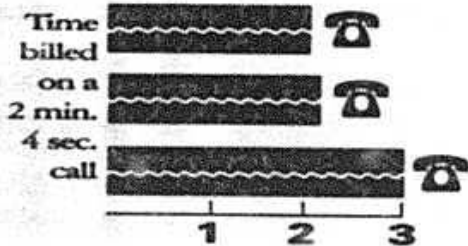
Call Comparison



"Why pay for time you don't use...?"

Noticeable Savings of up to

45%



*6 second incremental billing after initial 18 seconds; Billed at 10.9¢ per minute.

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

- Q.32. Please indicate whether the company will provide intraLATA and/or interLATA services.
- A.32. The company will provide both interLATA and IntraLATA services to the extent authorized by the Commission.

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

Q.33. Does the company have a volume discount plan? If so, does it combine intrastate and interstate usage?

A.33. No.

**State of South Dakota
Public Utilities Commission**

INITIAL STAFF DATA REQUEST

**REGARDING APPLICATION OF
THE FREE NETWORK, L.L.C.**

- Q.34. Provide cost support for all rates shown in the company's tariff.
- A.34. The Company's rates are based on the rate at which the company purchases the service with an adjustment for market considerations.

EXHIBIT D

PROPOSED INITIAL TARIFF

The Free Network, L.L.C.

SD P.U.C. Tariff No. 1
Original Sheet No. 1

TELECOMMUNICATIONS SERVICES TARIFF

TITLE SHEET

THE FREE NETWORK, L.L.C.

TARIFF NO. 1

This tariff contains the description, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services provided by **The Free Network, L.L.C.** with principal offices at 1607 E. Big Beaver Road, Suite 105, Troy, Michigan 48083. This tariff is on file with the South Dakota Public Utilities Commission, and copies may be inspected during normal business hours at the Company's principal place of business.

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

CHECK SHEET

All sheets of this tariff are effective as of the date shown at the bottom of the respective pages. Original and revised sheets 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>Sheet</u>	<u>Revision</u>	<u>Sheet</u>	<u>Revision</u>
1	Original	21	Original
2	Original	22	Original
3	Original	23	Original
4	Original	24	Original
5	Original	25	Original
6	Original	26	Original
7	Original	27	Original
8	Original		
9	Original		
10	Original		
11	Original		
12	Original		
13	Original		
14	Original		
15	Original		
16	Original		
17	Original		
18	Original		
19	Original		
20	Original		

ISSUED:**EFFECTIVE:**

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

TABLE OF CONTENTS

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Section 3: Description of Service.....	20
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ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

SYMBOLS

The following are the only symbols used for the purposes indicated below:

- D - Deleted or Discontinued Material
- I - Change Resulting in a Rate Increase
- N - New Regulation, Term, Condition or Rate
- R - Change Resulting in a Rate Reduction
- T - Change In Text or Regulation, but no Change in Rates

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

TARIFF FORMAT

- A. Sheet Numbering - Sheet numbers appear in the upper-right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be Sheet 14.1.
- B. Sheet Revision Numbers - Revision numbers also appear in the upper-right corner of the sheet. These numbers are used to determine the most current sheet version on file with the Commission. For example, 4th Revised Sheet 14 cancels 3rd Revised Sheet 14.
- C. Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level of coding.
- 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 tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new sheets are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc., remains the same, just revised revision levels on some sheets). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the Commission.

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 1 - DEFINITIONS AND ABBREVIATIONS

1.1 Definitions:

Application for Service - A standard order form which includes all pertinent billing, technical, and other descriptive information which will enable the carrier to provide the communication service as required.

Authorized User - A person, firm, corporation, or other entity authorized by the customer to receive or send communications.

Carrier - The Free Network, L.L.C., unless stated otherwise.

Class of Service - Various categories of telephone service generally available to customers, such as business or residential.

Commission - South Dakota Public Utilities Commission.

Company - The Free Network, L.L.C.

Completed Calls - Completed calls are calls answered on the distance end.

Customer or Subscriber - The person, firm, corporation, or other entity which orders or uses service and is responsible by law for payment for communication service from the telephone utility.

Customer Provided Equipment - Terminal equipment provided by a customer.

Delinquent Account - An account for which a bill or payment agreement for regulated services or equipment has not been paid in full on or before the last day for timely payment.

Direct Distance Dialing (DDD) - Customer dialing over the nationwide intertoll telephone network of calls to which toll charges are applicable. No operator assistance is required for DDD calls.

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

1.1 Definitions (continued)

Due Date - The last day for payment without unpaid amounts being subject to a late payment charge or additional collection efforts.

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

Measured Use Service - The provision of long distance measured time communications telephone service to customers who access the carrier's services at its switching and call processing equipment by means of access facilities obtained from another carrier by the customer or otherwise provided at its own expense (the customer is responsible for arranging for the access line).

Message - A completed telephone call by a customer or user.

Premises - The space occupied by an individual customer in a building, in adjoining buildings occupied entirely by that customer, or on contiguous property occupied by the customer separated only by a public thoroughfare, a railroad right of way or a natural barrier.

Rates - Recurring amounts billed to customers for regulated services and/or equipment.

Terminal Equipment - All telephone instruments, including pay telephone equipment, the common equipment of large and small key and PBX systems and other devices and apparatus, and associated wiring, which are intended to be connected electrically, acoustically or inductively to the telecommunication system of the telephone utility.

Underlying Carrier - The telecommunications carrier whose network facilities provides the technical capability and capacity necessary for the transmission and reception of customer telecommunications traffic.

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

1.2 Abbreviations

LATA - Local Access Transport Area

LEC - Local Exchange Carrier

MTS - Message Toll Service

PBX - Private Branch Exchange

SAL - Special Access Line

V&H - Vertical and Horizontal

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of Company

The Company undertakes to provide only those services as are furnished under the terms and subject to the conditions and customer payment of the applicable rates of this tariff for communications originating and terminating within the State. The Company's services are provided on a statewide basis and are not intended to be limited geographically.

Communications originate when the customer accesses network directly or through the facilities of the local service carrier via one or more access lines, equal access or on a dial-up basis. The company 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 Carrier network. The customer shall be responsible for all charges stated in this tariff.

The Company's services are provided on a monthly basis unless otherwise stated in this tariff, and are available twenty-four (24) hours per day, seven (7) days per week.

2.2 Limitations on Service

2.2.1 Service is offered subject to the provisions of this tariff.

2.2.2 Carrier reserves the right to provide services only to and from locations where the necessary facilities or equipment are available.

2.2.4 Title to any equipment provided by Carrier under these regulations remains with Carrier. Prior written permission from the company is required before any assignment or transfer. In the event an assignment or transfer is allowed, all regulations and conditions contained in this tariff shall apply to the assignee or transferee.

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

2.3 Use of Service

Service may not be used for any unlawful purposes.

The minimum period for service is one month (30 days) unless otherwise noted in the service description.

2.4 Liability of Carrier

2.4.1 Carrier shall not be liable to any person, firm or entity for damages, either direct, indirect, consequential, special, incidental, actual, punitive, or for any other damages or for any lost profits of any kind or nature whatsoever, arising out of mistakes, accidents, errors, omissions, interruptions, delays or defects in transmissions, not caused by the negligence of the carrier, commencing upon activation of service and in no event exceeding an amount equivalent to the proportionate charge to the customer for the period of service during which the mistake(s), accident(s), error(s), omission(s), interruption(s), delay(s) or defect(s) in transmission occur.

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

2.4 Liability of Carrier

2.4.2 Carrier, at its own expense, will indemnify the customer and hold it harmless in respect to any and all loss, damage, liability or expense asserted against the customer by a third party on account of any property damage or personal injury caused by any negligence or willful misconduct of Carrier or its agents or representatives arising out of performance by Carrier of any testing or other activities on the customer's premises pursuant to this tariff. Carrier's obligations under the immediately preceding sentence shall be subject to the customer's full performance of this tariff and subject further to the customer's duty to take reasonable precautions in the location, construction, maintenance and operation of all activities, facilities and equipment for the protection against hazard or injury and so as to not interfere with the services provided by Carrier

2.4.3 Carrier shall be indemnified and held harmless by the customer against:

- A. Claims for libel, slander, infringement of copyright or unauthorized use of any trademark, trade name, or service mark arising out of the material, data information, or other content transmitted over the carrier's facilities; and

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

2.4 Liability of Carrier

2.4.3 (continued)

- B. Claims for patent infringement of copyright or unauthorized use of any trademark, trade name, or service mark arising out of the material, data information, or other content transmitted over the carriers facilities; and
- C. All other claims arising out of any act or omission by the customer in connection with any service provided by Carrier.

2.4.4 Carrier shall not be liable for, and the customer indemnifies and holds Carrier harmless from and all loss, claims, demands, suits, or other actions, or any liability whatsoever, whether suffered, made, instituted, or asserted by the customer or by any party or persons, for a personal injury to, or death of, any person or persons, and for any loss, damage, defacement, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, condition, location, or use that is not the direct result of the Carrier's negligence. No agents or employees of other carriers shall be deemed to be agents or employees of Carrier.

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

2.5 Interruption of Service

- 2.5.1. Carrier shall make all reasonable efforts to prevent interruptions of service. When interruptions are reported or found by Carrier to occur, Carrier shall reestablish service as quickly as possible.
- 2.5.2. When a customer's service access line is reported to be out of order and remains out of order in excess of two (2) consecutive hours, the company shall, upon request, make appropriate adjustments to the subscriber's account. This rule does not apply if the outage occurs as a result of:
- (1) A negligent or willful act on the part of the subscriber;
 - (2) A malfunction of subscriber-owned telephone equipment;
 - (3) Disasters or acts of God; or
 - (4) The inability of the company to gain access to the subscriber's premises after Carrier has requested that customer provide access to the premises.
 - (5) Carrier's provision of routine maintenance, testing or adjustments.
- 2.5.3. The customer shall be credited for an interruption of two (2) hours or more at the rate of 1/720th of the monthly charge for the service affected for each hour or major fraction thereof that the interruption continues. Credit for an interruption shall commence with the hour of the report or discovery of the interruption and will cease upon restoration of service. Any adjustments not in dispute shall be rendered within two billing periods after the billing period during which the interruption occurred.
- 2.5.4. Customers shall notify Carrier of interruptions in service. Before giving notice of interruption, the customer should ascertain whether the trouble is being caused by any action or omission by or within his control or in any wiring or equipment connected to the Carrier's terminal.

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

2.6 Responsibility of the Customer

2.6.1 All customers assume general responsibilities in connection with the provisions and use of services stated in this tariff. All customers are responsible for the following:

- A. The customer is responsible for placing orders for service, paying all charges for service rendered by Carrier and complying with all regulations governing the service. The customer is also responsible for assuring that its users comply with regulations.
- B. When placing an order for service, the customer must provide:
 - 1. The name(s) and address(es) of the person(s) responsible for the payment of service charges.
 - 2. The name(s), telephone number(s), and address(es) of the customer contact person(s).

2.6.2 Maintenance, Testing, and Adjustment

If a customer's service must be interrupted due to maintenance, Carrier shall notify the affected customer, in advance, if possible and will perform the work in such a manner as to minimize inconvenience.

Equipment provided by Carrier shall be made available to Carrier for such tests and adjustments as may be necessary to maintain them in satisfactory condition.

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

2.6.3 Deposits

The Company will not require a deposit for service.

2.6.4 Cancellation by Customer

If a customer orders services requiring special equipment and/or facilities dedicated to the customer's use and then cancels his order before the service begins, before a completion of the minimum period mutually agreed upon by the customer and Carrier, a charge will be made to the customer for the non-recoverable portions of expenditures or liabilities incurred expressly on behalf of the customer by Carrier and not fully reimbursed by installation and monthly charges. If, based on such an order, any construction has either begun or been completed, but not such services provided, the non-recoverable cost of such construction shall be borne by the customer.

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

2.6.5 Payment of Charges

- A. Service is provided and billed on a monthly (30 day) basis. Charges based on actual usage during a month will be billed monthly in arrears.
- B. Bills are payable upon receipt of invoice. Customers will be charged a late payment penalty in the amount of one and one-half percent (1.5%) per month on delinquent amounts and will be responsible for any charges associated with disconnection and reconnection of service. A bill will be considered delinquent after thirty (30) days from rendition of the invoice.
- C. In the event of a dispute concerning a bill, Customer must pay a sum equal to the amount of the undisputed portion of the bill and proceed with complaint procedures set forth in this tariff. If notice of a dispute as to charges is not received in writing within thirty (30) days after a bill has been rendered, the billing will be considered correct and binding.
- D. Customer is responsible for payment of all state and local taxes (i.e. gross receipts tax, sales tax, municipal utilities tax) which shall be listed as separate line items and which are not included in Carrier's quoted rates.
- E. Customers will be charged a fee on all checks issued to Carrier which are returned due to non-sufficient funds.

2.6.6 Application of Charges

The charges for service are those in effect for the period that service is furnished.

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

2.6.7 Customer Complaint Procedure

Carrier will resolve any disputes brought to its attention as promptly and effectively as possible.

Customer inquiries, complaints or notices may be made in writing to the Company at the address stated in this tariff or via the Customer Services toll free number: 1-800-393-7300.

Any unresolved disputes may be directed to the attention of the South Dakota Public Utilities Commission at:

500 East Capitol Avenue
Pierre, South Dakota 57501-5070
(605) 773-3201 or
1-800-332-1782

In the event of a dispute concerning an invoice, the customer must pay a sum equal to the amount of the undisputed portion of the bill. Service shall not be disconnected for nonpayment of the disputed portion of the bill for 30 days after rendition of the disputed bill.

2.7.1 Credit Upon Cancellation

Where Carrier cancels a service and the final service period is less than the monthly billing period, a credit will be issued for any amounts paid in advance, prorated at 1/30th of the monthly recurring charge for each day the service was not rendered. This credit will be issued to the customer or applied against the balance remaining on the customer's account.

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

2.7.2 Disconnection of Service by Carrier

- A. Five (5) days prior notice of pending disconnection shall be rendered to customers setting forth the reason(s) for the notice and the final date by which the account is to be settled or specific action taken. Such notice shall be forwarded to the customer via U.S. mail and will be considered rendered when delivered to the last known address of the responsible party.
- B. Transmission service will be refused or disconnected, after notice as set forth below, for any of the following reasons:
1. Without notice in the event of a condition on the customer's premises determined by the Carrier to be hazardous.
 2. Without notice in the event of customer's use in a manner which may adversely affect the Carrier's equipment or service to others.
 3. Without notice in the event of tampering with equipment furnished and owned by the Carrier.
 4. Without notice in the event of unauthorized use.
 5. After five (5) days written notice, for violation of or noncompliance with the Carrier's rules on file with the Commission, the requirements of municipal ordinances or law pertaining to the services.
 6. After five (5) days written notice for failure of the customer to permit Carrier reasonable access to its equipment.
 7. Upon five (5) days prior written notice for nonpayment of any regulated sum due to Carrier.

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

2.7.2 Disconnection of Service by Carrier (contd.)

8. After five (5) days written notice, for failure of the customer or prospective customer to furnish any service equipment, permits, certificates or rights of way specified by Carrier to be furnished as a condition for obtaining service, or for the withdrawal of that same equipment or the termination of those permissions or rights, or for the failure of the customer or prospective customer to fulfill the contractual obligations imposed upon the customer as conditions of obtaining service.

2.7.3 Fractional Credits for Monthly Billed Services

Credits for a fractional part of a month are calculated by counting the number of days remaining in the billing period after service was discontinued. The number of days remaining in the billing period is divided by thirty and the resultant fraction is then multiplied by the monthly charge to arrive at the credit amount.

2.7.4 Advance Payments

The company will not collect advance payments.

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 3 - DESCRIPTION OF SERVICE AND RATES

3.1 Timing of Calls

The customer's monthly usage charges for Carrier service are based upon the total number of minutes the customer uses and service options subscribed to. Chargeable time begins when the connection is established between the calling station and the called station or PBX. Chargeable time ends when either party "hangs up."

3.2 Service Period

For billing purposes, the start of service is the first day on which service is available for use by the customer. The end of service date is the last day or any portion of the last day for which service was provided by Carrier.

3.3 Interconnection

Service furnished by Carrier may be interconnected with services or facilities of other authorized communications common carriers and with private systems, subject to the technical limitations established by Carrier. Service furnished by Carrier is not part of a joint undertaking with such other carriers. Any special interface equipment shall be provided at the customer's expense.

Interconnection with the facilities or services of other carriers shall be under the applicable terms and conditions of this tariff. The customer is responsible for taking all necessary legal steps for interconnecting his customer-provided terminal equipment or communications systems with Carrier's. The customer shall secure all licenses, permits, right-of-ways, and other arrangements necessary for such interconnection.

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

3.4 Terminal Equipment

3.4.1 Carrier's service may be used with or terminated in customer provided terminal equipment or customer provided communication systems, such as teleprinters, handsets, or data sets. Such terminal equipment shall be furnished and maintained at the expense of the customer. The customer is responsible for all costs at his premises, including customer personnel, wiring, electrical power, and the like incurred in his use of Carrier's service.

3.4.2 When terminal equipment is used, the equipment shall not interfere with service furnished to other customers. Additional protective equipment, if needed, shall be employed at the customer's expense.

3.5 Calculation of Distance

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

The airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. The company uses the rate centers and associated vertical and horizontal coordinates generally used within the industry.

Formula:
$$\frac{\sqrt{(V1 - V2)^2 + (H1 - H2)^2}}{10}$$

3.6 Minimum Call Completion Rate

The customer can expect a call completion rate of 99% of calls attempted during peak use periods for Feature Group D (1+) services.

3.7 Promotional Offerings

The Company may, from time to time, make promotional offerings to enhance marketing of services. These promotional offerings will be subject to Commission approval prior to implementation.

ISSUED:**EFFECTIVE:**

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

3.8 Services Offerings

The company will provide the following services:

3.8.1 Message Toll Service (MTS)

"1+" Dialing is achieved by customer's telephone lines being programmed by the local telephone company (LEC) to automatically route 1+ calls to the Company's network.

3.8.2 Inbound 800/888 Service

Inbound 800/888 Service is virtual banded inbound toll service which permits calls to be completed at the subscriber's location without charge to the calling party. Access to the service is gained by dialing a ten digit telephone number which terminates at the customer's location. Inbound 800/888 services originate via normal shared use facilities and are terminated via the customers' local exchange service access line.

Carrier will accept a prospective Inbound 800/888 service customer's request for up to ten (10) telephone numbers and will reserve such number(s) on a first come first serve basis. All requests for number reservations must be made in writing, dated and signed by a responsible representative of the customer. Carrier does not guarantee the availability of number(s) until assigned. The telephone number(s) so requested, if found to be available, will be reserved for and furnished to the eligible customer.

If a customer who has received an 800/888 number does not subscribe to the Company's Inbound 800/888 service within 90 days, the Company reserves the right to make the assigned number available for use by another customer.

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48063

TELECOMMUNICATIONS SERVICES TARIFF

3.8.3 Travel Card Service

Allows subscribers who are away from home or office to place calls by gaining access to the network via an 800 number and personal identification number issued by the Company.

3.8.4 Directory Assistance

Directory Assistance will be provided by the Carrier at the per call charge as set forth in Section 4 of this tariff.

3.8.5 Operator Services

The Company does not provide operator services. Operator assisted calls are defaulted to and billed directly by the underlying carrier.

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 4 - RATES AND CHARGES

4.1. Usage Charges and Billing Increments

4.1.1 Usage Charges

Usage charges are generally flat rated. However, if any usage charges are determined by the time of day rate periods and minutes of use within each rate period, the rate period is determined by the time and day of call origination at the customer's location.

4.1.2 Billing Increments

Usage is billed in accordance with the billing increments set forth in the individual product rate sections of this tariff. All partial usage will be rounded up to the next highest applicable billing increment.

4.1.3 Rounding

All calls are rounded to the next highest billing interval. Any partial cents per call will be rounded up to the next highest whole cent.

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

4.2 Switched Access Outbound Rates

<u>Rate Plan</u>	<u>Rate per minute</u>
TFNOB Plan 1:	\$0.169/minute
TFNOB Plan 2:	\$0.159/minute
TFNOB Plan 3:	\$0.143/minute
TFNOB Plan 4:	\$0.139/minute

Billed in six second increments.

4.3 Inbound 800 Rates

<u>Rate Plan</u>	<u>Rate per minute</u>
TFNIB Plan 1:	\$0.109/minute
TFNIB Plan 2:	\$0.089/minute

Billed in six second increments.

4.4 Travel Card Rates

<u>Rate Plan</u>	<u>Rate per Minute</u>
TFNCC Plan 1:	\$0.19/minute
TFNCC Plan 2:	\$0.23/minute

Billed in six second increments.

Per call surcharge: None.

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

4.5 Directory Assistance

Directory assistance will be provided at a charge of \$0.85 per call.

4.6 Late Payment Penalty

Customers will be charged 1.5% of any amounts owed to the Company beyond the due date as set forth within this tariff.

4.7 Dishonored Check Charge

All customers issuing dishonored check(s) will be charged a fee of \$20.00 per check.

4.8 Promotional Offerings

The Company may, from time to time, make promotional offerings to enhance marketing of services. These promotional offerings will be subject to Commission approval prior to implementation.

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

4.9 Presubscribed Interexchange Carrier Charge (PICC)

A monthly Federal PICC shall be charged to each telephone number that is presubscribed to carrier per the following:

Effective January 1, 1999:

Primary residential line	\$1.03/line
Additional or secondary residential line	\$2.50/line
Single line business line	\$1.03/line
Multi-line business line	\$4.25/line
Centrex line	\$0.51/line
Minimum monthly charge for centrex	\$4.25
ISDN BRI	\$2.50/BRI
ISDN PRI	\$21.21/PRI

4.10 Universal Service Fund Charge

A monthly Federal Universal Service Fund tax shall be added to each bill based upon the total billed revenues.

4.11 Pay Telephone (Payphone) Surcharge

A surcharge shall be assessed for each call made from a pay telephone to an 800 number or using a travel card and dialing the carrier prefix in the form 101XXXXX. Although collected on the customer's bill, this charge is reimbursed to pay telephone service provider. The initial charge is \$0.40 per call, but may vary from time to time as the Federal Communications Commission or payphone service providers change the rate for pay telephone compensation.

ISSUED:**EFFECTIVE:**

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

EXHIBIT E

FINANCIAL STATEMENTS

5:26 pm

Income Statement

FOR MANAGEMENT USE ONLY

	1 Month Ended January 31, 1999		1 Month Ended January 31, 1999	
Income				
COMMISSION DISCOUNT - UNIDIAL	(\$28,231.02)	-13.0%	(\$28,231.02)	-13.0%
COMMISSION INCOME - UNIDIAL	202,590.14	93.1%	202,590.14	93.1%
RETURNED CHECKS	(450.50)	-0.2%	(450.50)	-0.2%
SALES - MATERIALS	40,772.78	18.7%	40,772.78	18.7%
REGISTRATION FEES	3,125.00	1.4%	3,125.00	1.4%
RENEWAL FEE	75.00	0.0%	75.00	0.0%
MISC SALES AND FEES	(324.57)	-0.1%	(324.57)	-0.1%
TOTAL Income	217,556.83	100.0%	217,556.83	100.0%
Cost of Goods Sold				
PRINTED MATERIALS	6,758.74	3.1%	6,758.74	3.1%
TRAINING MATERIALS	14,846.26	6.8%	14,846.26	6.8%
SALES MATERIALS	4,263.40	2.0%	4,263.40	2.0%
PAYMENTS TO REPS	93,156.12	42.8%	93,156.12	42.8%
FREIGHT	7,875.66	3.6%	7,875.66	3.6%
TOTAL Cost of Goods Sold	126,900.18	58.3%	126,900.18	58.3%
GROSS PROFIT	90,656.65	41.7%	90,656.65	41.7%
Expenses				
ADVERTISING AND PROMOTION	1,194.87	0.5%	1,194.87	0.5%
CAR EXPENSE	1,723.97	0.8%	1,723.97	0.8%
BANK AND CREDIT CARD FEES	1,252.41	0.6%	1,252.41	0.6%
DEPRECIATION AND AMORTIZATION	2,325.00	1.1%	2,325.00	1.1%
GUARANTEED PAYMENTS	21,034.81	9.7%	21,034.81	9.7%
INSURANCE	2,948.78	1.4%	2,948.78	1.4%
INTEREST EXPENSES	8,861.33	4.1%	8,861.33	4.1%
OFFICE EXPENSES	14,613.33	6.7%	14,613.33	6.7%
WAGES AND BENEFITS	44,084.47	20.3%	44,084.47	20.3%
POSTAGE AND DELIVERY	2,156.09	1.0%	2,156.09	1.0%
PRINTING AND REPRODUCTIONS	2,831.83	1.3%	2,831.83	1.3%
PROFESSIONAL FEES	8,221.00	3.8%	8,221.00	3.8%
TAXES	76.92	0.0%	76.92	0.0%
TELEPHONE	3,058.98	1.4%	3,058.98	1.4%
WIRELESS SERVICE	330.73	0.2%	330.73	0.2%
TRAVEL AND LODGING	15,882.34	7.3%	15,882.34	7.3%
TOTAL Expenses	130,596.86	60.0%	130,596.86	60.0%
OPERATING PROFIT	(39,940.21)	-18.4%	(39,940.21)	-18.4%
Other Income & Expenses				
OTHER EXPENSES	(610.40)	-0.3%	(610.40)	-0.3%
TOTAL Other Income & Expenses	(610.40)	-0.3%	(610.40)	-0.3%
PROFIT BEFORE TAXES	(40,550.61)	-18.6%	(40,550.61)	-18.6%
NET PROFIT	(\$40,550.61)	-18.6%	(\$40,550.61)	-18.6%

Income Statement

FOR MANAGEMENT USE ONLY

1 Month Ended
January 31, 1999

1 Month Ended
January 31, 1999

5:27 pm

Balance Sheet

FOR MANAGEMENT PURPOSES ONLY

January 31, 1999

ASSETS

Current Assets:

CASH AND EQUIVALENTS	\$10,130.85	
ACCOUNTS RECEIVABLE	163,961.71	

TOTAL Current Assets

\$174,092.56

Fixed Assets:

ACCUMULATED DEPRECIATION	(36,018.00)	
COMPUTERS	44,452.09	
OFFICE EQUIPMENT	12,041.82	
OFFICE FURNITURE	15,854.78	
PHONE SYSTEM	19,781.20	
VIDEO REPRODUCTIONS	855.21	

TOTAL Fixed Assets

56,967.10

Other Assets:

EMPLOYEE ADVANCES	17,397.00	
INVENTORY ASSETS	100,196.24	
ACCUMULATED AMORTIZATION	(5,200.00)	
COMPANY LOGO & IMAGE	16,702.00	
SOFTWARE	1,790.00	
TRADE MARK	2,800.00	
PREPAID CERTIFICATION	70,000.00	
SECURITY DEPOSIT	3,750.00	

TOTAL Other Assets

207,435.24

TOTAL ASSETS

\$438,494.90

LIABILITIES

Current Liabilities:

ACCOUNTS PAYABLE	\$89,609.92	
WORKERS COMP PAYABLE	(163.60)	
ACCRUED INTEREST	(15,470.28)	
ACCRUED WAGES AND COMMISSIONS	197,932.59	
EQUIPMENT LEASE LIABILITY	7,549.47	
FEDERAL WITHHOLDING AND TAXES	2,775.69	
LINE OF CREDIT	370,000.00	
COMMISSION ADVANCE	220,111.70	
SALES TAX PAYABLE	159.07	
STATE WITHHOLDING	1,438.14	

TOTAL Current Liabilities

\$873,942.70

Long-Term Liabilities:

LOANS FROM MEMBERS	428,110.74	
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TOTAL Long-Term Liabilities

428,110.74

TOTAL LIABILITIES

1,302,053.44

CAPITAL

5:27 pm

Balance Sheet**FOR MANAGEMENT PURPOSES ONLY**

January 31, 1999

MEMBER EQUITY	(213,906.98)	
PRIOR PERIOD ADJUSTMENTS	61,684.96	
RETAINED EARNINGS	(670,785.91)	
Year-to-Date Earnings	(40,550.61)	
TOTAL CAPITAL		(863,558.54)
TOTAL LIABILITIES & CAPITAL		\$438,494.90

EXHIBIT F

LIST OF 20% OR GREATER SHAREHOLDERS

<u>Name and Business Address</u>	<u>% of Shares Held</u>
George Verstraete 1607 E. Big Beaver Rd. Suite 175 Troy, MI 48083	24%
Vitaliano Terracciano 1607 E. Big Beaver Rd. Suite 105 Troy, MI 48083	24%
David Rutz 1607 E. Big Beaver Rd. Suite 105 Troy, MI 48083	24%

WELLS BANK
GREYNA, LA. 70053
84-7036254

4093

3/31/1999

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

\$ **250.00

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South Dakota Public Utilities Commission
WEEKLY FILINGS
For the Period of April 1, 1999 through April 7, 1999

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five business days of this filing.
Phone: 605-773-3705 Fax: 605-773-3809

TELECOMMUNICATIONS

TC99-031 In the Matter of the Filing by FiberComm, L.C. for an Exemption from Developing Company Specific Cost-Based Switched Access Rates.

FiberComm, L.C. has filed, pursuant to ARSD 20:10:27, a petition to be exempted from the requirement of developing intrastate switched access rates based on company specific costs. FiberComm, L.C. has also filed a proposed switched access tariff.

Staff Analyst: Michele Farris
Staff Attorney: Karen Cremer
Date Filed: 04/01/99
Intervention Deadline: 04/23/99

TC99-032 In the Matter of the Filing for Approval of an Interconnection Agreement between City of Hawarden and Heartland Telecommunications Company of Iowa.

Any party wishing to comment on the agreement may do so by filing written comments with the Commission and the parties to the agreement no later than April 28, 1999. Parties to the agreement may file written responses to the comments within twenty days of service of the comments.

Staff Analyst: Harlan Best
Staff Attorney: Camron Hoseck
Date Filed: 04/01/99
Comments Due: 04/28/99

TC99-033 In the Matter of the Application of The Free Network, L.L.C. for a Certificate of Authority to Provide Telecommunications Services in South Dakota.

The Free Network, L.L.C. proposes to offer resold intrastate long distance services to the public on a statewide basis in the state of South Dakota. The services to be provided are Message Toll Service, Incoming 800/888 and Travel Card services.

Staff Analyst: Harlan Best
Staff Attorney: Camron Hoseck
Date Filed: 04/01/99
Intervention Deadline: 04/23/99

TC99-034 In the Matter of the Application of erbia Network, Inc. for a Certificate of Authority to Provide Telecommunications Services in South Dakota.

Application of erbia Network, Inc. for a Certificate of Authority to provide intrastate telecommunications services in South Dakota. erbia is proposing to offer interexchange 1+ and 101XXXX direct outbound dialing, 800/888 toll free inbound dialing and travel card services in South Dakota.

Staff Analyst: Dave Jacobson
Staff Attorney: Karen Cremer
Date Filed: 04/02/99
Intervention Deadline 04/23/99

TC99-035 In the Matter of the Application of Blackstone Communications Company for a Certificate of Authority to Provide Telecommunications Services in South Dakota.

Blackstone Communications Company is a reseller which intends to offer 1+ and 101XXXX direct outbound dialing, 800/888 toll-free inbound dialing, travel card and prepaid calling card service.

Staff Analyst: Keith Senger
Staff Attorney: Karen Cremer
Date Filed: 04/07/99
Intervention Deadline: 04/23/99

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NOWALSKY, BRONSTON & GOTHARD

A Professional Limited Liability Company
Attorneys at Law

Leon L. Nowalsky
Benjamin W. Bronston
Edward P. Gothard

3500 N. Causeway Boulevard
Suite 1442
Metairie, Louisiana 70002
Telephone: (504) 832-1984
Facsimile: (504) 831-0892

Monica R. Borne
EllenAnn G. Sands

May 3, 1999

Via Express Delivery

Harlan Best
Utility Analyst
South Dakota Public Utilities Commission
500 E. Capitol Avenue
Pierre, SD 57501

RE: The Free Network, L.L.C. (TC99-033)

Dear Mr. Best:

Enclosed please find an original and two (2) copies of the responses to your requests for information dated April 12, 1999. I have marked the responses according to the numbering set forth in your requests.

If you should have any questions or require additional information, please do not hesitate to call.

Sincerely,



Monica R. Borne

Enclosure

cc: Vitaliano Terracciano, The Free Network

RECEIVED
MAY 05 1999
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Requests #1, #5 and #6

Tariff Revisions
Amended Original Sheets 10, 12, 16 and 27

TELECOMMUNICATIONS SERVICES TARIFF

2.3 Use of Service

Service may not be used for any unlawful purposes.

The minimum period for service is one month (30 days) unless otherwise noted in the service description.

2.4 Liability of Carrier

The provisions of this section are not intended to restrict or limit a customer's rights under SDCL 49-13-1 and 49-13-1.1. If any provisions of this section conflict with SDCL 49-13-1 or 49-13-1.1, the later will prevail.

2.4.1 Carrier shall not be liable to any person, firm or entity for damages, either direct, indirect, consequential, special, incidental, actual, punitive, or for any other damages or for any lost profits of any kind or nature whatsoever, arising out of mistakes, accidents, errors, omissions, interruptions, delays or defects in transmissions, not caused by the carrier.

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

2.4 Liability of Carrier

2.4.3 (continued)

- B. Claims for patent infringement of copyright or unauthorized use of any trademark, trade name, or service mark arising out of the material, data information, or other content transmitted over the carriers facilities; and
- C. All other claims arising out of any act or omission by the customer in connection with any service provided by Carrier.

2.4.4 Carrier shall not be liable for loss, claims, demands, suits, or other actions, or any liability whatsoever, whether suffered, made, instituted, or asserted by the customer or by any party or persons, for a personal injury to, or death of, any person or persons, and for any loss, damage, defacement, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, condition, location, or use that is not the direct result of the Carrier's negligence. No agents or employees of other carriers shall be deemed to be agents or employees of Carrier.

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

2.6.5 Payment of Charges

- A. Service is provided and billed on a monthly (30 day) basis. Charges based on actual usage during a month will be billed monthly in arrears.
- B. Bills are payable upon receipt of invoice. Customers will be charged a late payment penalty in the amount of one and one-half percent (1.5%) per month on delinquent amounts and will be responsible for any charges associated with disconnection and reconnection of service. A bill will be considered delinquent after thirty (30) days from rendition of the invoice.
- C. In the event of a dispute concerning a bill, Customer must pay a sum equal to the amount of the undisputed portion of the bill and proceed with complaint procedures set forth in this tariff. If notice of a dispute as to charges is not received in writing within 180 days after a bill has been rendered, the billing will be considered correct and binding.
- D. Customer is responsible for payment of all state and local taxes (i.e. gross receipts tax, sales tax, municipal utilities tax) which shall be listed as separate line items and which are not included in Carrier's quoted rates.
- E. Customers will be charged a fee on all checks issued to Carrier which are returned due to non-sufficient funds.

2.6.6 Application of Charges

The charges for service are those in effect for the period that service is furnished.

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

4.9 Presubscribed Interexchange Carrier Charge (PICC)

A monthly Federal PICC shall be charged to each telephone number that is presubscribed to carrier per the following:

Effective January 1, 1999:

Primary residential line	\$1.03/line
Additional or secondary residential line	\$2.50/line
Single line business line	\$1.03/line
Multi-line business line	\$4.25/line
Centrex line	\$0.51/line
Minimum monthly charge for centrex	\$4.25
ISDN BRI	\$2.50/BRI
ISDN PRI	\$21.21/PRI

4.10 Universal Service Fund Charge

A monthly Federal Universal Service Fund tax shall be added to each bill based upon the total billed revenues.

4.11 Pay Telephone (Payphone) Surcharge

A surcharge shall be assessed for each call made from a pay telephone to an 800 number or using a travel card and dialing the carrier prefix in the form 101XXXXX. Although collected on the customer's bill, this charge is reimbursed to pay telephone service provider.

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

Request #2

**ARSD 20:10:24:02(8)
Current Financial Statements**

The Free
Network

Corporate Headquarters
1607 E. Big Beaver Rd. • Suite 201
Troy, Michigan 48063
(248) 526-1000 • Fax: (248) 526-1001
Internet: www.thefreenetwork.com
Email: freenetwork@unidial

4-19-99

Dear Sir or Madam:

Subject: 1999 Forecasted Financials

Enclosed is a spreadsheet showing the 1998 actual and the 1999 forecast of our Income Statement. As the forecast shows we will pass from losing money to making a profit in the month of April. Our sources of income are three pronged. The major portion comes from telecommunication. The rest comes from training seminars and training materials and paperwork we sell to our representatives. Most of our expenses were front loaded as we went through a violent growth and had to add staff at higher than normal ratios. Presently as we grow this will not be the case. We will be able to grow without having to add staff especially in the area of executive and administrative positions. We have a line of credit with First Chicago NBD (which will soon be Banc One). Our bank officer is Kim Gorman @ 248-276-0665. Also, there are more funds available from members (Vitaliano Terracciano 248-526-1000 Work and George Verstraete 313-945-4435 Pager). Our Bank account is also with NBD. You can call Kim Gorman regarding that as well.

Sincerely,



Vitaliano Terracciano
Partner
The Free Network
Enclosures (1)

VT/rt

The Free Network Income Statement Analysis
1998 Actuals-1999 Forecasted

	Jan-99	Feb-99	Mar-99	Apr-99	May-99	Jun-99	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	V/E 1999
Revenues:													
Net Commissions	\$205,754	187,410	212,006	219,227	231,186	244,715	257,286	268,752	280,000	290,000	299,000	308,000	2,837,613
Card Billing	4,657,796	40,000	30,000	26,000	102,000	50,000	100,000	50,000	100,000	100,000	100,000	100,000	815,000
Sales And Revenue	32,646	3,125	3,100	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	41,075
Card Renewal Fees	14,366	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	169,800
Var. Revenue	17,335,524	243,035	247,606	260,027	421,986	360,615	303,286	313,962	598,700	718,200	1,003,512	1,107,968	8,920,000
Cost of Sales:													
Carrier Fees	1444,445	100,000	108,004	106,613	115,563	122,367	128,643	134,361	144,306	151,762	160,811	169,166	1,118,442
Outbound Commissions	172,632	7,086	7,200	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	69,246
Printed Materials	1,267,980	14,940	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	69,646
Var. Materials	1,10,460	4,263	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	37,263
Freight	10,702	7,676	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	57,875
Accessories	1,67,142	3,500	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	56,500
Total Cost of Goods Sold	1703,416	137,912	130,204	134,113	140,063	146,607	153,143	158,801	167,606	174,012	181,334	189,766	1,318,000
Net Revenues	\$1,352,108	\$1,046,498	\$1,177,404	\$1,278,913	\$1,381,603	\$1,503,757	\$1,440,143	\$1,544,191	\$1,597,033	\$1,596,186	\$1,407,178	\$1,337,222	\$1,603,101

	Jan-99	Feb-99	Mar-99	Apr-99	May-99	Jun-99	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	V/E 1999
Expenses:													
Using Customer Service													
Collection Expense													
Bad Debt	\$104,027	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	110,230
Advertising and Promotion	18,416	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	154,330
Auto Expense	115,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	56,118
Carolina Commissions	4,268	100	100	100	100	100	100	100	100	100	100	100	110,043
Depreciation and Amortization	133,900	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000
Guaranteed Payments	2,285,932	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	425,000
Insurance	1,50,723	3,000	3,000	3,200	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	40,705
Interest Expense	147,590	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	50,700
Office Expenses	1,17,265	16,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	140,000
Wages and Benefits	12,29,054	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	620,000
Travel and Laundry	3,50,582	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	84,000
Printing and Reproductions	1,87,054	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	66,000
Professional Fees	1,02,346	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000
Rapier and Maintenance	14,978	800	800	800	800	800	800	800	800	800	800	800	2,000
Taxes	17,790	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Telephone	1,46,744	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	65,200
Wholesale Service	1,18,000	500	500	500	500	500	500	500	500	500	500	500	6,000
Travel and Entertainment	1,150,624	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	81,000
Utilities	41,318												
Total Expenses	11,302,718	146,200	146,200	146,400	146,700	146,700	146,700	146,700	146,700	146,700	146,700	146,700	1,422,138
Operating Income	\$208,613	\$89,298	\$333,796	\$430,487	\$518,193	\$647,057	\$699,443	\$745,261	\$811,074	\$899,072	\$1,129,418	\$137,081	\$174,978

Request #3
Regarding Financial Statements

The Company does not currently have financial statements showing revenue and expenses for telecommunications activity separate from the marketing activities. Since the Company only began receiving its resale certifications in 1999, the Company is in the process of getting its telecommunications operations running in the states where these certifications were obtained.

Request #4

**ARSD 20:10:24:02(13)
Federal Tax Identification Number**

The Company's Federal Tax Identification Number is 38-3360921.

Request #4

ARSD 20:10:24:02(14) Switching Complaints

The Company is currently operating as an agent for UniDial, and as such has not had any complaints filed against it with any state or federal regulatory commission regarding the unauthorized switching of a customer's telecommunications provider and the act of charging customers for services that have not been ordered. The Company is in the process of getting its telecommunications resale services up and running in those states where it has obtained certification.

Request #7

**ARSD 20:10:24:02(10)
Statement of Good Standing**

The Applicant is in good standing with the appropriate regulatory agency in all states where it is currently registered or certified.

NOWALSKY, BRONSTON & GOTHARD

A Professional Limited Liability Company

Attorneys at Law

Leon L. Nowalsky
Benjamin W. Bronston
Edward P. Gothard

3500 N. Causeway Boulevard
Suite 1442
Metairie, Louisiana 70002
Telephone: (504) 832-1984
Facsimile: (504) 831-0892

Monica R. Borne
EllenAnn G. Sands

RECEIVED

MAY 13 1999

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

May 6, 1999

Mr. Camron Hoseck
South Dakota Public Utilities Commission
500 E. Capitol Avenue
Pierre, SD 57501

RE: The Free Network, L.L.C. (TC99-033)

Dear Mr. Hoseck:

Enclosed please find an original and two (2) copies of amended original tariff sheets 10 and 12 which have been revised per our telephone conversation earlier today.

If you should have any questions, please do not hesitate to call.

Sincerely,



Monica R. Borne

Enclosure

TELECOMMUNICATIONS SERVICES TARIFF

2.3 Use of Service

Service may not be used for any unlawful purposes.

The minimum period for service is one month (30 days) unless otherwise noted in the service description.

2.4 Liability of Carrier

The provisions of this section are not intended to restrict or limit a customer's rights under SDCL 49-13-1 and 49-13-1.1. If any provisions of this section conflict with SDCL 49-13-1 or 49-13-1.1, then the applicable South Dakota law shall prevail.

2.4.1 Carrier shall not be liable to any person, firm or entity for damages, either direct, indirect, consequential, special, incidental, actual, punitive, or for any other damages or for any lost profits of any kind or nature whatsoever, arising out of mistakes, accidents, errors, omissions, interruptions, delays or defects in transmissions, not caused by the carrier.

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

TELECOMMUNICATIONS SERVICES TARIFF

2.4 Liability of Carrier

2.4.3 (continued)

- B. Claims for patent infringement of copyright or unauthorized use of any trademark, trade name, or service mark arising out of the material, data information, or other content transmitted over the carriers facilities; and
- C. All other claims arising out of any act or omission by the customer in connection with any service provided by Carrier.

ISSUED:

EFFECTIVE:

ISSUED BY: Brad J. Tayles, President
The Free Network, L.L.C.
1607 E. Big Beaver Rd., Suite 105
Troy, Michigan 48083

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE APPLICATION OF)
THE FREE NETWORK, L.L.C. FOR A)
CERTIFICATE OF AUTHORITY TO PROVIDE)
TELECOMMUNICATIONS SERVICES IN)
SOUTH DAKOTA)

ORDER GRANTING
CERTIFICATE OF
AUTHORITY

TC99-033

On April 2, 1999, the Public Utilities Commission (Commission), in accordance with SDCL 49-31-3 and ARSD 20:10:24:02, received an application for a certificate of authority from The Free Network, L.L.C. (Free Network).

Free Network proposes to offer resold intrastate long distance services to the public on a statewide basis in South Dakota. Services will include message toll service, incoming 800/888 and travel card services. A proposed tariff was filed by Free Network. The Commission has classified long distance service as fully competitive.

On April 8, 1999, the Commission electronically transmitted notice of the filing and the intervention deadline of April 23, 1999, to interested individuals and entities. No petitions to intervene or comments were filed and at its May 12, 1999, meeting, the Commission considered Free Network's request for a certificate of authority. Commission Staff recommended granting a certificate of authority.

The Commission finds that it has jurisdiction over this matter pursuant to Chapter 49-31, specifically 49-31-3 and ARSD 20:10:24:02 and 20:10:24:03. The Commission finds that Free Network has met the legal requirements established for the granting of a certificate of authority. Free Network has, in accordance with SDCL 49-31-3, demonstrated sufficient technical, financial and managerial capabilities to offer telecommunications services in South Dakota. The Commission approves Free Network's application for a certificate of authority. As the Commission's final decision in this matter, it is therefore

ORDERED, that Free Network's application for a certificate of authority is hereby granted, effective June 2, 1999. It is

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

Dated at Pierre, South Dakota, this 18th day of May, 1999.

CERTIFICATE OF SERVICE
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by first class mail, in properly addressed envelopes, with charges prepaid thereon.
By <u>Melaine Kalbo</u>
Date <u>5/19/99</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA-SCHOENFELDER, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

CERTIFICATE OF AUTHORITY

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

Authority was Granted May 12, 1999, effective June 2, 1999
Docket No. TC99-033

This is to certify that

THE FREE NETWORK, L.L.C.

is authorized to provide telecommunications services in South Dakota.

This certificate is issued in accordance with SDCL 49-31-3 and ARSD 20.10:24:02, and is subject to all of the conditions and limitations contained in the rules and statutes governing its conduct of offering telecommunications services.

Dated at Pierre, South Dakota, this 18th day of May, 1999.

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION:




JAMES A. BURG, Chairman


PAM NELSON, Commissioner


LASKA SCHOENFELDER, Commissioner