

04/05

DOCKET NO.

Public Utilities Commission of the State of South Dakota

| DATE | MEMORANDA |
|---------|--|
| 6/29/99 | Filed and Docketed; |
| 7/1/99 | Weekly Filing; |
| 8/24/99 | Certificate of Authority from Sec. of State; |
| 9/14/99 | Order Granting C.O.A.; |
| 9/14/99 | Docket Cases. |

TC99-076

RECEIVED

JUN 29 1999

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Lance J.M. Steinhart
Attorney At Law
6455 East Johns Crossing
Suite 285
Duluth, Georgia 30097

Also Admitted in New York
and Maryland

Telephone: (770) 232-9200
Facsimile: (770) 232-9208

June 26, 1999

VIA AIRBORNE EXPRESS

Mr. William Bullard
Executive Director
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501-5070
(605) 773-3201

Re: CallManage, Inc.

Dear Mr. Bullard:

Enclosed please find one original and ten (10) copies of CallManage, Inc.'s Application for Registration of a Telecommunications Company.

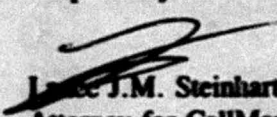
Please note that Exhibit A, the Certificate of Authority from the Secretary of State, is not attached. We have applied for the certificate and will forward a copy to the commission upon receipt.

In order to expedite the processing of this application, I would like to suggest that all requests for information by the analyst be made by either telephone or facsimile. I will make every effort to respond on the day of the request.

I have also enclosed a check in the amount of \$250.00 payable to the "South Dakota Public Utilities Commission" for the filing fee, and an extra copy of this cover letter to be date stamped and returned to me in the enclosed self-addressed prepaid envelope.

If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me.

Respectfully submitted,


Lance J.M. Steinhart
Attorney for CallManage, Inc.

Enclosures

cc: Joanna Valentini

**APPLICATION FOR REGISTRATION
OF CALLMANAGE, INC.
FILED WITH THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE)
APPLICATION OF)
CALLMANAGE, INC.)
FOR AN ORDER)
AUTHORIZING THE REGISTRATION)
OF APPLICANT AS A)
TELECOMMUNICATIONS COMPANY)

Docket No. _____

APPLICATION

Application is hereby made to the South Dakota Public Utilities Commission for an Order authorizing CallManage, Inc. ("Applicant") to register as a telecommunications company within the State of South Dakota. The following information is furnished in support thereof:

1. Name, Address and Telephone Number of Applicant:

CallManage, Inc.
460 Summer Street, 3rd Floor
Stanford, CT 06901
Telephone: (203) 351-0880

2. The name under which the Applicant will provide these services if different than in 1. above:

3. Applicant's corporate information:

Applicant was incorporated in the State of Delaware on April 2, 1996. A copy of the Applicant's Articles of Incorporation is attached hereto as Exhibit A. A copy of Applicant's Certificate of Authority to transact business as a foreign corporation in the State of South Dakota will be filed as Exhibit B upon issuance.

The Applicant has no principal office in South Dakota. The name and address of the Applicant's registered agent is:

National Registered Agents, Inc.
300 South Phillips Avenue, Ste. 300
Sioux Falls, SD 57102

The names and address of each corporation, association, partnership, cooperative, or individual holding a 20% or greater ownership or management interest in the Applicant corporation and the amount and character of the ownership or management interest are as follows:

| Name and Address | Shares Owned | Percentage of all Shares Issued and Outstanding and Voting Control |
|---|--------------|--|
| CallManage, Ltd. 12 Derecg Hasgaribm Mercas Sharibam Jfar Saba 44269 Israel | 4,022,488 | 100% |

4. Partnership Information:

Not Applicable.

5. Description of Services Applicant intends to offer:

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

6. Means by which the Applicant intends to provide services:

Applicant does not own or maintain any transmission facilities or switching equipment in the State of South Dakota. The Applicant will provide services through Vartec Telecom, its underlying carrier. As a reseller, Applicant has no points of presence in the State of South Dakota, thus Applicant neither owns, leases, nor operates any switching, transmission, or other physical facilities in the State of South Dakota, and no such facilities will be used by Applicant in providing service in the State of South Dakota. Rather, Applicant will be engaged in reselling services provided by facilities-based carriers within the State of South Dakota.

7. Geographic Areas in which services will be offered:

Applicant intends to provide services on a statewide basis.

8. Financial Qualifications:

Applicant is financially qualified to provide intrastate interexchange telecommunications services within South Dakota. In particular, Applicant has adequate access to the capital necessary to fulfill any obligations it may undertake with respect to the provision of intrastate telecommunications services in the State of South Dakota. See Exhibit C, which is

attached hereto, Applicant's parent company's consolidated Financial Statements for the years ended December 31, 1997 and December 31, 1998 respectively, which demonstrates that Applicant has the financial ability to provide the services that it proposes to offer.

9. Applicant's complaints and regulatory matters contact and how Applicant handles customer billings and customer service matters.

All inquiries regarding regulatory matters should be addressed to:

Joanna Valentini, Director Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901
Telephone: (203) 351-0880
Facsimile: (203) 351-0885
E-Mail: jvalentini@callmanage.com

All inquiries regarding complaints should be addressed to:

Irit Itzikowitz, Customer Service Contact
460 Summer Street, 3rd Floor
Stanford, CT 06901
Telephone: (800) 458-2682
Facsimile: (203) 351-0885
E-Mail: iriti@callmanage.com

The Applicant's customers will be direct billed utilizing "real-time" completed call detail information from Applicant's underlying carriers. Applicant's toll-free number will be on all invoices and customer service will be provided in-house by the Applicant.

10. Regulatory Status:

Applicant is currently in the process of obtaining all required authorizations from the state regulatory agencies. Applicant is currently authorized to provide service in Iowa, Michigan, Montana, New Jersey, Pennsylvania, Texas, Utah and Virginia.

The Applicant is in good standing with the appropriate regulatory agency in the states where it is registered or certified. The Applicant has never been denied registration or certification nor withdrawn its request for registration or certification in any state.

11. Description of Marketing

Applicant intends to market its services to primarily to residential customers and to small to mid-sized businesses. All sales personnel will have telecommunications service experience. Applicant will market through direct sales by employees and agents. Applicant does not intend to engage in multilevel marketing. Applicant's marketing materials are currently being developed and are not available at this time.

12. Cost Support:

Applicant intends to provide services at a price above its cost.

13. Federal Tax Identification Number:

13-3906087

14. The Number and Nature of Complaints filed against the Applicant 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:

None

15. Tariff

A copy of Applicant's proposed tariff is attached hereto as Exhibit E.

WHEREFORE, the undersigned Applicant requests that the South Dakota Public Utilities Commission enter an order granting this application.

DATED this 20 day of June, 1999.

CallManage, Inc.

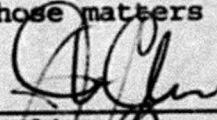
By: [Signature]
Lance J.M. Steinhart, Its Counsel

6455 East Johns Crossing
Suite 285
Duluth, Georgia 30097
(770) 232-9200

STATE OF CONNECTICUT

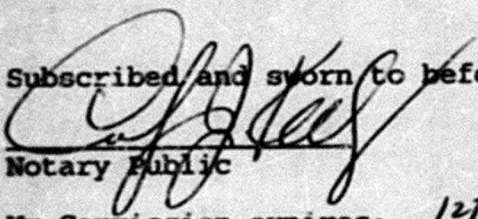
COUNTY OF FAIRFIELD

Joseph Cline, being first duly sworn, deposes and says that he is the President of CallManage, Inc., the Applicant in the proceeding entitled above, that he has read the foregoing application and knows the contents thereof; that the same are true of his knowledge, except as to matters which are therein stated on information or belief, and to those matters he believes them to be true.



Joseph Cline

Subscribed and sworn to before this 23 day of June, 1999.



Notary Public

My Commission expires: 12/31/2001

LIST OF EXHIBITS

- A - ARTICLES OF INCORPORATION**
- B - CERTIFICATE OF AUTHORITY**
- C - MARKETING MATERIAL**
- D - FINANCIAL INFORMATION**
- E - PROPOSED TARIFF**

EXHIBIT A - ARTICLES OF INCORPORATION

State of Delaware

PAGE 1

Office of the Secretary of State

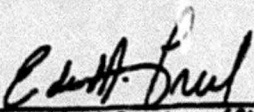
I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "CALLMANAGE INC.", FILED IN THIS OFFICE ON THE FIRST DAY OF APRIL, A.D. 1996, AT 2:45 O'CLOCK P.M.

A CERTIFIED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS FOR RECORDING.



2609009 8100

960094490


Edward J. Freel, Secretary of State

AUTHENTICATION: 7891313

DATE: 04-01-96

CERTIFICATE OF INCORPORATION

OF

CALLMANAGE INC.

FIRST: The name of the Corporation is CALLmanage Inc. (hereinafter the "Corporation").

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

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware as set forth in Title 8 of the Delaware Code (the "GCL").

FOURTH: The total number of shares of stock which the Corporation shall have authority to issue is 1,000 shares of Common Stock, each having a par value of one penny (\$.01).

FIFTH: The name and mailing address of the Sole Incorporator is as follows:

Deborah M. Reusch
P.O. Box 636
Wilmington, DE 19899

SIXTH: The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition, limitation and regulation of the powers of the Corporation and of its directors and stockholders:

(1) The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

(2) The directors shall have concurrent power with the stockholders to make, alter,

amend, change, add to or repeal the By-Laws of the Corporation.

(3) The number of directors of the Corporation shall be as from time to time fixed by, or in the manner provided in, the By-Laws of the Corporation. Election of directors need not be by written ballot unless the By-Laws so provide.

(4) No director shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the Delaware General Corporation Law or (iv) for any transaction from which the director derived an improper personal benefit. Any repeal or modification of this Article SIXTH by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification.

(5) In addition to the powers and authority hereinbefore or by statute expressly conferred upon them, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject, nevertheless, to the provisions of the GCL, this Certificate of Incorporation, and any By-Laws adopted by the stockholders; provided, however, that no By-Laws hereafter adopted by the stockholders shall invalidate any prior act of the directors which would have been valid if such By-Laws had not been adopted.

SEVENTH: Meetings of stockholders may be held within or without the State of Delaware, as the By-Laws

may provide. The books of the Corporation may be kept (subject to any provision contained in the GCL) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-Laws of the Corporation.

EIGHTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

I, THE UNDERSIGNED, being the Sole Incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the GCL, do make this Certificate, hereby declaring and certifying that this is my act and deed and the facts herein stated are true, and accordingly have hereunto set my hand this 1st day of April, 1996.

Del F

Dorothy M. Neusch
Sole Incorporator

State of Delaware
Office of the Secretary of State PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "CALLMANAGE INC.", FILED IN THIS OFFICE ON THE TWENTIETH DAY OF MAY, A.D. 1998, AT 3 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



Edward J. Freel, Secretary of State

2609009 8100

981194484

AUTHENTICATION:

DATE:

9095309

05-21-98

**CERTIFICATE OF AMENDMENT OF THE
CERTIFICATE OF INCORPORATION
OF
CALLMANAGE INC.**

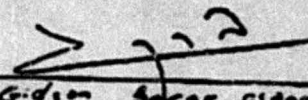
CALLMANAGE INC., a Delaware corporation, the original Certificate of Incorporation of which was filed with the Secretary of State of Delaware on April 1, 1996, HEREBY CERTIFIES that this Certificate of Amendment, amending its Certificate of Incorporation and restating in its entirety Article FOURTH as set forth below to increase the authorized capital stock of the Company, was duly adopted in accordance with Sections 228 and 242 of the General Corporation Law of the State of Delaware.

Article FOURTH of the Certificate of Incorporation is hereby amended to read as follows:

The total number of shares of stock which the Corporation shall have authority to issue is 5,000,000 shares of Common Stock, each having a par value of one penny (\$.01).

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be executed on its behalf on April 4, 1998.

CALLMANAGE INC.


By: Gideon Barak Gideon Barak
Title: Chairman


Attest: 
By: Yair Shoshan Yair Shoshan
Title: Secretary

EXHIBIT B - CERTIFICATE OF AUTHORITY

EXHIBIT C - MARKETING MATERIAL
Not Available

EXHIBIT D - FINANCIAL INFORMATION

CALLMANAGE LTD.

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 1998

IN U.S. DOLLARS

INDEX

| | <u>Page</u> |
|---|-------------|
| Report of Independent Auditors | 2 |
| Consolidated Balance Sheets | 3 - 4 |
| Consolidated Statements of Operations | 5 |
| Statements of Changes in Shareholders' Deficiency | 6 |
| Consolidated Statements of Cash Flows | 7 |
| Notes to Consolidated Financial Statements | 8 - 16 |

.....



REPORT OF INDEPENDENT AUDITORS

To the Shareholders of

CALLMANAGE LTD.

We have audited the accompanying consolidated balance sheets of CallManage Ltd. ("the company") and its subsidiary as of December 31, 1998 and 1997, and the related consolidated statements of operations, changes in shareholders' deficiency and consolidated cash flows for each of the two years in the period ended December 31, 1998. These financial statements are the responsibility of the Company's board of directors and management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in Israel, including those prescribed by the Israeli Auditors (Mode of Performance) Regulations, 1973. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, either originating within the financial statements themselves, or due to any misleading statement included therein. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Company's board of directors and management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The aforementioned consolidated financial statements have been remeasured into U.S. dollars on the basis described in Note 2b.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 1998 and 1997, and the consolidated results of their operations, changes in shareholders' deficiency and cash flows for each of the two years in the period ended December 31, 1998 in conformity with generally accepted accounting principles.

Without qualifying our opinion, as written in Note 1, we wish to draw attention to the Company's loss for the year ended December 31, 1998 amounting to \$ 4,728 thousand, and to its working capital deficiency of \$ 3,903 thousand as of December 31, 1998. The Company's ability to continue to operate is dependent upon additional financial support until profitability is achieved.

Pursuant to Section 211 of the Companies Ordinance (New Version), 1985, we hereby state that we have received all the information and explanations which we have requested and that our opinion on the above financial statements is given based on the best of the information and explanations which we received and as reflected in the books of the Company.

Tel-Aviv, Israel
1999

KOST, FORER & GABBAY
A member of Ernst & Young International

CONSOLIDATED BALANCE SHEETS
U.S. Dollars in thousands

| | December 31, | |
|---------------------------------|---------------|---------------|
| | 1998 | 1997 |
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 92 | \$ 438 |
| Accounts receivable | 95 | 96 |
| Total current assets | 187 | 534 |
| FIXED ASSETS (Note 3): | | |
| Cost | 571 | 472 |
| Less - accumulated depreciation | 247 | 90 |
| Total fixed assets | 324 | 382 |
| | \$ 511 | \$ 966 |

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

U.S. Dollars in thousands

| | December 31, | |
|--|----------------|----------------|
| | 1998 | 1997 |
| LIABILITIES AND SHAREHOLDERS' DEFICIENCY | | |
| CURRENT LIABILITIES: | | |
| Short-term bank credit (Note 4) | \$ 3,412 | \$ 2,016 |
| Trade payables | 214 | 169 |
| Related party (Note 5) | 140 | - |
| Employee and payroll accruals | 356 | 283 |
| Other accounts payable | 157 | 126 |
| Total current liabilities | 4,279 | 2,594 |
| LONG-TERM LIABILITIES: | | |
| Long-term loans (Note 6) | 70 | 32 |
| Accrued severance pay, net (Note 7) | 38 | 30 |
| Total long-term liabilities | 108 | 62 |
| CONVERTIBLE LOAN (Note 8) | 2,157 | - |
| SHAREHOLDERS' DEFICIENCY: | | |
| Share capital - | | |
| Preferred shares: | | |
| Authorized: 2,500,000 shares of NIS 0.1 par value as of December 31, 1998 and 1997 | | |
| Issued and outstanding: 1,008,574 as of December 31, 1998 and 1997 | 29 | 20 |
| Ordinary shares: | | |
| Authorized: 5,500,000 shares of NIS 0.1 par value as of December 31, 1998 and 1997 | | |
| Issued and outstanding: 3,042,000 as of December 31, 1998 and 1997 | 94 | 94 |
| Additional paid-in capital | 2,983 | 2,742 |
| Accumulated deficit | (9,139) | (4,546) |
| Total shareholders' deficiency | (6,033) | (1,690) |
| Total liabilities and shareholders' deficiency | \$ 511 | \$ 966 |

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS
U.S. Dollars in thousands

| | Year ended December 31, | |
|-------------------------------------|-------------------------|----------|
| | 1998 | 1997 |
| Research and development expenses | \$ 1,364 | \$ 1,408 |
| Marketing expenses, net | 2,517 | 1,905 |
| General and administrative expenses | 655 | 642 |
| Operating loss | 4,536 | 3,955 |
| Financial expenses, net | 57 | 25 |
| Loss for the year | \$ 4,593 | \$ 3,980 |

The accompanying notes are an integral part of the consolidated financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY

U.S. Dollars in thousands

| | Preferred shares | Ordinary shares | Additional paid-in capital | Accumulated deficit | Total shareholders' deficiency |
|--|---------------------|--------------------|----------------------------------|------------------------|--------------------------------------|
| Balance at January 1, 1997 | \$ - | \$ 1 | \$ 309 | \$ (566) | \$ (256) |
| Stock dividend | - | 97 | (97) | - | - |
| Issuance of share capital, net | 10 | 6 | 2,530 | - | 2,546 |
| Conversion of Ordinary shares into preferred shares | 10 | (10) | - | - | - |
| Loss for the year | - | - | - | (3,980) | (3,980) |
| Balance at December 31, 1997 | 20 | 94 | 2,742 | (4,546) | (1,690) |
| Issuance of share capital, net | 9 | - | 241 | - | 250 |
| Loss for the year | - | - | - | (4,593) | (4,593) |
| Balance at December 31, 1998 | \$ 29 | \$ 94 | \$ 2,983 | \$ (9,139) | \$ (6,033) |

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS**CALLMANAGE LTD.**

U.S. Dollars in thousands

| | Year ended December 31, | |
|---|-------------------------|------------|
| | 1998 | 1997 |
| Cash flows from operating activities: | | |
| Loss for the year | \$ (4,593) | \$ (3,980) |
| Adjustments to reconcile loss to net cash used in operating activities: | | |
| Depreciation | 157 | 81 |
| Changes in assets and liabilities: | | |
| Decrease (increase) in accounts receivable | 1 | (87) |
| Increase in other accounts payable | 31 | 111 |
| Increase in accrued severance, net | 8 | 26 |
| Increase in trade payables | 45 | 144 |
| Increase (decrease) in related party | 140 | (10) |
| Accrued interest on short-term bank credit and loans | 28 | - |
| Increase in employee and payroll accruals | 73 | 213 |
| Net cash used in operating activities | (4,110) | (3,502) |
| Cash flows from investing activities: | | |
| Purchase of fixed assets | (99) | (406) |
| Net cash used in investing activities | (99) | (406) |
| Cash flows from financing activities: | | |
| Proceeds from issuance of shares, net | 250 | 2,546 |
| Short-term bank credit, net | 1,368 | 1,782 |
| Proceeds from convertible loans | 2,157 | - |
| Proceeds from long-term loans | 38 | 32 |
| Net cash provided by financing activities | 3,813 | 4,360 |
| Increase (decrease) in cash and cash equivalents | (396) | 452 |
| Cash and cash equivalents at the beginning of the year | 488 | 36 |
| Cash and cash equivalents at the end of the year | \$ 92 | \$ 488 |

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. Dollars in thousands

NOTE 1:- GENERAL

CallManage Ltd. ("the Company"), was incorporated in March 1996. For the purpose of development communication software and hardware products that perform a phone-carrier selection. CallManage Inc. the Company's wholly-owned subsidiary was incorporated in April, 1996, in the United States for the purpose of marketing and selling the products in the U.S.

We wish to draw attention to the Company's loss for the year ended December 31, 1998 amounting to \$ 4,728 thousand, and to its working capital deficiency of \$ 3,903 thousand as of December 31, 1998. The Company's ability to continue to operate is dependent upon additional financial support until profitability is achieved.

Uncertainty due to the Year 2000 Issue:

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Data-Sensitive systems may recognize the Year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an entity's ability to conduct normal business operations.

It is not possible to be certain that all aspects of the Year 2000 Issue affecting the entity, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES**a. Use of estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

b. Financial statements in U.S. Dollars:

The Company believes that the U.S. Dollar ("dollar") is the currency of the primary economic environment in which it operates. Therefore, the functional and reporting currency for the Company is the dollar.

The Company's transactions and balances denominated in dollars are presented at their original amounts. Non dollar transactions and balances have been remeasured into dollars in accordance with the requirements of Statement No. 52 of the Financial Accounting Standards Board (FASB). All transaction gains and losses from remeasurement of monetary balance sheet items denominated in non-dollar currencies are reflected in the statement of operations as financial expenses or income, as appropriate.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. Dollars in thousands

c. Principles of consolidation:

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiary, CallManage Inc. Significant intercompany transactions and balances have been eliminated in the consolidation.

d. Cash equivalents:

The Company considers all highly liquid investments originally purchased with maturities of three months or less to be cash equivalents.

e. Fixed assets:

Fixed assets are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives at the following annual rates:

The annual depreciation rates are as follows:

| | % |
|------------------------------------|----------------------------|
| Computers and peripheral equipment | 33 |
| Motor vehicles | 15 |
| Office furniture and equipment | 6-15 |
| Leasehold improvements | over the term of the lease |

f. Research and development costs:

Research and development costs are charged to the statement of operations as incurred. Statement of Financial Accounting Standards ("SFAS") No. 86 "Accounting for the Costs of Computer Software to be Sold, Leased or Otherwise Marketed", requires capitalization of certain software development costs subsequent to the establishment of technological feasibility.

Based on the Company's product development process, technological feasibility is established upon completion of a working model. Costs incurred by the Company between completion of the working model and the point at which the product is ready for general release have been insignificant and, therefore, all research and development costs have been expensed.

g. Stock option plan:

The Company has elected to follow Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25"), in accounting for its employee stock options plans. Under APB 25, when the exercise price of the Company's employee stock options equals the market price of the underlying stock on the date of grant, no compensation expense is recognized.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. Dollars in thousands

The Company has adopted SFAS No. 123, "Accounting for Stock-Based Compensation" with respect to warrants issued to non-employees. SFAS No. 123 requires use of option valuation models to measure the fair value of the warrants at the grant date.

NOTE 3:- FIXED ASSETS

| | December 31 | |
|------------------------------------|---------------|---------------|
| | 1998 | 1997 |
| Comprised as follows: | | |
| Cost: | | |
| Computers and peripheral equipment | \$ 392 | \$ 371 |
| Motor vehicles | 107 | 39 |
| Office furniture and equipment | 44 | 34 |
| Leasehold improvements | 28 | 28 |
| | <u>571</u> | <u>472</u> |
| Accumulated depreciation: | | |
| Computers and peripheral equipment | 202 | 80 |
| Motor vehicles | 16 | 2 |
| Office furniture and equipment | 7 | 2 |
| Leasehold improvements | 22 | 6 |
| | <u>247</u> | <u>90</u> |
| Depreciated cost | <u>\$ 324</u> | <u>\$ 382</u> |

As for charges, see Note 10.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. Dollars in thousands

NOTE 4:- SHORT-TERM BANK CREDIT

Short-term loans consist of bank credit of which, as of December 31, 1998, stand for:

- (1) The amounts of \$ 1,653 which bears interest at the rate of 5.375% to 10% and is linked to the U.S. dollar.
- (2) The amount of \$ 1,759 which bears interest at the rate of 10.65% to 19% and is is unlinked NIS.

NOTE 5: RELATED PARTY

The balance is linked to the U.S. dollars.

The balance is due to management services received from a related party.

NOTE 6:- LONG TERM-LOANS**a. Composed as follows:**

| | Interest rate % | December 31, | |
|---------------------------|-----------------------|--------------|--------------|
| | | 1998 | 1997 |
| Linked to Israeli CPI | 5.75 | \$ 90 | \$ 40 |
| Less - current maturities | | 20 | 8 |
| | | <u>\$ 70</u> | <u>\$ 32</u> |

b. Aggregate maturities of long-term capital leases:

| | | |
|---------------------------------|--------------|--------------|
| First year (current maturities) | <u>\$ 20</u> | <u>\$ 8</u> |
| Second year | 23 | 8 |
| Third year | 26 | 9 |
| Thereafter | <u>21</u> | <u>15</u> |
| | <u>70</u> | <u>32</u> |
| | <u>\$ 90</u> | <u>\$ 40</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. Dollars in thousands

NOTE 7:- ACCRUED SEVERANCE PAY, NET

According to Israeli law, the Company is required to make severance payments to dismissed employees (including officers) and to employees leaving employment under certain other circumstances. This liability is calculated based on the salary of each employee for the month prior to the balance sheet date, multiplied by the period of employment of each employee. The Company's liability for required severance payment is covered by payments to insurance policies and by an accrual. The accrual for severance pay reflected in the balance sheets is in respect of the uncovered liability.

The amounts accrued and funded in Israel are as follows:

| | December 31, | |
|-----------------------|--------------|--------------|
| | 1998 | 1997 |
| Amounts accrued | \$ 137 | \$ 87 |
| Less - amounts funded | 99 | 57 |
| | <u>\$ 38</u> | <u>\$ 30</u> |

NOTE 8:- CONVERTIBLE LOAN

During 1998, the Company issued convertible loans to several outside lenders in the total amount of \$ 2,400. The loans bears an annual interest of 10% to 24% and are convertible into preferred share.

In addition each of the lenders are also entitled to warrants that vary from 1% to 13% of the value of the outstanding convertible loans, for each month until conversion accrues, calculated on a daily basis.

To the extent that lender shall elect not to convert the loan or to convert only part of the loan, then the Company shall repay lender the balance of the loan which was not so converted up on the earlier of (i) promptly after such time that the company receives, in one transaction or a series of transactions, the proceeds of a private placement in the amount mentioned in the agreements, (ii) the sale of all or substantially all the outstanding shares or assets of the company, and (iii) 12 months after the payment date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. Dollars in thousands

NOTE 9:- SHARE CAPITAL**a. Pertinent rights and privileges of shares:**

The rights attached to the different classes of shares of the company are as follows:

Ordinary shares

Voting rights - The holders of the ordinary shares shall be entitled to one vote for each share held by such holders in all matters submitted to the shareholders of the Company.

Dividends - shall be paid on all outstanding capital shares of the Company contemporaneously and the same percentage of dividend rate will be paid on each outstanding share.

Liquidation - After the holders of the preferred shares received their preference amount, the holders of the ordinary shares are entitled to receive from the remaining assets legally available for distribution their pro rata share, together with the holders of the preferred share.

Class A ordinary shares

Class A shares are non-voting shares, and do not entitle the holders thereof to vote in matters brought to the shareholders. Upon the IPO, such shares shall automatically convert into the same number of ordinary shares.

Preferred shares

Voting rights - The holders of preferred shares shall be entitled to vote on all matters submitted to the shareholders with such number of votes which is equal to the number of ordinary shares into which such preferred share could be converted.

Liquidation - The holders of preferred shares shall be entitled to receive from the assets legally available for distribution the amount of consideration per preferred share paid to the Company upon issuance and sale to the initial holder, and thereafter to participate pro rata with the holders of ordinary shares in the distribution of any excess assets. In the event such amount is not paid in full, the holders shall share ratably in proportion to the full respective preferential amounts to which they are entitled.

Dividends - similar to the ordinary shares.

Conversion - automatically converted upon the earlier of (i) IPO or (ii) consummation of a merger, consolidation or sale of assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**U.S. Dollars in thousands****b. Stock Option Plan:**

Under the Company's Stock Option Plan ("the Plan"), options granted under the plan are exercisable into class "A" ordinary shares and may be granted to employees, officers, directors and consultants of the Company or of any subsidiary. The exercise price of the options granted under the Plan may not be less than the nominal value of the share into which such options is exercisable.

In 1998 and 1997, 91,212 and 600,882 options were granted and 795,860 and 732,452 are outstanding at each year-end, respectively.

Each option granted under the plan will expire no later than 10 years from the date of the grant unless previously exercised. Options granted under the plan are generally exercisable in payments during the option term. Any options which are cancelled or not exercised within the option period become available for future grants.

All Options vest over a four-year period commencing on the first anniversary of employment.

EXHIBIT E - PROPOSED TARIFF

CALLMANAGE, INC.

ORIGINAL SHEET 1

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

TITLE SHEET

SOUTH DAKOTA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service or facilities for Telecommunications Services furnished by CallManage, Inc. ("CMI"), with principal offices at 460 Summer Street, 3rd Floor, Stanford, Connecticut 06901. This tariff applies for services furnished within the State of South Dakota. 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: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901

CALLMANAGE, INC.

ORIGINAL SHEET 2

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

RESERVED FOR FUTURE USE

ISSUED: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901

CALLMANAGE, INC.

ORIGINAL SHEET 3

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

CHECK SHEET

The Sheets of this tariff are effective as of the date shown at the bottom of the respective sheet(s). 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 sheet.

| <u>SHEET</u> | <u>REVISION</u> |
|--------------|-----------------|
| 1 | Original |
| 2 | Original |
| 3 | Original |
| 4 | Original |
| 5 | Original |
| 6 | Original |
| 7 | 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 |
| 21 | Original |
| 22 | Original |
| 23 | Original |
| 24 | Original |
| 25 | Original |
| 26 | Original |
| 27 | Original |
| 28 | Original |
| 29 | Original |
| 30 | Original |
| 31 | Original |
| 32 | Original |

* New or Revised Sheet

ISSUED: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901

TELECOMMUNICATIONS SERVICES TARIFFTABLE OF CONTENTS

| | Page |
|--|------|
| Title Sheet..... | 1 |
| Reserved for Future Use..... | 2 |
| Check Sheet..... | 3 |
| Table of Contents..... | 4 |
| Tariff Format..... | 5 |
| Symbols..... | 6 |
| Section 1 - Technical Terms and Abbreviations..... | 7 |
| Section 2 - Rules and Regulations..... | 9 |
| 2.1 Undertaking of the Company..... | 9 |
| 2.2 Use of Services..... | 10 |
| 2.3 Liability of the Company..... | 11 |
| 2.4 Responsibilities of the Customer..... | 13 |
| 2.5 Cancellation or Interruption of Service..... | 15 |
| 2.6 Credit Allowance..... | 17 |
| 2.7 Restoration of Service..... | 18 |
| 2.8 Deposit..... | 18 |
| 2.9 Advance Payments..... | 18 |
| 2.10 Payment and Billing..... | 19 |
| 2.11 Collection Costs..... | 20 |
| 2.12 Taxes..... | 20 |
| 2.13 Late Charge..... | 20 |
| 2.14 Returned Check Charge..... | 20 |
| 2.15 Reconnection Charge..... | 20 |
| Section 3 - Description of Service..... | 21 |
| 3.1 Computation of Charges..... | 21 |
| 3.2 Customer Complaints and/or Billing Disputes... | 22 |
| 3.3 Level of Service..... | 23 |
| 3.4 Billing Entity Conditions..... | 23 |
| 3.5 Service Offerings..... | 24 |
| Section 4 - Rates..... | 29 |

ISSUED: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901

TELECOMMUNICATIONS SERVICES TARIFFTARIFF 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 pages 11 and 12 would be page 11.1.

B. Sheet Revision Numbers: Revision numbers also appear in the upper right corner of each sheet where applicable. These numbers are used to indicate the most current page version on file with the Commission. For example, 4th Revised Sheet 13 cancels 3rd Revised Sheet 13. Consult the Check Sheet for the sheets currently in effect.

C. Paragraph Numbering Sequence: There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

- 2.
- 2.1
- 2.1.1
- 2.1.1.A
- 2.1.1.A.1
- 2.1.1.A.1.(a)
- 2.1.1.A.1.(a).I
- 2.1.1.A.1.(a).I.(i)
- 2.1.1.A.1.(a).I.(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 filed with the Commission.

ISSUED: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901

TELECOMMUNICATIONS SERVICES TARIFF

SYMBOLS

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

- (C) to signify change in regulation
- (D) to signify a deletion
- (I) to signify a rate increase
- (L) to signify material relocated in the tariff
- (N) to signify a new rate or regulation
- (R) to signify a rate reduction
- (T) to signify a change in text, but no change in rate or regulation

ISSUED: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901

TELECOMMUNICATIONS SERVICES TARIFFSECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement from a local exchange telephone company or other common carrier, using either dedicated or switched access, which connects a Customer's location to CMI's location or switching center.

Authorization Code - A numerical code, one or more of which may be assigned to a Customer, to enable CMI to identify the origin of the Customer so it may rate and bill the call. Automatic number identification (ANI) is used as the authorization code wherever possible.

Commission - Used throughout this tariff to mean the South Dakota Public Utilities Commission.

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

Company or CMI - Used throughout this tariff to mean CallManage, Inc., a Delaware corporation.

Dedicated Access - The Customer gains entry to the Company's services by a direct path from the Customer's location to the Company's point of presence.

Holiday - New Year's Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Holidays shall be billed at the evening rate from 8 a.m. to 11 p.m. After 11 p.m., the lower night rate shall go into effect.

ISSUED: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901

TELECOMMUNICATIONS SERVICES TARIFF

Resp. Org - Responsible Organization or entity identified by an 800 service Customer that manages and administers records in the 800 database and management system.

Switched Access - The Customer gains entry to the Company's services by a transmission line that is switched through the local exchange carrier to reach the Company's point of presence.

Telecommunications - The transmission of voice communications or, subject to the transmission capabilities of the services, the transmission of data, facsimile, signaling, metering, or other similar communications.

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

ISSUED: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901

TELECOMMUNICATIONS SERVICES TARIFFSECTION 2 - RULES AND REGULATIONS2.1 Undertaking of the Company

This tariff contains the regulations and rates applicable to intrastate resale telecommunications services provided by CMI for telecommunications between points within the State of South Dakota. Resale services are furnished subject to the availability of facilities and subject to the terms and conditions of this tariff in compliance with limitations set forth in the Commission's rules. The Company's services are provided on a statewide basis and are not intended to be limited geographically. The Company offers service to all those who desire to purchase service from the Company consistent with all of the provisions of this tariff. Customers interested in the Company's services shall file a service application with the Company which fully identifies the Customer, the services requested and other information requested by the Company. The Company reserves the right to examine the credit record and check the references of all applicants and Customers. The Company may examine the credit profile/record of any applicant prior to accepting the service order. The service application shall not in itself obligate the Company to provide services or to continue to provide service if a later check of applicant's credit record is, in the opinion of the Company, contrary to the best interest of the Company. 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 a service provided by the Company. The Customer shall be responsible for all charges due for such service arrangement.

ISSUED: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901

TELECOMMUNICATIONS SERVICES TARIFF

- 2.1.1 The services provided by CMI are not part of a joint undertaking with any other entity providing telecommunications channels, facilities, or services, but may involve the resale of the Message Toll Services (MTS) and Wide Area Telecommunications Services (WATS) of underlying common carriers which may be subject to the jurisdiction of this Commission.
- 2.1.2 The rates and regulations contained in this tariff apply only to the resale services furnished by CMI and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carriers for use in accessing the services of CMI.
- 2.1.3 The Company reserves the right to limit the length of communications, to discontinue furnishing services, or limit the use of service necessitated by conditions beyond its control, including, without limitation: lack of satellite or other transmission medium capacity; the revision, alteration or repricing of the Underlying Carrier's tariffed offerings; or when the use of service becomes or is in violation of the law or the provisions of this tariff.

2.2 Use of Services

- 2.2.1 CMI's services may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of services, subject to any limitations set forth in this Section 2.2.
- 2.2.2 The use of CMI's services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another or in such a way as to unreasonably interfere with use by others is prohibited.

ISSUED: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901

TELECOMMUNICATIONS SERVICES TARIFF

- 2.2.3 The use of CMI's services without payment for service or attempting to avoid payment for service by fraudulent means or devices, schemes, false or invalid numbers, or false calling or credit cards is prohibited.
- 2.2.4 CMI's services are available for use twenty-four hours per day, seven days per week.
- 2.2.5 CMI does not transmit messages, but the services may be used for that purpose.
- 2.2.6 CMI's services may be denied for nonpayment of charges or for other violations of this tariff.
- 2.2.7 Customers shall not use the service provided under this tariff for any unlawful purpose.
- 2.2.8 The Customer is responsible for notifying the Company immediately of any unauthorized use of services.

2.3 Liability of the Company

- 2.3.1 The Company shall not be liable for any claim, loss, expense or damage for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff, if caused by the Underlying Carrier, an act of God, fire, war, civil disturbance, act of government, or due to any other causes beyond the Company's control.
- 2.3.2 The Company shall not be liable for, and shall be fully indemnified and held harmless by the Customer against any claim, loss, expense, or damage for defamation, libel, slander, invasion, infringement of copyright or patent, unauthorized use of any trademark, trade name or service mark, proprietary or creative right, or any other injury to any person, property or entity arising out of the material, data or information transmitted.

ISSUED: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations

460 Summer Street, 3rd Floor

Stanford, CT 06901

CALLMEARGE, INC.

ORIGINAL SHEET 12
SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

- 2.3.3 No agent or employee of any other carrier or entity shall be deemed to be an agent or employee of the Company.
- 2.3.4 Reserved for Future Use
- 2.3.5 Reserved for Future Use
- 2.3.6 Reserved for Future Use

ISSUED: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901

TELECOMMUNICATIONS SERVICES TARIFF

- 2.3.7 The remedies set forth herein are exclusive and in lieu of all other warranties and remedies, whether express, implied, or statutory, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

2.4 Responsibilities of the Customer

- 2.4.1 The Customer is responsible for placing any necessary orders and complying with tariff regulations. The Customer is also responsible for the payment of charges for services provided under this tariff.
- 2.4.2 The Customer is responsible for charges incurred for special construction and/or special facilities which the Customer requests and which are ordered by CMI on the Customer's behalf.
- 2.4.3 If required for the provision of CMI's services, the Customer must provide any equipment space, supporting structure, conduit and electrical power without charge to CMI.
- 2.4.4 The Customer is responsible for arranging access to its premises at times mutually agreeable to CMI and the Customer when required for CMI personnel to install, repair, maintain, program, inspect or remove equipment associated with the provision of CMI's services.
- 2.4.5 The Customer shall cause the temperature and relative humidity in the equipment space provided by Customer for the installation of CMI's equipment to be maintained within the range normally provided for the operation of microcomputers.

ISSUED: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901

TELECOMMUNICATIONS SERVICES TARIFF

- 2.4.6 The Customer shall ensure that the equipment and/or system is properly interfaced with CMI's facilities or services, that the signals emitted into CMI's network are of the proper mode, bandwidth, power and signal level for the intended use of the subscriber and in compliance with criteria set forth in this tariff, and that the signals do not damage equipment, injure personnel, or degrade service to other Customers. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, CMI will permit such equipment to be connected with its channels without the use of protective interface devices. If the Customer fails to maintain the equipment and/or the system properly, with resulting imminent harm to CMI equipment, personnel or the quality of service to other Customers, CMI may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, CMI may, upon written notice, terminate the Customer's service.
- 2.4.7 The Customer must pay CMI for replacement or repair of damage to the equipment or facilities of CMI caused by negligence or willful act of the Customer or others, by improper use of the services, or by use of equipment provided by Customer or others.
- 2.4.8 The Customer must pay for the loss through theft of any CMI equipment installed at Customer's premises.
- 2.4.9 If CMI installs equipment at Customer's premises, the Customer shall be responsible for payment of any applicable installation charge.

ISSUED: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901

TELECOMMUNICATIONS SERVICES TARIFF

- 2.4.10 The Customer must use the services offered in this tariff in a manner consistent with the terms of this tariff and the policies and regulations of all state, federal and local authorities having jurisdiction over the service.

2.5 Cancellation or Interruption of Services

- 2.5.1 Without incurring liability, upon five (5) working days' (defined as any day on which the company's business office is open and the U.S. Mail is delivered) written notice to the Customer, CMI may immediately discontinue services to a Customer or may withhold the provision of ordered or contracted services:
- 2.5.1.A For nonpayment of any sum due CMI for more than thirty (30) days after issuance of the bill for the amount due, unless the charge is in dispute;
 - 2.5.1.B For violation of any of the provisions of this tariff,
 - 2.5.1.C For violation of any law, rule, regulation, policy of any governing authority having jurisdiction over CMI's services, or
 - 2.5.1.D By reason of any order or decision of a court, public service commission or federal regulatory body or other governing authority prohibiting CMI from furnishing its services.

ISSUED: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901

TELECOMMUNICATIONS SERVICES TARIFF

- 2.5.2 Without incurring liability, CMI may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of Customer and CMI's equipment and facilities and may continue such interruption until any items of noncompliance or improper equipment operation so identified are rectified.
- 2.5.3 Service may be discontinued by CMI without notice to the Customer, by blocking traffic to certain countries, cities or NXX exchanges, or by blocking calls using certain Customer authorization codes, when CMI deems it necessary to take such action to prevent unlawful use of its service. CMI will restore service as soon as it can be provided without undue risk, and will, upon request by the Customer affected, assign a new authorization code to replace the one that has been deactivated.
- 2.5.4 The Customer may terminate service upon thirty (30) days written notice for the Company's standard month to month contract. Customer will be liable for all usage on any of the Company's service offerings until the Customer actually leaves the service. Customers will continue to have Company usage until the Customer notifies its local exchange carrier and changes its long distance carrier. Until the Customer so notifies its local exchange carrier, it shall continue to generate and be responsible for long distance usage.

ISSUED: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901

TELECOMMUNICATIONS SERVICES TARIFF

2.6 Credit Allowance

- 2.6.1 Credit may be given for disputed calls, on a per call basis.

ISSUED: June 28, 1999

EFFECTIVE: , 1999

**ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901**

TELECOMMUNICATIONS SERVICES TARIFF

2.7 Restoration of Service

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

2.8 Deposit

The Company does not require deposits.

2.9 Advance Payments

The Company does not require advance payments.

ISSUED: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901

TELECOMMUNICATIONS SERVICES TARIFF2.10 Payment and Billing

- 2.10.1 Service is provided and billed on a billing cycle basis, beginning on the date that service becomes effective. Billing is payable upon receipt. A late fee will be assessed on unpaid amounts 30 days after rendition of bills.
- 2.10.2 The customer is responsible for payment of all charges for services furnished to the Customer, as well as to all persons using the Customer's codes, exchange lines, facilities, or equipment, with or without the knowledge or consent of the Customer. The security of the Customer's Authorization Codes, subscribed exchange lines, and direct connect facilities is the responsibility of the Customer. All calls placed using direct connect facilities, subscribed exchange lines, or Authorization Codes will be billed to and must be paid by the Customer. Charges based on actual usage during a month and any accrued interest will be billed monthly in arrears.
- 2.10.3 All bills are presumed accurate, and shall be binding on the customer unless objection is received by the Company in writing within 180 days after such bills are rendered. No credits, refunds, or adjustments shall be granted if demand therefore is not received by the Company in writing within such 180 day period.

ISSUED: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901

TELECOMMUNICATIONS SERVICES TARIFF**2.11 Collection Costs**

In the event Company is required to initiate legal proceedings to collect any amounts due to Company, or to enforce any judgment obtained against a Customer, or for the enforcement of any other provision of this tariff or applicable law, Customer shall, in addition to all amounts due, be liable to Company for all reasonable costs incurred by Company in such proceedings and enforcement actions, including reasonable attorneys' fees, collection agency fees or payments, and court costs. In any such proceeding, the amount of collection costs, including attorneys' fees, due to the Company, will be determined by a court of competent jurisdiction or by the Commission.

2.12 Taxes

All federal, state and local taxes, assessments, surcharges, or fees, including sales taxes, use taxes, gross receipts taxes, and municipal utilities taxes, are billed as separate line items and are not included in the rates quoted herein.

2.13 Late Charge

A late fee of 1.5% per month or the amount otherwise authorized by law, whichever is lower, will be charged on any past due balances.

2.14 Returned Check Charge

A fee of \$25.00 will be charged whenever a check or draft presented for payment for service is not accepted by the institution on which it is written.

2.15 Reconnection Charge

A reconnection fee of \$25 per occurrence will be charged when service is reestablished for Customers which have been disconnected due to non-payment. Payment of the reconnection fee and any other outstanding amounts will be due in full prior to reconnection of service.

ISSUED: June 28, 1999**EFFECTIVE: , 1999**

ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901

TELECOMMUNICATIONS SERVICES TARIFFSECTION 3 - DESCRIPTION OF SERVICE3.1 Computation of Charges

3.1.1 The total charge for each completed call may be a variable measured charge dependent on the duration, distance and time of day of the call. The total charge for each completed call may also be dependent only on the duration of the call, i.e. a statewide flat rate per minute charge. The variable measured charge is specified as a rate per minute which is applied to each minute. All calls are measured in increments as set forth in the Rates Section of this tariff. All calls are rounded up to the next whole increment.

3.1.2 Where mileage bands appear in a rate table, rates for all calls are based upon the airline distance between the originating and terminating points of the call, as determined by the vertical and horizontal coordinates associated with the exchange (the area code and three digit central office code) associated with the originating and terminating telephone numbers. If the Customer obtains access to the Company's network by a dedicated access circuit, that circuit will be assigned an exchange for rating purposes based upon the Customer's main telephone number at the location where the dedicated access circuit terminates. The vertical and horizontal (V & H) coordinates for each exchange and the airline distance between them will be determined according to industry standards.

ISSUED: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901

TELECOMMUNICATIONS SERVICES TARIFF

- 3.1.3 Timing begins when the called station is answered and two way communication is possible, as determined by standard industry methods generally in use for ascertaining answer, including hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. Recognition of answer supervision is the responsibility of the Underlying Carrier. Timing for each call ends when either party hangs up. CMI will not bill for uncompleted calls.

3.2 Customer Complaints and/or Billing Disputes

Customer inquiries or complaints regarding service or accounting may be made in writing or by telephone to the Company at:

460 Summer Street, 3rd Floor
Stanford, CT 06901
(800) 458-2682

Any objection to billed charges should be reported promptly to CMI. Adjustments to Customers' bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate.

ISSUED: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations

460 Summer Street, 3rd Floor
Stanford, CT 06901

TELECOMMUNICATIONS SERVICES TARIFF

The Company will respond within seventy two (72) hours of receipt of an inquiry. If the Customer is dissatisfied with the Company's response to a complaint or inquiry, the Customer may file a complaint with the Commission for resolution of the conflict. The South Dakota Public Utilities Commission can be reached at:

500 East Capitol
Pierre, SD 57501-5070
(605) 773-3201
(800) 332-1782
TTY through Relay Service South Dakota-
(800) 877-1113

If a Customer accumulates more than One Dollar of undisputed delinquent CMI 800 Service charges, the CMI Resp. Org. reserves the right not to honor that Customer's request for a Resp. Org. change until such undisputed charges are paid in full.

3.3 Level of Service

A Customer can expect end to end network availability of not less than 99% at all times for all services.

3.4 Billing Entity Conditions

When billing functions on behalf of CMI or its intermediary are performed by local exchange telephone companies or others, the payment of charge conditions and regulations of such companies and any regulations imposed upon these companies by regulatory bodies having jurisdiction apply. CMI's name and toll-free telephone number will appear on the Customer's bill.

ISSUED: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901

TELECOMMUNICATIONS SERVICES TARIFF

3.5 Service Offerings

3.5.1 1+ and 101XXXX Dialing

This service permits Customers to originate calls via switched or dedicated access lines, and to terminate intrastate calls. The customer dials "1+" followed by "ten digits" or dials "101XXXX" followed by "1+ ten digits".

3.5.2 Travel Cards

The Customer utilizes an 11 digit "toll-free" access number established by the Company to access a terminal. Upon receiving a voice prompt, the Customer uses push button dialing to enter an identification code assigned by the Company, and the ten digit number of the called party.

3.5.3 800 Service (Toll-Free)

This service is inbound calling only where an 800, 888 or other toll-free prefix number rings into a Customer's premise routed to a specific telephone number or terminated over a dedicated facility.

ISSUED: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901

CALLMANAGE, INC.

ORIGINAL SHEET 25

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

3.5.4 Reserved for Future Use

ISSUED: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901

CALLMANAGE, INC.

ORIGINAL SHEET 26

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

Reserved for Future Use

ISSUED: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations

460 Summer Street, 3rd Floor

Stanford, CT 06901

TELECOMMUNICATIONS SERVICES TARIFF

3.5.5 Directory Assistance.

Access to long distance directory assistance is obtained by dialing 1 + 555-1212 for listings within the originating area code and 1 + (area code) + 555-1212 for other listings. When more than one number is requested in a single call, a charge will apply for each number requested. A charge will be applicable for each number requested, whether or not the number is listed or published.

ISSUED: June 28, 1999

EFFECTIVE: , 1999

**ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901**

TELECOMMUNICATIONS SERVICES TARIFF

3.5.6 Specialized Pricing Arrangements.

Customized service packages and competitive pricing packages at negotiated rates may be furnished on a case-by-case basis in response to requests by Customers to the Company for proposals or for competitive bids. Service offered under this tariff provision will be filed with the Commission. Specialized rates or charges will be made available to similarly situated Customers on a non-discriminatory basis. The Company will notify the Commission of such arrangements as required by Commission rules and regulations.

3.5.7 Emergency Call Handling Procedures

Emergency "911" calls are not routed to company, but are completed through the local network at no charge.

3.5.8 Promotional Offerings

The Company may, from time to time, make promotional offerings to enhance the marketing of its services. These offerings may be limited to certain dates, times and locations. The Company will notify the Commission of such offerings as required by Commission rules and regulations.

ISSUED: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901

CALLMANAGE, INC.

ORIGINAL SHEET 29

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 4 - RATES

4.1 1+ & 101XXXX Dialing

\$0.10 per minute

Billed in one minute increments

4.2 Travel Cards

\$.25 per minute

A \$.25 per call service charge applies.

Billed in one minute increments

ISSUED: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901

TELECOMMUNICATIONS SERVICES TARIFF

4.3 Toll Free

\$0.15 per minute

A \$10 per month per number service charge applies.
Billed in one minute increments

4.4 Reserved for Future Use

ISSUED: June 28, 1999

EFFECTIVE: , 1999

**ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901**

CALLMANAGE, INC.

ORIGINAL SHEET 31

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

4.5 Directory Assistance

\$.95

4.6 Returned Check Charge

\$25.00

ISSUED: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901

TELECOMMUNICATIONS SERVICES TARIFF**4.7 Rate Periods**

| | Monday - Friday | Sat. | Sun. |
|--------------------------|---------------------------|------|---------------------------|
| 8 a.m. to 5 p.m.* | Daytime Rate Period | | Evening Rate Period |
| 5 p.m. to 11 p.m.* | Evening Rate Period | | |
| 11 p.m. to 8 a.m.* | Night/Weekend Rate Period | | |

* To, but not including

When a message spans more than one rate period, total charges for the minutes in each rate period are calculated and the results for each rate period are totaled to obtain the total message charge. If the calculation results in a fractional charge, the amount will be rounded down to the lower cent.

4.8 Payphone Dial Around Surcharge

A dial around surcharge of \$.35 per call will be added to any completed INTRASTATE toll access code and subscriber 800/888 type calls placed from a public or semi-public payphone.

4.9 Universal Service Fund Assessment & Presubscribed Interexchange Carrier Charge

The Customer will be assessed a monthly federal Universal Service Fund Contribution charge on all telecommunications services, which in no event shall be less than the prevailing contribution percentage rate charged the Company on intrastate traffic by the Universal Service Administrative Company (or any successor). A Presubscribed Interexchange Carrier Charge ("PICC") applies on a monthly basis to all Customer monthly bills at the prevailing rate.

ISSUED: June 28, 1999

EFFECTIVE: , 1999

ISSUED BY: Joanna Valentini, Dir. Carrier Relations
460 Summer Street, 3rd Floor
Stanford, CT 06901

BANK LEASE TRUST COMPANY
NEW YORK CITY, NY 10017

2941

6/4/97

Public Utilities Commission
Hudson River, New York

\$250.00

DOLLARS

MEMO

Filing for State Debt

[Signature]

007941# 026002794# 22001298# 18

South Dakota Public Utilities Commission
WEEKLY FILINGS
For the Period of June 24, 1999 through June 30, 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

ELECTRIC

EL99-012 In the Matter of the Filing by Otter Tail Power Company for Approval of Electric Service Agreement for the Supply of Bulk Interruptible Power between Otter Tail Power Company and Valley Queen Cheese Factory, Inc.

On June 25, 1999, the Commission received a filing from Otter Tail Power Company in accordance with South Dakota Codified Law Section 49-34A and the Commission's previous Order Approving Agreement dated October 23, 1989, Docket F-3837 for an Electric Service Agreement for the Supply of Bulk Interruptible Power between Otter Tail Power Company and Valley Queen Cheese Factory, Inc.

Staff Analyst: Michele Farris
Staff Attorney: Camron Hoseck
Date Filed: 06/25/99
Intervention deadline: 07/16/99

TELECOMMUNICATIONS

TC99-067 In the Matter of the Establishment of Switched Access Rates for the Local Exchange Carriers Association.

The Local Exchange Carrier Association filed tariff sheets implementing the switched access rates necessitated by revisions to its member companies' revenue requirements and switched access minutes of use. There is also one textual correction included in this filing.

Staff Analyst: Harlan Best/Keith Senger
Staff Attorney: Karen Cremer
Date Filed: 06/28/99
Intervention Deadline: 07/16/99

TC99-068 In the Matter of the Establishment of Switched Access Revenue Requirement for Stateline Telecommunications, Inc.

Stateline Telecommunications, Inc. filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association.

Staff Analyst: Harlan Best/Keith Senger
Staff Attorney: Karen Cremer

Date Filed: 06/28/99

Intervention Deadline: 07/16/99

TC99-069 In the Matter of the Establishment of Switched Access Revenue Requirement for Brookings Municipal Telephone Company.

Brookings City Municipal Telephone Department filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association.

Staff Analyst: Harlan Best/Keith Senger

Staff Attorney: Karen Cremer

Date Filed: 06/28/99

Intervention Deadline: 07/16/99

TC99-070 In the Matter of the Establishment of Switched Access Revenue Requirement for McCook Cooperative Telephone Company.

McCook Cooperative Telephone Company filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association.

Staff Analyst: Harlan Best/Keith Senger

Staff Attorney: Karen Cremer

Date Filed: 06/28/99

Intervention Deadline: 07/16/99

TC99-071 In the Matter of the Establishment of Switched Access Revenue Requirement for Sanborn Telephone Cooperative and Sancom, Inc.

Sanborn Telephone Cooperative filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association.

Staff Analyst: Harlan Best/Keith Senger

Staff Attorney: Karen Cremer

Date Filed: 06/28/99

Intervention Deadline: 07/16/99

TC99-072 In the Matter of the Establishment of Switched Access Revenue Requirement for Golden West Telecommunications Cooperative, Inc.

Golden West Telecommunications Cooperative, Inc. filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association.

Staff Analyst: Harlan Best/Keith Senger

Staff Attorney: Karen Cremer

Date Filed: 06/28/99
Intervention Deadline: 07/16/99

TC99-073 In the Matter of the Establishment of Switched Access Rates for U S WEST Communications, Inc.

U S WEST Communications filed a switched access cost study "specifically in compliance with ARSD 20:10:27:07....U S WEST Communications is not asking for the Commission to change the switched access rate schedules at this time."

Staff Analyst: Harlan Best/Keith Senger
Staff Attorney: Karen Cremer
Date Filed: 06/29/99
Intervention Deadline: 07/16/99

TC99-074 In the Matter of the Establishment of Switched Access Revenue Requirement for Cheyenne River Sioux Tribe Telephone Authority.

Cheyenne River Sioux Tribe Telephone Authority filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association.

Staff Analyst: Harlan Best/Keith Senger
Staff Attorney: Karen Cremer
Date Filed: 06/29/99
Intervention Deadline: 07/16/99

TC99-075 In the Matter of the Establishment of Switched Access Revenue Requirement for Mobridge Telecommunications Company.

Mobridge Telecommunications Company filed a switched access cost study developing a revenue requirement that is included in the revenue requirement used to determine the switched access rates for the Local Exchange Carrier Association. Mobridge Telecommunications Company requests that the Commission allow the use of GVNW's cost study model as opposed to the Commission model for determining Mobridge Telecommunications Company's revenue requirement.

Staff Analyst: Harlan Best/Keith Senger
Staff Attorney: Karen Cremer
Date Filed: 06/29/99
Intervention Deadline: 07/16/99

TC99-076 In the Matter of the Application of CallManage, Inc. for a Certificate of Authority to Provide Telecommunications Services in South Dakota.

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

Staff Analyst: Dave Jacobson
Staff Attorney: Camron Hoseck
Date Filed: 06/29/99
Intervention Deadline: 07/16/99

TC99-077 In the Matter of the Application of JATO Operating Two Corp. for a Certificate of Authority to Provide Local Exchange Services in South Dakota.

JATO Operating Two Corp.'s (JATO) intends to provide facilities-based and resold competitive local exchange services. JATO requests authority to provide services throughout U S WEST territories.

Staff Analyst: Keith Senger
Staff Attorney: Karen Cremer
Date Filed: 06/30/99
Intervention Date: 07/16/99

You may receive this listing and other PUC publications via our website or via internet e-mail.
You may subscribe or unsubscribe to the PUC mailing lists at <http://www.state.sd.us/puc/>

LANCE J.M. STEINHART

Attorney at Law
6455 East Johns Crossing
Suite 285
Duluth, Georgia 30097

Telephone: (770) 232-9200

Facsimile: (770) 232-9208

THIS MESSAGE IS INTENDED FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHICH IT IS ADDRESSED AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL, AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAW. IF THE RECIPIENT OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE NOTIFY US IMMEDIATELY BY TELEPHONE, AND RETURN THE ORIGINAL MESSAGE TO US AT THE ABOVE ADDRESS VIA THE U. S. POSTAL SERVICE. THANK YOU.

NAME: Mr. Dave Jacobson

FIRM: South Dakota PUC

TELEPHONE: 605-773-3201

FAX NUMBER: 605-773-3809

FROM: Charlotte Lacey

DATE: August 24, 1999

TOTAL NUMBER OF PAGES INCLUDING THIS COVER LETTER: 3

MESSAGE: Please see the attached for CallManage, Inc. Thank you.

Lance J.M. Steinhart
Attorney At Law
6455 East Johns Crossing
Suite 285
Duluth, Georgia 30097

Also Admitted in New York
and Maryland

Telephone: (770) 232-9200
Facsimile: (770) 232-9208

July 30, 1999

VIA AIRBORNE EXPRESS

Mr. Dave Jacobson
Utility Analyst
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501-5070
(605) 773-3201

Re: CallManage, Inc.
Docket No.

Dear Dave:

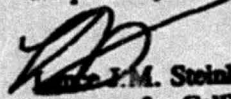
Pursuant to your letter dated July 20, 1999, enclosed please find for filing a copy of CallManage, Inc.'s Certificate of Authority issued by the Secretary of State.

Furthermore, the company does not intend to offer prepaid calling cards, nor will it collect deposits or advance payments.

I have also enclosed an extra copy of this cover letter to be date stamped and returned to me in the enclosed self-addressed prepaid envelope.

If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me.

Respectfully submitted,


Lance J.M. Steinhart
Attorney for CallManage, Inc.

Enclosures

cc: Joanna Valentini

State of South Dakota



OFFICE OF THE SECRETARY OF STATE

CERTIFICATE OF AUTHORITY

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

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



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 August 17, 1999.

Joyce Hazeltime
JOYCE HAZELTINE
Secretary of State

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

IN THE MATTER OF THE APPLICATION OF)
CALLMANAGE, INC. FOR A CERTIFICATE OF)
AUTHORITY TO PROVIDE)
TELECOMMUNICATIONS SERVICES IN)
SOUTH DAKOTA)

ORDER GRANTING
CERTIFICATE OF
AUTHORITY

TC99-076

On June 29, 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 CallManage, Inc. (CallManage).

CallManage is a reseller which intends to offer 1+ and 101XXXX direct outbound dialing, 800/888 toll-free inbound dialing, and travel card service. A proposed tariff was filed by CallManage. The Commission has classified long distance service as fully competitive.

On July 1, 1999, the Commission electronically transmitted notice of the filing and the intervention deadline of July 16, 1999, to interested individuals and entities. No petitions to intervene or comments were filed and at its September 8, 1999, meeting, the Commission considered CallManage's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to the condition that CallManage not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission.

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 CallManage has met the legal requirements established for the granting of a certificate of authority. CallManage 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 CallManage's application for a certificate of authority, subject to the condition that CallManage not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. As the Commission's final decision in this matter, it is therefore

ORDERED, that CallManage's application for a certificate of authority is hereby granted, subject to the condition that CallManage not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. It is

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

Dated at Pierre, South Dakota, this 14th day of September, 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: Debrae Kaebo

Date: 9/14/99

(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 September 8, 1999
Docket No. TC99-076

This is to certify that

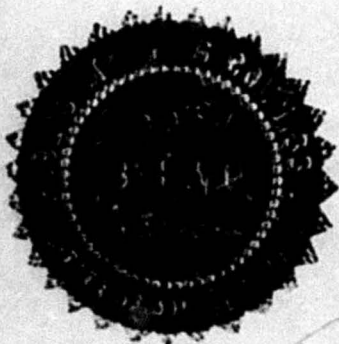
CALLMANAGE, INC.

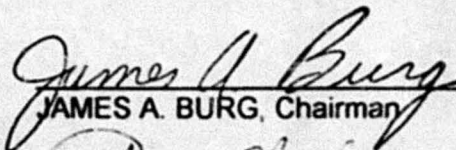
is authorized to provide telecommunications services in South Dakota.

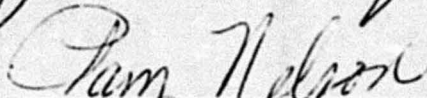
This certificate is issued in accordance with SDCL 49-31-3 and ARSD 20:10:24.02, and is subject to all of the conditions and limitations contained in the rules and statutes governing its conduct of offering telecommunications services.

Dated at Pierre, South Dakota, this 14th day of September, 1999.

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION:**




JAMES A. BURG, Chairman


PAM NELSON, Commissioner


LASKA SCHOENFELDER, Commissioner