



BEFORE THE UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA

ORIGINAL

TC02:049

Application of )  
 )  
Houlton Enterprises, Inc. )  
 )  
For Authority to Provide )  
Local Telecommunications Service )  
In the State of South Dakota on a )  
Resale Basis )

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

RECEIVED

MAY 20 2002

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

NOTICE OF FILING

Houlton Enterprises, Inc. d/b/a Guaranteed Phone Service ("GPS") by the undersigned, and pursuant to Section 20:10:32:04 of the Rules and Regulations of the South Dakota Public Utilities Commission (the "Commission"), hereby submits this Notice of Filing ("Notice")

By its Application, GPS seeks authorization to provide resold local exchange telecommunications services in the State of South Dakota. GPS's Application contains all the information necessary to meet the Commission's requirements, including, but not limited to, a description of the proposed services, proof of financial ability, demonstration of managerial competence, a showing of technical capability, and public interest justification.

Copies of the Application are available for review at the Commission's offices, 500 East Capitol Avenue, Pierre SD 57501.

Questions concerning the Application should be directed to:

Richard Horner, Vice President  
Guaranteed Phone Service  
2201 W. Broadway, #1  
Council Bluffs, IA 51501  
Telephone (402) 551-8888  
E-mail: [horner\\_rich@hotmail.com](mailto:horner_rich@hotmail.com)

*Returned Check  
5/20/02*

Respectfully submitted,

  
\_\_\_\_\_  
John Quandahl, Chief Operating Officer

Houlton Enterprises, Inc.  
2201 W. Broadway, #1  
Council Bluffs, IA 51501  
Telephone (402) 551-8888

Dated: May 17, 2002

# South Dakota Telephone Providers

\* Source: SD PUC Web Site

Company	Contact	Address	City
@link Networks, Inc.	Mary Jo Grant, Regulatory Compliance Administrator	20825 Swenson Drive, Suite 150	Waukesha WI 53186
1-800-Reconex, Inc.	Todd M. Meislahn, President	2500 Industrial Avenue	Hubbard OR 97032
360Networks (USA) inc.	David Love, Senior Vice President	12101 Airport Way	Broomfield CO 80021
Adelphia Business Solutions Operations, Inc.	Terry Romine, Director of Legal and Regulatory Affairs	One North Main Street	Coudersport PA 16915
Advanced TelCom, Inc.	Clifford G. Rudolph, CEO	110 Stony Point Road, Second Floor	Santa Rosa CA 95401
Armour Independent Telephone Company	Richard Freemark, Local Manager	PO Box 460	Hartford, SD 57033
Arrival Communications, Inc.	Mike Mulkey, Sr. Vice President - Policy and Carrier Management	5100 California Ave., Suite 104	Bakersfield CA 93309
AT&T Communications of the Midwest, Inc.	Sandra L. Hofstetter	10 River Park Plaza, 4th Floor	St. Paul MN 55107
Atlas Communications, Ltd.	John Fudesco, President	482 Norristown Road	Blue Bell PA 19422
Avera Communication, L.L.C.	Don Bierle, Esq.	P.O. Box 38	Yankton SD 57078
Baltic Telecom Cooperative	Don Snyders, General Manager	PO Box 307	Baltic, SD 57003
Beresford Munciple Telephone Company	Wayne Akland, General Manager	101 North 3rd Street	Beresford, SD 57004
Black Hills FiberCom, L.L.C.	John K. Nooney	P. O. Box 2115	Rapid City SD 57709
Bridgewater-Canistota Independent Telephone	Richard Freemark, Local Manager	PO Box 460	Hartford, SD 57033
CCCSD, Inc. d/b/a Connect!	Carole Hamon, Supervisor - Regulatory Affairs	124 W. Capitol Ave, Suite 250	Little Rock AK 72201
Cheyenne River Sioux Tribe Telephone Authority	J.D. Williams, General Manager	PO Box 810	Eagle Butte, SD 57625
Citizens Telecommunications of Minnesota	John Lass, VP and General Manager	2378 Wilshire Blvd	Mound City, MN 55354
City of Brookings Utilities, Telephone Division d/b/a Swiftel	Craig Osvog, General Manager	PO Box 588	Brookings, SD 57006
City of Faith Telephone Company	Shane Ayres, Finance Officer	PO Box 368	Faith, SD 57626
Comm South Companies, Inc.	Rick Brown	2909 N. Buckner Boulevard, Suite 800	Dallas TX 75228
CommChoice, LLC	Jill Thornton	801 River Drive, Suite 150	North Sioux City SD 57049
Concert Communications Sales LLC	Elaine McHale, Vice President	295 N. Maple Avenue, Room 3160A2	Basking Ridge NJ 07920
Consolidated TelCom	L. Dan Wilhelmson	PO Box 1077	Dickinson, ND 58601
Dakota Community Telephone, Inc.	Brent Norgaard	5100 McLeod Lane	Sioux Falls, SD 57108
Dakota Telecommunications Systems, Inc.	William Heaston, Esq.	5100 S McLeod Lane	Sioux Falls SD 57108
Dickey Rural Communications, Inc.	Darren Moser	PO Box 69	Ellendale, ND 55436
DIECA Communications, Inc. d/b/a Covad Communications Company	Dhruv Khanna, VP & General Counsel	2330 Central Expressway	Santa Clara CA 95050
DSLnet Communications, LLC	Alan Bolduc, Vice President	545 Long Wharf Drive, Fifth Floor	New Haven CT 06511
East Plains Telecom, Inc.	Don Snyders, General Manager	PO Box 307	Baltic, SD 57003
Easton Telecom Services Inc.	Robert Mocas, President	3046 Brecksville Road	Richfield OH 44286
eMeritus Communications, Inc.	Jerry G. Kirby, Tariff Manager	8750 North Central Expressway, Suite 2000	Dallas TX 75231
Essex Communications, Inc. d/b/a eLEC Communications	Patrick Freeman, Vice President, Wholesale Services	543 Main Street	New Rochelle NY 10801
Excel Telecommunications, Inc.	Joel Ballew, Director of Regulatory Affairs	8750 North Central Expressway	Dallas TX 75231
F.D.S.D. Rapid City, Inc.	Darrel K. Wangen, President	8410 Kings Road	Rapid City SD 57702-7757
FairPoint Communications Solutions Corp.	Michael Kent, Sr. Manager of Regulatory Affairs	6324 Fairview Road, 4th Floor	Charlotte NC 28210
Farmers Mutual Tel. Co.	Robert J. Hoffman	PO Box 368	Bellingham, MN 56212
FiberComm, L.C.	Dennis L. Carlson, CEO	P. O. Box 603	LeMars IA 51031-0603
Fort Randall Telephone Company	Bruce Hansen, General Manager	909 Willmar Avenue SW	Willmar, MN 56201
GLD, Group Long Distance, Inc.	Sam Hltnr, Secreatary	400 E. Atlantic Blvd.	Pompano Beach FL 33060-6200
Global TeleLink Services, Inc. d/b/a South Dakota GTS	Tom McLean	1455 Old Alabama Road, Suite 100	Roswell GA 30076
Golden West Telecommunications Coop	George Strandell, Interim Manager	PO Box 411	Wall, SD 57790

# South Dakota Telephone Providers

\* Source: SD PUC Web Site

Great Plains Communications	Dixie Lambert	1635 Front Street	Blair, NE 68008
Heartland Telecommunications d/b/a Hickory Tech	David Christensen	221 East Hickory Street	Mankato MN 56001
HickoryTech Long Distance	Bill VanderSluis, Director of Regulatory Affairs	221 East Hichory Street	Mankato MN 56001
HJN Telecom, Inc.	Lance J.M. Steinhart, Esq.	6455 East Johns Crossing, Suite 285	Buluth GA 60097
Integra Telecom of South Dakota, Inc.	Karen J. Johnson, Corporate Regulatory Attorney	19545 NW Von Neumann Drive, Suite 200	Beaverton OR 97006
Interstate Telecommunications Coop	Dean Anderson, General Manager	PO Box 920	Clear Lake, SD 57226
Ionex Communications North, Inc.	Kenneth J. Meister, CFO	5710 LBJ Freeway, Suite 215	Dallas TX 75240
IPVoice Communications, Inc.	Julie Bahavar, Controller	7585 E. Redfield Road, Suite 202	Scottsdale AZ 85260-6938
James Valley Cooperative Telephone Co.	Doug Eidahl, General Manager	PO Box 260	Groton SD 57445
JATO Operating Two Corp.	Andrew R. Newell, Esq.	999 18th Street, Suite 2600	Denver CO 80202-2489
Kadoka Telephone Company	Pat Morse, President/General Manager	PO Box 220	Kadoka, SD 57543
Kennebec Telephone Company	Rod Bowar, General Manager	PO Box 158	Kennebec, SD 57544
KMC Data, LLC	Michael Duke, Director--Government Affairs	1755 North Brown Road	Lawrenceville GA 30043
KMC Telecom V, Inc.	Tricia Breckenridge, Vice President	1755 North Brown Road	Lawrenceville GA 30043
LCI International Telecom Corp d/b/a Qwest Communications Services	Carol P. Kuhnaw, Manager	8180 Greensboro Drive, Suite 800	McLean VA 22102
LDM Systems, Inc.	Stephen Steiner, Treasurer	254 S. Main Street	New City NY 10956
Level 3 Communications, LLC	William P. Hunt III, Regulatory Counsel	1450 Infinite Drive	Louisville CO 80027
Long Distance Direct Holdings, Inc.	Steven Lampert, President	1 Blue Hill Plaza, Suite 1430	Pearl River NY 10965
Long Lines Ltd.	Tom Connors, Manager	PO Box 128	Jefferson, SD 57038
Maxcess, Inc.	Daniel H. Webb, Chief Technology Officer	100 W. Lucerne Plaza, Suite 550	Orlando FL 32801
McCook Cooperative Telephone Co.	Brian Roth, General Manager	PO Box 630	Salem, SD 57058
MCI WorldCom Communications, Inc.	Leigh Ann Cox, Mgr Regulatory Analysis	500 Clinton Center Drive	Clinton MS 39056-5630
MCImetro Access Transmission Services, Inc.	Randee Klindworth, Tariff Administrator	8521 Leesburg Pike	Vienna VA 22182
McLeodUSA Telecommunications Services, Inc.	William Heaston, Esq.	5100 S McLeod Lane	Sioux Falls SD 57108
Metromedia Fiber Network Services, Inc.	Stephen A. Garofalo, Chairman & CEO	360 Hamilton Avenue	White Plains NY 10601
Midco Communications d/b/a Midcontinent Communications, Inc.	Tim Simmons, Vice President	410 S Phillips Avenue	Sioux Falls SD 57104-6824
Midcontinent Communications, Inc.	W. Tom Simmons	5001 West 41st Street	Sioux Falls SD 57104-1424
Midstate Communications, Inc.	Mark Benton, General Manager	PO Box 48	Kimball SD 57355
Midstate Telecom, Inc.	Mark D. Benton	120 East 1st Street	Kimball SD 57355
Mt. Rushmore Telephone Company	Bruce Hansen, General Manager	PO Box 800	Clara City, MN 56222
MXV.COM Communications, Inc. d/b/a Quantum Shift, Inc.	Edward A. Brinskele, President	100 Rowland Way, Suite 145	Novato CA 94945
NebCom Inc.	Emory Graffis	110 East Elk Street	Jackson, NE 68743
New Access Communications LLC	Steven C. Clay, President	120 South 6th Street, Suite 950	Minneapolis MN 55402
New Edge Network, Inc. d/b/a New Edge Networks	Stacey Waddell	3000 Columbia House Blvd, Suite 106	Vancouver WA 98661
NewPath Holdings, Inc.	Mick Herke, Executive Vice President	4364 114th Street	Des Moines IA 50322-5408
Northern Valley Communications, LLC	Doug Eidahl, CEO	PO Box 320	Groton SD 57445
NOS Communications, Inc.	Glenn Stockton, Chief Counsel, Tariff and Regulatory Affairs	4380 Boulder Highway	Las Vegas NV 89121
NTERA, Inc.	Engin Yesil, President	1020 N.W. 163rd Drive	Miami FL 33169
PAM Oil, Inc. d/b/a PAM Communications	Scott Scofield, CEO	P. O. Box 5200	Sioux Falls SD 57117-5200
Pathnet, Inc.	Richard A. Jalkut, President & CEO	11720 Sunrise Valley Drive	Reston VA 20141-1413
Premier Communications Group	Geoffrey May, President	10000 E. Geddes Avenue, Suite 100	Englewood CO 80112
Premiere Network Services, Inc.	Leo A. Wrobel, President and CEO	1510 N. Hampton Road, Suite 120	DeSoto TX 75115

## South Dakota Telephone Providers

\* Source: SD PUC Web Site

Quintelco, Inc.	Claudia Newman-Hirsch, Executive VP	1 Blue Hill Plaza, Suite 1430	Pearl River NY 10965
Qwest Corporation	Colleen Sevold	125 South Dakota Avenue	Sioux Falls SD 57194
Qwest: IA, NE, MN	Colleen Sevold	125 South Dakota Avenue	Sioux Falls, SD 57194
RC Communications, Inc.	Pamela Harrington, General Manager	PO Box 196	New Effington, SD 57255
Red River Telecom, Inc.	Ardon M. Doran	PO Box 136	Abercrombie, ND 58001
Roberts Co. Telephone Coop. Assn.	Pamela Harrington, General Manager	PO Box 196	New Effington, SD 57255
RT Communications	Mr. Dee Monson	PO Box 506	Worland, WY 82401
Santel Communications Cooperative	Gene Kroell, General Manager	PO Box 67	Woonsocket, SD 57385
ServiSense.Com, Inc.	Christopher McKeown, President/CEO	180 Wells Avenue, Suite 450	Newton MA 02459-3302
Sioux Falls Cable Television	Rod Carlson	3507 South Duluth Avenue	Sioux Falls SD 57105-6452
Sioux Valley Telephone Company	Dennis Law, General Manager	PO Box 98	Dell Rapids, SD 57022
Splitrock Properties, Inc.	Don Snyders, General Manager	PO Box 349	Garretson, SD 57030
Sprint Communications Company L.P.	Julie Thomas Bowles	8140 Ward Parkway	Kansas City MO 64114
Sprint Payphone Services, Inc.	Donald Low	8140 Ward Parkway - 5E	Kansas City MO 64114
Stockholm-Strandburg Telephone Co.	Marjorie Nowick	PO Box 20	Stockholm, SD 57264
Sully Buttes Telephone Cooperative	Randy Houdek, General Manager	PO Box 157	Highmore, SD 57345
Talk America Inc.	Daniel Borislow, CEO	6805 Route 202	New Hope PA 18938
TeleCents Communications, Inc.	Jeffrey P. Lauzon, President	8615 Richardson Road, Suite 200	Walled Lake MI 48390
Telera Communications, Inc.	Jerry Davis	910 East Hamilton Ave., Suite 200	Campbell CA 95008
Telergy Network Services, Inc.	Brian P. Kelly, President	One Telergy Parkway	East Syracuse NY 13057
Telicor Inc.	Kerri Bumgardner, VP Customer Network Operations	100 West Harrison, Suite S200	Seattle WA 98119-4191
Three River Telco	William P. Rosicky	PO Box 66	Lynch, NE 68757
Tri-County Telcom, Inc.	John Pudwill, Jr., General Manager	PO Box 304	Emery, SD 57332
Union Telephone Company	Richard Freemark, Local Manager	PO Box 460	Hartford, SD 57033
Valley Tel. Co.	Mary Jo Biegler, Controller	PO Box 277	Underwood, MN 56586
Valley Telecommunications Coop.	Dianna Quaschnick, General Manager	PO Box 7	Herried, SD 57632
VarTec Telecom, Inc.	Kevin Allen, Manager, Regulatory Affairs	1600 Viceroy Drive	Dallas TX 75235
Vivian Tel. Co. d/b/a Golden West Comm.	George Strandell, Interim Manager	PO Box 411	Wall, SD 57790
West River Cooperative Telephone Co.	Jerry Reisenauer, General Manager	PO Box 39	Bison, SD 57620
West River Telecommunications Coop.	Albert (Mick) Grosz, General Manager	PO Box 467	Hazen, ND 58545
Western CLEC Corporation d/b/a Business Services by Cellular One	Gene DeJordy, Esq.	2001 NW Sammamish Road	Issaquah WA 98027
Western Telephone Company	Harold A. Brown, General Manager	PO Box 128	Faulton, SD 57438
Williams & Company Communications, Inc.	Harlan E. Crouch, President	P.O. Box 9400	Sioux City IA 51102-9400
Z-Tel Communications, Inc.	Timothy Seat, Vice President Regulatory Affairs	601 South Harbour Island Boulevard, Suite 220	Tampa FL 33602

**SOUTH DAKOTA APPLICATION  
FOR  
CERTIFICATE OF AUTHORITY  
TO PROVIDE  
LOCAL EXCHANGE SERVICE**

*Houlston Enterprises, Inc.*

D/B/A **Guaranteed Phone Service**

**GUARANTEED**  
**PHONE SERVICE**



**MAY 15, 2002**

**1. APPLICANT INFORMATION**

The business office and contact information for the Applicant is:

Houlton Enterprises, Inc. d/b/a Guaranteed Phone Service  
2201 W Broadway, Suite #1  
Council Bluffs, IA 51501  
(800) 957-2640  
(402) 733-8545 FAX  
[gtdphone@hotmail.com](mailto:gtdphone@hotmail.com)

Applicant is a sub-S corporation incorporated in the state of Nebraska.

**2. CORPORATE OFFICERS AND DIRECTORS**

Mark Houlton	President	2201 W. Broadway #1 Council Bluffs, IA 51501
John Quandahl	Vice President	2201 W. Broadway #1 Council Bluffs, IA 51501
Lisa Houlton	Vice President, Secretary & Treasurer	2201 W. Broadway #1 Council Bluffs, IA 51501

**3. PHONE COMPANY d/b/a NAME**

Applicant currently provides local telephone service in Nebraska, Iowa, North Dakota, and Minnesota. Applicant uses the d/b/a name Guaranteed Phone Service in these states and plans to provide local exchange service under this name in South Dakota.

**4. CORPORATE INFORMATION**

**a. SOUTH DAKOTA OFFICE / AGENT**

Applicant does not plan to establish an office in South Dakota – all business will be transacted through a network of merchants acting as local payment centers. Customers will sign up for service and pay monthly bills through these merchants.

The registered agent for Applicant is:

CT Corporation System  
319 South Coteau Street  
Pierre, South Dakota 57501

**b. SHAREHOLDERS**

Mr. Houlton is the sole shareholder of the Applicant.

**c. STATE INCORPORATED, ETC.**

Mr. Houlton formed Houlton Enterprises in June 1993 as a Nebraska corporation. The date of incorporation is 6/24/93. Attached as Exhibit I is a current copy of the Certificate of Good Standing issued by the Nebraska Secretary of State.

**d. CERTIFICATE OF AUTHORITY – FOREIGN CORPORATION**

An Application for Certificate of Authority was mailed to the South Dakota Secretary of State on May XX, 2002. A copy of the application is included as Exhibit II.

**5. APPLICANT EXPERIENCE**

Applicant has been operating as a reseller of prepaid local residential telephone service since November 1998. The Applicant proposes to market its services to prospective customers who are, or would be, denied service from Qwest, and to prospective customers who, for their own personal reasons, would prefer to do business with the Applicant, if offered a choice. The Applicant intends to provide only resold services; it will not provide service through its own facilities. The Applicant intends to provide basic resold residential telecommunications services and custom calling features, as more fully set forth in the Proposed Tariff included as Exhibit IV.

In November 1998, after receiving a Certificate of Authority from the Nebraska Public Service Commission, the Applicant began reselling local exchange service in Qwest's (then US West's) Nebraska territory under the trade name EZ Phone Connections. The Applicant currently serves customers in Nebraska, Iowa, North Dakota, and Minnesota under the trade name Guaranteed Phone Service.

As stated above, the Applicant has been reselling basic local exchange telecommunications in Nebraska since November 1998. In December 1998, the Applicant filed an Application to expand its services to those territories in Nebraska served by Aliant Communications (now ALLTEL Corporation) and GTE Telecommunication Services Inc. ("GTE") - now Citizens Communications. Authority was granted by the Nebraska Public Service Commission on February 9, 1999, and service was initiated in April, 1999.

On May 28, 1999, the Applicant was granted a Certificate of Public Convenience and Necessity from the Iowa Utilities Board to provide resold local exchange services in those areas served by GTE (now Iowa Telecommunications), Qwest, and Frontier Communications. Service has been provided in Iowa in Qwest territories since September 1999, in Iowa Telecommunication territories since November 1999, and in Frontier Communication territories since December 2001.

On May 24, 2001, the Applicant was granted a conditional Certificate of Authority by the Minnesota Public Utilities Commission to provide resold local service. The Operational Certificate of Authority for resold local service was contingent upon submission and Commission approval of a 911 plan and Interconnection Agreement. The 911 plan was approved and filed with the Commission on September 14, 2001. The Interconnection Agreement with Qwest was approved and filed with the Commission on November 21, 2001. Service has been provided by Applicant in Minnesota in Qwest Territories since November 2001.

On November 7, 2001, the Applicant was granted a Certificate of Registration from the North Dakota Public Services Commission to resell local exchange telecommunications services in the territories served by Qwest in North Dakota. Service has been provided by Applicant in North Dakota in Qwest Territories since November 2001.

There are no pending or completed criminal, civil or administrative actions against the Applicant by any state or federal authority.



**6. AFFILIATES, SUBSIDIARIES, PARENT ORGANIZATIONS**

The Applicant has no affiliates, subsidiaries or parent organizations

**7. DESCRIPTION OF SERVICES OFFERED**

**a. CLASSES OF CUSTOMERS SERVED**

Applicant provides prepaid local telephone service to customers who are, or would be, denied service from the local exchange carrier, and to prospective customers who, for their own personal reasons, would prefer to do business with the Applicant, if offered a choice. In general, most of Applicant's subscribers are high credit risk customers who fail to qualify for basic local exchange service from the incumbent local exchange carriers and who do not qualify for Universal Service programs such as Lifeline and LinkUp. In many cases, these customers previously had service with the incumbent carrier and had service disconnected due to non payment. Without service from Applicant, they would have no basic local exchange service and no access from their homes to emergency services. Applicant is able to serve these customers and mitigate the credit risk by providing service on a prepaid basis.

**b. TIME FRAME FOR PROVIDING SERVICE**

The Applicant expects to offer local service in the Proposed Service Area within approximately 30 days of approval of this Application.

**c. DESCRIPTION OF FACILITIES THAT WILL BE UTILIZED**

The Applicant intends to provide only resold services; it will not provide service through its own facilities. The technology and facilities used to deliver the service will be those used by Qwest.

**d. TYPES OF SERVICE SEEKING AUTHORITY TO PROVIDE**

The Applicant intends to provide basic residential telecommunications services and custom calling features, as more fully set forth in the Proposed Tariff included as Exhibit IV to this Application.

**8. SERVICE AREA TO BE SERVED**

The Applicant's Proposed Service Area replicates the service areas where Qwest is the incumbent local exchange carrier. The Applicant hereby incorporates by reference the service area maps of Qwest, already on file with the Commission.

**9. TECHNICAL EXPERTISE OF APPLICANT**

**a. MANAGEMENT PERSONNEL**

The Applicant has the managerial, technical and financial ability to provide the services described herein. The Applicant's existing employees' areas of expertise, as outlined below, including telecommunications, business administration, sales, financial management, billing systems, customer relations and complaint resolution, have enabled them to successfully provide resold telecommunications services in Nebraska, Iowa, North Dakota, and Minnesota, and will be valuable assets in providing resold telecommunications services in

South Dakota. The software application being used to manage customer accounts and billing for the Applicant's telecommunications business is similar to the application which has successfully handled accounts and billing for the Applicant's Payday Express business for a number of years. The system, which has performed efficiently and satisfactorily with regard to service resale in other states, will be utilized in the provision of services in South Dakota, as well.

Outlined below are brief biographies for the key management personnel involved with Guaranteed Phone Service.

**Mark Houlton:** Mr. Houlton has been President of Houlton Enterprises, Inc. since he formed the corporation in July 1993. From July 1993 through March 1995, Houlton Enterprises did business as Midwest Precision Hearing Instruments in Omaha. From October 1995 through the present, Houlton Enterprises has done business, first as Fast Bucks Check Cashing and now as Payday Express. Houlton Enterprises began with one office in Omaha. It now has 14 offices in Nebraska, Iowa, Wisconsin, and North Dakota.

In November 1998, after receiving a Certificate of Authority from the Nebraska Public Service Commission, Houlton Enterprises began reselling basic local exchange service in U S WEST's Nebraska territory under the trade name EZ Phone Connections. Since that time, the company has successfully and without complaint been providing resold service, and is currently serving residential customers in Nebraska, Iowa, North Dakota, and Minnesota under the trade name Guaranteed Phone Service.

Orders for telecommunications service are taken at Houlton Enterprises' existing offices in Council Bluffs. Along with John Quandahl (see below), Mr. Houlton oversees both Payday Express and Guaranteed Phone Service.

Mr. Houlton received his Bachelor of Science degree in business administration from the University of Nebraska-Lincoln in 1988. He is a member of the National Federation of Independent Business. Additionally, Mr. Houlton has participated in a course offered by Qwest in Denver that provides training in Qwest's ordering, billing, service and maintenance systems. Since commencing provision of resold telecommunications services, he has worked closely with Qwest's territory manager concerning all aspects of the resold services.

**John Quandahl:** Mr. Quandahl is the Chief Operating Officer of Houlton Enterprises. He started with Guaranteed Phone Service in September 1998 and his responsibilities include the oversight of Guaranteed Phone Service's daily operations along with Mr. Houlton.

Mr. Quandahl received his Bachelor of Science degree in business administration from the University of Nebraska-Lincoln in 1989. He received his CPA Certificate in 1990. After graduating from college, Mr. Quandahl became a corporate tax auditor for the Nebraska Department of Revenue. While with the Department, he supervised audits of corporate income taxes, sales/use taxes and state withholding taxes.

From 1992 through September 1998, Mr. Quandahl worked as Controller of Silverstone Group, a holding company for multiple insurance brokerages, located in Omaha. As Controller, his responsibilities included consolidated financial reporting, tax reporting and managing all accounting staff.

Since joining Houlton Enterprises in September 1998, Mr. Quandahl has taken training classes on the IMA electronic ordering system used by Qwest. Along with Lutz & Company, P.C., the company's CPA firm, Mr. Quandahl developed a software program for client billing and account management. The program fully automates Guaranteed Phone Service's system.

**Rich Horner**: Mr. Horner is the Vice President of Guaranteed Phone Service. He was hired in January 2001 to oversee Guaranteed Phone Service as the business had grown significantly and required a full-time manager. His responsibilities include operations, finance, regulatory compliance, and business development.

Mr. Horner received his Bachelor of Science degree in business administration from the University of Nebraska-Lincoln in 1985, and his Masters of Business Administration from the University of Nebraska-Omaha in 1990. After graduating from college, Mr. Horner joined Norwest Bank (now Wells Fargo) where he worked from 1986 until 1993 in the internal audit and corporate lending divisions. From 1993 until 2000 he worked in the Direct Marketing industry in a variety of capacities with Metromail (now Experian) and American Business Information (now InfoUSA).

Since joining Houlton Enterprises, Mr. Horner has focused on regulatory compliance, tax reporting, and operational processes. He has led an in-house systems enhancement project to overhaul and improve the customer system, upgraded during the 2<sup>nd</sup> quarter of 2001. Among the many outcomes of this project were improved compliance with internal controls, more efficient customer service, and detailed reporting capabilities for regulatory and tax requirements.

**Deb Coleman**: Deb Coleman is the Operations Manager of Guaranteed Phone Service, a position she began in 1999. Ms. Coleman is responsible for the daily supervision of the order processing and customer service staff. In this capacity, Ms. Coleman works closely with all carriers to ensure adherence to order processing and customer service quality standards. Ms. Coleman supervises the customer service staff, trains all new hires, and handles customer calls reporting service problems or billing questions requiring escalation to a manager for resolution. Ms. Coleman is also responsible for processing customer billings and payments.

Since joining the company in 1999, Ms. Coleman has been responsible for the setup of the Qwest IMA electronic ordering system and managed the transition to the electronic system from the paper and fax correspondence system previously used. Ms. Coleman has been the primary company contact for ongoing maintenance and scheduled upgrades to the IMA systems to ensure that all customer service representatives are current in their knowledge of processing electronic orders as well as system order processes with other incumbent carriers.

#### **b. POLICIES / PERSONNEL – SERVICE REQUIREMENTS**

The Applicant's business offices will be staffed to provide customers and others with convenient access to qualified personnel, including supervisory personnel where warranted, to provide information relating to services and rates, accept and process applications for service, explain charges on customers' bills, adjust charges made in error and to generally act as representatives of the Applicant.

A customer or prospective customer may initiate a complaint with the Applicant on any relevant matter by telephone, to the Applicant's 1-800 number; in person; or in writing directed to the Applicant at any of its offices. Qualified personnel will be available during regular business hours to receive and, if possible, resolve all customer inquiries, requests and complaints. The Applicant's response to the complaint will generally be in the same form used by the customer. However, the Applicant may respond to written complaints by telephone or personal visits when it believes such communications will be effective in resolution of the issues. A customer may at any point during resolution of the complaint seek

review by a supervisor or manager of the Applicant. Ms. Deb Coleman and Mr. Rich Horner will be the managerial/technical contact persons for customer service issues.

Complaints concerning the charges, practices, facilities or service of the Applicant shall be investigated promptly and thoroughly. If any complaint cannot be promptly resolved, the Applicant will contact the customer within five (5) business days and at least once every fourteen (14) calendar days thereafter, and advise the customer regarding the status of its investigation until: The complaint is mutually resolved; the Applicant advises the customer of the results of its investigation and final disposition of the matter; or the customer files a written complaint with the Commission or the courts.

The Applicant shall keep a record of each complaint showing the name and address of the complainant, the date and nature of the complaint, the date and nature of its disposition, and all other pertinent facts dealing with the complaint, which will enable the Applicant to review and analyze its procedures and actions. The records maintained by the Applicant under this section shall be available for inspection by the Commission or its staff upon request.

The Applicant has successfully been providing resold services since 1998 and is confident of its ability to respond promptly to any complaints and inquiries South Dakota customers may have, as it has demonstrated in Nebraska, Iowa, Minnesota, and North Dakota.

**10. ACCESS TO 911, OPERATOR SERVICES, ETC.**

The Applicant has initiated negotiations with Qwest to establish an Interconnection Agreement for the resale of local telephone services in South Dakota. Applicant has existing agreements with Qwest in Nebraska, Iowa, Minnesota, and North Dakota, and has maintained an excellent relationship with Qwest since 1998. Through the interconnection arrangement with Qwest, Applicant's customers will have access to emergency services, including 911 or enhanced 911, directory assistance, and telecommunications relay services.

As outlined in Applicant's proposed Tariff (Exhibit IV), Applicant restricts its subscribers' access to interexchange carriers for purposes of making the following types of billable toll calls: intraLATA, interLATA, interstate, international, and pay-per-call services (e.g. 900, 976). Subscribers will have access to interexchange services through the use of prepaid calling cards, available at many nonaffiliated retail outlets throughout the state. Applicant also places restrictions on its subscribers' access for operator services (0+ calling).

Applicant expands on these restrictions and requests a waiver of these requirements (SD Rules section 20:10:32:10) in section 22 of this application.

**11. FINANCIAL INFORMATION**

**a. BALANCE SHEET, INCOME STATEMENT, CASH FLOW - LTM**

Applicant respectfully requests confidential treatment of its financial statements. As outlined previously, Applicant is a privately held corporation and is not required to file its financial reports for public review. Applicant understands that financial information is required as part of the application process, and is necessary for the South Dakota Public Utility Board to review in making its determination. Applicant's position regarding confidential treatment of this information includes the following:

- The information is part of a report to a governmental agency, which, by definition, is available for public consumption.

- If released, this information would give an advantage to competitors, and potentially jeopardize its competitive position.
- If released, this information would serve no public purpose.

Therefore, Applicant submits copies of financial statements sealed in a separate envelope and marked "confidential" as Exhibit III. The statements cover the most recent fiscal year (ended 12/31/01) and include a Balance Sheet, Income Statement, and Cash Flow Statement.

**b. ANNUAL REPORT / REPORT TO STOCKHOLDERS**

Not Applicable – Houlton Enterprises, Inc. is a privately held corporation, and, therefore, does not publish an Annual Report or Report to Stockholders.

**12. INTERCONNECTION INFORMATION**

**a. IDENTITY OF LOCAL CARRIERS**

Applicant plans to sign an Interconnection Agreement with Qwest. There are no plans at this time to sign agreements with other local exchange carriers.

**b. TIMING OF INTERCONNECTION AGREEMENT / NEGOTIATIONS**

Applicant anticipates executing an Interconnection Agreement with Qwest no later than 6/15/02. Qwest forwarded their standard agreement template to Applicant 5/6/02. The format and content are very similar to other agreements Applicant and Qwest have already executed for Nebraska, Iowa, North Dakota, and Minnesota. It is anticipated that negotiations will be minimal.

**c. COPY OF REQUEST FOR INTERCONNECTION WITH LOCAL CARRIERS**

A copy of the e-mail request to Qwest, dated 5/2/02, is included as Exhibit V.

**13. TARIFF FOR SOUTH DAKOTA**

A proposed tariff for South Dakota is included with this Application as Exhibit IV.

**14. COST SUPPORT FOR RATES IN TARIFF**

As stated throughout this Application, Applicant provides prepaid local telephone service to customers who are, or would be, denied service from Qwest, and to prospective customers who, for their own personal reasons, would prefer to do business with the Applicant, if offered a choice. In general, most of Applicant's subscribers are high credit risk customers who fail to qualify for basic local exchange service from the incumbent local exchange carriers and who do not qualify for Universal Service programs such as Lifeline and LinkUp. In many cases, these customers previously had service with the incumbent carrier and had service disconnected due to non payment. Without service from Applicant, they would have no basic local exchange service and no access from their homes to operator services or emergency services. Applicant is able to serve these customers and mitigate the credit risk by providing service on a prepaid basis.

See Tariff (Exhibit IV) for pricing of services. Applicant provides strictly resold services on a prepaid basis. Basic telephone service is provided on a flat-rate, monthly basis. Additional features (e.g. Caller ID, Call Waiting, etc.) are available for an extra monthly charge; prices vary depending on the feature.

**15. MARKETING PLANS / TARGET MARKET**

Applicant markets its services primarily through a combination of 30 second television commercials and point-of-sale marketing collateral available at the various merchants. A copy of the marketing brochure for Applicant is included as Exhibit VI. The merchants serve as local payment centers in the Applicants' markets. Applicant does not use multi-level marketing strategies in any markets. The television commercials are intended to encourage potential subscribers to call a toll free number for information about signing up for telephone service, and to find out where the nearest merchant is in their area. Merchants who serve as payment centers for Applicant typically are check cashing businesses, rent-to-own stores, and pawn shops. The merchants accept payments from new and existing customers and are paid a commission for serving in this capacity.

In general, Applicants' customers are high credit-risk individuals who have lost their phone service with the local exchange carrier due to non-payment. These individuals include representatives of all age groups, ethnicity, and other demographics. There is no single defining characteristic of Applicant's "target market" other than individuals who, for various reasons, have lost their local phone service and have little or no alternatives.

**16. PLANS FOR MARKETING IN RURAL AREAS**

Not applicable – Applicant is not seeking authority to provide local exchange service in the service areas of any rural telephone companies. Applicant seeks to strictly offer resold local exchange service in areas covered by Qwest.

**17. STATUS OF LICENSES IN OTHER STATES**

Applicant is licensed to provide local exchange services in the following states:

- *Nebraska*
- *Iowa*
- *North Dakota*
- *Minnesota*
- *Wisconsin*

Applicant has never been denied registration or certification in any state. All licenses in Nebraska, Iowa, North Dakota, and Minnesota are active and in good standing. Subsequent to receiving a license from the Public Service Commission of Wisconsin (September 25, 2001), Applicant changed its plans and never commenced service in that state. There are no pending or completed criminal, civil or administrative actions against the Applicant by any state or federal authority.

**18. CONTACT INFORMATION**

*Regulatory Issues*

Richard Horner, Vice President  
Guaranteed Phone Service  
2201 W. Broadway, Suite #1  
Council Bluffs, IA 51501  
(800) 957-2640  
(402) 733-8545 (Fax)  
[horner\\_rich@hotmail.com](mailto:horner_rich@hotmail.com)

*Customer Complaints*

Deb Coleman, Manager  
Guaranteed Phone Service  
2201 W. Broadway, Suite #1  
Council Bluffs, IA 51501  
(800) 957-2640  
(402) 733-8545 (Fax)  
[deb\\_c8888@hotmail.com](mailto:deb_c8888@hotmail.com)

**19. CUSTOMER BILLING INFORMATION**

Applicant utilizes a proprietary billing system developed specifically for its subscriber base. Customer invoices are generated daily and sent via first class mail 10 days prior to their due date. Subscribers can make payments locally at a network of local payment centers, or can mail their payments directly to Applicant at their Council Bluffs, Iowa headquarters.

**20. PLANS FOR SOLICITATION OF NEW CUSTOMERS / UNAUTHORIZED SWITCHING**

As stated throughout this document, Applicant offers service to a unique and small segment of the households in its respective markets. Most of Applicants customers have no existing service in place when they subscribe to Applicant's services. The pricing and restrictions associated with Applicant's services are commensurate with the high credit-risk characteristics of its subscriber base. Consequently, there are significant pricing disincentives for subscribers of other carriers (whose phone service is active and in good standing) to switch to Applicant's service.

Section 15 of this application outlines Applicant's marketing plans. Marketing efforts are focused entirely on individuals whose phone service has already been disconnected. There are no overt marketing efforts made to attempt to convert subscribers from other carriers.

In Nebraska and Iowa, Applicant competes with other resellers who offer similar products with similar pricing to the same target market. In a number of isolated cases (less than 50 total since Applicant has been offering local service), subscribers have requested their existing service be switched to Applicant's service. In those cases, a Letter of Authorization has been obtained from the subscriber authorizing the change in telecommunications providers. The form and content of this letter conforms to rules outlined in South Dakota Rules Section 20:10:34:01.

**21. HISTORY OF COMPLAINTS IN OTHER STATES / UNAUTHORIZED SWITCHING, BILLING**

Not applicable – Applicant has never received a complaint, nor have complaints been filed with any state or federal commission regarding the unauthorized switching of a customer's

telecommunications provider and the act of charging customers for services that have not been ordered.

**22. REQUEST FOR WAIVER OF INAPPLICABLE RULES**

Pursuant to Section 251(f)(2) of the federal Telecommunications Act of 1996 (the "Act"), Applicant petitions for an indefinite suspension of the dialing parity requirements of Section 251(b)(3) of the Act. In support of this petition, Applicant states and avers as follows:

1. Applicant is a local exchange carrier with fewer than 2 percent of the Nation's subscriber lines. Applicant has fewer than 1,000 subscriber lines in Nebraska, 1,500 in Iowa, 100 in North Dakota, and 100 in Minnesota. Due to the nature of its service, Applicant does not contemplate ever serving more than 2 percent of the Nation's subscriber lines.
2. Applicant provides strictly resold services.
3. Such a suspension is necessary to avoid significant adverse economic impact on users, to avoid imposing a requirement that is unduly economically burdensome, or to avoid imposing a requirement that is technically infeasible.
4. As stated in Applicant's tariff, Applicant restricts its subscribers access to interexchange carriers for purposes of making the following types of billable toll calls: intraLATA, interLATA, interstate, international, and pay-per-call services (e.g. 900, 976).
5. Most of Applicant's subscribers are high credit risk customers who fail to qualify for basic local exchange service from the incumbent local exchange carriers and who do not qualify for Universal Service Programs such as Lifeline and LinkUp.
6. Due to the high-risk credit status of most of Applicant's subscribers, it would be unduly economically burdensome to provide them access to toll services.
7. Because Applicant restricts toll access, it would be technically infeasible – as well as unnecessary – to require Applicant to provide dialing parity and presubscription. Requiring Applicant to provide dialing parity would serve no legitimate interest.
8. The requested suspension is consistent with the public interest, convenience and necessity.
9. As mentioned above, most of Applicant's subscribers fail to qualify for basic local exchange service from the local exchange carrier due to poor credit status and do not qualify for Universal Service programs. Without service from Applicant, they would have no basic local exchange service and no access from their homes for emergency services.
10. Should Applicant ever permit toll access, it will comply with the dialing parity requirements set forth in the Act.

**23. FEDERAL ID NUMBER**


47-0768034



**24. SUMMARY / OTHER INFORMATION AS REQUESTED**

By this Petition and the Exhibits attached hereto, the Applicant has demonstrated that it has the technical, managerial and financial resources necessary to provide resold local telecommunications services in the Proposed Service Area. Applicant therefore requests that the Commission enter an order granting this Petition.


**HOULTON ENTERPRISES, INC., d/b/a  
GUARANTEED PHONE SERVICE**

By:   
Richard P. Horner  
Guaranteed Phone Service  
2201 W. Broadway #1  
Council Bluffs, IA 51501

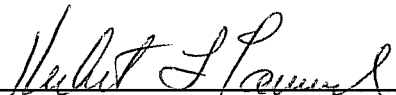
**VERIFICATION**

I, Richard Horner, being of lawful age and duly sworn, state that I am the Vice President of Houlton Enterprises, Inc., d/b/a Guaranteed Phone Service, that I have read the above statements contained in this Petition, and that all such statements are true to the best of my knowledge.

Executed in Council Bluffs, Iowa, on this 17 day of May, 2002.

  
Richard Horner, Vice President

Sworn to and subscribed before me  
this 17<sup>th</sup> day of May, 2002.

  
Notary Public

[S E A L]

**EXHIBIT I**

**Houlton Enterprises, Inc.**

**State of Nebraska Certificate of Good Standing**

**Dated 5/9/02**

STATE OF

NEBRASKA



United States of America,  
State of Nebraska } ss.

Department of State  
Lincoln, Nebraska

I, John A. Gale, Secretary of State of Nebraska do hereby certify;

**HOULTON ENTERPRISES, INC.**

was duly incorporated under the laws of this state on June 24, 1993 and do further certify that no occupation taxes assessed are unpaid and no annual reports are delinquent; articles of dissolution have not been filed and said corporation is in existence as of the date of this certificate.

In Testimony Whereof,

I have hereunto set my hand and affixed the Great Seal of the State of Nebraska on May 9, in the year of our Lord, two thousand two.

*John A. Gale*  
SECRETARY OF STATE



**EXHIBIT II**

**Houlton Enterprises, Inc.**

**State of South Dakota  
Application for Certificate of Authority**

**Mailed 5/15/02**

Mailed 5/15/02



Secretary of State  
State Capitol  
500 E. Capitol Ave.  
Pierre SD 57501  
Phone 605-773-4845  
Fax 605-773-4550

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

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

### Application for Certificate of Authority

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

(1) The name of the corporation is Houlton Enterprises, Inc. (d/b/a Guaranteed Phone Service)  
(exact corporate name)

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

(3) State where incorporated Nebraska Federal Taxpayer ID# 47-0768034

(4) The date of its incorporation is 6/24/93 and the period of its duration, which may be perpetual, is Perpetual

(5) The address of its principal office in the state or country under the laws of which it is incorporated is  
807 W. Centennial Papillion, NE Zip Code 68046

mailing address if different from above is: 2201 W. Broadway #1, Council Bluffs, Iowa  
Zip Code 51501

(6) The street address, or a statement that there is no street address, of its proposed registered office in the State of South Dakota is  
319 South Coteau Street, Pierre, South Dakota Zip Code 57501

and the name of its proposed registered agent in the State of South Dakota at that address is CT Corporation System

(7) The purposes which it proposes to pursue in the transaction of business in the State of South Dakota are: (state specific purpose)  
Prepaid Local Telephone Service

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

Name	Officer Title	Street Address	City	State	Zip
<u>Mark Houlton</u>	<u>President</u>	<u>807 W. Centennial</u>	<u>Papillion</u>	<u>NE 68046</u>	
<u>John Quandahl</u>	<u>Vice President</u>	<u>807 Roland Dr.</u>	<u>Papillion</u>	<u>NE 68046</u>	
<u>Lisa Houlton</u>	<u>Secretary</u>	<u>807 W. Centennial</u>	<u>Papillion</u>	<u>NE 68046</u>	

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

Number of shares	Class	Series	Par value per share or statement that shares are without par value
<u>1,000</u>	<u>Common</u>	<u>n/a</u>	<u>\$1.00 per share</u>

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

Number of shares	Class	Series	Par value per share or statement that shares are without par value
100 Issued & Outstanding	Common	n/a	\$1.00 Per Share

(11) The amount of its stated capital is \$ 100  
Shares issued times par value equals stated capital. In the case of no par value stock, stated capital is the consideration received for the issued shares.

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

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

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

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

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

Dated 5/13/02

John Lourdahl  
(Signature)  
Chief Operating Officer  
(Title)

STATE OF Iowa  
COUNTY OF Pottawattomie

I, Herbert L. Townsend, a notary public, do hereby certify that on this 13 day of May 2002, personally appeared before me John Lourdahl who, being by me first duly sworn, declared that he/she is the C.O.O. of Houlton Enterprises, that he/she signed the foregoing document as officer of the corporation, and the statements therein contained are true.

4-04  
My Commission Expires

Herbert L. Townsend  
(Notary Public)

Notarial Seal

The Consent of Appointment below must be signed by the registered agent listed in number six.

**Consent of Appointment by the Registered Agent**

I, CT Corporation System, hereby give my consent to serve as the registered agent for Houlton Enterprises, Inc. (d/b/a Guaranteed Phone Service).

(name of registered agent)  
(corporate name)

Dated May 8 20 02

Jeffrey R. Graves  
Assistant Secretary  
(Signature of registered agent)

The proper filing fee must accompany the application. Make checks payable to the Secretary of State.

#### FEE SCHEDULE

Authorized capital stock of	25,000	or less	\$ 90
Over \$25,000 and not exceeding	100,000		110
Over \$100,000 and not exceeding	500,000		130
Over \$500,000 and not exceeding	1,000,000		150
Over \$1,000,000 and not exceeding	1,500,000		200
Over \$1,500,000 and not exceeding	2,000,000		250
Over \$2,000,000 and not exceeding	2,500,000		300
Over \$2,500,000 and not exceeding	3,000,000		350
Over \$3,000,000 and not exceeding	3,500,000		400
Over \$3,500,000 and not exceeding	4,000,000		450
Over \$4,000,000 and not exceeding	4,500,000		500
Over \$4,500,000 and not exceeding	5,000,000		550

For each additional \$500,000, \$40 in addition to \$550.

For purposes only of computing fees under this section, the dollar value of each authorized share having a par value shall be equal to par value and the value of each authorized share having no par value shall be equal to one hundred dollars per share. The maximum amount charged under this subdivision may not exceed sixteen thousand dollars.

#### FILING INSTRUCTIONS:

The application must be signed, in the presence of a notary public, by the chairman of the board of directors, or its president, or any other officer. **One original and one photocopy of the application must be submitted.**

The application must be accompanied by an **original, currently dated, CERTIFICATE OF FACT** or a **CERTIFICATE OF GOOD STANDING** from the Secretary of State in the state where incorporated. A photocopy of a certificate is not acceptable. It should be dated within ninety (90) days of submitting it to our office.

South Dakota law requires every corporation to continuously maintain a resident of this state as the registered agent (number six on the application). The registered agent's address is considered the registered office address of the corporation in South Dakota. A complete street address must be listed for service of process.

The Consent of Registered Agent portion must be signed by the South Dakota registered agent.

Mail the application, certificate, and filing fee to the Secretary of State, Corporate Division, 500 E. Capitol Avenue, Pierre, SD 57501-5070. The duplicate and a Certificate of Authority will be returned for your records.

STATE OF

NEBRASKA



United States of America,  
State of Nebraska } ss.

Department of State  
Lincoln, Nebraska

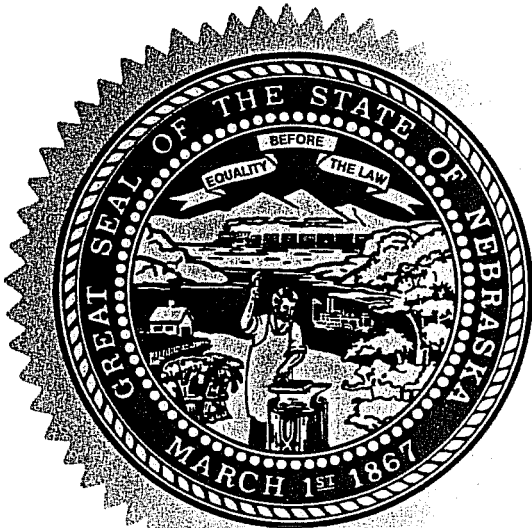
I, John A. Gale, Secretary of State of Nebraska do hereby certify;

**HOULTON ENTERPRISES, INC.**

was duly incorporated under the laws of this state on June 24, 1993 and do further certify that no occupation taxes assessed are unpaid and no annual reports are delinquent; articles of dissolution have not been filed and said corporation is in existence as of the date of this certificate.

In Testimony Whereof,

I have hereunto set my hand and affixed the Great Seal of the State of Nebraska on May 9, in the year of our Lord, two thousand two.



*John A. Gale*  
SECRETARY OF STATE



**EXHIBIT III**

**Houlton Enterprises, Inc.**

**12/31/01 Financial Statements**

**CONFIDENTIAL**

**Submitted with original Application only**

**CONFIDENTIAL**

1

**EXHIBIT IV**

**Guaranteed Phone Service**

**State of South Dakota - Tariff**

TELEPHONE TARIFF  
SOUTH DAKOTA

Houlton Enterprises, Inc.  
d/b/a Guaranteed Phone Service

Original Page 1

HOULTON ENTERPRISES, INC.  
d/b/a Guaranteed Phone Service

LOCAL RESALE SERVICE TARIFF

SUBMITTED TO

THE

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

MAY 15, 2002

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Issued: MAY 15, 2002

Effective: JUNE 15, 2002

Mark Houlton, President  
2201 W. Broadway, #1 Council Bluffs, IA 51501

TELEPHONE TARIFF  
SOUTH DAKOTA

Houlton Enterprises, Inc.  
d/b/a Guaranteed Phone Service

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EXPLANATION OF SYMBOLS

- (C) Changed regulation
- (D) Discontinued rate or regulation
- (I) Increase in rate
- (N) New rate or regulation
- (R) Reduction in rate
- (T) Change in text only
- (NA) Not available at this time

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Issued: MAY 15, 2002

Effective: JUNE 15, 2002

Mark Houlton, President  
2201 W. Broadway, #1 Council Bluffs, IA 51501

TELEPHONE TARIFF  
SOUTH DAKOTA

Houlton Enterprises, Inc.  
d/b/a Guaranteed Phone Service

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TELEPHONE TARIFF  
SOUTH DAKOTA

Houlton Enterprises, Inc.  
d/b/a Guaranteed Phone Service

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SECTION I – APPLICATION OF TARIFF

This tariff applies to the furnishing of Local Resale Service, as defined herein, by Houlton Enterprises, Inc., d/b/a Guaranteed Phone Service (hereinafter referred to as the “**Company**” or “**GPS**”). These services are available to customers within those Exchanges served by Qwest Communications International, Inc. (“**Qwest**”).

The provision of Local Resale Service is subject to existing regulations and terms and conditions specified in this tariff and may be revised, added to or supplemented by superseding issues.

GPS reserves the right to offer its Customers a variety of competitive services as deemed appropriate by the Company. Service will be available as facilities, mechanized ordering, billing, provisioning, ability to purchase tariff items for resale and maintenance systems permit.

SECTION II – GENERAL REGULATIONS

2.1 DEFINITIONS

Authorized User – A person (other than the Customer) on whose premises a telephone, private branch exchange or private line service or channel is located and who may communicate over such channels in accordance with the terms of this tariff.

Commission – The South Dakota Public Utilities Commission.

Contract – The agreement between the Company and the Customer for the furnishing of Company services.

Customer – The person responsible for the payment of charges and compliance with the regulations of the Company.

Customer Premises - Includes all space in the same building occupied by a Customer and all space occupied by the same Customer in different buildings on contiguous property.

Exchange – A unit established by a telephone utility for which a separate local rate schedule is provided. It may consist of one or more central offices together with associated plant facilities used in furnishing telecommunication services in that area.

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Issued: MAY 15, 2002

Effective: JUNE 15, 2002

Mark Houlton, President  
2201 W. Broadway, #1 Council Bluffs, IA 51501

TELEPHONE TARIFF  
SOUTH DAKOTA

Houlton Enterprises, Inc.  
d/b/a Guaranteed Phone Service

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Exchange Service Area – The geographical territory served by an exchange, usually embracing a city, town, or village and its environs.

ILEC – Incumbent local exchange carrier.

Local Exchange Service – Telecommunication service provided within local Exchange Service Areas in accordance with tariffs. It includes the use of Exchange facilities required to establish connections between stations within the Exchange and between stations and the toll facilities serving the Exchange.

Local Resale Service – Provision of Local Exchange Service as a reseller throughout the Exchange Service Areas identified in the Company's Application for Certificate of Authority to Provide Local Exchange Service.

Local Service Area – That area within which a Customer for exchange service can make telephone calls without the payment of a toll charge. A Local Service Area may be made up of one or more central office areas or Exchange Service Areas.

Nonrecurring Charge – A one-time charge associated with certain installations, changes or transfers of services either in lieu of or in addition to recurring monthly charges.

## 2.2 UNDERTAKING OF THE COMPANY

### 2.2.1 General

The Company undertakes to provide the services offered in this tariff on the terms and conditions and at the rates and charges specified.

Local Exchange Services consist of furnishing resold switched communication in connection with one-way and/or two-way information transmission points within a Local Service Area.

Service is provided for a minimum period of at least one month, 24 hours per day.

Service will be provided where facilities, billing capability and the ability of GPS to purchase tariff elements for resale are available.

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Issued: MAY 15, 2002

Effective: JUNE 15, 2002

Mark Houlton, President  
2201 W. Broadway, #1 Council Bluffs, IA 51501



TELEPHONE TARIFF  
SOUTH DAKOTA

Houlton Enterprises, Inc.  
d/b/a Guaranteed Phone Service

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2.2.2 Terms and Conditions

Customers may be required to enter into written service orders which shall contain or reference a specific description of the services ordered, the rates to be charged, the duration of the services, and the terms and conditions in this tariff. The Customer will also be required to execute any other documents as may be reasonably requested by the Company.

At the expiration of the initial term specified in each service order, or in any extension thereof, service shall continue on a month-to-month basis, provided it is prepaid by the Customer, at the then current rates. The rights and obligations which by their nature extend beyond the termination of the term of the service order shall survive such termination.

2.2.3 Notification of Service-Affecting Activities

The Company will provide the Customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventive maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers' services. No specific advance notification period is applicable to all service-affecting activities. The Company will work cooperatively with the Customer to determine reasonable notification requirements. With some emergency or unplanned service-affecting conditions, such as an outage resulting from cable damage, notification to the Customer may not be possible.

2.2.4 Provision of Equipment and Facilities

The majority of the equipment and facilities utilized by the Company for the provision of Local Resale Service are the property of the ILEC and not the Company. To the extent the Company does own and/or control equipment and facilities utilized for the provision of Local Resale Service, the following regulations apply:

2.2.4.1 Service

The Company shall use reasonable efforts to make available services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with the regulations contained in this tariff. As a pure reseller, the Company is largely dependent upon the ILEC in terms of the

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Issued: MAY 15, 2002

Effective: JUNE 15, 2002

Mark Houlton, President  
2201 W. Broadway, #1 Council Bluffs, IA 51501

TELEPHONE TARIFF  
SOUTH DAKOTA

Houlton Enterprises, Inc.  
d/b/a Guaranteed Phone Service

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delivery of service and timing thereof. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.

2.2.4.2 Company Facilities

The Company shall use reasonable efforts to maintain facilities and equipment that it furnishes to the Customer. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, and attempt to repair or otherwise interfere with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.

The Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided to the Customer.

Equipment the Company provides or installs at the Customer Premises for use in connection with the services the Company offers shall not be used for any purpose other than that for which the Company provided it.

The Customer shall be responsible for the payment of service charges, as set forth herein, for visits by the Company's agents or employees to the Customer Premises when the service difficulty or trouble report results from the use of equipment or facilities furnished pursuant to this tariff. The responsibility of the Company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Subject to this responsibility, the Company shall not be responsible for the transmission of signals by Customer-provided equipment or for the quality of, or defect in, such transmission, or the reception of signals by Customer-provided equipment.

2.2.4.3 Customer Equipment

A Customer may transmit or recover information or signals by Customer-provided equipment via the facilities of the Company.

Customer-provided terminal equipment on the Customer Premises, and the electric power consumed by such equipment, shall be provided by and maintained at the expense of the Customer.

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Issued: MAY 15, 2002

Effective: JUNE 15, 2002

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The Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense.

2.2.4.4 Interconnection of Facilities

Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing Local Exchange Services and the channels, facilities or equipment of others shall be provided at the Customer's expense.

2.2.4.5 Inspections

Upon reasonable notification to the Customer, and at a reasonable time, the Company or its authorized representative may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in this section for the installation, operation and maintenance of Customer-provided facilities, equipment and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment.

If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten (10) days of receiving this notice, the Customer must take corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm.

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Issued: MAY 15, 2002

Effective: JUNE 15, 2002

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2.2.5 Shortage of Equipment or Facilities

During such periods of time as the Company or the ILEC may not be able to supply initial telephone service to an applicant or upgrade existing Customers within thirty (30) days after the day applicant desires service or the Customer desires upgrading, the Company shall keep a record by exchanges showing the name and address of each applicant for service, the date of application, date service desired, the class and grade of service applied for, together with the reason for the inability to provide the new service or higher grade to the applicant. When, because of a shortage of facilities, the Company is unable to supply main telephone service on dates requested by applicants, first priority shall be given to furnishing those services which are essential to public health and safety. In cases of prolonged shortage or other emergency, the Commission may require establishment of a priority plan subject to its approval for clearing held orders, and may request periodic reports concerning the progress being made. Ninety percent (90%) of the Company's commitments to Customers as to the date of installation of regular service orders shall be met, excepting delays caused by Customers and acts of God.

2.3 LIABILITY OF THE COMPANY

2.3.1 Service Liability

The Company's liability, if any, for its willful misconduct is not limited by this tariff. With respect to any other claim or suit by a Customer or by any others, for damages associated with the installation, provision, termination, maintenance, repair or restoration of a service, and subject to the provisions following, the Company's liability, if any, shall not exceed an amount equal to the proportionate charge for the service for the period during which the service was affected. This liability for damages shall be in addition to any amounts that may otherwise be due the Customer under this tariff as a credit allowance for interruptions.

The Company is not liable for any act or omission of any other communications utility which furnishes a portion of a service.

The Company is not liable for any malfunction of Customer-owned equipment.

The Company is not liable for damages associated with a service which it does not furnish. The Company shall be indemnified, defended and held harmless against any claim, loss or damage arising from the use of service offered under this tariff, involving:

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Issued: MAY 15, 2002

Effective: JUNE 15, 2002

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Claims for libel, slander, invasion of privacy, or infringement of copyright arising from any communication;

Claims for patent infringement arising from combining or using the service furnished by the Company in connection with facilities or equipment furnished by others; or

All other claims arising out of any act or omission of others in the course of using services provided pursuant to this tariff.

The Company does not guarantee or make any warranty with respect to its services when used in an explosive atmosphere. The Company shall be indemnified, defended and held harmless by the Customer and any Authorized User from any and all claims by any person relating to the services so provided.

No license under patents (other than the limited license to use) is granted by the Company or shall be implied or arise by estoppel, with respect to any service offered under this tariff. The Company will defend the Customer and Authorized Users against claims of patent infringement arising solely from the use by the Customer or Authorized Users of services offered under this tariff and will indemnify such Customer or Authorized Users for any damages awarded based solely on such claims.

Upon condemnation of any material portion of the facilities used by the Company or the ILEC to provide service to the Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue service without incurring any liability.

Upon any governmental prohibition or requirement, alteration of the services to be provided or any violation of an applicable law or regulation, the Company may immediately discontinue service without incurring any liability.

The Company's failure to provide or maintain services under this tariff shall be excused by labor difficulties, governmental orders, civil commotion, preemption of existing services to restore services in compliance with Part 64, Subpart D, Appendix A, of the FCC's Rules and Regulations, acts of God and other circumstances beyond the Company's reasonable control.

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Issued: MAY 15, 2002

Effective: JUNE 15, 2002

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2.3.2 Temporary Suspension for Repairs

The Company shall have the right to make necessary repairs or changes in its facilities at any time and will have the right to suspend or interrupt service temporarily for the purpose of making the necessary repairs or changes in its system. When such suspension or interruption of service for any appreciable period is necessary, the Company will give the Customers who may be affected as reasonable notice thereof as circumstances will permit, and will perform the work with reasonable diligence and, if practicable, at times that will cause the Customer the least inconvenience. When the Company is repairing or changing its facilities, it shall take appropriate precautions to avoid unnecessary interruptions of communications or Customer's service.

2.4 OBLIGATIONS OF THE CUSTOMER

The Customer shall be responsible for:

The payment of all applicable charges pursuant to this tariff.

Damage to or loss of the Company's and/or the ILEC's facilities or equipment caused by the acts or omissions of the Customer or the noncompliance by the Customer with these regulations, or by fire or theft or other casualty on the Customer Premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company.

Providing at no charge, as specified from time to time by the Company, any needed personnel, equipment, space and power to operate Company facilities and equipment installed on the Customer Premises, and the level of heating and air conditioning necessary to maintain the proper operating environment on such Premises.

Obtaining, maintaining, and otherwise having full responsibility for all rights-of-way, conduit and associated equipment necessary to provide Local Resale Service to the Customer from the property line to the location of the Customer's telephone, facsimile, modem or other such unit, including the costs of altering the structure to permit installation of the Company-provided facilities, which costs shall be borne entirely by the Customer, or may be charged by the Company to the Customer.

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Issued: MAY 15, 2002

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Providing access to a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material (e.g., asbestos) prior to any construction or installation work.

Complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of Company facilities and equipment in any Customer Premises or the rights-of-way for which the Customer is responsible under this section; and granting or obtaining permission for Company agents or employees to enter the Customer Premises for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company.

Not creating or allowing to be placed any liens or other encumbrances on the Company's equipment or facilities.

In the event the Company incurs fees or expenses, including attorneys' fees, in collecting or attempting to collect any charges owed the Company, the payment of all such fees and expenses reasonably incurred.

#### 2.4.1 Claims

With respect to any service or facility provided by the Company; the Customer shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees, for:

Any loss, destruction or damage to property of the Company or any third party, or the death or injury to persons, including, but not limited to, employees or invitees of either party, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees; or

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Effective: JUNE 15, 2002

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Any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the Customer, including, without limitation, use of the Company's services and facilities in a manner not contemplated by the agreement between the Customer and the Company.

2.5 PAYMENTS AND CHARGES

2.5.1 Installation Charges

These charges are nonrecurring and apply to various Customer requests for connecting, moving or changing service. They are in addition to any other scheduled rates and charges that would normally apply under this tariff.

2.5.1.1 Service Order Charge

This charge is for receiving, recording and processing information necessary to execute a Customer's request for service. One Service Order Charge applies for all changes and/or additions ordered and provided at the same time for the same Customer.

2.5.1.2 Line Connection Charge

A Line Connection Charge is incurred for performing all or part of the operations associated with the connection of a central office line. This may include circuit design work and establishing or changing central office connections.

Line Connection Charge applications will be billed under special arrangements on a case-by-case basis. To inquire about specific line charges, Customers may contact GPS's Customer Service Operations.

2.5.1.3 FCC Line Charge

An End User Common Line (EUCL) charge will be applicable on a monthly basis.

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Issued: MAY 15, 2002

Effective: JUNE 15, 2002

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2.5.1.4 Restoration of Service Charge

In the event a Customer's service has been disconnected for valid cause by the Company, a Restoration of Service Charge will apply, as follows:

- a. Restoration of Service Charge - \$30 per line; and
- b. Any other installation charges that may be applicable.

The Company, however, may not charge a Restoration of Service Charge for disconnection of service in the event of a condition determined to be hazardous, pursuant to Section 2.6.1.b.

2.5.2 Billing and Collection

Bills to Customers will be typed or machine-printed, rendered regularly, and will contain an itemized listing of all charges and the period of time covered by the billing.

In the event a Customer's service is interrupted other than by negligence or willful act of the Customer and such service remains out of order for twenty-four (24) hours after being reported to the Company, adjustments shall be made to the Customer, based upon the pro rata part of the month's charge for the period of days and that portion of the service and facilities rendered useless or inoperative. The refund may be accomplished by a credit on a subsequent bill. If in the case of such interruption, service is restored on or before the day after it is reported or found by the Company, no allowance will be made.

Upon the request of any Customer or applicant, the Company shall provide an explanation of the rates, charges and provisions applicable to the service furnished or available to such Customer or applicant, and shall provide any information and assistance necessary to enable that person to obtain the most economical communications service conforming to the person's stated needs. Applicants for telephone service shall be advised as to alternate services available to meet their stated communications requirements. This information may include printed explanations of alternate services and rates. Correspondingly, the Company shall notify its Customers of any services and shall provide an estimate of the initial billing for basic monthly service, including fractional monthly amounts, plus any other applicable charges.

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2.5.3 Advance Payments

At the time an application for service is made, an applicant may be required to pay an amount equal to at least one month's service and/or installation charges which may be applicable, in addition to such special construction and installation charges as are to be borne by the applicant. The amount of the advance payment is credited to the Customer's account on the first bill rendered.

Federal, State or Municipal governmental agencies may not be required to make advance payments.

2.5.4 Deposits

The Company does not require deposits.

2.5.5 Returned Check Charges

The Customer will be assessed a charge of \$25.00 for each check, draft, or electronic funds transfer submitted by the Customer to the Company which a financial institution refuses to honor.

2.5.6 Minimum Period Charge

The minimum period for flat rate service is one month. When a service is discontinued prior to the expiration of the minimum period, the minimum period charge will apply to all charges.

2.5.7 Late Payments

All bills not paid on or before the last date for timely payment shall be subject to a late payment charge of \$5.00.

2.5.8 Disputes

Whenever a Customer advises the Company's designated representative prior to the disconnection of service that any part of the Customer's bill as rendered or any part of the service which affects the amount of the bill is in dispute, the Company shall investigate the dispute promptly; advise the Customer of the investigation and its result; attempt to resolve the dispute; and withhold disconnection of service until the investigation is

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completed and the Customer is informed of the findings of fact. Upon receiving the findings of the Company, the Customer must submit payment in full of any bill which is due. If the dispute is not resolved to the satisfaction of the Customer, the Customer must submit the entire payment and may designate the disputed portion to be placed in escrow with the Company.

Upon settlement of the dispute, any sums found to be entitled to be refunded to the Customer shall be supplemented by a six percent (6%) per annum interest charge from the date of payment to the date of return by the Company.

2.6 DISCONTINUANCE OR REFUSAL OF SERVICE

Service may be refused or disconnected for any of the reasons listed below. Unless otherwise stated, the Customer shall be provided notice of the pending disconnection and the Rules violation which necessitates disconnection. Furthermore, unless otherwise stated, the Customer shall be allowed a reasonable time in which to comply with the Rules before service is disconnected.

2.6.1 Discontinuance Without Notice

The Company may discontinue service to a Customer without notice under the following conditions:

- a. In the event of tampering with the Company's equipment;
- b. In the event of a condition determined to be hazardous to the Customer, to other customers of the Company, to the Company's equipment, the public, or to employees of the Company; or
- c. In the event of a Customer's use of equipment in such a manner as to adversely affect the Company's equipment or the Company's service to others.

2.6.2 Discontinuance After Prior Written Notice

The Company may discontinue service to a Customer under the following conditions after giving the Customer five (5) days' (excluding Sundays and legal holidays) written notice:

- a. For failure of the Customer to pay a bill for service when due;
- c. For failure of the Customer to make proper application for service;

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- d. For the Customer's violation of any of the Company's rules on file with the Commission;
- e. For failure of the Customer to provide the Company reasonable access to its equipment and property;
- f. For the Customer's breach of the contract for service between the Company and the Customer;
- g. For failure of the Customer to furnish such service, equipment, and/or rights-of-way necessary to serve said Customer as shall have been specified by the Company as a condition of obtaining service; or
- h. When necessary for the Company to comply with any order or request of any governmental authority having jurisdiction.

Service will not be disconnected on any Friday, Saturday, Sunday, or legal holiday, or at any time when the Company's business offices are not open to the public, except where an emergency exists.

## 2.7 CANCELLATION, CHANGE AND RESTORATION OF SERVICE

### 2.7.1 Cancellation of Application for Service

When the Customer cancels an application for service prior to the start of service or prior to any special construction, no charges will be imposed except for those specified below.

Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of services ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service begun.

Where the Company incurs an expense in connection with special construction, or when special arrangements of facilities or equipment have begun, before the Company receives a cancellation notice, a charge equal to the costs incurred, less net salvage, applies.

The special charges described above will be calculated and applied on a case-by-case basis.

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Effective: JUNE 15, 2002

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2.7.2 Changes in Service Requested

If the Customer makes or requests material changes in circuit engineering, equipment specifications, service parameters, premises locations or otherwise materially modifies any provision of the application for service, the Customer's installation fee shall be adjusted accordingly.

2.7.3 Cancellation of Service

If a Customer with an established account cancels a service order or terminates services before the completion of the term for any reason whatsoever other than a service interruption, the Customer may be required to pay to the Company the following sums which shall become due and owing as of the effective date of the cancellation or termination and be payable within the period as set forth in this tariff: All costs, fees and expenses reasonably incurred in connection with 1) all Nonrecurring Charges reasonably expended by the Company to establish service to the Customer, 2) any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by the Company on behalf of the Customer, and 3) all recurring charges specified in the tariff for the balance of the then-current term. The Company may initiate collection efforts with the issuance of a final bill when the termination of service is at the Customer's request.

The Company may discontinue the furnishing of any and/or all service(s) to the Customer without incurring any liability.

2.7.4 Restoration of Service

If any Customer's service is restored after having been disconnected in accordance with this tariff, but a Company service order to terminate such service has not been completed when such service is restored, the Customer will be required to pay a restoration of service charge.

When a Customer's service has been disconnected in accordance with this tariff and the service has been terminated through the completion of a Company service order, service will be reestablished only upon the basis of an application for new service.

If the Customer has a history of payments returned for insufficient funds, the Company may require payment by cash, money order or certified check. If such payment is made

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by personal check, restoration of service will be effected upon clearance of the check by the bank.

2.8 ASSIGNMENT OR TRANSFER OF SERVICE

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company without the written consent of the other party, except that the Company may assign its rights and duties (a) to any subsidiary, parent company or affiliate of the Company, (b) pursuant to any sale or transfer of substantially all the assets of the Company, or (c) pursuant to any financing, merger or reorganization of the Company.

2.9 SPECIAL TAXES, FEES, CHARGES

Insofar as practicable, any sales, use, privilege, excise, franchise or occupation tax, charges, surcharges, fees or similar taxes or impositions levied by any government, political subdivision or taxing authority against the Company shall be billed by the Company to its Customers on a pro-rata basis, except as otherwise prohibited by law.

2.9.1 Federal

GPS will comply with all federal laws and regulations pertaining to the imposition and assessment of taxes, fees, surcharges and the like.

2.9.2 State

GPS will comply with all state laws and regulations pertaining to the imposition and assessment of taxes, fees, surcharges and the like.

2.9.2.1 Combined Local Access Surcharge

The Company will collect from each Customer an amount per telephone access line representing the total of the surcharges required under South Dakota Statutes. Amounts collected will be remitted to the appropriate departments in the State of South Dakota as required. The Company will list the surcharges as one amount on the billing statements sent to Customers.

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2.9.3 Local

If at any future time a municipality acquires the legal right to impose an occupation tax, license tax, franchise fee, permit fee or other similar charge upon the Company, and imposes the same by lawful ordinance or otherwise, such taxes, fees or charges shall be billed to the telephone Customers receiving service within the territorial limits of such municipality. Such billing shall allocate the tax, fee or charge among the Company's Customers uniformly on the basis of each Customer's monthly charges for the types of service made subject to such tax, fee or charge.

2.10 CUSTOMER COMPLAINTS

Except as otherwise provided herein, the following procedures shall apply to all Customer complaints to the Company:

The Company will establish procedures whereby qualified personnel shall be available during regular business hours to receive and, if possible, resolve all Customer inquiries, requests and complaints.

If any complaint cannot be promptly resolved, the Company will contact the Customer within five (5) business days and at least once every fourteen (14) calendar days thereafter, and advise the Customer regarding the status of its investigations until a) the complaint is mutually resolved; b) the Company advises the Customer of the results of its investigation and final disposition of the matter; or c) the Customer files a written complaint with the Commission or the courts.

When the Commission forwards a Customer complaint to the Company, the Company shall notify the Commission within five (5) business days regarding the status or disposition of the complaint.

The Company will keep a record of all complaints received by it from Customers, which shall be classified as directed by the Commission. The record shall show the name and address of the Customer, the date and nature of the complaint, its disposition and the date thereof. The Company will keep records of the Customer complaints in such a manner as will enable it to review and analyze its procedures and actions.

The Company will file an annual report on or before May 1 with the Commission containing the following information:

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Issued: MAY 15, 2002

Effective: JUNE 15, 2002

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- a. The total number of resolved and unresolved complaints by class of service and type of complaint.
- b. The total number of lines in each class of service and the total number of lines increased during the past year.
- c. The names, addresses and telephone numbers of personnel designated and authorized to receive and respond to the requests and directives of the Commission regarding Customer inquiries, service requests and complaints. The Company will keep the information current, and if changes occur, the Company will inform the Commission immediately of such changes.

All information will be verifiable and available for inspection and investigation by Commission staff.

Upon notice by the Commission, the Company will provide an up-to-date report of the type described above prior to any hearing before the Commission or upon any official request of the Commission.

## 2.11 NOTICES AND COMMUNICATIONS

All notices or other communications required to be given pursuant to this tariff will be in writing and will precede the action to be taken by at least five (5) days, excluding Sundays and legal holidays.

The Customer may designate on the service order an address other than the location where the service is provided, to which the Company shall mail or deliver all notices and other communications, including the bill. The Company or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing by following the procedures for giving notice set forth herein.

In lieu of mailing, notices may be delivered by a representative of the Company. Such notices will be in writing and a receipt for same must be signed by the Customer, if present, or some other member of the Customer's family of responsible age, or the representative of the Company may make an affidavit under oath that he or she delivered the notice to the Customer or the Customer's residence or business. A record of all notice and affidavits will be kept on file by the Company and will be available to the Commission. Disconnection notices will contain the date on or after which disconnection will occur, reason for disconnection, and methods of avoiding disconnection in normal, easy-to-understand language.

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SECTION III – SERVICE AREAS

GPS offers Local Exchange Service within Qwest Exchange Service Areas and Local Service Areas.

SECTION IV – SPECIAL ARRANGEMENTS

4.1 CONTRACTS

GPS may offer customized service packages under special arrangements on a case-by-case basis. Service offered under this tariff provision will be provided to Customers pursuant to Contract. Unless otherwise specified, the regulations for such arrangements are in addition to the applicable regulations and prices in other sections of the tariff.

4.2 PROMOTIONAL OFFERINGS

Upon notice to the Commission, GPS may promote the use of its services by offering a waiver of part or all of a recurring or a nonrecurring charge, a redemption coupon, or a premium with the purchase of a service. The Customer group to which the promotion is available must be based on reasonable distinctions among Customers. No single promotion may be effective for longer than ninety (90) days at a time. The service being promoted must have a price that is above the incremental cost of the service, including amortized cost of the promotion.

A promotion may take effect the day after notice is filed with the Commission. The notice must identify Customers to whom the promotion is available and include cost information demonstrating that the revenue from the service covers incremental cost, including cost of the promotion. GPS will file a report on any promotional offering under this section with the Commission within ninety (90) days of the conclusion of the promotion.

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SECTION V – CONSUMER SERVICE

5.1 DEFINITIONS

Call Forwarding – Allows a customer to have incoming calls forwarded to another predetermined number in a different central office switch if the called number is busy.

Call Rejection – Intercepts unwanted calls from numbers identified by the Customer. When a call is placed from one of the numbers from this screening list, the Customer's telephone will not ring, and the caller will hear a pre-recorded message.

Call Trace – Allows for identification and recording of the telephone numbers of incoming calls, as further described in Section 5.6 hereof.

Call Waiting – A tone informs the customer that a second call is waiting; the caller hears a ringing sound, not a busy signal.

Caller ID – Displays the telephone number and/or name of the incoming caller. Compatible equipment is required for this feature.

Continuous Redial – Automatically redials the last number dialed. If the number is busy, a special tone indicates when it becomes available.

Last Call Return – Dials the last call received, whether it was answered or not.

Priority Call – Allows a customer to assign a maximum of 15 callers' telephone numbers to a special list. The customer will hear a distinctive ring at his or her location when calls are received from callers' telephone numbers on that list.

Speed Calling – Allows a customer to dial a 1 or 2 digit code instead of dialing the complete number in order to place the call.

Three Way Calling – Establishes a conference call among three participants without the need for operator assistance.

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d/b/a Guaranteed Phone Service

Original Page 24

5.2 LOCAL EXCHANGE SERVICE

5.2.1 Description

The Company shall provide the following to all Customers within its Local Service Areas:

- a. Single party voice-grade service and touch-tone capability.
- b. 911 or enhanced 911 access.
- c. Toll and information service-blocking capability without recurring monthly charges.
- d. One white pages directory per year for each local calling area, which may include more than one local calling area, except where an offer is made and explicitly refused by the Customer.
- e. A white pages and directory assistance listing or, upon Customer request, a private listing that allows the Customer to have an unlisted or unpublished telephone number.
- f. Call Trace capability, as described in Section 5.5 hereof.
- g. Telecommunications relay service capability or access necessary to comply with state and federal regulations.
- h. Any other services supported by federal universal support mechanisms pursuant to the Code of Federal Regulations, Title 47, Section 54.101(a), except to the extent that the Company, as a reseller, is effectively prevented from providing such services by the ILEC

5.2.2 Flat Rate Service Options

The Local Exchange Service identified in Section 5.1a. through h. above is provided to Customers as a flat rate service. Flat rate service provides the Customer with unlimited calling to points within the Local Service Area. The Company will offer each end-user at least one flat rate calling area that matches the flat rate calling area offered that Customer by the ILEC, including any applicable extended area service.

Flat Rate Service	\$49.95
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5.2.3 Other Options

To be determined.

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Issued: MAY 15, 2002

Effective: JUNE 15, 2002

Mark Houlton, President  
2201 W. Broadway, #1 Council Bluffs, IA 51501

TELEPHONE TARIFF  
SOUTH DAKOTA

Houlton Enterprises, Inc.  
d/b/a Guaranteed Phone Service

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5.3 CUSTOM FEATURES

5.3.1 Description

The Company offers a "Royal" package, which includes the following features:

- a. Call Forwarding
- b. Call Rejection
- c. Call Waiting
- d. Caller ID
- e. Continuous Redial
- f. Last Call Return
- g. Long Distance Alert
- h. Priority Call
- j. Speed Calling
- i. Three Way Calling

Customers may also select the following custom features individually:

- a. Call Waiting
- b. Caller ID
- c. Last Call Return
- d. Three Way Calling

5.3.2 Rates

Call Waiting	\$5.00
Caller ID	\$10.00
Last Call Return	\$5.00
Three-Way Calling	\$5.00

5.4 DIRECTORY LISTINGS

5.4.1 Description

The Company will, as a service to the Customer, arrange for listing of the Customer's phone number in the local white pages telephone directories, such listing to consist of one line of standard type. The Customer must contact its yellow pages representative

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SOUTH DAKOTA

Houlton Enterprises, Inc.  
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concerning any advertising in yellow pages directories. The following types of listings are available:

**Primary Listing.** A Primary Listing contains the name of the Customer as well as the address and telephone number of the Customer. Primary Listings are provided at no charge.

**Non-Published Listings.** Non-Published Listings are not printed in directories nor are they available from directory assistance. Non-Published Listings are subject to the provisions set forth in Section 5.3.2 below.

5.4.2 Non-Published Listings

Incoming calls to Non-Published Listings will be completed by the Company only when the calling party places the call by number. The Company will adhere to this practice notwithstanding any claim of emergency the calling party may present. The acceptance by the Company of the Customer's request to refrain from publishing his/her telephone number in the directory does not create any relationship or obligation, direct or indirect, to any other person than the Customer.

When a Customer with a Non-Published Listing places a call to Emergency 911 Service, the name and address of the calling party will be released to the appropriate local governmental authority responsible for the Emergency 911 Service. By subscribing to service under this tariff, the Customer acknowledges and agrees with the release of information as described above.

5.4.3 Liability of the Company with Respect to Directory Listings

In the absence of gross negligence or willful misconduct, and except for any allowances stated below, no liability for damages arising from errors or mistakes in or omissions of any directory listings, or errors or mistakes in or omissions of listings obtainable from the directory assistance operator, including errors in the reporting thereof, shall attach to the Company.

An allowance for errors or mistakes in or omissions of any published directory listings or for errors or mistakes in or omissions of listings obtainable from the directory assistance operator shall be given as follows:

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SOUTH DAKOTA

Houlton Enterprises, Inc.  
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Free Listings: For free or non-charged published directory listings, credit shall be given at the rate of one times the monthly tariff rate for an Additional Listing or other charged listing affected for the life of the directory or the period during which the error, mistake or omission occurs.

Other Listings: For each published directory listing for which a Customer incurs a charge, credit shall be given at the monthly tariff rate for such listing or other charged listing affected for the life of the directory or the period during which the error, mistake or omission occurs.

Operator Records: For listings obtainable from records used by the directory assistance operator, upon notification to the Company of the error, mistake or omission in such records by the Customer, the Company shall be allowed a period of three business days to make a correction. If the correction is not made in that time, credit shall be given at the rate of \_\_\_\_\_ of the basic monthly rate for the line or lines in question for each day thereafter that the records remain uncorrected.

5.4.4 Rates

	<u>Monthly Recurring Charge</u>
Primary Listing	N/C
Non-Published Listing	\$5.00

5.5 OPERATOR SERVICES

GPS does not provide Operator Assistance. Customers may choose their carriers of choice for Operator Services.

5.6 CALL TRACING

5.6.1 Description

Call Tracing allows for the identification and recording of the telephone numbers of some or all of the incoming calls to the telephone line of a Customer.

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Mark Houlton, President  
2201 W. Broadway, #1 Council Bluffs, IA 51501

TELEPHONE TARIFF  
SOUTH DAKOTA

Houlton Enterprises, Inc.  
d/b/a Guaranteed Phone Service

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5.6.2 Terms and Conditions

Call Tracing will be provided when requested by both a Customer and an investigative or law enforcement officer (an officer of the United States, a state, or a political subdivision of the United States or a state, who is empowered by law to investigate or make arrests for crimes related to communications, or an attorney authorized by law to prosecute those crimes) and when the Customer has provided consent. In most cases, written consent will be required.

In emergencies, Call Tracing will be provided upon receiving oral consent from the Customer. The Customer will be requested to provide written consent promptly and advised to seek the assistance of an investigative or law enforcement officer.

Information regarding the originating telephone numbers will be disclosed only to investigative or law enforcement officers, not to Customers receiving Call Tracing services. The Company will work with investigative or law enforcement officers to determine how long Call Tracing services should be provided.

5.6.3 Rates

Call Trace Set-up	\$2.50
Each Trace	\$1.00

5.7 ADDITIONAL SERVICES AND CHARGES

Late Fee	\$ 5.00
Reconnect Fee	\$39.95

5.8 ANNUAL NOTICE OF CUSTOMER RIGHTS

At the time service to a Customer is initiated, at least annually thereafter, and upon Customer request, the Company will provide Customers with a summary, in plain language, of the rights and obligations of Customers, as provided below:

The notice will describe the complaint procedures available through the Company and the Commission, and indicate that the Customer can contact the Commission if dissatisfied with the Company's resolution of the Customer's complaint. The notice will specify the current address and the local and toll-free telephone numbers of the Commission's Consumer Affairs Office.

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Issued: MAY 15, 2002

Effective: JUNE 15, 2002

Mark Houlton, President  
2201 W. Broadway, #1 Council Bluffs, IA 51501

TELEPHONE TARIFF  
SOUTH DAKOTA

Houlton Enterprises, Inc.  
d/b/a Guaranteed Phone Service

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The notice will describe the Customer's rights regarding the payment of bills, disconnection of service, privacy, deposits, low-income assistance, hearing-impaired programs and blocking options.

The notice will summarize the Commission's service quality standards and the remedies available to Customers for failure to meet those standards.

The notice will specify price and service options.

5.9 CREDITS, EXCEPTIONS AND WAIVERS

5.9.1 Link-Up America Service Connection Program ("Link-Up America")

Link-Up America is a federally sponsored lifeline assistance program designed to make telephone service accessible to low-income residential households not currently on the public switched network. Through this program, the service connection charge for the initial installation of the main access line will be discounted at a rate of fifty percent (50%), not to exceed \$30.00. (The remaining portion of the service connection charge may be installment billed in equal increments.)

5.9.1.1 Eligibility Requirements

In order to be eligible for Link-Up America, an applicant must meet the following requirements:

- a. He or she has not been claimed as a dependent for Federal Income Tax purposes, unless he or she is more than sixty years old.
- b. He or she meets income requirements under criteria "c" below.
- c. He or she can demonstrate current participation in one of the following assistance programs:
  - Medicaid
  - Food Stamps
  - Supplemental Security Income
  - Federal Public Housing Assistance
  - Low Income Energy Assistance
  - Qualifying individuals living on tribal land.

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Effective: JUNE 15, 2002

Mark Houlton, President  
2201 W. Broadway, #1 Council Bluffs, IA 51501



TELEPHONE TARIFF  
SOUTH DAKOTA

Houlton Enterprises, Inc.  
d/b/a Guaranteed Phone Service

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Proof of eligibility must accompany the completed application form, which application can be made either in person at the Company's business office or by mailing to the Company's business office.

5.9.1.2 Eligibility Determination

In determining an applicant's eligibility, the eligibility criteria "a" through "c" listed above must be fulfilled.

Applicants will be able to self-certify criterion "a"; however, criterion "c" must be certified by the Company.

5.9.1.3 Credit and Collections

The credit verification procedures used for all applicants who apply for service with the Company will also be used for applicants who apply for service under the Link-Up America program.

The deposit standards used for all applicants who apply for service with the Company will also be used for applicants who apply for service under the Link-Up America program.

Once service has been established for a Link-Up America applicant, he or she will be expected to adhere to the same bill payment policies expected of any other GPS Customer.

SECTION VI – SPECIAL SERVICES AND PROGRAMS

TO BE DETERMINED  
(Specific state requirements will be met)

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Issued: MAY 15, 2002

Effective: JUNE 15, 2002

Mark Houlton, President  
2201 W. Broadway, #1 Council Bluffs, IA 51501


TELEPHONE TARIFF  
SOUTH DAKOTA

Houlton Enterprises, Inc.  
d/b/a Guaranteed Phone Service

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This tariff filing is submitted on behalf of the Company:

Houlton Enterprises, Inc.,  
d/b/a Guaranteed Phone Service  
2201 W Broadway, #1  
Council Bluffs, IA 51501  
(402) 551-8888

By  \_\_\_\_\_  
Rich Horner, Vice President

---

Issued: MAY 15, 2002

Effective: JUNE 15, 2002

Mark Houlton, President  
2201 W. Broadway, #1 Council Bluffs, IA 51501

**EXHIBIT V**

**Guaranteed Phone Service**

**Correspondence with Qwest re:**

**South Dakota Interconnection Agreement**

**Dated 5/2/02 & 5/6/02**

**Rich Horner**

---

**From:** "Rich Horner" <horner\_rich@hotmail.com>  
**To:** "Heidi Higer" <hhiger@qwest.com>  
**Sent:** Thursday, May 02, 2002 4:14 PM  
**Subject:** Resale Agreement - South Dakota

Heidi - it's been a while since we've exchanged messages. I hope all is well with you.

We are in the process of preparing an application for certification in South Dakota. Some time back (October or November I believe) you forwarded a Resale Template for South Dakota. Can you forward to me the most recent version of this. To save time, if you could prepare a "signature ready" version I think I could review and return it to you fairly quickly. I don't believe I'll have many revisions to make.

You should have current information about Guaranteed Phone as I just updated our "New Customer Questionnaire" in February for Nebraska, Iowa, North Dakota, and Minnesota. If you need any specific information from me, please give me a call or send an e-mail.

Rich Horner  
Vice President  
Guaranteed Phone Service  
(402) 551-8888  
(402) 733-8545 - FAX  
[horner\\_rich@hotmail.com](mailto:horner_rich@hotmail.com)

**Rich Horner**

---

**From:** "Heidi Higer" <hhiger@qwest.com>  
**To:** "Rich Horner" <horner\_rich@hotmail.com>  
**Sent:** Monday, May 06, 2002 12:15 PM  
**Attach:** ExhibitAResaleSD22October2001.xls; SD Resale 10-23-01.doc  
**Subject:** Re: Resale Agreement - South Dakota

Rich, attached is the resale template for the state of South Dakota for you to review. If you want the agreement as is then this is what I need from you to prepare it.

What is the legal name of your company as you will be doing business?

What state is your company incorporated in?

Who do you want listed in the notices section, include address phone and fax?

Where and to who do you want the agreement to go to for signature?

Now, if you want to make changes to the agreement then I will need to put you in contact with a negotiator. Let me know what you would like to do. Thanks

Heidi Higer

Qwest

(See attached file: ExhibitAResaleSD22October2001.xls)(See attached file: SD Resale 10-23-01.doc)

**EXHIBIT VI**

**Guaranteed Phone Service**

**Marketing Brochure**

# NO DEPOSIT PHONE SERVICE FOR YOUR HOME

Call our toll free Customer Service Center  
for the location nearest you, or inquire at:

**GUARANTEED**  
PHONE SERVICE

**800-957-2640**

2201 W. Broadway #1, Council Bluffs, IA 51501

**GUARANTEED**  
PHONE SERVICE

When you need a home phone, we've got your hookup.  
Get unlimited local phone service without a deposit.  
And don't worry about unpaid phone bills with  
other carriers, they aren't a problem with  
Guaranteed Phone Service.

**\$49.95** + tax  
**Basic Monthly Service**

**Add Any of Your Favorite Features  
for an Additional Charge:**

- ☐ Caller ID
- ☐ Call Waiting
- ☐ Last Call Return (\*69)
- ☐ 3-Way Calling
- ☐ Non-Published Numbers
- ☐ Caller ID Blocking

**Or Go for the Royal Package at a  
Discounted Rate:**

- ☐ Caller ID
- ☐ Call Waiting
- ☐ Last Call Return (\*69)
- ☐ 3-Way Calling

**Call Toll Free  
800-957-2640**

## **Guaranteed Benefits:**

- ☐ No Hassle Service
- ☐ Flat Rate Pricing
- ☐ No Deposits / No Credit Checks
- ☐ Fast Hookup
- ☐ Great Customer Service

## **We've Made it Easy**

Everything you need is at your Local Payment Center. You can sign-up for service and make your monthly payment all at one place.

One low sign-up price pays for the hook-up and the first 3 weeks of service. After that, you're billed monthly, in advance. Payments (cash or money order only) can be mailed to our office or made at your local payment center.

With all this convenience, what are you waiting for? Visit your Local Payment Center today!

**GUARANTEED**  
**PHONE SERVICE**



**South Dakota Public Utilities Commission**  
**WEEKLY FILINGS**  
For the Period of May 16, 2002 through May 22, 2002

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 report. Phone: 605-773-3705 Fax: 605-773-3809

**NATURAL GAS**

**NG02-003**      **In the Matter of the Application of MidAmerican Energy Company for Approval of Revisions to its South Dakota Natural Gas Tariff.**

Application by MidAmerican Energy Company for approval of tariff revisions limiting the availability of Small Volume Interruptible and Large Volume Interruptible rates to existing customers as of the effective date of this tariff change. For reasons including small interruptible load and additional administrative expense, MidAmerican is proposing to limit interruptible rates to existing customers and may in the future file to eliminate the interruptible purchased gas adjustment therefore consolidating the firm and interruptible rates.

Staff Analyst: Dave Jacobson  
Staff Attorney: Kelly Frazier  
Date Docketed: 05/16/02  
Intervention Deadline: 06/07/02

**TELECOMMUNICATIONS**

**TC02-049**      **In the Matter of the Application of Houlton Enterprises, Inc. d/b/a Guaranteed Phone Service for a Certificate of Authority to Provide Local Exchange Services in South Dakota.**

On May 20, 2002, the Commission received an application from Houlton Enterprises, Inc. d/b/a Guaranteed Phone Service (GPS) for a certificate of authority to provide local exchange telecommunications services in South Dakota. GPS intends to provide basic local exchange services with customer calling features in Qwest territory. Most of GPS' subscribers are high credit risk customers who fail to qualify for basic local exchange services from the incumbent local exchange carriers and who do not qualify for Universal Service programs such as Lifeline and Link Up.

Staff Analyst: Keith Senger  
Staff Attorney: Kelly Frazier  
Date Docketed: 05/20/02  
Intervention Deadline: 06/07/02

**TC02-050      In the Matter of the Filing for Approval of an Amendment to an Interconnection Agreement between Qwest Corporation and NPCR, Inc. d/b/a Nextel Partners.**

On May 20, 2002, the Commission received for approval a Filing of Internet Service Provider Bound Traffic Amendment to the Type 2 Wireless Interconnection Agreement between NPCR, Inc. d/b/a Nextel Partners (Nextel) and Qwest Corporation (Qwest). According to the parties, the Amendment is made in order to implement the requirements of the FCC Order on Remand and Report and Order in CC Docket No. 99-68 regarding intercarrier compensation for ISP bound traffic. The original Agreement was approved by the Commission on September 14, 2001, in Docket No. TC01-072. 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 June 10, 2002. Parties to the agreement may file written responses to the comments no later than twenty days after the service of the initial comments.

Staff Attorney: Kelly Frazier  
Date Docketed: 05/20/02  
Initial Comments Due: 06/10/02

**TC02-051      In the Matter of the Filing for Approval of an Interconnection Agreement between McLeodUSA Telecom Development, Inc., McLeodUSA Telecommunications Systems, Inc., McLeodUSA Incorporated and Midcontinent Communications, Inc.**

On May 22, 2002, the Commission received for approval a filing of an Interconnection Agreement between McLeodUSA Telecom Development, Inc., McLeodUSA Telecommunications Systems, Inc., McLeodUSA Incorporated, (all three collectively "McLeodUSA") and Midcontinent Communications, Inc. (Midcontinent). According to the parties, the Agreement sets forth the terms, conditions and prices under which the parties agree to provide interconnection and reciprocal compensation for the exchange of local traffic between Midcontinent and McLeodUSA in the DK1 service areas. 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 June 11, 2002. Parties to the agreement may file written responses to the comments no later than twenty days after the service of the initial comments.

Staff Attorney: Kelly Frazier  
Date Docketed: 05/22/02  
Initial Comments Due: 06/11/02

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You may subscribe or unsubscribe to the PUC mailing lists at <http://www.state.sd.us/puc>**

# Houlton Enterprises, Inc.

TC02-049  
2201 West Broadway, Suite #1 Council Bluffs, IA 51501  
(800) 957-2640 (402) 733-8545 FAX

May 20, 2002

RECEIVED  
MAY 23 2002 MAY 23 2002  
SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

Ms. Deb Elofson, Executive Director  
South Dakota Public Utilities Commission  
500 East Capitol Avenue  
Pierre, SD 57501

Dear Ms. Elofson:

Please find enclosed 11 (eleven) copies of our State of South Dakota Certificate of Authority – Foreign Corporation. We received this in today's mail from the South Dakota Secretary of State.

We forwarded to your office last week an original and 10 (ten) copies of our Application for Certificate of Authority to provide local exchange service. Section 4(d) of the application requires a Certificate of Authority from the South Dakota Secretary of State. At the time that we sent our application, we had not received our Certificate of Authority from the Secretary of State yet.

I believe this document was the only item missing from our application. If you need additional information, please contact me directly at (402) 551-8888.

Respectfully,



Richard Horner, Vice President  
Houlton Enterprises, Inc. d/b/a Guaranteed Phone Service

enclosures

# State of South Dakota



RECEIVED

MAY 23 2002

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

## OFFICE OF THE SECRETARY OF STATE

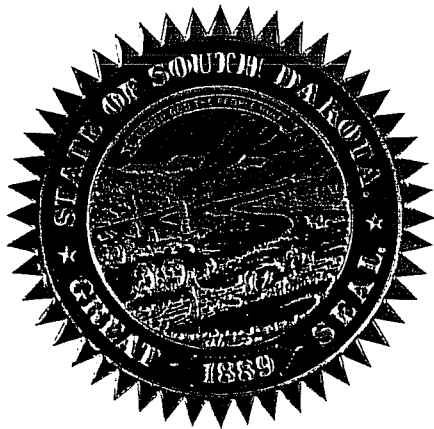
### Certificate of Authority

ORGANIZATIONAL ID #: FB026252

I, **JOYCE HAZELTINE**, Secretary of State of the State of South Dakota, hereby certify that the Application for a Certificate of Authority of **HOULTON ENTERPRISES, INC.** 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 May 17, 2002.



*Joyce Hazeltine*

Joyce Hazeltine  
Secretary of State

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

<b>IN THE MATTER OF THE APPLICATION OF )</b>	<b>ORDER GRANTING</b>
<b>HOULTON ENTERPRISES, INC. D/B/A )</b>	<b>CERTIFICATE OF</b>
<b>GUARANTEED PHONE SERVICE FOR A )</b>	<b>AUTHORITY</b>
<b>CERTIFICATE OF AUTHORITY TO PROVIDE )</b>	
<b>LOCAL EXCHANGE SERVICES IN SOUTH )</b>	<b>TC02-049</b>
<b>DAKOTA )</b>	

On May 20, 2002, the Public Utilities Commission (Commission) received an application for a certificate of authority from Houlton Enterprises, Inc. d/b/a Guaranteed Phone Service (Houlton).

Houlton proposes to offer basic local exchange services with customer calling features in Qwest territory. A proposed tariff was filed by Houlton.

On May 23, 2002, the Commission electronically transmitted notice of the filing and the intervention deadline of June 7, 2002, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled July 9, 2002, meeting, the Commission considered Houlton's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to rural safeguards, and subject to Houlton posting a bond in the amount of \$25,000 prior to offering service in South Dakota.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-31, specifically 49-31-69 and ARSD 20:10:32:03. The Commission finds that Houlton has met the legal requirements established for the granting of a certificate of authority. Houlton has, in accordance with SDCL 49-31-71, demonstrated sufficient technical, financial and managerial capabilities to offer telecommunications services in South Dakota.

The Commission approves Houlton's application for a certificate of authority, subject to rural safeguards, and subject to the condition that Houlton post a bond in the amount of \$25,000 prior to offering service in South Dakota. The certificate of authority for Houlton shall authorize it to offer local exchange services in South Dakota, except in those areas served by a rural telephone company. In the future, should Houlton choose to provide local exchange services statewide, with respect to rural telephone companies, Houlton will have to come before the Commission in another proceeding before being able to provide local service in that rural service area pursuant to 47 U.S.C. § 253(f) which allows the Commission to require a company that seeks to provide service in a rural service area to meet the requirements in 47 U.S.C. § 214(e)(1) for designation as an eligible telecommunications carrier. In addition, the granting of statewide certification will not affect the exemptions, suspensions, and modifications for rural telephone companies found in 47 U.S.C. § 251(f). It is therefore

ORDERED, that Houlton's application for a certificate of authority to provide local exchange services is granted, effective July 20, 2002, subject to the condition that Houlton post a bond in the amount of \$25,000 prior to offering service in South Dakota; and it is

FURTHER ORDERED, that Houlton shall file informational copies of tariff changes with the Commission as the changes occur; and it is

FURTHER ORDERED, that the Commission shall authorize Houlton to offer its local exchange services in South Dakota, except in those areas served by a rural telephone company.

Dated at Pierre, South Dakota, this 26<sup>th</sup> day of July, 2002.

<b>CERTIFICATE OF SERVICE</b>
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 facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.
By: <u>Melaine Kaebo</u>
Date: <u>8/1/02</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg  
JAMES A. BURG, Chairman

Pam Nelson  
PAM NELSON, Commissioner

Robert K. Sahr  
ROBERT K. SAHR, 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 effective July 20, 2002  
Docket No. TC02-049

*This is to certify that*

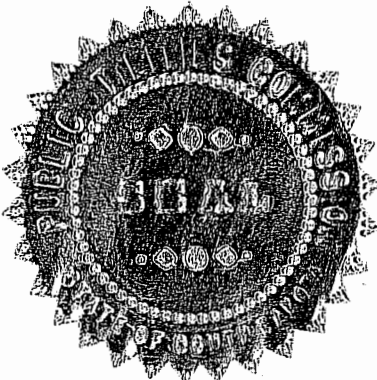
**HOULTON ENTERPRISES, INC. D/B/A GUARANTEED PHONE  
SERVICE**

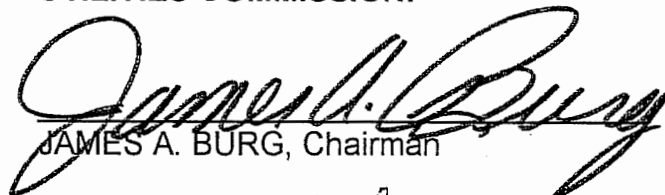
is authorized to provide local exchange services in nonrural areas in  
South Dakota.

This certificate is issued in accordance with SDCL 49-31-69 and ARSD  
20:10:32:03, and is subject to all of the conditions and limitations contained in  
the rules and statutes governing its conduct of offering telecommunications  
services.

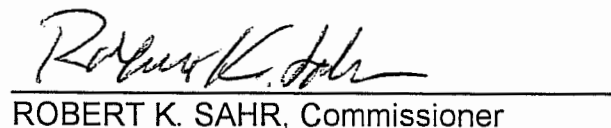
Dated at Pierre, South Dakota, this 26<sup>th</sup> day of July, 2002.

**SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION:**



  
JAMES A. BURG, Chairman

  
PAM NELSON, Commissioner

  
ROBERT K. SAHR, Commissioner

# Houlton Enterprises, Inc.

2201 West Broadway, Suite #1 Council Bluffs, IA 51501  
(800) 957-2640 (402) 733-8545 FAX

GUARANTEED  
PHONE SERVICE

**PAYDAY**  
**EXPRESS**  
CHECK CASHING SERVICE

RECEIVED

JUL 29 2002

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

July 26, 2002

Ms. Debra Elofson, Executive Director  
South Dakota Public Utilities Commission  
State Capitol Building  
500 East Capitol Avenue  
Pierre, South Dakota 57501-5070

Dear Ms. Elofson:

Enclosed is an Indemnity Bond for Guaranteed Phone Service. Houlton Enterprises, DBA Guaranteed Phone Service, was granted a conditional Certificate of Authority to Provide Local Exchange Services in South Dakota at the July 9 Commission meeting. The Certificate was conditional upon receipt, by the Commission, of a \$25,000 Bond.

We participated in this meeting via teleconference, therefore, we know our application was approved. However, we have not received anything yet "formally" documenting our approval. I assume your department is backed up with the paperwork and the Certificate will be forwarded soon.

If there is anything else you need from us, please give me a call directly at (402) 551-8888. Thank you for your assistance with this matter.

Respectfully,



Richard Horner, Vice President

Enclosure: Indemnity Bond



INDEMNITY BOND  
To the  
PEOPLE OF THE STATE OF SOUTH DAKOTA

Bond. No. 400JS9155

We, **Houlton Enterprises, Inc. DBA Guaranteed Phone Service**, the principal and applicant for a CERTIFICATE OF AUTHORITY, local exchange telecommunications services within the State of South Dakota, and **St. Paul Fire and Marine Insurance Company, Overland Park, Kansas**, as an admitted surety insurer, bind ourselves unto the Public Utilities Commission of the State of South Dakota and the consumers of South Dakota as Obligees, in the sum of \$25,000.00.

The conditions of the obligation are such that the principal, having been granted such CERTIFICATE OF AUTHORITY subject to the provision that said principal purchase this Indemnity Bond, and if said principal shall in all respects fully and faithfully comply with all applicable provisions of South Dakota State Law, and reimburse customers of **Guaranteed Phone Service** for any prepayment or deposits they have made which may be unable or unwilling to return to said customers as a result of insolvency or other business failure, then this obligation shall be void, discharges and forever exonerated, otherwise to remain in full force and effect.

This bond shall take effect as of the date hereon and shall remain in force and effect until the surety is released from liability by the written order of the Public Utilities Commission, provided that the surety may cancel this Bond and be relieved of further liability hereunder by delivering thirty (30) days written notice to the Public Utilities Commission. Such cancellation shall not affect any liability incurred or accrued hereunder prior to the termination of said thirty (30) day period.

Dated this 25th day of July, 2002  
To be effective this 25th day of July, 2002

*Original Bond is  
in Helaine's bottom  
desk drawer.*

Houlton Enterprises, Inc. dba Guaranteed  
Phone Service

By: [Signature]  
(Title) RICHARD HORNER, VICE PRESIDENT

St. Paul Fire And Marine Insurance Company  
Des Moines, IA

By: [Signature]  
(Title) Marcy L Overman Attorney-In-Fact

Countersigned this 26th day of  
July, 20 02

Countersigned for South Dakota  
By: [Signature]  
Resident Agent  
Robert B. Whitmore  
McKinney Allen & Assoc.  
141 N. Main Avenue  
Sioux Falls, SD 57104

Seaboard Surety Company  
St. Paul Fire and Marine Insurance Company  
St. Paul Guardian Insurance Company  
St. Paul Mercury Insurance Company

United States Fidelity and Guaranty Company  
Fidelity and Guaranty Insurance Company  
Fidelity and Guaranty Insurance Underwriters, Inc.

Power of Attorney No. 21011

Certificate No. 66194

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, and that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, and that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, and that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (*herein collectively called the "Companies"*), and that the Companies do hereby make, constitute and appoint

Gary L. Hurley, Kirk A. Johnson, Donelle E. Royce, Marcy L. Overman and Douglas P. Irvin

of the City of Council Bluffs, State Iowa, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety to, and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed this 4th day of October, 1999.

Seaboard Surety Company  
St. Paul Fire and Marine Insurance Company  
St. Paul Guardian Insurance Company  
St. Paul Mercury Insurance Company

United States Fidelity and Guaranty Company  
Fidelity and Guaranty Insurance Company  
Fidelity and Guaranty Insurance Underwriters, Inc.



*Michael B. Keegan*  
MICHAEL B. KEEGAN, Vice President

*Michael R. McKibben*  
MICHAEL R. MCKIBBEN, Assistant Secretary

State of Maryland  
City of Baltimore

On this 4th day of October, 1999, before me, the undersigned officer, personally appeared Michael B. Keegan and Michael R. McKibben, who acknowledged themselves to be the Vice President and Assistant Secretary, respectively, of Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, United States Fidelity and Guaranty Company, Fidelity and Guaranty Insurance Company, and Fidelity and Guaranty Insurance Underwriters, Inc. and that they, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the names of the corporations by themselves as duly authorized officers.

In Witness Whereof, I hereunto set my hand and official seal.

My Commission expires the 13th day of July, 2002.



*Rebecca Easley-Onokala*  
REBECCA EASLEY-ONOKALA, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, United States Fidelity and Guaranty Company, Fidelity and Guaranty Insurance Company, and Fidelity and Guaranty Insurance Underwriters, Inc. on September 2, 1998, which resolutions are now in full force and effect, reading as follows:

**RESOLVED**, that in connection with the fidelity and surety insurance business of the Company, all bonds, undertakings, contracts and other instruments relating to said business may be signed, executed, and acknowledged by persons or entities appointed as Attorney(s)-in-Fact pursuant to a Power of Attorney issued in accordance with these resolutions. Said Power(s) of Attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman, or the President, or any Vice President, or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the foregoing officers and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Attorney(s)-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and subject to any limitations set forth therein, any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company, and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is validly attached; and

**RESOLVED FURTHER**, that Attorney(s)-in-Fact shall have the power and authority, and, in any case, subject to the terms and limitations of the Power of Attorney issued them, to execute and deliver on behalf of the Company and to attach the seal of the Company to any and all bonds and undertakings, and other writings obligatory in the nature thereof, and any such instrument executed by such Attorney(s)-in-Fact shall be as binding upon the Company as if signed by an Executive Officer and sealed and attested to by the Secretary of the Company.

I, Michael R. McKibben, Assistant Secretary of Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, United States Fidelity and Guaranty Company, Fidelity and Guaranty Insurance Company, and Fidelity and Guaranty Insurance Underwriters, Inc. do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I hereunto set my hand this 25th day of July, 2002.



*Michael R. McKibben*

Michael R. McKibben, Assistant Secretary

To verify the authenticity of this Power of Attorney, call 1-800-421-3880 and ask for the Power of Attorney clerk. Please refer to the Power of Attorney number, the above-named individuals and the details of the bond to which the power is attached.

THIS POWER OF ATTORNEY IS VALID WITHOUT THE NEED OF A BORDER