

TC02-092

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1720 Windward Concourse
Suite 250
Alpharetta, Georgia 30005

Also Admitted in New York
and Maryland

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

July 11, 2002

VIA OVERNIGHT DELIVERY

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

RECEIVED

JUL 12 2002

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

Re: Airnex Communications, Inc.

Dear Mr. Bullard:

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

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

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

Respectfully submitted,


Lance J.M. Steinhart
Attorney for Airnex Communications, Inc.

Enclosures

cc: Shige Yamaji

TC02-092

AIRNEX
COMMUNICATIONS
925-327-0400
3000 Executive Pkwy Ste 230
San Ramon Ca. 94583

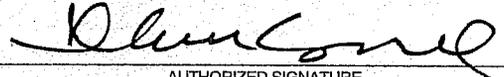
WELLS FARGO BANK
SAN RAMON, CA 94583
11-24/1210(8)

8892

Memo: DATE Jun 5, 2002 AMOUNT *****\$250.00*

PAY Two Hundred Fifty and 0/100 Dollars

TO THE ORDER OF: South Dakota Public Utilities Commission
500 E Capitol
Pierre, SD 57501-5070


AUTHORIZED SIGNATURE

⑈008892⑈ ⑆121000248⑆ ⑆4029146362⑈

Details on Back. Security Features Included

AIRNEX COMMUNICATIONS
South Dakota Public

Check Number: 8892
Check Date: Jun 5, 2002

Check Amount: \$250.00
Discount Taken Amount Paid

Item to be Paid - Description	Discount Taken	Amount Paid
YE123101		250.00

TC02-092

TC02-092

RECEIVED

JUL 12 2002

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

APPLICATION FOR REGISTRATION
 OF AIRNEX COMMUNICATIONS, INC.
 FILED WITH THE
 SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE)
 APPLICATION OF)
 AIRNEX COMMUNICATIONS, INC.)
 FOR AN ORDER) Docket No.
 AUTHORIZING THE REGISTRATION)
 OF APPLICANT AS A)
 TELECOMMUNICATIONS COMPANY)

APPLICATION

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

1. Name, Address and Telephone Number of Applicant:

Airnex Communications, Inc.
 3000 Executive Parkway, Suite 230
 San Ramon, California 94583
 Telephone: (925) 327-0400
 Toll-Free Customer Service: (800) 801-1120

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

Airnex Communications, Inc.

3. Applicant's corporate information:

Applicant was organized in the State of California on March 22, 1996. A copy of the Applicant's Articles of Incorporation is attached hereto as Exhibit A. A copy of Applicant's Certificate of Authority to transact business as a foreign corporation in the State of South Dakota is attached hereto as Exhibit B.

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

TCS Corporate Services, Inc.
C/O Marilyn Person
819 West Third
Pierre, South Dakota 57501

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

Name and Address	Shares Owned	Percentage of all Shares Issued and Outstanding and Voting Control
Shige Yamaji	142,300	100%

All of the above can be reached through the company as set forth in Section 1 above.

4. **Partnership Information:**

Not Applicable.

5. **Description of Services Applicant intends to offer:**

Applicant is a reseller which intends to offer interexchange services, including 1+ and 101XXXX outbound dialing, 800/888 toll-free inbound dialing, directory assistance, data services and travel card service.

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

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

7. **Geographic Areas in which services will be offered:**

Applicant intends to provide services on a statewide basis.

8. **Financial Qualifications:**

Applicant is financially qualified to provide intrastate interexchange telecommunications services within South Dakota. In particular, Applicant has adequate access to the capital necessary to fulfill any obligations it may undertake with

respect to the provision of intrastate telecommunications services in the State of South Dakota. See Exhibit C, which is attached hereto, Applicant's Balance Sheet and Income Statement for the twelve months ending December 31, 2001, which demonstrates that Applicant has the financial ability to provide the services that it proposes to offer. Applicant will not require deposits, advance payments or prepayments.

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

All inquiries regarding regulatory matters should be addressed to:

Diane Stanton, Director of Carrier Relations
3000 Executive Parkway, Suite 230
San Ramon, California 94583
Telephone: (925) 327-0400
Facsimile: (925) 327-0401
E-Mail: diane.stanton@airnex.com

All inquiries regarding complaints should be addressed to:
Kenzo Fukomoto, Customer Service Manager
3000 Executive Parkway, Suite 230
San Ramon, California 94583
Telephone: (925) 327-0400; (800) 801-1120 (toll-free)
Facsimile: (925) 327-0401
E-Mail: kenzo.fukomoto@airnex.com

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

10. Regulatory Status:

Applicant is currently authorized to, and is providing interexchange service, in the remaining contiguous 48 states and Hawaii.

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

11. Description of Marketing

Applicant intends to market its services to primarily to residential customers and to small to mid-sized businesses. All sales personnel will have telecommunications service experience.

Applicant will market through direct sales by employees and agents. Applicant does not intend to engage in multilevel marketing at this time. Applicant's marketing materials are currently being developed and are not available at this time.

12. Cost Support:

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

13. Federal Tax Identification Number:

94-3247618

14. The Number and Nature of Complaints filed against the Applicant with any state or federal regulatory commission regarding the unauthorized switching of a customer's telecommunications provider and the act of charging customers for services that have not been ordered:

None

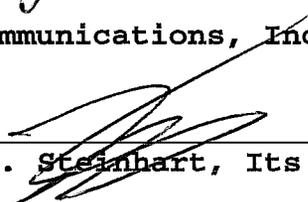
15. Tariff

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

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

DATED this 1st day of July, 2002.

Airnex Communications, Inc.

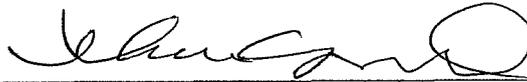
By: 
Lance J.M. Steinhart, Its Counsel

1720 Windward Concourse
Suite 250
Alpharetta, Georgia 30005
(770) 232-9200

State of California

County of Contra Costa

Shige Yamaji, being first duly sworn, deposes and says that he/~~she~~ is the CEO of Airnex Communications, Inc. the Applicant in the proceeding entitled above, that he/~~she~~ has read the foregoing application and knows the contents thereof; that the same are true of his/~~her~~ knowledge, except as to matters which are therein stated on information or belief, and to those matters he/~~she~~ believes them to be true.



Shige Yamaji
CEO

Subscribed and sworn to before this 13 day of June, 2002.



Notary Public



My Commission expires: March 26, 2006

LIST OF EXHIBITS

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

EXHIBIT A - ARTICLES OF INCORPORATION



SECRETARY OF STATE

**CERTIFICATE OF STATUS
DOMESTIC CORPORATION**

I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That on the 22nd day of March, 19 96,

AIRNEX COMMUNICATIONS, INC.

became incorporated under the laws of the State of California by filing its Articles of Incorporation in this office; and

That no record exists in this office of a certificate of dissolution of said corporation nor of a court order declaring dissolution thereof, nor of a merger or consolidation which terminated its existence; and

That said corporation's corporate powers, rights and privileges are not suspended on the records of this office; and

That according to the records of this office, the said corporation is authorized to exercise all its corporate powers, rights and privileges and is in good legal standing in the State of California; and

That no information is available in this office on the financial condition, business activity or practices of this corporation.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

February 10, 1998

Bill Jones

Secretary of State





1964394

SECRETARY OF STATE

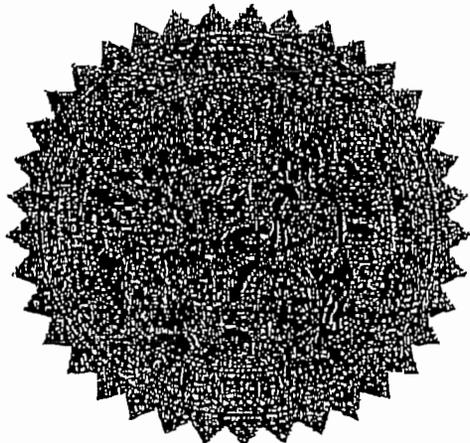
CORPORATION DIVISION

I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the corporate record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this

MAR 25 1996



Bill Jones

Secretary of State



State of California

Bill Jones
Secretary of State

P.O. Box 94230
Sacramento, CA 94244-2300
Phone (916) 657-3537

STATEMENT BY DOMESTIC STOCK CORPORATION

THIS STATEMENT MUST BE FILED WITH CALIFORNIA SECRETARY OF STATE (SEC. 1502, CORPORATIONS CODE)

BASIC FILING FEE MUST ACCOMPANY THIS STATEMENT.

Please make check payable to: Secretary of State

WHEN COMPLETING FORM, PLEASE USE BLACK TYPEWRITER RIBBON OR PRINT IN BLACK INK

IMPORTANT - Please read instructions on back of form

1. DO NOT ALTER PREPRINTED NAME. IF ITEM 1 IS BLANK, PLEASE ENTER CORPORATE NAME AND NUMBER

C1964394 DUE DATE 03-31-99 31609S
AIRNEX COMMUNICATIONS, INC.
P.O. BOX 1975
SAN RAMON, CA 94583

If There Has Been No Change in Any Of The Information On File, Complete Item 1a Only
Please indicate on return envelope if no change statement is enclosed.

DO NOT MARK IN THIS SPACE

THE CALIFORNIA CORPORATION NAMED HEREIN, MAKES THE FOLLOWING STATEMENT

1A. I DECLARE THERE HAS BEEN NO CHANGE IN THE INFORMATION CONTAINED IN THE LAST STATEMENT OF THE CORPORATION WHICH IS ON FILE IN THE SECRETARY OF STATE'S OFFICE DOES NOT APPLY ON INITIAL FILING.



(CHECK HERE)

REBECCA SANDER
TYPE OR PRINT NAME OF SIGNING OFFICER OR AGENT

Rebecca Sander
SIGNATURE

Administrative Manager
TITLE

3/22/99
DATE

2. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE	ROOM NO.	2A. CITY AND STATE	2B. ZIP CODE
3. STREET ADDRESS OF PRINCIPAL BUSINESS OFFICE IN CALIFORNIA (IF ANY)	ROOM NO.	3A. CITY	3B. ZIP CODE
4. MAILING ADDRESS	ROOM NO.	4A. CITY AND STATE	4B. ZIP CODE

THE NAMES OF THE FOLLOWING OFFICERS ARE: (Must have these three officers (sec. 312, Corporations Code). An officer may hold more than one office. Do Not Alter Or Obliterate Preprinted Titles. However, You May Add A Title Appropriate For Your Corporation)

5. CHIEF EXECUTIVE OFFICER/	5A. STREET ADDRESS (DO NOT USE P.O. BOX)	5B. CITY AND STATE	5C. ZIP CODE
6. SECRETARY/	6A. STREET ADDRESS (DO NOT USE P.O. BOX)	6B. CITY AND STATE	6C. ZIP CODE
7. CHIEF FINANCIAL OFFICER/	7A. STREET ADDRESS (DO NOT USE P.O. BOX)	7B. CITY AND STATE	7C. ZIP CODE

DIRECTORS, INCLUDING DIRECTORS WHO ARE ALSO OFFICERS (Attach supplementary list if necessary) (Must have one or more directors (Chap. 3, Sec. 301a, Corporations Code). Statements not listing directors will be rejected)

8. NAME	8A. STREET ADDRESS (DO NOT USE P.O. BOX)	8B. CITY AND STATE	8C. ZIP CODE
9. NAME	9A. STREET ADDRESS (DO NOT USE P.O. BOX)	9B. CITY AND STATE	9C. ZIP CODE
10. NAME	10A. STREET ADDRESS (DO NOT USE P.O. BOX)	10B. CITY AND STATE	10C. ZIP CODE

11. THE NUMBER OF VACANCIES ON THE BOARD OF DIRECTORS, IF ANY: _____

DESIGNATED AGENT FOR SERVICE OF PROCESS (Agent for service of process must be a person who is a resident of California; or the agent may be another corporation which has filed a certificate pursuant to Section 1505, California Corporations Code)

12. NAME
13. CALIFORNIA STREET ADDRESS IF AGENT IS AN INDIVIDUAL (do not use PO box) Do not include address if agent is a corporation that has filed a certificate pursuant to Section 1505 Corporations Code

DESCRIBE TYPE OF BUSINESS OF THE CORPORATION NAMED IN ITEM 1

14. TYPE OF BUSINESS

15. I DECLARE THAT I HAVE EXAMINED THIS STATEMENT AND TO THE BEST OF MY KNOWLEDGE AND BELIEF, IT IS TRUE, CORRECT AND COMPLETE.

TYPE OR PRINT NAME OF SIGNING OFFICER OR AGENT

ORIGINAL SIGNATURE

001 11 02 01:17p DIANE SCARON 323 242-0160 P. 1

**CONSENT TO ACTION
BY THE SOLE SHAREHOLDER WITHOUT A MEETING**

CAPTAIN PLANNET, INC.

Pursuant to Section 603(a) of the California General Corporation Law and the Bylaws of this corporation and effective this date, the undersigned, being the sole record owner of all the outstanding shares to vote of CAPTAIN PLANNET, Inc., a California corporation, hereby adopts the following resolution and consents to the following action without a meeting, but with the same force and effect as if adopted and consented to at a meeting duly held:

Name change

RESOLVED: That Article I of the Articles of Incorporation of this corporation be amended in its entirety to read as follows:

“The name of this corporation is Airnex Communications, Inc.”

Effective: July 1, 1996



Shige Yamaji
5,000 shares

1964394

ARTICLES OF INCORPORATION

Captain Plannet, Inc.

RECORDED
FILED
Office of the Secretary of
of the State of California

MAR 22 1996

I

The name of this corporation is Captain Plannet, Inc.

BILL JONES
SECRETARY OF STATE

II

The purpose of the corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

III

The name and address in the State of California of this corporation's initial agent for service of process is:

Roy H. Ikeda, Esq.
c/o Crosby Heafey Roach & May
1999 Harrison Street
Oakland, CA 94612

IV

This corporation is authorized to issue only one class of shares of stock. The total number of shares which the corporation is authorized to issue is 1,000,000.

V

The liability of the directors of the corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

VI

The corporation is authorized to provide indemnification of agents (as defined in Section 317 of the California Corporations Code) for breach of duty to the corporation and its shareholders through bylaw provisions or through agreements with the agents, or both, in excess of the indemnification expressly permitted by Section 317 of the California Corporations Code; provided, however, that such provisions or agreements may not provide for indemnification of any agents for any acts or omissions or transactions from which a director may not be relieved of

liability as set forth in the exception to paragraph (10) of subdivision (a) of Section 204 of the California Corporations Code, or as to circumstances in which indemnity is expressly prohibited by Section 317 of the California Corporations Code.

Dated: March 21 1996


Shige Yamaji
Incorporator

EXHIBIT B - CERTIFICATE OF AUTHORITY

State of South Dakota



OFFICE OF THE SECRETARY OF STATE

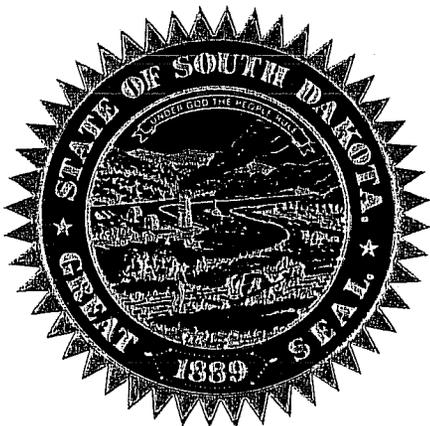
Certificate of Authority

ORGANIZATIONAL ID #: FB026412

I, **JOYCE HAZELTINE**, Secretary of State of the State of South Dakota, hereby certify that the Application for a Certificate of Authority of **AIRNEX COMMUNICATIONS, INC. (CA)** 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 July 8, 2002.



Joyce Hazeltine

Joyce Hazeltine
Secretary of State

**EXHIBIT C - MARKETING MATERIAL
Not Available**

EXHIBIT D - FINANCIAL INFORMATION

Aimex Communications
Balance Sheet
December 31, 2001

ASSETS

Current Assets	
Bof A-Operation	\$ 40,551.95
B of A-Payroll	60,852.57
Bof A-Sales	3,629.71
Bank of America-Other Sales	76,679.92
Bank of America-CD	53,827.23
Bank of America-CD#2	82,721.60
Wells Fargo - Operation	214,298.00
Accounts Receivable	1,999,172.33
Other Receivables	10,413.00
Bad Debt Reserve	<250,000.00>
Prepaid Expenses	19,012.28
STATE TAX DEPOSIT 1999	15,275.25
Advances	2,575.00
	<hr/>
Total Current Assets	2,329,008.84
Property and Equipment	
Furniture and Fixtures	198,343.21
Telephone Equipments	142,222.72
Computers	256,932.02
Accum. Depreciation-Furniture	<119,737.24>
Accum. Depreciation-TeleEquip	<87,529.69>
Accum. Depreciation-Computers	<200,417.07>
	<hr/>
Total Property and Equipment	189,813.95
Other Assets	
Notes Receivable - Next Focus	174,121.26
Notes Receivable-Flower Essenc	10,361.89
Notes Receivable-Aimex Japan	323,825.17
Notes Receivable Aimex Canada	76,863.16
Notes Receivable - AsiaCentral	66,329.86
Allow for Doubtful Accounts	<66,329.86>
SECURITY DEPOSITS	33,843.51
DEPOSITS	4,142.00
	<hr/>
Total Other Assets	623,156.99
Total Assets	<u>\$ 3,141,979.78</u>

LIABILITIES AND CAPITAL

Current Liabilities	
Accounts Payable	\$ 597,900.24
Credit Line - Wells Fargo Bank	377,975.00
Customer Deposits	32,215.00
Accrued Expenses	402,474.98
Jurisdiction Tax Payable	1,308,708.97
Income Tax Payable	<672.01>
401 K Deductions Payable	185.38
Flex Pro Deductions Payable	200.00
Other Taxes Payable	<3,871.77>
A Sales Tax Payable	9.38
Deferred Revenue JC&R	14,716.98
	<hr/>

Unaudited - For Management Purposes Only

Airnex Communications
Balance Sheet
December 31, 2001

Total Current Liabilities		2,729,842.15
Long-Term Liabilities		
Notes Payable - Shige	197,707.92	
Total Long-Term Liabilities		197,707.92
Total Liabilities		2,927,550.07
Capital		
Common Stock	142,300.00	
Paid-in Capital	16,494.39	
Retained Earnings	129,238.50	
Net Income	<73,603.18>	
Total Capital		214,429.71
Total Liabilities & Capital	\$	3,141,979.78

Airmex Communications
Income Statement
For the Twelve Months Ending December 31, 2001

	Current Month		Year to Date	
Revenues				
Direct Billing Income SS	976,098.77	93.84	12,431,918.20	100.71
JCR Prepaid Call Card Rev	35,283.02	3.39	35,283.02	0.29
Commission Income SS	1,250.00	0.12	2,150.00	0.02
Mobile Equipment Sales SS	0.00	0.00	930.83	0.01
Interest Income AF	44,925.53	4.32	54,221.64	0.44
Other Income SS	0.00	0.00	42,851.41	0.35
Ret Ck/Credit Card/EFT Fee SS	0.00	0.00	1,962.85	0.02
Management Fee SS	175.62	0.02	3,488.02	0.03
Juresdictional Taxes SS	0.00	0.00	48,097.41	0.39
Sales Returns & Allowances SS	<17,597.20>	<1.69>	<276,587.70>	<2.24>
Total Revenues	1,040,135.74	100.00	12,344,315.68	100.00
Cost of Sales				
Carrier Cost CR	465,723.12	44.78	6,587,315.91	53.36
Cost of Sales-Other CR	0.00	0.00	4,153.00	0.03
Cost of Sales-Other SS	244.00	0.02	2,333.78	0.02
PCS Equipment Cost CR	0.00	0.00	10,696.99	0.09
Total Cost of Sales	465,967.12	44.80	6,604,499.68	53.50
Gross Profit	574,168.62	55.20	5,739,816.00	46.50
Expenses				
Advertising Expense MK	33,925.95	3.26	161,025.72	1.30
Advertising Expense SS	0.00	0.00	6,899.63	0.06
Promotion Items MK	0.00	0.00	4,304.60	0.03
Auto Expenses EX	12,890.19	1.24	12,890.19	0.10
Auto Expenses CS	0.00	0.00	62.50	0.00
Auto Expenses HR	0.00	0.00	262.00	0.00
Auto Expenses IT	0.00	0.00	175.01	0.00
Auto Expenses MK	0.00	0.00	932.22	0.01
Auto Expenses SS	0.00	0.00	446.24	0.00
Auto Expenses SO	0.00	0.00	170.00	0.00
Auto Insurance HR	0.00	0.00	416.40	0.00
Personal Car For Business AF	0.00	0.00	20.70	0.00
Personal Car For Business CR	0.00	0.00	22.42	0.00
Personal Car For Business CS	506.04	0.05	545.36	0.00
Personal Car For Business HR	0.00	0.00	28.10	0.00
Personal Car For Business IT	64.50	0.01	138.04	0.00
Personal Car For Business MK	0.00	0.00	508.55	0.00
Personal Car For Business SS	0.00	0.00	344.29	0.00
Personal Car for Business SO	199.41	0.02	498.16	0.00
Auto Miscellaneous EX	6,768.24	0.65	6,768.24	0.05
Auto Miscellaneous AF	0.00	0.00	63.97	0.00
Auto Miscellaneous CR	0.00	0.00	68.17	0.00
Auto Miscellaneous CS	513.07	0.05	575.89	0.00
Auto Miscellaneous HR	14.22	0.00	710.98	0.01
Auto Miscellaneous IT	0.00	0.00	255.70	0.00
Auto Miscellaneous MK	123.88	0.01	985.74	0.01
Auto Miscellaneous SS	46.86	0.00	3,159.99	0.03
Auto Miscellaneous SO	568.42	0.05	3,346.02	0.03
Bad Debt Reserved Expense SS	266,329.86	25.61	316,329.86	2.56
Bank Fees AF	13,193.93	1.27	149,278.43	1.21
Commissions and Fees Exp SS	11,854.75	1.14	126,839.21	1.03
Depreciation Expense AF	7,569.72	0.73	90,836.43	0.74

For Management Purposes Only

Airmex Communications
Income Statement
For the Twelve Months Ending December 31, 2001

	Current Month		Year to Date	
Meals and Entertainment Exp HR	0.00	0.00	156.98	0.00
Meals and Entertainment Exp IT	92.91	0.01	480.99	0.00
Meals and Entertainment Exp MK	24.00	0.00	2,166.75	0.02
Meals and Entertainment Exp SS	0.00	0.00	4,418.91	0.04
Meals and Entertainment Exp SO	136.96	0.01	4,511.31	0.04
Office Expense EX	1,818.87	0.17	1,818.87	0.01
Office Expense AF	452.86	0.04	1,196.14	0.01
Office Expense CS	0.00	0.00	1,535.00	0.01
Office Expense HR	85.00	0.01	2,455.62	0.02
Office Expense IT	0.00	0.00	20.56	0.00
Office Expense MK	0.00	0.00	36.39	0.00
Office Expense SS	13.06	0.00	126.08	0.00
Office Expense SO	321.13	0.03	3,077.83	0.02
Computer Supplies & Soft. CS	0.00	0.00	168.45	0.00
Computer Supplies & Soft. IT	3,582.60	0.34	8,564.17	0.07
Computer Supplies & Soft. MK	192.14	0.02	2,422.92	0.02
Computer Supplies & Soft. SS	0.00	0.00	1,299.00	0.01
Computer Supplies & Soft. SO	0.00	0.00	264.23	0.00
Computer Maintenance HR	308.40	0.03	308.40	0.00
Computer Maintenance IT	0.00	0.00	600.00	0.00
Computer Maintenance SS	0.00	0.00	45.00	0.00
Network Access Expense HR	0.00	0.00	290.00	0.00
Network Access Expense IT	0.00	0.00	<1,081.94>	<0.01>
Other Taxes AF	3,043.21	0.29	20,896.45	0.17
Payroll Tax Expense HR	1,620.06	0.16	125,454.49	1.02
Penalties and Fines Exp EX	382.18	0.04	382.18	0.00
Penalties and Fines Exp AF	0.00	0.00	14,916.70	0.12
Penalties and Fines Exp CR	0.00	0.00	628.12	0.01
Rent or Lease Expense HR	19,012.28	1.83	252,967.82	2.05
Rent or Lease Expense SO	2,296.00	0.22	29,435.03	0.24
Equipment Lease AF	0.00	0.00	693.77	0.01
Equipment Lease CR	0.00	0.00	2,077.46	0.02
Equipment Lease HR	1,185.22	0.11	33,866.21	0.27
Equipment Lease IT	6,270.54	0.60	45,512.19	0.37
Equipment Lease SS	0.00	0.00	537.88	0.00
Equipment Lease SO	2,875.87	0.28	63,616.09	0.52
Lease Expense-Auto EX	1,216.72	0.12	26,469.74	0.21
Lease Expense-Auto HR	0.00	0.00	2,510.34	0.02
Salaries Expense HR	17,480.60	1.68	1,681,580.08	13.62
Office Supplies Expense EX	1,465.94	0.14	1,465.94	0.01
Office Supplies Expense AF	0.00	0.00	117.71	0.00
Office Supplies Expense HR	1,326.89	0.13	23,025.35	0.19
Office Supplies Expense MK	231.99	0.02	363.51	0.00
Office Supplies Expense SS	99.27	0.01	114.31	0.00
Office Supplies Expense SO	191.15	0.02	39,657.11	0.32
Telephone Expense EX	2,263.81	0.22	5,464.91	0.04
Telephone Expense AF	0.00	0.00	<124.98>	0.00
Telephone Expense HR	<15.52>	0.00	18,294.05	0.15
Telephone Expense IT	0.00	0.00	387.50	0.00
Telephone Expense MK	0.00	0.00	158.87	0.00
Telephone Expense SS	0.00	0.00	195.50	0.00
Telephone Expense SO	769.21	0.07	4,820.25	0.04
Travel Expense EX	82,181.82	7.90	82,181.82	0.67
Travel Expense CS	463.31	0.04	539.18	0.00
Travel Expense IT	0.00	0.00	370.24	0.00
Travel Expense MK	0.00	0.00	8,597.17	0.07
Travel Expense SS	0.00	0.00	4,349.47	0.04
Travel Expense SO	255.15	0.02	2,043.31	0.02

For Management Purposes Only

Airmex Communications
Income Statement
For the Twelve Months Ending December 31, 2001

	Current Month		Year to Date	
Training & Seminars AF	0.00	0.00	4,461.09	0.04
Training & Seminars CS	0.00	0.00	367.53	0.00
Training & Seminars HR	0.00	0.00	399.00	0.00
Training & Seminars MK	0.00	0.00	35.00	0.00
Utilities Expense HR	0.00	0.00	1,272.50	0.01
Utilities Expense SO	385.38	0.04	2,722.53	0.02
Temporary Help AF	0.00	0.00	19,073.57	0.15
Temporary Help HR	0.00	0.00	8,701.51	0.07
Emp Relocation/Recruitment CR	0.00	0.00	1,790.89	0.01
Emp Relocation/Recruitment CS	0.00	0.00	11,521.72	0.09
Emp Relocation/Recruitment MK	0.00	0.00	3,680.00	0.03
Emp Relocation/Recruitment SS	0.00	0.00	12,271.30	0.10
Emp Relocation/Recruitment SO	0.00	0.00	324.00	0.00
Health Insurance Expense HR	15,589.51	1.50	155,072.17	1.26
Workers' compensation HR	1,165.21	0.11	36,434.27	0.30
Printing & Graphic Expense MK	0.00	0.00	5,577.03	0.05
Printing & Graphic Expense SS	0.00	0.00	1,963.81	0.02
Printing & Graphic Expense SO	2,127.33	0.20	78,779.03	0.64
LA Office Expenses SS	2.58	0.00	4,597.34	0.04
LA - Meals & Entertainment SS	0.00	0.00	315.05	0.00
LA - Auto (Gasoline) SS	0.00	0.00	317.74	0.00
LA - Travel SS	0.00	0.00	4,017.09	0.03
LA Office - Telephone SS	0.00	0.00	19,351.52	0.16
LA Office - Rent Expense SS	1,046.68	0.10	40,674.64	0.33
	<hr/>		<hr/>	
Total Expenses	892,495.19	85.81	5,813,419.18	47.09
	<hr/>		<hr/>	
Net Income	\$ <318,326.57>	<30.60>	\$ <73,603.18>	<0.60>
	<hr/>		<hr/>	

Airmex Communications
Statement of Cash Flow
For the twelve Months Ended December 31, 2001

	Current Month	Year to Date
Cash Flows from operating activities		
Net Income	\$ <318,326.57>	\$ <73,603.18>
Adjustments to reconcile net income to net cash provided by operating activities		
Accum. Depreciation-Furniture	2,658.63	31,903.45
Accum. Depreciation-TeleEquip	1,713.77	20,565.24
Accum. Depreciation-Computers	3,197.32	38,367.74
Accounts Receivable	<39,878.45>	<20,248.73>
Bad Debt Reserve	200,000.00	200,000.00
Prepaid Expenses	0.00	30,907.31
FED. TAX DEPOSITS 1999	0.00	174,178.00
STATE TAX DEPOSIT 1999	0.00	5,488.75
Advances	1,375.00	<2,325.00>
Accounts Payable	7,679.48	250,045.50
Credit Line - Wells Fargo Bank	0.00	<30,000.00>
Customer Deposits	0.00	1,450.00
Accrued Expenses	<164,425.37>	<920,689.56>
Jurisdiction Tax Payable	36,001.71	606,943.12
Income Tax Payable	0.00	<672.01>
401 K Deductions Payable	<21,829.84>	185.38
Flex Pro Deductions Payable	0.00	200.00
Other Taxes Payable	0.00	<3,871.77>
CA Sales Tax Payable	0.00	<16.62>
Deferred Revenue JC&R	<15,283.02>	14,716.98
	<u>11,209.23</u>	<u>397,127.78</u>
Net Cash provided by Operations	<u><307,117.34></u>	<u>323,524.60</u>
Cash Flows from investing activities		
Used For		
Notes Receivable - Next Focus	<84,240.50>	<199,248.48>
Notes Receivable-Flower Essenc	<3,654.39>	<4,361.89>
Notes Receivable-Airmex Japan	<41,573.14>	<205,286.67>
Notes Receivable Airmex Canada	<5,869.19>	<18,571.56>
Notes Receivable - AsiaCentral	0.00	<66,329.86>
SECURITY DEPOSITS	0.00	<5,266.66>
Computers	0.00	<3,051.35>
DEPOSITS	<1,000.00>	<4,142.00>
	<u><136,337.22></u>	<u><506,258.47></u>
Net cash used in investing	<u><136,337.22></u>	<u><506,258.47></u>
Cash Flows from financing activities		
Proceeds From		
Loan From Shareholder-Shige	0.00	15,153.56
Notes Payable - Shige	169,471.25	171,768.50
Paid-in Capital	16,494.39	16,494.39
Used For		
Loan From Shareholder-Shige	0.00	<15,153.56>
Notes Payable - Shige	<8,695.74>	<160,647.37>
	<u>177,269.90</u>	<u>27,615.52</u>
Net cash used in financing	<u>177,269.90</u>	<u>27,615.52</u>
Net increase <decrease> in cash	\$ <266,184.66>	\$ <155,118.35>

Unaudited - For Internal Use Only.

Aimex Communications
Statement of Cash Flow
For the twelve Months Ended December 31, 2001

	<u>Current Month</u>		<u>Year to Date</u>
Summary			
Cash Balance at End of Period	\$ 532,560.98	\$	532,560.98
Cash Balance at Beginning of P	<622,818.66>		<482,479.78>
Net Increase <Decrease> in Cash	\$ <90,257.68>	\$	50,081.20

EXHIBIT E - PROPOSED TARIFF

TELECOMMUNICATIONS SERVICES TARIFFTITLE SHEETSOUTH DAKOTA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service or facilities for Telecommunications Services furnished by Airnex Communications, Inc. ("Airnex"), with principal offices at 3000 Executive Parkway, Suite 230, San Ramon, California 94583. This tariff applies for services furnished within the State of South Dakota.

This tariff is on file with the South Dakota Public Utilities Commission, and copies may be inspected, during normal business hours, at the company's principal place of business.

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

Shige Yamaji, CEO
3000 Executive Parkway, Suite 230
San Ramon, California 94583

AIRNEX COMMUNICATIONS, INC.

ORIGINAL SHEET 2

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

RESERVED FOR FUTURE USE

ISSUED:
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Shige Yamaji, CEO
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TELECOMMUNICATIONS SERVICES TARIFFCHECK SHEET

The Sheets of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this sheet.

<u>SHEET</u>	<u>REVISION</u>
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original
17	Original
18	Original
19	Original
20	Original
21	Original
22	Original
23	Original
24	Original
25	Original
26	Original
27	Original
28	Original
29	Original
30	Original
31	Original
32	Original

* New or Revised Sheet

ISSUED:

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TELECOMMUNICATIONS SERVICES TARIFF

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TELECOMMUNICATIONS SERVICES TARIFFTARIFF FORMAT

A. Sheet Numbering: Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between pages 11 and 12 would be page 11.1.

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

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

2.
2.1
2.1.1
2.1.1.A
2.1.1.A.1
2.1.1.A.1.(a)
2.1.1.A.1.(a).I
2.1.1.A.1.(a).I.(i)
2.1.1.A.1.(a).I.(i).(1)

D. Check Sheets: When a tariff filing is made with the Commission, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the sheets contained in the tariff, with a cross reference to the current Revision Number. When new sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some sheets). The tariff user should refer to the latest Check Sheet to find out if a particular sheet is the most current filed with the Commission.

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TELECOMMUNICATIONS SERVICES TARIFF

SYMBOLS

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

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

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TELECOMMUNICATIONS SERVICES TARIFFSECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

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

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

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

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

Company or Airnex - Used throughout this tariff to mean Airnex Communications, Inc., a California corporation.

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

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

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TELECOMMUNICATIONS SERVICES TARIFF

Resp. Org - Responsible Organization or entity identified by a Toll-Free service Customer that manages and administers records in the toll free number database and management system.

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

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

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

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TELECOMMUNICATIONS SERVICES TARIFFSECTION 2 - RULES AND REGULATIONS**2.1 Undertaking of the Company**

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

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TELECOMMUNICATIONS SERVICES TARIFF

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

2.2 Use of Services

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

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TELECOMMUNICATIONS SERVICES TARIFF

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

2.3 Liability of the Company

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

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TELECOMMUNICATIONS SERVICES TARIFF

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

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TELECOMMUNICATIONS SERVICES TARIFF**2.4 Responsibilities of the Customer**

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

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TELECOMMUNICATIONS SERVICES TARIFF

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

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TELECOMMUNICATIONS SERVICES TARIFF

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

2.5 Cancellation or Interruption of Services

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

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TELECOMMUNICATIONS SERVICES TARIFF

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

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TELECOMMUNICATIONS SERVICES TARIFF

2.6 Credit Allowance

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

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TELECOMMUNICATIONS SERVICES TARIFF

2.7 Restoration of Service

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

2.8 Deposit

The Company does not require deposits.

2.9 Advance Payments

The Company does not require advance payments.

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TELECOMMUNICATIONS SERVICES TARIFF**2.10 Payment and Billing**

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

ISSUED:
ISSUED BY:

EFFECTIVE:
Shige Yamaji, CEO
3000 Executive Parkway, Suite 230
San Ramon, California 94583

TELECOMMUNICATIONS SERVICES TARIFF**2.11 Collection Costs**

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

2.12 Taxes

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

2.13 Late Charge

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

2.14 Returned Check Charge

A fee of \$20.00 will be charged whenever a check or draft presented for payment for service is not accepted by the institution on which it is written.

2.15 Reconnection Charge

A reconnection fee of \$25.00 per occurrence will be charged when service is reestablished for Customers which have been disconnected due to non-payment. Payment of the reconnection fee and any other outstanding amounts will be due in full prior to reconnection of service.

ISSUED:
ISSUED BY:

EFFECTIVE:
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TELECOMMUNICATIONS SERVICES TARIFF

SECTION 3 - DESCRIPTION OF SERVICE

3.1 Computation of Charges

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

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

ISSUED:
ISSUED BY:

EFFECTIVE:
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TELECOMMUNICATIONS SERVICES TARIFF

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

3.2 Customer Complaints and/or Billing Disputes

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

3000 Executive Parkway, Suite 230
San Ramon, California 94583
(800) 801-1120

An objection to billed charges should be reported to the Company within 180 days from receipt of an invoice. Adjustments to Customers' bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate.

ISSUED:
ISSUED BY:

EFFECTIVE:
Shige Yamaji, CEO
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TELECOMMUNICATIONS SERVICES TARIFF

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

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

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

3.3 Level of Service

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

3.4 Billing Entity Conditions

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

ISSUED:
ISSUED BY:

EFFECTIVE:
Shige Yamaji, CEO
3000 Executive Parkway, Suite 230
San Ramon, California 94583

TELECOMMUNICATIONS SERVICES TARIFF**3.5 Service Offerings**

3.5.1 1+ Dialing

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

3.5.2 Travel Cards

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

3.5.3 Toll-Free Service

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

ISSUED:
ISSUED BY:

EFFECTIVE:
Shige Yamaji, CEO
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San Ramon, California 94583

AIRNEX COMMUNICATIONS, INC.

ORIGINAL SHEET 25

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

3.5.4 Reserved for Future Use.

ISSUED:
ISSUED BY:

EFFECTIVE:
Shige Yamaji, CEO
3000 Executive Parkway, Suite 230
San Ramon, California 94583

AIRNEX COMMUNICATIONS, INC.

ORIGINAL SHEET 26

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

Reserved for Future Use.

ISSUED:
ISSUED BY:

EFFECTIVE:
Shige Yamaji, CEO
3000 Executive Parkway, Suite 230
San Ramon, California 94583

TELECOMMUNICATIONS SERVICES TARIFF

3.5.5 Directory Assistance.

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

ISSUED:
ISSUED BY:

EFFECTIVE:
Shige Yamaji, CEO
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San Ramon, California 94583

TELECOMMUNICATIONS SERVICES TARIFF

3.5.6 Specialized Pricing Arrangements.

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

3.5.7 Emergency Call Handling Procedures

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

3.5.8 Promotional Offerings

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

ISSUED:
ISSUED BY:

EFFECTIVE:
Shige Yamaji, CEO
3000 Executive Parkway, Suite 230
San Ramon, California 94583

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 4 - RATES

4.1 1+ Dialing

\$0.15 per minute

A \$4.95 per month service charge applies.
Billed in one minute increments.

4.2 Travel Cards

\$.199 per minute

A \$.25 per call service charge applies.
Billed in one minute increments.

ISSUED:
ISSUED BY:

EFFECTIVE:
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TELECOMMUNICATIONS SERVICES TARIFF

4.3 Toll Free

\$0.15 per minute

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

4.4 Reserved for Future Use.

ISSUED:

EFFECTIVE:

ISSUED BY:

Shige Yamaji, CEO
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San Ramon, California 94583

TELECOMMUNICATIONS SERVICES TARIFF

4.5 Directory Assistance

\$.95

4.6 Returned Check Charge

\$20.00

ISSUED:
ISSUED BY:

EFFECTIVE:
Shige Yamaji, CEO
3000 Executive Parkway, Suite 230
San Ramon, California 94583

TELECOMMUNICATIONS SERVICES TARIFF

4.7 Rate Periods

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

* To, but not including

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

4.8 Payphone Dial Around Surcharge

A dial around surcharge of \$.50 per call will be added to any completed INTRASTATE toll access code and subscriber toll-free 800/888 type calls placed from a public or semi-public payphone.

4.9 Universal Service Fund Assessment & Presubscribed Interexchange Carrier Charge

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

ISSUED:
ISSUED BY:

EFFECTIVE:

Shige Yamaji, CEO
3000 Executive Parkway, Suite 230
San Ramon, California 94583

South Dakota Public Utilities Commission
WEEKLY FILINGS
For the Period of July 11, 2002 through July 17, 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**

CONSUMER COMPLAINTS

CT02-026 In the Matter of the Complaint filed by Judy Callaway on behalf of Midwest Tire and Muffler, Inc., Rapid City, South Dakota, against McLeodUSA Telecommunications Services, Inc. Regarding Poor Quality of Customer Service, Failure to Transfer Service to New Carrier and Disputed Billing.

Complainant states that it began service with McLeodUSA on June 19, 2001. Complainant has had nothing but trouble with the local McLeodUSA representative since service began. Complainant states that the McLeodUSA representative stated that it would reimburse the Complainant for the termination fees that would be charged for switching service to McLeodUSA. Complainant never received the credit. Complainant received poor customer service from the McLeodUSA employees during the numerous calls regarding the missing credit and problems with its phone service. Complainant switched its service to another provider and McLeodUSA will not release the Complainant's 800 numbers to the new provider. Complainant requests the McLeodUSA release all of their lines to the new provider, give the past due credit, and remove all termination of service fees McLeodUSA is now charging.

Staff Analyst: Mary Healy
Staff Attorney: Karen Cremer
Date Docketed: 07/17/02
Intervention Deadline: N/A

TELECOMMUNICATIONS

TC02-092 In the Matter of the Application of Airnex Communications, Inc. for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota.

Airnex Communications, Inc. has filed an application with the South Dakota Public Utilities Commission for a Certificate of Authority of provide resold interexchange telecommunications service in South Dakota. The applicant intends to market its services primarily to residential and small to mid-sized businesses throughout South Dakota.

Staff Analyst: Dave Jacobson
Staff Attorney: Karen Cremer
Date Filed: 07/12/02
Intervention Deadline: 08/02/02

TC02-093 In the Matter of the Filing for Approval of an Agreement for Terms and Conditions for Interconnection, Unbundled Network Elements, Ancillary Services and Resale of Telecommunication Services between Qwest Corporation and Excel Telecommunications, Inc.

On July 15, 2002, the Commission received for approval, a filing of an Interconnection Agreement between Qwest Corporation (Qwest) and Excel Telecommunications, Inc. (Excel). According to the parties, the Agreement is a negotiated agreement and contains terms and conditions for interconnection, unbundled network elements, ancillary services, and resale of telecommunications services provided by Qwest to Excel. 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 August 4, 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: Rolayne Ailts Wiest

Date Docketed: 07/15/02

Initial Comments Due: 08/04/02

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

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

IN THE MATTER OF THE APPLICATION OF)	ORDER GRANTING
AIRNEX COMMUNICATIONS, INC. FOR A)	CERTIFICATE OF
CERTIFICATE OF AUTHORITY TO PROVIDE)	AUTHORITY
INTEREXCHANGE TELECOMMUNICATIONS)	
SERVICES IN SOUTH DAKOTA)	TC02-092

On July 12, 2002, the Public Utilities Commission (Commission), in accordance with SDCL 49-31-3 and ARSD 20:10:24:02, received an application for a certificate of authority from Airnex Communications, Inc. (Airnex).

Airnex intends to offer interexchange services, including 1+ and 101XXXX outbound dialing, 800/888 toll-free inbound dialing, directory assistance, data services and travel card service. A proposed tariff was filed by Airnex. The Commission has classified long distance service as fully competitive.

On July 18, 2002, the Commission electronically transmitted notice of the filing and the intervention deadline of August 2, 2002, to interested individuals and entities. No petitions to intervene or comments were filed and at its November 20, 2002, meeting, the Commission considered Airnex's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to the condition that Airnex not offer a prepaid calling card or require or accept deposits or advance payments without prior approval of the Commission.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-31, specifically 49-31-3 and ARSD 20:10:24:02 and 20:10:24:03. The Commission finds that Airnex has met the legal requirements established for the granting of a certificate of authority. Airnex has, in accordance with SDCL 49-31-3, demonstrated sufficient technical, financial and managerial capabilities to offer telecommunications services in South Dakota. The Commission approves Airnex's application for a certificate of authority, subject to the condition that Airnex not offer a prepaid calling card or require or accept deposits or advance payments without prior approval of the Commission. As the Commission's final decision in this matter, it is therefore

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

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

Dated at Pierre, South Dakota, this 2nd day of December, 2002.

CERTIFICATE OF SERVICE

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

By: *Delaine Kalbo*

Date: *12/2/02*

(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 as of the date of the
Order Granting Certificate of Authority
Docket No. TC02-092

This is to certify that

AIRNEX COMMUNICATIONS, INC.

is authorized to provide interexchange telecommunications services in South Dakota, subject to the condition that it not offer a prepaid calling card or require or accept deposits or advance payments without prior approval of the Commission.

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

Dated at Pierre, South Dakota, this 2nd day of December, 2002.

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION:**



James A. Burg

JAMES A. BURG, Chairman

Pam Nelson

PAM NELSON, Commissioner

Robert K. Sahr

ROBERT K. SAHR, Commissioner