

after the November 1999 broadcast.

5. OLS, by entering into this Agreement, makes no admission of liability as to any alleged wrongdoing and expressly denies any such wrongdoing.

6. OLS has consented to the entry of the Agreement without adjudication of any issues of fact or law solely in the interest of avoiding the expense, time, and uncertainty of formal proceedings.

FINAL SETTLEMENT

7. OLS is a small, family-owned business that has been in the business of providing long distance services for only three years.

8. OLS has vigorously pursued and succeeded in settling all disputes cited in Staff's Motion to the satisfaction of all parties involved. The majority of these - nearly 83% - were settled before initiation of Staff's Motion and all but a few were resolved by late February 2000.

9. OLS has incurred considerable expenses in settling these matters.

10. Since the initiation of Staff's Motion, OLS has worked with Staff in good faith.

11. OLS' resolution of all complaints and its interaction with Staff demonstrate its good faith efforts and substantial compliance with all applicable Commission rules.

12. OLS no longer markets to consumers in South Dakota and does not intend to market in South Dakota in the future, eliminating any potential for a recurrence of the

events alleged here. In addition, to further protect itself from similar risks in the future, OLS has transitioned to "in-house" marketing for all active territories and has replaced LEC billing with direct billing.

13. OLS shall make a voluntary payment in satisfaction of SDCL 49-31-94 to the State of South Dakota in the amount of Twenty Thousand Dollars (\$20,000.00) and pay costs pursuant to SDCL 49-31-96 to the South Dakota Public Utilities Commission in the sum of Six Thousand Dollars (\$6,000.00) as reimbursement for costs associated with the proceedings specified in Docket TC00-089. The parties understand and agree that these voluntary payment are not an admission of liability and are made in lieu of any fines, penalties, or actions that might be authorized under SDCL 49-31-38, 49-31-38.1, 49-31-93, and 49-31-95, or any other statutes or rules under which the South Dakota Public Utilities Commission is acting. The parties further agree that such payment is fair and reasonable, in the best interests of all parties involved, and an appropriate resolution of TC00-089.

14. The voluntary payment shall be made in three installments in the following manner: (1) a \$6,000 payment upon Commission approval of this Agreement; (2) a \$10,000 payment 60 days thereafter; and (3) a final \$10,000 payment 60 days thereafter.

15. The parties understand and agree that this Agreement addresses and encompasses the following specific Docket Numbers, each cited in Staff's Motion: CT99-056, CT99-060, CT99-061, CT99-062, CT99-063, CT99-066, CT99-067, CT99-068,

CT99-069, CT99-070, CT99-073, CT99-074, CT99-075, CT99-077, CT99-078, CT99-079, CT99-080, CT99-082, CT99-085, CT99-086, CT99-089, CT00-001, CT00-003, CT00-004, CT00-005, CT00-006, CT00-009, CT00-10, CT00-011, CT00-013, CT00-015, CT00-016, CT00-018, CT00-027, CT00-028, CT00-032, CT00-033, CT00-034, CT00-042, CT00-045, CT00-046, CT00-047, CT00-053, CT00-056, CT00-062, CT00-067. The parties further understand and agree that this Agreement encompasses any similar matters involving OLS occurring prior to the date of this Agreement.

16. Undersigned Staff agrees to advise the Public Utilities Commission of this Agreement and to request the Commission to enter an Order dismissing with prejudice Staff's Motion. Staff further agrees not to bring any other motion or request for proceedings relating to the matters referenced in Staff's Motion, intending this to be a full, final, and complete resolution.

OTHER PROVISIONS

17. This Agreement shall not be final and effective until it is approved and adopted by the South Dakota Public Utilities Commission. If the Commission does not approve this Agreement, it shall have no force or effect. If this Agreement is adopted by the Commission, with modification, the parties must consent to the modification in writing within 30 days of the Commission's order proposing modification. If the modifications are not acceptable to one of the Parties, then this Agreement is void.

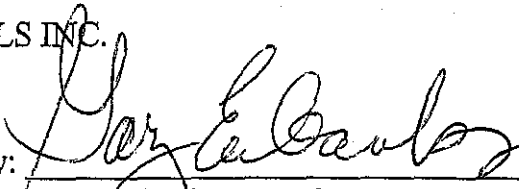
18. If any portion, provision, or part of this Agreement is held to be invalid,

unenforceable, or void for any reason whatsoever, that portion shall be severed from the remainder, and shall not affect the validity or enforceability of the remaining provisions, portions, or parts.

19. The undersigned acknowledges that they are duly authorized to execute this Agreement on behalf of their respective principals, and that such execution is made within the course and scope of their respective agency and/or employment.


OLS INC.

DATE: 10-17-01

By: 
Gary Bubanks, President

STAFF OF SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

DATE: 10-19-01

By: 
Karen E. Cremer
Staff Attorney