

TC 97-174

DOCKET NO.

In the Matter of **IN THE MATTER OF THE
APPLICATION OF NTI TELECOM, INC.
FOR A CERTIFICATE OF AUTHORITY
TO PROVIDE TELECOMMUNICATIONS
SERVICES IN SOUTH DAKOTA**

Public Utilities Commission of the State of South Dakota

DATE	MEMORANDA
10/31/97	Filed and Rocketed;
11/6/97	TC Fed. Lungs;
12/13/97	Cable: Shooting COA,
12/18/97	Rocket Clock

TC97-174

NOWALSKY, BRONSTON & GOTHARD, L.L.P.
ATTORNEYS AT LAW

LEON L. NOWALSKY
BENJAMIN W. BRONSTON
EDWARD P. GOTHARD

3500 N. CAUSEWAY BOULEVARD
SUITE 1442
METAIRIE, LOUISIANA 70002
TELEPHONE: (504) 832-1984
FACSIMILE: (504) 831-0892

MONICA R. BORNE
JEFFREY T. GREENBERG
Of Counsel

October 30, 1997

RECEIVED
OCT 31 1997
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

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

RE: NTI TELECOM, INC.

Dear Sir:

Enclosed herewith for filing please find an original and 10 copies of the Application of NTI Telecom, Inc. for authority to provide resold interexchange telecommunications services, including operator services, within the State of South Dakota. The requisite \$250.00 filing fee is also enclosed.

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

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

Sincerely,



Monica R. Borne

Enclosure
cc: Gloria King, NTI

**BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

IN RE: APPLICATION OF	)	
NTI TELECOM, INC. FOR AUTHORITY	)	
TO PROVIDE INTEREXCHANGE	)	
TELECOMMUNICATIONS SERVICES,	)	Docket No. _____
INCLUDING OPERATOR SERVICES,	)	
WITHIN THE STATE OF SOUTH DAKOTA	)	

APPLICATION

NTI TELECOM, INC. ("NTI" or "Applicant") hereby submits this application for certificate of public convenience and necessity to provide resold intrastate telecommunications service within the State of South Dakota.

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

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

 NTI TELECOM, INC.
 101 Convention Center Drive
 Suite P-125
 Las Vegas, Nevada 89109
 Phone: (702) 734-1160

2. Applicant is a corporation having perpetual existence which was organized under the laws of the State of Nevada on January 27, 1997. The Company is authorized to transact business within South Dakota as evidenced by the Certificate of Authority attached hereto as **Exhibit "A."** The Company has no subsidiaries.

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

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

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

Michael Gorts
President
101 Convention Center Dr.
Suite P-125
Las Vegas, NV 89109

Tony Tegano
Secretary/Treasurer
101 Convention Center Dr.
Suite P-125
Las Vegas, NV 89109

5. Applicant proposes to offer resold intrastate long distance services to the public on a statewide basis in the State of South Dakota. The services to be provided are Message Toll Service, Incoming 800, Travel Card services and Operator Services. The Applicant resells the services of underlying carriers and does not own any facilities, including switches. Applicant will resell the services of only Commission certificated underlying carriers.
6. The Company is currently authorized to provide service in Arkansas, Florida, Idaho, Iowa, Massachusetts, Montana, Michigan, Nebraska, New Jersey, New York, Nevada, Texas, Utah and Virginia and is applying for authorization to provide services in numerous additional states as set forth in the Initial Data Request attached as **Exhibit "C."** The Company has not been denied authorization to provide service in any state.

7. The Applicant's proposed initial tariff containing the rules, regulations, terms and conditions of service is attached hereto as **Exhibit "D."**
8. Applicant has adequate and sufficient financial resources to provide the proposed public telecommunications service properly and continuously. The Company's most recent financial statements are attached hereto as **Exhibit "E."**
9. Granting of this application will further the public interest. The resale of telecommunications services expands the availability of telecommunications services to more members of the public at more competitive prices. In addition, by lowering the costs of telecommunications, small and medium sized businesses are able to maintain their communications costs at levels that are closer to those available to larger users. The more competitively equal companies are, the more the public should benefit through products and services made and/or delivered more efficiently and more responsively to consumer needs and desires.
10. The Applicant is willing and able to conform to the Constitution and laws of the State of South Dakota and the Rules and Regulations of the Commission, now in effect or hereinafter enacted.
11. A list of shareholders owning more than a twenty percent (20%) share is attached hereto as **Exhibit "F."**

5. 25. 44. 81. 8

s 30th day of October, 1977

y: 

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

AND 

Michael Gorts, President
NTI TELECOM, INC.
101 Convention Center Drive
Suite P-125
Las Vegas, NV 89109

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Exhibit A

0144-587

State of South Dakota



OFFICE OF THE SECRETARY OF STATE

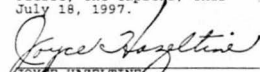
CERTIFICATE OF AUTHORITY

I, JOYCE HAZELTINE, Secretary of State of the State of South Dakota, hereby certify that duplicate of the Application for a Certificate of Authority of NTI TELECOM, INC. (NV) 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 under the name of NTI TELECOM, INC.



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 18, 1997.


JOYCE HAZELTINE
Secretary of State

SECRETARY OF STATE
STATE CAPITOL
500 E. CAPITOL
PIERRE, S.D. 57501-5070
605-773-1844
FAX 605-773-1854

FILE NO. _____
RECEIPT NO. _____

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JUL 07 1997
S.D. SEC. OF STATE
S.D. SEC. OF STATE

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 NTI Telecom, Inc.
(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 _____

(3) State where incorporated Nevada Federal Taxpayer ID# 86-0852984

(4) The date of its incorporation is January 27, 1997 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 101 Convention Center Drive, Las Vegas, Nevada Zip Code 89109
mailing address if different from above is: _____ Zip Code _____

(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 Suite 300
300 South Phillips Avenue, Sioux Falls, SD Zip 57102
and the name of its proposed registered agent in the State of South Dakota at that address is National Registered Agents, Inc.

(7) The purposes which it proposes to pursue in the transaction of business in the State of South Dakota are: (state specific purpose) _____
The provision of telecommunications services.

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

Name	Officer Title	Street Address	City	State	Zip
<u>Michael Gorts</u>	<u>President</u>	<u>101 Convention Center Dr.,</u>	<u>L.V.,</u>	<u>NV</u>	<u>8910</u>
<u>Tony Tegano</u>	<u>Sec./Treas.</u>	<u>101 Convention Center Dr.,</u>	<u>L.V.,</u>	<u>NV</u>	<u>8910</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>2,500</u>	<u>Common</u>	<u>n/a</u>	<u>NPV</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
2,500	Common	n/a	NPV

(11) The amount of its stated capital is \$ 36,604

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 May 20 19 97

[Signature]
(Signature)

President
(Title)

State of Nevada
County of Clark

On this 20 day of May, 19 97, before me, Henry D. Edgar, known to me, or proved to me, to be the President of the corporation that is described in and that executed the within instrument and acknowledged to me that such corporation executed same.

My Commission Expires March 31, 2001

[Signature]
(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, National Registered Agents, Inc., hereby give my consent to serve as the
(name of registered agent)

registered agent for NTI Telecom, Inc.
(corporate name)

Dated April 4, 19 97

[Signature]
(signature of registered agent)

Charles A. Coyle - Assistant Secretary

(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
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(11) The amount of its stated capital is \$ _____.
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 _____ 19 _____
(Signature)

State of _____
County of _____
(Title)

On this _____ day of _____, 19 _____, before me _____
personally appeared _____, known to me, or proved to me, to be
the _____ of the corporation that is described in and that executed the
within instrument and acknowledged to me that such corporation executed same.

My Commission Expires: _____
(Notary Public)

Notarial Seal

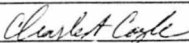
The Consent of Appointment below must be signed by the registered agent listed in number six.

CONSENT OF APPOINTMENT BY THE REGISTERED AGENT

I, _____ National Registered Agents, Inc.,
(name of registered agent)

registered agent for _____ NTI Telecom, Inc.,
(corporate name)

Dated April 4 19 97


(signature of registered agent)
Charles A. Coyle - Assistant Secretary

SECRETARY OF STATE



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SEC. OF STATE

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CERTIFICATE OF EXISTENCE WITH STATUS IN GOOD STANDING

I, DEAN HELLER, the duly elected and qualified Nevada Secretary of State, do hereby certify that I am, by the laws of said State, the custodian of the records relating to filings by corporations, limited-liability companies, limited partnerships, and limited-liability partnerships pursuant to Title 7 of the Nevada Revised Statutes which are either presently in a status of good standing or were in good standing for a time period subsequent to 1976 and am the proper officer to execute this certificate.

I further certify that the records of the Nevada Secretary of State, at the date of this certificate, evidence **NTI TELECOM, INC.**, as a corporation duly organized under the laws of Nevada and existing under and by virtue of the laws of the State of Nevada since January 21, 1997, and is in good standing in this state.

IN WITNESS WHEREOF, I have hereunto set my hand
and affixed the Great Seal of State, at my office, in
Carson City, Nevada, on May 21, 1997.



Dean Heller
Secretary of State

By

[Signature]

Certification Clerk

Exhibit B

Michael W. Gorts
9301 Leaping Lily Drive
Las Vegas, Nevada 89127 Phone- 702-233-5938

Professional Profile

- Seasoned professional with over 20 years of experience in telecommunications management.
- Proven background at the highest levels of management encompassing leadership, personnel development, planning, organization and problem solving, all of which realized significant contributions to bottom line results.
- Strong record of achievement in turning start up operations into growing, robust entities in a relatively short period.
- Excellent communication and negotiating skills, coupled with the ability to effectively establish and maintain a rapport with all levels of personnel, management, and clients.
- Solid background in Sales and Marketing, successfully implementing effective strategies.
- Effective decision maker, able to quickly evaluate available alternatives in a logical manner.

Professional Experience

1995- Current Net Telecommunications Incorporated, Las Vegas, Nevada
(Nasdaq "NETQ")
President

1991-1995 CRC Long-Distance Corporation, Las Vegas, Nevada
Vice President, Chief Operating Officer

- Oversee all daily operations of this 1-plus, O- plus long distance company, to include Sales, Marketing, Finance and Engineering Departments.
- A key factor in the growth of CRC from 7 people and monthly revenues in the \$95,000 range in 1991 to over 50 personnel /\$1,000,000 monthly revenues in 1994.
- Hired and trained key Sales/Marketing staff and employed proven Sales and Marketing strategies to vault CRC onto a rapid growth track.
- Defined niche for CRC to be successful in and simplified rate structure, greatly increasing revenues.

1989-1991: Operations Track, Orlando, Florida
Executive Vice President/ Consultant

- Served as head of Telecommunications arm of this multi-disciplinary consulting firm whose clients were primarily Fortune 500 organizations.
- Responsibilities included assessing telecommunications capabilities and requirements

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of client firms, designing systems that would best utilize their resources, presenting to clients and overseeing installation.

- Recruited and trained personnel for Telecommunications Departments of client firms.
- Developed portfolios of potential acquisitions and merger candidates.

1987-1989: Hillary-O'Shea & Associates, New York, New York
Marketing Director/Consultant

- Responsible for direct sales of surveys and consulting services to privately held companies throughout New England and metropolitan New York, selling directly to Chief Executives and Principal Owners only.
- Integrated a telemarketing strategy into the marketing plan to provide optimum support for sales efforts; assumed full P&L responsibility for the department.
- Recruitment, training and motivation of telemarketing staff.
- Conducted seminars on presentation, phone technique, and product awareness.
- Provided telecommunications and computer networking consultation.
- Developed "turn-key" telemarketing operations for various clients.
- Conducted motivational support and training programs on a contractual basis.

1981-1987: S.T. Communications Incorporated, Albany, New York
President/C.E.O.

- Directed all operations of this company, providing a variety of telecommunications services within the state of New York.
- Grew the company from low five figures at start up, to multi-million dollar net worth within a five year period. Company was debt free when sold in 1987.
- Responsibilities included engineering design, client consultations, sales of equipment, and systems leasing.
- Recruited and trained a sales staff to effectively market paging and long distance services.
- Identified and acquired sites and right of way for antenna and tower construction for cellular, paging and microwave systems.
- Designed and supervised construction of a point to point microwave network between Albany, New York, and New York City to carry dedicated access T-Span traffic.
- Sold lease contracts for interactive video and data systems.
- Sold dedicated access and T-Span service to municipalities, telephone companies, and business clients.

1978-1981 PI-Van Associates, Albany, New York
 Communications Manager

- * Responsible for numerous administrative functions for this transportation company providing bus, airport limousine, and charter coach service throughout upstate New York, the Metropolitan New York City area, and all major airports.
- * Supervised all aspects of the company's interactive computer and communications network which connected eleven independent corporate facilities and LaGuardia, JFK and Newark Airports.
- * Coordinated all physical plant expansion programs from conception through to completion and operation.
- * Negotiated contracts, established and maintained rapport with various school boards, municipalities and regulatory authorities. Left this company to assume executive position with an affiliate, S.T. Communications.

Additional experience prior to 1978 includes work as a Municipal Plans Examiner and supervisory Master Electrician on projects for Stone and Webster Engineering, Northfield Mountain Hydroelectric and Morrison and Knudsen Incorporated.

Military

Honorable Discharge
United States Marine Corps

Education

B.A. Liberal Arts - University of New York
Phoenix College - Graduate Life and Health Insurance Brokerage Program.
Canisius College - Graduate Real Estate Brokerage Program.

Attended numerous seminars and courses for continuing education in Sales and Market Strategies, Market Analysis, Public Relations and Communications.

Associations

Kiwanis International
Life Underwriters of America
National Association of Realtors
Nevada Development Authority
Business Network International
Telephone Resellers Association

Certificates

Life and Health Insurance Licenses - States of New York and Arizona
Real Estate Brokers License - State of New York
Securities License - Series 6 (inactive)

TONY TEGANO - CHAIRMAN OF THE BOARD

Tony Tegano is the founder, President and CEO of Tango Pools and Spas, the most successful swimming pool construction company in the state of Nevada. Over the last 25 years, Tango has grown impressively, with Mr. Tegano at the helm.

Mr. Tegano has recently been elected to the Las Vegas Better Business Bureau's Executive Board. He is a long-standing member of the LVBBB and will serve a three-year term on the Board.

Other associations that Mr. Tegano is now, or has been, affiliated with are the Southern Nevada Home Builders Association the Southern Nevada Executive Council, the Associated General Contractors, the Greater Las Vegas Realtor Association and the City of North Las Vegas Chamber of Commerce.

Mr. Tegano also supports several charitable and educational institutions in the Las Vegas area. Among them are the March of Dimes, the Foundation Fighting Blindness, the Public Education Foundation and the University of Nevada, Las Vegas, through the Academic Corporate Council.

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ANNETTE J. MORENO
2473 TEE STREET
LAS VEGAS NV 89122

Personal:

Height: 4'11" Weight: 128 lbs.
Marital Status: Married (1990-Richard I.)
Social Sec. #: 179-32-5646
Birthdate: 2/9/44

Experience:

Net Telecommunications, Inc. - Las Vegas, NV - Chief Financial Officer - 7/96 to present.
Supervise all accounting matters for parent company and all subsidiary companies.
Responsible for all accounting and reporting measures for the Security Exchange
Commission. Work directly with Chief Executive Officer and Board of Directors
on all financial planning and decisions.

Private practice - Las Vegas, NV - 6/94 - 6/96
Worked with individual small business clients in computerized accounting set up and
maintenance of accounting programs.

CRC, Inc. - Las Vegas, NV - Chief Financial Officer-8/93 - 5/94
Supervised all accounting for 1+ and 0+ telecommunications. Worked with regulatory
agencies to meet accounting requirements. Controlled revenues of over \$1 million
monthly.

The Eagle Group - Las Vegas, NV - Assistant Controller - 7/91-8/93
Worked with Controller in managing accounting for four subsidiary airline companies and
three related subsidiaries. Worked with regulatory agencies to meet FAA filing
requirements.

Richard's Produce Garden - Las Vegas, NV - Owner- 11/89 - 3/91
Managed all accounting and office related matters. Dealt with vendors on order problems.
Maintained records for tax purposes. Supervised four employees.

J. J. Nugent Co. - Northfield, NJ - Controller - 4/82 - 6/89

Managed and supervised accounting for general contracting firm. Worked with state and county regulatory agencies on bids for casinos and public entities. Maintained a working budget on projects totalling \$20 million individually. Supervised three accounting clerks. Also managed accounting for two subsidiary companies, which included setup of hardware and software for a semi-private golf course.

Central Telephone Company - Las Vegas, NV - Accts. Payable Supv. - 7/75 - 10/80

Started with company as assistant to General Manager of Installation and Repair. Dealt with the PUC on all customer complaints. Studied PUC regulations. Was promoted within one year to Accts. Payable Supervisor. Cross-trained in General Ledger and Payroll supervision. Supervised six accounting clerks. Managed payables in excess of \$10 million monthly. Worked with Engineering and Building departments in budget maintenance.

Education:

Penna. State University
Behrend Center Campus
Erie, Pennsylvania
7/61 - 8/63

Stockton State College
Pomona, NJ

Bachelor of Science/Business and Accounting
1985

Various seminars and management courses - American Management Association

Douglas G. Statte
4921 Evergreen Glen Dr.
Las Vegas Nevada 89130
702 645-3844

Age: 35
Height: 5' 11"
Weight: 170 lbs.

EDUCATIONAL BACKGROUND:

Other Courses Completed:

BACKGROUND:

3466 • J. Neurosci., July 26, 2006 • 26(30):3460–3466

8/68 - 1/69 Director of Data Processing
Trans Ocean Travel & Leisure Inc. (TOTAL)
Primary responsibility was to establish and maintain Data Processing as the foundation of this tour operator as the company grew from a start up company to \$1,500,000.00 per week over a 1 year period.

11/79 - 3/83 Data Processing Manager
Hawthorne Machinery Co.
Created a Data processing department so this \$60 Million corporation could eliminate 3 service bureaus and bring control of all data processing into the company.

10/72 - 11/79 Systems Analyst
Southwest Gas Corporation.
Designed On line stock transfer system.
Designed and assisted programming Billing system.

8/78 - 11/72 Systems Analyst
International Business Machines (IBM)
Designed and Implemented Mercedes Benz Automobile Warranty System.
Worked in Facilities Management Design Proposals for Hardware and Software.
Technical Sales Support.
Design and Programming on IBM's Planning and Financial System.

Lonnie J. Ellis
93 Princeville Lane
Las Vegas, Nevada 89113
(702) 367-1190

Education

Legal Education

- University of San Diego School of Law
Juris Doctor, *cum laude*, December 1994
- Institute on International and Comparative Law
Paris, France, Summer 1993

Honors & Activities

- Am Jur Bancroft-Whitney Award, Remedies
- Best Grade in Class, Federal Estate and Gift Tax
- Honor, Lawyering Skills I
- Best Brief, Lawyering Skills I
- Domestic Violence Prevention Clinic Participant

Undergraduate Education

- Bachelor of Science, *with distinction*, Marketing - University of Nevada, Reno, 1987
- Courses for Certified Public Accountant qualification - University of Nevada, Las Vegas
- Photography - California College of Arts and Crafts

Employment History

Nevada Supreme Court, Justice Miriam Shearing, Intern, Summer 1994

- Researched and resolved a variety of legal issues.
- Drafted several memoranda containing analyses of the current state of the law and making recommendations for future decisions by the court.
- Prepared a bench memorandum addressing the arguments of counsel and making recommendations for the disposition of a pending case.

Fair, Anderson & Langerman, Tax Supervisor, 1992

- Engaged in tax planning and return preparation for individuals, corporations, partnerships, trusts and estates.
- Reviewed Internal Revenue Service audit reports and made recommendations regarding the validity of proposed audit adjustments.

Kafoury, Armstrong & Company, Senior Staff Accountant 1991, Staff Accountant 1989-91, Intern 1988-89

- Engaged in tax planning and return preparation for individuals, corporations, partnerships, trusts and estates.
- Supervised audit of Group 1 gaming enterprise, including testing compliance with applicable gaming regulations.
- Prepared a variety of financial statements including reports for a court appointed receiver.

Professional Licenses & Memberships

- Nevada State Bar
- California State Bar
- Certified Public Accountant, Nevada
- American Institute of Certified Public Accountants

Admitted November 1995

Admitted, December 1995

1991 - Present

1991 - Present

Exhibit C

0144450024

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

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

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

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

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

Q 3. List the states in which the company is presently doing intrastate business. Also provide the date service was started in each state.

A 3	<u>State</u>	<u>Date Service Started</u>
	Arkansas	10/97
	Florida	10/97
	Idaho	09/97
	Iowa	08/97
	Kentucky	09/97
	Massachusetts	09/97
	Michigan	10/97
	Montana	06/97
	Nebraska	10/97
	New Jersey	09/97
	New York	09/97
	Nevada	04/97
	Texas	05/97
	Utah	06/97
	Virginia	06/97

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

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

Arkansas
Florida
Idaho
Iowa (0+)
Kentucky
Massachusetts
Michigan (0+)
Montana
Nebraska
New York
Nevada
Texas

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

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

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

Alabama
Arizona
California
Colorado (0+)
Delaware
Georgia
Illinois
Indiana
Louisiana
Maryland
Minnesota
Mississippi
Missouri
New Hampshire
North Carolina
North Dakota
Ohio
Oklahoma
Oregon
Pennsylvania
South Carolina
Vermont
Washington
Wyoming

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

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

A 6. No

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

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

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

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

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

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

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

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

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

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

Q 11. How does the company handle customer billings?

A 11. The Company uses LEC billing for all 0+ services and bills customers through a billing agent for all other services.

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

- Q 12. How does the company handle customer service matters?
- A 12. The Company has customer service personnel available via a toll free telephone number for handling of all questions and/or complaints. This toll free number is set forth on all company bills. In addition, a toll free number is provided on "tent cards" at all aggregator locations.

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

- Q 13. Does the company have a toll-free telephone number for customer service? If so, what is it and is it included in the company's tariffs.
- A 13. 1-800-303-9164. This toll free number is set forth in the Company's tariff.

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

Q 14. Where is the customer service department located?

A 14. The Company's customer service department is located in Las Vegas, Nevada

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

Q.15. How many customer service personnel are available to answer customer concerns?

A.15. Four.

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

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

A 16 No.

814485.448

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

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

A. 17. The company does not own any telecommunications facilities.

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

Q 18. Does the company have in-house service technicians to maintain the facilities? If not, who does the service?

A 18. The company does not have any facilities to maintain.

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

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

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

- Q 20. If the above services are resold services of another carrier, identify the carrier and the type of services purchased from that carrier.
- A 20. The Company resells the services of Citizens Telecom, NextLink and/or other certificated carrier(s)

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

- Q 21. How does the company intend to market its services in South Dakota?
- A 21. The company will market its services via independent agents and in-house sales representatives

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State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

- Q 22 How will potential customers be contacted?
- A 22 Potential customers will be contacted via general print or other forms of media campaigns or by an independent agent via telephone.

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

- Q 23. Will independent contractors and/or company sales people be selling the company services in South Dakota?
- A 23. The Company intends to sell utilizing in-house sales personnel. At this time, the Company has no independent contractors for the State of South Dakota.

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

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

A.24. Not applicable

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

- Q 25. Describe the training method undertaken by the company for independent contractors and company sale persons. Provide any materials used in the training process.
- A 25. The Company holds sales meetings which provide market analysis. A brochure used to promote sales is attached as part of A.31.

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

- Q 26. If sales are made through independent contractors, is there a written contract or agreement between the company and the independent contractor? If so, please provide a copy of the agreement.
- A 26. Not applicable to South Dakota at this time. However, the Company has attached a copy of an Agent Agreement used in other states.

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855.855
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**AUTHORIZED DISTRIBUTOR FOR
NTI TELECOM INC.**

AGREEMENT

I hereby submit my application to become an Independent Distributor for NTI TELECOM, Inc. in accordance with the terms and conditions set forth in this agreement and in accordance with policies and procedures as established from time to time by NTI TELECOM Inc. This agreement shall be deemed in effect only upon its receipt and acceptance by NTI TELECOM Inc. at its home office 101 Convention Center Drive, Suite P125, Las Vegas, Nevada 89109.

1. I understand my only requirement to become a distributor is the filing of this application.
2. I understand that I will be responsible for the payment of all federal and state self-employment taxes and any other tax or fee required under any federal, state, or regulatory or taxing agency including, without limitation, withholding, unemployment and social security taxes and worker's compensation fees and/or taxes.
3. As an independent distributor I will receive commissions on all accounts submitted by me for as long as they remain on the NTI network. Provided that the distributor has not been terminated, NTI TELECOM, Inc. will compensate the distributor, according to the commission schedule as long as distributor's accounts continue to make calls on the NTI network. NTI TELECOM retains the right to disallow commissions on any account that by their definition become "slow pay" or delinquent beyond 45 days. Compensation on all qualified accounts will be 5% of monthly billed long distance and operator services before tax. Commissions will be paid no later than the 15th day of the month for the previous months billing.
4. Distributor must provide his/her Social Security Number, or EIN for tax reporting purposes. All distributors will receive form 1099 at the end of the calendar year for income tax reporting purposes.
5. Distributors receive no exclusive territory and shall make no claim that an exclusive territory has been granted.
6. The Distributor may not advertise in any manner which, in the opinion of NTI TELECOM, Inc. is considered false, misleading, or that improperly represents the company. Any advertising by the Distributor must be approved by NTI TELECOM, Inc. in writing prior to its use.

7. Should Distributor's agreement be canceled for any reason, Distributor must return reusable and resalable promotional materials to NTI TELECOM Inc.

8. Distributor may not solicit customers or other Distributors through telemarketing methods without prior written consent from NTI TELECOM, Inc.

9. Advertising using the names, logos, trademarks of NTI TELECOM, Net Tel Inc. or any imitation thereof, is expressly prohibited without prior written consent.

10. This agreement is to be construed and enforced under the laws of the State of Nevada. Venue for any legal action regarding this agreement shall be in Clark County, State of Nevada. The prevailing party in any action shall recover its reasonable attorney's fees.

11. NTI TELECOM Inc. reserves the right, in its sole discretion to amend, revise, institute, alter, or modify changes including but not limited to prices, literature, policies or procedures as they pertain to this agreement and the selling of the services of NTI TELECOM, Inc.

12. The initial term of this contract is two (2) years. The contract may be canceled for cause at any time by either party with thirty (30) days written notice.

13. NTI TELECOM Inc. shall not be responsible for acts beyond its control, including, but not limited to: fire, flood, earthquake, storms, power outages, labor difficulty, equipment failure, supplier problems, or other difficulties that might prevent Distributor from performing according to this agreement.

14. This Agreement applies to, inures to the benefit of and binds the parties, their successors, assigns, heirs, legatees, administrators and executors.

15. I understand that this agreement, and the attached policies and procedures, represents the complete understanding and agreement of the parties, and that there are no other agreements, either oral or written, between the parties.

By signing below, I hereby acknowledge a receipt of the agreement and I accept the policies and procedures of this agreement.

SIGNATURE OF APPLICANT

DATE

Social Security or Fed. I.D. #

if Fed. I.D. is used Applicant must be a company.

Print Name _____

Address _____

City _____ State _____ Zip _____

NTI TELECOM INCORPORATED
101 Convention Center Drive
Suite P125
Las Vegas, NV 89109

Name _____ Date _____

Title _____

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State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

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

A.27. Commissions are paid based on volume of services sold.

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

- Q 28. Does the company engage in any multi-level marketing? If yes, provide a detailed explanation of the marketing procedure.
- A 28. The company does not engage in multi-level marketing.

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

Q 29 Does the company have a target market?

A 29 The company markets its services to residential and business customers and to aggregator locations

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

- Q 30. Does the company market through nonprofit corporations or organizations? If so, please explain the methods used. How is the organization compensated? What types of organizations does the company or its agents solicit for assistance in sales?
- A 30. The company does not market through nonprofit corporations or organizations.

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

Q 31. Provide copies of any company brochures used to assist in the sale of services.

A 31. Attached.

005. 005. 444-3

NEXT

DOCUMENT (S)

DISREGARD

BACKGROUND



NTI Telecom
Incorporated

*...With
NTI Telecom, Inc.*

Talk Is Cheap...

*The most cost effective
long distance program in the industry.*



NTI Telecom
Incorporated

NTI Telecom's 800 Service Means Business.

You can improve your national and international business with NTI's flexible 800 service. NTI offers the lowest rates available for an 800 number. Your out-of-town customers can reach you at the lowest cost available. Call tracking capabilities make managing your 800 billing effortless. From simple inbound 800 numbers to multi-site applications, NTI's representatives will develop an 800 service plan customized to fit your business needs. NTI also offers DeLongoff Access Products, individualized for larger volume business customers.



Clearly the Utmost in Quality and Personal Service.

NTI has built a reputation with satisfied customers that is based on the company's commitment to customer service and quality of services.

Effective Billing Tailored To Your Operations.

NTI's itemized billing statements are easily understandable and may be customized with accounting department codes making them a valuable management tool. Accounting codes allow you to effectively bill long distance charges back to clients, to detect non-business long distance calls, or to departmentalize costs for budgeting.

Keep In Touch With Calling Cards.

No matter where your business takes you, you are only a phone call away with NTI's convenient travel cards. These cards offer big savings on interstate calls and easy to remember access numbers.

The NTI Guarantee:

- Your total monthly phone bill will be less than if you were being billed on a standard commercial program from one of the Top 2 U.S. long distance companies.
- If it will be no longer or your service offering precludes the standard numbers to dial and you make them a long distance to phone companies.
- We will furnish you with a wide selection of billing formats that you can use as a phone bill or a valuable management tool.
- If one of our long distance services with the service, we will give you one credit month for any service problems, and we will give you one credit month for any service problems.
- NTI will guarantee to refund the cost of any service problems, and we will give you one credit month for any service problems.

Make the Call and Save.

To inquire about switching to our existing services:

NTI Telecom, Inc., call us today at

702-734-1160

It will be your first call towards quality service.

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

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

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

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

A 33. No.

State of South Dakota
Public Utilities Commission

INITIAL STAFF DATA REQUEST

REGARDING APPLICATION OF
NTI TELECOM, INC.

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

Exhibit D

NTI TELECOM, INC.

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

TELECOMMUNICATIONS SERVICES TARIFF

TITLE SHEET

NTI TELECOM, INC.

TARIFF NO. 1

This tariff contains the description, regulations, and rates applicable to the furnishing of telecommunications services provided by NTI TELECOM, INC. with principal offices at 101 Convention Center Drive, Suite P-125, Las Vegas, Nevada 89109. This tariff is on file with the South Dakota Public Utilities Commission, and copies may be inspected during normal business hours at the Company's principal place of business.

ISSUED:

EFFECTIVE:

ISSUED BY:

Michael Gorts, President
NTI Telecom, Inc.
101 Convention Center Dr., Suite P-125
Las Vegas, Nevada 89109

NTI TELECOM, INC.

SD P.U.C. Tariff No. 1

Original Sheet No. 2

TELECOMMUNICATIONS SERVICES TARIFF

CHECK SHEET

All sheets of this tariff are effective as of the date shown at the bottom of the respective pages. Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

<u>Sheet</u>	<u>Revision</u>	<u>Sheet</u>	<u>Revision</u>
1	Original	21	Original
2	Original	22	Original
3	Original	23	Original
4	Original	24	Original
5	Original	25	Original
6	Original	26	Original
7	Original	27	Original
8	Original	28	Original
9	Original	29	Original
10	Original	30	Original
11	Original	31	Original
12	Original	32	Original
13	Original	33	Original
14	Original	34	Original
15	Original	35	Original
16	Original	36	Original
17	Original		
18	Original		
19	Original		
20	Original		

ISSUED:

EFFECTIVE:

ISSUED BY:

Michael Gorts, President
NTI Telecom, Inc.
101 Convention Center Dr., Suite P-125
Las Vegas, Nevada 89109

NTI TELECOM, INC.

SD P.U.C. Tariff No. 1

Original Sheet No. 3

TELECOMMUNICATIONS SERVICES TARIFF

TABLE OF CONTENTS

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Section 1: Definitions and Abbreviations.....	06
Section 2: Rules and Regulations.....	11
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Michael Gorts, President
NTI Telecom, Inc.
101 Convention Center Dr., Suite P-125
Las Vegas, Nevada 89109

TELECOMMUNICATIONS SERVICES TARIFF

SYMBOLS

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

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

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EFFECTIVE:

ISSUED BY:

Michael Gorts, President
NTI Telecom, Inc.
101 Convention Center Dr., Suite P-125
Las Vegas, Nevada 89109

TELECOMMUNICATIONS SERVICES TARIFF

TARIFF FORMAT

- A. Sheet Numbering - Sheet numbers appear in the upper-right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be Sheet 14.1.
- B. Sheet Revision Numbers - Revision numbers also appear in the upper-right corner of the sheet. These numbers are used to determine the most current sheet version on file with the Commission. For example, 4th Revised Sheet 14 cancels 3rd Revised Sheet 14.
- C. Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level of coding.
- 2
 - 2.1
 - 2.1.1
 - 2.1.1.A
 - 2.1.1.A.1
 - 2.1.1.A.1(a)
 - 2.1.1.A.1(a).1
 - 2.1.1.A.1(a).1(i)
 - 2.1.1.A.1(a).1(i).1
- D. Check Sheets - When a tariff filing is made with the Commission, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new sheets are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc., remains the same, just revised revision levels on some sheets). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the Commission.

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

Michael Gorts, President
NTI Telecom, Inc.
101 Convention Center Dr., Suite P-125
Las Vegas, Nevada 89109

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 1 - DEFINITIONS AND ABBREVIATIONS

1.1 Definitions:

Aggregator - Any person or entity that, in the ordinary course of its operations, makes telephones available to the public or to End Users of its premises for telephone calls using a provider of operator services.

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

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

Call Splashing - The transfer of a telephone call from one provider of operator services to another in such a manner that the subsequent provider is unable or unwilling to determine the location of the origination of the call and, because of such inability or unwillingness, is prevented from billing the call on the basis of such location. NTI will not engage in call splashing.

Carrier - NTI Telecom, Inc. ("NTI"), unless specifically stated otherwise.

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

Collect Call - A billing arrangement whereby the charge for a call may be charged to the called party, provided the called party verbally accepts the charge or keys in a positive response accepting the charge.

Commission - South Dakota Public Utilities Commission.

Company - NTI Telecom, Inc.

Completed Calls - Completed calls are calls answered on the distance end or, where necessary, positive acceptance of the call by the called party. (i.e. Person-to-Person and Collect calls.)

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Michael Gorts, President
NTI Telecom, Inc.
101 Convention Center Dr., Suite P-125
Las Vegas, Nevada 89109

TELECOMMUNICATIONS SERVICES TARIFF

1.1 Definitions (continued)

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

Customer Provided Equipment - Terminal equipment provided by a customer.

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

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

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

End User - The person initiating an intrastate telephone call using nonoptional operator services from a subscriber location.

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

Hospitality Service Customers - Hotels, motels, health care institutions, dormitories and other establishments whose patrons, guests or occupants have telephone instruments made available for their individual use in non-public settings, such as guest rooms. Typically these instruments will be configured as extensions behind PBX equipment. Carrier does not provide such services to prisons.

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

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

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Michael Gorts, President
NTI Telecom, Inc.
101 Convention Center Dr., Suite P-125
Las Vegas, Nevada 89109

TELECOMMUNICATIONS SERVICES TARIFF

1.1 Definitions (continued)

Off-Peak - For services using this rate structure, it consists of the hours from 5:00 P.M. up to, but not including 8:00 A.M. seven days per week, regardless of weekends or holidays.

Pay Telephone - A telephone instrument equipped with a device that allows a charge to be made for each call. Operator assisted long distance service is offered by the Carrier through providers of customer-owned pay telephones. Pay telephone instruments may be configured to accept or not accept coins, to read magnetically encoded cards or be a hybrid thereof.

Peak - For services using this rate structure, it consists of the hours from 8:00 A.M. up to, but not including 5:00 P.M. seven days per week, regardless of weekends or holidays.

Person - Any individual, firm, partnership, corporation, company, association, joint stock association and/or other legal entity.

Person-to-Person Call - A service whereby the person originating the call specifies to the Company operator a particular person to be reached, or a particular station, room number, department or office to be reached through a PBX attendant.

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

Presubscribed Provider of Operator Services - The provider of operator services to which the consumer is connected when the customer places a call using a provider of operator services without dialing an access code.

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

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Michael Gorts, President
NTI Telecom, Inc.
101 Convention Center Dr., Suite P-125
Las Vegas, Nevada 89109

TELECOMMUNICATIONS SERVICES TARIFF

1.1 Definitions (continued)

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

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

Subscriber - The person, firm, partnership, corporation or other entity who owns, leases or manages the pay telephone, PBX or other switch vehicle from which an End User places a call utilizing the services of the Company.

Third Party Billed Call - A billing arrangement by which the charges for a call may be billed to a number that is different from the calling number and the called number.

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Michael Gorts, President
NTI Telecom, Inc.
101 Convention Center Dr., Suite P-125
Las Vegas, Nevada 89109

TELECOMMUNICATIONS SERVICES TARIFF

1.2 Abbreviations:

LATA - Local Access Transport Area

LEC - Local Exchange Carrier

MTS - Message Toll Service

PBX - Private Branch Exchange

SAL - Special Access Line

V&H - Vertical and Horizontal

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ISSUED BY:

Michael Gorts, President
NTI Telecom, Inc.
101 Convention Center Dr., Suite P-125
Las Vegas, Nevada 89109

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of Company

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

Communications originate when the customer accesses network directly or through the facilities of the local service carrier via one or more access lines, equal access or on a dial-up basis. The company may act as the customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the customer, to allow connection of a customer's location to the Carrier network. The customer shall be responsible for all charges stated in this tariff.

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

2.2 Limitations on Service

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

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

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

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Michael Gorts, President
NTI Telecom, Inc.
101 Convention Center Dr., Suite P-125
Las Vegas, Nevada 89109

TELECOMMUNICATIONS SERVICES TARIFF

2.3 Use of Service

Service may not be used for any unlawful purposes.

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

2.4 Liability of Carrier

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

ISSUED:

EFFECTIVE:

ISSUED BY:

Michael Gorts, President
NTI Telecom, Inc.
101 Convention Center Dr., Suite P-125
Las Vegas, Nevada 89109

TELECOMMUNICATIONS SERVICES TARIFF

2.4 Liability of Carrier

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

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

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

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TELECOMMUNICATIONS SERVICES TARIFF

2.4 Liability of Carrier

2.4.3 (continued)

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

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

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TELECOMMUNICATIONS SERVICES TARIFF

2.5 Interruption of Service

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

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SD P.U.C. Tariff No. 1

Original Sheet No. 16

TELECOMMUNICATIONS SERVICES TARIFF

2.6 Responsibility of the Customer

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

A. The customer is responsible for placing orders for service, paying all charges for service rendered by Carrier and complying with all regulations governing the service. The customer is also responsible for assuring that its users comply with regulations.

B. When placing an order for service, the customer must provide:

1. The name(s) and address(es) of the person(s) responsible for the payment of service charges.

2. The name(s), telephone number(s), and address(es) of the customer contact person(s).

2.6.2 Maintenance, Testing, and Adjustment

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

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

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TELECOMMUNICATIONS SERVICES TARIFF

2.6.3 Deposits

- A. The Company may require a customer who has a proven history of late payment or whose financial responsibility is not a matter of record to make a deposit to be held as a guarantee for the payment of charges. Such a deposit shall not exceed an amount equal to two (2) months estimated or actual service or as may reasonably be required by the utility in cases involving service for short periods of time or special occasions. No written notice is required to be given of a deposit required as a prerequisite for commencing initial service.
- B. Deposits, plus interest as prescribed by the Commission, shall be refunded after 12 consecutive months of prompt payment or upon disconnection. The deposit or any portion thereof may be applied to any charges unpaid after thirty days from the invoice date.

2.6.4 Cancellation by Customer

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

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SD P U C. Tariff No. 1
Original Sheet No. 18

TELECOMMUNICATIONS SERVICES TARIFF

2.6.5 Payment of Charges

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

2.6.6 Application of Charges

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

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TELECOMMUNICATIONS SERVICES TARIFF

2.6.7 Customer Complaint Procedure

- A. Carrier will resolve any disputes brought to its attention as promptly and effectively as possible.
- B. Customer inquiries, complaints or notices may be made in writing to the Company at the address stated in this tariff or via the Customer Services 800 number 1-800-303-9164.
- C. Any unresolved disputes may be directed to the attention of the South Dakota Public Utilities Commission at:

500 East Capitol Avenue
Pierre, South Dakota 57501-5070
(605) 773-3201 or
1-800-332-1782
- D. In the event of a dispute concerning an invoice, the customer must pay a sum equal to the amount of the undisputed portion of the bill. Service shall not be disconnected for nonpayment of the disputed portion of the bill for 30 days after rendition of the disputed bill.

2.7.1 Credit Upon Cancellation

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

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2.7.2 Disconnection of Service by Carrier

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

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2.7.2 Disconnection of Service by Carrier

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

2.7.3 Fractional Credits for Monthly Billed Services

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

2.7.4 Advance Payments

The company does not collect advance payments, but reserves the right to collect up to one (1) month's estimated charges as advance payment for service when the financial circumstances of the customer warrants. Any advance payment required will be applied towards the next month's charges and a new advance payment, if necessary, may be collected for the following month.

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TELECOMMUNICATIONS SERVICES TARIFF

2.8 Special Conditions Governing Operator Services

2.8.1 Company Obligations

- A. When providing Operator Services to Aggregators, the Company will:
- 1) Notify the End User of the operator services carrier handling the call.
 - 2) Inform the End User, upon request, of the rates to be charged and explain the method of billing, at no charge.
 - 3) Not charge for unanswered or incomplete telephone calls.
 - 4) Withhold payment of commission or other compensation to a subscriber who engages in blocking 800, 950 and 10XXX access calls.
 - 5) Rate and bill calls from their actual point of origination, unless the End User consents to a different arrangement.
 - 6) All 0- or 911 emergency calls will be immediately defaulted to the LEC for proper handling.

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TELECOMMUNICATIONS SERVICES TARIFF

292 Aggregator Obligations

- A. An operator service subscriber is required to post information (tent cards) on or near the telephone notifying the End User of the following:
 - 1) The Company's name, address, and toll-free number.
 - 2) A statement disclosing that the rate information is available upon request and that the End User has the right to access another carrier and obtain instructions from the preferred carrier on receiving access.
 - 3) The address of the Federal Communication Commission's Common Carrier Bureau's Enforcement Division will be posted for End Users wishing to file operator services complaints related to interstate calls, and the address of the Commission for intrastate calls.
- B. Aggregators are prohibited from blocking 800, 950 and 10XXX access calls on presubscribed telephones. An aggregator shall not charge higher rates for calls accessing the operator service provider via 800, 950 and 10XXX numbers than those rates charged for calls using the presubscribed operator service provider.
- C. The operator service subscriber must provide Carrier with current local emergency numbers for police, fire and ambulance for each location.

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TELECOMMUNICATIONS SERVICES TARIFF

SECTION 3 - DESCRIPTION OF SERVICE AND RATES

3.1 Timing of Calls

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

3.2 Service Period

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

3.3 Interconnection

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

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

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3.4 Terminal Equipment

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

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

3.5 Calculation of Distance

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

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

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

3.6 Minimum Call Completion Rate

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

3.7 Special Services

A Special Service is deemed to be any service requested by the customer for which there is no prescribed rate in this tariff. Special Services charges will be developed on an individual case basis and filed in this tariff.

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TELECOMMUNICATIONS SERVICES TARIFF

3.8 Services Offerings

The company will provide the following services:

3.8.1 Message Toll Service (MTS)

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

3.8.2 800 Service

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

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

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

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3.8.3 Travel Card Service

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

3.8.4 Directory Assistance

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

3.8.5 Operator Services

The company will furnish operator services for the completion of calls by End Users made with the assistance of a Company operator within the state including Aggregator sites and locations. Aggregator sites include, but are not limited to, hotels/motels, hospitals, businesses, military establishments, and locations of public, semi-public, or private pay telephones.

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TELECOMMUNICATIONS SERVICES TARIFF

SECTION 4 - RATES AND CHARGES

4.1. Usage Charges and Billing Increments

4.1.1 Usage Charges

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

4.1.2 Billing Increments

Usage is billed in accordance with the billing increments set forth in the individual product rate sections of this tariff.

4.1.3 Rounding

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

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4.2 Outbound MTS Rates

The following rates are the rates per minute applicable to 1+ MTS services:

	Monthly Usage	Day	Non-day	*
Advantage I	\$ 0 - \$ 49	\$0.2000	\$0.2000	
Advantage II	\$ 50 - \$ 99	\$0.1900	\$0.1600	
Advantage III	\$ 100 - \$ 149	\$0.1850	\$0.1600	
Advantage IV	\$ 150 - \$ 199	\$0.1800	\$0.1600	
Advantage V	\$ 200 - \$ 299	\$0.1750	\$0.1600	
Advantage VI	\$ 300 - \$ 499	\$0.1700	\$0.1600	
Advantage VII	\$ 500 - \$ 649	\$0.1650	\$0.1500	
Advantage VIII	\$ 650 - \$ 799	\$0.1600	\$0.1500	
Advantage IX	\$ 800 - \$ 899	\$0.1550	\$0.1500	
Advantage X	\$ 900 - \$ 999	\$0.1500	\$0.1500	
Advantage XI	\$1000 and Over	\$0.1400	\$0.1400	
Advantage XII	\$100 + 1 yr. Term	\$0.1400	\$0.1400	

- * For purposes of this schedule, Day hours are considered to be from 8:00 A.M. up to, but not including 5:00 P.M. seven days per week, regardless of weekends or holidays. Non-day hours are considered to be from 5:00 P.M. up to, but not including 8:00 A.M. seven days per week, regardless of weekends or holidays.

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4.3 Inbound Service Rates

	Monthly Usage	Day	Non-day	*
Advantage I	\$ 0 - \$ 49	\$0.2000	\$0.2000	
Advantage II	\$ 50 - \$ 99	\$0.1950	\$0.1600	
Advantage III	\$ 100 - \$ 149	\$0.1900	\$0.1600	
Advantage IV	\$ 150 - \$ 199	\$0.1850	\$0.1600	
Advantage V	\$ 200 - \$ 299	\$0.1800	\$0.1600	
Advantage VI	\$ 300 - \$ 499	\$0.1750	\$0.1600	
Advantage VII	\$ 500 - \$ 649	\$0.1700	\$0.1500	
Advantage VIII	\$ 650 - \$ 799	\$0.1650	\$0.1500	
Advantage IX	\$ 800 - \$ 899	\$0.1600	\$0.1500	
Advantage X	\$ 900 - \$ 999	\$0.1550	\$0.1500	
Advantage XI	\$1000 and Over	\$0.1500	\$0.1500	
Advantage XII	\$100 + 1 yr. Term	\$0.1500	\$0.1500	

Monthly recurring charge of \$5.00 per line.

- * For purposes of this schedule, Day hours are considered to be from 8:00 A.M. up to, but not including 5:00 P.M. seven days per week, regardless of weekends or holidays. Non-day hours are considered to be from 5:00 P.M. up to, but not including 8:00 A.M. seven days per week, regardless of weekends or holidays.

4.4 Travel Card Service Rates

	Monthly Usage	Day	Non-day	*
Advantage TC I	\$100 +	\$0.2100	\$0.2100	
Advantage TC II	\$ 50 - \$ 99	\$0.2500	\$0.2500	
Advantage TC III	\$ 0 - \$ 49	\$0.3500	\$0.2500	

- * For purposes of this schedule, Day hours are considered to be from 8:00 A.M. up to, but not including 5:00 P.M. seven days per week, regardless of weekends or holidays. Non-day hours are considered to be from 5:00 P.M. up to, but not including 8:00 A.M. seven days per week, regardless of weekends or holidays.

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TELECOMMUNICATIONS SERVICES TARIFF

4.5 Directory Assistance

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

4.6 Late Payment Penalty

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

4.7 Dishonored Check Charge

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

4.8 Promotional Offerings

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

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TELECOMMUNICATIONS SERVICES TARIFF

4.9 Operator Service Rates4.9.1 Operator Service Per Call Charges

The following per call charges are applicable to operator services.

Operator Station	
Collect Calls	\$2.10
Third Number Billed	\$2.17
Sent Paid - Non Coin	\$2.10
Sent Paid - Coin	\$1.80
Person-to-Person Calls	\$4.50
Customer Dialed Calling Card Station	
Customer Dialed Automated	\$1.05
Customer Dialed - Operator Assisted	\$1.05
Customer Dialed - Operator Must Assist	\$1.05
Operator Dialed Calling Card Station	\$2.10
Operator Dialed Surcharge	
Operator Dialed Called Number	\$1.00
Customer Dialed Called Number	\$0.85

Operator Service Charges are not subject to time-of-day discounts.

Calls having elements of more than one class of call will be billed charges for the highest rated class.

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4.9 Operator Service Rates (continued)

4.9.2 Rates Per Minute:

Set forth below are the per minute operator service rates charged by the Company.

The following rates are the current rates per minute applicable to all operator assisted services in addition to the applicable Operator Service Charges and Surcharges stated above. These rates are less than the rates charged by AT&T for the same or similar service.

1) Customer Dialed Calling Card Station:

Rate Mileage	Day		Evening		Night/Weekend	
	Initial Minute	Each Add'l Minute	Initial Minute	Each Add'l Minute	Initial Minute	Each Add'l Minute
0 - 10	0.3000	0.1800	0.2400	0.1440	0.1800	0.1080
11 - 16	0.3800	0.2000	0.3040	0.1600	0.2280	0.1200
17 - 22	0.3900	0.2200	0.3120	0.1760	0.2340	0.1320
23 - 30	0.4300	0.2400	0.3440	0.1920	0.2580	0.1440
31 - 40	0.4500	0.2600	0.3600	0.2080	0.2700	0.1560
41 - 55	0.4800	0.2900	0.3840	0.2320	0.2880	0.1740
56 - 85	0.5100	0.3200	0.4080	0.2560	0.3060	0.1920
86 - 124	0.5300	0.3400	0.4240	0.2720	0.3180	0.2040
125 - 244	0.5400	0.3600	0.4320	0.2880	0.3240	0.2160
245 - 475	0.5500	0.3800	0.4400	0.3040	0.3300	0.2280

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4.9 Operator Services (continued)4.9.2 Rates Per Minute: (continued)2) Operator Dialed Calling Card Station:

Rate Mileage	Day		Evening		Night/Weekend	
	Initial Minute	Each Add'l Minute	Initial Minute	Each Add'l Minute	Initial Minute	Each Add'l Minute
0 - 10	0.3000	0.1800	0.2400	0.1440	0.1800	0.1080
11 - 16	0.3800	0.2000	0.3040	0.1600	0.2280	0.1200
17 - 22	0.3900	0.2200	0.3120	0.1760	0.2340	0.1320
23 - 30	0.4300	0.2400	0.3440	0.1920	0.2580	0.1440
31 - 40	0.4500	0.2600	0.3600	0.2080	0.2700	0.1560
41 - 55	0.4800	0.2900	0.3840	0.2320	0.2880	0.1740
56 - 85	0.5100	0.3200	0.4080	0.2560	0.3060	0.1920
86 - 124	0.5300	0.3400	0.4240	0.2720	0.3180	0.2040
125-244	0.5400	0.3600	0.4320	0.2880	0.3240	0.2160
245-475	0.5500	0.3800	0.4400	0.3040	0.3300	0.2280

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4.9 Operator Services: (continued)4.9.2 **Rates Per Minute:** (continued)

3) Operator Station:

- a) Billed to Third Party, Collect, Person-to-Person and Sent Paid Non-Coin Calls

Rate Mileage	<u>Day</u>		<u>Evening</u>		<u>Night/Weekend</u>	
	Initial Minute	Each Add'l Minute	Initial Minute	Each Add'l Minute	Initial Minute	Each Add'l Minute
0 - 10	0.3000	0.1800	0.2400	0.1440	0.1800	0.1080
11 - 16	0.3800	0.2000	0.3040	0.1600	0.2280	0.1200
17 - 22	0.3900	0.2200	0.3120	0.1760	0.2340	0.1320
23 - 30	0.4300	0.2400	0.3440	0.1920	0.2580	0.1440
31 - 40	0.4500	0.2600	0.3600	0.2080	0.2700	0.1560
41 - 55	0.4800	0.2900	0.3840	0.2320	0.2880	0.1740
56 - 85	0.5100	0.3200	0.4080	0.2560	0.3060	0.1920
86 - 124	0.5300	0.3400	0.4240	0.2720	0.3180	0.2040
125-244	0.5400	0.3600	0.4320	0.2880	0.3240	0.2160
245-475	0.5500	0.3800	0.4400	0.3040	0.3300	0.2280

ISSUED:

EFFECTIVE:

ISSUED BY:

Michael Gorts, President
NTI Telecom, Inc.
101 Convention Center Dr., Suite P-125
Las Vegas, Nevada 89109

TELECOMMUNICATIONS SERVICES TARIFF

4.9 Operator Services (continued)4.9.2 **Rates Per Minute:** (continued)

4) Operator Station:

b) Sent Paid Coin Calls

Rate Mileage	<u>Day</u>		<u>Evening</u>		<u>Night/Weekend</u>	
	Initial Minute	Each Add'l Minute	Initial Minute	Each Add'l Minute	Initial Minute	Each Add'l Minute
0 - 10	0.3000	0.1800	0.2400	0.1440	0.1800	0.1080
11 - 16	0.3800	0.2000	0.3040	0.1600	0.2280	0.1200
17 - 22	0.3900	0.2200	0.3120	0.1760	0.2340	0.1320
23 - 30	0.4300	0.2400	0.3440	0.1920	0.2580	0.1440
31 - 40	0.4500	0.2600	0.3600	0.2080	0.2700	0.1560
41 - 55	0.4800	0.2900	0.3840	0.2320	0.2880	0.1740
56 - 85	0.5100	0.3200	0.4080	0.2560	0.3060	0.1920
86 - 124	0.5300	0.3400	0.4240	0.2720	0.3180	0.2040
125-244	0.5400	0.3600	0.4320	0.2880	0.3240	0.2160
245-475	0.5500	0.3800	0.4400	0.3040	0.3300	0.2280

NOTE: Any calls having elements of more than one type of call will be billed at the highest rate applicable to the call

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

Michael Gorts, President
NTI Telecom, Inc.
101 Convention Center Dr., Suite P-125
Las Vegas, Nevada 89109

Exhibit E

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FINANCIAL STATEMENTS

As a wholly owned subsidiary of Net Telecommunications, Inc., NTI Telecom, Inc. submits the 1996 year-end financial statements, with auditor's report, of the parent corporation. The parent corporation is willing to guarantee the financial capability of NTI Telecom, Inc. during its start up period.

In addition, the Company has enclosed its year-to-date financial statements as of March 31, 1997.

001: 001: 4444

NET TELECOMMUNICATIONS
(Formerly Silver Ledge, Inc.)
(A Development Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1996

NEXT

DOCUMENT (S)

BEST IMAGE

POSSIBLE

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Independent Auditors' Report	3
Consolidated Balance Sheet	4
Consolidated Statements of Operations	5
Consolidated Statements of Stockholders' Equity (Continued)	6
Consolidated Statements of Cash Flows	7
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NET TELECOMMUNICATIONS, INC.
 (Formerly Silver Ledge, Inc.)
 (A Development Stage Company)
 Consolidated Balance Sheet
 December 31, 1986

ASSETS

CURRENT ASSETS

Cash in bank	\$ 15,742
Prepaid expenses	<u>17,485</u>
Total Current Assets	<u>33,227</u>

PROPERTY AND EQUIPMENT (Note 1)

Office equipment	17,363
Furniture	5,925
Less - accumulated depreciation	<u>(5,196)</u>
Property and Equipment - net	<u>18,092</u>

OTHER ASSETS (Note 1)

25,478

TOTAL ASSETS

\$ 76,795

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

CURRENT LIABILITIES

Accounts payable	\$ 40,846
Accrued expenses	4,384
Note payable - current portion (Note 2)	<u>19,312</u>
Total Current Liabilities	<u>64,542</u>

LONG-TERM DEBT (Note 2)

65,688

Total Liabilities

130,230

COMMITMENTS (Note 6 and 8)

STOCKHOLDERS' EQUITY (DEFICIT)

Common stock, par value \$0.001, 50,000,000 authorized, 8,318,852 issued and outstanding	8,318
Additional paid-in capital	849,320
Subscriptions receivable (Note 5)	(388,998)
Deficit accumulated during the development stage	<u>(552,678)</u>
Total Stockholders' Equity (Deficit)	<u>(163,426)</u>

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

\$ 76,795

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

NET TELECOMMUNICATIONS, INC.
 (Formerly Silver Ledge, Inc.)
 (A Development Stage Company)
 Consolidated Statements of Operations

	For the Years Ended December 31,		From Inception on October 24, 1994 Through December 31, 1996
	1996	1995	1996
NET SALES	\$ 25,571	\$ 10,747	\$ 40,318
EXPENSES			
Depreciation and amortization	3,172	2,024	5,196
General and administrative	242,886	108,181	351,557
Total Expenses	246,058	110,205	356,753
LOSS FROM OPERATIONS	220,487	(99,458)	(316,435)
OTHER EXPENSE			
Interest expense	13,869	-	13,869
Total Other Expense	13,869	-	13,869
LOSS BEFORE DISCONTINUED OPERATIONS	(229,366)	(99,458)	(330,304)
DISCONTINUED OPERATIONS (Note 7)	(222,372)	-	(222,372)
NET LOSS	\$ (452,238)	\$ (99,458)	\$ (552,676)
LOSS PER SHARE	\$ (0.06)	\$ (0.02)	
WEIGHTED AVERAGE SHARES OUTSTANDING	8,930,491	4,402,390	

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

NET TELECOMMUNICATIONS, INC.
(Formerly Silver Ledge, Inc.)
(A Development Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit)

	<u>Common Stock</u>		<u>Additional</u>	<u>Deficit</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid-in</u>	<u>Accumulated</u>
			<u>Capital</u>	<u>During the</u>
				<u>Development</u>
				<u>Stage</u>
Balance, October 24, 1994	-	\$ -	\$ -	\$ -
Shares issued to initial stockholders for services valued at \$1,000 on October 24, 1994	4,472,803	4,473	(3,473)	-
Net loss from inception to December 31, 1994	-	-	-	(1,000)
Balance, December 31, 1994	4,472,803	4,473	(3,473)	(1,000)
Issuance of common stock in exchange for debt November 1995 at an approximate price of \$0.14 per share	448,473	449	59,551	-
Issuance of common stock for cash at various dates approximately \$0.14 per share	512,882	513	70,788	-
Net loss for the year ended December 31, 1995	-	-	-	(59,438)
Balance, December 31, 1995	5,434,158	5,435	129,866	(100,438)
Issuance of common stock for cash at various dates at approximately \$0.14 per share	565,362	565	78,134	-
Common stock issued in recapitalization	2,000,000	2,000	(2,000)	-
Issuance of common stock for cash at various dates at \$1.00 per share	47,000	47	46,953	-
Issuance of common stock for cash at \$0.10 per share on July 3, 1996	50,000	50	4,950	-
Issuance of common stock in failed acquisitions (Note 7)	222,370	222	222,150	-
Options granted at \$0.05 per share (Note 6)	-	-	372,867	-
Net loss for the year ended December 31, 1996	-	-	-	(452,233)
Balance, December 31, 1996	<u>8,319,392</u>	<u>\$ 8,319</u>	<u>\$ 849,922</u>	<u>\$ (452,676)</u>

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

NET TELECOMMUNICATIONS, INC.
 (Formerly Silver Ledge, Inc.)
 (A Development Stage Company)
 Consolidated Statements of Cash Flows

	For the Years Ended December 31		From Inception on October 24, 1994 Through December 31, 1996
	1996	1995	1996
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss)	\$ (452,238)	\$ (96,438)	\$ (552,678)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	3,172	2,024	5,196
Loss on rescinded acquisition (Note 7)	222,372	-	222,372
Issuance of stock options	13,869	-	13,869
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	5,906	(5,906)	-
(Increase) decrease in receivable - related parties	5,120	(5,120)	-
(Increase) decrease in prepaid expenses	(17,411)	(74)	(17,485)
(Increase) decrease in other assets	(25,476)	-	(25,476)
Increase (decrease) in accounts payable	38,240	5,280	43,500
Increase (decrease) in accrued expenses	3,632	452	4,084
Increase (decrease) in payable to officer	(6,555)	3,901	(2,654)
Net Cash Used in Operating Activities	<u>(209,167)</u>	<u>(96,303)</u>	<u>(305,470)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	<u>(13,170)</u>	<u>(10,118)</u>	<u>(23,288)</u>
Net Cash Used in Investing Activities	<u>\$ (13,170)</u>	<u>\$ (10,118)</u>	<u>\$ (23,288)</u>

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

NET TELECOMMUNICATIONS, INC.
 (Formerly Silver Lodge, Inc.)
 (A Development Stage Company)
 Consolidated Statements of Cash Flows (Continued)

	For the Years Ended December 31		From Inception on October 24, 1994 Through December 31,1996
	1996	1995	1996
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans	\$ 85,000	\$ -	\$ 85,000
Sale of common stock	130,899	131,301	262,000
Net Cash Provided from Financing Activities	215,899	131,301	347,000
NET INCREASE (DECREASE) IN CASH	(6,638)	22,360	15,742
CASH BEGINNING OF PERIOD	22,360	-	-
CASH END OF PERIOD	\$ 15,742	\$ 22,360	\$ 15,742
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
CASH PAID FOR			
Interest	\$ -	\$ -	\$ -
Income taxes	\$ -	\$ -	\$ -
NON CASH FINANCING			
Issuance of stock options	\$ 372,867	\$ -	\$ 372,867

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

NET TELECOMMUNICATIONS, INC.
(Formerly Silver Ledge, Inc.)
(A Development Stage Company)
Notes to the Consolidated Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization

The accompanying consolidated financial statements include the accounts of Net Telecommunications, Inc. (Net Tel) and its wholly-owned subsidiary, Long Distance International (LDI). Collectively, they are referred to herein as "the Company." All significant intercompany accounts and transactions have been eliminated.

Net Tel was originally incorporated under the laws of the State of Montana under the name of Silver Ledge, Inc. Net Tel has been in the business of manufacturing and selling steel and steel related products such as wood burning stoves. In connection with the reorganization described below, Net Tel has disposed of its steel related business and changed its name to Net Telecommunications, Inc. Net Tel was reincorporated in Nevada on July 1, 1996.

LDI was incorporated under the laws of the State of Nevada on October 24, 1994. LDI started its operations in May of 1995 primarily as a reseller of long distance telephone services.

On July 10, 1996, Net Tel and LDI completed an Agreement and Plan of Reorganization whereby Net Tel issued shares of its common stock in exchange for all of the issued and outstanding common stock of LDI. The acquisition was accounted for as a recapitalization of LDI, because the shareholders of LDI control the Company after the acquisition. Therefore, LDI is treated as the acquiring entity for accounting purposes. There was no adjustment to the carrying value of the assets or liabilities of LDI in the exchange as the market value approximated the net carrying value. Net Tel is the acquiring entity for legal purposes and LDI is the surviving entity for accounting purposes.

b. Accounting Method

The Company's consolidated financial statements are prepared using the accrual method of accounting. The Company has elected a December 31 year end.

c. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

d. Earnings (Loss) Per Share

The computation of earnings (loss) per share of common stock is based on the weighted average number of shares of common stock and common stock equivalents outstanding during the periods presented.

NET TELECOMMUNICATIONS, INC.

(Formerly Silver Ledge, Inc.)

(A Development Stage Company)

Notes to the Consolidated Financial Statements (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Income Taxes

Due to net losses at December 31, 1996, no provision for income taxes has been made. There are no deferred income taxes resulting from income and expense items being reported for financial accounting in different periods than for tax reporting purposes.

f. Property and Equipment

The cost of the property and equipment is depreciated over the estimated useful lives (5 - 7 years) of the related assets. Depreciation is computed using the straight line method.

g. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

h. Other Assets

Other assets consist of various refundable deposits for leases.

NOTE 2 - NOTE PAYABLE

During 1996, the Company received advances of \$65,000 in accordance with a loan agreement which was formalized on February 4, 1997. The agreement provides for total advances of \$300,000 to be made to the Company by June 1, 1997. The balance bears interest at 10% per annum. As additional consideration, the Company granted stock options to the lender to purchase 1,400,000 shares at a price of \$0.06 per share. The consideration attributable to the \$65,000 advanced during 1996 was \$372,667. This will be amortized over the life of the loan and recorded as additional interest expense. The effective interest rate of the loan is 141% when considering the additional consideration. Payments are due annually commencing on November 1, 1997. The current portion due on the \$65,000 balance is \$16,312. Long-term maturities are as follows:

1998	\$	16,345
1999		21,800
2000		<u>24,213</u>
	\$	<u>\$ 62,358</u>

NET TELECOMMUNICATIONS, INC.

(Formerly Silver Lodge, Inc.)

(A Development Stage Company)

Notes to the Consolidated Financial Statements (Continued)

NOTE 3 - INCOME TAXES

The Company has adopted Statement of Financial Accounting Standards No. 109 "Accounting for Income Taxes" (SFAS 109). SFAS 109 is an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns. In estimating future tax consequences, SFAS 109 generally considers all expected future events other than enactments of changes in the tax law or rates. For tax purposes, the Company has available at December 31, 1998 net operating loss carryforwards of approximately \$500,000 for federal income which will expire in 2011. The tax benefit of the net operating loss carryforwards is offset by a valuation allowance of the same amount due to the uncertainty that the carryforwards will be used before they expire.

NOTE 4 - CONCENTRATIONS OF RISK

The Company has entered into an agreement with LCI International, Inc. (LCI). LCI appointed the Company as a non-exclusive representative to promote the sale of and solicit orders for LCI long distance telephone services. The Company receives commissions for the sale of the above services at 10% of monthly collected revenue for 12 months. After 12 months the commission rate varies from 5% to 15% based on various monthly collected revenue levels per different types of name long distance services as outlined in the agreement and its amendments.

The Company has also entered into an agreement with Metrocom Corporation (Metrocom). Metrocom appointed the Company as a non-exclusive representative to sell and solicit orders for Metrocom long distance telephone services. The Company also gets commissions on this agreement based on a complicated commission schedule with rates from 5% to 30% as outlined in the agreement per certain volume levels of orders obtained. During the years ended December 31, 1998 and 1999, 57% and 100%, respectively, of the commissions received were from LCI.

The Company has consultant agreements with individuals and other organizations to pay commissions of 5% to 8% on billed long distance minus taxes and discounts.

NOTE 5 - GOING CONCERN

The Company has experienced losses during the year ended December 31, 1998. The Company has yet to generate sales or revenue to cover operations to date, and there is no assurance that future sales will be adequate to cover future expenses. In light of the above circumstances, the ability of the Company to continue as a going concern is substantially in doubt. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Management has completed a corporate reorganization. The Company also plans to take steps to reduce expenses and enhance sales. Management believes their plans will provide the Company with the ability to continue in existence.

NET TELECOMMUNICATIONS, INC.

(Formerly Silver Ledge, Inc.)
(A Development Stage Company)

Notes to the Consolidated Financial Statements (Continued)

NOTE 6 - COMMITMENTS AND CONTINGENCIES

The Company leases office space under a noncancelable operating lease. Future minimum lease payments are as follows:

1997	\$	88,701
1998		92,841
1999		96,586
2000		101,133
2001		<u>80,403</u>
	\$	<u>440,664</u>

Rent expense for the years ended December 31, 1998 and 1999 was \$22,184 and \$12,561, respectively.

NOTE 7 - DISCONTINUED OPERATIONS

During 1998, the Company entered into acquisition agreements to acquire three operating companies. The Company issued 1,230,000 shares of its common stock in exchange for all of the shares of the operating companies. In 1997, the agreements were rescinded. The Company was unable to recover all of the shares issued in the acquisitions. A total of 222,372 shares remain outstanding and will not likely be recovered. The shares were valued at the subscription price of \$1.00 per share, and a loss on discontinued operations of \$222,372 has been recorded.

NOTE 8 - SUBSEQUENT EVENT

On January 31, 1997, the Company entered into a noncancelable equipment lease for a five year term. The term starts June 1, 1997 with monthly lease payments of \$14,662.

NOTE 9 - STOCK OPTIONS

On February 4, 1997, the Company formalized a loan agreement relating to advances received during 1996 (Note 3). The loan agreement provided for the granting of stock options to the lender to purchase 1,400,000 shares of the Company's stock at a price of \$0.06 per share. The stock options expire October 31, 2000. The stock options are considered to be common stock equivalents, but they are not included in the earnings per share calculation as they are anti-dilutive.

NET TELECOMMUNICATIONS, INC.

(Formerly Silver Ledge, Inc.)

(A Development Stage Company)

Notes to the Consolidated Financial Statements (Continued)

NOTE 1C - CONSULTING AGREEMENT

During 1996, the Company entered into a consulting agreement with a financial consulting company. As consideration for the services to be rendered, the Company will issue 500,000 shares of its common stock according to the following schedule:

June 15, 1997	100,000 shares
July 14, 1997	100,000 shares
August 15, 1997	100,000 shares
September 15, 1997	<u>200,000 shares</u>
Total	<u>500,000 shares</u>

Sep 10, 1997
2:57 pmNTI TELECOM, INC.
Balance Sheet

Page 1

March 31, 1997

ASSETS:

Current Assets:

Cash in Bank - General
Cash-Depository Acct.\$72.42
100.00

TOTAL Current Assets

\$172.42

TOTAL ASSETS

\$172.42

LIABILITIES:

Current Liabilities:

Accounts Payable
Federal Income Tax Withheld
FICA Withheld\$9,528.26
1,174.03
1,642.88

TOTAL Current Liabilities

\$12,345.17

Other Liabilities:

Due Net Tel

20,913.45

TOTAL Other Liabilities

20,913.45

TOTAL LIABILITIES

33,258.62

CAPITAL:

Additional Paid In Capital
Year-to-Date Earnings26,500.00
(59,586.20)

TOTAL CAPITAL

(33,086.20)

TOTAL LIABILITIES & CAPITAL

\$172.42

Sep 10, 1997
10:46 am

NTI TELECOM, INC.
Income Statement

Page 1

	1 Month Ended March 31, 1997 -----	3 Months Ended March 31, 1997 -----
NET INCOME	0.00	0.00
GROSS PROFIT	0.00	0.00
Expenses		
Admin./Supv. Salaries	10,747.84	10,747.84
Payroll taxes	821.44	821.44
Advertising	6,396.85	6,396.85
Contract Labor	1,112.94	1,112.94
Dues/Subscriptions	350.00	1,850.00
Equipment Expense	2,430.84	14,435.24
Equipment Rental	5,136.00	5,136.00
Legal- General	744.89	744.89
Legal -Regulatory	6,545.00	11,720.00
Licenses & Permits	100.00	220.00
Meals/Entertainment	0.00	98.87
Office Supplies/Expense	1,288.61	1,803.79
Postage & Freight	278.45	278.45
Contract Consulting Fees	1,867.55	3,367.55
Travel	852.34	852.34
TOTAL Expenses	38,672.75	59,586.20
OPERATING PROFIT	(38,672.75)	(59,586.20)
PROFIT BEFORE TAXES	(38,672.75)	(59,586.20)
NET PROFIT	(\$38,672.75)	(\$59,586.20)

Exhibit F

SHAREHOLDERS OWNING GREATER THAN 20%

Net Telecommunications, Inc. is the 100% owner of NTI Telecom, Inc.

NEXT

DOCUMENT (S)

DISREGARD

BACKGROUND

5273

**NTI Telecom**
incorporatedNTI TELECOM, INC.
(702) 734-1160
101 CONVENTION CENTER DR.
LAS VEGAS, NV 89109AMERICAN BANK OF COMMERCE
8425 SPRING MOUNTAIN RD.
LAS VEGAS, NV 89102

5273

94-157/1224
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PAY

***** Two Hundred Fifty & 00/100 Dollars

TO THE
ORDER
OF:South Dakota
Public Utilities CommDATE
10/27/97AMOUNT
*****250.00

TWO SIGNATURES REQUIRED

⑈005273⑈ ⑆122401574⑆ 0702 9143⑈

TC97-179	Nebcom, Inc. pursuant to 47 U.S.C. 214(e) and 47 C.F.R. 54.201 hereby seeks designation as an eligible telecommunications carrier within the local exchange area that constitutes its service area. Nebcom, Inc. is the facilities-based local exchange carrier presently providing local exchange telecommunications services in the following exchange: (605) 587 North Bristow. Nebcom, Inc., to its knowledge, is the only carrier today providing local exchange telecommunications service in the above exchange area. (Staff: HB/KC)	11/05/97	11/21/97
TC97-180	Red River Telecom, Inc. pursuant to 47 U.S.C. 214(e) and 47 C.F.R. 54.201 hereby seeks designation as an eligible telecommunications carrier within the local exchange area that constitutes its service area in South Dakota. Red River Telecom, Inc. is the facilities-based local exchange carrier presently providing local exchange telecommunications services in the following exchange in South Dakota: (605) 553 South Lidgetwood. Red River Telecom, Inc., to its knowledge, is the only carrier today providing local exchange telecommunications service in the above exchange area. (Staff: HB/CH)	11/05/97	11/21/97
FORMAL COMPLAINT FILED			
TC97-178	Ben Hofer vs U S WEST Communications, Inc. "We live in southern Spink County on the northern end of the Huron area phone line served by U S WEST. We experience frequent phone service outages. These most often happen when there is a weather change. The servicemen tell us that wind drives in snow and dirt in the boxes, or a drop of moisture which shorts out circuits. Mice also have caused outages by being in the boxes. Also, the servicemen tell us the relay equipment is of the oldest style, seldom found in use any more. Our internet connections are slow. The majority (33 of 50 connections) are in the 12:00 to 16:00 hrs range. The low capacity of the phone lines may also relate to line noise and weak phone signals we experience. There are no more phone lines available for our use to our farm. Today's agri-business operation is relying increasingly on rapid communication to do business. On one phone line we have: phone, fax and internet, a family residence, a farm/ranch that produces a half million dollars of ag. products annually, and a farm/ranch Bed & Breakfast/farm vacation business (possibility farm)." I ask that the PUC grant the following relief: "PUC should mandate that U S WEST update the lines in our area so that we can operate our ag business, tourism business and personal business in an expedient manner. We need two more lines, which are presently unavailable, to our farm." (Staff: SW/CH)	10/29/97	NA

Important Notice: The Commission is compiling a list of internet addresses. If you have an internet address please notify the Commission by E-mailing it to Terry Norum at: terry@puc.state.sd.us. Filing the address to the Commission at: 605-773-3809

PAGE 2 OF 2

South Dakota Public Utilities Commission State Capitol 500 E. Capitol Pierre, SD 57501-5070 Phone: (800) 332-1782 Fax: (605) 773-3809		TELECOMMUNICATIONS SERVICE FILINGS These are the telecommunications service filings that the Commission has received for the period of: 10/31/97 through 11/06/97 If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five days of this filing.	
DOCKET NUMBER	TITLE/STAFF/SYNOPSIS	DATE FILED	INTERVENTION DEADLINE
REQUEST FOR CERTIFICATE OF AUTHORITY			
TC97-173	Application by Vista Communications, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/CH) "Applicant seeks authority to offer a full range of 1+ interexchange telecommunications services on a resale basis. Specifically, Applicant seeks authority to provide MTS, out-WATS, in-WATS and Calling Card services. Applicant does not intend to provide operator services, 900 or 700 services."	10/31/97	11/21/97
TC97-174	Application by NTI Telecom, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/KC) "Applicant proposes to offer resold intrastate long distance services to the public. The services to be provided are Message Toll Service, Incoming 800, Travel Card services and Operator Services."	10/31/97	11/21/97
NONCOMPETITIVE TELECOMMUNICATIONS FILING			
TC97-175	U S WEST Communications filed to revise the language for Termination Liability Charges in the General Regulations section of its Exchange and Network Services Tariff. (Staff: TS/CH) The reason for the change is "to put the charge in the contracts for the specific services. USWC proposes an effective date of December 1, 1997."	10/31/97	11/21/97
REQUEST FOR ELIGIBLE TELECOMMUNICATIONS COMPANY STATUS			
TC97-176	Dickey Rural Telephone Cooperative pursuant to 47 U.S.C. 214(e) and 47 C.F.R. 54.201 hereby seeks designation as an eligible telecommunications carrier within the local exchange area that constitutes its service area in South Dakota. Dickey Rural Telephone Cooperative is the facilities-based local exchange carrier presently providing local exchange telecommunications services in the following exchanges in South Dakota: (605) 358 South Forbes, (605) 379 South Nelvik, (605) 383 South Guelph, and (605) 687 South Ventura. Dickey Rural Telephone Cooperative, to its knowledge, is the only carrier today providing local exchange telecommunications service in the above exchange area. (Staff: HB/KC)	11/03/97	11/21/97
TC97-177	Dickey Rural Communications, Inc. pursuant to 47 U.S.C. 214(e) and 47 C.F.R. 54.201 hereby seeks designation as an eligible telecommunications carrier within the local exchange area that constitutes its service area in South Dakota. Dickey Rural Communications, Inc. is the facilities-based local exchange carrier presently providing local exchange telecommunications services in the following exchanges in South Dakota: (605) 289 South Ashby, (605) 346 South Ellendale, and (605) 735 South Forman. Dickey Rural Communications, Inc., to its knowledge, is the only carrier today providing local exchange telecommunications service in the above exchange area. (Staff: HB/KC)	11/03/97	11/21/97

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

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

ORDER GRANTING
CERTIFICATE OF
AUTHORITY

TC97-174

On October 31, 1997, 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 NTI Telecom, Inc. (NTI).

NTI proposes to offer Message Toll Service, Incoming 800, Travel Card Service and Operator Services. A proposed tariff was filed by NTI. The Commission has classified long distance service as fully competitive.

On November 6, 1997, the Commission electronically transmitted notice of the filing and the intervention deadline of November 21, 1997, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled December 2, 1997, meeting, the Commission considered NTI's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to the condition that NTI not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission.

The Commission finds that it has jurisdiction over this matter pursuant to Chapter 49-31, specifically 49-31-3 and ARSD 20:10:24:02 and 20:10:24:03. The Commission finds that NTI has met the legal requirements established for the granting of a certificate of authority. NTI 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 NTI's application for a certificate of authority, subject to the condition that NTI not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. As the Commission's final decision in this matter, it is therefore

ORDERED, that NTI's application for a certificate of authority is hereby granted, effective December 31, 1997, subject to the condition that NTI not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. It is

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

Dated at Pierre, South Dakota, this 13th day of December, 1997.

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 *Alison Hacks*

Date 12/13/97

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES
COMMISSION

CERTIFICATE OF AUTHORITY

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

Authority was Granted December 2, 1997, effective December 31, 1997
Docket No. TC97-174

This is to certify that

NTI TELECOM, INC.

is authorized to provide telecommunications services in South Dakota.

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

Dated at Pierre, South Dakota, this 12th day of November, 1997.

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION:



James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner